

## Situation Appraisal Example

### Situation Background

The batteries on one of our mobile scanning devices, the MagicScan 40i, have been catching fire. This device is lightweight, versatile, providing advanced data collection and real-time communication for on-premise application in industrial supply chain environments. The batteries on this model, UGO900, have the longest life, almost double those used on any of our other devices. The device itself can scan up to 20,000 times without needing a recharge. It was warmly received when introduced at the beginning of the year.




When the first report of a fire came in, we thought it was an anomaly. Since then six more fires have been reported. So far no one has been hurt and, surprisingly, no one has captured any of the incidents and uploaded photographs or videos on various social media sites. We live in fear of seeing one of our devices going up in flames on the evening news on TV. We are voluntarily recalling the devices before the situation worsens.

We have never been in this position before and were hoping to have some time to plan our response. Unfortunately, the press has found out about one of these incidents forcing us to move more rapidly than we anticipated. Speed is essential to contain the effect the inevitable bad publicity will have on consumer confidence and on our ratings. We want to do the right thing for all stakeholders and have been tasked with managing the recall. Because there is so much to do and we are doing most of this for the first time, we are conducting a Situation Appraisal to help us understand the concerns and prioritize the ones that need our immediate attention.

We are the Recall Management Team and our members include the MagicScan Product Manager, the Vice President of Research and Development (R&D VP), the Company's Attorney, and the Vice President of Finance.



Identify Concerns							
Identify the theme	Separate and clarify concerns						
<p><i>What are the primary areas of concern?</i>  <i>What is the theme for this Situation Appraisal?</i>  <i>What boundaries will help focus our attention and resources?</i></p>	<table border="1"> <thead> <tr> <th>Separate</th> <th>Clarify</th> </tr> </thead> <tbody> <tr> <td> <p><i>Is there more than one issue in this concern?</i>  <i>What's the evidence?</i>  <i>What else concerns us about...?</i></p> </td> <td> <p><i>What exactly do we mean by...?</i>  <i>What exactly is...?</i></p> </td> </tr> <tr> <td> <p><i>Can this concern be resolved by a single analysis or action?</i>  <i>What's the evidence?</i></p> </td> <td></td> </tr> </tbody> </table>	Separate	Clarify	<p><i>Is there more than one issue in this concern?</i>  <i>What's the evidence?</i>  <i>What else concerns us about...?</i></p>	<p><i>What exactly do we mean by...?</i>  <i>What exactly is...?</i></p>	<p><i>Can this concern be resolved by a single analysis or action?</i>  <i>What's the evidence?</i></p>	
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<p><b>Product recall</b></p>							
<p><b>List concerns</b></p> <table border="1"> <tbody> <tr> <td><i>What deviations are occurring?</i></td> <td><i>What decisions need to be made?</i></td> </tr> <tr> <td><i>What plans should be implemented?</i></td> <td><i>What changes are anticipated?</i></td> </tr> <tr> <td><i>What threats exist?</i></td> <td><i>What opportunities exist?</i></td> </tr> </tbody> </table>	<i>What deviations are occurring?</i>	<i>What decisions need to be made?</i>	<i>What plans should be implemented?</i>	<i>What changes are anticipated?</i>	<i>What threats exist?</i>	<i>What opportunities exist?</i>	
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<b>Concerns</b>	<b>Separated and Clarified Concerns</b>						
Problem with one of our mobile scanning devices	Mobile scanning device batteries catching fire						
External communication	<p>What to tell the press?</p> <hr/> <p>What to tell investors?</p> <hr/> <p>What to tell dealers/distributors/consumers?</p> <hr/> <p>Who should address the press conference?</p>						
Internal communication	<p>What do we tell employees?</p> <hr/> <p>Instructions to sales, service, plant personnel</p> <hr/> <p>Set up a product recall hotline</p>						
What other expertise/help is needed?	<p>Should we hire a Public Relations firm to advise on which media to use and how to manage consumer perception?</p> <hr/> <p>Monitoring the product recall</p> <hr/> <p>Create a rapid response communication plan for future recalls</p>						

