Executive Summary

What are successful companies? That question will be investigated. The determination of successful factors will be identified by explaining the successful factors of a company by the following questions: How come successful ventures are successful and non successful ventures are not? What are the most important motivations of consumers? What is important according to the consumers? Which stage in the production process provides the highest added value[1] and which stage provides the highest costs? What are the accession thresholds[2] in the company branch and between segments in the market? Every company has a business model. It is the carcass of the company. By means of the business model an organization gets the idea of how making money. It can be described best by means of business model canvas. Alex Osterwalder has developed 9 building blocks that constitute the "business model canvas". The model is proposed of 9 elements which are: customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partners and cost structure. The use of business model is explained by the process of designing a business model. This consists of 5 phases: mobilizing, understanding & sharing, designing, implementation and managing.
In this paper the business model canvas is applied to the graphic and reflective divisions of 3M and Avery Dennison. A business model comparison is made of two market leading worldwide operating companies which are active in the same industry. 3M (Minnesota Mining and Manufacturing) is an international technology company and has more than 50,000 products. More than 100 years the company perfects and introduces new products, does inventions and develops products for several different sectors. Worldwide 3M has more than 76,000 employees and invests more than one billion dollar in Research & Development on annual base. 3M is active in more than 60 countries worldwide. Displays & Graphics is one of the 3M divisions. This division occupies with all kinds of films for publicity and signposting. The products the Displays and Graphics division provide are films for display improvement, reflecting materials, eye catching graphic applications, projection systems etc. Avery Dennison is an international technology company and global manufacturer and distributor[3] of pressure sensitive adhesive materials[4] (such as self-

[1] Added value means the enhancement added to a product or service by a company before the product is offered to customers. (Investor words, 2011)
[2] A threshold is the level at which something starts to happen or have an effect. (Longman Dictionary of Contemporary English,2003) .
[3] A distributor is an entity that buys noncompeting products or product lines, warehouses them, and resells them to retailers or direct to the end users or customers. Most distributors provide strong manpower and cash support to the supplier or manufacturer's promotional efforts.

adhesive labels), retail branding and information solutions, and office and consumer products. The company provides total solutions for several target groups. Avery Dennison has over 36,000 employees worldwide and is active in more than 60 countries. Avery Dennison Graphic and Reflective Solutions division is one of the Avery Dennison divisions. It offer a broad assortment graphic and reflecting products for designers and professional graphics providers. The division provide effective solutions for public spaces, retail businesses, commercial places, fleets, vehicles and roadways and it is the total concept of interior and exterior advertising. A clear view will be obtained of the differences and similarities of the two companies by comparing the 9 building blocks of the business model canvas. A survey is send to distributor's, influencers[5], converters[6] end-users[7] and consumers with several questions such as: Why they think 3M and Avery Dennison are successful companies? The results of the survey emphasize and confirm the outcomes of the investigation of the successful factors of both global operating companies. This will lead to the conclusion. Big investments in the research & development departments which results in high quality innovation, employment programs, outstanding customer relationships, awareness for sustainability, great leadership and having a product leadership strategy applied to all establishments worldwide, are key factors for a successful company.

[4] Pressure-sensitive adhesive is an adhesive material that remains tacky after the solvents evaporate and will adhere to most solid surfaces with the application of light pressure. (Construction dictionary, 2011).
[5] Influencers are individuals who have the power to affect purchase decisions of others because of their (real or perceived) authority, knowledge, position, or relationship. In business to business buying, internal employees (engineers, managers, purchasers) or external consultants act as influencers. (Business dictionary, 2011)
[6] A converter is a firm that takes a material intended for one purpose and converts into a material intended for another purpose. (Business dictionary, 2011).
[7] An end-user is a person or organization that actually uses a product, as opposed to the person or organization that authorizes, orders, procures, or pays for it. (Business dictionary, 2011)

Preface

This final paper is part of my study program. It is the final writing part of the Hague School of European Studies. It took me a while to come up with a subject. I finally decided to investigate the 3M company, because I had my internship at 3M. I faced the complexity and logics of all different business units and divisions within 3M. Mr. Veldman advised me to compare the 3M company with their biggest competitor namely Avery Dennison. Because of the complexity of both companies I focused myself to the graphic divisions of both companies. I compared both business models of both graphic divisions of the companies and by means of a survey I investigated the successful factors of these global operating companies.

I would like to thank my family and friends for their support and patience. I would like to thank Maurice Vos from 3M and Mony de Roos from Avery Dennison for their help answerring my questions. Finally, but in particular, I would like to thank Mr. Veldman for his support and guidance during the research and completion of this thesis.

Elmor Vrolijk

The Hague, June 2011

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Introduction

Some companies are simply better than others. Some important elements might be reputation, innovation, market share or a number of other elements that ensures that the company distinguish itself in a positive way with respect to its competitors. It is important to find out what is important according to the consumers. Potential successful factors are activities which provide on average the highest added value. Factors which hamper a potential proposer to join the market are generally spoken factors which are very important in the company branch as well.

The central question is: **"*What are successful companies*"?**

An important success factor is the formulation of the strategy but it is time consuming. The strategy is in order to compete on the base of a unique offer and not to lose the competitiveness and innovation. It is important for companies that they are aware of their unique value proposition. Service and brand & image, wide range 'of the assortment, human capital/talent are successful factors as well (Managers online, 2007,"*succesfactor*" section, para.3). By identifying and estimating the possible successful factors a company is able to identify the competitors- and its own weak and strong points comparing with the importance rate of the branch. given of one of the sub questions: **What is a business model?** A business model is a representation of how an organization makes (or intends to make) money. The business model topic is very popular among business people nowadays. In several industries we can see a proliferation of new and innovative business models (i.e. new ways of making money). The 9 building blocks of the business model canvas is the best way to explain a business model. It demonstrates the logic of how a company wants to make money. These elements are a business model's value proposition, customer relationship, customer segment, distribution channels, key partners, key activities, key resources, cost structure and revenue streams. Furthermore, the use of business models and the role of a business model in a company is explained**.** An explanation of the company profiles of 3M and Avery Dennison will be given. Both 3M and Avery Dennison stand for innovative companies with several different divisions and business units. Each business unit within a division of both companies has their own business model and profit model. It is impossible to compare both companies by means of a general business model. For this reason the focus will be on the graphic and reflective division of both companies because they are each other's competitors in this sector. In this paper the business model canvas is used to compare two different business models of two market leading worldwide operating companies which are active in the same industry. A clear view of the difference and similarities of the 2 companies will be obtained by comparing the 9 building blocks of the business model canvas.

To answer the central question ***What are successful companies?*** a survey is send to distributor's, influencers, converters and customers with several questions such as: **Why they think 3M and Avery Dennison are successful companies?** By means of the results of the survey can be determined why these companies are successful and a final result can be made. The structure of this paper is as follows. In the first chapter an explanation of successful companies is given. The second chapter explains a business model and the use of it. The third chapter explains the global companies 3M and Avery Dennison and their graphic and reflective divisions. By comparing these divisions in the fourth chapter and the results of the survey in chapter five, the conclusion will close this thesis in chapter six.

1 What are successful companies?

The biggest mistake companies can make when it comes to strategy is competing to be ' the best'. Successful companies continue the competition thanks to their unique offerings (unique value proposition). An investigation held by consultancy ´Berenschot´ under the present CEO[8]´s and managers of reputable companies reveals that half of them still believe the best product (quality) as the most important competitive advantage. 46 percent of them also said that not enough time is taken for actually determine and formulate the strategy. The formulation of the strategy is time consuming, but a necessary process. Having it is an important success factor. The strategy is in order to compete on the base of a unique offer and not to lose the competitiveness and innovation. Paul Pietersma, Managing Director at Berenschot, agrees with this. "It is time that companies ask themselves about their unique value proposition," he says. "If they only compete on best product, the price will be the distinctive element. That leads to ever lower prices. "

1.1 Strategy formulation.

The interviewees mentioned other distinctive factors such as ' service ' and ' brand & image ' (both 41 percent). The width range of the assortment' (30 percent) 'Innovation ' (68 percent), followed by ' human capital/talent "(49 percent) and ' branding/image ' (30 percent). Finally 32 percent mentioned the "insufficiency by transforming strategy into concrete actions" "Incomprehensible in this time of internationalization, wherein strategy formulation is more important than ever," said Pietersma (Managers online, 2007," *succesvolle bedrijven focussen op uniek aanbod*" section, para. 2&3).

1.2 Successful factors

It is useful to firstly examine which resources and skills are most important in a market before the determination of possible strength and weak points of the strength-weak analysis. Those resources or skills which are of large influence on the result of a venture. It is especially about result, customer loyalty, market share, profit, etc. This concerns the strong points which lead up to a above average result. A venture with these strong points, has an advantage according to competitors. We can assume the following questions to identify the determination of successful factors:

1. How come successful ventures are successful and non successful ventures are not?

By comparing the characteristics of successful and less successful ventures in its own company branch we can get insight in the characterizations which are responsible for success. However, to

[8] Chief Executive Officer. The person with the most authority in a large company. (Longman Dictionary of Contemporary English,2003) .

reach reliable conclusions sufficient data must be available. An analysis is frequently qualitatively and the conclusions will be indicative.

2. What are the most important motivations of consumers? What is important according to the consumers?

It is important to find out what is important according to the consumers. The most simple method is to ask directly the importance of certain product properties (attributes). Methods have been developed which consider the 'trade-off'[9] between properties to occur that respondents will indicate everything with the same importance.

3. Which stage in the production process provides the highest added value and which stage provides the highest costs?

Potential successful factors are activities which provide on average the highest added value. You should strive for cost advantages in the stages with the highest costs.

4. What are the accession thresholds in the company branch and between segments in the market?

Factors which hamper a potential proposer to join the market are generally spoken factors which are very important in the company branch as well. For example:

- Obtaining technology which is necessary for making the product
- Obtaining a high distribution degree
- Conducting an intensive publicity campaign

Possible successful factors in the company branch and the strong and weak points of a venture or brand:

By identifying and estimating the possible successful factors a company is able to identify the competitors- and its own weak and strong points comparing with the importance rate of the branch. For each factors must be determined to what extent the chosen competitors are weak or strong. The venture should collect a large quantity of mostly qualitative data. Conversations with several 'experts' (representatives, consumers, research workers, etc.) will be an important source. (Alsem,K., 2009, "*Succesbepalende factoren*" section, p 195).

[9] Trade-off is a technique of reducing or forgoing one or more desirable outcomes in exchange for increasing or obtaining other desirable outcomes to maximize the total return or effectiveness (such as cost v. performance) under given circumstances. (Business dictionary, 2011).

2. Business model

The term business model comes probably from the end of the 1990s. Storing and sharing of information between various parties was so easy and cheap, that new business opportunities. Innovative information services were created, a larger number of customers were achieved and the Value Chain of Porter[10] was broken up and re-created. This development has eventually to globalization and increased competition.

2.1 What is a business model?

The term business model is not explained. Alex Osterwalder gives the following definition:
"A business model describes the value an organization offers to various customers and portrays the capabilities and partners required for creating, marketing and delivering this value and relationship capital with the goal of generating profitable and sustainable revenue streams."
A business model is nothing else than a representation of how an organization makes (or intends to make) money. The business model topic is very popular among business people today because in various industries we can see a proliferation[11] of new and innovative business models (i.e. new ways of making money). In several industries new business models are threatening or even replacing established companies and conventional ways of doing business. Often, the term business model is confused with the term profit model. A profit model addresses the question of how an organization creates added value, e.g. money. A business model describes all aspects that affect the creation of this added value. The term business model has a much broader meaning. Based on an extensive literature research and real-world experience Alex Osterwalder has developed 9 building blocks that constitute the "business model canvas". (Marketing facts, 2009, "*Alex Osterwalder: Wat is een business model?*" section, para. 2).

2.2 The Business model canvas

The "business model canvas" is composed of 9 elements and their relationships and the best way to describe how 3M and Avery Dennison make and intend to make money and how they achieve this. The best way to define the business model is by means of the 9 building blocks which shows the logic of how a company wants to make money. The 9 building blocks includes the 4 main areas of a venture: customers, offer, infrastructure and financial viability[12].
(Osterwalder,A & Pigneur,Y, 2010, p 15).

[10] The Value Chain of Porter describes the activities which are necessary to bring the product at the customer eventually (Zakelijk infonu, 2008).
[11] Proliferation means a sudden increase in the amount or number of something (Longman Dictionary of Contemporary English,2003) .
[12] Financial viability is the ability of an entity to continue to achieve its operating objectives and fulfill its mission over the long term (Venture line, n,d).

The 9 building blocks:

- **Customer segments**: A description of different groups of people or organizations with common characteristics for which a venture creates value.
- **Value propositions**: The offer of the company, both product and service, translated into value for the customer.
- **Channels**: The way a company comes into contact with its customers. Here are the marketing and distribution strategy.
- **Customer relationships**: Managing the relationship between the company and customer (or customer segments).
- **Revenue streams**: How the company creates added value
- **Key resources**: The configuration of activities and resources.
- **Key activities**: The core competencies of a company needed to carry out the business model.
- **Key partners**: Collaborations with other companies that affect the success of the business model.
- **Cost structure**: The monetary consequences of the means employed in the business model.

(Osterwalder,A & Pigneur,Y, 2010, "*De 9 Bouwstenen"* section, p 16 & 17).

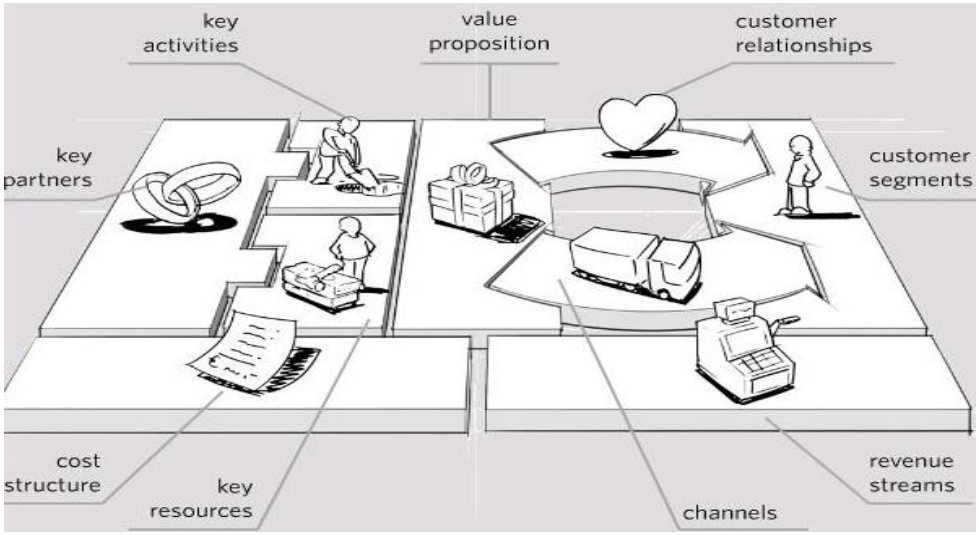

Figure 2.1 The 9 building blocks Source: word press, 2011

When drawing up these blocks, questions in figure 2.2 should be asked:

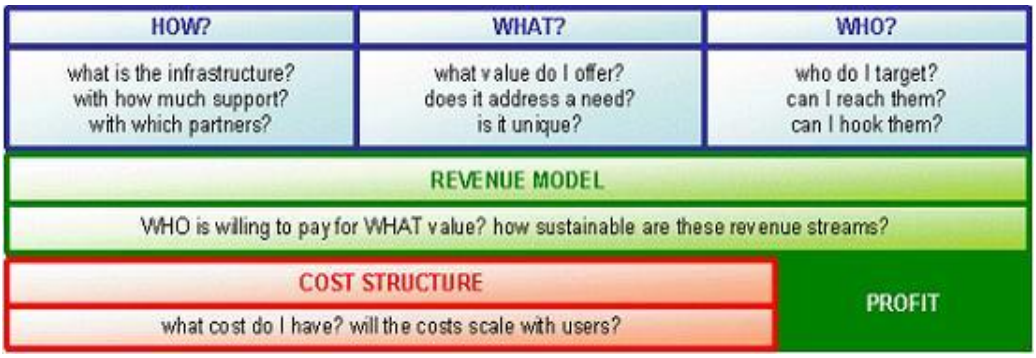

Figure 2.2 Questions to understand your business model Source: Marketing facts, 2009

The difference between the revenue streams and the cost structure will tell you if you are successful or not, which is illustrated in figure 2.3.

Generic Business Model overview Figure 3

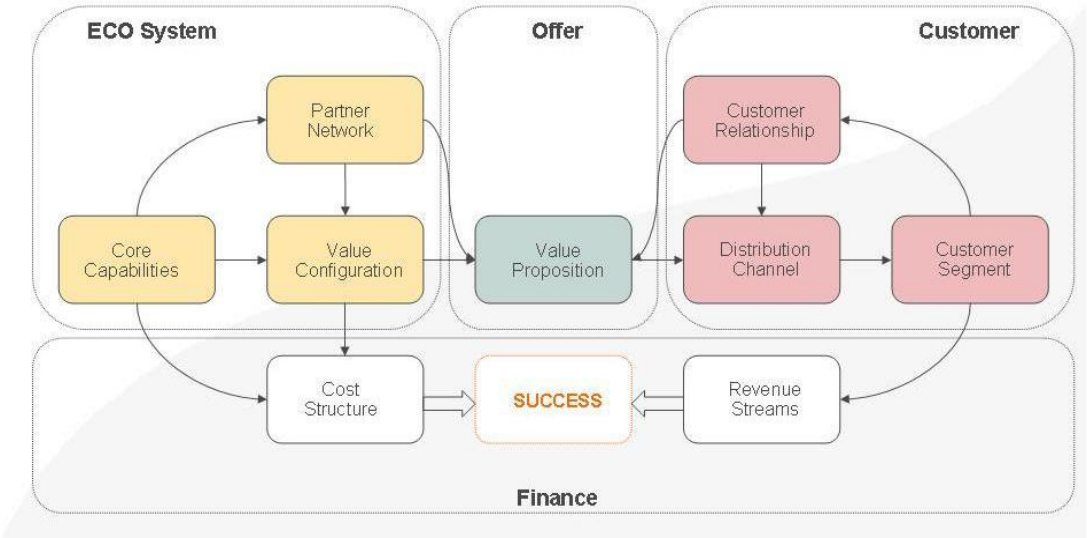

Figure 2.3 Business Model Overview Source: bas van oosterhout, 2010

Companies, who know where the nine building blocks stand for and understand the mutual relationship, are able to constantly adapt their business model. This enables responding to the needs of the market and staying ahead competitors. Not only the business model is explained in the business model canvas. The customer, the infrastructure and what the organization has to offer are just as important. A company obtains a good picture of the business model of an organization by watching the role of the nine building blocks.

(Blogspot, 2010, "*Groepsblog VBI9-B3, (VBI9) Wat is een business model?"* section, para 2).

2.3 Use of Business Models

The process of designing a business model consists of 5 phases:

1. Mobilizing / preparation

Figure 2.4 Mobilizing
Source: business model generatie, 2010

Preparation to a successful business model design project.

All elements must be collected for a successful business model design. Conscience must be created for the need of a new business model. The motivation of the project must be described and a common language must be used to describe, devise and analyze business models. The way of delimiting the objectives will differ by project, but is mostly the reinforcement of the project, the project scope[13] and the most important objectives. The vital activities of the first stage are composing the project team and obtain access to the suitable people and information. Collect the suitable people who have the experience and knowledge. It is judicious to strive for a mix of people with broad management experience and line experience, refreshing ideas, the right personal network and a thorough commitment to business model innovation. It is thoughtful reviewing directly the business model canvas at the beginning A danger might occur when people are tended to overestimate initial business models. This might lead to locked thoughts. This risk must be avoided by constantly reviewing new ideas at people with several contexts. (Osterwalder,A & Pigneur,Y, 2010, *"Mobiliseren"* section, p 250).

2. Understanding & sharing

Researching and analyzing elements which are necessary for the design planning of the business model

Figure 2.5 Understanding
Source: business model generatie, 2010

Scanning the business model surroundings exists from a mix of activities, including market research, studying and involving customers, interviewing profession experts and outlining business models from competitors. Excessive examining can be avoided by making early prototypes of business models. The advantage of this is that feedback can be collected rapidly During the research attention must be given carefully on developing of thorough knowledge of the customer. The customer might be an effective instrument in structuring the customer research. Bringing up a discussion for line assumptions and established business model patterns is a critical success factor

[13] Project scope means the bounded set of verifiable end products, deliverables, or outputs that the project team undertakes to provide to the client (the owner or sponsor) of the project (Max wideman, 2006).

at this stage. Input from several sources among which customers must be obtained actively as well. (Osterwalder,A & Pigneur,Y, 2010, *"Begrijpen"* section, p 252).

3. Designing

Figure 2.6 Designing
Source: business model generatie, 2010

Target: Generating and testing feasible business model options and select the best

The information and ideas from the previous stage must be converted into business model prototypes which can be examined and tested. The most satisfactory business model design is selected after an intensive business model research. Generating daring new business models and stick to the idea is the biggest challenge. To generate innovative ideas during the idea shaping, team members must be able to get loose of the current business models and patterns. Enough time must be spent to research several ideas for the best alternatives. Do not 'fall in love' on the idea directly. Enough time should be taken to weigh up the pros and cons of several business model options before making the eventual choice. Experiment with several partnership models, research alternative income flows and investigate the value of several distribution channels, Try several business patterns[14] to investigate and test new possibilities. Test the patterns at external experts or future customers and ask them for feedback. It is possible that the model can be refined successfully by closer research and comments. (Osterwalder,A & Pigneur,Y, 2010, *"Ontwerpen"* section, p 254).

4. Implementing

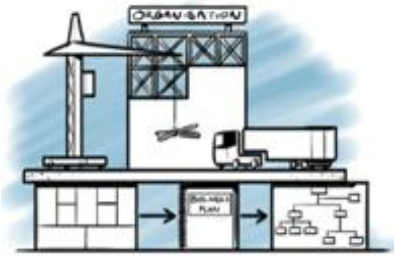

Figure 2.7 Implementation
Source: business model generatie, 2010

Target: Putting the business model into practice

Once an eventual business model design has been chosen the implementation design will be applied. This includes stipulating all coherent projects, specifying milestones, organizing the required legal structures, developing a detailed plan of budget and plan of project etc. The implementation phase is frequently described in a business plan and specified in a project management document. Special attention must be devoted on managing uncertainties. This means scrupulous monitoring in which way risk/yield expectations ends up with respect to actual results. It also means developing mechanisms to adapt the business model rapidly to feedback of the market. (Osterwalder,A & Pigneur,Y, 2010, *"Implementeren"* section, p 256).

[14] A business pattern is a common design that can be executed repeatedly by various business models in different environments. (Toolbox, 2005).

