

# Why GS1 Standards?

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Mike Rose

Vice President

Supply Chain Visibility



*Johnson & Johnson* HEALTH CARE SYSTEMS INC.

# Johnson & Johnson: Global Presence

Global Leader in  
Health Care

More than 250  
Operating Companies  
In 60 Countries

Selling Products in More  
Than 175 Countries

118,000 Employees  
Worldwide



# Johnson & Johnson Family of Companies

- Sixth-largest consumer health care company
- The world's largest and most diverse medical devices and diagnostics company
- The world's fifth-largest biologics company
- The world's eighth-largest pharmaceuticals company

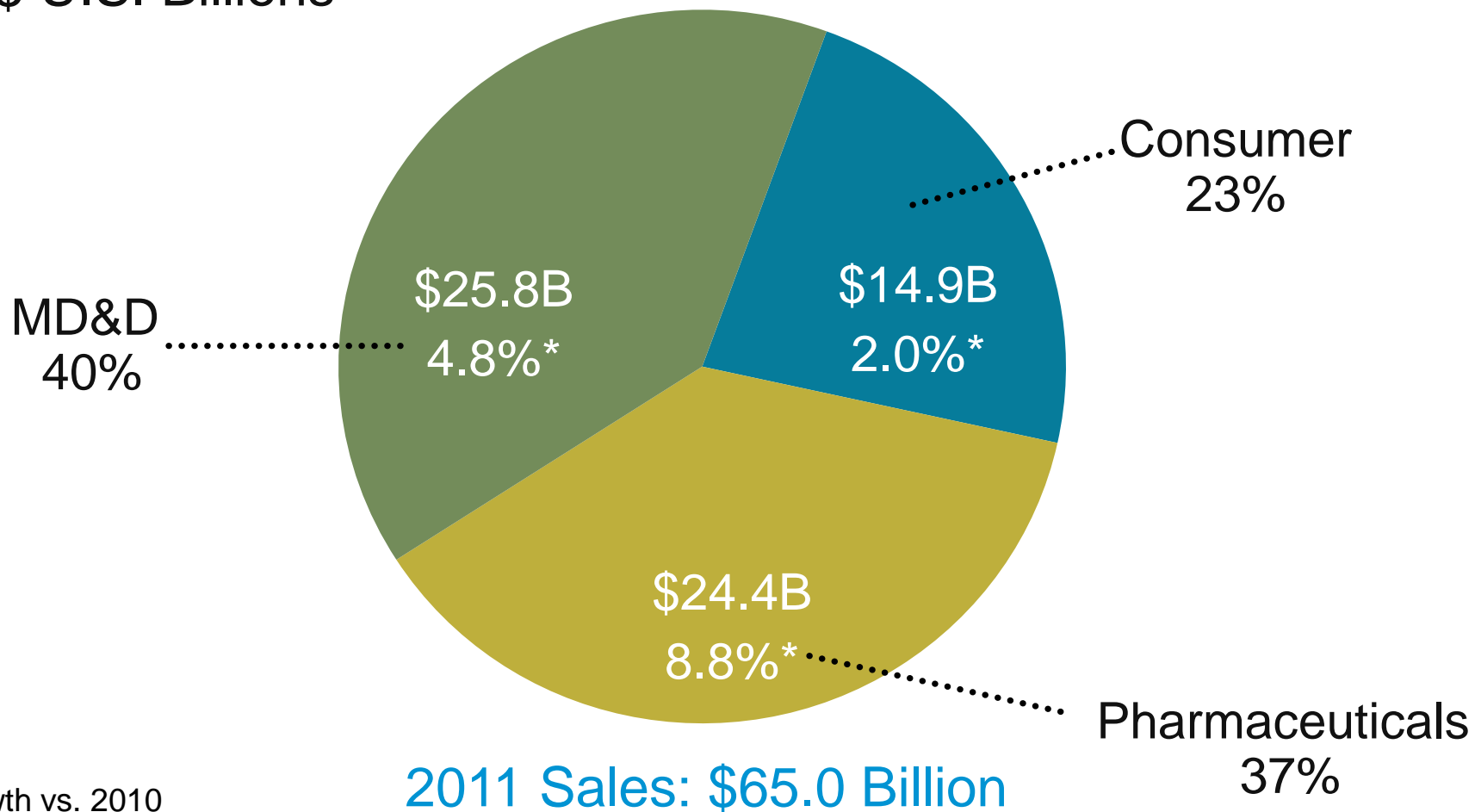
A photograph of a woman with short dark hair, wearing a blue top, sitting on a couch and smiling. She is holding a baby in her lap. To her left, another child is sitting on the couch, also smiling. The background is a bright, indoor setting with a window.

