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J&J puts all Chinese units under single local chairman

August 29, 2013 | News | By BioSpectrum Bureau



Singapore: The business heads of Johnson & Johnson's (J&J) three Chinese operations would report to one local chairman from next month. This move has been made by the firm in an effort to increase sales and centralize corporate oversight. The three Chinese operations have been reporting to separate business heads in the US.

Mr Jesse Wu, the worldwide chairman of J&J's consumer business, will become chairman of J&J China and would report directly to company chairman and chief executive Mr Alex Gorsky. Mr Wu will oversee an operation that includes 9,000 employees in China and $2.5 billion in sales last year.

Each of the three China units will still be responsible for determining its own business strategies. Mr Lynn Pendergrass, co-senior vice president, Hewlett-Packard, will join J&J, taking over Mr Wu's job as head of the firms's global consumer business.

Mr Ernie Knewitz, spokesman, J&J, said that the changes in China will help increase sales and add oversight to the "whole enterprise". He added, "Now it is all segmented like the rest of the world. You report through steps to the worldwide chairman of your unit. It definitely adds additional, and centralized, oversight for our whole enterprise in China, but the emphasis is on growing our business."

Mr Knewitz highlighted that J&J created a similar reporting structure in Vietnam last year and has been considering it for China over the past year in hopes of boosting profitability.