



28/09/10
GOSPODARSKA
ZBORNICA SLOVENIJE

FORUM SFPO

NA VRH EVROPSKE ODLIČNOSTI

© Leon Tossaint, Philips
Gradivo je avtorsko delo in njegova nepooblašena 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

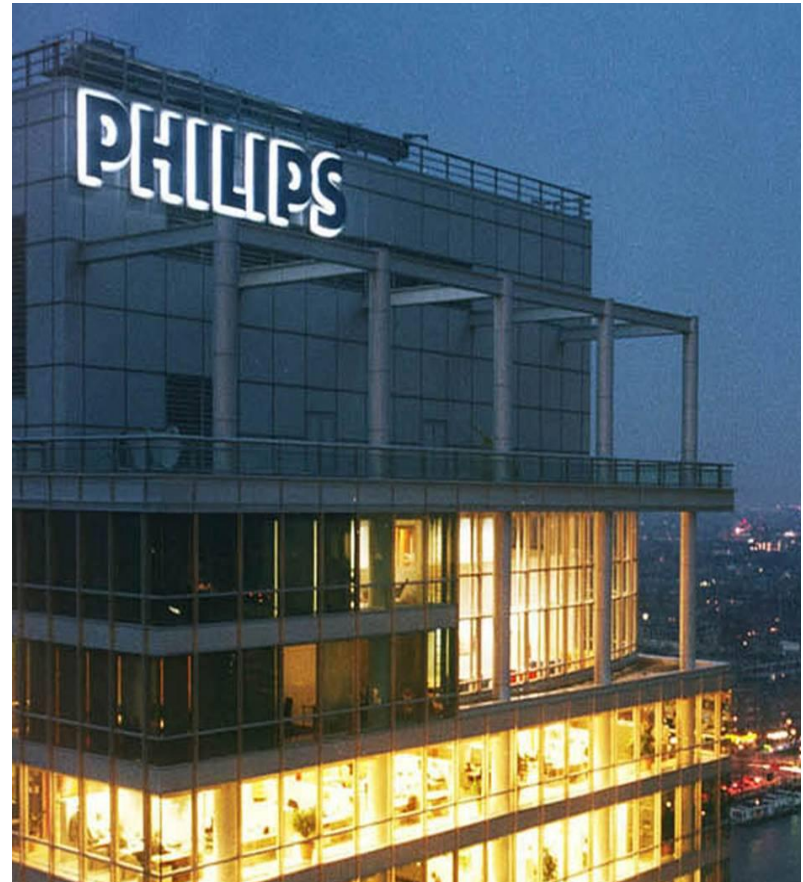
- “ One of the largest global electronics companies with sales of around EUR 26.000 million
- “ Profitable, even in the crisis year 2009 : EUR 424 million
- “ Multinational workforce of around 120.000 employees
- “ Active in the areas of Healthcare, Consumer Lifestyle and Lighting
- “ Present in over 60 countries

Headquarters:
Amsterdam, The
Netherlands



We

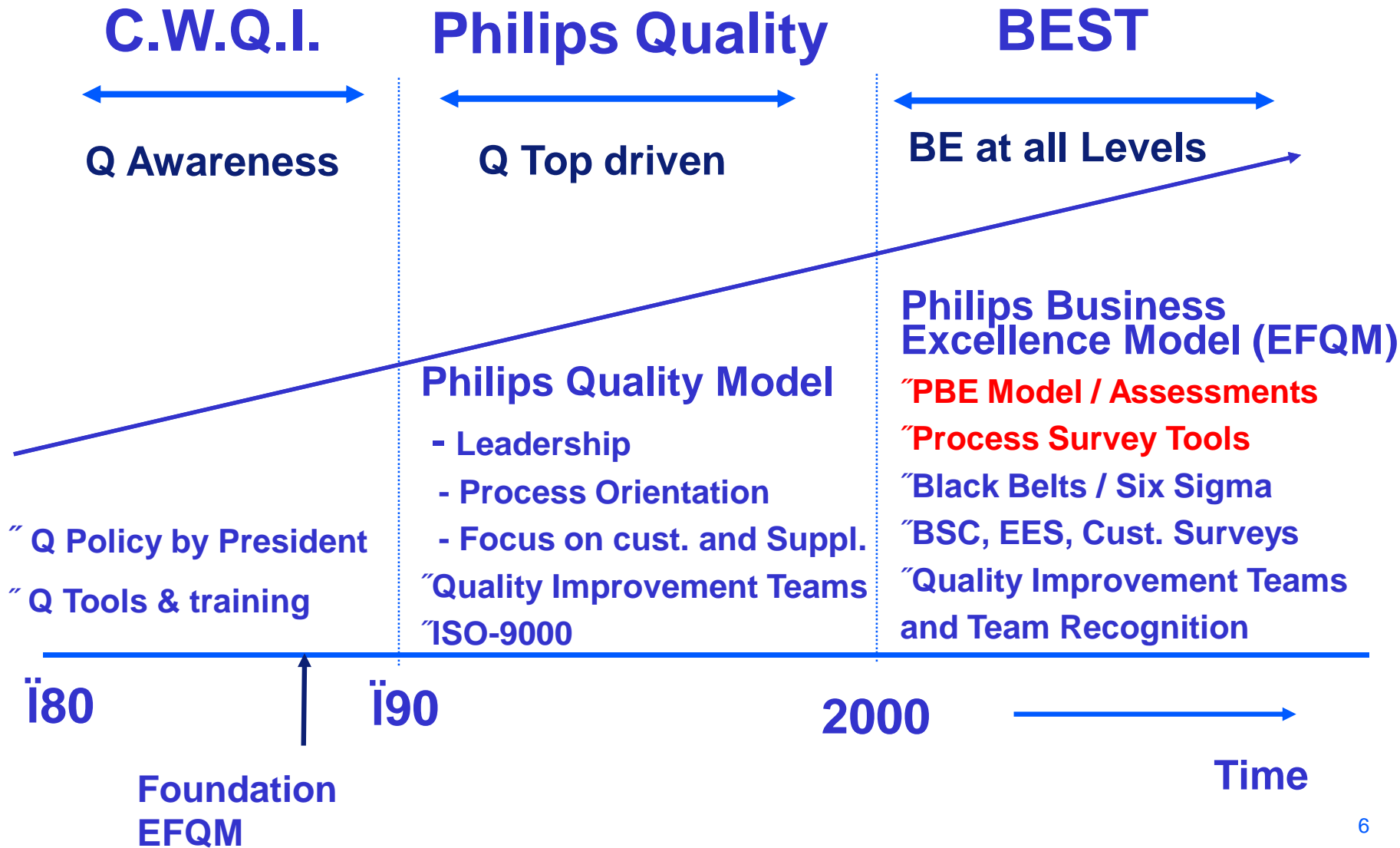
- “ are everywhere you go on the planet
- “ registered over 115,000 patents
- “ are ranked in 2010 by Dow Jones as the global leader in sustainability within the cyclical goods market
- “ Are ranked in the top 50 of world leading brands
- “ are a world leader in medical diagnostic imaging systems and 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 (PSTB) and Philips now provides these PSTB to all members of the EFQM network**

