Welkom!

Het seminar

Greenhouse Technology as a Service

start om 15.30 uur

AVAG

GREENHOUSE TECHNOLOGY CENTER

Rotterdam School of Management
Erasmus University

Servitization: hoe doen we het?

Jan van den Ende

Welke typen diensten zijn er?

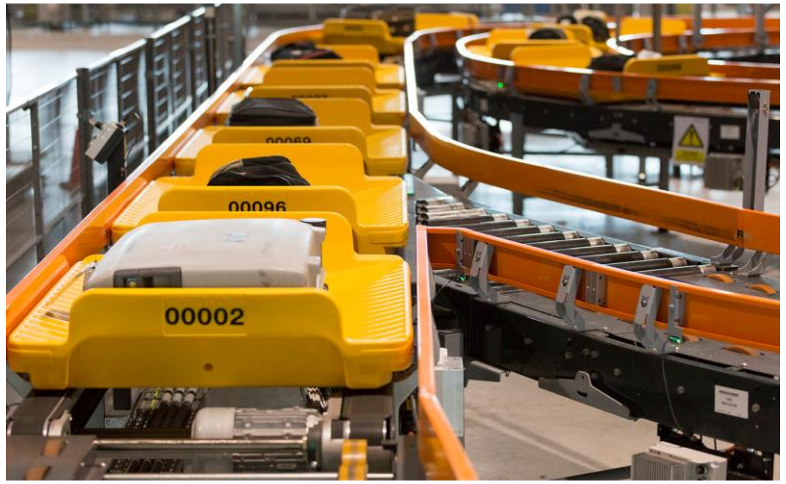
Typen services

Klant is eigenaar product

1. Ondersteunend aan product, life-cycle-services
   - Installatie
   - Onderhoud, reparatie
2. Monitoring
   - Voertuig monitoring
3. Op basis kennis leverancier
   - Advies
   - Geïntegreerde oplossing

