OVERCOME A PRODUCT RECALL NIGHTMARE

THREE STEPS A MANUFACTURER USED TO BECOME "RECALL READY"

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Fueled by regulatory, legal, financial, and – most importantly – user concerns, product recalls are, frankly, too important to not get right. The business-critical decisions involved in driving a company's execution of a product recall have long-lasting implications both externally and internally.

Many organizations make the correct decisions to fix a problem, but many fail to execute recalls effectively. Recalls may be considered as serious, random occurrences with little chance of happening. The general result of viewing recalls in this way is overall organizational complacency around recalls, with minimal thought given to the possible ramifications.

Is your company a *recall-minded* organization? Realistically, recalls *do* happen; they are *not* unusual and pose serious liability and risk, putting the overall health and reputation of the company in the public and regulatory spotlight, potentially placing the brand, product, and organization in serious jeopardy. Without clearly defined and refined recall processes, optimized with policies in place to refer to when addressing recalls, your organization is at risk. It could be well worth your time to stop and consider using the following practical guide as a starting point to becoming "recall-ready."

The following three steps come out of an Integrated Project Management, Inc. (IPM) case study that illustrates actual scenarios derived from a recall project at a global manufacturer. These scenarios demonstrate how to fine tune your business processes, and ensure readiness when the next product recall strikes:

01 UNDERSTAND THE PROCESS

Similar to practicing a fire drill, organizational recall policies and procedures serve as an official "playbook" for handling recalls – they will allow your organization to execute swiftly and confidently under pressure. Precious hours will be spared since roles and responsibilities will already be defined, and no time will be wasted forming a plan from scratch; instead, you'll be equipped with process owners ready to "hit the ground running," using guidelines that were carefully thought out and discussed.

To create winning recall policies and procedures:

Map the current recall process. Most executives and contributors don't know the end-to-end process, the level of effort required, or the various business systems that support recalls.

Identify procedural touch points that support a standard recall process.

Find the gaps between silos of institutional knowledge.

Create or **revise** procedures to align with the recall process and support management key performance indicators (KPIs).

Notes from the IPM Case Study: An assessment conducted by IPM quickly revealed that this global manufacturer lacked the necessary tools, templates, and protocols to effectively manage recalls. Recording recall lessons learned and gathering important information about all aspects of the recalls at hand, IPM began to build a recall "playbook" for this manufacturer, which could then be used to handle current and future recalls. This collection of key recall activities and lessons learned were then used to create a comprehensive recall project schedule template, linked to existing procedures. IPM's work led to a comprehensive recall process map and formal corporate recall procedures that were then adopted across the organization.

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02 INCREASE MANAGEMENT VISIBILITY

Senior management visibility into the current recall process is crucial – it acts as the driving force for change in the organization. Bringing management visibility into the complexities and challenges of a recall allows pain points to be exposed, fragmentation to be addressed, and consideration to be taken to better address future recalls in the form of formal policies, procedures, reporting, and dedicated resources.

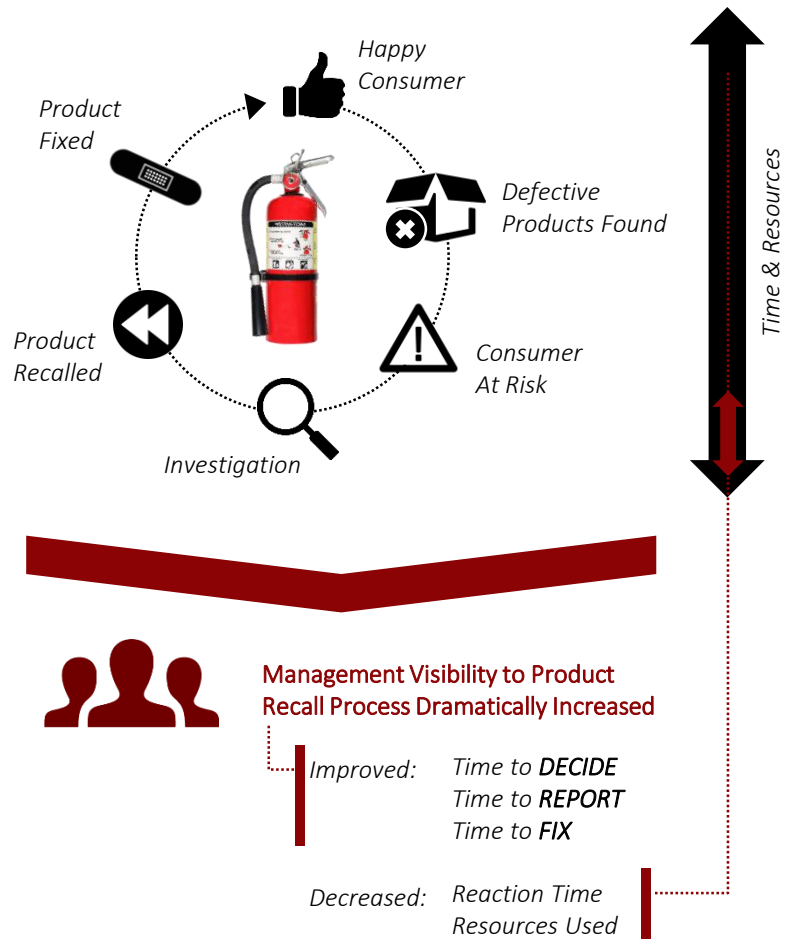**To increase management visibility into your recall process:**

