

STARBUCKS



Crisis Communication Plan for
Melamine Contamination in
Starbucks Coffee Products

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Plan to be tested
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TABLE OF CONTENTS

Introduction.....	1
Purpose and Objectives.....	2-3
Key Publics.....	4-5
The Crisis Team.....	6
The Media Spokesperson.....	7-8
Crisis Experts.....	9
Crisis Emergency Personnel.....	10
Crisis Control Room Equipment and Supplies.....	11
Key Messages.....	12
Dissemination of Key Messages.....	12
Crisis Pre-information.....	13
News Release.....	14
Evaluation Techniques.....	15
Additional Information.....	16



INTRODUCTION

The type of crisis that this plan covers involves the contamination of Starbucks coffee products. The particular crisis that this plan covers is the contamination of Starbucks coffee creamers with Melamine. Melamine is an organic-based chemical most commonly found in the form of white crystals rich in nitrogen. It is inserted into milk-based products to increase nitrogen content, and ultimately increase protein levels. However, the World Health Organization or Food and Agricultural Organization do not approve it, as it can cause detrimental effects to one's health.

This crisis communication plan is important, as this type of crisis is one that could easily happen. Without closely abiding by the proper safety and health precautions, our food has the potential to be contaminated by foreign products that can negatively affect our health. This plan will allow Starbucks employees at all different levels to understand how to deal with this particular crisis.

If this crisis communication plan is not closely followed, there could be many negative effects as a result of this. If Starbucks does not take the right steps in response to this crisis, they may never recover as a company. This could result in major profit losses, and even greater, could result in the company going bankrupt.

This is not to mention all the additional negative press that Starbucks could potentially get if they did not handle this crisis in the correct manner.

This type of crisis has happened before, however, not within the Starbucks Corporation. In 2008, a Chinese company that manufactures infant formula was found with having melamine in their product. This contamination led to renal failure and kidney stones. Though manufactured in China, this product was sold all throughout the United States to consumers. The contamination ultimately led to nearly 300,000 infants becoming ill, 50,000 being hospitalized and six infant deaths.

Although this crisis has not happened to similar coffee chains such as Starbucks yet, this is not to say that it never could, as the majority of coffee products used within these types of chains come from foreign markets that do not receive the same inspection that is undergone in the United States.



PURPOSE

The purpose of this plan is:

1. To encourage employees at all company management levels to respond to the crisis with the utmost professionalism, protecting the life, safety, health and reputation of all stakeholders.

2. To demonstrate multiple ways of responding properly to a crisis using various different media channels including:

Social media

- o Facebook
- o Twitter
- o YouTube
- o Blogs

Mass media

- o Starbucks Corporation's website
- o E-Mail
- o Newspaper
- o Television

3. To increase public awareness levels of the crisis through the above mentioned channels.

4. To gain stakeholder support by consistently updating them on the state of the crisis, allowing them to have a detailed account of what is occurring through each of these stages.

5. To coordinate with other federal, state and local agencies in responding to and providing help with the crisis at hand.

6. To effectively manage the distribution of potentially critical and sensitive information to the general public.

7. To protect company property and assets, while striving to restore business operations as soon as possible



OBJECTIVES

Awareness:

- o To have an effect on the awareness of employees, specifically to reinforce value and respect for the Starbucks Corporation
- o To have an effect on the awareness of customers, specifically to ensure customers that Starbucks Corporation is doing everything in their power to address the crisis at hand.
- o To have an effect on the awareness of all stakeholders, specifically to maintain confidentiality of specific non-public information regarding the crisis at hand.

Acceptance:

- o To have an effect on the acceptance of employees, specifically to generate interest in the Starbucks Corporation, striving to ensure that all employees are loyal to the company and dedicated to protecting its reputation.
- o To have an effect on the acceptance of customers, specifically to ensure that all customers recognize the superior ethical standards of the Starbucks Corporation and maintain a positive view of the company.
- o To have an effect on the acceptance of all stakeholders, specifically to generate interest in preserving the Starbucks Corporation through superior environmental, ethical and moral standards.

