3M Company
Digital Commercial Transformation
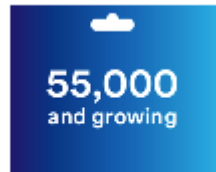## SDA Bocconi – Milan May 2019

3M Digital Resource Centre
Giovanni Sorreca

Our Vision

3M Technology Advancing Every Company
3M Products Enhancing Every Home
3M Innovation Improving Every Life

55,000 and growing	**1/3**	**70 > 200**		**200**
More than 55 K Products	1/3 of 3M Turnover comes from products launched in the previous 5 years	Operations in 70 countries Sales Org. in 200 countries	90K Employees WW	200 Plants in 38 paesi
6% R&D	**85 vv 36**	**8,300** researchers	**113,000+**	**2.1** million tonnes
6% of revenues iInvestment in R&D	85 R&D Labs in 36 countries	8.300 Researches WW	P113K Patents (14K Italian)	PPP (Pollution Prevent Pay) programme since 1975

3M

3M at a glance !

Safety & Industrial

- Personal safety
- Adhesives and tapes
- Abrasives
- Closure and masking
- Electrical Markets
- Automotive Aftermarket

Spec-in, Consumables

Channel Partners and eCommerce

Transportation & Electronics

- Graphic & Architectural
- Automotive and Aerospace
- Electronics materials
- Advanced materials
- Transportation safety

Design-in, spec-in

OEMs, tier suppliers, converters

Health Care

- Medical solutions
- Oral care
- Separation and purification
- Health information systems
- Drug delivery
- Food safety

Regulated, Consumables

Direct to HC professional or CP

Consumer

- Home improvement
- Stationery and office
- Home care
- Consumer health care
- Car Care

Consumables

Consumer retail, B2C; Omnichannel

3M

3M Playbook – The Foundation

Portfolio Management

Investing in Innovation

Business Transformation

Business Transformation

Leveraging 3M's size and scale to optimize our resources as the competitive differentiator with the customer in mind.

Global standardized and simplified processes enabled by our ERP is the foundation.

End Goal: Improving effectiveness in serving our customers.

Managed Complexity & Fragmentation

Simplified & Structured Transparency

3M Playbook – The Foundation

Portfolio Management

Investing in Innovation

Business Transformation

Global Processes

MTD — Make to Deliver
FTS — Forecast to Schedule
LEX — Logistics Execution
MTO — Marketing to Order
HTR — Hire to Retire
OTC — Order to Cash
RTR — Record to Report
CRM — Customer Rel. Mgmt.
STP — Source to Pay

MASTER DATA

REPORTING & ANALYTICS
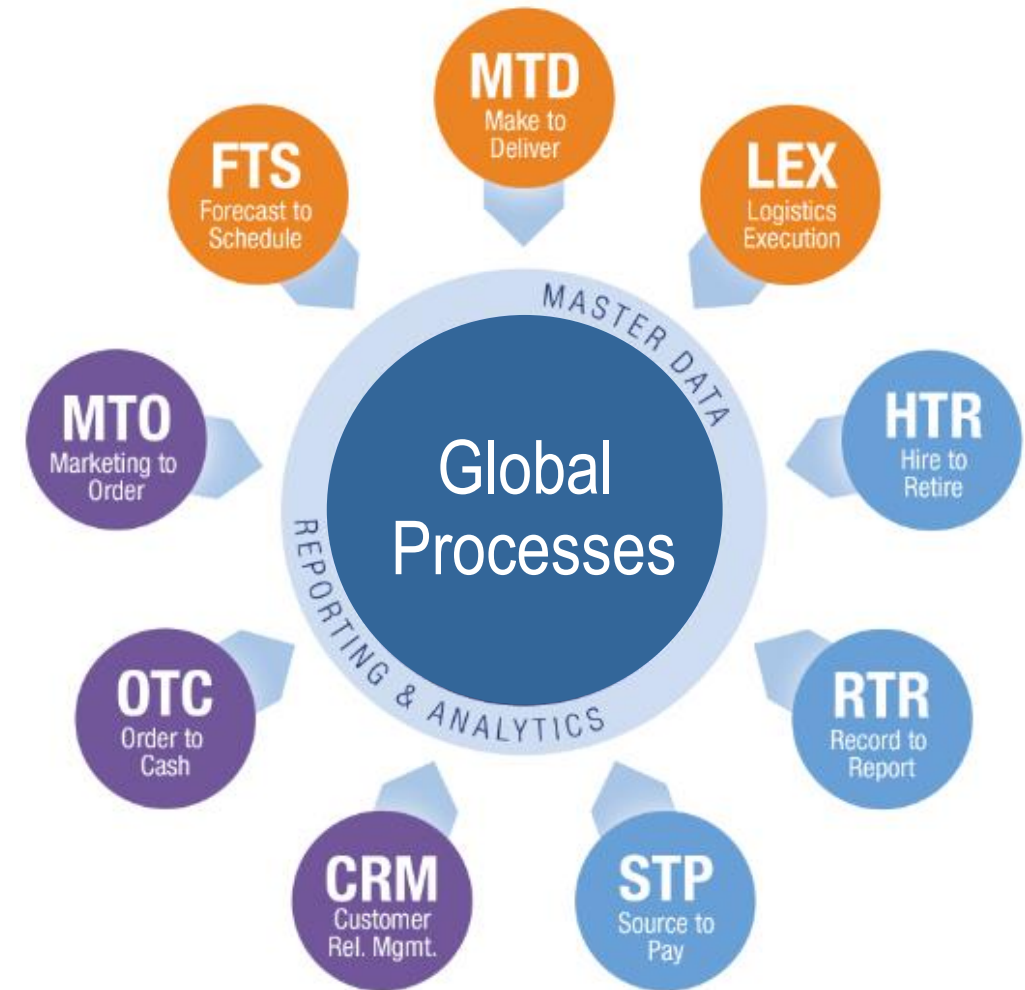
DEMAND • **SUPPLY** • **SUPPORT**

Digital Transformation Pathway – Key Learnings and Pitfalls (7 'D')

