

Manufacturing Risk Advisor

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Tips for Developing an Effective Product Recall Plan

Even at the most carefully run companies, mistakes happen. Make sure that your business is prepared to handle a product recall, and limit the damage to your reputation and your bottom line.

Consider these steps when establishing your product recall plan:

1. **Designate personnel.** Make sure that your product recall plan designates employees who will handle specific responsibilities in the event of a recall. By assigning responsibilities before a recall occurs, businesses can cut down on any confusion, while ensuring that employees know what is expected of them.
2. **Document production.** Your plan should require that all steps of production are documented and that products are serialized. With proper recordkeeping, it will be easier for your company to locate and recall defective goods in a timely fashion.
3. **Use complaints.** Establish a system for monitoring customer complaints, and use the feedback as part of your plan to help flag potential problems with products on the market.
4. **Spread the word.** Releasing information about a defective product and subsequent recall can be a sensitive task. Your product recall plan should lay out, in detail, your company's plan for notifying the public of an issue. Make sure that you do not release inaccurate information. All communications should be professional in nature and overseen by your company's recall coordinator or team.
5. **Adapt and improve.** After a recall, take time to reflect on how your product recall plan was implemented and if it was followed correctly. Reassess the effectiveness of your plan so that your company can learn from its mistakes and continue to improve. If necessary, make amendments to your recall plan.

The average cost of a product recall for a small business is **approximately \$550,000.**



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