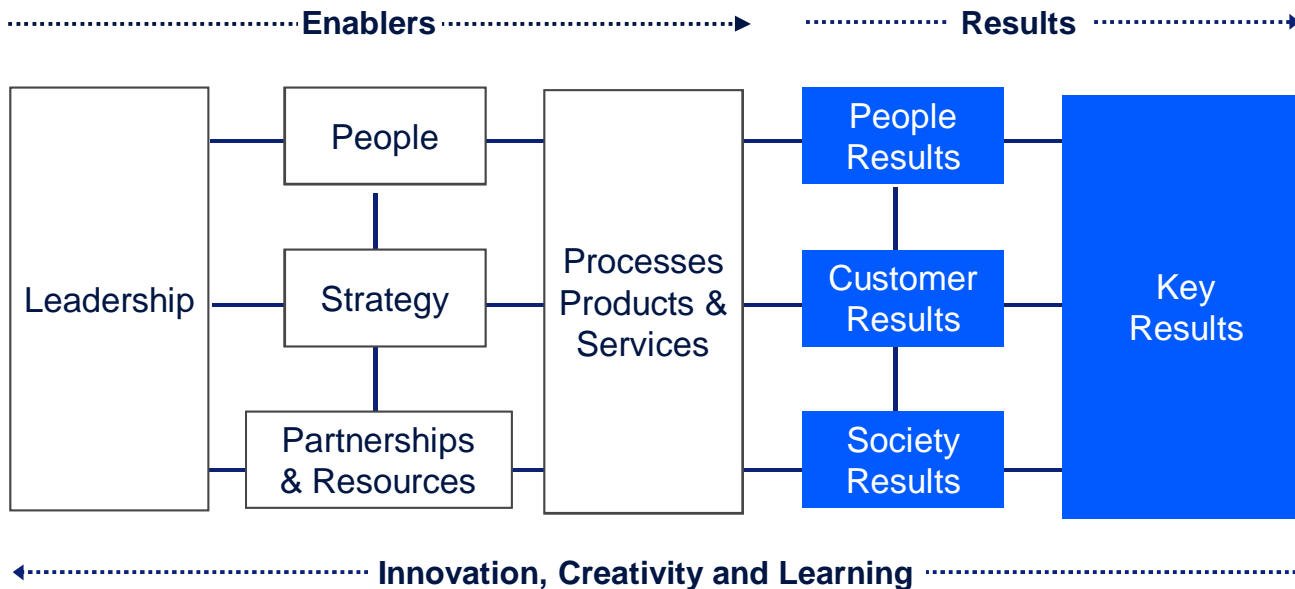
Philips Business Excellence Journey



Philips Business Excellence (PBE)

PBE Model = EFQM Excellence Model

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



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 BusinessTargets**
- “ Customer Satisfaction extensively measured**
- “ Employee Satisfaction driven by Top Management**
- “ Society & Environment became business priority**
- “ Intensive Learning through (Peer) Assessments**
- “ Competative 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 Å Å Å
Åand achieve Excellent Results**

Leaders Managing the Change

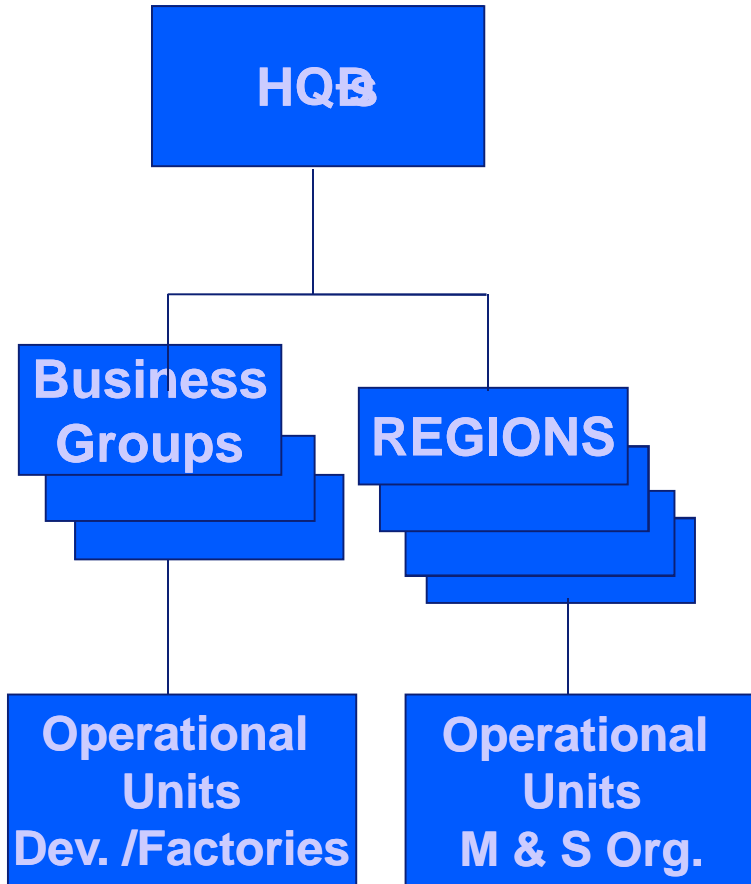
Leaders in Philips :

