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Crisis Management in Global Trade: Analysis of Container Crises, the Red Sea Crisis, and the Suez Canal Crisis

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Abstract

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The study explored the strategies and techniques for crises management based on the Container, the Red Sea and the Suez Canal Crises. The research examined the economic and operational viability of crisis management solutions in the context of international commerce. The purpose laid in the identification and effective execution frameworks through the analysis of the aforementioned case studies.

Secondary and primary research was performed. Literature sources analysis investigated the global commerce at the time of the study and the factors which influence the 2020 Container Crisis. It also assessed the impact of the Red Sea and Suez Canal crises on global trade routes. Further, anti-crisis strategies and responses were thoroughly investigated as well as the effectiveness of such approaches in the international commerce field. All of which served as a basis for secondary research.

Two interviews with international commerce experts representing large industrial and logistics corporations were conducted as a basis for primary research and the theoretical framework evaluation. The interviews were performed to gain insight into the risk factors and obstacles, as well as to evaluate the effectiveness of anti-crisis methods in real-world company settings.

The findings presented at the end of the study can be useful to international companies and logistics operators looking to enhance their anti-crisis frameworks and strategies in the marine shipping industry. These initiatives will focus on mitigating the adverse repercussions of the global trade crisis.

Keywords: Crisis management, Container Crisis, Red Sea crisis, Suez Canal Crisis

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1. Introduction

1.1 The Research Background and Importance

Global supply chains, and their ability to adapt to change, are a crucial aspect when addressing stability and efficiency of modern-day economies where crisis management is one of the crucial aspects. Immediate logistical challenges as well as any future disruptions can be addressed via effective crisis management, while gaining a competitive advantage in the saturated market (Ghadge, Dani and Kalawsky 2020). The recent COVID-19 pandemic revealed several key vulnerabilities in the current supply chains, indicating a need for robust crisis management frameworks (McKinsey 2023). Such forced current operators to reevaluate the resilience of supply chain operations serving as catalyst for contemporary, adaptive strategies that stretch beyond the traditional management approaches.

The relevance of this research is highlighted by the unprecedented supply chain disruption involving the global pandemic and geopolitical unrest (Suez Canal supply chain disruption). The aforementioned events have caused a complete reassessment of existing crisis management frameworks as well as logistical and economic downturns. COVID-19 serves as one of the reasons for supply chains to adapt to the unforeseen market fluctuations and regulatory environments, needing both research and practical advice to construct new adaptation strategies. For business who look to preserve stability in operations, fulfil demand, and minimize financial losses, supply chain resilience is one of the key aspects in such time of uncertainty (McKinsey 2023). Therefore, crisis management research acts as a relevant tool for anticipation and response to future challenges.

Theoretical and practical insights, revealed further on in the paper, will help to create a strong understanding of how to effectively manage the global supply chains under the crisis conditions as well as providing a chance to build a robust resilience framework.

This paper is constructed by relying on the theoretical framework from the academic articles collected in the comprehensive literature review further in the thesis. Research by Fink (2000) and Heath & Millar (2004) focus on proactive communication and risk management when discussing the crisis management strategies. The organizations' decision-making strategies

through Systems Theory and Sense-making Theory adds to the authors' research (Scott and Lewis 2017; Maitlis and Christianson 2014). Providing a blend of literature with theoretical perspectives explains the methods of organizations handling complex crisis scenarios, also being useful for formulating the methodology and research questions. Further, by adding practical examples as well primary data collection findings, the thesis paper aims to bridge the gap in difference how theory and practice view practical application in crisis management.

The academic and practical gap identified in this research was found to be in crisis response strategies to the dynamics of the global crises, as well as the practical implications to geopolitical tensions on the global supply chains. Operational sectors that rely on foreign affairs stability require a resilient supply chain structure (Boston Consulting Group 2024). The following research aims to address the gap in dynamic crises management by offering a synthesis of theoretical concepts as well as practical advice, collected from the interviews with industry professionals, in mitigating the impact of global disruptions.

The importance behind this paper lies within the contribution to academic knowledge and practical applications in the field of crisis management. It is further complemented by real-case examples from the industry operators with an aim to add to effective practices. The blend of theoretical, historical and empirical evidence develops an effective ground for creating an effective crisis management framework. The ability to effectively adapt to fluctuations is not only a necessity but a strategic advantage that can gain competitiveness in today's volatile market environment (McKinsey 2023; Kohl 2022). As a results, findings from this study are intended to guide corporations on their strategy and policy formulations, as well as highlight future research areas, ultimately enhancing the resilience and responsiveness of the global supply chain strategies to unexpected change.

The methodology of the research paper is based on qualitative, exploratory approach. Literature review and primary data collection, interviews, are the main derivatives for the research discussion. Interviews were sampled via the purposive sampling approach allowing for selection of specifically knowledgeable candidates to provide their knowledge on the topic. The main limitations of the study are generalizability and subjectivity arising from the primary data collection tool choice. Despite, the paper follows a structured

approach and aims to answer the following research questions:

- Which strategies do companies adopt for efficient crisis management?
- What are the primary methods in addressing the crisis consequences, and the extent of their success?
- What are the practical recommendations to industry operators to enhance their ability to withstand crises in the global commerce sector?
- What barriers prevent the implementation of management strategies in response to the Suez Canal, Red Sea, and Container crises?

The thesis structure aims to provide an exploratory flow from initial theoretical findings through literature analysis and the synthesis of the findings. With comprehensive literature review, the thesis systematically reveals the obstacles relating to crisis management, followed by the detailed methodology of the research construction, ending with results and discussion to synthesis primary and data collection findings. Finally, the research offers remarks about the contributions to the field and suggestions for recommendations to future research.

2. Literature Review

2.1 Crisis management

2.1.1 Integrative Frameworks of Crisis Management

Crisis Management is crucial in corporate sustainability and strategy, heightened by globalization, technological progress, and interdependency. It involves creating warning systems, response plans, and recovery strategies to mitigate threats to reputation and operations (Fink 2000). Crises, whether industrial, economic, environmental, or geopolitical, require proactive communication and responsiveness (Heath & O'Hair 2010). As crises evolve with the digital age, the demand increases for agile and reliable crisis management methods (Nestor Group 2023).

Crisis management encompasses risk management, communication strategies, psychology, and organizational behavior, focusing on prevention, active communication during emergencies, and post-crisis organizational growth. It is seen not as unpredictable, but rather as untimely (Heath & Millar 2004). The Crisis Management Plan (CMP) outlines company responses, aiming to mitigate consequences, manage communication, and uphold responsibilities (Awaiti, Barney, Crocetti 2024).

Effective crisis management also involves preparing for both global and unexpected local issues, fostering a culture of adaptability, openness, and responsibility. It includes proactive steps such as risk reduction and safeguarding customer interests (Fink 2000). In today's volatile business world, rapid adaptation and decisive action are essential, as businesses face challenges like pandemics and political conflicts (Gventsadze 2024). Successfully managing crises ensures stability and coherence within an organization.

2.1.2 Operational and Strategic Dimensions of Crisis Management

In its broad sense, crisis management is all about preparedness and readiness for any emergency or disruption posing threats to a company's functioning, image, or stakeholder's well-being. Such planning is achieved with the usage of a multifaceted strategy that comprises prevention mechanisms to avoid and contain crises, in addition of withstanding them (Gogalniceanu et al. 2021).

Conceptually, crisis management is a diverse set of strategies, and

operational and communication tools intended to help managers cope with the complexities and uncertainties that crises cause (Rodriguez, Quarantelli, and Dynes 2017). This set of strategies involves the implementation of early warning instruments, strategic planning, and crisis prevention projects, while there is still time, in addition to appropriate response actions such as crisis communication, mobilization of resources, and engagement with stakeholders when the need arises (Gogalniceanu et al. 2021).

At the core of the crisis management process stands the acknowledgment that unanticipated events occurring from the complex nature and global perspective of business interactions are at a high probability in our current turbulent environment (Gventsadze 2024). By now, it is evident that crisis prevention, easing, and handling should be proactive. It means that instead of just reacting to the crises the moment they present undesired developments, companies can develop their crisis management preparations and create an organizational culture within which crisis response principles are the norm. Companies can achieve crisis management culture by integrating preparations into their strategic planning (Gogalniceanu et al. 2021). With the help of such preparations, the ability to predict, adapt, and recover from disasters is developed, saving the companies' existence.

