

Case Study

J&J Vision Care Ireland automates their budget spend management process, achieving significant cost savings & operational efficiencies.

● Reading Time - 6 min



As part of the wider J&J healthcare group, Johnson & Johnson Vision Care has run a successful manufacturing plant based in Limerick for over 25 years, producing contact lenses for the global market. Johnson & Johnson aims to change the trajectory of eye health worldwide and its Limerick plant is key to that project given it is one of the largest contact lens manufacturing facilities in the world employing 1600 people. The Limerick site produces over seven billion lenses annually on a continuous 24/7 shift.

In Limerick, J&J manufactures strategic products in Johnson & Johnson Vision Care's product portfolio, including the company's fastest growing daily disposable lenses and a range of beauty lenses, largely for the global market, including more than 65 countries.

For generations, the Johnson & Johnson name has been associated with creativity and original thinking and today, it is scientific innovation that drives Johnson & Johnson Vision Care forward – and its Limerick facility is a shining example of this philosophy.

Denis Ryan

Process Excellence Director

Denis Ryan is Process Excellence Director at Johnson & Johnson's Vision Care site in Limerick. To deal with the growing demands of purchasing in large-scale manufacturing, Denis and his team deployed Macmarts across the site, transforming budget spend management, driving control, cost savings and efficiencies, freeing up vital resources allowing them to focus on their core roles.

The Challenges

The Process Excellence group was responsible for overseeing CapEx/OpEx Budgets and delivering value back into the site by achieving tangible cost savings and operational efficiencies. Further it needed the buy in and support of a large cross functional team including engineering, project management, finance, procurement and senior management. The team knew that if J&J Vision Care were to successfully optimise spend and resource efficiency, they would need to automate their existing processes.

A recent survey showed that high value engineers were spending a disproportionate amount of their time managing budget spend related activities using the incumbent legacy systems and processes.

In brief:

The RFQ process was a manual adhoc requester reliant process. 100's of requesters and teams engaging vendors in their own unique way, via scope documents, URS documents, email descriptions / drawings / parts numbers, phone calls, meetings etc. Driving value, both cost and innovation through a 3x quote requirement was a long drawn out manual process. The value output of such a process was dependent on technical expertise, negotiation skills and their Big Picture Knowledge of historical vendor data such as previous projects and volume of business year to date.

The approval process was highly dependent on the RFQ process and the quality of same. Management resources had to ensure that due diligence, compliance, corporate governance was adhered to and that same aligns to strategic goals. Further, the requisition had to transit through various business silo systems in order to release a P/O to the vendor - on average this took up to 21 days.

The requester was mainly in the dark throughout the approval process. They had no vision of the requisition status other than emailing or calling various touch points to request updates before a status was ascertained.

Basically there was no central repository system housing all the relevant information, data and status of each of the 5000+ requisitions that would transit through the incumbent system each year.

The Requirements

1. Operational efficiencies

With significant growth forecasted, the team at J&J Vision Care recognised that the existing budget spend management process was too cumbersome and inflexible. They needed to modernise and automate the entire purchasing management process. It needed to be agile, flexible, in-camera and real-time.

When it comes to the engineering, project managers and key staff members, we wanted to optimise these valuable resources i.e. enabling them to focus on their core activities. Vital resources were getting bogged down in administrative tasks that could easily be digitised.

2. Spend controls

Defining and managing spend control in a multi siloed system is a very difficult task. It involves a high volume of communications, re-quotes, clarification and time consuming negotiations. Ensuring compliance, governance and value are paramount control requirements which necessitates responsibility and accountability in a structured format.

“Macmarts connects people and disconnected systems, it democratises communication, knowledge and data as required by all stakeholders in the spend process chain.”

3. Spend Analytics

Spend Analytics are a vital part of any spend management process, the problem for us was that the main ingredient / source of the analytics (data) was dispersed in separate silos such as SAP Ariba, excel sheets, email etc. and by the time we collated it, it was already out of date.

“We needed one source of truth, one entity where all stakeholders could access, upload and retrieve applicable information in real-time.”

4. Real-time budget oversight

From global pandemics to military conflict, recent events have been devastating for so many people around the world. As a result of this upheaval manufacturing companies are seeing fluctuating prices, materials shortages and so much more. Having your finger on the pulse in real time means you can react to an impending situation must faster and give your self a fighting chance to mitigate the situation. In this context, real-time budget oversight can be the difference between a productive few months and a game-changing quarter driven by real-time insight allowing up-to-date decision making.

