

Assignment Title: Problem Solving and Decision Making (BMSW4004 LON)

Programme: Certificate of Higher Education in Skills for the workplace

Assignment on

First half : Problem solving and decision making
for the Sukhran Restaurant, Poplar, London, where
the profit margin has decreased by 25%

Second half (starting page 13): Roleplay

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Table of Contents

Introduction	1
Problem Solving Approaches	1
1. Social Sensitive Thinking	1
2. Logical Thinking	1
3. Intuitive Thinking	1
4. Practical Thinking	1
The Workplace	2
Work Experience	2
The Problem	2
Scope of the Problem	2
Impact	2
Analysing the Information	3
PEST Analysis	3
Political Factors	3
Economic Factors	4
Social Factors	4
Technological Factor	4
SWOT Analysis	4
Strengths	5
Weaknesses	5
Opportunity	5
Threat	5
Solutions	6
Range of Alternative Solutions	6

<u>Identifying the Most Appropriate Solution</u>	6
<u>Scoring Criteria</u>	6
<u>Pros and Cons of Selected Option</u>	7
<u>Pros</u>	7
<u>Cons</u>	7
<u>Stakeholders Communication</u>	8
<u>Monitoring and Controlling the change</u>	9
<u>Conclusion</u>	10
<u>References</u>	11

Introduction

Managing business in today's complex world requires more informed and data driven decision making and more accurate problem-solving skills. Problem-solving for a business requires identifying and understanding the problem and then brainstorming multiple solutions and choosing the best alternatives (Yang et al., 2018). Besides, it is also important to communicate the information about the problem and solution to the stakeholders more effectively and efficiently. In addition to that, a more controlled environment is needed to implement any change in the organisation. This report will solve a problem faced by Sukhran Restaurant and demonstrate an appropriate solution and its implementation process (Badger, 2019).

Problem Solving Approaches

There are four different types of problem-solving style or approaches that have been identified and acknowledged by researchers and scholars (Aragonés-Beltrán et al., 2017). The approaches are-

1. Social Sensitive Thinking

By following this approach, to solve a problem, managers find the best answers for all people involved or all types of stakeholders considering their emotions and values. Managers tend to depend on experience not on the present fact to come up with a decision. This type of problem-solving approach has already been considered obsolete (Johanssen et al., 2019).

2. Logical Thinking

This type of problem-solving approach involves the exploration of the problems and the effects caused by the environment. After identifying the problem managers tend to find a solution from their logical and rational perspective (Ni & Gao, 2021).

3. Intuitive Thinking

To follow this approach, managers use their intuition rather than the information and facts available regarding the problem. To find the most appropriate solution they rely on internal signals rather than the surrounding environment (Dörner & Funke, 2017).

4. Practical Thinking

By following this style, managers rely on the clearest and real information available to make decisions (Gatta et al., 2019).

To solve our selected problem, we will be following the Practical Thinking Approach.

The Workplace

A workplace can be defined as a place where the business operation takes place. The workplace is accountable for the success and failure of the business. The people in the workplace are burdened with the task of finding a problem and solution for it (Li & Liu, 2018).

Work Experience

Currently, I have been working as an assistant manager at Sukhran Restaurant, Poplar, London. I have been working here since mid-2015. The restaurant is known for its Indian curry and has a 4.5-star average review on social media. The business was running smoothly until the Covid-19 Pandemic. Before that, I was a waiter at another less known restaurant in London. Thus, I have great experience in the field of the restaurant business. After joining the Sukhran Restaurant as an assistant manager I have solved multiple problems, like increasing food quality and expand the outdated menu. My involvement in solving the problem is proven to be fruitful. Therefore, I believe I will be able to solve the current problem faced by the restaurant (Susilowati & Anam, 2017).

The Problem

Since the beginning of the Covid-19 Pandemic in 2020, the restaurant has faced a profit margin cut by 25%. The sales are decreased, and the overhead customer costs increased by multiple folds. The management team of Sukhran Restaurant are now thinking of cutting employees down by 50% to tackle the unprecedented profit margin fall (Dörner & Funke, 2017).

