



MODULE NAME: Problem Solving and Decision Making

MODULE CODE: LCLM4004_LON

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Assignment 1: Presentation

OVERVIEW

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Introduction

What the presentation is about?

The aim of this presentation is to carry out a strategic analysis of Basil's Bakery in order to understand the ongoing loss of revenue following the Covid-19 crisis. Using business analysis frameworks, we have assessed the macro and micro-environmental factors affecting the business and drawn up action plans to reverse the decline in sales.

Definitions of the concepts you are going to use.

5W2H – It is planning tools that helps to understand a problem and define actions by asking seven questions: What, Why, Where, When, Who, How and How Much.

Pestel Analysis – This is a model used to analyse external factors that may influence a company, taking into account Political, Economic, Social, Technological, Environmental and Legal aspects.

Fishbone Diagram (Ishikawa) – This is tool that identifies and organises the possible causes of a problem, facilitating analysis of its origin and supporting decision-making.

Company background

Basil's Bakery

- **Founded** in 2015 in a shopping retail park in Coventry, Uk.
- **Owners:** Basil
- **Sells:** Contemporary styled cakes, pastries and breads.
- **More information from the case study:**
 - The target customers are local residents, staff at the retail park's shops, and office and warehouse workers in the adjacent industrial estate.
 - Between 2015 and 2019, the company recorded steady sales growth and built up a loyal customer here.
 - Following the pandemic, sales recovered only partially and, between 2023 and 2025, remained around 25 per cent below 2019 levels, reflecting changes in consumer behaviour and footfall at the retail park.

Problem: nature and scope

5W2H

What: Stagnant sales at Basil's Bakery, which since 2023 have remained, on average 25 per cent below 2019 levels, due to a decline in customer numbers, changes in consumer behaviour and rising operating cost.

Who: Basil, regular and potential customers, staff at the retail park, employees at nearby offices and warehouses, suppliers of organic ingredients, and other stakeholders affected by the company's performance.

Where: At Basil's Bakery, located in a retail park in Coventry, UK, where a decline in footfall and the gradual closure of neighbouring shops have contributed to a fall in demand for the bakery's products.

(UK context: Since the pandemic, the decline in footfall at retail parks and the rise in remote working have changed customer behaviour, reducing demand for businesses that rely on footfall, such as bakeries and cafés.)

PESTLE ANALYSIS: Basil's Bakery

POLITICAL

- 1. Changes to wage policies:** Minimum wage increases set by the UK government may drive up staff costs, affecting the profitability of small businesses such as Basil's Bakery.
- 2. Compliance with food legislation:** The bakery must comply with legislation on hygiene, food safety and consumer protection, which entails ongoing costs to maintain legal compliance.

ECONOMIC

- 1. Pressure caused by rising costs:** Rising energy prices, rent and the cost of organic ingredients are increasing the company's operating costs and reducing its profit margin.
- 2. Changes in consumer behaviour:** Inflation and the rising cost of living are leading many consumers to cut back on spending on premium products, affecting demand for artisanal products.

SOCIAL

- 1. Changes in working patterns:** The rise of remote and hybrid working has reduced the daily presence of workers in the retail park, leading to a fall in the number of customers at the bakery.
- 2. Changing consumer preferences:** Consumers are increasingly seeking practical solutions, such as online ordering and home delivery, making it essential to adopt digital services to meet the market's new needs.

PESTLE ANALYSIS: Basil's Bakery

► TECHNOLOGICAL

- 1. Digitisation of services:** The lack of an online ordering system limits convenience for customers. Adopting digital platforms can improve customer service and boost sales.
- 2. Using technology for growth:** Tools such as social media, digital payments and delivery services can help the bakery reach new customers and compete in a more digital market.

