

Module: Problem Solving and Decision Making

Student Name: Festus Ssebunya

Student ID: 2442547

Module Code: LCLM4004

Assignment: Component 2 Individual Report

Lecturer: Richard Ashaye

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Introduction

Based on Green Haven Florists case study, this report will identify and analyse the business problem, provide two alternative solutions to the problem, evaluate them using PMI analysis tool. Additionally, discuss an action plan to implement, monitor and measure the effectiveness of the implemented solution.

Business problem is any obstacle to business operations that can cause variance in the expected outcome. Raisinghani (2025). Such issues can make it difficult for a company to achieve its objectives, for example, reach sales target for a certain period or for operations to run smoothly.

Brief explanation of the specific business problem.

Green Haven Florists is a small independent flower business that was founded in 2016 by two business partners, Liam and Priya Patel.

It gained strong community ties and reputation because of its personalised floral arrangements, eco-friendly packaged products and catering for a wide range of customers, from foot traffic to corporate and weddings.

However, in the last 12 months the business has experienced a major drop in both foot traffic and revenue, whereby in-store sales have decreased by 30% despite slight increase in online orders.

This challenge has been worsened by the following factors:

Rising operational costs as well as inflation that prevent Liam and Priya from being competitive with their business rivals in product pricing terms.

Arrival of new digitally innovative competitors that offer door delivery services to customers at competitive prices.

Limited digital skills of business owners, Liam and Priya Patel and their over-reliance on word of mouth have led to non-expanding business opportunities. For example, current business website is out-dated and difficult to navigate. According to Huff, Edmond and Gillete, (2015), poor website design and navigation is one of the main elements that annoy and cause customers to leave.

In addition, change in customer shopping trends where they prefer discounts, speedy and flexible door delivery services has negatively affected daily business operation.

Suggested two alternative solutions.

Solution A

Based on the information provided in Green Haven Florists case study, there is evidence that the business is still behind in terms of digitalisation, hence a declining current customer base and struggle to gain new ones.

Therefore, to overcome this obstacle, Liam and Priya Patel may have to find new solutions, one of them is business digitalisation.

As shown in (Appendix 1. Solution A), by implementation of business digitalising, there are associated disadvantages, especially costs, but doing so has a great possibility to not only modernise, create new image for the business, but also potentially help to gain new customer base, hence increased revenue and profitability.

In current retail environment, an effective business digital presence is very important. Therefore, to be able to survive and compete with other business rivals, reduction of costs must also be addressed which digitalisation may help occur by increasing operational efficiency.

An updated online presence may lead to short-term rise in costs but may also have long-term benefits if the right strategies are implemented, for example, introduction of customer door product delivery services.

Solution B

Also as shown in (Appendix 2. Solution B.), hiring of an Information Technology (IT) expert in a small business like Green Haven Florists, comes with some advantages such as the following ones:

Firstly, such an expert comes with huge amount of knowledge and skills which can be relied on to help create new image and reputation for the business. However, IT specialists are usually hired on a temporally basis, especially for small businesses like Green Haven Florists due to high costs.

Given that the expert is hired on a short-term basis, unlike other business workers, his/her contract can easily be terminated without legal consequence if change of business strategy is needed. Although a new replacement may be required.

In addition, change in operational strategies may lead to increased business productivity, hence growth in revenue. However, change-associated business disruptions may occur and rise costs in a short term.

Increased online business presence is associated with rise in cyber-attacks, and this may sometimes drive away some customers. However, hiring of a specialist my help overcome such issue and increase customer trust in the business.

Justification of Selected solution

In terms of preference, solution B (Appendix 2) would be a better option than solution A (Appendix 1) as evident based on PMI analysis in both Appendices, whereby advantages in one Appendix outweigh those in the other. Although both solutions, A and B are closely connected given that the main objective in both is to increase business online footprint and reduce costs.

Also, it may be correctly urged that what is suggested in solution A could not be achieved without hiring an IT expert, which is a solution B suggestion.

The weightings attributed signifies how vital each element is, either negatively or positively in relation to achieving a desired business objective.

Risk analysis of the selected solution.

What might go wrong with the chose solution?

By carrying out a risk analysis shown in (Appendix 3), helps Liam and Priya Patel to understand the potential risks associated with hiring an IT specialist. Also, it shows how impactful those potential risks would be to the business and helps to develop appropriate mitigation strategies to protect it.

The criteria used in (Appendix 3) is arguably helpful because, it is structured enough and most importantly it quantifies the severity of each potential risk and what steps may be taken to avoid it or mitigate it's impact if it occurred in the first place.

Plan to Implement the selected solution.

As explained in (Appendix 4), the selected structured plan details the following, as suggested by, (Koontz and O'Donnell, 1955):

What to do, how to achieve it, when to do it and whose responsibility to carry out each task.

Given the identified business problem and suggested solution, the plan has both business and marketing element in it. Both designed to increase brand awareness, especially online and expand customer base, hence increasing business revenue.

The order of scheduling in is designed in a way that, those easy to achieve tasks are worked on first, for example, opening of business social media platforms does not require much technical skills and resources.

From then, the plan reveals slightly long-term actions whereby once a secure and updated online presence has been established, flexible product delivery service may start to compete with other business rivals.

The task of delivering products to customer doors is initially assigned to current managers while using a car or van because of the need to minimise costs. In the process of this initiative, should it be successful, the delivery service may later be done by a newly recruited member of staff or outsourced to larger delivery companies.

