

Global Trends and Philips Dialogues

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Welcome

Welcome to *Global Trends and Philips Dialogues*, a new regular special edition of the established series of Philips Publications.

Reaching out to thought leaders and influencers to share and exchange understanding of demographic and societal trends is a form of dialogue that's long been part of the Philips innovation process.

As the company's focus on health and well-being intensifies, so sharing the fruits of this stakeholder dialogue with an ever widening circle becomes even more essential to our mission of making a positive difference in people's lives.

Global Trends and Philips Dialogues aims to summarize all the latest thinking about these developments in a format that's easy to digest. It's designed to help shape and strengthen our positive engagement with society's future needs and challenges.

We hope you will enjoy reading it – and that you will use it as an inspiration for further dialogue and exploring common ground.



Koen Joosse, Editor-in-Chief.

Thinking on a Global Scale

Dramatic changes in global demography will redefine the quality of human life over the next decades. Now is the time for industrial leaders to step forward by sponsoring the development of future-focused strategies. This may help tackle the societal challenges we are facing across the globe and help build a sustainable future for all.

By Dr. Gerd Götz

In partnership with governments and civil society, leading companies are stepping up to the immense challenge of helping to create healthier, more sustainable and more rewarding life expectations for citizens everywhere.

As a response to societal trends already affecting the quality of human life on a huge scale, a global conversation is gathering momentum. Companies are participating not only as responsible stakeholders, but also as co-creators of thoughts and actions that will help trigger collective solutions for some of the most pressing issues confronting humanity.

Alongside humanity's need to reduce global carbon usage, two fast-emerging megatrends will in future affect every single one of earth's forecast nine billion inhabitants. The urban environments we expect to live in, and the quality of our time spent as senior citizens, will define everyone's future.

Research shows that within four decades, fast-growing cities will be home to almost 70% of the global population. Making these vast conurbations more humane and livable places should be the priority of societies everywhere. And within these cities, an estimated two billion people will be over 60. They will desire a better old age, not characterized by social alienation, declining independence, and poor health.

Philips – which for over a century has been delivering life-improving innovations in the home, at the workplace, in healthcare settings and on the street – is now moving decisively onto this much larger stage. As the company's focus on health

and well-being has sharpened steadily over the last decade, so the present and future of Philips is becoming ever more closely linked to these megatrends.

Inspiration for this process comes from Vision 2015, the medium-term strategic plan (launched in September 2010) that links the company's future ever more closely with leadership in health and well-being. Philips will simply make a difference to people's lives with meaningful, sustainable innovations. These innovations address four key themes: the rise of urban life in emerging markets; an aging global population; the need to reduce carbon consumption, and increased consumer empowerment through sustainable lifestyles.

This vision is driven forward by ongoing research, consumer understanding, and above all, through dialogue and debate with citizens and stakeholders. Today, Philips is sponsoring a truly global conversation in search of solutions we believe to be of importance to communities around the world.



Active Dialogue

As future challenges become ever more closely defined by urban planners, healthcare experts and future-focused thinkers, so the intensity of Philips dialogue with stakeholders and thought leaders everywhere is increasing.

Philips currently manages an active program of constructive dialogue with different groups of stakeholders who are influencing our society. This includes: hosting discussions with multiple research partners and decision-makers; running community



The symposium Urbanes Leben held in Essen was one in a series of dialogue conferences Philips is organizing around the theme Livable Cities.

programs; supporting learning in schools; sponsoring awards, and creating specialist and policy platforms for debate in places like London, Paris, Brussels, Washington, Singapore and Shanghai.

Examples include the “SimplyHealthy@Schools” project, the “Simply Switch” program, surveys on sleep, the Philips Index for Health & Well-being (see later in this edition), research on independent home living for seniors or the chronically ill, investigations into what are citizens’ prime drivers of livability, and many more.

In each case the motive is the need to make a positive contribution by addressing big themes

facing societies everywhere. Philips believes that industry can and should engage positively and responsibly with citizens and societies, for the common good.

At the same time, all this open debate guides and focuses the Philips research process, boosting innovation within the company, as feedback ensures that Philips stays in line with the expectations of stakeholders and customers. Of course, any company’s ability to maintain high levels of investment in research and development depends on a stream of successful, profitable products that meet society’s needs. Philips invested more than 1.6 billion Euros in R&D during 2009, representing 7% of sales.