5. Managing

Target: Adaption and adjustment of the business model in reaction to the market response

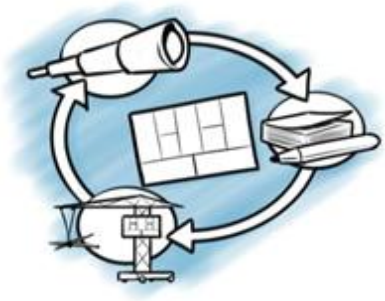

Figure 2.8 Managing
Source: business model generatie, 2010

Creating a new business model or reconsidering an existing model is not an unique occurrence for successful organizations. It is an activity which continues after the implementation. The management phase includes continue searching of the model and scanning of the surroundings to understand in which way it might be influenced by external factors for a long period. At least one person should get the responsibility for business models and their long term development. It is advisable to continuing the evaluation. This helps to assess if a model needs minimum adaptations or a complete revision. Business models are easy to explain for everyone in the entire venture by means of the business model canvas. Proactive market developments reaction becomes more and more important. A portfolio of managing business models is a matter for consideration. The durability of successful business models is decreasing nowadays. Ongoing reflection should be done about replacing of the current profitable business models by increase models for the future market. (Osterwalder,A & Pigneur,Y, 2010, *"Managen"* section, p 258).

3. Company profiles: 3M versus Avery Dennison

3.1 The 3M company profile

Figure 3.1 Logo 3M, Source: 3M, 2011

3M (Minnesota Mining and Manufacturing) is an international technology company and has more than 50,000 products. More than 100 years the company perfects and introduces new products, does inventions and develops products for several different sectors. (Solutions 3M Nederland, 2011, *"Ons bedrijf"* section, para 1). Worldwide 3M has more than 76,000 employees and invests more than one billion dollar in Research & Development on annual base. 3M is quoted on the stock exchange of New York Stock and had 26.7 billion dollar sales in 2010. The 3M CEO is active at the global head office in Saint Paul, Minnesota. The 3M head office for Europe is situated in Diegem, Belgium. At this moment (beginning 2011) 3M is active in more than 60 countries worldwide. In these countries have established both laboratories and manufacturing centres. 3M as a multinational can be defined as a conglomerate concerning to the company structure. This implies that 3M has been subdivided in several independently operating divisions because of the scope. These divisions do not have any relation with each other regarding to consuming markets, products etc. (Solutions 3M Nederland, 2011, *"Wie we zijn"* section, para 4).

As a global divers technology company 3M operates in 6 different markets, namely:

- Office & Consumer
- Displays & Graphics
- Electronics, Electrical & telecommunication
- Health Care
- Industry & Transport and security
- Safety & Protection

(Solutions 3M Nederland, 2011, *"3M Businesses"* section, para 1-6). **The 3M mission**: "*To solve unsolved problems innovatively*" (Business plans, 2011, "*Mission Statement*" section, para 8).

3.2 The Avery Dennison company profile

Figure 3.2 Logo Avery Dennison Source: Avery Dennison, 2011

Avery Dennison is an international technology company and global manufacturer and distributor of pressure sensitive adhesive materials (such as self-adhesive labels), retail branding and information solutions, and office and consumer products. The company provides total solutions for several target groups. (Avery, 2011, *"Bedrijfsinformatie"* section, para 1). Avery Dennison has over 36,000 employees worldwide and is active in more than 60 countries. In 2010 the net earnings of Avery Dennison were 6.5 billion dollar. Avery Dennison is headquartered in Pasadena, United States of America. (Avery Dennison ideas, 2011, *"Company profile"* section,para1). Avery Dennison, was founded in 1935 in Los Angeles by R. Stanton Avery. In 1990 Avery merged with the Dennison Manufacturing Company. Avery Dennison cooperates and is supported by a global network of partners. The company's pressure-sensitive materials are used in labelling and packaging, graphic imaging media, specialty tapes, and information display and management. Avery Dennison designs and manufactures a full range of labels, tags and tickets for retail goods. (Avery Dennison, 2010, "*Avery Dennison at a glance"* section, para 1).Avery Dennison operates through four segments with several business divisions as a global various technological company:

- The Pressure-sensitive Materials segment
- The Retail Information Services segment
- The Office and Consumer Products segment
- Other Specialty Products segment

(Management Paradise, 2011, "*Employee Retention of Avery Dennison"* section, para 1).

The Avery Dennison mission: *"To help make every brand more inspiring, and the world more intelligent."* (Avery Dennison ideas, 2011, *"Vision & Mission"* section, para 1).

3.3 The graphic and reflective division of both companies

Both 3M and Avery Dennison are inimitable innovative ventures which operate on several markets. They use several in each other seizing and each other overlapping business models and a scale and speed in which innovative business models strongly change the industrial landscape. (Arbeidsmarkt, 2010, "*Succesvolle bedrijven gebruiken verschillende businessmodellen*" section, para 1). Both companies have several different business divisions which further are subdivided in business units. Both companies provide brightness enhancement films[15], reflective materials, eye-catching graphics and more for the self-adhesive graphics market, whether for vehicle wraps, corporate identities[16], truck advertising and traffic and safety solutions. (Career builder, n.d, "*About Display and Graphics"* section, para 1), (Avery Graphics Europe, 2011, "*Avery Dennison Graphics and Reflective Products Division"* section, para 1). To get a comparison between both companies the specification is made between the business models of the graphic and reflective division of both ventures. These are the divisions "Displays & Graphics" of 3M and "Graphics and Reflective Solutions" of Avery Dennison. Both ventures are active in the same market segment and are each other's largest competitors. Because both divisions are part of the total culture and structure of the companies, the major part of the business model of both graphic and reflective divisions is based on the core principles of 3M and Avery Dennison.

3.3.1 The 3M Displays & Graphics division

Displays & Graphics is one of the 3M divisions. This division occupies with all kinds of films for publicity and signposting. Because of the diversity within this division a distinction is made between Commercial Graphics and Traffic Safety Systems which is illustrated in figure 3.3.

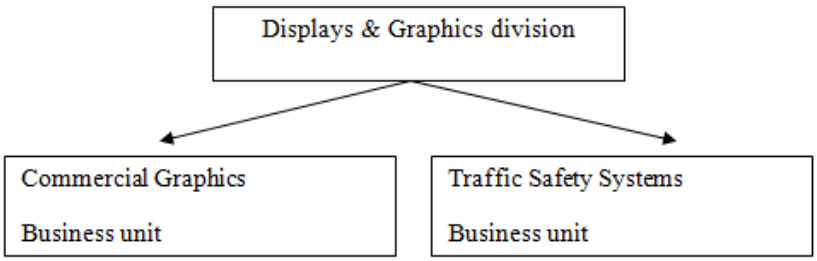

Figure 3.3 Overview Displays & Graphics division Source: Vos,M, Interview, 2011

[15] (BEF) increase the brightness of liquid crystal displays through improved management of the existing light created by the backlight by focusing the light toward the user. (3M Products , 2010).
[16] Combination of color schemes, designs, words, etc., that a firm employs to make a visual statement about itself and to communicate its business philosophy. (Business dictionary, 2011).

Commercial Graphics business unit mainly focuses at the commercial applications of the films. This is the total concept of interior and exterior publicity. These films are available in all kinds of types. Translucent[17] films for publicity signage but also films which are used as privacy filter and films for restyling cars, (the so called car wrapping[18]) is illustrated in figure 3.4.1, 3.4.2 and 3.4.3.

Figure 3.4.1 Building graphic exterior Source 3M Figure 3.4.2 Graphic interior Source 3M Figure 3.4.3 car wrap Source 3M

Furthermore there are films against burgling and smashing glass. These films keep the glass together. Scotchcal™, Controltac™, Scotchlite™ and Di-Noc™ are a number of film brands which are used for this. 3M offers brand owners several solutions for the communication and protection of the brand. Scotchprint® Graphics is a total solution in graphic area. It does not matter if it should be introduced on floors, windows, fronts or on a complete fleet of trucks. By means of new developments it is even possible to restyle the complete interior of the house nowadays. By means of this Di-Noc™ application walls, doors and complete offices can be modified by colour and print. (Solutions 3M Nederland, 2011, *"Waar DI-NOC™ gebruiken?"* section, para 1). There is an overlap between Traffic Safety Systems and Commercial Graphics, namely the reflecting films. It starts to become a trend to provide trucks with reflecting publicity which is well visible at night as well. This reflecting material is an important component of the product-portfolio of the Traffic Safety Systems business unit. This department focuses at all kinds of roadway marking with reflection material processes included, but also reflecting films for road signs. 3M has a market share of 70 percent within this market. Moreover the department offers reflective marking for trucks and trailers with more than 7.5 ton of unloaded weight which has been obligatory since the 10th of July 2008. (Solutions 3M Nederland, 2011, "Reclamegraphics" section, para 1). The products the Display and Graphics division provide are films for display improvement, reflecting materials, eye catching graphic applications, projection systems etc. (Solutions 3M Nederland, 2011, "*Displays en graphics"* section, para 1&2).

[17] Translucent means not transparent, but clear enough to allow light to pass through. (Longman Dictionary of Contemporary English. 2003).
[18] Car wrapping means wrapping up a car with high-quality vinyl. (Mult apply, 2008).

Figure 3.5.1 Source 3M Figure 3.5.2 Source 3M Figure 3.5.3 Source 3M Figure 3.5.4 Source 3M Figure 3.5.5 Source 3M

Roadway markings Reflective vehicle markings Emergency vehicles Reflective railcar films Reflective sign films

3M has a wide product range of reflective conspicuous marking, films and striping for the production of emblems and vehicle markings to improve the visibility of trucks, emergency response vehicles, railcars, public works vehicles, school buses and law enforcement vehicles. This is illustrated in figure 3.5.1, 3.5.2, 3.5.3, 3.5.4 and 3.5.5. (Solutions 3M Nederland, 2011, "*3M™ Conspicuity and Reflective Markings"* section, para 1).

3.3.2 The Avery Dennison Graphics & Reflective Solutions division

The Avery Dennison Graphic and Reflective Solutions division is together with the Label and Packaging Materials division (a product line of paper and film materials, catering for label converters who work both with new digital technologies and traditional printing processes) part of the Pressure-sensitive Materials segment. The Graphic and Reflective Solutions division offer a broad assortment graphic and reflecting products for designers and professional graphics providers. The division is subdivided by the Graphics Media business unit and the Reflective Materials business unit which is illustrated in figure 3.6.

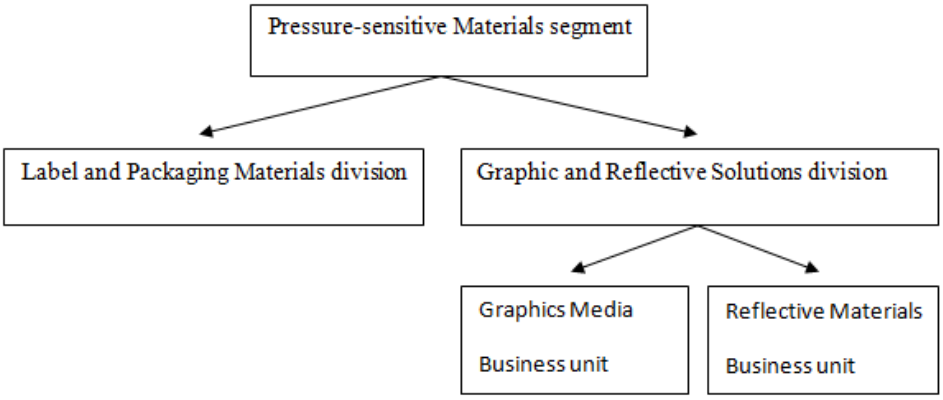

Figure 3.6 Overview Pressure-sensitive segment Source: Roos de, M, Interview, 2011

Avery Dennison Graphics Media business unit innovates and deliver high-quality graphics media to their customers. Cast[19], calendered[20], reflective[21] and specialty[22] films are part of the

[19] Cast films are considered to be a premium, high-performance product with excellent durability and conformability characteristics. The term "cast" refers to the manufacturing process of this type of vinyl. (Sign industry, N,d).

Figure 3.7.1 Source AD Figure 3.7.2 Source AD Figure 3.7.3 Source AD Figure 3.7.4 Source AD Figure 3.7.5 Source AD

Publishing films Car wrap Rail car films Building wrap Publishing films patrol station

comprehensive portfolio of highly engineered materials and usable in sign cutting applications, screen printing and digital imaging. The business unit provides self-adhesive effective solutions for fleets, vehicles public spaces, retail businesses, commercial places and roadways which illustrates the figures 3.7.1, 3.7.2, 3.7.3, 3.7.4 and 3.7.5.(Fasson Europe, 2011, *"Avery Dennison Graphics and Reflective Solutions – Europe"* section, para 1). (Avery Graphics, 2010, "About us" section, para 1). Avery Dennison Reflective Materials business unit has a variety of reflective films. The reflecting products are applied in the license plates sector and the traffic and safety sector which includes the road signs market and related material, but also the reflective vehicle marking and striping tapes for trucks and trailers. This is illustrated in the figures 3.8.1, 3.8.2, 3.8.3, 3.8.4 and 3.8.5. (Herante, 2009, *"Avery Dennison*" section, para 3).

Figure 3.8.1 Source AD Figure 3.8.2 Source AD Figure 3.8.3 Source AD Figure 3.8.4 Source AD Figure 3.8.5 Source AD

Reflective sign films License plate films Reflective Construction and Work Zone Films Reflective vehicle markings

Signage, labels, exhibits, banners, vehicle wraps and bus-wrap markings and displays are short term applications. Durable long term applications are fleet markings, backlit[23] signs, as well as Original Equipment Manufacture[24] vehicle striping and graphics. The short and long term

[20] Calendered films are considered to be an intermediate, short-term or economy product. Calendered vinyl is formulated with similar raw materials as cast, except that no solvents are used. The term "calendered" refers to the manufacturing process of this type of vinyl. (Sign industry, N,d).

[21] Reflective film is typically made out of one or more layers of polyester, and is often applied to windows in commercial and residential settings. Most of these films consist of layers of polyester that have had dyes or metallic elements added to darken the film and increase light reflectivity.(Wise geek, 2011).

[22] Specialty Films are distinctive coatings for multilayer, coated and laminated films specifically designed for original equipment manufacturers (OEMs) in the Renewable Energy, Safety, and Security markets. (Madico, 2011).

[23] Backlighting refers to the process of illuminating the subject from the back (Encyclopedia pro, n,d).

[24] OEM is a company that buys a product and incorporates or re-brands it into a new product under its own name. (Investopedia, 2011).

applications are part of the promotional graphics for traditional screen and offset printing technologies, digital printing, as well as pressure sensitive vinyl, cut graphics applications, paper and reflective products. (Fasson Europe, 2011, *"Avery Dennison Graphics and Reflective Solutions – Europe"* section, para 3 & 4). (Avery Graphics, 2010, "About us" section, para 1). The brands Avery Graphic® , Fasson® and Avery Dennison® are own brands and active in this segment. Avery Graphics™ is the main brand of the Graphics & Reflective Products Division. The brand Avery Dennison® is active in the traffic sign materials which is part of The Pressure-sensitive Materials segment and the Other Specialty product segment. (Avery Dennison, 2010, "*Avery Dennison corporate brand, Fasson master brand, Avery master brand, Avery graphics master brand"* section, para 1). In general the division is active at the decorative, branding and safety, promotional and protection market. (Avery Graphics Europe, 2011, "*Portfolio"* section. Para 1).

4. Comparison business model

The business models of 3M and Avery Dennison are company structure models, which refers to the architectonic configuration of the operation components, devised to develop chances in area business. (Primavera, 2001, "*Business Modellen*" section, para 2). These 9 building blocks will be applied to the 3M Displays & Graphics and Avery Dennison Graphics and Reflective Solutions Division in order to make a comparison of both graphic and reflective divisions. By using these building blocks several questions should be asked. These questions are illustrated in Appendix VI "Business Model Canvas questions overview".

4.1 Customer segments

The customer segments are different groups of people or organizations with common characteristics for which a venture creates value. (Osterwalder,A & Pigneur,Y, 2010, *"Klantsegmenten"* section, p 20). 3M and Avery Dennison are diversified technology companies with a global presence in several divisions. The customer segments in which both selected divisions of the companies operate are: Fleet, Vehicle/Automotive, Architectural/Retail, Promotional/Advertising, and Traffic/Safety. The business unit Commercial Graphics of 3M and the business unit Avery Graphics aim mainly at the commercial applications of the films. It is the total concept of interior and exterior publicity like on vehicles, buildings (interior and exterior), promotional applications and digital signage. The 3M business unit Traffic Safety Systems and Avery Dennison business unit Reflective Materials focus it selves on all kinds of road markings processed with reflection material, reflecting films for road signs and reflective marking for trucks and trailers. (Avery Dennison, 2011, "*Markets served"* section. Para 1). (Avery Dennison, annual

report 2010, "Businesses at a Glance" section, p. 8) (3M, 2011, "Reclamegraphics" section, para 1).

4.2 Value propositions

The company creates value for a customer segment by a distinguished mix of elements which provides in needs of that segment. Values can be quantitative (for example. price, speed, or service) or qualitative (for example. design, customer experience). (Osterwalder,A & Pigneur,Y, 2010, *"Waardeproposities"* section, p 23, para 1). The main value proposition for the Display & Graphics division of 3M and the Graphic and Reflective Solutions division are films and reflective materials, increase the traffic safety, increase the radiation[25] of buildings and increase the corporate identity of large brand names. (Interview, Vos, Maurice, 2011, Appendix III "*Value proposition*" section).

4.2.1 Sustainability

Besides being a healthy venture 3M has always based itself on the idea playing an authoritative role in the well-being of people and environment. (Solutions 3M Nederland, 2011, *"Bedrijfsinformatie, duurzaam ondernemen"* section, para 2). 3M introduced the Pollution Prevention Pays (3P) program in 1975. 3M was the first large industrial venture which tackled actively environment issues worldwide, by preventing pollution at the source, instead of inventing methods to clear pollution environment-friendly afterwards. (Solutions 3M Nederland, 2011, "Pollution Prevention Pays" section, para 1). Avery Dennison offer products which offer clear advantages for the environment thanks to the cooperation with suppliers and by internal measures in the production facilities. Avery Dennison continuously improve the sustainability performance, as well as the sustainability efforts of their suppliers and customers around the world by their Innovative Environmentally Friendly Initiatives. The company cooperates with waste recycling experts in Europe and North America to reduce landfill waste and to recycle and collect liner waste from roll materials customers. The environment are value propositions for both companies. (Avery Dennison, 2010, "Sustainability in action" section, para 5).

4.3 Channels

The way a company get in touch with its customer segments to provide a value proposition. Several canals can be used to get in contact and maintain the relation with the consumer, distributor, retailer or end-user. (Osterwalder,A & Pigneur,Y, 2010, *"Kanalen"* section, p 26). Hence that a subdivision is made in a communication- and a distribution channel.

[25] Radiation is energy that comes from a source and travels through some material or through space. Light, heat and sound are types of radiation (Orise.orau, n,d).

4.3.1 Communication channels

Communication channels are the means of channels customer segments want to be reached. Customers want to reach a company rapidly and easily. A company must have the most accessible and easy ways of communication, Both 3M and Avery Dennison divisions have their communication/marketing departments. They use all sorts of communication such as e-mail, fax, telephone and letter. The most important way of communication is Internet nowadays. 3M and Avery Dennison use many information flows and have all possible modern communication resources, because these are rather complex organizations where Internet is the most used and cost-efficient. (Internship experience 3M Nederland, 2010). A good accessibility is very important for entrepreneurs. Each customer contact is a chance of profiling the company. (MKB Servicedesk, 2010, "*Waarom is telefonische bereikbaarheid belangrijk?*" section, para 1). 3M uses an internal communication channel that connects all employees of 3M with each other worldwide. This happens by means of software which has been developed by IBM, called Lotus Notes. Within Lotus Notes employees can send and receive e-mails, make appointments (direct integration with the agenda) and check all internal contacts. This program is an agenda as well. The employees can use an internal and external telephone line and it is possible to send internal mail posts. (Internship experience 3M Nederland, 2010) 3M structured involves its employees concerning communication. The company gives them insight in the agreements supported by systems such as the CRM-system[26]. The CRM system is available and reachable for all business units and divisions. (Staples Advantage, 2011, *"Leverancier aan het woord: 3M"* section, para 4). 3M has an external communication channel by means of a CRM called Update Seven. The customer file will be maintained and completed by the sales department. The division looks after the external communication by means of e-mailings and e-surveys where the behaviour is tested of a large group instead of individual persons. (Internship experience 3M Nederland, 2010). In contrast to the 3M Update 7 software CRM system, Avery Dennison use a CRM system by means of the web, namely salesforce.com. (Contact center pro, 2004, "*Contact Center News and Information*" section, para 2). The market has been moved from a property model (company software) towards a hiring model (CRM online). By using a web based model Avery Dennison is released of the problems and the costs of purchase, implementation and software maintenance. (Salesforce, 2011, "*CRM-software versus CRM via het web*" section, para 5). The Avery sale-, marketing - and support activities, like direct mailing and sending e-newsletters for example, are well coordinated. Everyone within the company gets a complete picture of the customer, vast analyses and insight important sale and customer data. (Interview, Roos de, Mony, 2011, Appendix I "*Channels*"

[26] The Customer Relationship Management or CRM system refers to the computer software designed to help companies keep track of and easily access information about the customers or clients the business is dealing with. (Avidian, 2011).

section). Especially 3M uses personal approach by means of personal selling. Both companies uses direct-mail marketing and catalogue- or post order marketing. The most important public relations instruments are relations with the press, publicity for the product, public affairs, lobbying, relations with investors and development. 3M and Avery Dennison have an prominent presence on fairs where many new relations are acquired and already existing relations will be maintained and improved. (Doks Khleuven, 2006, "*Promotie Commercial Graphics en Building Safety & Security"* section, page 16).

4.3.2 After sales

Another very important communication factor is after sales. 3M offers qualitative high-quality and professional customer support after sales service. (Solutions 3M Nederland, n.d, "*Snel handelen dankzij intuïtieve bediening"* section, para 6). Avery Dennison offer service of top quality: consistent maintenance, reliable repairing and customer friendliness. In-house technicians will give assistance at the Repair- and Data centres worldwide. The skilled professional team supports the customers with their after-sales service. The team repairs Avery Dennison equipment, hardware & software free of charge within the standard guarantee period, including the components. (Avery Dennison Monarch, 2010, "*Service & Support*" section, para 1).

4.3.3 Distribution channels

3M sells its products by means of numerous distribution channels, including directly to end-users and through numerous, retailers, distributors and dealers. 3M uses a wide variety of trades in more than 60 countries around the world. Many 3M products are online directly available from the company as well. (Management paradise, 2011, "*Distribution Strategy of 3M Company*" section, para 1). 3M has direct personal contact with the end-users and influencers and for this reason it is possible for 3M to specify the choice for material. This is illustrated in figure 4.1.