Design
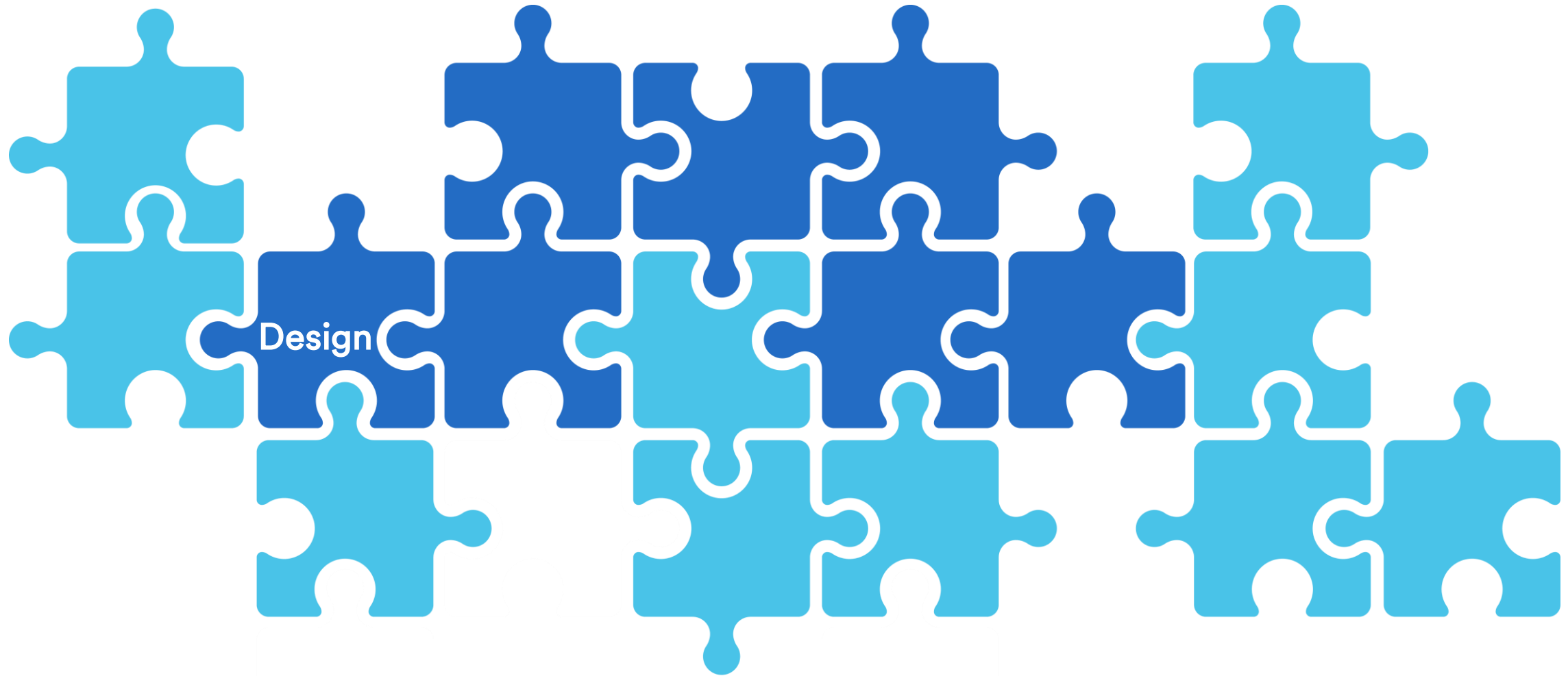
....the most appropriate organization as key enabler for digital success

Digital Transformation – Organizational Model

Content & Ux

Engagement

eCommerce

Analytics

Platforms

Operations

EMEA Subject Matter Experts

Business Groups

BG's Digital Leaders

Regional Digital Leaders

Regional Businesses

Digital Transformation Pathway – Key Learnings and Pitfalls (7 'D')

