

# PHILIPS

## Open Innovation as an Important Growth Driver

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Münchner Kreis  
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## Royal Philips Electronics

- One of the largest market driven global diversified industrial company with sales of EUR 27 billion in 2007
- A people centric company with a multinational workforce of 123,000 employees
- Active in the areas of Healthcare, Lighting & Consumer Lifestyle
- Manufacturing sites in 28 countries, sales outlets in 150 countries
- R&D expenditures are 6.1% of sales (2007)
- 60,000 patents in IPR portfolio, no 1 in European patent filings

*Headquarters:  
Amsterdam, The Netherlands*



## Philips Mission

Philips has reinvented itself many times. Our core and corporate soul has always remained intact. It has been at the heart of our company since its foundation in 1891. We have a passion to ...

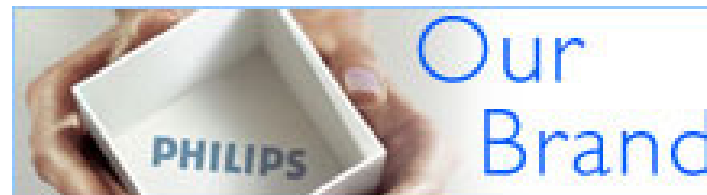
*“Improve the quality of people’s lives  
through timely introduction of  
meaningful innovations”*

## Our Brand

Philips is committed to delivering products and solutions that are

- Designed around you
- Easy to experience
- Advanced

This is encapsulated in our brand promise of: 'sense & simplicity'



## Our Market Sectors

### Philips Healthcare



- Imaging Systems
  - *Intermagetics*
  - *Witt*
  - *VMI*
- Customer Services
- Healthcare Informatics
  - *Stentor*
- Ultrasound & Monitoring Solutions
- Home Healthcare Solutions
  - *Lifeline, HealthWatch*
  - *Respironics*

### Philips Lighting



- Lamps
- Professional Luminaires & Systems
  - *Color Kinetics*
- Home Luminaires & Systems
  - *PLI, Genlyte*
- Lighting Electronics
  - *Bodine*
- Automotive
- Solid State Modules
  - *TIR Systems*
- *Lumileds*
- Special Lighting Applications

### Philips Consumer Lifestyle



- Domestic Appliances
- Health and Wellness
  - *Avent*
- Shaving and Beauty
- Connected Displays
- Peripherals and Accessories
  - *Power Sentry, DLO*
- Video and Multimedia
- Audio and Multimedia
- Professional and Business Solutions

*Acquisitions in Blue made in the last 2 years.* Abbreviations: PLI: Partners in Lighting; TIR: TIR Sstems; DLO: Digital Lifestyle Outfitters;

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## Track record in innovation

