

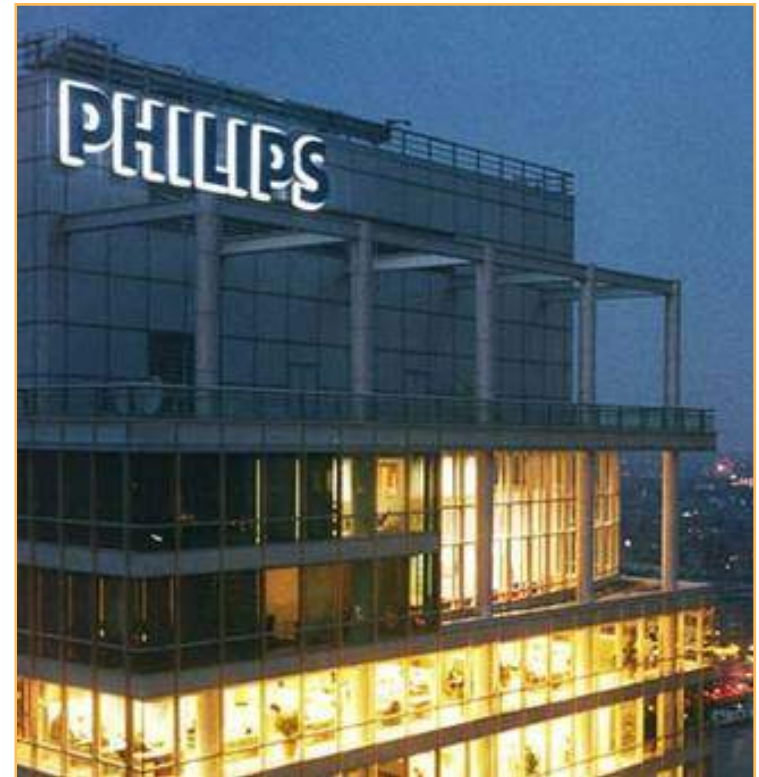
Opening up Corporate Innovation

Ronald.M.Wolf,
Director Venturing,
Philips Research

Royal Philips Electronics

- One of the largest market driven global electronics company with sales of EUR 27 billion in 2007
- A people centric company with a multinational workforce of 123,801 employees (December 2007)
- Active in the areas of Consumer Lifestyle, Healthcare & Lighting
- Manufacturing sites in 28 countries, sales outlets in 150 countries
- R&D expenditures are 6.1% of sales (2007)
- 80000 patents in IPR portfolio, no 1 in European patent filings

*Headquarters:
Amsterdam, The Netherlands*



20th century: Technology stimulated growth

De Philips' Metaal draadlamp

bespaart, vergeleken bij de Kooldraadlamp, 70 %,
en kan in elke richting branden.

Gemiddelde Brandtijd 1000 uur.

ELKE LAMP IS GESTEMPELD „PHILIPS“.

No. 5. No. 6.

Geringe Warmte uitstraling. Geringe Lichtafname.

Speciale Soorten.		KOGELVORM.	
25-45 Volt	8-10-12-16-25 N.K.	70-260 Volt	100 N.K.
60-110	16-25-32-50 N.K.	70-260	250 N.K.
140-160	16-25-32-50 N.K.	70-260	400 N.K.
200-260	16-25-32-50 N.K.	70-260	600 N.K.
	25-32-40-50 N.K.	70-260	1000 N.K.

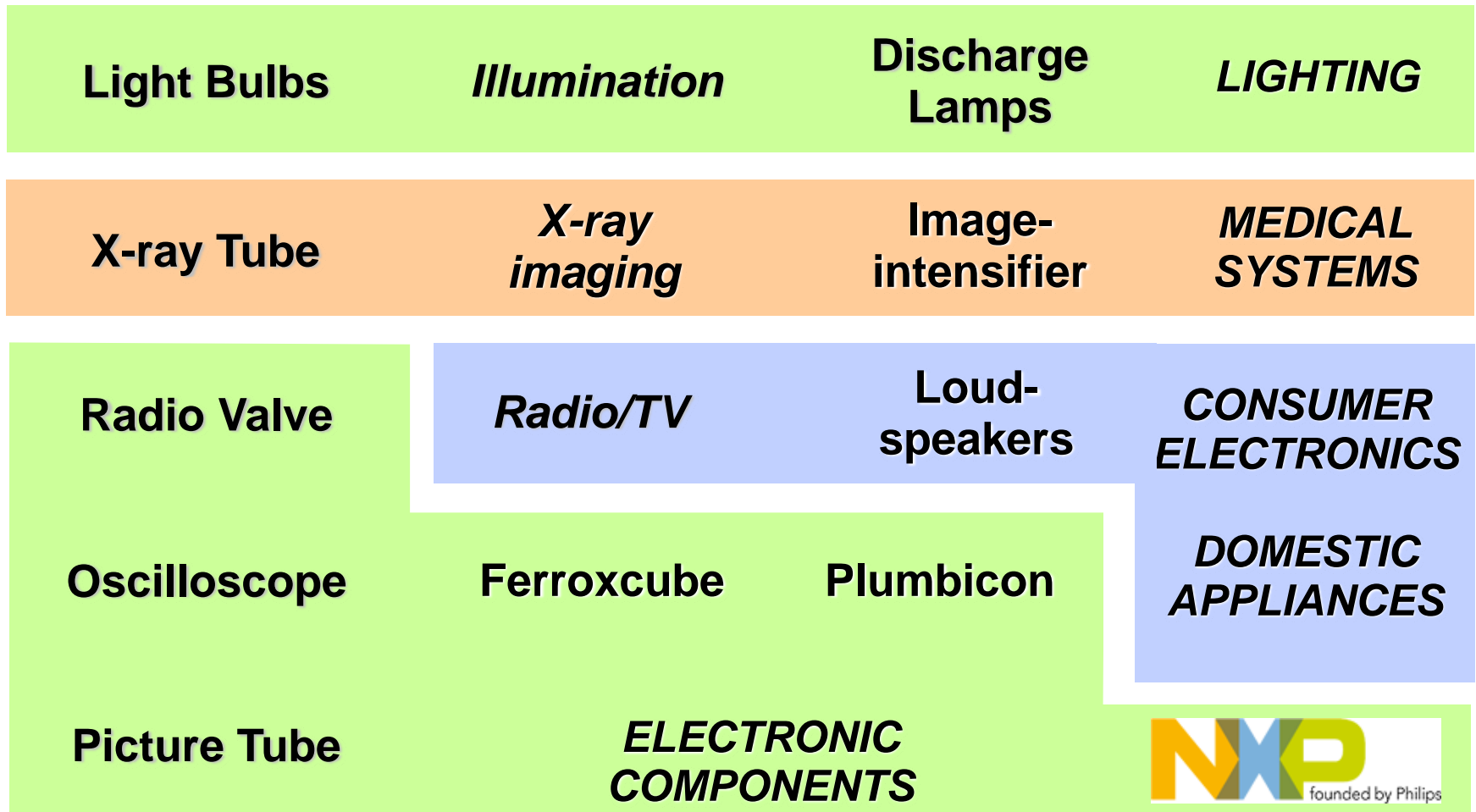
PEER en KOGELVORM.