Action:

- o To have an effect on the action of employees, specifically to maintain the utmost standards of health and safety within their daily actions working for the Starbucks Corporation.
- o To have an effect on the action of customers, specifically to ensure that customers continue to turn to the Starbucks Corporation as their go-to coffee supplier.
- o To have an effect on the action of all stakeholders, specifically to generate interest in and maintain high moral, ethical and environmental standards.



KEY PUBLICS

Internal Key Publics:

- Starbucks Corporation CEO and CFO
- Corporate Starbucks employees
 - o Human Resources
 - o Public Relations
- Store managers
- Store employees
- Starbucks Corporation suppliers

Within these internal key publics, each of these groups of people will be notified both via e-mail as well as phone-tree.

The phone-tree will work as follows:

- The CFO will be in charge of notifying company suppliers
- The CEO will be in charge of notifying corporate Starbucks employees, such as employees in the Human Resources and Public Relations departments
- The Public Relations department will then be in charge of contacting each Starbucks store manager.
- The store managers will then notify each of their store employees regarding the situation

As previously noted, in addition to this phone tree, a mass e-mail will be sent from the CEO to Starbucks employees at all levels regarding the crisis situation at hand.

External Key Publics:

- Major national news stations
 - o ABC, NBC, CBS, Fox News, CNN, MSNBC
- Major national newspapers
 - o The New York Times, USA Today, The Wall Street Journal, The Washington Post
- Customers
- Competing coffee chains
 - o Dunkin Donuts, Caribou Coffee
- Major food, health and safety organizations
 - o World Health Organization, Food and Agricultural Organization, United States Department of Agriculture



KEY PUBLICS

Each external key public will be notified of the crisis via members of our Public Relations and Human Resources departments. News releases will be developed detailing the crisis for these external key publics, as well.

Contact Information:

National News Stations

- ABC, New York--212-456-7777
- NBC, New York--212-664-4444
- CBS, New York--212-975-3247
- Fox News, New York--212-301-3000

National Newspapers

- The New York Times, New York--212-556-1600
- The Wall Street Journal, New York--212-416-2000
- USA Today, Washington, D.C.--202-842-5032
- The Christian Science Monitor, New York--212-764-0036

Competing National Coffee Chains

- Caribou Coffee Headquarters, Minneapolis--763-592-2200
- Dunkin Donuts Headquarters, Canton, Massachusetts--781-737-3000
- Au Bon Pain Headquarters, Boston--617-423-2100
- The Coffee Bean and Tea Leaf Headquarters, Los Angeles--213-689-8087

Health, Food and Safety Organizations

- USDA--Mike Stern--345-568-9083
- FAO--Eric Wilson--786-890-3245
- WHO--Susan Stephens--813-214-5678



THE CRISIS TEAM

The crisis team will be composed of representatives from various different departments within the Starbucks Corporation as well as major company leadership, including some members of the Starbucks Corporation Board of Directors.

The crisis team will be composed of the following members of the Starbucks Board of Directors:

- Howard Schultz
 - o Founder, chairman, president and chief executive officer
- Kevin Johnson
 - o Chief executive officer
- Sheryl Sandberg
 - o Chief operating officer
- Melody Hobson
 - o President
- Myron Ullman, III
 - o Chairm and chief executive officer

The crisis team will also be composed of employees from the following departments within the Starbucks Corporation:

- Human Resources (Partner Resources)
- Communications (Public Relations)
- Legal
- Facilities Development and Management
- Quality



THE MEDIA SPOKESPERSON

Howard Schultz, the founder, chairman, president and CEO of the Starbucks Corporation will serve as the primary media spokesperson in the event of this crisis.

