Borderless Brand Management

The Philips Strategy for Global Expansion

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Content Technolgy Works:

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Executive Summary

All businesses are facing serious disruptions from shifting global economies, technical advancements, and the need for strong, consistently branded online multinational presence. Royal Philips Electronics of the Netherlands has found a way to respond to these challenges without jeopardizing its ongoing business.

A world leader in the consumer lifestyle, healthcare, and lighting industries, Philips integrates technologies and design into people-centric solutions, based on fundamental customer insights and the brand promise of "sense and simplicity." With 50,000 products, 1,800 logos, a website present in 57 countries and translated in 35+ target languages, and 500 consumer marketing managers in the Consumer Lifestyle sector, Philips' global brand management strategy requires an adaptive system of people, process, and technology to provide a unifying influence. In Philips' case, an understanding of the requirement aligns with a holistic vision for addressing it.

Enter Philips' long-term strategy to build the leading company in health and well-being through global leadership businesses that fuel market expansion and customer satisfaction. Propelled by a commitment to market-driven innovation, the strategy is achievable based on initiatives that reflect the needs of Philips' customer base.

This overarching theme is also apparent in Philips' understanding of a role emerging in the global enterprise, born out of market disruptions and the special relationship of *global* product marketing *content* and *brand.* Coordination of consistency, message, and timeliness is critical. That role – and the centralized vision that defines it – calls for facilitating, influencing, and building solutions that enable borderless brand management.

In Philips' Consumer Lifestyle business, the role is personified by the company's Senior Director, B2C Organizational Empowerment, Luuk de Jager (formerly the company's Senior Manager for Global Content Management). The vision is characterized by the company's investment in and commitment to consistently deliver on its brand promise of "sense and simplicity" throughout its actions, products, and services. The results are driven by value programs such as "Organizational Empowerment" and "Consumer Excellence" as well as fundamental solutions such as the Philips' Content Management Chain (CMC).

This case study tells the story of how Philips has met and is keeping pace with changing and often disruptive business environments by evolving operations and communications touchpoints in a just-in-time approach that maximizes global opportunity based on consumer need. The story profiles one organization. While Philips' approach may not be universal, its success in solving critical problems is indisputable. It is not possible to generalize the Philips approach into a universal formula, but there is much here that will be useful to other organizations with similar corporate goals. Gilbane Group sincerely appreciates Philips' willingness to share its story and gratefully acknowledges the time and talent contributed to the process and outcome.

In Their Own Words: Philips' Consumer Lifestyle Perspective

On Global Brand and Content Management

"The design of our products and services reflects the fact that consumer choices are increasingly driven by emotional and social factors rather than simply functionality." *Andrea Ragnetti, CEO – Philips Consumer Lifestyle*

"Philips' 'sense and simplicity' brand promise and its identity is a fundamental part of product design, naming, and online navigation strategies for consumers across our global portfolio. Our centralized content management chain is a key enabler for brand compliance, enabling continuous and combined measurement of brand and product success." *Esther Kouwenhoven, Senior Manager, Brand Management – Philips Consumer Lifestyle*

"A truly global experience requires strong focus on multilingual expectations and localized outputs; there is no other way to provide it. New products need to be launched simultaneously across all markets for manufacturing, marketing and sales to operate as efficiently as possible. In the world of consumer electronics, time-to-market can be a key competitive advantage." *Luuk de Jager, Senior Director, B2C Organizational Empowerment – Philips Consumer Lifestyle*

On the Content Management Chain (CMC) Strategy

"As the global headquarters for the Audio, Video, and Multimedia business unit, our job is to create high-quality global content for all regions in line with the value proposition of a given product in our portfolio and overall business strategy. Prior to the CMC system, there was too much room for local deviation from this predefined direction and inconsistency. Since the Internet has no boundaries, this was a significant risk to our global business. Centralized content creation and distribution is key to building and managing the competitive advantage of our global business." *Hyesun Yang, Director, Marketing Services – Audio, Video & Multimedia, Hong Kong*

"The CMC does its job well. For product-specific brand management, the strictness of the system is a benefit. Marketers create content a global level and can control when that content is through different channels to different regions." *Sylvain Rottier, Senior Consumer Marketing Manager – Domestic Appliances, Amsterdam*

"There are 200 unique mobile devices in Philips's catalog, each with different power requirements, SKUs, etc. By supporting enriched assets for online use, storing unique information per product, and preventing independently-created assets, CMC has provided truth and consistency." *Alexander Bakkeren, Category Leader Mobility – Philips Consumer Lifestyle*

The Evolution of Consumer Excellence at Philips

We empower people to benefit from innovation by delivering on our brand promise of "sense and simplicity." This brand promise encapsulates our commitment to deliver solutions that are advanced, easy to use, and designed around the needs of all our users.

