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Behind the News: Contingents in a Crisis

It was worth more than just peanuts. The damages that resulted from one of the largest food recalls in history are both financial and medical. Hundreds -- 683 people in 43 states -- in America became ill after eating contaminated peanut products. Nine died. This was traced back to a salmonella outbreak and the Peanut Corp. of America (PCA) in September 2008.

Some 3,200 products that used Peanut Corp. of America's allegedly tainted peanuts were recalled. One such product was Detour Activity bars, a line of high protein energy and snack bars produced by Forward Foods LLC. Despite the fact that these bars were tested by an independent third-party, Forward Foods decided to recall all products containing peanuts from PCA. And it used contingents to touch base with its customers and do damage control.

How it worked

Costco was a distributor of the different flavors of the Detour Activity Bars. Part of the recall process involved sending a letter to Costco's membership base with a number to call on product disposal and refunds. At that juncture, Forward Foods realized it needed to be available in case of a follow-up where customers had questions or concerns. At the same time, it did not have the internal manpower to deal with increases in call volume. So, it decided to go with a home-based virtual customer care center -- Alpine Access -- to deal with the issue.

"Alpine Access gave us the ability to really serve our customers and provide information to them. We went to them Monday morning and they were up and running on Wednesday night," says Ian Davison, Forward Foods' director of marketing. And as call volumes fluctuated, Alpine Access could either scale or add resources, without affecting Forward Foods' primary order of business.

It didn't take long for Alpine Access to get up to speed. An Alpine Access program manager worked with a Forward Foods manager over multiple conversations establishing service guidelines including length of time it would take to respond to the calls, how the call would be handled etc. The Forward Foods team put together in 24 hours a script that included some appropriate questions and answers that consumers would typically ask in a crisis situation such as this. In the event Alpine Access contingents were asked questions that they did not have answers to, they would either ask for some time to respond or the send the consumer to the Forward Foods customer service group.

At its end, the home-based call center examined its pool and selected workers who had previous customer service experience and displayed a certain maturity. They were typically in their late 30s or 40s and could empathize with their clients. "A 21-year-old may never have had the experience in life where they have lived through some sort of product recall. They might not display the same understanding when someone calls in concerned," says Christopher Carrington, president and CEO of Alpine Access.

Advantages

This is not the first time that Alpine Access has stepped in during a crisis. The company has helped clients through hurricanes, tornadoes and other product recalls. The speed at which Alpine Access can come in and have trained workers at the phones works hugely in their favor. Its infrastructure is virtual, so scaling up and down is both quick and easy for the company. Another advantage is the price. "Compared to a brick and mortar call center, we are able to save our clients 20 to 25 percent cost," says Carrington.

Costs notwithstanding, it pays to have a customer service team that can step in during a crisis. But planning ahead is a big step. "You are not going to know every catastrophe that impacts your customers but you can plan for it by

selecting a partner," says Davison. Partnering ahead of time enables companies to avoid vendors that take advantage of a crisis and charge you double. Moreover, today around 70 percent of companies handle customer service in-house. So it can be worthwhile to set up an outsourced relationship to manage crisis situations.

Ultimately it comes down to brand control. Forward Foods has been commended on the handling of its product recall. While Alpine Access took care of customer concerns, Forward Foods went about its business: making and selling its bars. Its products are back on the shelves in stores and sales are on track.