Health and Well-being in Focus

A prime example of this platform approach is The Philips Center for Health and Well-being, which was established in 2009. Sponsored by Philips, this is an independent, creative and innovative knowledge-sharing forum.

The Center brings together acknowledged leaders in the fields of demography, aging, global and public health, urban planning, architecture and anthropology. These are experts who are multi-disciplinary and able to shape opinion in their field. Its aim is to raise the level of discussion on what matters most in its chosen field: improving the lives of people.

Its charter is to improve people’s quality of life around the world by identifying barriers to health and well-being, and by developing solutions to overcome these barriers. It is an open, transparent forum designed to empower citizens and decision-makers.

The Center’s work is founded on research into health and well-being trends in cities around the world. Today, this research is carried out as projects



or “think tanks.” Closely aligned with the key themes of Philips Vision 2015 strategy, these think tanks are named ‘Livable Cities’ and ‘Active Aging’ (see the other articles in this edition).



Dr. Regina Herzlinger (Harvard Business School professor) and Dr. Eric Silfen (Chief Medical Officer Philips) at the roundtable discussion “The Future of Healthcare: The Landscape Transformed”, attended by 125 key influencers from the field.

The Center has set a 24-month timeline for its two think tank groups to understand issues and define challenges. Later they will propose solutions and seek “execution stakeholders” able to implement these recommendations. Such partners may include city mayors, municipalities, governments, UN agencies, NGOs or multilateral bodies.

An additional foundation for understanding is the Philips Index for Health & Well-being, which is a global research project being conducted by The Philips Center for Health and Well-being. It aims to identify what citizens find important concerning their health and well-being. The research examines the megatrends that shape each nation’s healthcare, lifestyle and who we are as a society, with a focus on what aspects of health and well-being are most important. During 2010, this extensive research has been conducted in 23 countries worldwide.

Sustainable Human Development

The Center’s work is a powerful example of responsible engagement by Philips, and the energetic pursuit of ways that humanity can adapt to the societal trends shaping all our lives.

Human life is changing at a dizzying pace in today's fast-growth emerging market cities. These carry the threat of economic, social or cultural destabilization. And 70% of the world's energy is consumed in cities. Nor is there any guarantee -- even in rich nations -- of successful, secure or healthy aging in the decades to come.

By focusing on aging populations -- expected to exceed two billion people by 2050 -- Philips is positioned to help meet rising expectations for personalized healthcare that can support sustainable and independent living for seniors. That underpins the Center's 'active aging' program.

And as an over-arching theme, Vision 2015's focus on climate change and sustainable development, underpins the Center's active focus on solutions to control excessive energy and resource use in the urban communities of tomorrow. Leadership in sustainability is increasingly seen as an important driver of growth.

If industry, government and civil society come together to debate and define solutions, we could be on the threshold of a sustainable future. Tomorrow's cities could offer more equal economic opportunities, a sense of belonging and civic pride, with health, dignity and quality of life for both young and old. This is an essential debate that needs to be driven forward with courage and determination.



Gerd Götz

Gerd Götz is Global Head of Philips Professional and Public Affairs and General Manager of the company's European Affairs Office. He is an associate member of the European Round Table of Industrialists, where he acts as the convenor of the competitiveness working group. Gerd started his career in 1980 as a business editor, and has held different managing roles in public affairs, corporate communications and brand management in Hamburg, Brussels and Amsterdam for the last 20 years. He studied Business Administration and Economics in Berlin and Paris, and earned his Ph.D. from Berlin's Free University.

Making Livable Cities Tomorrow's Reality

By Olivier Piccolin

Today, new factors demand we urgently change our view of cities and how they should evolve. First, the urban growth surge, spawning mega-cities in Asia and other emerging economies, is unlike anything experienced in history. Secondly, the ecological imperative of reducing urban consumption of carbon and other resources forces us to find accelerated solutions. And there's intense pressure on budgets to support the increasing demand for public services in cities,

So we must find new definitions of what makes a successful city. The Center's Livable Cities think tank has begun the task of defining how a fit-for-the-future city can be created and sustained, in emerging markets.



