# CRISIS RESPONSE FRAMEWORK FOR AI PROJECTS

**AI Leadership & Project Management Masterclass**

Curtin University

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## CRISIS RESPONSE FRAMEWORK FOR AI PROJECTS

**Four Steps: Diagnose → Decide → Communicate → Document**

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### When to Use This Framework

Use this framework when:

- **The AI is giving wrong answers** - data quality disaster
- **The team is resisting adoption** - people won't use it
- **Leadership is pressuring you** - "scale it now"
- **An ethical issue emerges** - bias, privacy, fairness problems
- **Anything unexpected happens** - and something always does in pilots

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### The Four-Step Crisis Framework

#### STEP 1: DIAGNOSE (5-10 minutes)

*Understand the problem before you act*

**What actually happened?** - Get the facts, not the interpretation - Example: "AI gave customer wrong tracking number" (fact) vs. "AI is broken" (interpretation)

**How big is the problem?** - One customer or all customers? - One type of error or systematic? - New issue or been happening all along?

**What caused it?** - Technical issue (data quality, model error, integration bug) - People issue (team not using it correctly, communication gap) - Ethical issue (bias, discrimination, privacy violation) - Business issue (costs too much, timeline wrong, ROI unclear)

**Who needs to know?** - Your team - Leadership - Customers (sometimes) - Regulators (sometimes)

**Key principle:** *Pause before you act. Understanding the problem is half the solution.*

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### STEP 2: DECIDE (5-15 minutes)

*What are you actually going to do?*

**Identify your options:** - Continue as-is with risk mitigation - Pause and fix (pause AI, fix the problem) - Pivot (change approach, scope, or timeline) - Kill (stop the project)

**Evaluate each option:**

| Option | Cost | Time | Risk | Upside |
|---|---|---|---|---|
| Continue + mitigation | Low | Immediate | High | None - we hide the problem |
| Pause & fix | Medium | 2-4 weeks | Medium | We fix it properly |
| Pivot | Medium | 2-6 weeks | Medium | We learn and adapt |
| Kill | High (sunk cost) | Immediate | Medium | We stop the bleeding |

**Make a call:** - Based on the diagnosis, not emotion - Acknowledge the trade-offs - Own the decision (don't blame others)

**Key principle:** *There's rarely a "perfect" option. Pick the best available choice and commit to it.*

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### STEP 3: COMMUNICATE (10-30 minutes)

*Tell people the truth, fast, clearly*

**Who to tell (in this order):**

1. **Your team** - they need to know what happened and what you're doing
2. **Leadership** - they need to understand the impact and timeline
3. **Affected parties** - customers, security team, whoever is impacted
4. **The broader organization** - so rumors don't fill the vacuum

**What to say:**

**To your team:** > "Here's what happened: [fact]. Here's why it happened: [root cause]. Here's what we're doing: [your decision]. Here's why: [reasoning]. Here's what I need from you: [action items]."

**To leadership:** > "We found [issue]. Impact is [scope]. This is what we're doing: [decision]. Timeline: [when]. Resources needed: [what]. Questions?"

**To customers (if needed):** > "We noticed [issue]. We've paused [system] while we fix [problem]. You'll experience [what changes]. We expect [timeline]. Thank you for patience."

**What NOT to say:** - "Everything's fine" (when it's not) - "It's the data scientist's fault" (blame game) - "We'll figure it out" (vague) - Hiding the problem (always comes out worse later)

**Key principle:** *Transparency + speed builds trust. Delay + spin destroys it.*

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### STEP 4: DOCUMENT (5-10 minutes)

*Create a record so you learn and others can too*

**What to document:**

**The incident:** - What happened (facts, not interpretation) - When did you first notice? - How long did it go unnoticed? - Impact (customers, revenue, trust)

**The diagnosis:** - Root cause analysis - Contributing factors - Why didn't we catch this earlier?

**The decision:** - What you decided to do - Why you chose that option - Trade-offs you accepted - Who approved the decision

**The outcome:** - Did the fix work? - What did you learn? - What would you do differently? - How do we prevent this next time?

