

**Module Name: Problem Solving and Decision
Making**

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Assignment 2: Individual Report

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1. Introduction

Problem-solving and decision-making skills in business involve a connected process for identifying issues, analysing root causes, and making key steps of selecting the best solutions from implementing them to achieve goals. The purpose of the report is to address the business challenges faced by Green Haven Florists and provide key solutions to overcome the challenges successfully. According to Joel *et al.* (2024), online business development is a significant and growing trend driven by the broader digital transformation of industries. It creates significant pressure on Green Haven Florists to adapt the digital business model in order to survive in a rapidly changing retail environment.

2. Explanation of the business problem

According to the given case study, it can be analysed that Green Haven Florists has seen a 30% decline in in-store sales in the last 12 months. It is directly attributed to the rise of local online competitors. This shift indicates a critical need for Green Haven Florists to adapt its strategy to the digital marketplace. According to Prabha and Natarajan (2025), competitive pricing and enhanced delivery options drive the shift in consumer preferences towards online retailers. The lack of its own e-commerce platform creates a significant threat for Green Haven Florists in managing the local online visibility and providing unique shopping experiences or services to consumers.

Green Haven Florists also face significant issues from rising costs for both imported flowers and sustainable materials. It increases financial pressure on the company, which is compounded by an outdated website, a lack of digital marketing, and limited delivery options, causing consumer dissatisfaction and hindering business growth. Rounaghi *et al.* (2021) also stated that increased competition might decrease market share, lower profits, and create pressure on organisations to cut costs. In this context, two new competitors of Green Haven Florists, a trendy boutique Florist and a national chain, intensified the need for modernisation and differentiation to remain competitive in the local market areas.

3. Two alternative solutions to the problem and their evaluation

3.1 Alternative Solutions

Solution 1: Integrating a delivery optimised e-commerce website by collaborating with local and sustainable value propositions

Green Haven Florists needs to integrate a delivery-optimised e-commerce website by collaborating with local and sustainable suppliers and local farmers, decreasing costs, enhancing brand image, and increasing consumer loyalty. This approach directly aligns business efficiency with increased consumer demand for eco-friendly practices.

Solution 2: Strategic partnership with the local suppliers through a vertical integration model

This solution can offer significant benefits to Green Haven Florists, such as enhancing supply chain control, cost reduction, and improved profitability. An organisation gains ownership and increased control over its supply chain operation through adopting a vertical integration model. Green Haven Florists may purchase a local supplier, a former partnership, to make raw materials. It can help in decreasing costs, enhancing quality control and ensuring a stable supply.

3.2 Evaluation

PMI tool

The utilisation of PMI can be a significant choice for Green Haven Florists to weigh the pros, cons, and implications of a decision. According to Sharma and Priyamvada (2023), PMI (plus, minus, interesting) refers to a decision-making tool that helps businesses to address a particular issue by enabling a balanced view of all aspects, encouraging comprehensive analysis and informed decision-making.

Criteria	Solution 1	Solution 2
Plus	• Lower initiation investments and increasing product delivery • Product diversification through many suppliers • Flexibility to switch suppliers while issues arise • Strong appeal to eco-conscious consumers	• Increased supply chain control and efficiency • Strengthened community relations
Minus	• High dependency on third-party logistics and less control over supplier quality and consistency • Challenging to manage the sustainability	• Significant capital investment and risks • Potential culture integration challenges

	claims of many suppliers	
Interesting	• Quickly analyse market demands for particular products • Potential for AI-powered delivery optimisation models • E-commerce logistics management supports the business to control the flow of products from a seller to an online buyer (Gomes <i>et al.</i> 2023). Green Haven Florists can implement e-commerce logistics to ensure fast and cost-effective fulfilment for consumer satisfaction.	• The solution 2 adoption can increase the opportunity for Green Haven Florists to manage local economy resilience and unique operational synergies beyond typical market dynamics.

Grid Analysis

Criteria	Weight (1-10)	Solution 1 Score (1-10)	Solution 1 Weighted Score	Solution 2 Score (1-10)	Solution 2 Weighted Score
Initial Investment	9	8	72	3	27
Quality Control	8	5	40	9	72
Operational Complications	7	7	49	4	28
Market Competitiveness	6	5	30	7	42
Potential for Long- term Profit	8	6	48	9	72
Speed to Market	7	8	56	4	28
<i>Total Score</i>			<i>295</i>		<i>269</i>

From the above grid analysis, it is evident that Solution 1 has a higher weighted score owing to its lesser initial investment and quicker speed to market; the factors are crucial to address the identified problem of Green Haven Florists.

4. Most appropriate solution between two alternative solutions

According to the above-identified two solutions, Solution 1 is most suitable for Green Haven Florists to address the business challenges and mitigate them by connecting with the targeted consumers. According to Grid Analysis, Solution 1 has a higher weighted score compared to Solution 2, which is more suitable for the company to reduce the challenges. Additionally, the PMI tool also shows that the company will face with fewer challenges to integrate solution one compared to solution two in reaching a targeted audience base.