Speciale Soorten.
Scherm-lampen, Triod-lampen,
Fabriek-lampen,
Raasdraad-lampen, Vast-lampen,
Kleine Kogel-lampen.

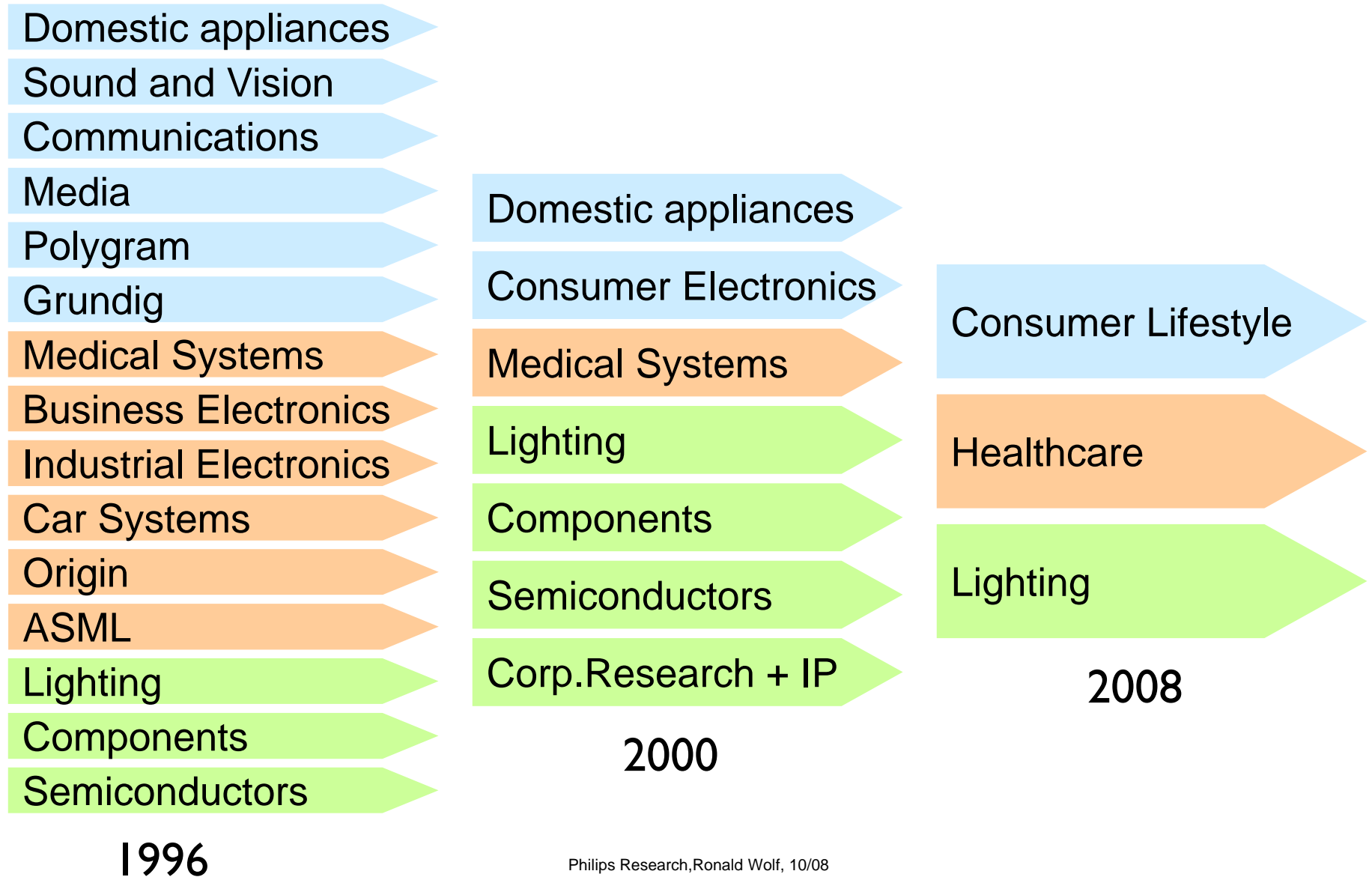
PHILIPS

Prima Nederlandsch Fabrikaat.
Fabrieken te Eindhoven.

20th century: Technology stimulated growth

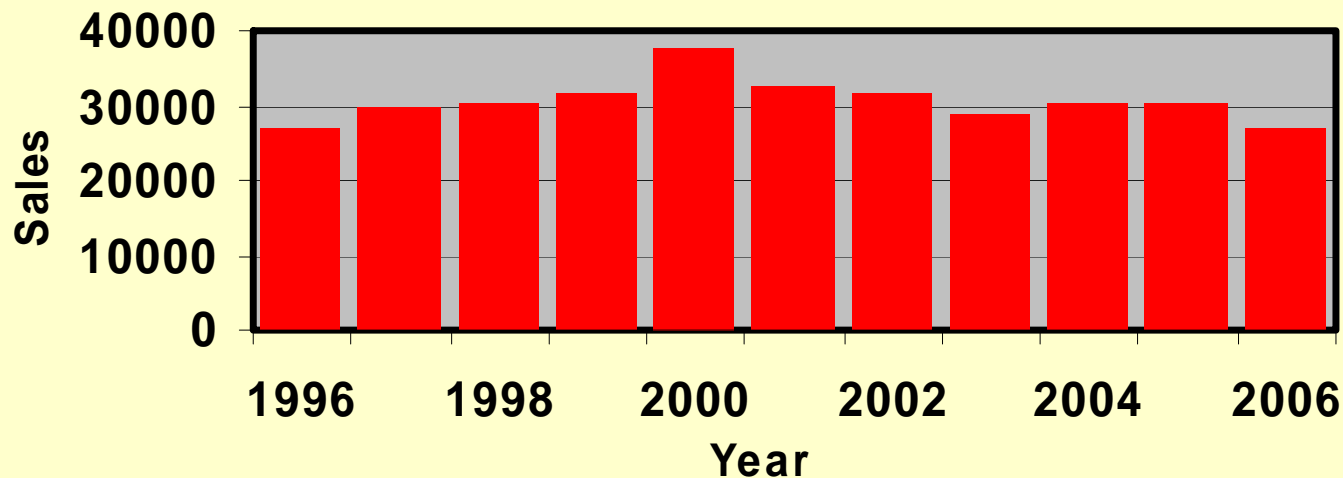


Philips: Towards more Sense, Simplicity and *Maturity*



Philips main problem: Need growth to counter shrink

Historic Philips sales



Strengthening the brand in new Market Sectors

Philips Healthcare



- Imaging Systems
 - Intermagnetics
 - Witt
 - VMI
- Customer Services
- Healthcare Informatics
 - Stentor
- Ultrasound & Monitoring Solutions
- Home Healthcare Solutions
 - Lifeline, HealthWatch
 - Respirationics