“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\$ active,
focus on breakthrough in Process Improvement,
linked to strategic targets

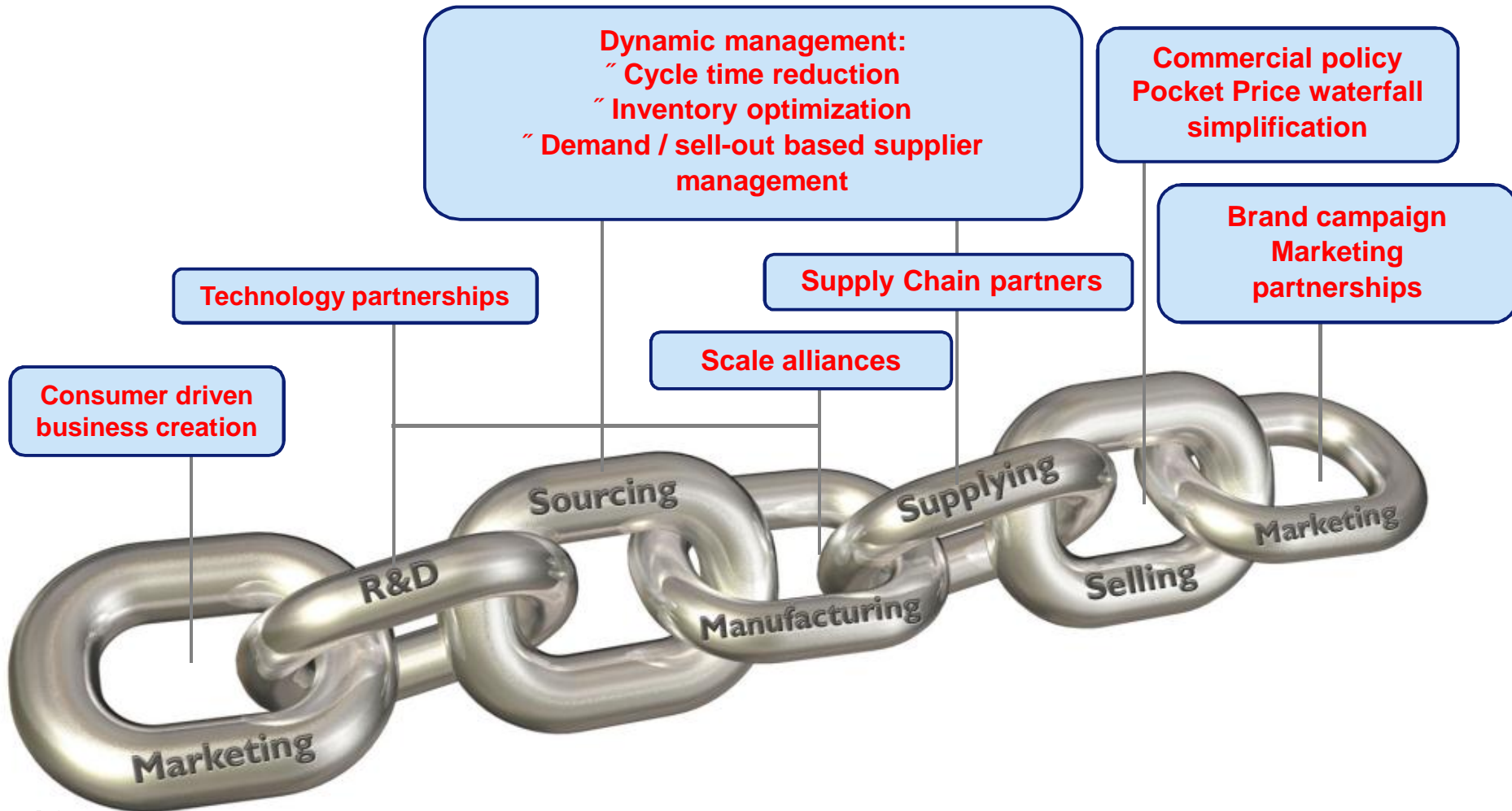
Six Sigma

Quality Improvement Teams

Thousands of QIT\$ active
Focus on customer satisfaction and cost
reduction, linked to business priorities

Process Excellence :