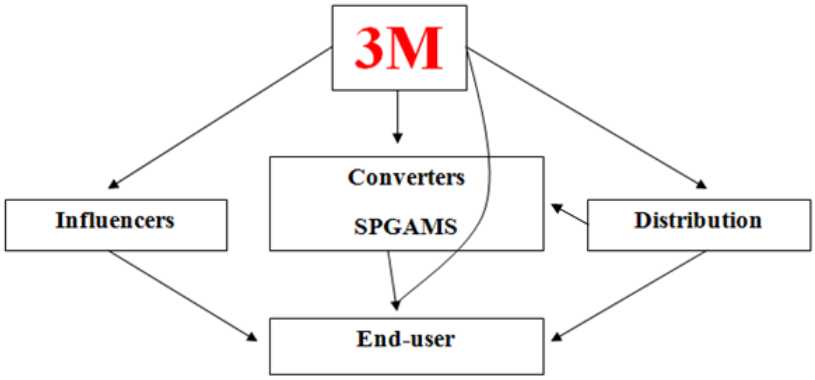

Figure 4.1 Distribution network 3M Source: Vos,M, Interview, 2011

By this strategy 3M escapes many competitors who discusses their choice of material at the converters (sign makers). 3M stays ahead the competition because of the personal contact and the 3M sales representative can anticipate directly on the customer needs and wishes. (Interview, Vos, Maurice, 2011, Appendix II ”*Figure 1.3*”section). Avery Dennison focus themselves especially on the distribution. The distribution network of Avery Dennison ensures the approach of influencers, converters and end-users. Where 3M wants to be in charge concerning influencing the influencers, converters and end-users by themselves Avery leave the total approach by the distribution network which illustrates figure 4.1. Because of this the distribution position of Avery Dennison is stronger at this stage of approach than their competitor 3M. Avery Dennison does not have or very little personal contact with their end-user. (Interview, Vos, Maurice, 2011, Appendix III ”*Overige gestelde vragen*” section). Numerous wholesalers[27], retailers[28], distributors and dealers[29] ensure the selling of Avery Dennison products. Avery uses several trades in 60 countries around the world supported by a growing network of distributors. (Avery Dennison Reflectives, 2008, “*World-wide Locations*” section, para 1).The Avery distribution network spread many folders and mailings with Avery Dennison products and solutions to customers and leads. (Interview, Roos de, Mony, 2011, Appendix I “*Channels*” section). Customer Operations continuously works at the improvement of an open information flow between all supply chain members. (Avery, 2011, “*Careers at Avery Dennison, Logistics/Distribution”* section, para 1). Avery Dennison also provides online ordering and the website offers contact information of regional sales managers. (Avery Dennison Reflectives, 2011, “*Doing Business with Avery Dennison, World Wide Web Access*”, para 1).

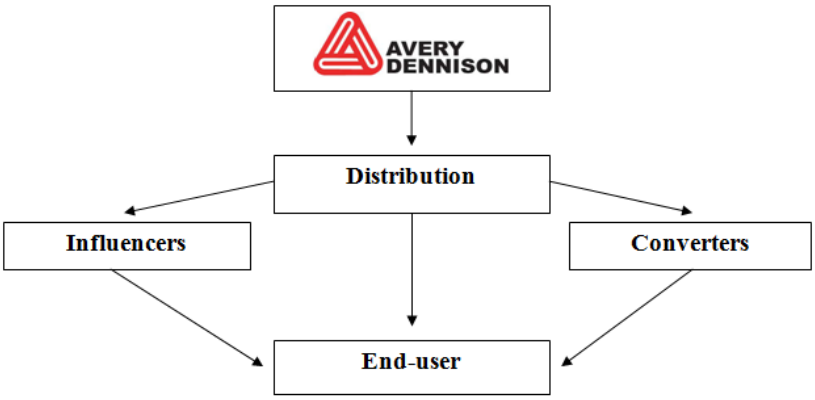

Figure 4.2 Distribution network Avery Dennison Source: Vos,M, Interview, 2011

27 Wholesaler means a person or firm that buys large quantity of goods from various producers or vendors, warehouses them, and resells to retailers. (Business dictionary, 2011).
28 A retailer is a business or person that sells goods to the consumer, as opposed to a wholesaler or supplier, who normally sell their goods to another business. (Business dictionary, 2011).
29 A dealer is an individual or firm that buys goods from a producer or distributor for wholesale and/or retail reselling. Unlike a distributor, a dealer is a principal and not an agent. (Business dictionary, 2011).

4.4 Customer relations

The types of relations between the company and its customer segments, such as personal help, self-service, workshops and services. (Osterwalder,A & Pigneur,Y, 2010, *"Klantrelaties"* section, p 28).

4.4.1 Workshops and trainings

Being able to anticipate on all needs of contacts and customers of the 6 divisions, 3M has started a `Key Account management program. The new `Key Account management program offers the relations of 3M the possibility to profit optimally of the knowledge and experience which is available within 3M. Several initiatives have been developed. One of the initiatives is information-exchange between the research departments of 3M and those from the customer. Workshops and demonstrations on the work floor are organized to several relations concerning 3M-solutions. (Solutions 3M Nederland, 2008, "*Eén 3M-gezicht*" section, para 1). The 3M Sign maker training consists of the basic assembly[30] training and the car wrap training. The basic assembly training treats the bases of the different films and assembly techniques. The following intensive car wrap trains the mechanics to wrap up a car partially or entirely with film. For this 3M cooperates with the most experienced coaches a country has to offer. (Solutions 3M Nederland, 2011, "*3M Signmaker Training*" section, para 2 & 3). Avery Dennison Graphics Division Europe offer trainings of self-adhesive products and belongings for the graphic market. These workshops have been intended for everyone whom designs, produces or applies self-adhesive visuals. The Application Workshop is ideal for experienced applicators in the processing of self-adhesive vinyl films. The Car-wrap Workshop offers professional and experienced applicators practical experience in the implementation of perfect complete vehicle wrap ups by the guidance of experts as illustrated in figure 4.3. The 'Colour Management Workshop' is given by practical people and is meant to enrich the know-how and to optimize the skills concerning digital printing. (Avery Graphics, 2011, "*Avery Graphics Workshops*" section, 1-3). Furthermore the Graphics and Reflective Solutions Division Training Team offers an online workshop program called Avery Academy. The Avery Graphics Academy™ offers a range best practices for the support of the activities as applicator of graphics materials with practical 'how-to-video's' and theory modules.

Figure 4.3 Avery Dennison car wrap workshop

Source: Avery Dennison

[30] An assembly is a component or end item comprising of a number of parts or subassemblies put together to perform a specific function, and capable of disassembly without destruction (Business dictionary, 2011).

(Avery Graphics Academy, 2011, "*Welkom bij de Avery Graphics™ Academy*" section, para 1 & 2). The companies are very interested in the opinions, wishes and suggestions for improvement asked to their customers by means of the offered workshops and trainings. This is an essential element for the Research & Development department. (Ghallabhansali, 2011,"*Innovation – The 3M Way, 3M's Seven Pillars of Innovation"* section, para 7). (Enhance your brand, 2011, "*Innovation*" section, para 2).

4.5 Revenue streams

Cash that a company generates from each customer segment. (Osterwalder,A & Pigneur,Y, 2010, *"Inkomstenstromen"* section, p 30). The 3M Display & Graphics division and Avery's Graphic & Reflective Products division both have a catalogue with descriptions of the products and a price list. Interested customers can do their order by catalogue. (Interview, Vos, Maurice, 2011, Appendix "*Inkomstenstromen*" section),(Interview, Roos de, Mony, 2011, Appendix "*Inkomstenstromen*" section). Both companies uses fixed catalogue prices but negotiation is possible. The buyer can be rewarded for its payment behaviour with a bonus. The bonus can be a discount by a large or frequent purchase. Especially 3M uses personal selling to the distributors and end-users. (Interview, Vos, Maurice, 2011, Appendix III "*Overige gestelde vragen*" section). This happens by means of the sales management. A large quantity of retailers and the web shops of the companies offer 3M and Avery Dennison products.

4.5.1 Sales revenues

In 2010, four of 3M's six business segments posted sales increases in excess of 10 percent.The total sales of the 3M company were $26.7 billion dollar in 2010 and increased by 15.3 percent compared to 2009. 14.6 percent of total sales is because of the Displays & Graphics division. 3M, annual report 2010, *"Overview"* section, p. 14). Sales in the 3M Display and Graphics division were $3.9 billion in 2010. It has a remarkable sales growth of 24 percent compared to the year 2009 and it has the second biggest sales growth in all 3M segments. (3M, annual report 2010, *"Year 2010 results"* section, p. 24). Figure 4.4 contains 3M sales and operating income results by business segment for the years ended December 31, 2010 and 2009.Avery Dennison had total sales of $6.5 billion dollar in 2010. An increase of 9 percent compared to the $6 billion dollar in 2009. Sales in the Avery Dennison Pressure-sensitive Materials segment were $3.7 billion dollar in 2010. A sales growth of 10.3 percent compared to the $3.3 billion dollar in the previous year 2009, illustrated in figure 4.5. This means that 56 percent of the total sales is because of the Pressure-sensitive Materials segment. For this reason the segment is extremely important for Avery Dennison. (Avery Dennison, annual report 2010, *"Businesses at a Glance"* section, p. 8). Figure

4.5 shows the Avery Dennison sales and operating income results by business segment for the years ended December 31, 2010 and 2009.

(Dollars in millions)	2010 Net Sales	2010 % of Total	2010 Oper. Income	2009 Net Sales	2009 % of Total	2009 Oper. Income	2010 vs. 2009 % change Net Sales	2010 vs. 2009 % change Oper. Income
Business Segments								
Industrial and Transportation	**$ 8,581**	**32.2%**	**$ 1,799**	$ 7,232	31.3%	$ 1,259	18.7%	42.9%
Health Care	**4,521**	**17.0%**	**1,364**	4,294	18.6%	1,350	5.3%	1.0%
Display and Graphics	**3,884**	**14.6%**	**946**	3,132	13.5%	590	24.0%	60.3%
Consumer and Office	**3,853**	**14.4%**	**840**	3,471	15.0%	748	11.0%	12.3%
Safety, Security and Protection Services	**3,308**	**12.4%**	**707**	3,064	13.3%	724	8.0%	(2.4)%
Electro and Communications	**2,922**	**11.0%**	**631**	2,276	9.8%	322	28.4%	96.0%
Corporate and Unallocated	**9**	**0.0%**	**(277)**	12	0.1%	(100)		
Elimination of Dual Credit	**(416)**	**(1.6)%**	**(92)**	(358)	(1.6)%	(79)		
Total Company	**$ 26,662**	**100.0%**	**$ 5,918**	$ 23,123	100.0%	$ 4,814	15.3%	22.9%

Figure 4.4 (3M, annual report 2010)

Pressure-sensitive Materials Segment

(In millions)	2010	2009	2010 vs. 2009 % change Net Sales
Net sales	$ 3,639.8	$ 3,300.0	+10.3%
Operating income[1]	317.8	184.7	

Retail Information Services Segment

(In millions)	2010	2009	2010 vs. 2009 % change Net Sales
Net sales	$ 1,521.7	$ 1,320.9	+15.2%
Operating income (loss)[1][2]	65.0	(899.0)	

Office and Consumer Product Segment

(In millions)	2010	2009	2010 vs. 2009 % change Net Sales
Net sales	$ 815.2	$ 849.3	-4%
Operating income[1]	91.5	118.1	

Other specialty converting businesses

(In millions)	2010	2009	2010 vs. 2009 % change Net Sales
Net sales	$ 536.0	$ 482.5	+11.1%
Operating income (loss)[1]	4.8	(44.1)	

Figure 4.5 (Avery Dennison, annual report 2010,)

4.6 Key resources

The key resources enables a venture to create and offer a value proposition, access markets, maintain relations with customer segments and make profit. (Osterwalder,A & Pigneur,Y, 2010, *"Key resources"* section, p 34).

4.6.1 Strong brand name

3M provides an important competitive advantage in many of its businesses because customers are familiar with the strong and well known 3M brand name, which is recognized and trusted all over the world. The Company's products are sold under various trademarks[31] around the world. The own brands of the division Display & Graphics are Scotchprint™, Scotchcal™, Controltac™, Scotchlite™ and Di-Noc™. The several brand names and many innovations are covered by (new) patents[32] because 3M has an exclusively right for industrial manufacturing or selling a product or

[31] A Trademark means a distinctive design, graphics, logo, symbols, words, or any combination thereof that uniquely identifies a firm and/or its goods or services, guarantees the item's genuineness, and gives it owner the legal rights to prevent the trademark's unauthorized use. (Business dictionary, 2011).
[32] Patent means limited legal monopoly granted to an individual or firm to make, use, and sell its invention, and to exclude others from doing so. (Business dictionary, 2011).

developing an invention. (3M, annual report 2010, *"Research and patents"* section, p. 6). The Display and Graphics division provides different products that are protected by various patents. 3M has in total successfully filed over 500 patents. 3M, annual report 2010, *"Display and Graphics Business (14.6% of consolidated sales):"* section, p. 24) &(Scribd, 2010, "Strenghts" section, para 1). The brand name Avery Dennison is also recognized and trusted all over the world. The Company's products are also sold under various trademarks around the world. (Packaging-int, n,d, "Avery Dennison Printer Systems Europe" section, para 1). The own brands of the Graphic & Reflective division are Avery Graphics™, Fasson® and Avery Dennison®. (Avery Graphics Europe, 2011,*" Avery Dennison Graphics and Reflective Products Division"* section, para 1). The several brand names are patented as well. Avery Dennison generates many innovations and these are covered by new patents. (Avery Dennison, annual report 2010, "*Business combinations*" section, p. 38).

4.6.2 Customer Relationship Management

The 3M CRM-program called Update 7 offer many advantages: All employees have insight in all relevant relation data. The customer file will be maintained and completed by the sales department. The Management always has real-time insight in the number of open and scored tenders[33] and in open and settled complaints. The managers have a better insight and are able to correct employees more rapidly. (CRM Systemen, n,d, "*Voordelen van CRM*" section, para 2). In contrast to the 3M Update 7 system, Avery use a CRM system by means of the web, namely salesforce.com. Avery choose for the website salesforce.com as CRM system because the CRM by means of the web is rapidly ready-for-use and no investments need to be done. (Salesforce, 2011," *CRM-software versus CRM via het web* " section, para 2).

4.6.3 Product leadership strategy

Both companies conduct a product leadership strategy. They innovate continuously based on creativity and regularly introduces new innovative products and services on the market. (Indora, 2003, "*Product leadership"* section, para 1).The pillars of this strategy are: invention and innovation, product development and market exploitation. Information exchange with customers and `targeting of customers are important aspects to realize this. For this purpose especially CRM is used as a marketing instrument. 3M and Avery Dennison are good examples of companies with a product leadership strategy. (Management Kennisbank, n,d, "*CRM versus Product leadership in zorg"* section, para 1).

[33] A tender is a procedure where by means of registration is tried to obtain a certain service or product, which is granted or supplied based of factor assessment. (Tenderen, 2011).

4.6.4 Staff policy

The 3M employees are the basic principles behind the success of 3M. They get all freedom and space to develop themselves. 3M is looking for a variety of different people to give innovation and creativity all chance. This diversity contributes to the creative strength of the team and forms the basis of the success. A good balance between labour and private life is essential maintaining high performance for longer term. For this reason 3M offers their employees flexible working hours, sports and social security provisions. The company encourages their employees to use these facilities.(Solutions 3M Nederland, n,d, ”*Ons personeelsbeleid*” section, para 1). Employee development is an important factor for Avery Dennison as well. The company is aware of the fact that future goals only will be achieved by the talent of its employees. (Avery Dennison, 2010, “*What employees are saying”* section, para 3).

4.7 Key activities

The most important actions a company must do to ensure that the business model will work. (Osterwalder, A & Pigneur,Y, 2010, *“Kernactiviteiten”* section, p 36). Both divisions follow their general company policy. Particular information was not available therefore general information is provided.

4.7.1 Marketing activities

Within 3M marketing is one of the most important functions. Each division has its own marketing department. The marketing employer of the Displays & Graphics division is mainly focused at the end-user.(Solutions 3M Nederland, n,d, “*Carmen, Marketing Coördinator Display & Graphics*” section, para 2). 3M is a multinational which intensively stimulates a close cooperation between departments in the field of research, production and marketing. (Stageplaza, 2009,” *Alle facetten van de marketing bij stage 3M Nederland*” section, para 2). Marketing is an important element within Avery Dennison and every division has its own marketing department. The Avery marketing employee manage existing product lines for continued growth. This happens by means of creating and executing marketing strategy, merchandising, profitability analysis and promotions. Avery, 2011,” *Product Management*” section, para 1).

4.7.2 Sales activities

The 3M sales representatives sell films by means of distributors to processing parties. End-users and influencing parties, such as project offices and architects, are visited. The sales department support the network of certified converters with their commercial activities. The sales department

is the most important link in the complete product range and the scale of tools and allegiance[34] programs to increase the 3M share. They have personal contact with the important channels. (Jobs, 3M, 2011,"*Sales Representative Display & Graphics Job*" section para 2). The Avery Dennison sales organization is working at building business plans with key customers and developing strong business relationships. The Avery Dennison sales representatives identify and capitalize the opportunities to improve the selling and delivering of their products and services within this strongly growing and competitive market. (Avery, 2011, "*Sales*" section, para 1). The sales representatives stimulates the sales by offering sales tools and bonus plans. The relation is strong because of strongly build up total approach by the distribution but the sales representatives have none to very little personal contact with the end-user. This a different approach compared to the 3M sales representatives which do have intense personal contact. (Interview, Vos, Maurice, 2011, Appendix II "*Figure 3*" section).

4.7.3 Production

3M has production plants divided over more than 65 countries. (Scribd, 2010, "*Process of Innovation*" section para 1). Historically the big 3M capital expenditure has been in the United States, which resulted in higher plant and equipment balances and net property in the United States. Two-thirds of sales are outside the United States and therefore the company wants to more closely align its sourcing and manufacturing with geographic market sales. 3M would enlarge production outside the United States, helping to improve customer service, reduce working capital requirements and lower transportation costs. (3M, annual report 2010, "*Capital Spending/Net Property, Plant and Equipment*" section, p29). 3M manufactures film solutions, advertising films, films for the interior and exterior of buildings and for LCD[35] applications on shop windows. (Solutions 3M Nederland, 2011, "*Wie we zijn*" section, para 2). Avery Dennison has 100 manufacturing facilities in 36 countries. (Techcon, n,d, "*Dr. Ten Hong Lee Victim: Avery Dennison Corp.*" Section). The operation professionals manufacture a quality product in a cost-effective way in cooperation with the business unit leadership teams to achieve the organization's strategy. Sourcing, purchasing, inventory management, resource planning, capacity planning, converting, and technology are the key knowledge elements of the professionals. The work culture is team-oriented at the Avery Dennison manufacturing plants. (Avery, 2011, "*Operations/Manufacturing*" section, para 1).

[34] Allegiance means loyalty to a leader, country, belief etc. (Longman Dictionary of Contemporary English,2003) .

[35] A liquid crystal display (LCD) is an electronic device comprising of the molecules of a semi-liquid material sandwiched between sheets of a transparent material. (Business dictionary, 2011).

4.7.4 Research & Development

An important part of 3M's activities is the research and product development. It has been a major driver of 3M's sales growth. The application of scientific advances in the development of new and improved products and their uses and scientific research is the base of research and development. (3M, annual report 2010, *"Research and patents"* section, p. 6) The Research and Development community has more than 6,500 engineers and scientists representing 100 years of breaking technical boundaries. (Solutions 3M Nederland, 2011, "*Research & Development*" section, para 1). 3M spends more than a billion dollars a year on R&D. The total expenses in 2010 were $1.434 billion dollar. About 20 percent of this budget supports its 32 technology centres. (3M, annual report 2010, *"Research and patents"* section, p. 6). The key aspect of 3M's innovation growth is combining its technologies from different areas into products for a wide scale of (future) customer needs. (3M pers, 2011, "*Over 3M*" section, para 1). A combination of manufacturing capabilities is also part of the technological innovation (Home pages, n,d, "*Research centers at 3M:"* section, para3). The Avery Dennison R&D Centres of Excellence are strategically situated around the world as well. The centres support major strategic initiatives. This happens by means of extensive testing, analysis and engineering of pressure-sensitive labels, creative packaging solutions and other product design constructions. Avery Dennison has many research laboratories with more than 100 engineers and scientists. The Research and Development Centres are situated in the United States, China and The Netherlands. The Roll Materials Europe Pilot Centre is situated in Leiden, the Netherlands. (Enhance your brand, 2011, "*Avery Dennison's Research & Development Centers of Excellence"* section, para 1 & 2).

4.7.5 Innovation

3M stands for Minnesota Mining and Manufacturing but it is dedicated to its "3R's" (responsibility reward and risk). The company has an infrastructure that defines its responsibility, has numerous reward programs and is dedicated to taking risks. 3M is constantly looking for improvement. The last years the company has made several initiatives that illustrate their drive for constant improvement. The Six Sigma Initiative is one of them. Six Sigma is a measure of the error rate or standard deviation[36]. At the beginning it was used as a manufacturing and quality tool. Nowadays it is used in a much wider aspect to increase productivity and delivery times. Other initiatives and tools are the 15% rule, DFSS, 2X / 3X, e-Productivity, 3M Acceleration, Sourcing Effectiveness, and Indirect Cost Control. All these tools combined function as enabling mechanisms for successful innovation. (Home pages, n,d, "*Programs for continuous improvement and innovation:"* section, para 6). Innovation is an fundamental element of the company of the past, present and

[36] Deviation means a departure from an agreed-upon course, design, mean, or method. (Business dictionary, 2011).

future. Avery Dennison continuously introduces new technologies to communicate brands more effective and obtain consumer information. The company investigates the insights and needs of consumer packaged goods companies as being a developer of innovative packaging solutions. (Enhance your brand, 2011, "*Innovation"* section, para 1). Avery Dennison looks after innovation and promotes a commitment to excellence. The Company ensures this by continuous improvement initiatives such as Enterprise Lean Sigma. (Avery Dennison, 2010, "*What employees are saying" section*, para 3).

4.7.6 The Lean Six Sigma Company

The Lean Six Sigma Company is a coach with one ambition: Obtain the maximum optimization from organizations. A Lean Six Sigma Company training increase customer orientation, saves costs and streamlines processes. (The Lean Six Sigma company, n,d, "*Lean Six Sigma kennisinstituut*" section, para 1). Enterprise Lean Sigma unites and empowers the employees of Avery Dennison worldwide in finding solutions to solve customer problems and foresee them in their needs. The applied Enterprise Lean Sigma approach to the employees of Avery Dennison worldwide across businesses and functions as well on the factory floor.

The approach ensured the following results; The employees have been

- Accelerated the rate of new product introductions
- Reduced their product sample response times
- Enhanced the customer service

(Avery Dennison, 2010, " *Around the world, Enterprise Lean Sigma (ELS) is uniting and empowering our employees"* section, para 1).

Both companies defined objectives to gain a certain percentage of profit from just launched innovative products. The aim of 3M is to obtain a minimum of 30 percents of its annual sales from products which are on the market for a maximum of two or three years. (Op Papers, 2011, "*Innovation In Technology Based Companies*" section, para 2). Avery Dennison has a continuing goal of 25% of annual sales from new products. (Avery, 2011, "*Product Development/R&D*" section, para 1). These goals forces both companies to a high degree of innovation.

4.7.7 Distribution network

The 3M Management believes in the confidence of wholesalers, retailers, jobbers[37], distributors and dealers. An important point is the direct contact 3M has with the end-user. By means of this direct contact 3M stays ahead by their competitors. (Interview, Vos, Maurice, 2011, Appendix III ”*Overige gestelde vragen*” section). 3M and its products build up a confidence developed through long association with skilled marketing and sales representatives has contributed significantly to 3M’s position in the marketplace and to its growth. (3M, annual report 2010, “*Distribution*” section, p. 5). Avery Dennison focus themselves especially on the distribution. Avery Dennison only visits the distributor with an account manager and stimulates the sell with sales tools, bonus plans etc. to sell as many Avery Dennison products as possible. The distribution ensures the approach of influencers, converters and end-users. The distributor ensures the push strategy[38] to the converters/signmakers. Because of this the distribution position of Avery Dennison is stronger at this stage of approach than their competitor 3M. (Interview, Vos, Maurice, 2011, Appendix II ”*Figure 1.3*”section). Avery Dennison has a very limited pull strategy[39] at the end customer. Avery Dennison sells its products by means of numerous distribution channels and does not have or little personal contact with their end-user. (Interview, Vos, Maurice, 2011, Appendix III ”*Overige gestelde vragen* ”section). Numerous wholesalers, retailers, distributors and dealers ensure the selling of Avery Dennison products. (Interview, Roos de, Mony, 2011, Appendix I ”*Figure 1.3*”section).

