

# PHILIPS

## Highway to the Customer

**Maria Marced**

General Manager Sales and Marketing Operations

September 15, 2005

## Agenda Highway to the Customer

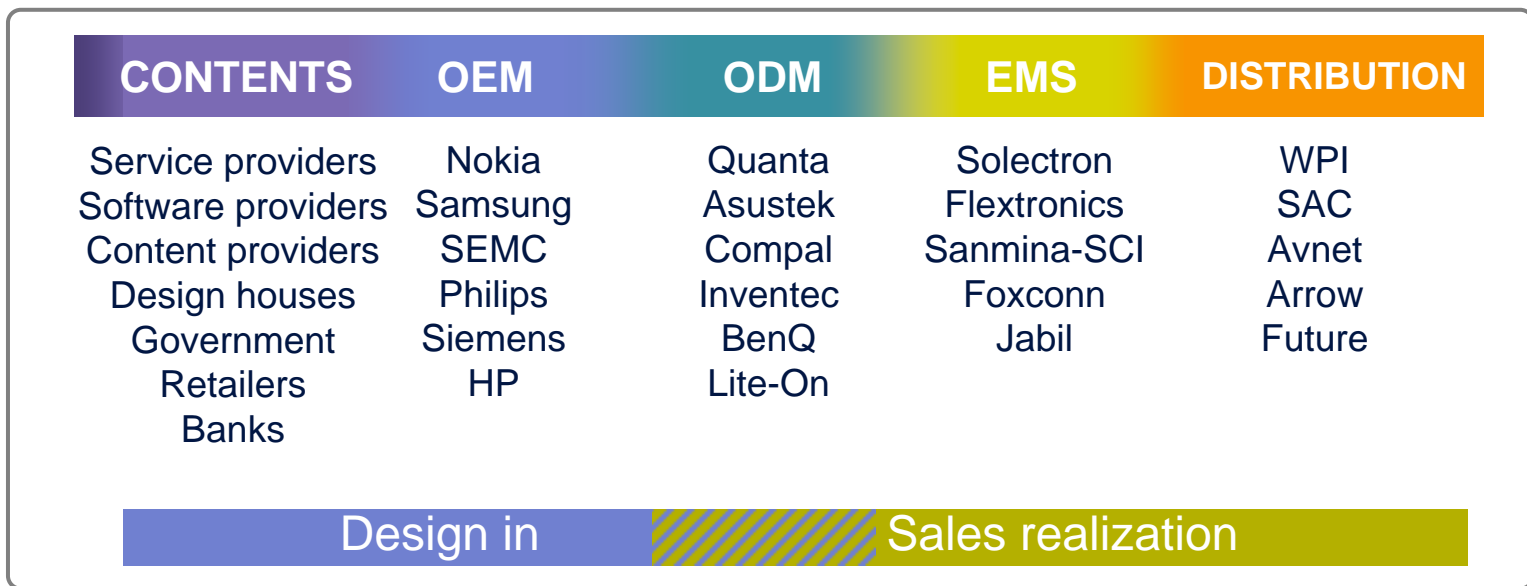
- Market dynamics
- Business Renewal in Sales and Marketing
- Tracking results