Jesica Harrington

Diagnostic test fueled hope in her fight against cancer

# 2011 Sales by Segment

\$ U.S. Billions



\* Growth vs. 2010

# Our Consumer Business Segment

- 2011 sales of \$14.9 billion
- Broad portfolio of iconic CPG and OTC brands
- Based on sound science and technology
- Touching a billion lives every day



SKIN CARE



OTC/NUTRITIONALS



BABY CARE



WOUND CARE/OTHER



ORAL CARE



WOMEN'S HEALTH

# Our Pharmaceuticals Business Segment

- 2011 sales of \$24.4 billion
- Now unified under the Janssen name
- A well-positioned pipeline
  - Growing demand
  - Emerging markets
  - Unmet needs around the world
- Recent product approvals



# Our Medical Devices & Diagnostics Business Segment

- 2011 sales of \$25.8 billion
- The world's largest medical technology business
- Focused on emerging markets and an aging population
- Our most recent acquisition



A premier manufacturer of orthopedic devices



# 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's Perspective

Barcode scanning revolutionized the consumer goods supply chain:

- Reduced stock-outs

- Speeding consumer retail check-out

- Improved accuracy

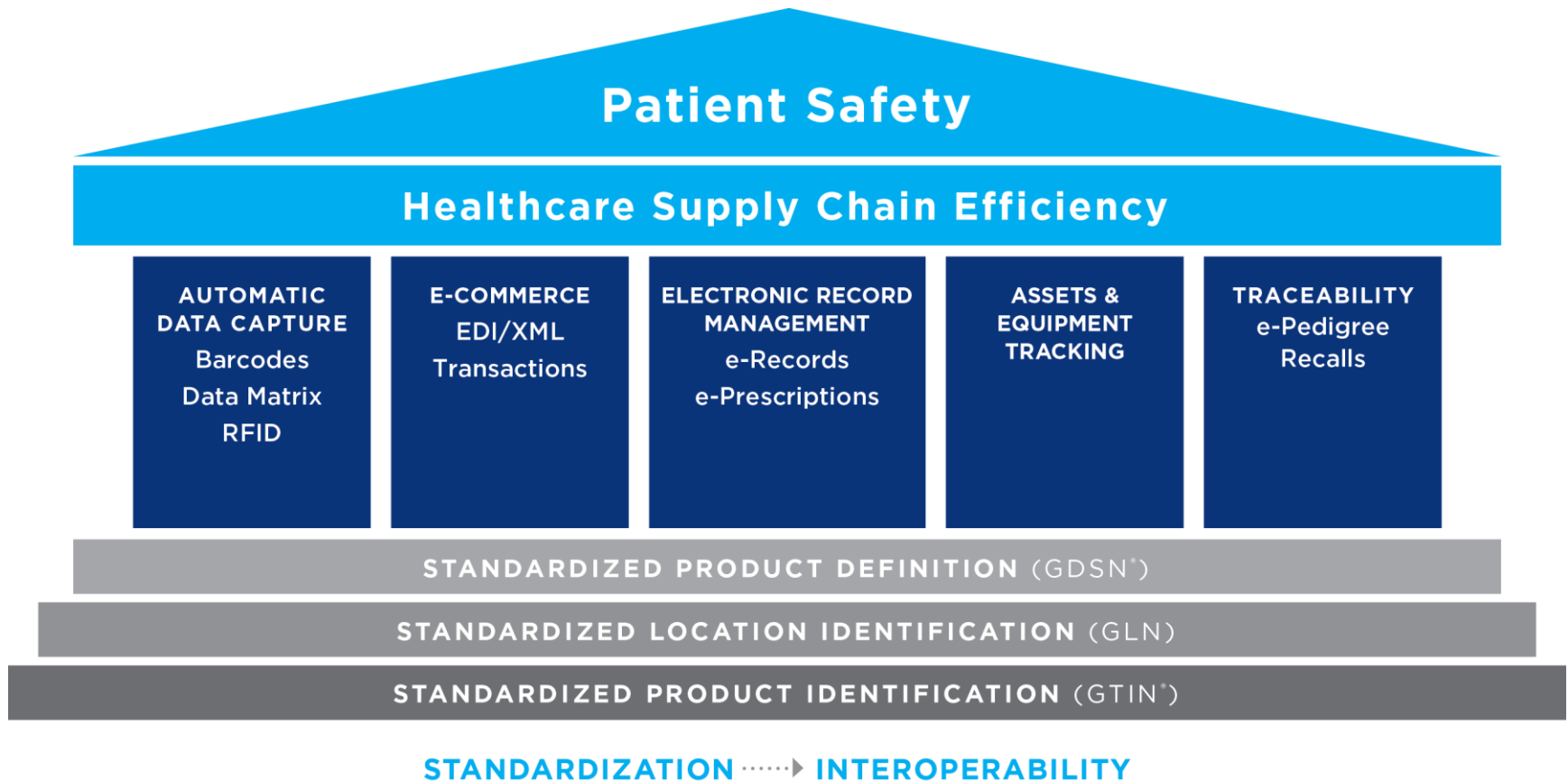
The health care adoption of GS1 and EPCglobal standards can provide many benefits including:

