

Learning Lab

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3M Case Sim

March 2011

3M Case Sim

Description

A web-based, interactive simulation of a real 3M case.

Scope

- To understand and use a given model
- To make data analysis
- To use the elaborated data to make the right business choices

Benefit

- Simulate a real methodology for calculating the size of the market
- Allow participants to interactively deal with the case study
- Allow the instructor to easily view and compare player's decisions and motivations

3M Case Sim

What is it

A web-based simulation of the launch of a new product of the Personal Protective Equipment (PPE) industry in the Western European markets (WEMS).

Participants could understand and use a methodology to gather and elaborate real data to select three pilot countries for the launch of the new product

Participants are also requested to give their explanation about the most important elements of the foreign market that they have to consider in their analysis for a further investigation.

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Is aimed at

To demonstrate market size (calculated using sophisticated methodologies) is not a sufficient factor to assess market attractiveness

To help students understand under what conditions such a procedure could be applicable

3M Case Sim Guided Tour

3M Case Sim Foreign Market Selection In Industrial Goods

The 3M Case: Foreign Market Selection In Industrial Goods

The problem

Alessio Arcando, Safety & Security Market Director at 3M, had just arrived from Milan at Heathrow Airport very early in the morning with Luca his young assistant. He was at the same time curious, excited and afraid about the new ideas that were circulating in the London's office. The meetings planned for the week could be set up a turning point in his 3M's Division: Occupational Health and Environmental Safety (OH&ES) for Europe, Middle East, Africa (EMEA).

After months of trials and experimentation, his colleague Simon Mortimer, Market Analysis & Training Manager, was able to structure a systematic process for selecting new foreign markets. The team would test it with real data before presenting the selection methodology to the Headquarters in USA. During the week before, a challenging activity of data collection took up all the time of this 3M division. The occasion to practice with the model was a recent business idea in the respiratory protection segment: 3M was planning to launch a new Maintenance Free Respirator product (MFR) into the Western European markets (WEMS), and was planning to do this via a pilot in maximum **three countries** (the first one belonging to the "Big 5" economies; the second one belonging to the "Northern Countries"; the third one belonging to "WEMS") and three market segments. What countries and market segments should it choose? **The team had to make a decision by the end of the week using what it called "Model 1" for gathering and elaborating input data.**

3M was a leading player in the Safety, Security and Protection Services Business with revenues of \$3.2 billion a year, roughly 14% of the total company's revenues, \$23.1 billion. It employed more than 75,000 people and operated companies in more than 65 countries.



Read the
scenario

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[Read the Case Text](#)

Player: Test 2

Phase 1

You will use Model 1 in order to guide your selection of countries and segments in which to launch the new 3M product. In this phase, your aim is thus to calculate the Segment Market Size. You can add new columns to the following table specifying their formula. Once you created a column that contains the Segment Market Size you can move on to the next phase.

[New Column](#)

Area	Country	Segment	CCF	CER	MDF	GDP	GDP per Capita	Total Employment	Machine Operators	Opportunity	N of Employees	Euro user MFR
WEMS	Austria	Food, Beverages & Tobacco	0.50	1.30	1.30	330.50	39.45	4,090.00	242.70	0.04	72.986	16.03
WEMS	Austria	Textiles, Apparel, Leather	0.50	1.30	1.30	330.50	39.45	4,090.00	242.70	0.04	26.9749	16.03
WEMS	Austria	Wood, Furniture	0.50	1.30	1.30	330.50	39.45	4,090.00	242.70	0.10	85.8091	16.03
WEMS	Austria	Paper, Publishing, Printing	0.50	1.30	1.30	330.50	39.45	4,090.00	242.70	0.11	49.5894	16.03
WEMS	Austria	Chem (Not Pharma)	0.50	1.30	1.30	330.50	39.45	4,090.00	242.70	0.42	26.7279	16.03
WEMS	Austria	Pharmaceuticals	0.50	1.30	1.30	330.50	39.45	4,090.00	242.70	0.13	7.18996	16.03
WEMS	Austria	Non-Metal Minerals	0.50	1.30	1.30	330.50	39.45	4,090.00	242.70	0.20	31.2314	16.03
WEMS	Austria	Basic Metals	0.50	1.30	1.30	330.50	39.45	4,090.00	242.70	0.12	23.3822	16.03
WEMS	Austria	Fabricated Metals	0.50	1.30	1.30	330.50	39.45	4,090.00	242.70	0.25	121.925	16.03

1. Calculate the Market Size

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Player: Test 1

Phase 3

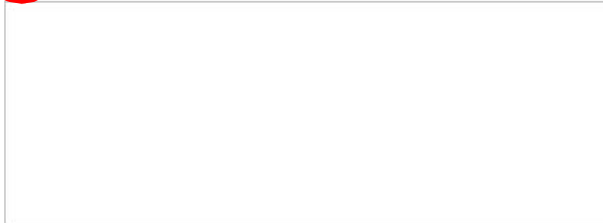
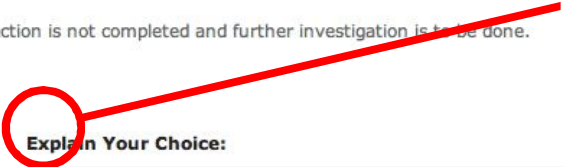
The headquarters believes that the informative about the foreign market selection is not completed and further investigation is to be done. What other factors should be taken into consideration? Choose the 3 most important factors, and give an explanation.

Choose a Factor:

- Disposable Income
- Existence of Intermediaries
- Existence of a Developed Retail Structure
- Exit Costs
- Suppliers
- Competitive Pressures in Each Country
- Market Fragmentation
- Governmental Policies
- Level of Profitability of the Market
- Amount of Marketing Effort Needed to Succeed
- Attitude of Customers to the Product
- Logistics

Add this choice

Explain Your Choice:



3. Describe what factor you considered

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Player: Group 1 - Report

You completed the simulation!

Below you find a detailed report of your performance in the various phases. This report will remain available even after the simulation is closed at [this URL](#), in case you want to check your results again.

Phase 1

Your Segment Market Size calculation:

- Compliancefactor = CCF * CER
- Marketsize = Compliancefactor * N of Employees * Opportunity * Euro user MFR

The correct formula for Segment Market Size is:

- Compliance_Factor = CCF * CER
- Segment_Market_Size = Compliance_Factor * Opportunity * N Employees * Euro user MFR

Your Segment Market Size calculation is **correct**
Your score for phase 1 is **10 points**



4. Check your final results

Phase 2

Your choice of countries/segments:

- **WEMS**
 - Netherlands (Healthcare)
 - Netherlands (Transport, Storage & Comms)
 - Netherlands (Fabricated Metals)
- **Northern Countries**
 - Sweden (Healthcare)
 - Sweden (Transport, Storage & Comms)
 - Sweden (Fabricated Metals)
- **Big 5**

The best choice of countries/segments is:

- **WEMS**
 - Netherlands (Healthcare)
 - Netherlands (Transport, Storage & Comms)
 - Netherlands (Fabricated Metals)
- **Northern Countries**
 - Sweden (Fabricated Metals)
 - Sweden (Transport, Storage & Comms)
 - Sweden (Healthcare)
- **Big 5**

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<http://learninglab.sdabocconi.it/sim3m>

Contacts

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