The think tank was tasked to debate urban challenges such as fighting disease, reducing poverty and crime or increasing access to healthcare – and asking how they can be effectively tackled within cities? How do you create a city for its people with a high quality of life? Importantly, can this new breed of livable cities create a sense

of community for people moving in? How can the satisfaction of residents be measured? Is it possible to actively involve the public in the development of their own habitat to ensure that it is socially as well as environmentally sustainable? What governance measures are needed?



The think tank's initial answer to these questions is to describe the elements of a livable city. This results in the charter of "measuring and promoting more resilient inclusive, diverse and authentic cities, all underlined by the need for rapid and fundamental transformation." The think tank is actively exploring these four features, and reviewing qualitative and quantitative measures to guide its thinking around driving for livability in expanding cities.

Modern cities need to satisfy the broadest range of human requirements. In Spain, Barcelona recaptured its seaside character for the 1992 Olympics, while the Guggenheim Museum transformed Bilbao's artistic heritage. The parkland setting for Guilin's Sun and Moon Pagodas affirms



tradition and tranquility. Also in China, the group of Grand Canal Cities has affirmed a shared cultural heritage that distinguishes them from other cities.

So “success” will not be judged solely in terms of economic growth and efficiency, but will include more subjective factors including social, economic and environmental resilience, and inclusiveness for all parts of the population and diversity – as well as remaining authentic during transition. Perhaps “equal opportunity” or “percentage of green spaces” will one day sit alongside GDP as a component in future rankings of successful cities.

Urban transformation has moved beyond the domain of planners to become part of wider public consciousness. As the building of livable cities is crucial for billions, the think tank recognizes that involving multiple stakeholder groups within the neighbourhood as well as on a city level is essential to define urban environments that are able to accommodate and balance different health and well-being requirement in the right way. While Philips is actively involved with planned eco-communities such as Abu-Dhabi’s Masdar City and Tianjin city near

Beijing, solving infrastructure challenges in existing cities remains an important priority. With cities accounting for 70% of global energy consumption, every city on the planet must contribute to reducing carbon emissions.

For this reason the think tank actively seeks the help of communities. Charting a course for the future starts by asking inhabitants to share their dreams and desire for health and well-being. Each think-tank meeting includes active consultation with a “citizen of the world” while the Center uses social media and online communications to ensure that all interested parties can follow and become involved in the dialogue and discussions.

The parameters for successful urban life vary widely according to cultural context and geography. The Livable Cities think tank makes use of research for the Philips Health & Well-Being Index (see separate article in this edition).

The more objective factors defined by respondents include safety and security, waste removal, access to public healthcare, available transport, access to good roads and good local schools.

Which of these will be primary factors influencing our health and well-being in the livable city of the future? It's a hugely ambitious challenge to distill these factors into any "recipe" for a fulfilling urban future for mankind. And of course, cultural factors including authentic city identities mean there can never be such a thing as a standardized livable city.

Nevertheless by 2012, the Center's think tank plans to present its proposals to global decision makers such as mayors of the largest cities. By improving health and well-being in tomorrow's urban environment, Philips is playing its part in helping create a better future for all.

For more information and to join the dialogue, please visit the Center's website at www.philips-thecenter.org/livable-cities/ or join 2000 others in our Livable Cities debate on Linked In at <http://partner.linkedin.com/creatinghealthy livablecities>

Members of the Philips Center for Health and Well-being Livable Cities think tank

1. **Reon Brand**, Senior Director, Strategic Futures, Philips Design
2. **Dr. Freek Colombijn**, Associate Professor and Head of Department, Department of Social and Cultural Anthropology, VU University Amsterdam
3. **Peter Head** OBE, Chairman of Global Planning, ARUP
4. **Dan Hoornweg**, Lead Urban Specialist, Cities and Climate Change, Urban Development, World Bank
5. **Klaas Vegter**, Chief Technology Officer Lighting, Philips
6. **Dr Shipra Narang**, International urban consultant Associate, PRDU & ISOCARP
7. **Olivier Piccolin**, Senior Vice President & General Manager Asia Commercial Lighting, Philips
8. **Sanjay Prakash**, Sanjay Prakash and Associates & Indian Institute for Human Settlements
9. **Darko Radovic**, Professor of Architecture and Urban Design, Keio University, Tokyo
10. **Simon Tay**, Chairman, Singapore Institute of International Affairs



Olivier Piccolin

Olivier Piccolin is Senior Vice President and General Manager Asia Commercial Lighting at Philips. His main priority is to understand end users' needs and aspirations, and ensure Philips provides sustainable solutions to cater to these needs. Philips' energy-efficient innovation such as LEDs, can positively impact people's lives and the environment. Mr Piccolin was born in France is a graduate of Ecole Polytechnique – Paris.

