

Measuring Food Safety Success

How To

Gina R Kramer RS/REHS

Savour Food Safety International, Inc. - Executive Director

+1-614-507-5105; gina@savourfoodsafety.com

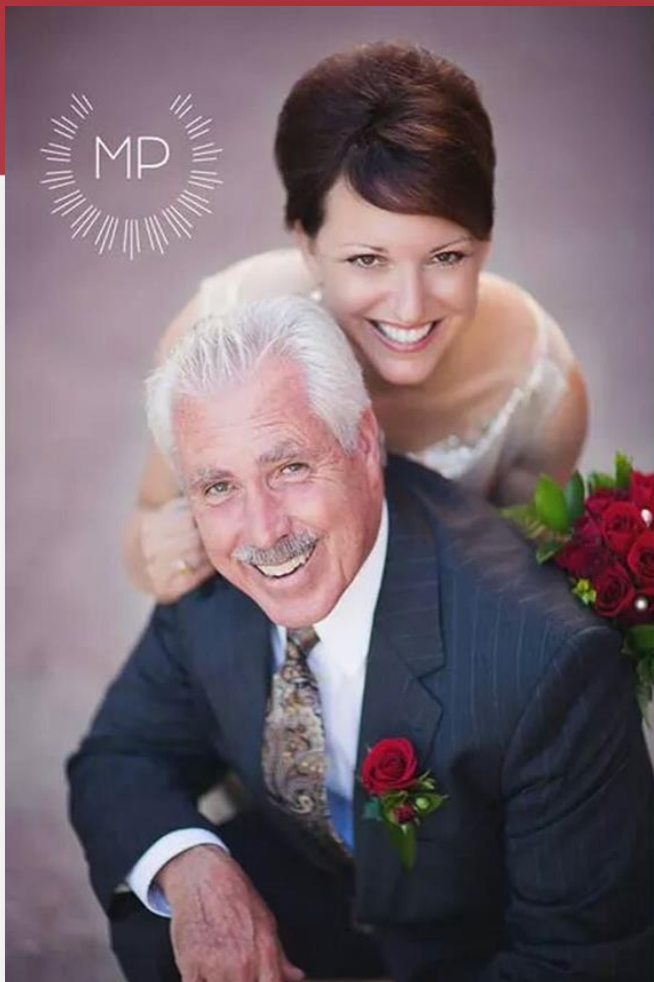
Food Safety Innovations – President/Co-Founder

STOP Foodborne Illness – Chair of Board of Directors

© Gina (Nicholson) Kramer 2015

SAVOUR FOOD SAFETY
INTERNATIONAL™





the KRAMERS



© Gina (Nicholson) Kramer 2015

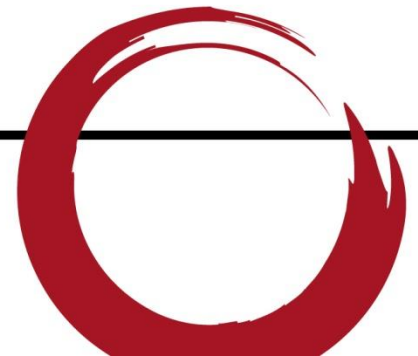
SAVOUR FOOD SAFETY
INTERNATIONAL™

Measuring Food Safety Success

- Internal & External Audit Data
- Business Performance Measures
- Holistic Gap Analysis
- Measuring Failures



© Gina (Nicholson) Kramer 2015

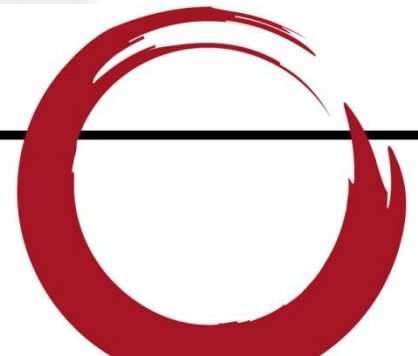


Internal & External Audits

Intelligent - in•tel•li•gent (adjective)
reflecting good judgment or sound thought:
success in coping with new situations and solving problems

