

A role-play exercise simulating a geopolitical crisis will give students an engaging and practical way to apply theoretical knowledge to real-world business decisions. Here's a role-play exercise with five scenarios that involve crises affecting business operations. Each scenario will involve 3 to 4 students playing roles such as business executives, government officials, risk managers, or local stakeholders.

Objective: The goal is to simulate how businesses respond to geopolitical crises by making decisions that balance risk management, stakeholder engagement, and strategic opportunities. Students will discuss potential solutions, negotiate with stakeholders, and implement business strategies under pressure.

Team Structure: Each team will consist of 3 to 4 students. Students will take on specific roles based on the scenario (e.g., CEO, risk manager, government official, corporate diplomat, or local stakeholder).

Timeframe: Each group will have 10 minutes to discuss and plan a response to their crisis, followed by a 5-minute role-play where they present and negotiate their solution. Finally, a 2-minute debrief will be conducted to reflect on the decisions made.

Scenarios:

Scenario 1: Political Instability and Supply Chain Disruption

Crisis: A company manufacturing semiconductors relies heavily on raw materials sourced from a politically unstable country (Country X). A military coup has just occurred in Country X, and borders are closed. The company's supply chain is at risk, and production will halt unless an alternative source is found.

Roles:

- **CEO:** Responsible for deciding on the future of the company's operations in Country X.
- **Risk Manager:** Assess the financial and operational risks of continuing or halting operations.
- **Government Official (Country X):** Represents the interests of the country and seeks to ensure stability and ongoing trade.
- **Supplier from a Different Country (optional):** A representative from another supplier in a politically stable region who offers an alternative, though more expensive, solution.

Key Considerations:

Can the company diversify its supply chain?

Should the company engage in corporate diplomacy with the new regime in Country X?

How can the company minimize financial losses while ensuring production continues?

Scenario 2: Cybersecurity Breach in a Critical Market

Crisis: A multinational company in the financial sector has suffered a major cybersecurity breach in one of its key markets (Country Y). The breach exposed sensitive customer data, leading to regulatory scrutiny and reputational damage. Local regulators in Country Y are threatening to suspend the company's operations.

Roles:

1. CEO: Must decide how to handle the crisis and ensure business continuity.
2. Chief Information Security Officer (CISO): Responsible for managing the breach and ensuring that security is enhanced.
3. Government Regulator (Country Y): Concerned about data privacy and security, but also about protecting jobs and the local economy.
4. Head of Public Relations: Responsible for managing the company's reputation and communicating with the media and stakeholders.

Key Considerations:

How should the company handle regulatory challenges and restore customer confidence?

What cybersecurity measures should be implemented to prevent future breaches?

Should the company publicly disclose the breach, and if so, how?

Scenario 3: Sanctions and Trade Restrictions

Crisis: A major energy company has been affected by international sanctions imposed on one of its key operating countries (Country Z). The sanctions restrict the export of oil from Country Z, which represents 40% of the company's supply. The company faces a financial crisis unless it finds a solution.

Roles:

- CEO: Must decide whether to continue operating in Country Z despite the sanctions or find alternative energy suppliers.
- Risk Manager: Provides an analysis of the financial and legal risks of defying or complying with the sanctions.
- Government Official (Country Z): Advocates for continued operations and proposes ways to bypass sanctions.
- Energy Consultant: Presents alternative sources of energy supply, though at higher costs, and evaluates long-term strategies.

Key Considerations:

Can the company comply with sanctions while maintaining its energy supply?

Should the company engage in corporate diplomacy to negotiate with the government of Country Z or international regulators?

What are the long-term implications for the company's reputation?

Scenario 4: Labor Unrest Due to Corporate Social Responsibility (CSR) Failures

Crisis: A manufacturing company operating in a Southeast Asian country (Country A) has been accused of poor labor conditions. Local workers have gone on strike, demanding better wages and working conditions, and international media are reporting on the issue. The company's global reputation is at risk, as well as its operations in Country A.

Roles:

- **CEO:** Responsible for deciding whether to meet the demands of the workers or negotiate with local authorities to mediate the situation.
- **Chief Operating Officer (COO):** Must ensure that production continues while managing labor relations.
- **Union Leader (Country A):** Represents the workers and advocates for better working conditions and pay.
- **NGO Representative:** Works with international organizations to push for improved labor standards and advocates for corporate accountability.

Key Considerations:

Should the company improve working conditions and wages, even if it means increased costs?

How should the company manage its global reputation while resolving the local crisis?

Can the company engage with local governments and NGOs to find a sustainable solution?

Scenario 5: Environmental Disaster and Government Intervention

Crisis: A global mining company operating in Latin America has caused an environmental disaster by contaminating a local river. The government of the host country (Country B) has halted operations and imposed heavy fines. Local communities are protesting, demanding compensation, while international environmental groups are pressuring the company.

Roles:

- **CEO:** Must decide how to respond to the government's actions and whether to compensate local communities.
- **Head of Environmental Compliance:** Responsible for assessing the environmental damage and finding solutions to mitigate the disaster.
- **Local Government Official (Country B):** Pressures the company to comply with government regulations, pay fines, and compensate affected communities.
- **Local Community Leader:** Represents the interests of local communities, demanding compensation and environmental restoration.

Key Considerations:

Should the company comply with government demands and pay compensation to local communities?

How should the company repair its reputation and prevent future environmental damage?

What corporate social responsibility (CSR) initiatives can the company implement to rebuild trust?

Role-Play:

Each group will perform their role-play for about 5 minutes, during which they will present their strategy and negotiate with other stakeholders. Please consider short-term and long-term impacts of your decision.

Ensure that each student in the group plays an active role and is able to contribute to the discussion or negotiation.

Debriefing:

After each role-play, facilitate a 2-minute debrief. Ask questions like:

How did you arrive at your decision?

What were the main challenges you faced?

How would you adjust your strategy based on the outcome of the role-play?

How do you think real-world companies would handle similar crises?