Where Age is no Barrier

By Walter van Kuijen

Demographic shifts will result in dramatic increases in the number of elderly people. During the years up to 2020, in the US alone there will be a 73% increase in the 55-64 age group and a 54% increase in over 65s. The “graying” of Europe and the majority of Asia is even more pronounced, and by mid-century, 80% of the world’s elderly will be in today’s emerging markets. For China it is expected that the number of people aged over 65 will increase by more than 200% during the period 2008-2040.

As the number of people over the age of 60 will grow from 500 million today to 2 billion by the year 2050, the challenges facing global healthcare are significant. Society cannot afford to maintain the status quo. The demands on our worldwide healthcare systems continue to rise, driven particularly by an increase in chronic diseases. Already, there is a deficit of at least 4 million health workers needed to care for them, according to the World Health Organization.

At the same time, as baby-boomers begin to age they have already developed preferences for their lifestyle that they expect to live, about the environment they inhabit, and how they expect to be cared for.

Do global population demographics provide an opportunity or a threat for sustainable healthcare systems? Governments need to plan for an aging population with constrained financial resources and a rapidly growing demand for carers. Can active aging programs be an unprecedented opportunity to keep people healthy and productive for longer?

During 2010, The Philips Center for Health & Well-being’s Active Aging think tank began exploring themes and priorities for aging well. The group was challenged to assess the role that active aging policies can play in the future and the barriers that currently exist to implementing them. How can seniors live independently in their own homes without worrying about being an ongoing burden on their family? How can quality of life be ensured, with seniors being able to determine their own destiny? How can care systems best be organized around a rapidly aging population - outside the hospital in the local community or within the home?

As the baby-boomer generation nears retirement, so the definition of what it means to be elderly is changing. The think tank is seeking to quantify the conditions for “successful aging”.

The think tank’s work is complemented by targeted research in the form of the Philips Index for Health & Well-being (see next article). This shows how perceptions related to aging differ widely and give clues both to the status and self-esteem of elderly people in various societies.

For instance in Japan, although UN figures show life expectancy is a world-beating 82.6 years, only 32% of those participating in the research believe they will survive till 80. In China, meanwhile, 71% of respondents in the 65+ age group described their personal health as good or very good – over twice the average perception for all ages. In Australia, just the opposite perception was detected by the Philips Index. While 60% of respondents of all ages proclaim themselves healthy, fewer than half this number of over 65s say they are in good shape.

Research also shows a generally high level of expectation that medical technology will allow people to live longer; while 74% feel it is their responsibility to figure out which technologies can be helpful to them.

Increasingly, a successful aging process characterised by ongoing engagement, successful management of life transitions and dignified independence will be seen as vital to aging well. This optimistic outcome is certainly achievable. But to deliver this before 2050 our societies must apply leadership, vision and technology to what Philips believes is one of the world's great challenges. Then, old age could become a new golden age.

For more information on active aging, please join the dialogue on

www.philips-thecenter.org/active-aging

Members of the Philips Center for Health and Well-being Active Aging think tank

1. **Nicola Bedlington**, Director of the European Patients Forum
2. **Rod Falcon**, Director of the Health Horizons Program, The Institute of the Future
3. **Pat Ford-Roegner**, CEO of the American Academy of Nursing
4. **Professor Ilona Kickbusch**, Kickbusch Health Consult
5. **Walter van Kuijen**, Senior Vice-President of Philips Healthcare and General Manager for Home Monitoring
6. **Dr. Leonard Marcus**, Harvard School of Public Health
7. **Bill Novelli**, Georgetown University
8. **Laurie Orlov**, Industry Analyst, Aging In Place Technology Watch
9. **Dr Eric Silfen**, Senior Vice-President and Chief Medical Officer for Philips Healthcare
10. **Jeff Sturchio**, CEO of the Global Health Council



Walter van Kuijen

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Benchmarking Global Attitudes to Health and Well-being

For a century, Philips has undertaken deep consumer research to support its mission of improving the quality of people's lives through timely introduction of meaningful innovations. As a people-focused company, Philips continues to build on its research findings in the domain of health and well-being, in order to expand leadership in these key areas.

