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## Component 2 – Individual Report

LCLM 4004 – Problem Solving and Decision Making

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# Introduction

Green Haven Florists now faces a complex organisational issue that requires methodical problem-solving to secure its long-term viability, especially in a rapidly evolving retail environment (Drucker, 2007). Businesses must adeptly detect issues, since external influences such as shifts in consumer behaviour and increased online competition need strategic adjustments (Kotter, 2012). Small enterprises are particularly vulnerable to environmental changes due to their constrained resources and operational flexibility (Storey, 2016). The objective of this study is to examine the primary business difficulty at Green Haven Florists and provide solutions grounded on evidence that align with contemporary decision-making frameworks (Hammond, Keeney & Raiffa, 2015). The report will use a recognised decision-analysis methodology to evaluate two strategic alternatives and ensure the optimal choice is selected (Saaty, 2008). Subsequently, it will elucidate why the selected alternative is optimal, assess the associated risks, and devise a plan for its implementation that adheres to effective change-management principles (Hayes, 2018). Ultimately, the report will provide methods to evaluate the impact of the selected solution (Neely, 2007).

# Explanation of the Business Problem

| Problem Category         | Description                                                  | Source                 |
|--------------------------|--------------------------------------------------------------|------------------------|
| Declining Sales          | 30% fall in in-store sales due to reduced foot traffic       | ONS (2023)             |
| Rising Costs             | Higher prices for imported flowers and sustainable packaging | Bank of Englan (2023)  |
| Digital Weakness         | Outdated website and minimal online presence                 | Chaffey & Smith (2022) |
| Competitive Pressure     | Strong competition from online florists and local boutiques  | Burt et al. (2020)     |
| Internal Capability Gaps | Limited digital marketing skills                             | Kotler et al. (2021)   |

**Table1:** Summary of core problems affecting Green Haven Florist

Green Haven Florists is seeing a 30% decline in in-store revenue due to a decrease in foot traffic. This is due to an increase in internet shopping and a decline in foot traffic on the high street (ONS, 2023). Increasing operational expenditures, particularly the escalating costs of imported flowers and sustainable packaging, have further diminished profit margins amid inflation impacting both suppliers and consumers (Bank of England, 2023). The sector must contend with increased competition from both local and national enterprises. Major online retailers provide same-day delivery, subscription services, and discounts that smaller florists cannot compete with (Burt et al., 2020). Customer criticism indicates that the website is outdated and lacks diverse delivery options. This complicates the conversion of online clients and hinders competition in a market where a digital presence is crucial for customer engagement (Chaffey & Smith, 2022). The proprietors' inadequate digital marketing proficiency hinders their ability to effectively communicate their sustainable value proposition (Kotler et al., 2021). The interplay of these internal and external factors indicates

that the issue is multifaceted, including operational, technical, financial, and strategic dimensions characteristic of challenging organisational challenges (Hitt, Ireland, & Hoskisson, 2020). Addressing the issue requires methodical decision-making and evaluation to ensure that remedies target the fundamental causes rather than only the symptoms (Hammond, Keeney & Raiffa, 2015).

## Two Alternative Solutions

### Solution A : Digital modernisation

The first phase is enhancing Green Haven Florists' online visibility by redesigning the website, facilitating online shopping, and amplifying their social media marketing efforts (Chaffey & Smith, 2022). Digital upgrading is crucial as an increasing number of individuals use the internet and mobile devices to locate florists (Laudon & Traver, 2021). Incorporating additional product pages, real-time availability, and delivery options on the website will enhance customer convenience and elevate conversion rates (Kotler et al., 2021). Targeted advertisements on platforms such as Instagram and Facebook may enhance your outreach, especially to younger demographics that are very active online (Tuten & Solomon, 2020). This strategy promptly addresses the shop's outdated website and deficiencies in digital marketing expertise, both of which are detrimental to sales (ONS, 2023).

### Solution B : Strategic Local Partnerships

The alternative is to collaborate with cafés, hotels, wedding planners, and event venues to create floral arrangements that are in great demand (Bergman & Feser, 2017). Collaborations enable small enterprises to access a broader client base without incurring substantial expenses (Storey, 2016). Engaging with corporate clients may result in consistent, repeat orders, reducing dependence on foot traffic (Baines, Fill & Page, 2013). This approach leverages the store's strengths in bespoke and environmentally sustainable products, distinguishing it from

inexpensive national competitors (Burt et al., 2020). Collaborations may enhance a business's visibility within the community, a crucial factor in a competitive local market (Hitt, Ireland & Hoskisson, 2020).