Brand matters. It can be virally compelling, defined by split-second recognition in the minds of consumers and reinforcement from a manufacturer's culture and supporting infrastructure – or the polar opposite, characterized by the absence of organizational commitment and consumer brand recall.

Since 1891, Royal Philips Electronics (NYSE: PHG, AEX: PHI) has been iteratively innovative and evolutionary, resulting in a global brand foundation that has stood the test of time and disruption in the form of economic, technological, and consumer empowerment trends in the healthcare, lifestyle and lighting industries.

Like many successful global organizations, Philips "gets" that brand matters. However, it takes the mission to a higher level by understanding that *people matter.* Thus, the belief that the consumers need relevant propositions and information to obtain better healthcare, be energy efficient, and empower their own well-being prevails. Understanding the inherent relationship between content and brand enables Philips to successfully position itself as a market-driven, people-centric company.

Based in the Netherlands and boasting a 115,000+ multinational workforce across 60 countries. Philips was a major manufacturing presence by the turn of the century and a clear innovator throughout Europe's industrial revolution. Its global reach to date includes sales of EUR 26 billion in 2008, a brand that spans 100 countries, a base of 50,000 products, and a foundation of multilingual product content available across 57 countries and translated in 35+ languages. Today, Philips is a market leader in medical diagnostic imaging, patient monitoring systems, energy efficient lighting solutions, and lifestyle solutions for personal well-being.

Toward Borderless Brand Management

In 2008, Philips realized an 8% growth of its total brand value in Interbrand's annual ranking of the top-100 global brands – the fifth increase in a row.[1] Looking back at the launch of the campaign in 2004, the estimate of the Philips' total brand value was USD 4.4 billion. The 2008 total value was USD 8.3 billion. In addition, the Philips' corporate web site is ranked number five in Byte Level Research's annual Web Globalization Report Card.[2]

As of 2008, 27% of Philips' global GDP is generated in emerging consumer lifestyle markets, undergoing continuous evolution. "Delighting consumers," one of the four D's that guide the company's behavior and attitude toward work, consumers and colleagues, has a strong multinational undercurrent when applied to this market.
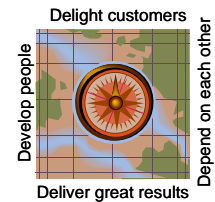
Guided by the brand promise of "sense and simplicity," the Consumer Lifestyle sector develops products for a global market to enrich people's everyday lives. Sustaining the value, consistency, and cultural applicability of the brand is critical to the sector's global expansion strategy. With an Amsterdam-based headquarters, the sector's worldwide consumer marketing managers who focus on:

- Ensuring that the right product/market combinations exist across the portfolio and then, making targeted choices within product categories and markets to create a stronger and more profitable foundation for growth.
- Supporting global expansion by balancing Philips' overarching brand with country-specific voices that meet cultural expectations.
- Enabling consistent and timely communications across Philips' "sales clusters" including:
  - Western Europe and North America
  - Growth (including the emerging markets of China, India, Russia, Brazil, Poland, Turkey and Ukraine)
  - International Sales Organization

In doing so, the sector relies heavily on fundamental solutions such as the Philips' Content Management Chain (CMC) to enable global product content quality and consistency. The CMC evolution draws from lessons learned over the past decade, anticipates the opportunities ahead, and empowers users with guiding principles for superior global consumer experience.

The following subsections illustrate the evolution of consumer excellence at Philips based on the phases of the company's CMC approach.

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[1] Interbrand, *Best Global Brands 2008 Rankings*.
http://www.interbrand.com/best_global_brands.aspx?langid=1000

[2] Byte Level Research, *The Web Globalization Report Card 2008*.
http://www.bytelevel.com/reportcard2008/

The Opportunity: Intersecting Traditional Practices

Philips has seen and adapted to many dramatic changes over its long history, but few periods have been as disruptive and dramatic as those of the modern computer age. Where machines were originally simple tools for improving productivity and consistency, they have become facilitators that can create new communities across organizations. In addition, global ecommerce has erased physical borders, providing new possibilities and expectations for enriched consumer experiences.

Changes in technology however, are not sufficient by themselves to realize the benefits of global opportunities. The people and processes associated with content and localization/translation management in addition to authoring and publishing must evolve as well.

