

3M Health Care

# Implementation of GS1 Standards

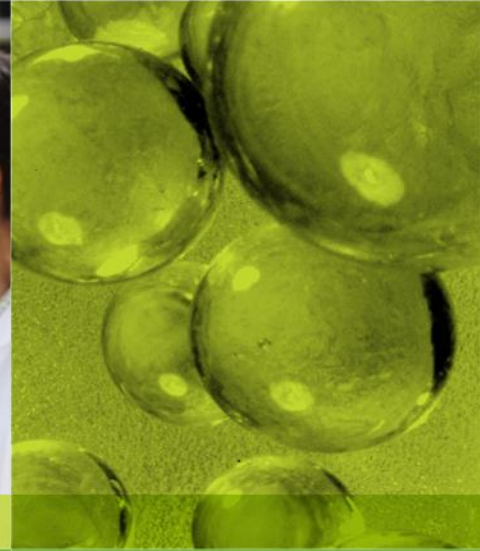
Monica Kryzer



Innovating  
Toward  
Faster Growth

*Global HUG Conference  
Amsterdam October 2011*





Who  
we are



# 3M – A Global Diversified Technology Company

2010 3M Facts:

- Global Sales: \$26.6 Billion (65% International)
- Net Income: \$4.0 Billion
- R&D & Related Investment: \$1.4 Billion
- Employees: ~80,000 (~60% International)
- Worldwide Operations: 65+ Countries
- Global Reach: Sales in ~200 Countries
- One of 30 companies in DJIA Stock Index
- Earned 589 U.S. Patents



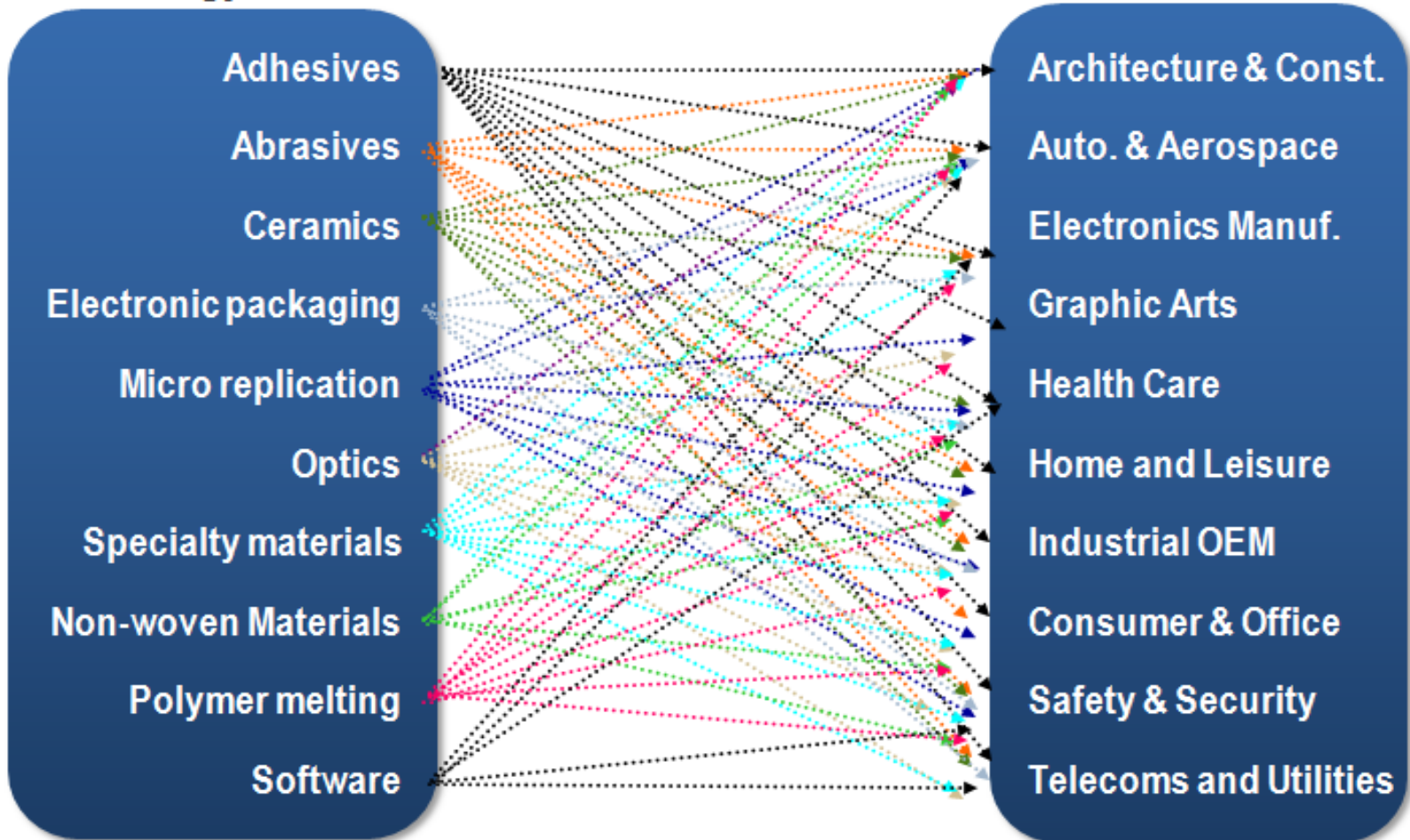
# Making Progress Possible All Around Us