Crisis Management undeniably plays a principal role in organizational stability, which involves both high-level decision-making skills and effective leadership. Crisis management coordinates organizations through difficulties and assists in companies' stronger growth at the end (Prohibition 2022).

2.1.3 Theoretical Foundations and Perspectives on Crisis Management

Systems Theory suggests that corporations are systems with interconnected parts, akin to organs in a body, playing distinct, coordinated roles. This theory highlights the importance of comprehensive safety and disaster management processes in organizations, viewing crises as systemic events influenced by interactions and social factors. A better grasp of these interactions can inform coordinated crisis prevention and mitigation strategies (Scott and Lewis 2017).

Sense-making theory relates to how the organisations and individuals handle, 'make sense' of crises. This involves interpreting unexpected or confusing events through effective communication and consensus-building among stakeholders, ultimately coordinating responses effectively (Maitlis and Christianson 2014).

RDT (Resource Dependency Theory) highlights the importance for organizational response to have access to the external resource during the crisis. It posits that understanding and managing these dependencies, alongside maintaining strong stakeholder relationships, builds resilience and enables effective crisis response (Hillman, Withers and Collins 2009).

Contingency theory refers to the variety of adaptable strategies which are circumstance- and context-specific. There is no one-size-fits-all approach when it comes to crisis management. This involves interpreting unexpected or confusing events through effective communication and consensus-building among stakeholders, ultimately coordinating responses effectively (Maitlis and Christianson 2014).

2.1.4 Contemporary Theories in Crisis Communication

Situation Crisis Communication Theory (SCCT) is a theory, by which W. Timothy Coombs tries to put the main focus on crisis communication of organizations based on the responsibility concerns of the public. It highlights the fact that different strategies used in crisis response impact on the evaluation of public perception and the reputation of an organization (Coombs and Holladay 2022).

The Image Restoration theory is a theory presented by William L. Benoit which analyses the strategies, as well as public relations tools, which are used by organization to cure their reputational damages following a crisis. Although there are a couple of approaches, namely denial, bargaining, differentiation, transcendence, and mortification, each one suits a different situation (Benoit 1995).

The Attribution Theory in the psychological sense proves that individuals assign not only effects but also causes to the incidents, including also crises (Coombs 2007). It discusses the impact of the share of responsibility on the reaction of an audience and decision-making of an organization in view of crises.

Coordinated Management of Meaning (CMM) has been formulated by Pearce & Cronen into two major types which involves how the individuals collaborate to develop a mutual understanding in their interaction. It will look into the ways crisis communication constructs organizations as narratives, their identity, and how they interact best with their important partners (Pearce, Cronen 2018).

CERC (Communication Emergency Risk Communication) is a framework which develops communication practices that respond to public health disasters and emergencies. “The Centers for Disease Control’s (CDC) Crisis and Emergency Risk Communication (CERC) manual provides an evidence-based framework and best practices for anyone who communicates on behalf of an organization responding to a public health emergency” (Veil, Reynolds, Sellnow and Seeger 2008). It puts emphasis on honesty, compassion, as well as cohesiveness to allow trust to be established and thus the decision-making process to become more involving.

2.2 Container Crises: Overview and Analysis

2.2.1 Definition and Types of Container Crises

Following the interferences in the term "container crisis" range of incidents or disruptions causing direct impacts on shipping containers during the process of transportation, handling, or storage, supply chains would be hindered as a necessary aspect of the logistical operations (Hillebrand GORI 2024). These troubles can appear with a different face, and, although they involve the same trading players, each of them proceeds in a unique and peculiar way. Some common types of container crises could include the Port Congestion (Container XChange 2023). This crisis happens when ports are filled with ship congestion or when they experience delay in processing incoming or outgoing loaded containers, which actually is the major contributing factor to pile up of the movement of freight containers. “Port congestion takes place when a vessel arrives at a port in order to load or unload cargo, but is unable to berth, therefore it has to wait outside at the anchorage” (Container XChange 2023).

In addition, the Equipment Shortages have to be mentioned. The scarcity of vital assets like shipping containers, chassis, and trailers makes the handling especially difficult. “With fewer vessels in the market, some vessels even had their voyages interrupted due to on-board COVID-19 cases” (Kuehne and Nagel 2020). The absence of these products disrupts the transit of containers therefore reducing their transportation.

Moreover, effect of labor unrest or strikes among seaport personnel such as port workers, truck drivers, and other logistics personnel, which may result in work stoppage, slow-down, or congestion of cargo operations (Kuehne and Nagel 2020).

Infrastructure failures can cause situations where key infrastructural facilities

that include the port facilities, container terminals, and transportation systems fail their function and lead to a lack of movement of goods and services (Wang and Wang 2023).

In addition, there is a list of catastrophes such as hurricanes or earthquakes that impede the continuous use of port facilities and hamper the shipment of cargo both through the rise in delays and losses (Container XChange 2023).

Security threats include breaches of security, such as terrorist attacks, acts of piracy, and sabotage directed against the ports, vessels as well as other maritime infrastructure, we should be also concerned about information security breaches and intellectual property theft which are nowadays common in the technological age (Wang and Wang 2023).

2.2.2 Economic and Operational Impact of Container Crisis

The Container Crisis profoundly affects global trade, supply chain stability, and economic health, characterized by limited transport space and rising maritime costs (Elizondo 2021). The Hanjin Shipping Bankruptcy in 2016 dramatically illustrates the crisis's impact by disrupting global supply chains and entrapping billions of dollars in cargo, underscoring the fragile nature of maritime logistics (The Guardian 2016). Further consequences include delayed commodity production, distribution, and delivery, leading to increased transportation costs and reduced business competitiveness (Elizondo 2021).

Significant incidents like the 2021 Evergreen Suez Canal Blockage, where the Ever Given blocked a crucial maritime route, highlight the critical role of strategic passages such as the Suez Canal in maintaining global trade flows (BBC News 2021). Businesses affected by such disruptions face economic downturns, reduced sales, order cancellations, and penalties for schedule non-compliance (Panayides, Wiedmer 2011).

Suppliers, vendors, manufacturers and distributors, that altogether form the supply chains are being triggered by the cascade effects of container crises resulting in the potential destructions. These problems are then amplified by ports congestion and misrouting (Panayides and Wiedmer 2011).

The Petya Cyberattack in 2017 further emphasizes the vulnerability of digital infrastructure in logistics, exacerbating supply chain flaws (Biggs 2017). The economic growth which is dependent on the import and export is being then affected by shifts in trade balances and exchange rates which happen in these

disruptions (Attinasi et al. 2021).

The Container Crisis during the COVID-19 pandemic severely disrupted trade, exacerbating shortages of essential goods and leading to increased unemployment and domestic crime (UNCTAD 2020).

In order to mitigate these risks and keep maritime safety stricter regulations and measures of safety are implemented. The Maersk Honam Fire in 2018 underlines the need for stringent security measures following serious incidents (Linnet 2020). Persistent disruptions can damage corporate reputations, customer satisfaction, and lead to adverse public relations outcomes (Visvikis and Panayides 2017).