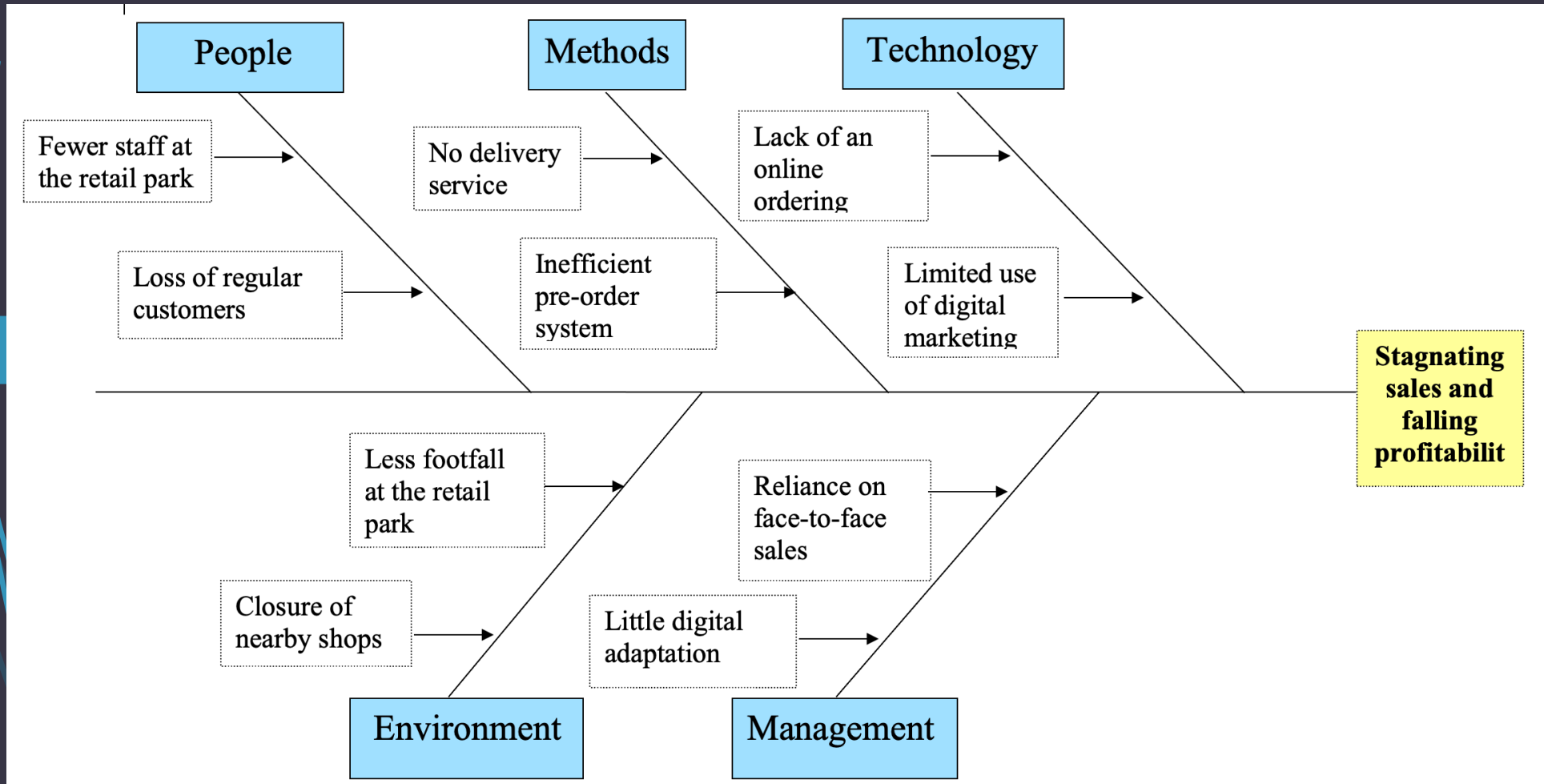
► LEGAL

- 1. Food safety and compliance:** The business must strictly comply with UK food hygiene and safety standards, ensuring product quality and consumer protection.
- 2. Employment legislation:** Compliance with regulations relating to wages, workers' rights and health and safety at work increases operating costs, but is essential for the business to operate legally.

► ENVIRONMENTAL

- 1. Sourcing organic products:** The use of organic ingredients enhances the brand's sustainable image, but may increase costs and create challenges regarding supplier availability.
- 2. Sustainable practices:** Reducing waste, using eco-friendly packaging and adopting responsible environmental practices can strengthen Basil's Bakery's reputation among consumers.

Cause and effect analysis (Fishbone diagram)



Conclusion

The analysis carried out shows that the stagnation in Basil's Bakery's sales is the result of a combination of internal and external factors. The decline in footfall at the retail park, the rise in remote working, the increase in operating costs and the lack of digital solutions have limited the business's growth.

Although the quality of its artisan products remains a competitive advantage, the company needs to adapt its business model to meet consumers' changing needs. Introducing services such as online ordering, home deliveries and digital strategies could improve accessibility, win back customers and enhance the company's future sustainability.

“Marketing is about identifying and meeting human and social needs.”
(Kotler and Keller, 2022)

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Thank
You

Questions