Introduction to patient safety. Summary: 1. Our processes might not be perfect regarding medical safety, both from the early phase of product design to the post-market risk management standpoint, 2. We need to look at medical safety end-to-end as the first step in our effort to organize the larger Medical Affairs organization and identify gaps to make sure we have a standardized approach across the whole of Philips. 3. Keep in mind alignment with our process framework, PEPF. 4. As discussed, a White paper (gap analysis) is needed to describe, strengthen and streamline our overarching processes involving medical safety, considering industry standards Vs. what we currently have in our PEPF. 5. The aim is to establish an independent organization responsible for medical safety and to get people aligned 6. In this highly regulated environment, we need to be clear on the governing documents, the data, the tools, and people competencies supported by industry standards and regulations. 7. An action plan is proposed based on the white paper and team inputs/discussion. NARRATIVE: Project or Initiative or SPOR | Cluster | Market 1.0 Purpose What is the purpose of this narrative in few sentences? e.g. Cluster Strategic Plan of Record, special project approval request, customer segment strategy, etc… 2.0 Customer signals and customer segment trends  Clearly state the customer signals – what are the customers asking? o Customer signals can come from KOLs, Physician Ad boards, Trade Associations, customer service inputs, primary or secondary market research etc. o Footnote sources of the customer signals (e.g. Dr. Jones at UCSF, or article…) o Don’t write: customers are asking for higher resolution o Do write: 35% of radiologists surveyed [footnote] are asking for higher resolution for better visualization of lung nodules, to provide faster and accurate sample collection of lung biopsies. Or Dr. Jones at UCSF states radiologists are asking for higher resolution for … physician benefit, to deliver patient benefit.  Clearly state your customer segment  Size only your customer segment (not the whole industry) o Don’t write: this market is growing rapidly o Do write: The total market is $3B (3% CAGR) and our addressable market is $900M (5% CAGR), which is made up of segment A ($300M, 2% CAGR), segment B ($200M, 6% CAGR) and segment C ($400M, 9% CAGR). This narrative specifically addresses growing segment C [footnote – all supporting materials]  Educate reader on customer segment in the appendix, not the main document o Don’t write: large paragraph on, for example, covid accelerating telehealth o Do write: Covid has increased telehealth adoption from 12% to 77% [footnote] (Appendix C) 3.0 Current Philips position/performance in this customer segment  Be specific and concise by giving numeric details first, followed by commentary, if necessary  Where appropriate, include revenue and % growth rates, not just % o Don’t write: Philips has lost significant market share o Do write: Philips market share has declined from 23% to 19% over past 2 years [footnote] o Don’t write: Philips revenue has grown 32% YoY o Do write: Philips revenue has grown from €X in 2020 to €Y 2021, a 32% growth YoY. 3.1 What has worked (this is a specific sub-section)  Don’t write: there was great collaboration between business and sales in 2020  Do write: In 2020, we released a high-resolution feature resulting in 100% YoY revenue growth (2019: €10m, 2020: €20m) 3.2 What has not worked (this is a specific sub-section)  Don’t write: we had significant head winds in 2002  Do write: In 2020, we were unable to create automated billing for SaaS as planned because 2 key leaders left the organization leaving a capabilities gap in IT 4.0 Competitive landscape  What is competition doing in this customer segment numeric values for revenue, growth and share  Move background information on competition into appendix 5.0 Strategic plan Start with 1-2 paragraph and state how your proposed strategy addresses customer signals, customer segment trends, our position/performance, what has worked, what has not worked and competitive threats. In other words, the reader should be able to identify a thread that connects (above sections) customer signals, market trends, what has worked and what has not worked and competition into a line that leads to the strategic thinking in this section. Avoid introducing new signals and new observations here. If you find yourself introducing new signals and trends here, move them up into the sections above. 5.1 Initiative A What is the goal, and how will you get there? How long will it take and what is the expected return?  Don’t write: we will win in high resolution customer segment  Do write: We will commit €20M in 2022 and build high resolution features. We will stop building low resolution features (€7M savings 2022). We will move high resolution team to India (€0M savings 2022, €2M savings 2023). See Appendix B for detailed financial model