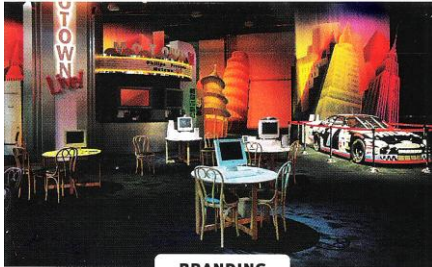
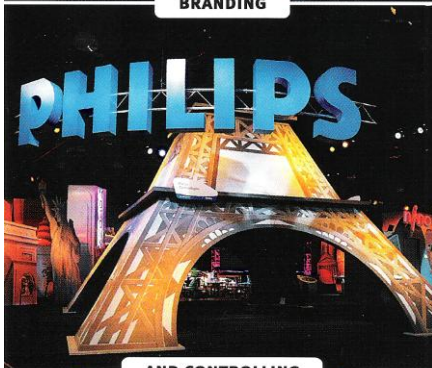


Think Big

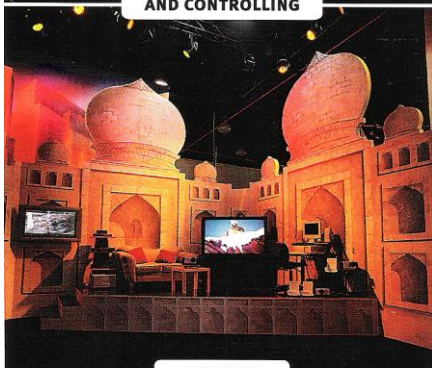
(Cover Story - Exhibitor Magazine)



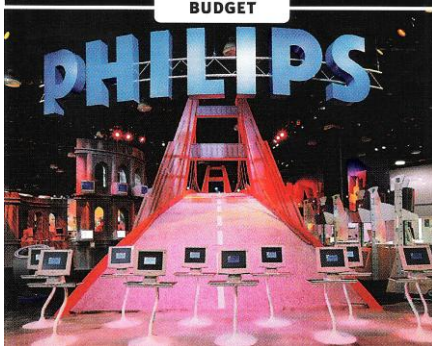
BRANDING



AND CONTROLLING



BUDGET



Rees' Consolidation Solution

CHALLENGE: Branding and controlling budget for multi-divisional company

TOOL: Consolidate divisions to cut dollars and increase brand identity

KEY PLAYER: Morgan Rees, Vice President of Global Brand Management

A 42-billion-dollar company with 18 well known divisions such as Consumer Electronics', Philips Medical, Norelco, Magnavox and Marantz. Philips spends millions of dollars each year on its trade show program. Managing a program of this scale create two significant challenges for vice president of global brands management Morgan Rees.

First, Philips lacked brand consistency among divisions. Individual groups managed their own programs separately – including booth design. And for a global company like Philips, which attends hundreds of shows per years, branding is critical.

Second, as a direct result of the above, Philips was wasting exhibit properties – and money. Since each division's program was managed independently, one division potentially owned a double deck structure that was used once or twice per year. Meanwhile, other divisions would be buying and storing the same type of structures.

Consolidating the process. Rees decided consolidation was key to streamlining his program. The first item on the addenda was minimizing the number of exhibit builders Philips contracted with company-wide. "Among 17 exhibit houses, we had about 220,000 cubic feet of inventory," says Rees. "The duplicity is ludicrous. How many Philips logos do you need?" After much research, Rees narrowed the pool to two exhibit houses, Sparks Exhibits and environments and Contempo Design.

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Consolidation Solution *(Continued)*

In partnership with these companies, Rees worked to craft one face for Philips. To do so, he developed modular corporate properties that are branded for Philips as a whole. The plan: Maintain the inventory of structures that could be used repeatedly by all Philips divisions.

Rees introduced his inventory with the introductory with the 21,000-square-foot Comdex Fall properties, which included monolithic representations of the Tag Jamal and Eiffel Tower - pieces smaller divisions could never afford on their own. At the same time, he incorporated smaller, Abex-system pieces with consistent brand inventory," he says. "The pieces are not branded on one division – they're recognizable as Philips as a whole."

Much thought went into the planning of his new program. Pieces were designed to be used in booths ranging in size from 10-by-10 feet up. "We have product displays units that can be the table top to be bigger; we have product display units that can be to it. A four-foot surface can grow to six or eight feet. And it's all components."

The beauty of this strategy, says Michael Tomkin, president, Sparks Exhibits and Environment, is Philips' ability to use a piece 30 times instead of three. "They can leverage their properties to save money," he says.

Extranet inventory. To make the process efficient and easily accessible by all Philips' divisions, Sparks created a secure extranet on its Web site, including digital photos of Philips graphics and exhibit inventory. "Any division can tap into this inventory," says Rees. "And any Philips trade show manager can create configurations and floor plans for upcoming shows.

The arrangement has worked beautifully. I'll be on the phone from California with someone from Atlanta and The Netherlands, and we're accessing engineering drawings and graphics," says Rees. "We're orchestrated and designed entire shows online, including Comdex – and that included 18 divisions."

The system is also making Rees the hero of CFO's everywhere – and that's just the early results. Companies can save 20 percent to thirty percent of their overall trade show budget (through this program), "says Tomkin confidently. Rees is equally convinced. His "cost saving guesstimate" is two million to three million dollars by the end of this year.

All in all, it's been a hugely successful way to manage one face, one message," says Rees. "And at the same time, the corporation saves a fortune."