Improving the Process Value Chain



Process Excellence : Benchmarking Process Survey Tools

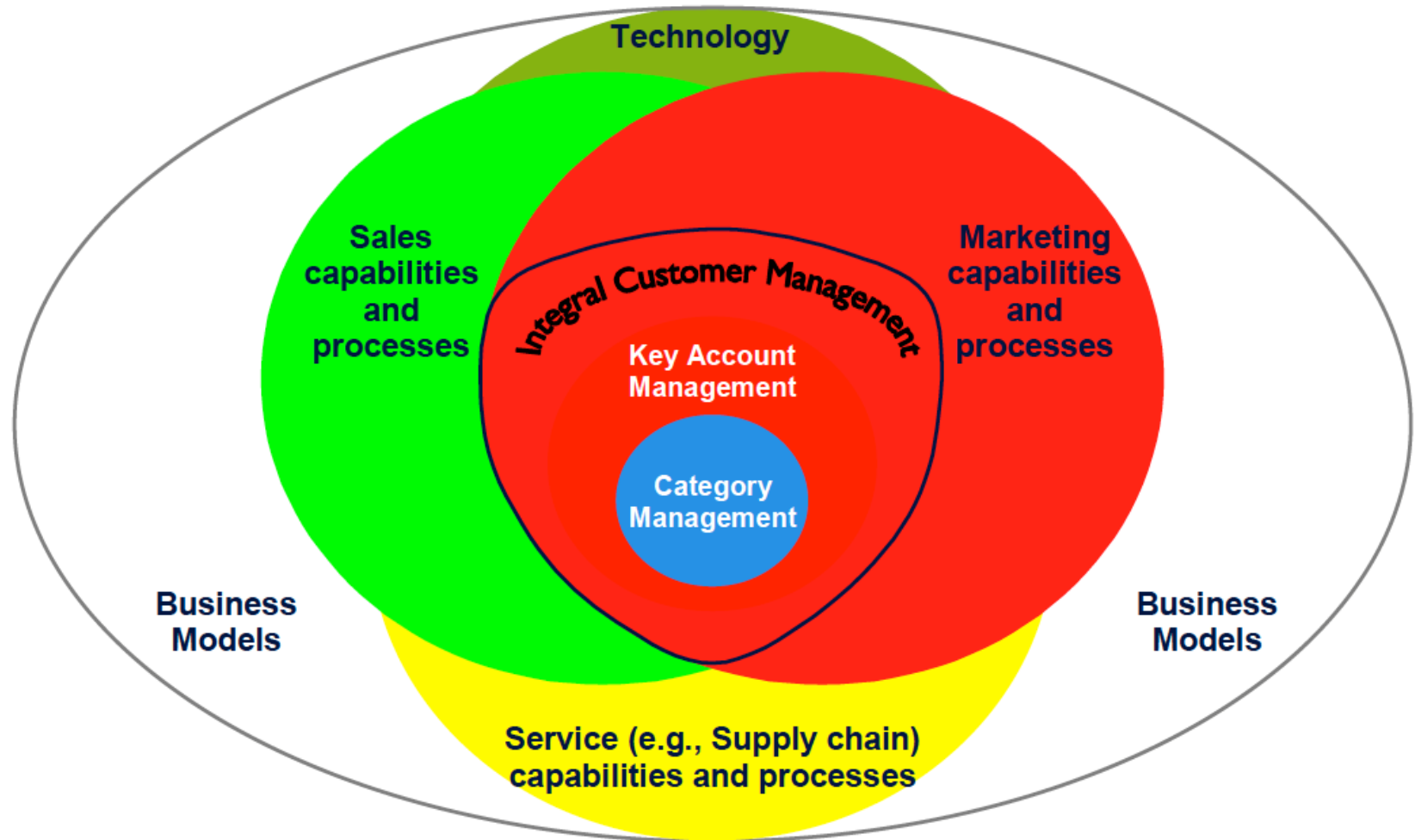
Process Survey Tools (PSTB) are Process Maturity Grids developed by Philips, based on global expert knowledge gained from many World-Class Companies.

PSTB for :

- “ Purchasing Process Management
- “ Manufacturing Process
- “ Supply Chain Management
- “ Marketing & Sales Process
- “ Human Resource Management
- “ Finance management

PSTB are Benchmarks to improve Competitiveness

Integral customer management as a source of sustainable competitive advantage

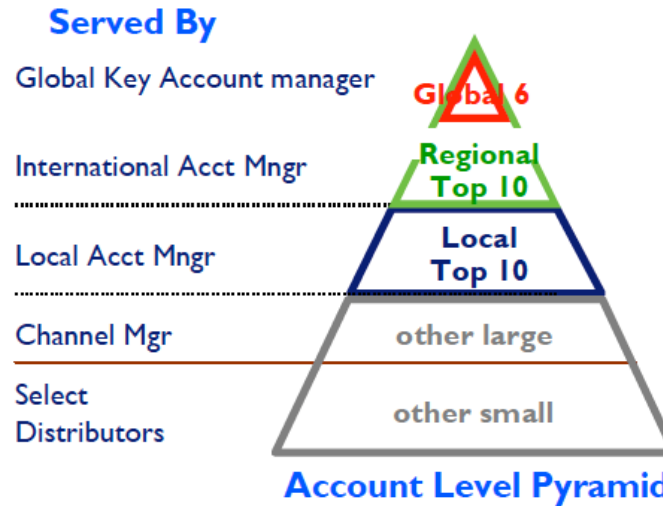


Key Account Management

Focus on what drives results

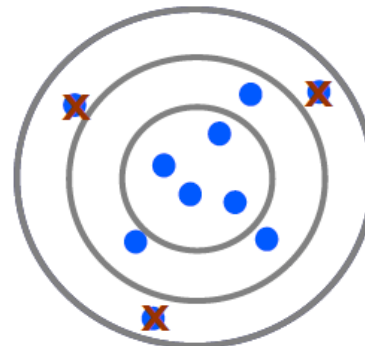
Customer outlets

70% reduction in outlets served directly



Product SKUs

30% reduction in overall portfolio



SKUs that target customer strategies and market demands

Key Account Management & Customer Satisfaction

example: **Walmart** 
Save money. Live better.

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

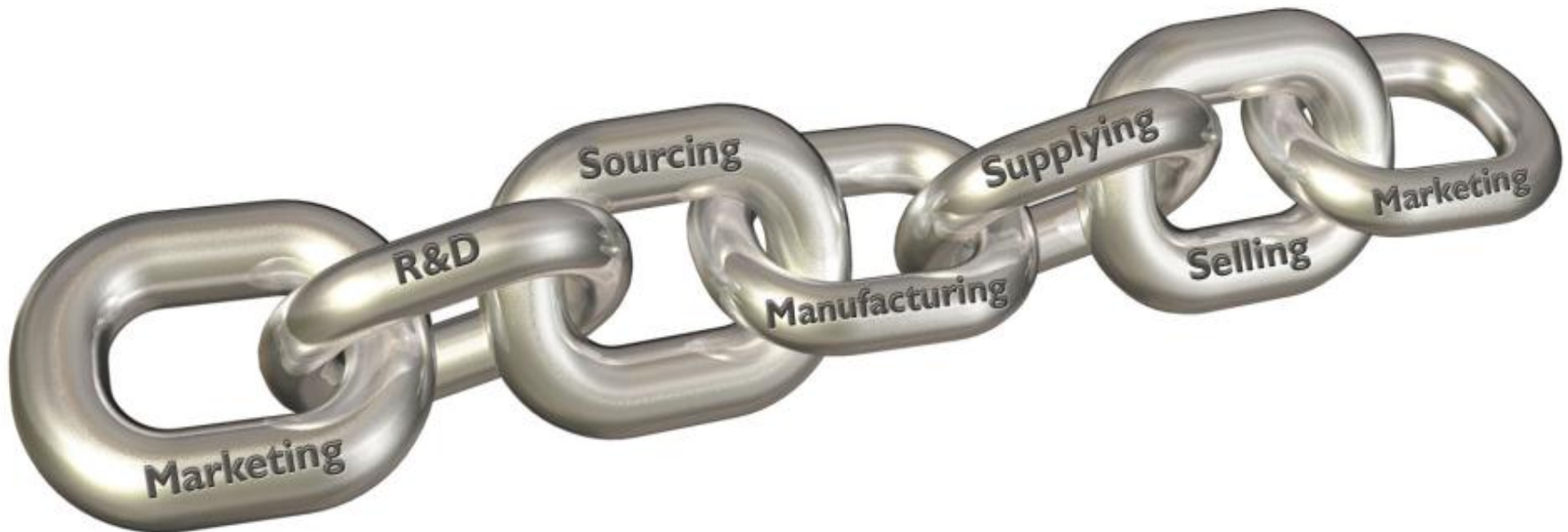
For their warehouse:
Ships at Costs
Warehouse turns
Warehouse weeks on hand
Cost on hand
Cost on order