Audit – au•dit (noun)
a methodical unbiased examination and review

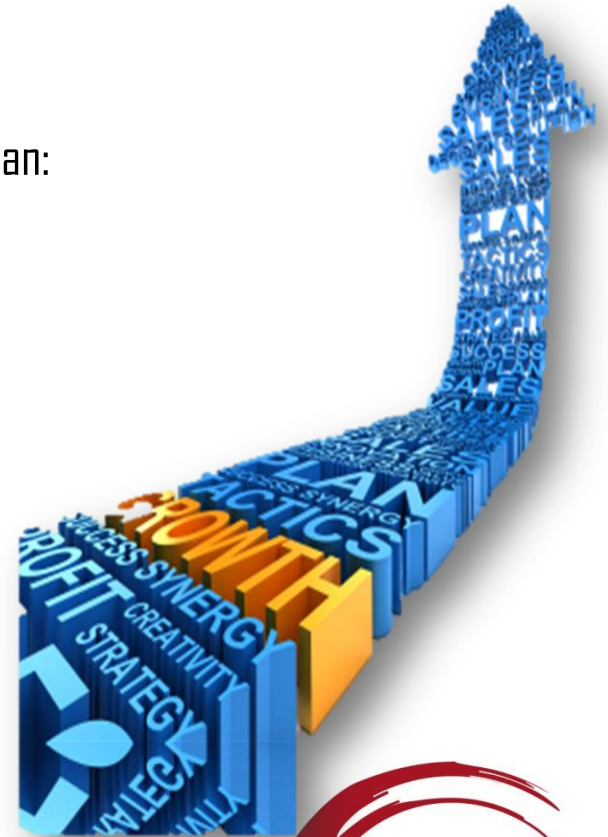
Intelligent Audits = Successfully solving problems
using data from a methodical unbiased review

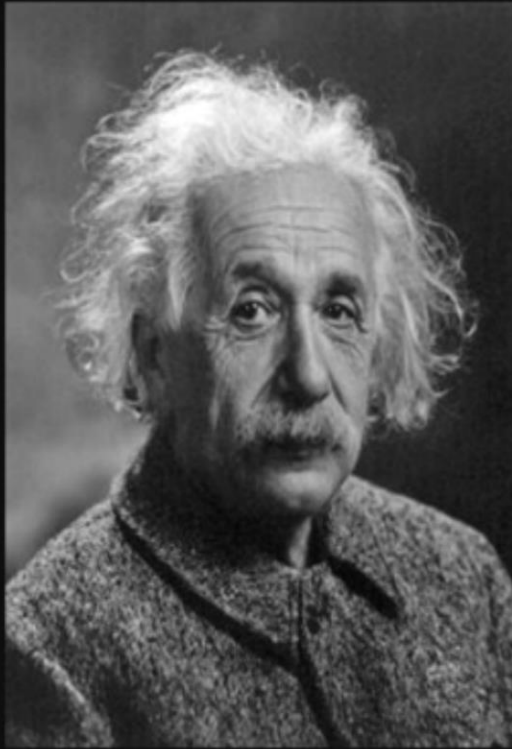


Intelligent Audits

Measurements that add value to the business daily

- Intelligent Audits capture data that the entire business can:
 - Departmentalize
 - Dissect
 - Utilize
- To solve problems **DAILY** which will:
 - Increase profit margins
 - Improve customer satisfaction
 - Create overall business success





Any intelligent fool can make things bigger and more complex... It takes a touch of genius - and a lot of courage to move in the opposite direction.

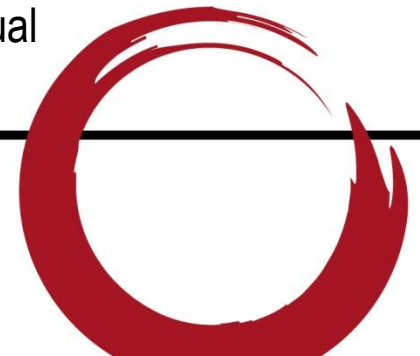
(Albert Einstein)

izquotes.com

Use the **KISS** program - **KEEP IT SIMPLE SWEETHEART!** Do not use your intellectual prowess of food science to motivate business decisions through fear!

