

Evaluating Solutions to Improve the Performance of Basil's Bakery

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Introduction

Basil's Bakery is a small independent bakery based in a retail park in Coventry. Since opening in 2015, the business built a loyal customer base and enjoyed steady growth. However, like many small businesses, it was heavily affected by the COVID-19 pandemic. Although customer numbers improved after restrictions ended, sales have remained around 25% lower than they were in 2019. Several factors have contributed to this, including fewer visitors to the retail park, the rise in remote working and increasing operating costs. Customers have also requested services such as online ordering and home delivery, which Basil is currently unable to provide. This report examines the problems facing the bakery, considers two possible solutions using the PMI decision-making technique and recommends the most suitable option. It also explains how the chosen solution could be implemented and how its success could be measured over time.

Overview of the Problem

The main challenge facing Basil's Bakery is the continued fall in sales. According to the case study, the business has never recovered to its pre-pandemic performance, with sales remaining around a quarter lower than they were in 2019. One reason for this is that the retail park no longer attracts the same number of shoppers, as several businesses have closed and fewer people now work nearby. Many office staff also spend part of the week working from home, meaning they no longer buy lunch from the bakery as often. At the same time, Basil is dealing with rising costs, including rent, insurance, utilities and the price of organic ingredients. Customers

have also expressed interest in services such as delivery and online pre-ordering, but the bakery currently lacks the systems needed to offer them effectively. Together, these issues have reduced sales and raised concerns about the long-term future of the business.

Proposed Solutions

One possible way for Basil to increase sales is by introducing an online ordering and home delivery service. This would allow customers to order cakes, bread and pastries without having to visit the bakery in person. It would be particularly useful for customers who now work from home or no longer travel to the retail park but still want to buy Basil's products. To reduce costs, Basil could initially partner with an established delivery company such as Deliveroo or Uber Eats instead of running his own delivery service. Research suggests that online food ordering has become much more common in recent years, with many customers expecting businesses to provide convenient digital ordering options (Kotler and Keller, 2022).

Another option would be to introduce a click-and-collect pre-ordering system. Customers could place their order online before arriving and simply collect it at an agreed time. This would reduce queues during busy periods and help Basil prepare orders more efficiently. It would also solve the problem of customers being unable to place orders because Basil is busy baking and cannot answer the phone. Although this option is cheaper and easier to introduce than a delivery service, it still relies on customers travelling to the bakery, so it may have less impact on increasing overall sales.

Evaluation of the Proposed Solutions Using the PMI Technique

To decide which solution would be most suitable for Basil's Bakery, the PMI (Plus, Minus, Interesting) technique can be used. Developed by Edward de Bono (1992), this method encourages decision-makers to look at both the positive and negative aspects of an idea before reaching a conclusion.

Introducing an online ordering and delivery service has several clear advantages. It would allow Basil to continue serving customers who now work from home or no longer visit the retail park. It could also attract new customers from the surrounding area and make the business more competitive against larger bakery chains that

already offer delivery. However, there are disadvantages to consider. Using a delivery platform would reduce profit margins because of commission fees, while packaging and transport would increase running costs. There is also the possibility that products could be damaged during delivery. Despite these challenges, the service could provide useful information about customer buying habits, making it easier to plan stock levels and future promotions.

The click-and-collect option also has a number of strengths. It would reduce waiting times, improve customer service and help Basil organise production more efficiently because orders would be placed in advance. It is also much cheaper to introduce than a full delivery service. On the other hand, customers would still need to travel to the bakery, meaning it does little to overcome the problem of declining footfall at the retail park. As a result, its impact on sales may be more limited.

Preferred Solution

After comparing both options, introducing an online ordering and delivery service appears to be the strongest solution. While it would cost more to set up than a click-and-collect system, it addresses the main problem facing the business rather than simply making the current operation more efficient. The case study explains that many of Basil's previous customers now work from home or no longer work near the bakery. By offering delivery, Basil can reconnect with these customers and reach new ones who may never have visited the shop before. Although delivery fees and additional costs will need to be managed carefully, the opportunity to increase sales and reduce the bakery's reliance on passing trade makes this the better long-term option.

Implementation of the Preferred Solution

Introducing the new service should happen gradually to reduce risk and avoid disrupting the day-to-day running of the bakery. The first step would be to research different online ordering platforms and compare delivery companies to find the most affordable option. Partnering with an existing delivery company would allow Basil to start offering deliveries without the expense of employing drivers or buying vehicles.

Once a delivery partner has been chosen, a simple website should be created where customers can browse products, place orders and pay online. Clear product photographs and descriptions should be included to make the website attractive

and easy to use. Before launching the service to the public, Basil should ask a small group of regular customers to test the website and provide feedback. Any problems can then be corrected before the official launch. Finally, the new service should be promoted through social media, posters in the bakery and local advertising to make customers aware of the new ordering option.

