

Module Title: Problem Solving and Decision Making

Module Code: LCLM 4004

Assessment: Component 2 Report – Basil's Bakery

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Task 1: Overview of Case-study

Basil's Bakery is a small artisan bakery based in Coventry, UK, specialising in pastries and baked goods made with high-quality organic ingredients. The business experienced steady growth between 2015 and 2019; however, sales fell significantly following the COVID-19 pandemic and remain around 25 per cent below pre-pandemic levels. The core problem is the persistent decline in demand, caused by both external and internal factors. The reduction in footfall in shopping centres and the rise in remote working have reduced the number of potential customers visiting the bakery. At the same time, the lack of online ordering services, home delivery and an efficient order management system limits convenience for customers and prevents the company from accessing alternative sales channels. Taken together, these issues restrict Basil's ability to recover sales and adapt to changes in consumer behaviour (Basil's Bakery Case Study, 2026).

Task 2: Two Proposed Solutions

Implementation of an Online Ordering System with Click & Collect and Local Delivery - Solution A Proposal

It is recommended that Basil's Bakery adopt an online ordering platform that allows customers to place orders in advance, with the option of in-store collection (Click & Collect) or local delivery. This measure responds to changes in consumer behaviour, offering greater flexibility and reducing waiting times and reliance on telephone support. Furthermore, it simplifies order management, improves production planning and enables the business to reach customers who no longer visit the shopping centre regularly. The use of digital tools can enhance customer satisfaction and drive sales growth (Kotler et al., 2022; Chaffey, 2022).

Implementation of Digital Marketing and a Customer Loyalty Programme - Solution B Proposal

Basil's Bakery could adopt an integrated digital marketing approach alongside a loyalty scheme to improve its market presence and encourage more frequent purchases. The use of social media, promotional offers and digital engagement with customers would enable the bakery to reach former customers and employees who are currently spending more time at home. Furthermore, a rewards programme would help to build long-term relationships with customers, encouraging repeat visits. This strategy could increase brand awareness, expand the customer base and support a sustainable recovery in sales (Kotler et al., 2022; Chaffey, 2022).

Task 3b) Evaluation Results and Justifications

The PMI analysis allowed for a structured comparison of the two alternatives, taking into account their benefits, limitations, and potential implications. Based on the results presented in Appendix 1, Solution A—the implementation of an online ordering system with Click & Collect and local delivery—was deemed the most suitable option for Basil's Bakery. The main criteria used were the potential for increased sales, improved customer experience, ease of implementation, and the potential for future growth. Greater weight was given to sales growth and customer satisfaction, as these factors are directly related to the main problem identified in the case study: the persistent decline in demand. Although Solution A involves an initial investment, training, and process adaptation, its benefits offer greater strategic potential. The solution also responds to changes in consumer habits, making it possible to reach customers who visit the shopping center less frequently. Thus, it stands out as the alternative with the greatest capacity to support the company's recovery and sustainable growth (The Open University, 2026).

Task 4b) Justifications for the Implementation Plan

Taking into account the risks identified in the analysis set out in section 4a, it is clear that the implementation of an online ordering system with Click & Collect and local delivery is a viable option for Basil's Bakery. Although there may be challenges relating to initial costs, staff training, customer acceptance and increased operating costs, these factors can be minimised through structured planning and appropriate control strategies.

The expected benefits of this solution are of greater strategic importance, as they enable the business to respond to falling demand and keep pace with changing customer expectations regarding the convenience and accessibility of services. A phased roll-out of the system makes it possible to assess performance, rectify any faults and improve processes before full implementation. Staff training and continuous monitoring of results will also be essential to ensure a successful transition. Consequently, the identified risks are considered manageable and do not jeopardise the future sustainability of the solution (OECD, 2024).

Task 5b) Justifications for the KPI and SMART Objectives

The selected Key Performance Indicator (KPI) — relating to the percentage growth in monthly sales from online orders — was chosen because of its direct link to the main challenge identified at Basil's Bakery: the difficulty in returning to pre-pandemic sales levels. This indicator provides an objective measure of the new digital solution's performance, enabling us to assess whether the online ordering system is generating commercial benefits and contributing to the company's economic recovery.

The SMART objective set is to achieve a 20% increase in monthly sales within six months of the solution's implementation. This objective is specific, measurable through its quantitative target, achievable thanks to the potential to attract customers who visit the shop less frequently, relevant to increasing demand and financial sustainability, and has a defined timeframe of six months. Continuous monitoring of this KPI will assist management in assessing performance and adjusting the strategy where necessary (Aguilera et al., 2024).

Task 6a) Identify one Key Performance Indicator (KPI) and a set of SMART objectives

The KPI defined to assess the solution's performance will be the percentage growth in monthly sales, measured by comparing results following implementation with previous average performance. This metric will determine whether the new ordering system is contributing to Basil's Bakery's commercial recovery. The SMART objective is to achieve a 20 per cent increase in monthly sales during the first six months of operation. The target is specific and quantifiable, achievable through new sales channels, directly related to the company's financial needs and time-bound by the six-month period. Linking performance measures to defined organisational goals supports effective performance assessment (Aguilera et al., 2024).

