



MODULE CODE: LCLM4004
MODULE TITLE: PROBLEM SOLVING AND DECISION MAKING

ASSIGNMENT TITLE: COMPONENT 1 - INDIVIDUAL PRESENTATION
BASIL'S BAKERY

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Introduction

- ▶ Examine reasons behind poor performance of sales of Basil's Bakery.
- ▶ Use 5W2H to clarify the business problem.
- ▶ Assess the external factors by the PESTEL analytical model.
- ▶ Trace internal causes of operation by the Fishbone Diagram.



Company Background

- ▶ It was established in 2015 in the Coventry Retail Parking place.
- ▶ Bakes organic breads, cakes and artisan pastries on a daily basis.
- ▶ Favors office workers, shoppers, shop and warehouse workers.
- ▶ Since 2023, sales are reported to be 25% lower than they were before the pandemic.



1. WHAT?



Sales have stagnated at approximately 25% below pre-pandemic (2019) levels.

2. WHY?



- Reduced customer footfall
- Increased remote working
- Shop closures in the retail park
- Rising operating costs
- Lack of delivery service
- No online ordering system

3. WHO?



- Basil (owner)
- Existing customers
- Employees
- Suppliers

4. WHERE?



Coventry retail park.

5. WHEN?



Sales declined after 2020 (COVID-19 lockdown) and remained stagnant between 2023 and 2025.

6. HOW?



Reduced customer visits combined with operational limitations (no delivery, no online ordering and long waiting times) decreased revenue.

7. HOW MUCH?



Sales are approximately 25% below pre-pandemic (2019) sales levels.

SUMMARY

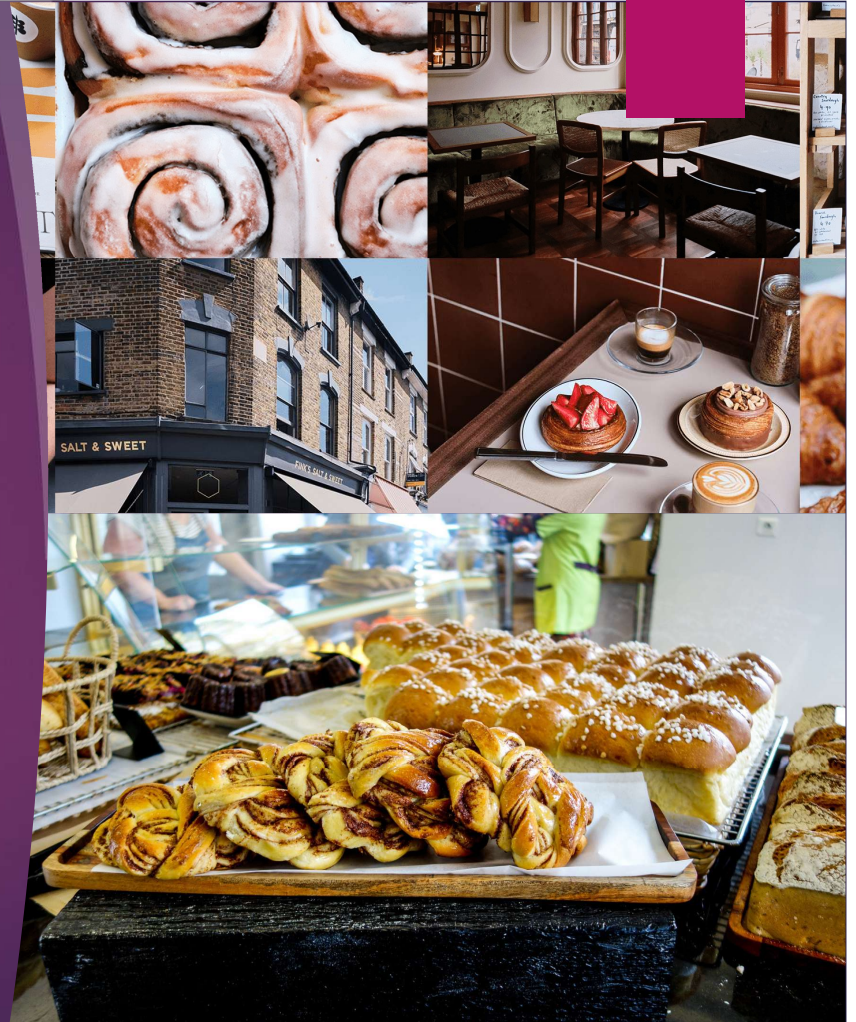


The problem is influenced by both external market conditions and internal operational weaknesses.

Problem- Nature and Scope (5W2H Model)

PESTEL Analysis (Political, Economic, Social)

- ▶ Government regulations enhance both operation compliance costs and intricacy (Virginio et al., 2022).
- ▶ An increase in rates of business makes the operation of the organisation less profitable.
- ▶ The rise of inflation leads to lowering the profit margins (Saine, 2025).
- ▶ Increased rent, utility and insurance hamper business investment potential.
- ▶ Working remotely will minimize the number of customers.



