

Problem Solving and decision-making report

Green Heaven Florists

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Assessment: Component 2 Report

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Introduction

This report looks at Green Heaven Florists, a small independent flower shop based in Norwich. The main aim is to understand the problem the business is currently facing and to explore practical solutions to improve its performance.

Over the past year, the company has experienced a decline in sales, due to changes in customer behaviour and increased competition.

To analyse this situation, tools such as PESTLE analysis and the fishbone diagram will be used. These will help identify the key factors affecting the business. The report will also present and evaluate two viable solutions to decide the most effective option.

Brief explanation of the business problem

Green Heaven Florists is currently facing a decline in sales, with a reported drop of around 30% over the last 12 months. The main issue is the reduction in walk-in customers, as more people now prefer to shop online instead of visiting physical stores.

One of the key reasons for this is the company's limited online presence. While competitors are actively using social media and offer online ordering services, Green Heaven Florists has not fully adapted to these changes. This makes it harder to attract new customers and keep up with current market trends.

In addition, rising costs such as rent, utilities and flower supplies have increased financial pressure on the business. Inflation has also made products more expensive, which may discourage some customers.

Competition has also become stronger, especially from online flower delivery services and new local businesses. These factors combined are negatively affecting the company's performance and making it difficult to maintain profitability.

Two alternative solutions

One solution for Green Heaven Florists is to improve its online presence. This could include creating a more modern and easier-to-use website with an online ordering system, as well as being more active on social media platforms like Instagram. This would help the business reach more customers, especially those who prefer to shop online. It would also make it easier for customers to browse products and place orders without visiting the shop.

Another solution is to focus on improving the in-store experience and attracting more local customers. This could include offering promotions, loyalty discounts or working with local businesses to increase visibility. Creating a more attractive shop environment and offering personalised services could also encourage customers to return.

Both solutions aim to increase sales, but they approach the problem in different ways. The first focuses on adapting to digital trends, while the second focuses on improving the physical store experience.

Evaluation and Justification of the Selected Solution

To evaluate both solutions, a simple PMI analysis can be used. The first solution, improving the online presence, has many advantages. It allows the business to reach more customers, increases visibility, and follows current market trends. However, it may require some investment and time to set up.

The second solution, improving the in-store experience, helps build customer loyalty and improve the relationship with local customers. However, its impact may be more limited, as fewer people are visiting physical stores.

Overall, the first solution is more effective because it directly responds to changes in customer behaviour and offers more opportunities for growth in the long term.

Risk analysis

The selected solution, improving the online presence, also comes with some risks. One of the main risks is the cost of creating and maintaining a website or managing social media accounts. This may be difficult for a small business with limited resources.

Another risk is the lack of digital skills, as the business owners may not have enough experience with online marketing or technology. There is also a possibility that results may not be immediate, which could be frustrating.

However, these risks can be reduced by starting with simple tools, learning gradually, or getting external support if needed.

Implementation plan

The implementation of the selected solution should be done step by step to reduce risks and ensure a smooth process. First, the business should focus on creating a simple and user-friendly website with basic online ordering options. This could be done with the help of a professional or using easy online tools.

Next, the company should improve its presence on social media platforms such as Instagram and Facebook. Posting regularly, showing products, and engaging with customers can help increase visibility and attract new clients.

It is also important to assign clear responsibilities. For example, one person could manage social media content, while another handles online orders and customer communication. This will help avoid confusion and improve efficiency.

The implementation should be completed over a period of 3 to 6 months, allowing enough time to adapt and make improvements if needed.

Overall, this structured approach helps the business move towards digital transformation in a realistic and manageable way.

KPI & SMART objectives

To measure the success of the solution, it is important to use Key Performance Indicators (KPIs). One of the main KPIs could be an increase in online sales, as this directly shows if the new strategy is working. Another KPI could be website traffic, which helps understand if more people are visiting the business online.

A SMART objective can be set to guide the process. For example, the business could aim to increase total sales by 20% within the next 6 months through online channels. This objective is specific, measurable, achievable, relevant and time bound.

These indicators are important because they allow the business to track progress and make improvements if needed. By regularly reviewing these results, the company can adjust its strategy and ensure that the solution is effective in the long term.

Conclusion

In conclusion, Green Heaven Florists is having problems with sales going down, mainly because customers are now buying more online and there is more competition. This is affecting the business and making it harder to keep customers and make profit.

Two solutions were considered, one focused on improving the online presence and the other on improving the in-store experience. After comparing both, the online option was

the best choice because it matches what customers want now and gives more opportunities to grow.

Even though there are some risks, these can be managed if the business takes it step by step and plans properly.

Overall, if the company adapts to these changes and improves its strategy, it has a good chance to increase sales and stay competitive in the future.

References

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Solution	Plus	Minus	Interesting
Online presence	Reaches more customers	Cost to set up	Long term growth
In-store improvement	Build customers loyalty	Limited reach	Strong local image

APPENDIX 2: KPI AND SMART OBJECTIVES

KPI	TARGET	TIME
Increase online sales	+ 20%	6 months
Website traffic	+ 30% visitors	3 months