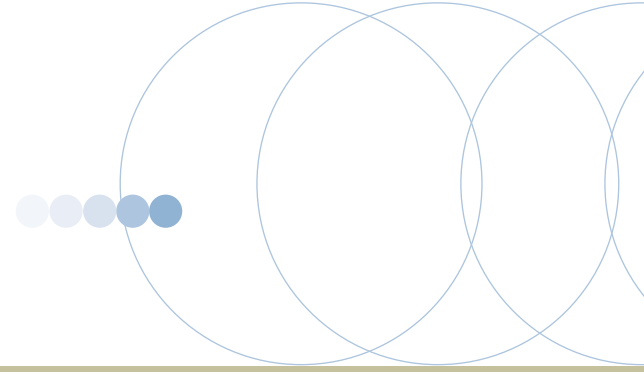


CASE STUDY



MarketingCentral brings greater financial transparency, improved accountability, and better productivity to Philips Healthcare's global marketing communications group

Philips Healthcare Uses Unica MarketingCentral® to Help Drive Down Marketing Costs as a Percentage of Revenue

OBJECTIVES

- Effectively consolidate and streamline marketing communications
- Drive down unnecessary costs and inefficiencies
- Support revenue growth and employee productivity

RESULTS

- Lowered marketing costs as a percentage of revenue
- Centralized system and standard processes streamline work for marketing communications teams around the globe
- Greater financial transparency and accountability from having a single application to store all budget and project information
- Enabled regulatory review processes and systematic auditable information

BACKGROUND

Philips Healthcare has long been one of the world's leading healthcare companies. In the wake of multiple recent acquisitions, it has also become the second largest sector within Royal Philips Electronics, one of the world's most prominent and respected companies. Philips Healthcare focuses on people in the care cycle: both patients and care providers. The firm develops products and services that deliver value throughout the complete cycle of care: disease prevention, screening, diagnosis, treatment, health management, monitoring, and more. Philips Healthcare competes in five highly competitive markets: Home Healthcare, Imaging Systems, Clinical Care Systems, Healthcare Informatics and Patient Monitoring, and Customer Services. The marketing communications organization within Philips Healthcare has almost 100 employees, which comprise an "in-house agency" across the Americas, Europe, and Asia.

THE CHALLENGES

Multiple acquisitions have strengthened Philips Healthcare's leadership position in the worldwide healthcare industry. But, according to Suzanne Kissane, senior manager, marketing communications, Philips Healthcare, these acquisitions presented unprecedented challenges for Philips Healthcare's marketing communications organization.

According to Kissane, Philips Healthcare's marketing communicators found themselves struggling to manage fragmented, inconsistent approaches to marketing communications inherited from the organizations it had purchased. This fragmentation made it more difficult to provide financial transparency,

either to the organization as a whole, or to the internal product managers who are the marketing communications organization's customers. These inconsistent approaches also made it difficult for marketing communications professionals to move between assignments, or to grow in their careers at Philips.

Meanwhile, Philips Healthcare's marketers found themselves performing too much redundant work; achieving inconsistent quality; and spending more on marketing communications as a percentage of sales compared with the competition. Equally worrisome, marketing communicators found themselves focusing primarily on tactical rather than strategic communication – and missing significant business opportunities as a result.

With Philips Healthcare aiming to continue its rapid growth, its executives recognized that these problems would only become more pressing – and that they needed to be addressed promptly.

OBJECTIVES

In 2006, Philips Healthcare's leadership made the critical decision to centralize the marketing communications function into a shared services organization. In pursuing this initiative, code-named Fusion, the company's executives aimed to address three sets of high-level goals:

- **To support growth** by increasing the leverage and effectiveness of communication investments; providing competitive, sustainable investment levels; and focusing on more strategic messaging.
- **To strengthen the company's internal marketing talent** by professionalizing the marketing communications role, creating

“Using our customized templates, it’s easy for our people to faithfully follow consistent project processes. And, as they do, MarketingCentral creates a complete project trail for review and learning. What’s more, the system’s flexibility makes it easy for us to continually refine and improve our processes.”

