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Commentaries

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Will Italian passion bring a new era to Philips Lighting North America? New CEO Bruno Biasiotta makes his first move.

The newly appointed [CEO for Philips North America](#), Italian born Bruno Biasiotta, who was named person of the year [2012 by the Edison Report](#), has a difficult task ahead of him. He will continue to consolidate factories and offices, realign vertically integrated business divisions, change sales structures and manage an organizational culture that often rejects its own strengths.

Under his new rule, he finalized the task left by Zia Eftekar to finally absorb the remains of the old Genlyte -Thomas pantheon of brands into one-Philips. Like an Italian soccer coach, he has chosen carefully the key players for his team. The leadership of Lightolier came out as the winners, filling some of the key positions. Likewise, the traditional business of Philips components and lamps will remain stable under the hands of Ed Crawford's two decades of experience in Philips. The battle has just begun for Bruno and his "*squadra azzura*" (blue squad).

Biasiotta was a former executive with [Johnson Controls](#) known as a champion in the energy efficiency world. His colleagues and former employees considered him relaxed, amiable and approachable. Without a lighting pedigree preceding him, taking the helm of this company will be a challenge and he will have to learn fast the often mysterious nuances of a highly fragmented and anarchic market in the US. Something that many newcomers from solid state industries and foreign companies have not been able to crack in the last five years of the LED revolution.



Having a non-lighting background is not foreign to the lighting industry. Competing giant, Osram Sylvania, has traditionally been run by executives from their [automotive division](#). What will change in the tradition of Philips

North America, is Bruno's new focus on the concept of selling "Solutions" instead of gadgets or

moving inventory. His experience in Johnson Controls will bring a different approach to a traditionally fragmented organization that was used to functioning independently and separately from each other. This concept will find resistance within the organization, but could prove to be the necessary spark that will take the company to the next generation.

Bruno has the opportunity to consolidate valuable sales force under one single banner. Building self awareness will be a key component of his success. It has taken Philips years to convince its employees of the value harnessed by a single brand that can offer one of the few - if not the only - single point solution for national accounts and strategic customers alike. Some companies have tried to fill this role, as has OSRAM with Sylvania Lighting Services, Amerlux taking over the biggest National Accounts in the nation, Acuity Brands joining forces with Samsung and Cree's recent purchase of Ruud Lighting. However, only Philips has the full product offering to become the virtual total solution provider.

Absorbing the Genlyte-Thomas organization was a painful integration process. Change came at a price and the scars of departing key personnel continue to weight down the moral of the current organization. Both, existing and new potential employees will resist embracing the advantages of being part of a company with one of the most dominant brands in the world. Bruno will need to show the kind of the leadership that will empower every one to wear the Philips colors. Until its employees understand the strength associated with the brand, and realize that is not only the Dutch who are worthy within Philips, the organization will be stagnant and will be slow to change.

However, Bruno has a lot going on for him. Philips is a natural leader in many areas:

- A strong position in the healthcare industry that should allow to them to own this business through leveraging the use of their contacts in the medical equipment world.
- Their almost exclusive access to the world's most recognized entertainment lighting products like: [Vari-lite](#), along with their Arena-Vision technology for stadiums and the coveted [Color-Kinetics](#) product line, should make them a dominant force in sports, theater and event lighting.
- Their unique vertical integration from Lamps to Luminaries should give them a one stop-shop solution rivaled by no other corporation:

Acuity, Hubbell and Cooper they all lack lamps and components.

Osram lacks luminaries.

GE is beginning to re-build their luminaire division but are far behind.

Cree has a limited product offering.

LSG, and the other new lighting Asian brands are just starting to enter the market.

- Having a direct sales force present in almost every market allows them to promote and introduce new products and strategies rapidly and with precise accuracy.
- Their leadership in SSL, coupled with their unique vertical integration gives them the flexibility to focus their attention to new opportunities faster than any other corporation.

- Finally, the quiet acquisition of Australian Dynalite, has provided Philips with the arsenal needed to fulfill the needs of the Lighting Controls world. Total lighting controls solutions will become a necessity to any company that attempts to remain relevant in the next decade.

But these advantages will not be there forever. Solid State Lighting is attracting new players to this industry. The window of opportunity to consolidate a strong position in all the fragmented markets is very small. New players like Cree, Toshiba, Samsung and Sharp will continue to grow and make inroads in all markets with sharpened focus. Even newer players like Honeywell and [3M](#) are taking aim at a market of \$19 Billion.

Likewise, industry giants like Cooper, Hubbell and Acuity are more nimble than ever and expanding rapidly to gain a larger market share. The question will be, how fast can Bruno bring Philips to unfold their true capacity to dominate these markets. If he can inspire and share the pride that comes with belonging to a multi-national powerhouse, then he will take the lead in North America. If he is able to unleash the pride in his people, they could become the dominant player in this continent for the next decade.

The industry is watching Bruno as he takes his first steps. With an easy smile and tempered personality, he has chosen his legionaries. The next chapter for Philips has already begun and we expect a courageous battle from the new “Cesar” of the lighting world in North America.