



# Licensing Live!

The Future Empowered by  
**Software Monetization**

Survey Results - How Software is Powering the Hardware  
Renaissance with..

## Philips Medical's Business Transformation and the Health Continuum

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# Agenda

- Survey Objectives and Results
- Philips live case study



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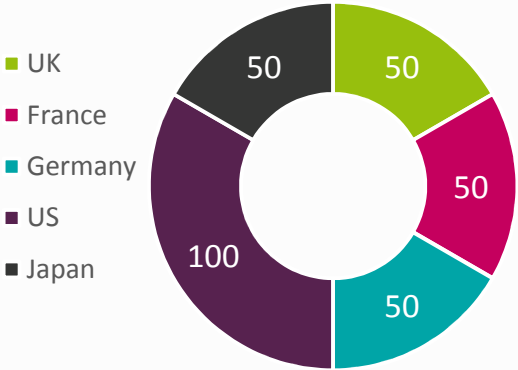
# Survey Objectives

## Business Models

- **Are software-powered device vendors becoming more software-centric in their business models?**
- **For those who have transformed their business models what were the challenges in implementing these models?**
- **What benefits have companies seen in becoming more software-centric?**

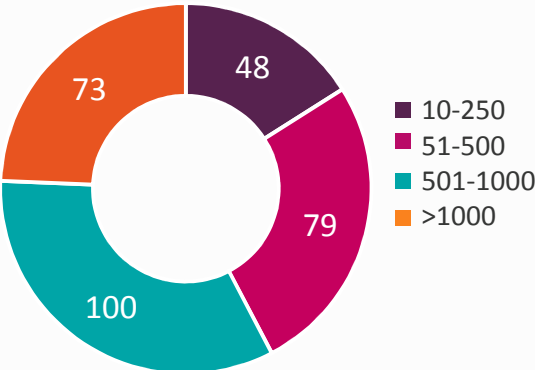
# Demographics

## 1 Country



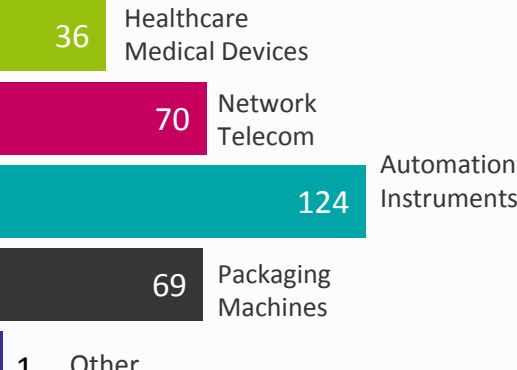
Analysis of country, all respondents (300)

## 2 No. Employees



"How many employees work in your organization?" All respondents (300)

## 3 Manufacturing



Analysis of manufacturing sector, All respondents (300)

**SURVEY POPULATION** 300 business decision makers who have input into and/or responsibility for product development and how their organisation's products utilise software, were interviewed in February and March 2017. Respondents' organisations must be from manufacturing organisations that **manufacture software-enabled hardware**



**NEED TO KNOW  
FACTS**

**84%**

of surveyed companies have either implemented or consider implementing software-based revenue models

- <https://youtu.be/pn0bXKpVMoQ>



Connected care and health informatics



**Consumers**  
increasingly engaged  
in their health



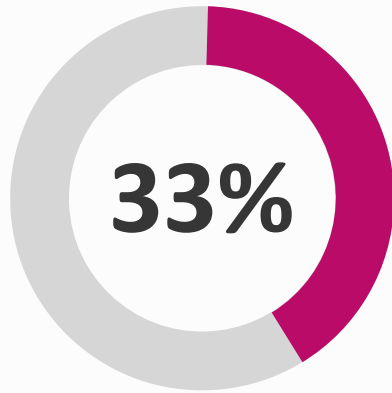
Shift to **value-based healthcare** will reduce waste, increase access and improve outcomes