In early 2000, Luuk de Jager found himself at the intersection of a variety of disciplines. At that time, as Philip's Senior Manager for Global Content Management, those practices –product marketing content management, localization/translation management, publishing, and global brand management – needed to evolve from stove-piped and independent solutions. That's not unusual; other than global brand management, many of the processes that support these disciplines are IT-driven or outsourced functions delivered as off-the-shelf solutions, but not necessarily integrated.

From a governance perspective, rarely does one individual own all the pieces: content, form of delivery, target markets, localization, brand, and market focus. As de Jager notes, "We needed to create a transparent and efficient flow of product content to make information available to the relevant people at the right time in the right format." Given the Consumer Lifestyle sector's base of 50,000 products and the need to support consumer experience in 57 countries and 35+ languages, something clearly had to change.

The Vision: The Emerging Role of the Cross-Functional Champion

de Jager recognized that no single person would *ever* own all the communication building blocks that enable borderless brand management, yet the pieces must be not only coordinated, but also blended. Content management must enable localization/translation management, brand management must be consistent across target markets, and target markets require customized content and presentation.

A new role evolved, born out of market disruptions and the special relationship of *global* product marketing *content* and *brand*, where coordination of consistency, message, and timeliness is critical. It calls for replacing ownership and top-down control with influence and facilitation. It calls for replacing static and segregated systems with adaptive platforms that are tightly integrated with agile processes and inspired by the evolving techniques of their users.

Finally, it calls for reducing time to market for concise, country-specific product content through a content globalization strategy. In the Central Marketing organization of

Philips' Consumer Lifestyle sector, that role is called Senior Director, B2C Organizational Empowerment and held by de Jager.

The specific role that de Jager fills within Philips may not be directly transferable to other organizational hierarchies, but it is valuable to explore this perspective and approach. The primary driver is global brand identity, consistency, and above all consumer expectations. Content must successfully represent the brand, and brand must be consistent within product families, across product lines, and across localization/translation processes. Create once and use many times in a cross-functional manner is the goal, given the Philips commitment to a strategic web presence.

Achieving the goal relies not only on proper governance, but also on a technology infrastructure that exposes brand status, intention, and compliance to the knowledge workers responsible for product representation. These challenges are multiplied when content ownership is spread across organizations. And when the corporate reach includes global markets and channels, there are always multiple content owners and gaps where ownership is unclear.

Overcoming these challenges starts with acknowledging reality, and then finding ways to leverage decentralization in a manner that balances the corporate brand requirements with the regional nuances so critical to varying cultural expectations. This people and process focus was central to de Jager's evolving role. Not coincidentally, consumer marketing managers' roles were also changing, from a pragmatic, product-centric focus to a marketing focus on global consumer experience. In essence, the entire online marketing process would need to grow beyond any single individual's contribution or ownership. It would need to evolve to a collective approach to enable new cross-disciplinary successes.

Anticipating the marketing multinational roadmap, understanding brand evolution, and appreciating how content owner's needs change are key drivers for the continuing enablement of borderless brand management. Moreover, it is important to regularly raise the organization's consciousness about brand management and how it is performed – not only because it is a corporate-wide issue, but also because it is a strategic tool for continual improvement, global expansion, and process optimization.

The Opportunity: Global Product Content Agility

"Technology is helping to facilitate better brand management."

de Jager's evolving cross-functional champion role also included building a content management foundation to guide the creation, translation, and harmonization of worldwide product marketing content.

In 2000, product volume was straining a largely manual content and translation management process. Symptoms included excessive communication throughout the product content chain, duplication of effort such as multiple translations, and errors introduced by multiple sources of data entry. The result was an average lead time of four months for new content to reach web sites and a 30% accuracy rate with high cost.

Clearly, there was a need for automation. Enter the Content Management Chain (CMC) strategy.

Together with Philips' technology partner Ordina Consulting and a team within the Consumer Lifestyle sector, de Jager envisioned an infrastructure that would meet the requirements of scale, integration, streamlined localization/translation processes, and responsiveness. In 2002, Philips embarked on the implementation of CMC 1.0. with an initial goal of facilitating the production of printed product leaflets delivered in 35+ languages, the primary mode of consumer communications at the time. In parallel, Ordina staffed a Central Marketing Support team to evolve the infrastructure and bridge the gap between the marketing organization and IT.

Careful initial design led to a system architecture that allowed individual components to be replaced, or new layers to be added, without disrupting the rest of the system. Perhaps more importantly, minimizing changes during design preserved supporting business processes while allowing the introduction of new capabilities in pieces that product and consumer marketing managers could manage and "digest" comfortably.