Philips Lighting



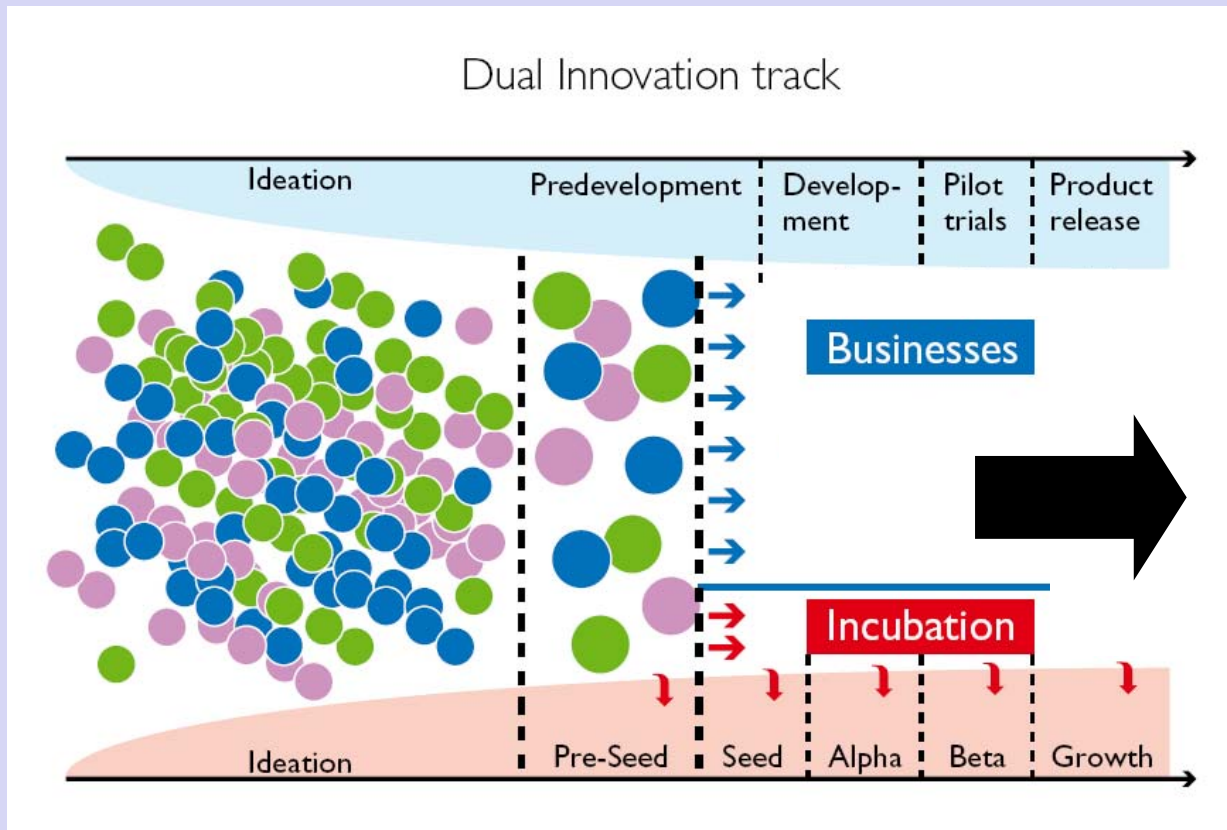
- Lamps
- Professional Luminaires & Systems
 - Color Kinetics
 - Genlyte
- Home Luminaires & Systems
 - PLI
- Lighting Electronics
 - Bodine
- Automotive
- Solid State Modules
 - TIR Systems
 - Lumileds
- Special Lighting Applications

