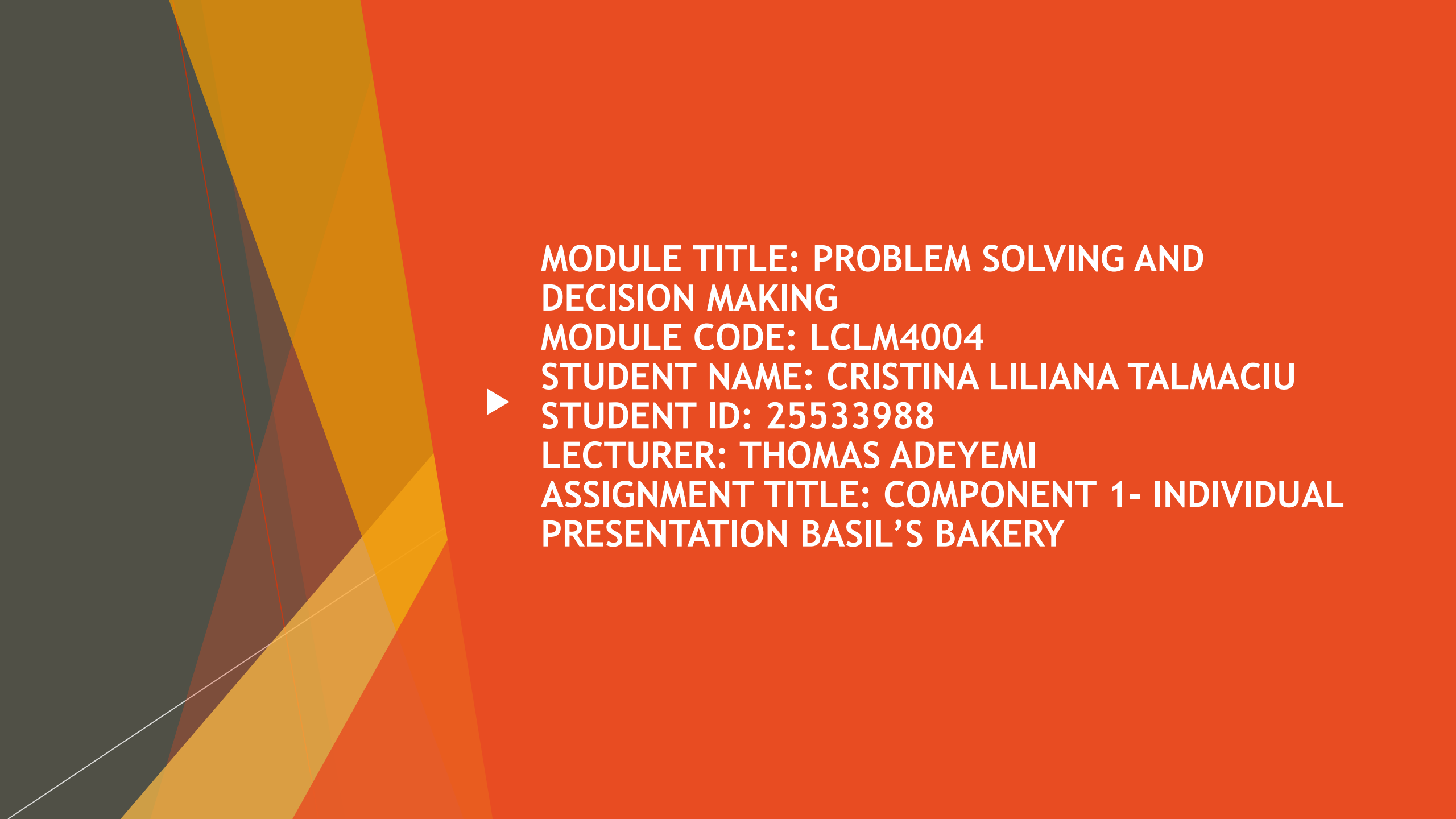




**MODULE TITLE: PROBLEM SOLVING AND
DECISION MAKING**

MODULE CODE: LCLM4004

STUDENT NAME: CRISTINA LILIANA TALMACIU

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LECTURER: THOMAS ADEYEMI

**ASSIGNMENT TITLE: COMPONENT 1- INDIVIDUAL
PRESENTATION BASIL'S BAKERY**



Introduction

- ▶ Investigates the causes of Basil's Bakery's persistent sales stagnation problem.
- ▶ Applies the 5W2H model to define the business problem systematically.
- ▶ Uses PESTEL analysis to evaluate external environmental factors affecting sales.
- ▶ Employs the Fishbone Diagram to identify root causes and support decisions.