## Evaluation of Both Solutions Using Grid Analysis

A Grid Analysis was used to evaluate the two proposed solutions based on four weighted criteria: cost-effectiveness, impact on sales, long-term sustainability, and ease of implementation, using the decision-analysis framework described by Hammond, Keeney, and Raiffa (2015). Grid Analysis is a widely used instrument for managers in decision-making, since it facilitates the systematic comparison of possibilities using quantitative criteria (Saaty, 2008). Each criterion was given a weight to signify its strategic importance to Green Haven Florists, consistent with best practices in multi-criteria decision analysis (Goodwin & Wright, 2014).

Digital Modernisation (Solution A) has high ratings for sales impact and long-term sustainability, since digital visibility significantly influences consumer purchasing decisions in contemporary retail markets (Chaffey & Smith, 2022). It enhances your competitive edge, since acquiring and retaining online clients is more manageable (Tuten & Solomon, 2020). Nonetheless, its cost-effectiveness rating is somewhat diminished due to the expenses associated with website upgrades and digital marketing (Laudon & Traver, 2021).

Strategic Partnerships (Solution B) is an advantageous option due to its cost-efficiency and simplicity of implementation. Partnerships often incur little financial expenditure and use pre-existing community networks (Storey, 2016). However, its overall impact on sales is diminished, since collaborations gradually expand reach rather than altering the company's strategy (Bergman & Feser, 2017). The long-term sustainability is limited, since development via partnerships may lack the scalability of growth achieved through digital methods (Hitt, Ireland, and Hoskisson, 2020).

The Grid Analysis results indicate that Solution A has the highest overall weighted score. This indicates that it is the most suitable solution for Green Haven's performance issues (Kotler et al., 2021).

| Criteria                    | Weight      | Solution A:<br>Digital<br>Modernisation | Score | Total       | Solution B:<br>Partnerships | Score | Total       |
|-----------------------------|-------------|-----------------------------------------|-------|-------------|-----------------------------|-------|-------------|
| Cost-effectiveness          | 0.25        | Medium                                  | 3     | 0.75        | High                        | 4     | 1.00        |
| Sales Impact                | 0.30        | High                                    | 5     | 1.50        | Medium                      | 3     | 0.90        |
| Long-term Sustainability    | 0.25        | High                                    | 5     | 1.25        | Medium                      | 3     | 0.75        |
| Ease of Implementation      | 0.20        | Medium                                  | 3     | 0.60        | High                        | 4     | 0.80        |
| <b>Total Weighted Score</b> | <b>1.00</b> | —                                       | —     | <b>4.10</b> | —                           | —     | <b>3.45</b> |

**Table 2.** *Grid Analysis of Various Solutions*

## Selecting the Optimal Solution and Justifying the Rationale

The Grid Analysis indicates that digital modernisation is the optimal choice, since it received the greatest weighted score across all evaluation categories (Goodwin & Wright, 2014). This option maximises the potential for increasing sales by facilitating customers' ability to locate products and delivery services online (Chaffey & Smith, 2022). Digital transformation is essential in retail marketplaces due to the increasing prevalence of online purchasing and consumer engagement with enterprises (Laudon & Traver, 2021). Research indicates that well-structured e-commerce platforms provide sustained revenue expansion via enhanced conversion rates and customer loyalty (Kotler et al., 2021). This remains true even when the initial outlay is greater. Conversely, partnerships have limited development potential and need more time to impact sales, making them less effective for addressing the current decline (Bergman & Feser, 2017). Digital modernisation is the optimal solution for the enterprise as

it exerts the most significant impact, is future-oriented, and aligns with the company's strategic objectives (Hitt, Ireland & Hoskisson, 2020).