Philips Consumer Lifestyle



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

Dual track innovation mechanism, adopted venturing as second development tool



PHILIPS

Consumer Lifestyle

Healthcare

Lighting

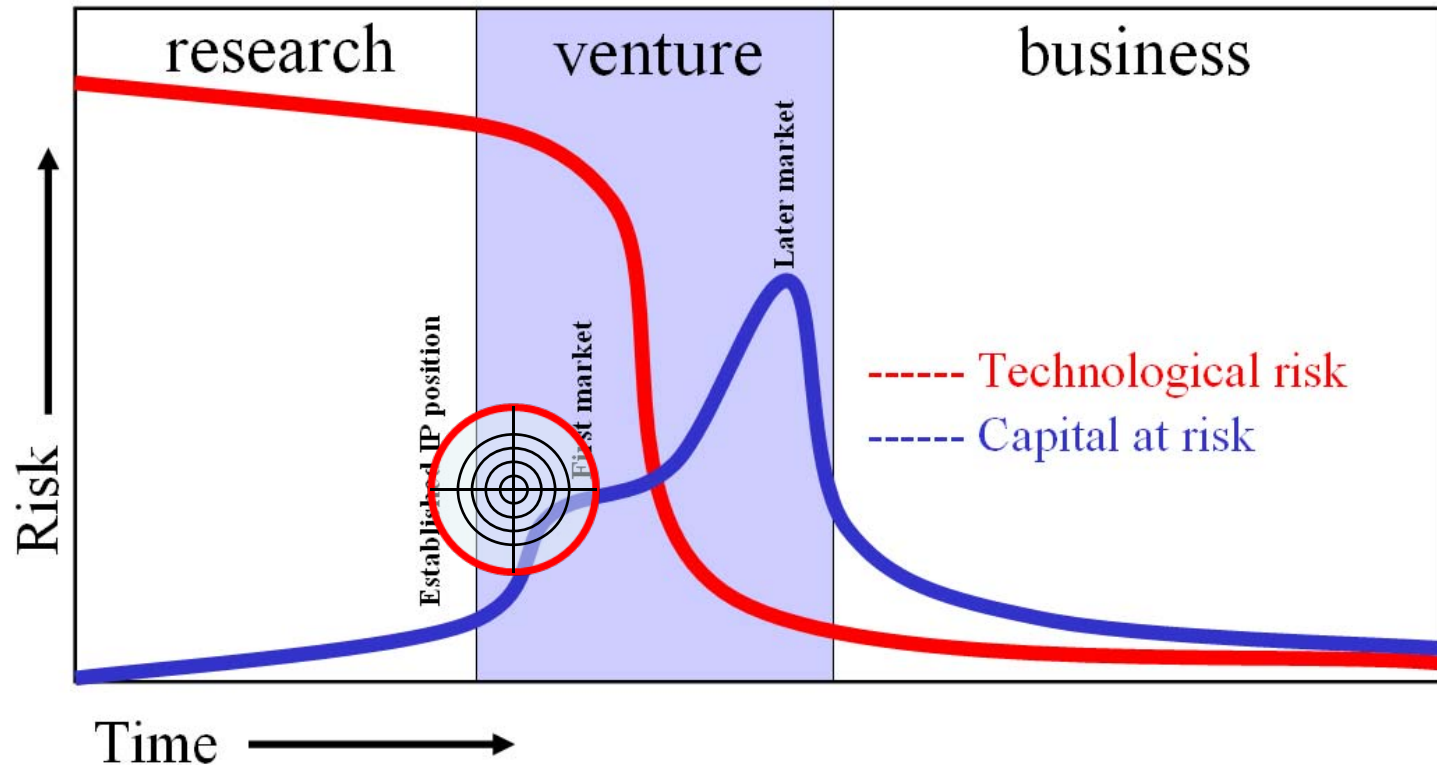
Roadmap innovation



Venturing

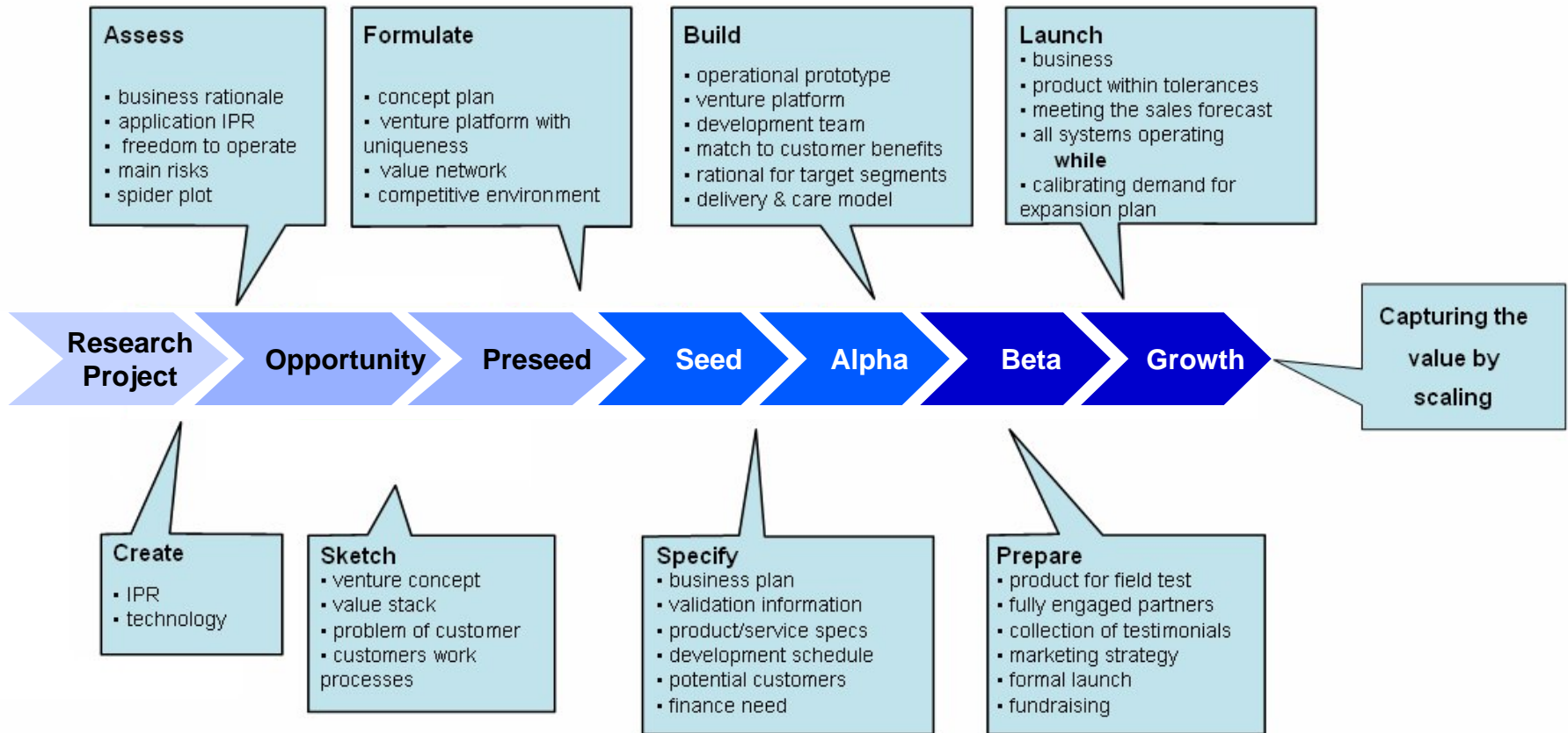


Ventures minimize risks based on stepping stone market approach and stage gating

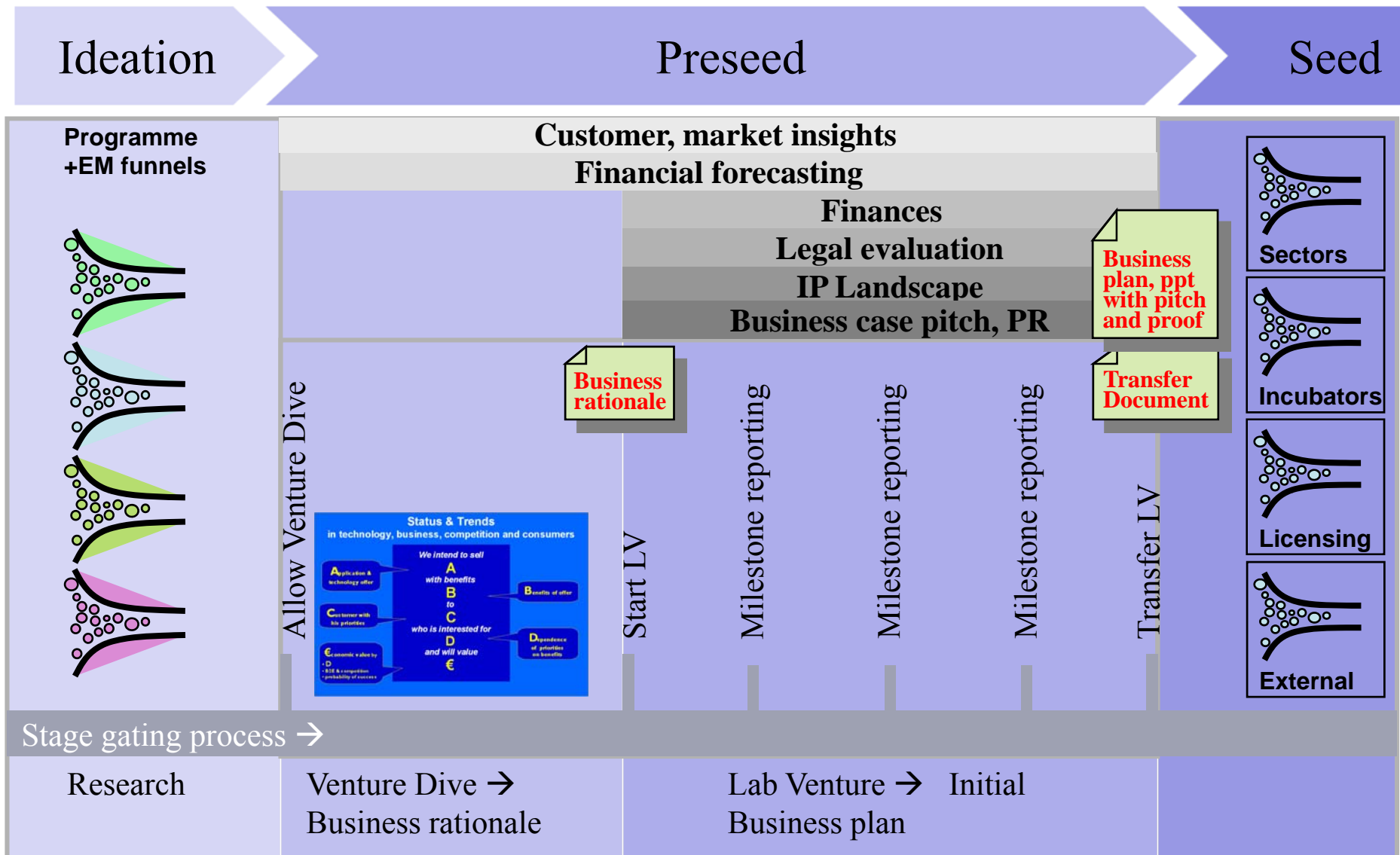


reducing financial risk by entering learning curve on initial focus on niche market

