

## [ EDITORIAL ]

# Business and goodwill

Singapore Airlines did the right thing in honouring the tickets of about 400 passengers who had bought business-class seats at economy-class prices as a result of a computer glitch. To the customers, it was a generous “Christmas present”; to the airline, it was a business hit, amounting to perhaps \$2 million in lost revenue. But SIA would have lost more in failing to catch that feel-good current of public opinion if it had insisted on being legalistic and going by the book.

Being a reluctant Santa would have done it no good either. Passengers would relish the giveaway without an ounce of gratitude, and the public would smirk in the usual way when industry leaders are hoisted by their own petard. Clearly, this was a moment for sharp reflexes and public relations savvy. But, alas, SIA didn't rise to the occasion quickly enough to make virtue out of necessity.

Its initial bout of hesitation – when it said that customers should pay the difference in fares or get a refund – put it on the wrong course. In the end, SIA corrected its direction by

putting its brand image ahead of financial expediency. Had it done so with aplomb at the start, it could have won much more goodwill and an opportunity to turn this into a viral story with the potential of promoting the fine touches of its business-class service.

Of course, one cannot expect all on the frontline to exercise discretion shrewdly and see issues from the customer's point of view. But supervisors ought to know better, especially when the results of a decision would make a reasonable person shake his head. Take the handling of the Swiss music group that missed its flight because Hong Kong staff insisted that multimillion-dollar instruments be checked in rather than be carried on board. Training managers to be more sensitive to PR outcomes ought to be de rigueur in a competitive industry that tends to see an unexpected turn of events appearing out of the blue.



Han Fook Kwang  
Managing Editor

## Going Dutch in the digital world

Size and its limitations have never dampened their zeal to excel

They are the sort of tenants landlords dream of. Seldom moving out and always paying the rent on time.

No broken windows or soiled bathrooms.

I was taken around one such place on a visit to the Netherlands a week ago.

But these tenants are fussy about two things: tip-top air-conditioning and electricity supply.

That means absolutely no outages, which explains the standby generators and the rooms of batteries designed to take over should the regular supply fail.

Even the diesel for the generators is tested every month to make sure they will work when needed.

The other requirement is maximum security. No one enters or leaves without stringent biometric checks.

Welcome to the world of Internet data centres without which the World Wide Web and the 24/7 digital world would not have been possible.

We take all of this for granted, but have you ever wondered how it is that Facebook or Google or your Internet banking is available all the time?

Where do these companies store their computers with all the data that's being generated by millions of users and how do they keep them running so reliably and securely all the time?

The answer was in front of me in this facility next to Schiphol airport in Amsterdam run by Dutch company Intertec.

There are many such centres all over the world, including in Singapore, but the Netherlands wants to be the digital gateway to Europe, and I am visiting to find out how it is going about fulfilling that ambition.

Google is their prized catch and has announced the building of one such data centre in the Dutch province of Groningen in 2016, an investment of 600 million euros (\$980 million). It will require electricity enough to power 400,000 households.