2.3 Pandemic Induced Supply Chain Disruptions

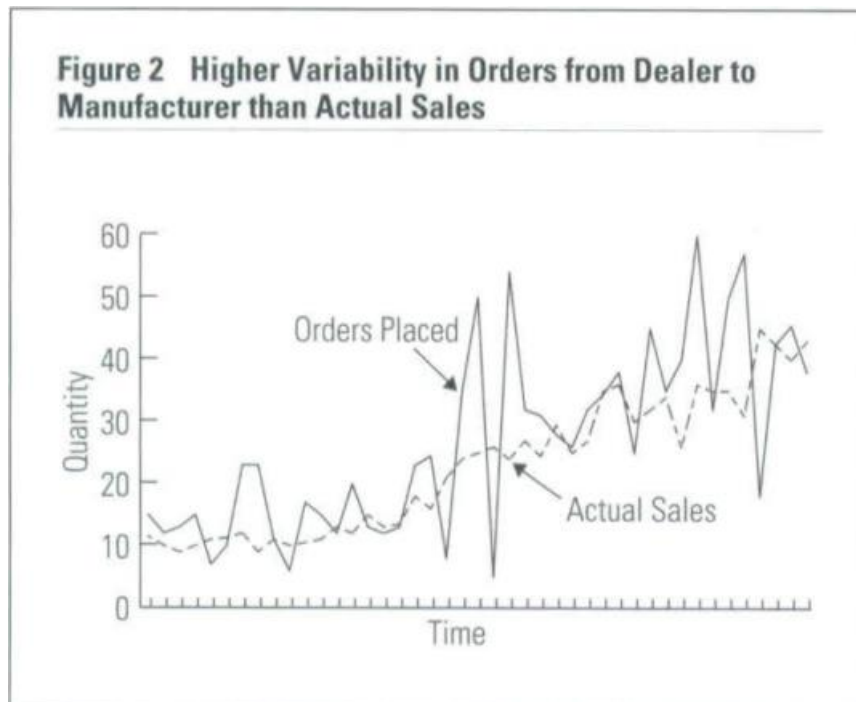
2.3.1 Disruptions in Global Supply Chains

2.3.1.1 The Bullwhip Effect and Supply Chain Volatility

Ninety percent of all items are transported by sea using 20ft (TEU) and 40ft (2 TEU) containers, with annual traffic reaching 815 million TEU (The Ocean 2020; Marine Transport Indicator, 2021). The onset of COVID-19 saw China implementing early strict lockdowns and vaccination strategies, allowing it to resume production by May 2020, while Europe and the US remained under restrictions with halted production (Clennett and Yiu 2022).

During this time, there was a significant shift in consumer needs in the US and Europe towards electronic devices, furniture, and personal protective equipment, primarily sourced from China. This demand spike was influenced by the necessity to work from home and the resultant need for technological upgrades and home furnishings.

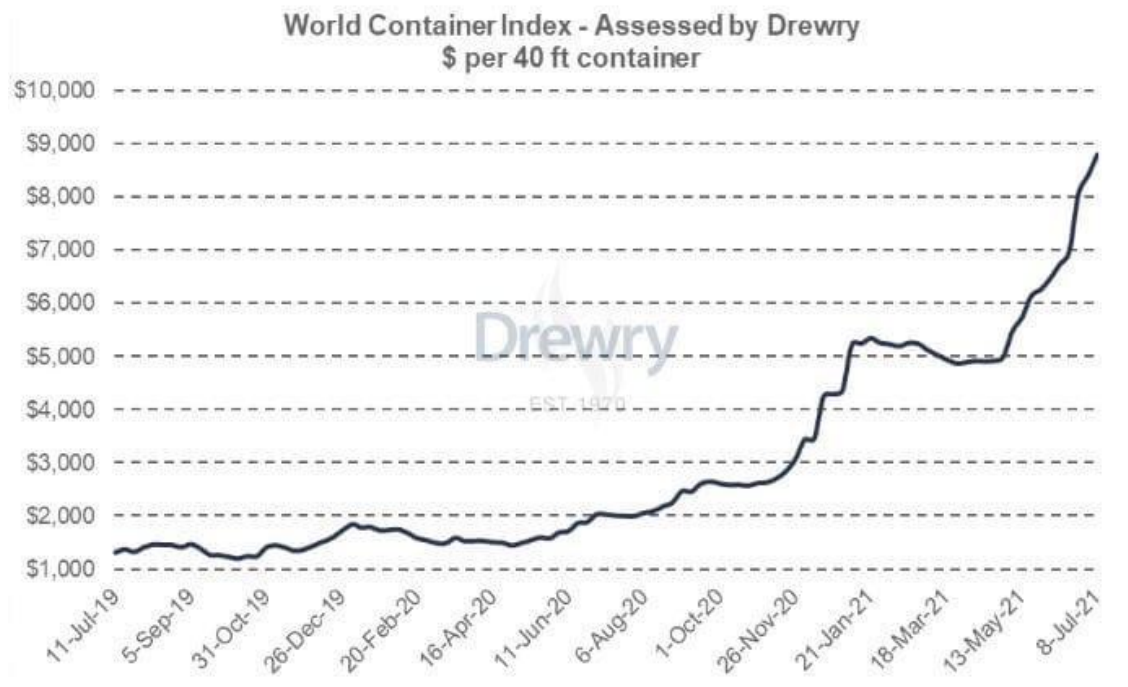
Consequently, China's exports surged, filling containers that would then not return, leading to a logistical imbalance due to ongoing Western restrictions. This disruption underscored the critical nature of supply chain balance and the consequences of inaccurate demand forecasting, epitomized by the Bullwhip effect where misjudgments in consumer demand led to supply chain inefficiencies (Hau, Padmanabhan and Whang 1997). The Bullwhip effect, originally named by P&G, refers to the phenomenon when minor changes in demand can result in significant changes in the inventory levels and production further up the supply chain, as demonstrated by the figure presented in research by Hau, Padmanabhan and Whang (1997), below.



Source: Sloan Management Review/Spring 1997

The Bullwhip effect was evident in other sectors too, such as the automotive industry, where an uptick in sales of green Volvos was mistakenly attributed to color preference rather than dealership discounts aimed at reducing overstock (Green Volvo example).

Ultimately, the imbalance reached a point where, in 2020, shipping containers from China became scarce, pushing prices up due to the shortage. This scenario highlights the interconnectedness and the delicate equilibrium required within global logistics networks, emphasizing how even minor disruptions can precipitate significant losses.



Source: Hellenic Shipping News Worldwide

2.3.1.2 Dynamics of Export Increase in China

As previously mentioned, China has increased its export, sending millions of TEU to US and Europe. The imbalance is not only that the U.S. and Europe are exporting poorly, but also that imports from Asia are increasing, exceeding pre-pandemic levels. “The share of empty exports to total exports leaving the Port of Los Angeles is up over 10%...” – LaRocco 2022. Very good example of that is an extraordinary level of business activity on port of LA:



Source: Port of L.A. Youtube channel

2.3.1.3 Suez Canal Supply Chain Vulnerability

The aggravation is also related to the Suez Canal obstruction. A ship traveling from Malaysia to Holland, passing through the Suez Canal, ran aground on a sandbar, thereby, blocking one of the most important trade routes in the world. The Suez Canal carries 30% of the world's share of containers (New Zealand Embassy in Cairo 2021).

“After six days of blocking the vital trade route, the estimated cost of this block is around 30 to 50 billion dollars.” - Ludovic Subran, Allianz Chief Economist

2.3.2 Industry Crisis Ramifications

2.3.2.1 Impact on Consumer Prices

Speaking of the consequences of this crisis, one cannot but mention the rise in prices. Due to the rising cost of shipping goods: both final products and the materials necessary for production. The producer will be forced to raise the price of the product, forcing the final seller to raise the price as well. It is also worth bearing in mind that this crisis has caused a kind of shortage and scarcity of certain goods. Scarcity always provokes price increases, but we must consider the fact that the increased demand for electronics and furniture due to the start of the pandemic in 2020 has already been met by increased production in China. In any case, there will be an increase in the price of the final goods, for which the final buyers, namely you and me, will have to pay.

2.3.2.2 Market Dynamics: Supply Chain Shortage

Also, as I put it under the first topic, the first effect of this crisis caused some shortages of certain goods. I see no point in delving into specific examples of certain shortages, for in any case there were no tertiary shortages of goods in my memory, perhaps only an insufficient number of masks at the beginning of the pandemic. However, in any case, it was possible to purchase all the necessary goods only at higher prices. In any case, I recognize the fact that there was some shortage of goods which naturally affected the price.

2.3.2.3 Competitive Disadvantages

A great example of this deadlock is the very large company Amazon. Amazon was able to rely on itself to produce the necessary number of containers. In this case, it can provide its customers with much cheaper delivery, the price of which is disproportionate to the price of competitors who simply cannot afford

their own containers. In this case, there will simply be a dissonance between logistics companies, in which smaller players simply cannot compete and go bankrupt.

