

Starting behind the 8-ball: the story of a chemical contamination recall

Effective recall management when a third party forces your hand

Independent testing company Valisure LLC and organizations like it have long been thorns in the side of the pharmaceutical industry. From the discovery of N-Nitrosodimethylamine (NDMA) in metformin and ranitidine to benzene in hand sanitizers and sunscreens, they have placed pharmaceutical companies under constant threat of a product crisis, often forcing them to make a fast choice. Proactively announce a recall out of an abundance of caution, or sit back and wait at the risk of being perceived as acting too slowly?

Unfortunately, even when a manufacturer takes the high road, quickly announcing an expansive recall before all facts are known, a swell of litigation can follow. In these cases, effective recall management can provide an extra layer of protection and risk mitigation.

Challenge

Product safety concerns about a high-demand seasonal product make headlines ahead of a recall announcement, creating instant consumer fear and driving a retail-level response.

Recalls can be especially devastating when your product is sold seasonally. In these cases, a single product complaint or incident can greatly impact your small window for sales in a year.

Unfortunately, one of our protected brands faced such a situation, announcing a recall of 4MM+ units across multiple sunscreen product lines after a third-party went public with allegations of potential benzene contamination. Because of the seasonal nature of the product, a quick response was required to assuage consumer concerns, retain downstream supply chain relationships, and mitigate regulatory and litigation risks.

Solution

Immediate focus on effective communications buttressed by sustained customer-centric product management.

Consumer and retail inquiries commenced immediately after the first story about benzene contamination broke. In that moment, Sedgwick brand protection was there to help, setting up an 800-number and dedicated call center before a recall was publicized. Through this call center, we were able to give the company a much-needed voice in the conversation with consumers by listening to their concerns, answering questions and facilitating a refund. At the same time, we

STATISTICS:

4M+

benzene affected units

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MULTIPLE

product lines sold
over 3 years

....

20K

custom return packages
dispatched in just 3 days

....

2K+

pallets of contaminated
product returned

supported efforts to facilitate a large volume of returns from retailers and distribution centers.

We know the importance of a brand's reputation with retailers and supply chain partners, not just consumers, and we work equally hard to help with both during a crisis. As call volume and product retrieval demands increased with the publicized recall, we increased the number of dedicated agents to engage consumers and support retail partners.

Knowing the incident affected every retail partner, we streamlined the logistics process to expedite returns, process label requests and turn around refunds. When two retailers required custom packaging to process the returns, we designed and expedited delivery of 20,000+ packages with custom stickers and envelopes. To ensure customer satisfaction, Sedgwick brand protection sent representatives to ensure the materials were received and acceptable.

Results

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

While the recall remains open, many risks have been mitigated. For example, every one of the products manufactured over the course of three years was recalled. But a quick response greatly lessened the impact. We provided a facility that not only could handle the number of pallets coming in, as many as 600+ each from certain retailers, but could also store them in one central location. Not only did this make processing more efficient, but also saved on costs that would be incurred from securing the product within multiple warehouses.

Likewise, these efforts help mitigate litigation risks as defective products are secure in a manner that prevents them from re-entering commerce and allows them to be accessed as evidence if needed until compliant destruction is appropriate.

Key takeaways

- Seasonal or holiday considerations can make recalls significantly more challenging. Be prepared for significant consumer calls and inquiries, customer requests and reimbursements.

- When the source of a contamination like NDMA or benzene is unknown, manufacturers of products in the same category, or that share a supplier, may face previously unknown risks. Companies should diligently monitor industry recalls for signs they might be next.
- Safe, compliant storage can be critical to effective risk mitigation, particularly when litigation is threatened or filed. When storage space is limited, Sedgwick brand protection offers state-of-the-art facilities that ensure every unit is recorded and secured until certified destruction is appropriate.

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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