Design

Discover
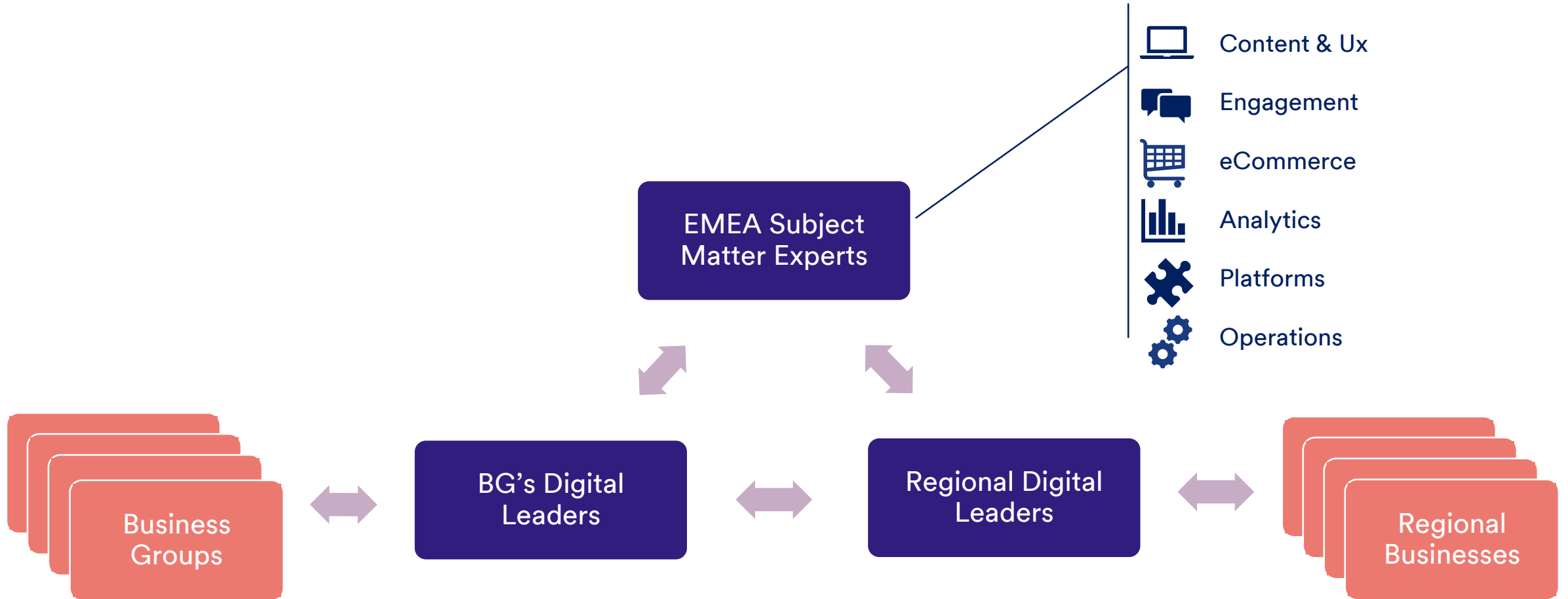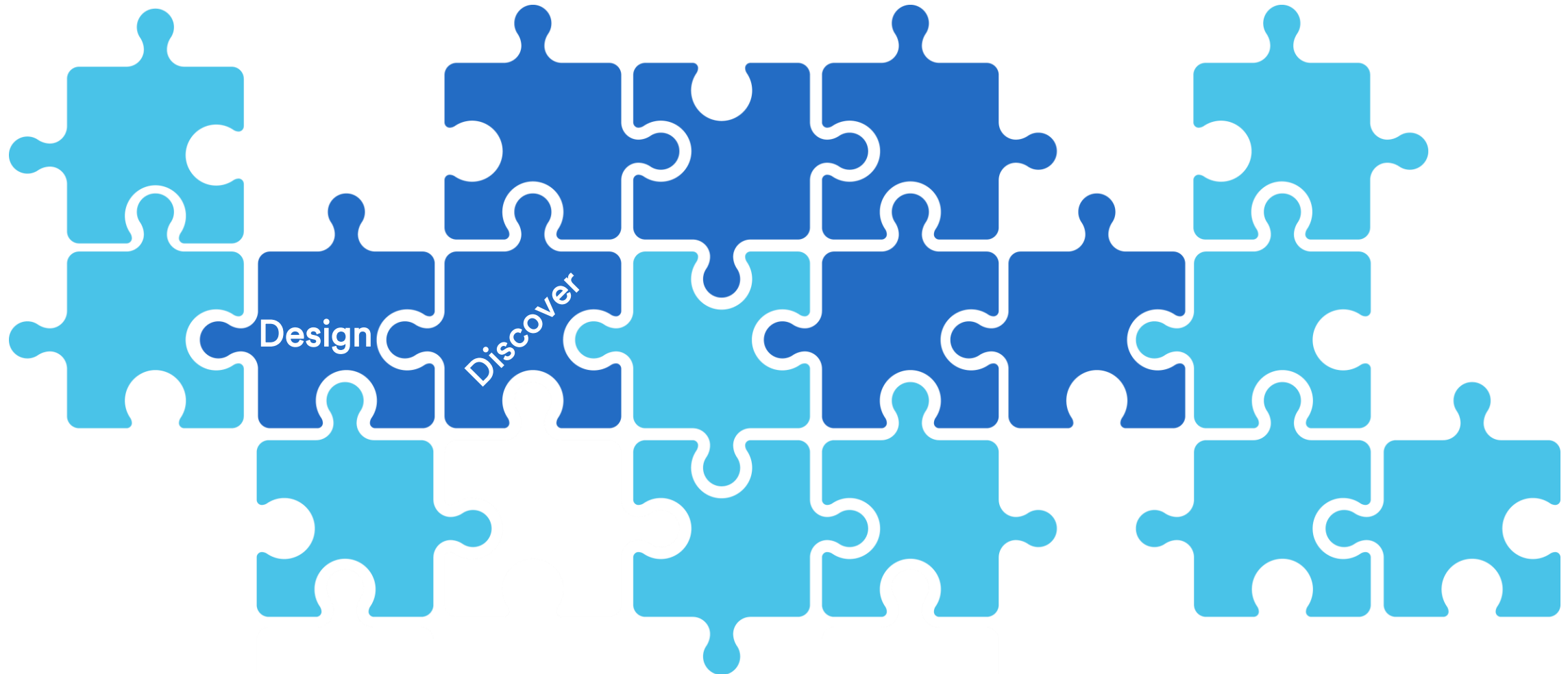
.....main opportunities and challenges along the customer journey