2.3.3 Practical Industry Responses to Crisis Management

2.3.3.1 Economic Incentives in Container Logistics

Good idea, but on the chart, we can see that the empty containers from the port of Los Angeles leave three times more, compare to loaded. This is a consequence of the fact that the carriers simply do not benefit from waiting for loaded containers, and it is easier and more profitable to immediately take on board the empty one.

| March Imports/Exports/Empties | | | |
|--------------------------------------|-------------|-------------|-----------------|
| IMPORTS Loaded TEUs | 2020 | 2021 | % Change |
| March 2020 vs March 2021 | 220,255 | 490,115 | +122.5% |
| EXPORTS Loaded TEUs | 2020 | 2021 | % Change |
| March 2020 vs March 2021 | 121,146 | 122,899 | +1.5% |
| EMPTIES | 2020 | 2021 | % Change |
| March 2020 vs March 2021 | 108,168 | 344,585 | +218.6% |

Source: Port of L.A. Youtube channel

2.3.3.2 Market Response: Increased Container Manufacturing

China occupies 80% of the market (Miller 2021). Manufacturers, well aware of the new market realities, have raised prices for new crates. In addition, an inappropriately strong increase in production will be necessary. We must also understand that such a serious intervention in the market as overdoing it with necessary containers will have other consequences. First of all, we must consider the fact that it will require a very serious capital investment. Also if you look at the long term, the prohibition of this crisis the world has become a day with too many containers, which will have to go somewhere. Has affected the market very much we also, have huge competition from and for the rest of the container manufacturers.

2.3.3.3 Operational Challenges in Major Ports

Port of Los Angeles (biggest port in US) currently handles 70% more than it did before the pandemic (Bloomberg 2021). We simply do not have enough power and capacity to increase the capacity of all the ports we need. Most of the major ports are already working at their limits, and it is almost impossible to increase their capacity even more.

2.3.3.4 Strategic Advantages of Vertical Integration

“Amazon has also been building its own shipping containers since 2018, giving it a boost amid a container shortage. While other retailers now pay up to \$14,000 to ship a container from China to the U.S.(eight times the pre-pandemic cost). Amazon can rely on its own 53-foot units for both international shipping and domestic delivery.” – Adams 2022

In this model, smaller companies do not have a chance to compete. This will only increase gap between companies in terms of delivery price/time: “Smaller retailers simply cannot compete with their bigger rivals in a supply chain scramble” – Adams 2022

2.3.4 Conclusive Analysis

The literature reveals significant debates on whether the Western world should reduce its dependency on China. As Hollinger and Waters (2022) note, the US and Europe are increasing investments in chip manufacturing to lessen reliance on Asian suppliers, highlighting the West's significant dependency on China. Schatteman observes that companies are now strategizing beyond the current crisis, diversifying production locations to dilute China's role as a global supply chain hub due to logistical and supplier challenges.

Businesses tend to gravitate towards the most profitable operations, which often involve outsourcing production to China due to lower labor costs, despite potential overpayments. This dependency, while financially justified, is self-inflicted by the Western world (Lo and Chung 2007). Scott Price suggests that moving production closer to consumers can offset these costs and counteract Asia's cheap labor force.

The literature suggests that balancing production locations might be beneficial. While maintaining production in Asia is cheaper, especially when considering the bullwhip effect and delivery costs, it might still be cost-effective to establish factories in the West for certain critical products. This strategy could help mitigate global trade vulnerabilities highlighted by recent supply chain crises,

suggesting a need for a more balanced approach in global manufacturing strategies (Bowers 2022).

2.4 Geopolitical Dynamics in the Red Sea

2.4.1 Geopolitical and Strategic Implications of the Red Sea Crisis

International shipping and maritime stability is being influenced by Red Sea Crisis with implications that stretch beyond political and security risks. The crisis affects a key global shipping route connecting the Indian Ocean to the Mediterranean Sea, increasing uncertainties for international operations in this strategically vital area. Shipping schedules may be disrupted as well as capacity constraints can be increased due to the impact of the crisis (Hillebrand GORI, 2024).

Increased control competition in the strategically critical and vital choke point “Bab el-Mandeb Strait” increases the risks of maritime incidents like piracy and sabotage as highlighted by Dunne, (2021) and is primarily fueled by rising regional conflicts. Additionally, the conflict in Yemen has further deteriorated the region's security, impacting normal shipping operations (Ali 2023).

Dunne (2021) highlights that in order to ensure the safety of key maritime routes the security measures and naval patrols need to be enhanced. The reason for these circumstances is a complicated security landscape due to the involvement of non-state actors, including terrorist organizations and insurgent groups. Furthermore, the crisis significantly influences global energy security as it affects the transit of oil and natural gas through the region, potentially leading to major disruptions in energy markets and supply chains (Ali 2023; Alexander 2021).

Ali (2023) highlights that navigation freedoms protection; region stability and maritime security are in high need to be strengthened by bolstering regional stakeholders partnerships and maritime organizations due to these multifaceted challenges. This requires addressing underlying tensions, enhancing maritime law enforcement, and fostering diplomatic engagement to manage the ongoing uncertainties associated with the Red Sea Crisis.

2.4.2 Multilateral Responses to Geopolitical Tensions in the Red Sea

Clapp (2024) outlines that in order to address the challenges of increased geopolitical tensions and maritime insecurity which are characterized by The Red Sea crisis various strategies need to be developed by diverse stakeholders in the region, including governments, multinational corporations,

and international institutions. These strategies encompass diplomatic initiatives, enhanced maritime security measures, and increased naval deployments by countries such as Saudi Arabia, Egypt, and Yemen, aimed at securing strategic waterways and deterring threats (Alexander, 2021).

Joint patrols and maritime stability maintenance is focused by the collaborative efforts of such entities as Combined Maritime Forces and the EU Naval Force (Clapp, 2024).

Significant measures also include risk mitigation by major shipping firms through contingency planning, rerouting ships away from danger zones, enhancing onboard security, and strengthening partnerships with maritime stakeholders (Dunne, 2021). Furthermore, international organizations such as the UN, IMO, and ICS have been proactive in facilitating dialogue, assessing regional risks, and promoting peace initiatives to address the crisis's root causes (Clapp, 2024; Dunne, 2021).

Additionally, grassroots, civil society, and NGOs have played vital roles in providing humanitarian aid, advocating for rights, and fostering capacity-building to address the crisis from both humanitarian and environmental perspectives. Notable contributors include the Red Cross, Médecins Sans Frontières, and Oxfam, which have focused on aid delivery and advocacy in conflict-affected areas (Xhaferraj and Esq Obe 2024).

2.5 The Suez Canal Crisis 2021: Implications and Management Strategies.

2.5.1 Theoretical Analysis of Suez Canal Blockade

The Suez Canal incident of 2021 was an important maritime event that gripped the world for about a week and affected millions, with enormous economic and environmental implications. On 23 March 2021, with the Suez Canal being one of the world's largest vessel routes and graveyards, MV Ever Given, large container ship, ran aground and embarrassed authorities in incident that halted ship movement in both directions (Al Jazeera 2021). The accident happened when the ship was battling tough weather with powerful winds and poor visibility. The harsh weather conditions created an unfavorable environment that resulted in ship's grounding (Ozkanlisoy, Akkartal 2021).

Rescue operations aimed at the around ship proceeded slowly and required united effort from the Egyptian authorities, towing teams, and marine shipping bodies. Towing boats and excavators were used to the ship to set the ship free, while dredging work was done to deepen the canal and accommodate the

ship's navigation. The situation that the whole world and most particularly the multilateral economic system became aware of came with broad media coverage and created alarm about the global trade, supply chains, and energy markets. "Roughly 30% - Percentage of the world's shipping container volume that transits through the canal." – Myers 2021.

Having been damaged at the area where its bow met the side, MV Ever Given was able to be freed on March 29, 2021, after which passing through the canal was allowed (Al Jazeera 2021). Similarly, although the passage of the ship shows the weak points of global shipping sector which the severe consequences may be of over-dependence on routes with chokepoints and the huge scale of the world's container ships. The 2021 ship blockage between the Suez Canal was treated as a siren to the maritime sector, asking for the uplifting of safety measures, crisis preparedness and contingency planning to prevent such events from happening again (Al Jazeera 2021).

