

Component 1 – Basil's Bakery

Problem Solving and Decision Making

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Module Name: Problem Solving and Decision Making

Assessment: Component 1 – Basil's Bakery

PRESENTATION OVERVIEW

- Background of Basil's Bakery
- Nature and scope of the problems
- Critique and application of PESTEL
- Critique and application of the Cause-and-Effect model
- Key findings



Background of Basil's Bakery





–25%

Founded 2015

Our Story & Location

- Independent artisan bakery located at Coventry Retail Park
- Founded in 2015
- Specialises in organic artisan bread and cakes
- Sales grew steadily until 2020
- Sales are now approximately 25% below 2019 levels

(Basil's Bakery, 2024)

Nature and Scope of Problems

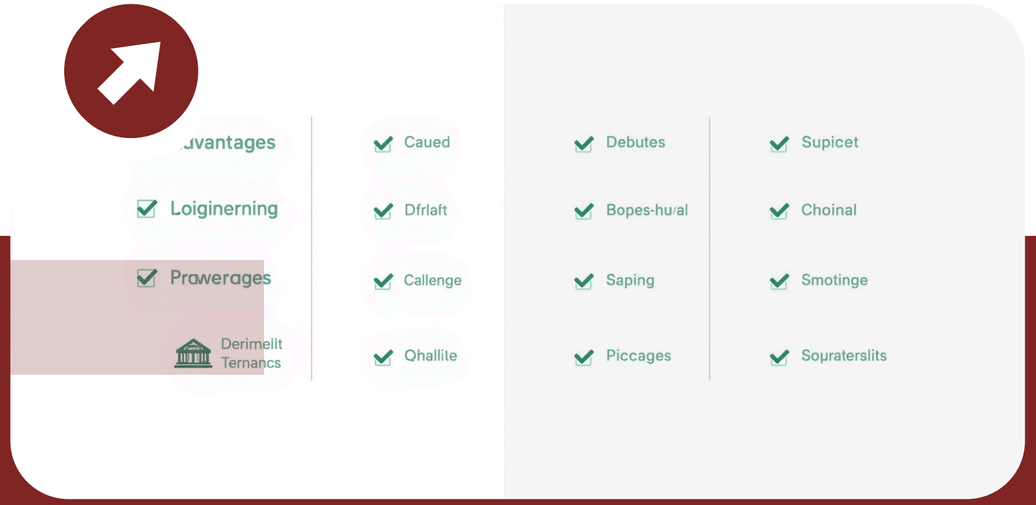


Root Problem: Sales Stagnation

External (Cannot Control): Less visitors to retail park • Shops closing • Staff redundancy • WFH trend • Rising costs • Inflation
Internal (Can Control): No delivery service • Poor pre-order system • Missed phone calls • Long waiting times
(Basil's Bakery, 2024)



Critique of PESTEL Framework



What is PESTEL?

PESTEL is a strategic framework used to analyse Political, Economic, Social, Technological, Environmental and Legal factors in the external business environment.

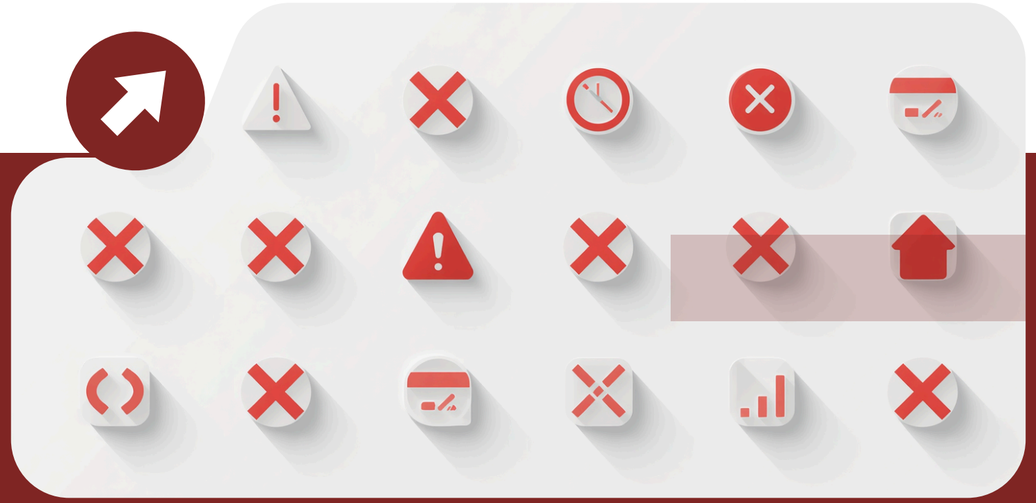
Benefits:

- Supports strategic planning
- Identifies external risks and opportunities
- Encourages a structured analysis
- Helps businesses understand market changes

Limitations:

- Can become outdated quickly
- Depends on accurate information
- Does not analyse internal business weaknesses
- Does not directly provide solutions

(Pestle Analysis, 2024; Aguilar, 1967)



PESTEL Application

Basil's Bakery – External Environment (Pestle Analysis, 2024)



1

Political

- COVID-19 restrictions reduced footfall
- Business support policies shaped recovery
- Local council retail park policies affected operations

2

Economic

- Rising inflation increased ingredient costs
- Reduced consumer spending power
- Post-pandemic economic uncertainty

3

Social

- Work-from-home trend reduced footfall
- Changing consumer habits shifted purchasing online
- Health consciousness benefits organic range

PESTEL Application

Basil's Bakery – Part 2 (Morrison, 2020)



1

Technological

- No online ordering system
- Poor pre-order process
- No delivery infrastructure

2

Environmental

- Organic/sustainable products (advantage)
- Local sourcing supports brand values
- Eco-conscious target market

3

Legal

- Food safety regulations compliance
- Employment law obligations
- Health and safety requirements

Critique of the Cause-and-Effect (Fishbone) Model

What is it?