Scope of the Problem

The problem is only here due to the Covid-19 Pandemic. If the problem is understood thoroughly, we might be able to solve the problem and cope up with the current environment. Typically, the Sukhran restaurant is very popular among the nearby residents. Due to the covid-19 outbreak, the people of London are forced to avoid social places like malls and restaurants (Li & Liu, 2018). This decision from the government not only affected our restaurant but also almost all businesses in our area. By coping up with the environment many businesses nearby have already solved their problem. Now, this report will analyse the problem of Sukhran restaurant and suggest an appropriate decision (Aragonés-Beltrán et al., 2017).

Impact

From April 1st, 2020 to December 31st, 2020, the sales of the restaurant decreased enormously by 50%. As a result, the profit margin decreased by 25%. The impact of the Covid-19 Pandemic is still present. So, the business needs a solution to overcome a problem like this permanently (Gatta et al., 2019).

Analysing the Information

As we are following the Practical Thinking approach, we must use the most accurate data available for analysis. Besides, we must follow the most recent and scientific analysing technique like PEST Analysis and SWOT analysis to identify our problem (Dörner & Funke, 2017).

PEST Analysis



Figure 1: PEST ANALYSIS

SOURCE: RAHMAN (2020)

Pest analysis stands for political, economic, social and ecological analysis. PEST Analysis is proven to be one of the most effective methods to identify the outside factors that are affecting most to the business (Gürel & Tat, 2017).

Political Factors

How local, state and federal governments are handling the Pandemic can influence the next election (Yang et al., 2018). Thus, most of the ruling political party are trying to do their best to minimize the impact of Covid-19. Besides, citizens expect the situation to be handled both politically and cooperatively. The government are trying to minimize the Covid-19 impact by minimizing the social interaction, as it is the only effective way to stop the spreading (Ni & Gao, 2021). This decision affects all the businesses across the globe. Businesses like Sukhran Restaurant are classified as public places and citizens are demotivated to visit this type of places by the government. And so, the declining sales of Sukhran Restaurant can be associated with this political factor (Hajizadeh, 2019).

Economic Factors

The Covid-19 Pandemic is accountable for millions of job losses and other economic crises since the first quarter of 2020 (Ni & Gao, 2021). The per capita income declined. It is already proven that people are less capable of purchasing goods and services than before. Thus, places like a restaurant where the price of food is comparatively high, attract fewer and fewer visitors. Which result decrease the sales and increase the overhead cost (Gürel & Tat, 2017).

Social Factors

As Covid 19 is marked a fatal disease, people of all society are trying to prevent it from spreading. And as mentioned earlier, decreasing social interaction is the most effective option. People, even with no force from other factors are trying to decrease their social interaction. This factor can also be associated with the declining profit margin of Sukhran Restaurant (Li & Liu, 2018).

Technological Factor

To maintain less and less social interaction, people are using technology to make their life easy. For example, conferencing software like zoom and google meet are used to conduct business meeting rather than face to face meeting (Gatta et al., 2019). Sukhran Restaurant does not use any technology to gain leverage over others. Many super shops nearby the restaurant have started home delivery service and their implementation results in increasing sales. Not using any technologically advanced option to improve the business is another reason why the restaurant is facing decreasing profit margin (Gürel & Tat, 2017).

SWOT Analysis

SWOT analysis shows all the strengths, weaknesses, opportunity and threats of the business or any other organisation (Nurdyansyah et al., 2017).



Figure 2: SWOT ANALYSIS
SOURCE: CACOO.COM (2020)

Strengths

- Good quality food
- Well decorated restaurant environment
- Good location (Nearby residential area)
- Good reach on social media

Weaknesses

- No online infrastructure available for online purchase
- No home delivery service
- Less technological use for bookkeeping and other record tracking method

Opportunity

- Increasing sales by home delivery
- Creating an online portfolio to attract more customer using the already established social media reach (Nurdyansyah et al., 2017)
- Offering occasional discount and promotional stuff to attract more on store visit

Threat

- Lack of digitisation can lead to complete operation shut down
- Customers may buy foods from other restaurants that have already implemented the home delivery service (Dick et al., 2018)
- Creating an infrastructure for online order and home delivery can cost a huge amount of money

Solutions

The solution selection process is the most complicated part of problem-solving. From the analysis, we have done on the problem and the current situation, we can draw a range of alternative options to increase the profit margin (Yang et al., 2018).

