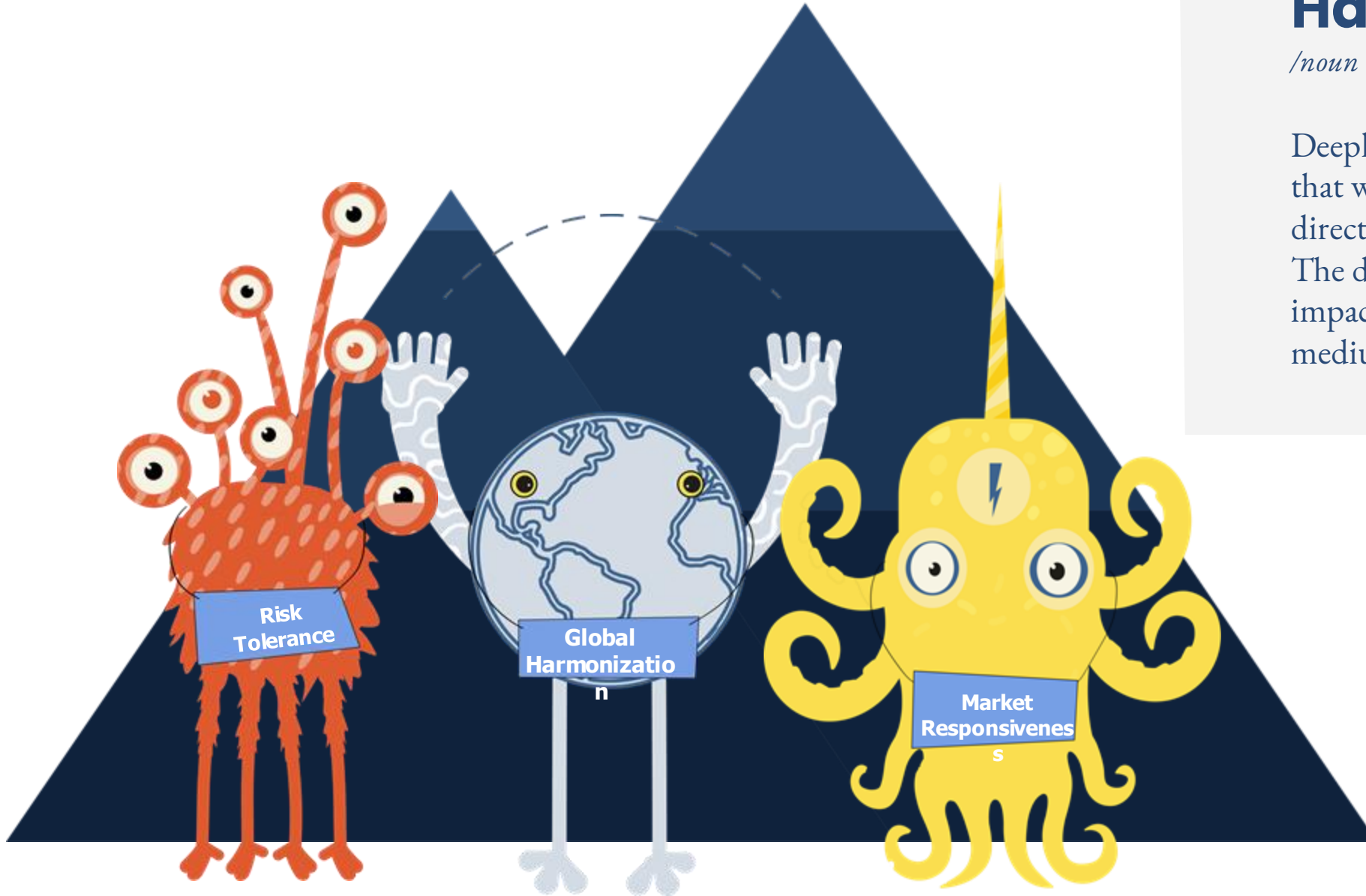


# Hairy Beasts

*/noun*

Deeply rooted, systemic challenges that will require intentional and directional changes led by leadership. The degree of change targeted will impact decisions on small and medium changes.

