



TEMIN AND COMPANY

REPUTATION MATTERS

# CRISIS MANAGEMENT IN FOOD RETAIL

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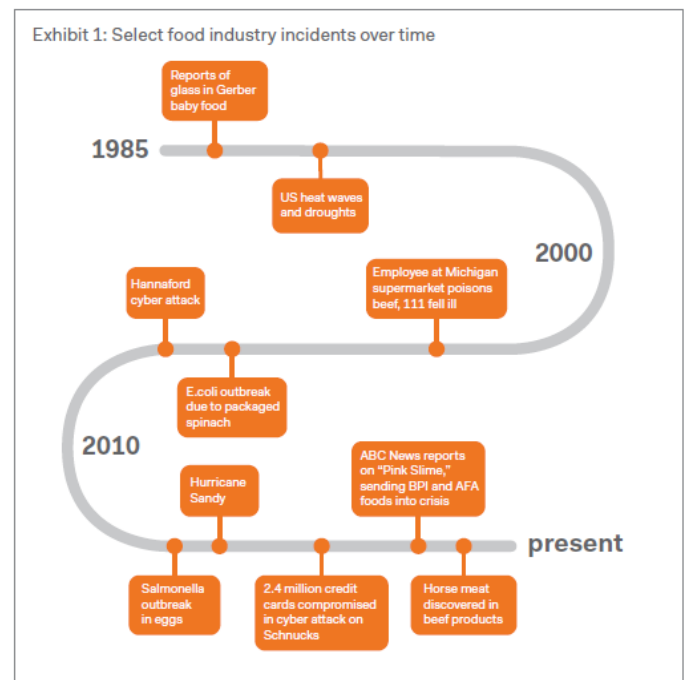
# CRISIS MANAGEMENT IN FOOD RETAIL

Anticipated or not, when a crisis strikes a company, CEOs must be prepared to respond immediately in order to lead their organizations through a potentially catastrophic event. Within the last five years alone, the food industry has been at risk for a wide spectrum of crises, including E. coli and norovirus outbreaks in fresh food, cybercrime such as high-tech SQL injection attacks aimed to steal customer data, natural disasters, and traditional and social media public relations disasters. While there are certainly aspects of a crisis response that can be planned in advance, each incident inevitably requires a unique approach.

In many crisis situations, the reputation of a company hangs in the balance and can literally vanish overnight if the crisis is not addressed immediately and correctly. The expansion of social media in recent years has exacerbated this trend, bringing widespread, factually incorrect, and damaging attention to issues such as “pink slime” and the presence of horse meat in beef products. These issues have gone viral and, in some cases, pushed companies to the brink of bankruptcy. Interestingly, reputation is rarely the top priority identified by a crisis incident response

team. However, given how quickly exaggerations and mistruths spread, reputation does need to remain top-of-mind for every executive in a crisis.

The value of a brand can be maintained or eventually rebuilt, but doing so requires careful management of the crisis itself, and its aftermath. In some cases, if done well, a company can even use a crisis as a pivot point to advance its reputation to a greater level than pre-crisis. Creating a comprehensive crisis preparation plan, correctly managing the event itself, and recovering in the right way can help to protect your brand as well as your organization.



Graphic by Oliver Wyman

## ACTIONS TO TAKE IN THE MOMENT: LIVE CRISIS MANAGEMENT

When my crisis management firm, Temin and Company, was asked to present one of our © Crisis Games – live simulations of an unfolding crisis management case – to the Food Marketing Institute, we recruited 12 FMI Board members to participate in the role-play scenario. As I unfolded our several-act case, board members engaged in debate on how to best set strategy and navigate internal and external communications in a constantly worsening situation.

My goal: bring to light in real-time the importance of a series of our crisis management imperatives, especially around strategy, resilience and maintaining public trust. Through the exercise, the executives uncovered the importance of:

- Maintaining a staunch acceptance of reality, as denial is the worst position to take in a crisis situation;
- Embodying a corporate and individual purpose greater than yourself throughout the crisis; and
- Retaining the ability to improvise, and surrounding yourself with a team that can think around obstacles in a nonformulaic way.

In the case, I helped participants think about the appropriate set of executives to comprise the crisis response team – including, usually, CEO, Board, legal counsel – and we concluded that the team should not necessarily follow the organizational chart. A response team must be comprised of members who can think fast and think right, and then can communicate to the public in the right words at the right time.

The dialogue highlighted 13 of Temin and Company’s key “© Crisis Management Guidelines”:

**ONE:** Information has become democratized and is generally available to the public and other stakeholders. Given the transparency of the world today, **assume that all will be known**, and design your actions accordingly. This not only applies to social media, but to private communication in boardrooms and by telephone, email, and text. Emails, texts, and even voicemail messages are discoverable in a lawsuit and you must prepare all communication to withstand public scrutiny.

**TWO: Control your emotions** and always think strategically and intelligently. The mere fact that you can be calm in a crisis will give your employees and customers confidence in your leadership. Take the time to find

advisors you can trust – those who have experienced your problem before – and listen to their advice.

**THREE:** Keep your eyes on the outside. It is easy to go into endless internal meetings and forget that you need to address your problems publicly. It's important to go against your instincts and make sure your eyes are turned outward, as well as inward.

**FOUR: Move quickly to assess the situation and damage,** and not only strike the right note publicly, but also start to do the right things. As communications travel at the speed of light, you need to respond to brand-threatening crises almost immediately. Remember the Tylenol crisis that everyone quotes as an example of superb crisis management? Well, if a company today took the time that Tylenol did to respond, it would be seen as a failed exercise.

