

Module Title: Problem Solving and Decision Making

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Introduction

This report explores the key issues affecting Green Haven Florists, a small bespoke flower shop in Norwich experiencing a 30% decline in in-store sales. The aim is to examine the internal and external factors contributing to reduced foot traffic, rising operational costs, and increased competition from online and local florists. The report also examines customer expectations and digital challenges to support informed decision-making.

Key terms:

In-store sales: Purchases made by customers visiting the shop.

Foot traffic: Amount of people passing or entering the store.

Operational costs: Daily expenses required to run the business

Brief Explanation of the Specific Business Problem

Green Haven Florists, an independent flower shop in Norwich, is witnessing a considerable decline in performance after years of steady sales and a strong community reputation. Despite its strengths in bespoke floral design, eco-friendly packaging, and loyal local customers, the business has encountered a 30% drop in in-store sales over the past year. This recession reflects a mixture of external market pressures and internal operational challenges that now threaten the shop's visibility and longevity.

Various factors contribute to the problem. Internally, Green Haven's development is being held back by an outdated website, a narrow range of delivery options, and a very limited digital marketing presence. Customers report poor online usability and want modern features, including subscription options and more flexible delivery services. Jointly these issues have weakened the business's competitiveness and reduced its ability to attract and retain customers.

Externally, the shop's high street store has reduced in foot traffic due to nearby business closures and a broader consumer shift towards online shopping. Competition has grown, with a boutique florist drawing customers through strong social media branding and a national chain offering cheaper, wider delivery options. Rising costs for imported flowers and sustainable materials, have also further reduced profitability.

Suggested Two Alternative Solutions

Solution A

Modernising Green Haven's digital presence is essential for long-term sustainability. A revamped website, improved usability, flexible delivery options, and subscription services would significantly strengthen competitiveness. Enhanced digital marketing through targeted social media campaigns and email promotions, would increase visibility and attract new customers.

PMI Analysis

Plus: Increases online sales, improves customer experience, and builds recurring revenue through subscriptions.

Minus: Requires upfront investment in web development and marketing skills.

Interesting: Data from online activity can inform future product decisions and personalised offers.

Justification This solution directly addresses declining footfall and shifting consumer behaviour. As customers increasingly prefer online purchasing, a strong digital platform ensures Green Haven remains relevant, accessible, and competitive against national chains. It also creates new revenue streams that support long-term stability.

Solution B

Reducing operational costs while strengthening community ties can improve profitability and resilience. Partnering with local growers lowers reliance on expensive imports and reinforces the shop's eco-friendly identity. Seasonal, locally sourced arrangements reduce costs and appeal to sustainability-focused customers. Collaborations with cafés, hotels, and wedding venues create steady revenue, while workshops and events increase footfall and diversify income.

PMI Analysis

Plus: Lowers costs, strengthens brand identity, and builds stable local partnerships.

Minus: Seasonal availability may limit product variety.

Interesting: Workshops create experiential value that online competitors cannot replicate.

Justification This solution tackles rising costs and competitive pressure by leveraging Green Haven's unique strengths, sustainability and community engagement. It builds predictable income streams and differentiates the business in ways that large online retailers cannot imitate, supporting long-term survival.

Justification for Selected Solution

Solution A—Digital Transformation and Online Service Expansion, is the most appropriate option because it directly addresses Green Haven’s most urgent problems: declining footfall, weak online presence, and shifting customer expectations. Strengthening digital capability has the greatest long-term impact, enabling the business to compete with national chains and capture growing online demand. The weighting prioritises digital improvements because they generate recurring revenue, broaden market reach, and modernise the customer experience. Although Solution B supports cost control and community engagement, its benefits are slower and less scalable. Therefore, Solution A receives the highest weighting as it delivers the strongest and most immediate strategic value

Risk Analysis of the Selected Solution

The digital transformation strategy carries several risks, including potential cost overruns, delays in website development, and limited internal digital skills, which may slow implementation. There is also a risk that increased online competition could reduce the expected return on investment. The criteria used impact, likelihood, cost, and controllability—were chosen because they provide a balanced assessment of both strategic and operational threats. These criteria are defensible as they help prioritise risks that could significantly affect financial stability or project success. By evaluating risks through these measures, Green Haven can plan mitigation strategies and ensure the solution remains achievable and sustainable

Plan to Implement the Selected Solution

The implementation plan is arranged in a coherent order to ensure every stage facilitates the next and limits any interference with standard operational practices. The process begins with a website audit and redesign, as this forms the foundation for all subsequent digital improvements. Without a reliable, easy-to-use website, features like subscription models or targeted advertising cannot work effectively. Prioritising this step ensures the necessary digital framework is established before expanding additional services.

Following the redesign, the introduction of flexible delivery options is prioritised. This step is scheduled second because improved delivery capabilities directly enhance the customer experience and increase competitiveness against national chains. Once the

website can support clearer ordering pathways, delivery upgrades can be integrated smoothly. Oversight of this stage is jointly managed by the owners and external courier partners to guarantee operational feasibility throughout.