Include recall KPIs in the management review process based on internal goals and compliance or agency requirements.
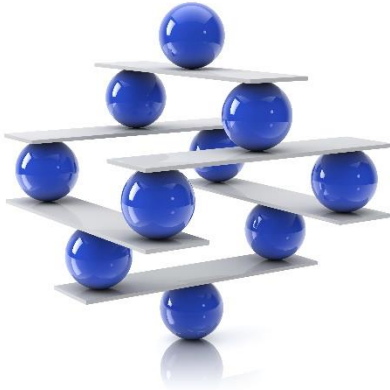
Consider using a collaboration software platform to provide real-time, on-demand recall information to executives and spokespersons.

Notes from the IPM Case Study: IPM was engaged by a global manufacturer who was culturally unprepared to effectively manage the multiple recalls they were experiencing. Specifically, management was unaware of the obstacles and challenges of the recall process and didn't realize the extent of the time the organization squandered between defect identification and a recall decision. This lack of awareness made executing the tasks at hand acutely difficult. IPM increased senior management visibility by adding meaningful metrics and reporting to the recall process, leading to a complete understanding of how the organization was progressing through the steps of recalls.

Happy Consumer

Product Fixed

Defective Products Found

Product Recalled

Consumer At Risk

Investigation

Time & Resources

Management Visibility to Product Recall Process Dramatically Increased

Improved: Time to **DECIDE**
Time to **REPORT**
Time to **FIX**

Decreased: Reaction Time
Resources Used

IPM INTEGRATED PROJECT MANAGEMENT

03 BUILD ORGANIZATIONAL STRUCTURE

Without the proper bandwidth, your organization will be unable to give the recall the attention it requires and your existing resources will be overwhelmed. Inadequate organizational structure is especially damaging in the case of global recalls due to the complexities that arise from geographic dispersion, cultural barriers, and international regulatory bodies. An organization's structure must be aligned and prepared to provide dedicated resources for recalls.

Considerations to build a reinforcing organizational structure:

Identify process owners who can champion the decision-making process through a recall and be sure resources are appropriately assigned and managed.

Evaluate possible realignment of resources from a functional structure to a platform structure.

Extend the role of product development managers and their core teams to include remediation in the event of design changes, ensuring important post-launch milestones are not missed.

**Assign** or **hire** dedicated resources to support recall projects.

Respect regional and country-specific needs that may require temporary attention to complete the recall.

Notes from the IPM Case Study: IPM built an organizational structure to support recalls around the global manufacturer's processes by increasing total team member headcount and realigning resources for necessary hires; in turn, providing a formal project team ready and trained to be leveraged to execute future recalls. This afforded the manufacturer the focused resources needed to execute the "recall playbook" according to plan while ensuring a broad, shared knowledge base of recall information. Adoption of the recall project team structure has subsequently helped the manufacturer achieve successful audits that have bolstered the company's reputation and regulatory standing.

CONCLUSION

Recalls aren't random occurrences – they are a manufacturing probability, so your organization needs to be prepared. The stakes are high, but being proactive by overhauling recall business processes will help insulate your company from risk and provide your organization with a roadmap to recall success. Many factors contribute to an effective recall organization, but all are rooted in a supportive environment that serves to mitigate problems that could increase the impact of a recall. Find out if your organization is equipped to handle a recall, and take action to ensure you're prepared to handle a recall effectively.
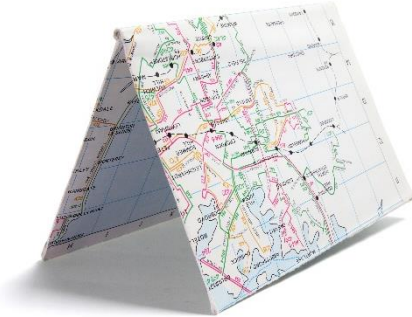
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About IPM

Integrated Project Management Company, Inc. (IPM) is a leading project management consulting firm focused on planning and implementing strategically critical projects in the life sciences, healthcare, consumer products (including CPG), and industrial sectors. Often working in highly regulated industries, IPM tackles complex projects through dedicated on-site leadership. The IPM leadership approach combines its clients' internal capabilities and legacy knowledge with its proven ability to inspire stakeholder engagement and buy-in, and to achieve project objectives. Since its inception in 1988, IPM has served over 300 clients and completed over 3,500 projects. Headquartered in Chicago, IPM has regional offices in Boston, St. Louis, Los Angeles, San Francisco and Minneapolis - St. Paul. IPM has been named to *Inc.* Magazine's list of 5,000 fastest-growing private companies for seven consecutive years, and named a "Best Small Workplace" during four consecutive years (2010 - 2013), by the Great Place to Work Institute®. To learn more about IPM and its services, visit www.ipmcinc.com/services or call 630-789-8600.