- Increased patient safety

- Improved supply chain efficiency

- Strengthening healthcare supply chain integrity

# GS1 and EPCglobal in Healthcare

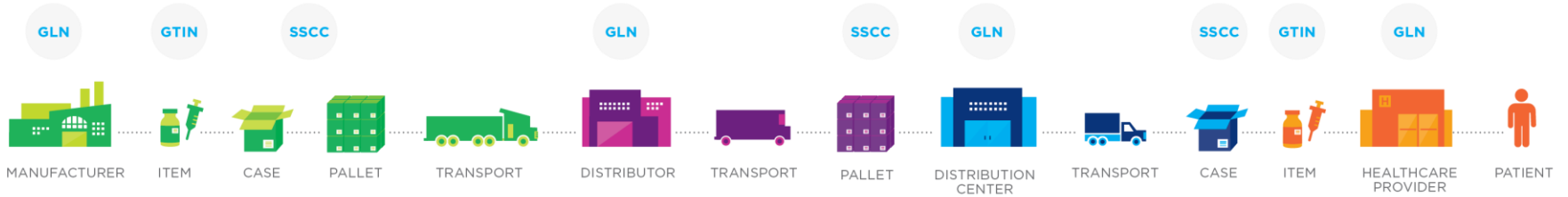


# GS1 standards and actionable visibility

## Johnson & Johnson subscribes to the GS1 model

### IDENTIFY: GSI SYSTEM IDENTIFICATION NUMBERS

**GLN** Global Location Number    **GTIN** Global Trade Item Number\* (GTIN\*)    **SSCC** Serial Shipping Container Code (SSCC)    **EPC** Electronic Product Code



### CAPTURE: GS1 SYSTEM DATA CARRIERS

#### BARCODES

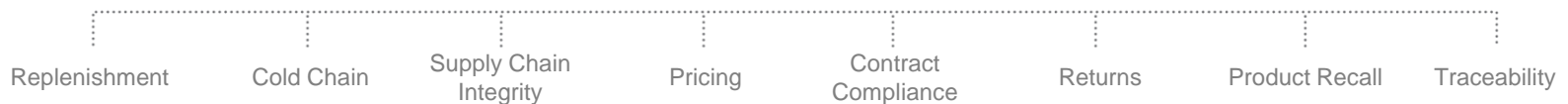
#### EPC\*-ENABLED RFID TAGS



### SHARE: GS1 INTERFACE STANDARDS FOR DATA EXCHANGE

**MASTER DATA** GLN Registry for Healthcare®, Global Data Synchronization Network™ (GDSN®)    **TRANSACTIONAL DATA** eCom    **PHYSICAL EVENT DATA** EPC Information Services

