

Module Title: Problem Solving and Decision Making

Module Code: LCLM 4004

Assessment: Component 2 Report – Basil's Bakery

Student Name: Paulo Estano Flamiano

Student Number: 2526512

Lecturer's Name: Anita Nan

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Task 1: Overview of Case-study

Basil's Bakery is an independent business founded in 2015 by owner Basil, based at Coventry Retail Park, UK and recognised for handcrafted, organically sourced breads and pastries. Up to 2019, The bakery enjoyed a strong reputation and loyal local customer base. However, sales have since fallen by 25%, with a sharper decline between 2023 and 2025. The main causes include retail park closures, reduced footfall and growing customer preference for online delivery and pre-orders which the bakery does not currently offer. Additional pressures come from increased business rates, rising overhead costs such as rent and utilities, and inconsistent supply of organic ingredients all of which further squeeze profit margins. This case study analysis these challenges and proposes practical, sustainable solutions to restore performance and secure Basil's Bakery long term future.

Task 2: Two Proposed Solutions

Solution A Proposal: Online ordering and delivery

A simple and easy to use online system will let customers browse, pre-order and pay ahead plus get fresh treats delivered straight to their door. This reaches more people who cannot visit the store as some employees are working from home, fits how people like to shop nowadays and for elderly loyal customers who cannot come physically in the bakery. It will help to boost sales and it will also makes planning easier – cutting waste and saving time. It will give Basil's Bakery a fairer chance to compete with high rent and cost.

Solution B Proposal Switch to sourcing local ingredients

This proposal means that buying flour, butter, eggs, fruit and other supplies from nearby farms and UK producers instead of distant suppliers. It cuts transport cost and delivery delays, support the local community, appeals to customers who prefer fresh, sustainable products. It also lets the bakery market itself as "locally made" and environmentally friendly, helping stand out from the big supermarkets. Sourcing locally can also lower long-term supply risks and strengthen the basil's bakery reputation as a trusted neighborhood business.

Task (3b): Evaluation Results and Justifications

Based on the PMI evaluation, Solution A is the most appropriate primary solution as it directly tackles Basil's Bakery most urgent problem which are falling footfall, declining sales and lost revenue needed to cover high rent and bills. On the criteria used, I assessed proposals against the relevance to core issues, financial impact and feasibility, customer demand and competitive advantage. Solution A scores highest across these measures, it delivers faster sales growth, low cost to launch meets the convenience expectations of Basil's Bakery loyal customers, will reach remote areas, pre-orders will reduce wasted stocks by taking pre-orders. While Solution B (local sourcing) supports long term branding but will take time for financial returns. Although combining both solutions remains ideal but prioritizing Solution A will give an urgent relief to Basil's Bakery currently facing of decreasing sales and footfall. To assess and compare the proposed solutions, this analysis uses the PMI framework – a structured decision making tool developed by de Bono(1982) to systematically identify advantages, disadvantages and wider considerations for each option.

Task (4b): Justifications for the Implementation Plan

The implementation plan is designed to be practical, low risk and relevant for Basil's Bakery, directly addressing the core issues of falling footfall and limited sales reach. Breaking work into four logical steps prevents overwhelming the small team and keeps costs controlled which is essential for businesses operating with limited resources (Marr 2012). Starting with simple and affordable platforms avoids expensive upfront costs, while operational preparation ensures orders run smoothly without disrupting existing in store service. The launch and promotion stage targets both new and loyal customers and ongoing review means adjustments can be made quickly based on real feedback. This structured approach directly tackles identified weaknesses such as lack of delivery options, spreads workload sensibly and gives the Basil's Bakery the best chance to grow revenue while managing tight budget and high overheads effectively.

Task (5b): Justifications for the KPI and SMART Objectives

These KPIs are selected because they provide a balanced assessment of how well the online ordering and delivery solution addresses Basil's Bakery core challenges of decreasing sale, high overheads and limited customer reach. The online order sales and service performance KPI directly tracks revenue growth and delivery reliability, ensuring the solution generates meaningful extra income. Customer retention and satisfaction measures whether the service meets the customer needs, supporting long-term loyalty rather than only one-off sales. Operational cost efficiency monitors whether the changes also improve profit margins by reducing waste and unnecessary spending, which is critical given pressure from high rent and bills. The SMART objective is justified as follows being specific removes all uncertain about what needs to be achieved and measurable allows objective tracking using verifiable data, being attainable ensures targets are realistic given the Basil's Bakery location, existing customer base and available resources, being relevant links every target directly the bakery's financial and operational priorities and having set deadlines maintains accountability and keeps progress on schedule (Doran,1981). Effective KPIs focus on critical success factors rather than routine tasks (*Parmenter, 2015*)

Task 6: Key Findings

- Main internal issues are decreasing sales, high rent and utility bills. Basil's Bakery no delivery service and weak marketing.
- External factors like rising costs and Basil's Bakery is using organic ingredients.
- Online ordering and delivery the most cost effective way to reach new customers and boost income
- Sourcing local ingredients enhances product appeal, supports brand image and will help to stabilise the supply costs.
- PMI analysis confirms both solutions are feasible and practical. SMART KPI's clear ways to measure success.

