



Crisis #1: Labor Perfect Storm

1. When a company is facing bankruptcy, whose financial interests should be prioritized first? The employees'? The shareholders'? Management's? The company's? Why?
2. If a company is facing bankruptcy, which services/departments should receive budget cuts first? Explain.
3. What do you think is the most effective strategy for negotiating with a union?
4. Discuss some of the largest strikes in American history. What was their lasting impact on the workforce and economy?
5. Unions used to be very powerful in the United States, but their influence has waned significantly over the decades. Has this had a good, bad, or neutral impact? Explain.
6. Airlines play a vital role in the economy, shuttling millions of people around the world every day. Should it be illegal for airline employees to strike? Why or why not?
7. If employees are unhappy, what is the best way to increase company morale?
8. What is the best way to improve the efficiency of a company's workforce?
9. Management often likes to refer to a company as a "family." Is that a useful way to think about a company? Do you think of your colleagues as family members? Why or why not?
10. What does Chapter 11 bankruptcy entail? Would you ever consider taking a company through Chapter 11 bankruptcy?



Crisis #2: Cool in a Crisis

1. Pretend you work in Public Relations. What advice would you give the CEO in regard to communicating with the public following a catastrophe?
2. From a public relations perspective, what is the worst mistake a company can make following a catastrophe? How should a company plan ahead to avoid making that mistake?
3. If a family member died in a plane crash, how would you want the airline to respond to your needs? Is there anything the airline can do to alleviate your pain?
4. It is human nature for people to be angry following a catastrophe, even if no one is at fault. Knowing this, how should an airline prepare to respond to public anger and media criticism?
5. Clear, timely communication is vital during a crisis. What role, if any, should social media play in communicating with the public following a catastrophe?
6. Is it a good idea for an airline to pay for funerals, offer flight discounts, or provide other monetary assistance following a plane crash? Might family members perceive this as trying to “buy off” their pain?
7. Pretend you work in Human Resources. What resources would you make available to employees who have been affected by a tragedy?
8. Pretend you work in Marketing. How would you restore the public’s trust in the company?
9. Inevitably, a catastrophe would severely harm the finances of any business. What financial strategies would you suggest to an airline that just suffered a devastating plane crash?
10. In the hours and days following a tragedy, every department in a company will be in crisis mode. Priorities must be set. In your opinion, place the following in the order of highest priority: employees, customers, finance, marketing, management, operations, shareholders. Explain.



Crisis #3: Over the Hedge

1. Explain how volatility in the commodities markets (e.g., oil) affect business decisions. How can companies safeguard against price volatility?
2. “Fuel hedging” is one strategy to protect a business from volatile fuel prices. Explain how fuel hedging works. What are the pros and cons of fuel hedging?
3. Pretend that you have been hired as a consultant for a major U.S. airline. How can it compete in a world with low-cost, “no-frills” airlines like Ryanair?
4. If your company is facing a liquidity crisis (i.e., it does not have enough cash on hand to pay its bills), what are some strategies to reduce costs or raise capital? What are the pros and cons of each?
5. In a time of economic crisis, should a company “hunker down” and survive or attempt to expand? What are the risks and rewards of each strategy?
6. One strategy during an industry-wide crisis is to slash prices in the hopes of capturing greater market share. Even though the company will likely lose money, the thinking is that the competition will lose even more money, eventually driving them out of business. Under what conditions would you advocate for such a strategy?
7. If a key employee leaves the company and joins a competitor, what unique challenges does this create for the company? How could the company respond?
8. Business leaders claim to love employees who are creative and think “outside the box.” Do you think that’s really true? What sort of outside-the-box ideas would you offer to keep a struggling airline from going bankrupt?
9. If you decide that mass layoffs are the only way the company can survive, what is the best way to accomplish this very unpleasant task? Explain.
10. Would you be willing to give up some of your salary if it might help save the job of another employee? Why or why not?



Crisis #4: Shark Attack

1. Discuss the pros and cons of activist investors from the perspective of employees, management, and shareholders. How are these different stakeholders affected differently by an activist investor?
2. In an article written in 2015, The Economist argues that activist investors are good for public companies. Do you agree or disagree? Why?
3. Research the history of hostile takeovers. Pick one example and explain the circumstances surrounding the takeover and its ultimate outcome.
4. Under what conditions should a company agree to be taken over by another company? When should it resist?
5. What are some strategies a company can use to fight back against a hostile takeover?
6. If you are a member of the executive team that is navigating a hostile takeover, how do you ensure that your legal and fiduciary duties to the company are not influenced by personal financial incentives?
7. If your company is facing a hostile takeover, what would you do to ensure that you remain employed under new management? What ethical lines should you not cross?
8. Businesspeople claim to love transparency. How transparent should a company that is facing a hostile takeover be with its employees? With its shareholders? With the public and media?
9. Hostile takeovers can be extremely stressful events. To what extent would you be willing to sacrifice your health for a company that you love?
10. Would you ever consider quitting your job as a statement of principle? Under what circumstances might you consider it?

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