



Resolution of profit decline within TM Lewin

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Problem solving and decision making

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Profit decline within TM Lewin

PESTEL analysis

Fishbone diagram

**Identification of possible
solutions**

Grid analysis

Conclusion

Identifying the cause of profit decline at TM Lewin

What's the main cause of the profit decline at TM Lewin?

The pandemic set the retail sector difficult challenges.

TM Lewin has fallen into administration twice.

The perfect solution to get the company up and running is going to be found through PESTEL analysis and Fishbone Diagram

Understanding the nature and impact of profit decline at TM Lewin

Nature

- The pandemic and its restriction caused businesses to face profit decline
- Cost of living and inflation led to reductions in profit
- 66 TM Lewin shops shut down

Impact on employees and company

- Job loss because of stores closing
- Motivation and mental health of employees affected
- Entire company heavily distressed, risk of closure

Political	P
Economical	E
Social	S
Technological	T
Environmental	E
Legal	L

PESTEL analysis

*Pestel analysis used to understand
the external factors causing profit decline at TM Lewin*

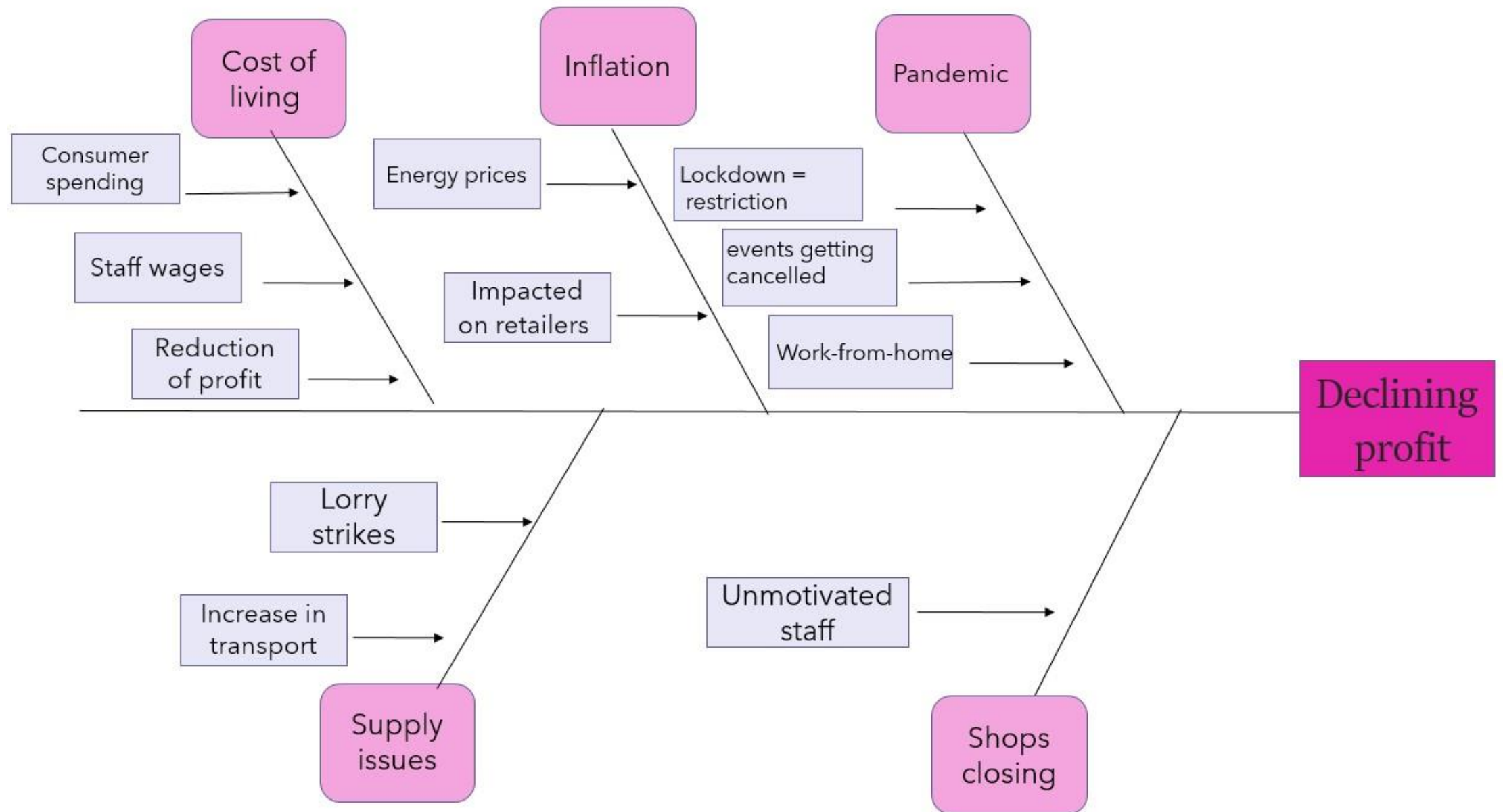
PESTEL analysis

- Political: The COVID-19 lockdown forced people to stay home, leading to sale decrease
- Economic: The arising of cost of living put costumers and companies in difficulty. The high price of goods are not attracting to costumers, and companies are not eager in investing.
- Social: The pandemic lockdown shut every social event, no reason to buy formal attire
- Technology: People forced to work from home via online platforms, no need to buy new office clothes.
- Legal: Lorry drivers restricted from traveling, to avoid spreading the virus, companies had supply issues

Cause and effect analysis: fishbone diagram

A fishbone diagram is the most effective way to connect causes and effects of a problem, it helps team members communicate with the rest of the organization.

Fishbone diagram displayed in the next slide



Possible solutions to solve profit decline

From what gathered in the fishbone and PESTEL diagram analysis we can easily spot three main solutions for the decrease in profit:

- ❖ Change in portfolio
- ❖ Offering employees chance to better their skills
 - ❖ Reprofile how sales can be handled
[founding an online shop]

Grid analysis

	Cost 5	Time 3	Risk 4	
Wider portfolio	0	2	3	18
Rewards /membership cards	1	2	3	23
Online shop	3	3	3	36

Conclusion

- The most cost- effective and safe solution, having in mind environment and other factors would be to set up an online shop.

This would help the sales, not shopping in person would not be relevant anymore, sales could be made anywhere.

- A second action would be reprofiling the products sold, not forgetting what TM Lewin is known for, formal wear; this would change and expand the target that they reach.