

JJ: On Your Face, Not in It

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On an almost bi-weekly basis, Johnson & Johnson (J&J) hits the front page of major news sources, including yours truly at *Manufacturing.net*, with details on yet another recall. The most recent [installment](#) [1] is for baby lotion that might have an excess of bacteria, but in this case, it seems they're being safe rather than sorry. Independent testing showed no danger, but the recall is nonetheless an instinctual reaction at this point.

The company's problem isn't a single recall, however. It doesn't matter if the lotion is safe, or if J&J is just being cautious. The personal care products manufacturer has deeper issues, notably a string of 30 recalls since 2009 — that's an average of 10 a year or one about every 5 weeks. The company just announced that two executives in the Consumer Health Division are going to be leaving the company — most likely due to those recalls — and that's a start. There's still a long way to go, however.

The entirety of J&J's story leaves me wondering one thing: Where's the outcry? And, perhaps, more importantly: How has the company managed to avoid it?

J&J is a massive, multinational company with dozens of subsidiaries and brands, and most of us take part in its reach. I know I'm stocked up with products from a half-dozen of these brands, and so are most Americans. We're intimately tied, in some cases, to these products. I think the lack of public outcry has something to do with that intimacy, and it's an interesting contradiction. Stick with me.

Before we get there, we need to go through some recent history, because the way J&J has been able to escape much public scrutiny is pretty amazing. Let's run through some of the recalls and safety announcements the company has announced in the last few years:

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Published on Chem.Info (<http://www.chem.info>)

1. January 2012: The FDA announced that J&J could face fines for selling faulty insulin pumps and not informing diabetics about the dangers.
2. December 2011: J&J recalled 12 million bottles of Motrin IB because they may not dissolve properly.
3. November 2011: The company announced that it had removed two chemicals — 1,4-dioxane, considered a likely carcinogen, and quaternium-15, a chemical that releases the preservative formaldehyde — from baby products.
4. June 2011: J&J recalled 60,912 bottles of Tylenol Extra Strength Caplets for a musty, moldy odor that was traced to “2,4,6-tribromoanisole,” which is a byproduct of a chemical preservative sometimes used on shipping pallets.
5. May 2011: J&J issued a recall for surgical stitches that may not be sterile.
6. February 2011: J&J recalled 70,000 pre-filled syringes of an antipsychotic drug because of cracks that could affect the drug’s sterility.
7. November 2010: J&J said the manufacturing processes for Children's Benadryl Allergy Fastmelt Tablets and Junior Strength Motrin Caplets were not up to their standards, and were subsequently recalled, but were safe for use.
8. April 2010: During a routine investigation of J&J facilities, the FDA found several “manufacturing deficiencies” that could lead to products that “may contain a higher concentration of active ingredient than is specified; others contain inactive ingredients that may not meet internal testing requirements; and others may contain tiny [foreign] particles.” Due to this investigation, J&J voluntarily recalled 43 children’s medicines from 12 countries. This is, at least in recent years, likely the company’s biggest blunder.

And at this point — I’ll be honest — I got tired of digging through news archives. The recalls extend back another year or so, but I think the trend has been established.

Back to my original point of intimacy. I mentioned earlier that I own a good number of J&J products. I’ve been wearing Acuvue contacts for more than a decade. I’ve slapped on too many Band-Aids to count, and downed a lot of Tylenol as a result of the same injuries. I put a lot of faith in these products personally, but they’re just that — personal. Unless someone is snooping around, they won’t know what brand of contacts I wear or what kind of mouthwash I use. Being a personal care company, J&J can mask its quality control issues behind the intimacy of its products.

Let me make a comparison to Toyota’s recall fiasco of 2010. It was absolutely blanketed on the news for months. The red flags were flying at every intersection. I know people who got nervous if a Toyota pulled up in their rear-view mirror. As a

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company, Toyota is still suffering mightily for its quality issues, between charges for necessary repairs and the more intangible ding on its previously spotless reputation.

I think Toyota got raked through the coals because cars are a status symbol in American culture, not unlike the way one dresses. They're a statement about whom we are. When the average American (one who doesn't work in our industry) hears the word "manufacturing," they're probably going to about cars before anything else. Because of this, a major automotive recall becomes a national panic attack.

Because of the products it makes, J&J manages to escape a lot of this discussion. We don't make judgments on others based on what contacts they wear. We don't care if someone uses Listerine over Scope, or if they use Aveeno or Olay. We don't talk about these things because they're personal. Who is going to admit they're personally affected if boxes of Rogaine are recalled?

Of course, the media has something to do with this as well, but I think that's also tied into the kinds of products Toyota and J&J make. The frenzy around Toyota was overblown, in my opinion, and my confidence in J&J's manufacturing capacity has been far more adversely affected than it ever was for Toyota. It just seems that no one is interested in stringing together dozens of small events into a cohesive story when they could talk about careening out of control.

But when I say that J&J has escaped a lot of fallout from the recalls, I don't mean that they've gone unscathed. The company's [fourth-quarter profit](#) [2] fell 89 percent, although sales have remained steady. Most of that decline was due to legal battles and one-time charges for the various recalls. The company's executives seem confident that 2012 will be a better year, and they're probably right.

I do hope the company is working to improve its operational standards despite escaping the critical spotlight. Considering that J&J's Fort Washington, PA plant will be shuttered until 2013 as it undergoes a complete renovation, I think it's taking the right steps forward. The management change is also a good decision — it's certainly time for some fresh eyes on the problem.

From here, we'll just have to see how 2012 plays out for the company. Investors are getting skittish, and the more the company's name appears in the headlines, the more it gets *in* our face. That future, if nothing else, will be what hurts it in the long term.

And if you think about it, J&J makes just about everything it needs to jumpstart a full recovery: A little Tylenol for the soreness, some Neosporin and a Band-Aid or two for the open wounds. Maybe some new Acuvue lenses to better see the road ahead. Finish it off with some Clean & Clear to get rid of the blemishes, and J&J should be ready to present its new self to the world ... or at least the unlit — and unspoken — backs of our medicine cabinets.

What's your take? Let me know via email at joel.hans@advantagemedia.com [3] or comment below.

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Published on Chem.Info (<http://www.chem.info>)

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