



2MC: Brand Manager

You are working as a Brand Manager. Right after the release of highly publicized new product, after shipping over 4,000 units to customers, you receive a report that your R&D team has discovered a serious design flaw that could result in mid-use failure. They are unsure how many units would actually fail in operation, but tell you that any failure could lead to serious injury or even death under certain circumstances that are not totally unlikely. There has been one documented failure. What should you do? A recall will not only cost your unit hundreds of thousands of dollars but also ruin your company's reputation as a first-class producer. This particular product is your largest release in over five years, and is important to you to meet your fiscal goals as the brand desperately needs a revival after years of lackluster new product releases.

Takeaway Lessons

Importance of being prepared before problems arise so you can react well in the moment.
Think outside your box, which is the incentives that are in place for you to focus on yourself.
The importance to find balance when the consequences are particularly serious.

Issues

Balancing safety and profit
Risk assessment
Public relations and reputation
Defective design or manufacturing
Responsibilities to public health
Potential lawsuits
Regulatory investigations

Rules and Regulations

Legal liability

Resources

Company Code of Conduct
Advice from mentor, teachers or family
Assess your own values and your comfort
with causing the death of a person
Your management

Questions

Is one complaint enough to start a recall?
Did that complaint cause an injury? How serious was it?
How many complaints does it take?
How likely is the failure?
Do we want responsibility for causing death of even one person?
Could I explain my choices in this situation to my grandmother? To the Wall St. Journal?
How to balance a recall's effect on reputation vs. deaths?
Can we get more positive PR from being proactive?
Can you get your management to redo your compensation plan so your bonus isn't at risk?
How can you revive your brand if you do a recall? If you do not?
Does the company Code of Conduct provide useful guidance?

Options

Do a recall
Notify the manufacturing division about the problem so they don't produce more defective units
Initiate a thorough investigation
Bring in outside experts to analyze the situation
Alert your management ASAP
Don't do a recall; try to issue a retrofit ASAP while changing the design for the future

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