#### INTEROPERABILITY



# Johnson & Johnson GS1 standards adoption

## Consumer

- GTIN adopted globally, assigned to 100% of products
- Major retailers driving GLN adoption
- GDSN in use
- Select retailers piloted EPC/RFID

## Pharmaceuticals

- Using GTINs to meet FDA & EU barcode rules
- GLN in limited use
- GDSN interest emerging with GTIN sunrise
- Serialization and compliance with pedigree and track & trace regulations

## Medical Device & Diagnostics

- GS1 labeling migration project underway
  - 100,000+ GTINs
- Harmonizing GLNs with “ready” US customers; investigating ROW
- Initiated GDSN projects
- Targeted EPC/RFID pilots

# Medical Devices & Diagnostics

## GS1 Standards Adoption – Current Status

- Johnson & Johnson Medical Devices & Diagnostics companies are implementing GS1 Standards. See [http://www.commerce.jnjgateway.com/commerce/JJ\\_GS1.jsp](http://www.commerce.jnjgateway.com/commerce/JJ_GS1.jsp)
- Medical devices and diagnostics products shall be labeled with GS1 bar codes at the appropriate levels of packaging. The bar codes will contain the Global Trade Item Number (GTIN) as well as other appropriate identifiers: expiry, lot number and/or serial number.
- GTINs and other product data shall be made available through the GS1 Global Data Synchronization Network (GDSN®) to authorized distributors and end-customers when system, data quality, and business criteria are met.
- Johnson & Johnson supports the use of the GS1 US *GLN Registry* for Healthcare® and will cross-match the appropriate customer global location numbers to account numbers when system, data quality, and business criteria are met.

# Gs1 Bar Code Adoption – Medical Devices

March 2012

## DePuy Transitions Product Label Barcodes to GS1 Standard

### Dear Valued Customer:

DePuy companies have begun making a label format transition from the Health Industry Barcode (HIBC) to the **GS1 standard**. GS1 is the most widely used system for identification (numbering) and data carrier (barcode) standards throughout the world.

As a result of the transition to GS1, you will notice a different barcode image on our product labels. The process of scanning will

led.

fy products.

I change is the barcode.

[nigateway.com](http://nigateway.com) and click on the "View the Medical Guide is available. If you encounter any problems

enhance your future service experience.

never stop moving\*  companies of Johnson & Johnson

### HIBC vs. GS1 Barcode Formats

Use Barcodes Below for Testing

HIBC 128



**+H207 222720 1 /**  
 Mfr. ID      Product Code      Pkg. Level

GS1 - 128



**(01) 2 0886705 00822 0**  
 GTIN Application ID      Pkg. Level      Mfr. ID      Identifies Product Code      Check Digit

Global Trade Item Number (GTIN): A number that uniquely identifies products.  
 For example for product code 222720 the GTIN is 20886705008220 (Product Code to GTIN – cross reference required).

← SECONDARY Barcode →



**+\$55 140304 12345678 / /**  
 Quantity/Date Identifier      Expiry Date (YYMMDD)      Lot Number      Link Character      Check Character



**(17) 141031 (10) 12345678**  
 Expiry Application ID      Expiry Date (YYMMDD)      Lot Application ID      Lot Number

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# Johnson & Johnson GS1 US Hospital Market Pilots

## Project Ice Augur

- Johnson & Johnson
- Mayo
- Cardinal Health
- Novation
- GHX

## Including:

- GS1 standards to identify products from manufacturing through distribution and use
- Maps of product and data flow
- Uses GDSN and EDI



# Johnson & Johnson GS1 - US Implementation Status

- Over 100,000 GTINs assigned
- Manufacturing sites preparing label systems
- Distribution centers preparing data collection systems
- Integrating GS1 capability into order-to-cash system
- Independent franchise starts with target date for all: year-end 2012

The screenshot shows a webpage titled "Resources and Links" for Johnson & Johnson Health Care Systems Inc. The page is divided into several sections:

- Resources and Links:** Includes links for "News", "GS1 Health Care", "GS1 Health Care US", "Barcode Usage Survey", "Contact Us", and "Frequently Asked Questions".
- Communication from the Johnson & Johnson Medical Devices & Diagnostics companies:** A letter to customers explaining the transition to GS1 barcodes. It states that the transition will begin in December 2010 and be completed by the end of 2012. It lists several companies that will be transitioning: Biosense Webster, Codman, Cordis, DePuy Mitek, and DePuy Spine.
- Right Side:** A vertical list of logos for various Johnson & Johnson companies, including Biosense Webster, Codman, Cordis, DePuy Mitek, and DePuy Spine. A note at the top right asks users to click the appropriate logo to download cross-reference spreadsheets.

