

Decision making

[Business, Management](#)



MGMT530 – Labadee Decision Week 5 Case Analysis Template The objectives for the assignment were to define the uncertainties using a risk profile and make the recommendation for a decision for the Labadee Case.

Students will have a wide variety of responses based on the limited information provided in the case.

Uncertainty 1: Will cruise passengers be interested in relaxing on a beach when hundreds of thousands are homeless and hungry just 80 miles away? Could this impact new reservations or cause people to cancel?

Uncertainty 2: Because the community near the beach depends financially on the cruise line for income, would suspending the stop in Haiti make the country worse off?

Uncertainty 3: How would the media respond? Would they get bad press for continuing to stop in Haiti and be perceived as profiting in the midst of this tragedy or will the public perception be worse if they suspend sailing to Haiti during this crisis?

Risk Profile

Uncertainty 1: List

Outcome:

Chance

Consequences:

Passengers are Interested

60%

Royal Caribbean International would continue operations unaffected

Passengers are not Interested

40%

Royal Caribbean International would lose reservations, thus affecting profit

Impact Reservations

30%

Royal Caribbean International would lose reservations, thus affecting profit

Not Impact Reservations

70%

Royal Caribbean International would continue operations unaffected

Uncertainty 2: List

Outcome:

Chance

Consequences:

Suspend the Stop

25%

The economy of the beach community of Labadee would suffer

Continue the Stop

75%

The economy of the beach community of Labadee would continue to grow

Uncertainty 3: List

Outcome:

Chance

Consequences:

Positive Media Response

35%

The company would be appreciated for continuing to go to Labadee despite the earthquake

Negative Media Response

65%

The reputation of the company could be affected for not stopping at Labadee

Decision Recommendation

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Alternative Recommended

Summary Rationale

Continue to stop at Labadee

Although there are several reasons not to stop at Labadee, I believe that the best decision to make is to continue to stop there. The passengers would likely not care about the trouble 80 miles away. This is also unlikely to impact reservations, so the company would continue to make a profit. Also, by continuing to make the stop, the local economy of Labadee can continue to grow. Small communities like Labadee rely on cruise ships stopping in order to create a small tourist market. Finally, the media would look favorably on the decision to continue making the stop at Labadee.