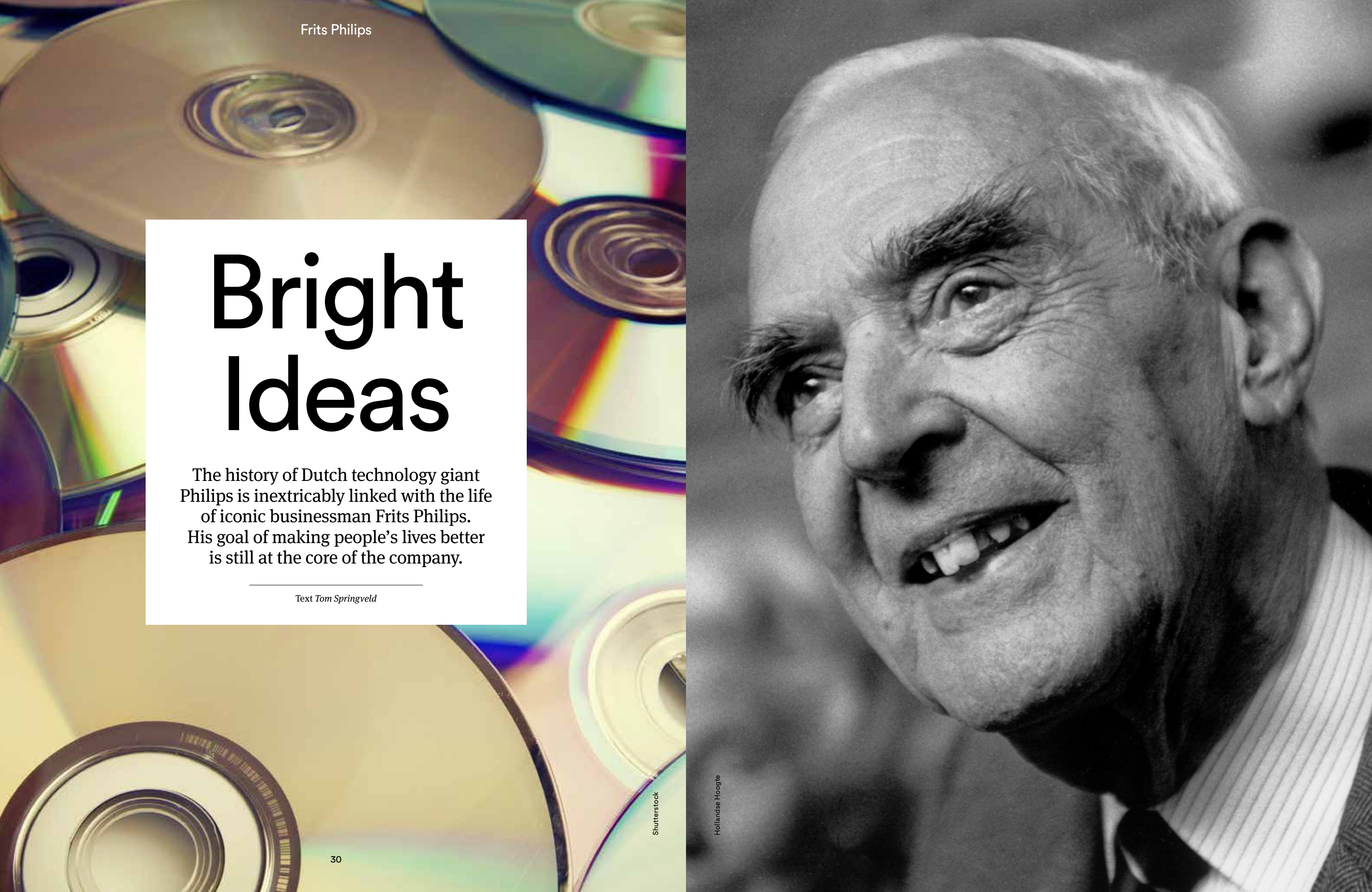


Bright Ideas

The history of Dutch technology giant Philips is inextricably linked with the life of iconic businessman Frits Philips. His goal of making people's lives better is still at the core of the company.

Text Tom Springveld





Previous page (right):
Frits Philips.

Left page: Arriving
in Buenos Aires,
Argentina.