Business Goal Prioritization Model

Business Challenge	GOAL	BU	Digital Priority

MAINTAIN

PRODUCTIVITY
Reduce cost to serve

Sustain less profitable product categories

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Simplify to reduce cost to serve

DEFENCE
Manage shift toward digital/eCommerce models maintaining actual MS

Protect the Brand

Product/Commodity Focus Action

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Support current model to contain Erosion

GROW

CONVERSION
Gain MS in an existing market

Expand product footprint

Effectively and Efficiently reach new leads

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Supplement to growth in the existing market

MARKET EXPANSION
Existing Market Penetration

Untapped Opportunities in new Markets

New markets Development

Exploit digital Opportunities

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Expand in new market

Digital Transformation Pathway – Key Learnings and Pitfalls (7 'D')
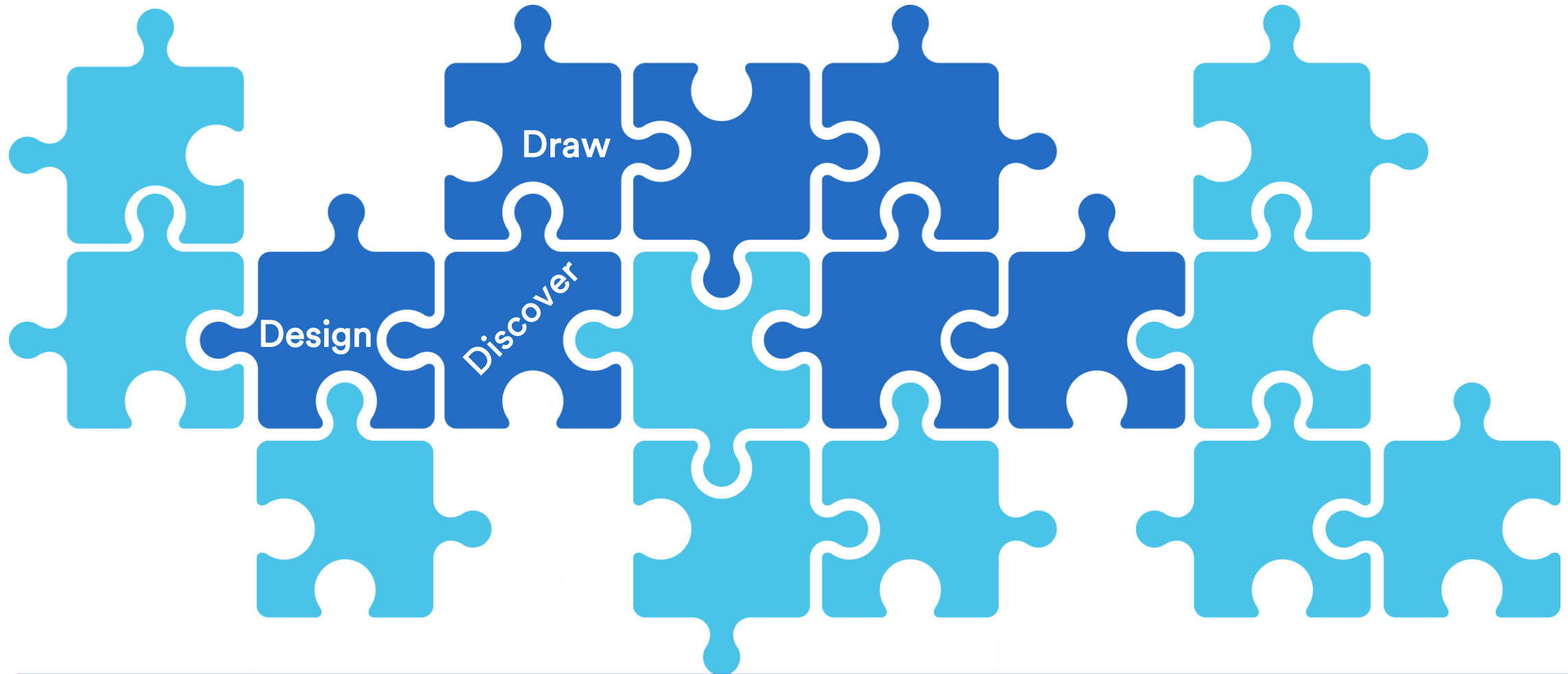
..... E2E processes against Customer Journey
(considering both customer touch and back-office functions)

Lead Management Process Overview

Marketing

Funnel Stage	Process	Description
Unknown contact	**Contact Acquisition**	Conversion of anonymous to known contacts
Known contact		
Active contact	**Demand Generation**	Activate contacts and nurture through engaging content
Engaged contact		
Marketing qualified lead	**Lead Management**	Generation of sales-ready leads and their efficient and measured management through to opportunity creation
Sales accepted lead		
Sales qualified lead		
Opportunity	**Opportunity Management**	Conversion of live opportunities to purchases by leveraging Sales priority programs
$$$$		

Sales

We have a strategic focus at each stage of the funnel

Digital Transformation Pathway – Key Learnings and Pitfalls (7 'D')