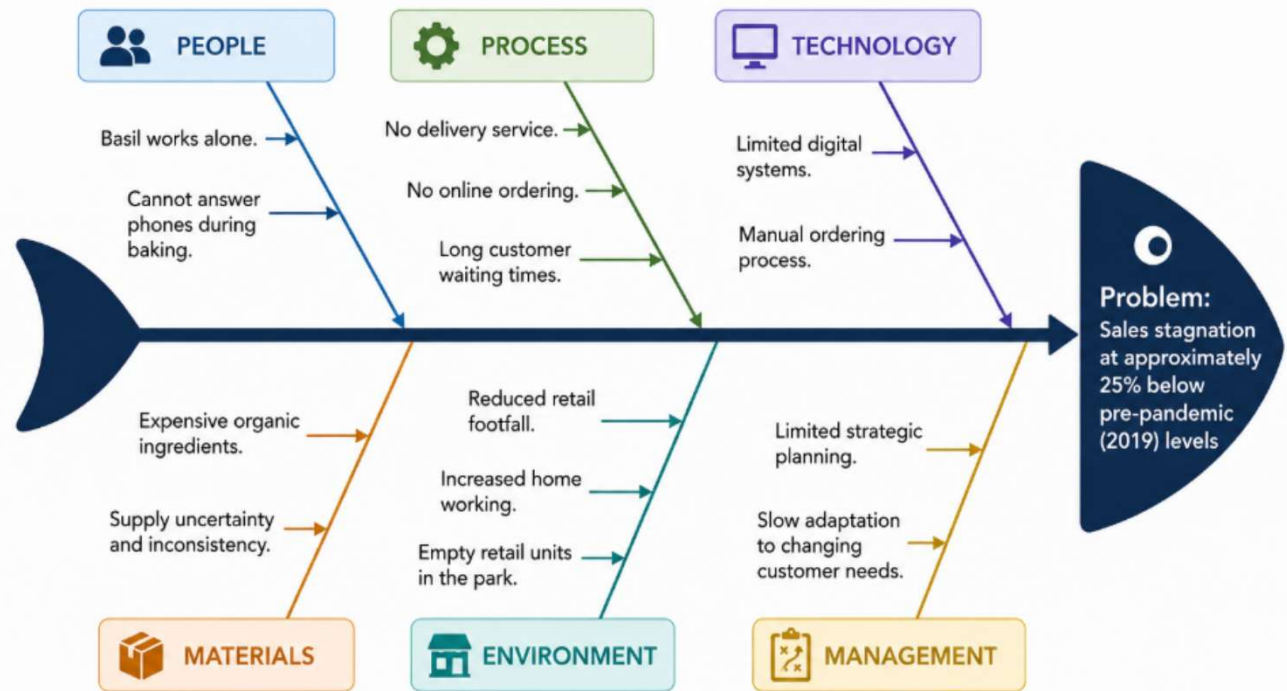
PESTEL Analysis (Technological, Legal, Environmental)

- ▶ Less online ordering means that they become less competitive against digital capable competitors (Daradkeh et al., 2023).
- ▶ The lack of delivery service curtails customer convenience and access tremendously.
- ▶ Compliance with food safety makes business more complex and costly (Chhetri, 2024).
- ▶ The procurement of organic ingredients poses unforeseeable supply and price issues.
- ▶ Climate change enhances manufacturing expenses.



Cause and Effect Analysis (Fishbone Diagram)

- ▶ Using the Fishbone Diagram, the causes of stagnant sales are determined (Sakdiyah, Eltivia, and Afandi, 2022).
- ▶ The operations of single persons limit efficiencies and responsiveness in regard to customer service.
- ▶ There is no delivery or online ordering that undermines the effectiveness of operations.
- ▶ The high cost of organic ingredients adds to the production and supply uncertainties.
- ▶ Strategic planning is weak which inhibits responsiveness to evolving customer demands.



Conclusion

- ▶ Both individual operations decrease the responsiveness and efficiency of customer service.
- ▶ Neither delivery, nor ordering online undermines the effectiveness of the operational processes.
- ▶ The cost of producing and supplying high organic ingredients is high and leads to uncertainties.
- ▶ Poor strategic planning constrains flexibility to evolving customer expectations.



References

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A top-down view of a desk with a light-colored wooden texture. In the center is a spiral-bound notebook with a white cover. The words "THANK YOU!" are printed on the cover in a large, bold, sans-serif font. "THANK" and "YOU" are in black, and the exclamation mark is red. To the top left of the notebook are a pair of gold-rimmed glasses. To the right is a silver and black ballpoint pen. To the bottom left is a small white pot containing a green succulent plant. A black circular object is partially visible at the bottom right.

**THANK
YOU!**