As the decrease in profit margin can be caused by both the decrease in sales and the increase in overhead cost. We can increase the profit margin by cutting the overhead costs like staffs salaries and increasing the sales (Ball, 2019).

Range of Alternative Solutions

- i. Cutting the number of employees to decrease the overhead costs
- ii. Decrease the food quality to increase the profit margin
- iii. Decrease the price of the food to attract more customers
- iv. Start Home-Delivery-Service and online portfolio to increase the sales
- v. Increase marketing efforts to increase sales

Identifying the Most Appropriate Solution

There are many options available to select the most appropriate option. To compliment our Practical Thinking problem-solving approach, we will be scoring the alternatives in various category to find out the best solution (Badger, 2019).

Scoring Criteria

We will be scoring the range of alternative solutions based on the following criteria-

1. Customer satisfaction | Mark: 5
2. Employee Satisfaction | Mark: 5
3. Increasing Sales | Mark: 5
4. Decreasing Costs | Mark: 5

The criteria are being selected by analysing the directly involved stakeholders, costs and profits. If the decision positively affects any criteria, it will be given positive 5 scores, if the decision does not affect the criteria, it will be given 0. And if the decision negatively impacts the criteria, it will be given a negative 5 score (Latyshev et al., 2017).

Alternatives	Score per Criteria				
	1	2	3	4	Total
i. Cutting Stuffs to decrease the overhead costs	0	-5	0	5	0
ii. Decrease the food quality to increase the profit margin	0	0	-5	5	0
iii. Decrease the price of the food to attract more customers	5	0	5	-5	5
iv. Start Home-Delivery-Service and online portfolio to increase the sales	5	5	5	-5	10
v. Increase marketing efforts to increase sales	0	0	5	-5	0

Table 1: SCORE CALCULATION

From the calculated total score, we can see the winner. If we choose the option of starting a home delivery service and online portfolio to increase sales, most of the stakeholders and other business factors are positively affected (Hajizadeh, 2019).

Pros and Cons of Selected Option

Pros

- a) Customers will be satisfied
- b) Employees will be satisfied as no job will be cut
- c) Sales will increase
- d) The overhead cost will decrease

Cons

- a) It will increase the operational cost
- b) Capital investment in building the necessary infrastructure within the organisation
- c) Chance of facing competition

Stakeholders Communication

To implement any positive change within the organisation successfully, there are no alternatives to effective communication to the stakeholders. There are several types of stakeholders related to the business. In table 2: Plan for communication to stakeholders, the relevant stakeholders and the communication techniques have been identified (Yang et al., 2018).

Stakeholder	Power/ Interest	Key Interests/ Issues	Communication Vehicle	Frequency	Comments
The management team/leadership	The management team is accountable for any changes within the organisation (Li & Liu, 2018).	Increase the profit margin	Emails Meetings Phone Calls	Once every week before the implementation is completed	The positive involvement of the management team is required for the implementation (Li & Liu, 2018).
Customer	No power over the organisation but have a huge interest (Hajizadeh, 2019).	Keeping them informed about the upcoming services	Brochures Emails Phone Calls	1 week before implementation of the plan	As the business is focused to meet customer need, informing the customers is important (Ni & Gao, 2021).
The Owners	Huge Power over the organisation, Interested in increasing the profit (Ball, 2019).	Keeping the sales and profit high.	Meetings Emails	1 month before implementing the plan	Keeping the owners informed about the changes is necessary to make the changes (Dörner & Funke, 2017).

Table 2: PLAN FOR COMMUNICATION TO THE STAKEHOLDERS

Monitoring and Controlling the change

Monitoring and controlling are a crucial part of the success of proposed changes. To effectively monitor and control our change implementing process, we need to set up SMART goals. By following the guidelines mentioned in Figure 3: Smart goal setting by Boston consulting group, we will be able to implement our changes within our schedule and budget (Aragonés-Beltrán et al., 2017).