Set Priority							
Use knowledge and experience OR...							
Which concerns should we work on first?		What is the priority order of the remaining concerns?				Mark highest overall priority (*)	
...Use current impact,		future impact,		and time frame			
What is the actual impact (up to now) of this not being resolved? (on people, safety, costs, etc.) Which concern(s) are having the greatest current impact? Rate relatively H/M/L (±)		What will be the anticipated impact (in the future) if this is left unresolved? (on people, safety, costs, etc.) Which concern(s) will have the greatest future impact? Rate relatively H/M/L (±)		What is the deadline after which this will be difficult, expensive, etc. to resolve? When do we need to start? Which concern(s) will be hardest to resolve later? Rate relatively H/M/L (±)		Assess combinations horizontally  Set priority order based on overall combinations	
Current Impact   CI Priority		Future Impact   FI Priority		Time Frame   TF Priority		  Overall Priority	
Find cause of uG0900s catching fire	Compelling us to recall the product	H	Consumer confidence in all our products decreases and ratings drop	H	Before sales of our other products are affected and before we have to halt further production	H	H
Identify information to share with the press	Reporters have called to confirm the story—pestering us for details	H+	If we are seen to be covering up, our reputation and stock will be severely affected	H	Must have initial statements prepared today	H+	H+
Hold an investor relations press conference	Stock price has dropped 3.49 percent	H-	Stock price and annual earnings fall (lost sales; product obsolescence costs; refund costs)	H	Timed to start when the market opens on Monday	M+	H-
Identify information to share with dealers/distributors/consumers	Beginning to receive calls from dealers and consumers	H-	Expect the calls to increase as the news spreads	H	Have to have a communication plan in place by the time of the press conference	H	H
Choose company spokesperson	Find a person whom consumers, investors, regulatory agencies, press will see as credible and who will agree to represent the company	H+	If the wrong person is chosen, could further damage the company's reputation and stock	H	Must be chosen today and briefed; press conference Monday	H+	H+
Explain the company's position and plans to employees	Employees are concerned; asking for information	M	Could share incorrect information with consumers, press	L	Before the press conference on Monday	M	M-
Plan communication procedures for sales, service, plant personnel	Questions are trickling in about how to answer questions about the recall	M	Increase in consumer and dealer calls as news spreads	M+	Must be in a position to respond to recall questions before press conference	H	M+
Set up a product recall hotline	Questions are trickling in about refunds, but currently mainly from employees	M-	Increase in consumer and dealer calls as news spreads	M	Must be in a position to respond to refund questions before press conference	M	M
Hire a Public Relations firm	Minimal current impact to consumer confidence and market share	H	Impact on consumer confidence and market share increases if not handled correctly	H	Contain further damage to the company's reputation and market share	H	H
Monitoring the product recall	Document effectiveness of product recall	L+	Documents may be needed for liability litigation	L+	Ongoing until product recall activities are complete	L	L+
Create a rapid response communication plan for future recalls	Lack of a tested plan and limited prior experience in product recalls is making it hard to respond quickly	L+	Owe it to consumers, investors, and employees to have a plan developed and tested by a mock trial	L	After the current crisis is handled	L	L