Draw

Deploy

Design

Discover
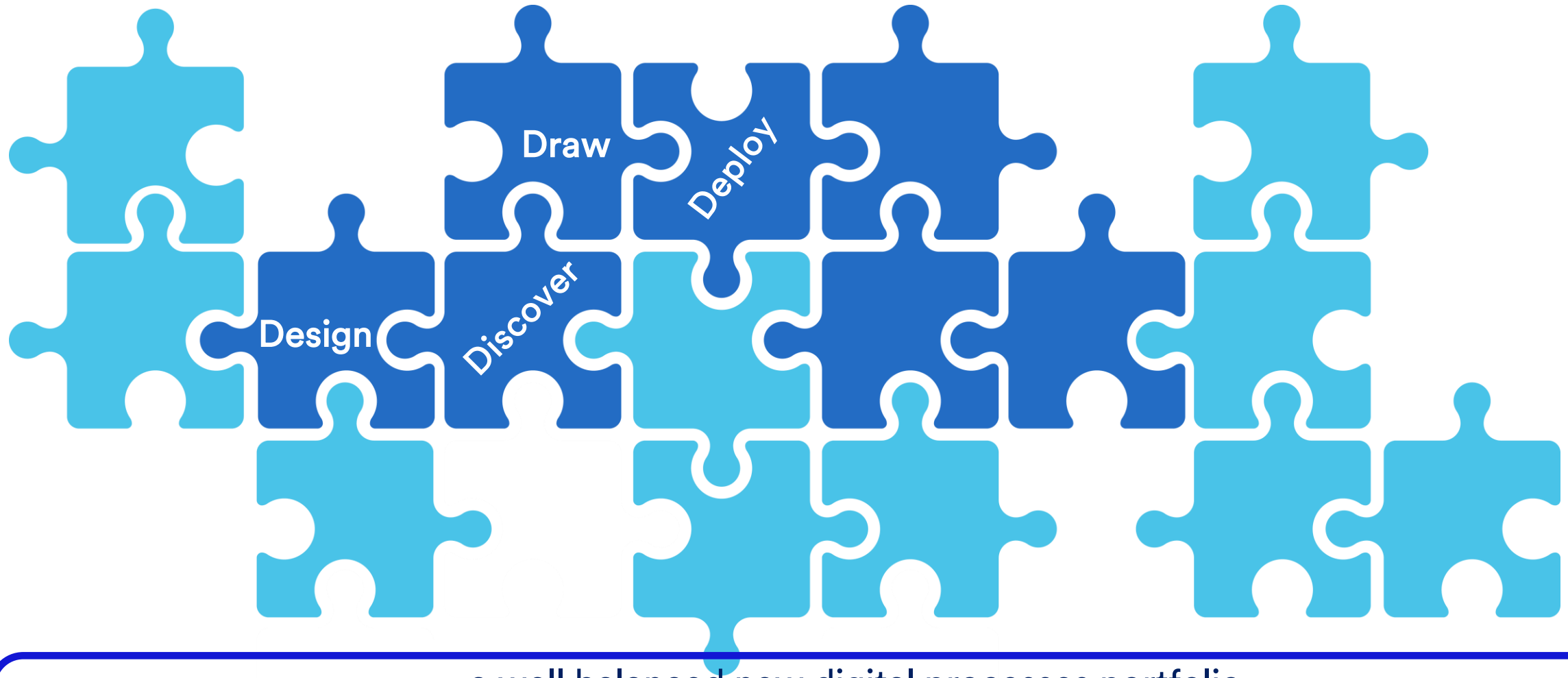
.... a well balanced new digital processes portfolio
- Digital version of actual processes
- Enhanced digital features for existing processes
- Entirely new digital approach

Digital Demand Generation Ecosystem

EFFICIENCY

EFFICACY

Deliver, Track and Record educational coursed in a new cheaper, faster and effective way	Converting Information to enable data processing, storage and transmission	Speed-up business cycles and improve data quality reducing errors and related costs	Create more meaningful sales interactions with a cost effective document sharing process	Transform, standardize and enhance the customer service experience
Centralized data repository to maintain accurate pricing for all quotes tracking approvals	Communication hub to improve internal communications, resource sharing and best practice	Improve accuracy and save time, money and resource by automating order capture process	Nurture and build brand presence engaging and supporting customers interaction on SM	Strengthen the relationship with stakeholders with a cost effective communication tool
Provide critical insights from our customers' sales informations to better support S&M plans	Enabling day by day tender price governance and performances	Provide CP and end-user with accurate, consistent and up to date product related information	Improve reliability and performance (response time) of web based interactions (RFI)	Automate Mktg processes to drive conversions, boost leads, and generate more revenue
Govern sales flow through the funnel, ensuring the highest degree of efficiency and throughput	Assess customer behavior and campaign perf. Collect, measure and analyze selected KPI's	Facilitate the search of CP where our solution can be found	Convenient and flexible platform to engage and nurture external stakeholders	Leverage a growing channel to win the virtual shelf of selected CP
Understand Cust. and Prod. Profitability; identify source of leakage to take corrective actions	Understand Cust. and Prod. Profitability; identify source of leakage to take corrective actions	Free up Sales organization time providing a cost and time effective service to our customers	Increase awareness, drive demand and influence purchasing decisions	Generate new leads and interact with prospective clients to build meaningful relationship

INTERNAL ORIENTED PROCESSES

EXTERNAL ORIENTED PROCESSES

Digital Transformation Pathway – Key Learnings and Pitfalls (7 'D')

Draw
Deploy
Deliver
Design
Discover

…. results showing how new processes can bring value through appropriate KPI's (process and result oriented)

6 standardized dashboards to help data exploration

Base KPIs
Drop a Segment Here (or any other component)   Jan 1 2019 - Feb 26 2019

● Links to Report & Data

View Base KPIs Report

Metrics Included:
- Visits & Where to Buy Clicks
- Conversion Indicators
- Engagement Rate & Engagement Index
- Top Links (CTAs)
- Unique Visitors to Top Pages
- Top Product Categories & Where to Buy Clicks
- Form Submissions & Form Submission Rate

