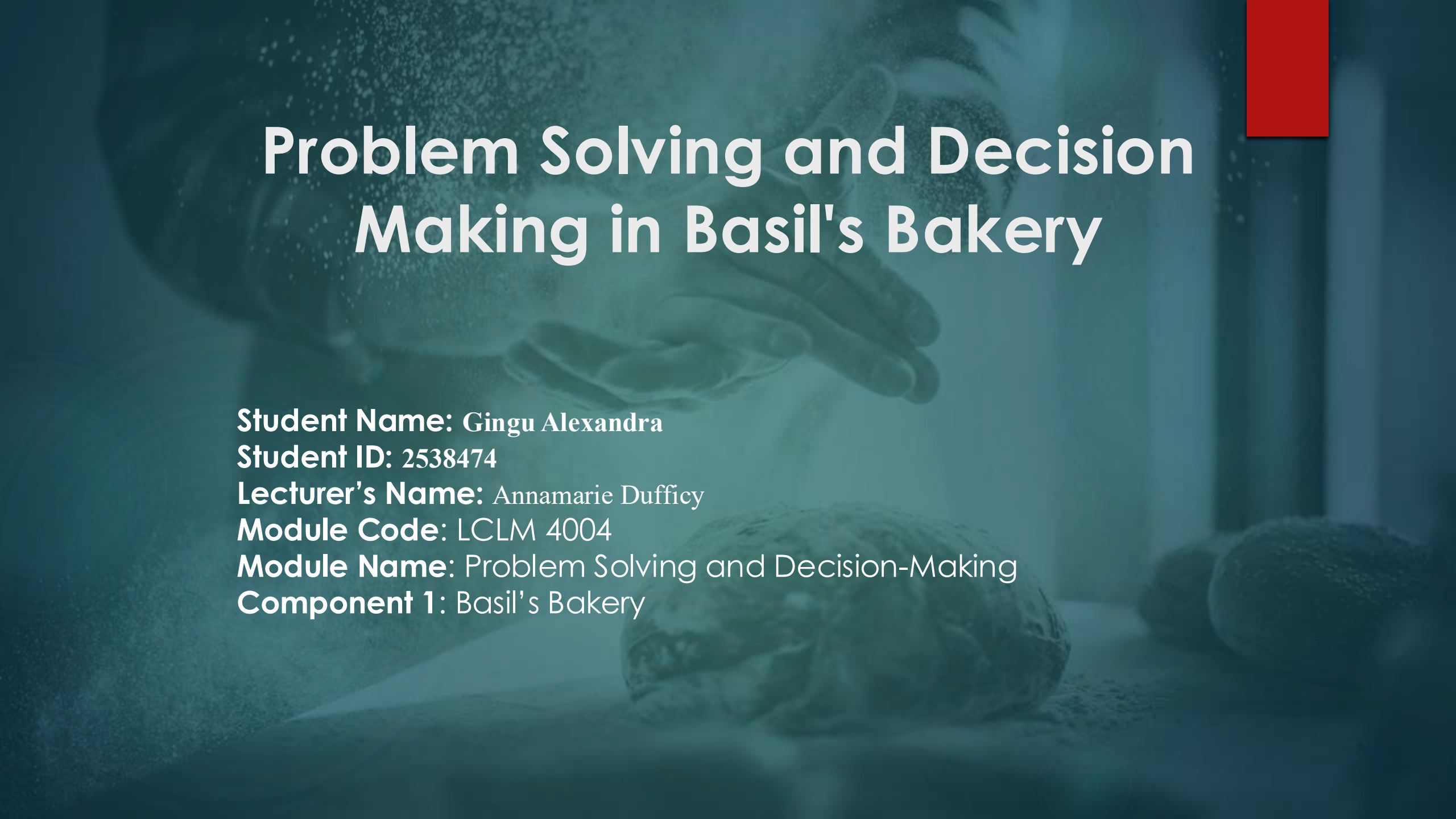




Problem Solving and Decision Making in Basil's Bakery

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Module Code: LCLM 4004

Module Name: Problem Solving and Decision-Making

Component 1: Basil's Bakery

A decorative background on the left side of the slide featuring a grid of white line-art sketches of various food items on a dark background. The sketches include skewers, a cone of food, an ice cream cone, a plate with a square and a banana, a bowl of soup, a plate of spaghetti, a salad, a plate of bread, a slice of pizza, a sandwich, a burger, a plate of chocolate, a stack of bread, a bowl of fruit, a plate of fruit, and a plate of food with a grid pattern.

