

# PHILIPS

## Philips Open Innovation and High Tech Campus Eindhoven

Theun Baller  
Philips Research

17 June, 2011

**PHILIPS**

# A well-respected, blue-chip company for over 100 years

Founded in 1891

Headquartered in Amsterdam, the Netherlands

Sales over EUR 25,4 billion, 10% EBITA (2010)

33% of sales in emerging economies

119,000 employees (end of 2010)

Sales and service outlets in over 100 countries

Globally recognized brand (world top 50)

Our brand value almost doubled to \$8.1bn since 2004

€1.6 billion investment in R&D

55,000 patent rights – 33,000 registered trademarks –  
49,000 design rights



## Philips Research

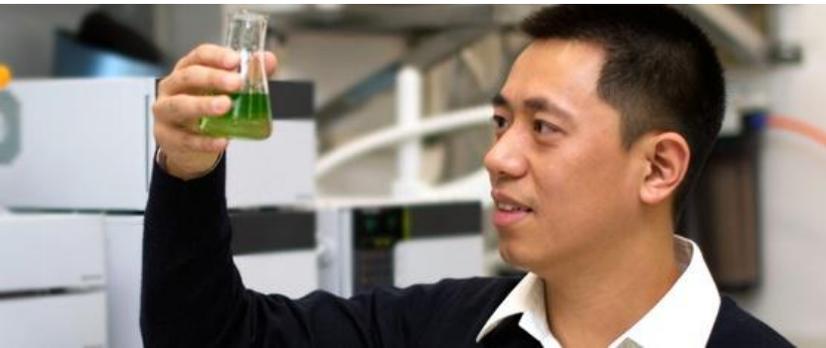
Helping Philips win through technology-enabled innovation

### Mission

Improve the quality of people's lives through technology-enabled meaningful innovations – as *co-creator* and *strategic partner* for the Philips businesses and complementary open innovation ecosystem participants

### Vision

By 2015, we will have a track record of successful co-creation of impactful innovations in health and well-being, and be a preferred partner for technology-enabled Innovation



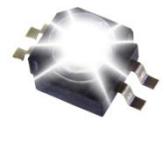
## Philips Research

- Over 90 years of industrial research
- Global research organization
- 1,600 employees with >50 nationalities



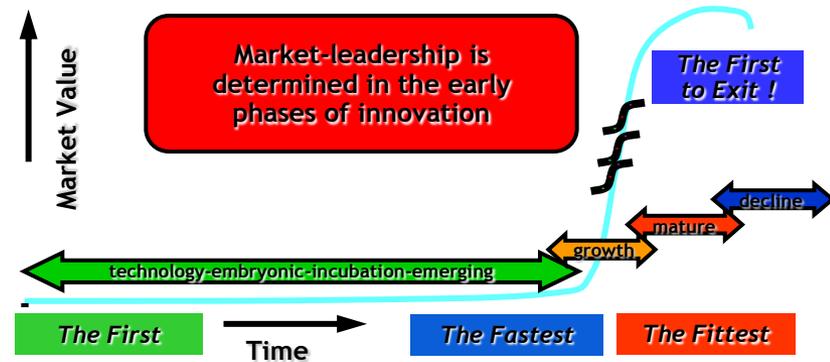
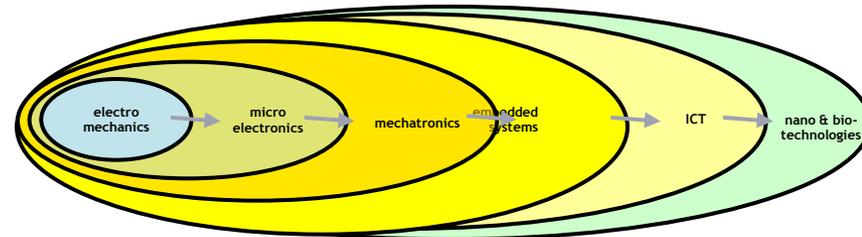
## We have a strong track record in innovation

Technology-enabled innovation for Philips since 1914

									
<b>1918</b> Medical X-ray tube	<b>1919</b> 'Ideezet' radio tube	<b>1926</b> Pentode	<b>1932</b> Sodium street lamps	<b>1939</b> Rotary heads	<b>1963</b> Compact Cassette	<b>1971</b> World's first home VCR	<b>1966</b> Local oxidation	<b>1976</b> NiMH battery	<b>1981</b> Compact Disc
									
