

Certificate of Higher Education in skills for the workplace

BMSW4004

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Problem Solving and Decision making

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Presentation slides for
TM Lewin

INTRODUCTION

- T.M. Lewin has faced some underlying issues alongside the obvious, ones that needed to be addressed,
- To solve the problem, the root causes of the problem are identified using a Pestle and the Fishbone
- Alternative solutions are identified
- The grid system is used to evaluate and choose the best possible solutions.

Nature and Impact of Profit Decline for TM Lewin

- The problem affects all TM Lewin stores
- Strategic in nature and caused by numerous factors
- Causing reduced profits and entry into administration
- Employees' job losses due to the closure of 66 stores.
- Employees, would be stressed and depressed due to the uncertainty of their organization, in fear the company may go bankrupt.

The Causes of Declining Profitability at TM Lewin, U.K.

My method of identifying the cause:

- Pestle analysis of the factors that could be contributing
- Fishbone analysis of the cause and effects

Pestle analysis of the factors

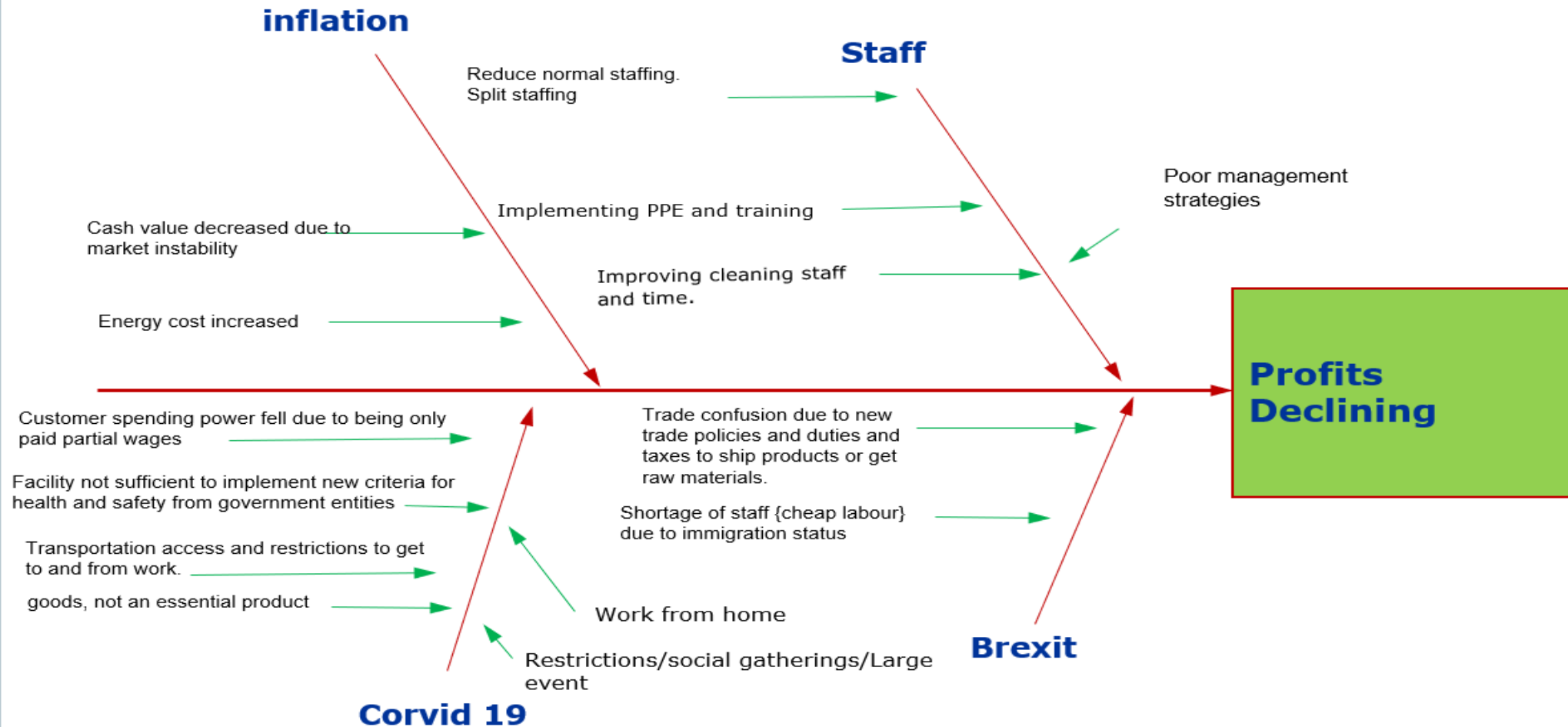
- *PESTEL* is an acronym –(P) *political*, (E) *economic*, (S) *socio-cultural / social*, (T) *technological*, (E) *environmental* and (L) *legal*.

- P
 - Government **policy**, was set in place due to the covid 19 pandemic. Persons were giving strict guidelines to stay-indoors, stay within their circle of contamination, and not to leave their home unless it was absolutely necessary. [Coronavirus \(COVID-19\): guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/coronavirus-covid-19) policy was implemented for long distance travels across county borderlines
 - Due to Brexit. With new policies, It was harder to exchange goods with the EU due to tariffs and border checks and learn how to produce and use the right documentation
- E
 - Inflation rate went up.
 - Disposable income drastically reduces for consumer
 - Inflation also affected the supply chain management
- S
 - Have to change the company policy to facilitate a more health consciousness awareness.
 - Additional warning signs and stickers and other measures had to be used included gloves and face mask, which will affect the production rate.
- T
 - The new environmental policy was in Effect which influenced the consumer's behaviors. As they were scared into adopting a different way of life. Which intern unbalanced how customers react to business they didn't seem as essential.
- E
 - Consumers started to adapt and trained themselves to use technology in order to get necessary items without being in an actual building so any business that was not moving in that direction is going to be in trouble of closure. To use technology to develop a proper logistics team to get goods to customers
- L
 - <https://www.hse.gov.uk/coronavirus/index.htm>. New regulations were set in place, that most businesses had to adhere to in order to give some level of comfort to their employees, the government, and the unions.

- The model aids in the assessment of the dynamic and competitive business environment. The model evaluates each of the key factors that affect business performance, both directly and indirectly, so that strategies for overcoming issues can be developed for a better market position (Johnson et al., 2013).

Fishbone analysis of the cause

possible CAUSES for Profit to Decline



A fishbone diagram has six classic categories that are categorised as the main causes of any business process problems. People, equipment, materials, the environment, management, and the process are examples of these. The examination of these six variables reveals the causes of a problem, regardless of its type or severity (Ishikawa, 1986).

Identifying possible solution

The main causes from PESTLE and Fishbone are

- Corvid
- Brexit
- Inflation

The following are possible solutions that target the main cause

- Online
- Close excess shop
- Having one large warehouse with a shop front

The Grid system

Value is rated at	0 to 10. ten being the highest
Importance is rated at	0 to 5. five being the highest

	Sales	10	Promotion/ Marketing	8	Cost Reduction	10	Total
Online sales	5	50	5	40	5	50	140
Closing excessive stores	3	30	3	24	5	50	104
Having one large warehouse with a shop front	4	40	4	32	5	50	122

Recommendation

Following the grid analysis. It would be in the best interests of the company to use an online platform because it would reduce the operating costs of the physical stores, you would have one upfront cost, and you would have better control of your available stock/surplus inventory. This will save the company money, as you will use fewer facilities, and customers will have the convenience of shopping from home. Give the company a larger market as well. And the benefits of selling on multiple platforms, such as Amazon or eBay, would essentially give the company a global advantage.

References

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