

MODULE NAME:

Problem Solving and Decision Making

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Strategic Decision-Making Report: Green Haven Florists

1. Introduction and Business Background

Green Haven Florists is a small, independent flower shop based in Norwich, UK. Established in 2016 by partners Liam and Priya Patel, the business quickly developed a strong reputation for bespoke floral arrangements, eco-friendly packaging, and meaningful community engagement. Its customer base has traditionally included local walk-in customers, corporate clients, and individuals purchasing flowers for weddings and events. The shop's ethical values and personalised service enabled it to differentiate itself from larger, less personal competitors.

In recent years, however, the UK retail environment has undergone significant change. High street decline, accelerated digital adoption, and changing consumer expectations have created challenges for small independent retailers (Office for National Statistics, 2023). Green Haven Florists has been particularly affected by these changes, experiencing declining sales and rising costs. This report examines the key business problem facing Green Haven Florists and evaluates strategic alternatives to address it. Using a structured decision-making approach, the report identifies the most appropriate solution, assesses associated risks, proposes an implementation plan, and outlines how the effectiveness of the decision can be measured.

2. Explanation of the Business Problem

The core business problem facing Green Haven Florists is a **sustained decline in revenue and profitability**, largely driven by a reduction in in-store sales and insufficient growth in online channels. Over the past 12 months, the business has experienced a 30% decline in in-store sales, reflecting reduced foot traffic on the local high street and a broader shift towards online shopping.

External environmental factors have played a significant role in this decline. Consumers increasingly prioritise convenience, speed, and price, which has benefitted large online flower delivery companies offering same-day delivery and frequent discounts (Intel, 2023). These firms benefit from economies of scale and advanced logistics networks, placing pressure on smaller independent retailers. In addition, a national flower chain offering aggressive pricing and a digitally focused boutique florist with a strong social media presence have entered the local market, further intensifying competition.

Internal factors have also contributed to Green Haven's difficulties. Customer feedback highlights dissatisfaction with the shop's outdated website, limited delivery options, and lack of subscription services. The business has relied heavily on word-of-mouth marketing and sporadic social media activity, limiting its visibility in an increasingly digital marketplace. Furthermore, rising costs of imported flowers and sustainable packaging—exacerbated by inflation and supply chain disruption—have reduced profit margins (British Florist Association, 2023).

Overall, the problem is not related to product quality or brand values, but rather a **strategic misalignment between Green Haven's traditional operating model and the realities of the modern retail environment**.

3. Alternative Solutions

To address the identified business problem, two alternative strategic solutions are proposed.

3.1 Alternative Solution 1: Digital Transformation and Online Expansion

This solution focuses on modernising Green Haven Florists' digital capabilities and expanding its online presence. Key elements include:

- Redesigning the website to improve navigation, mobile compatibility, and online ordering functionality
- Introducing flexible delivery options, including same-day and scheduled delivery
- Launching a flower subscription service to generate recurring revenue
- Investing in digital marketing, particularly Instagram and local search engine optimisation

The objective of this strategy is to align the business with changing consumer behaviour, increase accessibility, and reduce reliance on declining high street foot traffic.

3.2 Alternative Solution 2: Hyper-Local Differentiation and Community Engagement

This alternative emphasises strengthening Green Haven's physical presence and community ties. It includes:

- Hosting in-store workshops and floral design classes
- Developing partnerships with local cafés, event venues, and community organisations
- Expanding the use of locally sourced and seasonal flowers
- Positioning the business as a premium, experience-led florist

This strategy seeks to differentiate Green Haven through personal interaction and experiences that online competitors cannot easily replicate.

4. Evaluation of Alternatives Using PMI Analysis

A **PMI (Plus, Minus, Interesting)** analysis is used to evaluate the two alternatives (De Bono, 1992).

