

Rapid response to a global headline-grabbing smartphone recall

How an all-hands-on-deck approach saved a brand

Lithium-ion batteries have become ubiquitous to household devices, automobiles, toys and gadgets of all kinds. Companies around the world turn to them to power their products despite some significant risks they present throughout the product lifecycle.

Because the regulatory requirements for lithium-ion batteries are complex, resulting product recalls are usually far more complicated than other standard recall events.

The good news is that with proper planning, companies can apply lessons learned from past battery recalls to create successful outcomes. In fact, companies that utilize lithium-based batteries or other potentially hazardous materials in their products are wise to develop detailed logistics, storage and disposal plans based on best practices as part of their recall manual.

Challenge

The voluntary recall of a smartphone manufacturer's most popular model required the expeditious establishment of infrastructure to safely carry out the recall.

After the U.S. Consumer Product Safety Commission (CPSC) determined that a major smartphone manufacturer had to voluntarily recall its product due to fire and burn hazards, the manufacturer called in Sedgwick brand protection to assist with the recovery of nearly one million phones.

Because the recall involved serious safety concerns that were widely publicized, speed was critical. The manufacturer launched its recall via the CPSC's Fast Track Recall process to remedy the problem more quickly. The pressure on the manufacturer grew amid demands from wireless carriers and retailers to get the recalled phones out of their stores as soon as possible.

In response to pressure from consumers and retailers, the manufacturer sought an aggressive timeline to deliver the bulk of the highly-specialized boxes required for shipment in just four weeks. But the potential for fire and burn risks linked to hazardous lithium-ion battery issues created packaging challenges, requiring specially-engineered boxes with fireproof linings designed for the safe transport of devices.

GLOBAL
smartphone
manufacturer

....
1MM
affected units

....
DEDICATED TEAM OF
1K
assembled and trained

....
24/7
operation

....
30K SQUARE-FOOT
facility
set-up in 48 hours

Solution

Sedgwick brand protection's flexibility, ability to scale quickly and its knowledge of the strict regulatory requirements of product recalls helped the company meet its timeline for recalling the affected smartphones.

Sedgwick brand protection quickly mastered and trained its workforce to assemble, inventory, ship and track thousands of specialized boxes entering and exiting its facility daily in route to carrier stores and consumers. Sedgwick produced three kinds of complex recall kits designed to contain affected smartphones. A well-established partnership and data integration with UPS allowed Sedgwick to expedite labeling, tracking and ground shipment for every recall kit.

To scale up the massive recall in such a compressed timeframe, Sedgwick brand protection immediately hired and trained more than 300 workers to form a production line for kit fulfillment across three shifts, which operated 24/7. Once the recall was underway, Sedgwick onboarded more than 700 new workers. In addition, Sedgwick developed a website where carriers could order recall kits.

Sedgwick also realized that its current warehouse facility was insufficient to handle the large footprint of the kit operation while also continuing to accommodate its other recall events. Within 48 hours, Sedgwick found, leased and built out a 30,000 square-foot facility to handle the overflow of the recall.

Results

Scalability and a collaborative, all-hands-on-deck approach to recall management helped the smartphone manufacturer emerge from the recall with its reputation intact.

As demand surged, the entire team – from in-house staff to external partners – worked to make the smartphone recall a success. Sedgwick's support for the recall went above and beyond "traditional" product recalls. For individual consumers who experienced a burning phone hazard, Sedgwick brand protection provided a VIP "White Glove" service. Field representatives were dispatched to the consumer's home to retrieve the device, answer questions, deliver replacement phones and even offer added products and incentives – mitigating brand damage and creating loyalty even during crisis.

Key takeaways

- Lithium-based batteries have many uses, but these come with safety risks. It is important to be aware of any additional regulations or guidelines for a lithium-related recall before using them in your product.
- When a regulator calls for a voluntary recall, working with the regulator to comply not only puts you on the regulator's good side but it also signals to consumers that you are trustworthy and that their safety is a top priority.
- Having an experienced and fast-acting partner like Sedgwick brand protection can help companies maintain their reputations even when facing a massive recall in a short timeframe.

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.

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