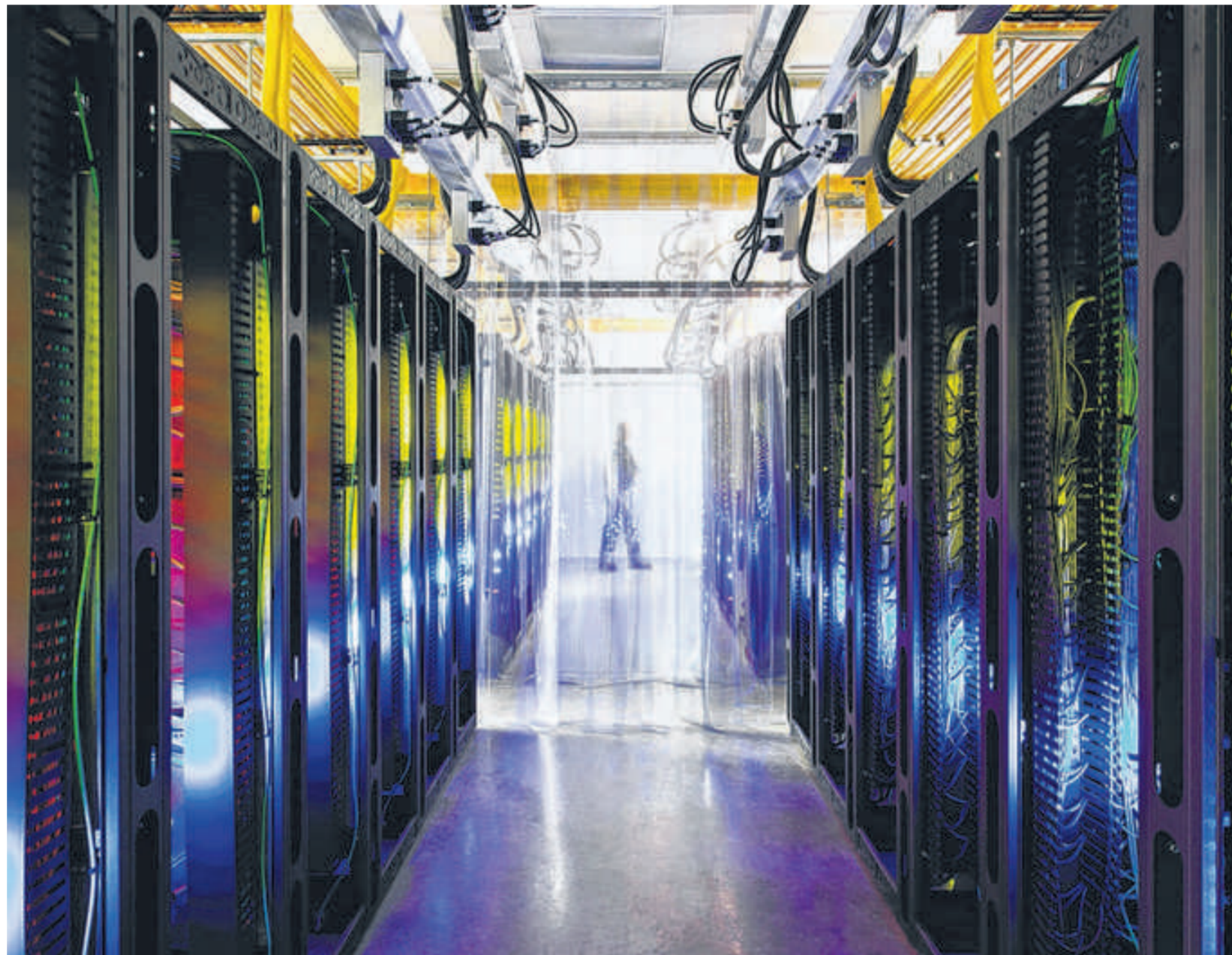
Why is the Netherlands so keen on developing this business which consumes so much energy and uses so much space?

For starters, it's a natural choice since 11 out of the 15 Internet undersea cables across the Atlantic from the United States to Europe go through Amsterdam which houses the world's largest Internet exchange.

The country is host to some of the top names in the business: Google, Microsoft, Cisco, Infosys and Huawei.

With its extensive broadband network, 90 per cent of the people pay their taxes online, 70 per cent do Internet banking.

Within a 300km radius of Amsterdam live 200 million of some of the wealthiest and most advanced people in Northern Europe, giving it one of the most enviable high-income markets.



A peek inside Google's data network centre at Council Bluffs, Iowa, in the United States. It is maximum-security at these centres.

PHOTO: GOOGLE



(From left) Eemshaven Mayor Marijke van Beek, Google data centre design and construction head Bryan Evans, Google Global Infrastructure director Francois Sterin and Dutch Economy Minister Henk Kamp posing with shovels at Eemshaven, a seaport in the province of Groningen in the Netherlands, where Google is investing in a new \$980 million gigantic data centre.

