

3m company: Intrapreneurial Leader

Each year the 3M Company produces about 60,000 different products from more than 40 separate divisions employing more than 5,000 engineers and scientists making \$21.2 billion in sales. A multibillion-dollar company hardly sounds like an entrepreneurial hideout, but it is.

Employees are encouraged to some 15% of their work time researching new ideas without having to account for that time in any short-term way. A fifth of the R&D budget goes to basic research that has no immediate practicality. In the long term, of course, the company expects results, and results are what it gets. That's where the 60,000 products come from. Not all the discoveries are planned, however.

Patsy Sherman, for example, accidentally spilled a test chemical on her tennis shoe (people dress informally at 3M). She discovered that chemicals and dirt could not remove or stain the spot. This discovery led to the profitable Scotchgard fabric protector.

Remember those yellow Post-it notes that Art Fry developed for marking his Sunday hymnal? Art started as an intern at 3M and worked his way up to chemical engineer. A colleague, Dr. Spencer Silver, had developed a low-tack adhesive in the 1960, but the company had difficulty finding a commercial use for it. In 1977, Fry applied a coating of the adhesive to scraps of paper, and Post-it Notes were born. They are now one of the five top-selling office products in the United States.

The company's tradition of encouraging innovation goes back to one of the company's first employees, Richard Drew. 3M's first product was a waterproof sandpaper. In 1923, Drew delivered samples of the sandpaper to local auto body shops for testing. Two-tone paint finishes on cars had recently been introduced and were an instant sensation. However, auto manufacturers discovered that they had no effective way to keep one color masked from the other during spray-painting. Body shops used gummed Kraft paper to shield painted areas, but removing the tape often stripped off the paint. At one body shop, a disgusted painter threw the masking tape at Drew along with some colorful language. When Drew presented the idea to 3M management, they gave Drew the time and financial backing to experiment on a more effective masking tape. He settled on an adhesive formula of cabinetmaker's glue combined with glycerin, which he applied to treated crepe paper. In 1925 3M's chief chemist brought samples of his new tape to the automakers in Detroit. They immediately placed orders for three carloads.

To give you some idea of how wide the product line is at 3M, look at some products it is working on. New product lines include fuel cells, thin-film mirrors, and a light fiber replacement for neon. 3M manufactures electrical and telecommunication products, medical devices, and office supplies. The company started out as Minnesota Mining and Manufacturing (3M) Company, but has come a long way from the mining days. Most of its success is due to intrapreneuring. It is frequently ranked 3M as one of the world's most innovative companies.

Discussion questions

1. Why is it important for laboratory people to follow their new product ideas through production and marketing?
2. How can a multibillion-dollar corporation keep its entrepreneurial spirit alive?
3. Is it healthy for a corporation to be involved in widely diverse industries such as Scotch tape and bioelectronic ears? Doesn't that prevent the corporation from having expertise in all those areas?
4. Could 3M survive without intrapreneuring?