Frederik Jacques ‘Frits’ Philips (1905-2005) was a man people couldn’t help but love. Caring, attentive, genuinely interested. A talented sketch artist, avid aviator and amateur comedian, he was always looking for a laugh. His 78-year-old son, Frits Philips Jr, describes him as “the reconciling type who was great at building bridges”. He had a knack for winning people over – whether it was a factory worker, the president of Tanzania or Pope John XXIII – with his positive energy and subtle sense of humour. “Do you know what joke he used to make when people told me I looked like him?” says Frits Jr, who inherited his father’s characteristic protruding front teeth. ““Try not to take it personally.””

Their last name has become synonymous with innovation. It was Philips’ in-house research lab, an industrial novelty upon its establishment in 1914, that brought us the electric rotary razor, cassette tape, CD and DVD. After transforming the consumer electronics market for decades, the Dutch company is now doing the same in the medical world. The goal for 2025 is as admirable as it is ambitious: to positively improve the lives of three billion people a year with Philips health technology. No small feat for what was once a family business that began its impressive rise to fame with the production of carbon-filament lamps in Eindhoven, 127 years ago.

Charming negotiator

Philips was founded in 1891 by Gerard Philips and his father Frederik. Gerard’s younger brother Anton, who joined the company four years later as a sales representative and would be the company’s president from 1922 to 1939, was instrumental in turning the Dutch light bulb factory into a booming multinational.

Philips was a well-established enterprise by the time 25-year-old Frits, Anton’s only son, kicked off his career in 1930. His first job was taking care of production planning at the Philite plastic factory in Eindhoven’s Strijp borough; his last job was as president of the supervisory board. The decade Frits served as the fourth president of Philips, between

It was a given that Frits would start his career at his father’s company

1961 and 1971, was among the company’s most successful periods; by the late 1970s, the company owned no less than 500 factories worldwide, and Frits – a happily married father of seven – had become a living legend.

According to Guus Bekooy, who worked at Philips for more than 40 years and wrote the books *Philips Honderd* (1991) and *Frits Philips 100* (2005), the phrase ‘like father, like son’ did not apply to the Philips family. “Father Anton was a rather bossy boss who could have terrible tantrums and didn’t like to be contradicted. Frits was quite the opposite: a negotiator that could charm people into granting Philips big contracts.”

It’s hard, if not impossible, to find a single soul that speaks badly about Frits Philips. In April 2005, the whole city of Eindhoven celebrated his 100th birthday. A week later, as his favourite football club PSV won the national title, captain Mark van Bommel climbed the stands to hand him the champion’s trophy. When news came in December of the same year that ‘Mister Frits’, as he came to be called, had passed away, the city, company and club mourned the loss of a loving patriarch and iconic businessman.

Even before receiving his degree in mechanical engineering from the Technical College of Delft (now TU Delft) in 1929, the year he got married to Sylvia van Lennep, it was a >

given that Frits would start his career at his father’s company. The sole male heir didn’t expect otherwise and was eager to earn Anton’s trust. Six years later, he was appointed director and member of the board. By the mid-1930s, Philips had broadened its horizon far beyond light bulbs, producing everything from radios and film projectors, to magnetic steel and sodium vapour lamps. Independence was the company’s first and foremost priority. It operated its own machine, metal, glass and paper factories, while the state-of-the-art research lab continuously churned out new patents to stay ahead of the competition. By controlling every part of the process, from concept to production to marketing, Philips set a new standard – which would pay off for decades to come – and was fast becoming one of the biggest enterprises in the Netherlands. Not even the financial crisis that followed the Wall Street Crash of 1929 could change that. Yet the greatest challenges still lay ahead – for both the business and the heir.

Symbol of hope

When Nazi Germany invaded the Netherlands in May 1940, Anton and other family members fled to the United States. Frits stayed behind in Eindhoven, effectively taking over control of the company’s activities in occupied territory. He quickly became a symbol of hope: Philips’ workers literally took him on their shoulders when he announced an extra two-weeks’ pay to celebrate the company’s 50th anniversary in 1941.