A Cause-and-Effect Diagram, also known as a Fishbone or Ishikawa Diagram, is used to organise and identify possible causes of a defined problem.

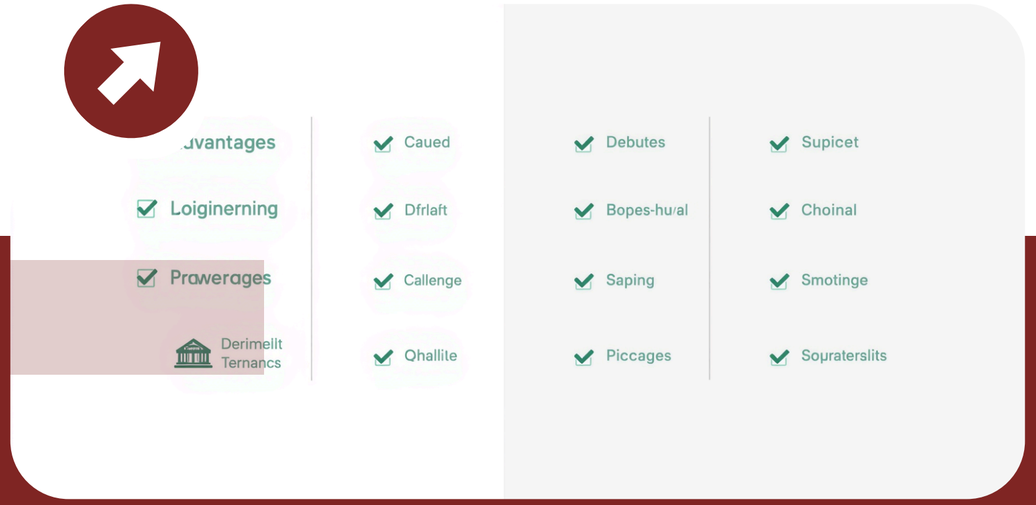
Benefits:

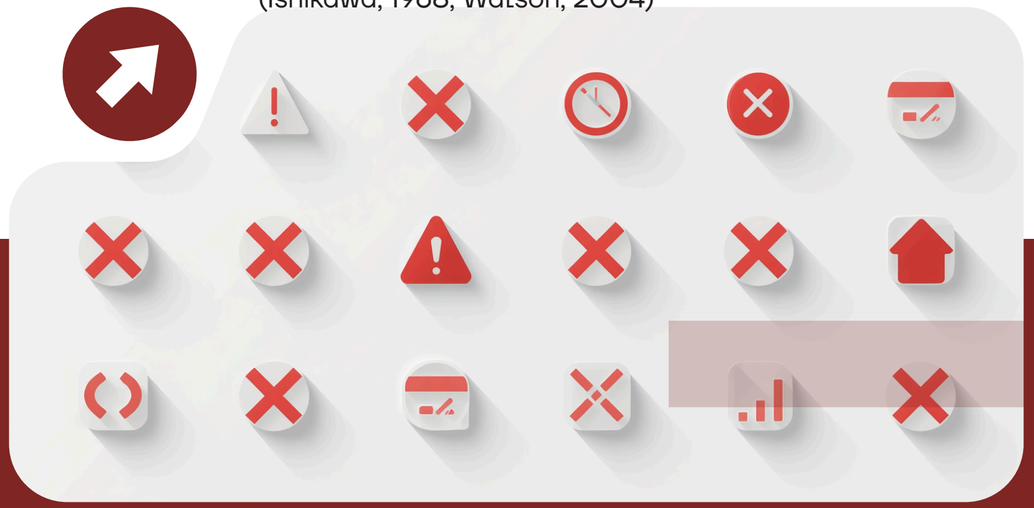
- Helps identify root causes of a problem
- Organises complex information visually
- Encourages structured problem analysis
- Supports group discussion and decision-making

Limitations:

- Findings may be subjective
- Does not rank causes by importance
- Does not automatically identify solutions
- Depends on the quality of available information

(Ishikawa, 1968; Watson, 2004)







Cause-and-Effect (Fishbone) Analysis

Root Cause: Sales Stagnation

Methods: No delivery service; Inefficient pre-ordering
Machines: Reliance on telephone ordering; Limited technology
People: Reduced customer footfall; Customers working from home
Materials: Rising organic ingredient costs; Unpredictable supply
Measurement: Limited sales data; Difficulty tracking demand
Environment: Retail park closures; Inflation and rising overheads

Key Findings

- Sales decline was caused by both external and internal factors.

- PESTEL identified the key external pressures affecting Basil's Bakery.

- Fishbone analysis highlighted the main operational weaknesses.

- Digital ordering and delivery are the most effective improvement opportunities.





Thank You

Any Questions?

References

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