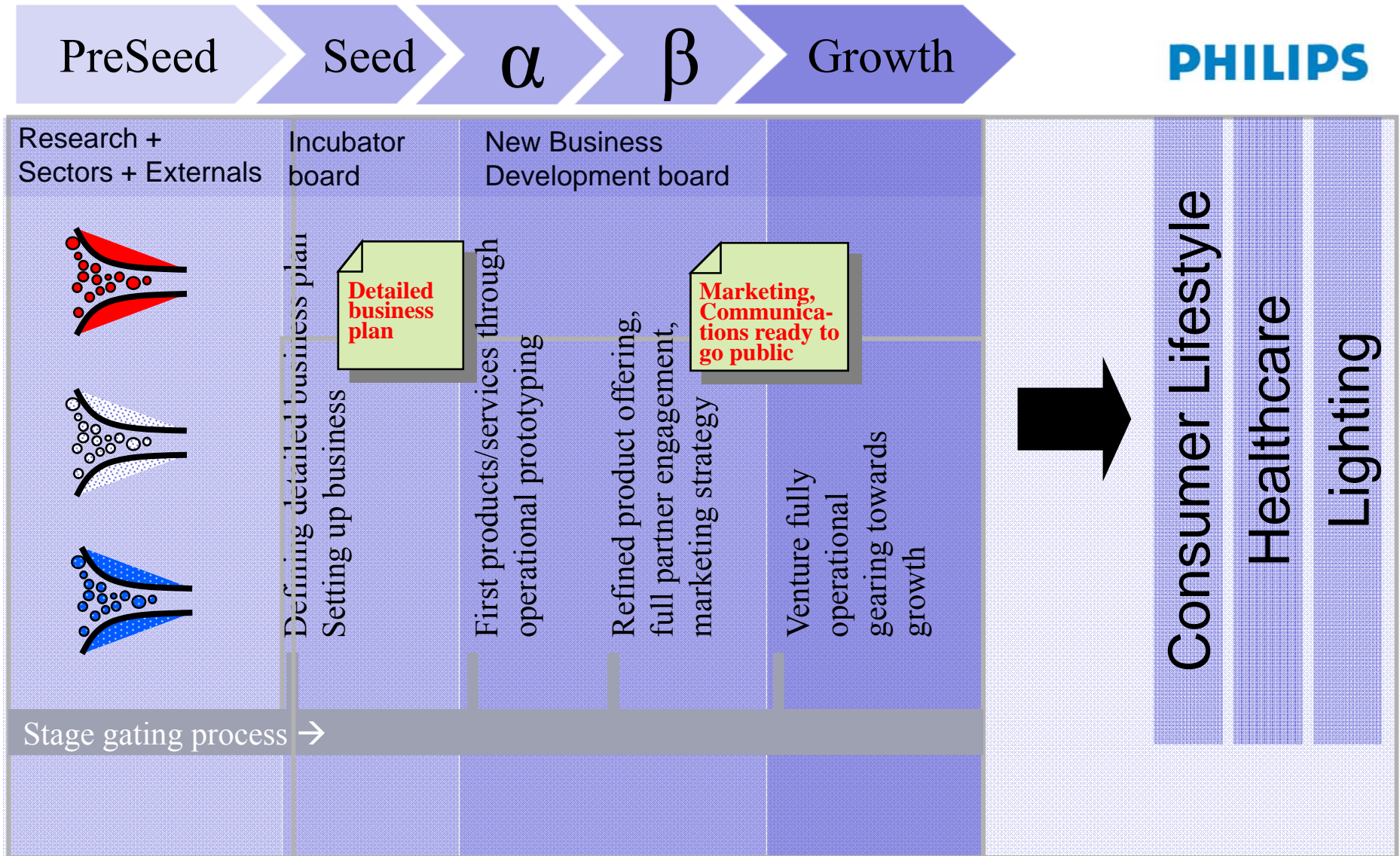
need a common language (Bell-Mason)



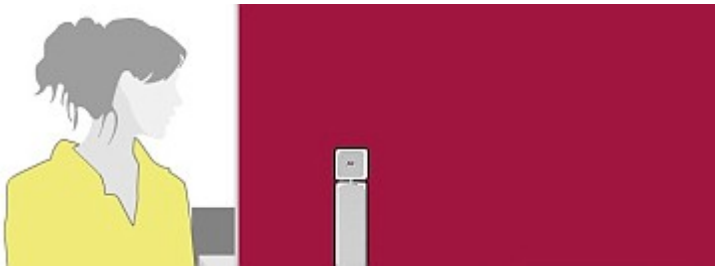
Venturing Stage 1: develop PreSeed in Research



Stage 2: development from Seed in Incubators



~ 60 ventures in the funnel



Home dialogue systems



Content identification



Polymer vision




Magnetic biosensors



Entertaible




Most stay in, some stop or spin-out ..






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Prime Technology Ventures is a leading early stage venture capital firm. Prime Technology Ventures focuses on investing in European companies in the information technology and related industries and leverages its capital, experience and contacts to actively guide them into global category leaders. The firm has invested in companies in the Benelux countries, United Kingdom, Finland and Sweden. From its offices in Amsterdam and Cambridge the independent partnership manages over 180 million euro in committed capital.


Prime Technology Ventures and Philips arrange for successful spin-out of five technology companies from Philips incubators








Amsterdam, the Netherlands, 20 October 2008 – Philips Corporate Technologies and Prime Technology Ventures today announced the completion of a successful spin-out of five technology ventures from Philips incubator venturing program.


The transaction includes the following ventures: amBX, Civolution, Intrinsic-ID, priv-ID and Serious Toys. PTV has made substantial cash investments in each of these ventures for further development and growth of the businesses outside of Philips. Philips also re-allocated its minority stakes in Silicon Hive and Liquavista to the PTV III fund.

In addition to other investors such as Parcom Capital (ING Group) and Adams Street Partners, Philips also became a limited partner in PTV. This strategic relationship provides a unique platform that will bring the potential of highly innovative and promising business ventures to fruition.

