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Gradivo je avtorsko delo in njegova nepoboščena uporaba, v celoti ali posameznih delov, v komercialne namene ni dovoljena, razen ob izrecnem soglasju in navedbi avtorja.
SFPO Forum, Ljubljana 2010

PHILIPS

Business Excellence to improve competitiveness
-for larger business systems-

Leon Tossaint
former Vice President Quality Management
Philips Consumer Electronics
Royal Philips Electronics

- One of the largest global electronics companies with sales of around EUR 26,000 million
- Profitable, even in the ‘crisis year’ 2009: EUR 424 million
- Multinational workforce of around 120,000 employees
- Active in the areas of Healthcare, Consumer Lifestyle and Lighting
- Present in over 60 countries

Headquarters: Amsterdam, The Netherlands
We

• are everywhere you go on the planet
• registered over 115,000 patents
• are ranked in 2010 by Dow Jones as the global leader in sustainability within the cyclical goods market
• Are ranked in the ‘top 50’ of world leading brands
• are a world leader in medical diagnostic imaging systems and patient monitoring
• are number 1 in the global lighting market
• are number 1 in electric shavers
• are number 1 in Europe and number 3 global in TV, video and audio products, and accessories
Philips and EFQM

- Philips was one of the initiators and Founding Members of the EFQM in 1988
- The first EFQM president was Cor van der Klugt, president of Royal Philips at that time
- The first EFQM CEO was Cees van Ham, Corp. Quality director of Philips
- The first EFQM Head Quarter was in Eindhoven, next to the Philips Head Quarter
- Philips experts were intensively involved in developing the EFQM Excellence Model
- Philips experts have developed Process Survey Tools (PST’s) and Philips now provides these PST’s to all members of the EFQM network
Philips Business Excellence Journey

C.W.Q.I.
- Q Awareness
  - Q Policy by President
  - Q Tools & training
  - '80

Philips Quality
- Q Top driven
  - Philips Quality Model
    - Leadership
    - Process Orientation
    - Focus on cust. and Suppl.
    - Quality Improvement Teams
    - ASO-9000
  - '90

BEST
- BE at all Levels
- Philips Business Excellence Model (EFQM)
  - PBE Model / Assessments
  - Process Survey Tools
  - Black Belts / Six Sigma
  - BSC, EES, Cust. Surveys
  - Quality Improvement Teams and Team Recognition
- 2000

Time
- Foundation EFQM
- '80
- '90
- 2000

Philips Quality
- PBE Model / Assessments
- Process Survey Tools
- Black Belts / Six Sigma
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Time
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- '80
- '90
- 2000

Philips Business Excellence Journey
Philips Business Excellence (PBE)

PBE Model = EFQM Excellence Model

The common framework across Philips on how we manage our businesses and assess our results

Leadership

- People
- Strategy
- Partnerships & Resources

Processes, Products & Services

- People Results
- Customer Results
- Society Results

Key Results

Innovation, Creativity and Learning
Added Value
Philips Business Excellence Program

• The PBE Model became the mindset of Management
• Leadership Performance became explicit and measured
• Strategic Targets, deployed and supported by all levels
• Process Improvements linked to Business Targets
• Customer Satisfaction extensively measured
• Employee Satisfaction driven by Top Management
• Society & Environment became business priority
• Intensive Learning through (Peer) Assessments
• Competitive target setting supported by benchmarking
Philips Business Excellence Approach

Some examples on:

- Leadership
- People involvement
- Process Excellence
- Customer orientation
- Managing the Value Chain

To improve Competitiveness........

........and achieve Excellent Results
Leaders Managing the Change

Leaders in Philips:

• Develop new Business Models anticipating changes in Markets, Product Lifecycles and World Economy

• Make the organization ‘Lean and Mean’ by concentrating Divisions, taking out organizational layers, driving continuously cost and asset reductions, and managing risks

....... to be continuously ahead of the Competition!
People Involvement in Process Improvement

Black Belts
Hundreds of BB’s active, focus on breakthrough in Process Improvement, linked to strategic targets

Six Sigma

Quality Improvement Teams
Thousands of QIT’s active Focus on customer satisfaction and cost reduction, linked to business priorities
Process Excellence:
Improving the Process Value Chain

- Dynamic management:
  - Cycle time reduction
  - Inventory optimization
  - Demand / sell-out based supplier management

- Commercial policy
  - Pocket Price waterfall simplification

- Brand campaign
  - Marketing partnerships

- Technology partnerships

- Supply Chain partners

- Scale alliances

- Consumer driven business creation

- R&D

- Manufacturing

- Sourcing

- Supplying

- Selling

- Marketing
Process Survey Tools (PST’s) are Process Maturity Grids developed by Philips, based on global expert knowledge gained from many World-Class Companies.

PST’s for:
• Purchasing Process Management
• Manufacturing Process
• Supply Chain Management
• Marketing & Sales Process
• Human Resource Management
• Finance management

PST’s are Benchmarks to improve Competitiveness
Integral customer management as a source of sustainable competitive advantage
Key Account Management

Focus on what drives results

Customer outlets
70% reduction in outlets served directly

Product SKUs
30% reduction in overall portfolio
Key Account Management & Customer Satisfaction

example:

Weekly reports to all key-account suppliers, on:

Sales
Company Store Sales
Est. Profit
Margin
Store weeks on hand
In stock %
Fill rate
Lead Time

For their warehouse:
Ships at Costs
Warehouse turns
Warehouse weeks on hand
Cost on hand
Cost on order

These weekly reports are compared with months’ and years’ totals.

Walmart feeds back on your companies’ performance against all your competitors
Make your organisation ‘Lean and Mean’

Drastic reduction of the risk profile by managing the value chain instead of owning it
Philips’ operating model is increasingly becoming more agile and asset light

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Competitiveness
of Slovenian Companies
can be drastically increased through
Business Excellence
Global Competitiveness Index

Slovenia is Competitive in their Region
Slovenian Competitiveness
Higher Education & Training
- Quality of Management Schools -

Source: WEF2010

Higher Education & Training
Quality of Management Schools
Slovenian Competitiveness

Innovation

Source: WEF2010
Slovenian Competitiveness
Business Sophistication

Source: WEF 2010
However… Trend (2008-2010) is Negative
Improving Slovenian Companies’ Competitiveness

• Partnership with SFPO
• Partnership with EFQM

For your ‘Journey of Excellence’
EFQM in Slovenia

Join us and drive Slovenia further towards Sustainable Excellence.

Together we increase European Competitiveness.