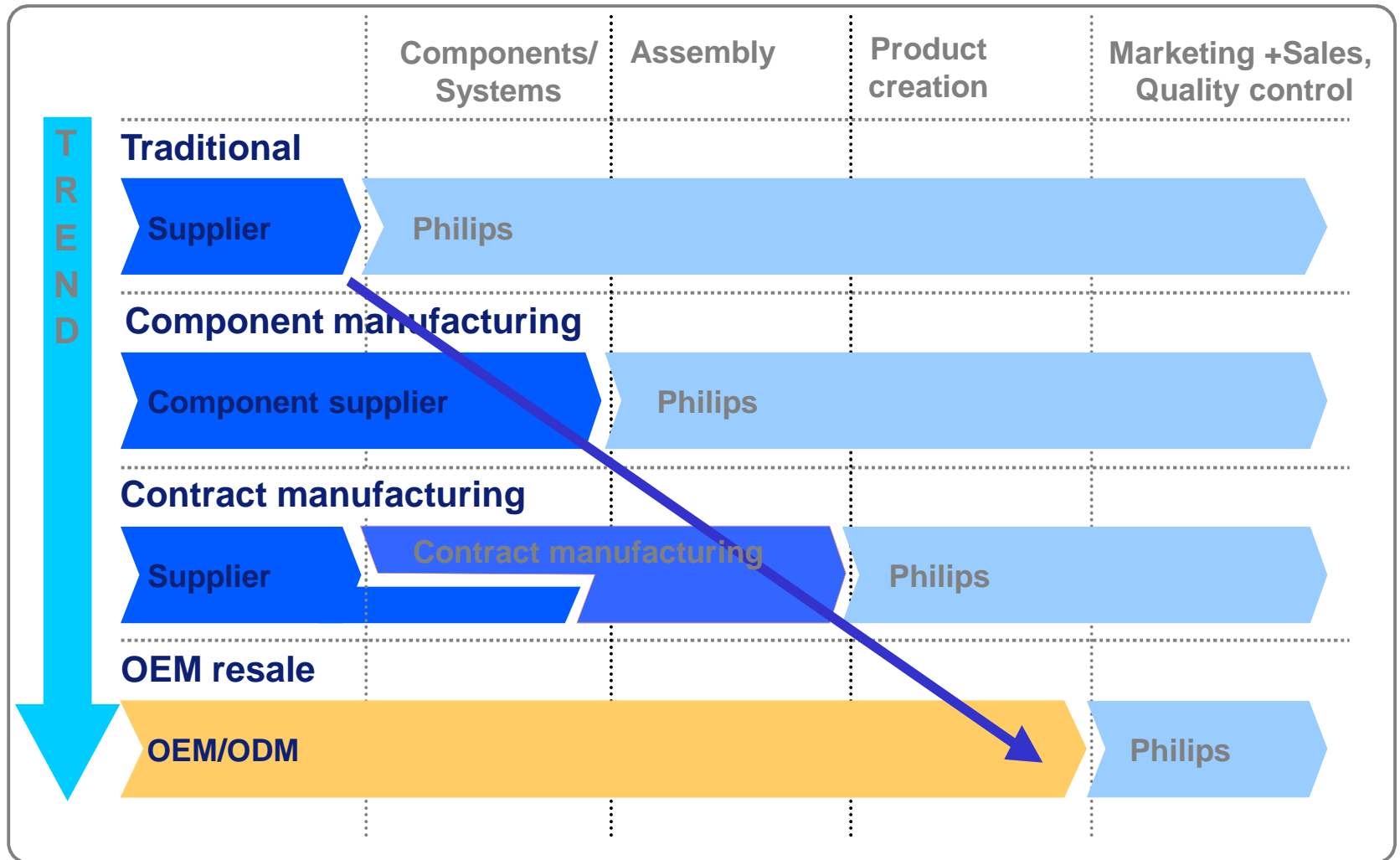
These weekly reports are compared with months' and years' totals.

