

Component 1 : Basil's Bakery

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Module name: Problem Solving and Decision-Making

In my presentation I will:

- *Provide an overview of Basil's Bakery and the nature and scope of the problems they are encountering*
- *Provide a critique and application of the PESTEL framework.*
- *Provide a critique and application of the Cause-and-Effect model.*
- *And, finally, provide a summary of the key findings.*

Introduction to Basil's Bakery:



- Independent artisan bakery located in Coventry retail park.
- Established in 2015.
- Specialises in organic cakes, pastries and bread.
- Built a loyal customer base of shoppers, retail workers and office employees.
- Sales increased steadily between 2015 and 2019.
- Sales dropped significantly during the COVID-19 lockdowns.
- Since 2023, sales have remained approximately 25% below 2019 levels.
- Rising costs and declining customer numbers are creating challenges for the business.

Problems Affecting Basil's Bakery

Root Problem

- Sales have stagnated at approximately **25% below 2019 levels**.

External Problems

- Reduced footfall in the retail park.
- Closure of neighbouring shops.
- Redundancies among retail workers.
- Increase in remote and hybrid working.
- Rising inflation and business costs.
- Unpredictable prices of organic ingredients.

Internal Problems

- No delivery service available.
- Limited pre-order system.
- Dependence on customers visiting the bakery in person.
- Difficulty managing customer demand during busy periods.

Nature and Scope

- External factors have the greatest impact on sales performance.
- Internal factors reduce customer convenience and accessibility.
- Basil has limited control over economic and social changes.
- Basil has greater control over service improvements and business operations.



Pestel framework

What is PESTEL?

- Strategic tool used to analyse the external business environment.
- Examines Political, Economic, Social, Technological, Environmental and Legal factors.

Why is it used?

- Helps identify opportunities and threats.
- Supports strategic planning and decision-making.

Where or How can be used?

- Used by businesses to assess external influences.
- Commonly applied when developing business strategies.

Benefits

- Simple and easy to use.
- Provides a structured analysis of external factors.
- Helps businesses anticipate environmental changes.

Criticisms

- Does not prioritise factors by importance.
- Can be subjective depending on the user.
- Focuses only on external factors.
- Provides a snapshot in time and may quickly become outdated.

PESTEL Framework

Political Factor	Economical Factor	Social Factor	Technological Factor	Legal Factor	Environmental Factor
Government taxes increasing	Inflation increasing costs	More people working from home	Need for online ordering	Food safety regulations	Organic supply shortages
Brexit affecting imports	Customers spending less	Fewer shoppers visiting retail parks	Delivery apps becoming popular	Employee wage laws	Weather affecting crop production

Provide a critique of the Cause-and-Effect model

What is it?

It is a visual diagram shaped like a fish skeleton:

- The **head** = the main problem
- The **bones** = categories of possible causes
- Smaller branches = specific causes

For Basil's Bakery, the problem could be: "**Declining sales**"

Why is it used?

It is used to:

- Find the **root cause** of problems
- Organise possible reasons clearly
- Help businesses solve issues more effectively
- Avoid guessing the cause

For Basil, it helps understand why sales are falling.

Where is it used?

Used in many areas such as:

- Business management
- Manufacturing
- Healthcare
- Customer service
- Retail

Benefits of this model:

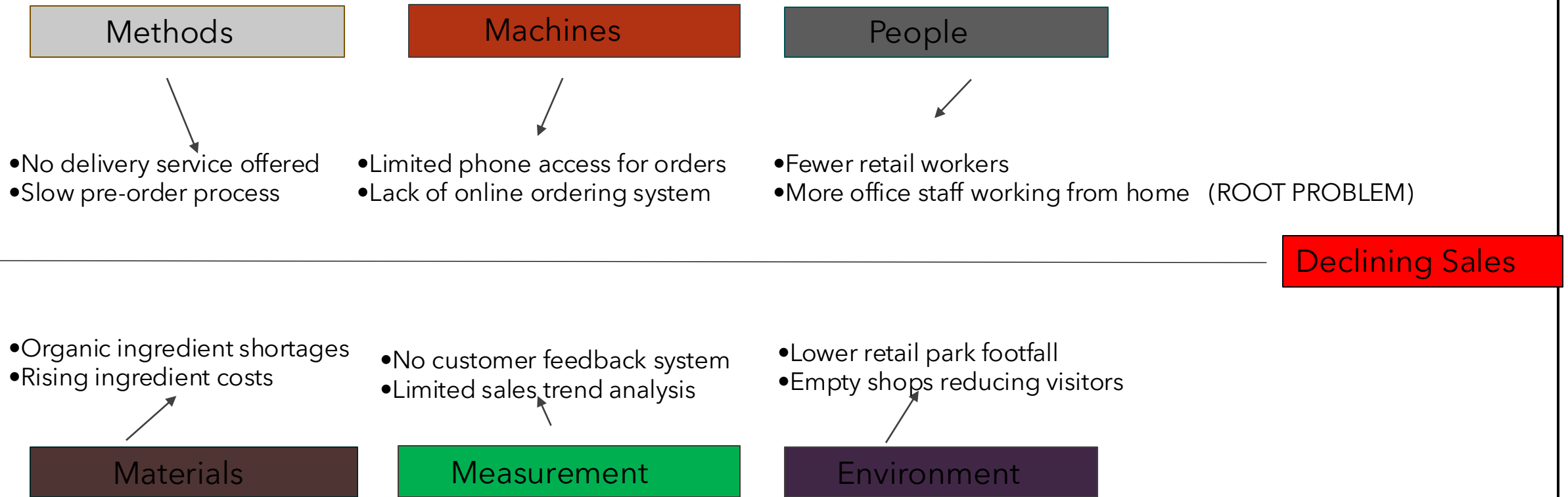
- Easy to understand
- Helps find root causes
- Encourages teamwork and discussion
- Organises information clearly
- Improves decision-making

Criticisms of this model

- Can become too simple for complex problems
- Does not show which cause is most important
- Depends on opinions, not always facts
- May miss hidden causes
- Can take time to complete

Overall, the Cause-and-Effect Model helps Basil identify what is really causing the decline in sales so he can make better business decisions.

Fish Diagram



Key Findings

1. Declining footfall

-Fewer people are visiting the retail park, reducing Basil's customer numbers.

2. Changing customer behaviour

-More customers now work from home and prefer delivery or online pre-orders.

3. Operational limitations

-Basil's lack of delivery and inefficient pre-order system means lost sales opportunities.

4. Rising business costs

-Higher rent, utilities, and organic ingredient prices are reducing profitability.

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BASIL'S BAKERY – OUR STORY

2018 – THE BEGINNING

Basil started his organic bakery with a dream: healthy food, happy customers.



A GROWING SUCCESS

People loved the fresh, organic ingredients and the bakery grew fast.



CHALLENGES ARRIVE

Redundancies, more people working from home, and rising costs led to fewer customers.



ADAPTING & IMPROVING

Basil introduced delivery, pre-orders and an app to make things easier.



LOOKING AHEAD

Basil's Bakery keeps growing with passion, quality and great service.



THANK YOU FOR LISTENING!

FRESH • ORGANIC • LOCAL • MADE WITH CARE

Q&A

