



With Help from MindMatters Technologies, 3M Continues to Build upon its Legacy of Innovation

3M Profile

- Founded in 1902
- \$18B company with facilities in 60 countries
- Launched over 50,000 products in the last century

Innovator Benefits for 3M

- Ability to manage and measure ideas accurately and securely
- Large increase in submitted ideas with 33% considered for further action - almost 300 times the industry standard
- First product managed in Innovator, the NTN Maintenance and Repair Kit, released in Spring 2004

"In 2002, 3M celebrated its first "Century of Innovation", recognizing the company's remarkable success, which is rooted in its ability to create new-to-the world products."

"For over a century, 3M's culture has fostered creativity by giving its employees the freedom to take risks and try new ideas."



CASE STUDY

About 3M

3M is an \$18 billion diversified technology company with operations in more than 60 countries. Founded in 1902, 3M has become synonymous with innovation. While Post it Notes is its most recognized product, the company has launched over 50,000 innovative products over the past century. The 1990's set new sales records of over \$15 billion annually, and 30% of 3M's sales were from products created in the last 4 years.

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The Opportunity

For over a century, 3M's culture has fostered creativity by giving its employees the freedom to take risks and try new ideas. William L. McKnight, 3M chairman of the board from 1949 to 1966, encouraged 3M management to

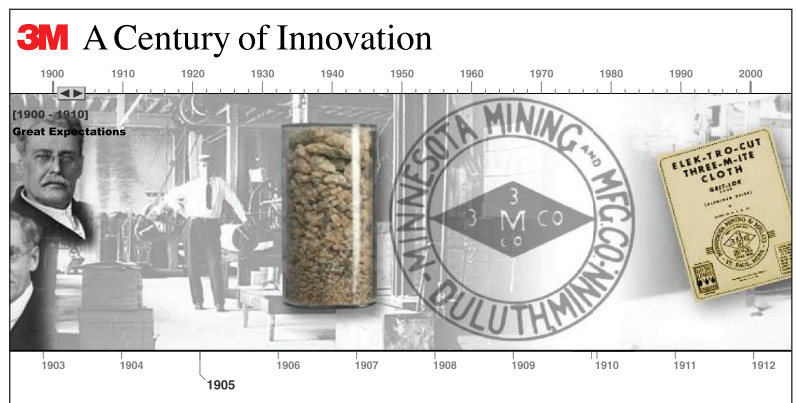
"delegate responsibility and encourage men and women to exercise their initiative."

Current CEO W. James McNerney Jr., Industry Week's CEO of the year, states that "Retaining our culture of innovation - and, in fact, nurturing it - is a big part of what I am trying to get done with my team here at 3M."

Innovation has always played an important roll in the corporate culture at 3M. The company's famous 15% rule calls for 15% of an employee's time to

be devoted to a new product or idea he or she is most passionate about.

A legacy of innovation is not built by standing still, and 3M is not relying on its past success. The management team believes in new ideas and practices, and is constantly looking for ways to foster creativity and improve speed to market. In 2003, 3M decided to focus its efforts on the front end of idea generation. They recognized that their NPI, or New Product Introduction Process, was not adequately capturing the "fuzzy front end". There was no system in place to manage the many ideas that were in their initial stage, and there was limited visibility to make connections between these ideas.



In addition, most new ideas historically came from internal sources, mainly the technical employees of 3M. Moving forward, 3M wanted to increase the voice of the customer. These recognitions prompted 3M to consider the MindMatters solution, Innovator.

MindMatters Solution

Built upon a foundation of creativity and technological breakthroughs itself, Innovator became the perfect extension to 3M's innovative culture. When describing the initial product demonstration by MindMatters, 3M's



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“Innovator is permitting us to collaborate around ideas and product concepts unlike before, promising significant financial impact to our business.”



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Peter Fritz (Six Sigma Black Belt) stated that “The value was immediate at the first demonstration. It had productivity written all over it.”

Although many successful 3M products made it to market, some ideas fell into what Peter describes as a black hole, where they did not have the visibility or collaboration to reach their full potential. Many ideas, assessed by an executive committee, simply did not get sufficient visibility and if the buy in was not immediate, they did not have a chance to develop.

Innovator was first used in February 2003 on a pilot basis with 3M’s Industrial Products Group. The pilot included over 100 users of the product. Fritz describes its adoption by saying that “It was a user friendly tool, and it made a significant impact very rapidly. It forced our hand to develop a more robust review process at the operating committee level. We refined our review process. Ideas became qualified ideas and were sent to product team leaders, who carried them to the product portfolio hopper where they were assigned prioritization by the operating committee.”

Collaboration was a key missing element that was provided through the Innovator solution. The thought was that ideas would come in from both internal and external sources, where a review committee would compare and “match” them. “We try to bring together a raw idea with a customer need; ideas from both channels are looked at by a review committee”, said Fritz. “By increasing communication and collaboration between our sales team out in the field, and our technical specialists inside, we can more effectively address market needs.”

Results

Fritz describes the Innovator product as a tool that “provides visibility to a technical idea. Ideas were given the

merit they deserved, when they had once become lost in the old structure.”

There was a large increase in ideas during the initial implementation, with 42 ideas coming in during the first 30 days. 18 of the first 54 submissions (33%) became qualified; almost 300% the industry standard. “We couldn’t put any kind of metric on this before the MindMatters product”, said Fritz, “there was no capability to draw a connection.”

Joaquin Delgado, 3M Director of Industrial Markets added that “the MindMatters solution is making a meaningful impact on our commercialization process at a most critical incubation stage of innovation.”

3M measured a 10x improvement in the quality of ideas within the first 3 month time frame. In June 2004, 3M will launch the first product whose concept was collected and analyzed within Innovator. Because of new efficiencies created by Innovator, 3M’s new NTN Maintenance and Repair Kit was developed and delivered to the market an estimated 6-12 months ahead of time.



Division Vice President Rosa Miller commented, “Innovator is permitting us to collaborate around ideas and product concepts unlike before, promising



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significant financial impact to our business. One resulting collaboration is being introduced as a new product 15 months after inception.” Peter Fritz describes the NTN kit as a “unifying platform for the entire abrasives product line.” The breakthrough is the combination of a quick loading adapter, back up pad, and multi-layered abrasive disks, which permit one to quickly and effectively determine the best abrasive for a job, without the use of any tools.

John Gabrick, CEO of MindMatters remarked, “Innovator is providing 3M’s Industrial Products Group with the collaborative tools to take innovation to the next level. With increased communication between their internal and external teams, ideas are tracked, validated and moved to development faster than ever before. The consumer is being given the products they want, faster. It was very exciting for us to see the first product launch from an idea that originated within Innovator.”

When asked to put Innovator into his own words, Fritz stated that it was the “single most revolutionary software product I have encountered that lets you capture the fuzzy front end of any new product endeavor.”

The Innovator product has become a staple of the Industrial Products group, and 3M is currently in discussions to deploy Innovator as a “pre-hopper” on a corporate wide basis.

About MindMatters

MindMatters Technologies, Inc., helps organizations stimulate, capture, validate, protect and profit from innovative product ideas created by employees, customers, suppliers and business partners. The front end to your product lifecycle management (PLM) process, MindMatters’ patent pending technology solution, Innovator™, is the only enterprise-level system that helps business managers effectively determine which ideas are most likely to turn into profitable products. Companies like 3M, Dana, Johnson Controls, Respironics, and PPG rely upon Innovator to support their product innovation and growth strategies. To learn more, visit us at www.us-mindmatters.com.

MindMatters Technologies, Inc.

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