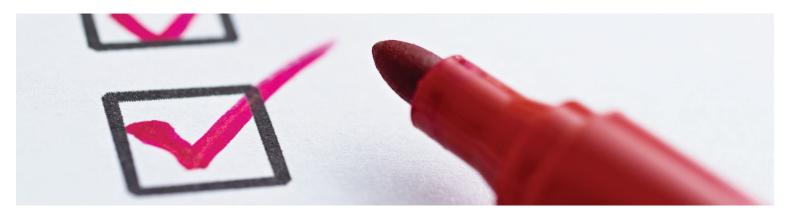
# Crisis Management

Identify, Act, Learn











## Resilience in times of change and crisis

The ability to thrive when facing either opportunity or adversity is a test that many food sector organizations find challenging. With competing priorities and an ever-shifting landscape of consumer demands, business continuity may not be a key focus. However, when approached from a holistic risk management perspective, business continuity can help organizations identify where crises may occur as well as ensure people and processes are in place to manage them competently and consistently.

Whether it's caused by a new process, raw material, equipment or even personnel, change is when food manufacturers are most vulnerable to issues, mistakes and failures. When contemplating or implementing changes, conscious consideration of their impact can help reduce the probability of an incident or crisis.

However, no matter how careful an organization's approach to change is, not all risks can be pre-determined and problems can occur. Whether issues are small or significant, having an established way of managing them can make the difference between resilience and simply surviving.

## Teams and training

Organizations seeking a resilient approach to crisis management need appropriate resources in place. While the teams from the part of the business where the crisis originated should be involved in the process, they are likely not skilled in crisis management. This activity isn't necessarily best-placed with management either, there needs to be a trained core team that works together to navigate the organization to calmer waters. Crisis management doesn't necessarily require full-time roles, but an effective crisis team includes members who:

- Are competent, trained and have the availability to participate in mock exercises up to ten times a year
- Have reasonably agile jobs so that when needed, they can be released from their day-to-day roles to manage crises when they arise
- Can access required materials/resources and are empowered with the authority to draw on critical expertise across the business
- Are authorized to make decisions based on sound technical and business information management may ratify the decisions, but not without substantial reasoning

Critical to the successful management of crises is that decisions aren't made and actions aren't taken without the consultation or approval of the crisis management team. This works to ensure that, because of their crisis management training, decisions are made with reflection on the wider implications that other contributors may not consider.



## Identifying vulnerabilities

Assessing processes from a risk perspective and determining appropriate and proportionate mitigation controls can provide means of measurement that can drive cultural engagement and improvement. Understanding where issues are likely to originate, exploring those vulnerable points and developing strategies to manage them before they become issues are similar to the advice that an ounce of prevention is worth a pound of cure.

Change as a vulnerability has been addressed, some other possibilities are listed to the right; but organizations may also have ones unique to their situation.

- Raw material supply (e.g. crop failure, administration, equipment failure)
- Manufacturing and supply chain issues
- Epidemic, pandemic, industrial action, loss of services
- Geopolitical events (e.g. Brexit, regime change, legislation change)
- Protestation, NGO targeting, social media event, etc.

#### Event or condition

Understanding the difference between an incident brought about by an event and an incident brought about by a deteriorating condition is vital to ensuring the right application of resources in the right areas of investigation. The situation, investigation, conclusions and decisions are different for each one.

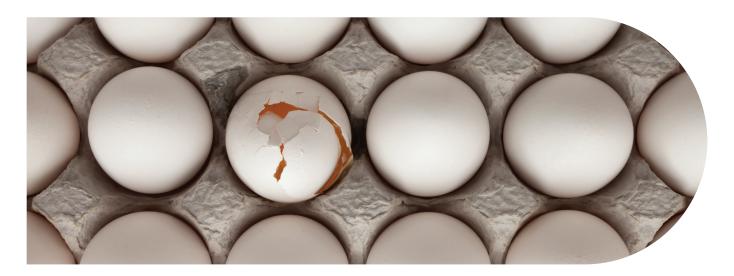
An event is a singular occurrence, that can be identified to a certain point in time. These are characterized by the ability to pinpoint or accurately estimate their timing, so all product and materials before that time are regarded as 'safe'. Examples include:

- · Delivery of material
- · Failure of equipment
- · Cross-contamination or end of material shelf life
- Change of process, material, team, etc.
- · Product launch/introduction

A condition is a gradual occurrence which only becomes evident at a point far beyond the start of the occurrence. These are categorized as a gradual deterioration over time, where the impact or concern is having an effect before the issue is detectable.

Conditions require a judgement, based on the information available, as to when to draw a line and assume a defective product or situation is contained. Examples include:

- Growth of microorganisms or chemical decomposition in product
- Slow gradual leak of materials into the production stream
- Wearing of equipment over time, which contaminates the product
- · Build-up of infestation
- · Deterioration of quality over time



#### Crisis versus incident

The significance of an unexpected event should determine how it's managed. Identifying the difference between what marks an incident and what qualifies as a crisis is critical. BS 11200:2014 Crisis management – Guidance and good practice, provides working definitions:

**Incident**: an adverse event that might cause disruption, loss or emergency, but which does not meet the organization's criteria for, or definition of, a crisis.

**Crisis:** an abnormal and unstable situation that threatens the organization's strategic objectives, reputation or viability.

It's important to have escalation criteria, clearly defining when a situation should flip from an incident to a crisis, and understand the difference. If this isn't done appropriately organizations risk:

- Misinterpreting or under-investing in a situation, potentially leading to more serious circumstances
- Applying resources disproportionately (e.g. senior leaders managing incidents or junior managers leading crises)
- Applying resources inappropriately where the wrong skillsets and authority are charged with resolving the problem
- Regulatory non-compliance
- · Damaged customer relationships and brand

Organizations with a clear risk and escalation matrix and supporting processes are positioned for resilience; to deliver a stronger business, that can foster closer customer and regulatory relationships as well as richer consumer confidence and loyalty.

