

Basil's Bakery

Problem Solving and Decision Making Report

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1. Abstract

This report looks at the main problems affecting Basil's Bakery and considers two possible solutions: an online pre-order and click-and-collect system, and a local delivery service. A PMI analysis is used to compare the two options. The report then considers the risks, gives an action plan, and uses a KPI and SMART objectives to check if the chosen solution is successful.

2. Introduction

Basil's Bakery is a small independent bakery in a retail park in Coventry. It sells cakes, pastries and breads made with high-quality organic ingredients. Sales increased before 2020, but they have not returned to the 2019 level. The purpose of this report is to understand the main problems, compare two possible solutions and choose the most suitable one. PMI analysis, risk analysis, an action plan, a KPI and SMART objectives are used to support the decision.

3. Nature and Scope of Basil's Bakery's Problems

The main problem is lower sales. Between 2023 and 2025, sales were on average 25% below the 2019 figure. The retail park is quieter, some shops have closed and some loyal customers who worked there have lost their jobs. Many office workers now work from home for part of the week, so fewer people visit the bakery and Basil depends on a smaller number of walk-in customers.

There are also ordering problems. Some customers have asked for delivery, but Basil needs to stay onsite to bake. Other customers want to pre-order because waiting times can be unsatisfactory during busy periods, but Basil cannot always answer the telephone. At the same time, utilities, rent, business rates and insurance are considerably higher than in 2019, while the cost of organic stock is unpredictable and difficult to budget for. Research suggests that digital tools can help small businesses reach customers in new ways, although cost, time and digital skills can create barriers (Klein and Todesco, 2021; Santos-Jaén et al., 2023). Therefore, Basil needs a solution that improves customer access without creating unnecessary operational pressure.

4a. Solution 1: Online Pre-order and Click-and-Collect System

The first proposed solution is an online pre-order and click-and-collect system. Customers could view a simple online menu, choose products, select a collection time and pay online or at collection. Basil would receive the order through the system and prepare it before the customer arrives.

This solution directly responds to two problems in the case study: missed telephone orders and unsatisfactory waiting times. It would allow customers to place an order without needing Basil to answer the phone, while Basil could remain onsite and continue baking. The system could also provide information about popular products and busy collection times, which may support production planning. Research suggests that combining online and physical channels can improve customer convenience and access (Belvedere, Martinelli and Tunisini, 2021), and convenience is an important feature of click-and-collect services (Vyt et al., 2022). A simple platform, accurate product information and basic training would be needed.

4b. Solution 2: Local Delivery Service

The second solution is a local delivery service. Basil could use a part-time driver or a third-party delivery company for customers in a limited area of Coventry. This could help customers who now work from home and loyal customers who no longer visit the retail park. It may also help the bakery reach new households and local offices.

However, delivery would create extra costs, such as driver or platform fees and stronger packaging. Cakes and pastries can also be damaged during transport. Another problem is that Basil may be blamed if a delivery is late, even when the delay is caused by another company. Research shows that delivery time can affect customer satisfaction and repeat purchases (Harter, Stich and Spann, 2025). Basil would also need enough delivery orders to cover the extra costs. Therefore, delivery could increase the customer area, but it may be more expensive and more difficult to manage than click-and-collect.

5a. PMI Analysis for Solution 1

(Online Pre-order and Click-and-Collect System)

PMI analysis was used to consider the Plus, Minus and Interesting points of Solution 1. Each factor was given a weighting from 1 to 10, with positive and negative values used to show its effect. The full analysis is in Appendix A. The strongest positive factors were reducing waiting time and missed telephone orders because both are directly identified in the case study. Setup cost, training and technical failure were included as negative factors. Solution 1 achieved an overall score of +20 (de Bono, 1992).

5b. PMI Analysis for Solution 2

(Local Delivery Service)

The same method was used for the local delivery service, as shown in Appendix B. The main positive factors were reaching customers working from home, expanding the customer area and maintaining contact with loyal customers. The strongest negative factor was the possible ongoing cost of a courier or driver, which is important because Basil is already facing higher overheads. Product damage, late delivery and packaging costs also reduced the score. Solution 2 achieved an overall score of +3.

5c. Results and Selection of the Best Solution

Based on the PMI results, the preferred solution is online pre-order and click-and-collect. It scored +20 compared with +3 for local delivery. Waiting time and missed telephone orders received high positive weightings because they are clear problems in the case study. Cost was also treated as important because Basil is already dealing with higher overheads and unpredictable stock costs.

Click-and-collect addresses the ordering problems without adding regular delivery activity. Basil can introduce it gradually with a limited menu and collection slots, then make changes after a pilot. This makes the option more suitable and manageable for a small bakery.

