



## **A CASE STUDY IN EFFECTIVE MANAGEMENT**

Dmitry Konov has addressed the participants of the Leaders of Russia national management competition.

Dmitry Konov's lecture for the participants of the Leaders of Russia competition was held as part of the initiative's mentorship programme, and took place as a Q&A session. Those who attended were interested in the SIBUR Management Board Chairman's personal experience in the operational management of his company, in strategic management, and HR management.

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### **WORKFORCE DEVELOPMENT IS AN EQUALLY IMPORTANT PART OF A MANAGER'S JOB AS OPERATIONAL MANAGEMENT AND ENABLING FUTURE GROWTH OF THEIR COMPANY**

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Dmitry Konov started off his presentation by introducing the participants to ZapSibNeftekhim and by detailing its contribution to SIBUR's overall performance.

Having embarked on the implementation of the Amur GCC project, SIBUR has started to roll out the solutions tested in the construction of the ZapSibNeftekhim project to a new site. However, despite the fact that SIBUR completed the ZapSibNeftekhim project under budget and ahead of schedule, the Company is well aware that some things could have been done differently. Dmitry Konov noted that management is very much about recognising and incorporating the lessons learnt into a company's next phase of development.

In Konov's opinion, a manager's work is split evenly between several areas. First of all, there is operational management, which involves adjusting the methods of achieving current objectives. The second aspect of management involves creating the conditions which will allow something to change over time. For example, to lay the contractual framework for a new project, to observe supplier and customer trends, and to analyse how they impact SIBUR. The third aspect of management, which is just as important as the previous two, is workforce development. Dmitry Konov is confident that SIBUR should operate more effectively today than it did yesterday, and that tomorrow it should operate even more effectively than it does today. Today, the Company needs fewer people than in the past, while at the same time employees need to possess unique skills. For example, 20 years ago, a large part of our workforce was involved in walking the floors doing inspections of technical components and units. Today, the majority of our line staff are people who operate sophisticated control systems and who apply their skills more widely and more quickly than specialists with a narrower profile.

Within every project there are problems requiring quick decisions, noted the head of SIBUR. Situations should be avoided during a project, whereby any decision requires the approval of a range of certain functions, which is typical of any major company. This stalls

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the project’s progress by wasting time and money. Therefore, it is essential to build a standalone system of project management. For every SIBUR project above the threshold of around USD 400 million, a steering board is organised, which includes a member of the Management Board who is responsible for fast-tracking these decisions. This responsibility sits alongside their day-to-day tasks.

The combination of day-to-day and strategic management allows you to work on things that will be relevant to the company tomorrow. Konov explained that one of the more complex aspects of management lies in striking the right balance between two groups of employees: those challenging existing processes (change), and those who are responsible for ensuring that the processes they know well operate as smoothly as possible (run). These two groups of people have a different attitude towards processes, different responsibilities, different skills and knowledge. Real change in a company happens when these two groups don’t just solve one task but share their knowledge to enable collaboration. At the same time, a smart evaluation system encourages the achievement of targets. A manager’s job is not to find an ideal solution but to create the mechanisms and conditions that empower people to work out solutions, which are sure to emerge from the discussion process, summarised the Chairman of the Management Board.

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## Background

The Leaders of Russia competition is a project of the Autonomous Non-Profit Organisation Russia – the Country of Opportunities.

For managers who want to advance further up the career ladder, the competition is a chance to make a statement and to evaluate own competitive advantages. This social ladder is a means for paving the way for promotion to high positions in the government or major companies.

Every applicant receives a tailored development plan with a comprehensive assessment of their managerial skills and a summary of their competitive strengths and weaknesses. Every finalist will receive a grant of RUB 1 million to enrol in an education or training programme at any higher education institution in Russia.

The winners will be able to get a personal mentor from a number of Russia’s best managers and receive individual advice throughout the year. They will also have the chance to enter into a specialist training and retraining programme offered by the Russian Presidential Academy of National Economy and Public Administration (RANEPA).