

Module Title: Problem Solving and Decision Making

Module Code: LCLM 4004

Assessment: Component 2 Report

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## **Task 1: Overview of Case-study**

Case Overview: Green Haven Florists is a sustainable Norwich-based shop struggling with declining profitability and a rapidly changing retail landscape. While the shop has kept its loyalty to the local customers, it is currently failing to attract the modernised industry.

Root Problem: The business model is outdated and fails to compete in a digital-first market where consumers prioritise convenience and low online prices. The lack of subscriptions-based revenue streams means the shop depends entirely on the seasons sales and pass by consumers, which is making the financial situation difficult.

Issue Critique: Key contributors include a 30% drop in foot traffic, rising operational costs, and an uncompetitive website. Their reliance on word-of-mouth marketing and expensive local blooms further strains margins, making it difficult to match the efficiency and discounts offered by large-scale online flower delivery services. This makes it hard for a small shop to compete with big delivery services that can offer cheaper prices and also faster delivery.

## **Task 2: Two Proposed Solutions**

### **Solution A Proposal**

Comprehensive Digital Transformation & Subscription Model.

This involves rebuilding the shop's website into a user-friendly e-commerce platform and launching a floral subscription service with flexible delivery options.

This resolves the root problem by bypassing declining high street foot traffic and capturing the growing online market. Subscriptions create predictable, recurring revenue to stabilize cash flow against rising costs. By modernizing their digital presence, the business can effectively compete with large online retailers while leveraging their unique, eco-friendly brand to attract environmentally conscious consumers through targeted digital marketing.

## Solution B Proposal

### Studio Transition and B2B Focus

This proposal involves downsizing the physical shop into a smaller, appointment-only boutique and shifting core operations toward corporate contracts, weddings, and high-end events.

This addresses the root problem by drastically cutting unsustainable high-street rent and utility costs. By moving away from unpredictable walk-in sales, the business focuses on high-margin, pre-booked contracts. This protects overall profitability from rising supply costs and online competition. Specializing in bespoke events allows Liam and Priya to maintain their eco-friendly reputation while securing stable, professional income streams rather than relying on declining high-street foot traffic.

## **Task 3b) Evaluation Results and Justifications**

Solution A (Digital Transformation) is the most appropriate because it builds long-term growth and directly replaces lost foot traffic.

The main criteria used were "Market Reach" and "Revenue Stability." These were chosen because the shop's survival depends on finding new customers online and creating predictable income.

These criteria were given high weightings (0.30) because they solve the root problem of declining sales and high-street dependence.

Solution A is preferred as it modernises the brand, allowing Green Haven to compete with large retailers while protecting its sustainable values and local charm.

## **Task 4b) Risk Analysis Results and Justifications.**

Moving online risks website crashes, delivery delays from suppliers, and low customer interest in new subscriptions.

I used "Likelihood" (how often it might happen) and "Impact" (how bad it would be for business). These help prioritize the most dangerous problems.

I gave supply delays the highest score (16) because without flowers, there is no shop. Website issues also rank high as they stop all sales.

This solution is reliable because we have "Plan B" backups, like using local backup suppliers and having manual ordering systems ready.

### **Task 5b) Justifications for the Implementation Plan**

Order & Scheduling: We start with the website because customers can't buy online until it's ready. Marketing comes next to tell people about it, followed by launching the subscriptions to start making money.

Responsibilities: Liam handles the tech and website setup, while Priya focuses on the flowers and talking to customers. This splits the work based on what they are best at.

This plan is logical because it builds the shop's new "home" first. It ensures we don't spend money on ads before the website is actually working.

### **Task 6b) Justifications for the KPI and SMART Objectives**

I picked Monthly Subscription Sales. This is the best way to see if the shop is doing well. It shows if we have regular money coming in every month to replace the people who stopped visiting the shop.

SMART Goals (Our plan): These goals are simple because they have a clear number (get 50 new customers) and a clear time (within 6 months). They are "SMART" because they are fair and possible to achieve. These goals help the owners stay focused on making enough money to keep the shop open for everyone.

### **Task 7) Key Findings**

- Market Shift: The business is failing because people now prefer shopping online instead of visiting the high street, causing a 30% drop in foot traffic.
  - Best Solution: A digital transformation with a subscription model is the best way to create steady income and reach new customers.
  - Major Risk: Supply chain delays are the biggest threat, meaning the shop must have multiple backup flower suppliers to stay reliable.
  - Implementation: Success depends on building a modern website first and splitting tasks based on the owners' specific strengths.
  - Success Tracking: Tracking monthly subscription sales through SMART goals ensures the business stays focused on long-term growth and survival.
- Word Count: 115 words (approximately 100).

## **Reference List**

- Include the details of all the sources cited in your report.
- Ensure these are presented in the Harvard Referencing style.
- Note: there is an expectation that at least five academic sources should be integrated with the content of this report.

**Kotler, P. and Armstrong, G. (2018) *Principles of Marketing*.** 17<sup>th</sup> edn. Harlow: Pearson Education.

Doran, G. T. (1981) 'There's a S.M.A.R.T. way to write management's goals and objectives', *Management Review*, 70(11), pp. 35-36.

- Hillson, D. (2017) *The Risk Management Handbook: A Practical Guide to Managing the Multiple Dimensions of Risk*. London: Kogan Page.