By Katy Hartley

A global survey on attitudes to health and well-being offers unique insights into ways people of different cultures perceive the quality of modern life, and exactly what drives their quest for better lifestyles.



The Philips Index for Health and Well-being: a global perspective, (released in November 2010) offers a comprehensive analysis spanning different cultures and countries in various stages of economic development. Its findings will be invaluable in developing future responses to the needs of an increasingly urban and aging global population.

The Americas, Europe, the Middle East, Asia and Asia-Pacific are all represented in a massive consumer research initiative, which surveyed more than 31,000 people across 23 countries.

By charting the sometimes dramatic variations in national attitudes, the Philips Center for Health and Well-being has created a comparative Index or ranking of countries and regions.

The report shows that six out of ten respondents worldwide rate their overall health as good. But the Index shows global citizens' feelings of health and well-being are not always linked to national wealth.

Emerging economies score highly, with India, Singapore and the UAE leading, while developed countries have generally lower scores. Japan and the UK are among the nations that rate their health and well-being lowest.

Also, emerging market respondents are more likely to believe their health is improving, while those in Belgium, France, and Italy are most likely to say their feelings of health have got worse over the last five years. In Asia, the Japanese and Taiwanese are most likely to feel this way too.

The report also delves into the key drivers of perceived health and well-being in different cultures. Alongside the Global Index, the report presents a comparative Physical Health Index and an Emotional Health Index.

Economic anxiety and worry about jobs have a predictable effect on the way health is perceived. In fact some of the world's financial centers have the world's lowest Job Index scores. This may reflect a poor balance between work life and home life in the US, UK, and Japan.

Elsewhere stress, lack of sleep, concern about excessive body weight and anxiety about jobs or work/life balance, are all cause for concern. Those in the Americas and Europe tend to have higher levels of stress than those living in the Middle East and some Asian Pacific countries.

Yet high stress levels were reported in India (95%), Taiwan (94%) and Korea (94%), while 88% of UAE respondents and 85% of those in Turkey aren't getting enough sleep. Respondents in the Americas and Europe were most likely to say they are overweight.

On a positive note, the presence of family and friends and a sense of community contribute strongly to emotional wellbeing. If there were a global currency for improving health and well-being, then spending time with friends and family, or at home, would be the gold standard. Intriguingly though, in the vast majority of cases, people are more satisfied by relationships with their friends

and family compared to the relationship with their spouse or partner.

The report highlights how a sense of personal responsibility for good health varies. Although nine out of ten respondents say health is their own responsibility, more than half (51%) of us are unlikely to follow-up on our doctor's advice – and only 39% of us go for the medical tests we are supposed to. Only 42% of us feel as physically fit as we could be for our age.

Attitudes to medical technology and the benefits it will bring to our life expectancy vary considerably. Respondents in Spain, Turkey and Germany are even more confident than Americans that technology will help them live to a ripe old age. And despite the availability of medical information online, a visit to the doctor is still the number one source of advice.

The report Philips Index for Health & Well-being: a global perspective is a publicly-available document that allows policymakers, health professionals and opinion leaders to compare key attitudes to health and well-being across a significant sample of the world's population.

For the full report, please visit

www.philips-thecenter.org/the-philips-global-index/



Katy Hartley

Katy Hartley is the director of The Philips Center for Health and Well-being. She is responsible for developing and managing the Center's programs and communications platforms, as well as for the ongoing work of its think tank groups. As part of her role, Katy also commissioned the research for the Philips Index for Health and Well-being which measures citizens' perceptions of their health and well-being around the globe. Her background is in marketing, communications and industry analysis.

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- 'Vision 2010 - Building the leading brand in Health and Well-being', June 2008
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- 'Livable Cities – Innovation and collaboration for health and well-being in the urban environment, April 2010
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