By 2003, CMC 1.0 was in place to relieve pain points such as streamlined product marketing content production and product catalog management, reducing redundancies, inconsistencies, and costs. The team instituted quantitative metrics to gauge productivity and performance. The catalyst was the need for a single place to manage all content for leaflets, but the big success was the ability to automatically generate product launch guides on demand from the same content.

By 2004, the CMC was fully integrated with hosted localization/ translation technologies and services through a strategic partnership with UK-based SDL. This was a critical part of the foundation for the borderless brand management vision. As de Jager notes, "A truly global experience requires strong focus on multilingual expectations and localized outputs; there is no other way to provide it." Completing this integration challenge reduced translation overhead by 85% and costs by 35%. It also facilitated the simultaneous launch of web catalogues in 57 countries, translated to 35+ languages to support Philips' "sense and simplicity" brand promise.

An evolution of infrastructure now needed to support the parallel the consumer marketing manager transition from pragmatic, product-centric focus to a marketing focus on global consumer experience by:

- Supporting extensible product descriptions with metadata that characterized new product roles and the countries they would serve.
- Placing control of content and metadata in the hands of the system users to allow the team to think and act strategically.
- Enabling stronger connections between business units, in-country consumer marketing managers, external linguists, and consumer marketing managers from Philips' National Sales Organization (NSO).
- Avoiding major disruption by taking a modular approach to system growth.

The Vision: An Evolving Content Management Chain

As CMC 2.0 was being designed, the previous focus on paper leaflets shifted to the Web, opening new markets and increasing the velocity of delivery. In turn, growing global reach put pressure on brand consistency and that required qualitative rather than quantitative performance metrics.

It was a meeting of opportunities, needs, and people that brought the unifying vision of borderless brand management to the evolution of the CMC, illustrated in Figure 1.

Content Management Chain (CMC) Evolution

Organizational Empowerment
- "empower.me" emphasizes people and process know-how.
- Focus on ongoing knowledge management sharing, training, and improving base of shared content.
- Further simplification of systems through dashboards and centralized brand guidelines.

Agility
- Integrated content and localization/transition management.
- XML-driven, centralized content broker established with Single Point of Truth (SPOT) for all content creators.
- Global consumer experience is focal point and metric for judging success of online marketing activities.

Integration
- Evolution of traditional systems from manual to automated processes.
- Cross-functional role established; intersection of global brand management with content and localization/translation management.
- Central Marketing Support team established through Ordina partnership.

2000-2003   2004-2006   2007-2009   2010+

Continuing the partnership, Ordina Consulting assisted the Philips' IT organization in evolving to CMC 2.o. The plan would retain the core front-end applications responsible for capturing product information (viz., description, features, and graphics) while adding a new central content broker to minimize application-to-application connections and interfaces; this greatly reduced the number of system interfaces and interconnections.

In addition a layer was added above the CMC infrastructure to enable the extension of product descriptions. Where the previous system defined product characteristics in a strict form enforced by a database schema, this new approach allowed consumer marketing managers to add generalized name/value pairs without schema changes. The enabler was a move from a database-centric view to one based on an XML, object-oriented perspective in which extensibility is an innate principle.

The 2.0 approach decentralized the creation of relevant product information, but also provided a Single Point of Truth (SPOT) for product content creators. Definitive and complete product marketing information, including brand expectations, is available to content creators, translators, channel representatives, and publishing processes. Retaining some of CMC 1.0's core technology provided a level of comfort and continuity for product and consumer marketing managers, saving development and training time.

The careful, tactical decisions that led to incremental changes to an existing system, without impeding ongoing business and while providing significant new abilities, is a powerful example of business agility. While Philips is still consolidating the gains made by CMC 2.0, the company is on a new plateau from which it can see the next evolutionary step, to a deeper collaboration between business domains.

The Opportunity: Borderless Brand Management

As Philips moves into realizing the goals of its global expansion strategy, two distinct types of opportunity drive their vision and actions. The first comes from the marketplace. Continuing global expansion and the need to be consistently represented in growing markets wherever they may be is a business imperative. The second opportunity includes those that Philips has created internally by investments in people, processes based on deep consumer insights, and technology. Marketing skills developed for offline campaigns have been expanded to an online focus, streamlined processes now enable simultaneous product launches across locales, and the CMC's agility allows rapid response to new global business opportunities.

Philips understands that the logical steps that make up previously "long running" consumer transactions – starting with product awareness, followed by deeper familiarity, leading to product research and comparisons, and culminating in purchase decisions – are significantly compressed in an online world where physical boundaries no longer exist. Taking the traditional consumer lifecycle from the offline to the online context requires more streamlined, cost-effective, and dynamic processes that all marketers must understand.

