

LCLM4004- c1 Basils Bakery

Presented by:

Altaf Mohammed

2509622

Presentation Overview

This presentation will cover:

- Background of Basil's Bakery
- Analysis of the main issues affecting sales
- Critique and application of the **PESTEL** framework
- Critique and application of the **Cause-and-Effect (Fishbone)** diagram
- Summary of the key findings

Aim: To identify the key factors contributing to Basil's Bakery's stagnant sales and evaluate them using business analysis frameworks.

Background of Basils Bakery

- Basil's Bakery is a sole trader artisan bakery situated within a retail park in Coventry UK.

It was set up in 2015 selling premium quality organic breads, cakes and pastries.

Sales grew year on year until 2019 when they started to dip due to COVID-19.

Sales picked up after restrictions were lifted however they have stayed consistently 25% lower than the 2019 levels since 2023.

Basil would like to know what external factors are impacting his business prior to implementing any major decisions.

Insight into the problems- Main problem: Sales have stagnated at approximately 25% below 2019 levels since 2023.

Internal Issues (controllable)	External Issues (uncontrollable)
No delivery service	Reduced footfall in the retail park
Limited pre-order system	Closure of nearby retail stores
Long waiting times during busy periods	Hybrid working reducing office customers
Basil cannot always answer phone enquiries	Rising business costs (rent, utilities, insurance)
Dependence on expensive organic ingredients	Inflation and unpredictable ingredient prices

PESTEL Analysis

- PESTEL analysis is a tool or framework used to understand the external macro environment factors that may affect an organisation and its performance. (Johnson et al., 2020). It focuses on Political, Economic, Social, Technological, Environmental and Legal factors.

Strengths

- ✓ Highlights external business opportunities and threats.
- ✓ Can assist in business decision making.

Limitations

- ✗ External only – Ignores internal factors that affect the business.
- ✗ Environments can change rapidly, making it potentially outdated.

PESTEL
Analysis



Applying PESTEL to Basils Bakery

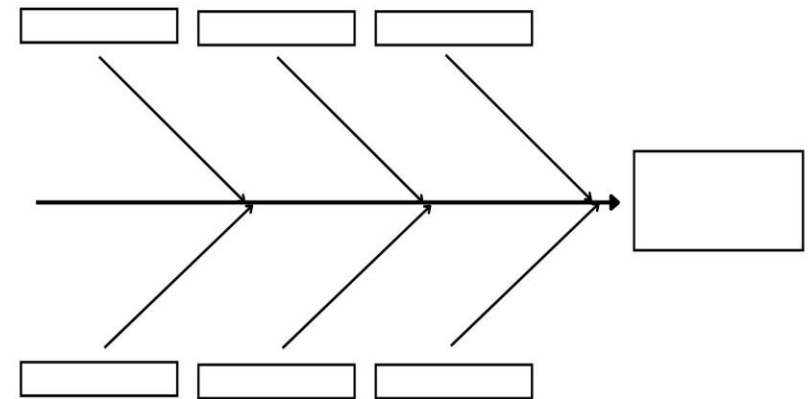
Factor	Application to Basils Bakery
Political	Higher business rates and government policies raise overheads
Economic	Inflation, rising energy costs, rent and costs of organic ingredients squeeze margins and customer spending power
Social	Hybrid working, changing customer habits and footfall to the retail park have impacted demand
Technological	The bakery lacks online ordering and delivery capabilities
Environmental	Organic ingredients are susceptible to poor weather and supply chain issues, leading to volatile costs
Legal	Food hygiene laws, health and safety standards, and employment law result in high compliance costs

The Economic and Social factors seem to have the most effect on Basil's Bakery as they directly affect the customer demand and the cost of the business.