2.5.2 Economic Impacts and Operational Resilience in Global Trade

In March 2021, the container ship MV Ever Given caused a massive blockage to the Suez Canal. This resulted in a disruption to global trade. Thereby the canal acted as the economically important artery for ship transport between Europe and Asia, the crisis caused lots of lag of goods doing ship, increased shipping costs, and the transaction bottleneck. The blockage of Suez Canal; caused tremendous financial losses to shipping businesses, cargo owners, and insurers. Tentative figures suggested losses for a 1-day closure were between several hundred million up to billions while a global economy was already struggling with financial issues (Al Jazeera 2021). "An estimated 12% of global trade passes through the Suez Canal, comprising more than one billion tons of goods each year." – International Chamber of Shipping 2021.

Oil and energy markets witnessed a sharp impact from the Suez Canal crisis, considering the fact that the Suez Canal is used by very large oil tankers and natural liquefied gas (LNG) carriers. "Disruption to the supply of oil led to an increase in barrel prices" – Manners-Bell 2021. The disruption resulted in fuel prices oscillating and supply chain dislocations, and consequently, this caused troubles for the energy industry across the globe.

The blockage of the Suez Canal meant soaring transportation costs for various sectors, including manufacturing, retail, and automotive, whereas their machinery and production were jammed. Companies focusing on "just-in-time"

supply chain systems, which involve timely delivery of critical supplies and production materials, encountered the problem of delayed deliveries leading to a production slowdown and inadequacy of the inventory (Ozkanlisoy, Akkartal 2021).

The shipping companies have been exposed to operational challenges and logistic difficulties as they had to find ways of diversifying their route either by voyage around the Cape of Good Hope or through alternative routes (Manners-Bell 2021). Moreover, increased transit times, an increase in fuel utilization, and overcrowding at different ports usually translate into higher operational costs and stresses to companies. ““Not only will the goods aboard the Ever Given be severely delayed on their journey, but the hundreds of other ships are also affected. The damage done to the global supply chain will be significant.” – Guy Platten 2021.

The Suez Canal crisis also hurt the image of shipping firms, ports, and companies in charge. People and media paid even more attention, showing problems in how risks are handled, navigation rules, and being ready for emergencies in the shipping industry (Manners-Bell 2021).

This crisis made officials take a closer look and ask for better ways to manage risks in the shipping business. Leaders and industry people said it's important to make it safer to navigate, have plans to deal with problems and get ready for unexpected events like this in the future.

2.5.3 Crisis Management and Strategic Adaptations

This major issue showed how key it is to have strong plans ready for bad surprises like ships getting stuck or routes getting blocked. Firms that move goods by sea have fixed and made their plans stronger to act fast and keep global trade going when trouble hits (Al Jazeera 2021).

The Suez Canal blockage proved how much it matters for all players – ship firms, canal managers, and government representatives – to talk and work together. It is a key to have proper communication and team building, in order to share information, make choices, and handle the crisis when it happened (Ozkanlisoy, Akkartal 2021).

Investments into the improvement of tech programs should also be mentioned. Shipping companies came up with the idea of strong need to analyze the move of goods by sea better and faster. Firms are now implementing new tech like

space-guided maps, live tracking, and ways to control where ships go to make sailing safer and work better on key sea paths (Manners-Bell 2021).

Mess in the Suez Canal made businesses consider spreading their supply lines to lower the chance of this happening again. This move to use more supply lines to carry goods and other paths is to make supply chain stronger and less likely to break if one spot gets in trouble. In addition, companies now are putting more effort into practices of their personnel, to be prepared for the emergency and be aware with which steps to pursue, in case one is happening. Firms need their employees to be ready, quick, and adjustable, so the ability of handling new crisis could be improved.

“The literal ‘pinch point’ of Suez is a prime example of how an unexpected incident can disrupt the finely balanced system that we all rely on.” – Guy Platten, Secretary General of ICS.

2.6 Crisis Management Strategies for Companies

2.6.1 Importance of Effective Crisis Communication

Crisis communications are crucial for companies to manage crises effectively, enabling them to provide accurate, current information to the public, thus minimizing reputational damage and enhancing trust and credibility (SAMHSA 2023). During a crisis, the pressure from public and media accusations is significant; effective communication is key to reducing reputational harm and maintaining a company’s credibility, responsibility, and clear crisis vision (Murphy 2023).

Consistent communication fosters trust among stakeholders—clients, employees, shareholders, and the public. By keeping stakeholders well-informed and fostering a reliable, updated environment, organizations can alleviate misconceptions and maintain calm (SAMHSA 2023). Open communication channels allow stakeholders to engage in decision-making, share their insights, and propose solutions, particularly in stressful times, helping organizations anticipate challenges and devise strategic responses to meet stakeholder expectations (Theodotou 2023).

In today’s constant news cycle, controlling the narrative is crucial to shaping public perception and ensuring the dissemination of factual information, thus countering rumors and misinformation (Fisher, 2023). Moreover, ineffective communication during crises can increase legal and regulatory risks, potentially

leading to lawsuits and penalties. Premature or improper communication can have significant legal consequences, emphasizing the need for transparency and proactive engagement to demonstrate compliance and deter unethical behavior (Moore 2024).

Employees, as crucial stakeholders, are directly impacted by crisis communication. Effective communication ensures they are well-informed, involved, and supported, fostering a sense of unity and trust within the organization (Theodotou 2023). Timely and accurate information delivery is essential during crisis management to maintain business continuity and minimize losses. Keeping stakeholders informed about the organization's recovery plans promotes a swift, secure return to normalcy (Moore 2024; Theodotou 2023).

2.6.2 Structural Components of Crisis Communication Strategies

Effective communication is a key management tool for maintaining trust and resolving issues quickly, serving as the foundation of an organization's operations (Moore 2024). It involves well-defined internal and external communication channels, which are crucial for timely and accurate information delivery to align and coordinate team efforts (Moore 2024, Murphey 2023). Effective crisis communication also depends on designated leaders and crisis management teams that provide information, handle inquiries, and coordinate responses efficiently (Murphey 2023, Nestor Group 2023).

Preparing key messages and talking points is essential for outlining an organization's response to crises. These communications should be crafted with consideration for stakeholder needs, ensuring transparency, accountability, and empathy to maintain trust (SAMHSA 2023). Utilizing a mix of media, including social media, press releases, and direct engagement, is vital in a digitalized crisis communication plan for timely information dissemination and stakeholder engagement (Murphey 2023).

Crisis communication also plays a role in managing public opinion and maintaining organizational integrity by monitoring media channels and correcting misinformation (SAMHSA 2023). Post-crisis, it is crucial for organizations to evaluate their communication efforts to identify strengths, areas for improvement, and weaknesses, incorporating stakeholder feedback and media coverage into future plans (Murphey 2023).

2.6.3 Best Practices in Crisis Communication: Engagement and Adaptability

To establish the company's leadership, effective communication with stakeholders is crucial as it provides timely updates and dispels rumors during crises (Theodotou 2023). Emphasizing sustainability is vital, as it fosters a positive internal atmosphere through eco-friendly practices (Angeles 2023). Constant communication is key, including press releases and social media, to maintain clarity and avoid confusion during turbulent times (Theodotou 2023; Moore 2024). Monitoring various media ensures companies stay informed and responsive to public sentiment and emerging issues (Fisher 2023).

Empathy towards victims is essential, requiring companies to understand and address customer concerns genuinely (SAMHSA 2023). This approach fosters strong, empathetic connections with stakeholders (Angeles 2023). Establishing two-way communication channels allows for open dialogue with stakeholders, enhancing trust and collaboration within the company (Grossman 2023; Kozlowski, Ilgen 2006).

Companies must remain agile in their communication tactics to adapt to rapidly changing crisis situations (Nestor Group 2023). Investing in crisis preparedness and training across key departments ensures effective response mechanisms are in place, highlighted by routine simulations to test and refine these strategies (Moore 2024; Kozlowski, Ilgen 2006).