Leverancier is eigenaar product

4. Gebruik gericht
   - Leasen van product
5. Resultaat gericht
   - Managed services



Strategie

Auguste et al, 2006

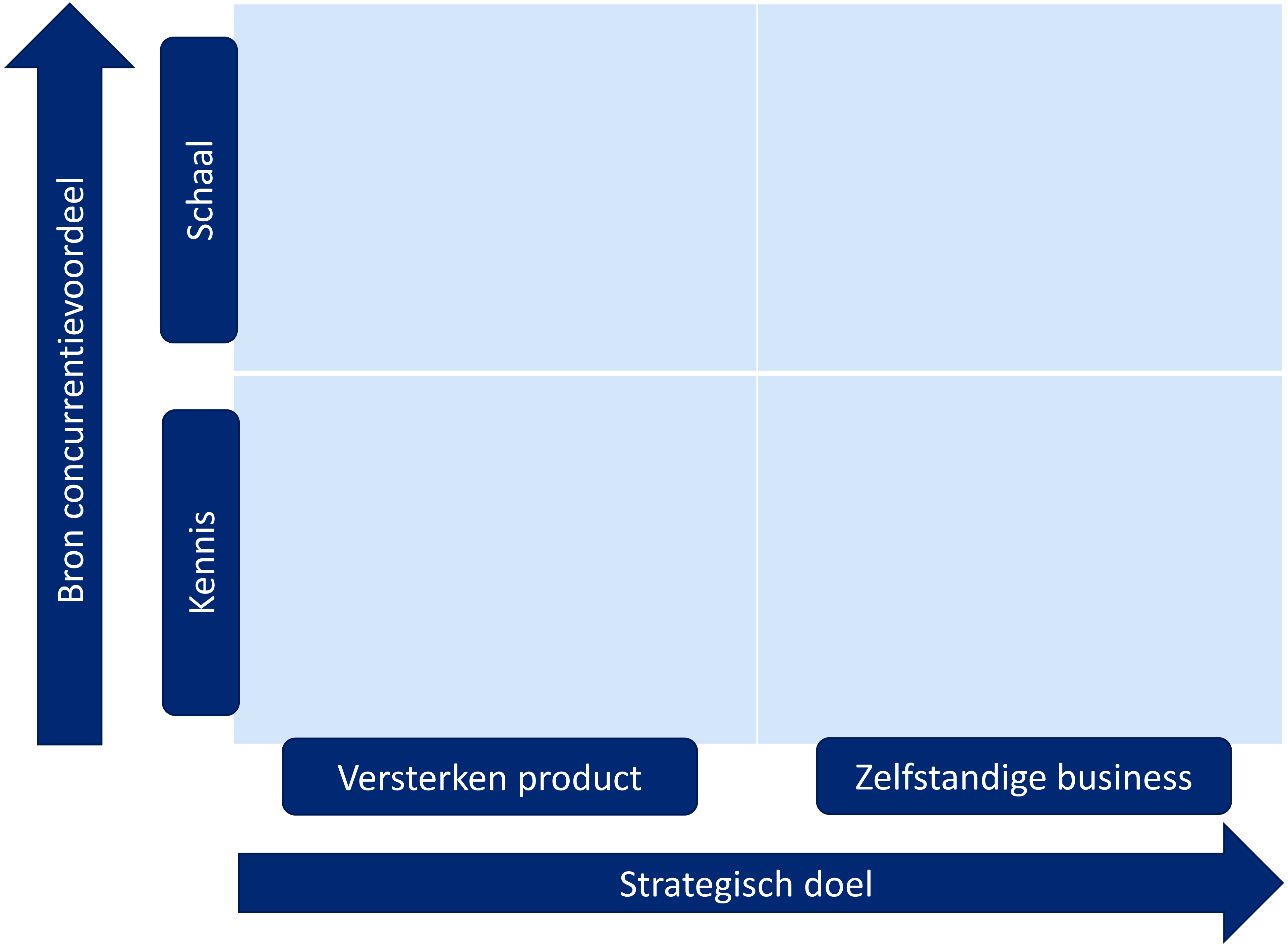
Bron concurrentievoordeel

	Versterken product	Zelfstandige business
Schaal		
Kennis		

Strategisch doel

Strategie

Auguste et al, 2006



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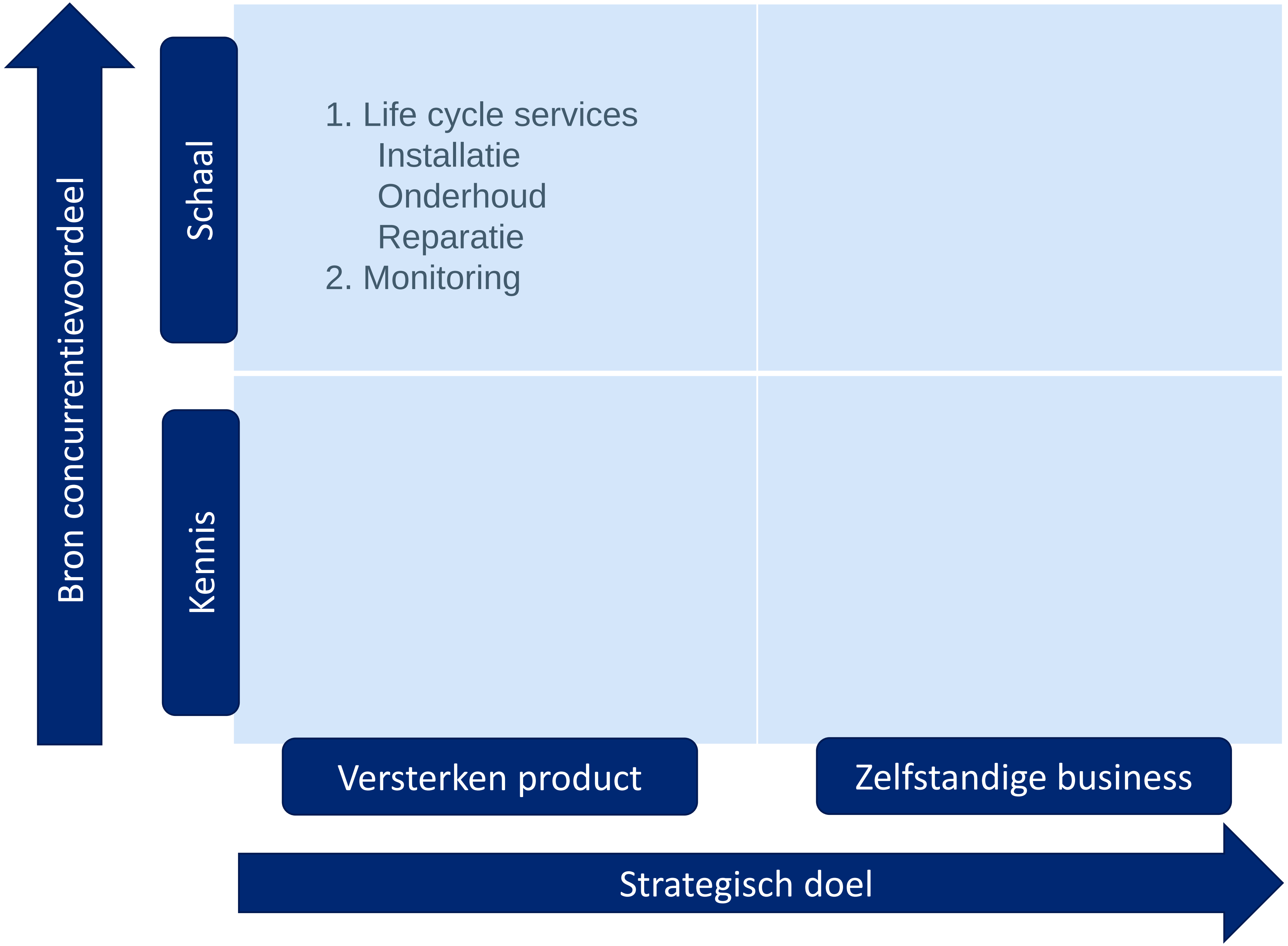

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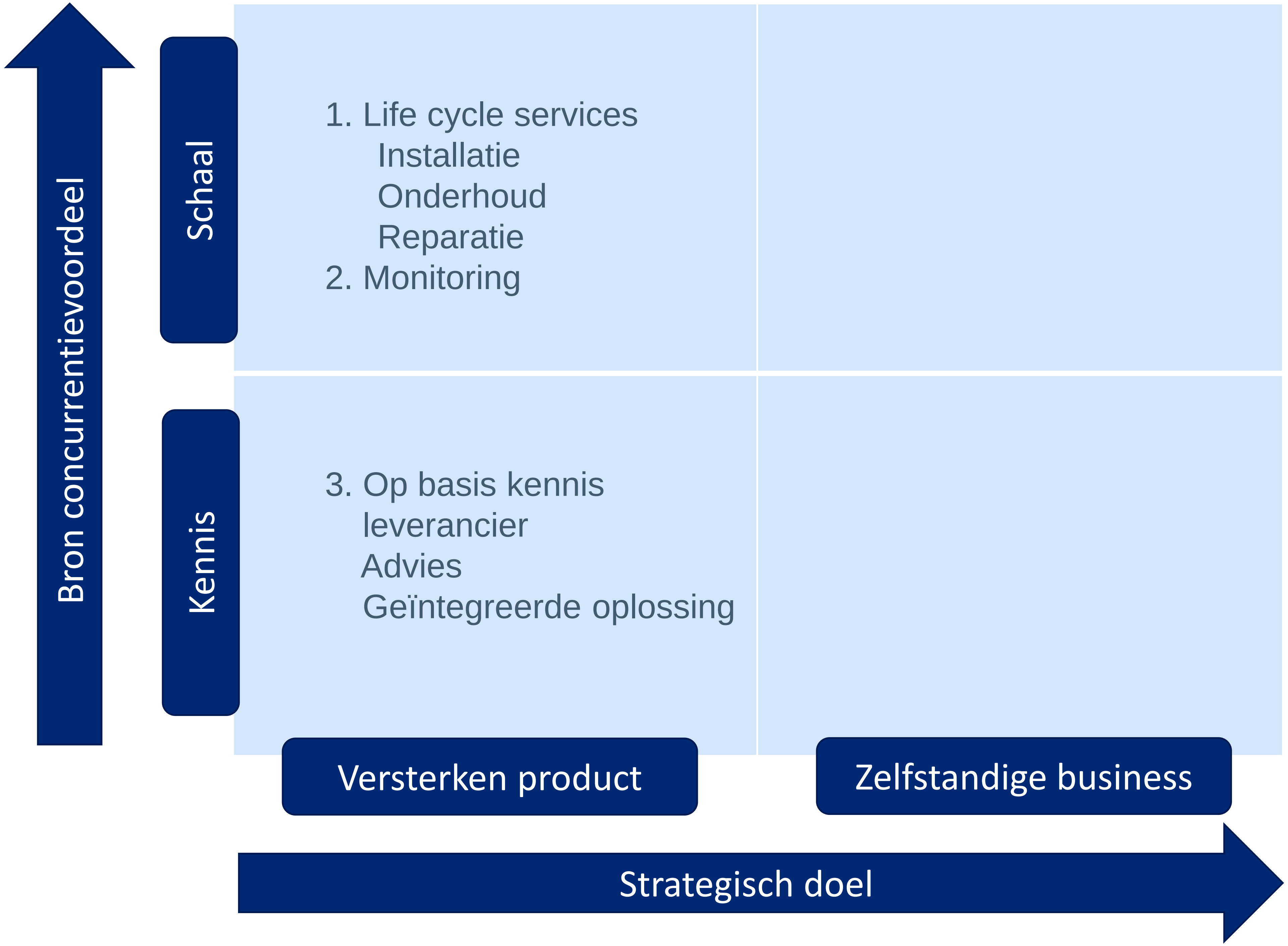