**FIVE:** Figure out what the right message, tone, words, and delivery mechanism are. Perception trumps reality most of the time, especially in times of crisis. So, addressing the public's perception of your crisis is always a good place to start, but not end.

**SIX:** Never make a public denial when it's a lie – there is no better way to lose

credibility and be hated. Furthermore, when making a denial, never repeat the allegation. Make a positive comment and focus on what you are doing to fix the problem.

**SEVEN: Each crisis is different,** and the particulars matter. Never copy the responses of others, though you can learn from those who have done it well. If you respond to your crisis in the wrong way, based solely upon someone else's experience, you could be making a tactical mistake that will hamper your efforts in the future.

**EIGHT:** Limit your liability, but not your humanity, in how you respond to a situation. So many times in crises, leaders will excuse their own bad behavior or their insensitivity to those also affected. However, it is in times of crisis that you must channel your highest self. All eyes are on you as you seek a way to solve the issues and **keep the business going without sacrificing your values and your humanity.**

**NINE:** Use the opportunity to reset your moral compass. **Morality does matter, and yours will show itself under pressure.** This is where true leaders assert themselves and their sense of right and wrong. Even in complex situations, if you can figure out what the

high road is, take it. In the long-run, it will be to your and your organization's benefit.

**TEN:** If you must, **apologize, make reparations, and then put in lasting, game-changing solutions.** America loves a “comeback kid,” and consumers will often cut you a break if you come clean and begin to fix a problem situation. But you can only regain trust once. If you repeat the mistake, the public's trust will be gone for good.

**ELEVEN: Become a visible and real part of the solution,** no matter what it takes. You have an opportunity to become part of the “cure” after a reputational misstep. Take it, because that can change the game for your organization. This provides a fantastic chance to stand out from your peers in a positive way.

**TWELVE: Begin to be identified with best cases so that your own “worst case” is forgotten** over time. The public can have a conveniently short memory, especially if you have come back from a reputational crisis with honor. Not only learn from your crisis, but embody the fix. That is what will be remembered. That is what your legacy will be.

**THIRTEEN: Never make the same mistake twice.**

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## ENHANCING FOOD RETAILERS' ABILITY TO COMMUNICATE IN A CRISIS: TOPLINE STEPS TO PREPARE FOR AND MANAGE A CRISIS

### Part 1: Discovery | Readiness

Crisis management solutions allow the retail food industry to handle unexpected events that could harm people or property, damage reputation or seriously interrupt business. Although crises differ in origin, severity and the factors that are beyond your control, a crisis management plan is the first step to lessening and navigating a challenging situation.

Prior to a crisis, your organization should identify its “preparedness team.” Each team should include a spokesperson, an alternative spokesperson, a media monitor, and a social media monitor.

It is also critical to build and maintain relationships with local, state, and federal partners. These relationships can be formed and strengthened through ongoing personal outreach and information exchange. This will be invaluable when a crisis hits, as you will already have a working knowledge of

the resources available to your company.

External crisis preparedness has evolved significantly in the past several years, and companies need to utilize various types of communication platforms to remain relevant to a diverse customer base. This includes media training and preparedness for traditional platforms, such as television and radio, along with establishing a meaningful presence on social platforms and configuring messages and statements for release on Twitter, Facebook, and other “new” media outlets. Each company is encouraged to develop a corporate social media policy, and leverage social media to disseminate messages, monitor customer opinions, and engage in action plans.

Furthermore, companies should plan to allocate resources to frequently communicate status in a crisis, for example, by creating a temporary website as an up-to-the-minute online resource center for the community.

## Part 2: Action | Responsiveness

The development of employee and customer communication strategies and protocols is key to an action plan. These strategies should focus on how to approach customers during a crisis.

Companies must carefully balance proactive and reactive communication strategies.

Within the proactive strategy, timing and consistent messaging are paramount. Real-time updates via Twitter and Facebook must align with media reports, press conferences, and official announcements on Ustream or YouTube.

From a reactive perspective, it is important to identify the key messages your company wants to disseminate during the crisis and remain aware of timing in order to get in front of the story and refocus coverage.

## Part 3: Recovery

After a crisis has subsided, the recovery period provides opportunities to reconnect with customers to reestablish trust and further develop your reputation. Reinforce messages and promises with employees and customers, and consider hosting a “lessons learned” debriefing with the press.

Promote your role in the recovery through an editorial follow-up or a case study. Most importantly, however, internally assess your results and performance and adapt plans as

necessary to ensure that your company is better prepared moving forward.

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## About Temin and Company

Temin and Company Incorporated creates, enhances, and saves reputations.

Temin and Company also markets by leveraging the expertise, ideas and insight of its clients to produce differentiated intellectual capital and content.

The firm helps corporations, professional services firms, and other institutions define and strengthen their public image – and their bottom line – through strategic marketing; branding; media relations; thought leadership; social media; speaker, media and leadership coaching; financial communications; and crisis and reputation management.

Strategists, coaches, writers, and social media experts are available “25/8” to assure that every crisis is addressed, and every opportunity leveraged.

Clients include the CEOs and Boards of some of the world’s largest and most well-known corporations, financial institutions, portfolio companies, pharma and biotech companies, law firms, consulting firms, publishing houses, venture capital and private equity firms, authors, politicians, and colleges and universities.