

Lessons from one of the world's most innovative companies- 3M

BY

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Facts on 3M

- Products: 55000!
- Revenue: \$ 23B
- Net income: \$ 3.2 B
- Ranking in Fortune 500: 106
- Sales growth I half 2010: 21%
- Net income growth I half 2010: 43%
- In 12 months stock up by: 20%
- Diaper tapes sold: 1 trillion
- % of US homes using 3M transparent tape: 90%
- Global patents: 40,000
- What we know 3M for: Post-it notes and Scotch tape

R&D

- Mainstay of company
- Budget p.a: over \$1B
- People employed in R&D: 6500
- 3M revenue from products introduced in last 5 years: 30%
- Time researchers can spend on their own pet projects: 15%
- Annual Genesis grants to each research employee: \$100,000
 - Money allocated to projects for which ‘no sensible conventional person would give money’! i.e wild projects!

Innovation machine

- One of the top 18 innovators in [The Innovation Index](#)
- 3M fable:
 - "Spencer Silver, a researcher at the St. Paul technology company 3M, discovered a new kind of light adhesive in 1968 that initially was shelved because it couldn't compete with more robust glues and had no obvious commercial application. A decade later, his colleague Art Fry recognized that the adhesive, which stuck lightly to surfaces and was readily repositioned, would be perfect for the best-selling product 3M eventually launched as the **Post-it Note**."
- "Golden Step" award - given to those creating successful new business ventures

Six sigma

- Six sigma covers all factories but not R&D
- Each business unit has its own R&D lab which is product focused
- Corporate research works on core technologies shared by all business units

Using a core idea for different results

- **Micro replication** dates back to 1960's
- Used in overhead projectors initially
- **Now used for:**
 - Making traffic signals become brighter
 - Giving tighter grip to golf gloves
- Seeking regulatory approval for:
 - A drug delivery device –a skin patch made of micro-needles that barely pierce the skin -that could replace hypodermics

3M's core philosophy

- Invent hundreds of Next Small things
 - Example: Cubitron II
 - An industrial abrasive that cuts faster, lasts longer , sharpens itself and requires less elbow grease –which sells like crazy!
- Innovation at its core
- Little grains of sand make up to a big business called 3M

Source

- Fortune Sep 27, 10
- **3M - The Innovation Machine**
<http://creativityandinnovation.blogspot.com/2006/12/3m-innovation-machine.html>