

Module Title:

Problem Solving and Decision Making

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Introduction

This report examines the primary challenges confronting Green Haven Florists, an independent flower shop located in Norwich. The company has seen a downturn in sales attributed to shifts in consumer behavior, heightened competition, and increasing operational expenses. The purpose of this report is to identify and evaluate practical solutions to enhance sales performance, with a focus on digital transformation. Two possible strategies are analyzed using structured decision-making tools, culminating in a justification for the most suitable option. Additionally, the report presents a risk assessment, an implementation plan, and a framework for measuring performance to guarantee successful execution and long-term viability.

Brief Explanation of the Specific Business Problem

Green Haven Florists has faced a notable decrease in performance, with in-store sales dropping by around 30% in the last year. This decline is mainly due to lower foot traffic on the high street, caused by nearby business closures and a growing preference for online shopping. Customers are leaning towards convenience, competitive pricing, and quick delivery—areas where large online flower retailers excel compared to small independent shops.

Moreover, increasing costs have further impacted profitability. Higher prices for imported flowers, alongside the business's dedication to sustainable and locally sourced products, have squeezed profit margins. While there has been some growth in online orders, it has not been enough to compensate for the losses in-store.

Customer feedback points to deficiencies in the company's digital presence, particularly an outdated and hard-to-use website. Limited delivery options and a lack of subscription services hinder competitiveness as well. The rise of new competitors—one focusing on digital sales and another on price—has added to the market challenges. Ultimately, the main issue is Green Haven's failure to adapt effectively to the expectations of digital consumers.

Suggested Two Alternative Solutions

Solution A: Development of an E-commerce Platform with Subscription Services

This solution proposes the creation of a modern, mobile-optimised e-commerce platform that enables online ordering, flexible delivery, and subscription-based services.

PMI Analysis – Solution A

Plus (+)	Minus (–)	Interesting (?)
Enhances accessibility and convenience	High initial investment	Enables data-driven marketing
Generates recurring revenue streams	Requires technical expertise	Potential for customer personalisation
Improves competitiveness	Ongoing maintenance costs	Opportunity for loyalty schemes
Supports long-term growth	Risk of slow adoption	Scalable beyond local market

This solution directly addresses the business's weak online presence and aligns with evolving consumer preferences for convenience and subscription-based services.

Solution B: Strengthening Digital Marketing and Social Media Presence

This solution focuses on improving brand visibility through consistent social media engagement, targeted promotions, and content marketing.

PMI Analysis – Solution B

Plus (+)	Minus (–)	Interesting (?)
Cost-effective implementation	Time-intensive	Influencer collaborations
Increases brand awareness	Delayed results	Viral marketing potential
Enhances customer engagement	Requires consistent effort	Builds strong brand identity
Drives traffic to sales channels	Skill gap in digital marketing	User-generated content opportunities

This approach improves brand visibility and customer engagement but does not fully address transactional limitations.

Justification for Selected Solution

Solution A, which involves creating a modern e-commerce platform with subscription services, is the best option for addressing the declining performance of Green Haven Florists. The primary problem lies not just in low visibility, but in the lack of capability to turn customer interest into sales due to limited online functionalities. Although Solution B (digital marketing) might boost awareness, it fails to offer a convenient purchasing method that customers now expect in retail.

Solution A is prioritized based on weighted criteria: revenue generation (50%), customer convenience (30%), and long-term sustainability (20%), and it excels in all three aspects. This platform allows for immediate online purchasing, supports delivery options, and introduces subscription services that provide steady, recurring revenue. Furthermore, it meets the evolving consumer preference for convenience and accessibility.

While it demands a larger upfront investment, Solution A provides better long-term returns and scalability. It not only addresses the decrease in in-store sales but also prepares the business for future expansion, making it the most strategically sound choice.

Risk Analysis of the Selected Solution

Risk	Likelihood (1–5)	Impact (1–5)	Risk Score	Mitigation Strategy
High implementation cost	3	4	12	Phased investment and budgeting
Technical challenges	3	3	9	Employ experienced developers
Low customer adoption	2	4	8	Marketing campaigns and promotions
Lack of staff expertise	3	3	9	Training or outsourcing
Delivery/logistics issues	2	5	10	Partner with reliable couriers

The selected criteria probability and impact allow for prioritisation of risks based on severity. Financial and operational risks are moderate but manageable through careful planning and resource allocation.

