



## OnTrak with FSMA Webinar Series

*Welcomes*

Gina Nicholson Kramer, RS/REHS

*Executive Director*

*Savour Food Safety International*



# Measuring Food Safety Success

## How To

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STOP Foodborne Illness – Chair of Board of Directors

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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?

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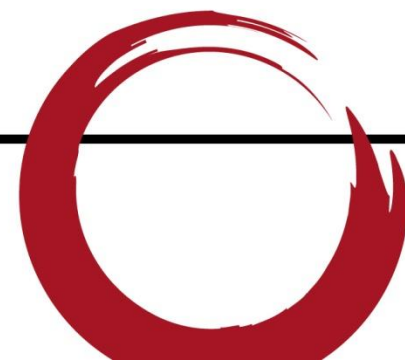
# Reputational Risk

## Measuring the impact of a food safety event



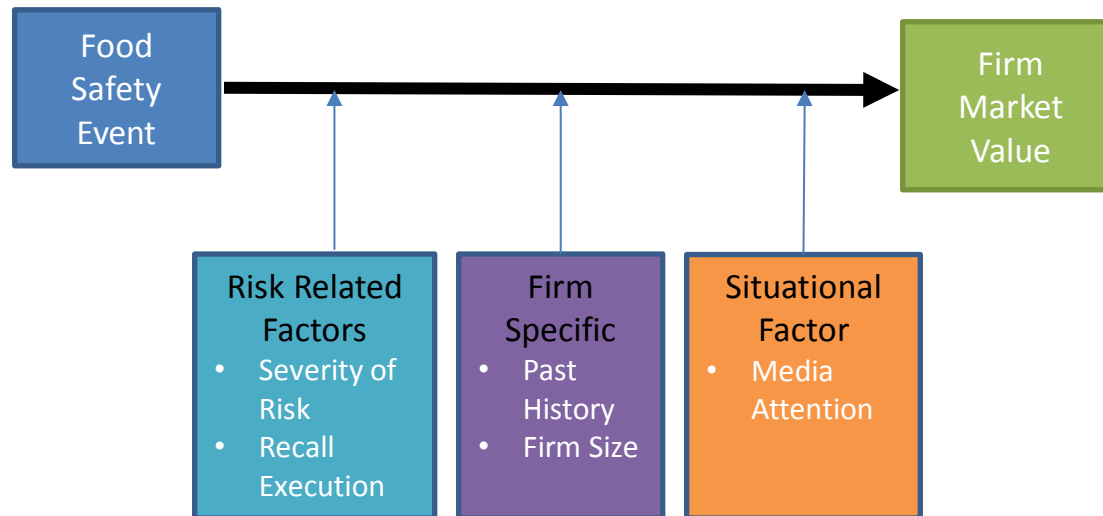
- Stock Market Value
- Sales
- Customer Perception
- Employee Moral
- Customer Complaints
- Company Remediation
  - Legal Council
  - Labor
  - Supplies

- Health Department Fines
- Contractor Costs
- Supplies
- Lab Tests
- Travel/Time of Internal Team Members
- Media Attention
- Profit Margin



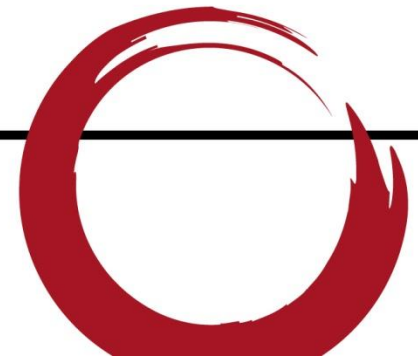
# Food Safety Event & Stock Value

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



Seo, S., et al., The impact of food safety events on the value of food-related firms: An event study approach. *Int. J. Hospitality Manage.* (2012), <http://10.1016/j.ijhm.2012.07.008>

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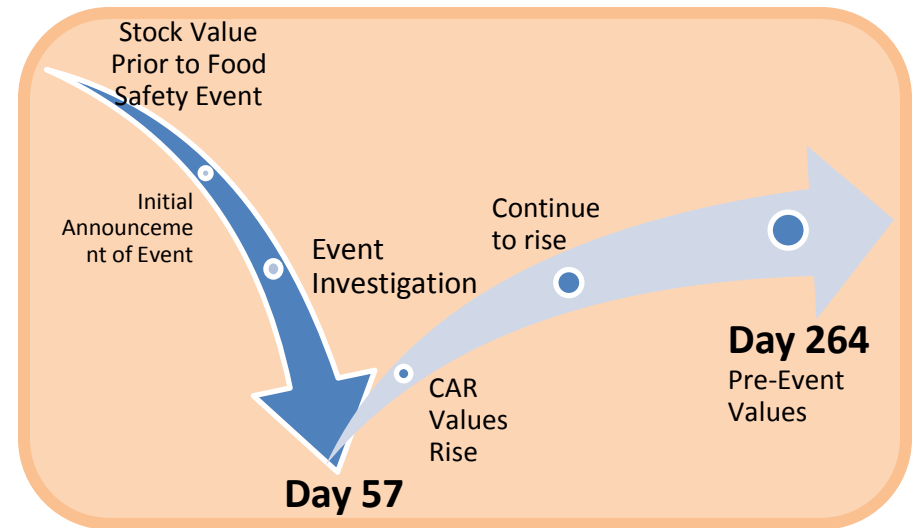


# Reputational Recovery

## How long does recovery take after an event?

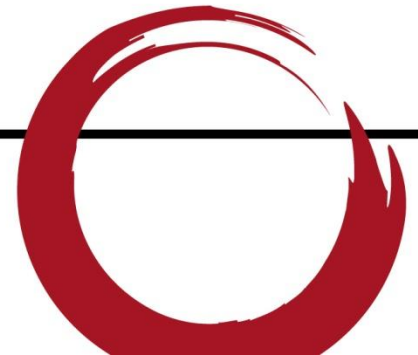
- **57<sup>th</sup> Trading Day** - \*CARs significantly negative after outbreak. About two working months before increased movement
- **264 Trading Days** - Negative CARs turned to positive values after almost 1 year from the start of the event

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



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# Protecting Reputation

A company **MUST** have:

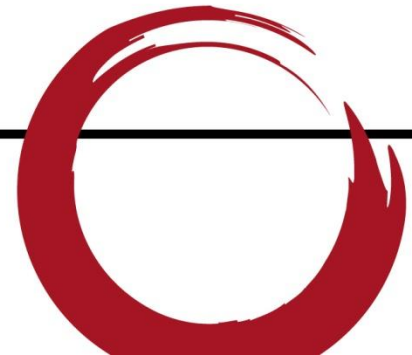
- **Pre-Crisis Management Strategies**
  - Provide food safety information to employees during hiring, evaluation & training
  - Integrate food safety messaging into every aspect of the business
- **Post-Crisis Communication Strategies**
  - Employees - Customers - Shareholders



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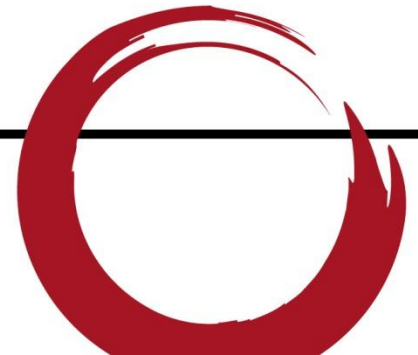




# Why we do what we do every single day!



**STOP** Foodborne  
Illness



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