

Basil's Bakery

**MODULE: PROBLEM SOLVING AND DECISION
MAKING**
MODULE CODE: LCLM4004

**ASSIGNMENT TITLE: COMPONENT 1:
INDIVIDUAL PRESENTATION BASIL'S BAKERY**

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Introduction

The presentation will:

- Examine key issues faced by Basil's Bakery.
- Use frameworks like Fishbone Diagram, PESTEL Analysis and 5W2H to understand the issue.
- Summarise the key findings.



Business Overview

- Basil's Bakery is an independent artisanal bakery.
- It is located in Coventry, UK.
- It was founded in 2015.
- Facing an issue of sales stagnation, where sales remained 25% below the pre-pandemic levels, despite business recovery.



Nature and Scope of the Problem



Basil's Bakery is facing a challenge of sales stagnation.



This is caused by a variety of factors like reduced customer footfall, no delivery service or online ordering facility.



Inflation, remote working culture, and rising costs of operations has also contributed to the problem.



This problem has threatened the operational efficiency, sales frequency and long-term profitability of the business.

5W2H Analysis

- The framework helps identify the root causes of a business problem (Msicertified, 2026).
- There are seven structured questions that gets analysed to identify the root cause.
- Several interconnected factors are affecting the performance and sales at Basil's Bakery.

5W2H DIAGRAM – BASIL'S BAKERY

The 5W2H framework helps to identify and understand the key aspects of the problem affecting Basil's Bakery.

QUESTION	ANSWER	KEY POINTS / DETAILS
 WHAT?	What is the problem? Sales have stagnated and are around 25% below 2019 levels.	• Footfall and sales have not returned to pre-2020 levels. • Annual sales remain ~25% below 2019 figures.
 WHY?	Why is it happening? Due to a combination of external changes and internal limitations.	• Fewer people visiting the retail park. • More office workers work from home. • Rising costs and inflation reducing profitability. • No delivery service or online ordering options.
 WHERE?	Where is it happening? At Basil's Bakery in a retail park in Coventry, UK.	• The retail park is quieter with many empty units. • Adjacent industrial site workers also visit less.
 WHEN?	When did it start? The decline started in 2020 and continued through 2023–2025.	• Significant drop during COVID-19 lockdown. • Sales improved after restrictions lifted but never returned to 2019 levels.
 WHO?	Who is affected? Basil (owner), employees (if any), loyal customers, and the business.	• Loyal customers who worked in the retail park. • Office and warehouse workers who visit less. • The business due to lower sales and higher costs.
 HOW?	How is it happening? Through reduced customer visits and operational limitations.	• No delivery or pre-ordering service. • Long waiting times during busy periods. • Basil is needed on-site to bake; limited capacity.
 HOW MUCH?	How much is the impact? Sales are approximately 25% below 2019 levels.	• Estimated average annual sales decline of 25%. • Rising operating costs further reduce profit margins.