“MarketingCentral provides a single point for storing all the information our professionals and vendors produce and use: brochures, press releases, purchase order numbers, everything. It’s even used by all our regulatory, compliance, and legal professionals to systematically capture reviews and approvals.”

Nadia Kempe
MarketingCentral’s Administrator for Philips

learning opportunities and better career paths for marketing communications professionals, and making it easier to share best practices across the organization.

- **To simplify communications** by simplifying and improving the consistency of messages, structures, and processes; and eliminating silos to strengthen integration across the company.

Philips Healthcare recognized that its new centralized organization and revamped processes would only work if supported by comprehensive marketing software infrastructure. That software would need to help define and support a common way of working that would bring together marketers across the entire enterprise. It should provide a simple structure for driving marcom processes; managing roles, responsibilities, and customer relationships; improving visibility and financial transparency; streamlining analysis; centralizing data; and supporting executive decision-making.

Philips Healthcare was equally determined to avoid the problems sometimes associated with large software implementations.

According to Ralf Bootz, formerly Philips Healthcare’s director of marketing communications operations, “We were determined to find a tool that would not inflate bureaucracy or add complexity.”

THE SOLUTION

After extensive research, Philips Healthcare selected MarketingCentral from Unica. “We chose MarketingCentral for its power, its flexibility, and its simplicity,” says Bootz. “We concluded that it would enable us to rapidly roll out a consistent set of marketing processes and automated marketing tools across the entire organization. Its on-demand, web-based approach gives us a very cost-effective solution, without requiring us to assign extensive IT resources for either customization or day-to-day administration.”

Consistent Processes, a Single Point of Contact

Within months, Philips Healthcare successfully rolled out MarketingCentral to more than 550 users: both the core marketing communications team and peripheral users – including product managers, legal and regulatory reviewers, and its worldwide vendor community. “MarketingCentral has helped us unify and integrate the way we do marketing communications,” says Nadia Kempe, MarketingCentral’s administrator for Philips.

Improved Strategy, Visibility, and Transparency

Philips Healthcare’s marketing communications team uses MarketingCentral to set both strategy and individual project plans. The system provides them with complete organizational visibility and financial transparency, and helps them to streamline analysis. They use MarketingCentral to show their internal customers exactly what they are doing for them, how they are doing it, and how much it’s costing them.

Philips has one part-time system administrator, Kempe, who manages MarketingCentral worldwide. From her European office, Kempe handles all troubleshooting and help desk requirements, circulates best practices, and runs Philips’ change management process. According to Kempe, “Gurus have emerged at each of our locations: people who’ve really taken the system to heart, know its ‘ins’ and ‘outs,’ and can help their colleagues use it even more efficiently.”

THE RESULTS:

MarketingCentral has already helped Philips Healthcare achieve many of the core goals it identified when it embarked on its global Fusion marketing initiative:

- **Systematic regulatory and legal review.** MarketingCentral provides an audit trail for regulatory and legal review, to ensure that all groups comply with global policies.
- **Greater consistency.** MarketingCentral project templates have enabled Philips Healthcare to establish consistent, streamlined processes at locations worldwide.
- **Improved accountability and transparency.** Internal marketing customers now have full visibility into their project costs, schedules, and business value.
- **Lower costs.** Through the elimination of redundant work and consolidation of data and processes, MarketingCentral is helping reduce costs and maximize tight budgets.
- **Continuous improvement.** By centralizing all project information and making it easier to analyze, MarketingCentral is helping managers to uncover problem areas and drive continuous improvements in strategy, tactics, and processes.

Unica Corporation
Worldwide Headquarters
Reservoir Place North
170 Tracer Lane
Waltham, MA 02451-1379
USA

T +1.781.839.8000
F +1.781.890.0012

www.unica.com
unica@unica.com



Australia
Belgium
France
Germany
India
Netherlands
Singapore
Spain
United Kingdom
United States

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