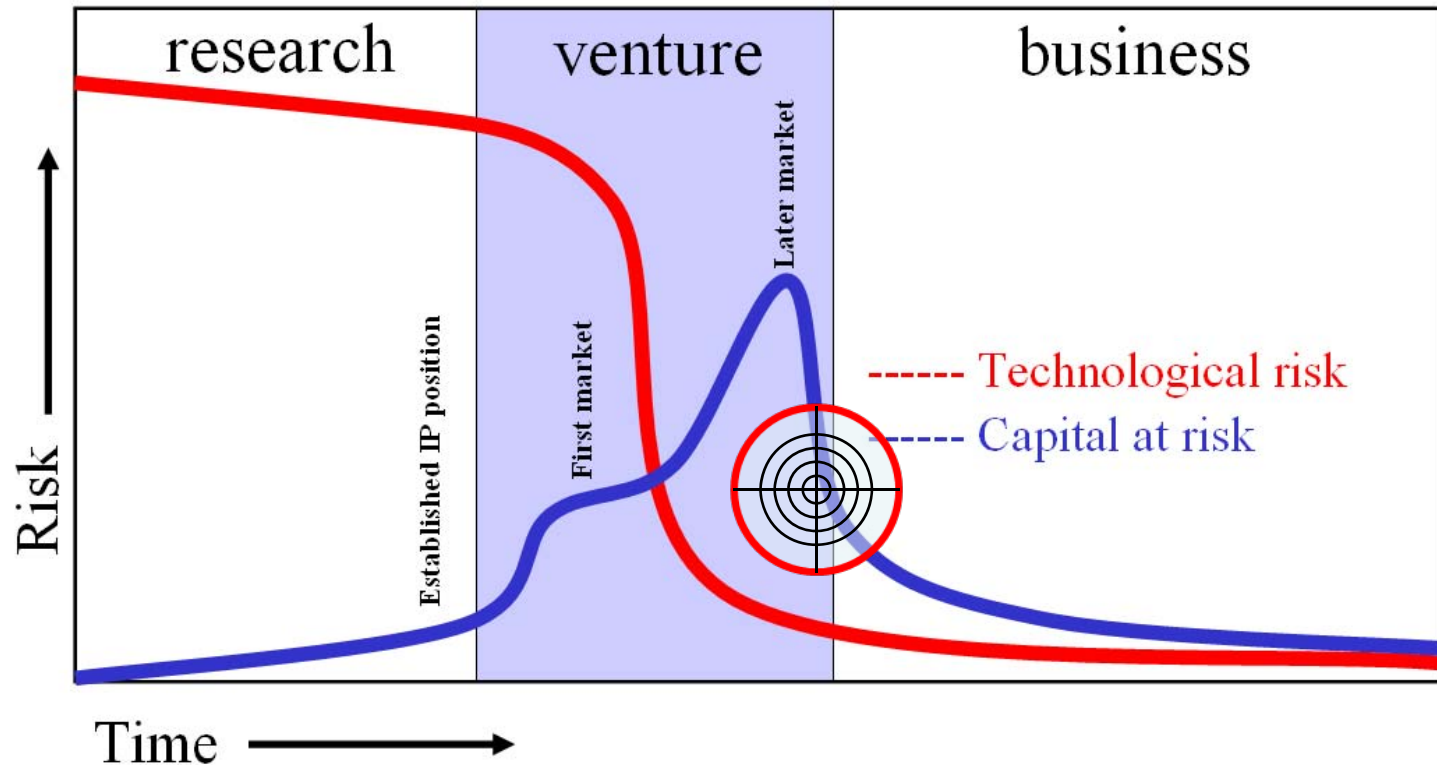
[Read more...](#)



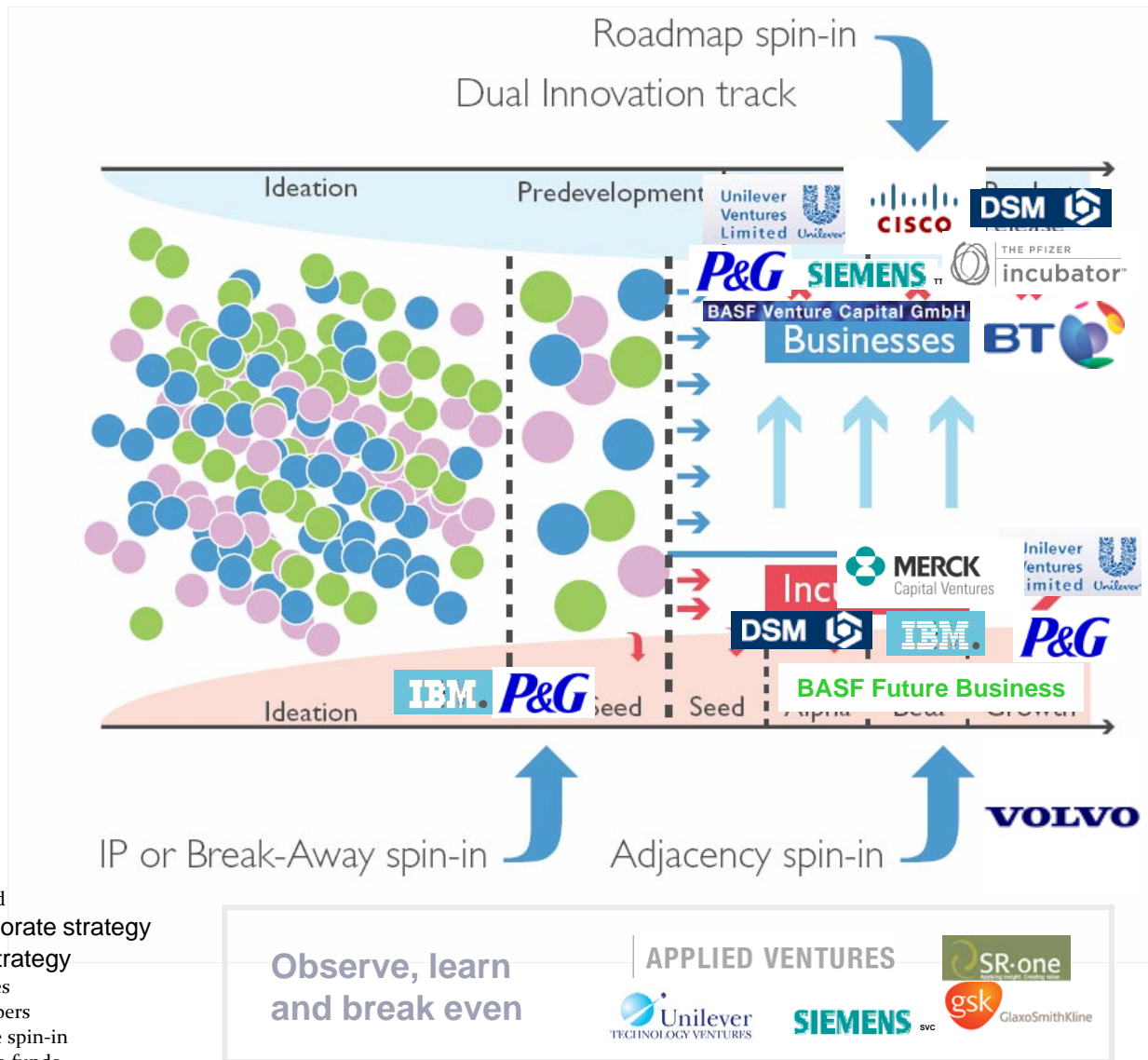


Next step is to focus on mature external ventures



reducing financial risk by entering learning curve on initial focus on niche market