Justification of the Implementation Plan

The order of activities has been planned to reduce unnecessary costs and improve the chances of success. Carrying out research first allows Basil to compare different providers and choose the most suitable option before spending money. Developing and testing the website before launch should reduce technical issues and help ensure customers have a positive first experience. Asking existing customers to test the service also provides valuable feedback that can be used to make improvements. Once the system is running smoothly, promoting the new service through different marketing channels should help attract both returning and new customers. Reviewing sales and customer feedback on a regular basis will also allow Basil to identify any problems early and make changes where needed.

Key Performance Indicator (KPI) and SMART Objectives

The main Key Performance Indicator (KPI) for this project should be the number of online orders received each month. As the purpose of introducing delivery is to increase sales by making the bakery more accessible, tracking online orders will provide a clear indication of whether the new service is achieving its objective.

Several SMART objectives can support this KPI. Basil should aim to increase overall monthly sales by 15% within six months of launching the service. He should also achieve at least 100 online orders each month within the first three months. Customer satisfaction should remain above 90%, measured through online reviews and customer feedback questionnaires. Finally, Basil should aim to increase the number of repeat customers by 20% within twelve months by introducing a loyalty scheme and promotional offers. These objectives are specific, measurable, achievable, relevant to the bakery's problems and include realistic timescales for completion.

Monitoring and Evaluation

Once the online ordering service has been introduced, it will be important to monitor its performance regularly. Sales figures should be reviewed each month to see whether overall revenue has increased compared with previous months. If online sales continue to grow, this would suggest that the service is attracting customers who may not otherwise have visited the bakery.

Website analytics can also provide useful information, such as the number of visitors, completed purchases and abandoned orders. This information can help Basil identify any issues with the ordering process and make improvements where necessary. Customer reviews and feedback should also be collected to understand whether people are satisfied with the service they receive. If any of the SMART objectives are not being achieved, Basil can respond by increasing advertising, offering discounts or making improvements to the website. Monitoring performance regularly will help ensure the business continues to improve and remains competitive.

Key Findings

This report found that Basil's Bakery is facing a number of challenges, including lower customer numbers, changing shopping habits and rising operating costs. Two possible solutions were considered: introducing an online ordering and delivery service, and implementing a click-and-collect pre-ordering system. After evaluating both options using the PMI technique, the online delivery service was identified as the most effective solution because it directly addresses the decline in customer footfall while creating opportunities to attract new customers. By following the proposed implementation plan and monitoring progress using SMART objectives and a KPI, Basil should be in a stronger position to increase sales and improve the long-term sustainability of the business.

Appendix 1 – PMI Analysis

Solution	Plus (+)	Minus (-)	Interesting (I)

Online Ordering and Delivery Service	Reaches customers who work from home or no longer visit the retail park. Increases sales opportunities. Improves customer convenience. Helps the bakery compete with larger businesses.	Delivery fees reduce profits. Higher packaging and transport costs. Requires investment in a website and online ordering system. Products could be damaged during delivery.	Customer data could be used to improve marketing and introduce loyalty rewards. The service could also support future business expansion.
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Appendix 2 – Implementation Plan

Activity	Reason	Person Responsible	Timescale
Research online ordering platforms and delivery companies	Identify the most suitable and cost-effective option	Basil	Week 1
Select a delivery partner	Keep start-up costs low by using an existing delivery service	Basil	Week 2
Develop the bakery website	Allow customers to order and pay online	Web developer	Weeks 3–4
Upload product information and prices	Ensure customers have accurate information before ordering	Basil	Week 5
Test the online ordering system	Identify and fix any technical problems before launch	Basil and web developer	Week 6
Launch the online ordering service	Begin offering delivery to customers	Basil	Week 7

Promote the service	Increase awareness through social media and local advertising	Basil	Weeks 7–8
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Appendix 3 – SMART Objectives

Objective	Measure of Success	Completion Date
Increase monthly sales by 15%	Monthly sales reports show a 15% increase compared with current sales.	Within 6 months
Achieve at least 100 online orders each month	Website analytics record a minimum of 100 completed online orders.	Within 3 months
Maintain at least 90% customer satisfaction	Customer surveys and online reviews average 90% positive feedback.	Within 6 months
Increase repeat customers by 20%	Customer records show a 20% increase in repeat purchases.	Within 12 months

Appendix 4 – Key Performance Indicator

KPI	Purpose	How It Will Be Measured	Review Frequency
Number of online orders per month	Measure the success of the new ordering service	Website analytics and monthly sales reports	Monthly

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