

3m case study



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3M case study 3M case study The 3M Company was established by five investors in 1902 on the banks of Lake Superior with an intention to produce abrasives. Later they expanded and started medical and surgical products. Though they succeeded in becoming one of the largest in American health sector equipment providers, their international presence was not so good. The company has faced several problems in their strategies and tactics while competing in the current market of globalization and liberalization

Strategic problems – 3 lines

The 3M's strategy of market research was not adequate. One market researcher served around 900 engineers. The firm depends heavily on smaller market research firms for conducting market research for them.

Pricing of their product were also not adequate to compete in the international market. The strategies like “ Lead User” was not successful

Tactical problems – 3lines

Most of the new products developed consumed too much time and because of the heavy pricing they failed in the market. The 3M management failed to identify experts at the right time to cater the needs of current trends in the international market. Their efforts to modernize the traditional managers were not succeeded enough.

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Issues related to tactical problems

The mixing of diverse knowledge and talent to develop a new project: Since most of the employees working in the 3M company were coming from different parts of the world with different skill sets, the careful blending of such talents were a challenging one

Lack of team work: Most of the team work limited to Saturdays or outside the

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office at restaurants. The managers emphasized more on traditional duty concepts rather than team work

Lead User method: This tactics often failed because it is difficult to predict the outcome of a product using this tactics.

Innovation tactics: The 3M firm believed that individual love for discovery would drive innovation. The company allowed all staffs to spend 15% of their time to explore new ideas. This tactics also didn't work for them

Research and Development (R&D): R& D activities were not adequate enough to meet the challenges

3M failed to identify the customer needs.

Lack of structure found in corporate meetings: Introvert and extrovert participants in the meeting failed to incorporate creative ideas with technical feasibility.

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Alternatives

The managers needed vigorous training to understand the need of scientific management techniques and modern technologies to lead a business successfully. It is always better to adopt “ Follow User” strategy rather than a Lead User strategy for effective marketing of the products.

Recommendations

The pricing of the 3M products must be revised in accordance with the international standards to compete in the market. The R&D should be expanded and it should devote its entire time in developing new ideas and product based on the market feedback. Market research must be conducted by 3M employees only. It is not advisable to depend, secondary sources for market research as marketing is one of the core elements in every business.

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