

Business Consultant Report: Basil's Bakery

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Assignment Title: Case Study Analysis: Basil's Bakery

Module Name: Problem solving and Decision making

Module Code: LCLM4004

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1. Abstract

Basil's Bakery, a high-quality artisan bakery in Coventry, is facing a critical business challenge. Following the 2020 pandemic restrictions, sales and footfall stagnated significantly below 2019 levels. This decline, combined with rising overheads and unpredictable ingredient costs, has made the current business model unsustainable. This report analyses the problems, proposes strategic solutions like a new delivery service or an optimized product line, evaluates

their feasibility, and outlines a clear implementation plan with defined metrics for future monitoring and evaluation.

2. Introduction

This report serves as a detailed analysis and strategic recommendation guide for Basil, the proprietor of Basil's Bakery. Basil has recognized that his current business operations are no longer financially viable and has sought consultancy expertise. The aim is to thoroughly understand the issues impacting his sales figures, which have remained 25% lower than pre-2020 levels, and to provide actionable, evidence-based solutions for recovery and long-term sustainability. The scope will cover problem diagnosis, solution generation, and implementation strategy.

3. Nature of Problems of Basil's Bakery

The primary problem is a sustained decline in revenue, leading to a non-viable business model. Since 2023-2025, sales figures are stagnated at an average of 25% below 2019 levels. This is driven by several intersecting factors:

- **Reduced Footfall:** The retail park location is quieter, with fewer visitors overall.
- **Customer Base Loss:** Loyal customers working in nearby shops have been made redundant as retail units close.
- **Work-from-Home (WFH) Shift:** A critical segment of regular lunch customers (office workers) now WFH several days a week.
- **Inadequate Service Offering:** BB is losing potential sales from customers requesting a "delivery service" or who cannot pre-order by phone due to busy onsite operations.
- **Rising Costs:** Overheads (utilities, rent, rates, insurance) have increased significantly. The commitment to organic ingredients creates unpredictable, difficult-to-budget-for stock costs.

4. Proposed Solutions (*Johnson, et al, 2020*)

Two strategic solutions are proposed to address these specific problems.

4a. Solution 1: Introduce a Local Delivery Service and Click-and-Collect System

This solution directly targets the lost customer base (those working from home and redundant workers who may still live in the vicinity). A dedicated online ordering platform would facilitate:

- **Pre-ordering:** This alleviates customer frustration from long waiting times during busy periods.
- **Local Delivery:** A defined delivery radius with specified delivery windows would allow BB to recapture the market that no longer visits the retail park. This could be managed initially on a small scale, perhaps utilizing an external local delivery partner for efficiency or a dedicated staff member.

4b. Solution 2: Product Line Rationalization and Wholesale

This approach aims to improve profit margins and diversify revenue.

- **Rationalization:** An analysis of product-level sales and ingredient costs would lead to cutting low-profit, complex items. Focus would shift to the highest-margin, fastest-moving artisan products. This helps manage the unpredictable cost and risk of organic ingredients by focusing on high-volume items.
- **Diversification:** The newly-gained kitchen capacity from the simplified product line could be used to produce goods for new revenue streams, such as supplying high-quality, long-life products (like artisan crackers or cookies) to other local, premium delicatessens or setting up temporary pop-up stalls at weekend farmers' markets.

5.PMI Analysis with Scored Evaluation

- The Plus, Minus, and Interesting (PMI) matrix evaluates each strategic solution on a scale from -5 (highest negative impact) to +5 (highest positive impact) (*De Bono, 1999*).

5a. PMI Grid Solution 1: Pre-Order Digital Platform

Plus (+)	Minus (-)	Interesting (?)
Captures sales from busy hybrid/office workers (+5)	Requires software subscription and merchant transaction fees (-2)	Could enable customer loyalty and rewards program integration (+2)
Eliminates phone	Requires minor staff	Allows gathering of

handling interruptions during baking hours (+4)	training on order management system (-1)	customer contact data for promotional offers (+3)
Reduces peak counter wait times and queues (+4)	Potential customer dissatisfaction if technical errors occur (-2)	May encourage higher sales through add-on digital upselling (+2)
Score: +13	Score: -5	Score: +7

Total Score: +15

5b. PMI Grid Solution 2: Local B2B Corporate Wholesales

Plus (+)	Minus (-)	Interesting (?)
Generates predictable, large-volume bulk orders (+4)	Demands delivery logistics and transport investments (-4)	May build local brand awareness across business parks (+3)
Diversifies revenue away from retail park footfall (+4)	Requires earlier baking schedule, increasing operational strain (-4)	Could lead to catering contract opportunities for corporate events (+1)
Maximizes utilization of baking equipment (+3)	Wholesale pricing compresses profit margins per unit (-3)	
Score: +11	Score: -11	Score: +4

Total Score: +4

5c. Summary of Results

- **Solution 1 Net Score: +15** (Preferred Solution)
- **Solution 2 Net Score: +4**

Solution 1 yields a positive net evaluation because it directly addresses the customer access barriers and waiting times identified in the case study. Solution 2, while beneficial for margin control, fails to solve the primary driver of the business decline: lost footfall.