# Market changes affect our Go-to-Market strategy

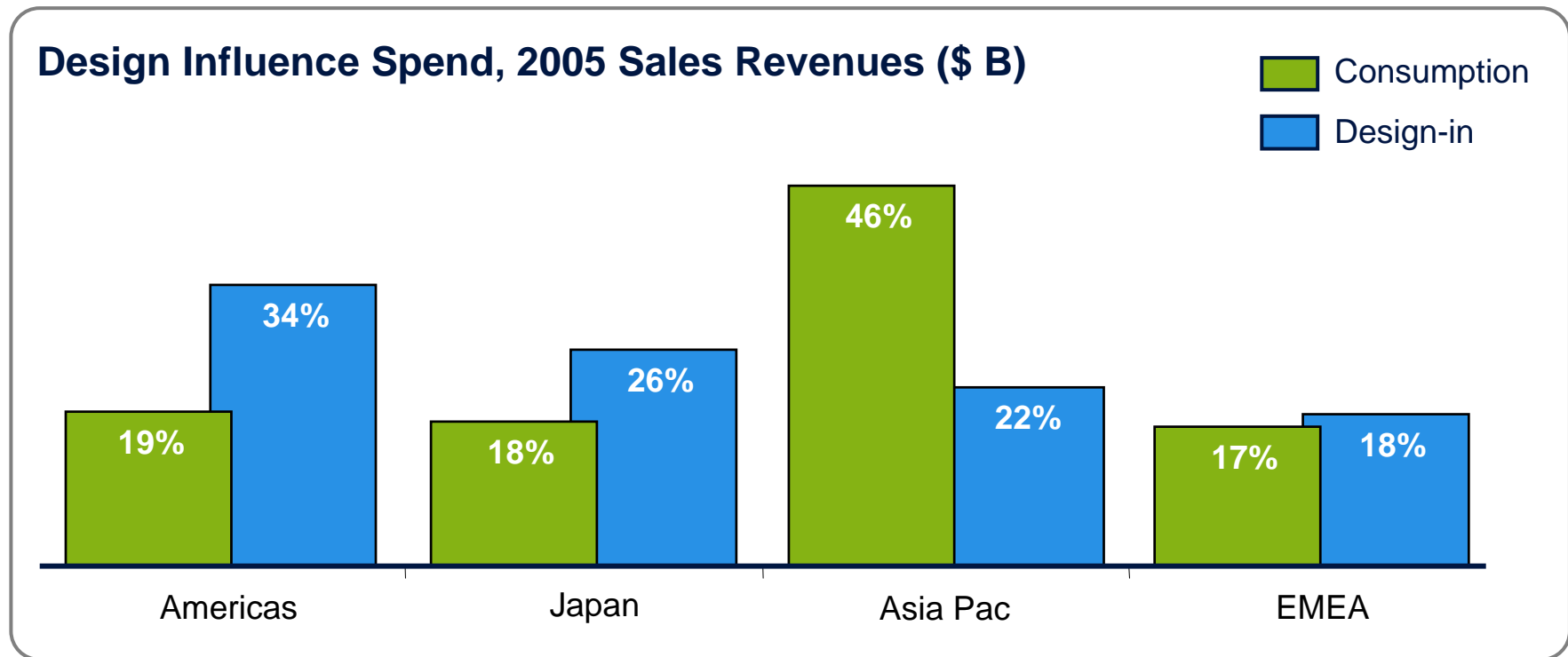
## Market changes:

- Convergence
- New Business Models
- Digitalization



# Fashion Centers design the future

- Design centers in Americas and Japan
  - 60% of design-ins are created in Americas and Japan



