



theUriahgroup

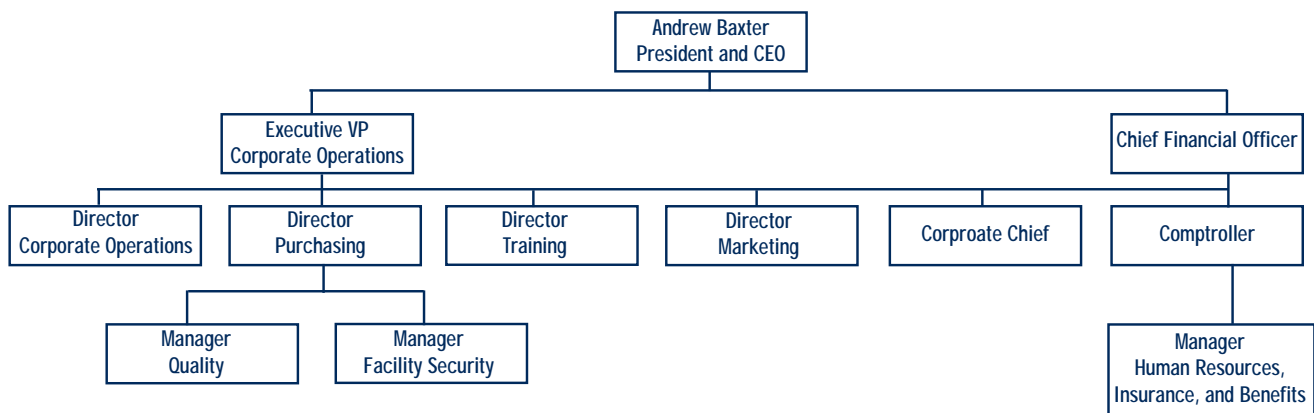
## Food Security Real-World Scenario

### *Baxter's Family Restaurant Mother's Day*

Baxter's is a privately held regional restaurant with twelve different theme restaurants in the metropolitan area. They do \$55M in revenue annually with 1300 employees. Baxter's was established in the early 1960's by Andrew Baxter, a well-established local entrepreneur. The company has established itself as the premier upscale restaurant in the area attracting the top talent in all levels of their business. The highest grossing restaurant has set the benchmark of \$11M per year in revenue. The Baxter's restaurant in this case study has averaged about \$6M per year in revenue.

The growth strategy for the Corporation is to continue to expand in the region, opening a new restaurant when the market so dictates. The growing suburbs are the expansion targets. The Corporation has taken the chance on new locations in developing markets for expansion and has watched the development bring them success. An occasional acquisition has added to Baxter's market hold in the metropolitan area. Although successful in these ventures, Baxter's has chosen to stay with the upscale theme restaurants.

The key officers of the corporation are the President and CEO, Andrew Baxter, the Executive Vice President, Corporate Operations, and the Chief Financial Officer. The Executive Vice President runs the day-to-day operations with his direct reports including the Corporate Operations, Director of Purchasing (Quality and Facility Security report to this position), the Director of Training, Director of Marketing, and the Corporate Chef. The Chief Financial Officer manages the finances of the Corporation with the Comptroller as a direct report. The Comptroller has the additional duty as Corporate Human Resources in that he maintains responsibility for the insurance and benefits plans offered to the employees.



A General Manager and an executive chef manage each restaurant. The chef is allowed to create his or her own unique menu for the restaurant within company guidance. Although most of the chefs are grown from within, an occasional chef will be added from the outside. A monthly review is held with each executive team to review their "scorecard," which is based on the concepts of the balanced scorecard. A quarterly bonus is distributed based on this performance. The corporation prides itself on the longevity of their leadership team and the committed employees who are empowered at every level to take immediate action to do the right thing. The turnover rate of the wait staff is 100%, well below the industry standard.

The restaurant maintains an inventory not to exceed two days supply. The Corporation purchases for all the restaurants. Different major vendors supply the seafood, produce, meat and groceries with a few specialty vendors providing unique menu items. The restaurant tests a sampling of every shipment of oysters and tests samples of ground beef for contaminants.

The emergency management plan addresses the physical security of the facilities only and is seldom exercised. Only managers are subjected to background checks.

