

## Janssen Pharmaceutica

### Making External Manufacturing a Seamless Extension of Internal Manufacturing

#### LIFE SCIENCES AND HEALTHCARE

#### Business Challenge

Cost pressures on pharmaceutical manufacturers are global and growing. As a producer of active pharmaceutical ingredients for the Janssen Supply Chain, Janssen Pharmaceutica needed a clear strategy for the future — and if supply could be guaranteed, External Manufacturing (EM) was crucial to this new strategy.

The company wanted to become a supply chain organization with both internal and EM to provide an equally secured, competitive, reliable and compliant supply to global pharmaceutical companies such as Johnson & Johnson.

#### Approach

Hitachi Consulting was brought in to help the company drive its new strategy. The objective was security of supply through management of EM as a seamless extension of its own manufacturing footprint.

Achieving this required the development and implementation of a roadmap for the detailed qualification, selection and development of EM partners.

Hitachi Consulting's experts worked closely with the Janssen project team to address the specific requirements for the optimum way forward.

- Clear timelines and results-focus were achieved by installing a robust Project and Portfolio Management System.
- Progress was driven by pre-planning and allocation of all resources across EM sites.
- Effective decision making was facilitated by applying clear criteria for each process step.

#### Overview

##### Customer Challenge

The primary objective of the client engagement was to consider all cost containment programs, including EM, to continue delivering patient value at affordable prices.

##### Location

Belgium

##### Sector

Life Sciences and Healthcare

##### Function

Supply and Demand Planning

##### Service Lines

Performance Improvement, R&D Optimization, Change Management

##### Capabilities

Innovation, Asset Management (multi-site management, contracts and contractor management)

#### Results

- EM partners are now managed as Janssen Pharmaceutica virtual sites.
- EM partners are systematically managed to Janssen Pharmaceutica standards.
- Consistent risk management has led to improved CAPEX avoidance and accelerated cost productivity benefits in outsourcing.

Janssen Pharmaceutica now has a robust roadmap for the management of EM, as well as for licensing and acquisition. It can now manage external partners as part of the core organization and ensure efficiency, cost productivity

**"The immediate impact is that people are more capable of doing their jobs and working more effectively with partners."**

- Luc Ruelens, VP External Manufacturing

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