

Component 2: Problem Solving & Decision Making

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Module code: LCLM4004

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Abstract

This report explores the business and financial challenges at Green Haven Florists. The report uses secondary research methods to examine the case study. The report finds that.....

Introduction

Problem solving and decision making are very important for all organisations regardless of their location and the nature of their products and /or services. This is because business environment is dynamic and ever-changing and many of these changes are problematic for organisations that require decisions to be made to contain them. Aside from that, errors are part of organisational process because they often occur (Martinez, 1988). Organisations then must deal with errors when they occur, which means certain decisions must be made to correct them. Problem solving can be defined as “cognitive processing directed at transforming a given situation into a goal situation when no obvious solution method is available to the problem solver” (Mayer, 1999, p. 437). On the

other hand, decision making is the process of choosing one course of action over many alternatives (this may be at individual or organisational level) to achieve good result (Lawson, 2003). Whether at organisation or individual level, problem solving and decision-making skills are panacea for achieving success (Parekh, 2003). This report is based on Green Haven Florist- a flower shop in Norwich, Uk. Green Haven Florist is small, independent flower shop in Norwich, Uk. The shop was established in 2016 by partners Liam and Priya Patel and reputed for creative floral designs and strong commitment to sustainability. The business is confronted with a sharp decline in in-store sales, rising costs, and increasing competition –particularly from online retailers. The problem confronting Green Haven Florist are huge and require very urgent decisions to be made for the business to stay alive.

Brief Explanation of the Business Problem

Green Haven Florist is facing a serious downturn. Their in-store sales have dropped by 30%, and while online orders are up a bit, it is not enough to cover the losses. This is happening because of a few big things. Tough competition: New local florists and big online retailers are offering more competitive prices, wider delivery, and better deals. Higher costs: The price of flowers and eco-friendly materials has gone up, making it harder to turn a profit. Outdated technology and marketing: Their website is not great, and they are not doing much online marketing, which is how many customers shop now. Changing Customer Wants: People want convenience, discounts, and things like subscription services, which Green Haven is not really offering. Basically, they are struggling to keep up with the modern market and need to make some big changes to survive.

Solutions1 To the Business Problem

Focus on Niche specialization and Premium Offerings: Instead of trying to compete with larger online retailers on price or volume, Green Haven Florist could lean into its “bespoke floral arrangements” and “strong community ties”. This means focusing on high-end, unique arrangements for special occasions (anniversaries, significant birthday, luxury events) and potentially offering floral design workshop or personalized consultations.

Key Concept: Differentiation Strategy-carving out a unique market position by offering something distinct from competitors. How it addresses the problem: it moves away from price competition and leverages their existing strengths in creativity and personal touch, appealing to customers willing to pay a premium for quality and uniqueness. 1. Strategic

Partnerships and Diversification: Explanation: Green Haven could partner with complementary local businesses like wedding venues, event planners, high-end cafes, or boutique hotels. They could also diversify their offering by selling complementary products like artisanal candles, locally made ceramics, or high-quality greeting cards.

Key concept: Strategic Alliances and Diversification- expanding reach and revenue streams through collaboration and offering a broader product/services mix. How it addresses the problem: Partnership expands their customer base and marketing reach.

Diversification adds new income sources beyond traditional bouquets, potentially offsetting declines in other areas.

Solution 2 To the Business Problem

Enhanced Digital Experience and Targeted Online Marketing: Explanation: This goes beyond just “updating” the website. It involves creating a visually appealing, user-friendly e-commerce platform with excellent photography, clear product descriptions,

easy navigation, and integrated online booking for consultations or workshops. Targeted digital marketing could include SEO for local searches (“florist Norwich”),

paid social media campaigns targeting specific demographics, and email marketing to existing customers for promotions and new arrivals. Key concept: Digital Transformation and targeted Marketing-leveraging technology to improve customer experience and reach the right audience online. How it addresses the problem: Directly tackles the issue of an outdated website and insufficient digital marketing, making them more accessible and appealing to online shoppers while potentially improving conversion rates for online orders. Subscription Box Revamp and Loyalty Program: Explanation: Building on customer feedback for subscription services, they could design tiered subscription boxes (e.g., “weekly blooms”, “Monthly Arrangement,” “Seasonal Special”). This could be combined with discounts, early access to new collections, or exclusive perks. Key Concept: Customer Retention and Recurring Revenue-focusing on keeping existing customers and generating predictable income. How it addresses the problem: Addresses customer desires for subscriptions and creates a more stable, predictable revenue stream, reducing reliance on one-off purchases and foot traffic.