## Agenda

### Highway to the Customer

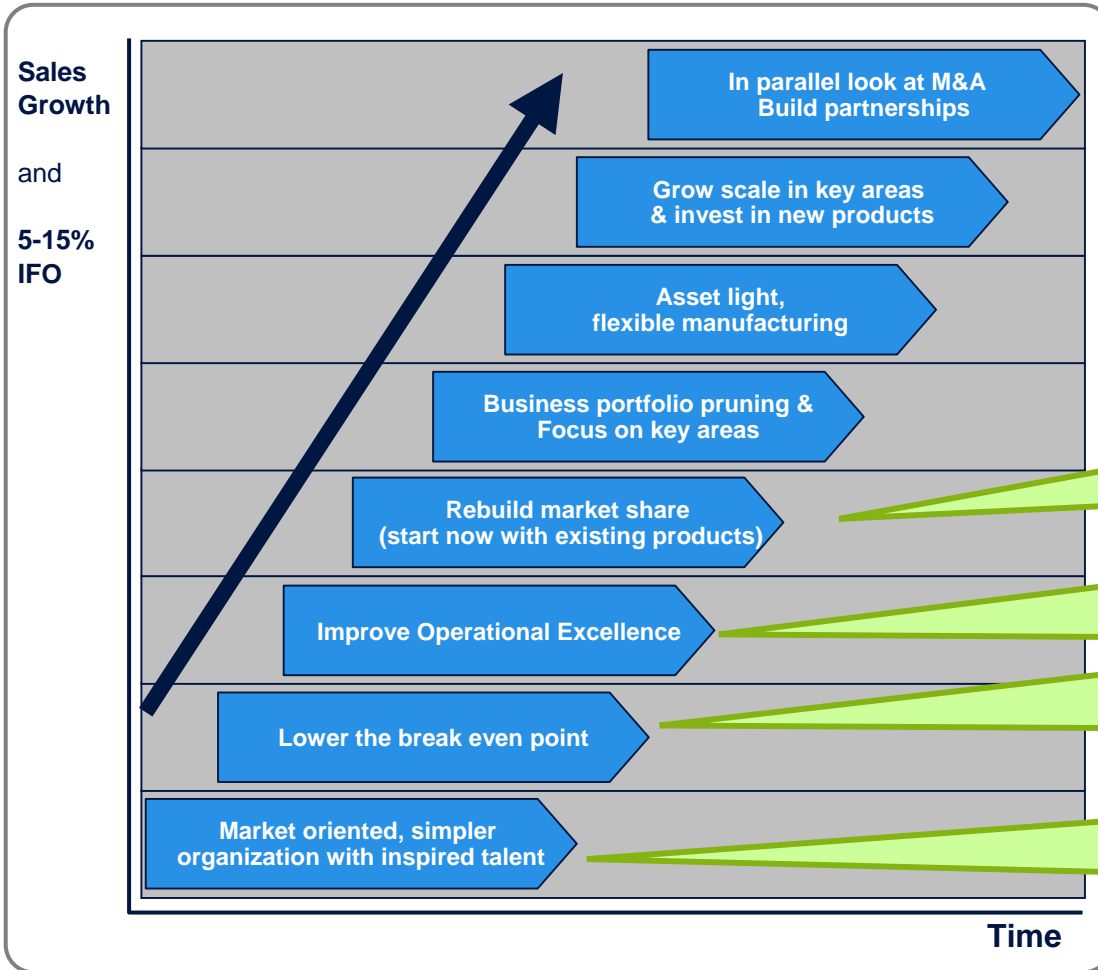
- Market dynamics
- Business Renewal in Sales and Marketing
- Tracking results



## Highway to the Customer 4 Businesses, 4 Shared Processes



# Our Sales & Marketing actions to realize our ambitions



## Sales UP

- Application focus for convergence customers
- Short TTM to accelerate design-in cycles

## Streamline the organization

- Closer to the customer
- More customer face time
- Move Back Office to Front Office

## Instill culture

- Passion and eagerness to win

# Sales UP Plan

## 1) Realize additional design-in projects for Key Customers and emerging businesses

- Start with existing products
- Reduce Time-to-Volume
- Strengthen some geographies (e.g., Taiwan)

## 2) Create additional orders with MultiMarket Semiconductors

- Increase our footprint in every application we support

**Targeted result:**

At least 250 M Euro additional sales in next 12 months offsetting the pruning of our portfolio



# Beef up Field support at the customer

- Regional Customer Partnership Centers
- Field support moves closer to the customer
  - Support ODM customers:
    - Turkey Design center
    - Taiwanese customers
  - Support EMS:
    - Eastern Europe and Russia
  - Support Fashion Centers:
    - Transforming Indirect to Direct heads and
    - Increase Technical support in USA
- Account managers for 80 ISV Partners



## Business partnerships will enable broader product offerings and faster TTM

- Growing impact of partnerships
  - Leverage 80 partnerships to get 1 BUS\$ in semiconductors sales to OEMs in 2008
- Philips Microsoft cooperation
  - Microsoft® WMT, E-home, Mobile and Embedded