Solution 1 can enhance the brand's reputation and consumers' loyalty, along with managing operational efficiency and product quality and freshness. According to Zoupanou and Banerjee (2025), prioritisation of local and sustainable sourcing supports organisations to appeal to eco-conscious consumers who value environmental responsibility and community support. It can differentiate Green Haven Florists from large competitors, which foster strong brand loyalty and attracts a niche market segment by justifying premium pricing. Additionally, Zoupanou and Banerjee (2025) stated that collaboration with local suppliers significantly enhances the ability of companies to decrease the time and distance between harvest and delivery. It can enable Green Haven Florists to manage fresh, high-quality products for consumers, along with minimising transportation costs, supply chain complexities, and risk of product spoilage, leading to increased efficiency and profitability.

5. Risk analysis of the chosen solution

<i>Risks</i>	<i>Likelihood</i>	<i>Severity</i>	<i>Impact</i>	<i>Mitigation strategies</i>
Supply chain or operational risks	5	4	20	Standardising quality control protocols along with collaborating with a diversified supplier base, leading to strong supplier relations
Logistic or delivery issues	5	4	20	Investing in local cloud storage and efficient logistic networks, optimising delivery routes and using local pickup points
Financial challenges	4	3	12	Strategic partnership for better pricing stability and operational efficiency developments, potential for premium pricing for sustainable products
Reputational and trust issues	4	3	12	Ensuring supply chain transparency and using clear data protection measures
Technical	5	3	15	Conducting training programs and offering

issues				technical support to employees and farmers, which helps in ensuring robust e-commerce platforms
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6. Decision implementation plan

Phase 1: Initiation and Onboarding (Months 1-2)

Focus	Key Actions	Resource Allocation	Budget
Supplier collaboration, risk mitigation, and technical foundation	- On-board local/diverse suppliers - Develop clear communication protocols. - Choose and invest in a reliable, secure, and credible e-commerce platform. Initiate real-time data sharing capabilities	Person nel: - Manager - IT Specialist Equipment: - Enterprise E-commerce Platform Software - Secure Data Servers	15,000

Phase 2: Operational Optimisation (Months 3-4)

Focus	Key Actions	Resource Allocation	Budget
Logistics and reputation development	• Optimise delivery routes and • Shift to eco-friendly packaging. • Launch FAQ page and incorporate transparent sourcing information on the website	Personnel: • Manager • Marketing Team • Packaging Specialist Equipment: • Route Optimisation Software • Packaging Machinery • Eco-friendly Packaging Materials	10,000

Phase 3: Marketing and Scaling(Month 5-6)

Focus	Key Actions	Resource Allocation	Budget
Market presence and consumer engagement through creating awareness	• Promote seasonal products • Engage with consumers to educate them on sustainability commitment via marketing campaigns	Person nel: • Marketing Team • Content Creator Equipment: • Digital Marketing Software Tools	5,000

Phase 4: Continuous Monitoring & Feedback(Month 7 Onwards)

Focus	Key Actions	Resource Allocation	Budget
Performance tracking, risk evaluation, and iterative improvement	• Track KPIs to monitor operational efficiency, customer feedback, and understand the effectiveness of the implemented solution	Person nel: • Management Team • Data Analyst Equipment: • Business Intelligence (BI) Dashboard Software • Survey Tools like Google Forms	5,000

7. Discussion of the effectiveness of the implementation of the chosen solution

KPIs	How to measure the effectiveness of Solution 1
CAA (Customer Acquisition Cost)	Green Haven Florists need to use the CAA matrix for tracking the total marketing and integration expenses required to acquire a new consumer through the new platform. According to Astorga <i>et al.</i> (2024), CAA offers business essential insights into the effectiveness of its sales and marketing strategies, potential for long-term growth and overall profitability. In addition, a low CAA highlights the efficient consumer capture through a new sustainability-focused platform.
CRR (Customer Retention Rate)	CRR can help the company to measure the percentage of returning consumers, indicating the success of the product and service quality. In this context, a high CRR demonstrates that consumers value the sustainable and locally sourced products and the optimised delivery services, which highlights a strong solution effectiveness.
Supplier churn rate or satisfaction score	Supplier churn rate can help in measuring the rate of suppliers leaving the program or collecting the satisfaction

	score of them. Low churn or high satisfaction scores can confirm the company's operational effectiveness and the mutual benefits of the new supply chain model. It can ensure a reliable foundation for the business in future.
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8. Conclusion

In conclusion, it can be stated that problem-solving skills with strong decision-making may help organisations to define problems clearly, collect relevant data, make decisions, and review outcomes to optimise business solutions. Green Haven Florists face the sales decline issues and high sourcing costs, which negatively affect the overall business and manage a strong reputation over the competitors. Hence, the use of its own e-commerce platforms in collaboration with local farmers and suppliers can be a significant solution for Green Haven Florists in order to address and mitigate the challenges successfully.

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