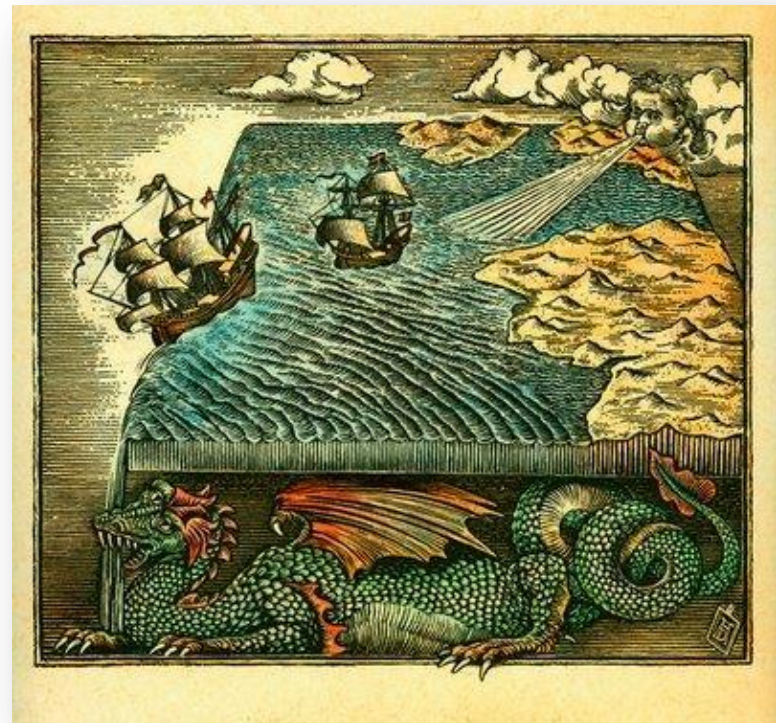
© Gina (Nicholson) Kramer 2015

SAVOUR FOOD SAFETY
INTERNATIONAL™



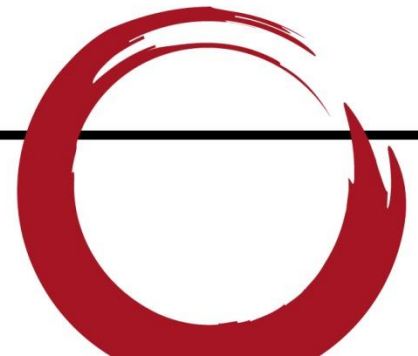
Conventional Audit Metrics

- Linear Approach
- Focus on Average Score
- "Silo-ed" Audit Questions
- Every Unit is Audited 100%
- Mega \$ Investment
- "Security Blanket"



Intelligent Audit Metrics

- **Multi-faceted** – using relevant Metrics from multiple sources
 - EBITDA
 - Shrink
 - Labor
 - Expense
 - Facility & Maintenance
 - Sales
 - Customer Satisfaction
 - Menu Development
- **Laser Focus** – knowing *how* the score was earned
- **Identify “Hot Spots”** – focusing on individual units that present the greatest risk rather than 100% of units



Business Performance Measures

- Review Business Performance Measures
- Food safety affects every aspect of the business
- Utilize the data for process improvement



Data That Speaks "Their Language"

- **Date Marking Violations**

- Translation:
 - Over ordering/production of food causing reduced profit margins

- **Sanitation Violations**

- Translation:
 - Decreased food quality, customer complaints about taste and shelf-life at home

- **Temperature Violations**

- Translation:
 - Increased cost of utilities, repair/replacement of equipment



Data That Speaks "Our Language"

- **Customer Complaints**

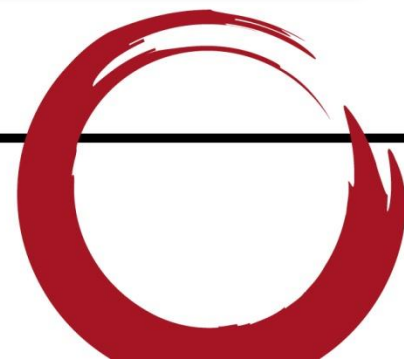
- "Food Tastes Funny"
- Translation:
 - Possible Cross-Contamination
 - Temperature Abuse
 - Inadequate Handwashing

- **Store Shrink #s are HIGH**

- Translation:
 - Over ordering/production of food causing possible date marking violations