4.8 Key partners

Describes the network of suppliers and partners which ensure the functioning of the business model. (Osterwalder,A & Pigneur,Y, 2010, *“Key partners”* section, p 38). 3M and Avery Dennison are the manufacturers of films, ink’s and accessories. These products or semi-finished products are sold to the 3M and Avery Dennison recognized distributors. On their turn they sell the film roles in smaller formats. The major part will be sold to the converters.

4.8.1 Converters, influencers and end-users

Converters (signmakers) are companies which cut, print and apply the films. Some converters are the so called SPGAM’s (Scotchprint Graphic Authorised Manufacturers). These converters have a

[37] A jobber is a manufacturer, tradesman, or wholesaler who deals in small lots of goods or 'jobs,' or acts as an agent, middleman (intermediary), or a sub-contractor, and usually does not deal directly with the principal customer. (Business dictionary, 2011)

[38] This method defines how products and services leave the business and go to the clients. The business (the push) will satisfy the client's request. (Business dictionary, 2011)

[39] This method defines how products and services leave the business and go to the clients. A client wants to buy a product (the pull). (Business dictionary, 2011)

printer which is 3M recognized as providing the best results. They also use 3M ink, films and accessories. These converters are allowed to give a MCS guarantee. This means that they guarantee a consistent picture quality and picture sustainability. Therefore the graphic has a longer term of guarantee compared to another converter. The influencers are design agencies, project agencies, architects, maintenance consultants, brand consultants, construction companies, interior decorators, assignees and all possible organizations or people who have an influence on the market. 3M wants to influence the influencers by advising them to sell the 3M films to their customers. Very little is sold to the influencers. Most important is to persuade this group of the qualities of the films. By this influence more will be sold to the converters and distribution.
The distribution channel has been based on a large form of cooperation. When 3M has a customer, these are generally forwarded to a distributor or a converter. Nevertheless it sometimes happens 3M directly sells to an end-user. This might happen when a important brand such as Coca-Cola has a large-scale campaign for his trucks.(Doks Khleuven, 2007, "*Way to market*" section para 1).The Traffic Safety Systems business unit has tenders which play an important role. This means that companies can register themselves to qualify for large projects. (Interview, Vos, Maurice, 2011, Appendix III "*Key partners*" section). Avery Dennison also contacts the same most important key partners as 3M. At Avery Dennison the distribution ensures the contact with the converters, influencers, and end-user. This way the distribution channel is very strong but the missing link is the personal contact with the end-user compared to 3M . (Interview, Vos, Maurice, 2011, Appendix II "Figure 1.3"section). Essential Avery Dennison key partner information, such as special partners could not be provided.

4.9 Cost structure

All made costs for functioning the business model. (Osterwalder,A & Pigneur,Y, 2010, *"Kostenstructuur"* section, p 40).

4.9.1 Marketing & Sales costs

In 2010 the total 3M costs of selling, general and administrative expenses were $5.479 billion dollar, $4.816 billion dollar in 2009 and $5.093 billion dollar in 2008, as illustrated in figure 4.7
To support the sales volumes now and into the future, increased investments are expected and calculated. 3M has increased its marketing strength and sales coverage especially in the faster-growing emerging economies[40]. (Investing Business week, 2011, "*Financial Statements for 3M CO (MMM)"* section). In 2010 the total Avery Dennison costs of marketing, administrative and general expenses" were roughly $1.370 billion dollar, $1.269 billion dollar in 2009 and $1.304 billion

[40] Emerging economies are rapidly growing and volatile economies of certain Asian and Latin American countries. They promise huge potential for growth but also pose significant political, monetary, and social risks. (Business dictionary, 2011).

dollar in 2008, which is illustrated in figure 4.6. Avery Dennison, annual report 2010, "*Five Year Summary*" section, p.13).

(Dollars in millions, except % and per share amounts)	5-Year Compound Growth Rate	2010		2009[1]		2008	
		Dollars	%	Dollars	%	Dollars	%
For the Year							
Net sales	3.5%	$ 6,512.7	100.0	$ 5,952.7	100.0	$ 6,710.4	100.0
Gross profit	4.3	1,826.0	28.0	1,586.5	26.7	1,727.0	25.7
Marketing, general and administrative expense	6.8	1,370.4	21.0	1,268.8	21.3	1,304.3	19.4

Figure 4.6 Source: Avery Dennison, annual report 2010

Specific division information about marketing and sales costs could not be provided

4.9.2 Research and Development costs

The research and product development is an important key activity of 3M. It is a basic element of 3M's sales growth. The total expenses of the 3M Research, development were $1.434 billion dollar in 2010, $1.285 billion dollar in 2009 and $1.391billion dollar in 2008, which illustrates figure 4.7. (Investing Business week, 2011, "*Financial Statements for 3M CO (MMM)"* section). In 2010 the total expenditure of Avery Dennison was $95.6 million dollar, because of the research, design and testing of new products and applications. In 2009 the total expenditure was $90.7 million dollar and the company spend $94 million dollar for research and product development in 2008. (Avery Dennison, annual report 2010, "*Research and Development* " section, p.36). Specific division information about research and development costs could not be provided.

Annual | Income Statement | Balance Sheet | Cash Flow

Currency in Millions of U.S. Dollars	As of: Dec 31 2007 Restated USD	Dec 31 2008 Restated USD	Dec 31 2009 USD	Dec 31 2010 USD	4-Year Trend
Revenues	24,462.0	25,269.0	23,123.0	26,662.0	
TOTAL REVENUES	**24,462.0**	**25,269.0**	**23,123.0**	**26,662.0**	
Cost of Goods Sold	12,671.0	13,257.0	11,999.0	13,831.0	
GROSS PROFIT	**11,791.0**	**12,012.0**	**11,124.0**	**12,831.0**	
Selling General & Admin Expenses, Total	4,989.0	5,093.0	4,816.0	5,479.0	
R&D Expenses	1,372.0	1,391.0	1,285.0	1,434.0	
OTHER OPERATING EXPENSES, TOTAL	**6,361.0**	**6,484.0**	**6,101.0**	**6,913.0**	

Figure 4.7. 3M Income Statement (Investing Business week, 2011).

4.9.3 Total costs

The 3M total costs of goods sold were $13.831 billion dollar in 2010, $11.999 billion dollar in 2009 and $13.257 billion dollar in 2008, which is illustrated in figure 4.7. (Investing Business week, 2011, "*Financial Statements for 3M CO (MMM)"* section). Specific division information could not be provided. The total Avery Dennison costs of products sold were nearly $4.7 billion dollar in 2010, $4.366 billion dollar in 2009 and nearly $5 billion dollar in 2008, which is illustrated in figure 4.8. Avery Dennison, annual report 2010, "*Analysis of results of operations*" section, p.17). Specific division information about the total costs could not be provided.

Income (Loss) Before Taxes: (In millions)	2010	2009	2008
Net sales	$ 6,512.7	$ 5,952.7	$ 6,710.4
Cost of products sold	4,686.7	4,366.2	4,983.4
Gross profit	1,826.0	1,586.5	1,727.0

Figure 4.8 Source: Avery Dennison, annual report 2010

5. Results of survey analysis

At this point the findings of the online survey, based on the various elements of the successful companies 3M and Avery Dennison, will be reported. The survey was conducted between April 2011 and June 2011 among 101 participants with the age of 16 years and older. The outcome is based on distributor's, converters, influencers, end-users which are familiar with the companies (80%) and on customers with a public perception (20%).The main question of the survey is: Why they think 3M and Avery Dennison are successful companies? 57% of the respondents were men , 43% of the respondents were between the 26 and 35 years old and 49% of the respondents were from the Netherlands. 62% of the respondents is highly educated. An outstanding number of 91% of total respondents uses internet as information source, followed by TV 82%, friends, colleagues and family 75% and social media 65%. 74% of the total respondents are familiar with both companies or just 3M (10%). The awareness among the customers is not very high; 85% of the 20 customer respondents has never heard of 3M or Avery Dennison before. This could be due to the fact that the respondents are not aware of the fact that the other brands used by the companies are also part of the main 3M or Avery Dennison brand. Post-it for example, is well known among many people, but is not very well known as an 3M product. 74% of the total respondents have seen advertisements of both companies and 21 % never saw any advertisement of these companies. Of the people who answered yes, 85% of the respondents have seen 3M advertisements in business magazines , business mail 79% , email newsletters 74% and internet banners 65%. Only 29 % have seen 3M advertisements in social media and just 9% on TV. 84%

have seen Avery Dennison advertisements in business magazines, email newsletters 81%, business mail 79% and internet banners 73%. Only 25% have seen Avery Dennison advertisements in social media and only 1% on TV. The advertisements of the companies appealed a bit for 42% of the respondents. 27% answered neutral and 5% were very appealed or not so much appealed.

The major part of the total questionnaires (31%) is active in the logistics, 29% is active at a wholesaler, 11% at industrial manufacturing and 10% in finance and retail. 14% of them is manager, 11% is engineer, 8% is sales executive and 6% is marketer /pr/advertiser.50% of total respondents uses 3M products, 21 % uses Avery Dennison products and 9% uses products of both companies. 21% does not use any products of 3M or Avery Dennison. 78% of the users of 3M products selected the brand as a reason to use their products, 69% selected the image of the company, 63% the innovative character, 55% the functioning of the product, 53% the durability of the product, 47% selected experiences of other users. 40 % selected added value. Attractiveness, easy to use and high principles has been selected by 31%. 68% of the users of Avery Dennison products selected the image of the company as a reason to use their products, 65% selected the brand, 50% the innovative character, 45% the relation price / quality, 38% durability and 35% selected experiences of other users as a reason. In this survey 34% of the 80 people which are familiar with 3M and Avery Dennison are end-users. 28% are distributors, 20% are converters, 10% are influencers and 8% answered other. It is very important to find out how these companies can get more brand awareness. This following question **"How can 3M and Avery Dennison get more brand awareness?"** is proposed to all respondents. A enormous number of 36 respondents answered with the proposal to increase the public publicity of the companies. Many of them think this is possible by means of TV commercials. Other important suggestions were: Combining the name 3M / Avery Dennison to their existing several brands used in different markets, sponsoring of big (sport) events, put the focus on youth, increase the use of banners on websites and offer media press conferences. So why the respondents think 3M and Avery Dennison are successful companies? The most given answers of 3M and Avery Dennison users to the question **"What makes 3M successful?"** were: The many innovations (by far the most given answer), The high quality products and the strong brand name. Trust, easy to use, good service, added value, strong technology, investments in Research & Development, being a world leader in most product lines and attractiveness of the products were also mentioned as successful key elements. A major negative outcome is the price of the product. 3M conducts expensive prices for their products compared to other companies. The most given answers of 3M and Avery Dennison users to the question "**What makes Avery Dennison successful?"** were: The high quality products, the price/quality relation, the reasonable price of the products and their innovative character. The strong brand name, good service, worldwide operative and market-conformable pricing were also mentioned as successful key factors for Avery Dennison. The negative outcome is the quality of

the products compared to other players in this market, in this case 3M. In case of position, it is important how people compare 3M with Avery Dennison. It attracts the attention that persons or companies, such as converters, distributors and influencers are loyal to the company they are related to and consider them as favorite and more successful. The respondents answered the following question: "**Which company (3M of Avery Dennison) is in your opinion the most successful…?", 3M because…… Avery Dennison because……,** as follows: The 3M (semi) products users are satisfied about the 3M website, good products, bigger range of products, 3M is better known as a company name, more innovative and good service. The Avery Dennison (semi)products users are satisfied with the good products, the price / quality relation and innovative products. (Appendix XV, Survey Results).

6. Conclusion

In this paper the main question is; What are successful companies? Having an unique business model with striving for integration, consistency and solidarity in the interpretation of their business model, awareness in which market/business they are operative, being able taking risks and to influence the company branch in which they are operative, are characteristics of successful ventures. Successful ventures strive for the development and the implementation of their strategy. (Strategie management, 2009, "*Kenmerken van succesvolle ondernemingen*" section, para 5). Successful factors are service and brand & image, a wide range of the assortment, human capital/talent, an unique offer, the competitiveness and innovation.
It is necessary to make an overview of the management to examine if these characteristics and factors are present. This is possible by means of a business model which describes all facets necessary to generate revenue and profit. The business model canvas developed by Alex Osterwalder is the best way to explain a business model. It demonstrates the logic of how a company wants to make money. In this paper the business model canvas is used to compare two different business models of the graphic and reflective divisions of the two market leading worldwide operating companies 3M and Avery Dennison. These division business models are based on the core principles of both companies. Both companies are very comparable. 3M and Avery Dennison are diversified technology companies with a global presence in various businesses and have excellent growth potential and solid valuation.(Ezine articles, 2006, "A Financial Analysis of 3M Company" secton, para 1). Big investments in the research & development departments which results in high quality innovation, employment programs, outstanding customer relationships, customer-focused marketing approach, awareness for sustainability, great leadership and having a product leadership strategy applied to all establishments worldwide are key elements of both companies.
The outcomes of the survey (send to distributor's, buyers, converters, influencers and customers

with several questions such as: **Why they think 3M and Avery Dennison are successful companies?**) emphasize and confirm that both companies are very successful. After analyzing the results it became clear that global player 3M has a strong well known brand name among its business worldwide. The company delivers innovative and attractive high quality products, invented by means of their successful Research and Development department combined with good quality service. This resulted in trust among their users and a world leading position in most of its product lines. Because of the quality and research, a higher price must be paid for 3M products compared to their competitor Avery Dennison. The global operative company Avery Dennison offers products of high quality with a reasonable market-conformable price. The company has an innovative character, offers good quality service and has a strong brand name in its businesses. These are successful key factors for Avery Dennison due to the respondents of the survey. The negative outcome is the quality of the product, which is less compared to 3M. It attracts the attention that related business partners are familiar with the companies but the public perception of the 3M and Avery Dennison brand awareness is low. Public publicity should expand their brand awareness in order to increase their public exposure. Which venture refers more to the term of successful company? They are each other's largest competitor by comparing both graphic and reflective division business models. Both division had encouraging sales growth and nearly $ 4 billion dollar net earnings in 2010. The differences are minimum between these divisions, but the company in total gives disruption. According to the survey, 3M has a bigger worldwide brand awareness and produces products which are qualitatively better than Avery Dennison. 3M is by means of their customer-focused marketing approach world leader in most of its product lines and has a more powerful R & D department. An investigation clarifies that successful innovation has no link with the amount of the budget according to big ventures. Successful innovation has to do with the long period goal of a company. If such an aim is carried by the complete organization, other people within the organization can suggest real and targeted ideas as well. (Molblog, 2006, "*De 4de dimensie in innovatie*" section, para 1-6). The success of 3M is that all divisions are involved with the Research & Development in order to combine 3M core technologies. Once a year it invites all of the company's Research & Development staff to a convention, where everyone can see what everyone else is working on. Ghallabhansali, 2011, "*3M's Seven Pillars of Innovation*" section, para 4). 3M does not focus on just one industry but can make money with a section of its business while another section's growth slows. The company will not experience any dramatic share price fallout either. (Ezine articles, 2006, "A Financial Analysis of 3M Company" secton, para 3). Because of this 3M is independent of other divisions whereas Avery Dennison is dependent on the Graphic and Reflective Solutions segment, which ensures 56 percent of the total net earnings of the company in 2010. In contrast to Avery Dennison, 3M visits the end-user and intervening parties whereas Avery

Dennison outsources these actions to their distribution network. By this way 3M can exercise more influence to intervening parties and end-users. Both companies are successful. 3M offers higher quality products and Avery Dennison is more cost-conscious. By means of both division business models, the core principles of both companies, the turnovers and profit margins can be concluded that 3M has all the characteristics and factors a successful company requires.

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Appendix I

Transcript of mail interview with Mony de Roos (Senior. Marcom Manager. at Avery Dennison) April, 2011

Figure 1.1

Business model Graphics & Reflective division

Terug naar Berichten

Groepeer berichten op discussie om berichten te zien die bij dit bericht horen.

Vrolijk, E.W. Toevoegen aan contactpersonen
Aan Mony.de.Roos@eu.averydennison.com

26-4-2011
Beantwoorden

1 bijlage (14,0 kB)

Hotmail Interactieve weergave

BCM Avery...docx
Online weergeven
Downloaden (14,0 kB)

Downloaden als zip

Beste mevrouw de Roos,

Ik heb u vanmiddag gesproken over het feit dat ik nu bezig ben met mijn eindscriptie. Deze schrijf ik over successful companies waarbij ik mij richt op de Graphics & Reflective solutions division van Avery Dennison

Ik heb een document bijgevoegd waarin ik alle 9 onderdelen van het business model bespreek. Ik heb al enige informatie maar ik wil controleren of dit klopt. Ik heb de vragen geel gemarkeerd.

Kunt mij hierbij helpen?
Het zijn geen bedrijfsgevoelige vragen. Ik wil het algemeen houden, maar het moet natuurlijk wel kloppen.

Alvast bedankt en met vriendelijke groeten,

Elmor Vrolijk

Figure 1.2

Re: Business Model Avery graphics

Terug naar Berichten

Groepeer berichten op discussie om berichten te zien die bij dit bericht horen.

Mony.de.Roos@eu.averydennison.com Toevoegen aan contactpersonen

Aan -L-mor Vrolijk

1-5-2011

Beantwoorden

Beste Elmor,
Ik heb nog geen reactie van legal en voordat ik die reactie krijg zal ik geen informatie kunnen verstrekken.
Zodra ik iets van ze hoor laat ik het je weten.

Groet,
Mony

Mony G. de Roos | Senior Marketing Communications Manager
Avery Dennison | Graphics & Reflective Solutions
Mobile +31 (0)6 15 66 94 25

AVERY DENNISON Inspired Brands. Intelligent World.™

From:	-L-mor Vrolijk <elmorvrolijk@hotmail.com>
To:	<mony.de.roos@eu.averydennison.com>
Date:	29-04-2011 22:26
Subject:	Business Model Avery graphics

Figure 1.3

Re: Business model Graphics & Reflective division

Terug naar Berichten

Groepeer berichten op discussie om berichten te zien die bij dit bericht horen.

Mony.de.Roos@eu.averydennison.com Toevoegen aan contactpersonen

Aan elmorvrolijk@hotmail.com

16-5-2011

Beantwoorden

1 bijlage (46,1 kB)

Hotmail Interactieve weergave

BCM Avery...doc
Online weergeven
Downloaden (32,0 kB)

Downloaden als zip

Zoals beloofd.

Met vriendeiljke groet,
Mony

Mony G. de Roos | Senior Marketing Communications Manager
Avery Dennison | Graphics & Reflective Solutions
Mobile +31 (0)6 15 66 94 25

AVERY DENNISON Inspired Brands. Intelligent World.™

Word document BCM Avery obtained from mail

In geel gemarkeerd de antwoorden van Mony de Roos

1. **Customer segments:**

   retail business, printers, distributors, designers, advertising agencies, government agencies, sign manufacturers and graphic vendors.
   Zijn dit alle klantsegmenten?
   Response Mony de Roos:
   Digital printers, sign shops and applicators.
   All of the above in the areas of Fleet and Architectural solutions, Traffic and Safety solutions and Transportation & Oem solutions.

2. **Value proposition:**

   The main value proposition for the Graphic & Reflective Solutions division of Avery Dennison is films and reflective materials. Combined with the Integrated Component System (ICS) Project Warranty Program.
   Zijn dit de juiste waardeproposities?
   Response Mony de Roos:
   Onze NA website geeft goed aan waar het om draait.
   Onder onze divisie vallen dus Avery Graphics Media en Avery Dennison Reflective materials.
   Zie: http://www.na.averygraphics.com/

3. **Channels**

   Communicatiekanalen: e-mail, fax, telephone and letter zijn de meest voorkomende communicatiekanalen
   Internet is the most used and cost-efficient
   Versturen jullie ook interne post?
   Heeft Avery een soort van Intranet?
   Hoe heet het CRM systeem van Avery?
   Wat is het automation system van Avery waarin alle bedrijfsprocessen vermeld staan?
   Hoe is de after sales van de G & R division?
   Response Mony de Roos:
   Qua commincatie de bovengenoemde plus Direct Mail programmas, electronisch communicatie zoals website en e-newsletters. Communicatie kanalen zijn bovendien natuurlijk ook onze eigen CRM salesforce en ons distributie netwerk. Zij verspreiden een hoop van onze folders omtrent onze producten en oplossingen.

   <u>Distributiekanalen</u>

   Directly to users, Wholesalers, Retailers, Jobbers, Distributors, Dealers
   Zijn dit alle juiste distributiekanalen?
   Response Mony de Roos:
   Ik weet niet wat je met jobbers bedoelt. Verder correct.

4. **Klantrelaties**

   Workshops Avery Graphics Workshops: (alleen europa?)
   Demonstratie op de werkvloer
   Heeft de R & G division een Key Account Management programma?
   Zijn dit de juiste relaties die jullie met de klanten aangaan?
   Response Mony de Roos:
   Wij hebben een eigen sales team die direct met de grootste klanten involved zijn. Daarnaast worden een hoop klanten via ons distributie netwerk bediend.
   We hebben ook evenementen en workshops voor onze klanten waar zijn zich op kunnen inschrijven.

Daarnaast hebben we de Avery Academy – een soort online workshop programma: http://www.academy.averygraphics.com/user/login

5. **Inkomstenstromen**

- Vaste catalogusprijzen,
- Onderhandeling, marktafhankelijk, volumeafhankelijk,
- Goederenverkoop,
- Product en performance fees
- Persoonlijke verkoop via het sales management (in mindere mate dan 3M)
- Direct-mailmarketing,
- Webshops

Response Mony de Roos:
De belangrijkste inkomenstromen zijn vanzelfsprekend door de verkoop van onze producten en diensten. Deze verkoop varieert zoals eerder gezegd van direct verkoop (door onze eigen sls. Organisatie) tot verkoop via onze distributeurs, die de materialen bij ons inkopen.

6. **Key resources / value configuration**

Wat zijn jullie key resources en welke zijn het duurst?
Response Mony de Roos:
Hier kan ik helaas geen antwoord op geven.

7. **Kernactiviteiten**

- Marketing
- Research & Development
- Marketing & sales.
- Wat zijn de kernactiviteiten en welke zijn het duurst?

Response Mony de Roos:
Dit zijn de juiste kernactiviteiten, ik kan echter geen verdere gedetailleerde informatie verstrekken omtrent de onderlinge verhoudingen tussen deze activiteiten.

8. **Key partners**

Wat is het netwerk van leveranciers en partners van de G & R afdeling?
Response Mony de Roos:
We hebben de bedrijven waar wij onze grondstoffen inkopen. Hier mag ik geen namen noemen.
We hebben daarnaast ons distributienetwerk. Deze kun je vinden op onze website.
http://www.europe.averygraphics.com/mainFL.asp?chapterid=24

9. **Kostenstructuur**

Research & Development
Productie
Marketing & Sales
Vaste kosten (salarissen, huur, fysieke productiefaciliteiten)
Zijn dit de belangrijkste kosten?
Response Mony de Roos:
Dit zijn de belangrijkste posten. Ik kan echter geen verdere gedetailleerde informatie verstrekken omtrent de onderlingen verhoudingen tussen deze activiteiten mbt kosten.