#### **Escalation** matrix

Developing an escalation matrix can be an effective way of determining the level of escalation needed and reduce confusion when every minute matters. The complexity of the matrix depends on a number of factors including size of business (number of site and staff), number of products made, depth of supply chain, production volumes and more.

Escalation levels can be coded by number, colour or something that makes specific reference to an organization's culture. Whatever the choice, keep it simple so it can be easily recalled when stress levels are high. For each level, determine which teams need to be involved or aware, and, possibly, external parties (e.g. regulatory, consumers, nearby businesses or residents). As the number of levels of escalation shouldn't be numerous, assigning these across the top of the matrix, running left to right is likely practical. Which teams and external parties need to be involved can be in the same cell, or they can be listed in the first rows for clarity.

The next step will be to consider threats. The challenge here is not to be too specific or too broad as either can lead to confusion. But the key is to think about all aspects of the organization: product, people, process as well as external parties. Using an environmental issue as an example, if the list included every potential type of problem (e.g. incorrect disposal of waste, chemical leak, fuel spill, etc.), when extended to include other non-environmental threats the escalation matrix becomes too complex. Unless the teams managing and reacting to these would be different, as shown in Figure 1, it makes sense and provides clarity to group them into one threat of 'environmental' and use the escalation indicators of: local, contained event; multiple events with local exposure; prosecution and media risk; and cancellation as you move across the matrix from minor to significant.

#### Escalation matrix (Figure 1)

	Level one	Level two	Level three	Level four
Lead management team:	Site team	Regional, divisional, functional	Business, group	Group, regulatory, insurers
Communicate to:	Site staff	Region, division	Business, regulatory, customer	Group, regulatory, authority, industry
Escalation and support:	Advisory	Business	Business	Industry, country, governing body
Environmental:	Local, contained event	Multiple events, local exposure	Prosecution, media risk	Removal of operating permit

## Data-driven decision making

During a crisis, the quality of decisions made relies on the strength of the information available. Good data relies on timely and accurate responses from those holding critical roles. However, even when all of these pieces of information are available, if they're used in isolation, the lack of context can prolong and/or extend a crisis.

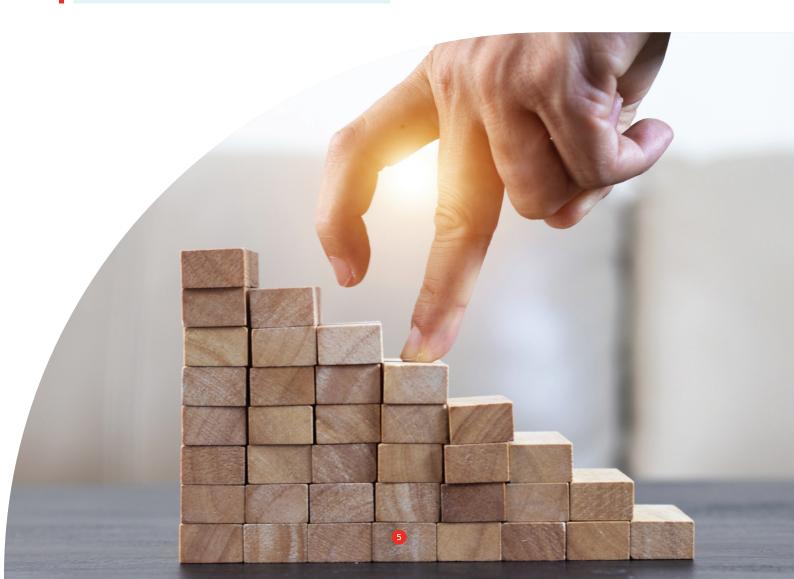
Mapping out the event timeline and overlaying production, deliveries, complaints, laboratory results turns various pieces of data into a clear picture of the event. This can help not only identify the source or pattern, it may also support the most effective route to a resolution.

# Reflect, review, follow up

The process following an incident is as critical as managing the incident itself. Pushing through to the end where production, staff and external stakeholders are satisfied is not enough. The days following a crisis can be an opportunity for organizations to learn more about:

Carefully considering the issue(s) that created the crisis and all the aspects that were impacted as it was managed provides the ideal time to identify how an organization can become more resilient.

- · Gaps that can be closed
- Processes that can be improved or need to be developed and implemented
- Weaknesses in food safety culture
- Supply chain vulnerabilities



## Why BSI?

BSI believes the world deserves safe, sustainable and socially responsible food. We offer a broad range of certification and risk management services to help organizations in the food and retail supply chain mitigate risk, protect their brands and build resilient supply chains.

With 90 offices around the world, we are a leading food safety and certification provider with the capacity and capability to provide integrated services for a wide range of food safety and business improvement standards across the entire food and retail supply chain; including GFSI-recognized standards.



## Our products and services

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The core of our business centres on the knowledge that we create and impart to our clients.

In the standards arena we continue to build our reputation as an expert body, bringing together experts from industry to shape standards at local, regional and international levels.

#### **Assurance**

Independent assessment of the conformity of a process or product to a particular standard ensures that our clients perform to a high level of excellence. We train our clients in world-class implementation and auditing techniques to ensure they maximize the benefits of standards.

#### Compliance

To experience real, long-term benefits, our clients need to ensure ongoing compliance to a regulation, market need or standard so that it becomes an embedded habit. We provide a range of services and differentiated management tools which help facilitate this process.

For more information on improving your organization's food safety culture, visit **bsigroup.com/en-ph** or email **info.ph@bsigroup.com** 

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