

Certificate of Higher Education in Skill for the workplace

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Problem Solving and Decision Making

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Introduction

Identifying an issue, determining causes, asking questions, and brainstorming solutions are all part of problem-solving, according to Richard (2021). The availability of facts makes the solution(s) more obvious. Decision-making is the process of selecting a suitable solution based on your judgment, situation, facts, knowledge, or a combination of available facts.

These abilities are essential for management in any organisation. This process is all about taking corrective actions to address or solve a problem. Organizations that can effectively apply this logic have a better chance of improving their overall performance.

The goal of this report is to understand the causes of TM Lewin's profit decline, as well as to discuss the impact of the company's declining profitability, and to come up with a solution(s) that best enables TM Lewin to solve the problems. To summarise, the logic and process of effectiveness. The problem-solving and decision-making processes are applied to the case at hand.

The report will be speaking about the Nature and impact of profit decline for TM Lewin, The causes of declining profitability for TM Lewin, The pestle analysis of the factors that may cause the decline in profit for TM Lewin, The fishbone analysis of the potential causes for the declining profit for TM Lewin, Identifying the possible solutions to correct the problems for TM Lewin, Decision-making tools, Action plan for TM Lewin, Conclusion and takeaway and a Prefix. With sample illustrations.

Nature and impact of profit decline for TM Lewin

All of TM Lewin's stores in the United Kingdom were experiencing similar problems because one of the major causes of the problems was not only national but also global, affecting many other businesses. There was also a mass loss of jobs, affecting many of their employees, as the stores had to be closed in order for the country to recover from this issue. This, in turn, affected multiple families, who now had to find alternative ways to feed their families, leading to depression and stress, particularly among long-term employees who were unsure if their jobs would be jeopardized if the company declared bankruptcy in the worst-case scenario. This also reduced profit and increased expenses, forcing the company into administration.

The causes of declining profitability for TM Lewin

A variety of models could be used to analyze the causes/ factors that decline profitability in order to gain a better understanding of the problem; however, for the purposes of this report, the pestle analysis and fishbone analysis would be used to determine the factors that could be contributing to the issues, as well as the possible causes and effects.

The pestle analysis of the factors that may cause the decline in profit for TM Lewin

PESTEL is an acronym –(P) political, (E) economic, (S) socio-cultural / social, (T) technological, (E) environmental, and (L) legal, The model aids in the assessment of the dynamic and competitive business environment. The model evaluates each of the key factors that affect business performance, both directly and indirectly, so that strategies for overcoming issues can be developed for a better market position (Johnson et al., 2013). Some of the key issues found were that Government **policy** was now set in place due to the covid 19 pandemic. Persons were given strict guidelines to stay indoors, stay within their circle of contamination, and not leave their homes unless it was absolutely necessary. Coronavirus (COVID-19): guidance - GOV.UK (www.gov.uk) policies were implemented which restricted long-distance travel across county borderlines or even to go into your place of work, due to the nature of the business we are discussing this immediately affected their main product.

Brexit also affected the business as new policies were introduced which made it harder to exchange goods with the European Union markets due to tariffs and border checks, and the

business now had to follow new procedures and guidelines to produce and use the right documentation in order to trade.

The inflation rates skyrocketed due to limited Disposable incomes, as these were drastically reduced for consumers due to the fact that the government was paying 80% of their normal wages to stay home. the

Inflation rates also affected the majority of the major supply chains and how they were managed.

Have to change the company policy to facilitate a more health consciousness awareness.

Additional warning signs and stickers and other measures had to be used including gloves and face masks, which will affect the production rate.

The new environmental policy was in Effect which influenced the consumer's behaviours. As they were scared into adopting a different way of life. Which intern unbalanced how customers react to business they didn't seem as essential.

Consumers started to adapt and trained themselves to use technology in order to get necessary items without being in an actual building so any business that was not moving in that direction is going to be in trouble of closure. To use technology to develop a proper logistics team to get goods to customers

www.hse.gov.uk/coronavirus/index.htm New regulations were set in place, that most businesses had to adhere to in order to give some level of comfort to their employees, the government, and the unions.

The fishbone analysis of the potential causes for the declining profit for TM Lewin

The fishbone diagram contains six classic categories that are classified as the root causes of any business process problems. These include people, equipment, materials, the environment, management, and the process. Examining these six variables reveals the root causes of a problem, regardless of its type or severity (Ishikawa, 1986).

Using the fishbone analysis, a few causes were identified, with the environment playing a significant role. The Covid 19 pandemic affected customers' spending power and patterns because they didn't need to go out and only bought necessities; it also affected transportation access, which would directly affect supply chains; it also told people to start working from home if they could; it also restricted large social gatherings; and the products sold by TM Lewin were not considered essential items. Facilities had to be reorganized in order to maintain the 2-meter distance between people, as well as the use of personal

protection equipment, which most establishments found difficult to implement. This would increase the cost of operations, which could not be passed on to customers.