Appendix II

Transcript of mail interview with Maurice Vos (Marketing Manager Benelux region Display & Graphics at 3M) May, 2011

Figure 2.1

-L-mor Vrolijk
Aan mvos@mmm.com
9-5-2011
Beantwoorden

Beste Maurice,

Ten eerste top dat je mij van de juiste info wilde voorzien.

Ik heb hier kort nog wat laatste vraagjes over.

Avery focust zich met hun graphic afdeling dus alleen op distribution en heeft haar communicatie uitbesteed aan distributie. Avery focust dus niet op influencers en converters

3M (D&G) focust op zowel distributors, converters en influencers

De distribution van Avery is dus sterker zoals je vertelde.

Nu is mijn vraag;
Wat is dan de meerwaarde voor 3M tov Avery in de communicatie met de influencers, converters en distributie om de hele groep te benaderen terwijl Avery deze hele groep laat benaderen door distributie? Is het dan juist het persoonlijke contact wat de meerwaarde heeft? En als de distributie van Avery sterker is, wat is dan de betekenis van het woord sterker in dit geval?

Mijn andere vraag is

Naast het brand en new product winstmodel heeft D&G het Product pyramide winst model

Zou je mij dit winstmodel nog eens kunnen uitleggen met betrekking tot D&G?

Heb je nog eventueel (een) presentatie(s) en/of afbeeldingen gerelateerd aan mijn onderzoek?

Alvast bedankt en met vriendelijke groet,

Figure 2.2

Re: Vraagje
Terug naar Berichten
Groepeer berichten op discussie om berichten te zien die bij dit bericht horen.

mvos@mmm.com Toevoegen aan contactpersonen
Aan -L-mor Vrolijk
10-5-2011
Beantwoorden

Elmor,
Zie antwoorden in rood.

3M
Maurice Vos | Marketing Manager Benelux region
Display & Graphics
Industrieweg 24, 2382 NW, Zoeterwoude | The Netherlands
Office: +31 71 54 50 475 | Mobile: +31 622 51 28 35 | Fax: +31 71 54 50 430
mvos@mmm.com | www.3M.com

From:	-L-mor Vrolijk <elmorvrolijk@hotmail.com>
To:	<mvos@mmm.com>
Date:	09-05-2011 18:40
Subject:	Vraagje

Figure 1.3

Beste Maurice,

Ten eerste top dat je mij van de juiste info wilde voorzien.

Ik heb hier kort nog wat laatste vraagjes over.

Avery focust zich met hun graphic afdeling dus alleen op distribution en heeft haar communicatie uitbesteed aan distributie. Avery focust dus niet op influencers en converters

3M (D&G) focust op zowel distributors, converters en influencers

De distribution van Avery is dus sterker zoals je vertelde.

Nu is mijn vraag;
Wat is dan de meerwaarde voor 3M tov Avery in de communicatie met de influencers, converters en distributie om de hele groep te benaderen terwijl Avery deze hele groep laat benaderen door distributie? Is het dan juist het persoonlijke contact wat de meerwaarde heeft? En als de distributie van Avery sterker is, wat is dan de betekenis van het woord sterker in dit geval? **Door direct contact te hebben met eindgebruikers en influencers is het mogelijk om materiaal keuze te specificeren. Hierdoor vindt deze keuze niet meer plaats bij converters waar vele concurrenten actief zijn. De focus van Avery op distributie heeft ervoor gezorgd dat hun positie hier sterker is, wat tot een marktleiderschap heeft geleid. Dit is in het verleden ook gekomen door een veel breder pakket aan producten waar 3M vroeger met name top producten had en minder in de breedte.**

Mijn andere vraag is

Naast het brand en new product winstmodel heeft D&G het Product pyramide winst model

Zou je mij dit winstmodel nog eens kunnen uitleggen met betrekking tot D&G? **Verkoop producten met toegevoegde waarde in alle delen van de pyramide is hetgeen 3M doet, waarbij nieuwe innovatieve producten met toegevoegde waarde voor de gebruiker continue worden toegevoegd**

Heb je nog eventueel (een) presentatie(s) en/of afbeeldingen gerelateerd aan mijn onderzoek?
Presentaties kunnen we niet delen. Check de website voor afbeeldingen ed.

Alvast bedankt en met vriendelijke groet,

Figure 1.4

Re: Final question

Terug naar Berichten

mvos@mmm.com Toevoegen aan contactpersonen
Aan -L-mor Vrolijk

9-6-2011
Beantwoorden

Elmor,
Avery komt alleen bij de distributeur met een accountmanager en stimuleert deze met salestools, bonusplannen etc. om zoveel mogelijk Avery te verkopen. De distributeur zorgt dus voor de push naar de verwerkers/signmakers. Avery heeft geen/zeer beperkte pull bij de eindklant (klant van de signmaker).

3M
Maurice Vos | Marketing Manager Benelux region
Display & Graphics
Industrieweg 24, 2382 NW, Zoeterwoude | The Netherlands
Office: +31 71 54 50 475 | Mobile: +31 622 51 28 35 | Fax: +31 71 54 50 430
mvos@mmm.com | www.3M.com

From:	-L-mor Vrolijk <elmorvrolijk@hotmail.com>
To:	<mvos@mmm.com>
Date:	01-06-2011 17:54
Subject:	Final question

Appendix III

Transcript of interview with Maurice Vos (Marketing Manager Benelux region Display & Graphics at 3M) May, 2011

Antwoorden van Maurcie Vos zijn geel gemarkeerd

1. **Customer segments**

   Retail business, printers, distributors, designers, advertising agencies, government agencies, sign manufacturers and graphic vendors are target customers
   Zijn dit alle klantsegmenten?
   Response Maurice Vos:
   The market segments in which both selected divisions of the companies operate are Fleet, Vehicle/Automotive, Architectural/Retail, Facility managers, Promotional/Advertising, and Traffic/Safety. Traffic Safety bestaat uit de wegbeheerder, welke is onderverdeeld in gemeente, provincie en staat.

2. **Value proposition:**
   Films and reflective materials combined with the other important value propositions sponsoring innovation, protecting the creative individual, solving problems in a way that makes people's lives better via high quality reliable and friendly for the environment products supported by an excellent service,
   Zijn dit de juiste waardeproposities?
   Response Maurice Vos:
   Films and reflective materials inderdaad, die de verkeersveiligheid vergroten, uitstraling van gebouwen vergroten die de corporate identity van grote merken ondersteunt en sustainability,

3. **Channels**

   De communicatiekanalen binnen 3M weet ik. Dit zijn: e-mail, fax, telephone and (interne) post
   Response Maurice Vos:
   Correct

   Distributiekanalen

   Directly to users, Retailers,, Distributors, Dealers
   Zijn dit de juiste distributiekanalen?
   Response Maurice Vos:
   Correct

4. **Klantrelaties**

   Key Account management program
   Workshops
   information-exchange
   Demonstrations on the work floor
   The 3M Sign maker training
   Zijn dit de juiste klantrelaties?
   Response Maurice Vos:
   Correct

5. **Inkomstenstromen**

   - Vaste catalogusprijzen,
   - Onderhandeling, marktafhankelijk, volumeafhankelijk,
   - Goederenverkoop,

- Product en performance fees → product bonus
- Persoonlijke verkoop via het sales management
- Direct-mailmarketing,
- Webshops

Response Maurice Vos:
Allemaal correct, waarbij volumeafhankelijk te maken heeft met de groei van de omzet van de distributeur t.o.v. vorig jaar. Er is onderhandeling mogelijk waarbij distributeurs (afhankelijk van hun betalingsgedrag) beloond kunnen worden met bonussen.

6. Key resources / value configuration

Strong brand name
Patenten
CRM (Customer Relationship Management)
3M staff policy
Response Maurice Vos:
Klopt

7. Kernactiviteiten

Marketing/Sales
Productie
Research & Development
product innovatie
Distribution network
Response Maurice Vos:
Klopt Productie zit in Hilden (Deutschland)
Research & Development met als gevolg product innovatie

8. Key partners

Distributors, converters, influencers, Spgams,
Response Maurice Vos:
Correct! Daarnaast end users zoals bijv ABN-AMRO en Nedtrein. Bij de Traffic Safety Systems business unit spelen tenders ook een belangrijke rol.

9. Kostenstructuur

Research & Development
Productie
Marketing & Sales
Vaste kosten (salarissen, huur, fysieke productiefaciliteiten)
Response Maurice Vos:
Klopt

Overige gestelde vragen:

- Waarom is 3M succesvol?

Response Maurice Vos:
Vooral vanwege de sterke Research & Development afdeling met productinnovatie als gevolg

- Wat zijn de belangrijkste verschillen tussen 3M en Avery in dit marktsegment?

Response Maurice Vos:
Door direct contact te hebben met eindgebruikers en influencers is het mogelijk om materiaal keuze te specificeren. Hierdoor vindt deze keuze niet meer plaats bij converters waar vele concurrenten actief zijn. De focus van Avery op distributie heeft ervoor gezorgd dat hun positie hier sterker is,

wat tot een marktleiderschap heeft geleid. Dit is in het verleden ook gekomen door een veel breder pakket aan producten waar 3M vroeger met name top producten had en minder in de breedte. Avery richt zich meer op de distributie. Deze distributeurs hebben hun eigen communicatie die vervolgens de andere groepen benaderd. Avery zelf heeft dus niet of nauwelijks direct contact met de eindklanten. 3M benadert alle groepen.
Daarnaast heeft 3M vooral premium products. Premium houdt meerwaarde in. Deze premium products worden vooral voor grote eindprojecten gebruikt. Deze meerwaarde komt wel terug in de prijs die iets hoger ligt dan bij Avery. De prijs/kwaliteit bij 3M is dus iets hoger dan bij Avery. Daarnaast heeft 3M t.o.v Avery meer specials en een ruimer productaanbod. Dit komt uiteraard mede door de grotere investeringen in Research & Development. De technologieën beginnen vooral bij 3M. De R&D van Avery is ook erg sterk maar zij investeren minder waardoor er toch met een schuin oog gekeken wordt naar nieuwe innovaties van 3M waardoor varianten verschijnen.

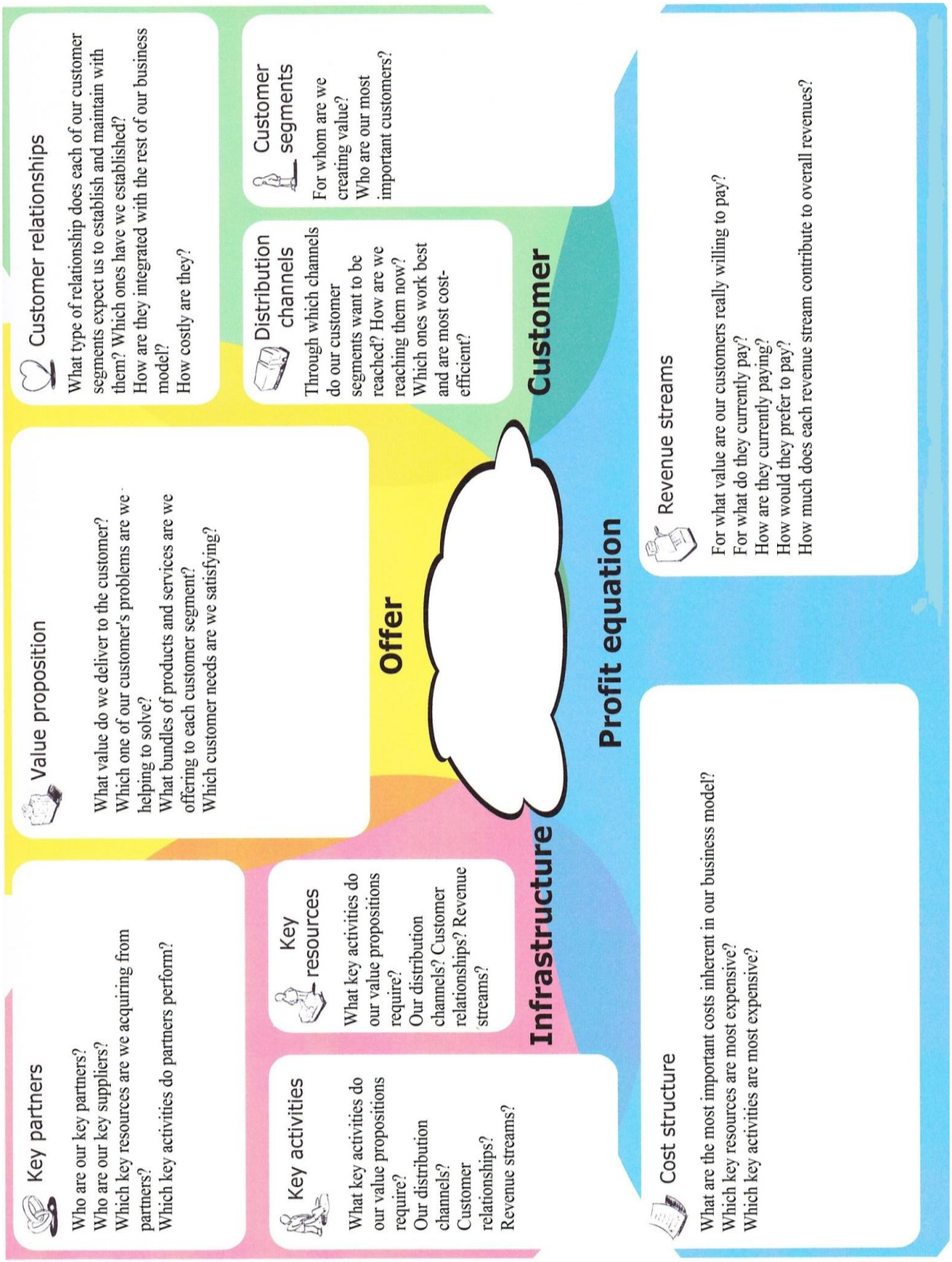
Figure 3.9 distribution network 3M en Figure 3.10 Distribution network Avery Dennison verkregen aan de hand van deze informative.

- Is het business model van 3M Display & Graphics wereldwijd hetzelfde?

Response Maurice Vos:
Nee. Grotendeels hetzelfde, maar het is per land bepaald

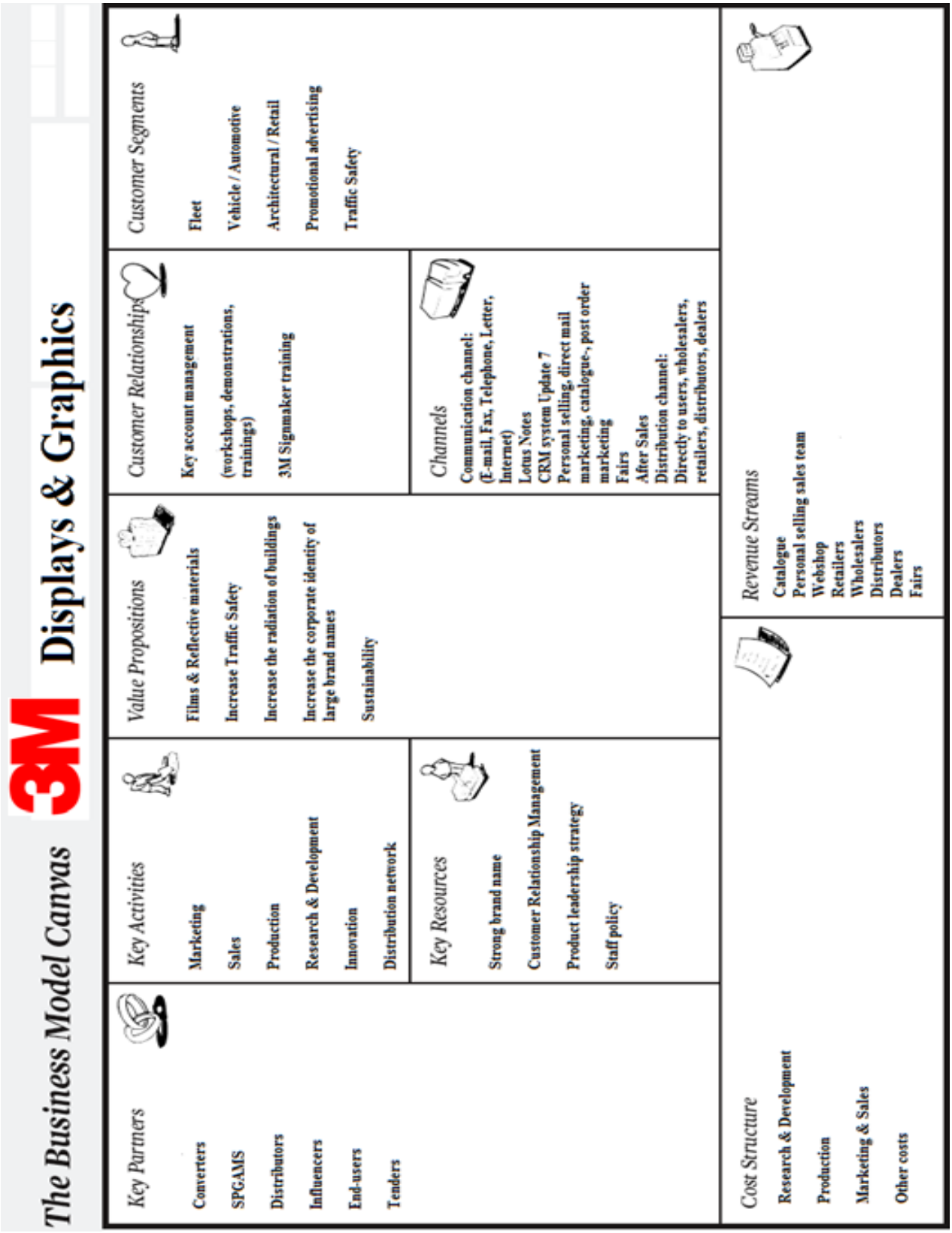
Appendix IV

Business Model Canvas questions overview



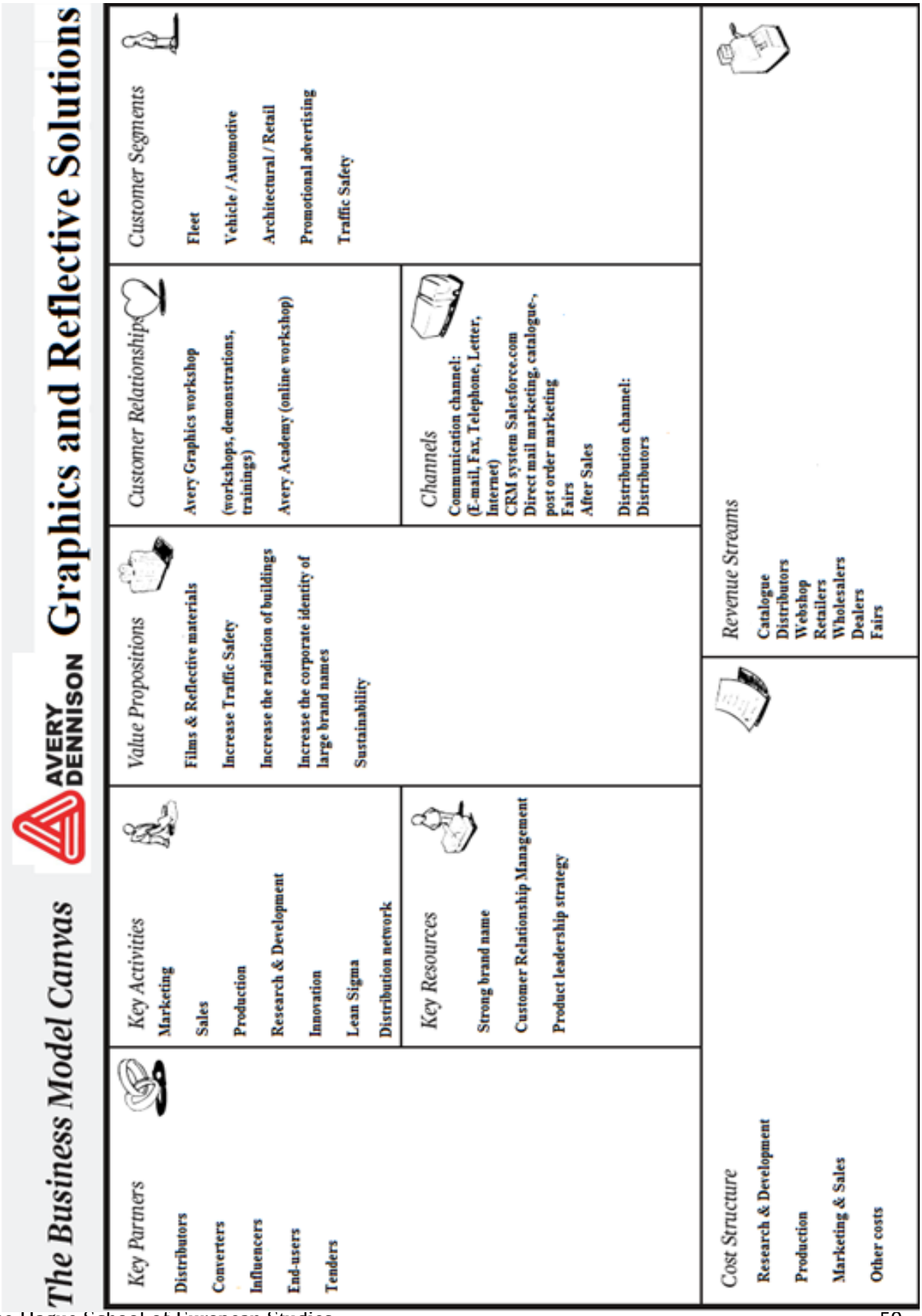
Appendix V

Business Model Canvas 3M Displays & Graphics



Appendix VI

Business Model Canvas Avery Dennison Graphics and Reflective Products Division



Appendix VII

3M at a Glance

History at a glance

3M was founded in 1902 at the Lake Superior town of Two Harbors, Minn. Five businessmen set out to mine a mineral deposit for grinding-wheel abrasives. But the deposits proved to be of little value, and the new Minnesota Mining and Manufacturing Co. quickly moved to nearby Duluth to focus on sandpaper products. Years of struggle ensued until the company could master quality production and a supply chain. New investors were attracted to 3M, such as Lucius Ordway, who moved the company to St. Paul in 1910. Early technical and marketing innovations began to produce successes and, in 1916, the company paid its first dividend of 6 cents a share.

- The world's first waterproof sandpaper, which reduced airborne dusts during automobile manufacturing, was developed in the early 1920s.

- A second major milestone occurred in 1925 when Richard G. Drew, a young lab assistant, invented masking tape – an innovative step toward diversification and the first of many Scotch® Pressure-Sensitive Tapes.

- In the following years, technical progress resulted in Scotch® Cellophane Tape for box sealing and soon hundreds of practical uses were discovered.

- In the early 1940s, 3M was diverted into defense materials for World War II, which was followed by new ventures, such as Scotchlite™ Reflective Sheeting for highway markings, magnetic sound recording tape, filament adhesive tape and the start of 3M's involvement in the graphic arts field with offset printing plates.

- In the 1950s, 3M introduced the Thermo-Fax™ copying process, Scotchgard™ Fabric Protector, videotape, Scotch-Brite™ Cleaning Pads and several new electro-mechanical products.