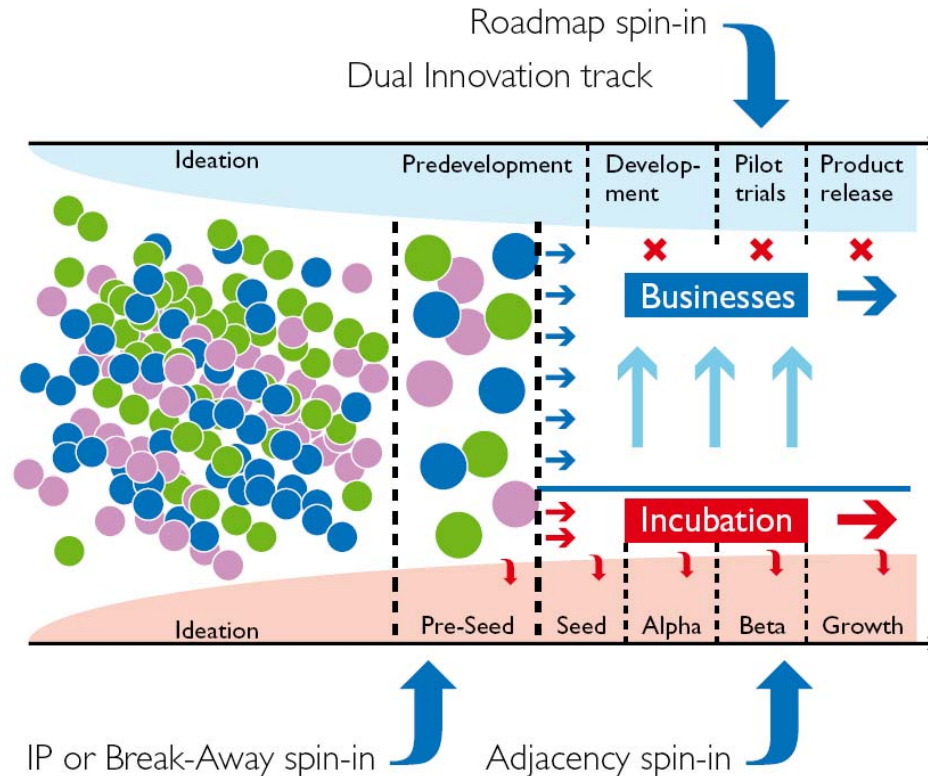
Other corporates already do so; spin-in ...



General approaches

- Strategy oriented
 - Corporate strategy
 - BL strategy
- Regular processes
- Significant numbers
- Idea and venture spin-in
- Often in separate funds

Philips needs: how to spin-in?



How to organise for Roadmap, adjacency and technology spin-in

Philips and Open Innovation

People

- Good people are everywhere (but best close by)

Business expansion

- A better business model beats a better technology

Knowledge

- Good ideas are widely distributed today; no one has monopoly: *IP*
- First to discover is neither sufficient nor necessary for commercial success
- *Infrastructure* is key, sharing reduces cost and risk



People and Knowledge

Academic collaborations

- Deal with all major universities worldwide with recent emphasis on China
- ~20 parttime professorships
- ~ 600 grad students passing through the labs yearly focusing on most innovative research topics
- On Campus Nano optical university group

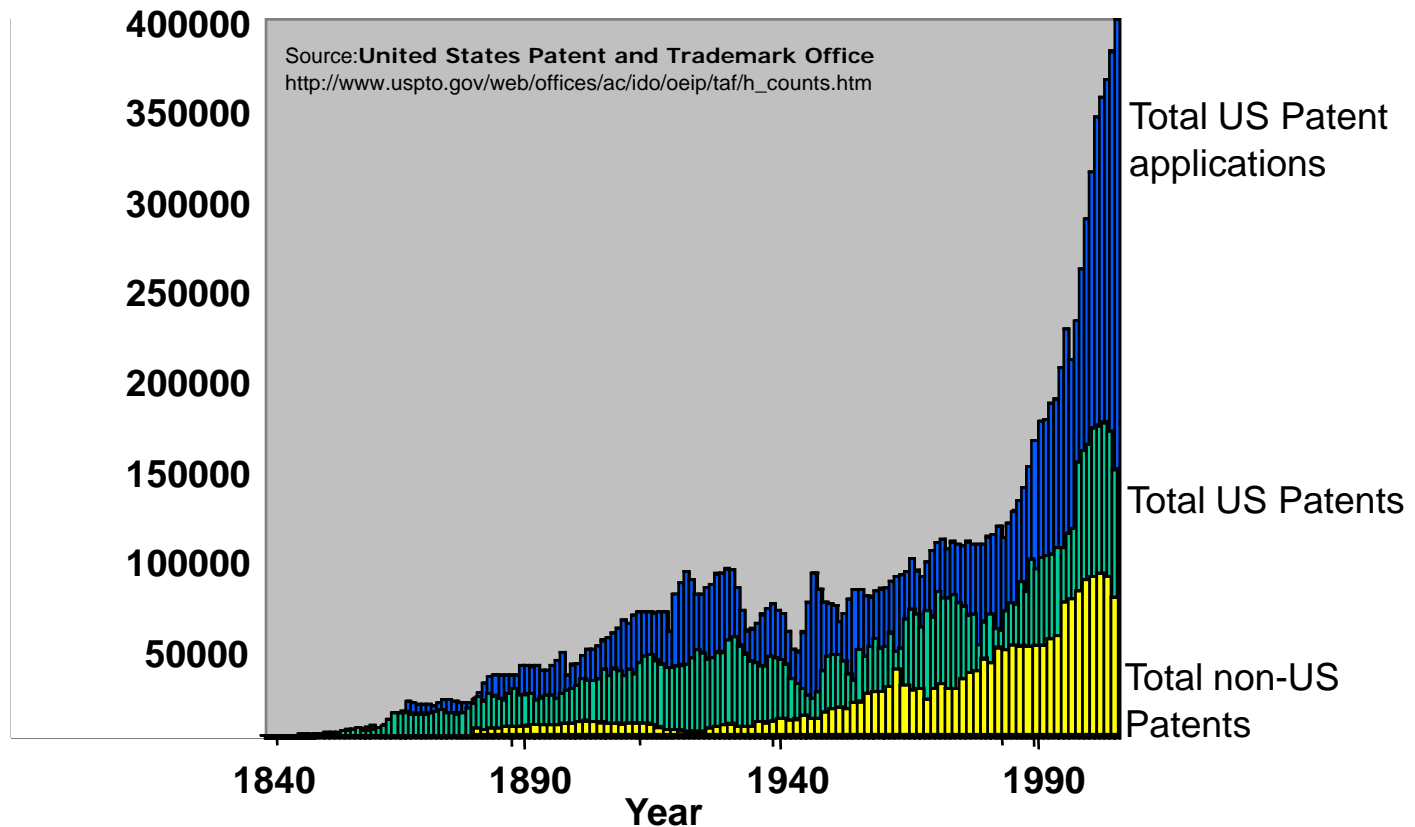
Joint development

- not so many, difficult to shape such that the win-win is OK (spread the wealth problem)
- Senseo deal with Douwe Egberts works fine
- Licensing

For knowledge, patents are the currency....