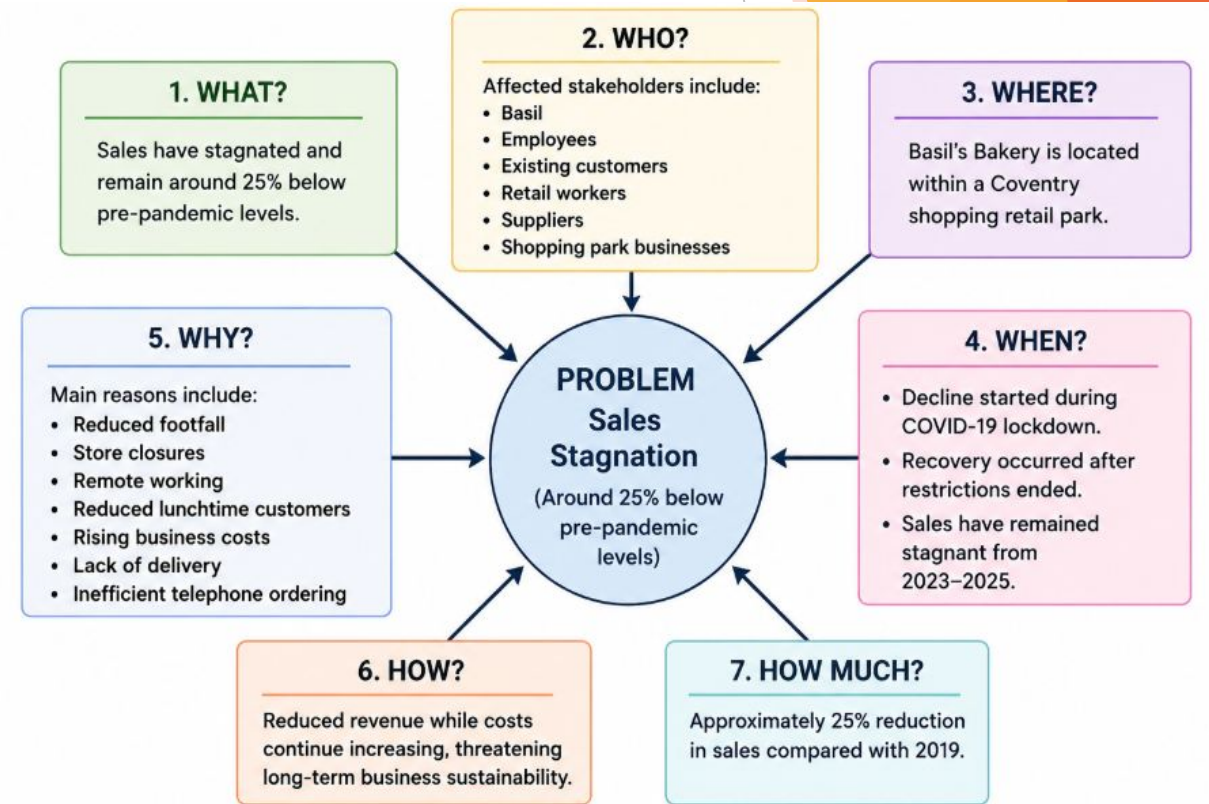
Company Background

- ▶ Established in **2015**, Basil's Bakery operates within Coventry's busy shopping retail park.
- ▶ Specialises in premium organic cakes, pastries and freshly baked artisan breads daily.
- ▶ Serves local shoppers, retail workers, office employees and nearby warehouse staff regularly.
- ▶ Sales remain **25% below 2019** despite post-pandemic recovery and rising operating costs.



Problem- Nature and Scope (5W2H Model)

- ▶ The 5W2H model focuses on the problem and what has been going on in Basil Bakery.
- ▶ **What:** sales have stagnated and remain approximately 25% below 2019 levels.
- ▶ **Who:** the problem impacts Basil, employees, current customers, suppliers, the workers in the retail services and neighbouring shopping parks companies.
- ▶ **Where:** the problem occurs at Basil's Bakery in a Coventry shopping retail park.
- ▶ **When:** Sales have dropped under the lockdown in the COVID-19 and have not completely recovered, remaining at the same level between 2023 and 2025.
- ▶ **Why:** less people to visit the shop, closure of shops, increased remote working, less work visitors at lunch, increased cost of doing business, no delivery, lack of performance towards service and inefficient telephone ordering have added to performance failure.
- ▶ **How:** decreasing customer demand has reduced revenues since costs to rent utilities and organic materials are continuing to increase at a perilous time to the businesses.
- ▶ **How Much:** overall sales have still remained about 25% below the pre-pandemic levels, which highlights the gravity of the work.



PESTEL Analysis (Political, Economic, Social)

Rising business rates and taxation increase operating costs, reducing profitability (Handayani and Edhy, 2024).

Government retail and employment policies reduce shopping park economic activity.

Inflation raises ingredient, utility, rent and insurance costs, reducing profitability.

Reduced consumer spending lowers demand for premium bakery products (Salah, Asfahani, and AlRajhi, 2024).

Remote working increases demand for delivery and online ordering (Amorim et al., 2024).