- **Labor Costs High**

- Translation:
 - Not following proper SOPs



Holistic Gap Analysis

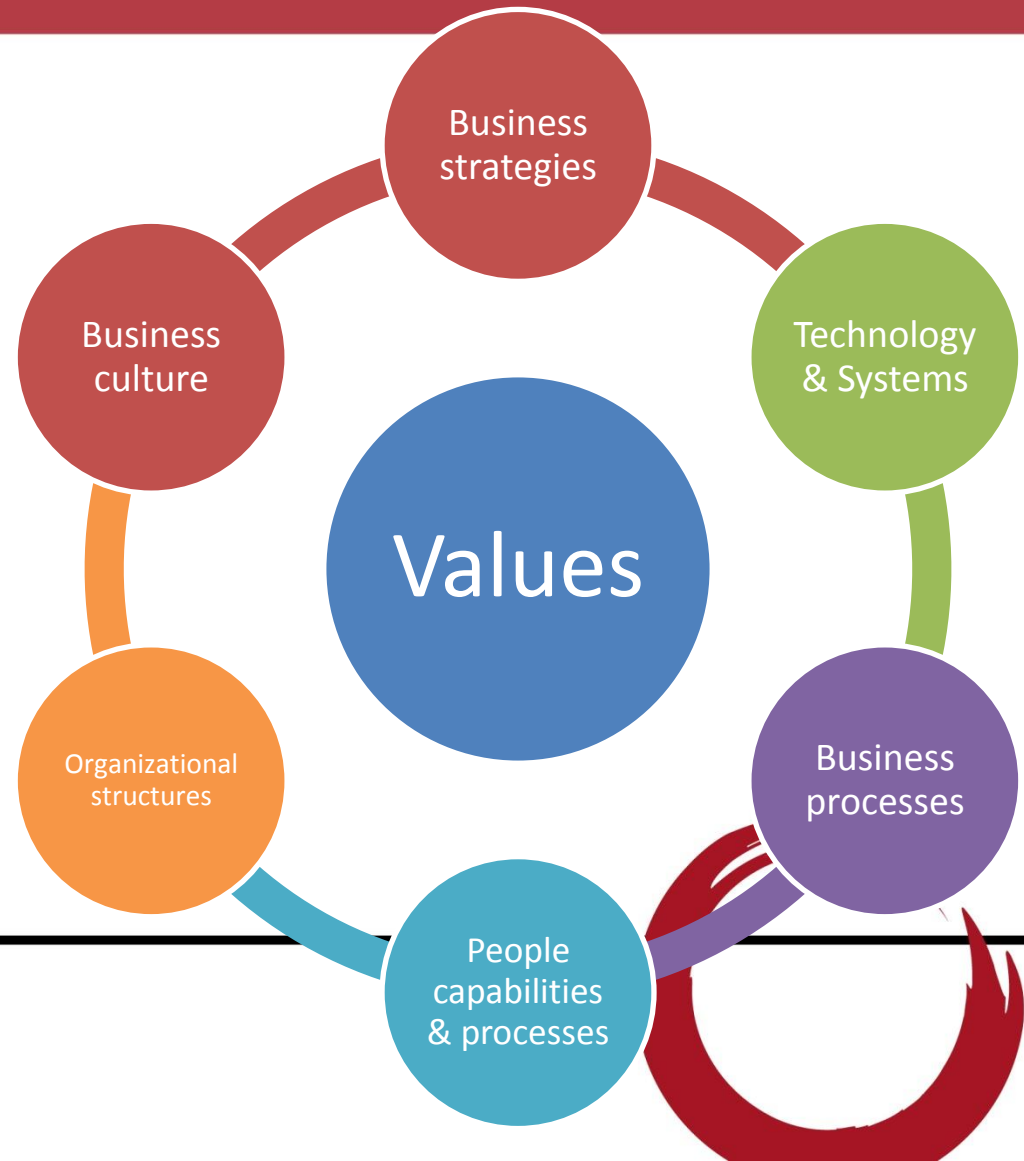
Taking a complete look at the:

- Beliefs
- Attitudes
- Behaviors

Towards food safety - as well as the:

- Policies
- Procedures
- Practices

That are in place



Best in Class

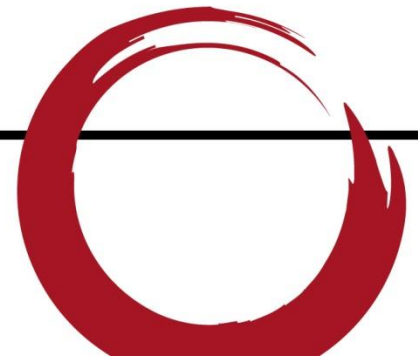
"If you build your program to meet the regulatory minimum standards, then you build a minimum standard program"

Successful food safety professionals

Can your business afford to build a minimum standard Food Safety Program?

© Gina (Nicholson) Kramer 2015

SAVOUR FOOD SAFETY
INTERNATIONAL™



Measuring the Cost of Failures

What is the price?

