

Basil's Bakery

Problem Solving and Decision Making (LCLM4004)

Individual Presentation

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Introduction and Presentation Structure

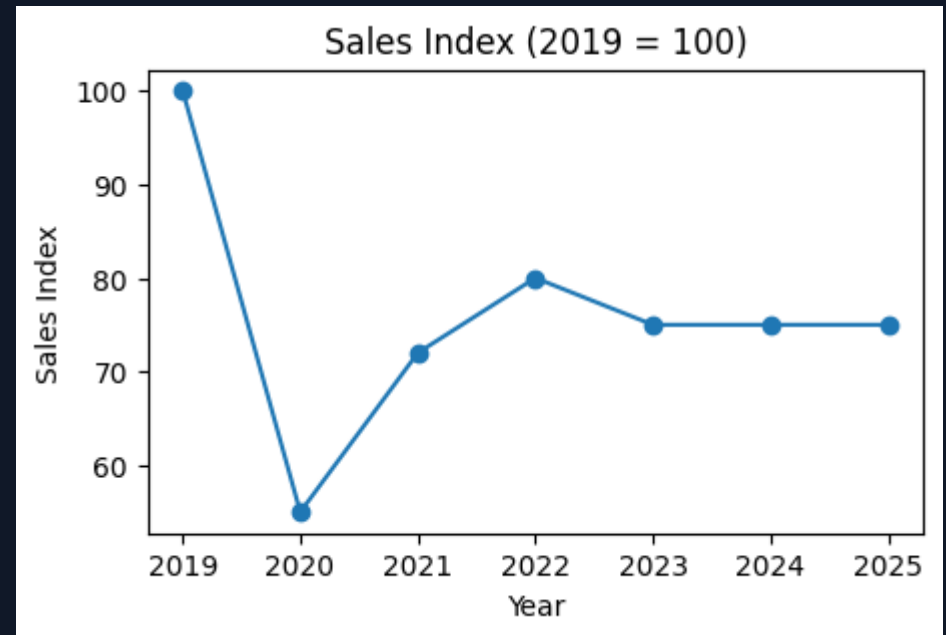
- Overview of Basil's Bakery and the Coventry retail park.
- Identification of the main business problems.
- Application of 5W2H analysis.
- Application of PESTEL analysis.
- Application of a Fishbone (Ishikawa) diagram.
- Key findings and recommendations.

The aim is to evaluate the causes of sales stagnation and identify practical actions to improve business viability.

Nature and Scope of the Problem

- Sales have remained approximately 25% below 2019 levels.
- Customer footfall has declined across the retail park.
- Several neighbouring shops have closed, reducing passing trade.
- More office workers now work from home.
- Customers have requested delivery and pre-order services.
- Operating costs have increased significantly.

These issues affect revenue, customer retention, operational efficiency, and long-term profitability.



5W2H Analysis

Question	Answer
Who	Basil, retail workers, office workers, warehouse staff
What	Sales stagnation and reduced customer demand
Where	Coventry retail park
When	Since 2023–2025
Why	Lower footfall, WFH, rising costs
How	Use business analysis tools and customer research
How much	Around 25% below 2019 sales