Fishbone (Cause-and-Effect) Diagram

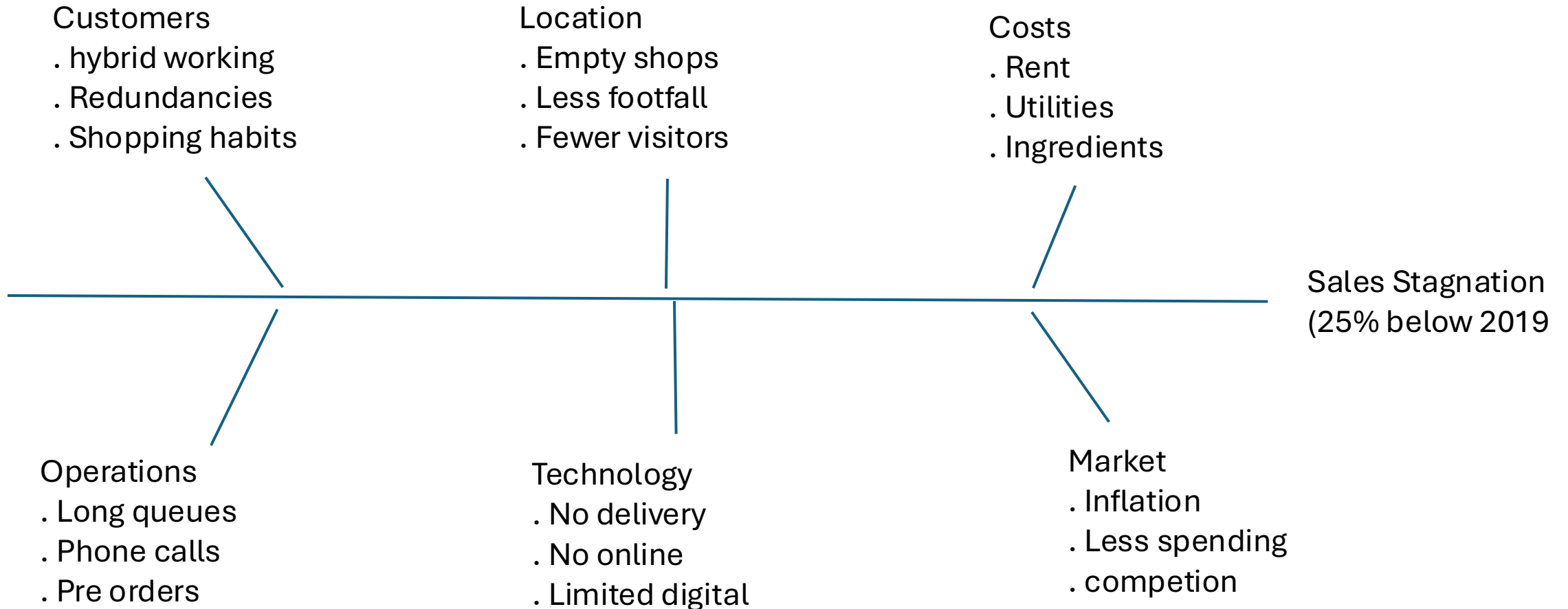
- The Fishbone Diagram or Ishikawa Diagram is a problem solving tool that is used to identify and organise the possible root causes of a particular problem (Ishikawa, 1986).
- **Strengths**
 - ✓ Finds the root causes of a problem, not just the symptoms.
 - ✓ Aids structured thinking and the organisation of complex issues. ✓ Enables better decision making by considering multiple contributing factors.
- **Limitations**
 - ✗ Does not indicate which causes have the most impact.
 - ✗ Depends on the knowledge and judgement of those drawing the diagram.
 - ✗ It suggests possible causes, but does not prove cause-and-effect relationships.

Fishbone Diagram Template



Application of the Fishbone Diagram to Basil's Bakery

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Key Findings

- Sales have been approximately 25% below 2019 levels driven by a combination of internal and external factors.
- The business is facing financial pressure due to economic factors like inflation and rising operating costs.
- As a consequence of social changes such as hybrid working and less footfall in retail parks, customer demand has been sharply diminished.
- Operational shortcomings such as lack of online ordering, delivery services and efficient pre-ordering have limited customer convenience.
- The PESTEL Analysis highlighted the main external factors and the Fishbone Diagram identified the root causes of the stagnation of sales.

References

- Basil's Bakery Case Study (2025) *LCLM4004 Problem Solving and Decision-Making Module Case Study*. Coventry University.
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- Johnson, G., Scholes, K., Whittington, R. and Angwin, D. (2020) *Exploring Strategy: Text and Cases*. 12th edn. Harlow: Pearson.
- Kotler, P. and Keller, K. (2022) *Marketing Management*. 16th Global edn. Harlow: Pearson.
- Office for National Statistics (2024) *Labour market overview, UK*. Available at: <https://www.ons.gov.uk>

Images:

<https://printableshub.com/wp-content/uploads/2025/12/Fishbone-Diagram-Template.jpg>

<https://static.vecteezy.com/system/resources/previews/029/242/371/original/infographic-for-6-stages-of-pestel-analysis-vector.jpg>

Thank you for listening-
Any Questions?