Conducting a detailed post-crisis analysis helps evaluate the effectiveness of communication efforts, learning from successes and failures to enhance future resilience and crisis management (SAMHSA 2020)

3. Methodology

This chapter is focused on the methods chosen to complete this study. Firstly, the research methods, then how the data was collected and analyzed, followed by the limitations of the research. Additionally, validity, reliability, and trustworthiness of the paper is commented upon in the last section of this chapter.

3.1 Research Methods

The paper used two data collection techniques, primary data (interviews) and secondary data collection (relevant literature and market research).

Research is a systematic approach which involves gathering, recording and examining information relevant and important to a specific issue or a question (Nair 2008). Quantitative research is aimed to examine trends through numeric data, tables, graphs, and charts (Sreejesh, Mohapatra and Anusree 2014; Creswell 2012). Whereas this study employed qualitative research due to its ability to provide rich, deepening data as well as addressing the problem through exploration, hence the exploratory nature. Due to the nature of the topic relating to crises management, where human intervention and decision-making are a must, the author thought it is best to address the current industry operators and professionals personally, via online interviews. Such with the aim to explore the deeper context and answer the objectives better.

3.2 Data Collection

The combination of primary and secondary data collection methods serves as solid basis for a good research paper. Firstly, the aim of the primary data collection, in this case, being the interviews, provides a chance to discover something novel while confirming the concepts of others, as well as eliminating personal biases in the process (Driscoll 2011). Secondary research, on the other hand, builds the basis and provides knowledge of a certain field (Driscoll 2011), thus the author used popular databases such as Google Scholar, Emerald, EBSCO and Google search engine for market analysis to build a sufficient base for exploration, primarily in Chapter two. Such an approach allowed for establishing known hypotheses in the field, to be further complemented by primary data collection with the aim of confirming or disprove a certain ideology.

Finally, purposive sampling was used to retain interview participants. The following method was chosen as it is a common way to address qualitative studies with a limited range of resources present at hand (Palinkas et al. 2015). Additionally, purposive sampling, a non-probability method, allows for a specific selection of participants who can best address the research question in the study (Patton 2014).

Prior to conducting interviews, the chosen participants were informed of the author's interest to collect data via emails, which also served as a form of their consent for their responses to be reproduced and analyzed. The e-letter contained the author's background, the aim and the topic of the current research. Such was done to confirm respondent's adequate knowledge in the field, to eliminate the possibility of incorrect communication. Company X specializes in manufacturing high-quality equipment for the construction and engineering industries. Company Y is renowned for its production of various home items, such as electrical appliances, tools, and automobile components. Both of these firms have established a long-standing presence in the European market, since they were originally created there. Both organizations possess significant logistical expertise due to their direct supply chain connections to Asia and other global regions. Further, the second paragraph highlighted their roles as an interviewee and a brief explanation of the fields they are expected to discuss. Finally, the interviews were carried out via video conferencing and the results were recorded to later be presented in the findings.

3.3 Data Analysis

Data can be analyzed via two different approaches: inductive and deductive. Inductive analysis aims to construct a brand-new framework from the data collected. Conversely, deductive analysis aims to analyze existing data with the aim to prove or disprove the existing concepts. Hence, the exploratory nature of this study, and combination of primary and secondary data collection allowed for the use of a deductive approach (Saunders, Lewis and Thornhill 2009). As a result, main concepts from Chapter two and interviews were compared the results of which were further provided in Chapter four, Results and Discussion. The first segment of my questionnaire is a preliminary portion inquiring if any of the firms had encountered a crisis to varying extents. Next, we go into the crisis plan of each of the assessed organizations, uncovering the specific measures they took, the challenges they faced, and the methods they used throughout the crisis. The last segment of the report is on internal

communication inside the organization throughout the process of crisis management. Gaining a comprehensive understanding of the communication processes used by each company during a crisis is crucial.

3.4 Limitations

Several limitations can arise from the chosen methodology:

1. Interviews, by essence, are a subjective way to collect primary data. Thus, one's understanding of the question and interpretation of the results can greatly impact the outcome. Meaning, possible, unintentional manipulation of the textual data can result from conducting an interview (Coelho, Amorim and Almeida 2019).
2. Generalizability of the study was potentially impacted by the non-probability sampling method.
3. Anonymity, though respects the ethical considerations of research and one's right to remain anonymous, potentially impacts the reliability of findings.
4. Small sample size potentially impacts the credibility of collected results (Schnitzer & Stickdorn 2012). Thus, future studies might wish to adopt a larger sample size to improve upon the reliability of the findings.

3.5 Validity and Reliability

To ensure the trustworthiness of the qualitative paper, validity and reliability must be assessed and adhered to. Crane and Matten (2019) define trustworthiness as having the necessary honesty and sincerity for a quality, in-depth research. Whereas accuracy and consistency are respective explanations to validity and reliability (Saunders, Lewis and Thornhill 2019). This paper ensures reliability through consistency of the questions asked to both interviewees. Though personal interpretation of questions and answers might result in varied responses and understandings of the outcome, each participant was given an equal setting for contribution. Hence, improving upon the reliability of the research. Furthermore, obtaining results from industry professionals can be classified as a highly reliable resource due to its direct relation to the nature of the research.

4. Research Results and Discussion

4.1 Summary of Findings

This study examines three crises and analyzes their effects on corporate operations and supply chains. Following each crisis, there were discussions over the manner in which they were addressed and the conclusions that may be inferred. Subsequently, two interviews were undertaken with prominent manufacturing corporations to ascertain the precise impact, if any, of these crises on the organization. Furthermore, the discussion revolved on the specific strategies used by businesses to manage crisis circumstances. It was fascinating to get insight into the inner workings of these firms and discover the presence of operational groups, as well as comprehend their functioning. Regrettably, given the current state of advancements, it is unfeasible to introduce novel elements to crisis management. However, we firmly believed in the significance of effective communication inside and outside the organization, such as with the media or clientele. Within the company, it is crucial to eliminate rumors, gossip, and speculation. Similarly, outside the company, it is vital to uphold the company's image, ensure consistency in statements, and act in a coordinated manner to prevent confusion and conflicts.

4.1.1 Both of the companies have faced the crisis

In the last five years I would say they have been through at least three different Supply Chain Crises. One of the crises that they have been through was related to Covid-19 and related to the Shipping Containers. In addition to it, there is another crisis, which took place in 2021, when the Suez Canal was blocked by the Evergreen ship. In addition, there was the third crisis that happened just recently, last year and that is related to again the Suez Canal and the Red Sea incident, where the terrorism has been growing and we had to find different way of operations related to that region.

4.1.2 General responses to the crises were similar

Both companies had a general response to any crisis related to distribution, regardless, if it's a shipping container or the Red Sea incident. The first step they would do as the organization is to create a task force team. That would be

a team of different colleagues, from different types of operations, contributing to discussion during the crises, identifying the way forward and also establishing communication. Usually, they would be putting together a team of up to ten people, related to the global distribution in our company, but also to the production and to material planning team.

Transport warehousing distribution and customs - that would be step one. Then, that team would be responsible for everything around coordination of the crisis. The second step, which is also extremely important, is to make sure that communication is properly established, that everybody in the company is informed about what is happening, about the way forward and the latest estimations.

4.1.3 Similar issues within the companies were found

The most difficult part for the companies was the communication and how to deal with the uncertainty, communication wise. It was a big challenge because they are organizations of more than 50,000 people, a lot of whom are related to global logistics. They need to make sure that every market organization, every local distribution center is informed and well aware about the situation. This distribution center is adjusting its planning accordingly to its communication with the customer.

The second challenge was the uncertainties that come with every crisis related to the distribution. The great example is the crisis of Suez Canal in 2021. Companies were not really sure whether the Ever Given ship is going to be stuck for three, five days, or two weeks and that was especially different for them in terms of the actions, which they have to do. Thus, these were the biggest challenges: on the one hand uncertainty, that they could not know when the issue would be resolved and on the second hand is communication.

