



MODULE NAME : Problem Solving and Decision Making
MODULE CODE : LCLM4004 – London
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ASSIGNMENT 1 : Business Analysis of Basil's Bakery
DATE : 14.07.2026

OVERVIEW

Introduction



Company Background



Problem : Nature and Scope



PESTLE Analysis : Basil's Bakery



Cause and Effect analysis : Fishbone Diagram



Conclusion



References



Introduction : Business Analysis



(Kotler and Keller,2016)

This presentation analyses the challenges currently facing Basil's Bakery, a small bakery located in Coventry, United Kingdom.

The presentation will:

Examine the causes behind the bakery's declining sales

Analyses the problem using the 5W2H model

Apply a PESTEL analysis to understand external and internal factors

Use a Fishbone Diagram to identify root causes

Conclude with key finding and recommendations

Basil's Bakery experienced growth in 2015. Sales remained around 25% below 2019 levels between 2023-2025.

Bakery faced a reduced flow of customers, increasing costs and operational limitations.

Problem : Nature and Scope

Internal issues

- ❖ No delivery services provided
- ❖ Long waiting time
- ❖ Limited staffing capacity
- ❖ Rising costs

External issues

- ❖ Closures of nearby stores
- ❖ Reduced retail park visitors
- ❖ Economic uncertainty
- ❖ Remote working trend

Impact

- ❖ Reduced competitiveness
- ❖ Customer dissatisfaction
- ❖ Lower revenue

(Porter,1985)

(Kotler and Armstrong,2021)



Basil's Bakery Background



- ❖ Independent artisan bakery established in 2015 .
- ❖ Located in a retail park in Coventry, United Kingdom.
- ❖ Known for high-quality organic breads, cakes and pastries.
- ❖ Owner: Basil
- ❖ Sales remain 25% below pre-pandemic levels .
- ❖ Facing rising costs and changing customer behavior

PESTLE ANALYSIS



POLITICAL:

- Business rates
- Small business regulations



ECONOMIC:

- Inflation
- Rising organic ingredient costs
- Reduced consumer spending



SOCIAL :

- Work from home culture
- Preference for easy access services



TECHNOLOGICAL:

- Lack of online ordering
- Competitors using delivery apps



ENVIRONMENTAL :

- Crop failure
- Sustainability pressures



LEGAL:

- Food safety laws
- Employment regulations



(Johnson et al.,2020)

(Grant,2022)

Basil's Bakery Fishbone Diagram

Cause :

MONEY

- Higher rent
- Increased utilities
- Rising insurance and business running costs

MATERIALS

- High cost of organic ingredients
- Unsure supplier
- Crop failures increasing ingredients prices

CUSTOMERS

- Fewer retail visitors
- Remote working
- Changing customer needs and trends

**DECLINING
SALES AND
BUSINESS
VIABILITY**

Effect :

- Shops closure nearby
- Changes in customer behavior
- Reduced economic activity

ENVIRONMENT

- Limited staff availability
- Owner dependent on daily operations
- Limited capacity to respond

PEOPLE

- No delivery services
- Inefficient pre-order system
- Long waiting times

PROCCESS

(Ishikawa, 1985)

5W2H ANALYSIS

ELEMENT



WHAT?



WHY?



WHERE? WHEN?



WHO?



HOW?

ANALYSIS

- ❖ Declining sales and reduced profitability
- ❖ Reduced customer visits , inflation and increased competition
- ❖ Basil's Bakery, Coventry Retail Park
- ❖ Since the post pandemic period(2020 onwards)
- ❖ Owner, employees and customers
- ❖ Lower store visits ,limited online services and higher operating costs

(Slack and Brandon-Jones,2022)

STRATEGIC RECOMMENDATIONS

- ❖ Establish partnerships with food delivery platforms such as: Deliveroo, Uber, Eats to increase market reach.
- ❖ Online ordering system: Websites, mobile pre-ordering
- ❖ Strengthen digital marketing through social media campaign and customer loyalty promotions
- ❖ Staffing Improvements : Peak - time support staff
- ❖ Product Diversification : Corporate catering, subscriptions bakery boxes



KEY FINDINGS AND CONCLUSION

Key findings :

- ❖ Sales remain approximately 25% below pre-pandemic levels
- ❖ Customer behavior changed permanent
- ❖ Lack of digital adaption reduced competitiveness
- ❖ Rising costs threaten profitability

Conclusion:

- ❖ Basil's Bakery faces challenges from changing customer behavior and rising costs.
- ❖ The business still have a strong reputation and remain financially viable.
- ❖ By introducing delivery services, digital marketing and improving staff can help attract more customers.
- ❖ By adopting to current market trends, Basil's Bakery can increase sales and achieve long-term growth.



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Thank you !

Questions !?