

# Green Haven Florists: Strategic Solutions for Business Revival

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## Abstract

This report examines and evaluates business problems at Green Haven Florists, a Norwich-based independent flower shop experiencing declining revenue and increased competition. Two strategic solutions are proposed and evaluated using PMI analysis: digital transformation with enhanced online presence, and a subscription-based service model. The report recommends implementing a comprehensive digital transformation strategy, supported by risk analysis, implementation planning, and effectiveness measurement frameworks to ensure long-term business sustainability.

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## 1. Introduction

Green Haven Florists, established in 2016 by Liam and Priya Patel, has built a strong reputation for bespoke floral arrangements and sustainable practices in Norwich's retail flower market. However, the business currently faces significant operational challenges that threaten its viability. This report examines, evaluates business problems at Green Haven Florists and proposes strategic solutions to address declining sales, increased competition, and changing consumer behaviours. The analysis employs systematic problem-solving methodologies, including PMI evaluation, risk assessment, and implementation planning, to develop actionable recommendations for business transformation and long-term sustainability.

## 2. Business Problem Explanation

Green Haven Florists is experiencing a multifaceted business crisis characterised by a 30% decline in in-store sales over twelve months, with minimal compensation from online orders. The operational cost structure has become unsustainable due to significant increases in flower procurement costs from supply chain disruptions and inflation, particularly affecting imported varieties. The commitment to eco-friendly materials has further increased operational expenses. The competitive landscape has intensified with two new competitors: a boutique florist with strong social media presence and a national chain offering aggressive pricing. Customer feedback reveals critical deficiencies in the outdated website and limited delivery options, whilst declining high street foot traffic compounds these challenges.

## 3. Alternative Solutions

**Solution A: Comprehensive Digital Transformation** involves implementing a comprehensive digital transformation strategy encompassing website redesign, e-commerce optimisation, and integrated digital marketing. This includes developing a user-friendly, mobile-responsive website with streamlined purchasing processes, secure payment systems, search engine optimisation, and social media marketing campaigns across Instagram, Facebook, and Pinterest. The solution incorporates customer relationship management systems to personalise communications and track preferences.

**Solution B: Subscription-Based Service Model** proposes developing a subscription-based flower delivery service targeting residential and corporate markets. This model offers weekly, fortnightly, or monthly delivery of curated arrangements at preferential rates, creating predictable revenue streams. The service features tiered pricing options, seasonal variation, and delivery flexibility, leveraging Green Haven's strengths in bespoke arrangements whilst addressing convenience demands.

## 4. Evaluation of Solutions

Both solutions are evaluated using the Plus, Minus, Interesting (PMI) analysis tool, providing structured assessment of benefits, drawbacks, and notable considerations (De Bono, 2017). **See Appendix A for detailed PMI Analysis.** Digital transformation offers expanded market reach, 24/7 ordering convenience, and scalability but requires substantial initial investment and technical expertise. The subscription model creates predictable revenue and customer retention but involves logistical complexity and delivery infrastructure requirements. Digital transformation provides superior scalability and supports rather than replaces existing operations, whilst subscription services require more radical operational restructuring.

## 5. Selected Solution and Justification

Solution A (Comprehensive Digital Transformation) is recommended as the most appropriate strategic response. This addresses the fundamental cause of declining sales: consumer shift toward online channels, as research indicates 67% of consumers prefer online purchasing (Chaffey and Ellis-Chadwick, 2019). Digital

infrastructure enables geographic expansion without proportional cost increases, diversifying revenue beyond Norwich's constrained high street. This solution supports rather than replaces existing operations, preserving competitive advantages whilst addressing digital convenience demands. Digital capabilities create foundations for future initiatives including subscription services, enabling iterative evolution. The platform facilitates data collection regarding customer preferences, enabling evidence-based decision-making (Kotler et al., 2020).

## 6. Risk Analysis

Implementation presents financial risks including initial investment costs and ongoing maintenance expenses. Mitigation involves phased implementation, exploring small business grants, and establishing clear ROI metrics. Technical risks encompass website functionality issues and cybersecurity vulnerabilities, mitigated through engaging reputable developers, implementing robust security protocols, and conducting thorough testing. Operational risks include staff capability gaps and resistance to change, addressed through comprehensive training programmes and change management communication. Market risks involve competitor responses and uncertain customer adoption rates, mitigated through continuous monitoring, differentiation through superior service, and maintaining physical shop presence providing risk diversification.