4.1.4 Both companies had a space for improvement

Even though the target implementation of task force is a great idea, both companies have not touched the lessons learned part of the crisis management. They did not communicate with each other after the crisis has already passed. In other words, something to recap of:

- What after the crisis is done (just to have a small discussion all together)
- What has been done well in terms of crisis management and what could

happen to improve, in order to communicate further?

4.1.5 Implementation of Task force

Both companies have used the task force team to establish the information calls and with the local market organizations, at the same time with global teams, so task force could give a small update, but also share the answer to any questions. Employees would also receive regular updates, as an email that would be streamed out from the heads of distribution to the local team leads and then to the local teams.

Task force team really helps, even if you are having only a split one spokesperson for particular crisis, to which everybody could address their issues. Moreover, the companies made sure that departments within the company were having a proactive communication with the task force team. In addition, companies have adjusted the lead time, so the markets could see when exactly their shipment is coming, given the delay caused by one or another crisis. In addition, they have encountered productive communication when the adjusting lead time is implied. Thus, we would start producing certain components of the final product earlier because of the increased time of the delivery.

Last, but not least, especially related to the Red Sea incident, is that they have followed the path of most of the shipping companies and we started to reroute, by not taking the Red Sea route, but I rather going around the Cape of Good Hope around South Africa back to Europe.

4.2 Lessons Learned from Company Responses

In the following sub-chapters, the conclusions from the both interviews are outlined

4.2.1 Crisis impact

Based on our analysis of two interviews, it is evident that even major market actors experience the impact of crises. Although there were options to have multiple suppliers and supply chains, as well as the capacity to use resources during a crisis, both managers I questioned confirmed that they experienced

the consequences of the Red Sea crisis and the Suez Canal crisis.

4.2.2 Task force

Upon completing two interviews, I arrived at the finding that major corporations had task groups, which often accumulate at times of crises. Upon analyzing the interviews, it becomes evident that the fundamental characteristic of these task teams is their composition of individuals from other departments, with diverse skill sets and differing perspectives. By adopting this method, firms may effectively analyze a situation from several angles. Furthermore, the task forces consistently establish a distinct hierarchy in which the management effectively focuses the attention towards investigating and assessing the situation.

4.2.3 Communication is key

The interviews highlight the paramount significance of crisis communication. Efficient internal communication inside the firm facilitates the elimination of rumors and misunderstandings among employees, while also safeguarding the reputation of the organization in the external sphere. Companies need to engage in focused and detailed communication in external interactions with the media aids in dispelling uncertainties and misconceptions during media contact. Effective and refined internal communication inside the organization facilitates a comprehensive understanding of many views during a crisis, hence reducing losses and resolving essential issues. Regrettably, there have been instances where senior executives disregard the suggestions and ideas put forth by employees. However, by conducting informational meetings and sessions, one can gain insights from a different perspective and resolve the issue within the company, maximizing effectiveness and avoiding external involvement.

Within the organization, it is crucial to ensure that all relevant individuals possess a comprehensive understanding of the issue and are aligned in their perspectives. Elaborate on the specific strategies you want to use in combat, identify the potential escape routes, and emphasize the utmost significance of assembling a diverse team with varying viewpoints and actively listening to each member. If it is believed that the crisis can be resolved using the company's own resources, a task force can be formed. This task force should consist of individuals who possess a deep understanding of the specific department and the problem at hand, while also bringing diverse backgrounds

and perspectives. Additionally, a leader who attentively considers the perspectives of all team members, while also providing guidance towards the correct course of action, is very crucial for the task force. If we acknowledge the absence of potential, capability, or inclination to address the issue internally, we might seek assistance from other consulting firms. Not only would they assume responsibility, but they will also provide experienced professionals who can effectively resolve crisis circumstances.

4.3 Discussion

The thesis posed a series of questions that were then responded via the research. By examining both the existing literature and doing an evaluation of the firm, the student was able to arrive at the synthesized with findings and data collection answers, as well as future recommendations.

Modern economy shows the importance of the well managed Supply Chain (Durugbo, Al-Balushi 2022). The circumstances of globalization necessitate the continuous movement of products across nations and continents. In the modern age, countries and continents are interdependent. Great example of it is the heavy dependence of European Union on the Chinese and Russian supply of critical raw materials (CRMs) (Guinea and Sharma 2023). “This dependency leaves the EU exposed to Chinese and Russian policies that may harm Europe’s economic and political interests.” - Beattie 2024. However, the correct strategy for the Supply Chain depends heavily on the target customer (Vakharia, Yenipazari 2009).

“The world's cargo ships, which transport around 90% of global trade, do not always make it to their destination without incident.” – Baraniuk 2022 and “The main transport mode for global trade is ocean shipping: around 90% of traded goods are carried over the waves.” – The Ocean, 2021. These two quotes emphasize the significance of proficient and unambiguous navigation of ships in global commerce. In addition, Maritime is the most energy efficient source of transportation (Peltier-Thiberge and Paurys, 2022). In addition, Maritime is the most energy efficient source of transportation (Peltier-Thiberge and Paurys, 2022), thus we come up to the conclusion that maritime logistics are essential and will not lose their popularity in the closest future.

The majority of accidents and mishaps in marine logistics occur in canals. Most

common types of accidents happening in canals are grounding (21,3%) and collision (44,3%) (Fan, Yang, Wang, Marsland 2024). According to Dzurek and Schofield (2011), Gulf of Aqaba and Gulf of Suez are narrow, thus it is impossible to have a 100 percent confidence in them, and there always will be risk. Taking the route through the Africa's Cape of Good Hope is an option, however it adds up to 6000 nautical miles to the journey, and takes up to 4 weeks (Japer 2024), bringing the financial losses.

The rise of modern technologies could shift the way society function (Kavanagh 2019). In the modern era of technological risk, companies are often vulnerable to "low probability high impact events" (Lagadec 1987). Crises are an inevitable occurrence due to the need to consider the human element and the potential for unforeseen mistakes, unpredictable weather conditions (one of the factors that have influenced the Suez Canal blockage was the weather (Zhangchi 2024)), or geopolitical conflicts to arise suddenly and go unreported. Somalia is one of the world's most fragile states (Vertin 2019), and located right to the Red Sea, it is impossible to predict the geopolitical situation.

It is important to consider global pandemics that impact both our purchasing patterns and the global economy in its entirety. In 2020, port of Los-Angeles was experiencing the historic import increase due to unexpected rise of demands by Americans. (Hand 2021). Moreover, pandemics could bring inability to the world market, for example China lockdowns, which have heavily affected global tech (Hille, Riordan, McMorro and Johnson 2022).

This research used a combination of open source data collecting and interviews. It has been shown that contemporary firms have a substantial weight and obligation. Crisis management has emerged as a fundamental element of corporate management for all companies. Crisis management is a process of dealing with the unexpected situation that could potentially risk company's reputation and growth (Norton 2022). There will perpetually exist diverse problems, nevertheless it is within the authority of the company's management to foresee and act proficiently in the face of such crises. "Strong leaders get ahead of changing circumstances." – Nichols and Hayden 2020.

It has been discovered that communication is a key element in crisis management. Crisis communication plays an essential role in crisis management (Liu-Lasters 2022). Multiple perspectives, which are natural

during the crisis communication, play an important role in navigating during the crisis situations (Sellnow and Seeger 2010). However, communication Processes could both reduce and increase the crisis effect and impact (Sellnow, Sellnow, Ulmer 2003). In order to efficiently communicate during crises, both instructional messages and dialog should be integrated in the risk and crisis communication (Sellnow and Sellnow 2010). The integration of the dialog will support the sharing of the ideas and brainstorming, while the instructional messages are essential to give clear instructions and directions (Sellnow and Sellnow 2010). Effective Risk Communication considers the audience information needs and perceptions; it helps to craft clear and accurate messages, while utilizing the correct communication channels (Walaski 2011), it is not only about the management of negative events, but also taking them as an opportunity for the companies improvement (Ulmer, Sellnow, Seeger 2009).

RQ1: Which strategies do companies adopt for efficient crisis management?