Thus, global consumer experience becomes the focal point and the metric for judging success of online marketing activities. For Philips, the Net Promoter Score (NPS) is the key metric of success, by measuring the answer to one question: "How likely is it that you would recommend this company/product to a friend of colleague?" This qualitative definition of success puts not just consumer satisfaction in focus, but makes consumer loyalty a priority – something that is often lost within online experiences that focus only on optimizing price, resulting in the commoditization of products.

Consistent global brand identity enables consumers to extend their trust and loyalty across product lines. As Hyesun Yang, Director, Marketing Services for Audio, Video & Multimedia in Hong Kong noted, "The Internet age is characterized by a lack of boundaries; consumers regularly research, compare and shop for products across regions outside their own locale." Hence, achievement of borderless brand management is truly the foundation for successful global marketing.

The Vision: Synchronized Content through Organizational Empowerment

The ongoing evolution of the Consumer Lifestyle sector's borderless brand management strategy and CMC evolution together define the next phase of investment in people, processes, and technology. The company's Organizational Empowerment and Consumer Excellence programs emphasize people and process know-how, empowering

business units and consumer marketing managers to take deeper responsibility for branding products and defining success according to consumer' expectations. With these programs, quantitative metrics for measuring productivity and success are augmented by qualitative metrics.

Using the "empower.**me**" mantra and accompanying Intranet site, the programs leverage existing platforms and emphasize technologies and processes that bring simplicity to Philips' marketers. This allows them to be more productive and unlocks their full business potential. Distinguished by training, collaboration, usability, and efficiency, there are four primary goals:

- **Learning**. Marketers are brought up-to-speed on tools and corporate marketing expertise by training programs and a knowledge base. This common body of knowledge leads to consistent practice and brand across product lines.
- **Solving Problems**. A one-stop help desk provides clear scenarios for common work activities, and can answer business questions. Having one place to go to get around a roadblock increases momentum.
- **Improving shared content**. Everyone contributes to product descriptions, and guidelines and processes lead to cleaner, more accurate, and generally higher quality content. For multilingual content, this includes greater focus on formal multilingual Search Engine Optimization.
- **Simplifying systems**. Dashboards, simplified content entry tools, and central access to guidelines and training allow knowledge workers to focus on their business goals.

The emphasis on shared process and knowledge fosters more effective communication and greater collaboration among marketers, uses repeatable processes to yield higher quality results, and improves productivity by empowering marketers with guidelines and insight to take ownership of their content.

Solution Components

Although defining the evolving role of the cross-functional champion rested squarely on de Jager, Philips IT and Ordina Consulting were responsible for the technology implementation that met the business requirements. Whereas the initial CMC implementation was a foundational step, CMC 2.0, implemented the building blocks that have enabled a continuing agile system evolution that supports Philips consumer web sites.

Design of the system approach was based on three critical criteria: understanding the business needs of all users of the system, identifying the best practices for content management systems, and anticipating the future needs of the business. All too often, pressure causes one or more of these issues to be compromised for the sake of short-term implementation. Pacing the speed of CMC evolution according to business need has helped Philips avoid this experience. The high-level architecture of the Philips Content Management Chain includes the following components:
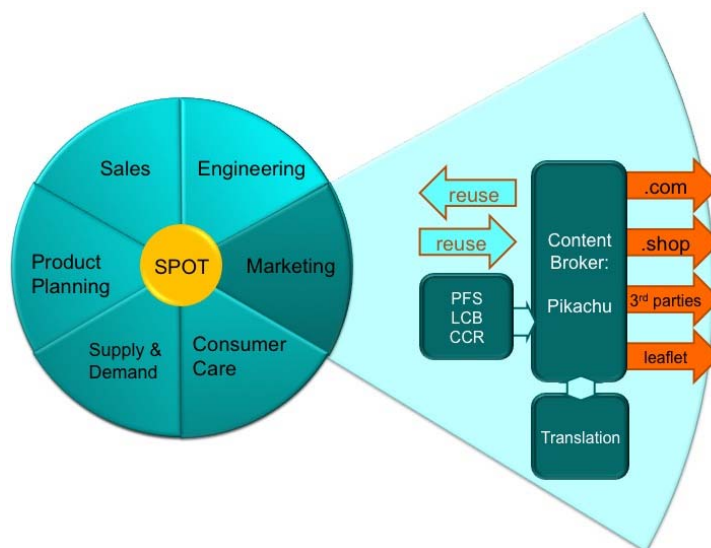
Three of these subsystems were developed in CMC 1.0 and carried on into CMC 2.0, indexing products by SKU and storing content in relational databases:

PFS Product Features and Specifications; captures product marketing information, features and specifications.