The third stage centres on introducing subscription services, which depend on the upgraded website and enhanced delivery network. This sequencing is deliberate, as subscription models require dependable fulfilment operations and an integrated online platform. Allocating responsibility to the owners supports effective oversight and maintains quality standards throughout the initial phases of implementation. Finally, digital marketing activities are scheduled last, once all new services are fully operational. Promoting the business before improvements are complete would risk disappointing customers and damaging brand credibility. By placing marketing at the end of the sequence, Green Haven can confidently advertise a modernised, competitive offering. This stage is best handled by a digital marketing specialist to maximise reach and effectiveness.

Overall, the order, timing, and responsibilities ensure a smooth, strategic transition that supports long-term sustainability and reduces implementation risks.

Means of Measuring Effectiveness of Implementation of Selected Solution

The chosen Key Performance Indicators (KPIs) were identified because they offer direct insight into the effectiveness of the digital transformation and highlight the areas where Green Haven must strengthen its capabilities to remain competitive. Indicators including website traffic, online conversion rates, subscription registrations, and social media engagement generate measurable data demonstrating enhanced digital presence and customer interaction. Delivery satisfaction ratings and repeat-purchase levels evaluate service quality and customer loyalty, both of which are vital for long-term sustainability. These KPIs are justified as they encompass operational outcomes and customer behaviour, providing a comprehensive and balanced assessment of organisational progress.

The SMART objectives were formulated to ensure that each aim is Specific, Measurable, Achievable, Relevant, and Time bound, allowing for precise evaluation and accountability. For example, setting a percentage increase in online sales over six months or defining a target number of subscription customers ensures goals remain ambitious yet realistic. These objectives align closely with the organisation's strategic priorities: enhancing digital capability, diversifying revenue streams, and improving customer experience. By establishing clearly structured, time bound objectives, Green Haven can assess progress effectively, modify its approach when appropriate, and

ensure that the implementation of Solution A results in outcomes that are both sustainable and impactful.

Conclusion:

An examination of the report identifies multiple significant challenges influencing Green Haven's sustainability and long-term organisational viability. First, the business is encountering a marked downturn in in-store sales driven by declining footfall and evolving consumer behaviour, with customers progressively choosing online florists that deliver enhanced convenience and more competitively priced products. Second, operational pressures such as escalating supply costs and the ongoing expense of upholding sustainable practices, are reducing profitability and hindering the owners' ability to fund necessary improvements. Third, Green Haven's outdated website, restricted delivery options, and limited digital marketing activity are hindering its ability to draw in and retain customers in an increasingly digital market environment. Finally, competition has intensified, as boutique florists and national chains offer superior branding, wider delivery reach, and more modern services.

Overall, the findings show that Green Haven needs to upgrade its digital capabilities, strengthen customer engagement, and increase operational efficiency to remain competitive. Tackling these fundamental challenges is crucial for maintaining long-term sustainability and preventing further deterioration.

A review of the report identifies four central issues that are significantly affecting Green Haven Florists' performance and long-term sustainability. The findings highlight both operational and strategic weaknesses that must be addressed to restore competitiveness and financial stability.

Key Findings

- **Declining in-store sales**, driven by reduced footfall, shifting consumer behaviour, and increased preference for online florists offering convenience and competitive pricing.
- **Rising operational costs**, including higher flower prices and the expense of maintaining sustainable practices, which are placing pressure on profitability and limiting investment capacity.
- **Weak digital capability**, reflected in an outdated website, limited delivery options, and minimal digital marketing activity, all of which restrict customer acquisition, conversion, and retention.
- **Intensifying competition**, with boutique florists and national chains offering stronger branding, wider delivery coverage, and more modern service offerings.

Collectively, these findings demonstrate that Green Haven must modernise its digital infrastructure, strengthen customer engagement, and improve operational efficiency. Addressing these challenges is essential to securing long-term sustainability and preventing further decline.

Reference List

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Appendices

Appendix 1:

SMART Objective	Specific	Measurable	Achievable	Relevant	Time-Bound
Increase online sales	Improve digital sales performance	Track monthly online revenue	Supported by new website and marketing	Addresses declining footfall	Achieve 20% increase in 6 months
Grow subscription base	Launch weekly/seasonal subscription services	Count new sign-ups	Supported by improved delivery system	Builds recurring revenue	50 new subscribers in 6 months
Improve website usability	Redesign site for easier navigation	Monitor bounce rate and conversion	Achievable with developer support	Essential for digital competitiveness	Complete redesign within 3 months
Strengthen digital marketing	Increase social media activity and ads	Track engagement metrics	Achievable with consistent posting	Boosts visibility and customer reach	40% engagement increase in 4 months

Appendix 2:

KPI	What It Measures	Why It Matters	Target
Website Traffic	Number of visitors to the site	Indicates increased visibility and digital reach	+30% within 6 months
Online Conversion Rate	Percentage of visitors who complete a purchase	Shows effectiveness of website usability and checkout	Increase from current baseline by 10%
Subscription Sign-Ups	Number of customers joining recurring services	Builds predictable revenue and customer loyalty	50 new subscriptions in 6 months

