



PROBLEM SOLVING AND DECISION MAKING

BMSW4004

Individual Report

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Introduction

One of the basic traits of human society and its advancement to its current state is conflict resolution and problem-solving. This has been one of the pillars of our society since the dawn of humankind. From resolving an issue between two warring tribes that will result in a long-lasting peace that will benefit all sides and lead to prosperity, to modern-day issues as simple as offering multiple choices on a restaurant menu for people with different dietary preferences. During this module, we have examined different problem-solving tools and techniques that have developed so far for that reason and that we can use to analyse an issue and find its root and all the causes that have led to it. In addition, we have gained valuable knowledge and experience in resolving such issues and their prevention. In this assignment, I will present one such issue, bring forth several proposals for resolving the said issue, choose the most suitable solution and follow this by describing the process of communicating said solution to the stakeholders and the tools and techniques used to make sure that solution is being implemented correctly with a positive outcome.

Problem

For the purposes of this assignment, I have chosen to use a hypothetical problem in a company that sells food supplement products and provides delivery services of their goods to potential clients. The company has seen steady growth in the years prior to the start of the 2020 COVID – 19 pandemic (AJMC Staff, 2021) but has come to a point of stagnation due to the social changes that the global quarantine brought. After the end of the pandemic and everyday life and business returning to normal practices, the company is slowly recovering at the cost of employee salaries not being raised for the past two years. With inflation going up 3.5% since 2020 (International Monetary Fund, World Bank and OECD Inflation CPI indicator, 2022) employee salaries do not reflect the current financial market and salary standards for the job positions provided by the company. For this reason, a large number of employees are dissatisfied with their current salaries resulting in 4 employees leaving the company and 87 employees electing a representative who would mediate between them and the management the request for a salary increase that should be reflecting the current average pay for those positions. During the meeting the person who was chosen to represent the group of employees provided several key points to justify their demands:

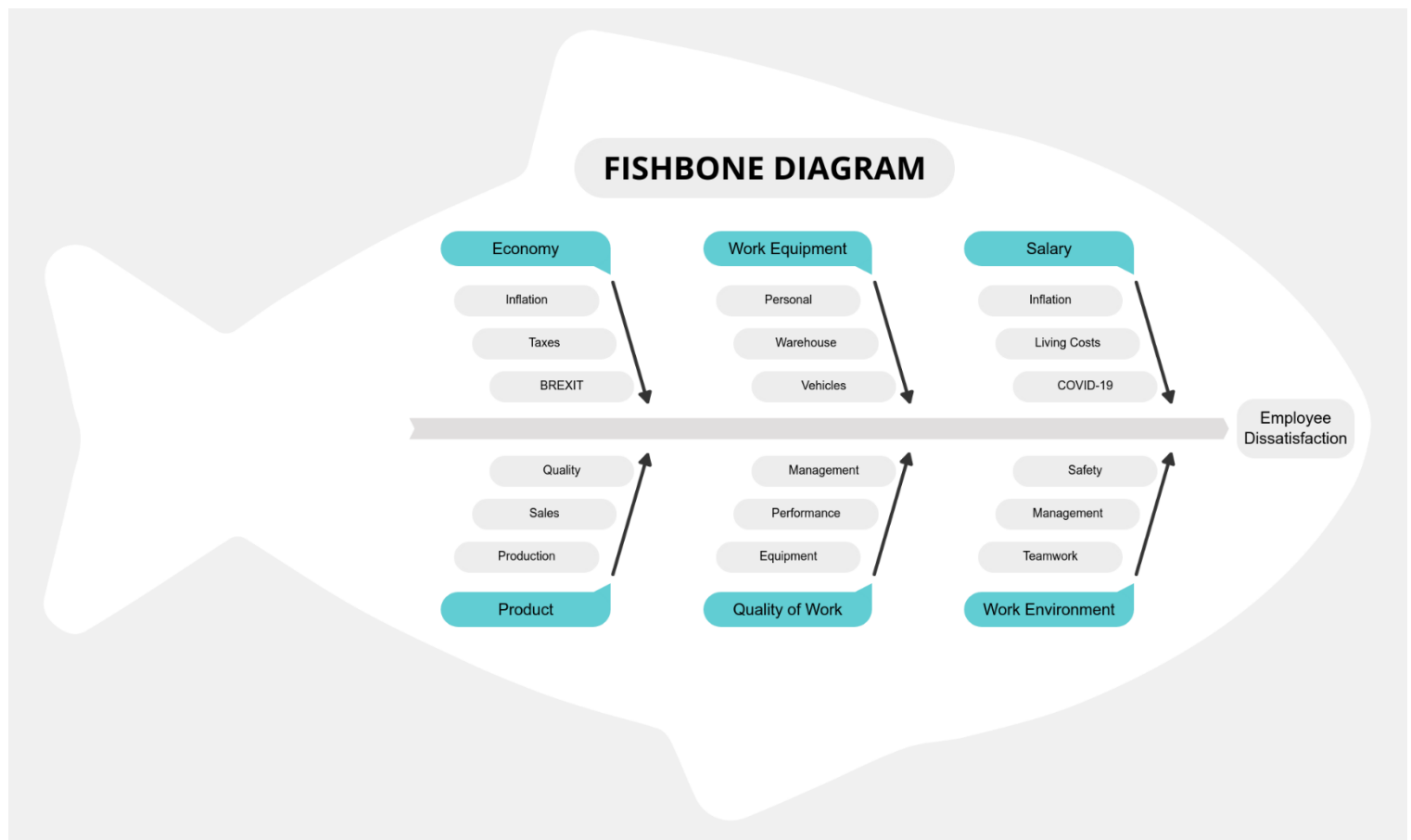
- Rising costs of accommodation
- Rising costs of transportation
- Rising costs of food and clothing
- Rising costs of education