Brexit has now come into play, which has directly affected most establishments. This has affected most European staff because they now have to deal with their immigration status, which affects cheaper labour force. This has also harmed normal trade flow between countries due to new regulations that imposed more duties and taxes to ship and receive goods and raw materials, which adds additional costs to operations.

Inflation soared as the cash value fell due to the economy's instability, affecting and increasing all costs required to run and maintain every organization in the United Kingdom. All of the other factors would have the greatest impact on the **TM Lewin staff**; those who could work from home were now forced to stay at home; those who could go to work may now have to work on shifts due to the new policies, and companies may be required to implement a shift system due to the fact that spacing has now become a major issue; they had to be trained to use personal protective equipment and wear it constantly, This also demonstrated management skills, as most were unable to put into action, the application of strategic managerial skills to combat the emerging problems

Identifying the possible solutions to correct the problems for TM Lewin

Now that we are aware of what the problems are, we can now try to find suitable solutions, from the analysis we learned that the major issues faced by the company were covid 19 pandemic, Brexit and inflation, after brainstorming through a few viable options, the main ones that stood out are as follows.

Carrying out the **business online** would provide global benefits, as most consumers had begun to teach themselves how to do online shopping. According to Chen, Y(2022), A significant number of consumers in the United Kingdom (UK) have reported changes in their online shopping behavior over the past pandemic year. In particular, in March 2020, approximately 40% of UK shoppers reported doing more online shopping than before the coronavirus (COVID-19) pandemic. However, by February 2021, this percentage had risen to around 75%. Similarly, offline shopping has decreased over the studied period.

Because of the covid restriction, the majority of the stores had to remain closed, which would have been a significant cost factor for the company TM Lewin, as they would still have to pay

rent if applicable, as well as energy and maintenance costs, and security. So it would be more cost-effective if they **permanently closed those stores**.

If they decided to buy **one large warehouse**, they could put a shopfront for physical customers while also having a large area to store all their products, so instead of focusing on many small stores, this would be their main base of operation. They could also have enough space to set up a logistics area to ship products to customers should they carry the business online, but this would not be an immediate solution to the current problem.

Decision-making tools.

As stated by Matthew(2022). The decision-making tools assist you in mapping out all of the possible alternatives to your decision, as well as the costs and chances of success or failure. These applications help you make the best decision by simplifying the decision-making process and drawing a diagram. For this report, a grid analysis would be used.

Grid Analysis

After doing the grid analysis. It would be in the company's best interest to use a platform online, as this would cut the cost drastically instead of operating 66 stores you will have one upfront cost, and you will also have better control of your available stock/ surplus inventory. which will reduce the company's expenditure, you will also use fewer facilities, and the customers will have the comfort of shopping from home. Also, give the company a larger market. And the advantages of selling on more than one platform for example amazon or eBay essentially would give the company a global advantage.

Action plan for TM Lewin.

First, we must establish the ultimate goal, which is to conduct business online. Then we'll need to make a plan for implementing new departments, which means we'll need to hire more specialised personnel, such as an information technology department. Implement a logistics department to ship products ordered through the new platforms. We will then need to set deadlines and prioritise tasks that must be completed. For TM Lewin, a two-year deadline to complete all necessary tasks could be established.

They would then need to figure out what resources we would need to make this plan a reality, for example. To understand the new policies and legal requirements, we would need to set

up courier services and learn about the various requirements each service would require, as well as their guidelines and processes, as well as rates and other essential functions. In our visualisation of the main goal, we would then need to identify different strategies we could use to complete the necessary process as quickly and effectively as possible. This includes the marketing and promotion aspects of the new services they are about to introduce.

Finally, they must monitor, assess, and constantly update the process. They can do so by monitoring profit margins, conducting online surveys, talking to employees and customers, making observations, or using key performance indicators.

So, for effective decision-making, the following steps should be taken: first, clearly identify the problem, then gather relevant information about the problem, then try to identify the necessary solutions, then weigh the evidence and choose the best among the solutions, then use that solution to take action, and finally, constantly review the decision.

Conclusion and take away.

When the guidelines are followed, approaching the task becomes less difficult. There is a specific way to deal with institutional problems in order to come up with the best solutions to all of the necessary problems that can occur. Plus, instead of just trying to implement something and hoping for the best, you can actually keep records and data that could be useful when you decide to take on different projects.

I have begun to implement these processes in my workplace and have begun to see and recognize the majority of the errors that my department is correctly facing, and after using the necessary tools, I am able to provide effective solutions to these problems.

Prefix.

Figure 1 illustration of a pestle analysis

Pestle analysis of the factors

- PESTEL is an acronym –(P) political, (E) economic, (S) socio-cultural / social, (T) technological, (E) environmental and (L) legal.

