

Module Title: Problem Solving and Decision Making

Module Code: LCLM 4004

Assessment: Component 2 Report

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Introduction

What the report is about.

Any definitions should be provided in this part of the report.

- **Approximately 100 words**

This report is about Green Haven Florists which is an independent flower retailer operating known for its bespoke flower arrangements and eco-friendly approach, and their declining sales due to changes in consumer preferences, economic pressures and competition, especially online competition. Competition is the presence of other businesses with similar products which may draw consumers away from the business. The business faces declining profitability, over the past year the business has had a significant drop in in-store sales (30%) which may be contributed to by their lack of digital marketing compared to competition. Profitability is the ability of a business to generate more money than they spend. Online sales have slightly increased however, their website is 'outdated and difficult to navigate', likely reducing the amount of online sales they could be having.

Brief Explanation of the Specific Business Problem

- Provide a brief overview of the case study.
- Summarise the various causes that contribute to the problem.
- **Approximately 200 words**

Green Haven Florists is a small independent flower business who focus on bespoke, eco-friendly flower arrangements, their strengths are their strong reputation and community ties. However, despite initial success they still face declining profitability and reduced in-store sales due to competition, the increasing cost of maintaining the business, making the store less sustainable long term.

Their main issue is external as the shift in consumer behavior in preference from more convenient and cheaper online retailers, which have become more appealing as a result of same-day delivery and frequent sales and discounts. This has reduced demand for in-store flower retailers, and has contributed to their 30% decline in store sales. Competition from both other local, but more trendy florists with a more appealing and far-reaching social media presence and national chains with competitive pricing has worsened market pressure, and drawn consumers away.

Internally, Green Haven Florists face inefficiencies, most importantly from their outdated website lack of digital marketing and lack of delivery options. This makes their business less competitive in comparison to other companies who can provide this. The rising costs of running the business, especially the price of importing eco-friendly flowers, along with inflation has also reduced their profitability. These factors make it difficult to run the business, and require some changes in order for them to remain profitable and competitive. Ew

Suggested Two Alternative Solutions

Solution A

- Explain this solution
- Conduct a PMI analysis for solution A
- Justify how it will resolve the specific business problem.
- **Approximately 150 words**

The business could develop their website and e-commerce with options for delivery and subscription services. This would expand their market reach rather than being reliant on foot traffic, and would be more convenient for consumers and align with their changing behaviours. Monthly subscriptions could include the option to deliver or pick up a fresh bouquet each month at a discounted rate, and would provide predictable constant revenue.

However, the initial costs are high, as it involves developing the website, figuring out logistics and employing delivery staff as well as the need for the development of digital skills. They could also use data collection with the website traffic to improve personalised marketing.

This would help solve their main issue of declining in store sales and allow them to generate more revenue online, which is more popular with consumers. This would also make them more competitive with online and local retailers as they have improved reach, and are more appealing due to also offering delivery and being more convenient. This way they may be able to get back some lost customers and increase their overall sales, improving their profitability.

Solution B

- Explain this solution.
- Conduct a PMI analysis for solution B
- Justify how it will resolve the specific business problem.
- **Approximately 150 words**

They should also start marketing on social media, especially on Instagram and TikTok where virality can help gain a lot of traffic and exposure. They should show their floral designs, making aesthetic and engaging content, advertise their eco-friendliness and maybe advertise with local influencers.

This would be a low cost way of marketing, while still having high reach. This would also be a way to build a brand identity and attract younger customers.

However, it would be time consuming to start building a digital presence, and it has a high learning curve to learn what content works the best. Results are not immediate or guaranteed either, as well as requiring consistent effort.

This could put the business in the position in the future to charge a premium, if it successfully builds a strong identity, especially around its ethical nature rather than having to be focused on maintaining a competitive price.

This would help their weak digital marketing and make them more competitive, especially with the mentioned local trendy florists as it gives the brand more exposure, makes their product more desirable as they are able to show their eco-friendly practices, letting them differentiate themselves and perhaps allow them to price higher rather than compete with the national chains. The higher exposure can also increase their in store and online sales helping them recover from their 30% loss of in store sales.

Justification for Selected Solution

- Explain why either Solution A or B is the most appropriate solution to progress with.
- Justify and defend this preferred solution
- Explain and defend the weightings attributed.
- **Approximately 100 words**

Solution A would be preferred as it focused on their main issue which is the significant consumer shift to online commerce, and would immediately allow new routes of revenue, it would be quicker than focusing on digital marketing.

The weighting may be: impact on revenue 50%, cost 20%, speed of implementing 15%, and long term sustainability 15%. It scores highest as it would have a big impact and allows scalability, especially while costs are higher the possible returns and subscriptions justify it.

Solution B would help branding but is much slower, unpredictable and unreliable and would likely have less impact on sales than Solution A. Overall Solution A would be best as it would help stabilise revenue and improve competitiveness immediately and more effectively short and long term.

Risk Analysis of the Selected Solution

Based on the results from your Risk Analysis:

- Discuss the risks your solution may encounter.
- Explain and defend the criteria you used.
- **Approximately 100 words**

They main risk is in finances, implementing and operating. Financially there are high upfront costs for developing a website and developing a new delivery system and it may not get an immediate return on these costs. Implementing this is also risky if the website ends up being unappealing or poorly designed, or ends up with delays, the business may not have enough money to invest enough to fund a good website, especially when immediate returns are not guaranteed. Operationally, managing the deliveries moves resources away from running the business and can damage the reputation of the store if not done so well.