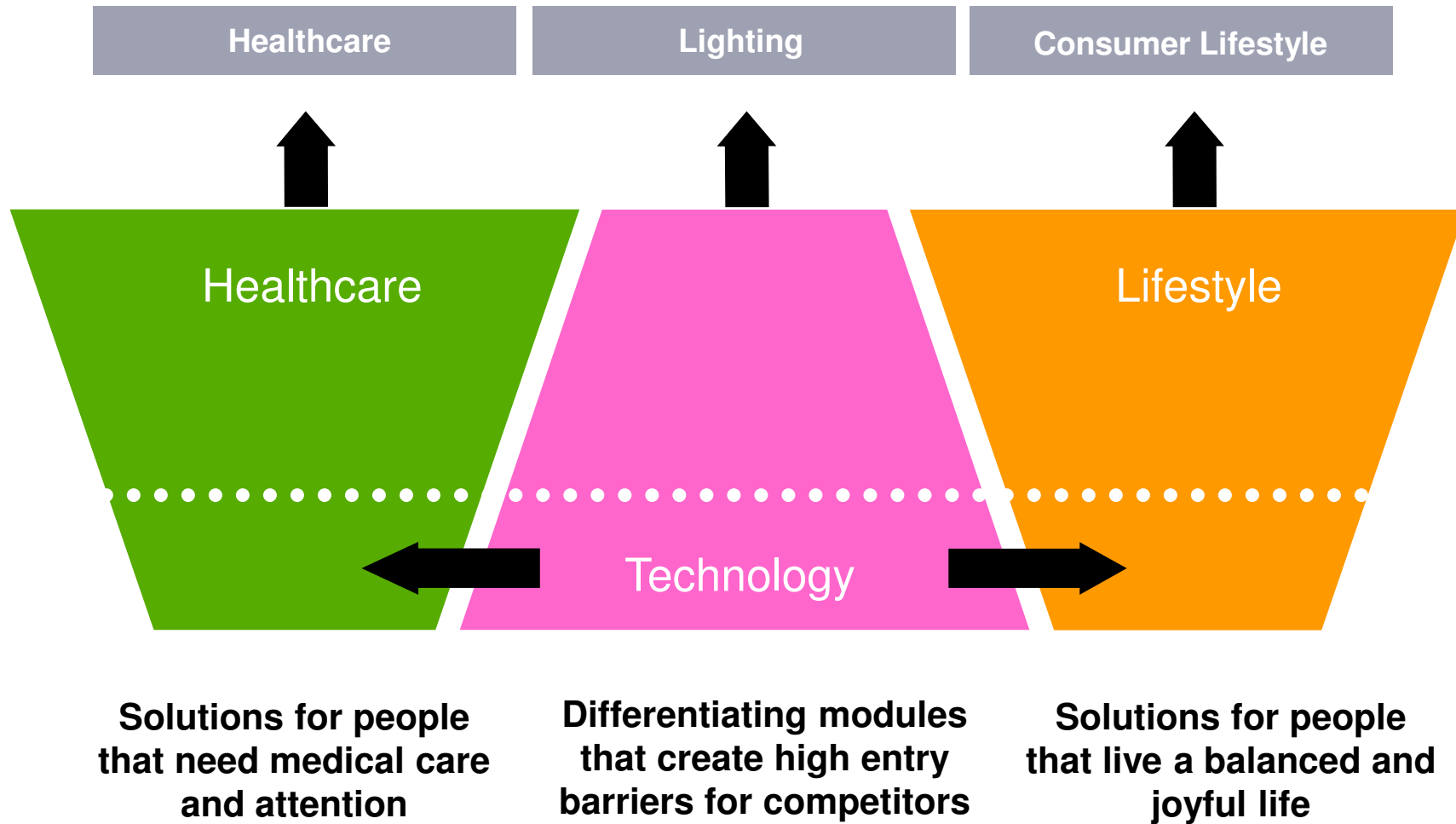


## About Philips Research

- Over 90 years of industrial research
- 1,800 employees, more than 50 nationalities
- 600 PhDs
- 25 Part-time Professors
- Mix of expertise areas
- Source of R&D talent
- 750 external visitors
- 1.5 patents filed per scientist/year
- 0.6 reviewed publications per scientist in 2007, frequently cited
- Strong track record in innovation