In the years to come, with armed guards outside the factory gates leaving no doubt who was in charge, Frits worked hard to secure the employment of almost 20,000 people – and save the lives of his Jewish workers. “He became the face of Philips,” says Bekooy. “Some people thought he was consorting with the occupiers. At the same time, the occupiers were sure Frits was pulling tricks on them.” In May 1943, Frits was arrested after a strike broke out and held hostage for four months. A year later, as the tables started turning in favour of the allied forces, the Nazis tried to detain him again, but he managed to go into hiding. On 18 September 1944, Eindhoven – scarred by multiple bombings – was one of the first Dutch cities to be liberated.

The research lab continuously churned out new patents to stay ahead

The war years had a profound impact on Frits. Instead of giving in to feelings of hate, he drew strength from his faith in God and humanity. “After the Second World War,” says Bekooy, “he found the compassion to say: ‘We have to go on with each other. That includes the Germans. Let’s forgive them and join hands to make sure this never happens again.’”

In the post-war period, Philips reaped the benefits of growing economic prosperity, symbolised by an ever-increasing demand for television sets and studio cameras. The company established and expanded branches in Asia – India, Hong Kong, Pakistan, Thailand – and Brazil, while solidifying its strong position in the North American and European markets. The social initiatives that Philips undertook before the war, from introducing health insurance and pension funds, to constructing educational and recreational facilities, were intensified in the late 1940s. To reduce the housing shortage, for example, the company developed and financed a plan that enabled employees to build their own homes in their spare time.

With the Philips family reunited in Eindhoven after the liberation, Frits was assigned the supervision over social affairs as well as the departments of research, domestic PR and professional equipment. The latter produced everything from medical and industrial X-ray systems, to radar, transmitters and studio appliances. By the time Frits

Philips Company Archives, Eindhoven (1, 4, 5, 6), Hans Dukkers/WAI (2), Alamy (3)



1. Philishave SC7749, 1953.

2. Between the 1950s and 1980s, business was booming thanks to consumer goods such as televisions.



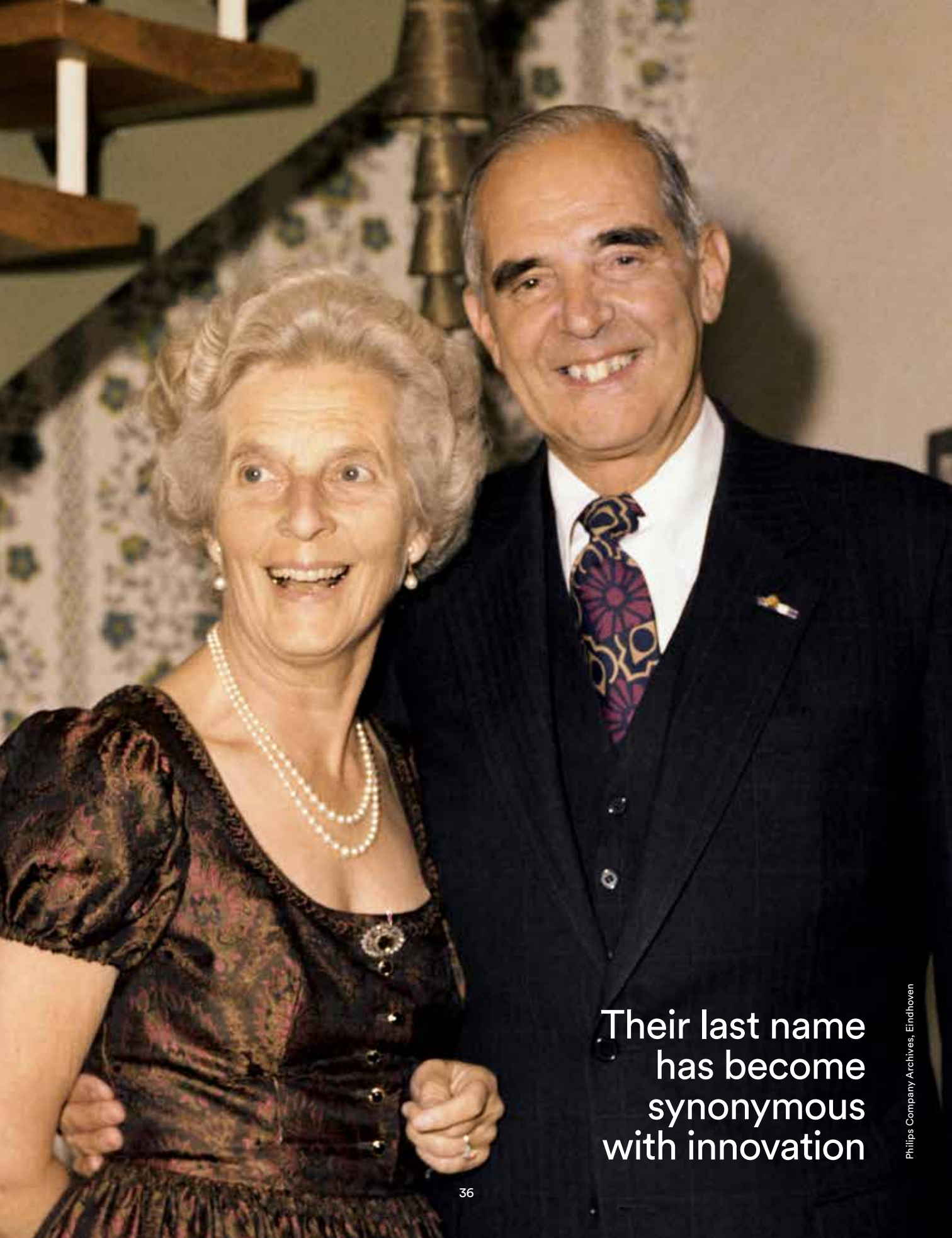
3. Philips FE1 60 vintage compact audio cassette.

