

**COMPONENT 2-INDIVIDUAL REPORTS: ANALYSING THE
BUSINESS PROBLEM AND ALTERNATIVE SOLUTION OF
GREEN HAVEN FLORISTS**

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Introduction

This study focuses on the business problem of Green Haven Florists based on the current business scenario. Based on challenges provides two alternative solutions of each challenge and with the help of one evaluation tool citation are highlighted. This study also helps to analyse reliable solutions between two alternatives with proper justification. A basic risk analysis matrix helps to address potential risk of provided solutions and develop a plan to solve complex problems. Effectiveness of implemented solutions is also measured through this study.

Brief explanation of the business problem

Green Haven Florists is a small independent flower shop within the UK, renowned for their bespoke floral arrangements. Its eco-friendly packaging, strong community relation and many other features help this shop to engage with a wide range of customers. In the current business scenario this business has faced different challenges such as High Operational cost, increasing competition and Decline in-store sales (Case study). Due to supply chain disruptions and inflation, the price of fresh flowers, especially imported flowers, increases which becomes a major reason behind high operational costs. Apart from this, Green Haven is committed to sustainability and the price of sustainable materials such as biodegradable wrapping, locally sourced blooms and many others, and is high which also impacts the operational cost.

High competition is another major challenge faced by this shop which impacted their business growth. The two major competitors are trendy boutique florist and national chain (Case study). Both competitors had a strong presence in digital platforms and wide delivery coverage which interrupted the business growth. Hence, Green Haven Florists feels pressure to modernise and make a unique position in the market.

Another major issue of this shop is declining in-store sales by about 30 %. In the modern business age most of the consumer shifted towards online presence which impacted the business growth (Case study). Apart from this, most consumers nowadays are attracted towards low prices of large online flower retailers offering same-day delivery. Frequent discounts also provided by most of the shops which impacted the sales rate of Green Haven Florists in the last 12 months.

Two alternative solutions through using one evaluation tool

The alternatives solutions are analysed through the Grid Analysis process based on the challenges. The solution for managing the high operational costs of the flower shop

includes the strategic blend of the inventory management for reducing waste and leverage technology for better efficiency (Olaniyi and Pugal, 2024). Green Haven Florists must focus on the optimised inventory and waste management for the organisation. Moreover, the shop can focus on accurate demand forecasting which will be analysing the past sales data and the seasonal trend with the upcoming event for predicting the demand accurately. It also focuses on determining the data-driven approach that will allow minimising the excess inventory.

On the other hand, the solution for mitigating the issues of increasing competition within Green Haven Florists includes mastering the operations, last connections and the strategic differentiation of services and products. The company can focus on offering the niche and unique floral designs by marketing the products by the overall development of the customisable and personalised arrangements (Gabellini and Scaramuzzi, 2022). Green Haven Florists must focus on determining the diversification of the inventory that determines the complement flowers and also creates the complete gift experience. Moreover, these particular events generate the additional revenue and also showcase the expertise (Schulenkorf *et al.*, 2024). It also builds the overall community of the flower enthusiasts that feel personal connection to the brand.

Moreover, the solution for the issue of the Decline in-store sales includes in creating the comprehensive strategy that mainly blends with the enhanced in-store experience with the stronger digital presence. Moreover, it also focuses on enhancing the operational efficiency and the community engagement of the organisation. Green Haven Florists should focus on providing the personalised and exceptional customer experience which includes in training the staff that is acknowledged about the flower types (Etheredge *et al.*, 2024). Moreover, it will also focus on boosting the customer needs and also focus on optimising the store layout with the visual merchandising process.

