

Unprecedented Global Collaboration? Transatlantic Business Relations in Times of COVID-19

Interview with Dirk Lange, 3M (Managing Director, Central Europe Region) about 3M as a global provider of personal protective equipment

In times of COVID-19, AmCham Germany frequently reports about its member companies and how they deal with the pandemic. This time, we spoke to Dirk Lange, Managing Director of the Central Europe Region at 3M about supply chain management in times of COVID-19, how the company is dealing with current restrictions and we talked about his opinion on transatlantic relations and the development of digitalization in the current situation.

Mr. Lange, how does your company meet the current challenges posed by COVID-19?

First and foremost, we are taking care of our own people. Safety comes first, whilst we aim to ensure business continuity as good as we can. Staying close to the people in these remote times is key to keep them engaged. We are therefore conducting a weekly Q&A session with all employees.

3M has been quickly responding to the COVID-19 pandemic given its critical role as a global provider of personal protective equipment. Since the beginning of the year, we have continued to lead in pandemic response by accelerating respirator production, including ramping up idle respirator lines. We have doubled our global respirator output to 100 million per month and are increasing capital investment to double respirator output again within the next 12 months. For us it's a priority to supply those in most critical need.

Another priority for 3M is to fight fraud and price gouging. We are working with distributors and governments to ensure a secure supply chain. Let me emphasize that 3M has not increased respirator prices as a result of the pandemic. We have already contributed \$20 million in financial support to frontline healthcare workers, vulnerable populations disproportionately affected by the virus and medical research initiatives.

Let me also mention that the COVID-19 pandemic is affecting 3M's businesses in a number of ways. 3M has experienced strong end market demand, specifically in personal safety, home improvement, general cleaning, food safety and biopharma filtration. At the same time, several other end markets have experienced significant weakness due to social distancing and shelter-in-place mandates. These end markets

include oral care, automotive OEM and aftermarket, general industrial, commercial solutions, and stationery and office.

How does COVID-19 affect your supply chain management and the export of your goods?

At the beginning of the crisis, we saw a lot of governmental regulation like export restrictions or seizures. These actions disrupted international supply chains, preventing a free flow of protective products. However, I am optimistic that in the current crisis, governments and companies realize that in this situation collaboration is key.

Do you think that COVID-19 is changing transatlantic relations?

What I am experiencing in our company is an unprecedented global collaboration and unity. Fighting the pandemic is bringing people together, no matter in which country they live on the globe. COVID-19 is fueling joint engagement and outstanding charity. It's people who establish and sustain relationships. And it's people who are united worldwide in their determination to cope with this crisis. Therefore, I am convinced that in a long term we will overcome those temporary disruptions caused by national interests and will be facing transatlantic relations that are strengthened by this global challenge.

What opportunities does the current situation present for your company and what have you learned during the last weeks?

Like other companies we are getting used to remote collaboration. And I have observed that once you are coping with all these smaller and bigger technical challenges it's really becoming the new normal. This will help to get acceptance for advanced, agile and innovative ways of running a business, ensuring collaboration and keeping your employees engaged. I am sure that these months will foster a step change in digital and will help to put more emphasis on alternative business models like remote sales or switch to inside sales. Having said that I assume that as well data and analytics will become even more important.

What do you expect from politics in order to receive support for maintaining your business?

I do believe that it's key to ensure a smooth collaboration of business and authorities. We depend on each other and the better we understand the processes and operations of the other party the better we can ensure business continuity. That's of major importance while more and more companies are preparing for the

end of the lock-down. I am sure the public sector can also benefit from our recent learnings. Remote and highly agile processes, digitization and decision making in visual-flight mode, these are areas where we need to share our knowledge, replicate and set up joint projects.