

Module Title: Problem Solving and Decision Making

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Assessment: Component 2 Report

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1. Introduction

The issues that Green Haven Florists, a tiny independent flower business in Norwich, experiences are examined in this report. The business's in-store sales have decreased due to growing competition, rising expenses, and shifting consumer preferences. This report aims to pinpoint the main sources of the issue and provide practical fixes to boost output. In addition to risk and implementation planning, options will be assessed using a PMI (Plus, Minus, Interesting) analysis. Additionally, the report will include SMART goals and Key Performance Indicators (KPIs) to assess efficacy (Kotler and Keller, 2016).

2. Brief Explanation of the Specific Business Problem

A tiny, independent company, Green Haven Florists, is well-known for its eco-friendly methods and custom flower arrangements. However, the firm has seen a 30% drop in in-store sales during the last 12 months. Customers prefer online purchasing, owing to its ease and affordable prices, which is one of the main causes (Armstrong and Kotler, 2020). Large online retailers offer delivery services and discounts, making it difficult for small businesses to compete.

Additionally, walk-in sales have been hampered by decreased foot traffic on major streets. This is indicative of broader retail trends, as physical stores are seeing a decrease in client traffic (Deloitte, 2023). Rising operational costs, particularly for imported flowers and sustainable materials, have further reduced profitability. The business's outdated website and limited use of digital marketing also reduce its ability to attract clients. Furthermore, increased competition from both local and national florists has intensified market pressure. Together, these elements demonstrate the necessity of strategic adjustments.

3. Two Alternative Solutions

3a. PMI analysis for solution A

Digital Transformation

Solution A entails enhancing the business's digital presence by website updates, online ordering, and social media promotion.

What is Good (+)	What is Bad (-)	What is Interesting
Expands customer reach	High initial investment	Opportunities for brand growth
Improves convenience	Requires digital skills	There are more customers.
Enhances competitiveness	It takes time to see results	

This solution directly tackles the trend of internet shopping (Chaffey, 2022). The company may compete more successfully and draw in new clients by enhancing its digital platforms. Digital transformation is crucial for long-term viability in contemporary retail marketplaces, notwithstanding the associated expenses.

3b. PMI analysis for solution B

Subscription and Loyalty Programs

In Solution B, a loyalty program and subscription services are introduced.

What is Good (+)	What is Bad (-)	What is Interesting
Encourages repeat purchases	Limited new customer growth	Personalised customer experience
Builds customer loyalty	Requires ongoing management	

The goal of this solution is to improve connections with current clients. Customer retention can be improved by loyalty programs (Kotler and Keller, 2016). However, it does not fully address the issue of declining new customers, which is the main problem facing the business.

4. Justification for Selected Solution

Weighted Decision Matrix (A & B)

Factors	Customer Needs	Online Competition	Sales Growth	Cost	Long-term Value	Total
Weights	5	4	5	3	4	21
Solution A	5 (25)	3 (12)	5 (25)	3 (9)	4 (16)	87
Solution B	3 (10)	2 (10)	3 (15)	4 (12)	3 (12)	59

The best solution for Green Haven Florists is Solution A, which has the greatest overall score of 87. This is because it promptly tackles shifts in client behaviour about online buying (Chaffey, 2022). It resolves the primary issue. Solution B increases client retention but does not significantly improve customer acquisition, which may limit its effectiveness in expanding the overall customer base and adapting to evolving market trends. When it comes to long-term effects, market reach, and competitiveness, Solution A is given more weight. It has greater potential for returns but demands more commitment. Although it needs more commitment, the potential return is bigger. Digital transformation is the most effective way to increase sales and maintain corporate sustainability. It helps companies use technology to engage customers, streamline operations, and adapt more quickly to market changes.

5. Risk Analysis of the Selected Solution

The main risks include high expenses, a lack of digital skills, and an unclear return on investment. There is also the possibility of technological glitches impacting the client experience. These risks were analysed using economic, operational, and market criteria (Hill, 2021). To reduce risk, the company can outsource website design, give employee training, and test the introduction of the technology. Managing these risks appropriately will improve the chances of a successful outcome.

