



Chipotle Outbreak: What Went Wrong?

Chipotle Outbreaks



Since 2015, Chipotle has suffered multiple scandals of food-borne illness. It all started when E. coli outbreaks linked to the fast-casual food chain were detected by public health officials in Washington, Oregon, Massachusetts, and other states, sickening hundreds of customers and employees across the U.S.



These outbreaks occurred shortly after the restaurants launched an innovation to include locally sourced food in their recipes. A civil lawsuit filed in January 2016 in the U.S. District Court of Southern New York alleged that the chain's food-borne illness outbreaks were at least partially caused by the company's decision to shift the process of prepping produce from central commissary kitchens to individual locations.



Chipotle suffered another scandal shortly after its first, proving that the company failed to accurately identify and mitigate the root cause of their risk. In July 2017, multiple customers who ate at a Chipotle restaurant in Sterling, Virginia complained of symptoms consistent with the highly contagious norovirus.

After this outbreak, CEO Steve Ells said a breakdown in the company's sick policy was the culprit, claiming that an employee was working while sick and had consequently contaminated the food. Ells defended the company's existing health protocols, calling them "excellent" and "designed by leading experts." He announced that the company's employees would undergo another round of "comprehensive communication and training" to make sure that all employees understood the current policies. Evidently the training did not help, as the latest Chipotle outbreak occurred in July and left more than 700 people ill.

Chipotle's reputation has also taken a hit due to these outbreaks. The customer-business relationship requires a lot of trust, as restaurants have a responsibility to their customers to protect them from harm. As a result of the continuing outbreaks, customers no longer feel comfortable eating at this fast-casual food chain. The company disclosed to investors that its profits had plummeted by 95% in 2016 compared to the year prior. The stock price of company shares also plummeted by 45% the year following the outbreaks.

Identify Potential Risks

What can cause someone to get sick from eating at Chipotle?

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

Identify Root Causes

The latest Chipotle outbreak is proof that the chain has yet to uncover the root cause of their repeated scandals. Below is a sample root-cause library. Please map the risks you came up with to their root causes.

External

- External Hazards
 - Disease vectors
 - Man-made disasters
- Regulatory Environment
 - Changes in domestic regulations, laws, etc.

Systems

- Physical Assets and Design
 - Failure or inadequate hardware
 - Inadequate data storage
 - Slow system response
- Integrity of Data
 - Data is inaccessible or not available in a timely manner
 - Data sent to external parties is inaccurate
 - Spreadsheets are not properly controlled

Process

- Health and Safety
 - Inadequate air quality
 - Hazardous working environment
- Product Manufacturing
 - Inadequate material inventory management
 - Unanticipated or overuse of materials

People

- Employee Relations
 - Risk of privacy issues
 - Employee discrimination
- Training, Education, and Growth
 - Inadequate knowledge of corporate policies
 - Lack of training for staff
- Staff Competencies
 - Absence of necessary skill sets
 - Errors or task misperformance

Relationships

- Third-Party Provider Services
 - Changes in requirements of business partners
 - Reliance on sole providers, suppliers, and vendors
 - Unanticipated or overuse of products/materials



How Can Chipotle Improve?

1. What controls could Chipotle put in place to mitigate the risks you identified?

2. What policies and procedures could Chipotle put in place to help employees operationalize these mitigation activities across departments and levels?

3. Which data points could Chipotle monitor over time to ensure these mitigation activities are effective in addressing risk?

4. How would a risk-based approach help prevent mishaps from affecting your organization?
