

News and analysis

Supply chain issues behind KFC foul-up in the UK



The news

KFC temporarily closed more than 550 of its 900 UK outlets due to chicken shortages. Some locations that remained open had a limited menu or shortened hours. The fast food giant blamed the closures on “teething problems” with its new delivery partner DHL.

KFC switched from its long-time supplier Bidvest to DHL in November 2017. KFC said that “their focus on innovation, quality and sustainability” was part of their decision to go with DHL.

DHL blamed the disruption on “operational issues” at its single warehouse in Warwickshire, UK.

The chicken shortage sparked anger among patrons, with some using the hashtag #KFCcrisis on Twitter. The issue also prompted unnecessary calls to police. Tower Hamlets Metropolitan Police in London tweeted: “Please do not contact us about the #KFCcrisis – it is not a police matter if your favourite eatery is not serving the menu that you desire”. Manchester police also asked the public to stop calling about the issue and released audio of a 999 caller complaining of the shortage.

At the time *QW* went to press, KFC was dealing with a gravy shortage as well.

The views

The GMB union criticised KFC’s decision to change suppliers.

“Bidvest are specialists – a food distribution firm with years of experience. DHL are scratching around for any work they can get, and undercut them,” Mick Rix, GMB national officer, told the BBC on 20 February.

“KFC is left with hundreds of restaurants closed while DHL tries [to] run the whole operation out of one distribution centre. Three weeks ago, KFC knew they had made a terrible mistake, but by then it was too late.”

The popular fast food chain apologised to customers through a newspaper ad that rearranged the letters “KFC” on an empty chicken bucket to read “FCK”. The photo ran with the following text: “We’re Sorry. A chicken restaurant without any chicken. It’s not ideal”.

Rupert Younger, Director of the Oxford University Centre for Corporate Reputation, told *CNN Money*: “I think they’ve done a fantastic job. It speaks to a business that understands that mistakes were made and they’re prepared to have fun at their own expense.”

The analysis

Yemi Shodipo, Consultant and Director at Charis, a CQIIIRCA Approved Training Partner, said:

“There are a number of questions to be asked. What was the motivation for moving from a specialist food logistics provider (Bidvest) to a generic logistics provider (DHL)? What was the project and risk management arrangements behind the changeover process? A staged changeover would have perhaps been more appropriate if the organisation’s systems fully appreciated the criticality of its chicken supply. If the situation doesn’t change, is the risk of a reoccurrence still there?”

“Due to its size, and the fierce loyalty of its customers, KFC will recover from this; however, this incident could have signalled death for a much smaller organisation.

“Also worrying are two less reported consequences. First is the presence of a spices retailer on eBay offering a recipe replicating the KFC Colonel’s secret mix. Secondly, out-of-date raw chicken bearing the KFC brand were found disposed on a roadside in Devon, UK. Both pose potential long-term risks to the brand.”

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