5 Interview Tips for Howard Schultz

1. Do not attempt to cover up anything. Cover-ups just make the crisis persist.
2. If you have the information that the public needs to know, share that information with them. It is better that they hear this information from you first rather than from someone else.
3. If you do not necessarily have all of the information at the given time, let the media know that. Then, tell them that you are working to get the rest of the information regarding the situation.
4. Avoid the use of the phrase no comment. This can backfire, as it makes it look as if you are hiding something negative.
5. Ultimately, remember that **NOTHING** is off the record. Even if the interview is technically over, anything that you say can be used in the media.



THE MEDIA SPOKESPERSON

5 Potentially Tricky Questions with the Proper Answers

Q: Do you deny that because of your company's lack of food safety inspection, Melamime was able to enter your company's coffee products?

A: We at Starbucks Corporation take full responsibility for the crisis that has happened. What we seek to do now is to put in place rigorous food safety inspection systems that will prevent such an event from ever happening again.

Q: We understand that, due to this crisis, thousands of people have become ill and hundreds more have become hospitalized. Can you comment on these numbers?

A: We do not know the exact numbers at the moment, but as soon as we find out, we will let you know immediately.

Q: Many of your coffee products at the Starbucks Corporation are exported from foreign countries, including your coffee creamers. Can we place some of the responsibility for this contamination crisis on poor food safety inspection on their behalves?

A: Yes, you are correct in saying that many of our coffee products do come from foreign countries. However, we do not place any blame on these countries for the incident that has happened. We take full responsibility for this incident and are working to improve our already superior food safety inspection systems here at the Starbucks Corporation so that this contamination never happens again.

Q: As you know, thousands of your customers have become very ill as a result of consuming your contaminated products. How will you respond to these customers and their families?

A: We at Starbucks Corporation offer our sincerest apologies to these customers and their families. We are doing everything in our power to improve our food safety inspection systems to ensure that an event like this never happens again. We hope that this rare occurrence does not change these customers views of the Starbucks Corporation and we are striving to do whatever we can to regain these customers support.

Q: We understand that, due to this crisis, your employees are now working under very stressful conditions and are receiving many negative comments from customers passing by Starbucks stores.

A: Our customers are working under the same conditions that they have always worked under. They have remained calm during this crisis and are responding to customer complaints in a professional manner.



CRISIS EXPERTS

Experts in the event of this crisis include:

- Head of Starbucks Corporation's Quality Department
- Head of Starbucks Corporation's Legal Department
- Starbucks Corporation's founder and chief executive officer, Howard Schultz
- Starbucks Corporation's chief operating officer, Sheryl Sandberg
- The Food and Agricultural Organization
- The World Health Organization



EMERGENCY PERSONNEL

In the event of this crisis, these are the emergency personnel that need to be contacted immediately:

- The Food and Drug Administration
- World Health Organization
- United States Department of Agriculture
- The Food and Agricultural Organization
- The Federal Bureau of Investigation
- The Center for Disease Control



CRISIS CONTROL ROOM EQUIPMENT AND SUPPLIES

In the event of this crisis, these are the equipment and supplies that will be needed in the crisis control room:

- Computers
- TVs
- Tables
- Chairs
- Phone-lines
- Phones
- Projector
- Smart Board
- Extension cords
- Paper
- Pencils
- Bottled water
- Phone books
- Contact information for all emergency personnel
- Contact information for all crisis experts
- Cell-phone chargers



KEY MESSAGES

In the event of this crisis, the Starbucks Corporation would want to release the following statement regarding this incident:

"We at the Starbucks Corporation offer our sincerest apologies to anyone affected by this crisis, as well as all of our customers, partners and shareholders. We take full responsibility for this incident and are doing everything in our power to improve our food safety inspection systems to ensure that an event like this never happens again. We hope that this rare occurrence does not change your view of the Starbucks Corporation and we are striving to do whatever we can to regain your customer support."

In the event of this crisis, the Starbucks Corporation would want this one-liner to be picked up by the media regarding this incident:

"We at the Starbucks Corporation take full responsibility for this crisis that has happened and are in the process of implementing new and more rigorous food safety inspection systems that will prevent such an event from ever happening again."

