

# Case study on gsk

Business



What Is ' scrolls management? Strategic Phase Reactive Phase Image Restoration Lessons Learnt Background: Silhouetting (ASK) is a British multinational pharmaceutical and consumer healthcare company that operates in over 100 countries. They have an extensive portfolio of products for major disease areas including asthma, cancer, infection, diabetes and digestive conditions Some products they produce that you might be familiar with: Incorrect Ribbed Appendage/Panola/Children's Panola - which will be the focus of today's discussion. Case summary:

In June 2000, Silhouetting found itself the victim of an extortionist. The extortionist claimed intentional contamination of its Panola product. This resulted in all Panola products to be recalled from stores across Australia. ASK had to account crisis they were again subject to another extortion attempt.

On the advice of authorities ASK moved its products to pharmacies only and behind the counter. This entire ordeal damaged brand name, corporate image and integrity of the product range offered by ASK Discussion point This article is an interview of ASK Consumer Healthcare Managing Director Alan

Schaefer in which he discusses the demand placed on him through the extortion crisis as well as the importance of having a crisis management plan. Crisis management The process by which an organization deals with a major event that threatens to harm the organization, its stakeholders and/or the general public (Wilcox, 2012) I nerve are / steps Involved In scrolls Ana rills management 1 . Monitoring - which is all about environmental scanning

while simultaneously considering the impact the issue has on the company.

2. Identification - what kind of issue is it? And what cycle of the crisis lifestyle is it at? Procrastination - what is the probability of this particular issue occurring and how immediate is it? 4.

Analyses - this step involves determining the most important details and determines the impact the situation will have on the organization. 5.

Strategy decisions - is creating a strategic response and define the content of the message. In this step, organizations will allocate resources they believe they will need to handle the crisis and develop the communication plan. 6. Implementation is the implementing of programs that have been approved by relevant management bodies.

. Evaluation requires guessing the results post crisis and capturing lessons learned and failures that could have potentially been avoided. Crisis management context There are the four stages of a crisis: Proactive Strategic Reactive Recovery The crisis management plan aims to prepare organizations and its members with effective strategies and guidelines on how to approach specific tasks or crisis. In doing this, organizations will generally scout the environment for potential threats; this is the proactive stage of the lifestyle.

Contained within the crisis management plan is the crisis management cure.

This essentially is the reactive stage of the lifestyle in that you must now address the media with key messages and tactics employed to help the organization maintain its brand and corporate image. It also plans out how organizations can recover from the crisis, what relevant steps can be taken

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to overcome the crisis aftermath, image restoration. PROACTIVE PHASE - the role of crisis management plan 1 . To establish necessary company wide guidelines on approaching a crisis 2.

To ensure business objectives are in alignment 3. Create a consistent approach throughout crisis 4.

To provide reassurance and keep key stakeholders informed. 5. To coordinate vital resources both internally and externally Benefits of planning? (class question) Reduce stress Consistent flow of information Involves elementally Ana managing stakeholders Business continuity Can class issue into a lifestyle stage Enables businesses to actively monitor, identify and strategic prioritize which risks may be form current crises.

STRATEGIC PHASE - who is part of the crisis team? Schaefer stated in the article that it was important to keep the crisis team to only extremely relevant parties. When the crisis initially came about only 2 members were involved in the initial reaction. Once the crisis required the organization to take formal action, Schaefer grouped 6 people to be part of their Core Crisis Team in which they would begin to address company objectives and how to approach the issue.

He discusses the notion that the tighter those defining objectives are, the greater clarity there is.

Therefore, it is important to only utilize vital employees as too avoid too many opinions which distract from resolving the issue as quickly as possible. ASK decided they has two main objectives: . Consumer safety is priority 2.

Maintain the company and brands reputation REACTIVE PHASE This is when the crisis reaches a critical level of impact and the organization must deal with it. It involves the implementation of the prepared crisis plan, following guidelines and issuing statements that are congruent with overall company visions.

Due to the issue being at a full-blown crisis level, the organization is under pressure to respond quickly and accurately to the media. With ASK, they took on the ingratiation and corrective action approach. They did this by recalling all of their Panola products off the shelf, not only did this appease the public by confirming that ASK was looking out for their safety but this also denoted they were going to disregard costs and focus on fixing the extortion problem before continuing their business. Another strategy employed was continual informational updates by the CEO, spokesperson.

This denoted a transparent and honest two way communication plan between the organization and the public Party of one? ASK considered both situational demands and organizational resources when initially regarding the crisis in their management plan Organization resources - do oh have the knowledge and management commitment to tackle the threat? Situational demands - the danger to the organization? Long term duration? What effort is required? Schaefer discusses that it is rare an organization has the necessary capabilities built in to the organization in crisis management, you need outside expertise. SKY employed Burros-Marseilles who are the center of the crisis in terms of communication, he maintained that their input was critical in helping ASK get tongue ten scrolls.

Do you think it is vital to nominate a spokesperson? Why? (Class Question)

Clear individual for the media to identify Honest and authentic - reliability of organization High level personnel from management indicates the company is taking issue seriously Spokesperson is responsive and active Through the application of the case we can see that this is indeed true. CEO During the crisis, CEO, Alan Schaefer found the media exposure to be ' something different'.

The intensity and the longevity of the crisis in the media was something he was not prepared for. The stakeholders had a strong expectation for the CEO to ' come out, stand tall and try to tell the story. By having a singular spokesperson, it gave clarity of ideas and key messages as only one individual was addressing the situation directly with the media. By nominating Schaefer as spokesperson he was able to manage the story to a conclusion and help restore brand image.

Delegating the task to a public well known figure provided integrity to comments issued Disclosure Schaefer notes in the interview that "... F you do the right thing by your consumers, your key stakeholders, you will be rewarded....

. Consumers will remember, however, that you put their interests in front of your own. The price tag was at 100 million dollars during the extortion crisis. Although the price tag for transparency during the crisis was extremely high the company felt and understood being forthcoming with information would retain a level of reputability and integrity from perceptions of the public By

being transparent and consistently informing publics ASK believed the rewards of their long term survival over rid the short-term thinking on costs.

Schaefer contends that you must “ give them that story, otherwise they may disengage and move to competitive products. ” ASK took it upon themselves to show behind the scenes advertising, wowing manufacturing to packing and selling - how they planned on getting the product back to the market place.

Consumer validated that the heritage of trust and safety that Panola was built on.

Managing the organization Schaefer notes that ‘ every crisis has its productivity curve’ When a crisis hits: The organization rallies Productivity goes up Everyone is doing more than their normal workload The long-lived crisis: I nee proactively Deigns to Tall You don’t come back to the same level; fall behind on what you were doing before. Schaefer describes the emotional and physical exhaustion that takes place, employees are working up to 50% more hours a week than normal.

Communication protocols As a global organization, all action required approval by overseas head offices This had the potential to diminish quick response times as clearing information took time. ASK flew in a few people from the I-J and US to assist with manufacturing issues Combated the main issue of extortion by allowing plenty of leeway to handle it locally They ensured that input in key decisions were made with people from overseas by having them on 24 hour availability The company still runs smoothly Every

crisis is unique, although they may share certain elements each crisis has different elements within it.

To determine solutions you must be adaptable and flexible. Prior to the crisis, proactive and strategic stages will already have established way to deal with crises in general. You need to have pre agreed, clearly defined responsibilities and delegations. You don't want to be working this out in the heat of the crisis - by then, its too late. Who minds the farm? As CEO, you are required to manage the business as a whole, but during the crisis your attention and as spokesperson for the media you are understandably extracted. Just because you face a crisis that doesn't mean daily operations cease.