Overview of the Presentation

- ▶ About Basil's Bakery
- ▶ Problems facing the bakery
- ▶ PESTEL analysis
- ▶ Cause-and-Effect analysis
- ▶ Key findings

Overview of Basil's Bakery

- ▶ Free-standing, small bakery located in a Coventry retail park (opened 2015)
- ▶ Cakes, pastries and breads, made using high-quality organic ingredients.
- ▶ Customers: local shoppers, retail-park employees, office and warehouse employees.





Problems Facing Basil's Bakery

Root problem: Sales stagnation / sales are not increasing (around 25% less than in 2019) (Ran et al., 2026)

External issues:

Retail park has lost some customers, stores closed.

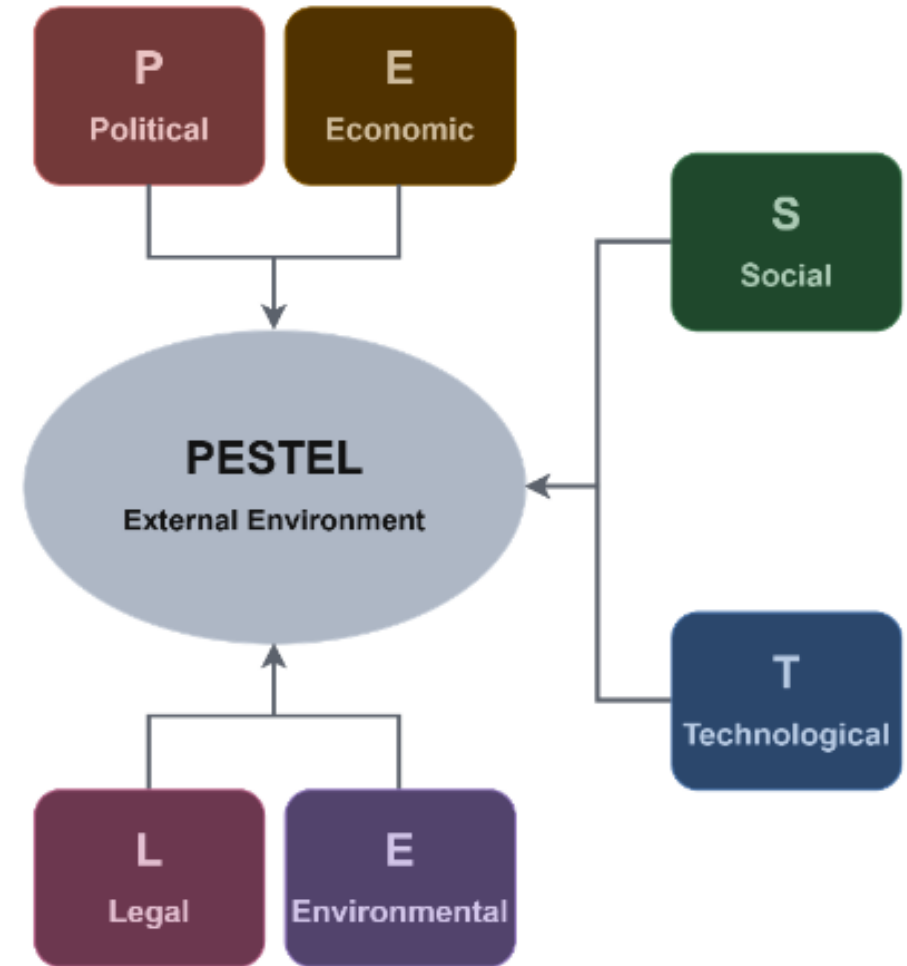
Internal issues:

No delivery, Unreliable pre-order system

Critique of the PESTEL Framework

- ▶ Definition and explanation of PESTEL framework (Imanova, 2025)
- ▶ Why and how it is used in business analysis
- ▶ Key benefits of the framework