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



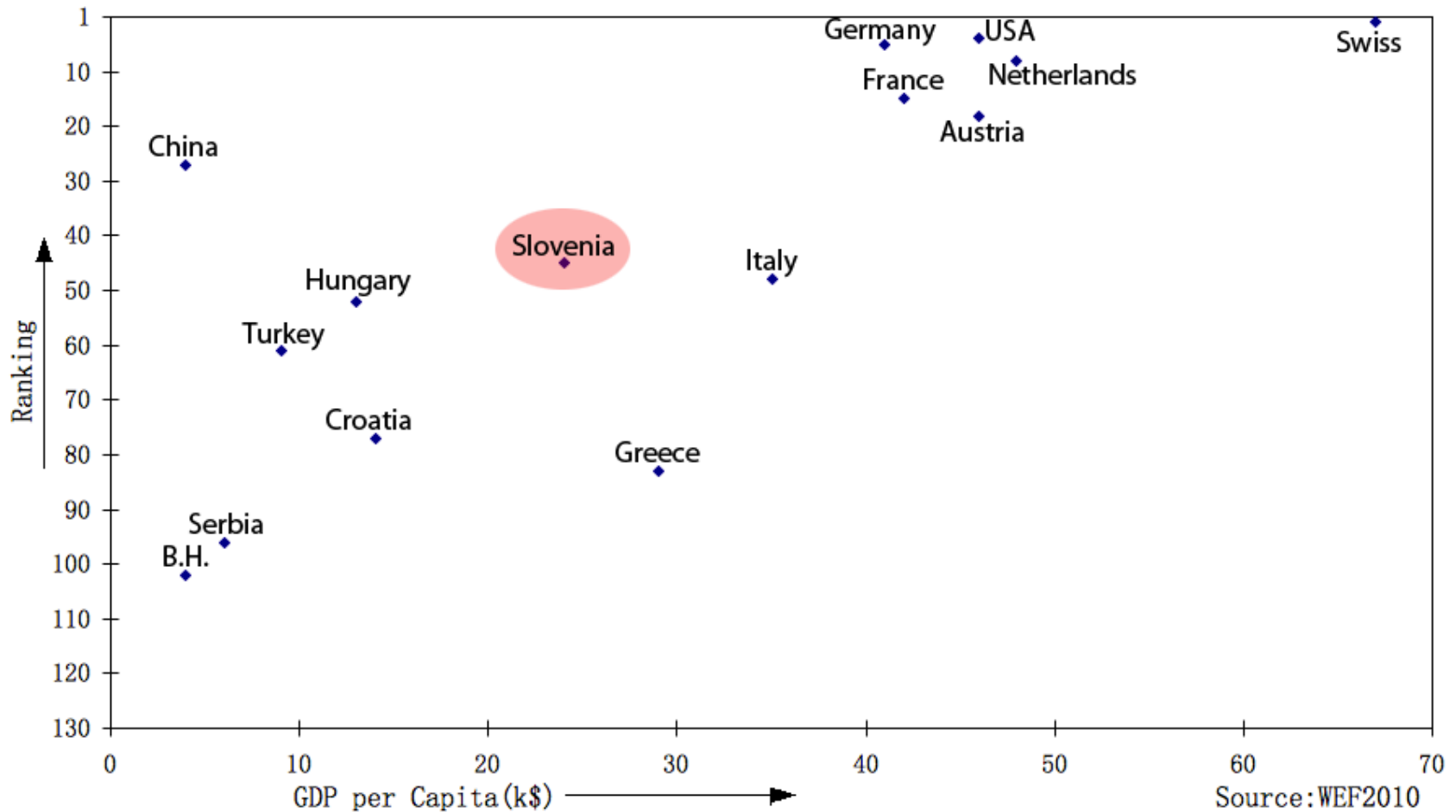


Philips' operating model is increasingly becoming more agile and asset light

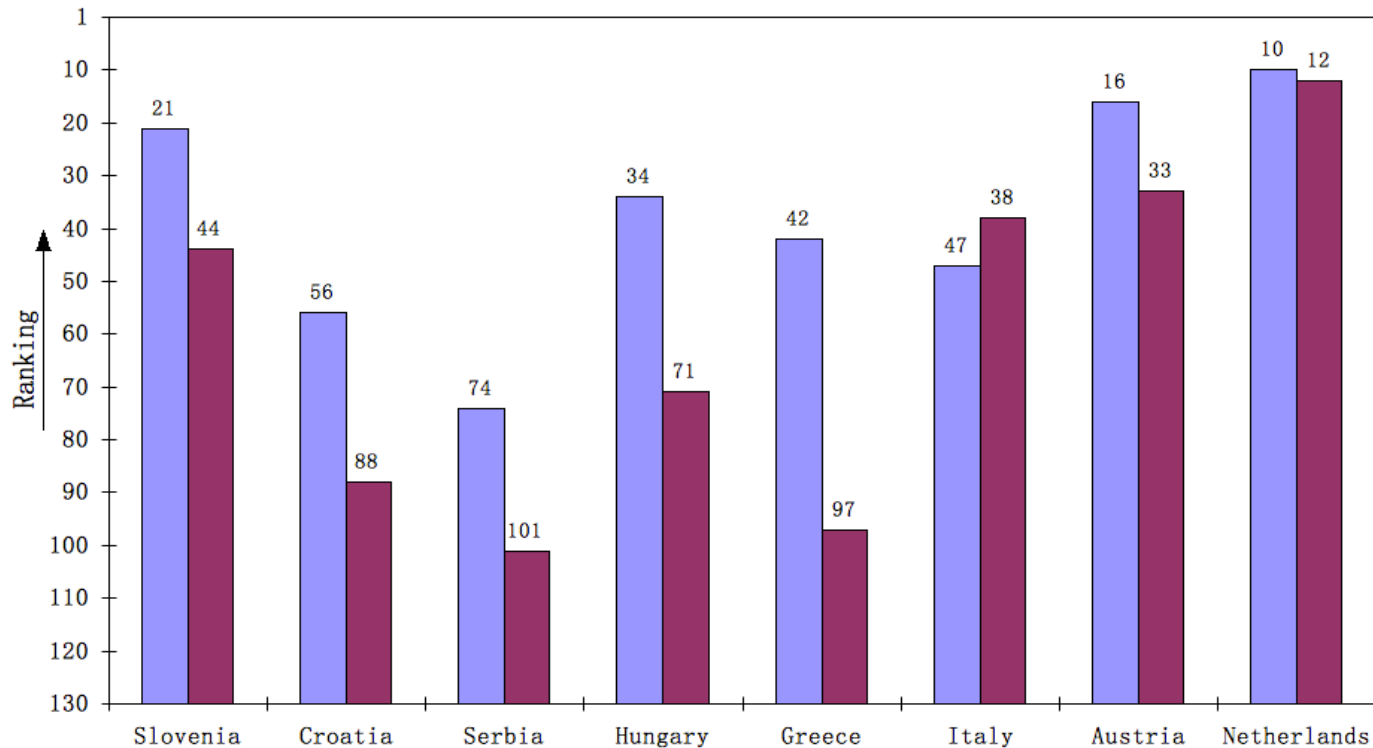
**Competitiveness
of Slovenian Companies
can be drastic increased through
Business Excellence**

Global Competitiveness Index

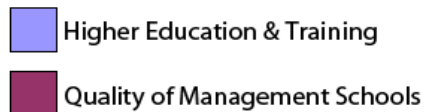
Slovenia is Competitive in their Region



Slovenian Competitiveness Higher Education & Training - Quality of Management Schools -

