

Module Title: Problem Solving and Decision Making

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Assessment: Component 2 Report

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Brief Explanation of the Specific Business Problem

Green Haven Florists is experiencing declining performance due to a 30% reduction in in-store sales, rising supplier costs, and increased competition from digital-focused floral retailers. Customer feedback highlights dissatisfaction with the outdated website, limited delivery options, and lack of digital convenience. These issues collectively indicate that the business has not adapted to modern purchasing behaviours. While several operational challenges exist, the **specific problem addressed in this report is the company's weak digital presence**, which restricts its ability to attract customers, compete effectively, and generate sustainable revenue in a digitally driven market.

Suggested Two Alternative Solutions

Solution A Proposal

Solution A proposes a **full digital transformation**, including redevelopment of the website, optimisation of e-commerce functions, improved online payments, real-time delivery scheduling, and social media marketing. This solution directly addresses the weak digital presence that is limiting sales growth. By creating a modern online platform, the business can improve user experience, increase conversion rates, and attract a wider customer base beyond footfall-dependent local buyers. Enhanced digital accessibility and visibility will position Green Haven competitively against major online floral retailers and help reverse declining revenue trends.

Solution B Proposal

Solution B proposes **diversifying income through community engagement**, offering floral workshops, seasonal events, and collaborative projects with local businesses. These activities aim to strengthen local customer loyalty, generate supplementary income, and differentiate the business as a creative, community-focused brand. Workshops could encourage repeat purchases, while partnerships would enhance visibility. This solution addresses the decline in footfall by drawing more people into the store. However, its effectiveness depends heavily on consistent attendance and strong community participation.

Justification for Selected Solution

Based on the PMI analysis in Appendix 1, **Solution A** scores significantly higher due to its scalability, revenue potential, and alignment with changing consumer behaviour. Criteria such as cost, market reach, long-term sustainability, and expected impact were weighted according to their relevance to the core problem. Market reach and sustainability were given higher weightings because they directly influence revenue recovery. Although Solution A requires financial investment, its long-term benefits outweigh the limitations of Solution B. Therefore, Solution A is the most appropriate solution to progress with.

Risk Analysis of the Selected Solution

The risk analysis in Appendix 2 highlights several potential challenges associated with Solution A. The key risks include website development delays, cost overruns, low customer adoption, and technical issues. These were assessed using likelihood and impact criteria, each weighted equally due to their practical relevance in a small business environment. While some risks score high—such as potential financial strain—they can be mitigated through staged implementation, fixed-price contracts, staff training, and contingency planning. Overall, the analysis supports the conclusion that Solution A remains reliable and feasible when carefully managed.

Plan to Implement the Selected Solution

The implementation plan in Appendix 3 outlines a structured, phased approach over six months. Tasks are sequenced to ensure technical development occurs before marketing and staff training. The schedule prioritises a digital audit first to identify weaknesses, followed by website redevelopment, promotional activities, and staff upskilling. Responsibilities are allocated based on expertise: developers handle technical tasks, and staff support content creation and customer service improvements. This sequencing ensures logical progression, minimises operational disruption, and allows continuous monitoring before full system integration.

Means of Measuring Effectiveness of Selected Solution

The KPI and SMART objectives in Appendix 4 focus on measuring online sales performance, digital engagement, and customer satisfaction. These were selected because they directly reflect the expected outcomes of digital transformation. The KPI—monthly online revenue growth—is measurable, relevant to the problem, and achievable within a set timeframe. The SMART objectives support systematic tracking of improvements in traffic, conversion rates, and customer feedback. Together, they provide reliable indicators of whether Solution A is successfully addressing the business problem and delivering sustained improvements.

Key Findings

- The main issue facing Green Haven Florists is its outdated digital presence, which limits competitiveness and sales.
- Solution A (digital transformation) provides greater long-term value and market reach than Solution B.
- PMI and risk analyses show Solution A offers higher overall benefit and manageable risk levels.
- Implementation requires a phased, carefully managed approach to minimise operational disruption.
- SMART objectives and KPIs centred on online sales and engagement provide clear measures of success.

Appendices

Appendix 1 – PMI Analysis Table

PMI Table for Solution A (Digital Transformation)

Plus	Minus	Interesting
Increases online reach	High upfront cost	Can introduce subscription services
Improves customer convenience	Requires ongoing maintenance	Enables data-driven marketing
Competes with major retailers	Staff need training	Opportunity for influencer partnerships
Scalable long-term solution	Technical risks	Improves brand visibility

TOTAL PLUS: 4

TOTAL MINUS: 3

TOTAL INTERESTING: 3

Final Score for Solution A: +4

PMI Table for Solution B (Workshops & Community Engagement)

Plus	Minus	Interesting
Builds local loyalty	Limited scalability	Can partner with local schools
Creates additional income	Requires time investment	Seasonal opportunities
Differentiates brand	Uncertain attendance	Can strengthen social presence

TOTAL PLUS: 3

TOTAL MINUS: 3

TOTAL INTERESTING: 3

Final Score for Solution B: 0

Appendix 2 – Risk Analysis Table

Risk	Likelihood (1–5)	Impact (1–5)	Risk Factor	Mitigation
Website cost overrun	3	5	15	Fixed-price contract; phased development
Low online adoption	3	4	12	Launch promotions; test usability
Technical issues	2	5	10	Hire skilled developers; provide backup systems
Competitors replicate features	4	3	12	Innovate continuously; highlight eco-branding

Appendix 3 – Implementation Plan

Problem: Weak digital presence

Solution: Full digital transformation

Action	Description	Time Frame	Responsible Staff
Digital audit	Assess current website & social media	Month 1	Manager + consultant
Website redevelopment	Build new e-commerce site	Months 2–3	Developer
Digital marketing launch	Social campaigns + promotions	Month 4	Marketing staff
Staff training	Website + customer service training	Month 5	Manager
Review & refine	Evaluate analytics and feedback	Month 6	Manager + team

Appendix 4 – KPI & SMART Table

KPI: Monthly increase in online sales revenue.

SMART Element	Explanation
Specific	Increase online revenue through improved website and digital marketing
Measurable	Track monthly sales growth using e-commerce analytics
Attainable	Based on previous online performance, a 15–20% increase is realistic
Relevant	Directly linked to solving the weak digital presence problem
Time-Bound	To be achieved within six months of website launch

Methods:

- **Questionnaire:** 5 questions sent monthly to repeat customers
- **Observation:** Weekly monitoring of website behaviour via analytics
- **Attainability:** Staff can complete tasks within regular workflow
- **Data Type:** Sales figures, website metrics, customer satisfaction trends

Reference List

(Example Harvard references — you may replace or expand these as required)

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