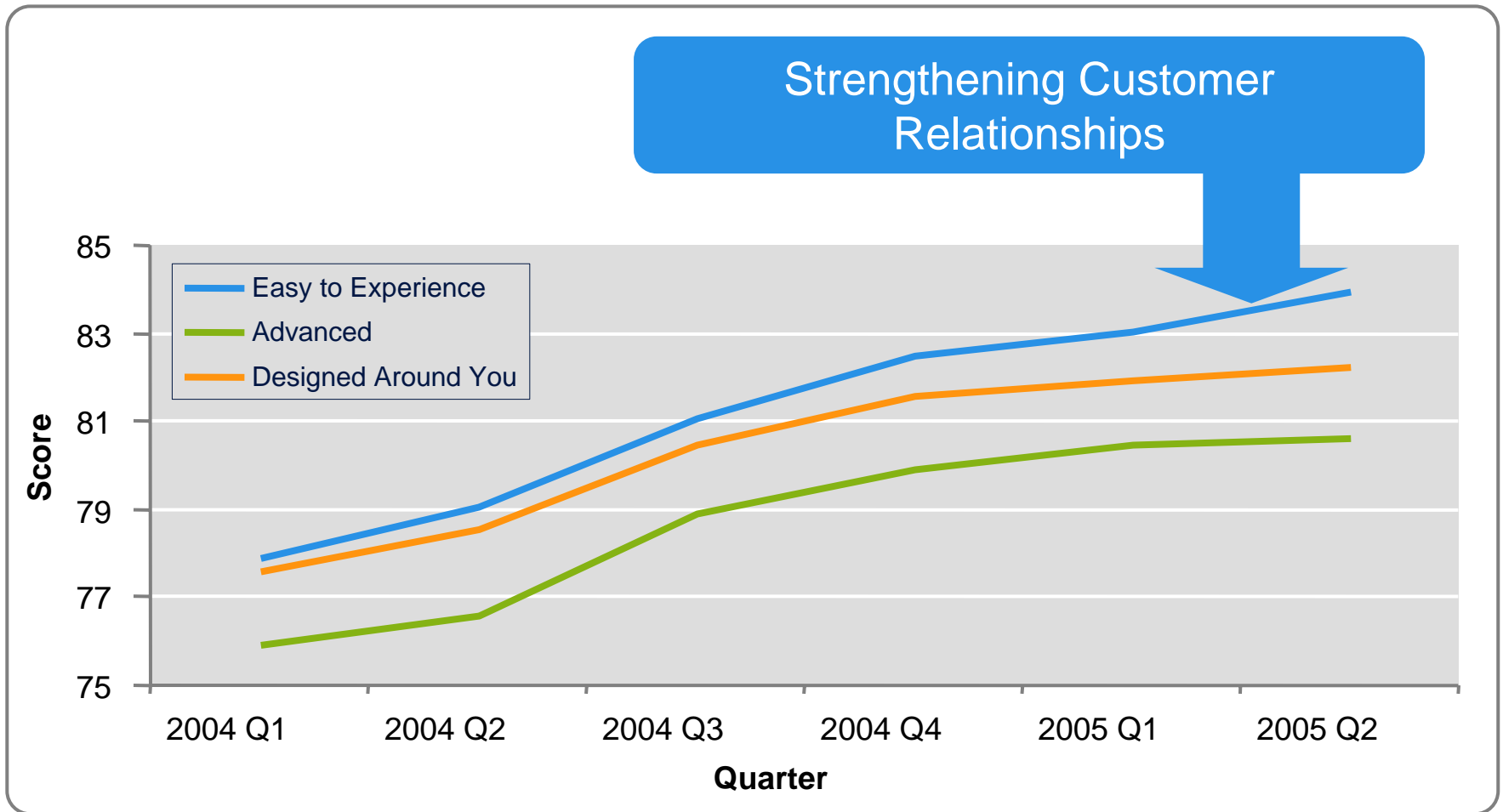
## Agenda

### Highway to the Customer

- Market dynamics
- Business Renewal in Sales and Marketing
- Tracking results

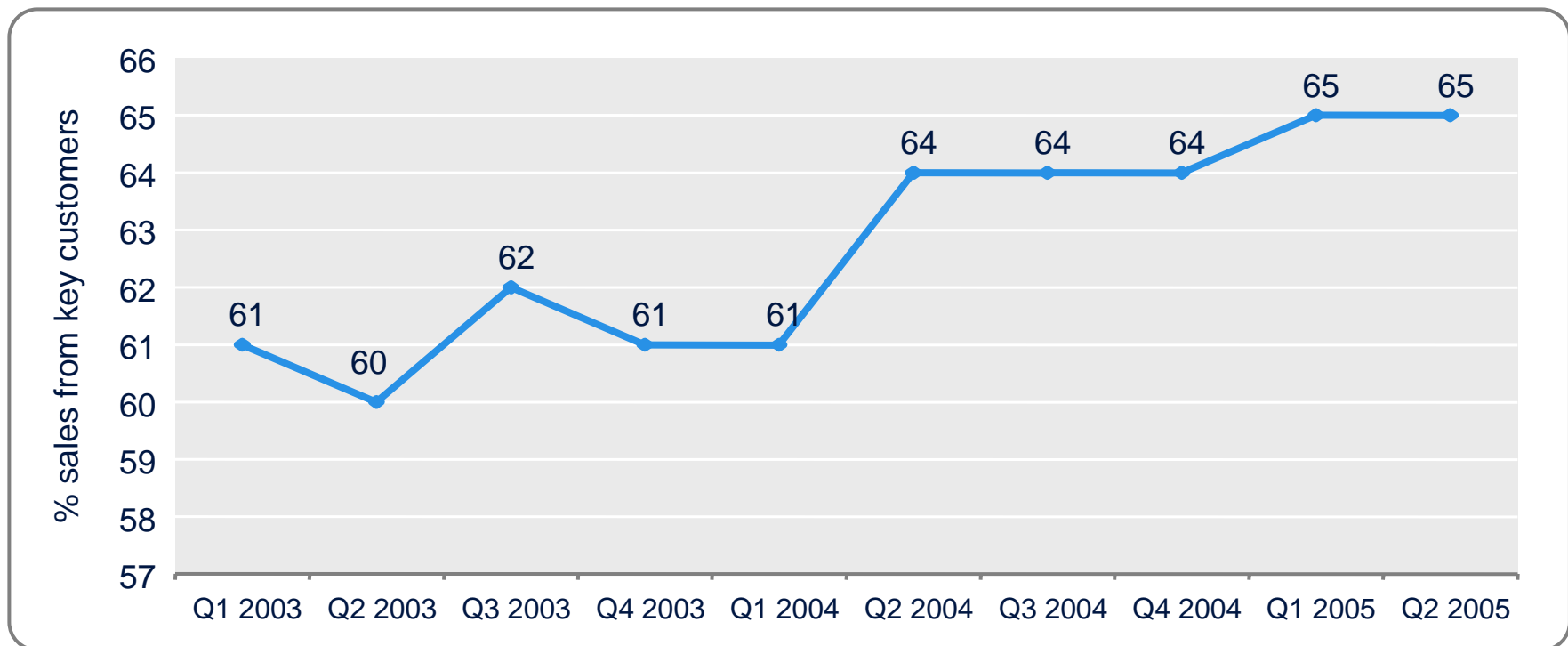


# Customers find us increasingly 'Easy to Experience'



# A strong portfolio of Key Customers

- Achieved: 65% of business with Key Customers
- This is a focused platform allowing us to add about 10 new Key Customers in the convergence domains and the fashion centers



## Customer Awards Q1 - Q2 2005



Best MultiMarket Logistics Award



Arrow Supplier Account Manager of the year



Outstanding Supply Chain Partner Award by Vtech



Best Supplier Award from Samsung for supplier excellence and outstanding technical support in supplying around 30 million GSM and GPRS system solution chipsets



2004 Global Supplier Performance Award of Flextronics for world class support in quality, total costs, supply chain management, global account management, design



Ascalade Supplier of the Year Award for the partnership and improvement in areas such as; quality, service & delivery, personnel structure and technical support.



Panasonic Supplier Award

# Summarizing Highway to the Customer

- Balanced customer portfolio
  - 65% of sales comes from Key Customers
  - Dedicated Partnership program for 80 partners
- Highway to the customer:
  - Closer to the customer
  - Sales UP plan
- First results:
  - Improved Vendor Rating
  - Key Customer Awards



