

Module Title: Problem Solving and Decision Making

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Assessment: Component 2 Report

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Introduction

The report is about Green Haven Florists is facing declining sales and increasing competitive pressures. This report investigates the causes of these problems and evaluates possible solutions. It analyses the business problem , reviews relevant information, compares two alternatives solutions , selects the most appropriate option , and monitoring plan. Addressing these issues is essential to improving performance and ensuring the business remains competitive.

A specific Problem is a focused clearly defined issue,gap,or challenge that needs addressing, distinguishing itself from broad, generic concerns by pinpointing the exact situation, often requiring detailed investigation or a concrete solution.

The following lines will give you more details on our subject

Brief Explanation of the Specific Business Problem

- A: Nature of the problem:
 - -30% decline in in-store sales in the last 12 months.
 - Outdated website and weak digital presence.
 - Increasing competition
 - High operational costs (imported flowers, sustainable materials).
- B. Scope of the Problem:
 - Affects walk-in sales, online sales, and customer experience.
 - Impacts profitability, cash flow, and long-term sustainability.
 - Market forces: changing customer behaviour, digital trends, cost inflation.
 - Internal capabilities: owners lack digital marketing skills.
- C. Impact of the Problem:
 - Loss of loyal customers.
 - Decreasing market share.
 - Reduced competitiveness.

Suggest Two Alternative Solutions

Solution A : Costumer feedback

.Need more delivery options.

.Online shopping trend increasing.

.Competitors using Instagram effectively

Customer feedback highlights a clear need for more diverse delivery options to better meet expectations for speed and flexibility. At the same time, the growth of online shopping continues to accelerate, emphasising the importance of a strong and seamless digital experience. Additionally, competitors are using Instagram more effectively, increasing brand visibility, customer engagement, and sales through targeted content, influencer partnerships, and interactive marketing strategies.

The proposed solution is to expand delivery options, strengthen the online shopping experience, and use Instagram more effectively as a marketing and sales channel. By offering flexible delivery choices and improving e-commerce, the business can better meet customer expectations for convenience. Using Instagram strategically will help increase brand awareness, engage customers, and compete more effectively in the digital market.

Customer feedback: Need more delivery options. Online shopping trend increasing. Competitors using Instagram effectively.

Customer Feedback Summary

- Customers would like more delivery options.
- Online shopping demand is continuing to increase.
- Competitors are using Instagram more effectively to engage customers and drive sales

PMI (Plus, Minus, Interesting) analysis for the proposed solution of expanding delivery options, strengthening online shopping, and improving Instagram

Plus

- Increased customer satisfaction through more flexible and faster delivery choices.
- Stronger online presence aligns with the growing e-commerce trend.
- More effective Instagram marketing can boost brand visibility, engagement, and sales.
- Competitive advantage by matching or exceeding competitors' digital strategies.

Minus

- Higher operational and logistics costs from offering additional delivery options.
- Need for investment in digital infrastructure and social media expertise.
- Risk of inconsistent brand messaging if social media is not managed well.

Interesting

- Potential to use Instagram for direct shopping features and influencer collaborations.
- Opportunity to gather customer data to personalize delivery and marketing.
- Possibility of testing eco-friendly or premium delivery options to differentiate the brand.

Higher flower prices due to supply issues. Sustainable materials cost more. Green Haven has not adapted to a digital-first market. Customer expectations have changed; convenience matters more. Competitors are outperforming them online. Costs rising + revenue falling = urgent strategic change needed.

1. Explanation of the Solution

The proposed solution is for **Green Haven to adopt a digital-first strategy** while improving convenience and efficiency. This includes strengthening its online presence, expanding delivery options, and using social media, particularly Instagram, more effectively. By focusing on e-commerce and digital marketing, Green Haven can better meet changing customer expectations, compete more strongly online, and counter declining revenue. This strategy also allows the business to communicate its sustainability values more clearly while streamlining operations to manage rising costs.

2. PMI Analysis of the Solution

Plus

- Improves customer convenience through online ordering and flexible delivery.
- Increases brand visibility and engagement via social media.
- Helps recover falling revenue by accessing a wider online market.
- Aligns with modern shopping habits and digital trends.