6. Risk Analysis of the Selected Solution (*Hopkin, 2018*)

The primary selected solution is **Solution 1: Introduce a Local Delivery and Click-and-Collect System**. Key risks include:

- **Operational Strain (High-Impact, Moderate-Probability):** Managing delivery and online orders alongside an existing busy kitchen could compromise product quality or lead to order errors. This would require robust kitchen workflow design.
- **Financial Investment (Low-Impact, Low-Probability):** Setting up a basic online ordering system and potentially partnering with a delivery service has low upfront capital. However, ongoing delivery costs or commissions need to be managed to ensure profitability.
- **Brand Experience Degradation (High-Impact, Moderate-Probability):** If the delivery quality (e.g., soggy pastries) does not match the premium artisan brand promise, it will damage BB's reputation. Rigid product selection and packaging for delivery are crucial.

7. Implementation Plan for the Selected Solution

Solution: Local Delivery and Click-and-Collect System

The implementation of Solution 1 is critical to Basil's Bakery financial recovery. A structured, multi-phase plan is proposed to ensure operational feasibility and manage costs. The initial focus is on Click-and-Collect to gain immediate efficiencies before adding delivery.

Activities and Timings

Phase	Task	Timeline	Responsibility
Phase 1	System Scoping & Vendor Selection	Weeks 1–3	Business Consultant / Basil
Phase 2	Web Development & POS Integration	Weeks 4–6	Systems Developer
Phase 3	Workflow Alignment & Staff Training	Weeks 7–8	Basil
Phase 4	Beta Testing & User Feedback	Weeks 9–10	Store Team
Phase 5	Go-Live & Local Promotional Campaign	Weeks 11–12	Marketing Specialist / Basil

8. Key Performance Indicator (KPI) and SMART Objectives

KPI and Objectives

- A critical KPI to monitor the success of this initiative is Average Weekly Sales Revenue (*Parmenter, 2020*). Success will be determined by whether the new services are generating *incremental* revenue.

This will be supported by the following SMART Objectives, set against the implementation timeline:

- **By Week 10 (End of Phase 2):** Increase pre-order transactions by 50 from the baseline of zero.
- **By Week 16 (2 weeks after full launch):** Re-capture 30 previously 'lost' customers from the surrounding industrial/office park (verifiable via a customer database survey).

- **By Week 20 (6 weeks after full launch):** Achieve a 10% increase in overall average weekly sales revenue compared to the 2024 (non-viable) baseline.

Monitoring and Evaluation

These metrics will be monitored using the sales analytics dashboard from the selected online ordering platform and BB's point-of-sale system. Data will be collated and reviewed by Basil on a weekly basis.

- **Incremental Revenue:** The critical review will be whether the increase in overall sales is significant and not just a cannibalization of existing foot traffic sales.
- **Customer Re-capture:** The success of the marketing strategy can be evaluated by a short, optional email survey asking customers if they are returning/re-engaging due to the new services.
- **System Refinement:** This structured review enables continuous refinement. For example, if pre-order transactions are low, the focus would shift to evaluating the user experience of the online platform or the visibility of the new service.

9. Conclusion

- **Structural Revenue Gap:** Basil's Bakery suffers from a permanent 25% loss in sales due to macroeconomic retail park decline, hybrid working, and rising operational overheads.
- **Strategic Selection:** A digital Click-and-Collect pre-order platform was selected over B2B wholesale due to lower implementation risk, lower capital expenditure, and strong alignment with customer demand.
- **Operational Streamlining:** Pre-ordering eliminates phone management interruptions during baking hours and mitigates peak-period counter congestion.
- **Financial Protection:** Advance payment requirements protect margins against uncollected orders and organic ingredient waste.
- **Controlled Rollout:** An 8-week phased implementation plan ensures operational feasibility, clear team accountability, and minimal business disruption.

10. List of References

- **De Bono, E. (1999)** *Six Thinking Hats*. 2nd ed. London: Penguin Books. (Note: De Bono formally introduced the PMI tool within his suite of lateral thinking techniques).

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- **Hopkin, P. (2018)** *Fundamentals of Risk Management: Understanding, Evaluating and Implementing Effective Risk Management*. 5th ed. London: Kogan Page.
- **Johnson, G., Whittington, R., Scholes, K., Regnér, P. and Angwin, D. (2020)** *Exploring Strategy: Text and Cases*. 12th