Means of measuring Effectiveness of implementation of selected solution.

The Key Performance Indicators (KPIs) proposed as illustrated in (Appendix 5) are based on goals set to be achieved in the selected solution implementation plan. Whereby the main aim in the implementation plan was to find new customer base, lower costs, grow revenue, hence profit. Therefore, those KPIs are chosen with aim to generate enough data to be analysed and help Liam and Priya Patel to know how well or bad their business is performing by comparing their set targets against the actual data and make better informed business decisions.

Conclusion and key findings.

In the process of analysing Green Haven Florists, a small independent business, it is quickly evident that the business is facing a major business problem that prevents it from retaining and expanding its customer base, hence declining revenue and profit. And that obstacle is the failure of its business partners, Liam and Priya Patel to technologically adapt to changes in a dynamic retail environment.

Therefore, having recognised and identified the business problem, a potential solution is suggested with both business and marketing strategy in it. That is, to change the business image, increase brand awareness and customer base as well as boost customer satisfaction, hence generate more revenue and profit.

Among the key findings are as follows:

Firstly, Liam and Priya Patel are naturally talented individuals as evident from being skilfully with flower arrangements but clearly lack digital skills which are critically required to modernise the business and make it profitable.

Secondly, the retail business environment in which partners are operating in a very challenging and dynamic environment. However, there is plenty of business opportunities should the partners be willing to meet those business challenges.

As already identified in the suggested solution to the business problem, there is critical need to recruit an IT expert, someone that can digitally refresh the business and perhaps suggest new business strategies.

Despite all the business challenges, there is a strong possibility of Green Haven Florists growing as business, but only if its business partners are willing to keep innovating and adapt to technological dynamics and changing customer shopping trends.

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Appendix 1: Table

Solution A

Business digitalisation: Plus, Minus, Interesting (PMI) analysis.

Virtual Library (n.d.)

Plus	Minus	Implication (Interesting)
New digital skills acquired (+3)	Training required (-2)	Being able to keep up with new digital market trends (+4)
Website redesigned and updated (+4)	Time and cost (-4)	Increase in customer shopping experience and satisfaction (+5)
Increased Social media exposure (+4)	Additional staff training may be required (-2)	Potential to gain new customers (+4)
Increased operational efficiency (+5)	Incur of cost and staff recruitment maybe required (-4)	Reduction in overall cost hence profitability (+4)
Total: +16	Total: -12	Total: +17

Appendix 2: Table

Solution B

Hire of Information Technology (IT) Expert: (PMI) analysis.

Plus	Minus	Implication (Interesting)
New digital ideas (+5)	May strain business budget (-3)	Creation of new business image and reputation (+5)
Change in operational strategy (+4)	Timeframe and change- related business disruptions may drive up cost in short term (-4)	Increase in business productivity (+4)
Increased online business security (+4)	Drive up cost for cyber security maintenance (-3)	Increase in customer trust (+5)
Contract easy to terminate (flexibility) (+4)	Replacement may be needed (-1)	Can easily adapt new strategy (+3)
Total: +17	Total: -11	Total: +17

Appendix 3: Table

Risk analysis of solution B (Appendix 2) Hiring of an IT expert.

	What could cause the risk?	Probability of the risk occurring. (1 – 5)	Impact of the risk (1 – 5)	Risk Factor (Likelihood impact)	Step taken to reduce this risk from happening.	If it happens – what can be done to minimise the impact?
1	Need for upfront funding (cost).	2	5	4	By carefully planning well in advance.	Draw up a budget and stick to it.
2	Business culture mismatch that may hinder collaboration within a team.	3	4	3	Recruit an IT specialist with experience of working in small sized businesses.	Hire someone else on a short-term basis.
3	Replacement costs.	2	4	3	Hire a specialist on short-term basis.	Carefully hire a replacement that fits with business objectives.
4	Project delays.	2	4	5	Hire an IT specialist with technological drive initiatives for small business.	Try to find out why delays occurred in the first place and if possible, monitor the situation.

Appendix 4. Table.

Plan to Implement the selected solution.

Implementation Plan.

Action	Description	Timeframe	Responsibility
Hire an IT expert and outsource IT support.	Through IT consultant recruitment agency.	30/12/25 - 30/1/26	Liam and Priya Patel (Managers).
Increase business social media platform presence.	Open business social media accounts. Advertise flexible product door delivery services.	30/12/25 - 10/1/26	IT expert.
Update business website.	Use new host. Increase cyber security and maintenance. Offer flexible product door delivery service.	1/2/26 - 1/4/26	IT expert.
Improve Search Engine Optimisation (SEO) rankings and traffic.	By refreshing existing content. Improve user's experience. Target low-competition key words. (semrush.com)	1/2/26 – 30/6/26	IT expert.
Trial product door delivery service.	By using current business logistic resources, (Car or Van).	20/2/25 – 30/8/25	Managers.

Appendix 5. Table.

Means of measuring effectiveness of implementation of selected solution.

Key Performance Indicator (KPI)

KPI measure	Target	Actual value	Frequency	Progress
Revenue.	£25,000.00	£29,000.00	Monthly	100%
Customer growth.	20%	30%	Monthly	100%
Customer satisfaction Index.	80%	75%	Monthly	94%
Website traffic.	200,000	250,000	Monthly	100%
Conversion Rate	35%	30%	Monthly	85.7%
Social media reach.	1,000,000	1,200,000	Monthly	100%
Foot Traffic.	4,000	3,500	Monthly	87.5%