

Module Title: Problem Solving and Decision Making

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Student Name: Sol Andrea Rincon

Student Number: 2325933

Lecturer's Name: Nerys Dosseh

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Introduction

This report examines the business challenges faced by Green Haven Florists, a small independent flower shop located in Norwich, UK. The business has recently experienced a decline in sales, which can be defined as a reduction in revenue or the number of products sold over a period of time. Understanding this issue is important for maintaining profitability and long-term sustainability. This report aims to identify the main causes of the decline in sales using structured analytical tools such as PESTLE analysis and a Fishbone diagram. It will also suggest practical solutions to help the business improve performance and remain competitive.

Brief Explanation of the Specific Business Problem

Green Haven Florists is a small independent flower shop located in Norwich, UK, known for its bespoke floral arrangements and eco-friendly practices. In recent years, the business has experienced a significant decline in in-store sales, with approximately a 30% reduction in customer foot traffic over the last 12 months. Although online orders have slightly increased, they have not been enough to compensate for the loss of physical customers.

Several factors have contributed to this problem. From an economic perspective, inflation and rising operational costs have increased the price of imported flowers and sustainable packaging materials. Technological factors have also played an important role, as many customers now prefer ordering flowers online from competitors with strong digital platforms and social media presence. In addition, internal weaknesses such as an outdated website, limited digital marketing, and lack of flexible delivery options have reduced the business's competitiveness.

Environmental and local factors, including supply chain disruptions and the closure of nearby businesses, have also reduced customer visits to the store. These combined factors have created pressure on the business, making it increasingly difficult to maintain profitability and compete in the modern retail market.

Suggested Two Alternative Solutions

Solution A

Solution A: Improve Digital Presence and Online Sales

One possible solution is to improve the digital presence of Green Haven Florists by updating its website, increasing social media activity, and offering online ordering services. This solution directly addresses the technological weaknesses identified in the Fishbone diagram, such as the outdated website, lack of digital marketing, and weak social media presence. It also responds to the social factor identified in the PESTLE analysis, where customers prefer online shopping due to convenience and fast delivery.

A strong digital presence is important because customer engagement and online visibility influence modern buying behaviour (**Kotler and Keller, 2016**).

PMI ANALYSIS

PLUS	MINUS	INTERESTING
Improved online visibility can attract new customers and increase sales. A modern website and social media presence can help the business compete with online retailers.	Initial costs for website development and digital marketing may be high, and staff may need training.	This solution may create opportunities for long-term growth and allow the business to expand beyond the local market. This solution will help resolve the business problem by increasing customer reach, improving competitiveness, and supporting long-term profitability.

Solution B

Introduce Subscription Services and Flexible Delivery

Another effective solution is to introduce flower subscription services and flexible delivery options. This solution responds directly to the method-related problems identified in the Fishbone diagram, such as lack of subscription services and limited delivery options. It also supports changing customer expectations identified in the PESTLE social factors, where convenience plays an important role in purchasing decisions.

PMI ANALYSIS

PLUS	MINUS	INTERESTING
Subscription services provide regular income and improve customer loyalty. Flexible delivery options increase customer satisfaction and convenience.	Subscription services provide regular income and improve customer loyalty. Flexible delivery options increase customer satisfaction and convenience.	Subscription services can create long-term customer relationships and provide predictable monthly revenue. This solution will help resolve the business problem by improving customer retention, increasing convenience, and generating stable revenue streams.

Justification for Selected Solution

Solution A, improving the digital presence of Green Haven Florists, is considered the most appropriate solution to progress with. This is because the Fishbone analysis identified technological weaknesses, such as an outdated website, lack of social media presence, and limited digital marketing, as major causes of declining sales. In addition, the PESTLE analysis highlighted strong social and technological changes, particularly the growth of online shopping.

This solution has been given higher weighting because it directly addresses the root causes of the problem and provides long-term benefits. By improving online visibility and customer access, the business can attract new customers, increase sales, and remain competitive in a changing retail environment.

Risk Analysis of the Selected Solution

The selected solution, improving the digital presence of Green Haven Florists, may face several risks. One possible risk is the high initial cost of developing a new website and investing in digital marketing. Another risk is that staff may lack the technical skills needed to manage online platforms effectively. There is also a risk that customers may take time to adapt to the new online services.

The criteria used to assess these risks include financial cost, staff capability, and customer acceptance. These criteria were selected because they directly affect the success of implementing digital improvements and the overall performance of the business.

Rick factor to understand the following Analysis: (Likelihood × Impact)

What is the impact of this risk? Impact (1–5)

What is the likelihood of the risk occurring? Likelihood (1–5)

1 = low

5 = Very High

Likelihood (1–5)

Impact (1–5)

Risk Factor

If it happens – what can you do to minimise the impact?	What can you do to reduce this risk from happening?	If it happens – what can you do to minimise the impact?	Risk Factor (L×I)
High initial cost of website development and digital marketing (4) x (4)	Create a clear budget plan and use affordable digital tools. Implement changes in stages instead of all at once.	Reduce costs by adjusting marketing expenses and using free or low-cost digital platforms.	16
Staff lack of technic skills yo drive digital platform (3) x (4)	Provide staff training and basic digital skills workshops before implementation.	Hire temporary technical support or outsource website management if needed.	12
Customers take time to adapt to online services (3). X (3)	Promote the new website through social media, email, and in-store communication. Offer simple instructions for customers.	Offer customer support and provide discounts to encourage online usage.	9

Plan to Implement the Selected Solution

The selected solution is to improve the digital presence of Green Haven Florists in order to strengthen its competitive position and increase customer reach. The desired outcome of this implementation is to improve online visibility, attract new customers, support online sales growth, and reduce the business's dependence on declining in-store foot traffic.

