

# Kathryn E. Wengel

Johnson & Johnson

26 October 2016

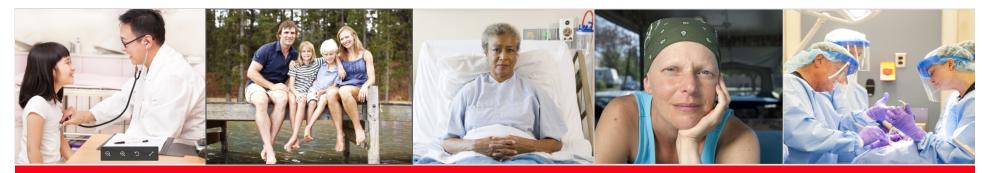


# Global Standards for an International Healthcare Company

### **Kathy Wengel**

Worldwide Supply Chain Vice President Management Committee Member Johnson & Johnson

GS1 Global Management Board Member



142

### Johnson & Johnson

- Global science & technology company focused solely on healthcare
- More than 275 Operating Companies in 60 Countries
- Selling Products in more than 175 Countries
- Approximately 128,000 Employees Worldwide
- More GTINS than any other company



### Johnson & Johnson Portfolio

### Consumer

Baby Care • Body Care • Facial Skin Care
• Sun Care • Feminine Personal Care
• Allergy Care • Compromised Skin Care
Cough and Cold Care • Digestive Health
• Oral Care • Pain Care



### Medical Device

Wound Closure & Surgical Devices
• Minimally Invasive Surgery

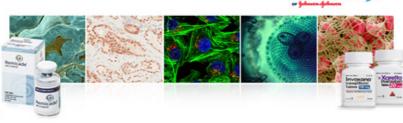
- · Joint Replacement · Sterilization
- · Contact Lenses · Diabetes Care



### **Pharmaceuticals**

Oncology • Infectious Diseases & Vaccines
• Immunology • Cardiovascular & Metabolism
• Neuroscience & Pain







144

#### Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

Johnson Johnson

### 我们的信条

我们相信我们首先要对医生、护士和病人,对父母亲以 及所有使用我们的产品和接受我们服务的人负责。为了 满足他们的需求,我们所做的一切都必须是高质量的。 我们必须不断地致力于降低成本,以保持合理的价格。 客户的订货必须迅速而准确地供应。我们的供应商和经 销商应该有机会获得合理的利润。

我们要对世界各地和我们一起共事的男女同仁负责。每一位同仁都应视为独立的个体。我们必须维护他们的尊严,赞赏他们的优点。要使他们对其工作有一种安全感。 薪酬必须公平合理,工作环境必须清洁、整齐和安全。 我们必须设法帮助员工履行他们对家庭的责任。必须让员工在提出建议和申诉时畅所欲言。对于合格的人必须给予平等的聘用、发展和升迁的机会。我们必须具备称职的管理人员,他们的行为必须公正并符合道德。

我们要对我们所生活和工作的社会,对整个世界负责。 我们必须做好公民-支持对社会有益的活动和慈善事业, 缴纳我们应付的税款。我们必须鼓励全民进步,促进健 康和教育事业。我们必须很好地维护我们所使用的财产, 保护环境和自然资源。

最后,我们要对全体股东负责。企业经营必须获得可靠的利润。我们必须尝试新的构想。必须坚持研究工作,开发革新项目,承担错误的代价并加以改正。必须购置新设备,提供新设施,推出新产品。必须设立储备金,以备不时之需。如果我们依照这些原则进行经营,股东们就会获得合理的回报。

# Challenges in the health care supply chain

Present opportunities for GS1 standards



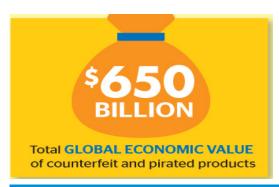
- Medical errors result in additional treatments, disabilities and even loss of life
- Counterfeiting is an increasing global threat
- Traceability from manufacturer to patient is unworkable



- Product recalls can be difficult to manage, in particular for healthcare providers
- A lot of manual interventions in the healthcare supply chain decrease its efficiency and accuracy



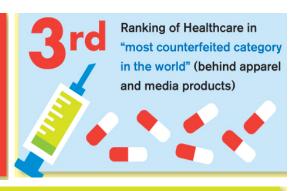
# Counterfeit and Diverted Drugs

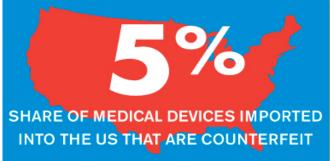


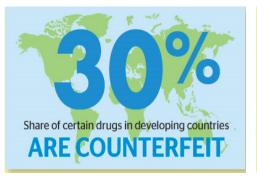
2010

THE YEAR THAT JOHNSON & JOHNSON FORMALLY LAUNCHED A GLOBAL BRAND PROTECTION GROUP.

