

Team 1 – Nestlé

Nestle issued a product recall in June 2008 for one-gallon Nestle Pure Life Purified Drinking Water sold only in Shop-Rite stores in five Northeast states in the United State. It was found that the product contained a cleaning compound that could be harmful if consumed in large quantities.

Nestle said fewer than 150 one-gallon bottles of the purified water are affected, they were produced between 8 a.m. and 9 a.m. on May 5.

On November 26, 2012, several hospitals in St Louis in the United States reported babies less than two years of age being admitted for excessive vomiting and fever. After interviewing the parents, it seems that the only common theme is that the children been given a mix of Nutricia baby formula and Nestle Pure Life Purified Drinking Water.

At the moment, no children have died. However, the number of children being admitted for this in St. Louis is increasing. A similar case is reported in Kansas City.

Danone states that the problem lies in Nestle's products and Nestle accuses Danone of causing the problem.

Both products have had recalls in the US before.

How will Nestle handle this crisis?

Team 2 – IKEA

Founded in 1943, IKEA employs more than 120,000 in Europe, North America, Asia and Australia. The company is known for its progressive advertising and equalitarian management style. But it is not one without controversy.

In 2008, Catholics in Poland called for a boycott of IKEA due to its catalogue featuring "same sex" couples. A similar incident happened in the USA in 2007.

More recently, IKEA faced an issue after a story broke about the company Photoshopping women out of its 2013 catalogue in Saudi Arabia.

On November 25, 2012 a story breaks on the gay rights blog written by Didier Lestrade that the French version of IKEA's 2013 catalogue has "same sex" couples Photoshopped out of it. He provides two pictures as example. Lestrade's rational is, that since gay rights and same sex marriage is a hot topic in France at the moment, the Swedish company decided to Photoshop out "same sex" couples in the French version of the catalogue to avoid causing further controversy. Lestrade's blog has an important following by the French gay community.

On November 26, a group of gay rights activists begins protesting in front of the IKEA store in Dijon in response to the company's catalogue change. The story is the third leading news report on TF1 and France 2 that evening.

On November 27, protests by gay activists continue in Dijon, but also pop up in Lyon and Paris. Towards the end of the day, a group from a conservative, right-wing political party shows up at the IKEA Dijon store to protest against the French government push to allow same-sex marriages in France. Words are exchanged between the gay activists and the conservative group that leads to a fight breaking out.

That evening, the fight is the top story in the French national news. CNN and the BBC news also run stories of IKEA's new public relations nightmare.

How will IKEA handle this crisis?

Team 3 – Goldman Sachs

Goldman Sachs, founded in 1869, is an American multinational investment banking firm that engages in global investment banking, securities, investment management, and other financial services primarily with institutional clients.

Greg Smith was the vice president of a division of Goldman Sachs that trades securities for hedge funds, pension funds, and other big investors. His salary at the time was roughly \$500,000 a year. On March 14, 2012 he published an editorial in the New York Times called "Why I am Leaving Goldman Sachs." In the editorial, Smith announced his resignation after almost 12 years at the bank lamenting the supposed culture of greed at Goldman and claiming the work environment was "as toxic and destructive as I have ever seen it." The piece was read by more than 3 million people that day and created a public relations issue for the company. Goldman Sachs image has been tarnished since the 2008 financial crisis.

On October 22, 2012 Smith released a book called "Why I Left Goldman Sachs: A Wall Street Story" that goes into detail about the company's occupation with greed and why clients are referred to as "Muppets". The French version of the book, "Pourquoi j'ai quitté Goldman Sachs" was released on October 24. To date, the book has sold well in the USA and France.

In November 2012, Smith begins an international book tour appearing on television shows such as *60 Minutes*, *The View* and *360 with Anderson Cooper*. His message is the same on each show: "Goldman Sachs is a greedy company that doesn't care for its clients."

On November 26, 2012 Smith appears on *Le Journal des Infos* on TF1 to promote his book in France. On November 27, sales for the book have increased by 15% on amazon.com and amazon.fr. Demand for the book is expected to increase during the holiday season.

Once again, Goldman Sachs finds its reputation called into question.

How will Goldman Sachs handle this crisis?

Team 4 – Blackberry

Canada's Research in Motion (RIM) has been plagued with technical problems over the past year. In October 2011, customers in Europe, the Middle East, Africa, India, Brazil, Chile and Argentina have complained of service problems and outages. On September 21, 2012, RIM suffered another outage that impacted users in Europe, the Middle East and Africa (Ironically, this was the same day that Apple launched its iPhone 5).

Due to these technical problems, RIM share price has dropped by 70% over the past 12 months. In June 2012, Morgan Staley downgraded RIM's stock value, saying that the company's issues were becoming too numerous.

Despite its early dominance over the smartphone market it helped spawn, BlackBerry held just 4.8% of the smartphone market share in the second quarter, down from 11.5% a year earlier, according to IDC, a global marketing intelligence firm.

CEO Thorsten Heins is desperately trying to revive the company. RIM's latest version of its BlackBerry Playbook tablet has met good reviews, though its sales have been sluggish.

On December 21, 2012, due to an unexplained technical glitch, the entire RIM network goes down leaving the world's 77 million BlackBerry users disconnected. The outage lasts for 26 hours.

As if this wasn't damage enough to RIM, the media have a field day with the issue as, according to the Mayan calendar, December 21 is the date of the Apocalypse. Le Monde's headline on December 22 was "La fin du monde pour Blackberry!" The New York Times runs an editorial entitled "Death Date for Dire Blackberry". On social media, a cartoon of a Mayan Indian pressing a button of a Blackberry just as an asteroid hits the Earth goes viral (to date, it has been tweeted more than 800,000 times).

Technical issues aside, can RIM escape this public relations nightmare?

How will RIM and Blackberry handle this crisis?

Team 5 – Monsanto

The Monsanto Company is a US-based multinational agricultural biotechnology corporation. It is the world's leading producer of the herbicide glyphosate, marketed in the "Roundup" brand of herbicides, and in other brands. Monsanto is also the leading producer of genetically engineered (GE) seeds; it provides the technology in 90% of the genetically engineered seeds used in the US market. It is headquartered in Creve Coeur, Missouri.

In September 2011, *Pest Management and Crop Development Bulletin* issued a report by Michael Gray, an agricultural entomologist at the University of Illinois in Urbana. Gray claimed that rootworms outside of Iowa may have developed resistance to Monsanto's genetically modified BT Corn. The insects were collected in two fields where corn had toppled after roots were eaten by rootworms, Gray said. Planting BT corn year after year increases the odds that the bugs will develop resistance to the insecticide.

At the time of the report, Only BT corn planted in Iowa was affected.

In the last issue of *Pest Management and Crop Development Bulletin*, released on November 26, 2012 a follow-up article by Gray appears. In it, he states that the problem has spread from Iowa to the neighboring states of Nebraska and South Dakota. The article calls into question the efficiency of Monsanto's BT corn.

Monsanto's stock price dropped by 12% the day after the report was issued.

How will Monsanto handle this crisis?

Please note that all crises are fictitious and are for academic purposes only.