How does a global company take advantage of digital technology? Johnson & Johnson’s vice president of digital strategy, Gail Horwood, explains.

I joined J&J Consumer Companies about four years ago to start its Digital Center of Excellence. Our role initially was to build capabilities and develop strategy that served multiple brands in multiple regions, so I did a landscape overview to help develop the approach. What I saw was that we had hundreds of different websites and digital platforms that we were operating upon globally. If you want to get a message across globally on your owned assets, you need to do that in the same way across the world.

So we made a strategic decision to agree to build certain types of things, with a website on a shared platform at the center. We work both internally and with external vendors globally to build that and we love the open-source model. As we develop modules that suit our businesses, they can be shared, and it’s very exciting for our internal developers because it’s a new way of working.

In the past, the model might have been that our biggest brands had the most budget and developed the most robust platforms. And smaller brands had less robust digital footprints because they had to build that on their own power. Yet when you share a platform, any brand small or large can benefit from improvements. What this has enabled us to do is to bring the same power that one of our biggest, most iconic brands has to one small brand in a very particular region or market. And that, of course, enables us to innovate very quickly and iterate.

J&J has historically been very decentralized. One of the things I was able to do in the consumer sector was bring all that work together. The more we bring our cross-functional partners and projects together, the more we’ll make true impact for the business. It’s great to execute on a regional and local basis—and it’s really at the heart of our business strategy—but I believe digital brings opportunities to streamline and leverage certain capabilities that are really common across the businesses.
Real-time marketing

Social media is an example of something that truly requires a global and local strategy, because social makes any communication global. Setting a global communication strategy requires some pretty foundational things: content management, digital asset management, new production models that help us create and then leverage and syndicate content globally.

For example, we recently participated in a real-time social-media campaign for the 2014 FIFA World Cup for our Listerine consumer brand. For the first time ever, J&J built two newsrooms, and we responded to action in the matches in real-time with brand messaging. We had to set up the appropriate processes, governance, a risk matrix, channels, and work very closely with our cross-functional team, as well as with regulatory compliance, legal, and marketing.

And you see the results of your work immediately and how consumers respond to it. We’ve had some great success with that. But the real lesson is that real-time marketing is as much about the preplanning and the preparation as it is about enabling people to act in real time.

In big companies like ours, creating a TV spot or a few pieces of copy a year would be quite typical. When you’re developing real-time social-media campaigns, you might have 200 pieces of copy in a month. Taking advantage of that required a new business model, a new way of thinking about it. It also required thinking about tolerance and risk. Tolerance is about asking, “What is a reasonable threshold for when we need to take action?” when something unexpected happens. It gave us the confidence to say, “You know what? We knew something like that could happen. It did, and we’ve already decided how we’re going to manage against that.”

I think it’s very important that social media be managed, at least in part, internally in an organization. As strong as our agency partners are, and they’ve been terrific creative partners, nobody knows our business and our business requirements as well as we do.

Serving consumers better

Evolving our model has been a learning journey. The challenge for us is not that the model is wrong; it’s that the landscape has changed. The model doesn’t fit the new landscape, so we’ve had a lot of success through these active learning projects.

Understanding the consumer journey and what we’re building for whom and when is very important. So I’ve set up a group that has product-development expertise. They translate business requirements into technical specifications. They maintain the responsibility for not just building and overseeing the build of digital products, but also ensuring that they’re measured and optimized. We treat them as platforms rather than projects.
A big shift in our organization has been to manage those over time and to iterate and build upon them as opposed to consider them a discrete project that had a beginning, a middle, and an end. When you put an app into the app store, you’re potentially finished with it, but the consumer is expecting updates, improvements, messaging. And that’s something that we’ve built into our organization that didn’t necessarily exist in our former model.

The other thing we’ve done is develop benchmarks. The number one question I’m asked by our business leaders is, “What is the ROI of digital?” If you’re developing across multiple platforms and multiple regions, the way you’re looking at the world and consumer behavior is very different. So what digital analytics and a standardized approach—rather than a custom and bespoke approach market by market—has brought us is true consumer insights. And we’re able to watch trends develop in consumer behaviors, see them change and develop.

We started very much as a strategy organization and we built common platforms that serve multiple brands in multiple regions. That didn’t mean anyone used them. So a lot of what we’ve been doing is around training, talent development, identifying talent that can staff these organizations, so we can really take what we’ve built and truly embed it in the business and in business practice. We’re trying to teach our businesses to leverage these new insights in ways that they hadn’t thought of.

Gail Horwood has been the vice president of worldwide digital strategy at Johnson & Johnson since September 2010. This essay is an edited transcript of an interview conducted by McKinsey Publishing’s Simon London.

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