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Technology Transfer in the
context of the UNFCCC

Company experiences

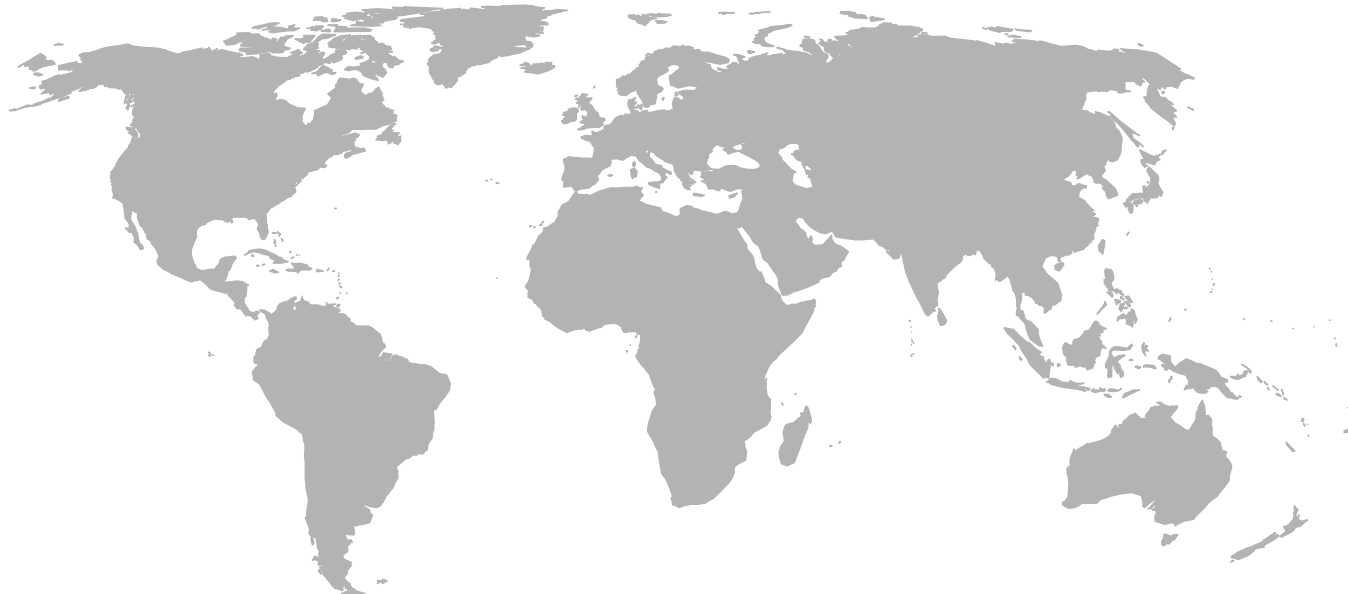
Dr. Dorothea Seebode
Philips Research

05 February, 2009



Royal Philips Electronics

- Founded in 1891
- Headquarter: Amsterdam, The Netherlands
- Sales in 2007 of EUR 27 billion
- Multinational workforce of 133,000 employees (October 2008)
- Manufacturing sites in 28 countries, sales outlets in 150 countries
- R&D expenditures EUR 1,6 billion (2007)



Already our founders believed we could do well by doing good

- Philips has reinvented itself many times, but through it all, our core, the soul of our company, remained intact. That is because it was part of our company since its inception in 1891. It is the passion to...

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



Anton and Gerard Philips ...

A strong track record in innovation ...

					
1891	1927	1930's	1940's	1960's	1981
					
1999	2004	2005	2006	2007	2008

Since the early 2000's innovation in BOP projects



- Voices in Your Hand
- Philips Research & Philips Brazil
- 2003-2005
- no context relevance



- Woodstove
- Philips Research & Philips India
- 2005- present
- on way to market



- DISHA: Mobile healthcare
- Philips India
- 2003-2006
- no profitable business model



- Community water-purifier
- Philips India
- 2006-2006
- 'Community solutions'
unknown segment



- Household purifier
- Philips CL & Philips India
- 2006-2006
- Quality of the prototype &
"unproven" access to new market



- SAM – malaria diagnostics
- Philips Research
- 2006-present
- search for way to market

The value of lighting for the poor ...

“Modern lighting can:

- extend the working day for small and medium enterprises (SMEs) ...
- enhance safety and security via outdoor lighting for personal, business, and community activities
- create conditions to attract teachers, retain students, expand time for student reading and studying both in the classroom and at home...
- extend productive time in the home, providing opportunities for income-generating activities...
- increase gender equality for women
- provide opportunities for adult literacy and higher education programs
- improve health services delivery and thus reduce productivity loss due to illnesses”

Source: www.lightingafrica.org / IFC- Worldbank

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SOLAR UDAY Lantern



Cost saving: Saves money, cheaper to run than kerosene

Economic: Enhance livelihood by providing flexibility for working beyond sun set

Support for education: Provide lighting for children to study in the evenings and mornings

Better for health: Better quality light. Smokeless solutions that improve the health and hygiene of the home

Safety: No fire hazard unlike kerosene lamps - also road can be marked

Environmentally friendly: No CO₂ (in use)