They are very active in the community, sponsoring a number of charity events and encouraging employees to donate time and effort to local good will. Baxter's Family Restaurant is a model for community activism.

#### **Friday, May 7**

This is the Friday before Mother's Day. There are media reports on the growing threat of terrorism and the Homeland Security alert change to Code Orange. Food is mentioned as a potential target. At Baxter's deliveries are significantly higher in anticipation of a busy Mother's Day. Reservations are running higher than previous years, reflecting a stronger local economy.

#### **Sunday, May 9, 4:00 pm**

Mother's Day brunch at Baxter's Family Restaurant has been very busy as expected. All six managers and the executive chefs are in to handle the heavy load. Initial indications are that this year will break all previous records, but our store has the chance to out perform the other corporate restaurants and get our management team and employees an additional bonus for performance. All is going well, very well. Then the call comes in at 4 pm. The General Manager takes the call from a concerned customer saying his wife and daughter are in the local hospital after eating at Baxter's at noon. Their symptoms are vomiting and bloody diarrhea. The Customer is insistent that the food they had at Baxter's is the cause. The manager expresses concern and further asks for contact information, but the caller hangs up. On reflection the manager remembers sending an employee home earlier with stomach cramps. These kinds of calls come in every day, but just to be on the safe side, she decides to call the Corporate Quality Manager. He reports getting 2 other calls from other Baxter's locations reporting similar problems. He just got off the phone with the local health department who is receiving call from multiple emergency rooms reporting admittance of a number of patients with the symptoms of vomiting and bloody diarrhea. There are other indicators of high pharmaceutical purchases of anti-diarrheal medications. Although it is too early to lay it at the Baxter's doorstep, there are common indicators that are pointing in our direction. These sorts of scares happen all the time. We need further information. For now we need to keep turning tables and go for the record. The bonus is in reach.

#### **The Day after Mother's Day, Monday, May 10, 12 noon**

Three Baxter's Family Restaurants have been closed down by the Health Department. The press is actively pursuing this developing story. Although few details are known, their speculation is inflaming the situation. More than 100 people who dined at the three Baxter's Family Restaurants are reportedly ill, with more than 60 of them now in area hospital Intensive Care Units. Five Baxter's employees are among those numbers. All of the sick are reporting symptoms of vomiting and bloody diarrhea. Not only are the local health department officials involved, but the State Emergency Operations Center (EOC) has been activated.

The Governor's office released a statement asking the public to remain calm and committing "to get to the bottom of this." The FDA, the USDA, and the CDC are all actively involved in the investigation as well. Authorities are expecting to hold a news conference this afternoon at 4 pm to brief the public on the situation status.

#### Wednesday May 19, 6:00 pm

There have been 24 deaths since the first case was reported 10 days ago. All of the deaths occurred within the 3-5 days after eating at Baxter's Family Restaurants in this area. All told, 422 have been treated at area hospitals. Those who have survived appear to be recovering, and doctors don't expect any more deaths.

Authorities have identified the cause only as an agent in the food that was provided to Baxter's. There is a suspect in the custody of the police, and charges are pending. These restaurants are crime scenes and will remain closed until released by federal and state law enforcement.

#### Monday May 24, 8:00 am

The past two weeks have been Baxter's worse nightmare. All around was destruction, not a physical destruction, but a devastation of the soul of our business family. The attack was senseless and unexpected targeted at the innocent, using our business as the delivery weapon. Twenty-four people were dead. Although the local hospitals had released the last of the victims late last week, for some the lengthy rehabilitation was just beginning. The same was true for the business and our extended family; the recovery process of the business must begin with a demonstrative yet well-thought-out actions. The recovery hole we are in is deep and with the help of our "friends" in the media, getting deeper. The financial impacts were beginning to hammer the business, with creditors patiently standing in line for remittance before the end. Our suppliers are recovering as well and not able to provide any comfort or commitment for the future. Sales at the Baxter's storefronts not impacted are off by 70%. Our employees were afraid to return to the facility, but at the same time were beginning to fear for continuation of their jobs. The government agencies are standing by to assist, but they are so fragmented and "stove-piped" that it is clear we will have to take the lead to find our way out of this mess. ■