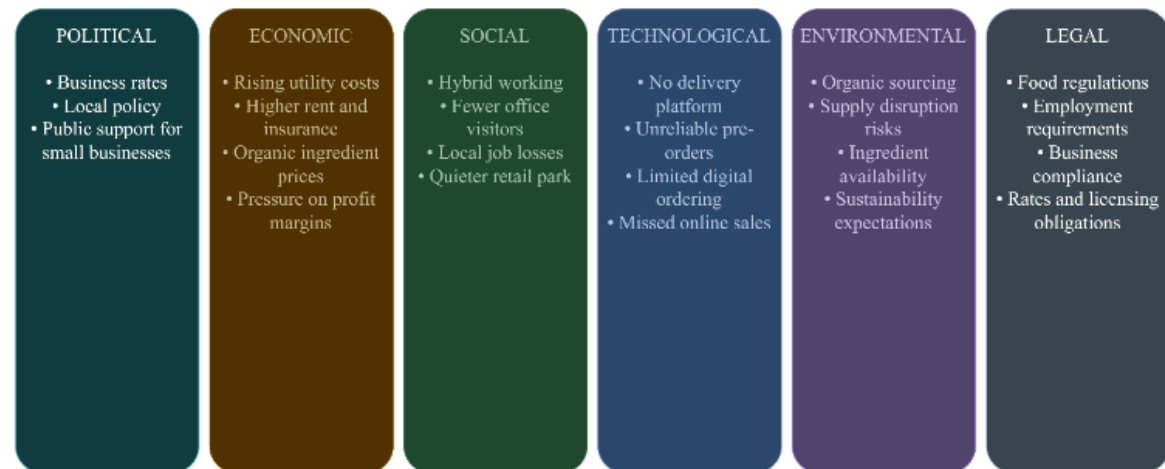
PESTEL Framework



Application of PESTEL to Basil's Bakery

- ▶ Applicable factors include Political, Economic, Social, Technological, Environmental and Legal factors that apply to the bakery (Kumah et al., 2024).
- ▶ The relationship between the stagnation in sales and the factors selected.
- ▶ Most significant external pressures identified

PESTEL Analysis: Basil's Bakery



Main external pressures: Rising operating costs + changing customer behaviour

Critique of the Cause-and-Effect (Fishbone) Model



Definition and purpose of the Cause-and-Effect / Fishbone diagram



Why and how the model is used

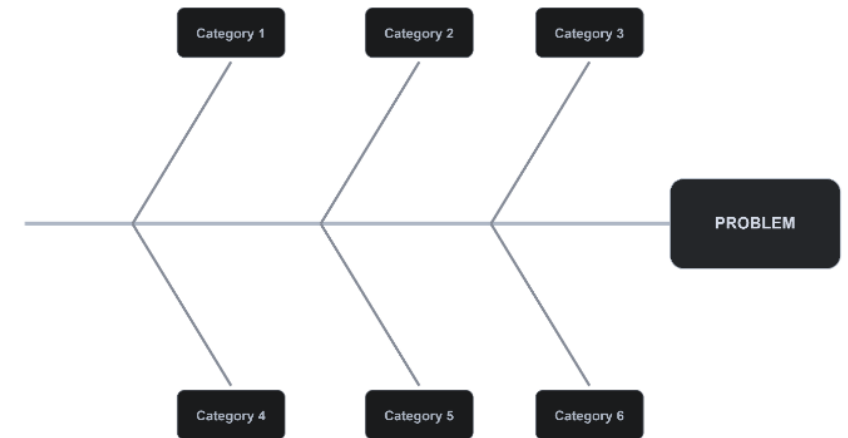


Key benefits of the model (Fleiner et al., 2025)



