

The Sherwin-Williams Company

Founded in 1866 in Cleveland, Ohio



#1 coatings company in the Americas

#3 coatings company worldwide

Over 40,000 employees worldwide

Operations in over 21 countries

Sales in over 120 countries

Over \$11 Billion in Sales

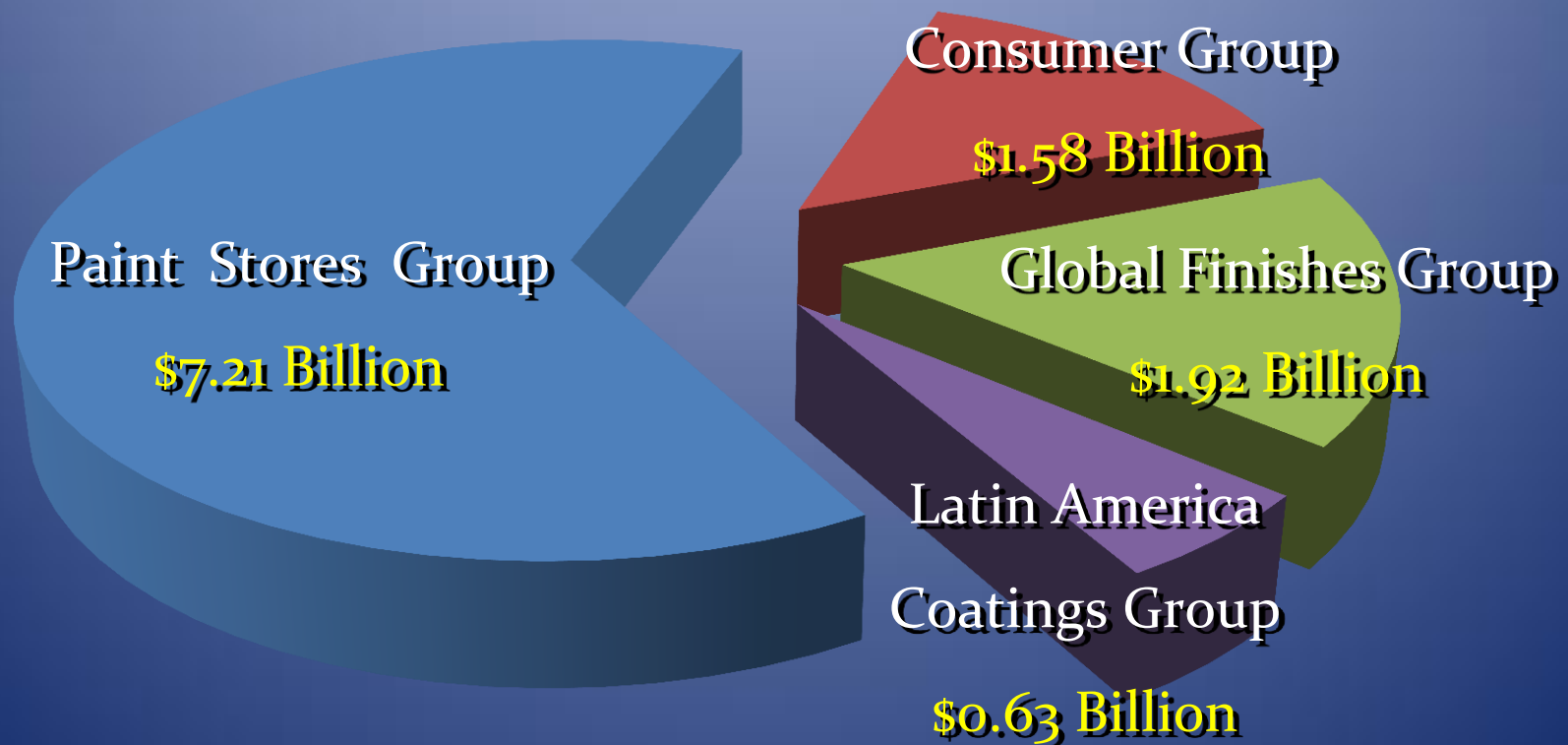


*"What is Worth Doing is
Worth Doing Well."*

The Sherwin-Williams Co. Revenue



2015 Net Sales: \$11.34 Billion



The Americas Group



- Sherwin-Williams is the largest operator of specialty paint retail stores in the Americas (over 4,100)
- Keys to Our Success
 - “Ask Sherwin-Williams” (our service)
 - Product Quality, Consistency from any Store
 - Innovative Products



Consumer Group: Diversified Brands

Highly recognized consumer brands. Strong User Loyalty.



