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Module title and code:

LCLM4004 Problem solving and Decision making

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Task : Individual report

Introduction

Green Haven Florists is a small independent flower shop based in Norwich, UK. The business was founded in 2016 by Liam and Priya Patel and became well known for its bespoke floral arrangements, eco-friendly values and strong links with the local community. However, in recent times the business has faced several challenges which have caused a decline in sales and overall performance.

This report will briefly explain the main business problem faced by Green Haven Florists. It will then suggest two alternative solutions and evaluate them using a decision-making tool. One solution will be selected as the most suitable, followed by a basic risk analysis. Finally, an action plan will be presented, along with ways to measure the effectiveness of the chosen solution.

2. Explanation of the Business Problem

The main business problem faced by Green Haven Florists is a significant decline in in-store sales and foot traffic, alongside rising costs and stronger competition.

Over the past 12 months, the business has experienced a 30% drop in in-store sales.

Although online orders have increased slightly, they are not enough to cover the loss of walk-in customers. This decline is partly due to changes in consumer behaviour, with many customers now preferring the convenience of online shopping and home delivery (Kotler et al., 2020).

Another key issue is increased competition. Large online flower retailers offer lower prices, same-day delivery and regular discounts. In addition, a new boutique florist with a strong Instagram presence has attracted younger customers, while a national chain offers aggressive pricing and wider delivery coverage

Rising costs have also put pressure on the business.

Imported flowers have become more expensive due to inflation and supply chain issues, and Green Haven's commitment to sustainable materials has increased operating costs (BBC News, 2023).

Finally, the business lacks strong digital skills. The website is outdated, online ordering is limited, and digital marketing is weak. This makes it harder for Green Haven to compete in an increasingly digital market.

3. Alternative Solution 1: Improve Digital

Presence and Online Services

The first possible solution is to modernise Green Haven Florists' digital presence. This would include:

- Redesigning the website to make it easier to use
- Adding online ordering, flexible delivery options and subscriptions
- Improving social media marketing, especially Instagram
- Offering same-day or next-day delivery within Norwich
- This solution aims to attract new customers, retain existing ones and compete more effectively with online florists.

4. Alternative Solution 2: Focus on Local Community and In-Store Experience

The second solution is to strengthen the local and in-store experience. This would involve:

- Hosting flower-arranging workshops and community events
- Partnering with local businesses such as cafés and wedding venues
- Offering loyalty schemes for regular customers
- Promoting the shop's eco-friendly and local sourcing values

This approach focuses on differentiation rather than direct competition with online retailers.

5. Evaluation of the Two Solutions

A PMI (Plus, Minus, Interesting) analysis is used to evaluate both options (Full tables are included in Appendix A and B).

Summary of Evaluation

Solution 1 - Digital Improvement

- Plus: Wider reach, convenience, increased sales potential
- Minus: Cost of website development, learning new skills
- Interesting: Subscription services could create steady income

Solution 2 - Community Focus

* Plus: Strong brand loyalty, unique customer experience

- Minus: Limited reach, depends on foot traffic
- Interesting: Workshops could build long-term relationships

6. Selected Solution and Justification

The most appropriate solution is Solution 1: Improving Digital Presence and Online Services.

This solution directly addresses the main causes of the problem, including declining foot traffic, online competition and poor digital marketing. Consumer behaviour has clearly shifted towards online shopping, and businesses that fail to adapt risk losing relevance (Chaffey and Ellis-Chadwick, 2019).

While community engagement is important, it alone will not be enough to replace lost sales. Improving the digital side of the business allows Green Haven to reach both local

and wider customers, offer convenience, and compete more effectively while still maintaining its sustainable values.

7. Risk Analysis

A basic risk analysis is shown below :

Risk	Likelehood	Impact	Mitigation
High setup costs	Medium	High	Use phased investment
Lack of digital skills	Medium	Medium	Training or hiring support
Increased competition online	High	Medium	Focus on quality and sustainability
Technical issues	Low	Medium	Use reliable web developers

Overall, whilst risks exists, they can be managed with careful planning and support

8. Action Plan for Implementation

Action	Responsibility	Timescale
Hire web developer	Liam	Month 1
Redesign web	Developer	Month 1-2
Add online ordering and delivery	Priya	Month 2
Launch social media strategy	Priya	Month 2-3
Introduce subscription service	Liam and Priya	Month 3

This phased approach helps manage costs and reduces disruption.

9. Measuring the Effectiveness of the Solution

The success of the solution can be measured using:

- Increase in online sales
- Website traffic and conversion rates
- Social media engagement (likes, followers, comments)
- Customer feedback and reviews
- Overall revenue growth

These measures will help Liam and Priya understand whether the strategy is working and make improvements where needed.

10. Conclusion

Green Haven Florists faces serious challenges due to changing consumer behaviour, rising costs and increased competition. This report found the key business problem and

evaluated two workable solutions. Improving the digital presence was selected as the most suitable option, as it directly addresses the main issues facing the business. With careful implementation, risk management and performance monitoring, this strategy can help Green Haven Florists adapt to the modern retail environment and achieve long-term sustainability.