**Key Performance Indicators:
What is our overall performance?**

Marketing Channel & Acquisition
Drop a Segment Here (or any other component)   Jan 1 2019 - Feb 26 2019

● Links to Report & Data

View Marketing Channel & Acquisition Report

Metrics Included:
- Top Marketing Channels
- Form Submission Rate by Marketing Channel
- Marketing Channel Visits Trend
- Top Engagement Rates by Marketing Channel
- Top Entry Pages
- Type of Referrer
- Top Search Engines
- Tracking Code Channel Trends

**Marketing Channel & Acquisition:
Where do our customers come from
and how do they find us?**

Content Performance
Drop a Segment Here (or any other component)   Jan 1 2019 - Feb 26 2019

● Links to Report & Data

View Content Performance Report

Metrics Included:
- Engagement Rate & Engagement Indices
- Top Page Visits
- Top Link Clicks (CTAs)
- Top Videos
- Average Time on Page
- Average Pages Viewed per Visit
- Bounce Rates of Top Pages
- Average Screen Scroll Depth
- Internal Search Terms
- New vs. Return Visits

**Content Performance:
How do people engage with our site
and content?**

Catalog and Products
Drop a Segment Here (or any other component)   Jan 1 2019 - Feb 26 2019
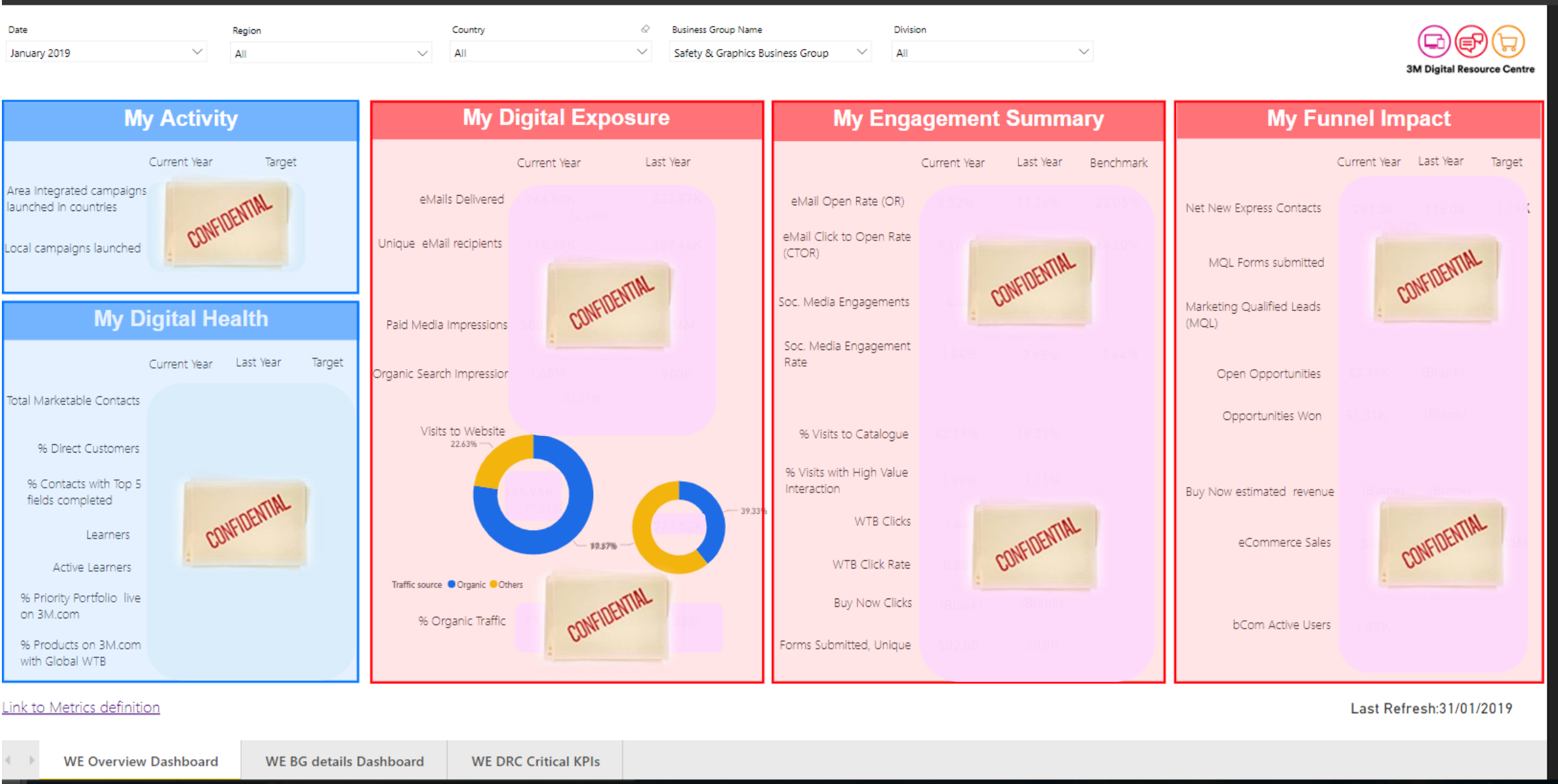
● Links to Report & Data

View Catalog and Products Report

Metrics Included:
- Top Product Categories
- Top Products Viewed
- Large Volume Order Form Submissions
- Where to Buy Clicks
- Buy Now Clicks
- Product Detail Page Visits
- Zip Code Searches on a Buy Now Page