<b>1992</b> Flat detector for cathlabs	<b>1995</b> UHP & low mercury TL/CFL	<b>1996</b> High resolution MR	<b>2002</b> Blu-ray	<b>2003</b> Multi-slice CT	<b>2004</b> Ambilight TV	<b>2006</b> 3D displays	<b>2008</b> Lumiramic	<b>2010</b> Lumea	<b>2010</b> Fall Detector

# Explosion of Complexity and Speed

- Rapid expansion of technology palette
- Explosive growth of applications based on electronics
- 10x acceleration through digitization and globalization
- Business start-ups are more effective than technical solutions



# Benefits and Challenges of Open Innovation

## Benefits:

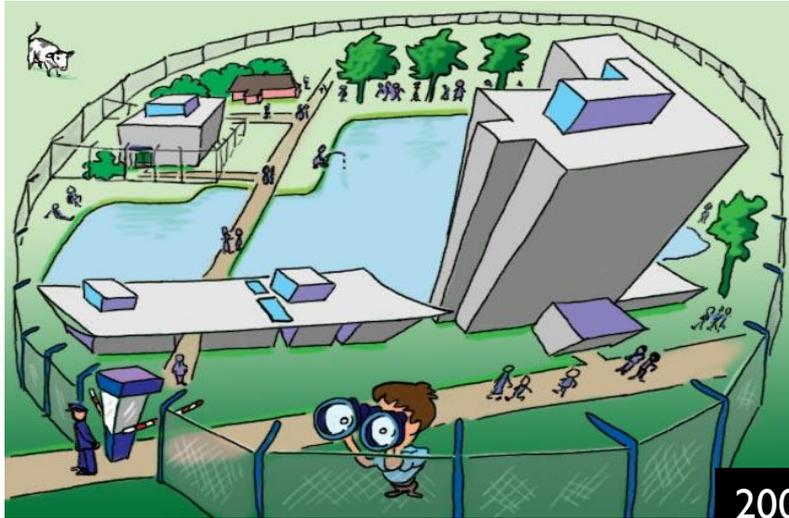
- Leverage skills of the world:
  - Most of the smart people don't work for you
  - Gain access to people you couldn't . . . or wouldn't employ
- Accelerate innovation
- Create new combinations (solutions are “out there”)
- Nobody is as smart as everybody (Wisdom of crowds)

## Challenges:

- Find the right sources
- Absorb results
- Not-Invented-Here syndrome
- Apply meaningful metrics



## From 'closed' to 'open' in Eindhoven



- Philips Natlab
- 1 company: Philips
- 2400 employees
- Limited synergy
- Philips focus