PESTEL Analysis (Technological, Legal, Environmental)

No online ordering system limits convenience and reduces customer accessibility (Calderon, 2025).

Lack of delivery services weakens competitiveness against digitally advanced bakery competitors.

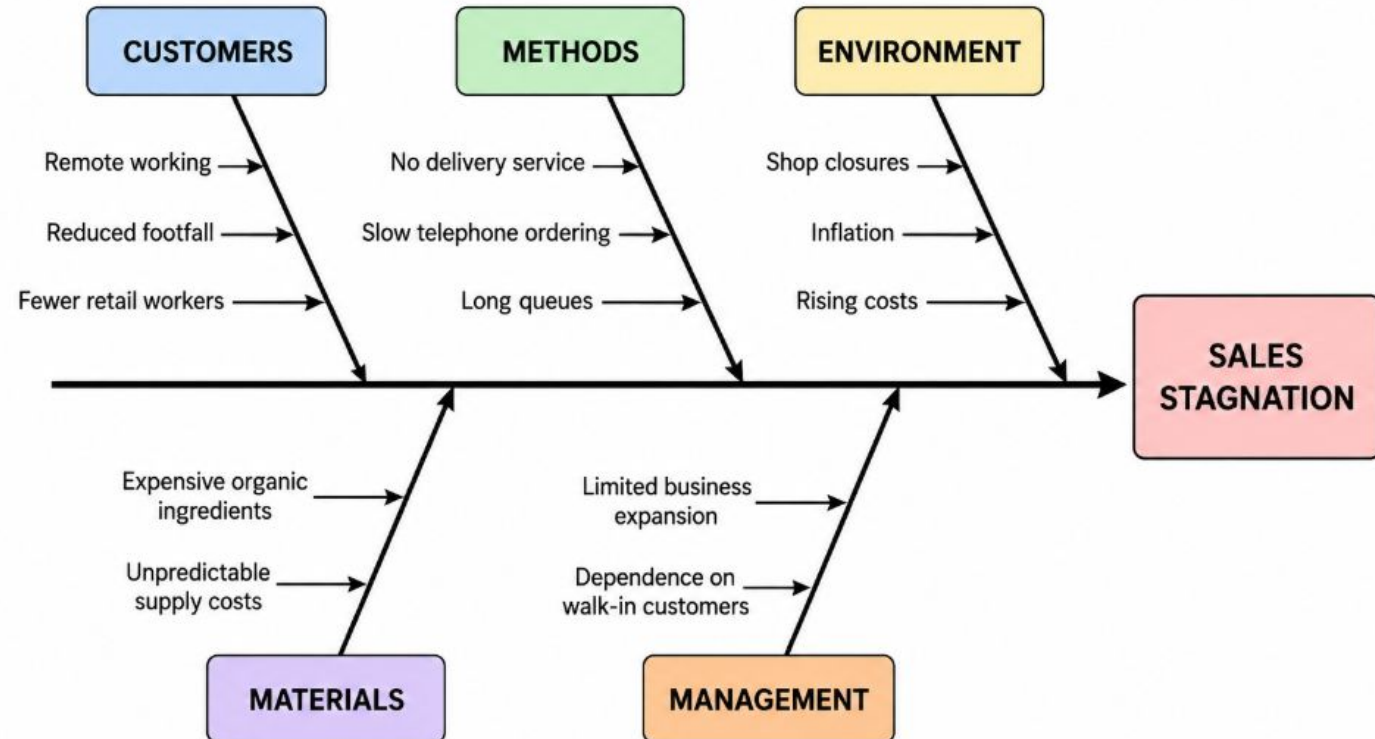
Food hygiene and employment regulations increase operational compliance and staffing costs (Ling et al., 2024).

Climate change causes unpredictable organic ingredient prices and supply shortages (Khatri et al., 2024).

Sustainable sourcing expectations increase procurement costs while supporting environmentally responsible business practices.

Cause and Effect Analysis (Fishbone Diagram)

- ▶ Fishbone Diagram identifies and categorises root causes of persistent sales stagnation.
- ▶ Remote working reduces customer visits and weekday bakery sales (Kesavan et al., 2022).
- ▶ No delivery service and slow telephone ordering reduce customer convenience significantly.
- ▶ Shop closures, inflation and rising costs negatively impact overall business performance.
- ▶ Expensive ingredients, unpredictable supply costs and limited expansion reduce long-term growth.



Conclusion

- ▶ Sales stagnation results from interconnected internal and external business challenges.
- ▶ PESTEL analysis identifies significant external factors reducing customer demand and profitability.
- ▶ Fishbone Diagram highlights operational weaknesses affecting overall business performance significantly.
- ▶ Limited delivery and ordering services reduce customer convenience and competitive advantage.
- ▶ Understanding root causes supports informed decisions and sustainable business improvement strategies.



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► THANK YOU