



## Two Minute Challenge: 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. What do you do?

### Issues

Balancing safety and profit

Risk assessment

Public relations and reputation

Defective design or manufacturing

Responsibilities to public health

Potential lawsuits

Regulatory investigations

### 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

### Rules and Regulations

Legal Liability

### Options

Do a recall

Notify the manufacturing division about the problem so they don't produce more defective units

Initiate a thorough investigation

### 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?

How to balance a recall's effect on reputation vs. deaths?

How can you revive your brand if you do a recall? If you do not?

Does the company Code of Conduct provide useful guidance?





Your Management

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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Takeaway Lessons:

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