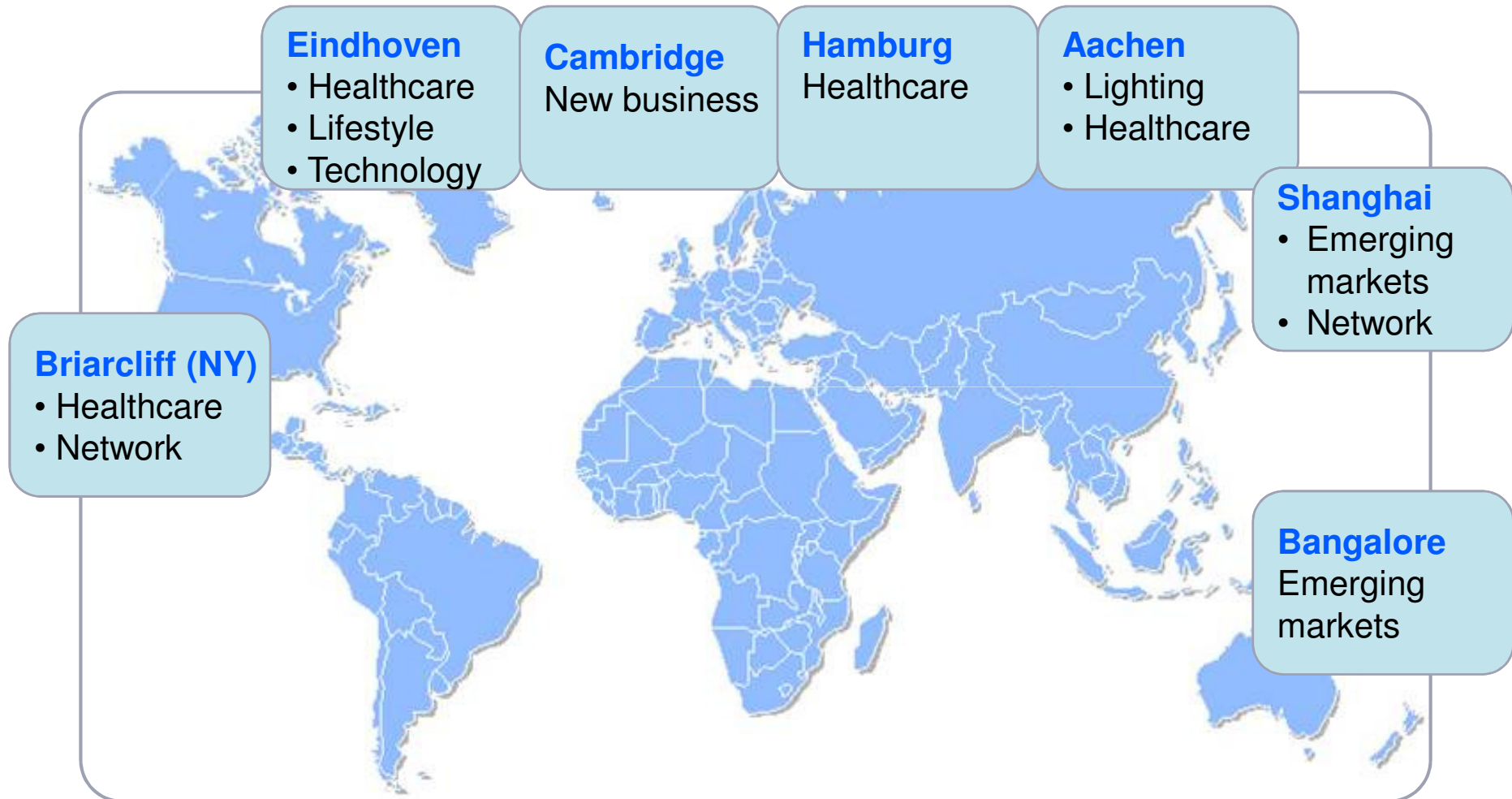


# Focus on Healthcare, Lifestyle & Technology

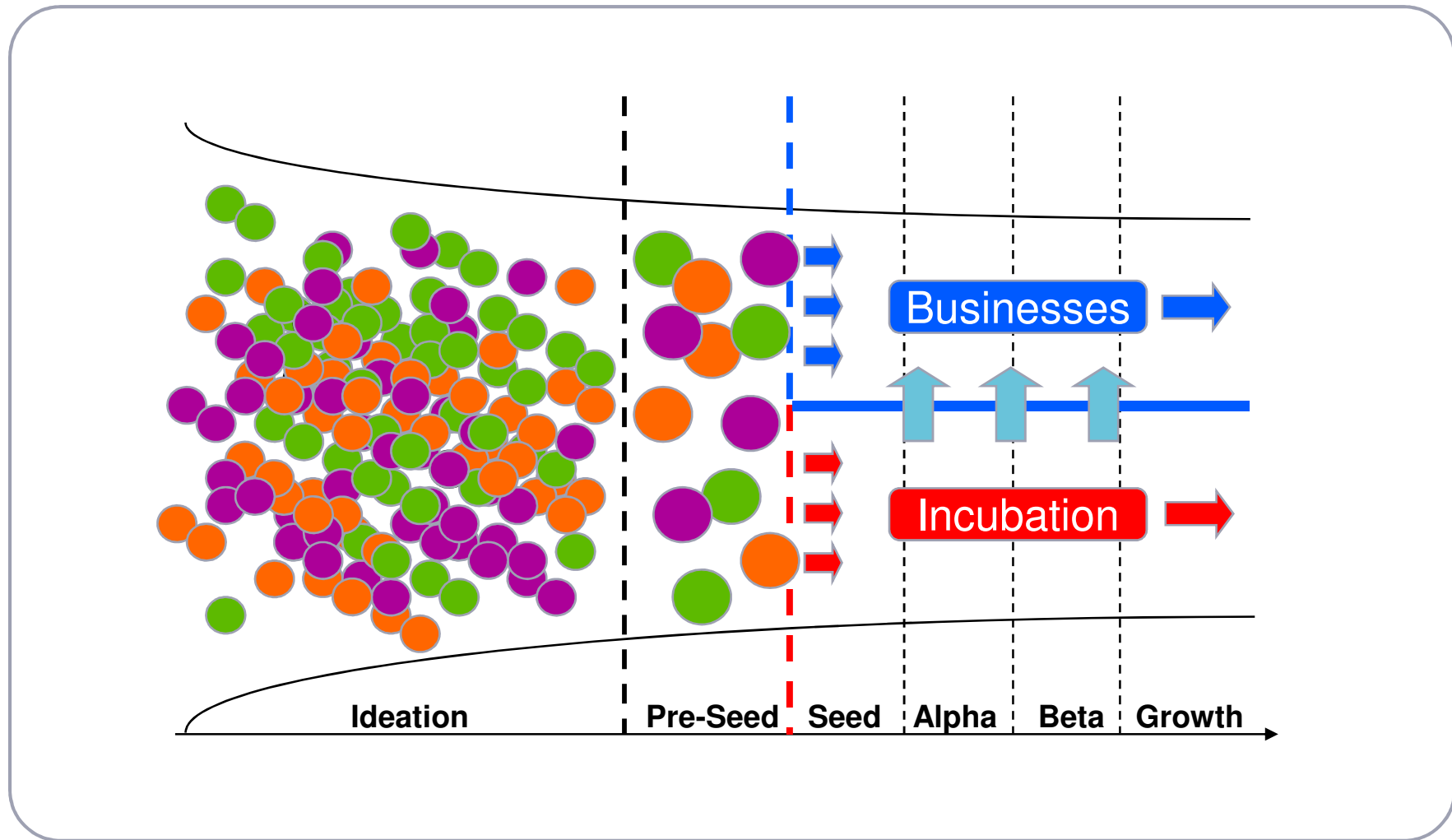




# Global Research with regional representation



# Filling the innovation pipelines



# Continuously testing on consumers

HomeLab



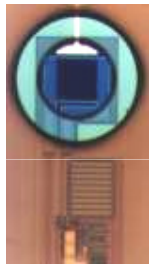
ShopLab



CareLab



## The scope of innovation continues to change



- Technology
- **Closed**
- Individual activity
- Division oriented
- Scientific attitude
- Corporate funding



- Products
- **Selective partners**
- Project activity
- Client oriented
- Engineering attitude
- Contract funding



- Experiences
- **Open**
- Business start up
- Customer oriented
- Innovation attitude
- Investment funding

1980

1990

2000

2010

