

CRISIS MANAGEMENT SIMULATION

Case Study & Exercise Materials

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1 CRISIS MANAGEMENT SIMULATION

1.1 AI Customer Service Chatbot Implementation

1.2 SCENARIO SETUP

You are 2 months into deploying an AI-powered customer service chatbot for RetailFlow.

After 6 weeks of development and testing, the pilot launched **one week ago** to handle approximately 30% of customer queries, specifically:

- Order tracking and status
- Return policy questions
- Basic product information

Initial results in controlled testing were promising:

- 85% accuracy rate

- Average response time: 2 minutes (vs. 26 hours for human agents)
- Positive feedback from test users



Now you're dealing with real customers, real volume, and real problems.

1.3 YOUR ROLE TODAY

You are the **Project Manager** leading this AI implementation.

Your team includes:

- Data Scientist (built the AI model)
 - Customer Service Manager (represents frontline staff)
 - IT Support (maintains systems)
 - Executive Sponsor (your VP, who's watching closely)
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1.4 WHAT'S COMING

You will face **FOUR crisis scenarios** that unfold in real-time:

1. **Data Quality Crisis** (20 minutes) - Technical failure
 2. **Staff Resistance** (20 minutes) - People problem
 3. **Executive Pressure** (20 minutes) - Leadership challenge
 4. **Ethical Dilemma** (20 minutes) - Values decision
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1.5 YOUR OBJECTIVES

For each crisis, you must:

- **Diagnose** the problem quickly with limited information
 - **Decide** on immediate action (sometimes with no perfect option)
 - **Communicate** with stakeholders effectively
 - **Document** your reasoning and decisions
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1.6 GROUND RULES

Work as a group:

- Discuss options openly
- Debate trade-offs
- Reach consensus on decisions
- Document your rationale

Time pressure is real:

- You have limited time per crisis (just like real emergencies)
- Some decisions must be made with incomplete information
- You can't pause to "gather more data" indefinitely

No perfect answers:

- Some crises have only "less bad" options
- Trade-offs are inevitable
- Your reasoning matters as much as your decision

Document everything:

- Write down your decisions
 - Capture your rationale
 - You'll present these to the room
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1.7 TIPS FOR SUCCESS

Don't panic: Take 2 minutes to understand the situation before jumping to solutions

Listen to all perspectives: Your group has diverse experience - use it

Consider second-order effects: What happens AFTER your immediate action?

Communicate clearly: Stakeholders need different messages (CEO vs. technical team vs. customers)

Learn from each crisis: Insights from Crisis 1 will help with Crisis 4

1.8 FACILITATOR WILL PROVIDE:

- Crisis scenario documents (handed out in sequence)
 - Role-play interactions (facilitator plays resistant employee, demanding CEO)
 - Data/logs to analyze
 - Templates for responses
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1.9 LET'S BEGIN...



Get ready for Crisis #1

Your facilitator will distribute the first scenario when everyone is ready.

Remember: Stay calm, think clearly, decide confidently.