“We needed to get to a point where we could see real time spend data for absolute accuracy on our budget spend!”

Why did J&J Vision Care Ireland choose Macmarts?

The team realised that while their existing ERP platform could be adapted to handle some aspects of budget spend management, it was cost prohibitive and not flexible enough to meet the site’s specific requirements.

They wanted a more agile, flexibly, robust system that was adaptable and changeable to the current climate and their future needs. Realtime visibility, control and operational efficiencies were paramount requirements to drive a healthy spend culture.

Macmarts was an emerging operational optimisation platform with a very agile and flexible mindset. They had deep experiences in the manufacturing arena hence their focus on this sector. The team found that Macmarts already had many of the acumens they required, and the system was adaptable to suit their unique methodology. The Macmarts team were fully onboard and formed an extended part of our focus team willing to change and adapt their platform to meet our unique requirements.

The Impact and Outcome

1. Improved spend controls

Macmarts enabled the team to instantly track spending across the organisation through a range of custom-built dashboards, sharing spend data with all stakeholders who need it.

Built-in flexible workflows streamline the purchase requisition approval process. Full visibility and traceability for this key function now means that the once unwieldy and tedious process can now be digitised and managed in real time.

With many types of purchase requisitions on the J&J Vision Care Ireland system, Macmarts allows the leadership team to define and edit the thresholds and approval flows based on Cost Centres, GI codes or Project codes.

With everybody now on the same page, including vendors for all things spend related, it will help drive a healthy spend culture throughout the organisation.

“Macmarts enables our finance, process excellence, procurement, engineering and project management teams to gain applicable visibility and control over all related spending on site, in real time.”

2. Real time spend analytics & tracking

Optimising CapEx and OpEx budgets depends on effective decision-making that is based on real-time insights - and where possible one true source of information to ensure everyone is on the same page. Macmarts enables the process excellence team to store all purchase approval-related information in a single repository enabling real-time

traceability, spend analytics and trends. Macmarts Data Collector pulls actual spend data from the company's ERP (SAP) into the platform to provide a real time picture of actual v. committed spend across all cost centres.

“What we were looking for was total visibility, trend management and measurable deliverables.”

3. Greater operational efficiencies

Transitioning from a manual, multi silo, requester reliant process to a strategically planned, controlled digitised process has been night and day. The benefits and opportunities of such a process are immense as well as the significant efficiency factor.

Even from a conservative viewpoint saving a couple of hours off each of the 5000+ requisitions annually added a substantial value to the business. This combined with all the other outputs from Macmarts made it a no brainer.

“For me, the big deal with Macmarts is its configurability and its flexibility. It can be customised and tuned into the current requirements. Business changes, our world changes so we need the flexibility to adapt to these changes. I think Macmarts is tailor made for manufacturing organizations, it saves a huge amount of time by streamlining the complete spend management process coupled with the control and optimised efficiency factor that it delivers.”

4. Releasing resources back into core activities

Globally, vital resources such as engineers, project managers and procurement professionals are scarce assets. We realise in our sustainability goals that we need to ensure, empower and enable these vital resources to do their job unhindered and uncluttered with legacy systems. The entire RFQ, purchase approval and budget management process is now automated. In practical terms, that equates to thousands of engineer hours saved every year. Macmarts has transformed the spend and budget management process.

“Freeing up vital resource hours that can be invested back into the business to focus on core activities.”

The Bottom Line

The bottom line is that at Vision Care our core business is the manufacturing of contact lenses. From a manufacturing perspective this is a continuous evolving process, striving for process excellence and more importantly: meeting the requirements of our customers. To achieve these goals, we invest heavily in R&D, new equipment, facilities, process improvements, retro fits etc. hence the absolute focus on spend management and optimisation.

It is incumbent on us to ensure that each procurement activity delivers value back into the business, that we get exactly what we paid for and that same is compliant to our quality and governance requirements. Further we must do this in an efficient manner i.e. not draining resources away from our core business.

“The system has helped us greatly because we were listened to in terms of what we wanted. Holding the initial discovery workshop with process excellence was crucial as this helped us understand the “as is” process. By mapping the old process and the ideal state, we were able to see what our problems were, what we needed to fix, and where we needed to get to.”

Learn more at [Macmarts.com](https://www.macmarts.com)



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