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Module Code: LCLM 4004

**Module Name: Problem Solving
and Decision-Making**

Component 1: Basil's Bakery



Overview of the presentation.

Business Profile:

- Independent artisan bakery
- Coventry retail park
- Established in 2015
- Organic ingredients
- vCakes, pastries and bread
- Loyal customer base

BbCurrent Situation:

- Strong growth until 2019
- Significant decline during Covid-19
- Sales remain 25% below 2019 levels
- Business viability under threat

Overview of Basil's Bakery.

Internal Problems

- No delivery service
- Limited ability to answer phone
- Long waiting times
- Lack of digital ordering

External Problems

- Reduced retail park footfall
- Store closures
- Hybrid and remote working trends
- Rising business costs

Sales have remained 25% below 2019 levels despite the end of lockdown restrictions.

The problems Basil's Bakery.

Root Problem

Sales have stagnated and remain approximately 25% below 2019 levels.

Internal Problems

- No delivery service available.
- Limited ability to answer customer calls.
- Lack of digital ordering and online sales channels.
- Long waiting times during busy periods.

External Problems

- Reduced footfall in the retail park.
- Closure of nearby retail stores.
- Increased remote and hybrid working.
- Rising operating costs and inflation.

Level of Control

Internal problems can be controlled by Basil.
External problems are largely outside Basil's control.

The PESTEL Framework

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- What is PESTEL?
- A strategic tool used to analyse external factors that can affect business performance and decision-making.?

Benefits

- **Identifies opportunities and threats in the external environment.**
- **Supports strategic planning and decision-making.**
- **Encourages a broader understanding of market conditions.**

Limitations

- **Focuses only on external factors.**
- **Does not identify internal business issues.**
- **Some factors may change quickly and become outdated.**

Relevance to Basil's Bakery

PESTEL helps identify external factors affecting sales, including inflation, remote working trends, reduced retail park footfall, and rising operating costs.

Reference: (Adair, 2022; Sproull, 2018)

Political Factors	Economic Factors	Social Factors	Technological Factors	Legal Factors	Environmental Factors
• Increased business rates • Government policy changes	• Rising utility costs • Inflation increasing ingredient prices	• More remote working • Reduced retail park footfall	• Demand for online ordering • Customers expect delivery services	• Food safety regulations • Employment legislation	• Crop failures affecting organic ingredients • Sustainability pressures

References: Adair (2022); Sproull (2018); State of the Consumer (2025); BM Business Matters (2025)

The Cause-and-Effect model

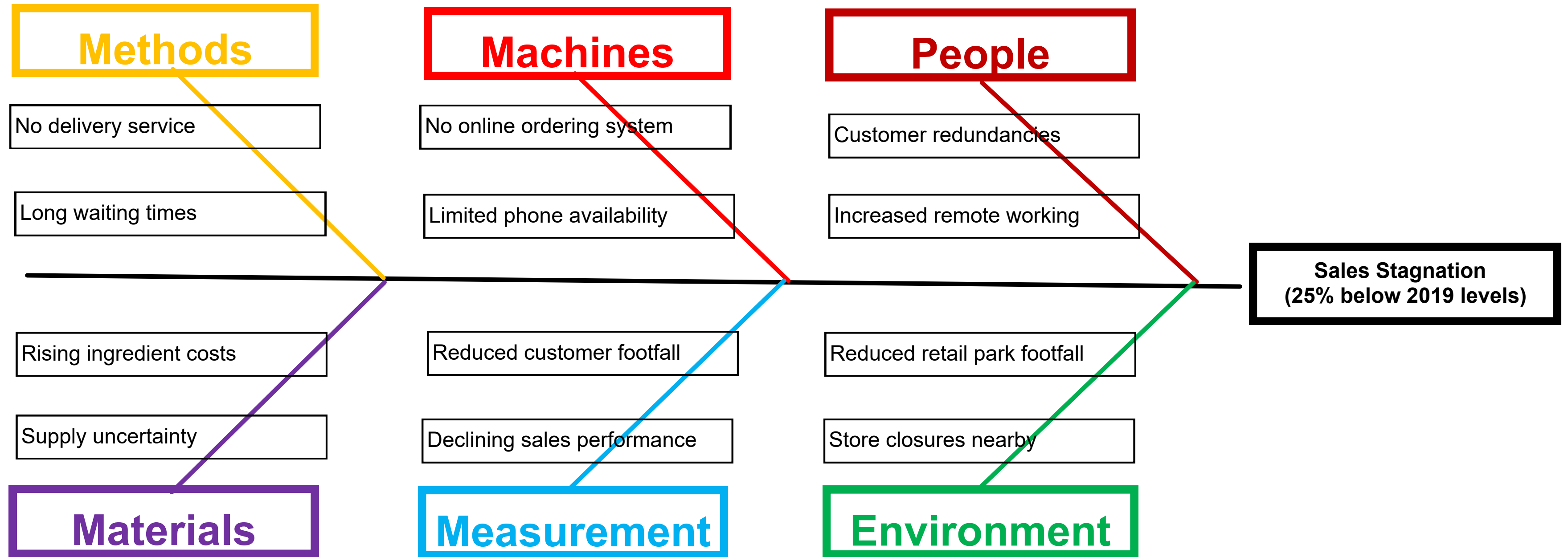
What is the Cause-and-Effect Model?

- The Cause-and-Effect Model (Fishbone Diagram) is a problem-solving tool used to identify the root causes of a problem rather than focusing on symptoms

Benefits	Limitations
• Helps identify multiple causes of a problem. • Encourages structured thinking and analysis. • Supports root cause identification. • Useful for decision-making and problem-solving.	• Does not prioritise causes by importance. • Relies on the quality of available information. • May oversimplify complex business problems.

- Relevance to Basil's Bakery
- The model helps identify the root causes of stagnant sales,
- including reduced footfall, remote working trends, rising costs and lack of delivery services. Reference: (Ishikawa, 1986; Sproull, 2018)

The Cause-and-Effect diagram



(Ishikawa, 1986; Sproull, 2018)

Summary of Key Findings

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- **Key Finding 1:** Sales remain approximately 25% below 2019 levels, indicating a long-term business challenge rather than a temporary post-pandemic issue.
- **Key Finding 2:** The most significant external factors are reduced retail park footfall, remote working trends and rising operating costs.
- **Key Finding 3:** Internal issues such as the lack of delivery services, online ordering and efficient customer access are contributing to lost sales opportunities.
- **Key Finding 4:** PESTEL and Fishbone analyses show that sales stagnation is caused by multiple interconnected factors rather than a single problem.

Reference List:

Adair, J. (2022) Decision Making and Problem Solving: Break Through the Barriers and Banish Uncertainty at Work. 5th ed. London: Kogan Page.

Institute of Leadership & Management (2013) Solving Problems and Making Decisions. 5th ed. London: Routledge.

Sproull, R. (2018) The Problem-Solving, Problem Prevention and Decision-Making Guide. New York: Taylor & Francis.

Ishikawa, K. (1986) Guide to Quality Control. Tokyo: Asian Productivity Organization.

BM Business Matters (2025).

State of the Consumer (2025).

Thank you for listening