- Dry-silver microfilm was introduced in the 1960s, along with photographic products, carbonless papers, overhead projection systems, and a rapidly growing health care business of medical and dental products.

- Markets further expanded in the 1970s and 1980s into pharmaceuticals, radiology and energy control.

- In 1980, 3M introduced Post-it® Notes, which created a whole new category in the marketplace and changed people's communication and organization behavior forever.

- In the 1990s, sales reached the $15 billion mark. 3M continued to develop an array of innovative products, including immune response modifier pharmaceuticals; brightness enhancement films for electronic displays; and flexible circuits used in inkjet printers, cell phones and other electronic devices.

- In 2004, sales topped $20 billion for the first time, with innovative new products contributing significantly to growth. Recent innovations include Post-it® Super Sticky Notes, Scotch® Transparent Duct Tape, optical films for LCD televisions and a new family of Scotch-Brite® Cleaning Products that give consumers the right scrubbing power for a host of cleaning jobs.

3M 100 jaar innovatie

Businesses at a glance

Office & Consumer

The 3M office and consumer products offer a broad pallet of renewing products which keep the interior of houses cleaner, arrange offices better and maintain buildings better. The products have the world famous brands such as Post-it®, Scotch®, Scotch-Brite®, Filtrete™, O-Cel-O™, Nexcare™, and Command™.

Display en graphics

3M uses his powerful technology platforms and offers products which are daily used in the entire world. These products are films for display improvement, reflecting materials, eye catching graphic applications, projection systems etc.

Electronics, Electrical & Telecommunication

The 3M technology has one of the best solutions for customers in electronics, electrical and communication sectors. 3M provides a contribution to the realization of reliable electricity supplies, powerful electronic devices and fast and reliable networks in telecommunication.

Health Care

3M is a world leader in the field of medical and oral care products, supply systems for medicines and health information. 3M offers renewing and reliable products which help professional medical providers improving the quality of health care.

Industry & Transport

3M Introduces thousands of renewing products on the market, including tapes, abrasives, glue, specialized material and filter systems for several market, such as the car- and aviation sector to renewable energy and electronics.

Safety, Protection & Security

The 3M products, such as personal protective equipment, safety and security products, trace solutions etc. raise the security, safety and productivity of people, installations and systems in the entire world. 3M is also a prominent supplier of roof covering material for asphalt roofing tiles.

3M Brands

De merken van 3M garanderen kwaliteit, innovatie en betrouwbaarheid.

Wij hebben daarom veel trouwe klanten. 3M investeert gericht in promotie van een geselecteerd aantal merken. Allemaal bieden ze praktische oplossingen, die helpen het dagelijks werk snel, gemakkelijk en succesvol te doen.

Scotch®

Het eerste product onder de merknaam Scotch® was een afplakband. Hierdoor konden voor het eerst auto's probleemloos in verschillende kleuren worden gelakt. Dit was in 1925, en de eerste van de honderden verschillende Scotch®-tapes die daarna uitgevonden werden.

Filtrete™

Een schoner milieu begint bij filtratieproducten. Hiermee worden vloeistoffen en lucht effectief gezuiverd. Ondersteund door ons wereldwijde supportnetwerk een van de sterkste merken in de branche.

ScotchPrint®

Brengt uw ideeën tot leven. Ontdek de communicatiemogelijkheden van vloeren, wanden en ramen, en zorg dat uw borden en vrachtwagens opvallen in het verkeer.

Nexcare™

Professionele wond- en blessureverzorging voor thuis. Nexcare™ EHBO-producten zijn ontwikkeld voor de actieve familie. Zij omvatten een keur aan ademende foliepleisters en pleisters voor natte en droge omstandigheden en producten voor diverse huid- en wondtypen.

Scotchgard™

Scotchgard is in 1956 door Patsy Sherman uitgevonden. De merknaam staat voor bescherming. Houd uw spullen langer mooi met behulp van Scotchgard™ producten.

Vikuiti™

Doet verrassende dingen met licht om uw kijk op de wereld te veranderen. Slimme oplossingen ter verbetering en bescherming van uw gegevens, kennis, imago en eigendommen.

Post-it® Notes

Pas 30 jaar, maar al wereldberoemd: Post-it® Notes, de zelfklevende memoblaadjes. Het geheim zit in het lijmlaagje, dat geweldig kleeft, maar ook weer gemakkelijk loslaat. Post-it® Notes spelen in menige film en tv-serie een rol en veroverden in recordtijd bijna alle huishoudens en kantoren.

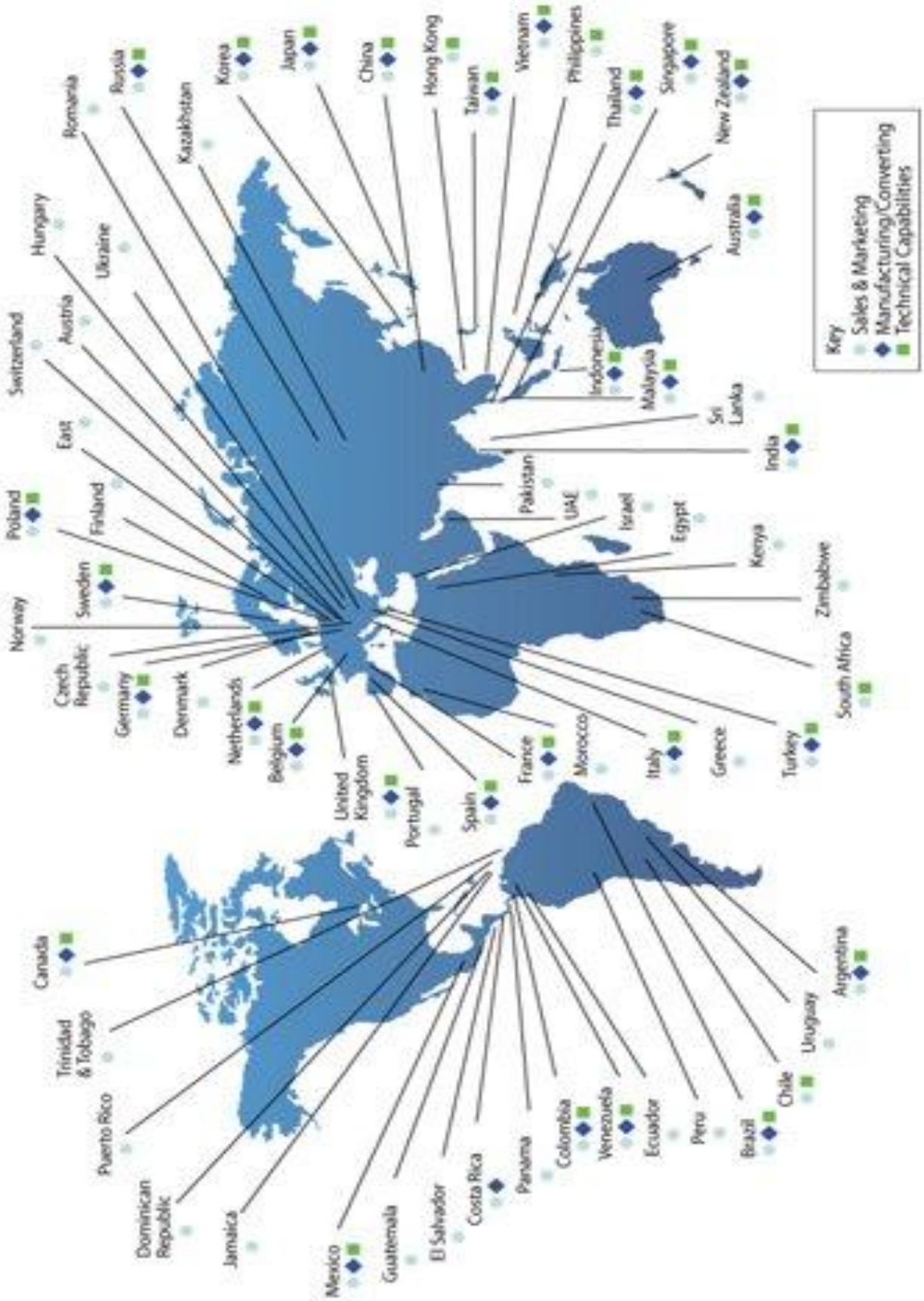
Command™

Slimme zelfklevende strips om in een handomdraai zonder gaten of gereedschap muurvast fotolijsten, handdoeken of posters op te hangen. Het verwijderen kan zonder het risico van beschadiging van de muur.

Scotch-Brite™

Snel, eenvoudig en effectief schoonmaken, ontroesten, schuren, metaal bewerken etc. Voor zowel het lichte en zware professionele werk als voor thuis.

3M global company



Appendix VIII

Avery Dennison at a Glance

History at a glance

1935
R. Stanton Avery manufactures the first self-adhesive label in a 100- square-foot loft in Los Angeles, California, and pioneers an Industry

1945
Fasson self-adhesive base materials business begins, and the first base materials plant in Painesville, Ohio, is constructed.

1955
The Company establishes its first overseas subsidiary in Leiden, Holland.

1956
H. Russell Smith appointed president and chief executive officer.

1967
The Company is included on New York Stock Exchange (AVY).

1971
First diaper tape closure tapes developed.

1974
Avery Dennison pressure-sensitive materials are used in the first U.S. self-adhesive stamp and the company is included on the Fortune list of the 500 largest U.S. industrial corporations.

1977
Charles D. Miller named president and chief executive officer.

1982
Company headquarters moves to a new Corporate Center in Pasadena, California.

1985
Sales reach $1 billion dollars with 9,000 employees, 100 manufacturing facilities and sales offices in 25 countries.

1987
Avery Research Center opens.

1988
First print your-own label.

1990
Merger with Dennison Manufacturing.

1992
World's first pressure-sensitive postage stamp for vending through automated teller machines developed.

1995
Kunshan, China, pressure sensitive materials plant opens, the Company's first investment in China and the first environmentally
friendly, solvent-free plant in China.

1998
Philip M. Neal named president and chief executive officer.

2000
Avery Dennison Self-Adhesive Label Conversion College opened in Kunshan, China.

2002
Company acquires Jackstädt GmbH, RVL Packaging and L&E Packaging.

2005
Dean A. Scarborough elected president and chief executive officer and first content insensitive RFID label created.

2006
Sales reach $5.6 billion, 22,000 employees in 247 manufacturing facilities and sales offices around the world and Philip M. Neal Asia Pacific Research Center opens in Kunshan, China.

2007
Avery Dennison acquires Paxar.

2008
Largest coating machine in Asia Pacific region opens in Guangzhou, China, and new pressure sensitive materials production facility opens in Pune, India.

2009
Avery Dennison's first pressure-sensitive materials distribution center in Japan opens in Tomisato City, Japan.

Businesses at a glance

Avery Dennison businesses at a glance*

Segment	Pressure-sensitive Materials	Retail Information Services	Office and Consumer Products	Other Specialty Converting Businesses
Businesses	> Roll Materials > Graphics and Reflective Products	> Information and Brand Management > Printer Systems > Fastener	> Office Products	> Specialty Tape > Radio Frequency Identification (RFID) > Industrial and Automotive Products > Performance Films > Business Media > Security Printing
Sales In Millions	$3,300	$1,323	$849	$480
Percentage of Total Sales	56%	22%	14%	8%
Brands	Fasson® Avery Graphics® Avery Dennison®	Avery Dennison® Monarch®	Avery®	Avery Dennison®
Products	Pressure-sensitive roll materials, flexible packaging, roll-fed shrink film, water- and solvent-based performance polymer adhesives and engineered films, graphic imaging media and reflective materials	Solutions throughout the retail supply chain, in-store information, permanent branding and point-of-sale branding products	Self-adhesive labels, binders, sheet protectors, dividers, online templates and printing, writing instruments, T-shirt transfers and do-it-yourself card products	Specialty tapes, industrial adhesives, architectural and engineered films, automotive exterior films and labels, functional packaging labels, point-of-purchase and display tags, metalized pigments, self-adhesive postage stamps, RFID inlays and durable tags
Markets	Home and personal care, food, beverages, wine and spirits, beer, pharmaceutical and healthcare, durables, variable information, fleets, architecture, traffic, safety and transportation original equipment manufacturing	Retail brand owners and manufacturers, apparel and hard goods retail stores and supply chains, food service stores and supply chains, logistics, pharmaceuticals, automotive and other manufacturers	Professional, personal and on-the-go organization and identification, education	Architectural, apparel, automotive, building and construction, consumer, durables, electronics, graphic arts, industrial, logistics, medical and healthcare, retail point of purchase and security printing
Customers	Global label converters, brand owners, consumer products package designers, packaging engineers and manufacturers, industrial manufacturers, printers, designers, government agencies, sign manufacturers and graphic vendors	Global retailers and brand owners, apparel and consumer goods manufacturers, restaurant and food service chains, grocery and drug store chains, and a variety of other industries	Office products superstores, major retailers, office professionals, school administrators, small business owners and consumers	Industrial and original equipment manufacturers, medical products and device manufacturers, converters, packagers and consumer products companies

*As published in the Avery Dennison 2009 Annual Report

Contents
Vision and commitment
Sustainability strategy
More sustainable products
More sustainable processes
More sustainable purpose
Contact us

Avery Dennison Brands

Avery Dennison®

As a product and business brand, Avery Dennison identifies a wide spectrum of solutions for retail apparel ticketing and branding systems, printing, fasteners, specialty tape, industrial adhesives, RFID inlays, traffic sign materials, postage stamps and durable tags.

Fasson®

Market-leading Fasson-brand pressure-sensitive paper, film and foil roll materials are used to produce a variety of self-adhesive labels for beverage, health and beauty and food packaging products worldwide.

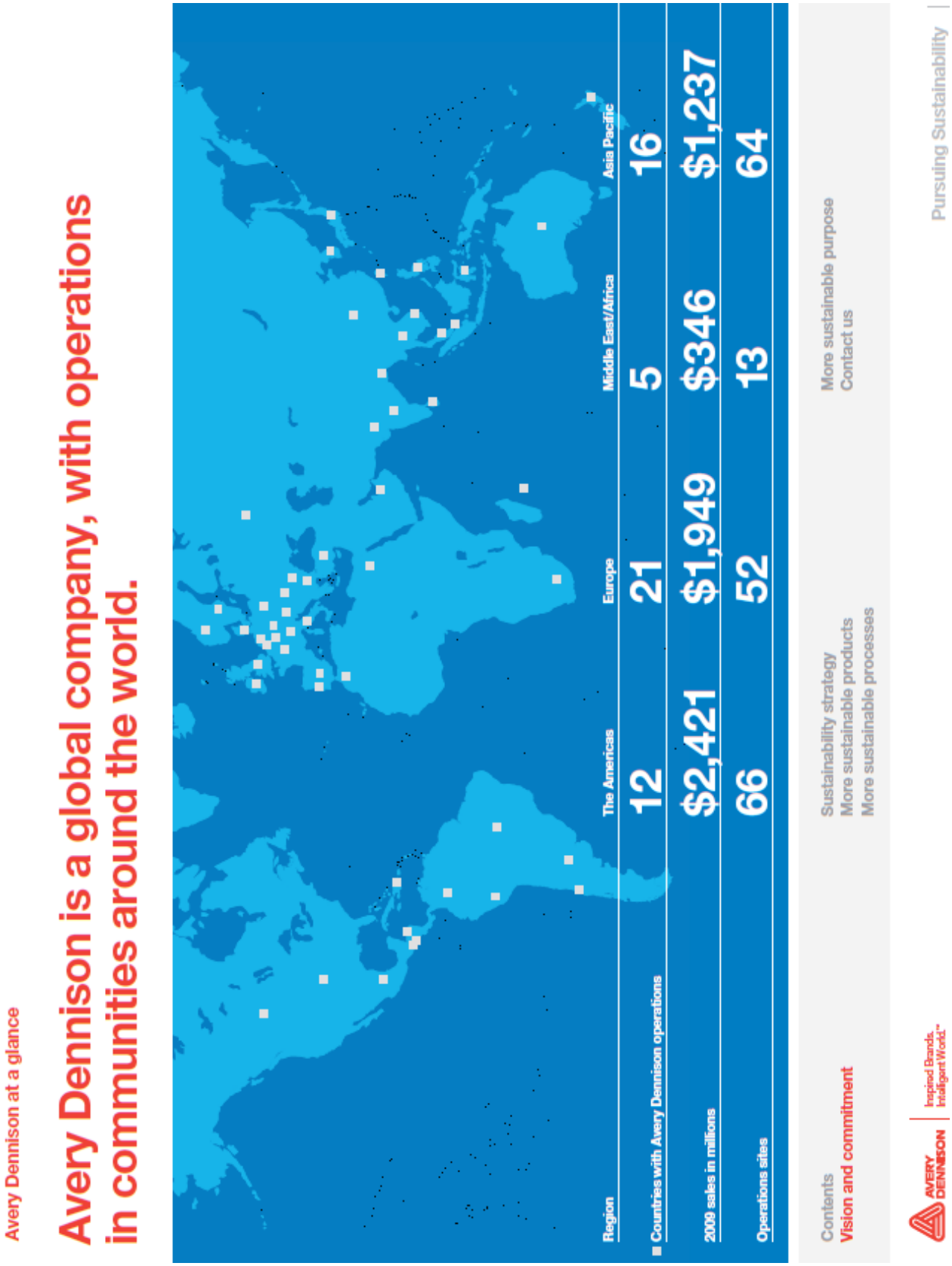
Avery®

Avery-brand products include self-adhesive labels for laser and ink-jet printers, labeling software, binders, sheet protectors, index and tab dividers and other office, home and school-related supplies.

Avery Graphics™

Avery Graphics business produces a wide range of high-performance, pressure-sensitive vinyl and specialty materials designed for digital imaging, screen printing, vehicle and building wraps, banners and commercial signs.

Avery Dennison as global company



Appendix IX
Product catalogue 3M Displays & Graphics

Printfolies
- Premium folies
- Intermediate folies
- Promotionele folies
- Specialiteiten
- Hoogglanzende laminaten voor digitaal printen
- Glanzende laminaten voor digitaal printen
- Matte laminaten voor digitaal printen

Snijfolies
- Gekleurde snijfolies
- Decoratieve raamfolies
- Folies voor speciale effecten

Zeefdrukfolies
- Premium folies
- Intermediate folies
- Promotionele folies
- Specialiteiten

Lichtreclame folies
- Algemene lichtreclame folies
- Speciale lichtreclame folies

Inkten & toners
- Piëzo Inktjet inkten
- Zeefdruk inkten
- Thinners & clear coats

Lichtreclame doek
- 3M™ Panaflex™ 945 GPS flexibel lichtreclamedoek met vuilwerende werking
- 3M™ Panagraphics™ II Intermediate flexibel lichtreclamedoek

Reflecterende folies
- 3M™ Scotchlite™ reflecterende 680 CRE folie met Comply™
- 3M™ Scotchlite™ reflecterende 680 folie
- 3M™ Scotchlite™ reflecterende 580 E folie

Overige folies & laminaten
- 3M™ DI-NOC™ Interieur & Exterieur folies
- 3M™ Scotchcal™ 3640 GPS hoogglanzend laminaat
- 3M™ Scotchcal™ 3642 GPS mat laminaat
- 3M™ Scotchcal™ 639 hoogglanzend laminaat
- 3M™ Scotchgard™ 8991 anti-grafitti laminaat
- 3M™ Scotchcal™ Window Frame film 8181

Tools & accessoires
- Applicatie tools & accessoires
- Edge sealers
- Premasking tapes
- Prespacing tapes
- Schoonmaak & verwijderingssystemen

Appendix X

Product catalogue Avery Dennison Graphics and Reflective Solutions

1 Signage

Avery Graphics™ films voor computergestuurde signcutting
1.1 Opake films
1.2 Producten voor lichtbakken
1.3 Window Graphics films
1.4 Speciale films
1.5 Reflecterende films voor wegverkeer, veiligheids-markeringen, en opvallende markeringen
1.6 Aanvullende signmaking producten

2 Digital

Avery Graphics™ films voor grootformaat digitaal printen: UV-uithardende, solvent en eco-solvent inkten
2.1 Glanzende, witte films
2.2 Matte, witte films
2.3 Translucente, witte films
2.4 Transparante films
2.5 Films voor speciale toepassingen

Avery Graphics™ overlamineerfilms voor digitaal geprinte graphics
2.6 Glanzende overlamineerfilms
2.7 Matte overlamineerfilms
2.8 Overlamineerfilms met een lustre finish
2.9 Overlamineerfilms voor speciale toepassingen

3 Screen

Avery Graphics™ films voor zeefdruk
3.1 Opake films – Glanzende, witte films
3.2 Opake films – Matte, witte films
3.3 Opake films – Gekleurde films
3.4 Transparante films
3.5 Gemetalliseerde films en 'solid' folies
3.6 Speciale films

4 Banners

Banners, textielen en flexibele substraten
4.1 Banners en textielen
4.2 Flexibele substraten voor zelfklevende vinylfilms en digitaal gedrukte graphics

