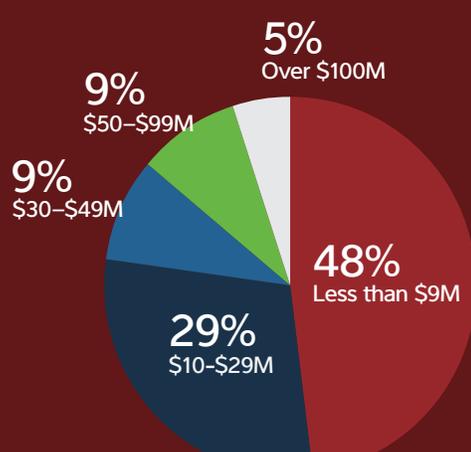


Are You Protecting Your Brand?

KALYPSO

There is no greater risk to a brand than a recall, quality, food safety or compliance incident.

Recent years have seen a dramatic increase in foodborne illness outbreaks followed by intense media coverage and the resulting consumer backlash. With write-offs in the tens of millions of dollars, potential criminal penalties and brand trust on the line, coupled with the onset of the FDA Food Safety Modernization Act (FSMA), food companies cannot afford to be reactive when it comes to quality, food safety and compliance.



Estimate of Financial Impact Resulting from a Recall¹

\$10M Average Direct Cost of a Food Recall²

\$15.6B Annual Economic Cost of Foodborne Illness³

47% Stock Price Drop from Recent QSR Chain Incidents⁴

At Risk:

- \$ Direct costs
- \$ Lost sales
- \$ Litigation and settlement costs
- \$ Market / stock value

To avoid risk and stay ahead of evolving regulatory and market demands, food companies must understand their ability to anticipate and respond across widely dispersed operations and broad supplier base:

“**Are we ready** to respond to increasing demands for label changes, documentation requirements and claims management required by the FDA?”

“**Are we confident** in the accuracy and integrity of our food specifications?”

“Faced with a cost-cutting environment, **how do we improve** our food safety, quality and regulatory compliance process efficiency and ability to respond quickly?”

SOURCES

1. Chart from Capturing Recall Costs Measuring and Recovering the Losses published by GMA, October 2011
2. Food Marketing Institute and the Grocery Manufacturers' Association (2010)
3. USDA: U.S. Foodborne Illnesses Cost More Than \$15.6 Billion Annually, Food Safety News – <http://www.foodsafetynews.com/2014/10/foodborne-illnesses-cost-usa-15-6-billion-annually/#.Vs47A4-cFHE>
4. Chipotle Mexican Grill, Inc. Stock: Behold the Burrito's Revenge (CMG) – <http://investorplace.com/2016/02/chipotle-stock-cmg-behold-the-burritos-revenge/#.Vs45o4-cFHE>

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Evaluate & Transform Quality, Food Safety & Regulatory Compliance

Key Dimensions for Success



Strategy & Planning

High-level planning and goals associated with quality, food safety and regulatory (QFSR) activities



Organizational Enablement

Design and structure of teams executing QFSR strategy



Process Definition & Capability

Activities used by organization to achieve QFSR goals



Internal Execution & Compliance

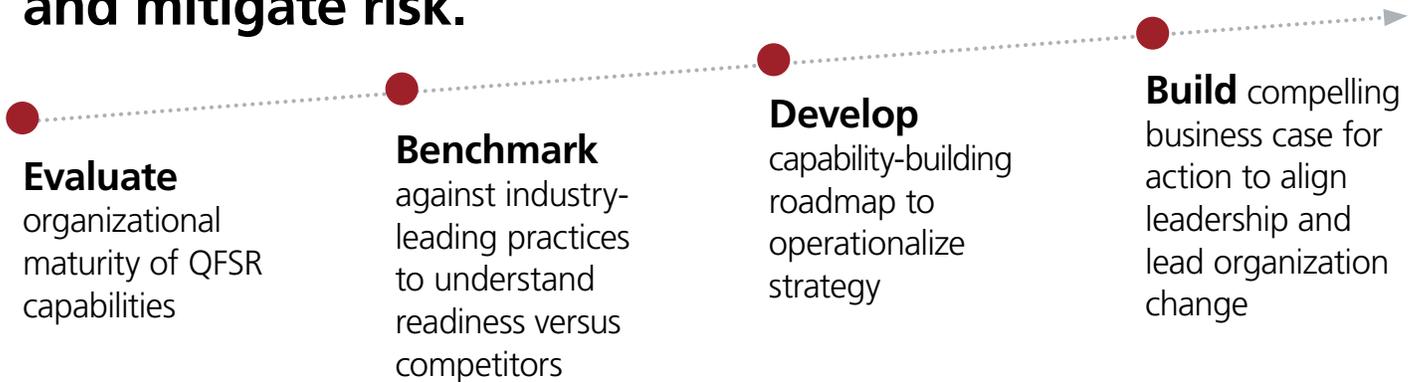
Rigor of operationalization of QFSR process by organization



Technology & Traceability

Systems used to capture the QFSR process execution and the ability to find this information

Understand your organization's readiness today and where you need to be tomorrow to **better respond to market demands, protect the brand and mitigate risk.**



How do you compare against the industry? Schedule your free, one-day Quality, Food Safety and Regulatory Assessment by contacting:

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