# 3M's Technologies Extend Into Multiple Markets

## Technology Platforms

## Markets



More Than 50,000 Products



# 3M Ranks Among the Best

## Third Most Innovative Company 2010 Booz & Company annual study

Rank	Company	R&D Spending 2009		Sales 2009 \$US mil.	Intensity (Spending as % of sales)
		\$US mil.	Rank		
1	Apple	\$1,333	81	\$42,905	3.1%
2	Google	\$2,843	44	\$23,651	12.0%
3	3M	\$1,293	84	\$23,123	5.6%
4	GE	\$3,300	35	\$155,777	2.1%
5	Toyota	\$7,822	4	\$204,363	3.8%
6	Microsoft	\$9,010	2	\$58,437	15.4%
7	P&G	\$2,044	58	\$79,029	2.6%
8	IBM	\$5,820	12	\$95,759	6.1%
9	Samsung	\$6,002	10	\$109,541	5.5%
10	Intel	\$5,653	13	\$35,127	16.1%

Source: Booz & Company

“Innovation executives we surveyed voted overwhelmingly for Apple, Google, and 3M as the most innovative companies.”

**3M Listed in Gartner 2011 Supply Chain  
Top 25**

## 15<sup>th</sup> Most Admired from any Industry Fortune Magazine, March 2011

Rank	Company
15	3M
16	Starbucks
17	Johnson & Johnson
18	Singapore Airlines
19	BMW
20	American Express
21	Nordstrom
22	Target
23	J.P. Morgan Chase
24	Nike
25	Goldman Sachs Group
26	PepsiCo
27	Caterpillar
28	Cisco Systems
29	Costco Wholesale
30	UPS

“For the 50 most admired companies overall, FORTUNE’s survey asked businesspeople to vote for the companies that they admired most from any industry.”

# Six Market-Leading Business Segments

- Industrial & Transportation
- **Health Care**
- Safety, Security & Protection Services
- Consumer & Office
- Display & Graphics
- Electro & Communications



# Innovative Solutions for Better Health

## For Our Customers – Professionals & Patients:

- We provide innovative solutions to improve treatment, **increase efficiency, lower costs and achieve better health.**
- Our products help improve lives everywhere in the world.

## For Our Employees:

- We strive to be the most talented and energized team in the industry. We hire the best individuals throughout the world and provide them with opportunities for growth, challenge, development, recognition and rewards.

## For Our Shareholders:

- We aim for top 1% financial performance in sales and profit growth, which provides the means to invest in continued innovation and sustainable long-term growth.
- Diversification provides stability. We focus on five highly attractive segments with leading positions, strong brands and winning technologies worldwide.

