

# Renewed risk focus is recipe for food brand protection

Chris Woodcock reports on the launch of an international crisis management network and identifies three food safety issues now being faced in Europe

## The drive for transparency

Transparency has long been both an ambition and a way of life in the global food and drink supply chain – and it remains one of the hottest trends in the industry. It's also more than this: it has become an over-used buzzword at the heart of our 'trust economy', in which consumers, motivated by many factors, demand to know what's in their food, where it is sourced, how it is produced and by whom.

Increasingly, the complex food industry operates in a market where we expect integrity, quality and compliance from the growers, manufacturers, distributors and retailers who provide products for human consumption (Fig.1). The impact of this information is all part of brand reputation and, for more and more stages in the supply chain, it is crucial to any company's licence to operate.

It is this drive for transparency in protecting human health - and the unceasing scrutiny from all stakeholders, that is transforming the character of international food issues and crises. From product recalls and withdrawals to food safety scares and labelling misdemeanours, those of us working in risk and reputation management are fast learning that national and cultural boundaries are a thing of the past.

## Crisis management internationally

No accident, then, that a crisis management network offering a multi-country approach was expanded this summer, and launched under a new brand, to tackle global supply chain issues in the food and drink market. Thirteen independent communications agencies set up the Crisis Management Network (CMN) to offer support to global food and drink industry players, as well as other industries. These clients include ingredients, flavours and raw materials, as well as big FMCG brands and manufacturing sites.

Formerly the European Crisis Management Partnership, the CMN now includes Latin America and Australia, as well as Europe. The idea of the network is to protect and enhance "the reputation of the corporation, brands and products by crisis preparation and communication".

Nikki Barber, one of the UK senior team, at the consultancy College Hill, says the scale of food supply chain issues is moving at an unprecedented rate: "Almost every week, we face some kind of issue, generated by the complexity of the supply chain and the increasing level of public scrutiny - plus the higher end-user expectations of sustainable behaviour by all manufacturers up and down the supply chain and in all aspects of their sourcing."

## Some prevalent issues

To illustrate the diversity of the issues and risks now faced, there are three food safety and transparency themes that, in Europe, we have noted as becoming particularly prevalent in the last 12 months: allergens, sustainability-related issues and the consequences of commercial cutbacks following the recession.

Taking the last first: following the worldwide recession, many food businesses have tried to optimise their business through outsourcing, consolidating suppliers, adopting Just-In-Time (JIT) or lean manufacturing techniques. Others have shifted production to lower-cost countries.

All of these measures can be perfectly sensible and calculated commercial decisions, of course. However, those choosing such options increase their risk profile and are more likely to experience supply chain disruption, primarily due to distribution network problems and supplier insolvency.

Meanwhile, for JIT/lean manufacturing, the trends show that adverse weather is often the main cause of issues that need inter-country management. Add labelling and declaration demands and varying regulatory climates to this, and you have situations that can spiral out of control unless they are managed and communicated across national boundaries.

Food and drink manufacturers also face **sustainability** issues, with the potential for dangerously high levels of adverse media coverage. Cross-country coordination and consistency are vital in addressing such issues and finding a credible and honest response. They need to work with a network of advisers who understand their local terrain but can also appreciate national differences and subtleties.

Growing consumer concern with sustainability issues also means, of course, that a focus on such issues is becoming a differentiator and a basis for reputational and competitive advantage.

Defra's Food Industry Sustainability Strategy ([www.defra.gov.uk/publications/files/pb11649-fiss2006-060411.pdf](http://www.defra.gov.uk/publications/files/pb11649-fiss2006-060411.pdf)) highlights the importance of sustainability in the food industry.

The Prince's Accounting for



Figure 1. Stages of the food industry supply chain: risk and crisis experts are increasingly finding issues arise that impact across two or more stages and cross country boundaries.

Sustainability project ([www.accountingforsustainability.org](http://www.accountingforsustainability.org)) identified some common challenges to embedding sustainability faced by the food industry in general. One of the four most prominent challenges is what they call a 'lack of leverage'. By this, they mean that limited leverage with producers, suppliers and customers means that the consistency and control of sustainability considerations along the food chain is often limited and can therefore generate inconsistencies and issues. This, we find, is most often the source of the public threats that then result, fuelled by a customer and consumer audience who expect responsible brands and manufacturers to inject much greater certainty and levels of guarantee, from raw materials to packaging.