[http://www.commerce.jnjgateway.com/commerce/JJ\\_GS1.jsp](http://www.commerce.jnjgateway.com/commerce/JJ_GS1.jsp)



# GS1 BeneLux Health Care Pilot

## AZ Sint-Jan Brugge-Oostende AV and Ethicon



Ethicon Migration from HIBCC to GS1 GTIN



# GDSN® Adoption



- Currently sending data to 54 retailers worldwide
- Recently began sending data to U.S. Department of Defense in support of the “war fighter”
- Synchronized 8,000 GTINs for sutures with U.S. Defense Medical Logistics Agency

# GS1 US GLN Registry® Usage



Johnson & Johnson Health Care Systems Inc. GLN 0705038000007

# Healthcare accelerating GS1 Standards adoption

## GS1 Healthcare Whitepaper

*Over 71% of the respondents are moving towards the adoption of data standards in the next five years. 99% of these are moving towards GS1 adoption.*

*Source: Center for Innovation in Healthcare Logistics - GS1 Data Standards Adoption Survey  
December 2011*

All 3 Healthcare Companies on the GS1 Management Board support engaging McKinsey & Company consulting firm to provide advice on how to ***further accelerate GS1 adoption.***

# Objectives for the development of a GS1 Business Case in Healthcare

## Characterize and quantify the benefits of GS1 global standards in healthcare

- Patient and business benefits
- Across multiple applications (track & trace, pharmacovigilance, etc.)
- In all healthcare categories (drug and device)
- In near-term and longer-term
- For C-suite audience