Plan to Implement the Selected Solution

The project will be carried out over three months using a phased strategy. To start, a web developer will be hired to create an easy-to-navigate e-commerce platform, which is essential as it lays the groundwork for all further tasks. Liam will oversee the

technical aspects to guarantee functionality, security, and the integration of payment options.

Next, product listings and subscription services will be prepared, with Priya managing this phase to ensure they reflect the brand's eco-friendly ethos and include high-quality descriptions. This step will occur after the development phase to ensure the platform is fully prepared.

A testing phase will follow to detect and fix any usability or technical issues. Both owners will be involved in the testing to guarantee a smooth customer experience.

Finally, the platform will be launched with a focused promotional campaign that leverages social media and email marketing. Assigning responsibilities according to expertise will enhance efficiency and accountability. This organized approach reduces risks and aids in effective execution.

Means of Measuring Effectiveness of Implementation of Selected Solution

Key Performance Indicators (KPIs)

KPI	Measure	Target	Method	Frequency
Online sales revenue	Financial performance	+20%	Sales data	Monthly
Subscription sign-ups	Customer retention	50 customers	Website analytics	Monthly
Website traffic	User engagement	+30%	Google Analytics	Weekly
Conversion rate	Sales effectiveness	3–5%	Analytics tools	Weekly
Customer satisfaction	Service quality	4+ rating	Reviews/surveys	Monthly

The KPIs are suitable as they directly evaluate financial performance and customer engagement. Online sales and subscription sign-ups gauge revenue growth, while website traffic and conversion rates indicate the platform's effectiveness in attracting and converting customers. Additionally, customer satisfaction helps maintain service quality.

SMART Objectives

Specific	Measurable	Attainable	Relevant	Time-Bound
Launch e-commerce platform	20% sales increase	Based on demand	Addresses declining sales	6 months
Improve customer experience	4+ ratings	Achievable via design	Enhances brand image	3–6 months
Increase retention	50 subscriptions	Realistic target	Builds recurring revenue	6 months

The SMART objectives are justified as they provide clear and measurable targets for improvement. They focus on increasing online sales by 20%, improving customer experience, and gaining subscription customers within a six-month period. These targets are specific, measurable, achievable, relevant to the business problem, and time-bound, allowing progress to be effectively monitored and evaluated.

Conclusion:

This report highlighted the main challenges faced by Green Haven Florists, including falling in-store sales, increasing costs, and inadequate digital capabilities. After evaluating two potential solutions, developing an e-commerce platform was identified as the most effective strategy. This approach meets consumer expectations for convenience and opens new avenues for revenue through online sales and subscriptions.

The analysis indicates that, although there are risks, they can be effectively managed with careful planning and resource allocation. The implementation plan outlines a coherent sequence of actions, while KPIs and SMART objectives establish a clear framework for assessing success.

In conclusion, the report emphasizes that digital transformation is crucial for survival in today's competitive retail landscape. By embracing an e-commerce model, Green Haven Florists can improve its market position, attract new customers, and secure long-term sustainability.

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The Key Performance Indicator is:

SMART Element	Questionnaire	Observation	Reviews
Specific	8–10 structured questions focusing on customer satisfaction, website usability, delivery options, and product quality.	Monitor customer behaviour on the website, including navigation patterns, time spent on pages, and abandoned baskets.	Analyse customer feedback from Google Reviews and social media platforms.
Measurable	8–10 questions; 30–50 respondents; collected over 2 weeks.	Monitored 7 days per week; 2–3 hours observation daily; tracked via analytics tools.	Reviewed monthly; based on number of reviews, average rating, and sentiment.
Attainable	Conducted by staff (Priya and front-line employees) using email and QR codes.	Managed using Google Analytics by Liam or outsourced digital support.	Reviewed by management team on a monthly basis.
Relevant	Provides direct insight into customer expectations and service improvements.	Measures customer interaction and effectiveness of the e-commerce platform.	Reflects overall customer satisfaction and brand reputation.
Time-Bound	Data collected over a 2-week period after launch.	Continuous monitoring with weekly reporting.	Monthly evaluation to identify trends and improvements.