PHOTO: AFP

The Dutch government believes in the digital world's future, and has invested heavily in both the infrastructure and the training of its people.

We visit one such project in The Hague, touted as Europe's largest cluster of security companies, involved in cyber security, forensics, national and urban security issues,

drone development and so on.

The Hague Security Delta is a government-funded project bringing together these companies in one location, offering attractive tax incentives and rentals.

I visit companies doing work on identity and password authentication, crowd sensing and cloud computing.

### The road to a smart nation

Singapore too has ambitious plans and recently announced it wants to be the world's first smart nation using technology to enable its people to work more efficiently and enhance their quality of life. If there is one thing it can learn from the Dutch, it is that size is not a handicap and that the key to success is developing your own people in areas that make use of their innate ability and strengths.

Many are small set-ups with fewer than 10 people and the environment is more university campus than corporate office.

But they all do technically and intellectually demanding work requiring much creativity and energy.

Next step is the Dutch Game Garden, another government-funded scheme to help grow the gaming industry.

I talk to the staff of one such company which has developed a successful game called World Of Difference.

It's different all right because the game is not about destroying a zillion monsters with your killer weapons but about helping children get over the loss of their loved ones. But it is available only in Dutch.

When I ask how it could survive in such a small market, and didn't it want to do an English version which could go global, the answer was that it was a small company with a limited budget.

But there's more to it behind that modest response.

Throughout the trip, you detect a strong sense of pride and identity among the people, of wanting to serve the Dutch people first and foremost.

That game was designed for Dutch kids because that's who they want to help first.

Here's another reason: The Netherlands is a good place to test their products because its highly educated population have high expectations on quality and reliability and are technologically savvy.

If it works in the Netherlands,

you expect it to do so elsewhere.

This is a country that does not believe in shortcuts and quick-fixes and they want to figure it out themselves how things work and adapt it to their own needs.

They don't believe, for example, in paying top dollar to attract foreign talent, or those big whales as they are called.

They want to develop their own capability.

Some of the country's most impressive achievements have been in areas that it spent years refining, such as agriculture and water technology.

It is the world's second-largest exporter of agricultural products after the United States, an amazing feat for such a small country with a population of only 16 million.

(Juicy details: It produces more onions than anyone else and one-quarter of the world's tomatoes, and its productivity is five times the European average.)

But it is also a country that can draw on its history as one of the great trading nations of the world when the Dutch East India Company became the world's first multinational corporation in the 17th century, bringing enormous wealth from its colonies worldwide, including in Indonesia, back to the motherland.

At the Rijksmuseum in Amsterdam, its historical achievements are proudly displayed, including its collection of paintings by old Dutch masters such as Rembrandt and more modern ones like Van Gogh.

Size and its limitations have never prevented the Dutch from wanting to conquer the world either physically or, now, digitally.

They also have their own ideas of how they want to live their lives and organise their societies.

Marriage isn't the done thing and many couples do not marry, even after they have children.

During my visit, there were notices everywhere in Amsterdam warning of three tourists who died because they were sold white heroin instead of cocaine.

And to encourage drug users to come forth with information, it carried the statement: You will not be arrested for using drugs in Amsterdam.

Can such a liberal and, in our Singaporean eyes, wayward, society have the discipline and wherewithal to make the digital world theirs?

I wouldn't bet against the Dutch.

They won't conquer the digital world and their impact will be limited compared to the Americans or even the South Koreans.

But they will be there among the most technologically advanced.

Singapore too has ambitious plans and recently announced it wants to be the world's first smart nation using technology to enable its people to work more efficiently and enhance their quality of life.

If there is one thing it can learn from the Dutch, it is that size is not a handicap and that the key to success is developing your own people in areas that make use of their innate ability and strengths.

Ultimately, it is not about technology but the people's capacity to learn and innovate, and to have the confidence to do it their way.

That is how the people of Netherlands have done it through the centuries, even as the world around them changed.

Their digital ambition carries on this tradition.

hanfk@sph.com.sg