

Module Title: Problem Solving and Decision Making

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Assessment: Component 2 Report – Basil's Bakery

Student Name: Mohammed Elhadi Ali Fadlelmola

Student Number: 2531833

Lecturer's Name: Anita Nan

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Overview of Case-study

Basil's Bakery is a small independent business in a Coventry retail park, offering organic cakes, pastries and bread. Although the bakery experienced steady growth after opening in 2015, its performance declined during the 2020 lockdown and has not fully recovered. Between 2023 and 2025, sales remained approximately 25% below the 2019 level. The main problem is caused by fewer visitors to the retail park, shop closures and changes in customers' working patterns. The bakery also lacks reliable delivery and pre-order services. At the same time, increasing overheads and unpredictable organic ingredient costs are placing further pressure on the business and threatening its long-term viability.

Two Proposed Solutions

Solution A Proposal: Online Ordering and Outsourced Delivery Service

Basil's Bakery should offer an online service that allows customers to order products for collection or local delivery. An outside delivery company could deliver the orders, while Basil remains at the bakery to prepare the products. This solution would help address the main problem of falling sales caused by fewer people visiting the retail park and changes in working habits. Customers who work from home or no longer work nearby could still buy from the bakery. Online ordering would also reduce missed telephone orders and long waiting times. Therefore, the bakery could serve more customers, improve customer convenience and increase its sales opportunities (Kotler and Keller, 2016).

Solution B Proposal: Relocating to a Busier Location

Basil's Bakery could move from the quiet retail park to a location with more potential customers, such as a busy high street or town centre. The new premises should be close to offices, shops and public transport. This solution would directly address the main problem of fewer people visiting the bakery's current location. A busier area could increase customer numbers and create more opportunities for daily sales. It could also introduce the bakery to new groups of customers. Although relocation may involve additional costs and business disruption, choosing a suitable location could improve

the bakery's visibility, customer access and long-term ability to continue operating successfully.

Evaluation Results and Justifications

Grid Analysis helps businesses compare different options by considering important factors before selecting a solution (Goodwin and Wright, 2014). The results show that Solution A, Online Ordering and Outsourced Delivery Service, is the preferred solution. It received a total weighted score of 53, compared with 37 for Solution B. The criteria were cost, customer reach, sales potential, implementation time and operational practicality. Customer reach received the highest weighting of 5 because fewer visitors are a main cause of falling sales. Cost and sales potential were weighted 4 because Basil must control increasing expenses while improving sales. Implementation time and operational practicality were weighted 3 because they are important but less connected to the main problem. Solution A is cheaper and easier to introduce than relocating. It can reach customers who work from home, reduce missed telephone orders and improve customer convenience. Therefore, Solution A is practical, affordable and directly addresses the main causes of Basil's falling sales.

Justifications for the Implementation Plan

The Implementation Plan identifies the tasks, schedule and people responsible for completing the work (Kerzner, 2022). The tasks follow a clear order because each stage must be completed before the next begins. In Week 1 (2nd July – 8th July), Basil will identify customer needs, set the budget and choose service providers. The web developer will build the ordering page during Weeks 2–3 (9th July – 23rd July). In Week 4 (24th July – 31st July), the system will be tested so payment, ordering and delivery problems can be corrected before launch. The service will start in Week 5 and will be monitored until Week 12 (1st August – 16th September), giving Basil enough time to review sales, orders and customer feedback. Responsibilities match each person's skills. Basil will make business decisions, the web developer will manage the website, the delivery company will deliver orders, and the assistant will help manage daily orders. This arrangement allows Basil to continue focusing on baking and product quality.

Justifications for the KPI and SMART Objectives

The chosen KPI is the percentage increase in average weekly sales after launching the online ordering and delivery service. KPIs help a business focus on important results and measure performance (Parmenter, 2015). Weekly sales are suitable because falling sales are the main problem affecting Basil's Bakery. Comparing the results with the four weeks before launch will provide a fair starting point and show whether the new service is making a difference.

Following the SMART framework developed by Doran (1981), the objective is specific because it clearly focuses on increasing sales through online ordering and delivery. It is measurable because Basil can record weekly sales and online orders. The targets are a 10% increase in weekly sales and at least 25 online orders per week. It is attainable because customers have already asked for delivery and pre-ordering, showing that there is demand for the service. It is relevant because it responds directly to fewer customers visiting the retail park and allows Basil to reach people working from home. Finally, it is time-bound because the targets must be achieved within eight weeks. This period matches the monitoring schedule in Appendix 2 and gives Basil enough time to collect useful results and make improvements.

Key Findings

- Basil's current business model depends heavily on people visiting the retail park, but customer behaviour and working patterns have changed.
- Sales have remained around 25% below the 2019 figure, while rent, utilities, insurance and organic ingredient costs have increased.
- Customer requests show a clear demand for easier ordering, collection and delivery options.
- Grid Analysis identified online ordering with outsourced delivery as more practical and affordable than relocating the bakery.
- The solution should be introduced in stages and reviewed through weekly sales, online order numbers and customer feedback.

Reference List

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Appendices

Appendix 1

Grid Analysis Table

Factors	Cost	Customer reach	Sales potential	Implementation time	Operational practicality	Total
Weighting	4	5	4	3	3	
Solution A score	3	3	2	3	3	
Solution A weighted score	12	15	8	9	9	53
Solution B score	1	3	3	1	1	
Solution B weighted score	4	15	12	3	3	37

(MBA Tools, 2026)

According to the Grid Analysis, Solution A is the best solution, with a total weighted score of 53, compared with 37 for Solution B.

Appendix 2

Implementation Plan

Problem being solved: Falling sales caused by reduced customer footfall and limited ordering options.

Solution being implemented: Online Ordering and Outsourced Delivery Service.

Stage	WHAT	HOW	WHEN	WHO
1	Plan the online ordering and delivery service.	Identify customer needs, prepare the online menu, set the delivery area and budget, and compare suitable ordering platforms and delivery companies.	2 nd July – 8 th July	Basil and a business adviser
2	Develop the online ordering system.	Create a simple ordering page containing products, prices, collection times, delivery charges and secure payment options. Agree on delivery procedures with the selected company.	9 th July – 23 rd July	Basil, web developer and delivery company
3	Test the system and prepare the staff.	Complete trial orders to test payments, collections and deliveries. Correct technical problems and train Basil and the assistant to manage online orders.	24 th July – 31 st July	Basil, web developer, delivery company and assistant
4	Launch, promote and monitor the service.	Advertise through social media, posters and customer emails. Monitor orders, delivery times, customer feedback and sales for eight weeks, making improvements when required.	1 st August – 16 th September	Basil and part-time assistant

(Figma, 2026)

Appendix 3

The Key Performance Indicator is: The percentage increase in average weekly sales revenue after launching the online ordering and delivery service, compared with the four weeks before launch (Parmenter, 2015).

Specific	Measurable	Attainable	Relevant	Time-Bound
Basil's Bakery will use the online ordering and delivery service to increase weekly sales. The service will mainly target customers who work from home, no longer work nearby or cannot visit the retail park regularly.	Basil will compare average weekly sales with the four-week period before the service started. The target is a 10% increase in weekly sales and at least 25 online orders per week.	The objective is realistic because some loyal customers have already asked for delivery and pre-ordering. Online promotion and an outside delivery company will help Basil reach these customers while he continues baking onsite.	The objective directly relates to the bakery's main problem of falling sales and fewer visitors. It could create another source of sales without the high cost and disruption of moving to a new location.	The target should be achieved within eight weeks after launching the service. Basil will check sales, online orders and customer feedback each week to identify progress and make any necessary improvements.