Minus

- Requires initial investment in technology, logistics, and digital skills.
- Staff may need training to adapt to new systems.
- Risk of slow returns if digital execution is weak.

Interesting

- Opportunity to use data to personalise offers and delivery options.
- Potential to promote sustainability online as a key brand differentiator.
- Ability to test new digital sales channels with relatively low risk.

3. Justification: How the Solution Resolves Business Problems

This solution directly addresses Green Haven's challenges. A digital-first approach responds to **changing customer expectations**, where convenience and online access are essential. Stronger online performance helps counter **competitors outperforming the business digitally**. Improved efficiency and broader reach can help stabilise **falling revenue**, while online marketing reduces reliance on costly traditional methods. Overall, this strategy creates a more competitive, resilient business model in a challenging market.

Customer feedback: Need more delivery options. Online shopping trend increasing. Competitors using Instagram effectively.

Customer Feedback

- Customers want more flexible and convenient delivery options.
- The trend toward online shopping continues to grow.
- Competitors are using Instagram more effectively to attract and engage customers.

1. Explanation of the Solution

The proposed solution is to expand delivery options, strengthen the online shopping experience, and use Instagram more effectively as a marketing and sales channel. By offering flexible delivery choices and improving e-commerce, the business can better meet customer expectations for convenience. Using Instagram strategically will help increase brand awareness, engage customers, and compete more effectively in the digital market.

2. PMI Analysis of the Solution

Plus

- Greater customer satisfaction due to flexible delivery options.
- Increased sales from improved online shopping accessibility.
- Stronger brand visibility and customer engagement through Instagram.
- Better competitiveness in a market where digital presence is essential.

Minus

- Higher costs related to delivery partnerships and technology upgrades.
- Need for staff training in digital marketing and online systems.
- Risk of ineffective social media use if not well managed.

Interesting

- Opportunity to use Instagram Shopping and influencer marketing.
- Ability to collect customer data to personalise delivery and promotions.
- Potential to test new delivery models such as same-day or eco-friendly options.

This solution directly addresses customer feedback by increasing convenience through more delivery options and a stronger online presence. It responds to the growing online shopping trend and closes the gap with competitors who are already using Instagram effectively. By improving accessibility, engagement, and visibility, the business can

attract more customers, increase revenue, and remain competitive in a digitally driven market.

Solution B : Cost information

Higher flower prices due to supply issues. Sustainable materials cost more. Green Haven has not adapted to a digital-first market. Customer expectations have changed; convenience matters more. Competitors are outperforming them online. Costs rising + revenue falling = urgent strategic change needed.

The proposed solution is for **Green Haven to adopt a digital-first strategy** while improving convenience and efficiency. This includes strengthening its online presence, expanding delivery options, and using social media, particularly Instagram, more effectively. By focusing on e-commerce and digital marketing, Green Haven can better meet changing customer expectations, compete more strongly online, and counter declining revenue. This strategy also allows the business to communicate its sustainability values more clearly while streamlining operations to manage rising costs.

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This solution directly addresses Green Haven's challenges. A digital-first approach responds to **changing customer expectations**, where convenience and online access are essential. Stronger online performance helps counter **competitors outperforming the business digitally**. Improved efficiency and Improve efficiency and broader **revenue**, while online marketing reduces reliance on costly traditional methods. Overall, this strategy creates a more competitive, resilient business model in a challenging market..

Justification for Selected Solution

Solution A is the most appropriate option to progress with because it directly responds to changing customer expectations and current market trends. By expanding delivery options and strengthening online sales supported by effective Instagram marketing, the business improves convenience, visibility, and competitiveness. This solution was weighted more heavily due to its strong impact on revenue growth and customer satisfaction, which are critical given increasing online shopping demand. Although it requires initial investment, the long-term benefits outweigh the risks. In contrast, Solution B has a lower weighting as it does not address digital weaknesses as effectively or generate the same growth potential

Risk Analysis of the Selected Solution

Based on the risk analysis, the solution may encounter several challenges. Key risks include high initial costs for technology upgrades and delivery infrastructure, potential delays in staff training, and ineffective social media campaigns if poorly executed. There is also the risk of customer dissatisfaction if delivery promises are not consistently met. The criteria used to evaluate these risks were likelihoods, impacts on revenue and reputation, and controllability. These criteria were chosen because they prioritize factors that could most significantly affect business performance, customer trust, and the success of the digital-first strategy, ensuring resources are focused on mitigating the most critical risks.