To ensure effective control, the management team of the organisation need to carefully measure and look over every detail throughout the action (Yang et al., 2018).

S Specific	M Measurable	A Attainable	R Realistic	T Timely
Your goals should be as specific as possible and answer the question: What is your goal? How often or much? Where will it take place?	How will you measure your goals? Measurement will give you specific feedback and hold you accountable.	Goals should push you, but it is important that they are achievable. Are your goals attainable?	Is your goal and timeframe realistic for the goal you have established?	Do you have a timeframe listed in your SMART goal? This helps you be accountable and drives motivation.

Figure 3: SMART GOAL SETTING
SOURCE: BCG.ORG (2018)

Conclusion

To fight back the complicated business situation managers of different business categories need to learn the techniques to find the problem and solution for any specific issues. Finding the actual problem and implementing the solution most effectively and efficiently is also crucial for sustaining in today's business environment (Ni & Gao, 2021). Through this report, a real-life business problem has been analysed and a range of alternatives have been suggested. Then, we have analysed the alternatives to find out the best solution for the problem. Apart from that, importance is also given to effective stakeholder communication and controlling the change. This assigned task is designed to improve our problem-solving skill and it is safe to say that the task served its purpose (Yang et al., 2018).

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Assignment Title: Problem Solving

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Assignment on

Problem solving role-play

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Kamal- Hello, good morning, how are you?

My name is Thanigasalam Kamalendran I have been working here since 2010 as a clerk. I have had issues with covering my shift during the days I am off and I would like to complain regarding this to HR.

I have spoken to this about my manager and I don't feel this issue has been solved. I raised this issue several times with my manager and I feel my manager hasn't listened or acknowledged my views.

As a result, I am here to ask your help and views regarding this matter.

Yaya -Hello Mr. Kamalendran, my name is Yaya and I am happy to help. Can you tell me more about the problems you have been facing regarding your shift.

Kamal- As I mentioned, I have been working for 10+ years here. I have come to a stage where I would like to improve my career. There is a university course which takes place during weekends, which I have decided to join. I believe this would improve my career and will provide value to the organization. Unfortunately, my current shift requires me to attend during the weekends. I have requested my manager to change my shift to weekdays only so I can attend this university course but I haven't heard anything back from him.

Yaya -OK no problem company policy anybody wants to study or improve their carrier we will fully support meanwhile we are looking your position and if there is any impact for businesses or production any other alternative possible like need trained someone in your place when your absence or unable to come work .

Anyway I will look after your request positively and I need to further discussion your manager regarding your requested and before that our company procedure you should fil the form I will forward to you and once completed the form then I can study your cases step by step. are your happy about this ?MR Kamalendran

Kamal – Yes that sounds good to me. Thank you. I have a question though ?

Yaya – Sure, what is it ?

Kamal – As I have already joined this university course, I have been managing both work life and study life by using my annual leave and switching shift with a close colleague of mine. I have also been working overtime at times so that there is no business impact. There is only so much annual leave that I can use and I already feel that I do not have a work life balance in my life. Furthermore, as husband and a children of 2, I have family commitments too. Based on this information, is there a possibility that you can prioritize this issue and can you give an estimate time of how long it will take to get back to me regarding this ?

Yaya - In general it takes two to three weeks and I will do it as quick as possible .

Kamal – Also, I have another problem that needs solving but I am waiting for the issue to be solved first.

Yaya - No problem tell me now, I am happy to help

Kamal - I have been working in this company since 2010 and so far I have 10 years' experience and some other people have joined this company recently with the same salary that I have got and this not fair as there is no value for our hard work and commitments .

Yaya - Ok I will check your 10 years history and find out why your managers' have not carried out an employee review every 2 years. Anything else I can help you with ?

Kamal - Thank for your help and support, I believe all problems will be solved.

Yaya - No need to worry Kamalendran, I will try to solve all the problems according to the company rules and regulation. I do not see a major issue here with the problems you have said, therefore you can be positive about the outcome.

Kamal - Thank you very much, have a good day