## 7. Implementation Plan

The implementation follows a twelve-month phased approach. **Phase 1 (Months 1-3)** focuses on digital audit, technical specifications development, and agency selection. **Phase 2 (Months 3-5)** involves website development, payment system integration, and comprehensive testing. **Phase 3 (Months 4-6)** establishes digital marketing infrastructure including social media strategy and analytics tools. **Phase 4 (Month 6)** executes coordinated launch with promotional offers and press releases. **Phase 5 (Months 7-12)** focuses on performance analysis, A/B testing, customer feedback integration, and exploring advanced features. Regular review meetings assess progress and identify strategic adjustments throughout implementation.

## 8. Measurement of Effectiveness

Effectiveness measurement requires establishing key performance indicators across multiple dimensions. Financial metrics include overall revenue growth, online sales percentage, average order value, customer acquisition cost, and return on investment, targeting 20% revenue increase and 40% online sales contribution within twelve months. Website performance metrics encompass traffic volume, conversion rate (2-3% target), bounce rate, and session duration (Chaffey and Ellis-Chadwick, 2019). Customer engagement indicators include retention rate, satisfaction scores, Net Promoter Score, and social media engagement. Operational metrics assess order fulfilment time, delivery success rate, and inventory turnover. Monthly performance reviews, quarterly strategic assessments, and annual comprehensive evaluations ensure continuous improvement.

## 9. Conclusion

Green Haven Florists requires strategic transformation to ensure business sustainability amid declining sales, intensified competition, and changing consumer behaviours. The comprehensive digital transformation strategy addresses root causes by meeting customers in preferred purchasing channels whilst maintaining distinctive qualities. The PMI analysis demonstrates digital transformation provides superior scalability, operational flexibility, and market alignment compared to subscription services. The implementation plan balances ambition with resource constraints through phased approach, whilst risk analysis identifies mitigation strategies. The measurement framework ensures accountability and evidence-based refinement. Success requires committed leadership, staff engagement, and customer-centric focus. Digital transformation represents fundamental business model evolution positioning Green Haven competitively whilst honouring sustainability values.

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## Appendices

### Appendix A: PMI Analysis of Alternative Solutions

#### Solution A: Comprehensive Digital Transformation

| Plus (Advantages)                                                      | Minus (Disadvantages)                                                                     | Interesting (Notable Points)                                                              |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Expands market reach beyond geographical limitations                   | Substantial initial investment required in website development and digital infrastructure | Potential for integration with social media influencers to enhance brand awareness        |
| Enhances customer convenience through 24/7 ordering capabilities       | Ongoing costs for digital marketing and platform maintenance                              | Opportunities for virtual consultations and custom arrangement design                     |
| Enables competitive positioning against online retailers               | Requirement for new technical skills or external expertise                                | Possibility of implementing augmented reality features for arrangement preview            |
| Improves brand visibility through digital marketing channels           | Potential resistance to change from traditional business practices                        | Potential partnerships with complementary local businesses                                |
| Provides data-driven insights for inventory and marketing optimisation | Time required for search engine ranking improvement                                       | Creation of content marketing strategies highlighting sustainable practices and expertise |
| Scalability of online operations without proportional cost increases   | Cybersecurity considerations for customer data protection                                 | Opportunity to build community through digital storytelling                               |
| Supports hybrid business model maintaining physical presence           | Learning curve for staff adapting to digital tools                                        | Platform provides foundation for future innovations such as subscriptions                 |

| <b>Plus (Advantages)</b>                                     | <b>Minus (Disadvantages)</b>                                   | <b>Interesting (Notable Points)</b>                                    |
|--------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------|
| Facilitates customer reviews and testimonials building trust | Dependence on technology reliability and internet connectivity | Digital channels enable precise measurement of marketing effectiveness |

