OnTrak with FSMA Webinar Series

Welcomes

Gina Nicholson Kramer, RS/REHS
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Measuring Food Safety
Success

How To
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Measuring Food Safety Success

- Smart Intelligence
- Holistic Gap Analysis
- Measuring Failures

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Measuring the Cost of Failures
What is the price?
Reputational Risk

Measuring the impact of a food safety event

- Stock Market Value
- Sales
- Customer Perception
- Employee Moral
- Customer Complaints
- Company Remediation
  - Legal Council
  - Labor
  - Supplies
- Health Department Fines
- Contractor Costs
- Supplies
- Lab Tests
- Travel/Time of Internal Team Members
- Media Attention
- Profit Margin

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What affects stock market value during & after a food safety event?

- **Risk Related Factors**
  - Severity of Risk
  - Recall Execution

- **Firm Specific**
  - Past History
  - Firm Size

- **Situational Factor**
  - Media Attention

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Reputational Recovery

How long does recovery take after an event?

• **57th Trading Day** - *CARs significantly negative after outbreak. About two working months before increased movement

• **264 Trading Days** – Negative CARs turned to positive values after almost 1 year from the start of the event

*CARs Cumulative Abnormal Returns (Actual Returns) – (Expected Returns) = Abnormal Returns


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A company **MUST** have:

- **Pre-Crisis Management Strategies**
  - Provide food safety information to employees during hiring, evaluation & training
  - Integrate food safety messaging into every aspect of the business

- **Post-Crisis Communication Strategies**
  - Employees - Customers - Shareholders

Why we do what we do every single day!
Measuring Food Safety Success

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