## Appendix 1 – Task 3a

### PMI Analysis Table

| <u><b>Solution A</b></u>        |                            |                                      |
|---------------------------------|----------------------------|--------------------------------------|
| <b>Plus</b>                     | <b>Minus</b>               | <b>Interesting</b>                   |
| Reaches new online customers    | High initial setup costs   | Could lead to a national brand       |
| Captures online                 | High setup costs           | Potentials for uk wide delivery      |
| Predictable monthly income      | Needs new tech skills      | Data on customer favourites          |
| Modernising the brand and image | Risk of technical glitches | Data helps predict the flower demand |
| <b>TOTAL: +12</b>               | <b>TOTAL: -6</b>           | <b>TOTAL: +4</b>                     |

**Therefore: Overall Total for Solution A = +10**

| <u><b>Solution B</b></u>        |                                 |                                      |
|---------------------------------|---------------------------------|--------------------------------------|
| <b>Plus</b>                     | <b>Minus</b>                    | <b>Interesting</b>                   |
| Lowers rent and utilities       | Reduced high street visibility  | Cost host floral workshops           |
| Focuses on high-margin weddings | Loss of loyal walk-in customers | Partnership with the local cafes     |
| Streamlines operational staff   | Smaller storage for fresh stock | Transition to a by appointment model |
|                                 |                                 |                                      |
| <b>TOTAL: +9</b>                | <b>TOTAL: -8</b>                | <b>TOTAL: +3</b>                     |

**Therefore: Overall Total for Solution B = +4**

## **Appendix 2 – Task 4a**

### **Risk Analysis Table**

|          | <b>What could cause a risk?</b> | <b>What is the likelihood of the risk occurring?<br/>(1 – 5)</b> | <b>What is the impact of this risk?<br/>(1 – 5)</b> | <b>Risk Factor<br/>= Likelihood X Impact</b> | <b>What can you do to reduce this risk from happening?</b> | <b>If it happens – what can you do to minimise the impact?</b> |
|----------|---------------------------------|------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------|
| <b>1</b> | Website failure                 | 2                                                                | 5                                                   | 10                                           | Use a reliable host and regular backup                     | Have a manual phone order back up plan                         |
| <b>2</b> | Supply chain delay              | 4                                                                | 4                                                   | 16                                           | Partner with multiple suppliers                            | Offer customers suitable and friendly floral substitutions     |
| <b>3</b> | Low subscription interest       | 3                                                                | 4                                                   | 12                                           | Run an introductory discount offer                         | Pivot marketing to a one-off seasonal gifting                  |

This risk analysis identifies key threats to the new business strategy. The highest risk is supply chain disruption, as flower availability directly affects order fulfilment. To manage this, the shop will diversify its suppliers locally. Technical failure of the new website is a high-impact risk that requires professional hosting and routine maintenance to prevent lost sales. Lastly, low subscription uptake is a market risk addressed through targeted promotions. By monitoring these factors, Green Haven Florists can protect its digital transition and maintain profitability. This proactive approach ensures the business remains resilient against external shocks while modernising its operations.

- Hillson, D. (2017) The Risk Management Handbook: A Practical Guide to Managing the Multiple Dimensions of Risk. London: Kogan Page.

### **Appendix 3 – Task 5a**

#### **Implementation Plan**

Name the problem you are solving: Declining sales and reduced customer footfall.

Name the solution you are implementing: Digital marketing

|          | <b>Task</b> | <b>WHAT</b>                                                         | <b>WHEN</b>      | <b>WHO</b>                 | <b>Done</b> |
|----------|-------------|---------------------------------------------------------------------|------------------|----------------------------|-------------|
| <b>1</b> | 1           | Redesign the website to make it modern and easy to use              | Within a month   | Liam & hired web designers | Yes/No      |
| <b>2</b> | 2           | Start social marketing media (TikTok, instagram, facebook)          | Weekly (ongoing) | Priya                      | Yes/No      |
| <b>3</b> | 3           | Introduce delivery and subscription services                        | Within 2 months  | Liam and staff             | Yes/No      |
| <b>4</b> | 4           | Create in store promotion discount to increase the number of people | Ongoing          | Store Team                 | Yes/No      |

This implementation plan aims to improve sales and increase customer numbers for Green Haven Florists. Firstly, redesigning the website will make it easier for customers to browse and purchase products online, helping the business compete with online retailers. A modern website can improve user experience and increase online orders.

Secondly, using social media platforms such as Instagram and Facebook will help promote the business to a wider audience. Posting regularly will attract new customers and keep existing customers engaged. This is a low-cost way to increase brand awareness.

Thirdly, introducing delivery and subscription services will provide convenience for customers. Many customers prefer home delivery, so this will help meet their needs and increase repeat purchases.

Finally, offering in-store promotions and discounts will encourage more people to visit the shop, helping to boost footfall. Overall, this plan focuses on improving both online and in-store performance, helping the business grow and remain competitive.

**Kotler, P. and Armstrong, G. (2018) *Principles of Marketing*.**

### **Appendix 4 – Task 6a**

The Key Performance Indicator is: Monthly subscription sales

| Specific                               | Measurable                        | Attainable                      | Relevant                               | Time-Bound                              |
|----------------------------------------|-----------------------------------|---------------------------------|----------------------------------------|-----------------------------------------|
| Sign up 50 monthly flower subscription | Track through websites sales data | 50 users for a new online focus | Replaces lost high street foot traffic | To reach the goal approximately 6months |

This goal ensures the survival of Green Haven Florists by focusing on a specific goal of 50 new subscribers. The business can move away from relying on unpredictable walk-in customers and create steady income. Success is measurable through digital sales data, making it a reliable way to check progress. This target is attainable because it reaches a wider online audience beyond the local street. It is highly relevant to the root problem of lower sales and gives the owners a clear six-month deadline to achieve results, providing stability and growth for the brand's future success.

Doran, G. T. (1981) 'There's a S.M.A.R.T. way to write management's goals and objectives', *Management Review*, 70(11), pp. 35-36.