



Servicing the World

There are more financial service providers per business or institution in the Amsterdam Metropolitan Area than anywhere else on earth. The way Robert Swaak sees it, this is not a problem. In fact, on balance the chairman of the board of the Dutch branch of business service provider PricewaterhouseCoopers actually considers it an advantage for all of the service organisations established here and their clients. Admittedly, clients' 'shortlists' may end up being rather long. However, the flipside is that the fierce competition as well as the highly internationally oriented surroundings prompts many service companies based in and around Amsterdam – the service centre of the Netherlands – to go the extra mile and really expand their horizons.

"There are very few places in the world where you will find such a globally-minded and innovative service cluster," Swaak theorises in his executive office on the top floor of the PricewaterhouseCoopers headquarters in Amsterdam. "We are a product of it as the Dutch arm of PricewaterhouseCoopers.

Throughout our international network of over 130 country offices we have a reputation for embracing and incorporating new services and products faster than average. We are also considered a pilot market, especially for continental Europe: when something catches on here in the Netherlands we can go ahead and try it out in the rest of Europe. Our people have a pioneering role in many of the innovations and developments in our areas of expertise, too. For example, employees in our accounting department in the Netherlands are involved in developing new International Financial Reporting Standards (IFRS) that will play an increasingly important role in the years ahead. This dynamic is what makes our presence here extra appealing."

BIG FOUR

With respect to the Amsterdam Metropolitan Area as a business region it is regarded as one of the absolute major assets. Nowhere else in the world is the service sector so well-represented with such a wide range of branches. And at the heart of this extensive range of

financial service providers, management consultants, lawyers, communication specialists and all of the other professionals involved in service industries, you will find the Dutch equivalent of the Big Four: the national offices of KPMG, Ernst & Young, Deloitte and PricewaterhouseCoopers.

Parallel to their evolution on the global markets they likewise became leaders in the Netherlands in the fields of accountancy, fiscal affairs and management consultancy. At the same time they also draw new service activities and help nurture national and international talent.

Market leader PricewaterhouseCoopers is one representative. During the 1970s the original American company Coopers & Lybrand gained a foothold in the Netherlands after acquiring Dijker & Van Dien, a local network of accountant and tax consultant offices. The subsequent global fusion with peer company Pricewaterhouse signified a leap to the next level. Combined with above-average autonomous growth, PricewaterhouseCoopers is now the

market leader in its segment in the Netherlands. Over 4,500 employees based at the Amsterdam headquarters and offices around the country are involved in every economic sector imaginable. The majority of listed companies in the Netherlands are either channel 1 (reporting and fiscal advice) or channel 2 (management advice) clients. The organisation also provides services to many government, education and health care institutions. A considerable number of smaller and medium-sized companies call on PricewaterhouseCoopers for support and advice, too. But the organisation also serves numerous foreign companies and institutions, providing advice and assistance from the Netherlands. In some cases this involves establishing a financial holding, usually accompanied by help with building up a European network and setting up or refining a professional organisation.

SERVICE ECONOMY

Aided by this unique market position chairman of the board Robert Swaak has good insight into what makes the service cluster in and around Amsterdam so powerful and how it adds to the appeal of the local business climate. "The density of the network can of course be explained to a large extent by the structure of the Dutch economy. In the Netherlands, the service sector represents 70 percent of GDP, and the situation in the Amsterdam Metropolitan Area reflects this."

"An equally important explanation, however, is that the service sector also profits from the international aspect of the economy. The Netherlands has typically been a cornerstone of the globalizing corporate sector in which the service sector has expanded accordingly. This region alone has over 1,900

foreign companies that oversee most international operations. In the wake of this development you can see a fly-wheel effect manifest in the service sector, too; there is an increasing number of providers and in order to keep standing out in the crowd you must continuously improve not only the quality but also the scope of your network." This in turn will attract new business activity.

The area itself is stimulating, too. For a knowledge business such as PricewaterhouseCoopers, the diversity of the workforce and quality of the existing knowledge cluster are exactly what counts. "The Amsterdam Metropolitan Area scores high on both points," Swaak says, who bases his evaluation in part on his personal experiences as an expat in countries including the United States. "Young people around the world are very keen to live and work here because of the attractive work/life balance or because they feel drawn to the unique sense of freedom that they have here. Amsterdam is a very special experience in that sense, too. This is a tremendous advantage for us as an employer, of course. Plus, the quality of university education and technical and vocational training is excellent here, and the various schools and institutions often work closely with universities and colleges abroad."

Another advantage is that the Netherlands is perceived as politically and culturally neutral by the rest of Europe. A sensitive corruption investigation into a major German group by the German PricewaterhouseCoopers office was entrusted to the fraud investigators at the Dutch sister company. To the outside world this offered an additional guarantee with regard to the independence and quality of the study.

Moreover, the 'Dutch' (the team in Amsterdam actually includes a South African and an American, too) were considered better qualified to view the corruption practices against the cultural backgrounds of the developing countries in which they were committed. "This cultural neutrality arguably matters more in our sector than in others. In a globalizing economy, companies are confronted with more and more international legislation, which often leads to misunderstandings. For example, Americans tend to prefer to take everything that is wanted and unwanted and put it into rules and laws (the rules-based principle), whereas Europeans tend to favour the principle-based approach that allows for individual interpretation. Obviously these differences in approach are a potential source of misunderstandings. I get the sense that having one foot firmly planted in English traditions and the other in our own Western European cultural history enables us to mediate more effectively."

The Amsterdam Metropolitan Area offers a third unique selling point to a service provider such as PricewaterhouseCoopers: networks are relatively open and casual. "In the service sector, a lot of contracts depend on relationships based on trust. During the time I spent working abroad I realised how important it is for you to know the right people and for them to be willing to admit you to their inner circle. With regard to the whole 'who knows who' world here, I am struck by the transparency. It is not a secret club that is inherently off-limits to newcomers. Quite the opposite: if you have a good pitch and can convince others that your presence offers added value, you will be accepted as one of the local 'Amsterdammers' in no time."