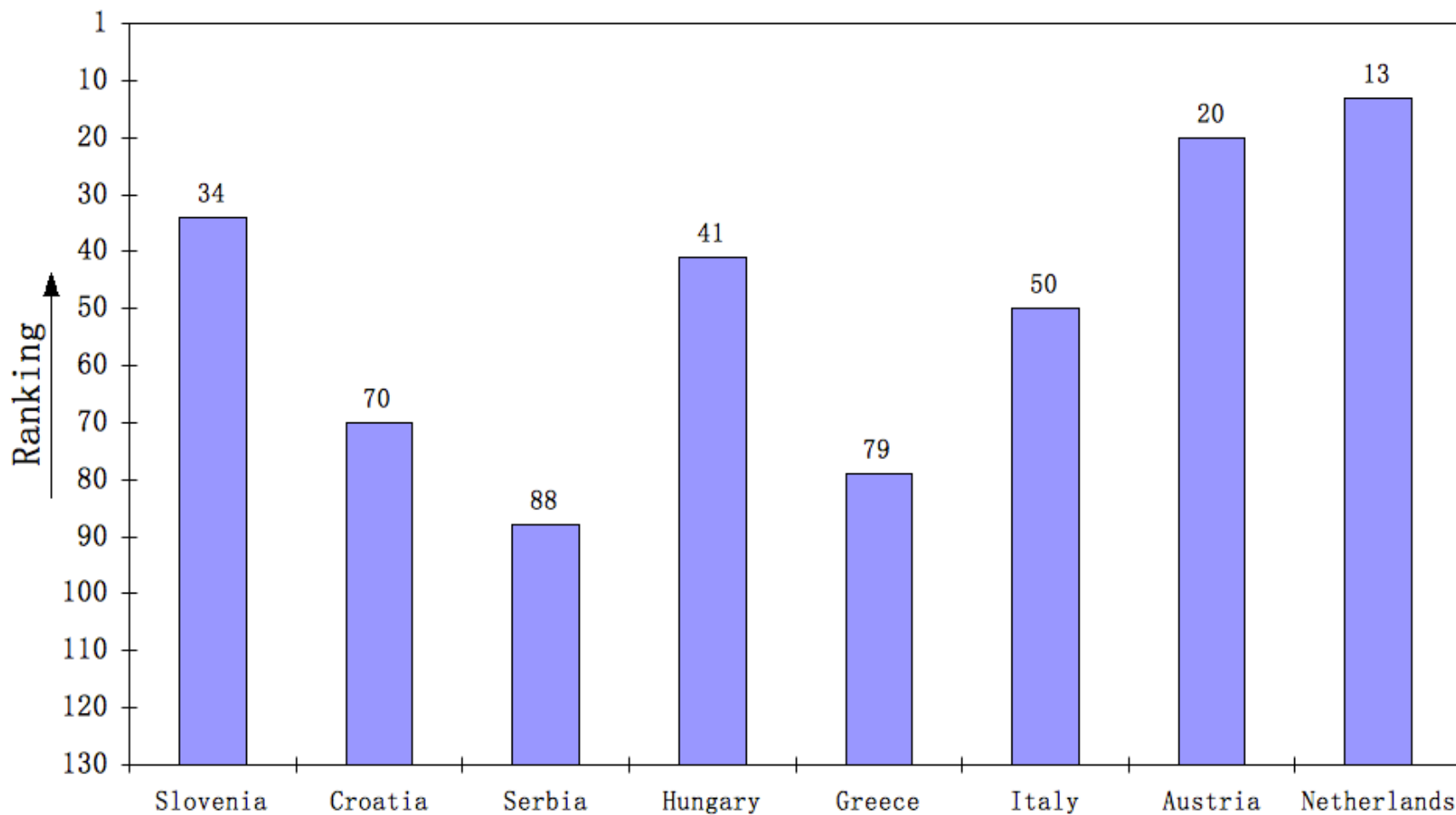


Source: WEF2010



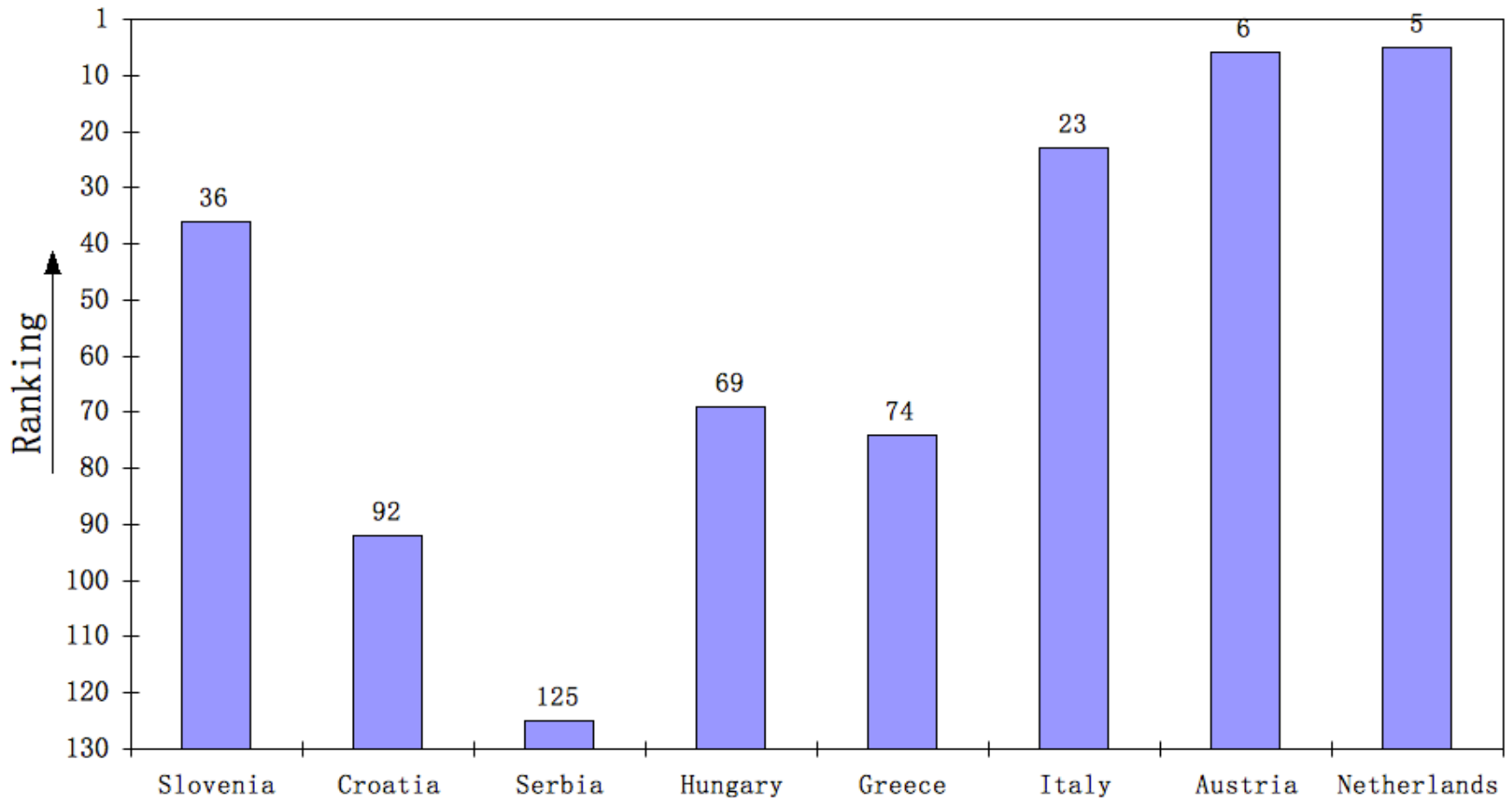
Slovenian Competitiveness

Innovation



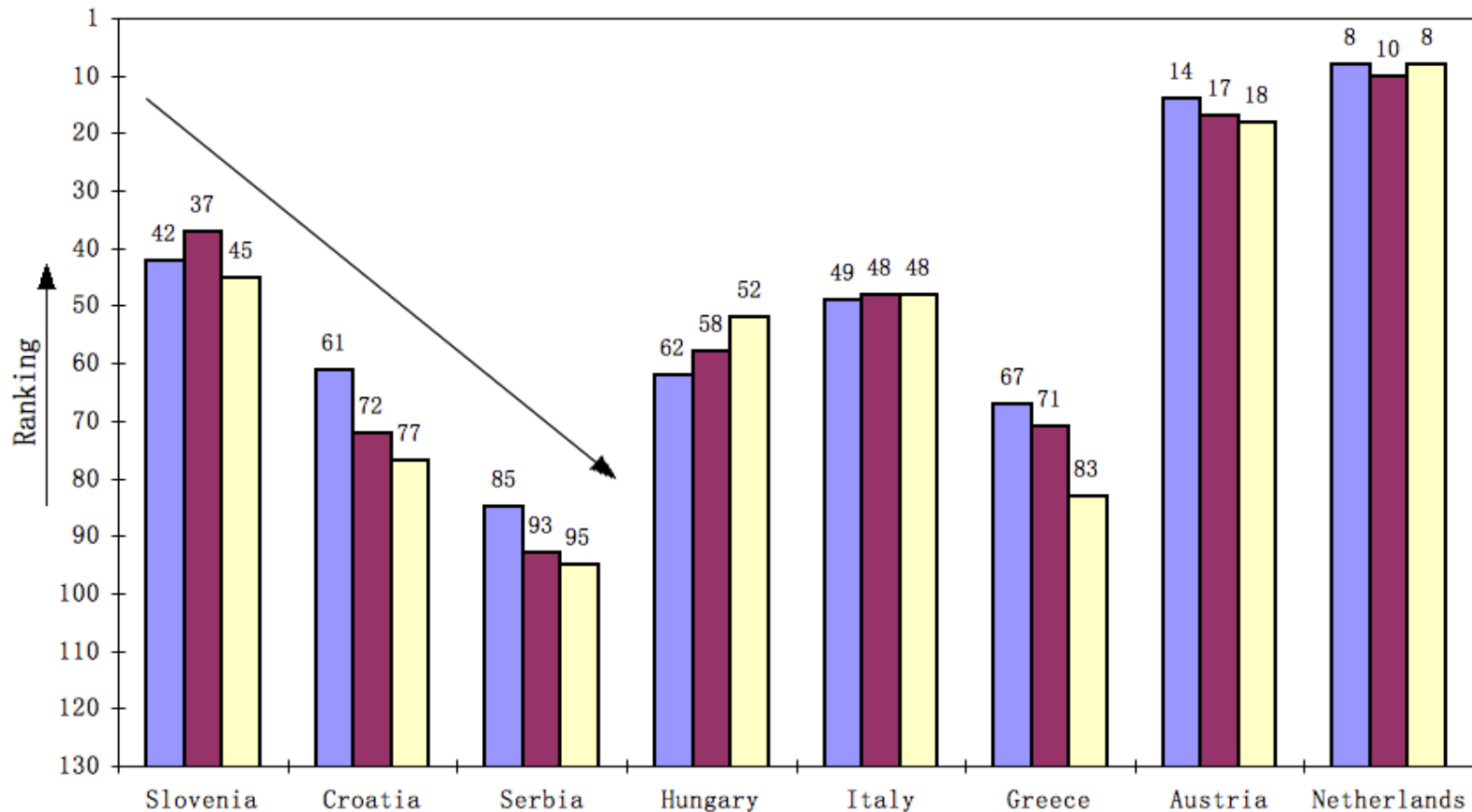
Source: WEF2010

Slovenian Competitiveness Business Sophistication



Slovenian Competitiveness

However Å Trend (2008-2010) is Negative



Source: WEF2010

Improving Slovenian Companies' Competitiveness

“ Partnership with SFPO

“ Partnership with EFQM

For your 'Journey of Excellence'

EFQM in Slovenia



www.hermes-softlab.com



Join us and drive Slovenia further towards **Sustainable Excellence**

Together we increase **European Competitiveness**