Plan to Implement the Selected Solution

The implementation plan follows a logical sequence to ensure efficient progress and minimize risk.

-Phase 1: begins with auditing current delivery operations and online platforms. This is scheduled first because understanding existing capabilities is essential before any investment or changes. Responsibilities fall to the operations manager and IT team, ensuring technical feasibility and operational capacity are assessed accurately.

-Phase 2: focuses on upgrading digital infrastructure and integrating additional delivery options. This is scheduled immediately after the audit to leverage insights from Phase 1. Assigning responsibility to the IT department and logistics team allows simultaneous development of e-commerce functionality and delivery partnerships, reducing delays. Prioritizing infrastructure ensures the foundation is in place before marketing efforts, preventing customer frustration from unfulfilled orders.

-Phase 3: involves developing and implementing an Instagram marketing strategy. This is scheduled after digital and delivery systems are upgraded, allowing campaigns to link directly to functional online shopping and delivery features. The marketing team leads this phase, collaborating with content creators and customer service to ensure messaging is accurate and engaging.

- Phase 4: includes staff training and customer communication, scheduled alongside system upgrades and marketing preparation. Staff are trained on new order processes and digital tools, ensuring smooth operations at launch. Customer communication prepares the market for new options, maximizing adoption.

This order is justified because each phase builds on the previous, minimizing operational disruption while maximizing customer experience. Scheduling overlapping tasks where feasible improves efficiency, and clear assignment of responsibilities ensures accountability, timely completion, and effective resource use. The plan balances technical, operational, and marketing priorities, ensuring a coordinated and successful implementation.

Means of Measuring Effectiveness of Implementation of Selected Solution

The key performance indicators (KPI) proposed are designed to directly measure the success of the solution in addressing the identified business problems. For example, online sales growth tracks the effectiveness of improved e-commerce and delivery options, while Instagram engagement rates monitor the impact of social media marketing on customer interaction and brand visibility. Customer satisfaction scores evaluate whether the expanded delivery options and digital improvements meet expectations, and order fulfillment time ensures operational efficiency. These KPI were selected based on relevance, measurability, and direct linkage to strategic goals, allowing the business to track both financial and operational outcomes.

The SMART objectives provide a clear, actionable roadmap. For instance, “Increase online sales by 20% within six months” is Specific, Measurable, Achievable, Relevant, and Time-bound, aligning directly with revenue recovery goals. Another objective, “Achieve a 15% increase in Instagram engagement over three months,” is similarly structured, targeting visibility and competitive positioning. These objectives are justified because they are aligned with customer feedback, competitive benchmarking, and operational capabilities, ensuring that progress can be monitored quantitatively and adjustments made as necessary. By combining KPIs with SMART objectives, the business can systematically track, evaluate, and optimize its digital-first strategy for maximum impact.

Conclusion:

1. **Rising customer expectations for convenience** : Feedback shows customers want more delivery options and a smoother online shopping experience. Meeting these expectations is essential to remain competitive and improve satisfaction.
2. **Growing importance of digital presence** : Online shopping trends are increasing, and competitors are leveraging Instagram effectively. Green Haven’s current digital strategy is underdeveloped, leaving a gap in market reach and customer engagement.
3. **Operational and cost challenges** : Rising flower prices and higher costs for sustainable materials, combined with declining revenue, highlight the urgent need for strategic intervention to maintain profitability.
4. **Digital-first solution effectiveness** : Expanding delivery options, improving e-commerce, and using Instagram strategically can directly address customer needs, increase sales, and enhance brand visibility. The solution aligns with both operational capabilities and market trends.
5. **Measurable success through KPIs and SMART objectives** : Clear targets for sales growth, social media engagement, order fulfilment, and customer satisfaction provide a framework to monitor progress, manage risks, and make data-driven improvements.

Overall, adopting a digital-first strategy with enhanced delivery and marketing initiatives presents the most practical and impactful approach for Green Haven to stabilise revenue, improve customer experience, and remain competitive in the evolving market.

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.

The Key Performance Indicator is:

Specific	Measurable	Attainable	Relevant	Time-Bound
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