Johnson-Johnson Supply Chain











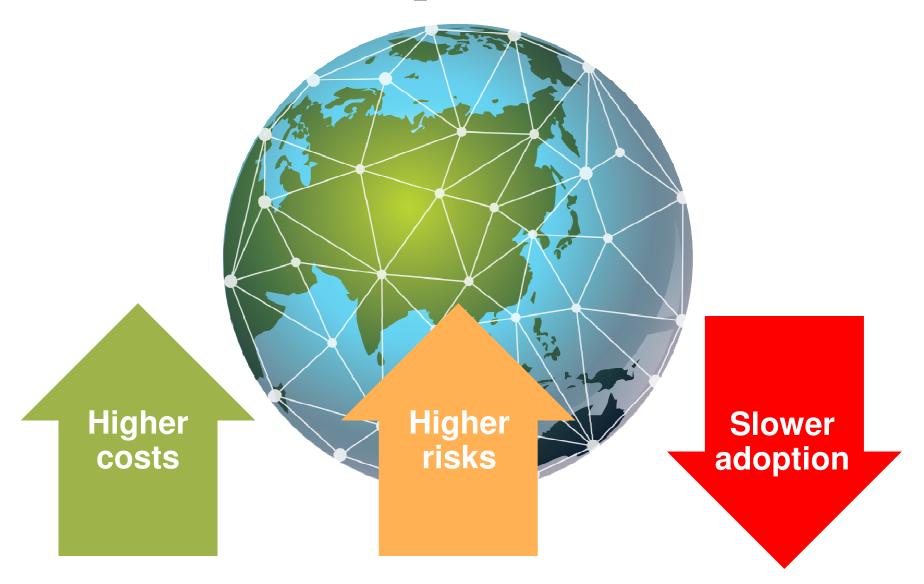




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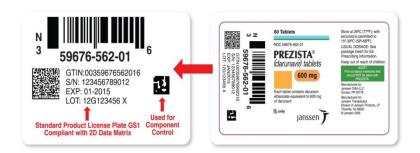
CASES WHERE MEDICINES PURCHASED
OVER THE INTERNET FROM ILLEGAL SITES
THAT CONCEAL THEIR PHYSICAL ADDRESS
HAVE BEEN FOUND TO BE COUNTERFEIT

# Multiple standards put benefits at risk



# **Detecting Counterfeit Products**

Serialization enabled through GS1 standards



✓ Provides an additional identification feature to more accurately identify a package



- ✓ Global standards required for serialization
- ✓ Johnson & Johnson pioneered the use of GS1 standards

### Our Actions on Track & Trace

Driving end-to-end innovation



- Responding to regulations in over 40 countries
- Serializing ~4,000 SKUs
- End-to-end impact
- Customer connections
- Recently recognized by Council for Supply Chain Management Professionals (CSCMP)

Johnson-Achmon 150

## Collaborating with Our Customers

Joint traceability whitepaper with AmerisourceBergen

#### CASE STUDY



AmerisourceBergen teams with Johnson & Johnson Supply Chain for significant learnings

#### CHALLENGE

The Federal Drug Administration (FDA) regulation requires that the pharmaceutical industry implement end-to-end traceability by 2023. Trading partners throughout the supply chain must implement and test GS1 Standards-based solutions in real-world pilots to meet the deadline for interoperability.

SOLUTION

- Opportunities for value creation
  - Improve supply chain integrity
  - Monitor product diversion
  - Returns management
  - Electronic proof of delivery
  - Customer connectivity

# **Hospital Collaboration**

VMI project at the University Hospital UKE in Hamburg



- Strategic embedding of GS1 Standards
- More efficient process design along the value chain by using GS1 standards
- Possibility of extensive project roll out
- Strong focus on patient safety

Innovative power

# Customer Engagement Driving GDSN Adoption

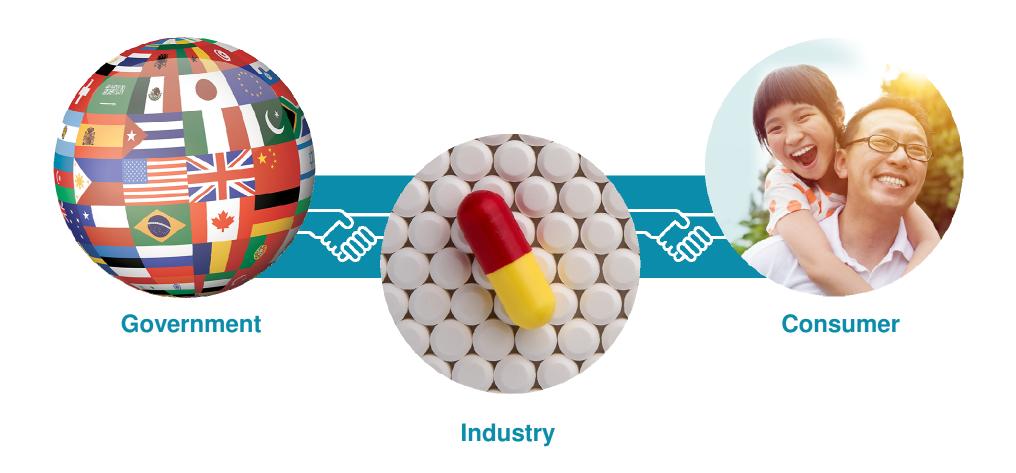
1WorldSync – 2016 Power of One Award





- Grew GDSN customer adoption by 41 percent across 16 target markets and growing.
- Single largest GDSN subscriber
- Improves the procurement and traceability processes with accurate product data

# **Public-Private-Consumer Partnerships**



# We Support GS1 Standards in Healthcare

 J&J has taken action using global GS1 standards for the identification and marking of drugs and medical devices, product data exchange and traceability.

 We support a worldwide harmonized system/approach to improve patient safety and supply chain efficiency.

# 7 Billion Reasons to Care



GS1 Global Standards Will Benefit Patients and Consumers Everywhere