

# Intouch



## Celebrating Vision and Generosity

Fraser Latta, HBA '76, is one of many Ivey alumni who are stepping up for the next generation of business leaders.

# Case Study

This "mini-case" is designed to test your mettle and stimulate your thinking on management issues. You remember the drill—read and analyze the case, develop your ideas, and then discuss them "in class." To post your comments and read comments from experts and other alumni, visit [www.ivey.uwo.ca/alumni/intouch/casestudy](http://www.ivey.uwo.ca/alumni/intouch/casestudy)

Richard Ivey School of Business  
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## Defending Reputation HOW TO MANAGE A PUBLIC AFFAIRS CRISIS

*Glenn Yonemitsu wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.*

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The cell phone rang once, then twice, before Jerome Black was able to answer it. It was 6:45 a.m. and Black was just stepping out of the shower. On the line was his boss, the CEO of The Outdoor Stores. "Did you read the Times this morning?" he asked. "I can't believe we are being dragged through the mud. I need to see you as soon as you get in. We need a strategy to defend our reputation!"

### The Outdoor Stores

Black was the Manager of Communications for The Outdoor Stores, a specialty retailer of products relating to adventure and the outdoors. The Outdoor Stores carried everything from clothing to camping supplies, from travel accessories to sporting goods. The common thread was that everything appealed to those who lived an active and adventurous lifestyle.

The Outdoor Stores had 25 stores, located across Canada, in big box shopping centres, in every major city. Stores had a rustic, outdoors décor, with log timber moldings, fake waterfalls, and the sound of birds and crickets chirping as background music. Since it was established in 1976, The Outdoor Stores had built a loyal following. It was the fashionable place to shop for everyone who spent time outdoors or wanted others to believe they did.

The Outdoor Stores differentiated itself from the competition by building deeper and involved relationships with its customers. Every weekend The Outdoor Stores hosted outdoor activities, offering customers the opportunity to experience a different activity. This kind of initiative attracted a loyal and passionate customer base. The primary customers enjoyed being active and had a heightened awareness about the environment. The store brand said something about them as consumers and citizens.

### Wood-based Clothing

Earlier in the year, The Outdoor Stores introduced a new line of clothing made with fabric based on recycled wood. Like bamboo products, the material was attractive, soft and durable. It avoided petrochemical-based synthetic fibres such as nylon, spandex and lycra, so its environmental footprint was less than that of its competitors.

After the spring launch, there was widespread consumer acceptance and sales were brisk. Several articles appeared in the print media as well as on television. The Outdoor Stores were hailed as a leader in the green movement, helping to set standards for other retailers.

### The Controversy

This morning in the National Times, a newspaper distributed across the country, the headline story was titled, "Phony Promises." The article's premise was that the line of wood-based clothing sold by The Outdoor Stores was not made from recycled fibres, but with fresh-cut timber. The journalist alleged that this clothing actually added to the problem of deforestation. She quoted an environmental expert as saying that, despite appearances, The Outdoor Stores was a typical corporation, profiting from the trust their customers placed in them.

Black dried himself off, ran to the front door, picked up his newspaper and read the article. He didn't know if the allegations were true. As he read, his mind raced through all of the possible repercussions. He wondered how the loyal customers of The Outdoor Stores must be feeling.

There were so many directions Black could move, but he knew he had to get his thoughts together quickly. What should Black recommend to the CEO as a plan of action?

Go to [www.ivey.uwo.ca/alumni/intouch/casestudy](http://www.ivey.uwo.ca/alumni/intouch/casestudy) to read the expert's opinion and share your thoughts.

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Recycled fibres  
or not?

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