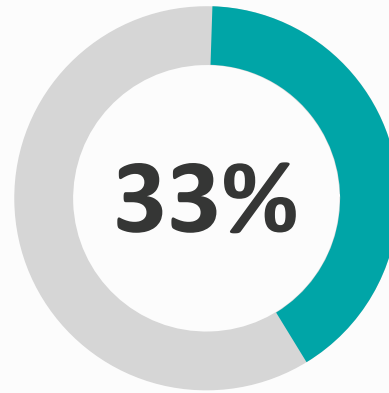
Care shifting to **lower cost settings** and homes



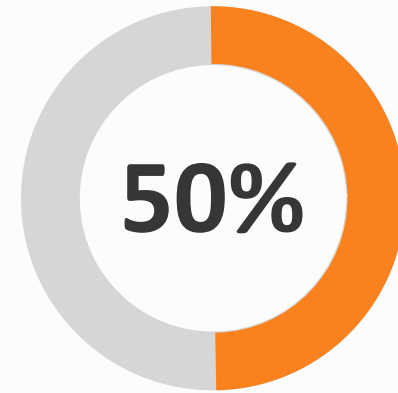
# Transformation Challenges



Need a central strategy vs organic evolution



Executing new business models with legacy systems



Hiring new recruits or retraining workforce

# Business Model Transformation Drivers



- New proposition development generally faster than operational capability development.
- Harmonization customer experience across integrated portfolio of products, systems, software and services – transitioning towards solutions.
- Commercial & Delivery model simplification across propositions in our portfolio required to reduce unrewarded complexity.
- Process, technology and organization driven capability improvements along the entire customer journey “Quote-2-Cash” as part of a larger transformation ongoing named “Accelerate!”



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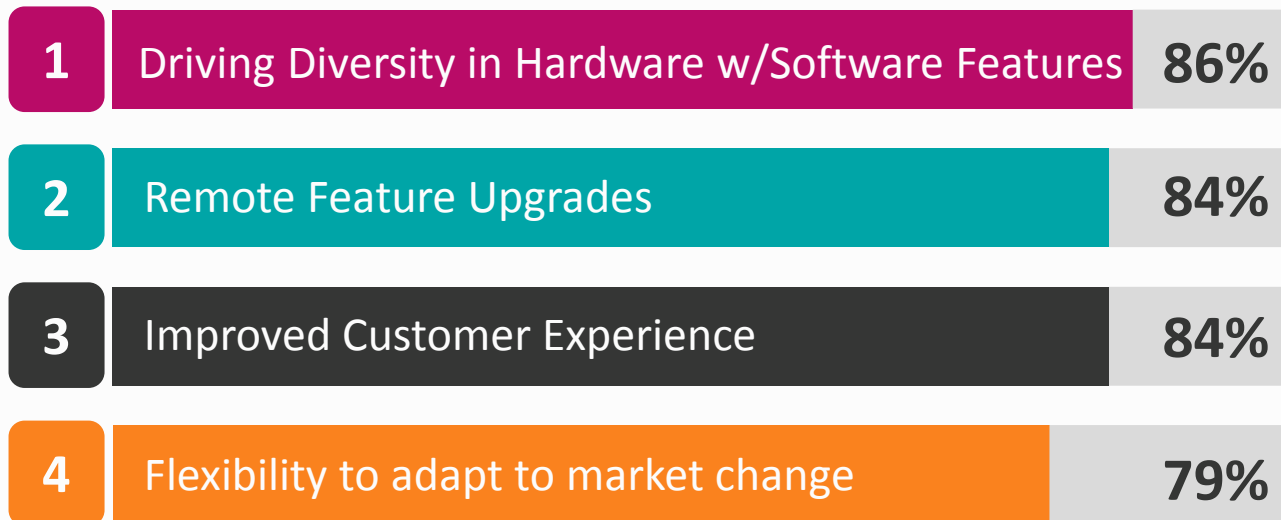


# Key Lessons Learnt

- Its really NPI++!
- Converge demand / drive centralized design
- Start small, work agile where possible, bring value early
- Process driven approach to requirements
- Target setting for adopting businesses
- Executive sponsorship C-level required!



# Business Transformation **Benefits**





# Expected Benefits

- **Unlocking revenue for subscriptions and pay per use.**
- **Improved KPI / performance management on long term recurring revenue solution contracts.**
- **Integrated delivery orchestration driving better customer experience End-2-End**