4.1 Digital Transformation and Online Expansion

Pluses:

This option enables Green Haven Florists to reach a wider market beyond its immediate geographic area. It aligns with long-term consumer and retail trends and allows the business to compete more effectively with online retailers. The introduction of subscription services offers predictable, recurring revenue and improves customer retention.

Minuses:

Digital transformation requires upfront financial investment in website development, marketing, and delivery logistics. It also introduces operational complexity and requires new skills, which may be challenging for a small business with limited digital expertise.

Interesting:

This strategy presents opportunities to communicate Green Haven's sustainability values more effectively online and to use customer data to personalise marketing and product offerings.

4.2 Hyper-Local Differentiation and Community Engagement

Pluses:

This approach reinforces Green Haven's brand identity and strengthens customer loyalty through meaningful community engagement. It avoids direct price competition with large online retailers and supports the business's ethical ethos.

Minuses:

The strategy offers limited scalability and remains heavily dependent on high street footfall, which is structurally declining. Workshops and events are resource-intensive and may not generate sufficient revenue to offset falling sales.

Interesting:

Community activities could generate organic social media content and attract niche customer segments, such as tourists or hobbyists.

5. Selected Solution and Justification

Based on the PMI analysis, **Digital Transformation and Online Expansion** is the most appropriate solution.

While hyper-local differentiation supports Green Haven's values, it does not adequately address the scale or structural nature of the problem. Consumer behaviour has shifted decisively towards online purchasing, and failure to adapt risks further decline. Digital transformation directly addresses the root causes of reduced sales by improving convenience, accessibility, and competitiveness (Kotler et al., 2021).

Importantly, this strategy does not require abandoning Green Haven's ethical positioning. Sustainability, bespoke design, and local sourcing can be integrated into the online brand narrative, allowing the

business to differentiate itself on value rather than price alone. In the long term, digital expansion offers greater resilience, scalability, and revenue stability.

6. Risk Analysis of the Selected Solution

A basic risk analysis identifies the following key risks and mitigation strategies:

Financial Risk:

Upfront costs associated with website redevelopment and marketing may strain cash flow. This risk can be mitigated through phased implementation and careful budgeting.

Operational Risk:

Delivery failures could damage customer satisfaction and brand reputation. Partnering with reliable local couriers and implementing quality control processes can reduce this risk.

Skills Risk:

Limited digital marketing expertise may hinder effectiveness. This can be addressed through short training courses or outsourcing specific tasks to freelancers.

Competitive Risk:

Larger competitors may respond with aggressive pricing. Green Haven can mitigate this by focusing on quality, sustainability, and bespoke services rather than price competition.

7. Implementation Plan

Implementation should follow a phased approach:

Phase 1: Planning (Month 1)

Audit the current website and digital presence, define objectives, set budgets, and identify target customer segments.

Phase 2: Development (Months 2–3)

Redesign the website, integrate online ordering, delivery, and subscription features, and establish courier partnerships.

Phase 3: Marketing Launch (Months 3–4)

Launch targeted digital marketing campaigns, promote subscription services, and collect customer feedback.

Phase 4: Review and Optimisation (Ongoing)

Monitor performance data and refine marketing, pricing, and delivery processes.

8. Measuring the Effectiveness of Implementation

The effectiveness of the selected solution should be measured using key performance indicators (KPIs), including:

- Growth in online sales revenue
- Website traffic and conversion rates
- Number and retention rate of subscription customers
- Customer satisfaction and repeat purchase rates
- Overall profitability

Regular monitoring and review will enable continuous improvement and informed decision-making (Kaplan and Norton, 1996).

9. Conclusion

Green Haven Florists faces a complex strategic challenge rooted in structural changes to the retail environment rather than deficiencies in product quality or brand values. Digital transformation represents the most viable solution, enabling the business to adapt to changing consumer behaviour while maintaining its ethical identity. Through careful implementation, risk management, and performance measurement, Green Haven Florists can reposition itself for long-term sustainability and growth.

References

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