

JOHNSON & JOHNSON



Background

Operating in over 50 countries with more than 100,000 people, Johnson & Johnson USA has been ranked 4 times in the “Fortune Top 10” list of the most admired companies in the US.

Johnson & Johnson (J&J) India, a subsidiary of Johnson & Johnson USA, is one of the leading players in the Indian pharmaceutical and consumer products business. It has an employee strength of over 1,800. It started business in India in 1947 in Bombay with Johnson's Baby Powder, and, over time, introduced other products like toothbrushes, Johnson's Baby Cream and Prickly Heat Powder.

In the 50 years since its establishment as a modest 12 employee outfit, Johnson & Johnson India has gained a reputation for delivering high-quality products at competitive prices. Today J&J is a household name with several popular brands like Band-Aid, J&J Baby Powder and Prickly Heat Powder. Stayfree Secure has become the leading sanitary napkin in the country with a volume market share of 46 per cent. Ethicon, a franchise of J&J Medical India, is a leading manufacturer of surgical material. Eprex launched in 1995 was one of the first successful biotech brands to be marketed in India. J&J also has a strong presence in the contact lenses market in the country.

J&J India is considered one of the best places to work and has many firsts to its credit:

- J&J became the first company in India to successfully eliminate CFCs from its manufacturing operations. This required the company to modify the sterilisation processes at its Ethicon suture finishing plant
- Six Sigma Awarded to Johnson & Johnson Consumer Products by the Indian Statistical Institute and the National Institute of Quality & Reliability.

Factors for success

- Ethical practices leading to a strong brand
- Focus on customers
- Decentralised organisation
- Focus on product development

Consistent ethical practices

The credo articulated by its founder continues to be the guiding light for all of J&J's activities in India and

around the world. J&J has focused on ethical practices all through. For example – for one of its drugs, the most popular way of dispensing was through subcutaneous (SC) injections. J&J discovered that there may be some side-effects due to this and identified intra-venous (IV) administration, as the better option. Even though IV is a more tedious procedure and requires hospitalisation as against SC that can be administered anywhere, J&J proactively informed all the doctors about the change. This meant a decline

in J&J's sales, but the company's only consideration remained patient wellness.

Such consistent practices over a period of time have led to a very strong franchise for J&J amongst doctors and patients in the country. There have been cases of patients postponing their heart surgery to use a newly introduced stent by J&J with a waiting period of over 3 months. Such is the trust and brand equity that J&J enjoys in India today.

Constant focus on educating customers

J&J attaches great importance to developing an understanding about its products among consumers, doctors and medical professionals. There is also a constant focus on educating customers. J&J makes investments to educate and train doctors and nurses. For example, J&J established centres in Bombay, Chennai and Delhi for training OT staff in sutures and medical equipment handling. These initiatives have resulted in augmenting the brand image of J&J.

R&D for better products

J&J has set up Johnson & Johnson Technical Laboratory (JJTL) as an initiative to foray into research and development in India. A team of scientists works in partnership with the marketing and product supply teams to improve products, packaging and support advertising claims. Several new products have been developed and launched successfully by understanding consumer requirements.

Decentralised organisation

J&J operates in different business segments like pharmaceuticals, consumer products and medical equipments etc., which have different industry and competitive dynamics. To manage the different environments, J&J has adopted a decentralised operational style in India with each business focusing on its industry with an independent supply chain. Resources are shared in a planned manner wherever synergies exist, as in non-stock activities like IT, treasury management, audit, insurance, travel and hotel bookings etc.

Nurturing a good work environment

J&J has a motivated team. This is reflected in the company's low attrition rate of 4.64 per cent. J&J is

also constantly ranked high in the "great places to work" surveys. Several initiatives like the annual Credo Feedback Survey help in assessing the climate and culture within the organisation and measure employee perception on processes, policies and work culture. Internal inefficiencies identified through such surveys are fixed through appropriate interventions.

IT for business processes enhancement

J&J has deployed information technology solutions extensively to increase productivity and automate various business processes. It has implemented enterprise resource planning (ERP) for different business groups within the company.

Leveraging the India Advantage

- J&J India is at the leading edge of global product launches. In some cases J&J India has launched new products in India even before in the US (for example, the cipher stent). Indian doctors' ability to quickly learn and apply new techniques provides the company with quick feedback and faster launches.
- The Indian R&D and testing centres provide services to J&J worldwide. Jansen Cilag (the pharma division of J&J) has a stability centre in India. Indian managers are constantly promoted to overseas operations. An Indian team is also managing the supply chain planning for the Asia-Pacific region.
- J&J India is manufacturing baby soaps for other countries. Some speciality soaps for the US too are manufactured in India.

Future plans

J&J Corporation has a very good perception of India. This has been supported by good results in the country. The outlook is bullish, and is supported by a high level of confidence in the Indian management team and more investments likely in the coming years. Double-digit growth is forecast for the India operations. India would be a key growth driver for J&J worldwide. J&J is also exploring the opportunities for setting up BPO operations in the country.