**Our Goal: Be the World's Best Diversified Health Care Business**

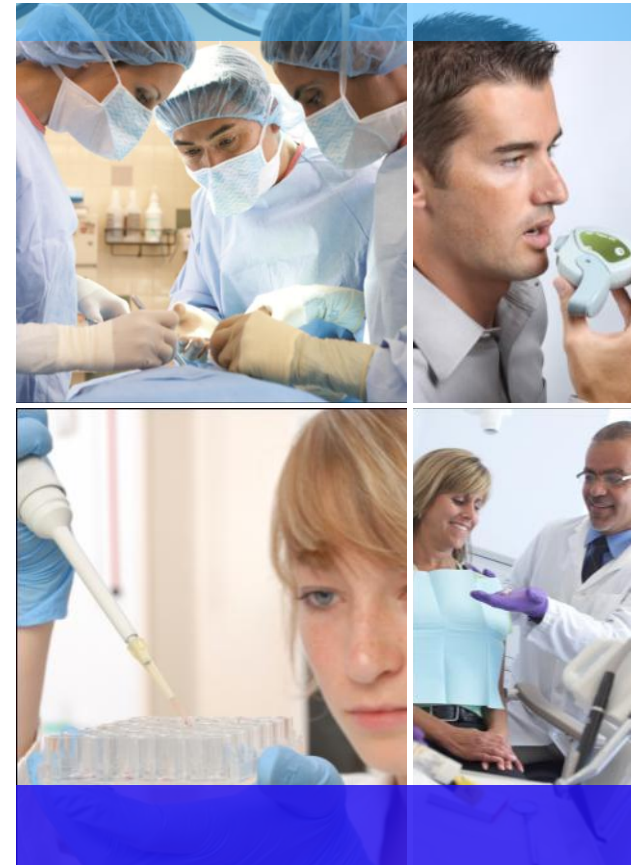




# 3M Health Care

From Preventing Infections to Making Smiles Brighter

- Preventing infections
- Caring for skin, healing wounds
- Improving treatment coding, health care reimbursement and hospital efficiency
- Enabling delivery of medicine
- Protecting the food supply
- Making smiles brighter with advanced dental and orthodontic solutions



# Health Care Business – Portfolio

## Medical

Infection  
Prevention



Skin & Wound  
Care



## Oral Care

Dental



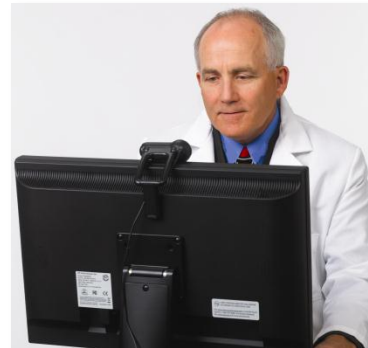
Orthodontics



Drug Delivery Systems



Health Information  
Systems

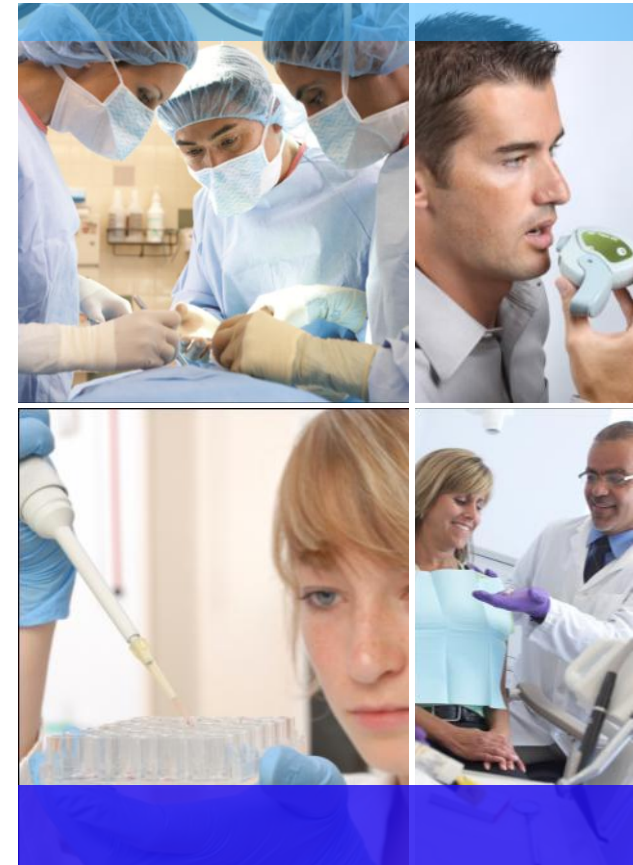


Food Safety

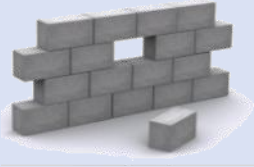


# Implementation of GS1 Standards

- Countries adopting standards
- US GPOs publish Sunrise Dates
- Recognition of benefits to the supply chain
- Implementation timeline estimated 3-5 years
- Early adopter
- Benefit of GS1 membership