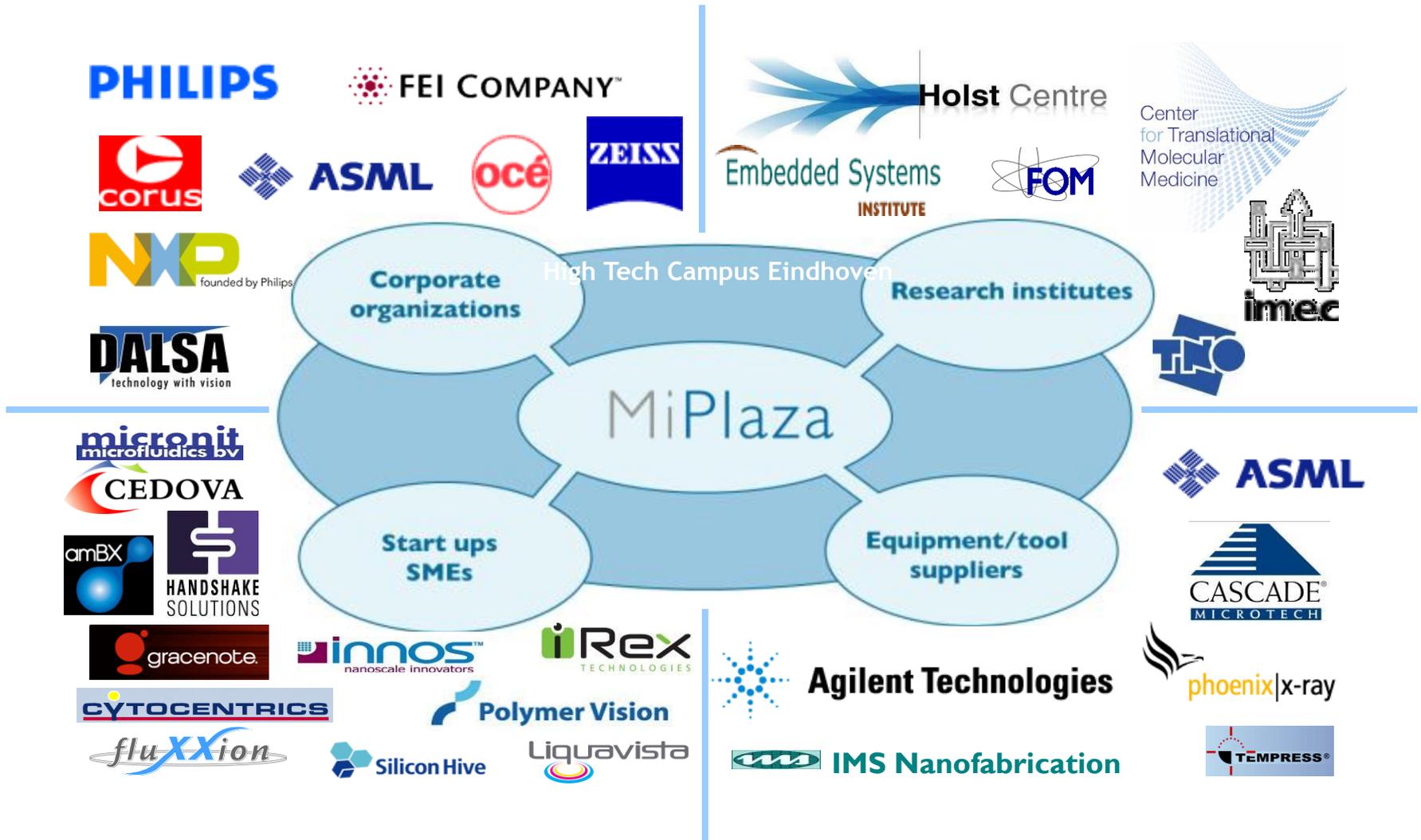
- High Tech Campus Eindhoven
- Open R&D Centre, 100 companies
- 8,000 international talents
- Optimal synergy and efficiency
- Ecosystem focus