Plan Next Steps		Plan Involvement	
Determine resolution approach		Determine help needed	
<p><i>What steps or actions are required to resolve this concern?</i></p> <p><i>Is the action about a deviation, a choice, a threat, an opportunity, or something that just needs to be done?</i></p> <p><i>What analytic process (and how much) is required for resolution?</i></p> <p><i>What follow-on steps or actions are needed? What else?</i></p>		<p><i>Who needs to do what and by when?</i></p> <p><i>Who needs to be involved for:</i></p> <div> <div>* Superior solution?</div> <div>* Creativity?</div> <div>* Information?</div> </div> <div> <div>* Approval?</div> <div>* Structure?</div> <div>* Analysis?</div> </div> <div> <div>* Development?</div> <div>* Support?</div> <div>* Consensus?</div> </div> <div> <div>* Commitment?</div> <div>* Implementation?</div> <div>* Goal agreement?</div> </div>	
Process Needed	Next Steps (What)	Who	By When
PA	<ol style="list-style-type: none"> <li>Identify the people who will work on this Problem Analysis; have them gather information about the problem</li> <li>Set up a time and location to conduct the Problem Analysis</li> <li>Start the Problem Analysis</li> </ol>	<ol style="list-style-type: none"> <li>R&amp;D VP</li> <li>R&amp;D Assistant</li> <li>Problem Analysis team members</li> </ol>	<ol style="list-style-type: none"> <li>18 March</li> <li>18 March</li> <li>19 March</li> </ol>
DA	<ol style="list-style-type: none"> <li>Identify the people to involve in framing the message; meet with them</li> <li>Set up a time and location to conduct the Decision Analysis</li> <li>Start the Decision Analysis</li> </ol>	<ol style="list-style-type: none"> <li>Product Manager</li> <li>Product Manager's Assistant</li> <li>Product Manager, Marketing VP, Company Attorney, Regulatory Affairs VP</li> </ol>	<ol style="list-style-type: none"> <li>18 March</li> <li>18 March</li> <li>19 March</li> </ol>
PPA	<ol style="list-style-type: none"> <li>Identify the people to involve in developing the plan</li> <li>Set up a time and location to hold the meeting</li> <li>Start the Potential Problem Analysis</li> </ol>	<ol style="list-style-type: none"> <li>Finance VP</li> <li>Product Manager's Assistant</li> <li>Finance VP, Marketing VP, recall management team, Company Attorney</li> </ol>	<ol style="list-style-type: none"> <li>19 March</li> <li>19 March</li> <li>20 March</li> </ol>
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DA	<ol style="list-style-type: none"> <li>Identify the people to involve in the decision; have them meet with you immediately</li> <li>Start the Decision Analysis</li> </ol>	<ol style="list-style-type: none"> <li>Chief Operating Officer (COO)</li> <li>COO, senior executive team, recall management team</li> </ol>	<ol style="list-style-type: none"> <li>18 March</li> <li>18 March</li> </ol>
JUST DO IT	<ol style="list-style-type: none"> <li>Send internal email to all employees</li> <li>Post latest information and provide links to relevant information on website</li> </ol>	<ol style="list-style-type: none"> <li>Chief Executive Officer (CEO)</li> <li>Product Manager, Webmaster</li> </ol>	<ol style="list-style-type: none"> <li>20 March</li> <li>23 March</li> </ol>
PPA	<ol style="list-style-type: none"> <li>Identify the people to involve in developing communication procedures</li> <li>Set up a time and location to hold the meeting</li> <li>Develop the plan and start the Potential Problem Analysis</li> </ol>	<ol style="list-style-type: none"> <li>Customer Service Manager</li> <li>Product Manager's Assistant</li> <li>Customer Service Manager, Sales Manager</li> </ol>	<ol style="list-style-type: none"> <li>19 March</li> <li>19 March</li> <li>20 March</li> </ol>
JUST DO IT	<ol style="list-style-type: none"> <li>Set up phone lines</li> <li>Publicize numbers; develop scripts and Frequently Asked Questions</li> </ol>	<ol style="list-style-type: none"> <li>Facilities Manager</li> <li>Customer Service Manager</li> </ol>	<ol style="list-style-type: none"> <li>20 March</li> <li>23 March</li> </ol>
DA	<ol style="list-style-type: none"> <li>Identify the people to involve in the decision; have them meet with you immediately with a list of alternatives</li> <li>Complete the Decision Analysis</li> <li>Talk to prospects</li> </ol>	<ol style="list-style-type: none"> <li>Marketing President</li> <li>Marketing President, senior executive team</li> <li>Marketing President</li> </ol>	<ol style="list-style-type: none"> <li>18 March</li> <li>19 March</li> <li>20 March</li> </ol>
SA	<ol style="list-style-type: none"> <li>Identify the people to involve in monitoring</li> <li>Set up a time and location to hold the meeting</li> <li>Conduct a Situation Appraisal</li> </ol>	<ol style="list-style-type: none"> <li>Product Manager</li> <li>Product Manager's Assistant</li> <li>Product Manager, recall management team</li> </ol>	<ol style="list-style-type: none"> <li>23 March</li> <li>23 March</li> <li>24 March</li> </ol>
POA	<ol style="list-style-type: none"> <li>Identify the people to involve in developing the plan</li> <li>Set up a time and location to hold the meeting</li> <li>Develop the plan and complete a Potential Problem Analysis on vulnerable areas</li> </ol>	<ol style="list-style-type: none"> <li>Marketing VP</li> <li>Product Manager's Assistant</li> <li>Marketing VP, recall management team, Company Attorney</li> </ol>	<ol style="list-style-type: none"> <li>30 March</li> <li>30 March</li> <li>10 April</li> </ol>