

Module Name: Problem solving and decision
making

Module Code: LCLM 4004

Student Name: Nidia Sofia

Student ID: 2025309881

Lecture: Charels Obinwa

overview

- Introduction
- Company background
- Problem: nature and scope
- Cause and affect analysis: Fishbone diagram
- Conclusion
- References

Introduction

The purpose of this presentation is to analyse Basil's Bakery and the main challenges the business is currently facing.

To better understand these issues, we will use the PESTEL analysis to examine the external factors affecting the bakery. We will also apply the external factors affecting the bakery. We will also apply the 5W2H technique to identify the problems and propose practical solutions.

Company background

Basils Bakery is a local bakery that offers fresh bread, cakes, pastries, and other baked goods.

The business has built a good reputation by providing quality products and friendly customer service.

The bakery serves residents and aims to meet customer's needs with fresh products every day.

However, the business is currently facing several challenges including increasing costs, strong competition and changing customer preferences.

Problem: nature and scope

Nature of the Problem: The nature of the problem describes what the problem is, its characteristics, causes and why it exists. It explains the issue that needs to be investigated or solved.

Scope of the Problem: The scope of the problem defines the boundaries of the study. It specifies what aspects of the problem will be covered, including the population, location, time and variables involved as well as what will not be included.

PESTLE ANALYSIS: Basil's Bakery

Political: Government policies on food safety, hygiene, employment laws, minimum wage and taxes affect bakery operations. Changes in import duties on ingredients can also impact costs.

Economic: Inflation rising prices of flour, butter, sugar and energy increase production costs. Consumer spending and economic condition influence demand for bakery products.

Social: Growing demand for healthier, vegan, gluten-free and locally sourced baked goods creates new opportunities. Seasonal celebrations and changing lifestyles also affect sales.

PESTLE ANALYSIS: Basil's Bakery

LEGAL

- The bakery must comply with food hygiene and safety laws.
- Employment laws regulate wages, working hours, and employee rights.
- Food labeling and consumer protection laws must be followed.

ENVIRONMENTAL

- Reducing food waste can lower costs and support sustainability.
- Using recyclable or biodegradable packaging benefits the environment.
- Sourcing ingredients locally can reduce the bakery's carbon footprint.

TECHNOLOGICAL

- Modern baking equipment improves efficiency and product quality.
- Online ordering and delivery services increase customer convenience.
- Digital payment systems make transactions easier.

Environment

- Less footfall after covid
- Shops closing
- More people working from home

Method's

- Long waiting times
- Missed phone calls
- No delivery options

Equipment

- No delivery service
- Limited phone system
- Higher operating cost

People

- Customers were made redundant
- Less retail workers
- Basil too busy to answer
- Less shoppers visiting the retail park

Decreasing sales at the bakery



Conclusion

The PESTLE analysis shows that Basils Bakery is affected by external factors such as government regulations, economic conditions, customer preferences, technology , legal requirements, and environmental issues. By adapting to these changes, controlling costs, and meeting customer need , the bakery can remain competitive and achieve long-term growth and success.

References

1. **ASQ (n.d.)** *Fishbone Diagram (Ishikawa Cause and Effect Diagram)*. Available at: <https://asq.org/quality-resources/fishbone> (Accessed: 12 July 2026).
2. **Johnson, G., Scholes, K. and Whittington, R. (2020)** *Exploring Strategy: Text and Cases*. 12th edn. Harlow: Pearson.
3. **MindTools (n.d.)** *The 5 Whys and 5W2H Analysis: Problem Solving Tools*. Available at: <https://www.mindtools.com> (Accessed: 12 July 2026).
4. **NI Business Info (n.d.)** *PESTLE analysis example*. Available at: <https://www.nibusinessinfo.co.uk/content/pestle-analysis> (Accessed: 12 July 2026).
5. **Porter, M.E. (1985)** *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: Free Press.