## Different types of people over time

Pure Research



- Scientists
- Individualists
- Curiosity driven

Product Research



- Engineers
- Team players
- Technology driven

Entrepreneurship



- Creators
- Entrepreneurs
- Business driven

1980

1990

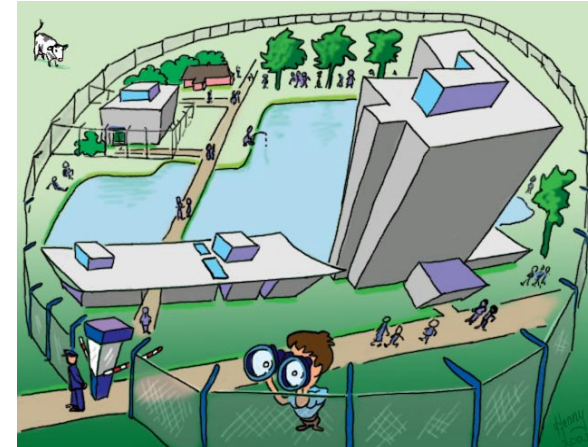
2000

2010

## Our Open Innovation strategy

- What is it:
  - Innovation done in co-operation with external partners: companies, institutes, universities.
- We do it to:
  - Create value for Philips by leveraging expertise of others
  - Create critical mass to cope with ever increasing complexity
  - Be able to define standards
  - Reduce time to market by co-operating with partners in the value chain
  - Reduce cost and share risk

From...



To...