PMI for Solution 1

Niche specialization and premium offerings

Plus+	Minus-	Interesting
. Higher margins +8 . Clear differentiation +7 . Stronger trust authority +6 . Lower marketing +5	. Smaller total market -9 . Higher expectation -8 . Specialist skill -7 dependency . Longer sales cycle -6	. Productised premium tier +3 . Cross-selling potential +4 . Exit value +5 . Regulation changes as growth drivers -9
+26	-30	+3

+26 – 30 +3 = -1. The total answer for solution 1 is –1. This implies that the solution is not the most appropriate solution to be implemented by Green Haven Florist.

PMI for Solution 2

Digital and Online Marketing

Plus+	Minus-	Interesting
. Higher client quality +8 . Premium pricing power +9 . Clear value proposition +7 . Lower competition pressure +6	. Market sized limits –7 . Platform dependency –5 . High expectations –6 . Client concentration risk -4	. Global reach +7 . Cost effectiveness +6 . Privacy and Security Risk –5 . Negative Feedback and reputation -4
+30	-22	+4

+30-22+4=+12. The total answer for this solution 12 – making it the most appropriate solution for Green Haven Florist.

Appropriate solution for Green Haven Florist

The most appropriate solution for Green Haven Florists is solution 2, which is Digital Transformation: Overhaul the website for better user experience and e-commerce, implement strong online marketing (SEO, social, email). Service Innovation: Introduction popular offerings like flower subscriptions and flexible delivery options, possibly host workshops. Operational Efficiency and cost Management: Focus on sourcing more local/seasonal flowers to reduce import costs and risks, improve inventory.

Basic risk analysis

Risk: Resistance to change or slow adoption of new strategies. Likelihood: Medium (New owners can sometimes be hesitant to make drastic changes, though Liam and Priya seem aware of the need). Impact: High (if they cannot implement necessary changes effectively, the business will continue to decline).

Implementation Plan

Implementation plan spells out the activities and the timing involved in bringing the most appropriate solution, which is digital and online marketing, to reality. The table below espouses the implementation plan.

Activities	Description	Time	Who is responsible
Aspect of the company that needs to go digital and online	Green Haven Florist need to decide what aspect of its company need to go digital and online.	15-16 Dec.,2025	Marketing manager
Digital and online platforms	The company need to decide what digital and online platform that is suitable and appropriate for the company.	17-18 Dec.,2025	Marketing team
Resources required	The company need to evaluate and decide the resources that are required to go digital and online.	19-20 Dec.,2025	Marketing manager
Risk involved	Green Haven Florist need to consider the risk, if there is any, associated with going digital and online consider how it can be mitigated.	20-21 Dec.,2025	Marketing manager
Team to handle it	The company needs to put the team that will handle it together.	21-22 Dec.,2025	Marketing manager
Go digital and online	Green Haven Florist will go digital and online.	23-24 Dec.,2025	Marketing team.

Measurement of Effectiveness

The effectiveness of the appropriate solution will be measured periodically by comparing the company's situation and position before the application of the solution with the company's situation and position after the application of the solution. It is expected that Green Haven Florist financial and economic situation and position will be a lot after applying the appropriate solution. If the company's financial and economic situation and position is better, the solution is good and working, if not, then the solution is not working thus another solution will be urgently needed.

Conclusion

This report has examined the challenges confronted by Green Haven Florist. The report found that the company is currently struggling to keep its existing customers and attract new ones due to fierce competition and outdated system of operation. The report suggests solutions to turn things around for the company.

References

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