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smile[☀] started in India

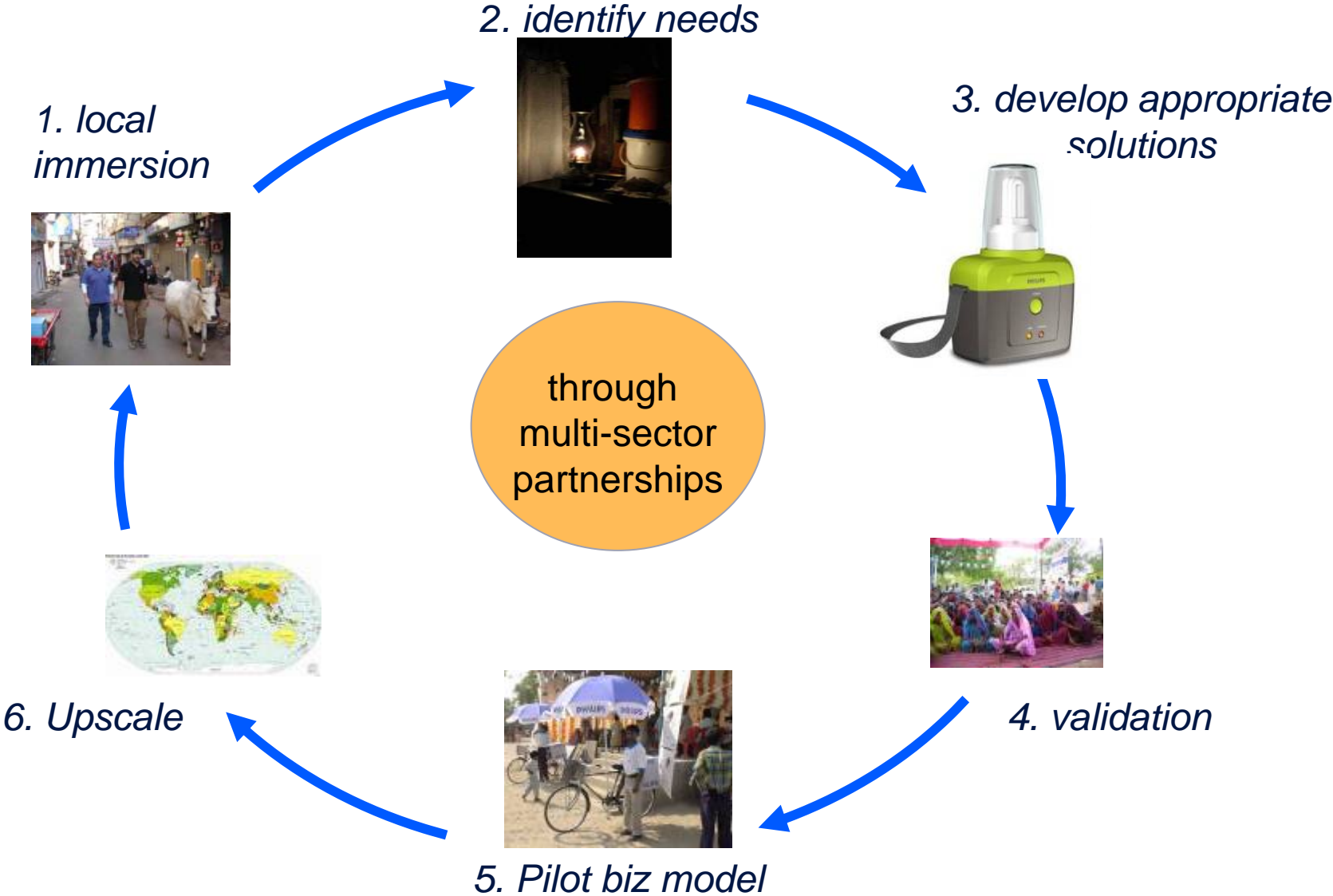
Sustainable Model In Lighting Everywhere

- 87 million households without electricity!
- Kerosene as primary lighting source
 - Over 20Usd/year spent /per home (in spite of Indian gvt subsidies)
 - 22 mln tons of carbon dioxide emitted each year
 - Children and families affected by toxic fumes



Philips Research, Dr. Dorothea Seebode, 05 February, 2009

Base Of Pyramid market approach



Our challenge is to find the balance between...

- Energy efficiency **and** affordability (acquisition price)
- Total Cost of Ownership **and** price of purchase
- 'Aspirational' product **and** affordable product
- Price/ cost **and** perceived value

- Optimal/innovative Business Model (s) **and** traditional approach
- Selling model (product) **and** leasing/renting model (energy hub)
- Base of Pyramid market alone **and** BOP + MOP (Middle of Pyramid) / TOP
- Piloting value chain/business model **and** product testing

- Traditional **and** non-traditional partners
- Partners core competences (MNC's, NGOs, MFIs, Gov) **and** own competence?
- Partnering with other companies **and** competing

- Need for localization of manufacturing **and** need for global leverage/volume
- Global supply chain **and** local repair-ability, after-sale and recycling
- Selling a product **and** ensuring proper end of life
- Need for local development (talent, entrepreneurship) **and** need for fast scale up

- Economic **and** social+ environmental KPIs (short term vs long term)

The challenge: not just another product!

Infrastructure at the Bottom of the Pyramid

Improving Access

- Distribution systems
- Communications links

Shaping Aspirations

- Consumer education
- Sustainable development

Tailoring Local Solutions

- Targeted product development
- Bottom-up innovation

Creating Buying Power

- Access to credit
- Income generation

Source: Article “a fortune at the bottom of the pyramid”, by CK Prahalad and S. Hart, 2002

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We want to...

... create a win-win situation



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