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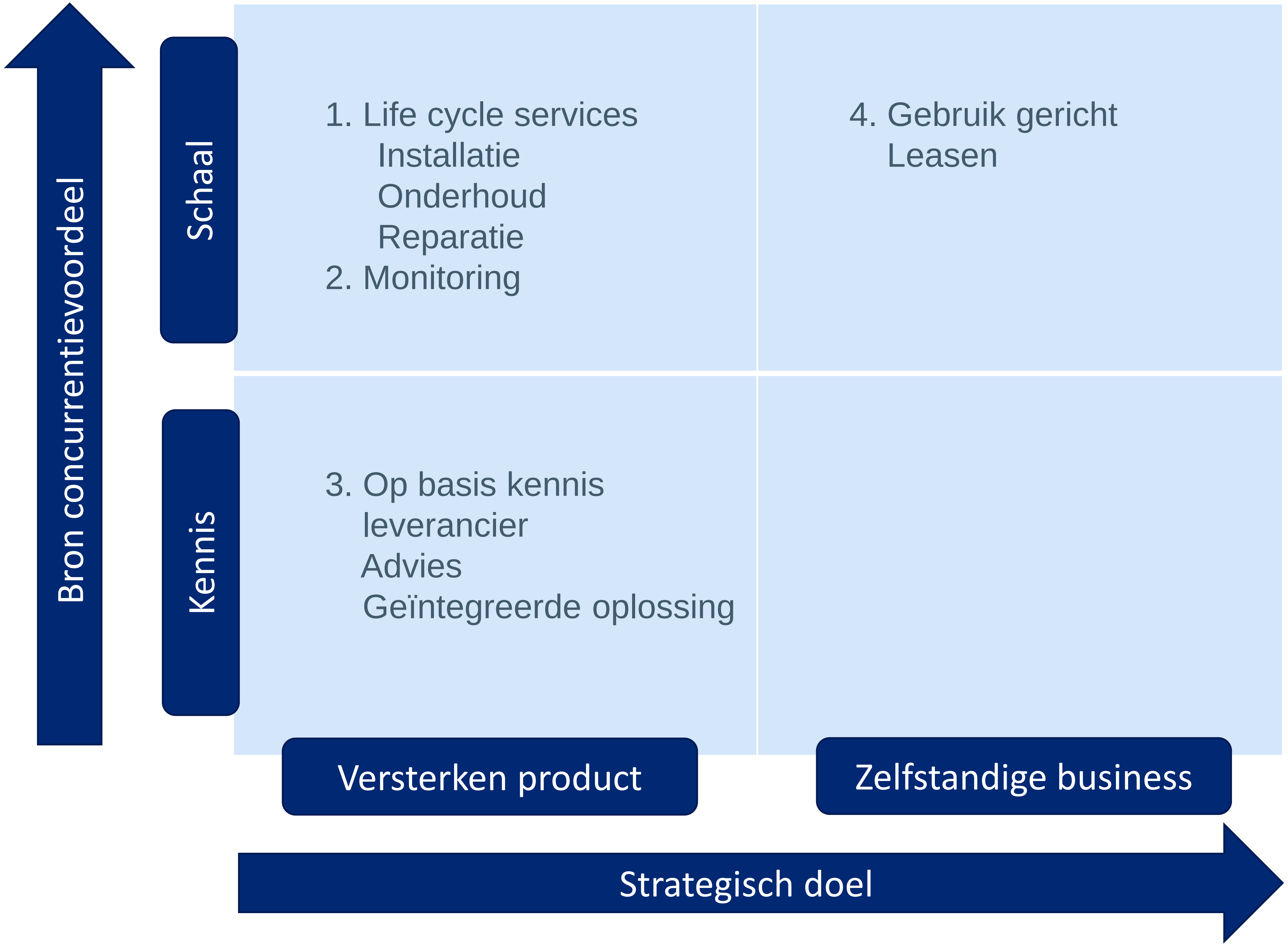