6. Plan to Implement the Selected Solution

An organised strategy should be used for the implementation. First, the website should be redesigned by Liam and Priya to ensure functionality and a positive user experience. This is consistent with the best practices for digital company strategy (Chaffey, 2022). Additionally, safe payment methods and shipping alternatives have had to be provided. Next, create a plan for digital marketing that focuses on social media sites such as Instagram and Facebook. Frequent content will raise brand recognition and involvement. A marketing expert might be tasked with handling this. Employee training is also necessary to ensure that staff members can efficiently handle online orders and client contacts. This increases the effectiveness of operations.

Finally, the company should introduce the brand-new system with special incentives to entice customers. The order of responsibilities ensures the website is ready before the promotion begins. This methodical approach lowers risks and guarantees a seamless shift to digital operations, ensuring that customers experience minimal disruption and can easily adapt to the new system and incentives.

Implementation Plan Table

Task	Description	Responsibility	Timeframe	Reason
Website redesign	Create a modern, user-friendly website with online ordering	Liam and Priya	4–6 weeks	Improves customer experience and online sales
Payment & delivery setup	Add secure payment and delivery options	Liam and Priya/IT specialist	2 weeks	Increases convenience for customers
Digital marketing	Social media campaigns (Instagram, Facebook)	Priya/Marketing specialist	Ongoing	Improves brand awareness and attracts customers
Staff training	Train staff to manage online orders and customer service	Liam and Priya	1–2 weeks	Ensures smooth operations
System launch	Launch website with promotions/discounts	Priya	1 week	Attracts customers and increases sales

7. Means of Measuring the Effectiveness of Implementation of Selected Solution

7a. Means of Measuring Effectiveness

The success of the chosen solution may be assessed using Key Performance Indicators (KPIs) and SMART goals. KPIs, including website traffic, online sales, and consumer involvement, were selected since they show how well the digital strategy is working (Parmenter, 2015). Increased website traffic, for example, suggests better exposure, whilst more online purchases indicate that customers are adopting the new system.

SMART objectives guarantee goals are specific and realistic (Doran, 1981). For example, boosting online sales by 20% in six months is both targeted and measurable. It is accessible through good digital marketing and relates to the issue of diminishing sales. Similarly, boosting social media interaction by 25% in three months will boost brand recognition.

These statistics are crucial because they enable the company to monitor development and adjust as needed. Green Haven Florists may make sure that the digital strategy is successful and supports business expansion by regularly evaluating performance.

7b. KPI Table

KPI	What it Measures	Why Important
Website traffic	Number of visitors	Shows online visibility
Online sales	Number of online orders	Measures the success of the digital strategy
Customer engagement	Likes, shares, comments	Indicates brand awareness
Revenue growth	Increase in sales	Shows overall business improvement
Customer satisfaction	Reviews/feedback	Measures service quality

7c. SMART Objectives Table

Specific	Measurable	Attainable	Relevant	Time-bound
Increase online sales	20% increase	Yes, with marketing	Supports business growth	Within 6 months
Improve website traffic	+30% visitors	Achievable with ads	Increases visibility	Within 3 months
Boost social media engagement	+25% interactions	Yes	Builds brand awareness	Within 3 months

7d. Key Findings

The analysis of Green Haven Florists identified several key issues affecting business performance. First, as a result of decreased consumer footfall on the high street and rising competition from internet shops, the firm reported a notable 30% decrease in in-store sales. Secondly, clients now choose online purchasing and delivery services due to shifting consumer behaviour, of which the company was poorly prepared. Thirdly, growing prices for ecological packaging while importing flowers increased operating expenses and decreased profitability.

Furthermore, the company's inadequate digital market strategies limit its capacity to draw in new clients. Additionally, the investigation revealed that competitors having an effective online presence have an edge over their rivals.

The most significant result is that the company must respond to internet-based developments to remain competitive. Finally, creating a digital strategy plays an important role, which includes website updates and social media marketing is critical for increasing exposure, recruiting clients, and further improving sales results.

8. Conclusion:

Green Haven Florists currently faces significant issues as a result of shifting consumer behaviour, growing costs, and increasing competition. The change to online shopping and the business's poor web presence are the primary problems. Digital transformation was shown to be the more successful of the two suggested options.

This solution addresses the root cause of the problem and provides long-term growth opportunities. Although there are risks, they may be controlled with diligent preparation. KPIs and SMART goals can be used to monitor performance and guarantee ongoing development.

Ultimately, responding to digital trends is crucial for businesses to remain competitive in the current consumer market (Chaffey, 2022).

9. **Reference List**

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