

Tel Aviv University
Sofaer International MBA Program
Syllabus: Crisis Management

Instructor: Prof. Daniel Laufer, PhD
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Class Meeting Schedule: March 16, March 18, March 23, March 25

Course Overview

Crises are everyday occurrences in organizations, and can have devastating consequences. For example, companies deal with crises associated with defective products such as Toyota. Governments are also faced with crises such as the 9/11 Terrorist Attacks and Hurricane Katrina. Finally Non for Profit Organizations encounter various types of crises such as embezzlement. This course examines the nature of crises, and how to deal with them.

Course Objectives

Participants will learn how to:

- 1) Assess crisis risk
- 2) Prevent crises from occurring through:
 - a. Issues management
 - b. Risk management
 - c. Managing stakeholder relationships
- 3) Prepare for a crisis by:
 - a. Understanding the different types of crises
 - b. Assembling an effective crisis management team
 - c. Creating an effective crisis management plan
- 4) Manage different types of crises
- 5) Evaluate crisis management performance.

In addition, students will gain a better understanding of the role of social media in Crisis Management

Contents

This course will incorporate lectures, case studies, videos, and a crisis management simulation. Participants will play an active role in the learning process. The final project involves reviewing a company's performance during a crisis, and will be due on the last day of class. Below is a tentative list of topics to be covered:

Date	Topic	Reading/Assignments
3/16	<ul style="list-style-type: none"> • Introduction to Crisis Management • Formation of Groups • Pre-Crisis Phase 	<ul style="list-style-type: none"> • Text: p.1-18; 31-70
3/18	<ul style="list-style-type: none"> • Pre-Crisis Phase • Crisis Event Phase 	<ul style="list-style-type: none"> • Text: p.71-138 • Article: Spilloconomics: Underestimating Risk • Article: Krafting the Obesity Message • Article: In Turnaround, Industries Seek U.S. Regulations • Sample Crisis Management Plan
3/23	<ul style="list-style-type: none"> • Crisis Event Phase 	<ul style="list-style-type: none"> • Text: p.139-168 • Article: How Should a Company Respond to a Product Harm Crisis? • Article: How do the news media frame crises? • Simulation • Cases: <ul style="list-style-type: none"> ○ Hacker Attack ○ American Girl ○ The Crisis that Keeps Going
3/25	<ul style="list-style-type: none"> • Post Crisis Phase • Crisis Management and the Internet 	<ul style="list-style-type: none"> • Text: p.19-29; 169-184 • Article: Crisis Communications Management on the Web • Crisis Management Report

4. **Group Report**

Group report on crisis management performance – Each group should choose either the Toyota or Vioxx product harm crisis, and assess the company's performance in dealing with the crisis. If your group wishes to write about another crisis, please discuss your idea with me in advance in order to get approval.

In your report please address the following issues:

- 1) Could the crisis have been prevented?
- 2) Assess the company's response to the crisis
- 3) What lessons should the company learn from the crisis?

In preparing the report, you should include both company and non-company sources of information.

ALL PAPERS MUST CONFORM TO THE FOLLOWING FORMAT GUIDELINES:

- Report should not exceed 10 pages (excluding appendices).
- Font should be TIMES NEW ROMAN.
- Spacing: Double space between each line.
- Headings/subheadings should be bolded and clearly formatted.
- Page numbers should appear at the bottom right-hand corner of each page except the coversheet.

Make sure to edit your paper VERY CAREFULLY. The final text product should reflect your BEST PROFESSIONAL EFFORT. All of the text included in your report must be written in your own words. In cases where you deem it necessary to quote from an individual or a print resource, quotations must be used and a full attribution of the source included in the document. When stating an idea or statistic that is not generated by you, you must cite the source of this information.

Paper is due on **the last day of class (3/25)**. Late submissions will not be accepted. Extra assignments or make-up projects will not be given.