# Implementation of GS1 Standards



Understand the baseline situation



Estimate the cost of implementation

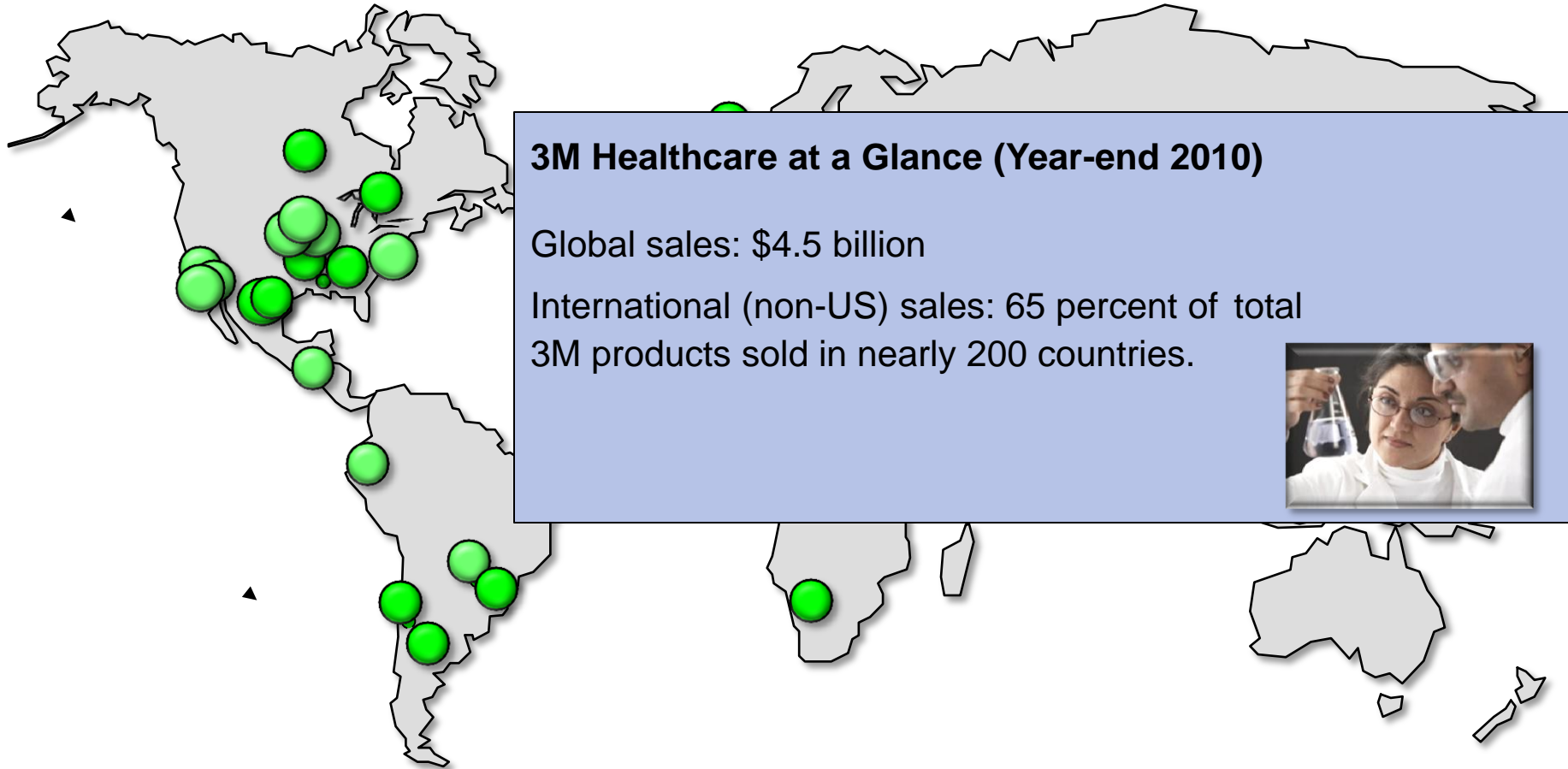


Set timeline for implementation



Participation in GS1 Standards organization

# 3M Healthcare's International Footprint



**Global Manufacturing, Global Customers**



# Estimate Costs

## GLNs -

### Migration from account numbers to GLNs



- Graduated implementation among accounts

### GTINs – concatenated bar codes



- Clarity of pack levels impacted, risk based approach
- In Line printing vs. print and apply
- New printing technologies

