
Student Name : Sangida Tabassum
Student ID : 2109915
Lecturer's Name : Annamarie Dufficy
Module Code : LCLM 4004
Module Name : Problem Solving and Decision-Making
Component 1 : Basil's Bakery



Good afternoon. My name is Sangida Tabassum.

- Today, I will talk about **Basil's Bakery**, a small bakery in Coventry.
- The business was doing well after it opened in 2015, but sales dropped during COVID-19 and have not fully recovered. Since 2023, sales are still about 25% lower than in 2019.
- In this presentation, I will explain why sales are not growing and use a **PESTEL analysis** to understand the reasons.



• • 2. Issues Impacting Sales Stagnation (Approx. 1 minute)

- ☐ There are a few main reasons for low sales:
- ☐ Fewer people visit the retail park because some shops closed.
- ☐ Many people now work from home, so they buy less lunch from the bakery.
- ☐ Customers want delivery and online ordering, but the bakery cannot always offer it.
- ☐ Costs like rent, energy, and ingredients are higher now.
- ☐ So, the bakery has fewer customers and higher costs.



This Photo by Unknown Author is licensed under CC BY-NC

3. What is PESTEL?

PESTEL is a business tool used to study outside factors that affect a business (Business Matters, 2024).

It stands for:

Political, Economic, Social, Technological, Environmental, and Legal factors.

4. Why is it used?

It helps businesses:

- ☐ Understand problems.
- ☐ Find risks and opportunities.
- ☐ Make better decisions.

5. Where is it used?

PESTEL is used in:

- ☐ Business planning.
- ☐ Market research.
- ☐ Business strategy.

6. Benefits

- ☐ Easy to use.
- ☐ Helps find problems and opportunities.
- ☐ Helps planning.

7.Criticisms

- ☐ It only focuses on outside factors.
- ☐ It does not show which factor is most important.

8. PESTEL Analysis

Political

- COVID-19 changed shopping habits
- Taxes and wages are higher

Economic

- People spend less because living costs are high (Johnson, Scholes and Whittington, 2008)
- Electricity and ingredient costs are higher

Social

- More people work from home
- People prefer delivery and online ordering

Technological

- Online ordering apps are used
- Social media helps bring customers

Environmental

- Weather affects food supply
- Energy costs are high for baking

Legal

- Food safety and allergy rules must be followed
- Customer data must be protected (GDPR)

9. Cause-and-Effect Model

The Cause-and-Effect Model shows the reasons for a problem and the final result (Ishikawa, 1985).

It helps break a problem into smaller parts so it is easier to understand.

Why it is used

- ☐ To find the real cause of a problem
- ☐ To improve decisions

Where it is used

- ☐ Business
- ☐ Healthcare
- ☐ Education

Benefits

- ☐ Simple and clear
- ☐ Helps find root causes

Problems

- ☐ Can be too simple
- ☐ May miss some causes

Methods

1. Customer feedback.
2. Observation

Machines

1. No online ordering system.
2. Limited technology use.

People

1. Fewer customer.
2. More office workers work from home.

Materials

1. Unstable supply costs.
2. Expensive supply ingredients

Measurement

1. Sales down by 25%
2. Lower customer footfall.

Environment

1. Store closures.
2. Reduced footfall.

SALES
STAGNATION



10. Key Findings

- ☐ Sales are 25% lower than before COVID-19
 - ☐ Fewer customers visit the retail park
 - ☐ More people work from home
 - ☐ Delivery demand is increasing
 - ☐ Costs are higher
 - ☐ Technology could improve sales
-

References

- ❑ Business Matters (2024) *UK SME Trends and Challenges*. Available at: <https://www.businessmatters.co.uk> (Accessed: 29 May 2026).
- ❑ Ishikawa, K. (1985) *Guide to Quality Control*. Tokyo: Asian Productivity Organization.
- ❑ Johnson, G., Scholes, K. and Whittington, R. (2008) *Exploring Corporate Strategy*. 8th edn. Harlow: Pearson Education.