

Component 2 Individual Report – Green Haven Florists

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1. Introduction

Green Haven Florists is an independent flower shop based in Norwich, UK, recognised for its bespoke floral arrangements, sustainable sourcing, and strong community values. Despite early success, the business has experienced a significant decline in performance over the last 12 months.

This report builds on the findings of Component 1 (presentation) and applies structured problem-solving and decision-making techniques to analyse the issue, evaluate alternative solutions, and propose an actionable strategy for recovery.

The report follows the assessment brief by analysing the business problem, evaluating two solutions using an evaluation tool, selecting the most appropriate option, conducting a risk analysis, and presenting an implementation and measurement plan.

2. Business Problem Analysis

Green Haven Florists has experienced a 30% decline in in-store sales over the past year, with only a minor increase in online orders. The problem is primarily driven by reduced foot traffic on the high street, rising operational costs, and increased competition from online florists and national chains. Consumer behaviour has shifted towards online shopping, driven by convenience, competitive pricing, and same-day delivery options offered by large retailers.

Internal analysis highlights weaknesses in Green Haven's digital presence, including an outdated website, limited e-commerce functionality, and inconsistent use of social media. Although customers continue to value the quality and sustainability of the products, the business struggles to communicate this value effectively in a digital environment.

Externally, inflation and supply chain disruptions have increased flower and packaging costs, placing further pressure on profitability. If unaddressed, these combined factors threaten the long-term sustainability of the business.

The impact of this problem extends beyond financial performance and directly affects key stakeholders. Liam and Priya face increased pressure and decision uncertainty, while employees may experience reduced job

security if sales continue to decline. Customers also lose access to a trusted local and sustainable florist, which could weaken community ties. From a strategic perspective, failing to adapt increases the risk of long-term business failure in an increasingly digital retail environment.

3. Alternative Solution 1: Digital Transformation Strategy

The first proposed solution is a comprehensive digital transformation strategy. This would involve redesigning the company website to include full e-commerce functionality, mobile optimisation, and clear sustainability messaging. In addition, Green Haven would introduce online subscription services (e.g. weekly or monthly flower deliveries) and flexible delivery options, including same-day local delivery.

The strategy would also require consistent digital marketing through social media platforms such as Instagram and Facebook, supported by targeted advertising and regular content creation. This solution directly addresses declining footfall by expanding market reach beyond the physical store and aligning the business with current consumer purchasing behaviour.

4. Alternative Solution 2: Community-Based Differentiation Strategy

The second solution focuses on strengthening Green Haven's community presence and differentiation rather than competing directly online. This strategy includes hosting in-store workshops, collaborating with local businesses, and promoting exclusive eco-friendly and locally sourced floral products. Loyalty schemes and partnerships with local event organisers and wedding planners would also be developed.

This approach builds on Green Haven's existing strengths, such as personal service and sustainability values, and aims to re-establish the shop as a community hub. While this solution may increase customer loyalty and brand identity, it relies heavily on physical foot traffic and may not fully address the broader shift towards online purchasing.

5. Evaluation of Alternatives (PMI Analysis)

A Plus, Minus and Interesting (PMI) analysis was used to evaluate both strategic options *see Appendix A*

Alternative 1 – Digital Transformation

Plus: Increased market reach, improved customer convenience, recurring subscription revenue, stronger competitiveness.

Minus: Initial financial investment, learning curve for owners, ongoing digital maintenance costs.

Interesting: Opportunity to promote sustainability to a wider audience and collect customer data for personalised marketing.

Alternative 2 – Community-Based Differentiation

Plus: Builds on existing strengths, enhances customer loyalty, lower initial technology costs.

Minus: Limited scalability, continued reliance on declining foot traffic, vulnerable to external economic changes.

Interesting: Potential to develop Green Haven as a recognised local brand experience.

Overall, the digital transformation strategy offers greater long-term impact and sustainability.

While the community-based strategy aligns closely with Green Haven's values, it does not sufficiently address the structural shift towards online purchasing. In contrast, the digital transformation strategy offers scalability and resilience against further declines in high-street footfall, making it more suitable in responding to both current market pressures and future consumer trends.

6. Selected Solution and Justification

The digital transformation strategy is selected as the most appropriate solution. This option directly addresses the root causes of declining sales by responding to changing consumer behaviour and competitive pressures. While it requires investment, the potential benefits—such as increased revenue streams, improved brand visibility, and enhanced customer convenience—outweigh the risks. Importantly, this strategy does not eliminate Green Haven’s community values but enhances them through digital storytelling and wider engagement.

7. Risk Analysis of Selected Solution

A basic risk analysis was undertaken to identify potential risks associated with the selected solution *see Appendix B*

- **Financial Risk:** High upfront costs for website development and marketing. Mitigation includes phased implementation and use of affordable platforms.
- **Skills Risk:** Limited digital expertise of owners. Mitigation includes short training courses or outsourcing initial setup.

- **Operational Risk:** Increased order volume may strain operations. Mitigation includes setting delivery limits and clear processes
- **Reputational Risk:** Poor digital execution could harm brand image. Mitigation includes professional support and regular monitoring.

Overall, risks are manageable with appropriate planning.

8. Action Plan for Implementation

- The implementation actions, responsibilities, timescales and key performance indicators are outlined in *Appendix C*
- **Month 1–2:** Website redesign and e-commerce setup; select delivery partners.
- **Month 3:** Launch subscription service and pilot online ordering.
- **Month 4:** Begin structured social media and digital marketing campaigns.
- **Month 5:** Monitor performance, gather customer feedback, refine processes.
- **Month 6:** Full rollout and evaluation against KPIs.

Responsibilities would be shared between the owners, with external digital support where necessary.

9. Measuring Effectiveness of Implementation

Effectiveness would be measured using Key Performance Indicators (KPIs), including:

- Online sales growth (% increase).
- Website traffic and conversion rates.
- Subscription sign-ups and retention rates.
- Customer satisfaction and online reviews.
- Overall revenue and profit margins.

Regular monthly reviews would ensure continuous improvement and alignment with business goals.

Monitoring these KPIs ensures that management decisions remain evidence-based and responsive. Regular review allows Liam and Priya to identify underperforming areas early and adjust marketing, pricing, or operational processes, accordingly, ensuring the strategy remains aligned with business objectives and customer expectations.

10. Conclusion

Green Haven Florists faces significant challenges due to changing market conditions and increased competition. This report has identified digital underdevelopment as the core problem and evaluated two strategic responses. The selected digital transformation strategy provides the most sustainable solution, enabling the business to remain competitive while preserving its ethical and community-focused identity. With effective risk management and performance monitoring, Green Haven can reposition itself for long-term success.

11. References

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12. Appendices

Appendix A: PMI Analysis Table

Option	Plus	Minus	Interesting
Digital Transformation	Wider reach, online sales, subscriptions	Cost, skills gap	Data-driven marketing
Community Strategy	Strong loyalty, low tech cost	Limited growth, footfall risk	Local brand hub

Appendix B: Risk Analysis Table

Risk	Likelihood	Impact	Mitigation
High setup costs	Medium	High	Phased rollout
Lack of digital skills	Medium	Medium	Training/outourcing
Delivery overload	Low	Medium	Order limits
Poor online execution	Low	High	Professional support

Appendix C: Action Plan and KPIs

Action	Responsible	Timescale	KPI
Redesign website	Owners / Web developer	Month 1–2	Site live
Launch subscriptions	Owners	Month 3	No. of sign-ups
Social media marketing	Owners	Month 4	Engagement rate
Review performance	Owners	Monthly	Sales growth