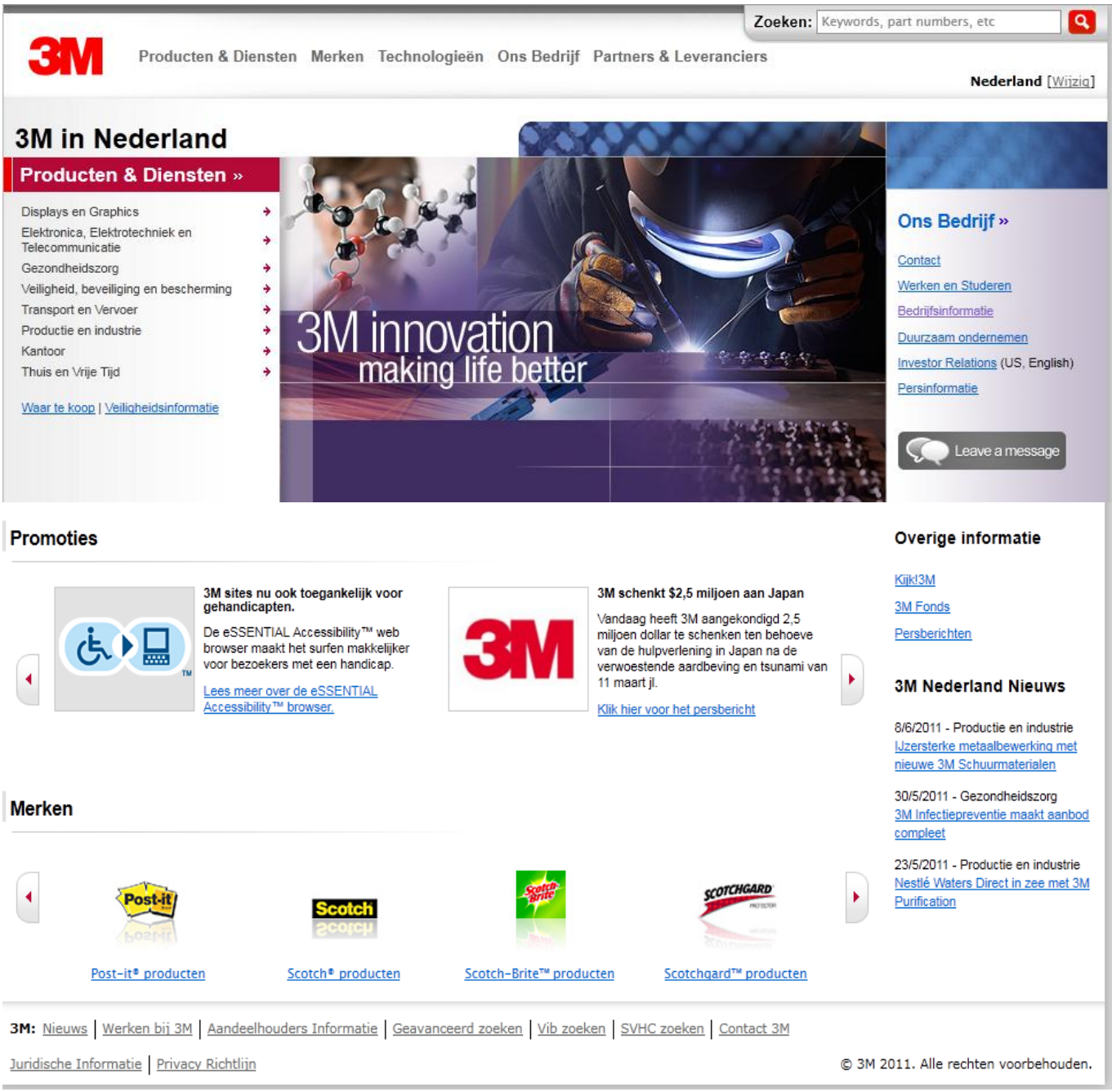
5 Avery® Tools

6 Avery® Professionele Workshops

7 Verklarende Woordenlijst

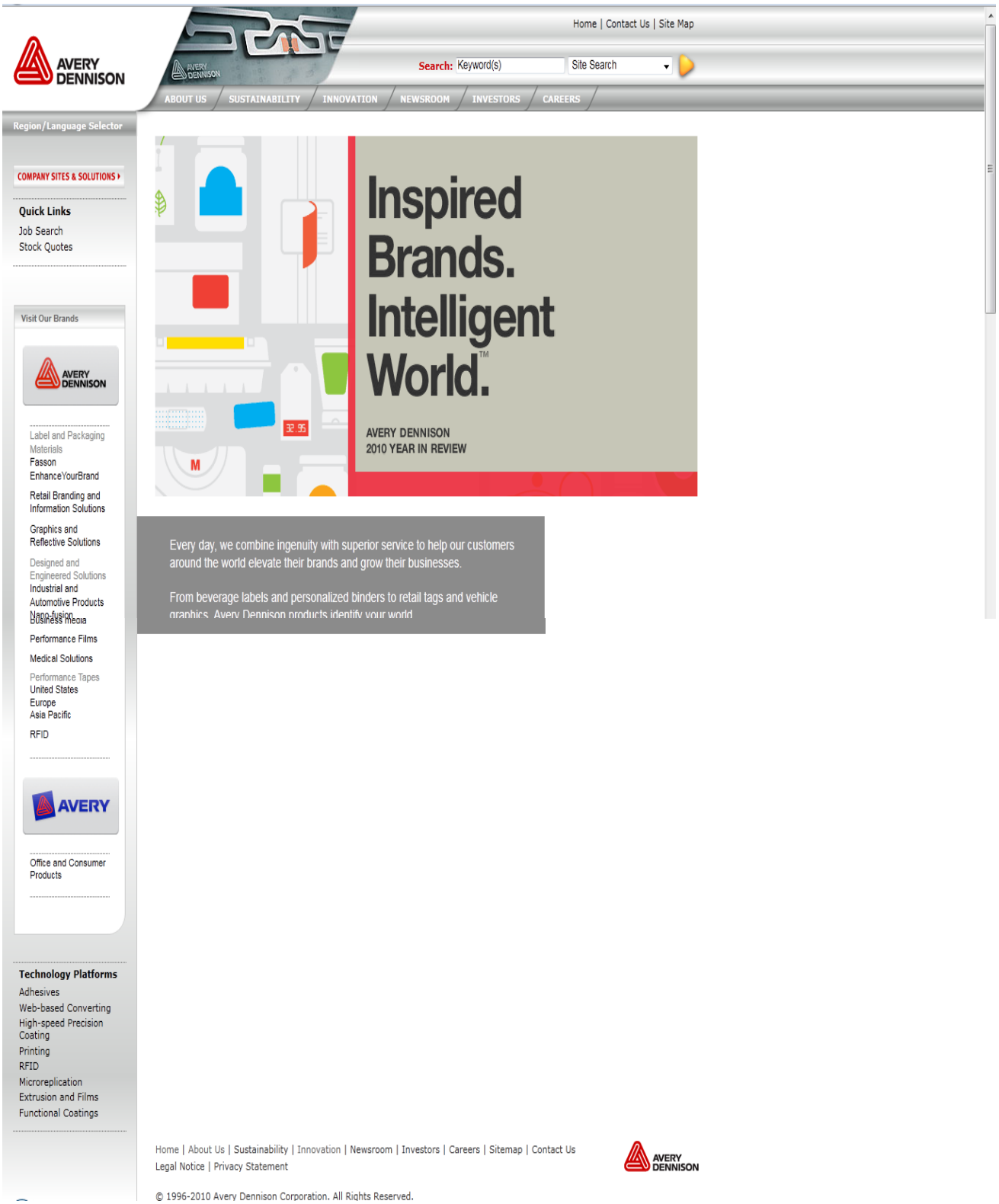
Appendix XI

Website 3M



Appendix XII

Website Avery Dennison



Appendix XIII

Financial Overview 3M

3M Income Statement

Annual | Income Statement | Balance Sheet | Cash Flow

Currency in Millions of U.S. Dollars	As of: Dec 31 2007 Restated USD	Dec 31 2008 Restated USD	Dec 31 2009 USD	Dec 31 2010 USD	4-Year Trend
Revenues	24,462.0	25,269.0	23,123.0	26,662.0	
TOTAL REVENUES	**24,462.0**	**25,269.0**	**23,123.0**	**26,662.0**	
Cost of Goods Sold	12,671.0	13,257.0	11,999.0	13,831.0	
GROSS PROFIT	**11,791.0**	**12,012.0**	**11,124.0**	**12,831.0**	
Selling General & Admin Expenses, Total	4,989.0	5,093.0	4,816.0	5,479.0	
R&D Expenses	1,372.0	1,391.0	1,285.0	1,434.0	
OTHER OPERATING EXPENSES, TOTAL	**6,361.0**	**6,484.0**	**6,101.0**	**6,913.0**	
OPERATING INCOME	**5,430.0**	**5,528.0**	**5,023.0**	**5,918.0**	
Interest Expense	-210.0	-215.0	-219.0	-201.0	
Interest and Investment Income	132.0	105.0	37.0	38.0	
NET INTEREST EXPENSE	**-78.0**	**-110.0**	**-182.0**	**-163.0**	
EBT, EXCLUDING UNUSUAL ITEMS	**5,352.0**	**5,418.0**	**4,841.0**	**5,755.0**	
Merger & Restructuring Charges	-86.0	-287.0	-209.0	--	
Gain (Loss) on Sale of Assets	849.0	-23.0	--	--	
EBT, INCLUDING UNUSUAL ITEMS	**6,115.0**	**5,108.0**	**4,632.0**	**5,755.0**	
Income Tax Expense	1,964.0	1,588.0	1,388.0	1,592.0	
Minority Interest in Earnings	-55.0	-60.0	-51.0	-78.0	
Earnings from Continuing Operations	4,151.0	3,520.0	3,244.0	4,163.0	
NET INCOME	**4,096.0**	**3,460.0**	**3,193.0**	**4,085.0**	
NET INCOME TO COMMON INCLUDING EXTRA ITEMS	**4,096.0**	**3,460.0**	**3,193.0**	**4,085.0**	

3M Balance Sheet

Annual | Income Statement | Balance Sheet | Cash Flow

Currency in Millions of U.S. Dollars	As of: Dec 31 2007 Restated USD	Dec 31 2008 Restated USD	Dec 31 2009 USD	Dec 31 2010 USD	4-Year Trend
Assets					
Cash and Equivalents	1,896.0	1,849.0	3,040.0	3,377.0	
Short-Term Investments	579.0	373.0	744.0	1,101.0	
TOTAL CASH AND SHORT TERM INVESTMENTS	**2,475.0**	**2,222.0**	**3,784.0**	**4,478.0**	
Accounts Receivable	3,362.0	3,195.0	3,250.0	3,615.0	
Other Receivables	220.0	130.0	110.0	92.0	
TOTAL RECEIVABLES	**3,582.0**	**3,325.0**	**3,360.0**	**3,707.0**	
Inventory	2,852.0	3,013.0	2,639.0	3,155.0	
Prepaid Expenses	410.0	552.0	657.0	555.0	
Deferred Tax Assets, Current	428.0	271.0	330.0	282.0	
Other Current Assets	91.0	215.0	25.0	38.0	
TOTAL CURRENT ASSETS	**9,838.0**	**9,598.0**	**10,795.0**	**12,215.0**	
Gross Property Plant and Equipment	18,390.0	18,812.0	19,440.0	20,253.0	
Accumulated Depreciation	-11,808.0	-11,926.0	-12,440.0	-12,974.0	
NET PROPERTY PLANT AND EQUIPMENT	**6,582.0**	**6,886.0**	**7,000.0**	**7,279.0**	
Goodwill	4,589.0	5,753.0	5,832.0	6,820.0	
Long-Term Investments	560.0	430.0	928.0	686.0	
Deferred Tax Assets, Long Term	176.0	1,053.0	625.0	648.0	
Other Intangibles	801.0	1,398.0	1,342.0	1,820.0	
Other Long-Term Assets	2,148.0	675.0	728.0	688.0	
TOTAL ASSETS	**24,694.0**	**25,793.0**	**27,250.0**	**30,156.0**	

LIABILITIES & EQUITY				
Accounts Payable	1,505.0	1,301.0	1,453.0	1,662.0
Accrued Expenses	1,456.0	1,595.0	1,609.0	1,680.0
Short-Term Borrowings	361.0	660.0	91.0	84.0
Current Portion of Long-Term Debt/Capital Lease	540.0	892.0	522.0	1,197.0
Current Portion of Capital Lease Obligations	--	--	--	12.0
Current Income Taxes Payable	543.0	350.0	252.0	358.0
Other Current Liabilities, Total	612.0	700.0	627.0	713.0
Unearned Revenue, Current	323.0	322.0	316.0	369.0
TOTAL CURRENT LIABILITIES	**5,362.0**	**5,839.0**	**4,897.0**	**6,089.0**
Long-Term Debt	4,019.0	5,166.0	5,097.0	4,183.0
Capital Leases	69.0	58.0	107.0	94.0
Minority Interest	325.0	424.0	538.0	354.0
Unearned Revenue, Non-Current	36.0	22.0	23.0	18.0
Pension & Other Post-Retirement Benefits	1,924.0	3,384.0	2,718.0	2,537.0
Deferred Tax Liability Non-Current	355.0	21.0	91.0	198.0
Other Non-Current Liabilities	857.0	999.0	1,015.0	1,020.0
TOTAL LIABILITIES	**12,622.0**	**15,489.0**	**13,948.0**	**14,139.0**
Common Stock	9.0	9.0	9.0	9.0
Additional Paid in Capital	2,785.0	3,006.0	3,153.0	3,468.0
Retained Earnings	20,316.0	22,227.0	23,753.0	25,995.0
Treasury Stock	-10,520.0	-11,676.0	-10,397.0	-10,266.0
Comprehensive Income and Other	-843.0	-3,686.0	-3,754.0	-3,543.0
TOTAL COMMON EQUITY	**11,747.0**	**9,880.0**	**12,764.0**	**15,663.0**
TOTAL EQUITY	**12,072.0**	**10,304.0**	**13,302.0**	**16,017.0**
TOTAL LIABILITIES AND EQUITY	**24,694.0**	**25,793.0**	**27,250.0**	**30,156.0**

3M Cash Flow

Annual | Income Statement | Balance Sheet | Cash Flow

Currency in Millions of U.S. Dollars	As of: Dec 31 2007 Restated USD	Dec 31 2008 Restated USD	Dec 31 2009 USD	Dec 31 2010 USD	4-Year Trend
NET INCOME	**4,096.0**	**3,460.0**	**3,193.0**	**4,085.0**	
Depreciation & Amortization	985.0	1,031.0	976.0	944.0	
Amortization of Goodwill and Intangible Assets	87.0	122.0	181.0	176.0	
DEPRECIATION & AMORTIZATION, TOTAL	**1,072.0**	**1,153.0**	**1,157.0**	**1,120.0**	
(Gain) Loss from Sale of Asset	-849.0	23.0	--	--	
Tax Benefit from Stock Options	-74.0	-21.0	-14.0	-53.0	
Change in Accounts Receivable	-35.0	197.0	55.0	-189.0	
Change in Inventories	-54.0	-127.0	453.0	-404.0	
Change in Accounts Payable	-4.0	-224.0	109.0	146.0	
Change in Income Taxes	183.0	-143.0	-147.0	255.0	
Change in Other Working Capital	-31.0	153.0	64.0	49.0	
CASH FROM OPERATIONS	**4,246.0**	**4,533.0**	**4,941.0**	**5,174.0**	
Capital Expenditure	-1,422.0	-1,471.0	-903.0	-1,091.0	
Sale of Property, Plant, and Equipment	103.0	87.0	74.0	25.0	
Cash Acquisitions	-539.0	-1,394.0	-69.0	-1,830.0	
Divestitures	897.0	88.0	5.0	--	
Investments in Marketable & Equity Securities	-406.0	291.0	-839.0	273.0	
CASH FROM INVESTING	**-1,367.0**	**-2,399.0**	**-1,732.0**	**-2,689.0**	
Short-Term Debt Issued	--	361.0	--	--	
Long-Term Debt Issued	4,024.0	1,756.0	41.0	108.0	
TOTAL DEBT ISSUED	**4,024.0**	**2,117.0**	**41.0**	**108.0**	
Short Term Debt Repaid	-1,222.0	--	-536.0	-24.0	
Long Term Debt Repaid	-1,551.0	-1,080.0	-519.0	-556.0	

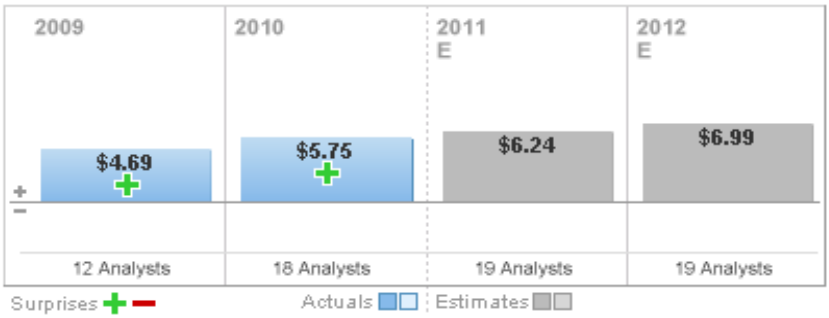
TOTAL DEBT REPAID	**-2,773.0**	**-1,080.0**	**-1,055.0**	**-580.0**
Issuance of Common Stock	796.0	289.0	431.0	666.0
Repurchase of Common Stock	-3,239.0	-1,631.0	-17.0	-854.0
Common Dividends Paid	-1,380.0	-1,398.0	-1,431.0	-1,500.0
TOTAL DIVIDEND PAID	**-1,380.0**	**-1,398.0**	**-1,431.0**	**-1,500.0**
Other Financing Activities	54.0	-63.0	17.0	39.0
CASH FROM FINANCING	**-2,518.0**	**-1,766.0**	**-2,014.0**	**-2,121.0**
Foreign Exchange Rate Adjustments	88.0	-415.0	-4.0	-27.0
NET CHANGE IN CASH	**449.0**	**-47.0**	**1,191.0**	**337.0**

3M Quarterly Earnings & Estimates

QUARTERLY EARNINGS & ESTIMATES - 3M CO (MMM)

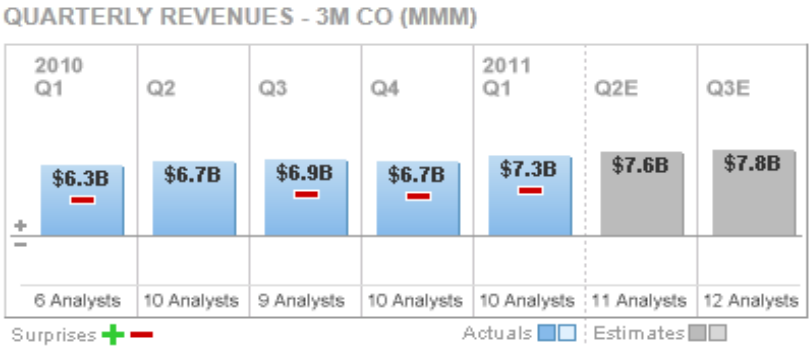
3M Co.'s Quarterly Earnings
3M Co. reported 1st quarter 2011 earnings of $1.49 per share on 04/26/2011.

ANNUAL EARNINGS & ESTIMATES - 3M CO (MMM)

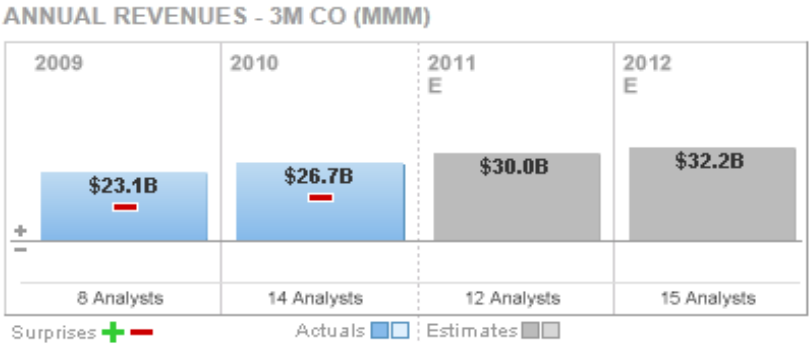


3M Co.'s Annual Earnings
3M Co. reported annual 2010 earnings of $5.75 per share on 01/25/2011.

3M Quarterly Revenues



3M Co.'s Quarterly Revenues
3M Co. had 1st quarter 2011 revenues of $7.3B. This bettered the $6.9B consensus of the 10 analysts covering the company. This was 9.0% above the prior year's 1st quarter results.

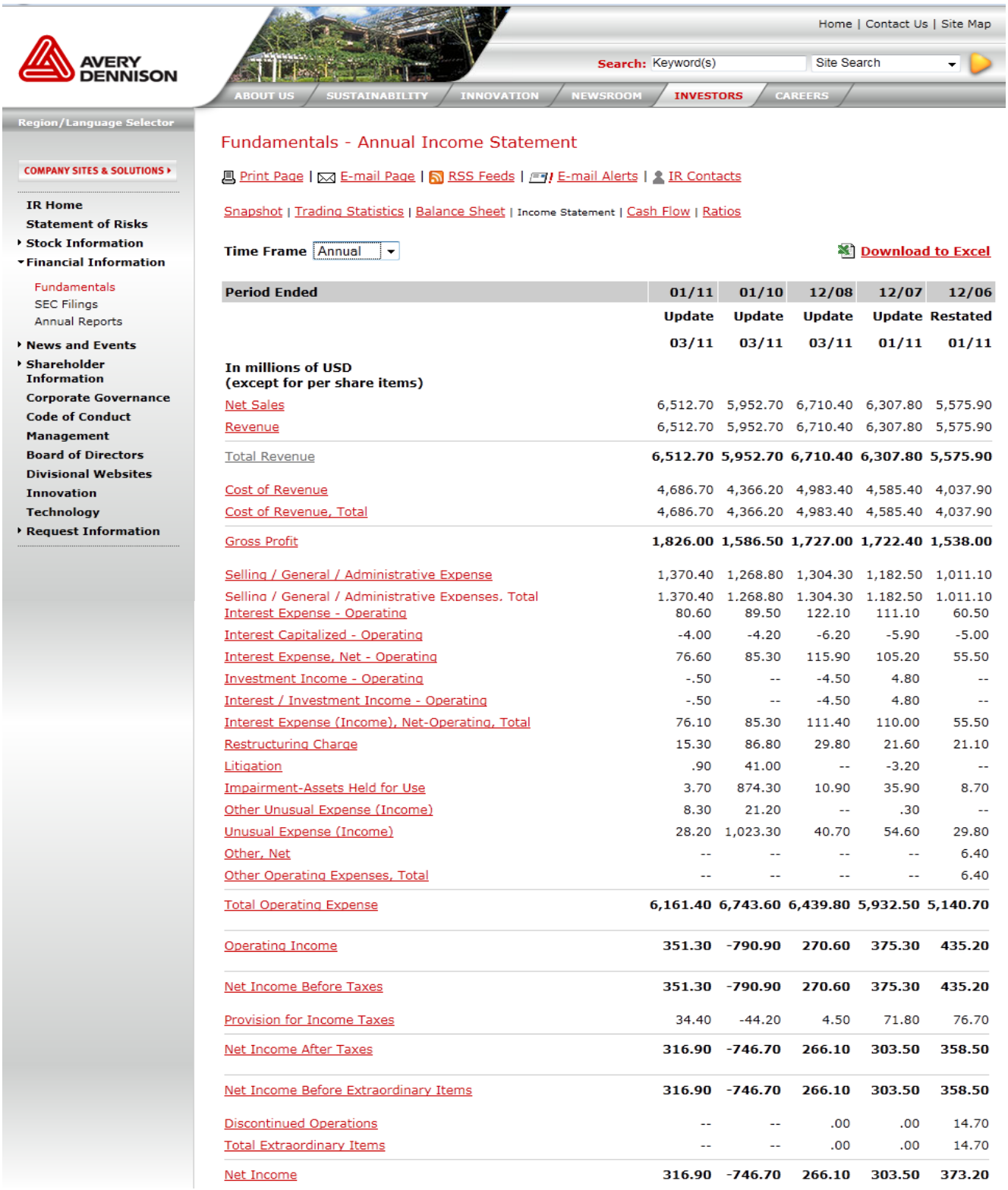


3M Co.'s Annual Revenues
3M Co. had revenues for the full year 2010 of $26.7B. This was 15.3% above the prior year's results.