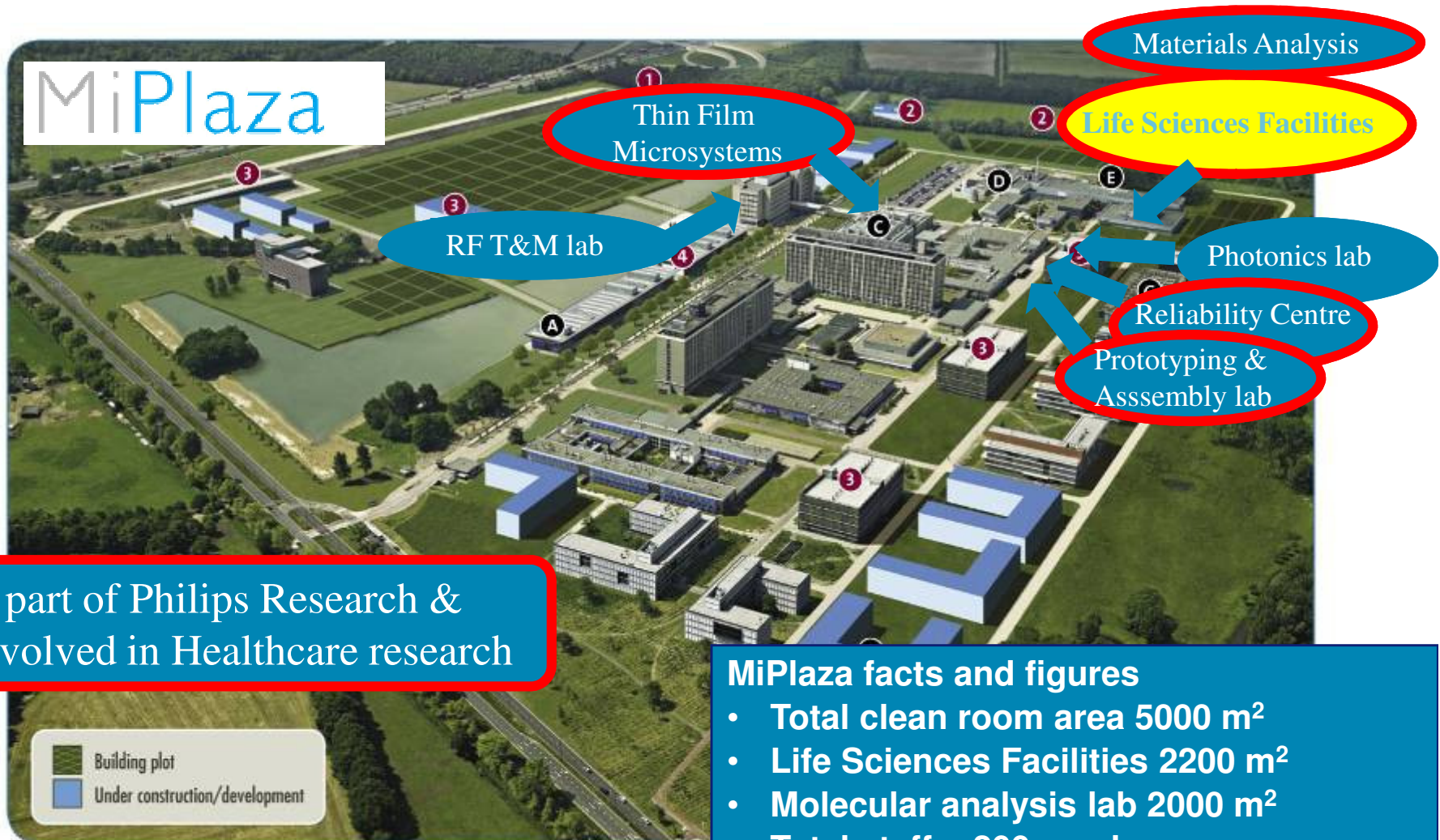
## Open Innovation at HTC Eindhoven

> 75 companies  
> 6500 people



<p><b>Corporate innovators</b></p>	<p><b>Research institutes</b></p>
<p><b>Consultancy &amp; services</b></p>	<p><b>Start Up companies</b></p>

## Shared facilities





## Holst Centre



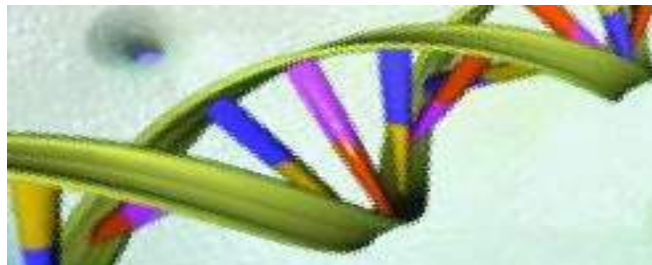
- Joint centre of TNO (4500 fte, Netherlands) and IMEC (1300 fte, Belgium)
- Created in 2005, co-funded by government and industry
- More than 120 fte in 2007; 220 fte planned for 2010
- Wireless transducer solutions; system in foil



# Center for Translational Molecular Medicine

A public-private partnership initiative headquartered at HTC

- Medical Technology, Pharma, Chemical & IT companies, Instrumentation, Molecular Diagnostics ventures
- Universities and University Medical Centers
- Contribution from the Dutch government of 150 M Euro



Center  
for Translational  
Molecular  
Medicine

## In conclusion

- Achieved so far:
  - Entrepreneurial spirit
  - Eco-system in Eindhoven starts to work
- Focus for coming years:
  - Explicit policy on share / access / control
  - More high-tech starters at HTC
  - More big players at HTC