Strategie

Auguste et al, 2006

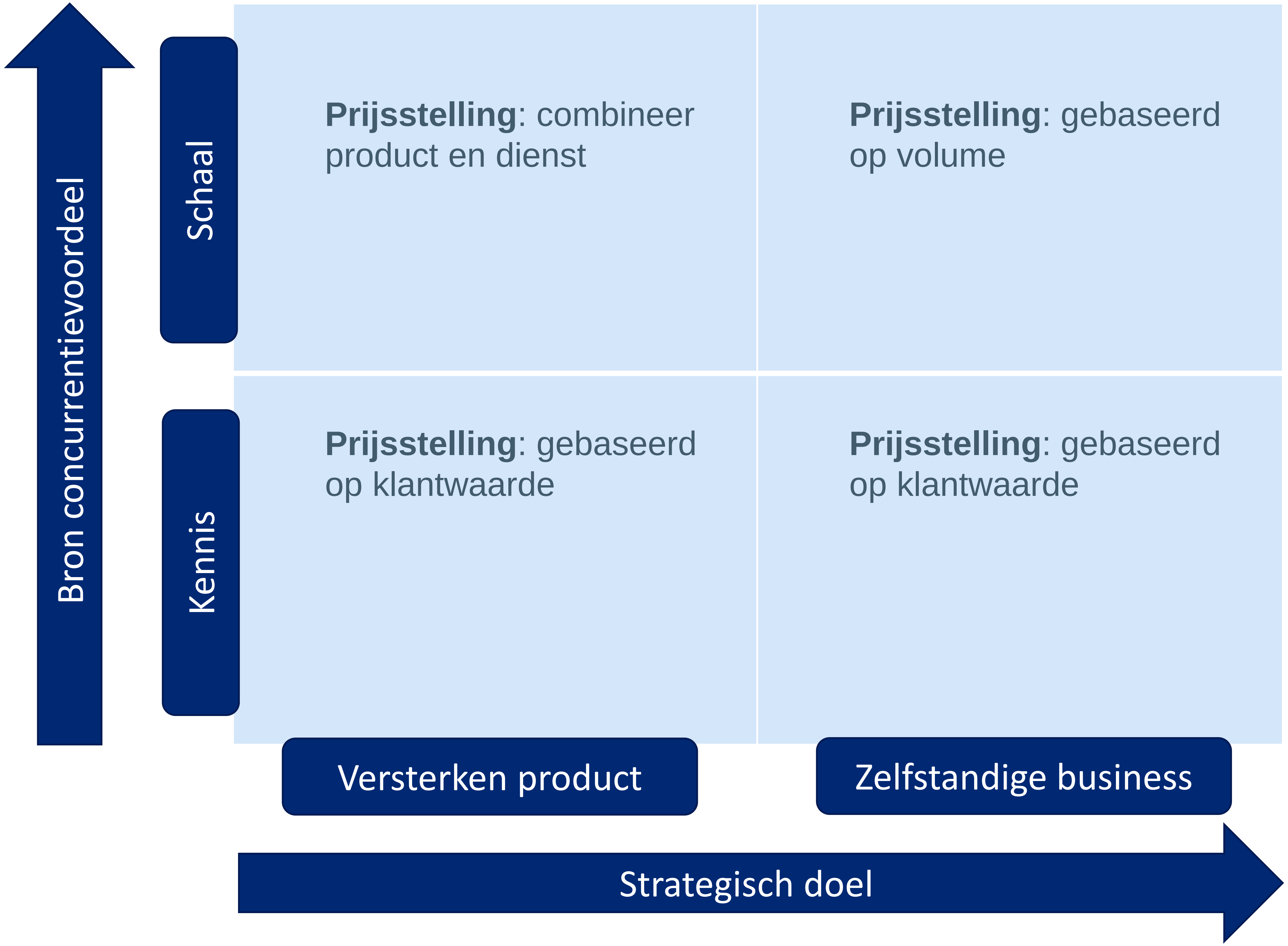
Bron concurrentievoordeel	Versterken product	Zelfstandige business
Schaal	1. Life cycle services Installatie Onderhoud Reparatie 2. Monitoring	4. Gebruik gericht Leasen
Kennis	3. Op basis kennis leverancier Advies Geïntegreerde oplossing	3. Op basis kennis leverancier Advies Geïntegreerde oplossing 5. Resultaatgericht Managed services

Strategisch doel

Thema 1: Prijsstelling en sales

Strategie

Auguste et al, 2006



Strategie

Auguste et al, 2006

Bron concurrentievoordeel ↑ / Strategisch doel →	Versterken product	Zelfstandige business
Schaal	**Prijsstelling**: combineer product en dienst **Sales:** één verkooporganisatie	**Prijsstelling**: gebaseerd op volume **Sales:** aparte verkooporganisatie
Kennis	**Prijsstelling**: gebaseerd op klantwaarde **Sales:** één verkooporganisatie	**Prijsstelling**: gebaseerd op klantwaarde **Sales:** aparte verkooporganisatie

Thema 2: Organiseren
Aparte afdeling of integreren??

Apart zetten

CEO

Product business versterken

Diensten business

Uitwisseling van vaardigheden

(Gilbert, Eyring and Foster, 2012)

Apart zetten

Voor:

- Focus, commitment
- Aangepaste KPIs (aantal klanten, toekomstige revenues)

Tegen:

- Het wiel opnieuw uitvinden
- Risico op twee gezichten naar klanten

Zet de services in het begin apart

Later integreren

Thema 3: Opschalen

Opschalen

Klantgericht ontwerpen

Eerste klant → Oplossing ontwerpen en toepassen voor klant → Oplossing ontwerpen voor markt

Marktgericht ontwerpen

Eerste klant → Oplossing ontwerpen voor markt → Oplossing aanpassen voor eerste klant

Opschalen

Voor klantgericht ontwerpen:

- Aansluiting bij wensen klant
- Snel

Tegen:

- Verschillende oplossingen bij verschillende klanten
- Risico: ‘One of a kind’ in plaats van ‘First of a kind’

Opschalen: compromis

Klantgericht ontwerpen

Eerste klant → Oplossing ontwerpen en toepassen voor klant → Oplossing ontwerpen voor markt

Marktgericht ontwerpen

Eerste klant → Oplossing ontwerpen voor markt → Oplossing aanpassen voor eerste klant

Combinatie

Eerste klant → Klein marktonderzoek → Oplossing ontwerpen en toepassen voor klant → Oplossing ontwerpen voor markt

Prijsstelling en sales

Organiseren:
apart of integreren?

Opschalen

Maak expliciete keuzes!

Bedankt!

