

Food Recall Recovery

# Taking Steps to Prevent Another Recall and Protect Your Brand

# Table of Contents

Food Recalls by the Numbers.....	4
Costs Associated with Food Recalls.....	5
Addressing Crisis Management.....	6
Understanding Insurance Impacts.....	7
Preventing Another Recall and Protecting Your Brand.....	8
Adopting a Proactive Approach.....	13

If your manufacturing company has just executed a food recall, you're probably **highly concerned about the breadth of brand consequences that are likely to unfold.**

From crippling reputational damage and the stigma associated with foodborne illness to a significant loss in consumer trust, your company's future is on the line.

Even if there have been no reported illnesses associated with the issue, you're still up against the enormously bad press, the millions of dollars in lost productivity, the diminished product sales and even possible litigation. The backlash has the potential to permanently scar your brand and hinder your organization (see callout on page 4 for reference).

This guide is designed to help you recover from the negative outcomes of a food recall and focus on the two most important aspects of your business: your customers and your brand. Use it as a valuable resource for communicating effectively, safeguarding your brand and protecting your bottom line in the wake of a recall.

# Food Recalls by the Numbers

## 2016 Statistics in the U.S. and Canada\*

A number of big-name producers had to recall thousands of their products for various reasons:



**Dole Fresh Vegetables** recalled branded and private-label packaged salads processed in Springfield, OH, due to the possibility of Listeria contamination.



**Bumble Bee Foods** recalled over 31,000 cases of canned chunk light tuna as a result of "accidental deviation in the sterilization process" that could result in spoilage or the growth of dangerous pathogens.



**Hostess Brands** recalled 710,000 cases of snack cakes and donuts due to undeclared peanut residue in the flour supplied by a third party.



**Kellogg Company** voluntarily recalled 10,000 cases of Eggo Nutri-Grain Whole Wheat Waffles as a result of potential Listeria contamination.



**Sabra Dipping Company** recalled some hummus products after concerns surfaced over the presence of Listeria found in a manufacturing facility (but not in any tested finished product).

\*Source: Food Safety Magazine

## Costs Associated with Food Recalls

The recall process in the food manufacturing industry is a highly expensive one, averaging more than [\\$10 million](#) in costs to cover activities such as communicating the recall across the supply chain, retrieving and handling the recalled product, investigating the event and implementing corrective actions to prevent reoccurrence.

Of course, this average doesn't address the possibility of litigation costs, decreased sales, reputational damage or brand crisis management, which can add up to millions -- even billions -- more. Because the public has become much more informed and aware of food safety events, a single breach of trust could result in resounding losses to your brand.

[Identify costs of a food recall and why investing in food safety is worth it.](#)

# Addressing Crisis Management

As you take urgent steps to protect your brand in the wake of a recall, there should be a concurrent effort to protect consumers and manage the acute portion of a recall crisis. Partner with a team of trained investigators, advisers and attorneys with relevant experience in food recall management. They will be equipped to help you identify critical elements such as:

- **Scope or scale of the recall**, assessing its depth, or the level in the distribution chain to which a recall notification must be given.
- **The level of severity**, ascertaining what level of risk, if any, there is to consumer health and safety. Recalls are designated into classifications based on public health risk.
- **What notifications or statements should be made**, from press releases to consumer notification letters.

# Understanding Insurance Impacts

Most food companies have recall insurance to protect their assets if a recall takes form. But, are you fully informed on what it means to work through a recall with your underwriter or how a recall affects your premiums? Is there a possibility of losing your insurance? It's crucial to understand how your insurance is affected by a recall and what is contractually covered under your plan.

In fact, a [recent Food Safety Magazine article](#) explains how

**“many insurance claims can result in litigation.** To avoid a lengthy coverage dispute with insurers and to ensure maximum coverage for their losses, insureds in the food industry should carefully consider the specific provisions in their policies and the relevant case law and also consult knowledgeable counsel as soon as they become aware of a potential claim.”