Architectural Interior
& Exterior Paints



MINWAX
Makes And Keeps Wood Beautiful™



Vehicle Restoration Coatings

Global Finishes Group



Protective & Marine : Product Finishes : Automotive
High performance coatings technologies



Marine



Bridge & Highway



Fire Protection



Oil & Gas



Military



Electronics



Kitchen Cabinets



Heavy Equipment



Composite Bldg. Products



Metal Building Products



Aerospace



Auto Exterior and Interior



Global Supply Chain

Providing Services to All Selling Divisions



Raw Material
Sourcing



Research &
Development



Manufacturing



Logistics &
Warehousing

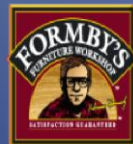


Transportation

- **One integrated global supply chain supporting sales for all customers**
 - > 85 manufacturing plants globally
 - > 35 distribution centers
- **Also R&D “Global Resource Centers”**
 - External Innovation, Polymer Technology, Analytical & Physical Characterization, Microbiology, Color, Exposure Testing

SW Brands

KWAL PAINT.



Sherwin Williams Protects Iconic Landmarks & Brands



Decks of Niagara Falls





MISSION

Improving shareholder value and financial performance by increasing the flow of innovations

Open Innovation helps identify enabling technologies for **breakthrough** products

What is Open Innovation?

- Think of it like this.....

“THE LAB IS MY WORLD”



To

“THE WORLD IS MY LAB”



Global External Innovation Team

Our Mission



- **Technology Scouting**
 - We scout for the technology needs of all SHW divisions and facilitate collaborative relationships as well as provide insights to SHW customers regarding innovation & new ideas
- **Proof-of-Concept Testing**
 - We test new materials to validate performance & claims, create demonstrations for customers & transfer new technology to SHW Division innovation Labs
- **Government Funding**
 - We reduce risk and facilitate new partnerships by securing government funding in your country
- **Information Services**
 - We provide comprehensive technology landscapes and patent searches to stay informed and up-to-date on the latest technologies and competitive threats