September 2020

ADDING SERVICES AND SOLUTIONS

PERSPECTIVES ON SERVITIZATION FROM HEALTHCARE

CEES BIJL
HEAD OF STRATEGIC ACCOUNTS
CARDIO-VASCULAR GROUP EMEA

Medtronic
Further, Together

CONTENT

- Why expand into Services/Solutions
- The Philips journey
- The Medtronic journey
- The challenge is HOW to get it right
- Discussion

WHY EXPAND INTO SERVICES/SOLUTIONS

WHY EXPAND INTO SERVICES / SOLUTIONS

"Our customers are **asking / demanding** it from us"

" Our interaction with our customers has changed – we are now much more **integrated**"

" The arrival of **Data/SW** is creating great opportunities to create **added value** to / with our clients"

" We can **differentiate** if we add combine our products and services into solutions"

"Our products are **commoditizing**; we need new sources of added value

" Clients don't want to deal with the product complexity but want someone who **takes care of it**"

" We need to take advantage of **new business models**"

" Customers are not interested in our products anymore, only the **outcomes** they generate…"

" Competition is eating our lunch…..we need to **retain our customers**"

THE PHILIPS JOURNEY

Medtronic
Further, Together

Philips has been building on innovations for years

1915
Arga-lamp

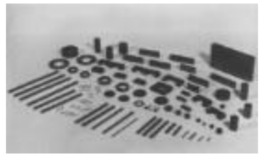
1925
Metalix- X-ray tube

1926
Pentode

1931
Philora sodium lamp

1939
Philishave rotary shaver

1948
First live TV broadcast in NL



1950
Ferroxdure / Ferroxcube

1963
Compact Cassette

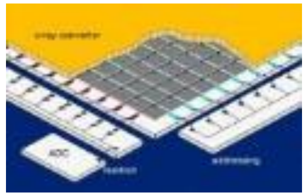
1966
LOCOS

1979
Compact Disc

1980
Compact fluorescent lamp

1996
Ultra-High-Perfor-mance (UHP) lamp

1998
3D rotational X-ray



1999
Flat-panel X-ray detector

2004
Ambilight TV

2007
Brilliance iCT

2010
Lifeline AutoAlert

2011
HeartNavigator

2011
AirFloss

2012
Hue

2013
AlluraClarity

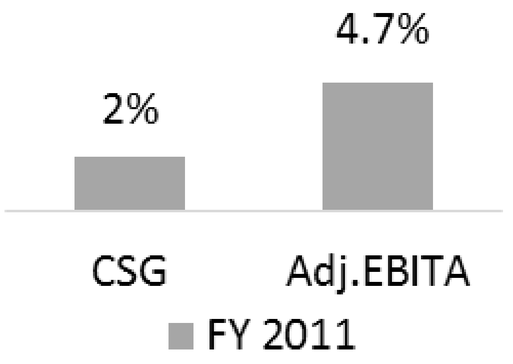
PHILIPS

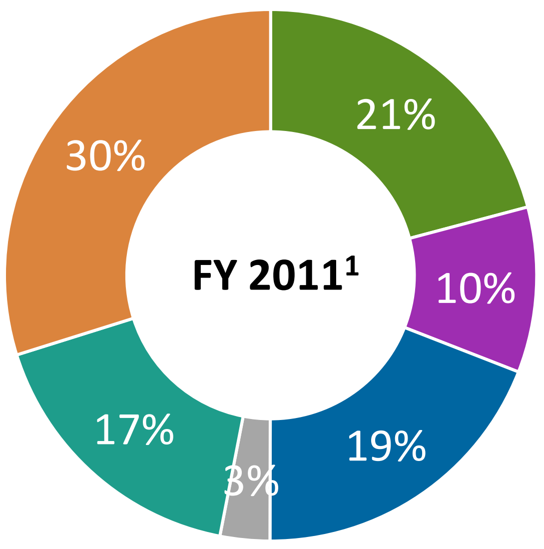
Philips transformed into a HealthTech company

Acquisitions: + Volcano (2015); + Spectranetics (2017)

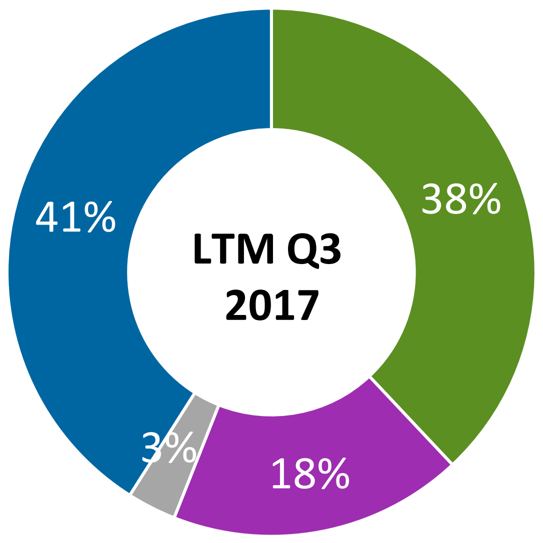
2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017

Divestments: - TV (2012); - Lifestyle Entertainment (2014); - Lighting (IPO) (2016); - Lumileds/Automotive, - Lighting[3] (2017)