The first stage of the plan is to define clear objectives. These include developing a modern and user-friendly website, improving the business's social media presence, and making it easier for customers to place orders online. The second stage is to prioritise tasks. A website developer should be appointed to redesign the website, while a simple digital marketing schedule should be created for platforms such as Instagram and Facebook. The business should also review its current ordering process and make changes where necessary to improve customer convenience.

The third stage is to allocate resources. This includes money for website development and digital promotion, staff time, and training in basic digital skills. Liam and Priya Patel will lead the implementation, with outside support if needed for technical work. The plan should be carried out over three to six months, with milestones to review website traffic, customer engagement, and online sales performance.

Action plan table



Action	How it will be done	time	Person responsible	Resources needed
Set digital goals	Decide website, social media and sales target	Week 1	Liam and Priya	Time, planning meeting
Redesign website	Hire developers use website platform	Weeks 2-8	Liam, Priya and web designer	Budget, website tools
Improve social media	Create weekly content and promotions	Weeks 2-12	Priya and staff member	Time, phone, design app
Train staff	Basic training in online order and social media	Weeks 4-6	Liam and Priya	Training time, guidance
Launch digital campaign	Promote new website and on line offers	Weeks 8-12	Owner + marketing support	Adverting budget.
Monitor results	Review traffic, enquiries and online sales	Monthly	Liam and Priya	Sales data, website analytics.

Means of Measuring Effectiveness of Implementation of Selected Solution

The effectiveness of the selected solution, which focuses on improving the digital presence of Green Haven Florists, will be measured using Key Performance Indicators (KPIs) and SMART objectives. These indicators are important because they provide clear evidence of whether the implemented changes are successful and contributing to business improvement.

The main KPIs selected include website traffic, number of online orders, social media engagement, and customer feedback. Website traffic will show how many people are visiting the new website, indicating whether digital visibility has improved. The number of online orders will measure whether customers are using the new online services. Social media engagement, such as likes, shares, and comments, will help evaluate customer interaction and brand awareness. Customer feedback will also be monitored to understand customer satisfaction and identify areas for improvement.

SMART objectives have been designed to ensure that the goals are Specific, Measurable, Achievable, Relevant, and Time-bound. For example, one SMART objective is to increase website traffic by 30% within six months of launching the new website. Another objective is to increase online orders by 20% within the same period. These objectives are realistic because they align with the business needs and available resources. Monitoring these KPIs and SMART objectives regularly will allow Green Haven Florists to track progress and make necessary adjustments to ensure long-term success.

Key Performance Indicators (KPIs)

Key Performance Indicators are important because they help organisations monitor progress and evaluate whether strategy is being implemented successfully (Kaplan and Norton, 2004).

KPI	What it measures	Why it is important	Measurement method	Timeframe
Website traffic	Number of the visitors to the website	Show increase in online visibility	Website analytics tools	Monthly
Online order	Number of the orders placed on line	Show customer adoption of digital services.	Sales records	monthly
Social media Engagement	Likes, share and comments	Measures customer interaction	Social media insights	Weekly
Customer feedback	Customers satisfaction level	Identifies services quality and improvements	Reviews and survey	Monthly

SMART Objectives Table

Objetive	Specific	Measurable	Achievable	Revelant	Time-bound
Increase website traffic	Launch new website and promote online	Increase visitors by 30%	Use social media promotion	Support digital growth	Within 6 months
Increase online orders	Improve ordering system	Increase orders by 20%	Provide easy ordering process	Improves sales	Within 6 months
Improve social media engagement	Post regularly	Increase engagement by 25%	Use weekly content schedule	Builds brand awareness	Within 4 months
Improve customer satisfaction	Collect feedback	Achieve 85% positive feedback	Respond to customer needs	Improves customers loyalty	Within 6 months

Conclusion:

This report identified several important factors that contributed to the decline in sales at Green Haven Florists. One of the main findings is that the business has struggled to keep up with technological changes, including having an outdated website and limited digital marketing activities. This has reduced the company's ability to compete with online flower retailers that offer convenient and fast services.

Another key finding is the increase in operational costs, especially the rising cost of materials and imported flowers, which has affected profitability. In addition, customer behaviour has changed significantly, with more people preferring online shopping instead of visiting physical stores. The entry of new competitors with strong social media presence and competitive pricing has also increased market pressure.

Based on these findings, improving the digital presence of the business was identified as the most appropriate solution. The action plan focuses on developing a modern website, improving social media engagement, and training staff in digital skills. The use of KPIs and SMART objectives will allow the business to monitor progress and measure success, supporting long-term growth and sustainability.

Key Findings Identified

1. Lack of digital presence and outdated website
2. Rising operational and material costs
3. Shift in customer behaviour toward online shopping
4. Increased competition from online and local businesses
5. Digital improvement identified as the most effective long-term solution

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