

It introduced the Compact Audio Cassette in 1963 and produced its first integrated circuits in 1965. The flow of exciting new products and ideas continued throughout the 1970s: research in lighting contributed to the new PL and SL energy-saving lamps; other key breakthroughs came in the processing, storage and transmission of images, sound and data where Philips Research made key breakthroughs, resulting in the inventions of the LaserVision optical disc, the compact disc and optical telecommunication systems.

Philips established PolyGram in 1972, and acquired Magnavox (1974) and Signetics (1975) in the United States. Acquisitions in the 1980s included the television business of GTE Sylvania (1981) and the lamps business of Westinghouse (1983).

The Compact Disc was launched in 1983, while other landmarks were the production of Philips' 100 millionth TV set in 1984 and 300 millionth Philips electric shaver in 1995.

The 1990s were a decade of major change for Philips. The Centurion program was introduced to return the company to a healthy footing, businesses were sold, activities stopped and cutbacks made in employment. Today, the company is still actively reorientating itself to face the demands of the twenty-first century. In line with Philips' theme 'Let's make things better' the emphasis is firmly placed on providing the products that people really want to buy, on establishing the basis for substantial long-term profits, and on maximizing shareholder value.

■ Managing the company

Royal Philips Electronics is managed by the board of management, which also looks after the general direction and long-term strategy of the Philips group as a whole.

The supervisory board monitors the general course of business of the Philips group, advises the board of management and supervises its policies.

These policies are implemented by the group management committee, which consists of the members of the board of management, chairmen of most of the seven product divisions and some other key officers.

The group management committee, which is the highest consultative committee, also serves to ensure that business issues and practices are shared across Philips.

■ The Philips brand

The Philips name and shield logo are among the world's most recognized trade marks. Together they form Philips' most important asset, for while manufacturers make products, it is a brand that consumers buy... and keep on buying. Brand recognition is not enough, however. Consumers must have a clear idea of what the brand stands for – they must be able to see the 'personality' of Philips and understand its values and standards.