6. Risk Analysis for the Best Solution

The selected solution also has risks, which are shown in Appendix C. The main risks are low customer use, incorrect or unavailable orders, payment or customer-data security problems, technical outages, too many orders at one time and setup costs exceeding the agreed budget. Risk management involves identifying, treating and monitoring uncertainty (ISO, 2018).

These risks are manageable. Basil can choose a reputable provider, test the system before launch, keep product availability updated and limit collection slots during the pilot. Telephone and in-person ordering can remain available as backup options. If an order problem occurs, Basil can contact the customer and offer a substitute or refund. A small pilot allows problems to be identified before full launch. Therefore, the selected solution is feasible if it is introduced gradually and monitored carefully.

7. Implementation Plan for the Best Solution

The proposed implementation plan is shown in Appendix D and takes eight weeks. In Week 1, Basil should decide what the system needs, including the menu, payment options and collection times. In Week 2, he should compare suitable online ordering providers based on price, ease of use, payment security and customer support, then select a provider and agree an affordable budget.

In Weeks 3 and 4, Basil and the provider should set up the ordering platform, payment process, menu, prices and collection slots. Week 5 should be used for training and test orders. During Weeks 6 and 7, a small group of loyal customers should use the system as a pilot. Their feedback can identify problems with ordering, payment or collection. In Week 8, the problems found in the pilot should be corrected before the full launch.

The order is important because each stage depends on the previous one. Requirements and budget need to be clear before technical setup, while testing should happen before customers use the system widely. Basil is responsible for business decisions, product information and customer service, while the provider is responsible for technical setup and support. Clear stages, timing and responsibilities help make implementation easier to control (Project Management Institute, 2021).

8. Key Performance Indicator (KPI)

The main KPI will be the number of completed online pre-orders each week. This directly measures whether customers are using the new service. Because the case study does not identify an existing online ordering system, the online platform will create a new source of order data after launch. It should record completed and cancelled orders automatically, and Basil can review the figures each week.

Parmenter (2019) explains that KPIs should be linked to performance that is important to the business. Waiting times and sales will be used as supporting measures, but completed weekly online pre-orders will remain the main KPI. Basil can use the weekly results to identify whether customer use of the service is developing over time.

9. SMART Objectives

SMART objectives will help Basil monitor whether the selected solution is effective (Doran, 1981). The first objective is to launch the online pre-order and click-and-collect system by the end of Week 8.

The second objective is for average waiting time during busy periods to be lower by the end of Month 3 than the pre-launch baseline measured before the system is introduced. This directly addresses the unsatisfactory waiting time identified in the case study.

The third objective is for monthly sales revenue by the end of Month 6 to be higher than the three-month pre-launch average. This will show whether the new system is contributing to an improvement in the sales problem. It can also be compared with the case-study position, where sales during 2023–2025 remained on average 25% below the 2019 figure.

Completed online pre-orders will be monitored weekly, waiting times will be checked during busy periods and sales will be reviewed monthly. Three months provides an early point for reviewing the operational effect of the system, while six months gives Basil more time to review whether sales performance is improving.

10. Conclusion

Key findings:

- Sales remained on average 25% below the 2019 level during 2023–2025.
- Lower retail-park footfall, shop closures and home working have reduced walk-in customers.
- Customers have asked for delivery and pre-ordering, while telephone ordering is difficult during busy periods.
- Online pre-order and click-and-collect achieved a PMI score of +20 compared with +3 for local delivery and is the preferred solution.
- A controlled eight-week implementation, risk controls, weekly online pre-order KPI and case-linked SMART objectives can help Basil monitor whether the change improves waiting times and sales.

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12. Appendices

Appendix A – PMI Analysis for Solution 1

(Online Pre-order and Click-and-Collect System)

Scoring method: Each point is given a weighting from 1 to 10. Plus items are positive, Minus items are negative, and Interesting / implications items may be positive or negative. Four points are included in each column so the three parts are compared equally. Column totals are combined to give the overall PMI score.

Plus	Minus	Interesting / implications
Reduces customer waiting time (+9)	Initial setup cost (-5)	Customer data can support future marketing (+6)
Reduces missed telephone orders (+9)	Training requirement (-4)	Some customers may not use digital ordering (-3)
Supports production and demand planning (+8)	Technical failure risk (-5)	Could support future delivery if demand grows (+5)
Lower ongoing cost than delivery (+8)	Online menu needs regular updating (-4)	Online orders may create extra work at busy times (-4)
Total = +34	Total = -18	Total = +4

Overall PMI score = +34 -18 +4 = +20

Appendix B – PMI Analysis for Solution 2

(Local Delivery Service)

Scoring method: Each point is given a weighting from 1 to 10. Plus items are positive, Minus items are negative, and Interesting / implications items may be positive or negative. Four points are included in each column so the three parts are compared equally. Column totals are combined to give the overall PMI score.