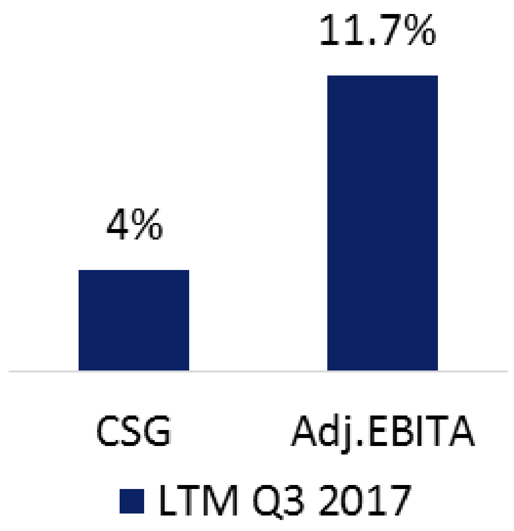




Sales EUR 25 billion



Sales EUR 18 billion



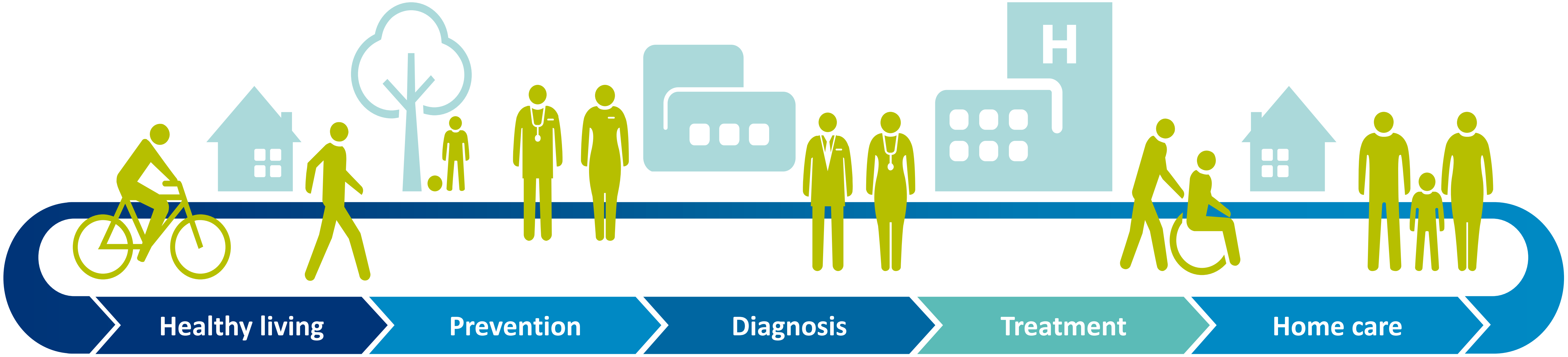
■ Diagnosis & Treatment ■ Connected Care & Health Informatics ■ Personal Health ■ Other[2] ■ Lighting ■ TV/LE

[1] Lighting includes combined business of Lumileds and Automotive in 2011, Personal Health in 2011 includes Sleep & Respiratory Care; [2] Other includes HealthTech Other and Legacy Items; [3] Philips retains a 41% stake in Philips Lighting, reported as discontinued operations

PHILIPS

Health continuum drives Philips strategy

Driving better outcomes for people and higher productivity for care providers



Care pathways for Cardiology, Oncology, Respiratory, Pregnancy & Parenting, etc.

Personalization of care

Driving **convergence** of professional healthcare and consumer health

Industrialization of care

Enabling providers to deliver lower-cost care and **better outcomes**

Inclusive care

Increasing **access** to affordable care and making care more inclusive

PHILIPS

Pivot to consultative customer partnerships and business models: *enable value-based care*

Customer

Common goals, joint commitment

Predictability, recurring revenues

Outcomes-focused, shared responsibility

Continuous improvement, innovate for the future

PHILIPS

KAROLINSKA UNIVERSITY HOSPITAL

Creating a leading healthcare center

Cross-portfolio equipment

Technology management services

Clinical innovation

14-year enterprise agreement, 2 leading facilities

Enabled **on-time opening** of complex new facility

Augmented reality in surgical navigation innovation

Banner Health®

Connected, consumer-centric health and value creation

Innovation incubator

Solutions delivery

Technology advisor

15-year enterprise agreement, 28 hospitals

Growth in Cardiovascular, Fluoroscopy, Population Health

Executive Governance Board with Innovation Council

PHILIPS

Innovative value-added, integrated solutions

Developed to better meet customer needs and capture greater value

Packaged suite of systems, smart devices, software and services

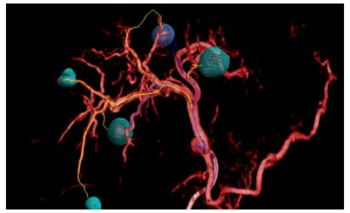
Image-Guided Therapy solutions


Image-Guided Therapy systems

\+


Smart catheters

\+


Disease-specific software

\+


Cath lab management, services, consulting

Patient monitoring solutions


Monitoring

\+


Cableless measurements, biosensors

\+


IntelliVue Guardian software

\+


Integration, services, consulting

Total sleep management solutions


Dream Series therapy devices

\+


Care Orchestrator Platform

\+

Patient services

\+


DreamMapper patient engagement

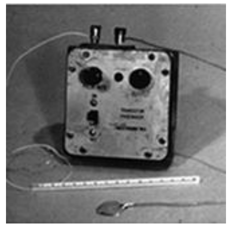
PHILIPS

THE MEDTRONIC JOURNEY

Medtronic
Further, Together

MEDTRONIC: A RICH HISTORY OF INNOVATION
HOW WE HAVE GROWN OVER THE YEARS

1949
MEDTRONIC IS FOUNDED



1957
CREATED FIRST BATTERY-OPERATED EXTERNAL PACEMAKER

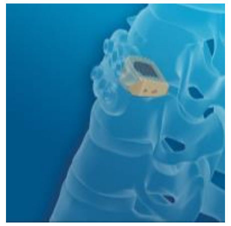
WROTE OUR **MISSION**

1960
DEVELOPED **THE FIRST IMPLANTABLE PACEMAKER**

1977
INTRODUCED **PROSTHETIC HEART VALVE**

1979
ESTABLISHED THE **MEDTRONIC FOUNDATION**

1983
EXPANDED INTO **NEURO-STIMULATION**



1999
EXPANDED INTO **SPINAL CARE**

2001
EXPANDED INTO **DIABETES CARE**

2002
INTRODUCED **FIRST REMOTE MONITORING SYSTEM**

Medtronic & COVIDIEN
Covidien is joining Medtronic

2015
ACQUIRED COVIDIEN

2016
INTRODUCED **THE WORLD'S SMALLEST PACEMAKER** AND THE **FIRST HYBRID CLOSED LOOP INSULIN DELIVERY SYSTEM**

2017
INTRODUCED **THE WORLD'S SMALLEST IMPLANTABLE SPINAL CORD STIMULATOR**

2019
LAUNCHED **MAZOR X STEALTH EDITION SYSTEM FOR ROBOTIC-ASSISTED SPINE SURGERY**

HISTORICAL BACKGROUND MDT
VALUE BASED HEALTHCARE IS EMBRACED

- Omar Ishrak becomes CEO of Medtronic in 2011 (just stepped down) and embraces Value Based Healthcare

- European and US markets identify opportunities to go beyond the product and provide services and solutions

Medtronic

MEDTRONIC MADE MAJOR INVESTMENTS TO BUILD CAPABILITIES
ORGANICALLY AND THROUGH ACQUISITIONS

Assembled internal interdisciplinary team of **350+ experts** with focus on healthcare transformation

100+ transformation projects conducted in hospitals each year

Managing **CathLabs** and **ORs**, at **200** hospitals in EMEA and rolling out the solution internationally

ACQUISITION OF LEADING US **TELEHEALTH SERVICE PROVIDER** (HF, COPD, DIABETES,...)