P

- Government policy, was set in place due to the covid 19 pandemic. Persons were giving strict guidelines to stay-indoors, stay within their circle of contamination, and not to leave their home unless it was absolutely necessary. [Coronavirus \(COVID-19\) guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/coronavirus-covid-19-guidance) policy was implemented for long distance travels across country borderlines
- Due to Brexit: With new policies, It was harder to exchange goods with the EU due to tariffs and border checks and learn how to produce and use the right documentation

E

- Inflation rate went up.
- Disposable income drastically reduces for consumer
- Inflation also affected the supply chain management

S

- Have to change the company policy to facilitate a more health consciousness awareness.
- Additional warning signs and stickers and other measures had to be used included gloves and face mask, which will affect the production rate.

T

- The new environmental policy was in Effect which influenced the consumer's behaviors. As they were scared into adopting a different way of life. Which intern unbalanced how customers react to business they didn't seem as essential.

E

- Consumers started to adapt and trained themselves to use technology in order to get necessary items without being in an actual building so any business that was not moving in that direction is going to be in trouble of closure. To use technology to develop a proper logistics team to get goods to customers

L

- <https://www.hse.gov.uk/coronavirus/index.htm>. New regulations were set in place, that most businesses had to adhere to in order to give some level of comfort to their employees, the government, and the unions.

• The model aids in the assessment of the dynamic and competitive business environment. The model evaluates each of the key factors that affect business performance, both directly and indirectly, so that strategies for overcoming issues can be developed for a better market position (Johnson et al, 2013).

Figure 2 illustration of a fishbone analysis

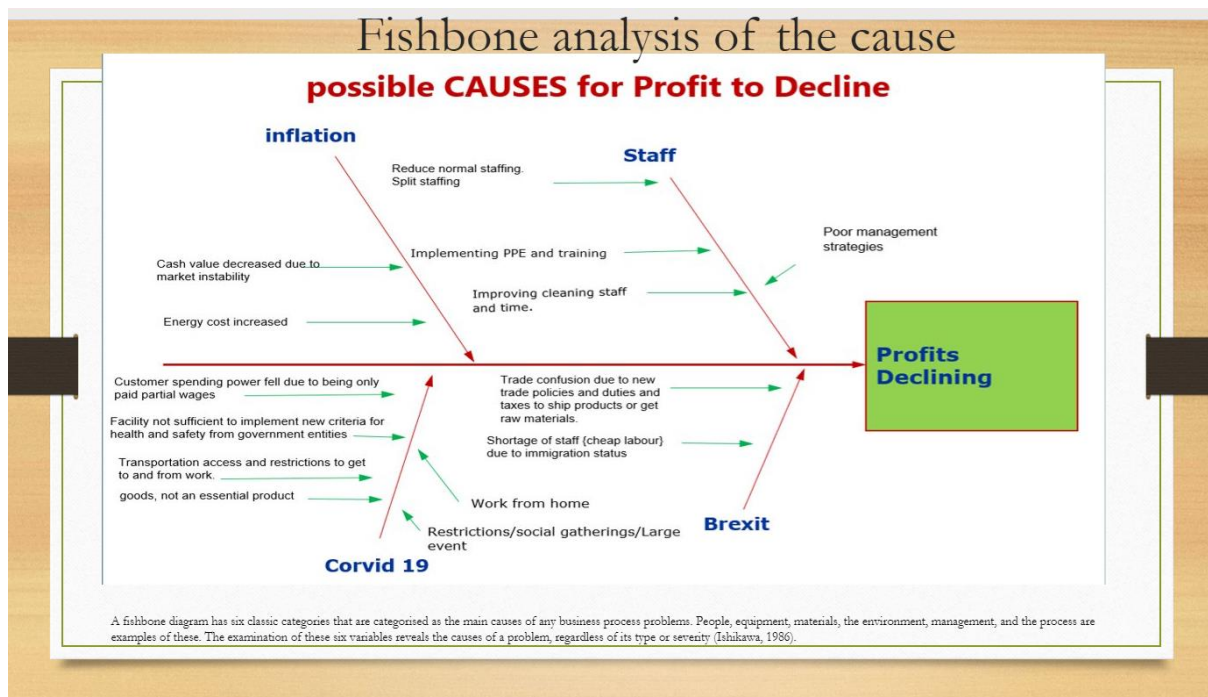


Figure 3 illustration of grid analysis

Value is rated at	0 to 10. ten being the highest
Importance is rated at	0 to 5. five being the highest

	Sales	10	Promotion/ Marketing	8	Cost Reduction	10	Total
Online sales	5	50	5	40	5	50	140
Closing excessive stores	3	30	3	24	5	50	104
Having one large warehouse with a shop front	4	40	4	32	5	50	122

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