LCB Local Catalog Builder; relates products to the countries within which they are sold and determines what content is published on which touchpoints.

CCR Central Content Repository; manages all documents and digital assets for use in call centers, online support, and service departments. Utilizes advanced Adobe web applications to provide 360o degree rotation functionality for product images.

A *Content Broker*, Pikachu, is CMC 2.0's central component and acts as the information hub for all the cooperating subsystems. This requires fewer interconnections and APIs than would have been required if each subsystem had independent connections to all other subcomponents.

The content broker:

- Provides information to SPOT (Single Point of Truth), where definitive product information can be found. Of particular benefit is consistent product documentation across different localized and published forms.
- Normalizes product information from the underlying databases (PFS, LCB, and CCR) as XML, greatly simplifying all the systems that need to use content.
- Extends product information with user-selectable additional information (without having to make schema changes to the underlying databases).

It is this last ability – enabling users to extend the metadata associated with a product based on their own needs and without requiring system or database changes – that is the most important. It fundamentally connects user requirements directly to an implemented solution, greatly increasing user satisfaction and speeding the time required to build new solutions. This has had particular success in providing information needed by consumer marketing managers to increase brand consistency across products.

CMC 2.0 also is fully integrated with the SDL Translation Management System (TMS) to enable:

- Bi-directional workflow between the CMC and TMS that engages Consumer country marketing staff in quality assurance and monitoring processes.
- Continuous terminology management through iterative "harvesting" of terms from source content and translation memory over time to update terminology databases according to product redefinitions and terminology retirement.
- To date, processing of over 2oo million words that span 35+ languages.

The combination of specialized and independent components with a centralized broker backbone provides the agility that Philips requires. Components can be tuned and updated to meet user needs without requiring system-wide changes, while the broker integrates those components, and their data, into a normalized and consistent form that drives online and other publishing requirements. With this architecture, Philips has struck an ideal balance that allows continual and manageable evolution.

Results

Philips continues to benefit from a solid approach to interesting the disciplines and technologies that enable borderless brand management. The result has been a consistent strengthening of the company's commitment to providing enriched consumer experiences based on the "sense and sensibility" brand promise.

The Philips Consumer Lifestyle web site (www.consumer.philips.com) was honored in 2008 with a Gold iF award for communication design from the International Forum Design (iF).[3] Boasting 100 million visitors, Gilles Domartini, VP & General Manager Online, Philips Consumer Lifestyle notes, "We've seen an 11% user satisfaction improvement and we are now well above the industry benchmark."

Philips' Organizational Empowerment and Consumer Excellence programs are transforming traditional collaboration into pervasive knowledge sharing through supporting tools such as the empower.**me** web site. Training and ongoing support will empower consumer marketing managers to contribute to and maximize the full power of the CMC and SPOT foundations by understanding:

- *What* they need to know about online marketing tactics and principles that support the brand promise, including brand and asset guidelines.
- *Who* to contact when they need assistance to emphasize clear processes and communications.
- *How* they can excel in individual competency and cross-functional collaboration with organizations such national sales.
- *Where* to find knowledge sources, including content entry and performance dashboards.

In many ways, the consumer will take the central role in this phase, by helping the marketing organization to learn faster and improve the marketing content:

- By providing globally harvested consumer and professional reviews and feeding their results directly back to consumer marketing managers along with web site metrics.
- By providing comment facilities for the internal organization to provide feedback to product and consumer marketing managers.
- To capture the learning acquired in consolidated guidelines / training to make sure that new Philips personnel quickly become effective.

The CMC approach to consumer-driven design and automation facilitates the availability of the Consumer Lifestyle web site across 57 countries in more than 35 languages. The sector uses a single source of content for multiple purposes, including publication to Philips' web sites, other B2C ecommerce sites, product leaflets, and syndication to trade partners such as Amazon. Consumer marketing managers have

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[3] iF International Forum Design 2009 Awards. http://www.ifdesign.de/

instant access to content quality measurements, ensuring that the proper rich content, product images, and movies are available per product. As a result, de Jager reports that the speed of delivery of online information for global products on time has increased from 60% to 90%.

