

**Module Name: Problem solving and
decision making
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Overview

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Introduction

- This presentation is about Basil's Bakery and the challenges it is facing. Basil bakery is a small independent bakery located in Coventry UK, the bakery has decreased in sales since COVIE-19.
- This presentation will use PESTEL analysis to examine the external factors affecting the business.
- 5W2H technique to identify what, why, where, when, who, how and how much.
- Fishbone diagram will be used to identify the root cause of a problem and support practical recommendation's that could help improve the bakery's performance.
- The aim is to help Basil understand why sales have remained around 25% below 2019 levels and identify areas for improvement.

Company Background

- Basil's Bakery is a small independent bakery located in a shopping retail park in Coventry UK.
- The business was established in 2015 by Basil. The bakery specializes in cakes, pastries and breads. Basil focuses on using high-quality organic ingredients.
- Between 2015 and 2019 the bakery experienced consistent year-on-year sales growth. However, During the 2020 COVID-19 lockdown sales and customer visits declined due to restrictions. Although sales recovered after restrictions ended, they have remained around 25% below 2019 levels between 2023–2025. Basil is now concerned about the long-term sustainability of the business due to reduced retail park footfall, increased home working, rising operating costs and lack of delivery and online ordering services.

Problem: nature & scope

External Issues	• Reduced retail park footfall. • More empty retail units. • Staff redundancies in nearby shops. • Increase in home working. • Rising inflation and business costs
Internal Issues	• No delivery service. • Limited pre-order system. • Basil works alone and cannot answer calls while baking. • Rising costs of organic ingredients.
Impact	• Sales have remained 25% below 2019. • Lower customer numbers. • Reduced profitability.

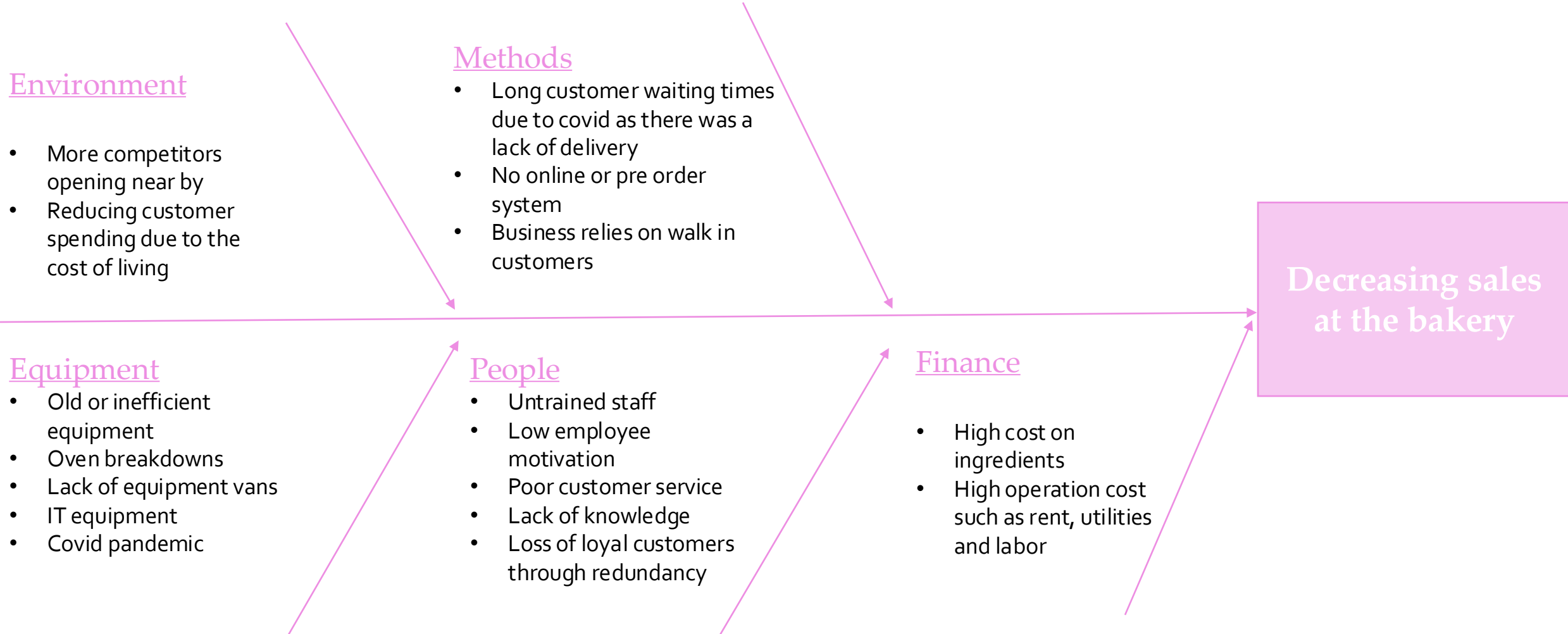
PESTLE ANALYSIS: Basil's Bakery

Political	• Business rates • Food safety regulations • Employment legislation
Economic	• Inflation • Rising energy bills • Higher rent • Organic ingredient price increases • Reduced disposable income
Social	• Home working • Changing shopping habits • Increased demand for convenience • More online ordering
Technological	• Lack of online ordering • No delivery app • Limited phone ordering • Competitors may offer digital services
Environmental	• Organic produce affected by crop failures • Sustainable sourcing increases costs • Consumers value environmentally friendly businesses
Legal	• Food hygiene regulations • Employment law • Health and safety requirements • GDPR if customer data is collected

5W2H Analysis

what	Sales have stagnated at 25% below pre-pandemic levels.
why	Reduced footfall, rising costs and limited services, resource issue and competition.
Where	Retail park in Coventry.
When	Since COVID-19 restrictions ended 2023–2025.
Who	Basil, employees, suppliers and customers are affected.
how	Fewer customers and increasing operating costs reduce profits.
How much	Around 25% reduction in annual sales compared to 2019.

Fishbone diagram



Conclusion

- Introduce online ordering
- Partner with delivery services e.g. Uber Eats or Deliveroo
- Introduce click-and-collect.
- Develop social media marketing.
- Review pricing and product range.
- Consider hiring part-time staff to answer phones and manage orders.
- Key challenges were identified through 5W2H, PESTEL AND FISHBONE diagram analyses.

In conclusion, Basil's Bakery still has strong products and a loyal customer base. However, adapting to changing consumer behaviour through technology, improved convenience and better customer service will be essential for long-term success.

References

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