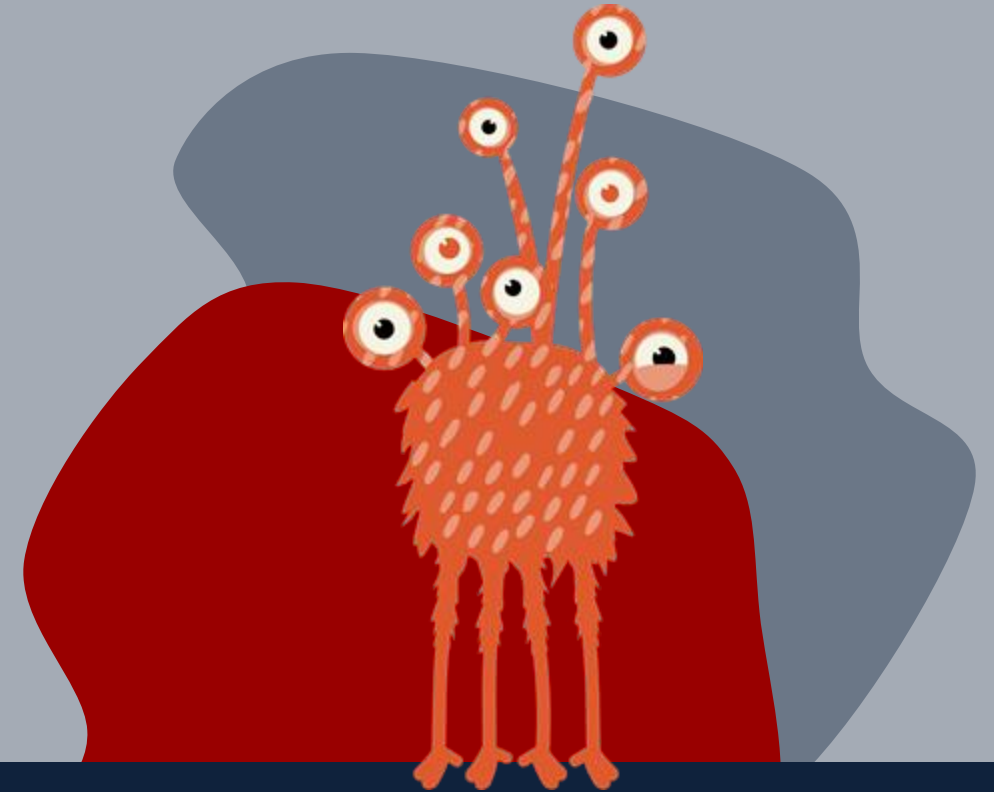


# Risk Tolerance

## THE CHALLENGE

Risk is a hot potato - everyone is happy to pass it off, yet everyone feels burdened for it throughout the process. However, JnJ doesn't have a shared definition of risk that allows team members to properly identify what risks exist, the nature of the risk, and possible solutions to address it.

Without this articulation, JnJ's default will continue to be a highly conservative, risk-averse culture that doesn't allow any risk to be tolerated and individual self-preservation is the decision-making criteria.



### HIGH BAR, LOW THRESHOLD

*"I feel like JnJ has a risk tolerance of 150% when our competitors are maybe at 100%. Could we get closer to 110%?"*

### SUBJECTIVITY VS. REALITY

*"Is this really a risk or just a preference? I think sometimes we catastrophize what could possibly happen, but what is likely to happen? Is this really putting us at risk?"*

### PRESSURE FROM PERSONAL RESPONSIBILITY

*"If I review something, I'm liable for it. So I can't sign off on something I don't believe in just because it's been approved before. Because if it goes wrong, I'm in the witness chair."*

# Global Harmonization

## THE CHALLENGE

Managing claims and assets while maintaining a consistent message and approach is no small feat, let alone at a global scale. However, in its effort to avoid the complexities of global markets in strategy and claims development, JnJ creates downstream burdens that result in redundant work, divergent applications, and painful reconciliation of regional needs within a singular global approach.

Moving smarter and with more resources early could pay dividends when it's time to bring a product to market anywhere in the world.



### EVIDENCE AS A ROOT CAUSE

*"The issue with global strategy actually comes before the claims. It's in the evidence. When you decide what claims you want, you have take into account what actually counts as evidence in other countries."*

### GLOBAL ISN'T ALWAYS INCLUSIVE

*"'Global' means it's from the US. They have their own regulations, but it doesn't always take into account other market dynamics."*

### DUPLICATIVE DOWNSTREAM EFFORT

*"We don't always do the hard work we need to do up front. Instead, we go through an easier process and then have each region duplicate the work for approval."*

# Market Responsiveness

## THE CHALLENGE

Today, every team member feels the effects of a volatile market. Content creators want to respond in real-time to the needs of their customers. Reviewers want to address risk not through precedent but the environmental conditions. Publishers and channel owners want to deliver great experiences through evolving technology.

However, JnJ's urgency to respond has undermined its ability to forecast and cooperate across teams. Unclear expectations and inefficient planning creates drag during reviews and pushes human capital to the limit.



### DELAYS INHIBIT OUR RESPONSE

*"We can respond to what's happening in the market because it takes everything so long to get through copy approval. Ideally I could get it turned around in a week, not three months."*

### LACK OF FORECASTING

*"I can't predict when tasks will enter my queue or how many. All of sudden, I'll have 50 claims or 30 assets to review and it all needs to happen in a week. How much of this content is really needed?"*

### VOLATILE MARKET ENVIRONMENTS

*"Approval of a claim might change at any given moment, that's just the way it is. We are in a volatile industry and something could change from one week to the next."*