

Component 2 Report – Basil's Bakery

Module Title: Problem Solving and Decision Making

Module Code: LCLM 4004

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Task 1: Overview of Case-study

Basil's Bakery is a small independent shop in a Coventry retail park, known for baking high-quality organic goods. The root problem is that sales have dropped and stayed 25% lower than they were in 2019. The main reason for this is reduced footfall in the area. Since the 2020 lockdown, many nearby shops closed down, and a lot of office workers now work from home, so they don't buy lunch every day. To make things worse, Basil's overheads like rent and utility bills have increased a lot, and organic ingredients are getting expensive. Customers have asked to pre-order or get deliveries to save time, but Basil is too busy baking by himself to answer the phone or leave the shop.

Task 2: Two Proposed Solutions

Solution A Proposal: Online Pre-order and Click-and-Collect

This solution involves setting up a simple website or app where customers can look at the menu, place their order, and pay online before they arrive at the bakery. This helps fix the root problem because it gives customers the "pre-order" option they have been asking for. Since it is entirely online, Basil doesn't need to stop his baking to answer phone calls. Customers won't have to wait in long, slow queues anymore, which will hopefully bring back the busy office workers who are usually in a rush.

Solution B Proposal: Third-Party Delivery Partnership

This solution involves partnering with a delivery app company like UberEats or Deliveroo. The delivery drivers will come to the bakery, pick up the packaged food, and take it to the customers' houses. This solves the problem of loyal customers who now work from home and can't easily visit the retail park. Basil doesn't have to leave the bakery to do the deliveries himself. This helps increase sales because the bakery can reach a wider area of people who would not normally walk past the shop.

Task 3b: Evaluation Results and Justifications

Based on the results from the PMI Evaluation in Appendix 1, Solution A (Online Pre-order) is the most appropriate solution to go with. When making this choice, I looked mainly at the criteria of cost and how much extra stress it would cause Basil. I gave heavy weighting to the financial "Minus" points for Solution B because Basil's overheads are already very high. Delivery apps usually take a very large commission fee from every order, which might eat up all his profit margin on expensive organic ingredients.

I prefer Solution A because paying for a simple website is a cheaper one-off cost compared to ongoing delivery commissions. It directly answers the customers' specific request to stop waiting in line, and Basil just has to pack the bags when orders pop up on a screen. It is much safer for a small business.

Task 4b: Justifications for the Implementation Plan

Based on the Implementation Plan in Appendix 2, the order of tasks is scheduled so things happen logically. We must research the right e-commerce platform first so Basil doesn't waste money on a website that is too complicated. I gave the responsibility of building the website to a freelance web designer because Basil is a baker, not an IT expert, and his time is better spent in the kitchen.

The training part is scheduled in Week 5, right after the website is built, so Basil knows exactly how to accept orders before it goes live to the public. Finally, marketing the new system happens last, because we can't tell customers to use the website until we are 100% sure it actually works properly.

Task 5b: Justifications for the KPI and SMART Objectives

The Key Performance Indicator (KPI) I have proposed is to increase daily sales revenue by 15% using the new online pre-order system. This is a very good KPI because it directly tackles Basil's main issue, which is that his sales are stuck 25% below the old 2019 levels. Tracking online revenue will easily show if the new system is actually working to bring money in.

Looking at the SMART objectives, aiming for 50 online orders a week is Specific and Attainable. It works out to roughly 8 to 10 extra orders a day, which isn't too overwhelming for Basil to handle on top of his walk-in customers. It is Measurable because the website's digital dashboard will automatically track every sale, meaning Basil doesn't have to do extra maths at the end of a tiring day. It is Relevant because it targets the busy workers who usually walk away when they see a queue. Lastly, it is Time-Bound to 3 months, giving the system enough time to become popular without waiting too long if it turns out it isn't working.

Task 6: Key Findings

- Basil's Bakery is losing money due to lower footfall in the retail park and a major shift to home working.
- Operating costs and the price of organic ingredients are rising while sales stay low.
- Customers really want convenience and have asked for pre-order and delivery options because current wait times are unsatisfactory.
- An online click-and-collect website is the most cost-effective and practical way to meet customer demands without stopping Basil from baking.
- Setting up this system will require a bit of outside help (like a web designer), but it will save time in the long run.

Reference List

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Appendices

Appendix 1: Task 3a) PMI Evaluation Table

Provide the Name (for Solution A): Online Pre-order and Click-and-Collect

Plus	Minus	Interesting
1. Stops customers from having to wait in long queues (+4)	1. Costs money to set up and host the website (-2)	1. Could use the website to sell leftover stock at a discount at the end of the day (+1)
2. Doesn't require Basil to answer the phone to take orders (+3)	2. Might take some time for Basil to learn how to use the tablet system (-1)	
3. Guarantees payment upfront, reducing food waste (+2)		
TOTAL: +9	TOTAL: -3	TOTAL: +1

Therefore: Overall Total for Online Pre-order and Click-and-Collect = +7

Provide the Name for Solution B: Third-Party Delivery Partnership

Plus	Minus	Interesting
1. Reaches regular customers who now work from home (+3)	1. High commission fees on every order takes away a lot of profit (-4)	1. Might bring in a completely new demographic of younger app users (+2)
2. Expands the bakery's sales radius beyond the retail park (+2)	2. Delicate cakes might get squashed by delivery drivers (-2)	
	3. Less personal interaction with loyal customers (-1)	
TOTAL: +5	TOTAL: -7	TOTAL: +2

Therefore: Overall Total for Third-Party Delivery Partnership = 0

(Reference for PMI technique: De Bono, 1992)

Appendix 2: Task 4a) Implementation Plan

Name the problem you are solving: Dropping sales due to long wait times and lack of pre-order options.

Name the solution you are implementing: Online Pre-order and Click-and-Collect system.

	WHAT	HOW	WHEN	WHO
1	Research and select an e-commerce platform	Look online for easy systems (like Shopify) that fit Basil's budget	Week 1-2	Basil / Consultant
2	Build the website and add the menu	Upload photos of the food and set the correct prices	Week 3-4	Freelance Web Designer
3	Train Basil to use the system	A short training session on how to check and accept online orders	Week 5	Web Designer and Basil
4	Launch and promote to customers	Put signs in the bakery window and flyers in the shopping bags	Week 6 onwards	Basil

(Reference for Implementation Plan structure: Maylor, 2010)

Appendix 3: Task 5a) KPI and SMART Table

The Key Performance Indicator is: Increase daily sales revenue by 15% through online pre-orders.

Specific	Measurable	Attainable	Relevant	Time-Bound
Get 50 online click-and-collect orders placed through the new website every week.	Track the exact number of orders using the built-in analytics dashboard on the website platform.	50 orders is roughly 8-10 a day, which is a manageable increase for the bakery to bake for.	This directly tackles the problem of lost sales from busy customers who won't wait in queues.	Achieve this consistent weekly target within 3 months of the official website launch date.

(Reference for SMART objectives: Doran, 1981)