Appendix XIV

Financial Overview Avery Dennison

Avery Dennison Income Statement



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Fundamentals - Annual Income Statement

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Snapshot | Trading Statistics | Balance Sheet | Income Statement | Cash Flow | Ratios

Time Frame Annual

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Period Ended	01/11	01/10	12/08	12/07	12/06
	Update	Update	Update	Update	Restated
	03/11	03/11	03/11	01/11	01/11
In millions of USD (except for per share items)					
Net Sales	6,512.70	5,952.70	6,710.40	6,307.80	5,575.90
Revenue	6,512.70	5,952.70	6,710.40	6,307.80	5,575.90
Total Revenue	**6,512.70**	**5,952.70**	**6,710.40**	**6,307.80**	**5,575.90**
Cost of Revenue	4,686.70	4,366.20	4,983.40	4,585.40	4,037.90
Cost of Revenue, Total	4,686.70	4,366.20	4,983.40	4,585.40	4,037.90
Gross Profit	**1,826.00**	**1,586.50**	**1,727.00**	**1,722.40**	**1,538.00**
Selling / General / Administrative Expense	1,370.40	1,268.80	1,304.30	1,182.50	1,011.10
Selling / General / Administrative Expenses, Total	1,370.40	1,268.80	1,304.30	1,182.50	1,011.10
Interest Expense - Operating	80.60	89.50	122.10	111.10	60.50
Interest Capitalized - Operating	-4.00	-4.20	-6.20	-5.90	-5.00
Interest Expense, Net - Operating	76.60	85.30	115.90	105.20	55.50
Investment Income - Operating	-.50	--	-4.50	4.80	--
Interest / Investment Income - Operating	-.50	--	-4.50	4.80	--
Interest Expense (Income), Net-Operating, Total	76.10	85.30	111.40	110.00	55.50
Restructuring Charge	15.30	86.80	29.80	21.60	21.10
Litigation	.90	41.00	--	-3.20	--
Impairment-Assets Held for Use	3.70	874.30	10.90	35.90	8.70
Other Unusual Expense (Income)	8.30	21.20	--	.30	--
Unusual Expense (Income)	28.20	1,023.30	40.70	54.60	29.80
Other, Net	--	--	--	--	6.40
Other Operating Expenses, Total	--	--	--	--	6.40
Total Operating Expense	**6,161.40**	**6,743.60**	**6,439.80**	**5,932.50**	**5,140.70**
Operating Income	**351.30**	**-790.90**	**270.60**	**375.30**	**435.20**
Net Income Before Taxes	**351.30**	**-790.90**	**270.60**	**375.30**	**435.20**
Provision for Income Taxes	34.40	-44.20	4.50	71.80	76.70
Net Income After Taxes	**316.90**	**-746.70**	**266.10**	**303.50**	**358.50**
Net Income Before Extraordinary Items	**316.90**	**-746.70**	**266.10**	**303.50**	**358.50**
Discontinued Operations	--	--	.00	.00	14.70
Total Extraordinary Items	--	--	.00	.00	14.70
Net Income	**316.90**	**-746.70**	**266.10**	**303.50**	**373.20**

Income Available to Common Excluding Extraordinary Items	**316.90**	**-746.70**	**266.10**	**303.50**	**358.50**
Income Available to Common Stocks Including Extraordinary Items	**316.90**	**-746.70**	**266.10**	**303.50**	**373.20**
Basic Weighted Average Shares	105.80	103.60	98.40	98.10	99.80
Basic EPS Excluding Extraordinary Items	3.00	-7.21	2.70	3.09	3.59
Basic EPS Including Extraordinary Items	3.00	-7.21	2.70	3.09	3.74
Dilution Adjustment	.00	.00	--	--	--
Diluted Net Income	**316.90**	**-746.70**	**266.10**	**303.50**	**373.20**
Diluted Weighted Average Shares	106.80	103.60	98.70	98.90	100.40
Diluted EPS Excluding Extraordinary Items	2.97	-7.21	2.70	3.07	3.57
Diluted EPS Including Extraordinary Items	2.97	-7.21	2.70	3.07	3.72
DPS - Common Stock Primary Issue	.80	1.22	1.64	1.61	1.57
Gross Dividends - Common Stock	88.70	134.90	175.00	171.80	171.80
Stock-Based Compensation, Supplemental	35.20	25.80	29.00	21.60	24.10
Interest Expense, Supplemental	76.60	85.30	115.90	105.20	55.50
Interest Capitalized, Supplemental	-4.00	-4.20	-6.20	-5.90	-5.00
Depreciation, Supplemental	172.90	187.60	204.60	184.10	153.80
Total Special Items	28.20	1,023.30	40.70	54.60	29.80
Normalized Income Before Taxes	**379.50**	**232.40**	**311.30**	**429.90**	**465.00**
Effect of Special Items on Income Taxes	2.76	358.16	.68	10.45	5.25
Income Taxes Excluding Impact of Special Items	37.16	313.96	5.18	82.25	81.95
Normalized Income After Taxes	**342.34**	**-81.56**	**306.12**	**347.65**	**383.05**
Normalized Income Available to Common	**342.34**	**-81.56**	**306.12**	**347.65**	**383.05**
Basic Normalized EPS	3.24	-.79	3.11	3.54	3.84
Diluted Normalized EPS	3.21	-.79	3.10	3.52	3.82
Amortization of Intangibles, Supplemental	74.70	79.70	73.80	19.90	11.10
Rental Expense, Supplemental	99.00	100.00	105.00	95.00	76.00
Advertising Expense, Supplemental	39.00	23.70	22.60	31.00	16.20
Research & Development Expense, Supplemental	95.60	90.70	94.00	95.50	87.90
Audit Fees	7.50	.30	8.80	9.10	7.40
Audit-Related Fees	.30	.30	.30	.90	.20
Tax Fees	3.10	3.70	6.00	5.10	3.70
All Other Fees	.00	.00	.00	.00	.00
Reported Gross Profit	1,826.00	1,586.50	1,727.00	1,722.40	1,538.00
Gross Margin	28.04	26.65	25.74	27.31	27.58
Operating Margin	5.39	-13.29	4.03	5.95	7.81
Pretax Margin	5.39	-13.29	4.03	5.95	7.81
Effective Tax Rate	9.79	--	1.66	19.13	17.62
Net Profit Margin	4.87	-12.54	3.97	4.81	6.43
Normalized EBIT	455.60	317.70	422.70	539.90	520.50
Normalized EBITDA	703.20	585.00	701.10	743.90	685.40
Current Tax - Domestic	-11.90	-13.10	4.30	23.90	-4.50
Current Tax - Foreign	97.90	58.60	126.70	80.80	73.80
Current Tax - Local	-3.60	2.00	3.90	1.30	4.70
Current Tax - Total	82.40	47.50	134.90	106.00	74.00
Deferred Tax - Domestic	-16.60	-49.00	-36.50	-15.40	12.10
Deferred Tax - Foreign	-38.60	-35.20	-96.20	-17.10	-25.20
Deferred Tax - Local	7.20	-7.50	2.30	-1.70	1.10
Deferred Tax - Total	-48.00	-91.70	-130.40	-34.20	-12.00
Other Tax	--	--	.00	.00	14.70

Income Tax - Total	34.40	-44.20	4.50	71.80	76.70
Interest Cost - Domestic	40.10	38.80	36.10	34.10	29.70
Service Cost - Domestic	23.80	18.90	19.50	18.50	19.20
Prior Service Cost - Domestic	.80	.80	1.10	1.90	1.90
Expected Return on Assets - Domestic	-48.40	-48.60	-50.90	-48.90	-46.80
Actuarial Gains and Losses - Domestic	20.20	9.30	6.00	9.60	8.00
Curtailments & Settlements - Domestic	2.40	.90	.00	.00	--
Transition Costs - Domestic	.00	.00	.00	.00	.00
Domestic Pension Plan Expense	38.90	20.10	11.80	15.20	12.00
Interest Cost - Foreign	24.50	25.80	28.10	24.10	19.60
Service Cost - Foreign	9.80	11.80	14.10	14.40	13.30
Prior Service Cost - Foreign	.50	.50	1.40	.70	.60
Expected Return on Assets - Foreign	-25.90	-26.80	-29.00	-24.40	-19.90
Actuarial Gains and Losses - Foreign	2.40	2.10	3.60	8.00	6.60
Curtailments & Settlements - Foreign	1.40	.20	-.10	.00	-1.80
Transition Costs - Foreign	-.50	-.60	-.60	-1.10	-1.30
Foreign Pension Plan Expense	12.20	13.00	17.50	21.70	17.10
Interest Cost - Post-Retirement	2.00	1.90	1.80	1.60	1.70
Service Cost - Post-Retirement	1.50	1.00	1.00	1.00	.90
Prior Service Cost - Post-Retirement	-2.00	-2.00	-2.00	-2.00	-1.90
Actuarial Gains and Losses - Post-Retirement	1.60	1.50	1.50	1.30	1.40
Curtailments & Settlements - Post-Retirement	.00	.00	.00	.00	.00
Post-Retirement Plan Expense	3.10	2.40	2.30	1.90	2.10
Defined Contribution Expense - Domestic	17.00	17.40	10.50	3.30	12.40
Total Pension Expense	71.20	52.90	42.10	42.10	43.60
Discount Rate - Domestic	6.00	6.60	6.55	5.90	5.75
Discount Rate - Foreign	5.72	5.74	5.53	4.67	4.49
Interest Cost - Post-Retirement	2.00	1.90	1.80	1.60	1.70
Service Cost - Post-Retirement	1.50	1.00	1.00	1.00	.90
Prior Service Cost - Post-Retirement	-2.00	-2.00	-2.00	-2.00	-1.90
Actuarial Gains and Losses - Post-Retirement	1.60	1.50	1.50	1.30	1.40
Curtailments & Settlements - Post-Retirement	.00	.00	.00	.00	.00
Post-Retirement Plan Expense	3.10	2.40	2.30	1.90	2.10
Defined Contribution Expense - Domestic	17.00	17.40	10.50	3.30	12.40
Total Pension Expense	71.20	52.90	42.10	42.10	43.60
Discount Rate - Domestic	6.00	6.60	6.55	5.90	5.75
Discount Rate - Foreign	5.72	5.74	5.53	4.67	4.49
Discount Rate - Post-Retirement	5.50	6.60	6.30	5.75	5.50
Expected Rate of Return - Domestic	8.75	8.75	8.75	8.75	8.75
Expected Rate of Return - Foreign	6.23	6.51	6.66	6.30	5.77
Compensation Rate - Domestic	3.59	3.59	3.59	3.59	3.59
Compensation Rate - Foreign	2.99	2.59	2.66	2.90	2.79
Total Plan Interest Cost	66.60	66.50	66.00	59.80	51.00
Total Plan Service Cost	35.10	31.70	34.60	33.90	33.40
Total Plan Expected Return	-74.30	-75.40	-79.90	-73.30	-66.70

For a more complete picture of our financial results, please review our SEC Filings

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AVERY DENNISON

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Appendix XV

Survey Results

What is your gender?

Male	57 (56.44 %)
Female	44 (43.56 %)

n = 101
# 101

What is your age?

18-25	6 (5.94 %)
26-35	43 (42.57 %)
36-50	33 (32.67 %)
50-65	15 (14.85 %)
66 years or older	4 (3.96 %)

n = 101
# 101

In which country / part of the world do you live?

The Netherlands	49 (48.51 %)
Europe	29 (28.71 %)
North America (United States & Canada)	9 (8.91 %)
Latin America	11 (10.89 %)
Asia	3 (2.97 %)
Africa	0 (0 %)
Oceania	0 (0 %)

n = 101
# 101

What is your highest level of education?

Primary education	2 (1.98 %)
Secondary education	15 (14.85 %)
Intermediate Vocational Training	22 (21.78 %)
Higher education	62 (61.39 %)

n = 101
# 101

Are you familiar with 3M and Avery Dennison?

Yes, both	74 (73.27 %)
Just 3M	10 (9.9 %)
Just Avery Dennison	0 (0 %)
No	17 (16.83 %)

n = 101
# 101

Which information sources do you use?
Several answers possible

Daily newspapers	41 (40.59 %)
Regional newspapers	13 (12.87 %)
Weekly news magazines	39 (38.61 %)
Social Media	65 (64.36 %)
TV	82 (81.19 %)
Radio	48 (47.52 %)
Internet websites	91 (90.1 %)
Family friends colleagues	75 (74.26 %)
Other	3 (2.97 %)

n = 101
# 457

Have you ever seen an advertisement of 3M or Avery Dennison?

Yes, both	74 (73.27 %)
Yes, of 3M -> skip question 9	6 (5.94 %)
Yes, of Avery -> go to question 9	0 (0 %)
None of both -> go to question 11	21 (20.79 %)

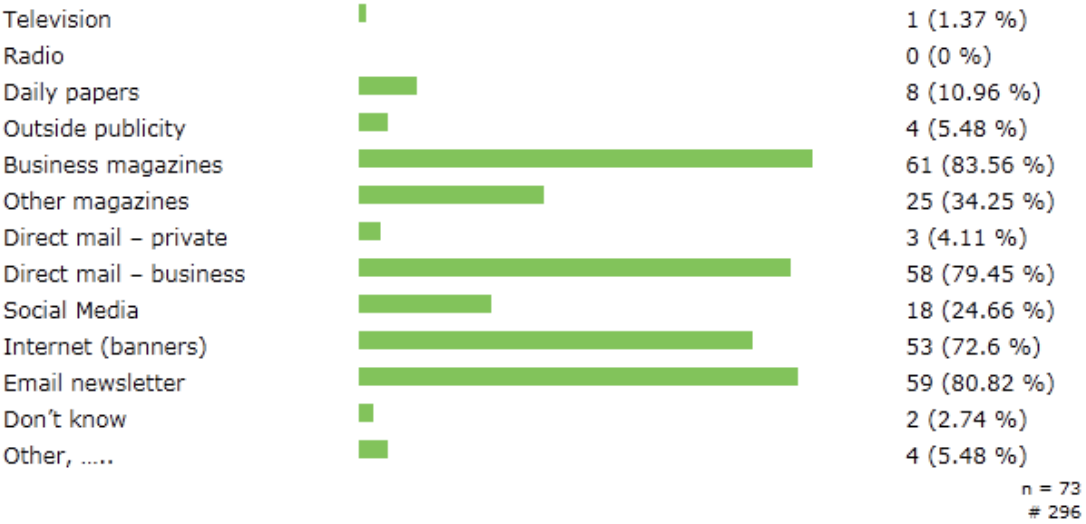
n = 101
# 101

Please indicate below in which media you have seen the advertisement of 3M.

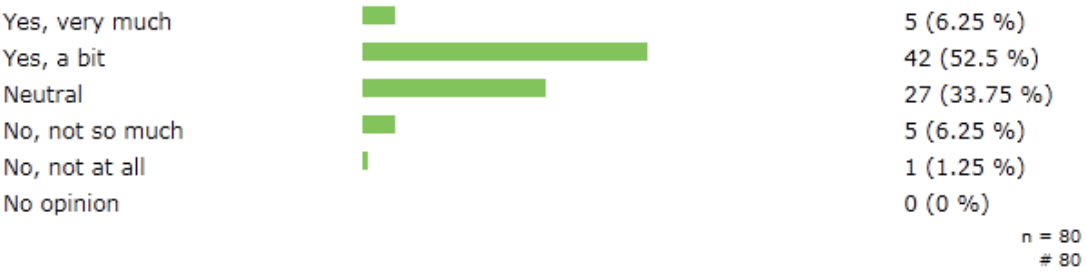
Television	7 (8.75 %)
Radio	0 (0 %)
Daily papers	10 (12.5 %)
Outside publicity	7 (8.75 %)
Business magazines	68 (85 %)
Other magazines	28 (35 %)
Direct mail – private	2 (2.5 %)
Direct mail – business	63 (78.75 %)
Social Media	23 (28.75 %)
Internet (banners)	52 (65 %)
Email newsletter	59 (73.75 %)
Don't know	0 (0 %)
Other, …..	6 (7.5 %)

n = 80
# 325

Please indicate below in which media you have seen the advertisement of Ave...



Did this advertisement appeal to you?



In which of the following line of business are you employed?

Agricultural	0 (0 %)
Construction	2 (2 %)
Retail	7 (7 %)
Infrastructure	4 (4 %)
Finance	10 (10 %)
Insurance	4 (4 %)
Service	6 (6 %)
Wholesale	29 (29 %)
Food and Beverages	5 (5 %)
ICT	3 (3 %)
Industrial Manufacturing	11 (11 %)
Culture	0 (0 %)
Health care	6 (6 %)
Non profit	0 (0 %)
Education	3 (3 %)
Media	1 (1 %)
Public sector	2 (2 %)
Private sector	1 (1 %)
Tourism	2 (2 %)
Sports	0 (0 %)
Logistics	7 (7 %)
Other, namely.....	5 (5 %)

n = 100
# 108

In which of the following categories are you employed?

IT and telecommunications services	2 (2 %)
Engineering	11 (11 %)
Consultancy	3 (3 %)
Finance	6 (6 %)
Public sector	6 (6 %)
Sales	8 (8 %)
Education	3 (3 %)
Marketing/Public Relations/Advertising	6 (6 %)
Management	14 (14 %)
Human Resources	4 (4 %)
Logistics	31 (31 %)
Other, namely...	6 (6 %)

n = 100
# 100

Do you make any use of the products of 3M or Avery Dennison?

3M -> skip question 16	50 (49.5 %)
Avery Dennison -> skip question 15	21 (20.79 %)
Both	9 (8.91 %)
No -> go to question 17	21 (20.79 %)

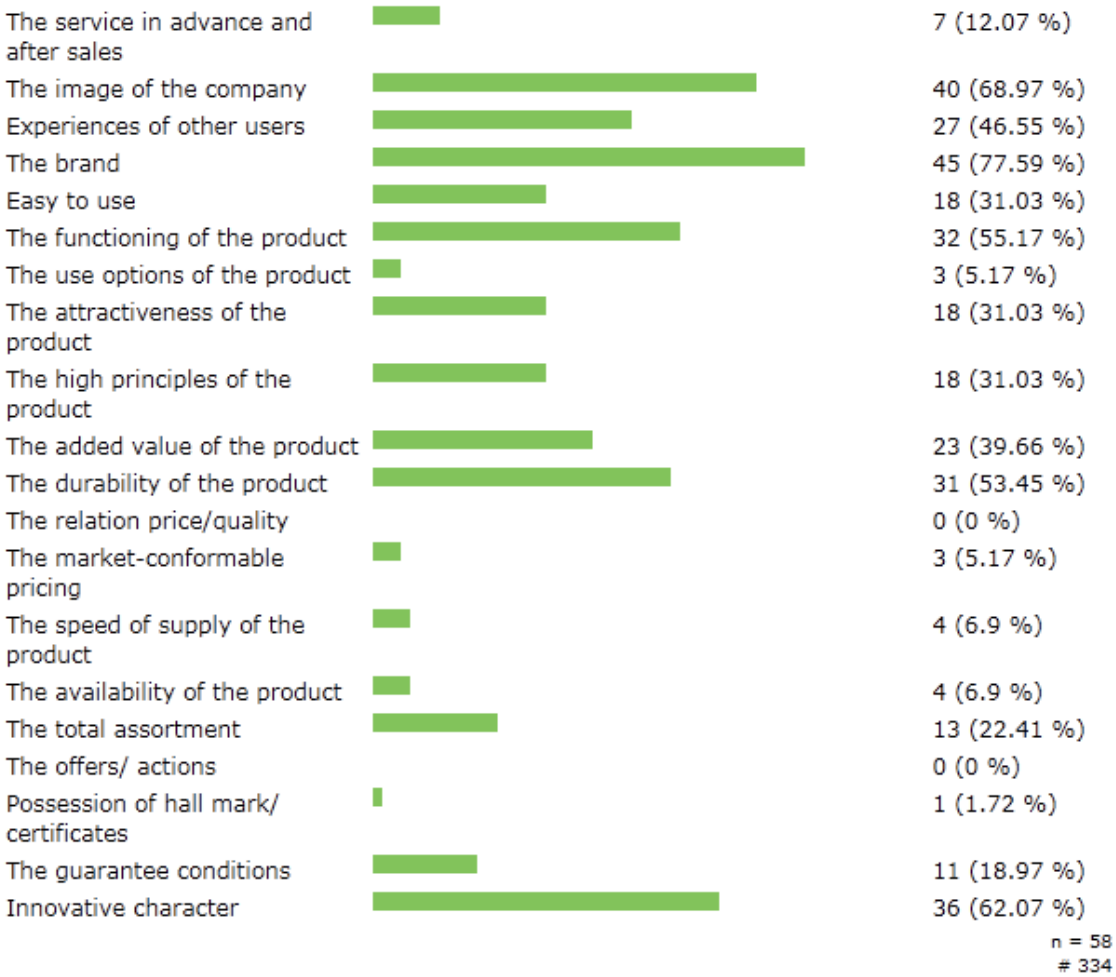
n = 101
# 101

Are you familiar with the graphic and reflective products of 3M and Avery D...

Yes, I am an end user	27 (33.75 %)
Yes, I am a distributor	22 (27.5 %)
Yes, I am a converter	16 (20 %)
Yes, I am an influencer	8 (10 %)
Yes, but I use other 3M/Avery products	3 (3.75 %)
No, I am not	4 (5 %)

n = 80
# 80

Which of the following answers are for you a reason to use the products of ...



Which of the following answers are for you a reason to use the products of ...

The service in advance, and after sales	5 (14.71 %)
The image of the company	23 (67.65 %)
Experiences of other users	12 (35.29 %)
The brand	22 (64.71 %)
Easy to use	8 (23.53 %)
The functioning of the product	8 (23.53 %)
The use options of the product	3 (8.82 %)
The attractiveness of the product	5 (14.71 %)
The high principles of the product	9 (26.47 %)
The added value of the product	8 (23.53 %)
The durability of the product	13 (38.24 %)
The relation price/quality	15 (44.12 %)
The market-conformable pricing	8 (23.53 %)
The speed of supply of the product	1 (2.94 %)
The availability of the product	4 (11.76 %)
The total assortment	6 (17.65 %)
The offers/ actions	0 (0 %)
Possession of hall mark/ certificates	0 (0 %)
The guarantee conditions	3 (8.82 %)
Innovative character	17 (50 %)

n = 34
# 170

You have indicated not making any use of the products of 3M or Avery Dennis...

I am not familiar -> go to question 20	17 (60.71 %)
The bad service and after sales	0 (0 %)
The bad brand image	1 (3.57 %)
The bad 'easy to use' of the product	0 (0 %)
The limited use options of the product	1 (3.57 %)
The bad functioning of the product	0 (0 %)
The unattractiveness of the product	0 (0 %)
The low principles of the product	0 (0 %)
The limited added value of the product	0 (0 %)
The bad price quality relation	0 (0 %)
The high price	2 (7.14 %)
The bad supply of the product	0 (0 %)
The bad availability of the product	0 (0 %)
The limitation of the total assortment	0 (0 %)
The offers / action	0 (0 %)
No possess of a hall mark / certificate	0 (0 %)
The bad guarantee	0 (0 %)
Other	3 (10.71 %)
No opinion -> go to question 20	4 (14.29 %)

n = 28
# 28

Which company (3M or Avery Dennison) is in your opinion the most successful...	**Which company (3M or Avery Dennison) is in your opinion the most successful...**
3M because	**Avery because**
I prefer the website	
they have good products	
i know more products of this company	
I think it is a bigger company and has a bigger range of products.	
they made the floppy disks	
innovation, service, quality	
good product	good product
very good products	i am not an user
I know 3M better	I use AD not so much
best quality	I don´t know it
I don\'t know	i don\'t know
See above	See above
more innovative	
innovations	
innovation	
quality product and innovations	
innovation, good quality	quality/ price relation
more innovative	
inovation, service, quality	
innovation	
innovation	
innovation	
world leader in most product lines	
innovation	
innovation	
	quality/ price relation
	relation quality / price

	price / quality
	quality/ price relation
	quality price relation
	quality
	quality/ price relation
	price and quality
	price / innovations
	price
innovation, high quality	
innovative products, worldwide operative	
innovative character	
innovation	
inventions	
	price and quality
	Quality
innovation	
innovation	
innovation	
innovation	
innovations	
	quality / price
	quality
innovation	
high quality, innovation	
innovations	
strong technology	
innovations	
innovative products	
innovation	
	quality price relation
	price / quality
innovative products	

innovation	
inventions	
innovation	
innovative character	
innovative quality products	
inventions	
	innovative products
	price quality durable
	innovation
	quality durable
innovative	
	quality, inventions, price
innovative products	