What to do in a product safety crisis

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If your company faces a product safety crisis, don't panic. Here are some guidelines to help you respond with a cool head.

If "reality television" has exposed the personal lives of ordinary people, then speed-of-light electronic communications have stripped bare the most intimate vulnerabilities that companies face when managing product safety concerns.

Between 2006 and 2008, there were more than:

• 1,100 separate recalls of consumer products such as appliances, clothing, and children's goods, accounting for more than 1.5 billion individual items; and

• 130 recalls of meat, poultry, and egg products affecting roughly 56 million pounds of product.

These figures don't even include drugs or automobiles, which have been notable for recalls, or cosmetics. Product recalls are now everyday events—not necessarily crises—yet we are aware of only the few that are highly publicized.

Product safety advice is fraught with Mother Goose clichés, such as "Get the facts out immediately" and "Do a mea culpa." And simplistic business-school case studies have no relevance to what your company may face, typically dwelling on the over-cited Tylenol tampering crisis. What follows are some guidelines for a level-headed response:

1. Identify the true origin of the crisis.

Before you can find a cure, you need the right diagnosis. What is really driving the controversy: a legitimate hazard or an unwarranted attack by a motivated party?

As a general rule, when your company bears some responsibility, repent; if not, go on the offense.

When melamine-tainted pet food sickened and killed pets in 2007, Procter & Gamble Pet Care played a critical role in identifying the culprit substance in products manufactured by one of their vendors. P&G' s Consumer Relations Unit, trained to handle inquiries from passionate pet owners, quickly and effectively sifted through inquiries and relayed pertinent information to internal scientific sleuths, who investigated the claims. This fast-moving process led to a well-organized recall and the implementation of new safeguards.

When a human finger turned up in a cup of Wendy's chili in 2005, pundits said the company needed to conduct a nationwide recall. But why, when there was nothing wrong with the chili? Wendy's managers knew they weren't confronting a systemic problem with misplaced fingers. Rather, they were confronting a saboteur. The matter was resolved not with a recall, but with the arrest of the criminal who put the severed digit in the chili.

2. Isolate the risk.

In safety-driven crises, customers want answers to two questions: "Am I going to be okay?" and What are you doing about it?"

Bolstering consumer confidence is largely about control, and companies must communicate precisely what consumers should—and shouldn't —be looking out for. One reason the public can identify so few product recalls is because savvy companies defused potential outrage by

quickly flagging offending products—serial or lot numbers, purchase and expiration dates, regions and stores where the product was sold.

Give consumers a straightforward action, such as returning the product to the store where they bought it. A consumer should be able to conclude, "Because I did not purchase or use Acme Brand Contact Lens Solution, Lot #1234, between Mar. 1 and Mar. 15, 2009, I am probably not at risk" or "I purchased Acme Brand Contact Lens Solution, Lot #1234, and I will take it back to my nearest Main Street Food Store for a refund coupon."

3. Don't offer definitive assurances until you've isolated the risk.

It is too often the instinct of many executives to offer assurances that all is well before the critical facts are known. The reason why companies don't always "get the facts out right away," as they are so often urged to do by the press, is because they don't know the facts right away. This can result in debacles such as when the Postmaster General held a news conference during the 2001 anthrax attacks to assure the public that the Washington, D.C. mail supply was safe—only to have two postal workers die of anthrax poisoning days later.

Better to demonstrate what actions are being taken to address the hazard than make hurried assurances that may backfire.

4. Lose the crisis plan; find a leader.

Crisis manuals may help companies assess vulnerabilities, but they are often worthless when bad news actually hits, because adverse events are largely unforeseeable. However, a strong leader with decision-making authority is indispensable. An effective crisis-management team must be a benevolent dictatorship governed by good judgment, not a democracy governed by protocols. Assorted players—legal, public relations, safety—can have input, but there is a positive correlation between strong leadership and a successful resolution. There is no such correlation between a thick manual and a positive outcome.

5. Manage the relationship with the relevant regulatory agency.

On most safety issues, there is a government agency that has oversight authority. The Food & Drug Administration, for example, has more influence over a crisis than the company that's under fire. In 1993, when there were widespread news reports of medical syringes being found in Pepsi cans, FDA chief David Kessler rightly differentiated between a food supply problem and a bad actor external to Pepsi. Soon afterward, a store camera caught a woman slipping a syringe into a soda can. This exculpatory video clip, combined with reassuring footage that Pepsi-Cola released of thousands of cans whirring safely through a pristine bottling plant, legitimized Kessler's stance. This "inside game" of working with appropriate authorities can be more important than external public relations.

6. The medical touchstone, "first do no harm," applies to product safety.

Don't over-communicate. Most product-safety concerns are dealt with discreetly through swift internal investigations and limited recalls. One major flaw in how product safety is studied is the false assumption by many academics that all resolutions are accompanied by big public relations campaigns. Sometimes, the best-managed crises are the ones that never become Harvard case studies because they were resolved quickly and quietly, but with the cooperation of the proper authorities.

7. Manage the "meta-crisis."

When JetBlue cancelled thousands of flights during a 2007 snowstorm, a television interviewer asked me, "Why is JetBlue in such a mess?" I answered, "Because you keep inviting guests on your show asking them why Jet Blue is in such a mess."

Today's product safety controversies come with a Greek chorus—analysts, journalists, pundits—who usually declare the matter to have been mismanaged. They are essentially investors in the crisis who need to perpetuate it for their own purposes. It is not enough, then, simply to manage the crisis itself; companies must manage the public relations associated with their handling of the crisis!

To handle this additional component, you need a leader who can communicate clearly about the crisis management process itself. In our scandal-fueled media age, the chief executive officer is expected to be the chief crisis communications officer.

Every crisis is its own animal. Companies must replace tired conventional wisdom with the improvisational realities of crisis management as the world is, not as we would like it to be.

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