**The learning:** - Capture insights for future projects - Update your risk register - Improve your processes - Share the lesson with your team

**Example format:**

```
INCIDENT REPORT: Data Quality Issue in AI Chatbot
Date: Week 1 of Pilot
Issue: AI gave 15% of customers wrong product information
Root Cause: Training data contained obsolete product info
Decision: Pause AI, pause manual QA, retrain model (2 weeks)
Outcome: Successfully relaunched with 92% accuracy
Learning: Need data validation step before production launch
```

**Key principle:** *Documentation is how organizations learn. Skip it and you'll make the same mistake twice.*

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## The Four Types of Crises

Different crises need different approaches:

## TECHNICAL CRISIS

*"The AI isn't working"*

**Diagnose:** What's broken? Data quality? Model? Integration? **Decide:** Fix now (pause + retrain) or live with it (add QA) **Communicate:** To technical team first, then leadership **Document:** Root cause, fix, prevention measures

**Key insight:** Technical issues are usually the easiest to fix.

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## PEOPLE CRISIS

*"The team won't use it"*

**Diagnose:** Why won't they use it? Fear? Distrust? Legitimate concerns? **Decide:** Listen to concerns, address fears, adjust approach **Communicate:** Involve the resisters, not around them **Document:** What people cared about, how you addressed it

**Key insight:** People crises are hardest because they're about trust and change.

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## LEADERSHIP CRISIS

*"The CEO wants it done in 4 weeks (instead of 8)"*

**Diagnose:** What's the real pressure? Board deadline? Competitor threat? **Decide:** Educate, propose alternative timelines, set expectations **Communicate:** Data-driven conversation, clear trade-offs **Document:** Decision made, assumptions, monitoring plan

**Key insight:** Leadership crises are often about communicating constraints and trade-offs.

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## ETHICAL CRISIS

*"The AI is biased against rural customers"*

**Diagnose:** How bad is the bias? Legal issue? PR issue? Real harm? **Decide:** Fix the bias (pause + retrain) - don't ship discrimination **Communicate:** Honestly to all stakeholders, not defensively **Document:** How you found it, how you fixed it, how you'll prevent it

**Key insight:** Ethical crises are values decisions. Choose integrity over metrics.

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### Crisis Checklist

When something goes wrong:

- ☐ **Pause and breathe** - You have 5 minutes to respond
- ☐ **Get the facts** - Don't assume, ask questions
- ☐ **Identify the root cause** - Technical? People? Ethical?
- ☐ **Evaluate your options** - At least 3 different paths
- ☐ **Make a decision** - Pick one and commit
- ☐ **Tell the truth** - Fast, clear, no spin
- ☐ **Take action** - Do what you said you'd do
- ☐ **Document the learning** - So others can learn too

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### Crisis Decision Matrix

Use this to decide your path forward:

**How big is the problem?** (Scale 1-10)

**How fixable is the problem?** (Scale 1-10)

Big Problem + Easy Fix | → **Pause & Fix** - solve it now |
Big Problem + Hard Fix | → **Pivot** - change approach or scope |
Small Problem + Easy Fix | → **Continue + Mitigation** - QA layer solves it |
Small Problem + Hard Fix | → **Kill** - not worth the effort |

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### Remember

**During a crisis:** - Slow down (people want speed, but clarity matters more) - Listen first (diagnose before you act) - Communicate constantly (silence is interpreted as bad news) - Own it (don't hide or blame) - Fix it properly (don't patch problems, solve them)

**After a crisis:** - Document what you learned - Update your processes - Share the learning with your team - Look for patterns (if this happened once, it might happen again)

**Key insight:** *Crisis response reveals character. How you handle problems is how people remember you.*