Plus	Minus	Interesting / implications
Reaches customers working from home (+9)	Courier commission or driver cost (-9)	Potential office and group orders (+6)
Expands the customer area (+8)	Product damage risk (-7)	Demand may be uncertain (-5)
May increase sales (+8)	Late delivery risk (-7)	A small delivery area could be tested first (+3)
Maintains contact with loyal customers (+7)	Extra packaging cost (-6)	Some products may not be suitable for delivery (-4)
Total = +32	Total = -29	Total = 0

Overall PMI score = +32 -29 +0 = +3

Appendix C – Risk Analysis for the Selected Solution

Class risk-analysis format: likelihood is rated from 1 (very unlikely) to 5 (very likely).

Impact is explained in words, followed by a preventive action and a contingency action.

What could cause the risk?	What is the likelihood of the risk occurring? (1–5)	What is the impact of this risk?	What can you do to reduce the risk from happening?	If it happens, what can you do to minimise the impact?
Low customer adoption	3	The system may receive too few orders to improve customer access or support sales.	Run a pilot, keep the ordering process simple and explain the service clearly.	Collect feedback, simplify the process and keep telephone/in-person ordering available.
Incorrect or unavailable orders	3	Customers may be disappointed and refunds or substitutions may be required.	Use a limited menu, update availability regularly and confirm orders.	Contact the customer quickly and offer a substitute or refund.
Payment or customer-data security problem	2	The bakery could lose customer trust and face financial or reputational damage.	Use a reputable provider and secure third-party payment processing	Pause the affected function, contact the provider, use an alternative payment method if needed.
Technical outage	3	Customers may be unable to order and the bakery may lose orders during the outage.	Choose a reliable platform, test it before launch and ensure support is available.	Use telephone or in-person ordering as a backup until the system is restored.
More orders than production capacity	2	Preparation delays could increase waiting time and affect customer satisfaction.	Limit collection slots during the pilot and review capacity regularly.	Close full slots and offer customers later collection times where necessary.
Setup cost exceeds budget	2	Higher costs could put additional pressure on the bakery's cash flow	Compare suitable providers and agree an affordable budget before choosing the provider.	Remove non-essential features, renegotiate the package or select a more affordable provider.

Appendix D – Implementation Plan for the Best Solution

Action	Description	Time Frame	Staff Responsibilities
Identify system requirements	Decide what the online ordering system needs, including the menu, payment options and collection times.	Week 1	Basil (Owner/Manager) – decides the business requirements.
Choose an online ordering provider	Compare suitable providers based on price, ease of use, payment security and customer support.	Week 2	Basil (Owner/Manager) – compares providers and chooses the most suitable one.
Set up the ordering system	Create the online ordering page, payment process and order confirmation system.	Week 3	Platform Provider – completes the technical setup. Basil – provides the business information.
Add products and collection times	Upload products, prices, availability and collection slots.	Week 4	Basil (Owner/Manager) – provides and checks product information.
Train and test the system	Test sample orders, payments, notifications and collection times.	Week 5	Platform Provider – gives technical support and training. Basil – tests the system.
Run a small pilot	Allow a small number of loyal customers to use the system and collect feedback.	Weeks 6–7	Basil (Owner/Manager) – manages the pilot and collects customer feedback.
Launch the system	Correct the problems found during the pilot and make the service available to all customers.	Week 8	Basil – manages the launch and customer communication. Platform Provider – supports technical issues.

Appendix E – KPI and SMART Monitoring Schedule

Key Performance Indicator

Number of completed online pre-orders each week

This will be reviewed weekly using the online ordering platform.

Objective	Specific	Measurable	Attainable	Relevant	Time-Bound
1	Launch the online pre-order and click-and-collect system.	The system is live and able to receive and confirm customer orders.	The eight-week implementation plan provides stages for setup, testing and pilot use.	It addresses the problem of customers being unable to pre-order easily by telephone.	By the end of Week 8.
2	Reduce waiting time during busy periods.	Compare average busy-period waiting time with the pre-launch baseline.	Pre-orders and planned collection slots can help Basil prepare orders before customers arrive.	Unsatisfactory waiting time is identified in the case study.	By the end of Month 3 after launch.
3	Improve monthly sales performance.	Compare monthly sales revenue with the three-month pre-launch average and review the gap with the 2019 sales level.	The system provides another way for customers to order and may improve access to the bakery.	Lower sales are the main problem and were on average 25% below the 2019 figure during 2023–2025.	By the end of Month 6 after launch.