

Handling a lithium-ion battery crisis

Effective recall management when battery defects are identified

The dangers associated with lithium-ion batteries, now ubiquitous in household devices, have long been a topic of alarming news stories and social media posts. But companies around the world turn to lithium-based solutions to power their products despite the significant risks they present throughout the product lifecycle.

Consumers have decided that the benefit of using this technology greatly outweighs the risk. But when things go wrong, lithium-ion battery recalls are far more complicated than the average product safety issue.

Challenge

Communication, transportation and remediation challenges were amplified by a recall event with the potential to prevent consumers and businesses from accessing the Internet during the global pandemic.

Regulatory requirements for lithium-ion batteries are complex, making the resulting recalls far more complicated than most other events involving consumer products. This added complexity is at least in part due to the increased regulatory scrutiny from environmental and transportation agencies, such as the Environmental Protection Agency and Department of Transportation in the U.S.

Recently, one of our clients was faced with announcing a recall of 2.5 million defective batteries found in personal hotspot devices across the U.S., with a large percentage known to be used to provide internet accessibility to students and businesses during the COVID-19 pandemic. Because of the severity of the recall, a swift response and safe transportation of the product from consumers was critical.

The company also faced communications challenges related to capturing, responding to and documenting consumer engagement. Despite having a nationwide call center infrastructure, their customer service teams were quickly inundated with recall communications over and above a consistent high volume of normal sales, service and product-related calls. Furthermore, the company faced close scrutiny from the Consumer Product Safety Commission (CPSC).

Solution

An immediate focus on effective communications and compliant packaging to safely transport defected products was critical to a successful recall.

2.5M+
lithium-ion units recalled



MULTIPLE
product models
sold over 4 years



DOT COMPLIANT
custom returns kit
manufactured



DEDICATED
ONLINE
SOLUTION

*to facilitate customer support,
returns and protect the
company's reputation*

Sedgwick brand protection offered the company invaluable knowledge and actionable insight about consumer product recalls and working with the CPSC, as well as specific guidance related to the handling of a significant number of lithium-ion batteries. With this insight, our client was able to provide consumers with the guidance and packaging needed to safely transport recalled units back to the company. This included developing and launching a dedicated microsite to help with consumer engagement and facilitate returns, thereby easing the burden on existing call centers, streamlining consumer communications and protecting the company's reputation.

Results

Customer-friendly logistics and effective communication can mitigate risks over the long term.

While the event is still ongoing, most risks have been mitigated. With 2.5 million units recalled, a quick and effective response greatly lessened the impact. Consumers were immediately notified of the recall via email and asked to call or register through a consumer-facing microsite for a return kit and replacement unit. This swift response allowed the company to effectively communicate with customers while ensuring their safety and return compliance.

Additionally, we informed the company of transportation requirements and provided the proper packaging to safely transport products from consumers, making remediation an easy and safe process for both the company and consumers. These efforts helped mitigate litigation risks as defective products were quickly gathered and transported in a manner that prevented them from endangering consumers.

“IN A YEAR WHERE WE FACED WHAT FELT LIKE NEVER-ENDING WAVES OF CRISIS FATIGUE, YOUR ACTIONS HAVE KEPT THE SWELL TO A MINIMUM AND MADE WHAT COULD HAVE BEEN SOMETHING SIGNIFICANT A NON-EVENT. BEST OF ALL, YOU MAINTAINED THE TRUST OF OUR CUSTOMERS AND REAFFIRMED THAT WE WILL ALWAYS LEAD WITH TRANSPARENCY AND ACCOUNTABILITY. OUR BRAND WAS LEFT UNTOUCHED AND PRESERVED. OUR SINCERE THANKS”

Key takeaways

- Ensuring quick and proper transportation methods to gather defected products from consumers is critical. Companies should be aware of the removal process and requirements of transporting lithium-ion batteries, and have a plan for doing so, if the batteries are used in any of their products.
- Effective communication with consumers is critical, especially when there are inherent dangers that require close attention. Be prepared for significant consumer calls and inquiries, customer requests and reimbursements.
- Any retailer or non-typical manufacturer without experience recalling a product or working with a federal agency would be wise to start researching the process. It is crucial all manufacturers and retailers do the work now to understand their compliance obligations before a recall occurs.

Sedgwick brand protection

Brand and reputation are the most valuable and vulnerable assets a business has. Brands embody and encapsulate everything a business does, and its customers expect. Nothing says more about a company's commitment to its customers than its efforts to uphold promises of safety, quality, and service. That's why companies are often remembered more for how they handle an in-market challenge than for the problem itself. We know what it takes to manage recalls in a way that upholds your commitments to customers, supply chain partners, industry and regulators.

Trusted by the world's leading brands and businesses, we work in partnership to manage the risks and minimize the impacts of in-market business and product crises. Since 1995, we have managed more than 5,000 of the most sensitive and time-critical recall and remediation programs - spanning 60+ countries and 20+ languages.

To learn more about our recall, remediation and retention solutions, contact us today.

P. US: 888.732.3901 | International: +44 (0)333 300 0901
E. brand.protection@sedgwick.com

To learn more about our integrated and customized solutions, visit [SEDGWICK.COM](https://www.sedgwick.com)