Through literature study and interviews, it was discovered that firms use a diverse range of strategies to efficiently manage crises. An example of this is a task force. Task forces are effective in identifying a specific crisis scenario from several viewpoints. The information was acquired via the interview, which enabled a comprehensive understanding of the crisis approach used by a prominent participant in the construction equipment manufacturing sector. The example could be Preemptive Planning and Organizational resilience are key to proactive crisis management (Mitroff and Anagnos 2000). Preemptive Planning includes the beforehand preparation to the crisis, while Organizational resilience outlines the ability of company to recover and adapt during crisis (Mitroff and Anagnos 2000).

Furthermore, it is essential to include comprehensive preparation for handling crisis circumstances, including educating personnel in effective communication and behavioral competencies, as well as using cutting-edge technology and monitoring systems to identify social indicators of a crisis. In order to provide an example, it is necessary to revisit the interview mentioned in this thesis. The interview explicitly stated that there was a clear flow of information from the top management to the lower-level employees. This information was disseminated within the team through email or personal conversations, which proved to be an effective method of educating personnel by utilizing advanced technologies

for communication. Nowadays, it is much simpler to organize larger meetings with senior executives, where a specific proposal or problem may be presented. Additionally, every individual employee has the opportunity to contribute or participate in this meeting remotely, regardless of their location in the globe. The very existence of this potential enables multinational corporations to convene meetings, even when their personnel are dispersed across various regions of the globe. This facilitates improved communication and enhances the flow of information inside the organization.

RQ2: What are the primary methods in addressing the crisis consequences, and the extent of their success?

Through a comprehensive analysis of the literature and in-depth interviews, it has been determined that the most effective approach to addressing the issues stemming from the crisis is to establish open and transparent communication. It provides expedited and concise information to employees, aids in rebuilding trust with impacted individuals, and contributes to the restoration of the company's reputation among its consumers. It is important to note that each crisis has the potential to create new opportunities and possibilities. The key is to be able to recognize and identify them. Pearson and Clair (1998) propose the idea to crisis management, in which the crisis should be seen as a creation of new opportunities.

Expanding on the success rates, modern companies that deviate further from the norm tend to have higher success rates in terms of crisis management, communication, and overall flexibility. This flexibility is particularly beneficial for implementing new crisis strategies. By considering the input of every individual employed in the firm and actively listening to their perspectives, we increase the likelihood of obtaining a more comprehensive perspective on a given issue. This, in turn, facilitates the development of a more impartial judgment about the appropriate course of action.

RQ3: What are the practical recommendations to industry operators to enhance their ability to withstand crises in the global commerce sector?

An essential suggestion for effectively addressing a crisis is to establish unambiguous company objectives. After creating the Business objectives, it is essential to outline the potential consequences. The company's management

should consistently update and evaluate the crisis plan, provide training to its workforce, and collaborate with specialized groups in crisis management.

RQ4: What barriers prevent the implementation of management strategies in response to the Suez Canal, Red Sea, and Container crises?

The execution of the Crisis Strategy faces several hurdles and impediments. Specifically, in the described crisis scenarios, we may identify constraints such as restricted carrier mobility, resource scarcity, and challenges in the geopolitical context. The political and economic difficulties have a significant impact on the situation. The corporations were caught off guard by the crisis and were not prepared. Nevertheless, it is essential to provide an example of one of the organizations that were questioned, since they consistently watch global events and promptly adapt their production practices accordingly.

Furthermore, the repercussions of this crisis include a rise in the cost of transportation, which encompasses increased fuel consumption, higher wages for employees, and conflicts. Additionally, there is a need to address the scarcity of essential components required for the production of certain goods. Moreover, it is necessary to acknowledge the heightened level of competition in the market, particularly for smaller enterprises that face the challenge of competing against larger rivals who have greater financial resources for efficient delivery. Last, but not least, it is important to consider the existing imbalance between Asia and the West.

5. Conclusion

5.1 Contributions to the Field

With the blend of literature and two-interview process, the paper was able to provide insights into the present condition of crisis management in firms. Regrettably, the identities of the firms of the interviewed individuals were not disclosed due to the preferences of the participants. However, it was of utmost significance to ascertain the precise impact of crises on their production behavior and the strategies they use to mitigate them. These interviews may serve as valuable resources in the future for comprehending the present state of crisis management.

5.2 Recommendations for Future Research

Competent communication is clearly essential for effective crisis management. A further investigation on the subject should be undertaken within a timeframe of about 2 to 3 years. According to the Contingency Theory of crisis management, there is no universally optimal approach to managing a corporation. Instead, choices should be based on a careful evaluation of the specific circumstances. In the present day, we are experiencing a period of great instability, when crises have the ability to not only impact the economy of a nation or a whole continent, but also undergo continual transformation, so favoring only those market participants who are adaptable and quick to respond. The first action to be performed during a crisis is for the management to convene a meeting in order to assess the situation and determine whether it is imperative to assemble a dedicated task force. Based on the aforementioned points, it can be concluded that effective communication, particularly among senior executives, is crucial for successful crisis management, particularly during the first stages of a crisis. This credential primarily addressed various crises and emphasized the need of effective communication inside the firm. However, it is evident that significant improvements in communication are now unattainable.

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Appendices

Appendix 1: Generalized cover letter

Dear Mr. /Ms. XY,

I am Artemy Logvinov, a student at Metropolia UAS in Helsinki. I have obtained your contact details from Mr. /Ms. XY.

At now, I am engaged in the completion of my Bachelor's Thesis, which entails the examination of Crisis Management techniques, specifically focusing on the Container Crisis caused by Covid-19, the Red Sea crisis, and the Suez Canal crisis of 2021. My study aims to showcase a production business that consistently employs innovative crisis management tactics. XY is an excellent example because of its extensive supplier chain and significant influence in the whole industrial business.

I would want to inquire about the possibility of doing a brief interview with you on the crisis circumstances you have encountered. I am interested in understanding how you have effectively managed these events, the communication tactics you have used, and your perspective on potential areas for development. I kindly request your time for an interview, as it would greatly facilitate the advancement of my study on the matter.

Thank you beforehand for allocating your time and deliberation.

Sincerely

Artemy Logvinov

Appendix 2

Information about interviewees

The thesis used primary research methods, namely two interviews with two European enterprises functioning in the industrial sector.

Two interviews were done with Interviewee 1 and Interviewee 2, both of whom are workers of a corporation, and they desired to remain anonymous. Both interviews were performed via video conferencing. The interview with Interviewee 1 occurred on March 21, 2024. (Interviewee 1 of company x, 2024) is used to denote all direct and indirect quotes from the interview. The interview with Interviewee 2 occurred on April 15, 2024. All direct and indirect quotes from the interview with Interviewee 2 are indicated by the attribution (Interviewee 2 of company y, 2024).

Generalized Interview document

Dear Mr. /Ms. XY, in the following, I summarized the main topics and aspects, I want to discuss with you in the interview.

Interview topics:

- 1. Was there any specific problem your company was dealing with and what type did it belong to? Which of the operations were affected by the crisis?
- 2. Out of all the organization's efforts during the crisis, what exactly were the main steps taken to deal with it?
- 3. How have your organization used those questions to come up with an answer to what the issue was and how far the problem could spread in a company?
- 4. What was among the most challenging tasks of your company in the course of the crisis management process?

- 5. Have your strategies embraced these changes?
- 6. How has your company managed to talk to everyone during the emergency, like the employees, the clients, the supplies, and everyone else?
- 7. What did you do to achieve the crisis management technique that you had specifically crafted? What are, in your opinion, the major factors contributing to that success?
- 8. What were some key points presented that escalated from the staying and the battle through the hardness?
- 9. Now, upon reflection, would you have deviated from your business or would you have adhered to the same management lens for handling the crisis differently, based on the approach that your business took?
- 10. How much was the trading partners' arrangement within the organizational relationships due to the breach of contract from within their corporate allies or ecosystem partners?
- 11. Has the institution that you are a part of interconnected with the state corporations, industrial unions, and other stakeholders during the crisis, and taking into account that?
- 13. Can you tell us about how this event ended up helping your organization in the long run or had a bigger impact on the way operations are handled?
- 14. What are the proven techniques and recommendations that you can suggest to the other firms, to treat and react to this crisis the same way you did in the future?
- 15. What did your company learn from its role in crisis management in world trade?

