

Videoconferencing steps up as SARS slashes travel.

By RACHEL KONRAD.

651 words

6 May 2003

[The Australian](#)

English

(c) 2003 Nationwide News Proprietary Ltd

Personal contact is crucial in Asia, but SARS has changed all that, reports Rachel Konrad SAN JOSE: Al Sisto wouldn't knowingly expose his employees to SARS, nor would he jeopardise his software firm's revenue, two-thirds of which comes from Asia.

So, when the president and chief executive of Phoenix Technologies declared all travel to Asia voluntary, he also ordered an upgrade of his company's web-based videoconferencing system.

Sales representatives, who last month considered a flight from San Francisco to Hong Kong part of their commute, now woo clients in cyberspace from offices in San Jose, California.

"For the keynote speeches, the high-level meetings, the gatherings of senior executives to further our relationships - that's where we've had to do a bit of a switcheroo and move to the web and videoconferencing," Sisto says.

Phoenix joins a growing list of Silicon Valley companies using technology as an alternative to travelling to SARS-afflicted places, many of which happen to be critical manufacturing centres of microchips and buyers of tech firms' finished products.

The World Health Organisation advises people to postpone unnecessary travel to Hong Kong, Beijing and other parts of China because of sudden acute respiratory syndrome, which has killed more than 390 people and infected nearly 6000 worldwide.

Although few companies are reporting manufacturing slowdowns or stalled product launches, US executives fear SARS may lead to shut-downs of factories and office parks, complicate business relationships and stifle consumer demand in one of the tech industry's most important regions.

They're hoping the newest generation of high-speed, zero-delay conferencing hardware and software - as well as email and instant messaging - will provide emergency means of personal relationship building, which is crucial for business in Asia.

Communication between Silicon Valley and Asia is essential. The continent produces billions of computer parts each year, and low-cost contract workers maintain computer systems and develop software for hundreds of Silicon Valley companies.

Asia and Australia accounted for 38 per cent of revenues at Santa Clara-based Intel in the last quarter of 2002, and was the chipmaker's leading money-maker for the previous three quarters.

Microsoft, which has more than 4000 employees in Asia, extracts about 20 per cent of its global revenue from the region.

Instead of flying to Tokyo, Guerrino De Luca, chief executive of Logitech International, conducted a live interview with Japanese journalists over a new Polycom video system with television-size screens installed in the company's Fremont headquarters.

Although the company has lifted its two-week ban on travel to and within Asia, Logitech is asking employees to become familiar with telecommuting procedures, teleconferencing and web-based videoconferencing.

About 3000 of Logitech's 4000 workers are in Asia, mainly at manufacturing plants in China.

The SARS outbreak has also prompted many Silicon Valley companies to update emergency strategies and ensure employees have telecommuting tools such as firewall-protected access to company servers.

Santa Clara-based Sun Microsystems already encourages employees to telecommute. Sun broadened its iWork program in April in case offices in Asia were shut down or workers were quarantined.

Redwood City-based Oracle is asking employees to avoid non-essential travel to Asia and on return from a SARS-infected country they are asked to telecommute for five days.

But Silicon Valley's switch to electronic communication with Asia could be risky for business. Many Asian executives strongly favour face-to-face networking.

"Asia moves very slowly," says Dr Usha Haley, a business professor at the University of Tennessee and author of the upcoming book, *Asia's Tao of Business: The Logic of Chinese Business Strategy*.

"Business relationships in China and in South-East Asia are based on trust and evolve from extracting information through variously textured means, including most importantly face-to-face interactions," she says.

Document austln0020030505dz560008u