**Catalog and Products:
What are our top products and
product categories?**

Customer Journey & Profile
Drop a Segment Here (or any other component)   Jan 1 2019 - Feb 26 2019

● Links to Report & Data

View Customer Journey & Profile Report

Metrics Included:
- Customer Journey Stages
- Customer Journey Engagement
- Previous Page URL
- Customer Journey Touchpoints (Fallout)
- Top Exit Pages
- New vs. Return Customers
- Customer Return Recency
- Customer Time of Day Behavior
- Customer Geography
- Device Info: Mobile vs. Desktop
- Customer Browser Information

**Customer Journey & Profile:
Who is our customer and what
is their journey experience?**

Demand Generation
Drop a Segment Here (or any other component)   Jan 1 2019 - Feb 26 2019

● Links to Report & Data

View Demand Generation Report

Metrics Included:
- Campaign Weekly Visits & Form Submissions
- Unknown Visit to Known Customer Entering Buying Cycle
- New vs. Return Visits and Summary
- Demand Generation Visits by Marketing Channel and Summary
- Campaign Engagement Rate & Engagement Indices
- Customer Buying Journey and Fallout
- Email Landing Pages Performance
- Demand Generation Tagged Tactics Table

**Demand Generation:
How effective are my demand
generation activities?**
(For Tracking Code Segments Only)

Top KPI's Overview

Date	Region	Country	Business Group Name	Division
January 2019 ⌄	All ⌄	All ⌄	Safety & Graphics Business Group ⌄	All ⌄

3M Digital Resource Centre

My Activity

	Current Year	Target
Area Integrated campaigns launched in countries		
Local campaigns launched		

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My Digital Health

	Current Year	Last Year	Target
Total Marketable Contacts			
% Direct Customers			
% Contacts with Top 5 fields completed			
Learners			
Active Learners			
% Priority Portfolio live on 3M.com			
% Products on 3M.com with Global WTB			

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My Digital Exposure

	Current Year	Last Year
eMails Delivered	266.90K	232.87K
Unique eMail recipients	115.99K	107.44K
Paid Media Impressions		
Organic Search Impression	1.65M	900K

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Visits to Website
22.63%

Traffic source ● Organic ● Others

39.33%

19.87%

% Organic Traffic

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My Engagement Summary

	Current Year	Last Year	Benchmark
eMail Open Rate (OR)			
eMail Click to Open Rate (CTOR)			
Soc. Media Engagements			
Soc. Media Engagement Rate			
% Visits to Catalogue			
% Visits with High Value Interaction			
WTB Clicks			
WTB Click Rate			
Buy Now Clicks			
Forms Submitted, Unique			

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My Funnel Impact

	Current Year	Last Year	Target
Net New Express Contacts			
MQL Forms submitted			
Marketing Qualified Leads (MQL)			
Open Opportunities			
Opportunities Won			
Buy Now estimated revenue			
eCommerce Sales			
bCom Active Users			

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Link to Metrics definition

Last Refresh:31/01/2019

| ◀ | ▶ | **WE Overview Dashboard** | WE BG details Dashboard | WE DRC Critical KPIs |

Digital Transformation Pathway – Key Learnings and Pitfalls (7 'D')
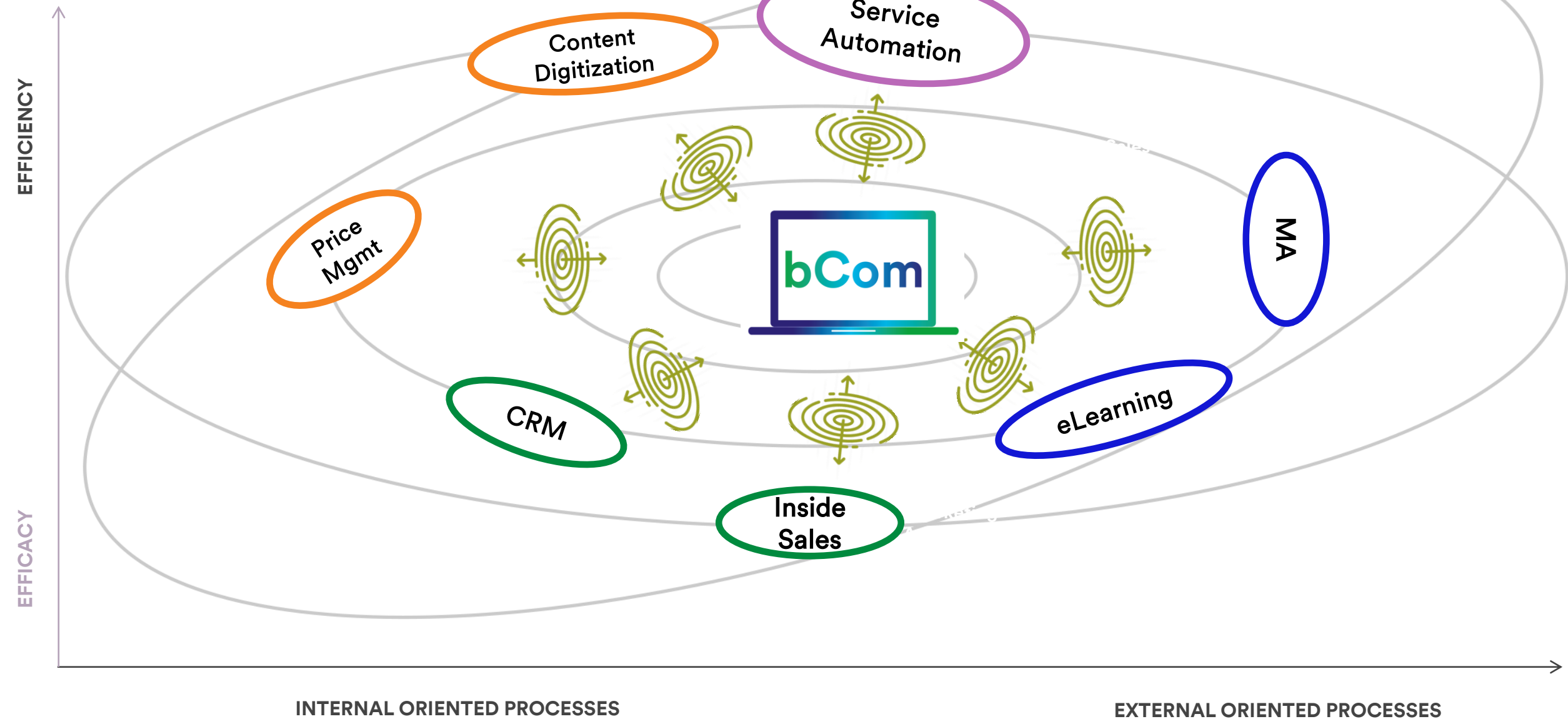