CARDIOCOM

ACQUISITION OF THE LEADING PROVIDER **OF TURNKEY SET UP & MANAGEMENT SERVICES** FOR ORS, CLS, ICUS IN EUROPE

NGC

ACQUISITION OF SPECIALIST CENTERS IN NL MANAGING **T1 DIABETES PEDIATRIC PATIENTS**

Diabeter

MAJORITY OWNERSHIP POSITION IN NOK, LARGEST SPECIALISED DUTCH CLINICS FOR **COMPREHENSIVE TREATMENT OF PEOPLE WITH MORBID OBESITY**

NEDERLANDSE OBESITAS KLINIEK

MANAGED SERVICES

BROAD AND INTEGRATED OFFERING SOURCE OF VALUE AND DIFFERENTIATION

TURNKEY SET-UP

Provide affordable access to state-of-the-art infrastructure and technologies

MANAGE

Manage non-clinical operations to enable focus on patient care

DEVELOP

Accelerate patient access to care; develop services and enhance reputation

OPTIMISE

Deliver best-in-class cost efficiency and patient outcomes

LARGE FOOTPRINT AND CLIENT BASE ACROSS EMEA

210
Accounts under **managed services**

25
Countries with operations

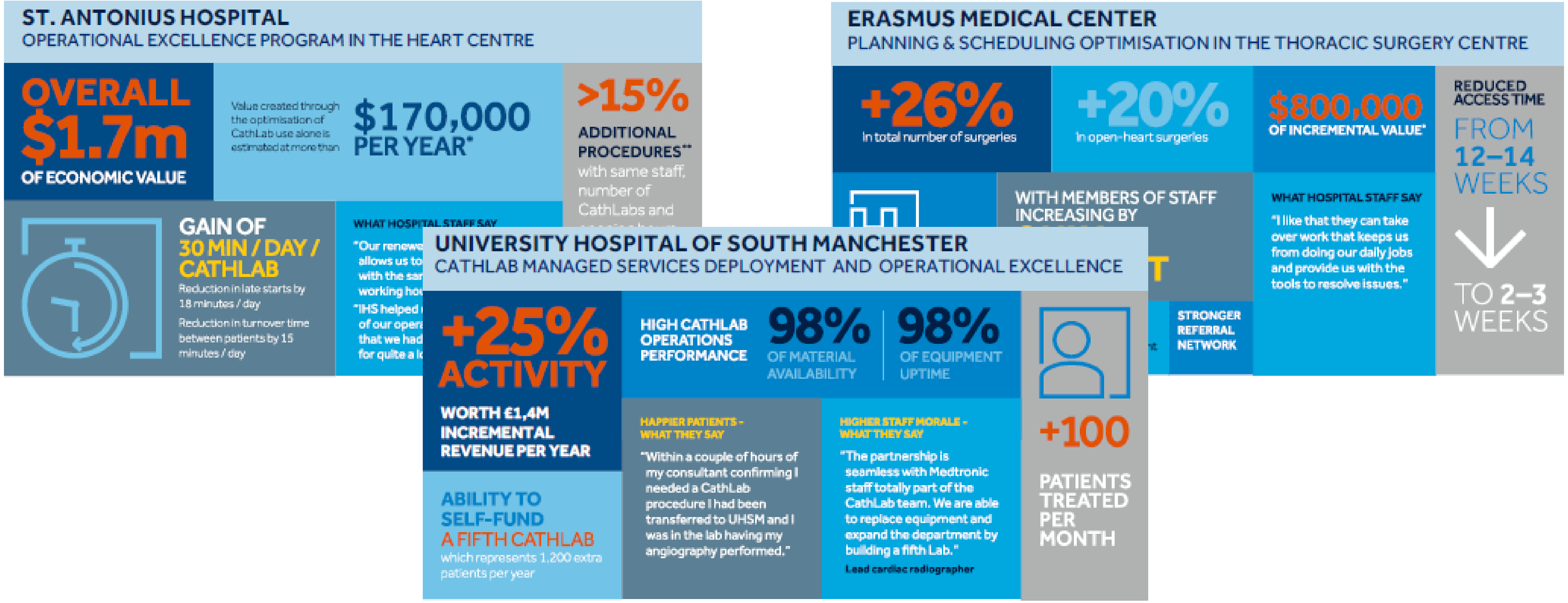
>800
CL's and OR's

820,000
Patients treated annually

Medtronic

BENEFITS

DELIVERING SUBSTANTIAL ECONOMIC VALUE
EFFICIENCY, COSTS SAVINGS, GROWTH AND A LEARNING ORGANISATION



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ESTABLISHING LONG TERM PARTNERSHIP
WITH LEADING INSTITUTIONS ACROSS EMEA

THE CHALLENGE IS HOW TO GET IT RIGHT

Medtronic
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KEY ELEMENTS TO GET IT RIGHT

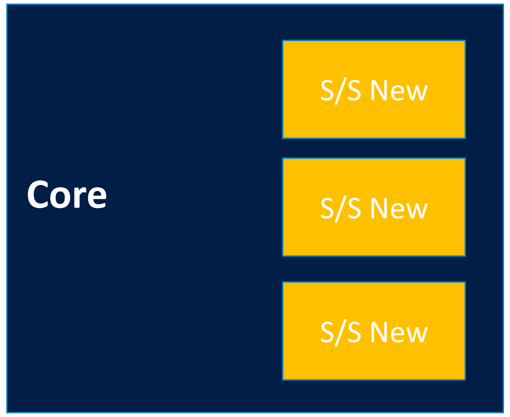
- Set up the solution organization separately
  - Separate department; healthy schizophrenia
  - Internal startups
  - Acquisition – injection of new DNA
- Integrate slowly / when time is right
  - Make sure there is traction from customers
  - Only allow integration when robust enough
  - Make sure the synergies are clear and well managed

