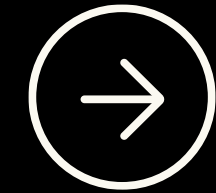


MANAGING COST PRESSURES AND SUSTAINABILITY FOR GREEN HAVEN FLORISTS

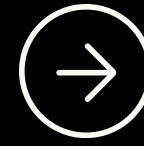


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TODAY'S TOPICS



- 1 Identifying the Problem
- 2 Problem Statement
- 3 Nature, Scope and Impact
- 4 External Factors: Pestel Analysis
- 5 Cause And Effect (Fishbone Diagram Summary)
- 6 Strategic Recommendations
- 7 Monitoring and Evaluation
- 8 Conclusion
- 9 References



INTRODUCTION

Green Haven faces growing operational costs due to inflation and increased prices of imported flowers. Its commitment to sustainable materials such as biodegradable packaging adds extra financial strain. Competitors using cheaper, non-sustainable materials offer lower prices, creating a competitive imbalance. Maintaining ethical sourcing while achieving profitability has become the company's biggest strategic challenge.

NATURE, SCOPE AND IMPACT

The issue affects multiple areas of the business: sourcing, production, and pricing. Inflation, supply chain disruption, and the high cost of eco-friendly materials reduce profit margins. This restricts Green Haven's ability to invest in innovation or marketing. If unaddressed, these financial pressures could force compromises on sustainability or lead to long-term business decline.



EXTERNAL FACTORS: PESTELS ANALYSIS



Economic

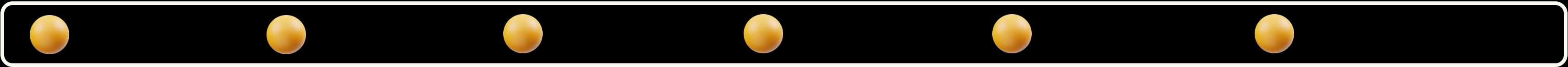
Rising inflation and global fuel prices impact supply chains.

Technological

Automation and inventory systems can reduce operational waste.

Legal

Compliance with environmental packaging regulations.
Green Haven must navigate these factors to balance cost and sustainability effectively.



Political

Post-Brexit tariffs increase import costs for floral supplies.

Social

Consumers value sustainability but also seek affordability.

Environmental

Pressure to use recyclable, eco-friendly materials.

Main Problem: Rising operational costs.

Causes:

Supply chain disruptions and high logistics costs.

Expensive local sourcing and small supplier network.

Reliance on eco-materials without cost flexibility.

Limited bulk purchasing or long-term contracts.

Effects:

Lower profit margins.

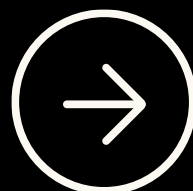
Difficulty maintaining affordable pricing for customers.

**CAUSE AND EFFECT
(FISHBONE DIAGRAM
SUMMARY)**





STRATEGIC RECOMMENDATIONS



Green Haven can respond by:



Implementing lean management to minimize waste.



Negotiating fixed-price supplier contracts to reduce cost fluctuations.



Exploring hybrid materials that maintain eco-value but are cost-efficient.



Introducing premium eco-product ranges for higher-margin sales.

Applying for green business grants to offset costs.
These actions would stabilise operations while preserving the business's ethical reputation.

KEY COMPETITIVE ADVANTAGES

To ensure success, the company should:

Monitor supplier performance and contract outcomes.

Analyse profit margins quarterly to detect improvement trends.

Review customer feedback regarding eco-product pricing.

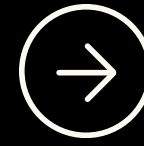
Adjust purchasing and sustainability strategies accordingly.

A structured review process ensures operational efficiency and supports ongoing financial stability.



CONCLUSION

Green Haven can sustain its eco-friendly reputation by improving cost efficiency and supplier strategy. Through lean management and smarter sourcing, the company can strengthen resilience while continuing to appeal to environmentally conscious customers. Balancing ethics with economics is essential for ensuring both short-term profitability and long-term survival.



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