

Interview: John O'Hara - General Manager, Janssen Puerto Rico



03.08.2015

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John O'Hara is the general manager and vice president of Janssen's facilities in Puerto Rico as well as the head of the Janssen campus. He discusses the affiliate's rapid growth curve in the last three years through its dedication towards people, processes and community.

What are the origins of Janssen's manufacturing operations in Puerto Rico?

Janssen Ortho started in Gurabo in 1981 as a small molecule facility, or in other words, a facility that made APIs to be used in oral solid dosage tablets in Johnson and Johnson (J&J). Today, we are one of two launching sites for oral solid dosage for Janssen Supply Chain, which is our pharma division of J&J.

In the last few years, J&J's portfolio has delivered key products like Prezista for HIV, Xarelto for deep vein thrombosis, the Cana family (Invokana and Invokamet), an SGLT2 inhibitor used for type-2 diabetes. Most recently in the Prezista family, Janssen launched Prezcobix; as most HIV patients take a cocktail of drugs; this really works towards reducing the tablet load for a patient.

What are your current priorities?

Being a premier launching site for J&J, the priorities are threefold: people, processes and the community. In terms of people, we have had six rapid launches in the last three years in my tenure here. This means that the time between receiving FDA approval and being ready to distribute the

product to patients takes only three days. That requires having the right people with the right skill sets, and also means we need to look at our early talent development strategies. Being in a growth phase, we have had the extreme fortune of expanding headcount, and we currently employ between 900 and 1000 people. We have excellent access to talent in Puerto Rico. Janssen works extensively with universities like UPR Mayagüez to utilize their technical people and to run an extensive co-op program. Continual development of our people from the early stages is paramount. We have ferociously grabbed lean principles and today all our staff are belt-certified and lean, which has really cascaded it down: 60 percent of our supervisors and 30 percent of the shop floor is lean certified.

In terms of processes, the objective is to always meet the pipeline with an eye on the future. We have partnered with the National Science Foundation, UPR Mayagüez, Rutgers, and the University of Ghent around continuous manufacturing. Together we are determining the future of manufacturing and figuring out how can we continuously manufacture even more efficiently and robustly in the future and harness what the regulatory agencies around the world are asking for.

From the community perspective, we have an 11-acre solar field that is in the final stages of commissioning and will go live in a few weeks. With 8300 solar panels, this field represents only eight percent of our total usage but saves on 3,000 metric tons of CO₂. The work that we do with our local communities is a key focus for me in this site. J&J employees always talk about the 72-year old credo; I have been with this company for 19 years, and the credo is still front and center in the decisions we make. We have initiated projects with Bridge to Employment, working with Janssen's sister facility in Manatí. We have 54 sophomore public students in this program, set up with mentors and coaches who work to improve their graduation rates. Janssen is heavily involved with PECES, an organization in Puerto Rico that focuses on children who are at ultra-high risk for school dropout. I personally show these youngsters what is like to be part of the J&J family.

Do you feel there is a re-energizing of Puerto Rico to bring the country back to its former capacity?

We are one of two launching sites; we earn that right to be competitive every day. It is not only about being safe and compliant, but about local and global competitiveness. Companies operate here not just because of Puerto Rico's tax structure, but because of the infrastructure and talent that they can develop, and the innovation that they can perform within their sites. This puts individual companies in a competitive advantage over other jurisdictions. The government will be part of the equation, so on the other side you have to bring all these elements to the table in order to fulfil every manufacturing necessity. That has positioned Janssen as a world-class manufacturer

and launching site. What we have earned as a facility is not simply due to being in Puerto Rico, but rather through the outstanding performance of our people and processes.

How do you convince top management to invest in Puerto Rico compared to other sites?

The world is flat; we do not have the laws in Puerto Rico that give us particular exemptions. Having said that, there are things we can do to help our position when I'm having those discussions. 18 months ago we implemented a foreign trade zone here. Ideas like that will provide us a better position when we are at that table. As an example, we have increased our workforce from 700 three years ago to almost 1000 today. I am having also conversations about where to put new products not only in terms of how we can be competitive but the fact that I have access to great people, be it engineers, technicians, QC analysts, QC managers or supervisors. We have a new lyophilization facility to make finished Remicade; it is the first such facility in the Americas in part due to our great access to talent. We expect to go commercial with this facility in September 2015.

What does your portfolio look like today?

We are coming out of this growth curve of new product launches I mentioned earlier, and we still have a number of J&J's legacy products from ten to 15 years ago. We still make those products as well every day. From a site perspective we are in a mode of sustainment, leaning out our processes and utilizing lean tools as we look at our current portfolio.

While we do make many off-patent legacy products like Levaquin or Topamax, we do so in much smaller quantities. We then look at the growth of new products I mentioned and use our talent to focus on new processes that we have launched and continue them through our life cycle management.

It seems like things are going very well for this affiliate!

Indeed, the last three years have been successful; for the past two Janssen has been voted the number one large-employer on the island in the AON Hewitt El Nuevo Día poll compared to 70 other large employers in Puerto Rico. With J&J alone, we have five manufacturing facilities in Puerto Rico: Aguadilla (Lifescan), Manatí (Janssen Ortho), San Lorenzo (Ethicon), Las Piedras (McNeil), plus ourselves. Our Guaynabo offices run the sales and marketing for these companies. In total, there are approximately 3,000 J&J employees on the island. Janssen has had a strong pipeline, which we continue to bolster, and over the last three years our growth curve has been excellent.

What is your biggest challenge on a day-to-day basis?

Our biggest challenge has been the utilization of our existing asset base, and what we are going to do from an investment perspective to manage the short-term and long-term, and bringing those new assets online and up to speed, some of whom are new to J&J, some of whom are transfers, working on managing for the future. It is a challenge but a blessing as well as seen through our tremendous growth.

What is the strategic importance of these two facilities in relation to the entire organization?

Janssen's presence in Puerto Rico truly supports the company's pipeline. When you think about managing the scope and complexity of six rapid launches in three years as well as line extensions, it is all about having those people and processes where you must not only get the product out to the marketplace, but must then sustain that product as well. That is what we have done.

Where are these products exported?

We export about 60 percent of our tablets outside the US. Many of our products are registered in multiple countries worldwide.

How do you find the decentralized structure of Janssen in Puerto Rico?

J&J has always been a decentralized company. A number of years ago we integrated all of our supply chains together (pharma, MD&D and consumer) and now we are part of the broader J&J supply chain while still remaining decentralized. Nevertheless, we have the opportunity to make sure we are pharma-centric. But there are many processes where we can leverage across the supply chain and become even better. As an example, Ethicon is five kilometers from here in San Lorenzo, where I am exchanging talent with Ethicon. One of my former senior managers has been working at Ethicon for two years now. This is becoming a true strength of where we are going; having a fresh set of eyes is a real positive.

Where can we find this organization in the next few years?

There will continue to be laser-like focus on people, processes and community. You will see that lean competitiveness engrained in every level of our organization. As I mentioned before, this a flat world, and we must have that competitiveness.

Furthermore, this is one of the most unique campuses in J&J because all three sectors are present in a relatively reasonable area. With the opportunity to harness J&J Supply Chain across the three sectors we can strengthen our competitiveness and we can shrink what those worlds look like to

create a true recipe for success.

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