PESTEL Analysis

Political: Business rates and local economic policy

Economic: Inflation, higher rent, utilities, and organic ingredient costs

Social: Hybrid working and changing shopping habits

Technological: Need for online ordering and delivery systems

Environmental: Dependence on organic produce and crop-related supply risks

Legal: Food safety, hygiene, employment, and insurance requirements

PESTEL – Benefits and Limitations

Benefits

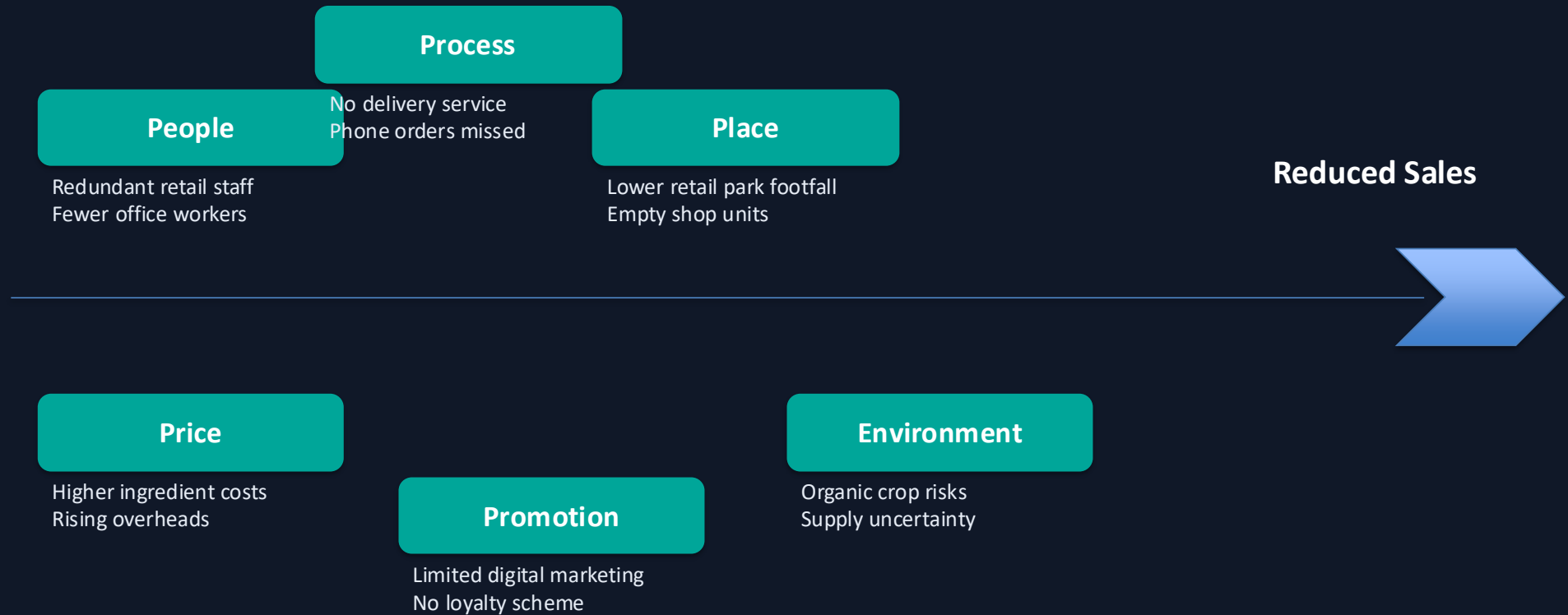
- Provides a structured overview of the external environment.
- Helps identify opportunities and threats.
- Supports strategic planning.

Limitations

- Does not prioritise the importance of each factor.
- Can become outdated quickly.
- Does not explain internal operational problems.

PESTEL is most effective when combined with internal analysis tools such as the Fishbone Diagram.

Fishbone (Cause-and-Effect) Diagram



Fishbone Diagram – Benefits and Limitations

Benefits

- Identifies multiple root causes of a problem.
- Encourages systematic thinking.
- Helps management focus on the most significant causes.

Limitations

- Does not measure the importance of each cause.
- Can become complex when many factors are included.
- Requires accurate information and staff input.

For Basil's Bakery, the diagram highlights that sales decline is caused by several interconnected factors rather than a single issue.

Recommendations

Short-term (0–3 months)

- Introduce online pre-ordering.
- Partner with delivery platforms.
- Reduce customer waiting times.

Medium-term (3–12 months)

- Launch a loyalty programme.
- Improve social media marketing.
- Offer office and warehouse catering packages.

Long-term (12+ months)

- Develop an e-commerce website.
- Expand delivery coverage.
- Review pricing and product mix to protect profit margins.

Key Findings

- Sales have stagnated at approximately 25% below 2019 levels.
- The decline is driven by reduced retail park footfall and hybrid working patterns.
- Rising operating costs are putting pressure on profitability.
- Customers are demanding delivery and pre-order services.
- PESTEL analysis identified significant external threats.
- Fishbone analysis revealed multiple internal and external root causes.
- Digital ordering, delivery services, and targeted marketing are the most effective immediate actions.

Reference List (Harvard Style)

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