© Gina (Nicholson) Kramer 2015

SAVOUR FOOD SAFETY
INTERNATIONAL™



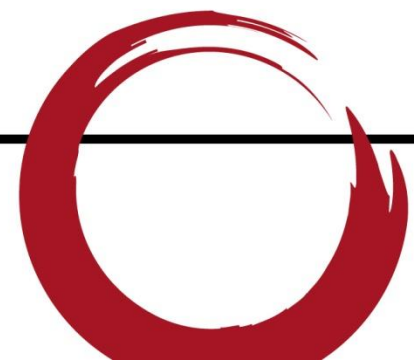
Reputational Risk

Measuring the impact of a food safety event



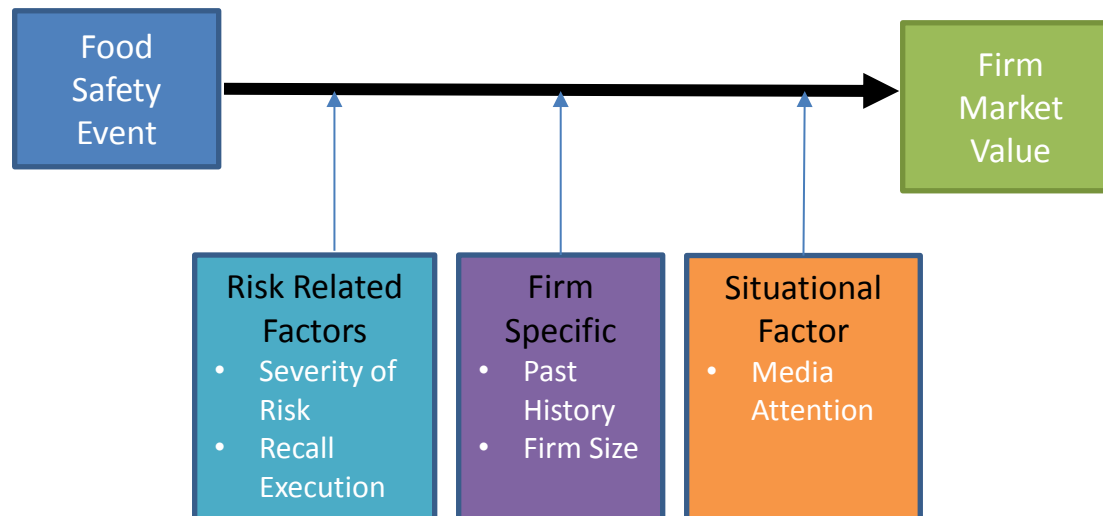
- Stock Market Value
- Sales
- Customer Perception
- Employee Moral
- Customer Complaints
- Company Remediation
 - Legal Council
 - Labor
 - Supplies

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



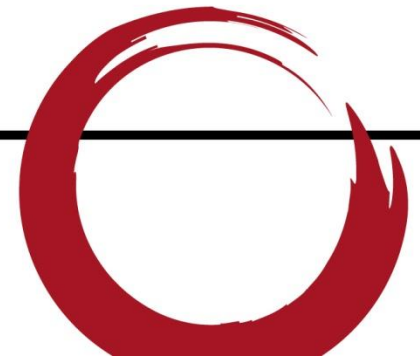
Food Safety Event & Stock Value

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>

© Gina (Nicholson) Kramer 2015

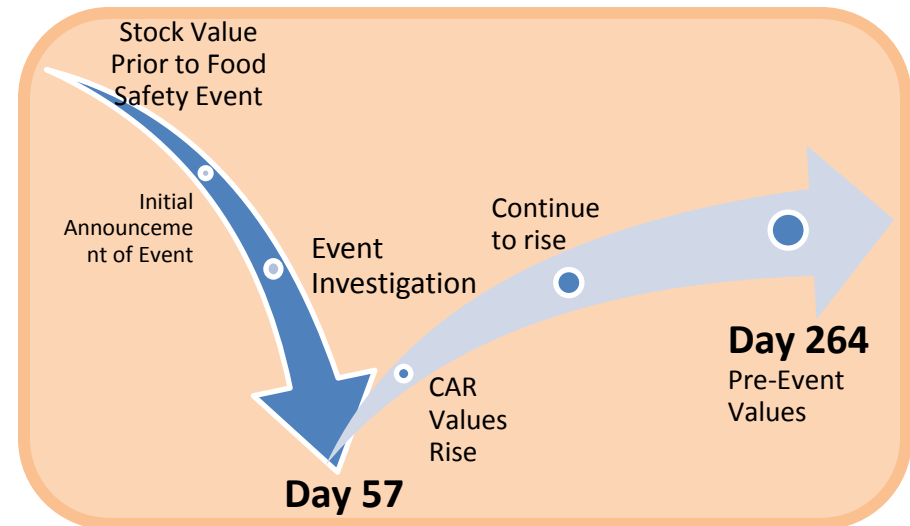


Reputational Recovery

How long does recovery take after an event?