5. Reading Material

- **Textbook:** Coombs, W. T. (2011). *Ongoing Crisis Communication: Planning, Managing, and Responding* (3rd Edition). Sage
- **Article:** Spilloconomics: Underestimating Risk (by David Leonhardt): *The New York Times* 5/31/10.
- **Article:** In Turnaround, Industries Seek U.S. Regulations (by Lipton and Harris): *The New York Times* 9/16/07.
- **Article:** Krafting the Obesity Message: A Case Study in Framing and Issues Management (by Darmon, Fitzpatrick and Bronstein): *Public Relations Review* 34 (2008) 373-379.
- **Sample Crisis Management Plan:** *Crisis Communication: A Casebook Approach - 2nd Edition.* (by Kathleen Fearn-Banks): Lawrence Erlbaum: Mahwah, NJ ISBN 0-8058-3603-9 (2002)
 - Appendix A: Generic Crisis Communications Plan for a Large Company P. 285-305
- **Article:** How Should a Company Respond to a Product Harm Crisis? The Role of Corporate Reputation and Consumer-Based Cues (by Laufer and Coombs): *Business Horizon* 49 (2006) 379-385.
- **Crisis Management Simulation - Organizational Misdeeds:** Darden Case: UVA-OB-0790S - Authors: Erika Hayes James; Gerry Yemen Origin: Published: 10/6/2003
- **Case – Attack on Organization:** A Hacker Attack: An E-Commerce Nightmare (A) – Ivey Case #9B05E002 – The University of Western Ontario
- **Case - Challenges from Stakeholders:** American Girl: A Protest Over Corporate Philanthropy - Eugene D. Fanning Center for Business Communication, Mendoc College of Business, University of Notre Dame Case #06-15
- **Case – Product Harm Crisis:** The crisis that keeps going ... and going...and going (by Kessner). *Business Horizon* (in press).
- **Article:** How do the news media frame crises? A content analysis of crisis news coverage (by An and Gower): *Public Relations Review* 35 (2009) 107-112
- **Article:** Crisis Communications Management on the Web: How Internet-Based Technologies are Changing the Way Public Relations Professionals Handle Business Crises (by Gonzalez-Herrero and Smith). *Journal of Contingencies and Crisis Management* 16 (3) (2008) p.143-153.

Daniel Laufer, PhD, MBA, CPA (USA)

Dr. Laufer is an Associate Professor of Marketing at Victoria University of Wellington in New Zealand. In addition, Dr. Laufer has experience teaching at leading universities in the USA, Germany, South Korea, Canada, Mexico and Israel. Dr. Laufer has a PhD in Marketing, as well as an MBA. He is a licensed Certified Public Accountant (CPA) in the USA who previously worked as a manager at a "Big 4" accounting firm. He was also an officer in the military, and the owner and founder of his own international consulting firm for which he was selected by ABC News in Houston, Texas as their "Business Person of the Week"

Dr. Laufer's area of expertise is Crisis Management, and his articles have appeared in both academic and managerial journals. Dr. Laufer's main focus over the past few years has been on topics relating to the psychology of blame and crisis communications. His published research involves data collected in both the United States and overseas, and his articles have appeared in a number of journals including the Journal of the Academy of Marketing Science, the European Journal of Marketing, Psychology and Marketing, International Marketing Review, and Public Relations Review.

In addition to his publications, Dr. Laufer is frequently quoted in the media as an expert on topics related to Crisis Management in both the USA and overseas (Wall Street Journal, the Associated Press, CNN, Sina News in China, Nikkei Business Daily in Japan, the Korea Times in South Korea, and the Israeli Newspaper "Haaretz",). In addition, PwC in the USA conducted an extensive interview with Dr. Laufer about Crisis Management in their Oct 2010 magazine.

Dr. Laufer has taught executive courses on the topic of Crisis Management at leading universities worldwide, and his article about the importance of Crisis Management courses in business schools ("Charting a Course Through Crisis") was published in the AACSB's magazine BizEd in 2010.