These key messages will be distributed through various different communication channels. To reach our younger, more tech-savvy crowd, these messages will be distributed through social media using the Starbucks Corporation's Twitter, Facebook, YouTube and blog. To reach our older audience, these messages will also be distributed through mass media in the form of news releases, TV PSA's, newspaper articles and e-mails to all stakeholders.



CRISIS PRE-INFORMATION

In the event of a crisis, the following pre-information should be kept on hand:

- Ingredient list of all Starbucks Corporation food and coffee products
- List of all the companies that the Starbucks Corporation purchases food and coffee products from
- List regarding the country of origin where each of these food and coffee products come from
- Detailed information regarding the Starbucks Corporation's food safety standards
- Detailed information regarding the Starbucks Corporation's food inspection system
- Detailed information regarding worker safety and inspection standards
- A fill-in-the-blank news release that is ready to be delivered to the press following the crisis



NEWS RELEASE

FOR IMMEDIATE RELEASE

April 13, 2011

MELAMIME CONTAMINATION IN STARBUCKS COFFEE PRODUCTS

The Starbucks Corporation has experienced a Melamime contamination in their coffee products that is currently rumored as coming from Starbucks coffee creamers.

At this point in time _____ people have fallen ill due to this contamination and _____ people have been hospitalized.

“We take full responsibility for this crisis and offer our sincerest apologies to all affected by this incident. We are doing everything in our power to get to the root of this problem and to improve our food safety inspection systems so that an event like this never happens again,” said Howard Schultz, founder, president and chief executive officer of the Starbucks Corporation.

The Melamime contamination in these Starbucks coffee creamers created high nitrogen levels in the product, which ultimately led to a greater protein content. Though a high protein content is favorable for these milk products, the high levels of nitrogen used to create these more favorable protein levels has caused renal failure in approximately _____ customers at this point in time.

Anyone who has recently consumed a Starbucks coffee product and has experienced symptoms such as nausea, vomiting, diarrhea, dehydration or frequent urination should contact their local health care provider immediately, as these could be symptoms of Melamime poisoning.

The Starbucks Corporation is currently examining their present food safety and inspection standards in an attempt to determine where the contamination could have began. They are diligently working to improve these food safety and inspection standards so an event of this type does not happen again.

The Starbucks Corporation has never experienced an event like this since it's grand opening in 1971. The Starbucks Corporation values food safety and holds this issue as being one of the most important issues in running their business.

For more information please contact the emergency contact line at the Starbucks Corporation at 1-877-SBUX-FIX or 1-877-728-9349, or e-mail at fservice@starbucks.com.



EVALUATION TECHNIQUES

To measure the effectiveness of our response to this crisis, we will use the following evaluation techniques:

-Customer online feedback: On the Starbucks Corporation website, we will install pop-up surveys that will pop-up when you first enter the site. This will get customers' attention and will encourage them to provide feedback on how well we did in responding to the crisis situation. The results from this customer feedback would be used to help us better prepare for potential crises that could arise.

-Employee feedback: We would send e-mails out to all employees on the internal e-mail server with surveys. These surveys would work in the same manner as the customer feedback surveys. The employees would fill out these surveys, noting what was done right as a company in responding to the crisis, what was done wrong and if anything, what could be improved. The feedback from these surveys would also help us to improve our crisis communications skills and be able to better prepare for potential crises.

-In-store feedback: We would give all customers that come into our Starbucks stores surveys after they make a purchase. The incentive for these customers to fill these surveys out would be a 5-dollar coupon that could be used at any Starbucks location for any type of food or coffee product. This would allow our company to get some honest feedback from customers, and it would also be a great way to gain customer support once again. This would be a way of giving back to our customers, while also letting them know that their opinions matter and we are doing everything to make our company better.



ADDITIONAL INFORMATION

For additional information on the Starbucks Corporation, please visit www.starbucks.com or scan this QR code with your smart phone to find out more information about this company.