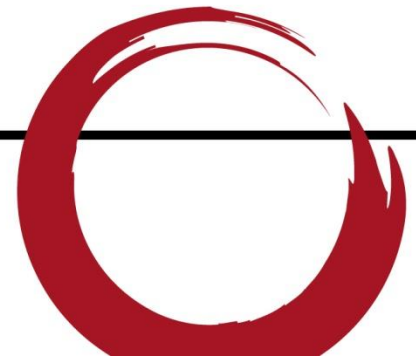
- **57th Trading Day** - *CARs significantly negative after outbreak. About two working months before increased movement
- **264 Trading Days** - Negative CARs turned to positive values after almost 1 year from the start of the event

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



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>

© Gina (Nicholson) Kramer 2015



Protecting Reputation

A company **MUST** have:

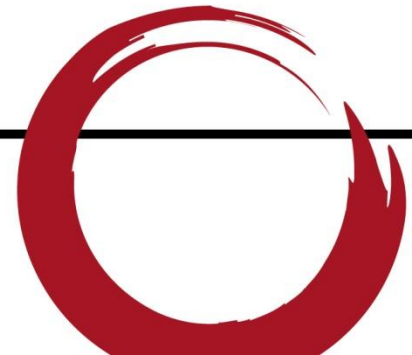
- **Pre-Crisis Management Strategies**
 - Provide food safety information to employees during hiring, evaluation & training
 - Integrate food safety messaging into every aspect of the business
- **Post-Crisis Communication Strategies**
 - Employees - Customers - Shareholders



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>

© Gina (Nicholson) Kramer 2015

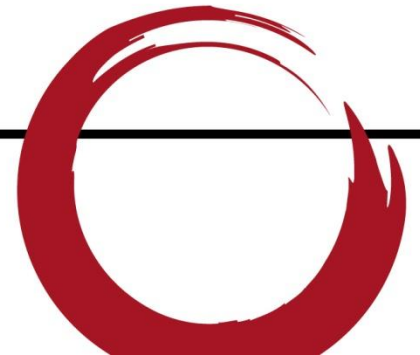
SAVOUR FOOD SAFETY
INTERNATIONAL™



Why we do what we do every single day!

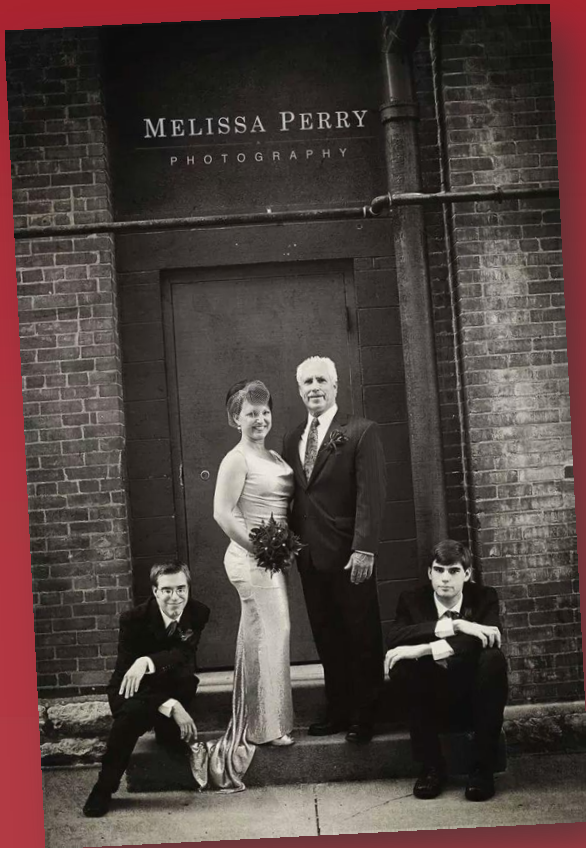


STOP Foodborne
Illness



© Gina (Nicholson) Kramer 2015

SAVOUR FOOD SAFETY
INTERNATIONAL™



Measuring Food Safety Success

Gina R Kramer RS/REHS

Savour Food Safety International, Inc. - Executive Director

+1-614-507-5105; gina@savourfoodsafety.com

Food Safety Innovations – President/Co-Founder

STOP Foodborne Illness – Chair of Board of Directors

© Gina (Nicholson) Kramer 2015

SAVOUR FOOD SAFETY
INTERNATIONAL™