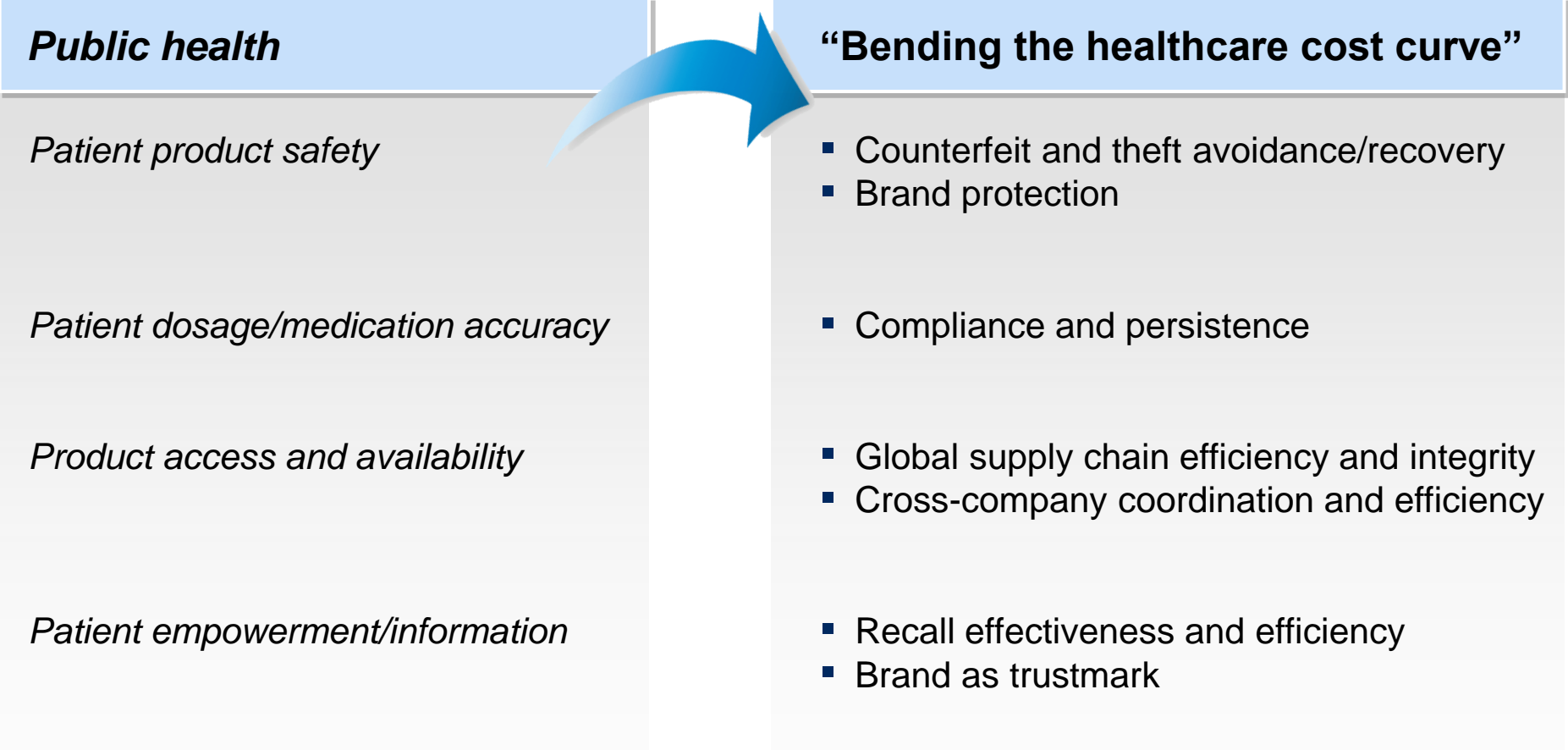


## Define a high-level industry implementation roadmap

- To optimize patient and business value capture relative to cost in current business models
- To set the foundation for new business models
- To meet current and expected regulatory requirements
- To shape the evolution of the global regulatory environment
- To accelerate an inflection in global standards adoption

# Building the Business Case for Adopting GS1 Standards in Health Care

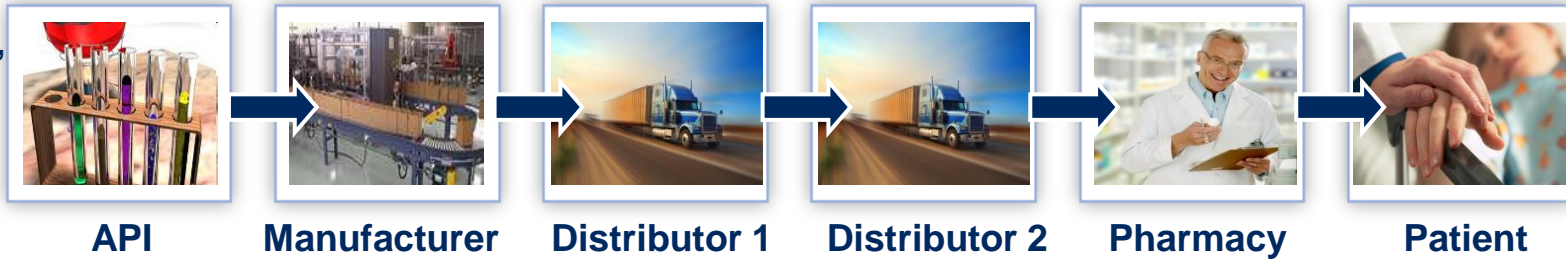
A C-suite communication should describe the benefits of Global Standards relative to both patient and business needs



# Benefits will vary by supply chain participant: Track & Trace example

✓ Beneficial  
✗ Not beneficial

Potential benefits,  
by supply chain  
participant



	API	Manufacturer	Distributor 1	Distributor 2	Pharmacy	Patient
Revenue recapture	✗	✓	✗	✗	✓	✗
Supply chain efficiency optimization	✗	✓	✓	✓	✓	✗
Brand protection	✗	✓	✗	✗	✓	✓
Common global data language and processes	✗	✓	✓	✓	✓	✓

**Next steps: assessment of benefit captured by supply chain participants by adopting harmonized T&T standards**

# 7 Billion Reasons to Care



Global Standards Will Benefit  
Patients and Consumers Around the Globe