Efforts from pre-CMC 1.0 through 3.0 successes to date have also yielded impressive results in the area of integrated content and localization translation management processes:

- Centralized terminology management facilitates the quality, accuracy, and consistency of the brand promise.
- An evolving CMC 3.0 has reduced the translation of product specification updates from 3 weeks to 72 hours.
- Operational costs for localization/translation have decreased 70% from pre-CMC to CMC 2.0. *At the same time,* the Consumer Lifestyle sector has increased multilingual product content volume by 30%.
- A 20-30% year to year increase in Consumer Lifestyle sector's delivery of multilingual product content.

2007: 128 million words   2008 expected: 155 million words
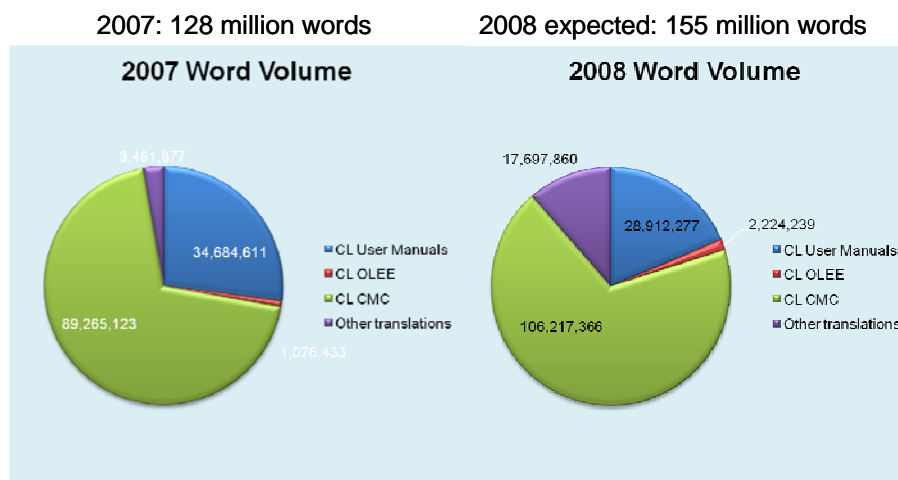
Philips has also established a Global Internet Board, made up of cross-functional sector representatives (Consumer Lifestyle, Lighting, and Healthcare) and Global Marketing Management. The board monitors success and provides guidance for overall consumer excellence across B2c and B2B domains, including language support decision-making based on:

- Current global presence based on volume of sales.
- Expected global presence based on business analysis.
- Target country's Internet population.
- Analytics of all sites including those with English only, a mix of English and native language, and fully native language sites.

Additionally, the Philips Consumer Lifestyle sector has set up a Central Marketing Support Team, consisting of 35 operational champions who provide content management, localization/translation and web publication support services. This team facilitates communications among central marketing management, global IT, and in-country marketing staff. Within this team, two subject matter experts manage all translation activities. Based on a strong and collaborative relationship with their SDL counterparts, these resources are often swapped between the companies to continuously strengthen the partnership.

Conclusions: The Gilbane Perspective

There's no doubting the worldwide impact of the economic uncertainty that erupted full force in 2008. It is the case, however, that some economies continue to expand, while others contract. This is causing global organizations to move into more or different geographic territories, or to shift investments into growth regions where they already have presence. The business emphasis is on finding, attracting, and serving the most profitable customers.

Like all industry leaders, Philips is aware of and reacting to this need. The company also understands that organizations can no longer create long-term, sustainable leadership on the basis of products and services alone. 21st century competitive advantage is built on *customer experience, brand, and process know-how*.

What makes the Consumer Lifestyle sector stand apart is its focused, incremental approach to people, process, and technology innovations. Overall, the Consumer Lifestyle sector's borderless brand management vision and CMC approach are directly aligned with corporate goals and the "sense and simplicity" brand promise. That alignment extends throughout the governance, guidance, and training provided to consumer marketing managers. It is guided through the emerging role of the cross-functional champion, born out of market disruptions and the special relationship of *global content* and *brand*. de Jager's ability to facilitate, influence, and guide alignment is both critical and impressive.

The focused, incremental approach also extends through the processes across Philips' Global Content Value Chain (GCVC), a strategy for moving multilingual content from creation through consumption according to the needs of its target audience. Centralized facilitation with decentralized control achieves the balance of centralized and regional operations so critical to multilingual communications processes. With over 30% of Philips' global turnover generated in emerging markets, the sector's consistent focus on integrated content and localization/translation management is key to global expansion plans.

