

Module Title: Problem Solving and Decision Making

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Assessment: Component 2 Report – Basil's Bakery

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Overview of Case-study

Basil's Bakery is an independent small business in Coventry with clear strengths, including Basil's baking experience and use of organic ingredients. However, the business faces a serious performance issue, as sales remain 25% below 2019 levels, showing that recovery after COVID-19 has been limited. Changing consumer behaviour also affects the bakery. Sophie (2025) notes that 87% of lunches are now eaten at home, suggesting that food businesses must adapt to new customer routines. Although Basil offers pre-orders, working alone means he cannot always answer calls while baking, which reduces convenience and may limit sales.

Two Proposed Solutions

Solution A Proposal - Online Ordering Platform

A suitable response would be for Basil's Bakery to introduce online ordering and delivery through platforms such as Deliveroo or Uber Eats. This would directly address the problem of missed telephone orders by allowing customers to order without visiting the shop or calling Basil during production hours. This recommendation is supported by evidence that online food delivery has expanded rapidly because customers increasingly expect convenience, speed and digital access (Ahuja et al., 2021). Although platform commission fees and reduced control over customer service are potential disadvantages, careful pricing and planning could help Basil manage these risks.

Solution B Proposal - Social Media Marketing

A second possible option is to use social media marketing to strengthen Basil's Bakery's online presence. Platforms such as Instagram and Facebook could help showcase the bakery's artisan products and communicate its organic focus to a wider audience. This is relevant because gourmet sandwiches have become more popular with consumers who value quality and experience (Sophie, 2025). However, this should be viewed as a supporting strategy rather than the main solution, as it requires regular content creation and careful management of customer feedback. If used consistently, it could improve brand awareness and customer engagement.

Evaluation Results and Justifications

Based on the PMI evaluation in Appendix 1, Solution A (online ordering and delivery) is the most suitable option for Basil's Bakery. The key criteria were sales growth, customer convenience, cost, operational suitability and risk. Sales growth and convenience should be given the greatest weight because the bakery's main issues are reduced demand and missed orders when Basil cannot answer calls while baking. Online ordering would make purchasing easier for customers, while delivery could increase access beyond those visiting the retail park. This is supported by evidence that takeaway and meal delivery rose by more than 50% during the pandemic and remained above pre-pandemic levels afterwards (Augsburg et al., 2024). However, delivery platforms involve additional operating costs through partnership fees, which may affect profit margins for small food businesses (Deliveroo, 2025). Therefore, Basil should use careful pricing, menu control and staged implementation to protect daily operations.

Justifications for the Implementation Plan

The implementation plan in Appendix 2 should be introduced in stages to reduce risk and disruption. First, Basil should research and choose the most suitable delivery platform. Successful implementation requires clear identification of activities, resource requirements, ownership and deadlines before execution begins (Project Management Institute, 2021).

Basil should lead this stage because he understands the bakery's finances, operational capacity and customer base. After this, prices, menus and ordering processes should be finalised, followed by testing before launch. This staged approach is appropriate because project schedules should identify task dependencies, responsibilities and deadlines (Association for Project Management, 2024). Marketing should only begin once the system is reliable.

Task 5b) Justifications for the KPI and SMART Objectives

The most suitable KPI for Table A is the performance of the online ordering platform, measured through monthly sales revenue and the number of online orders. This KPI is appropriate because Basil's main problem is declining sales, with revenue still 25% below 2019 levels. As Basil works alone and cannot always manage telephone orders while baking, online order data would show whether customer access has improved. This is supported by the view that Effective KPIs should directly reflect organisational objectives so that performance improvements can be measured accurately (Mtau and Rahul, 2024).

The SMART objective directly supports Basil's requirement to increase accessibility and improve sales performance. The target to increase sales by 20% and reach 100 online orders per month is measurable because Basil can track both sales records and platform data. It is realistic because the UK food delivery market remains significant, with evidence suggesting that it was expected to reach £14.1 billion in 2024 after post-pandemic stabilisation (Lumina Intelligence, 2024). However, the objective needs careful management because third-party digital platforms can introduce additional costs and reduce profit margins for small businesses through platform fees and dependency on external providers (Parker, Van Alstyne and Choudary, 2016). Overall, the KPI and SMART objective are specific, measurable and relevant to Basil's situation.

Key Findings

- Basil's Bakery has not fully recovered, with sales still 25% below 2019 levels.
- Basil's position as a sole trader creates capacity problems, especially when he cannot manage telephone orders while baking.
- Online ordering and delivery is the strongest strategic response because demand for convenient food access remains above pre-pandemic levels (Augsburg et al., 2024).
- Commission fees may reduce profitability, so pricing and operational planning are essential (Deliveroo, 2025).
- Monthly sales revenue and online order numbers are suitable KPIs for monitoring success.

Reference List

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Appendices

PMI Evaluation Table

Option A – Introduce an Online Ordering and Delivery

Platform

No online ordering system; Basil cannot always answer telephone orders during baking hours. Delivery platforms such as Deliveroo or Uber Eats (Sophie, 2025).

