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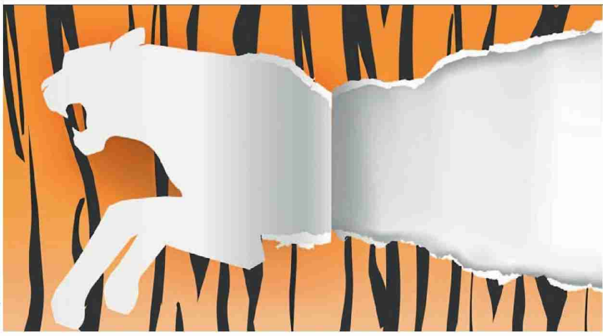

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THE PROBLEM WITH TIGER

How is it that the food company's rivals, like AVI, don't seem to always find themselves in the dock for apparently breaking the rules?

Is it just atrocious luck that Tiger Brands has ended up on the wrong side of three reputation-crushing disasters in the past few years? Or is there a deeper cultural nonchalance towards rules at the company? It's an apposite question in the wake of one of the least-convincing media conferences in recent times, when Tiger Brands' highly rated CEO, Lawrence MacDougall, responded last week to government's findings that Tiger's Enterprise factory in Polokwane was ground zero for the worst listeriosis outbreak the world has seen. Given that at least 180 people died due to the bacteria, it was never going to be easy.

But MacDougall made no friends by sticking to a script that appeared to have been presoaked in the ink of a thousand lawyers. First imperative, you imagine his legal team told him, was to admit nothing, apologise for nothing, construct a wall against lawsuits.

It was predictably awful. "I cannot apologise for something that I am not clear of. We have not seen evidence of the link," said MacDougall.

That was more than a week ago and, since then, Tiger has received DNA evidence from the National Institute for Communicable Diseases. Yet there has still been no apology.

The lawyers, it seems, are still calling the shots. One of Tiger's spokesmen said last week: "We need to confirm that a person had eaten an Enterprise product and not got it from anywhere else." You can imagine some attorney silently clapping off-stage that she'd correctly parroted the memo on culpability.

You can imagine MacDougall's legal team telling him to admit nothing, apologise for nothing . . .

It's been a wholesale failure of crisis communication. And investors will be hopping mad, considering Tiger's share price has shed 17% in just over a week – a total loss in value of R13.8bn in days.

Unfortunately, this ham-fisted response (pardon the phrase) is entirely consistent with the way Tiger has handled its multitude of scandals over the years. In each case, it has been lukewarm about transparency; lukewarm about owning up to the truth.

In 2007, it emerged that the Albany arm of Tiger Brands had been manipulating bread prices for years by, for example, reaching secret backroom deals with rivals to "uniformly increase" prices, and close down certain bakeries to drive prices up in some areas.

But when it was caught, Tiger lied. Initially, it said a probe by law firm Edward Nathan Sonnenbergs had "exonerated senior management". What it didn't say was that no less than its financial director had been disciplined and given a final written warning for his role in what happened.

Soon after, it turned out Tiger's medical arm, Adcock Ingram (now owned by Bidvest), also rigged prices.

In 2012, Tiger waded into another crisis when it paid Africa's richest man, Aliko Dangote, R1.6bn for 63% of Dangote Flour Mills. Three years later, Tiger sold the company back to Dangote for US$1. As former CEO Peter Matlare said: "We got a lot wrong in Nigeria."

This time the issue is a whole lot more serious, yet Tiger seems to have learnt nothing from the past.

This week, we read that thousands of kota vendors are in dire straits because processed meats, including polony and low-cost sausages – a vital ingredient for most kotas, which sell for between R10 and R50 – have been withdrawn from the shelves. (Tiger has a 15% share of the polony market, and 20% of viennas.)

An entire small-business sector has been ravaged.

As Patrick Letsoalo recounts elsewhere in this magazine, sales at his fast-food outlet near Pretoria, Skippy Fast Food, have dropped to almost zero: "At the moment, we sell chips and nothing else."

For years, these vendors have been faithful customers for Enterprise. But Tiger Brands hasn't bothered to apologise to them for what has happened to their livelihoods. All it did was swoop into stores and withdraw 3,000 t of meat from the shelves.

In light of that, what are the odds that those customers will feel much loyalty to Enterprise once the listeriosis outbreak has been quelled?

This apparent lack of empathy underscores the company's tin ear for its public responsibility.

Of course, it's true that we don't yet know exactly how listeria infiltrated that factory. It is still possible that it might have been bad luck (again) that put Tiger Brands in the eye of the storm, rather than the company's cowboy approach to health and safety rules. Just as it could have been bad luck that it was Tiger Brands' managers who were caught fixing bread prices all those years ago.

But if it's not a cultural problem in the company, why is it that others in the same industry, like AVI, don't seem to have such rotten luck? x