Now, let's move to **allergens**, perhaps the most insidious example of a food safety issue escalating alarmingly due to the increasing complexity of the global supply chain and its management.

The FSA Annual Report of Incidents 2010 ([www.food.gov.uk/multimedia/pdfs/publication/annualreportofincidents2010.pdf](http://www.food.gov.uk/multimedia/pdfs/publication/annualreportofincidents2010.pdf)) says: "The total number of allergen incidents in 2010 was 79 compared to 86 recorded in 2009. However, levels of incidents in the last year are rising again. The human implications are huge, of course. As one allergy patient puts it: "The underlying, ever-present fear is that one slip is potentially fatal. It truly is like walking a tightrope and adrenaline auto-injectors are my safety net." The Report also shows that allergens were the seventh highest rate of incident, just behind labelling and documentation issues. In fact, the two topics are often intertwined. Dr Julie Barnett of Brunel University (1) has conducted a programme of qualitative research completed in March 2010 to test how nut allergic individuals (NAIs) make choices about what food to eat or buy. The study, which was presented at the latest Anaphylaxis Campaign corporate conference, set out to understand the rules of thumb they use when purchasing or consuming food, their criteria for food choices, their approach to risk assessment and how they use labels and other pack information.

Among key baseline findings were these points:-

- Almost all were familiar with allergy

advice boxes.

- Trusted by almost all as (the most) relevant and reliable guide to risk.
  - Readability and standardised format well received.
  - Considered an improvement on previous practice.
  - Often used in conjunction with ingredients list.
- But:-
- Almost invariably the voluntary status of advice boxes was not well understood.
  - Absence of an allergy box is considered by many to indicate no allergen.

The study concludes that; "in the absence of legislation to standardise the allergen advice box, allergic individuals must be educated and encouraged to scrutinise ingredients lists to improve allergen avoidance" – hardly a sound basis for risk management and a definite sign that problems will ensue for some time yet, despite recent and promised labelling changes.

The CMN has experienced a variety of recalls and alerts due to allergens in the last six months. For example, a batch of short shelf-life, own-label sandwiches had to be recalled as a result of mislabelling with a label that omitted two notifiable allergens (mustard and celery). Within two hours, using our network of specialists, we had set up an 0800 care-line, written operator scripts and tested the service. We also drafted media holding statements and Q&A documents and advised on stakeholder communication, including with the FSA and Anaphylaxis Campaign text alert services.

Meanwhile, on a potentially more sinister note, we have also been dealing with a nut contamination in crisps. The affected crisps were different varieties, produced at different times and distributed to different parts of the country. The suspicion was of deliberate contamination. Police and local food safety authority were called in. The investigation centred around crisp packet sealant and whether it had been tampered with, plus HR records of shifts and employees.

The good news is, that in combating these dangers, the Anaphylaxis Campaign ([www.anaphylaxis.org.uk](http://www.anaphylaxis.org.uk)) runs a corporate membership scheme which

covers training and alerts, among other benefits. But, wider than this, in all of the risk areas covered above, food and beverage companies can protect themselves with regular risk assessment and mitigation actions, conducted with the Boardroom and as part of the annual business management cycle. In simple terms, the risk register needs structure across all functions and needs to be aligned with business growth priorities.

### Associated developments

Meanwhile, the European Commission funds the FoodRisC project ([www.foodris.org](http://www.foodris.org)), which aims to map out the networks and information sources contributing to food risk and benefit communication in Europe. It supports the thinking that common approaches and coherent messages can prevent the spread of misleading messages leading to "a reduction in the proportion of negative consumer reactions and unjust consequences for actors within the food supply chain".

The British Retail Consortium's Global Standard for Food Safety, Issue 6, brings all of this back to earth: the new standard is now published and Issue 6 replaces Issue 5 for all audits from January 2012.

Its main extensions to requirements include:-

- Supplier and raw material controls.
- Foreign body control.
- Housekeeping and hygiene.
- Allergen management.
- Provenance/Assurance claims.
- Management of allergens.

Not a bad starter list for all of us to consider in terms of technical and reputational diligence.

### Reference

1. Barnett, J. *et al.* (2011). How do peanut and nut-allergic consumers use information on the packaging to avoid allergens? *Allergy*, **66**, 969-978.

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