4. Celebrating the company’s 75-year anniversary, 1966.

5. Advertisement designed by Louis Kalff, 1928.

6. The focus is now shifting to healthcare technology.





Their last name
has become
synonymous
with innovation

Philips Company Archives, Eindhoven

Frits Philips



Philips Company Archives, Eindhoven



Hollandse Hoogte (bottom), Philips Company Archives, Eindhoven (top)

Previous pages:
Sylvia van Lennep and Frits Philips, 1976 (left); Carbon filament light bulb, ca. 1892 (right).

Left page: Neon lighting Philips, 1961 (top); Willy van de Kerkhof and Frits Philips celebrate with the trophy after Eindhoven football team PSV won the Dutch national championship on May 10, 1986 (bottom).

followed in his brother-in-law Frans Otten's footsteps as president-director of Philips in March 1961, he was more motivated than ever to make people's lives better. The now 55-year-old wanted to put his power to good use.

From factory to football pitch

"He was way ahead of his time in terms of socially responsible entrepreneurship," says Frits Jr. "It was my father's belief that Philips should take care of all parties involved: shareholders, suppliers, employees and customers. Only when you manage to move harmoniously within those parameters does your company have a right to exist."

Frits Jr, who started his own 16-year career at Philips in 1965, remembers a popular expression from back in the day: It's better to beg for forgiveness afterwards than ask for permission in advance. That was the spirit at Philips in the 1960s – and it worked. Under his father's reign, the number of employees grew explosively from 226,000 to 350,000, and the turnover tripled. As CEO, Frits valued his personal relationships at all levels of the company. "When he visited a factory, Frits immediately started talking to the people on the assembly line," Bekooy notes. "He was always called by his first name; his predecessor Frans Otten by his last – that says it all."

Although the success overseas forced Frits to spend a third of his time travelling, he tried to maintain a healthy work-life balance. Devoting days to being with his wife Sylvia and their rapidly growing family was as dear to him as visiting the home games of PSV. His love for the football club dated back as far as 1911; it was five-year-old Frits who kicked off the first official match of the Philips Team, renamed to Philips Sport Vereniging two years later. He would stay a lifelong supporter, ending up with his own seat in the stadium.

Harry van Raaij, who started working at Philips in 1954 and was the chairman of PSV between 1996 and 2004, remembers Frits' enthusiasm and commitment fondly. "At Philips, his social character resulted in a great relationship between the company and its people. They called it the 'Philips disease', because the employees were so incredibly loyal." Van Raaij laughs. "Yes, that goes for

By the late 1970s, he had become a living legend

me too." Company and club were inseparable, as personified by Frits. Van Raaij frequently ran into his former boss on PSV's training facilities. "He would advise the team on how to play, but never interfered with my work as chairman. We mainly talked about football: he was always eager to analyse the previous match and discuss plans for the future."