Task 6b) Based on 6a, describe how these metrics will be used to monitor and evaluate the effectiveness of the solution

The KPI's performance will be analysed monthly by comparing sales following implementation with previous benchmark figures. This monitoring will enable Basil's Bakery to assess progress towards the 20 per cent sales growth target. Data will be reviewed regularly to identify improvements, trends or deviations from expected performance. If results do not meet expectations, adjustments may be made to

promotional campaigns, delivery services or system procedures. Regular performance monitoring and benchmarking can support organisational performance and continuous improvement (Khan et al., 2024). Therefore, the KPI and SMART objective will provide evidence for evaluating the solution and making informed strategic adjustments.

Task 7) Key Findings

- The analysis shows that Basil's Bakery continues to report sales below previous levels, mainly due to reduced footfall, the rise in remote working and changes in consumer behaviour.
- Two options were considered: setting up an online ordering system with Click & Collect and local delivery, or developing a digital marketing strategy linked to a loyalty scheme.
- The PMI assessment favoured Solution A, as it responds more directly to customers' convenience needs and creates new sales opportunities.
- The associated risks can be mitigated through phased implementation, appropriate training and regular monitoring.
- The KPI and SMART target will enable results to be measured, with the aim of achieving a 20% increase in monthly sales within six months (Khan et al., 2024).

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Appendices

Appendix 1 – Task 3a

PMI Evaluation Table

<u>Online Ordering System with Click & Collect and Local Delivery (for Solution A)</u>		
Plus	Minus	Interesting
It makes things more convenient for customers. +1	It requires an initial investment in technology. -1	The ability to collect data on customer preferences. +1
It allows customers to place orders in advance and reduces queues. +1	Staff training is required. -1	It helps to improve production planning. +1
It can help you win back customers who work remotely. +1	It may increase operating costs through deliveries. -1	It can support future digital strategies. +1
Create a new sales channel.+1	It may require adjustments to internal processes. -1	It may create opportunities to boost sales in the future. +1
TOTAL: +4	TOTAL: -4	TOTAL: +4

Therefore: Overall Total for Online Ordering System with Click & Collect and Local Delivery (for Solution A) = +4 as the benefits in terms of convenience, increased sales, customer retention and future growth outweigh the initial costs and challenges of implementation. (Pratama and Putra, 2024)

Digital Marketing Strategy and Loyalty Programme for Solution B

Plus	Minus	Interesting
It improves brand visibility. +1	It may take some time for the results to become apparent. -1	You can win back former customers. +1
It encourages repeat purchases. +1	It depends on consumer engagement. -1	It enables a better understanding of consumer behaviour. +1
Strengthens customer relationships. +1	It can be difficult to assess effectiveness in the short term. -1	It may complement other initiatives in the future. +1
It has a lower initial cost. +1	It may be difficult to assess its effectiveness in the short term. -1	This can provide useful data about customers for future marketing decisions. +1
TOTAL: +4	TOTAL: -4	TOTAL: +4

Therefore: Overall Total for Digital Marketing Strategy and Loyalty Programme (for Solution B) = +4

Appendix 2 – Task 4a

Implementation Plan

Name the problem you are solving: A decline in sales and demand caused by reduced footfall in the shopping centre, remote working and the loss of regular customers.

Name the solution you are implementing: Establish partnerships with local businesses and introduce a corporate catering service to generate an additional and recurring source of revenue.

	Task	WHAT	WHEN	WHO	Done
1		Identify organisations in the local area and select businesses with potential demand for breakfast, lunch and catering products.	Week 1	Basil	☐
2		Draw up a commercial proposal, including menus, prices, minimum order quantities, payment methods and delivery options.	Weeks 2–3	Basil + staff	☐
3		Present the proposal to the selected companies and begin a trial period with the first partners.	Weeks 4–5	Basil	☐

4		Track orders, revenue, costs and customer satisfaction, and use the results to improve and expand the service.	Weeks 6–8	Basil + staff	☐
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The process was structured to begin with an analysis of the opportunity, followed by the preparation of the proposal and an initial trial prior to expansion. This approach allows available resources to be utilised gradually, operational difficulties to be identified, and the service to be adjusted on the basis of evidence. The use of defined stages, clear responsibilities and monitoring of results contributes to a more controlled and effective implementation (Project Management Institute, 2021).

Appendix 3 – Task 5a

The Key Performance Indicator is: Percentage increase in monthly sales through the online channel.

KPIs and SMART Goals

Specific	Measurable	Attainable	Relevant	Time-Bound
Implement an online ordering system with Click & Collect and local delivery to increase Basil's Bakery's digital sales.	Increase total monthly sales by 20% through the new ordering channels.	The goal will be achieved through digital marketing, improved convenience, and re-engaging former customers.	The objective directly addresses the core problem of declining demand and falling sales.	Achieve a 20% increase in sales within six months of implementation.

KPIs are measurable indicators used to monitor progress towards organisational objectives, whilst SMART objectives set clear and measurable targets with defined deadlines (Sheldon, Yasar and Stedman, 2024; Aldridge, 2024).

This objective is appropriate because it provides a clear numerical target, a measurable KPI and a defined deadline. It also links the proposed digital solution directly to Basil's Bakery's main business problem of declining demand and sales. A structured SMART approach helps organisations establish clear targets and monitor whether the intended results are being achieved (Aldridge, 2024).