Plus	Minus	Interesting
Increases customer reach because people can order from home or work, especially during busy periods. +5	Delivery portal fees can reduce profit because apps often take commission from each order. -5	It could show which products are most popular because the business can track online orders. +4
Can boost sales by making the business available to more people online. +5	Less control over delivery quality because late or damaged deliveries may reflect badly on the business. -5	Customer reviews on the portal could affect the business's reputation, either positively or negatively. -5
Improves convenience for customers who prefer delivery or pre-ordering. +4	Prices may need to increase to cover delivery platform costs. -3	The portal could introduce the business to customers who have never heard of it before. +5
Reduces missed orders because customers do not need to phone during busy baking hours. +5	Extra pressure during busy baking hours if lots of online orders come in at once. -5	It could help the business learn customer habits, such as busy order times or popular delivery areas. The business may need to change how it prepares orders to handle online demand +5
TOTAL: +19	TOTAL: -18	TOTAL: +9

Therefore: Overall Total = +10

Option B – Strengthen Social Media Marketing

Limited social media presence compared with competitors. Growing consumer demand for gourmet sandwiches, artisan food and locally sourced products, with increasing customer expectations for quality and experience (Sophie, 2025).

Plus	Minus	Interesting
Improves brand awareness because social media can help more customers see the business online. Low-cost marketing opportunity compared with traditional advertising, especially if posts are created in-house. +5	May need marketing skills to create high-quality content that looks professional and attracts customers. Paid advertising may be needed to reach more people, which could increase costs. -5	Customer feedback could influence future products because people may suggest flavours, fillings or improvements online. +5
Helps close the gap with competitors by making the business more visible and active on platforms customers already use. +5	Results are not guaranteed because likes and views do not always turn into actual sales. -5	Trends can change quickly, so the business would need to keep up with what customers are currently interested in. -4
Supports the gourmet sandwich trend because attractive photos and videos can promote artisan, high-quality food. Attracts customers who value quality and experience by showing ingredients, preparation methods and finished products. +4	Competitors may already have stronger social media accounts, making it harder to stand out. Higher customer expectations could put pressure on the business to constantly show high-quality products and experiences. -5	Analytics could show when customers are most active, helping the business choose the best times to post. +5
Encourages customer engagement through likes, comments, shares, reviews and user-generated content. +4	Negative comments or reviews can damage reputation if customers complain publicly online. -5	Social media could help build a stronger brand personality, making the business seem more local, friendly and unique. +4
TOTAL: +18	TOTAL: -20	TOTAL: +10

Therefore: Overall Total = +8

Adapted from: Proctor, T (2019) *Creative Problem Solving for Managers* 5th Ed. Routledge. Page 262

Appendix 2

Implementation Plan

Basil's Bakery Sales stagnated below 25% since 2019

	Task	WHAT	WHEN	WHO	Done
1	Research and select delivery platform	Compare delivery platforms, fees, customer reach and reviews.	Week 1	Basil	Preferred delivery platform selected and account registered.
2	Online menu and prices	Create an online menu and adjust prices to account for delivery platform fees while maintaining profitability.	Week 2	Basil	Online menu uploaded, prices approved and ready for customers.
3	Set up ordering procedures	Create procedures for receiving orders, confirming payments, packaging, and managing delivery or collection.	Week 3	Basil	Ordering process documented and operating correctly.
4	Test the system	Conduct trial orders to check menu accuracy, payment processing, preparation times and delivery notifications.	Week 4	Basil Delivery platform support	Trial orders completed successfully and any issues resolved.
5	Launch	Launch the online ordering service and promote it through social media, in-store marketing and word of mouth.	Week 5	Basil Friends / family & customers word of mouth.	Online ordering service launched and first orders received.

Adapted from: Institute of Leadership & Management (2013) *Super series Solving Problems and Making Decisions*. 5th Ed. Page 102. Routledge.

KPI and SMART

Table Performance Indicator Basil's Baker to introduce online ordering platform

Specific	Measurable	Attainable	Relevant	Time-Bound
Introduce an online ordering system through Deliveroo or Uber Eats so customers can place orders without visiting the shop or phoning Basil. This is specific because it directly focuses on improving access to the bakery and reducing missed sales while Basil is baking.	Achieve a 20% increase in monthly sales revenue and gain at least 100 online orders per month. These figures make the objective measurable because Basil can track sales records and platform data to judge whether the new system is improving demand.	This is attainable because food delivery remains popular after COVID-19 and Basil already sells quality artisan products. Although commission fees may reduce profit margins, the target is realistic if prices, menu choices and order capacity are managed carefully.	This objective is relevant because Basil's Bakery's sales are still below 2019 levels and the business has limited capacity as a sole trader. Online ordering supports revenue recovery by making the bakery more convenient and accessible to local customers.	Achieve this target within 6 months of launching the online ordering service. This timescale is suitable because it gives Basil enough time to select a platform, set up the menu, promote the service and review results.

Adapted from: <https://thinkmarketingmagazine.com/how-to-create-smart-goals/>