Even as Frits got older and his health deteriorated, PSV was constantly on his mind. "When he wasn't well and wouldn't see others," Van Raaij says, "there were two people who were still welcome to come for a birthday visit: the mayor of Eindhoven and the chairman of PSV." When he turned 100 on 16 April 2005, his last birthday, Frits was overjoyed with the best gift he could have wished for: PSV reaching the semi-finals of the Champions League.

Impactful health-tech

After retiring in 1971, Frits passed over his duties to another brother-in-law, Henk van Riemsdijk. His was nowhere near a full retirement though; the next six years Frits served Philips as chairman of its supervisory board.

The 1980s would prove to be a tough decade for the company, prompting a huge reorganisation called Operation Centurion, which started in 1990. Headed by the then-president Jan Timmer, branches were phased out, business units sold and 50,000 of the 300,000 employees lost their jobs. "Centurion sent a shock wave through the Philips ranks," Bekooy remembers. "The company became tougher, more American. When a business

The Eindhoven of Frits Philips

City centre

One of the first things you see when you exit Eindhoven's main train station, is an imposing statue of Frits Philips' father Anton. A five-minute walk brings you to the Markt, where Frits himself is immortalised in bronze.



Philips Museum

Heritage meets innovation: the old factory where Philips developed the company's first incandescent light bulb has been renovated and extended to accommodate an interactive museum in the centre of Eindhoven. philips-museum.com
Emmasingel 31



Evoluon

Opened in 1966, this 77 metre-wide concrete structure looks like a flying saucer that has just landed on Earth. The remarkable building was initiated by Frits Philips, who envisioned a multifunctional exhibition and event space. Now a popular convention centre, Evoluon boasts a restaurant and coffee bar that's open from Monday to Saturday. evoluon.com
Noord Brabantlaan 1A



Strijp-S

The creative and cultural heart of Eindhoven. This part of the Strijp district was the first of many industrial areas that Philips built in the city. Today the bustling neighbourhood houses everything from restaurants, bars and residential buildings, to art spaces, sports facilities and tech companies. strijp-s.nl
Torenallee



Philips Stadium

Frits Philips attended the home games of PSV as often as he could. The stadium is still at the same location as when the football club was founded in 1913. Lovers of unique video footage and memorabilia, including the 1988 European Cup, can pay a visit to the PSV Museum. psv.nl
Stadionplein 4

To read

By and about Frits Philips

In *45 Years with Philips; An Industrialist's Life* (1978, Blandford Press), Frits Philips looks back on his life and career in the family business. When the living legend turned 100 in 2005, the photo book *Frits Philips 100* (2005, Aprilis) was published, written (in Dutch) and compiled by Guus Bekooy, who also authored the commemorative book *Philips Honderd* (1991, Europese Bibliotheek).

unit failed to deliver positive results, it was over." In an interview earlier this year, Timmer called it a "terrible" and "extremely painful" decision to make. But cutting back on unprofitable activities was inevitable to ensure the survival of the Dutch technology giant.

Ronald de Jong witnessed this beginning of a new era in Philips history firsthand: the current chief human resources officer and executive vice-president started his 28-year career at the company around the same time Centurion took off. Just a few months into the job, he met Frits at a Philips product presentation. "He had his eye on a clock radio, and asked me if I could come and install it at his house," De Jong reminisces. "After talking for hours about his life experiences and views on developments in society, he escorted me to the door and said: 'Mister De Jong, will you please take good care of the shop?' I often think back on that emotional moment. His words still serve me like a compass, because I know what he meant: the family Philips was very socially involved, and he wanted their ideals to be passed on."

This decade, CEO Frans van Houten, who started his career at Philips in 1986, transformed 'the shop' into a leading health technology company. According to De Jong, the current focus of Philips on health technology can be traced back to the 1920s, when Anton Philips started periodically checking employees for tuberculosis with X-ray technology. Because of his good contacts with the Dutch government, such screenings soon became common practice in the Netherlands.

Coupling innovation and entrepreneurship with social awareness and a strong sense of responsibility has always been a trademark of Philips – and it still is. "We want to become one of the world's leading health technology companies," says De Jong, "and we are very optimistic about achieving our goal. We owe it to the Philips family. Their spirit, and the spirit of Frits in particular, is tangible up to the present day." He pauses, then asks a rhetorical question: "Isn't it amazing that the founding fathers still have such an impact on a company that has been around for 127 years?" ■