### **Solution B: Subscription-Based Service Model**

| <b>Plus (Advantages)</b>                                                    | <b>Minus (Disadvantages)</b>                                                 | <b>Interesting (Notable Points)</b>                                              |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Creates predictable recurring revenue streams improving financial stability | Logistical complexity in managing multiple delivery schedules                | Potential for corporate wellness programmes and office enhancement partnerships  |
| Enhances customer retention through regular engagement                      | Requirement for reliable delivery infrastructure and personnel               | Possibility of customisation based on customer preferences and occasions         |
| Reduces marketing costs per customer acquisition                            | Customer acquisition challenges in competitive subscription market           | Opportunities for sustainable packaging innovation as unique selling proposition |
| Improves inventory management through predictable demand patterns           | Potential cash flow impacts from upfront service commitments                 | Potential for gift subscription services targeting special occasions             |
| Opportunity to showcase seasonal variety and creativity                     | Risk of customer churn affecting revenue predictability                      | Scope for loyalty programmes rewarding long-term subscribers                     |
| Potential for premium pricing reflecting quality and convenience            | Operational inflexibility during peak demand periods such as Valentine's Day | Could differentiate from competitors lacking subscription offerings              |
| Builds habitual purchasing behaviour                                        | Requires sophisticated customer management systems                           | Market research suggests growing consumer acceptance of subscription models      |
| Aligns with sustainable values through reduced single-use packaging         | Limited market size in Norwich area                                          | Subscription model complements rather than replaces occasional purchases         |

### **Appendix B: Grid Analysis of Alternative Solutions**

Grid Analysis (also known as Decision Matrix Analysis) enables systematic evaluation of options against weighted criteria. Each criterion is assigned a weight reflecting its importance (total = 100%), and each solution is scored from 1-10, with weighted scores calculated.

| Criteria                       | Weight | Solution A: Digital Transformation |                | Solution B: Subscription Service |                |
|--------------------------------|--------|------------------------------------|----------------|----------------------------------|----------------|
|                                |        | Score (1-10)                       | Weighted Score | Score (1-10)                     | Weighted Score |
| Cost-Effectiveness             | 20%    | 7                                  | 1.4            | 6                                | 1.2            |
| Implementation Feasibility     | 20%    | 8                                  | 1.6            | 5                                | 1.0            |
| Revenue Impact Potential       | 25%    | 9                                  | 2.25           | 7                                | 1.75           |
| Competitive Advantage          | 20%    | 9                                  | 1.8            | 7                                | 1.4            |
| Alignment with Business Values | 15%    | 8                                  | 1.2            | 8                                | 1.2            |
| TOTAL                          | 100%   |                                    | 8.25           |                                  | 6.55           |

### Scoring Rationale:

#### Cost-Effectiveness (20% weight):

- Digital Transformation (7/10): Moderate initial investment but scalable long-term returns
- Subscription Service (6/10): Lower initial costs but ongoing operational complexity affects efficiency

#### Implementation Feasibility (20% weight):

- Digital Transformation (8/10): Clear implementation pathway with available external expertise
- Subscription Service (5/10): Significant logistical challenges and delivery infrastructure requirements

#### Revenue Impact Potential (25% weight):

- Digital Transformation (9/10): Unlimited geographic reach and 24/7 accessibility maximise revenue potential
- Subscription Service (7/10): Predictable revenue but limited by local market size constraints

#### Competitive Advantage (20% weight):

- Digital Transformation (9/10): Directly addresses competitive weaknesses and enables differentiation
- Subscription Service (7/10): Offers differentiation but competitors can replicate model easily

#### Alignment with Business Values (15% weight):

- Digital Transformation (8/10): Supports sustainability through reduced paper waste and optimised delivery
- Subscription Service (8/10): Strong alignment with sustainability and customer relationship values

Grid Analysis Conclusion: Digital Transformation scores 8.25/10 compared to Subscription Service at 6.55/10, representing a significant advantage of 1.7 points (26% higher score). This quantitative analysis confirms digital transformation as the superior strategic choice across multiple critical business dimensions.

## References

- Chaffey, D. and Ellis-Chadwick, F. (2019) *Digital Marketing: Strategy, Implementation and Practice*. 7th edn. Harlow: Pearson Education Limited.
- De Bono, E. (2017) *Serious Creativity: How to Be Creative Under Pressure and Turn Ideas into Action*. London: Penguin Random House.
- Kotler, P., Kartajaya, H. and Setiawan, I. (2020) *Marketing 4.0: Moving from Traditional to Digital*. Hoboken: John Wiley & Sons.
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