The criteria used to assess the risk are the likelihood of these things happening, impact on their revenue and damage to the business's reputation. This is the best as Green Haven's primary issue is their declining sales so risks that impact their income and how their strong customer base see them are the most important. However, despite the risks they are still manageable with gradual investment and maybe outsourcing delivery, so the solution is still very possible.

Plan to Implement the Selected Solution

Based on the Implementation Plan you have provided:

- Explain and defend the order, scheduling and responsibilities of the tasks.
- Provide insight into your decisions and provide justifications for these.
- **Approximately 250 words**

Phase 1: Research and planning should take 1-2 wees. Liam and Priya should make requirements for the website features they want like mobile optimisation so customers using their phone can access it well, delivery booking, and subscriptions. They should outline a reasonable budget, this stage should be

the most prioritised so expensive changes don't need to be made later, and so the business is clear on their well-researched strategy

Phase 2: Website development in weeks 3-8, they can hire a freelance website developer, or agency, or use cheap, trusted online options such as Wix to make the site. They would be responsible for making the website user friendly, optimised so the website runs well and is not frustrating to use, a secure payment system and a way to integrate delivery. This will take a lot of time so they should be ready to allocate resources to ensure the website is good quality and reduce the implementation risk.

Phase 3: Setting up logistics in week 6-8, nearing the end of the website development so it is ready to run immediately. During this time they should develop the delivery system by partnering with a courier service or hiring someone to do deliveries part-time.

Phase 4: Testing and trial launch in week 9, the website must be tested to make sure it's usable and has no issues, especially relating to payment and delivery. The trial launch will allow issues to be fixed before it's fully released preventing any risks to their reputation.

Phase 5: Full launch and promoting in week 10 and after. They could promote on social media and use email marketing, as well as informing their in store customers of their website, putting signage up around the store. Priya can manage marketing while Liam watches over operations.

This order is best justified as it focuses on reducing changes for risk, ensuring efficiency and their resource management, and is most likely to generate revenue as soon as possible.

Means of Measuring Effectiveness of Implementation of Selected Solution

Based on the KPI and SMART Objective table you have provided:

- Explain and defend the Key Performance Indicators you have proposed.
- Explain and defend the SMART objectives you have proposed.
- **Approximately 200 words**

The effectiveness of the solution is measurable by using KPI with SMART objectives. A good SMART objective would be increasing the stores monthly revenue by 20% in 6 months through their online sales. This is specific as it focuses on their online growth and revenue. It's measurable as it states a 20% increase. It is achievable as online floral retailing has more demand and as the solution is directly relevant to their problems.

The KPIs would be traffic to the website, number of online orders and the average value of orders. The website traffic shows how much reach the website has gotten and the extent of their digital presence. Online order amounts link to revenue which is very relevant. Average order value help show the profitability of the website and how customers are spending their money.

These indications are good because they show leading indicators like website traffic and lagging indicators like revenue, giving a good overall idea of the performance of their strategy. This would help Green Haven to monitor their progress, adapt if any weaknesses show and use data to make changes to increase their chances of boosting sales and their competitiveness.

Conclusion:

Key Findings

- Review your report
- Identify the most important four or five key findings from your report.
- **Approximately 150-200 words**

Green Heaven Florist is facing problems because of declining store sales around 30% caused by rising costs, increased competition and a shift in consumer behaviours. The business must adapt to changing consumer behaviour to remain competitive. Online competition is the store's biggest threat as there has been a massive shift in consumer preference to ordering with cheaper, more convenient online retailers which offer delivery services and frequent discounts. Other significant competition online include trendy online local florists with strong social media branding on sites such as Instagram which consumers are more drawn to. Economic pressure is an additional significant threat as rising supplier costs, inflation, the shop's commitment to eco-friendly practices, and reduced consumer spending have directly reduced profitability and increased price sensitivity. However, adopting digital marketing strategies will improve marketing success, improve easy access for consumer and potential client and increase sales. The company will regain future growth with careful planning and strategy in place with digital marketing and careful management.

Reference List

- Include the details of all the sources cited in your report.
- Ensure these are presented in the Harvard Referencing style.
- Note: there is an expectation that at least five academic sources should be integrated with the content of this report.

Mba tools.co.uk (n.d.) Decision making [Online] Available from Grid Analysis (mbatools.co.uk) (Accessed: (18 April 2026))

Virtual Library (n.d) PMI-Plus, Minus, interesting [Online] Available from PMI Plus, Minus, interesting strategy – Virtual Library (virtuallibrary.info) (Accessed: (18 April 2026)).

Figma (n.d) How to create an effective action plan Available at: <https://www.figma.com/resource-library/how-to-create-an-action-plan/> (Accessed: 18 April 2026)

The Key Performance Indicator is: Digital Marketing

Specific	Measurable	Attainable	Relevant	Time-Bound
Online questionnaire – Ask customers about their experience and preferences	50 -75 responses	Liam and Priya create it using Google Forms and share on social media low cost and easy.	Helps understand why customers shop online or elsewhere	2 weeks
In-store Observation – Watch how customers behave in the shop	Observe 20 - 30 customers	Staff can do this during work hours	Helps understand low foot traffic and customer behaviour	1 week
Customer reviews – Look at reviews on google /social media	Analyse 30-50 Reviews	Done by owners at no cost	Identifies strengths and weaknesses like website issues	3 – 5 days
Social Media Analysis – Check engagement on posts	Track 10-15 posts (feedback, likes, comments)	Easy using Instagram, Facebook and TikTok	Helps improve marketing and content strategy	2 weeks
Competitors Analysis – research competitors	Compare 5 things like price, delivery, website, social media, offers	Can be done online by owners	Helps understand competition and improve energy	1 week