In addition, the representative provided several bank statements supporting his and his colleagues' financial concerns.

Suggested Solutions

Prior to the point where the representative approached the management with the collective concern regarding the lack of financial growth, the managerial team of all departments had identified that as an issue by using several techniques such as PESTLE analysis and Ishikawa diagram and was finalising three different proposals that have the potential of resolving the said issue.

Political	Economical	Social	Technological	Environmental	Legal
Government enforcing ULEZ. Raising Road Taxes on polluting vehicles.	Rising prices of fossil fuels due to inflation and war. Tax reduction for companies that use EV vans.	Social trends show that people are more likely to become a client of an environmentally conscious company.	Newer equipment has a smaller chance of breaking down. Energy efficient.	Reduced air pollution. Reduced noise pollution.	No additional legal requirements or licences are required for implementation.



All three proposals have a different approach to the issue, resulting in the same outcome but with varying degrees of success. The three proposals are as follows:

- Accessing the companies' "Emergency Fund" and diverting it towards the employee salaries will result in a 4% pay rise as a short-term solution to the problem. Since the fund is a lump sum amounted through a budget surplus, the funds will run out eventually if the companies' income does not increase. Since this is not a long-term solution it will only be used as a last resort.
 - + fast solution
 - + no additional steps are required
 - loss of "Emergency Fund"
 - not a long-term solution
 - small salary increase
- Reducing the "Holiday Entitlement" from 32 days to 28 days which is the obligatory minimum stated by the government (GOV.UK, n.d.), resulting in a 7% pay rise. Although it is a better solution to the issue for the company, it is not as good for the employees which might push some employees to quit the company.
 - + fast solution
 - + cost-free for the company
 - + could be applied in addition to other measures
 - employee dissatisfaction
 - contracts and company terms have to be revised and redacted
 - loss of employees
- Replacing the petrol/diesel delivery vans in the fleet with EV vans to reduce expenditures such as fossil fuel and taxes. In addition, applying for a government subsidy (Office for Zero Emission Vehicles, Department for Transport, 2022) will reduce the purchasing cost of the new vehicles. This will result in a 19% pay rise.
 - + Long-term solution
 - + Fossil fuel prices are no longer a concern
 - + Reduced taxes
 - + Attracting new clients if we advertise that the company is going green
 - Longer implementation process

Best Solution and Implementation

During the meeting between the two parties, all three solutions were offered to the employees and both sides decided that the best solution with the best outcome would be to replace the petrol and diesel vans in the fleet with EV vans because although it will take longer to implement and would be more difficult it will result in a much higher pay rise. After calculating the cost of the EV vans, the profits from selling the petrol and diesel vans, the drop in fuel consumption, tax expenditures and parking fees for fossil fuel vehicles, the financial department guarantees an 18% pay rise for the employees after 4 – 6 months after the implementation of this strategy. In order for this plan to be executed properly with the fastest resolution the following steps must be taken:

- i. Inform stakeholders about the current issue and the plan chosen to resolve the issue.
- ii. Assemble a team that will implement the strategy.
- iii. Implement monitoring tools and review techniques to ensure successful implementation.
- iv. Request quotes from dealerships with the capacity to supply medium-sized businesses with EV vans.
- v. Management should decide which dealership, the vans will be purchased from depending on quote vs quality.
- vi. Apply for the EV vans grant scheme to mitigate the cost of purchase.
- vii. Install charging stations at the lot.
- viii. After the EV vans have been shipped, find buyers for the petrol and diesel vans to further mitigate the cost of purchasing the new EV vans.
- ix. Prepare and submit documentation for environmental tax relief prior to the arrival of the new vehicles.
- x. Provide a brief tutorial to the drivers as to how the new EV vans should be operated and maintained.
- xi. Conduct a financial revision as the last step.

Stakeholders

A list of key stakeholders has been created in order to ensure communication consistency. All stakeholders should be informed about each relevant step to them of the strategy and the progress made. In case of an emergency, deviation or change in the plan stakeholders should be contacted as soon as possible. The task of communication has been assigned to the head of the HR department.

Stakeholder	Deliverable	Frequency	Priority	Preferred Way to Deliver	Notes and Attachments
Chief Executive Officer	Timeline and Steps Progress Update	Daily	High	In-person meeting, Conference Call, Email	If needed, include other stakeholders.
Chief Financial Officer	Financial Data and Costs	Daily	High	Conference Call, Email	All expenditures must be pre-approved!
Chief Operations Officer	Employee Feedback, C-Suite Summary	Weekly	High	Conference Call, Email	Could be updated more frequently if necessary.
Chief Marketing Officer	After closing a deal with a dealership	As steps have been completed	Medium	Conference Call, Email	Marketing strategy has to be approved by the board.
Chief Technology Officer	Two weeks prior to purchase completion	As steps have been completed	Medium	Conference Call, Email	Charging stations have to be approved by the CFO
Warehouse Employees	On purchase completion	As needed	Low	Team Meeting, Email	Site administrator can assist.
Delivery Van Drivers	On purchase completion	As needed	Low	Team Meeting, Email	Site administrator can assist.

Monitoring Tools and Review Techniques

In order to guarantee optimum success, the company should employ the assistance of different tools in the form of management software, communication software and hardware, feedback and review techniques and implement several policies. The complete list of all methods used can be found below. A combination of different methods is required in order to achieve maximum productivity and efficiency.

Type	Name	Description	Use	Notes
Software	Asana	A web and mobile task management system	Organize, Track and Prioritize Tasks	License renewal must be added as an annual expense
Software	Google Calendar	A time management and scheduling calendar	Schedule Meetings and Events	IT department must integrate it with "Asana"
Software	MS Outlook	Personal Information Manager part of MS Office license	Email Communication	Transfer email creation for new employees to IT instead of HR
Software	MS Teams	Online Conferencing Software part of MS Office license	Workplace Instant Chat, Video Conferencing	IT department must create accounts for all employees
Technique	Peer Reviews	Assessment of the quality of work of all employees	A biannual review conducted by the HR department to	New review forms must be prepared by the HR department prior to the assessment
Technique	Performance Bonuses	A monthly reward system based on performance	Stimulate productivity and stimulate loyalty	Rewards must vary and a paid vacation option as an annual reward must be discussed with the CEO+CFO
Policy	Open Door Policy	A communication policy between management and employees	Encourages openness and transparency in order to build trust	Must be reminded after every major employee conference and emails sent by the management

Conclusion

In conclusion, our society is one big machine made out of smaller mechanisms and in order for this machine to operate properly, we must come down to the most basic and fundamental level and start solving those hiccups so the process runs smoothly. By addressing issues we let the engines of progress keep running but if we can predict an issue before it even occurs and eliminate its cause we allow those same engines to run smoothly. Even if something eventually breaks, it is never a dead end and there are always people, tools, techniques or new ideas that will bring new solutions or innovative ways to resolve those problems. And to finish this on a positive note, the great Henry Ford once said:

“Coming together is a beginning; keeping together is progress; working together is success.” (Lunk, 2016)

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