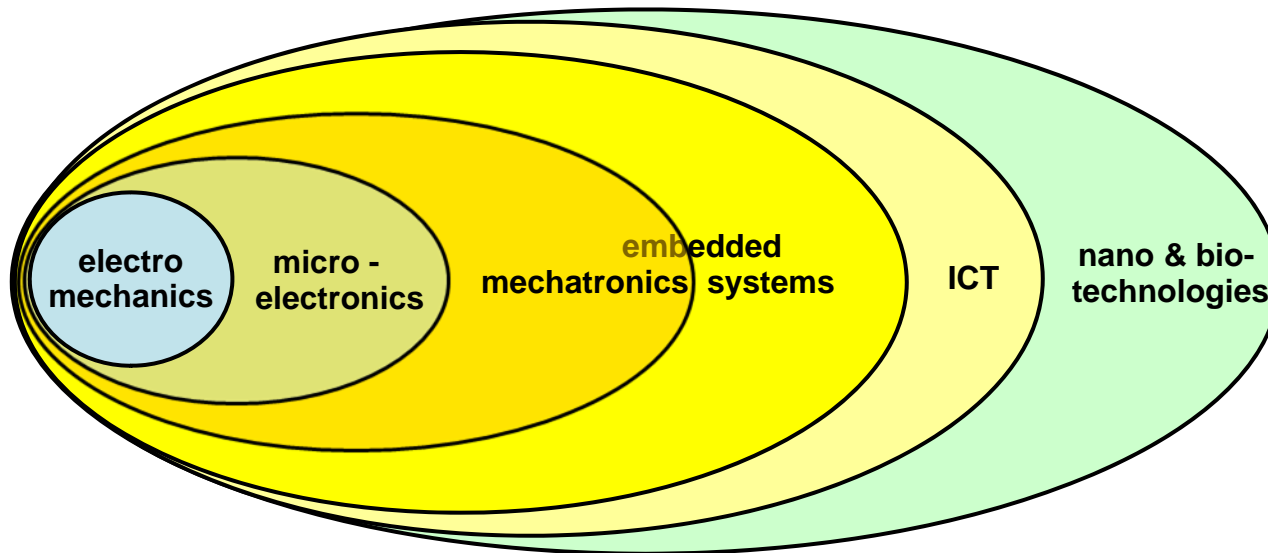
80.000 patent rights – 1 patent/researcher/year

Philips is one of the biggest licensing players worldwide – current focus on outlicensing, technology licensing and *venture based licensing*



What about infrastructure: Innovation is expensive

- Explosion of complexity in electronics and applications
- Rapid expansion of technology palette
- Immense growth of applications based on electronics



2003: We broke up the fortress ...



.. and started the High Tech Campus Eindhoven

500MEuro investment in
World-class technology centre of
high tech companies working
together in the development of new
technologies

Becoming facility co-user
And land lord (for the time being)



Bringing in the right partners – Open innovation

> 75 companies and
> 7000 people at
High Tech Campus Eindhoven



IBM

ASML

NXP
founded by Philips

ZEISS

oce

PHILIPS

Agilent Technologies

FEI COMPANY™

DALSA
technology with vision

CORUS

CASCADE
MICROSYSTEMS

Corporate
innovators



High Tech Campus Eindhoven

Holst Centre

TNO

imec

Center for Translational
Molecular
Medicine

Telematica
Institute

Embedded Systems
INSTITUTE

FOM

Research
institutes

MiPlaza

YACHT

Consultancy
& services

accenture

EUROPARTNERS

DSP
VALLEY

Economic
development
companies

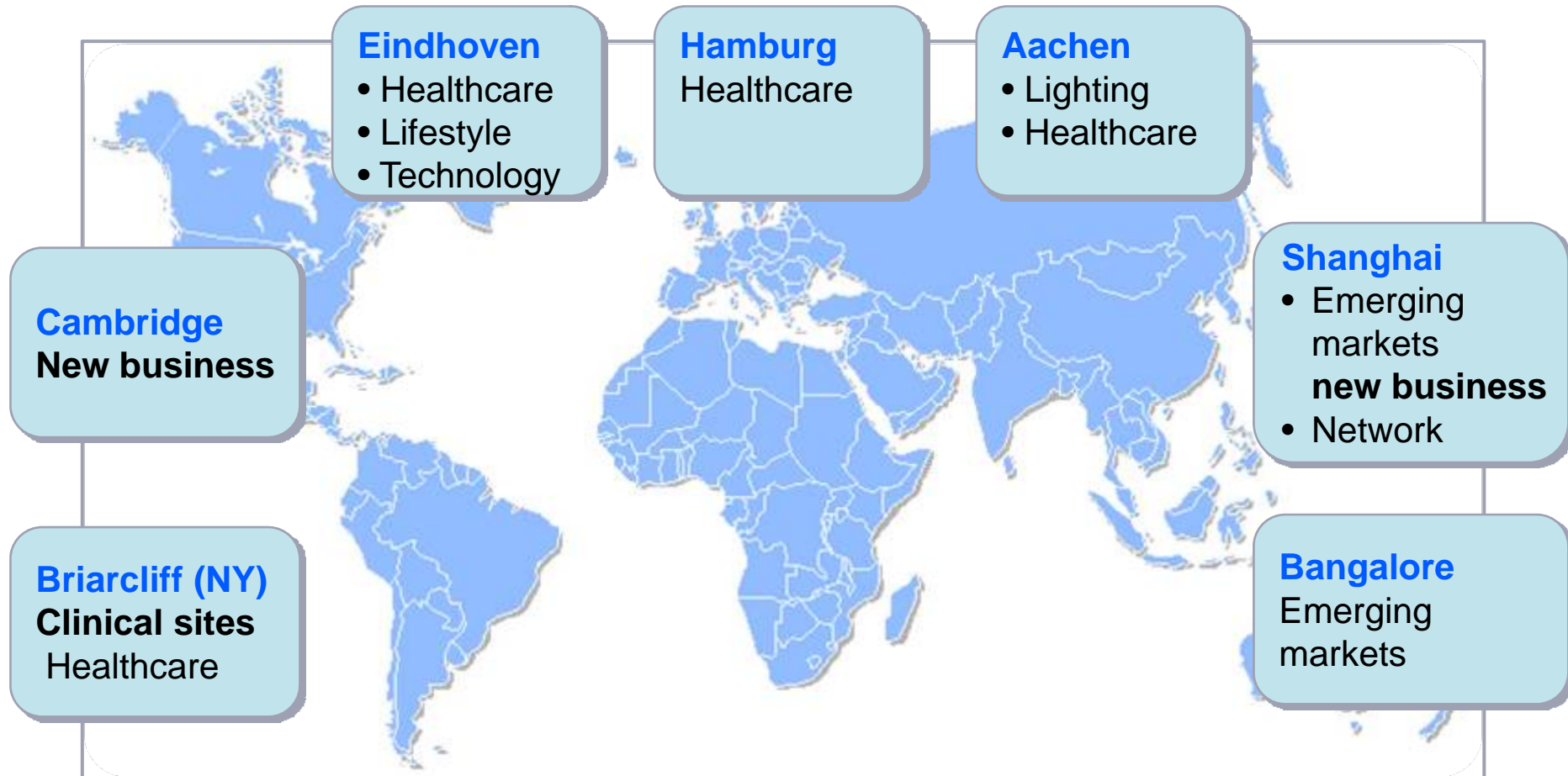
Point-One
New & innovative technology, on microelectronics and associated systems

brainport
eindhoven
southeast netherlands

NewVenture
Partners LLC

REDC

But also world wide opening up innovation globally based on local strenghts



**Over 10% of all Philips employees are dedicated to R&D,
from which 15% (1800) are within Philips Research**