# Preventing Another Recall and Protecting Your Brand

In the course of recovering your brand from any damaging consequences, it's vital to take every precaution to prevent a reoccurrence. Focus on these best practices to help overcome the food safety problems that can lead to brand-injuring recalls.

## Implement an FSMA-Compliant Food Safety Plan

As FSMA completes its rollout to companies large and small, these new compliance mandates bring greater responsibility to food processors and manufacturers to protect consumers' health. Implementing the requisite plans and procedures to meet the evolving demands of compliant, proactive food safety should be the first step in preventing a recall.

Because of the greater focus FSMA places on prevention and its higher standards for evaluation, food recalls will continue to increase in frequency. As you enhance your contamination identification efforts, you're likely to find more actual contamination in testing samples. Though this seems counterintuitive, finding more contamination is actually a good thing. In fact, it allows you to respond more quickly to catch the near misses and get in front of a recall before it damages your brand.

Developing and executing an effective and compliant food safety plan involves some of the following components:

- Conduct a thorough and practical risk-based hazard assessment
- Initiating comprehensive, prevention-based controls across the food supply to prevent or significantly minimize the likelihood of problems occurring
- Insinuating a verification process to ensure that foreign and domestic suppliers have adequate preventative controls in place
- Designing a well-communicated recall response plan for your organization
- Maintaining organized, accessible and up-to-date documentation on HARPC, SOPs and testing results and corrective actions and all related records
- Adopting visibility and communication tools to meet unfolding regulations and enable a strong food safety culture

## Update Your HARPC

An up-to-date Hazard Analysis and Risk-based Preventive Controls (HARPC) is the foundation of your food safety plan to prevent recalls. If your facility is following an inadequate one, you're not in a good position to proactively address the food safety hazards along with potential risks that could lead to a devastating recall. Make sure that your plan is updated to accommodate issues such as:

- New ingredients that may pose allergen risks
- Ineffective control measures and preventive controls
- Actual versus documented production flow processes
- Changes to compliance requirements or industry standards
- Production sanitation and environmental monitoring

It's wise to have a HARPC and food safety team that meets on a regular basis to assess problems, implement updates, develop preventive actions and protect your brand from future recalls.

## Examining Your Compliance Obligations

Before you can outline an appropriate plan for meeting your compliance obligations, you must first identify and fully understand these obligations, including areas of your organization that will be impacted and to what degree. This is essential to defining a viable corporate vision that protects your business and your brand.

With the support of an internal compliance team or outside experts, you'll need to assemble all relevant resources, including documentation on:

- FSMA mandates and related government regulations
- Industry practices
- Legal liabilities
- Geographical and market considerations
- Operational frameworks

## Communicate Well and Often

The less focus you place on communicating your food safety and recall response plans, the more complications you're apt to experience -- and the more costly a resulting recall is likely to be. Early and consistent communication with the public should be a high priority. Along with your internal food safety data, it's important to get control of your message and your communication channels. It's better to release information on your own terms than to let news outlets speculate and cause greater damage to your brand.

It's important to be honest and transparent. In today's fast-moving social media and news cycles, the message of accountability and promise of corrective action is essential to restore consumer trust. Nurture consumer trust, with an earnest effort to be forthright and honest. You're modernizing to prevent recurrences, let them know about it.

The best way to approach social media to prevent or respond to a recall is to be highly active. Monitor your own and outside channels, and proactively respond to the communication being shared. Use these outlets as way to deliver straightforward, helpful information and to address emerging concerns directly, before they spiral into more complex brand problems.

Be sure to keep careful records of everything your company does and send status updates to the appropriate government agencies. In addition, develop candid, helpful notifications to necessary stakeholders, including regulatory agencies, customers, distribution centers and consumers.