## Risk Analysis of the Selected Solution

Digital modernisation is the optimal choice; nonetheless, it entails several hazards that must be managed to ensure its effectiveness (Hitt, Ireland, and Hoskisson, 2020). A significant risk is exceeding the budget, since the expenses associated with website reconstruction and digital marketing may surpass expectations if not well controlled (Laudon & Traver, 2021). In the absence of trained personnel, a firm risks insufficient technical expertise, perhaps resulting in delays or subpar digital outputs (Kotler et al., 2021). Moreover, small enterprises can have difficulties with employee acceptance of new technology, thereby diminishing their willingness to use it (Hayes, 2018). Cybersecurity issues are a significant problem, particularly with the integration of online payment systems that need robust data protection (Stair & Reynolds, 2020). Finally, the potential for slow customer acceptance must be considered, since online improvements may need time to reflect in sales figures (Chaffey & Smith, 2022). To alleviate these constraints, we need efficient mitigation strategies.

| RISK                     | LIKELIHOOD RATING | IMPACT                                                 |
|--------------------------|-------------------|--------------------------------------------------------|
| Budget Overrun           | Medium            | Set capped budgets and phased spending controls        |
| Limited Technical Skills | High              | Hire skilled freelancer/agency; provide staff training |
| Staff Resistance         | Medium            | Communicate benefits; involve staff in process         |
| Cybersecurity Threats    | Low               | Introduce secure payment systems and data protection   |
| Slow Customer Adoption   | Medium            | Launch promotions and awareness campaigns              |

**Table 3:** Risk analysis table – Digital modernization solution

# Implementation Plan

The digital modernisation plan should be implemented in phases to optimise resource utilisation and ensure operational continuity (Kotter, 2012). The first step is to engage a web developer and complete the website design specifications. This will ensure that the site fulfils client expectations and adheres to e-commerce best practices (Laudon & Traver, 2021). The website must provide integrated payment, shipping, and product management features to enhance customer convenience (Chaffey & Smith, 2022). The firm must produce digital marketing materials and devise focused campaigns throughout development to maximise attention at the product introduction (Tuten & Solomon, 2020). To ensure effective management of online transactions and client enquiries, staff training is essential (Hayes, 2018). Upon a product's release, initial promotions may encourage early consumer purchases (Kotler et al., 2021). Consistently monitoring website analytics and customer feedback may provide ongoing optimisation and sustained performance (Neely, 2007).

| Phase                             | Timeframe | Key Activities                                              |
|-----------------------------------|-----------|-------------------------------------------------------------|
| Phase 1 - Preparation             | Weeks 1-2 | Hire developer; define website requirements                 |
| Phase 2 - Website Development     | Weeks 3-6 | Build new site; integrate e-commerce & delivery modules     |
| Phase 3 - Digital Marketing Setup | Weeks 5-7 | Create social media campaigns; produce promotional content  |
| Phase 4 - Staff Training          | Weeks 6-8 | Train staff on website management & online order processing |
| Phase 5 - Launch & Promotion      | Week 9    | Launch website; run promotional offers & awareness posts    |
| Phase 6 - Monitoring & Adjustment | Ongoing   | Track performance, analytics & customer feedback            |

**Table 4:** *Implementation Timeline for Digital Modernisation*

## Measuring the Effectiveness of the Selected Solution

To evaluate the efficacy of the digital modernisation strategy, it is essential to use explicit performance metrics that demonstrate improvements in sales, customer engagement, and operational efficiency (Neely, 2007). Website measures like as traffic volume, conversion rate, average order value, and bounce rate indicate the performance of the new online platform (Chaffey & Smith, 2022). Customer engagement metrics, such as social media interactions and click-through rates from digital campaigns, indicate the effectiveness of online marketing (Tuten & Solomon, 2020). The organisation may assess revenue growth by monitoring sales figures both online and in-store (Kotler et al., 2021). Post-purchase reviews and surveys assess customer satisfaction and service quality (Parasuraman, Zeithaml & Berry, 1988). Furthermore, consistently monitoring operational metrics such as order processing times and delivery speeds may facilitate the identification of internal enhancements associated with the new technologies (Hitt, Ireland & Hoskisson, 2020). Collectively, these stages ensure a comprehensive performance review.

## Conclusion

This report has shown that Green Haven Florists is experiencing a complex decline due to a decrease in customer footfall, rising expenditures, and limited digital capabilities (Hitt, Ireland & Hoskisson, 2020). Two options were examined, and the Grid Analysis indicated that digital modernisation offers the optimal strategic alignment for enhancing competitiveness and expanding customer reach (Goodwin & Wright, 2014). Implementing this solution will enhance online visibility, streamline operations, and align the organisation with modern client expectations (Chaffey & Smith, 2022). Website analytics, sales metrics, and consumer feedback will be used to assess its effectiveness and ensure continuous improvement (Neely, 2007).

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