SET UP THE SOLUTION ORGANIZATION SEPARATELY AND INTEGRATE SLOWLY

Portfolio of activities

- Acquisition of leading upcoming players
- No integration
- Each business focus on its own
- Synergies need to be managed

Change from within



- Startups and / or acquisitions
- Integration into the core
- Fight for resources
- Strong leadership needed to manage ambidexterity

Full transformation

- Big acquisition, bet the company, risky
- Need to get it right
- Quick and forced change of DNA
- Transformational leadership needed

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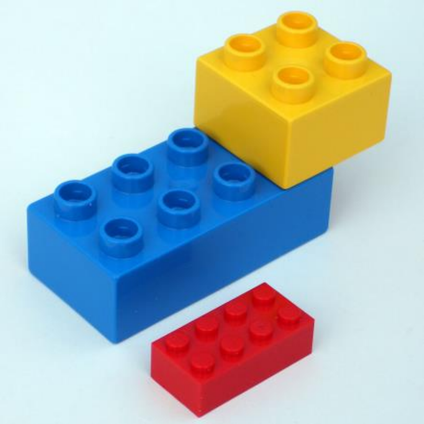
  - Make sure the synergies are clear and well managed
- Scaling services and solutions
  - Scaling is people dependent (it is not a “product factory”)
  - Modular approach is needed to manage complexity
  - Training and systems are needed to assure quality
- Set up the right team
  - Mix of internal and external resources
  - Content expertise
  - Migration of team when moving to a next phase

SCALING SERVICES AND SOLUTIONS
LEGO SCALING CONCEPT

Modular approach



Minimal viable product

Scale to full potential (industrialization)

Development through Training / (quality) Systems

Adapt and upgrade/change Skills / Teams

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  - Training and systems are needed to assure quality
- Set up the right metrics
  - Focus on learning first and fast
  - Celebrate first wins with customers
  - Growth is more important than profit
- Integrate slowly / when time is right
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  - Only allow integration when robust enough
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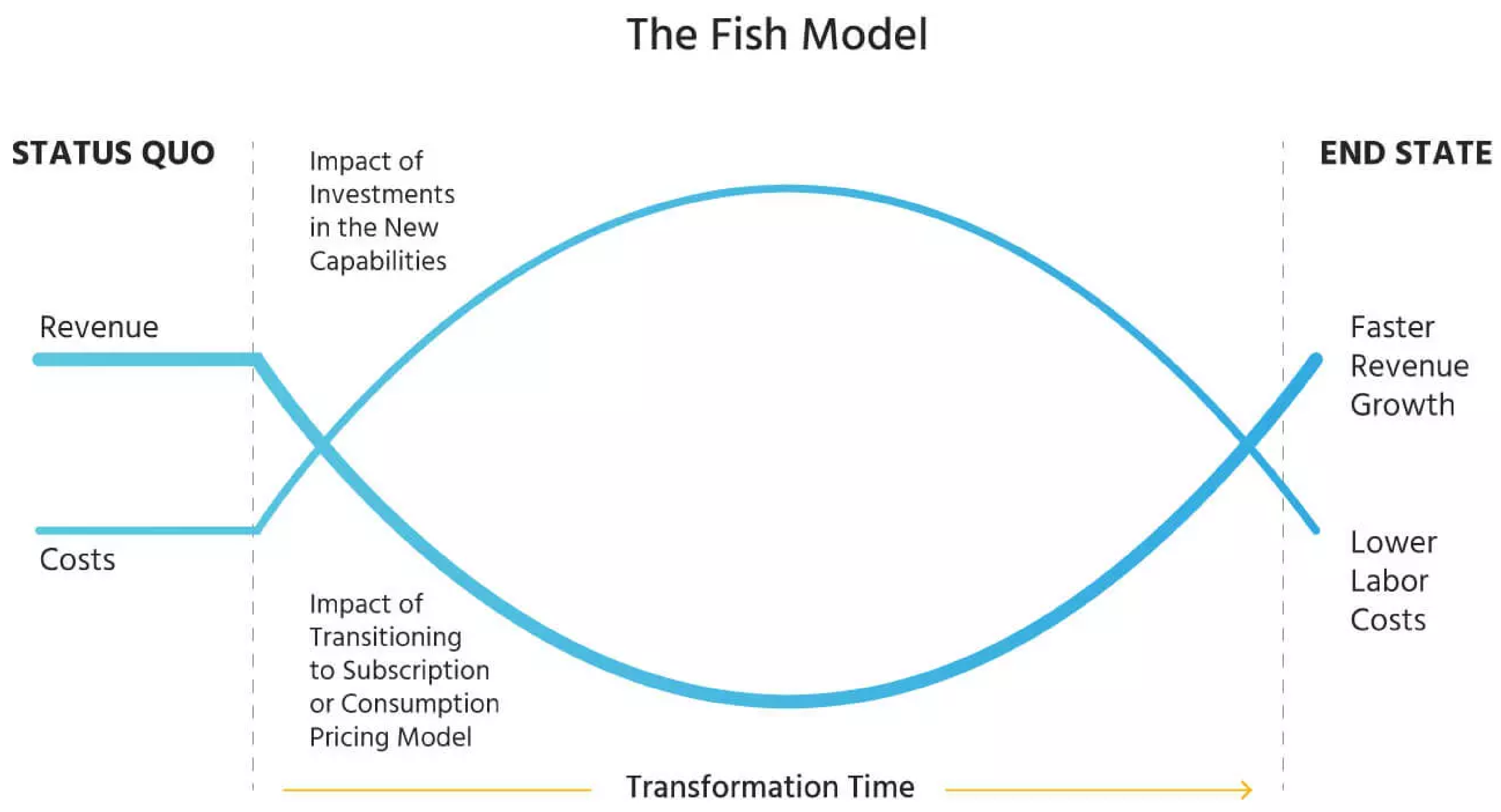
- Set up the right team
  - Mix of internal and external resources
  - Content expertise
  - Migration of team when moving to a next phase
- Remain realistic
  - Careful; Significant change to DNA of company
  - Watch out; Very different business models
  - This is one for the long term; …need to “ swallow a fish..”

CHANGING TO A SOLUTIONS BUSINESS MODEL MEANS SWALLOWING A FISH….



Source; Technology Services Industry Association -TSIA

Medtronic

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DISCUSSION

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