

*Translated from the original article in Italian, published in L'Economia, July 9 2018.*

*A transformation that has brought medical technology to account for half of its profits, which are growing (+4%)*

*Among the objectives is the application of big data to medical records. New headquarters in Milan Bicocca.*

# PHILIPS HI-TECH

## ALL YOU NEED IS HEALTH

by **Elena Comelli**

Philips wants to keep us in good health. The Dutch multinational, previously famous for selling light-bulbs and TVs, is today focusing on the medical devices and consumer electronics sectors. After the spinoff and listing in the stock exchange of the Philips Lighting division, where the parent company reduced its presence to a non-controlling stake of 29%, the transformation started by CEO Frans van Houten is now almost complete. "The ageing of the population is a global trend and medical technologies will be important for improving everyone's quality of life," explains Henk de Jong, Vice-President and Chief of Philips' international markets, in Milan for the inauguration of the new Italian HQ, which have just been transferred from the old offices in Monza to an innovative building in the Bicocca Business District. This is also a symbol of the metamorphosis taking place, thanks to smart working and an important generational change. In the last four years, Philips has renewed its personnel in Italy, recruiting over 100 new staff, with a good part under the age of 32.

Medical technology – such as equipment for ultrasound and magnetic resonance – now accounts for over half of sales for the Dutch giant, whose turnover last year amounted to almost 18 billion euro, +4% vs 2016. But the division that has achieved the best results has been in personal health devices, which have grown by 6% on 2016, driven by Latin America and Middle East markets, followed by China and Eastern Europe. "Our sleep platform, for example, is a rapidly growing business", states de Jong. "6-8% of the population suffers from sleep disorders and with our technology we are able to optimise the deep sleep phase, map the various stages and communicate the results directly to the doctor."

The solutions that put digital intelligence at the service of health are highly successful. "We want to be near our customers and accompany them along a healthy life path starting from the diet, with our kitchen appliances, to the prevention of diseases and the monitoring of daily disorders", says de Jong, convinced that taking care of our health is slowing passing from the doctor's hands into our own.

### **The changes**

The relationship between doctor and patient has changed considerably in recent years. Before digitalisation, the relationships within healthcare were decidedly dominated by the doctor, with patients unaware of the procedures and treatments they were undergoing. Now, however, patients are consumers striving for information and much more active in caring for their own health.

The fourth industrial revolution is giving more power to those who want to monitor their health personally. "The role of big data, of wearable and intelligent technology, has brought a revolution into the panorama of health assistance, involving patients much more in the most common diseases", says de Jong. Those

suffering from chronic pathologies such as diabetes, emphysema or asthma are now able to actively measure and manage their condition, with the aid of the doctor. Thus the treatment of these diseases has largely been transferred out of the hospitals and Philips follows it, with products such as HealthSuite, a digital medical record gathering all the data from different sources and where patients, families, doctors and health operators can come together in real time, enabling quicker and more effective decisions. “Our outlook is of a convergence between the world of health and consumers, integrated and designed around the individual: a holistic system supporting people’s health, monitoring them and motivating them to act when necessary”, remarks de Jong.

We all gain from this transformation: the chances of survival increase and treatment is cheaper. This is the road that Philips wants to keep following, expanding with new investments and acquisitions, such as, a few days ago, Remote Diagnostic Technologies, one of the main British innovators in the field of monitoring, heart therapy and data management. Another piece to add to the new health mosaic.