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## Properly Train All Employees

Preparing your facility to prevent food safety incidents that lead to recalls requires a strong plan for employee education and training. Designate a team or individual to oversee this function. Food safety and compliance doesn't happen in a silo. Every member of your organization -- from the top down and across every department -- has a role in keeping food safe. Depending on their position and function, each should be trained on their part of an effective implementation. With the proper education and training, proactively preventing the threat of a recall is a shared responsibility with more successful outcomes.

To support a strong culture of food safety and minimize recall effects, make ongoing awareness and education a significant aspect of your efforts. Preparing your entire team to take on the major shift in mindset that's required to meet evolving food safety risks hinges on having a strong plan for education and training across the entire company.

## Utilize Food Safety Software for Organization-Wide Transparency

The complexity of your organization and its food safety needs makes it essential to foster powerful communication throughout the company, as well as robust visibility for all members of the team. True, widespread transparency requires a software solution that facilitates a high level of visibility, communication and record tracking.

If you're relying on manual processes to keep contamination prevention efforts on track, you've probably found that there's a limit to how much and how well your team can track to prevent recall recurrences or during a recall. Leveraging food safety software will increase your team's capability by enabling them to:

- Visualize your critical control points and any other preventive control points on an intuitive floor plan
- Quickly identify locations and patterns within your food safety plan
- Communicate quickly and effectively
- Leverage automated notifications and alerts
- Systematize the scheduling of preventative controls and testing
- Easily access all sampling data, testing results and corrective action records
- Verify performance

## Document Your Efforts

When it comes to contamination prevention and recall risk protection, documentation is everything. From the history and results of test points to the corrective actions applied to prevent problems, it is mandatory to have a dynamic documentation process in place.

Food safety cannot truly be achieved without standardized, documented, shareable and automated processes to safeguard against contamination and the onset of foodborne illness. Within your operations, there should be a formal process for collecting and utilizing detailed, efficient, accessible documentation.

## Automate Reporting

In reams of testing data are hidden insights waiting to be found to help you identify trends and improve your plants. A software solution that keeps all of your records digitally stored and available in one centralized database can be easily accessed to compile automated reports that provide valuable insight to various teams. Manual reporting systems are labor-intensive webs of manual spreadsheets and paper trails which inevitably lead to gaps in communication. They bring major challenges and increase risks to your operation.

In order to implement the appropriate and necessary steps for continuous improvement through monitoring, corrective action and verification, you must be able to access and evaluate historical data. Leverage automated reporting to take stay on the pulse of your operation, enabling early detection and action based on tracking and trending of some of the following data components:

- Quantitative and qualitative testing data
- Pathogenic and hygienic testing data
- Indicator organisms, allergens, toxins, residue, etc.

Fully harnessing this data means making reporting and assessment a routine practice. This is the best way to improve your processes, rectify inefficiencies and minimize the risks and costs associated with blind, outdated methods. It's the right way to make informed decisions, take required actions and be truly proactive rather than reactive. It gives you the control and insight needed to protect your brand and your bottom line.

## Insightful Questions For Data Assessment

- What percentage of positives are in your plant?
- What's your target?
- What is your testing coverage?
- Are you adhering to your frequency plan?
- Have your remediations been carried out according to your protocol?
- Are there hot spots?

# Adopting a Proactive Approach

A food recall is often an intense and stressful event. Again and again, we've seen it fatally impair brands and bring immense financial burden to even the most well known of companies. It can be a nightmare of legal and compliance headaches, consumer complaints, PR woes, logistical impediments, productivity inhibitors and sales deplete. The occurrence of recalls will continue to spike, which means the risks are imminent for all food manufacturers and brands.

Understanding the best plan of action to repair your brand in the event of a recall is undeniably critical. But more important is proactively addressing the factors that lead to devastating recalls in the first place -- and enacting effective prevention processes. Don't put your reputation on the line by taking risks with food safety. Opt for a smart solution that empowers you to proactively manage your food safety risk and protect your brand.

## Get Your Free, Live Demo of Neogen Analytics

Learn how to better manage your food safety program with powerful scheduling, visual monitoring, accurate analysis, automated reporting and more.

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