Main criticisms / limitations

Cause-and-Effect (Fishbone) Diagram



Application of the Fishbone Diagram to Basil's Bakery

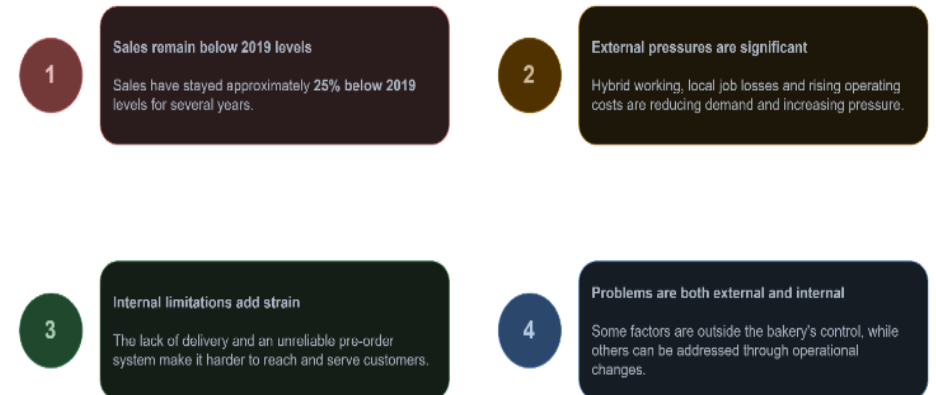
- ▶ Root problem stated clearly on the diagram
- ▶ Categories employed (e.g. Methods, Machines, People, Materials, Measurement, Environment, Machines)
- ▶ The key contributory factors that have been mapped in each category (Oancea et al., 2024)



Key Findings

Key	Key	Key	Key
Key Result 1: Sales are nearly 25 percent less than those in 2019 (Ramsudeen, 2025).	Key Finding 2: External pressures are also principally caused by hybrid working and rising costs.	Key Finding 3: Internal constraints on delivery and pre-orders, which add strain to internal constraints.	Key Finding 4: The problems are seemingly a combination of the factors that the bakery can and cannot influence.

Key Findings



Overall: Basil's Bakery faces a combination of changing external conditions and internal operational limitations.

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THANK YOU

Thank
You

Q&A

1. Why was Basil's Bakery selected for this analysis?

- Basil Bakery was selected because the company is a small, independent business with an apparent problem: the sales are still about 25 below those in 2019. The case has both external and internal factors that are suitable in business analysis.

2. What is the main problem facing Basil's Bakery?

- The key issue is that sales are stagnant. The sales are still about 25% lower than they were in 2019 because of decreased footfall, altered working patterns, increased costs, and internal service restrictions.

3. Why did you use PESTEL analysis?

- PESTEL was used as some of the issues are influenced by external factors. It provides a methodological approach to the research of Political, Economic, Social, Technological, Environmental and Legal forces.

4. Which PESTEL factors are most important?

- The most important factors are Economic and Social. The economic burden of an increase in the cost of operations and ingredients is combined with customers coming less frequently because of hybrid work and the loss of local jobs.

5. How does hybrid working affect the bakery?

- Hybrid working implies that there are lower employees going to their offices frequently. The reduction in the number of visits to the office can decrease the footfall and frequent purchases since office workers were among the customers of the bakery.

6. What is the purpose of the Fishbone diagram?

- The Fishbone, also known as the Ishikawa, diagram is a technique of identifying and classifying possible factors that could cause an issue. Here, it considers stagnation in sales in the Methods, People, Materials, Environment, Measurement and Technology categories.

7. What internal problems were identified?

- The review has identified no delivery service, unreliable pre-order system, long queues and online order-taking. These issues can make the bakery inconveniencing to the customers.

8. Are all problems under the bakery's control?

- No. External impacts encompass hybrid working, loss of local jobs, decreased retail-park activity and increased costs. Internal issues such as delivery and online ordering can potentially be addressed by the bakery.

9. What are the limitations of PESTEL?

- PESTEL provides an effective framework but does not show the exact source of a problem. It can also become excessive as extraneous factors which are irrelevant can be included.

10. What are the limitations of the Fishbone diagram?

- The Fishbone diagram is a way of organising the potential causes without necessarily demonstrating that all the causes are responsible. The reasons need to be verified with more evidence and data.

11. What is the main finding?

- The main conclusion is that there is external and internal pressure, and there are operational constraints that lead to a stagnation in sales. The two regions should be considered when solving the problem.

12. What would you investigate next?

- The second would be to examine the current sales information, customer reviews, pre-orders and potential demand for delivery. This would help to find out which of the identified causes have the most significant influence on sales and contribute to the specific recommendations.