### Data Collection -

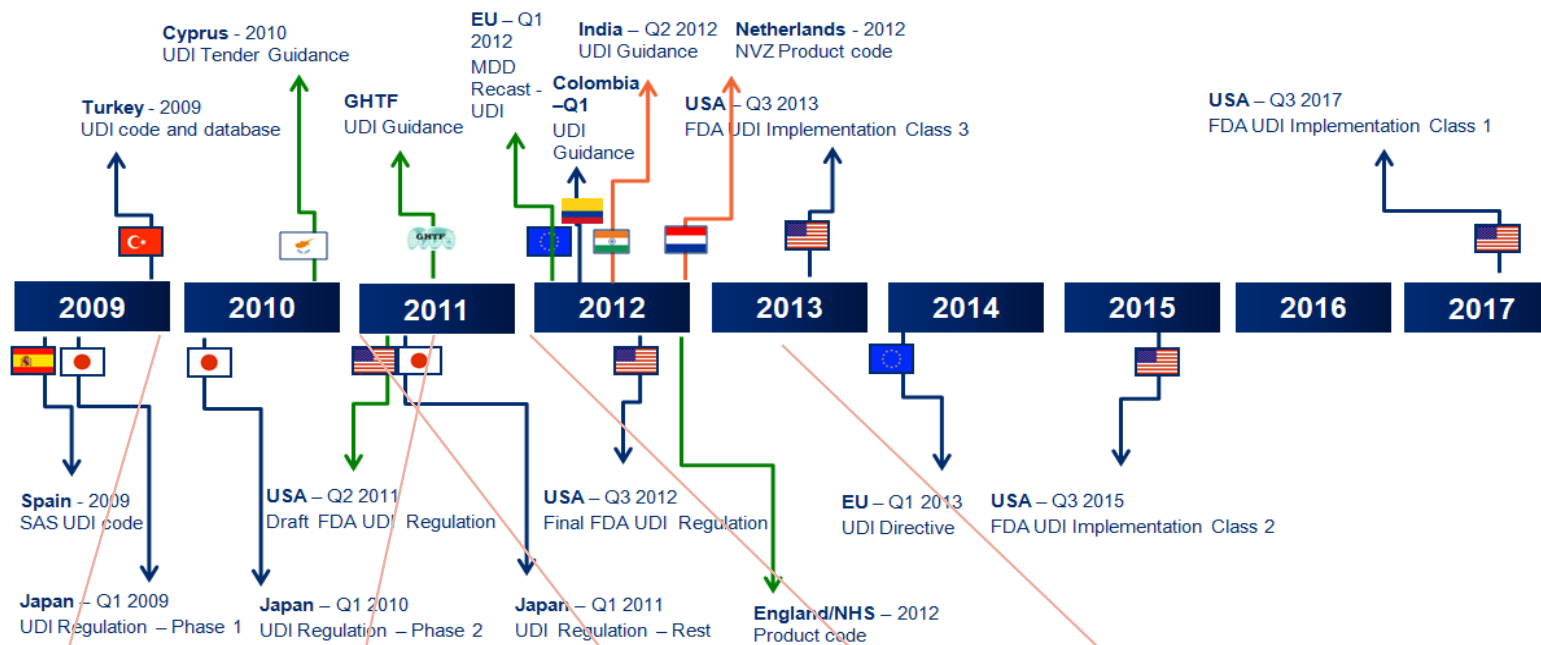


- Aggregation of data attributes for syndication
- Graduated implementation among accounts
- Internal processes to be developed to maintain attribute data
- Number of attributes requested varies

# Estimated Timeline

- Implementation of work centers globally
  - More than 100 supply points
- Over Ten Thousand customer GLNs
- Development of sources for data attributes
- Graduated implementation of standards among customer base
  - Spain and Japan already using standards
  - US GPO's Sunrise Dates
  - UK sometime in the future
- 5-7 year implementation, recognizing we are already behind in some markets





### 3M Deliverables

GTIN and Concatenated Bar Code Implementation

GLN Enumeration

Data Attribute Alignment and Syndication





# Benefits to joining GS1

- Participation in work groups to help set direction, understand the future requirements early
  - Multiple Bar codes
  - National Healthcare Reimbursement Number
  - GSMP Level Below the Each (Unit Dose)
  - GSMP Identification Standards Maintenance Group (SMG)
  - GSMP Bar Codes
  - GSMP Global Data Synchronization (GDS)
  - GSMP Data Accuracy



# Benefits to joining GS1

- Communicate the benefits to a risk based approach
- Represent the issues surrounding Medical Device manufacturers
- Learning from the network of participants





Enabling customer  
**Success**

**Thank you**