PESTEL Analysis

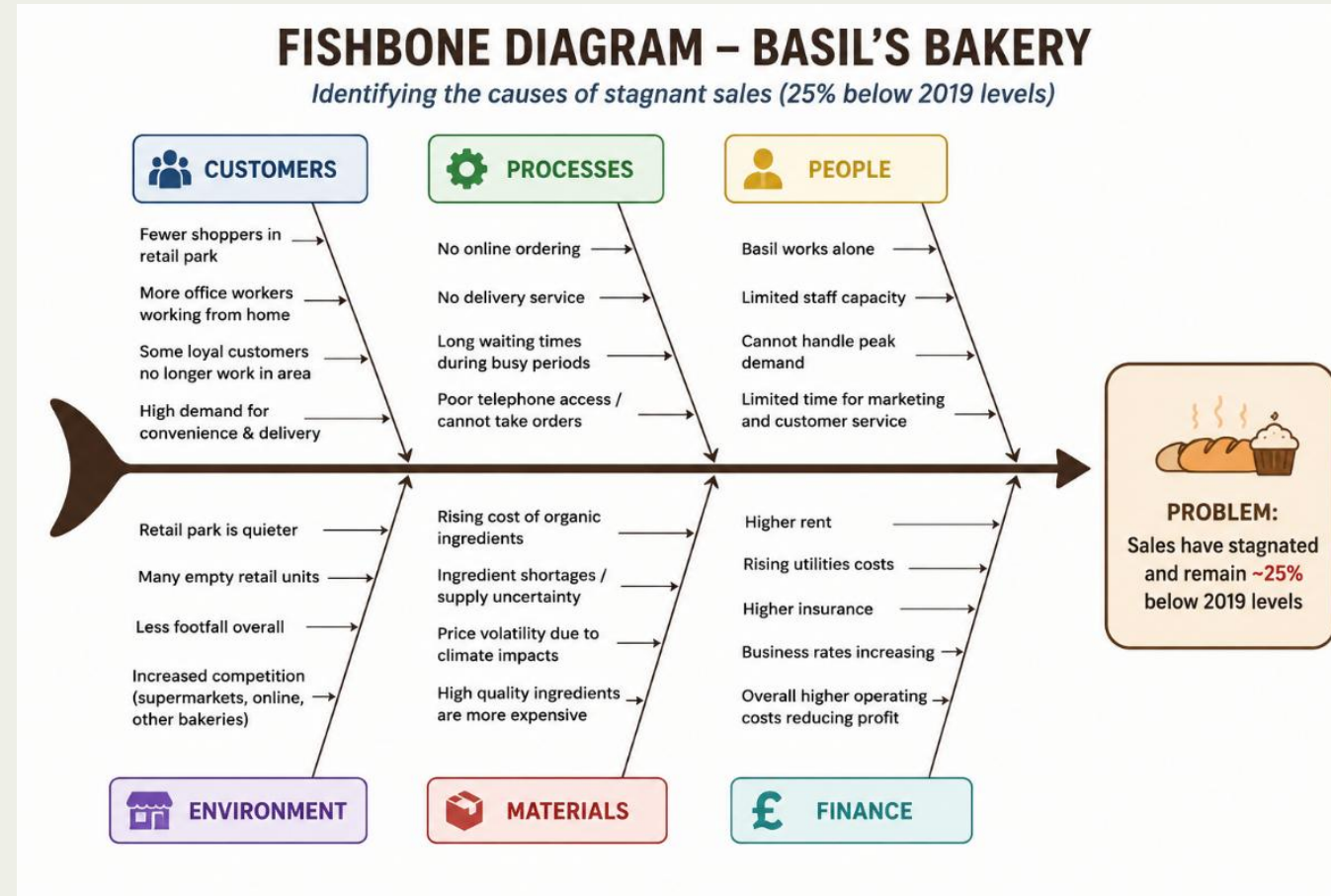
Factor	Description	Impact
Political	Business rates	Higher compliance costs
	Employment legislation (Ferdosi, 2021)	
	Food safety regulations	
Economic	Inflation (Ahmed et al., 2023)	Reduced profitability
	Rising energy prices	
	Organic ingredient price volatility	
	Higher rent	
	Cost-of-living crisis reducing consumer spending	
Social	Remote working	Reduced bakery visits
	Online shopping habits (Mohammadi et al., 2026)	
	Convenience expectations	
	Demand for home delivery	

PESTEL Analysis (Contd.)

Factor	Description	Impact
Technological	No online ordering No delivery platform Limited telephone ordering	Customers choose competitors with digital services.
Environmental	Organic ingredients vulnerable to climate conditions (Hariyani et al., 2024) Crop failures Sustainable sourcing	Supply uncertainty and higher costs
Legal	Food hygiene regulations (Flanagan and Soon-Sinclair, 2025) Health and Safety Employment law Insurance obligations	Compliance costs increase operating expenses

Fishbone Diagram

- The Fishbone diagram is used to identify the root cause of business problems, while categorising the contributing factors (Kumah *et al.*, 2024).
- The six branches considered are: Customers, Processes, People, Environment, Materials and Finance.
- Thus it is indicative that sales stagnation is caused by several interconnected factors.



Key Findings

- Sales remained 25% below the pre-pandemic levels.
- External environmental changes has reduced customer footfall, whereby most customer demands convenience and digital purchasing.
- Operational limitations affects the performance of Basil's Bakery, which leads to increase costs of operations and reduced profitability.
- Digital transformation and operational planning is needed to support future competitiveness of the business (Rohmah and Komarudin, 2023).



Findings



Conclusion

- The presentation has clearly described the problem faced by Basil's Bakery.
- Frameworks like PESTLE Analysis, Fishbone Diagram and 5W2H Model are used.
- Basil's Bakery can improve its performance through strategic operational planning and digital transformation.

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The background is a light blue-grey surface decorated with autumn-themed elements. In the top left, there is a large, vibrant red maple leaf. To its right, a small cluster of blueberries and a single walnut are visible. Further right, a sprig of dried, brown leaves is placed. In the top right corner, a large, bright yellow maple leaf is shown, accompanied by more blueberries. The bottom left features another large yellow maple leaf. Scattered around the bottom are more blueberries, a walnut, and small sprigs of dried foliage. The text "thank you" is centered in a dark blue, elegant script font.

thank you