

3m case study essay



**ASSIGN
BUSTER**

1-What are the roots of 3M's culture of entrepreneurship and innovation?

What were the key tenets of this culture as they emerged over time? 3M goes back to 1902 when five Minnesota businessmen established the Minnesota Mining and Manufacturing Co. to mine a mineral that they thought was corundum, which is ideal for making sandpaper. The mineral, however, turned out to be low-grade anorthosite, nowhere near as suitable for making sandpaper, and the company nearly failed. To try and salvage the business, 3M turned to making the sandpaper itself using materials purchased from another source.

In 1907, 3M hired a twenty-year-old business student, William McKnight, as assistant bookkeeper. This turned out to be a pivotal move in the history of the company. The key to institutionalizing innovation at 3M has been the principle of "patient money." The basic idea is that producing revolutionary new products requires substantial long-term investments, and often repeated failure, before a major payoff occurs. Another key component of 3M's innovative culture has been an emphasis on dual career tracks.

Right from its early days, many of the key players in 3M's history, people like Richard Drew, chose to staying research, turning down opportunities to go into the management side of the business. Although 3M's innovative culture emphasizes the role of technical employees in producing innovations, the company also has a strong tradition of emphasizing that new product ideas often come from watching customers at work. 2. What were the strengths of the organization and culture of 3M during the McKnight to DeSi-mone era? What were the potential weaknesses?

Leadership, CEO George Buckley is highly respected, and 3M is repeatedly recognized as a top company for developing leaders. Innovation gets a load of these stats patents awarded researchers worldwide. In many ways, 3M was ahead of its time in management philosophy and human resource practices. Geographically diverse Sixty-three percent of sales are outside of the United States; the company has operations in more than 65 countries. Diverse in terms of revenue streams, too. 3M has six key business units, none of which account for more than 33% of sales. Financially, there was strong paid a dividend every quarter since 1916. - The expansion of 3M into international markets was highly successful. What explains this? What was the drawback with 3M's international expansion strategy? The first steps abroad occurred in the 1920s. There were some limited sales of wet and dry sandpaper in Europe during the early 1920s. These increased after 1929 when 3M joined the Durex Corp. , a joint venture for international abrasive product sales in which 3M was involved along with eight other U. S. companies. The international businesses were grouped into an International Division that Sampair headed.

From the get go, the company insisted that foreign ventures pay their own way. The company would start by exporting to a country and working through sales subsidiaries. The philosophy can be reduced to several key and simple commitments: Get in early, Hire talented and motivated local people, Become a good corporate citizen of the country, Grow with the local economy, American products are not one-size-fits-all around the world, Enforce patents in local countries. Program to encourage new product and new business initiatives born outside the United States.

By 1983, products developed under the initiative were generating sales of over \$150 million a year. 3M Brazil invented a low-cost, hot-melt adhesive from local raw materials, 3M Germany teamed up with Sumitomo 3M of Japan to develop electronic connectors with new features for the world wide electronics industry. By the 1990s 3M started to shift away from a country-by-country management structure to more regional management. Drivers behind this development included the fall of trade barriers, the rise of trading blocks such as the European Union and NAFTA, and the need to drive down costs in the face of intense global competition.