Finally, the alignment is founded on global product marketing content practices and technologies that are finely tuned to deliver the Philips' commitment to consumer excellence. Stressing brand harmonization through CMC infrastructure components such as an XML-driven content broker and the SPOT "hub" provides content consistency and richness according to clear metrics for measurement and constant improvement. Combining these people, process, and technology best practices provides the sector with high levels of self awareness and commitment, critical ingredients for ongoing momentum and success.

A Partner's Voice: Ordina Consulting

The Gilbane Group appreciates the contribution of content for this section from Natasja Paulssen, Partner, Ordina N.V.

Six years ago the Philips' Consumer Lifestyle sector asked Ordina Consulting a seemingly simple question: "We have mountains of product content. How do we organize a process to get it on our web site?" This began a people-people relationship between our two organizations to design, implement, and support what is now Philips Central Marketing Support Team and to redesign some subsystems of the Content Management Chain

CMC 1.0

In 2003, Ordina assembled a team of people to bridge the usability gap between the content that was created in Excel files by the consumer marketing managers and the Philips corporate web site. At peak moments this team consisted of 25 people searching the Philips web site for missing content. Naturally, a crashed upload script would also cause unpredictable consequences on the site. Although Philips was achieving success in increasing content quality, a more usable and efficient content entry system was needed to ensure consistency. Ordina developed an intermediate solution to support the Philips way of working.

In parallel, based in the marketing organization of Consumer Lifestyle, Luuk de Jager asked Ordina to redesign the front end of CMC which needed to become more user-friendly and easier to work with for Philips' consumer marketing community.

The Philips CMC IT landscape then contained two subsystems with overlapping functionality supporting two very different marketing processes. It appeared difficult to increase efficiency, as legacy IT systems were hindering further integration. Also, parts of the CMC used to manage translations, rendering and publication could not be easily adjusted.

CMC 2.0

Simplifying the marketing processes in the Philips Consumer Lifestyle sector was an opportunity for our partnership to create a new vision for a more modern, scalable CMC architecture. One existing process was flexible, but manual. The other process was automated, but lacked flexibility. Ordina proposed the best of both worlds: instead of people communicating through documents and systems communicating through data, systems would communicate through documents. Each document would contain all information needed for the receiving system to do its job. A mashup system called Pikachu would be the heart of the document processing system, handling all XML transformations. A master data management system called Single Point of Truth (SPOT) would collect all documents per product and manage the distribution of information to other systems that needed it. Together, these two solutions provided the global product content agility required to support Philips' dynamic online marketing requirements.

 http://gilbane.com

Philips entered a period of exploiting this technical solution by redesigning the consumer website and adding more rich and engaging content types. Through company simplification, various existing legacy systems were merged into one. In 2008 over 50% more web site improvements were delivered than the years before.

CMC 3.0

Even before CMC2.0 went live, Philips and Ordina realized the potential to the user community of having one system with all product content. SPOT creates environment for supporting the entire online marketing process, a step further than supporting the task of content creation.

Rather than a portal-like interface that only integrates information sources, Ordina proposed to organize online marketing collaboration based on full transparency and control over all content. The heart of the vision will be an integrated feedback loop that drives the daily work of consumer marketing managers so that consumers, external experts, and internal experts are all heard. The online availability of knowledge and lessons learned from prior experiences will boost Philips' total online presence further.

Today, the Central Marketing Support Team staffed by Ordina is part of Philips' standing organization. When new insights are implemented we start with a partially manual process. The team bridges the gap between the consumer marketing community working with the new content and the IT tools that have not been fully adjusted. Once new processes are stable, Philips' IT support sustains the architecture/changes and the marketing support team can be used to support yet another new development.

From Ordina's perspective, the basis for the ongoing success of the partnership is the joint effort in defining innovative processes to make better use of content, with Philips' online marketing community driving the requirements. Together, new ideas are continuously integrated within the exciting world of Philips online marketing.

About Ordina

Ordina is the specialist knowledge provider that lays the foundation of its clients' future success by offering a coherent proposition of Consulting, IT and Outsourcing services. Ordina is a business partner to clients in the Finance and Public sectors, as well as in Industry and Healthcare. Ordina offers these clients a broad spectrum of consulting and implementation services. Ordina's consulting assignments can be characterised by their social and business economical relevance. In many cases they have a direct effect on the citizen, respectively the customer of our client.

With about 4,500-strong workforce, Ordina aims to improve the business processes of enterprises in the Benelux by providing advisory services, developing supporting applications or taking on a wide range of business processes, including ICT. Ordina N.V. was incorporated in 1973. Ordina N.V. shares are quoted on Amsterdam's Euronext Stock Exchange, where they are included in the Midkap Index.