Innovation and R&D at 3M

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May 19, 2015
3M Today
Five Market-Leading Businesses Groups

- Sales: $31.8 B
- Operating income: 22.4%
- R&D investment $1.8 B
- International sales $20.1 B (63% of company total)
- Companies in 72 countries
- Sales in nearly 200 countries
- ~ 90,000 employees
- 200+ factories
- 55,000+ products
- 3,300+ patents issued in 2014
Our Vision

3M Technology Advancing Every Company
3M Products Enhancing Every Home
3M Innovation Improving Every Life
Culture of Innovation
McKnight Principles

"As our business grows, it becomes increasingly necessary to delegate responsibility and to encourage men and women to exercise their initiative. This requires considerable tolerance. Those men and women, to whom we delegate authority and responsibility, if they are good people, are going to want to do their jobs in their own way.

"Mistakes will be made. But if a person is essentially right, the mistakes he or she makes are not as serious in the long run as the mistakes management will make if it undertakes to tell those in authority exactly how they must do their jobs.

"Management that is destructively critical when mistakes are made kills initiative. And it's essential that we have many people with initiative if we are to continue to grow."
Entrepreneurship & Collaboration

- 9000 technical employees around the world
- Technical depth and breadth
- Bring multiple technologies to each customer
- Entrepreneurial culture
- Individual initiative ~15% time
- Legacy of boundaryless culture
Technology platforms owned by 3M and leveraged by all

- **Technology Platforms**: 46
- **Laboratories globally**: 85
- **Customer Technology Centers around the world**: 50
- **Patents issued in 2013**: 3300+
- **Patents issued**: 100,000+

**Corporately owned broad and deep expertise accelerates value creation**
Two-tone cars were in demand…

But a clean paint line was very hard to achieve…

Which 3Mer Dick Drew observed while visiting to sell sandpaper…

and he remembered some stuff he’d seen in the laboratory…
Expanding global relevance with a proven model for success
3M’s Global Reach

- 72 Countries
- 85 Laboratories
- 50 CTCs

Just around the corner. All around the world.
We are increasing the amount and focus of our R&D investment

R&D Intensity
R&D / Total Sales

- 2012: 5.5%
- 2014e: 5.6%
- 2017e: ~6%

Productive investment in disruptive technologies and product platforms
Growth through sustainable solutions
By Understanding World Sustainability Challenges

Understand Sustainability Challenges Facing Our Customers

Apply a Sustainability Lens with 3M Innovation

New Disruptive Technologies
New and More Loyal Customers
Increased Sales
Process and Manufacturing Improvements
Enhanced Brand and Reputation
Engaged Employees
Turning Technology into Ingenious Solutions

Innovative Technology

High-Performing Culture

3M Customers

Geographic Reach