Draw

Deploy

Deliver

Discover

Design

De-Risk

.... through agility and creativity in executing and adjusting digital transformation strategies

From Order Capture to Interaction Tool

Order Capture
Logistic Self Service

3M Business Center
La finestra sul mondo dei servizi eCommerce 3M
Comunicare, interagire, collaborare in modo
semplice, diretto e sicuro...

Increase efficency in
Order capture /mgmt

EFFICIENCY

bCom

🛒 Order Upload
🛒 Quick Order from catalog
🛍 Shopping Lists
🔓 Real-Time Pricing & Inventory 24/7
💳 Order Status
🌳 Product and Price Report
💳 Invoice and BOL enquiry
📟 Product Catalogue
🆕 News and Communication page

bCom

Communication tool
MDF
Rebates
Certificates
DBTT
Cosolidate shipping

EFFICACY

INTERNAL ORIENTED PROCESSES

EXTERNAL ORIENTED PROCESSES

3M

bCom Next Generation - Processes Integration

EFFICIENCY

EFFICACY

Content Digitization

Service Automation

Price Mgmt

bCom

MA

CRM

eLearning

Inside Sales

INTERNAL ORIENTED PROCESSES

EXTERNAL ORIENTED PROCESSES

Digital Transformation Pathway – Key Learnings and Pitfalls (7 'D')
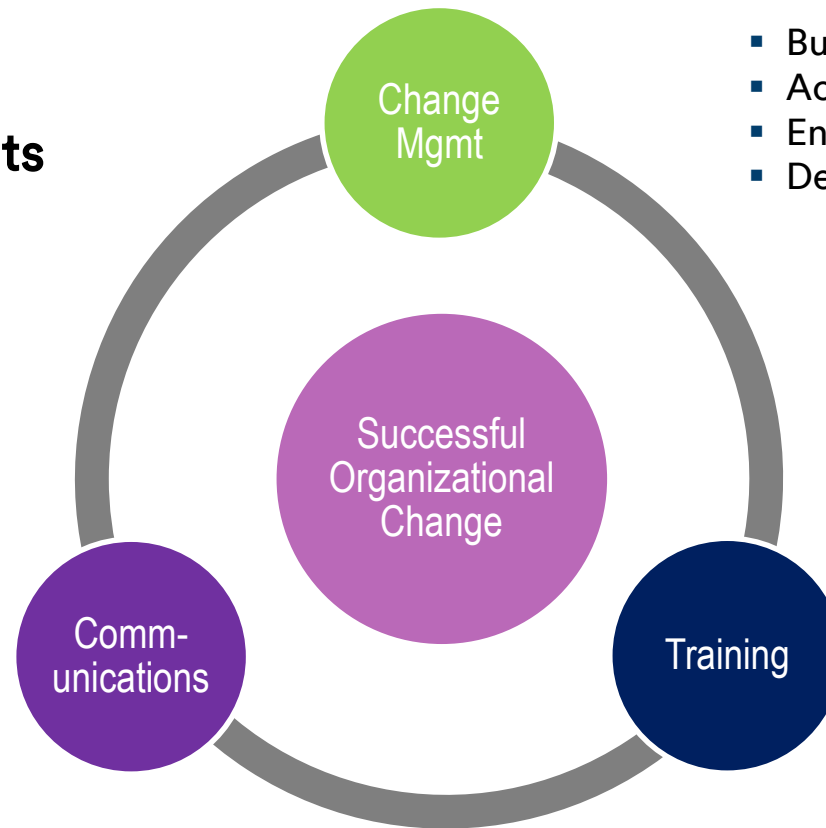

Draw
Deploy
Deliver
Design
Discover
De-Risk
Develop

.... a Digital Culture leading by example and communicating consistently

OCM Overview

A systematic approach for managing changes to business processes, culture, and/or organizational structure. Change management builds capacity for adapting to change both at an individual and organizational level.

Three integrated components for managing change:

- Build user acceptance, buy-in and ownership
- Accelerate timeframe of benefits and results
- Ensures minimal disruption to the business
- Design and deploy change measurement tools

Change Mgmt

Successful Organizational Change

Comm-unications

Training

- Build awareness and understanding
- Communicate with targeted audiences
  - Change Sponsors
  - Change Drivers
  - Impacted Users
  - External Observers

- Design, develop, deploy education
- Measure learning and understanding

Thank You

3M