Funneling Technology for Success

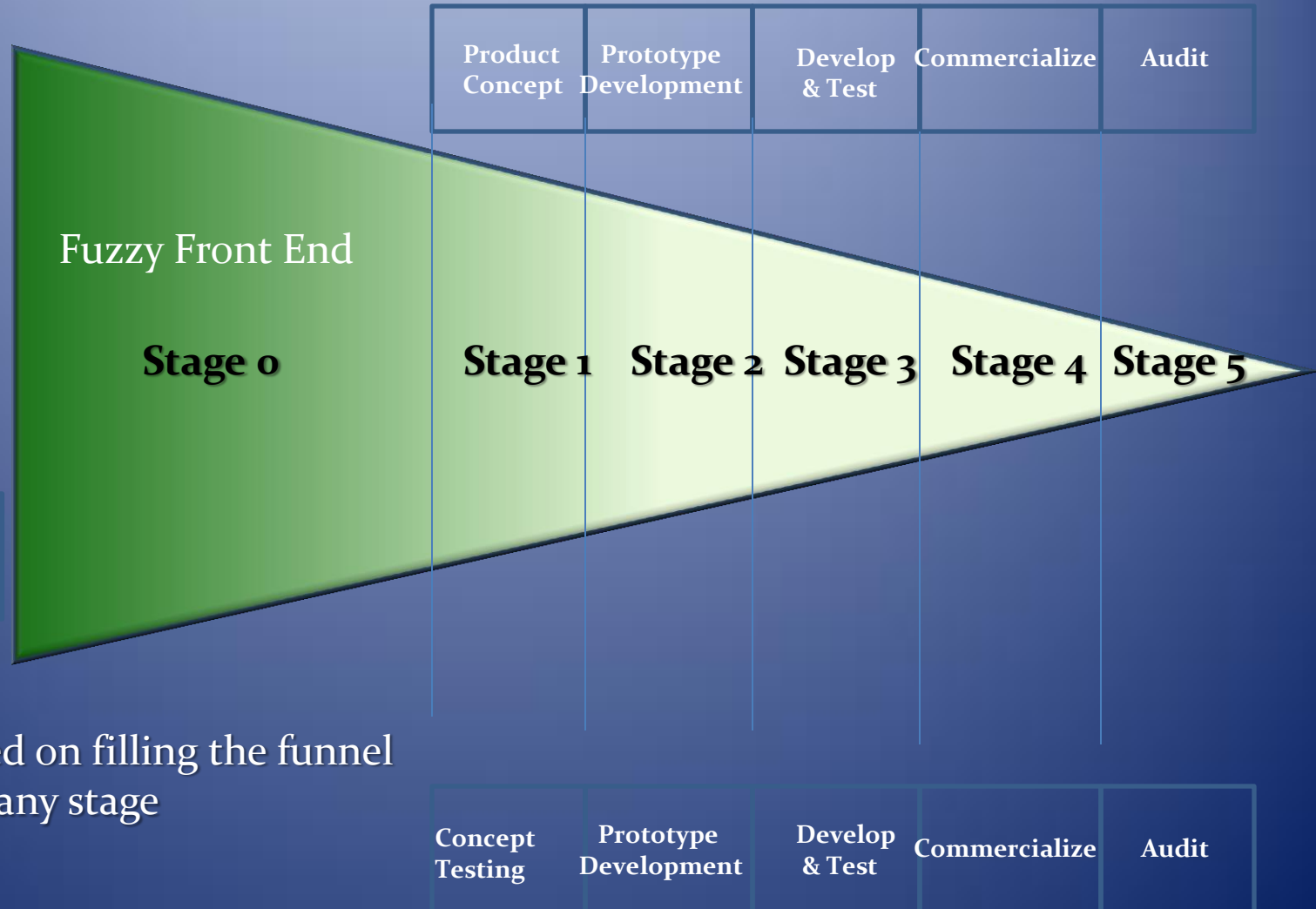
Open Innovation
feeds the funnel



Contacts & Ideas
Novel Technology



Success is based on filling the funnel
at any stage



Open Innovation is a *Contact Sport*



External Innovation Work Flow

Lesson: Success depends on specific needs identification

**Facilitate strategic partnerships
for technology development**

**Proof-of-Concept Lab
Demonstration projects**

**Technology Scouting &
Funding Opportunities**

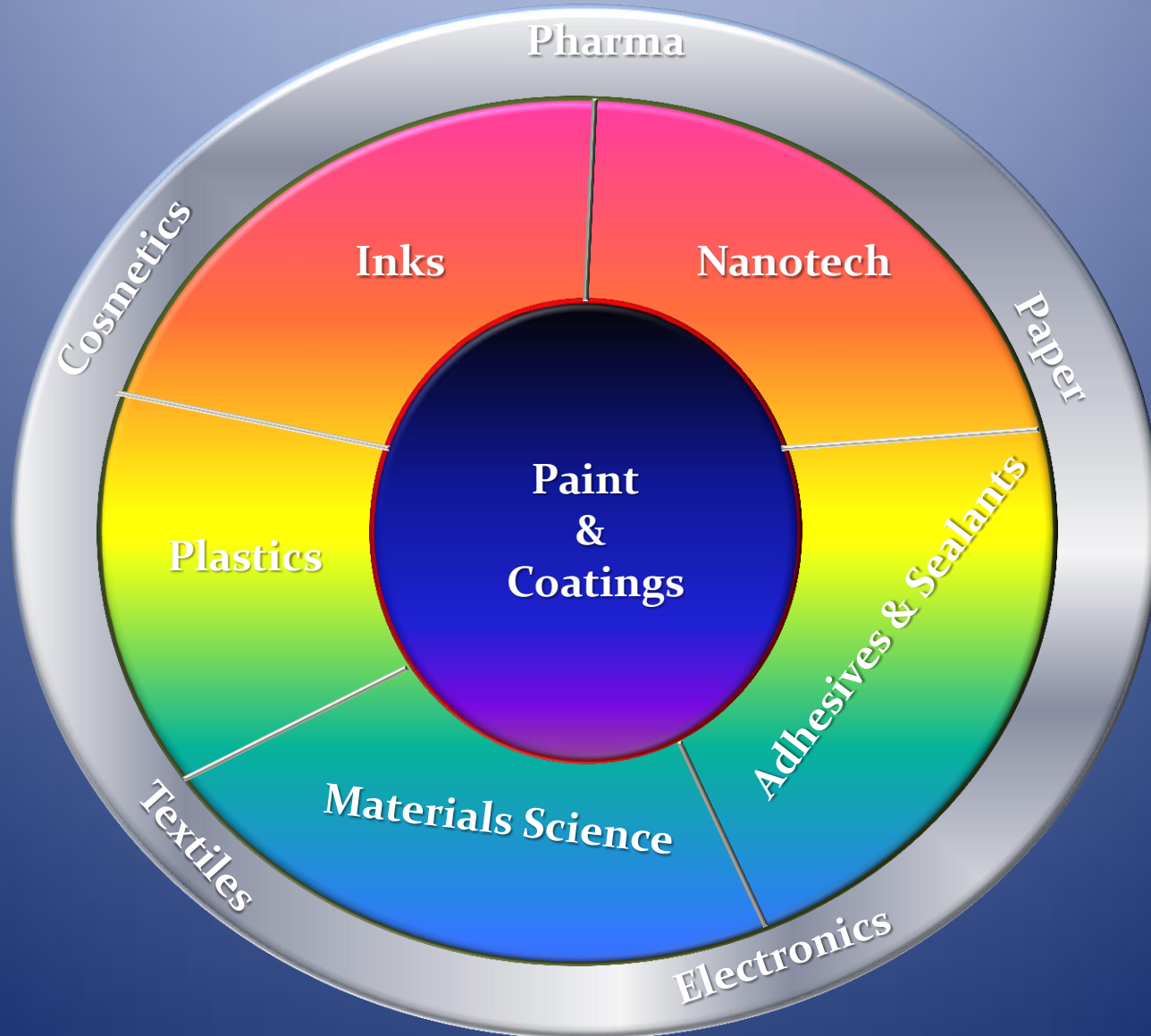
**IDENTIFYING SW
BUSINESS NEEDS**



The Scouting Universe



Scouting & Innovating at the Margins

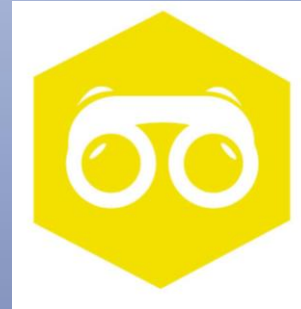


OPPORTUNITY TERRITORIES for SCOUTING



MAINTENANCE & DURABILITY

- ❖ Improved Durability
- ❖ Self-maintenance
- ❖ Corrosion Resistance
- ❖ Extreme Environments



VISUAL APPEARANCE & VISUALIZATION

- ❖ Unique Appearances
- ❖ New Textures
- ❖ Predict the Finish



THE PAINTING PROCESS

- ❖ Make It Easy & Fast
- ❖ Enhanced Transfer Efficiency
- ❖ Reduced Surface Preparation



SUSTAINABILITY

- ❖ Resource Conservation
- ❖ Environmentally Responsible
- ❖ Reduce / Reuse / Recycle
- ❖ Energy Saving



CUSTOM SOLUTIONS

- ❖ Packaging Innovation
- ❖ Smart Coatings
- ❖ Unique Experiences



CUSTOMER CONNECTIVITY

- ❖ Paint Apps
- ❖ Social Media
- ❖ Connected Experiences
- ❖ Crowdsourcing



What Makes a Good External Partner?

- Has the capability to work with a large corporation
 - Bandwidth, resources, \$\$, physical infrastructure
- Realistic self-assessment



20 million hits



Commercial success

- David v. Goliath syndrome
- Secure IP
- Data substantiation
- Obtaining Samples
 - May not share wet samples but prefer to show product over prepared panels
 - Wet samples usually requires funding (\$500-\$50,000 now)
 - Volume is an issue (gm or ml v. lb or gal)
- Usually no history of manufacture, path is usually identified

Proof of Concept Lab

- Lab evaluates technology suitability & readiness
- Different technologies demand various evaluation regimens
- Not standard testing
- Helps facilitate smooth transition into other labs

Design study

**Evaluate
material quickly**

**Distribute
information to
Division
Innovation Labs**

Information Specialists



- MLS Internet librarians 
- Trained to search for articulated needs
- We have invested in a number of specialized databases for coatings & business data
- Provide landscape analysis, patent searches, competitive information etc
- They are **embedded** in our projects from the beginning

Leveraging Government Funding



- Accelerate technology & product development by leveraging government resources
- Collaborative teams & consortia to compliment SHW's capabilities

What is the goal of all this effort?