# Key Enablers for the High Tech Campus

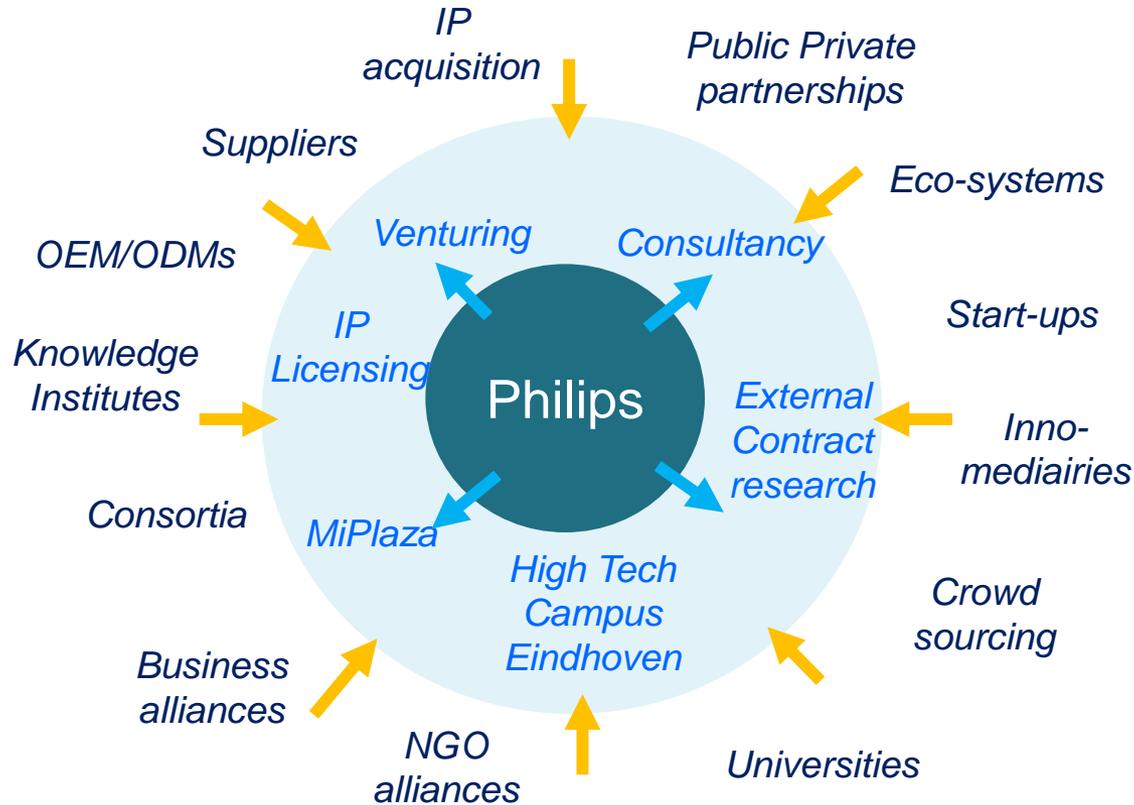
- Open high level technical support and services available
- Balanced distribution of small and large parties
- Independent knowledge institutes with high level open programs
- Strong relation with local university
- Entrepreneurial spirit with many start-ups

## The MiPlaza value network

Micro- and Nanotechnology infrastructures and services



# Open Innovation is part of our DNA



**Inside-out:**  
Open up our skills to the world

**Outside-in:**  
Leverage the skills of the world

# The scope of innovation continues to change

**Technology Research**

**Product Research**

**Entrepreneurship**



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



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



- Solutions & Experiences
- **Open**
- Business start up
- Innovation attitude
- Investment funding

1980

1990

2000

# Despite our foundation, we need to build a more outward looking mindset to accelerate innovation

- Innovation requires more speed
- Competition for great ideas gets more intense
- Networking is key trend for future (social media, Gen Y)
- Protection of IP remains essential

To be ready for the future, we need to:

- stimulate more outward view ('Proudly found elsewhere award')
- become output oriented
- experiment with various forms of OI
- find and build better partnerships (OI Accelerator)
- become Partner of Choice



# XYZ-model for Public-Private Collaboration

	Y1		Z
Institute	<ul style="list-style-type: none"> <li>• Part time professors</li> <li>• Academic sabbaticals</li> <li>• Secondments</li> <li>• Governing boards</li> </ul>		<ul style="list-style-type: none"> <li>• Industrial affiliateships</li> <li>• Strategic consortiums</li> <li>• Joint programs with public co-funding</li> </ul>
<b>Universities &amp; Institutes</b>	<ul style="list-style-type: none"> <li>• Peer-to-peer contacts</li> <li>• Conference visits</li> <li>• Guest lectures</li> <li>• Committee participation</li> </ul>		<ul style="list-style-type: none"> <li>• Students (MSc/PhD)</li> <li>• Postdocs</li> <li>• Industrial sabbaticals</li> <li>• Advisors</li> </ul>
Individual			
	X		Y2

■ Without contract

■ With contract

Individual

Institute

Philips Research

# Looking beyond the Myths of Open Innovation

Open Innovation is:

- not a goal in itself, but it is an important enabler to **accelerate innovation**
- not replacing **internal innovation**
- for whole **innovation chain**, not only for R&D
- not the same as **Open Source**
- not compromising **IP**, if well managed
- happening all over the globe in **many forms**



## Concluding remarks

- Our **OI journey** has started
- Focus needs to be on **Outside-In**
- **Leverage** external input with our own innovation skills
- **Networking** and going out are key, *if authentic*
- We can **learn** from OI initiatives by others
- Open Innovation is **FUN**

*The challenge is not to see what no one else has seen*

*... but to think what no one else has thought about what everyone has seen*