Reference List

de Bono, E. (1982) *de Bono's Thinking Course*. London: BBC Books.

Doran, G.T. (1981) There's a S.M.A.R.T. way to write management's goals and objectives. *Management Review*, n70(11), pp.35-36). Available at: <https://sswm.info/node/13502> (Accessed: 12th of August 2026).

Marr, B. (2012). *Key Performance Indicators: The 75 Measures Every Manager Needs to Know*. Harlow: Pearson

Parmenter, D. (2015) *Key Performance Indicators: Developing, Implementing and Using Winning KPIs*. 3rd edn. Hoboken: John Wiley & Sons

Appendices

PMI Evaluation Table

<i>Solution A : Online order and delivery</i>		
Plus	Minus	Interesting
Reaches the customers who cannot visit the shop and working from home loyal customers	Initial setup costs and app commission fees	Can attract new customers
Boosts sales to cover high rent and bills	More admin time – managing orders and deliveries	Can see which items sell best – plan baking to cut waste
Open sales outside traditional opening hours of the retail parks	Risk of delivery delays or order mistakes	Can turn quiet period into busy delivery slots
Builds direct contact with customers for updates and offers	Packaging and transport cost increase	
Makes ordering easier for busy families and office workers		
Attracts new customers who search for baked goods online		

<i>Solution B: Sourcing Local Ingredients</i>		
Plus	Minus	Interesting
Fresher ingredients for better taste and quality	Local supply may cost a little more at first	Potential story to use in marketing and social media
Less risk of long delays from overseas suppliers	Less flexibility if one supplier runs out	Can build a long-term loyal partnerships with the farmers
Appeals to customers who care about local business	Longer lead time on some items	Can create a “local special” ranges to sell
Strong unique selling point to stand out from competitors	Need to update ordering and stock routines	May qualify for small local business grants
Appeals to eco-friendly and community-minded shoppers		
Helps build a loyal local customer base		
Often better traceability and food safety control		

Appendix 2 – Task 4a

Implementation Plan

Name the problem you are solving: Decreasing Sales

Name the solution you are implementing: Online order and delivery

	WHAT	HOW	WHEN	WHO
1	Set up online ordering system and delivery basics	Choose low cost platform, Add menu, prices and set service rules	1 st August – 14th August, 2026	Basil, Part time team member
2	Prepare operations and safety process for online order and delivery	Creating packing guidelines, contactless delivery options Delivery fees/Minimum orders.	15 th of August – 29 th of August ,2026	Basil, Part time team member and delivery partners
3	Launching of online ordering and delivery service and promote the new service	Post updates on social media, Put posters in the store, Inform the existing customers, small opening offer	30 th of August 2026	Basil and part time member
4	Monitor and adjust the online ordering and delivery service and adjustments as needed	Track daily orders, delivery times and feedback. Fixing issues like delays or incorrect items	30 th of August to November 30 th , 2026	Basil and part time member

Appendix 3 – Task 5a

The Key Performance Indicator is:

KPI : Online Order Sales Service Performance

Specific	Measurable	Attainable	Relevant	Time-Bound
Achieve 25+ completed online orders per week; deliver all orders with 30 minutes	Track weekly order count, sales figures, delivery times, customer feedback and produce weekly report	Possible due to loyal local customer base in Coventry park area	Addresses falling footfall, expands sales reach	Consistently achieved from 30 th August 2026 to 30 th of November 2026
Reach 90% or higher customer satisfaction rating; achieved repeat purchase rate for online orders	Track post-delivery survey scores, repeat customer percentage and positive review volume	Attainable by offering consistent quality, reliable delivery and welcome discounts for first online orders	Shows service quality meets needs, builds long-term loyalty instead of only one-off sales	Measured and maintained, 30 th of August - 30 th of November 2026
Reduce wasted ingredients and excess stock by 10% lower per order and fulfilment costs by 8%	Record weekly waste amounts, stock usage logs and total costs per online order	Attainable by using order data plan production accurately and negotiating fair delivery rates couriers	Helps ease pressure from high rent and bills, improving overall profit margin	Improvement by 30 th of November 2026