Assessment Criteria	Weight	Alternatives (Marking range 0-5)	
		Alternative 1	Alternative 2
Criteria 1: High Operational cost	1	4	2
Criteria 2: Increasing competition	1	1	3
Criteria 3: Decline in-store sales	1	2	3

Table 1: Grid Analysis of the Alternatives

(Source: Self-developed)

Select one of them with proper justification

High operational cost is one of the major challenges which impact the sales rate of flower shops. Operational cost of an organisation directly impacted the sale rate and profitability rate of business with effective pricing strategy. Waste also reduces through effective operational optimisation which positively impacts the environment and fulfils commitment about sustainability (Alsabt *et al.*, 2024). Due to facing cost challenges Green Haven Florists delivers their sales as well as it also impacted their profitability rate. Apart from this, high cost of sustainable materials used in this shop for production also hinder their sustainable commitments (Abumalloh *et al.*, 2024). Hence, this challenge is important to be analysed deeply and between two alternative solutions focuses on inventory optimisation for managing this challenge in an effective manner. Inventory management is one of the important solutions for eliminating the risk of challenges of flower shops.

Through effective management this shop maintains a balance between fresh blooms and customer demand. Real-time tracking of stock levels ensure the freshness of flowers and optimise temperature of stores to increase the life of flowers (Wani *et al.*, 2023). Waste of production has been reduced through inventory optimisation which directly impacted the sales rate of this shop and also increased profitability of business.

In the competitive market this shop easily enhances their pricing strategy and increases availability of precious flowers.

A basic risk analysis of the selected solution

Challenge	Selected solution	Potential Risk for the selected solution	Risk Description	Impact level	Risk Mitigation Strategy
High Operational cost	Optimising Inventory Management	High Holding Costs, Market Volatility, Stockouts, Production Halts	The holding cost of raw materials is high due to the excess drain of cash flow which impacted profitability rate. High economic uncertainty shifted the demand of customers and impacted the inventory plan. Due to eliminating waste production flower shops have limited their production which increases the risk of stockout. Due to lack of raw materials production has stopped which increases the risk of delay.	High	Increase Real-time visibility Engage with more suppliers Integrated technology Strong forecasting

High Operational cost	Integrating technology in operations	Lack of efficiency in data management Cybersecurity threat Reputational damage Errors in calculation High implementation cost	Interesting issues of technology with poor governance standards. Unauthorised access increases the challenge of data breach, Outdated technology increases the risk of error calculation The updated IT system has a high implementation cost.	Moderate	Provide proper training on data security Aligning tech with business goals Make standardised cybersecurity protocols Strategic IT planning
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Table 2: Risk Analysis

(Source: Self-developed)

Produce a plan to implement to solve the complex problem

The plan focuses on addressing the complex problems faced by Green Haven Florists such as High Operational cost, increasing competition and Decline in-store sales.

Phase 1: Immediate Action (Cost Reduction and Operational Efficiency)

Focus on implementing the robust inventory management for mining the overall waste, optimising the logistics and sourcing, strategic pricing and dynamic process of pricing and many others.

Phase 2: Short-term Implementation (Building digital presence and enhance in-store experience)

Focus on offering the engaged and unique experience with the digital realm that includes in crating the exceptional in-store experience, developing the robust the e-commerce platform and focus on implementing initiatives of strategic marketing.

Phase 3: Ongoing Strategy (Long-term loyalty and diversification)

Focus on developing the user-friendly e-commerce website, optimise for the local search engine optimisation, focus on utilising the process of social media marketing and also implement the targeted SMS marketing and email.

Effectiveness of the selected solution

The overall effectiveness for implementation of inventory management that reduces the waste and also leverage technology with better efficiency with flower shops involved in determining the KPIs. On the other hand, it also focuses on determining the management software and different IoT sensors for automated processes, maintaining product quality and improving forecasting (Lăzăroiu *et al.*, 2022). The solution is important for Green Haven Florists by managing the waste percentage, inventory turnover ratio, sales of inventory, demand forecasting accuracy and other. Green Haven Florists can focus on leveraging the technology for better efficiency with the automated alerts and the perishable item management with advanced features.

Conclusion

The study includes in analysing the business problems associated with Green Haven Florists and also focuses on determining the two of the alternative solutions. The challenges that are analysed within the study are High Operational cost, increasing competition and Decline in-store sales. Moreover, it also focuses on analysing the action plan for implementing, measuring and monitoring the overall effectiveness of different implemented solutions.

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