

# Supply Chain Technology Enablement



EXECUTIVE PLATFORMS  
AWARDS

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**SUPPLY CHAIN 2020**

# Johnson & Johnson's Project Strong, Supply Chain Automation

## Executive Summary of Submission:

Project Strong began in late 2016, when supply chain leaders realized in order to lead the industry they must partner and align with the commercial team to drive alternate commercial channels and business strategies. Research identified unmet needs of customers through direct patient and product journeys allowing Johnson & Johnson to generate innovative, high-impact offerings and solutions. Johnson & Johnson Vision knew it had to automate to survive. Rapid and accurate order fulfillment at scale is a major challenge and Japan's ageing workforce means that there will be fewer qualified personnel available in the near future.

## Demonstrable Results

- An integrated robotic system manages order fulfillment without any human input with greater than 99.9% accuracy on orders.
- "Project Strong is a key enabler of direct to market strategies," says Narita San.
- The impact and value can be seen in all areas. Johnson & Johnson will be able to plan better by optimizing inventory and supporting business growth, manufacturing will be able to make smaller lots and control high product volumes with efficient releases through Quality Assurance.



# Nomination Essay

Project Strong began in late 2016, when supply chain leaders realized in order to lead the industry they must partner and align with the commercial team to drive alternate commercial channels and business strategies. Local leaders joined forces with a cross-functional team from Global Customer and Logistics Services (CLS), internal partners from Commercial, and external partners such as Yamato Logistics and Toyota Industries.

Leading the industry wasn't the main reason for this project though, there were multiple factors that drove Johnson & Johnson to invest in an automated pick, pack and scan initiative. The team invested in understanding customer and societal challenges. The research identified unmet needs of customers through direct patient and product journeys allowing Johnson & Johnson to generate innovative, high-impact offerings and solutions.

For starters, Vision Care customers in Japan know what they want. With the eCommerce site a few clicks, and their contact lenses are shipped to them. Fast. Accurate. Every time. In fact, 100% of projected lens sales in Japan are in the direct to consumer channel with orders forecast to peak at over 25,000 per day. Implementing this technology completes the process within the distribution center operations to enable high volume growth. By supporting the estimated growth Project Strong also allows cost effective shipping with the projected growth of Japan's business.

In anticipation of this shift in demand, Johnson & Johnson Vision knew it had to automate to survive. Rapid and accurate order fulfillment at scale is a major challenge and Japan's ageing workforce means that there will be fewer qualified personnel available in the near future.

By late 2017, the team had deployed a fully automated sort, pack and seal capability at Johnson & Johnson Vision facility in Tokyo, Japan.

"This is the first time that an entire system has been put together for no fingerprints on the box," says Michael Strong, Worldwide Director Engineering & Packaging for CLS. "When we compare to industry benchmarks like Amazon, this is a clear leapfrog. As far as we know, there is nothing like this out there in the logistics space."

The new facility is a breathtaking example of Manufacturing for the Future.

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An integrated robotic system manages order fulfillment without any human input. It pulls the product from a tote, orients the box and runs it through an innovative 360-degree scan tunnel that guarantees greater than 99.9% accuracy on orders. The product then goes through an automated pack and seal process in preparation for delivery.

“Project Strong is a key enabler of direct to market strategies,” says Narita San. “The eCommerce customer portal has been in development for some time, but it is impossible to compete profitably, or meet the needs of today’s customers without technology like this.”

Given the growth of direct to customer channels in every region and segment, there are ample opportunities to redeploy the Project Strong capabilities. Plans are underway at key Vision hubs globally and CLS is working with partners from Commercial and Medical Devices to identify product lines with strong eCommerce potential. With an estimated 40.6% Internal Rate of Return Project Strong will make any market growth stronger. The impact and value can be seen in all areas. Johnson & Johnson will be able to plan better by optimizing inventory and supporting business growth, manufacturing will be able to make smaller lots and control high product volumes with efficient releases through Quality Assurance. The information technology team enabled a customer interface that’s easy to do business with for customers whether it’s using the web, mobile phone, tablet, or desktop. The deliver team will grow from all the other components, the new system integrates with the overall order to cash process utilizing integrated data and analytics to ensure inventory is available and orders ship complete and on time, every time.