



LCLM 4004 PROBLEM SOLVING and DECISION MAKING

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OUTLINES OF TODAY'S presentation:

- Introduction
- Identify the nature of the business problem
- A discussion on the nature and scope of the business problem on this organisation
- A PESTLE/PESTEL analysis of the macro-environmental factors (pressures) affecting the Green Haven Florists business as stated in the case study.
- A research-informed analysis of the business problem, with focus on cause-and-effect.
- Conclusion.



INTRODUCTION -green Haven FLORISTS



- Founded in 2016, Green Haven Florists is a stand-alone floral shop located in Norwich, UK.
- Liam and Priya Patel founded the company, which gained a solid reputation for custom floral arrangements, environmentally friendly packaging, and community involvement.
- However, the company's in-store sales have dropped by 30% in the last 12 months.

IDENTIFICATION OF THE NATURE OF BUSINESS PROBLEM AT GREEN HAVEN FLORIST.

- **Internal Issues**

- An outdated and challenging-to-use website
- Minimal efforts in digital marketing
- No flexible delivery options or subscription
- Increased operational expenses as a result of sustainable sourcing.

- **External Issues**

- A 30% drop in in-store sales
- A decrease in foot traffic on high streets
- Increasing import costs for flowers as a result of supply chain interruptions and inflation
- Increasing competition from internet merchants
- Two fresh regional rivals are joining the market.

- **Overall Issues**

- A decline in earnings and profitability
- More pressure from competitors
- The necessity for business adaptation is urgent.



5W2H at Green Haven Florist.



What?

Decline in in-store sales and reduced profitability.

Why?

Shift to online shopping, increased competition, rising costs, outdated digital presence.

Where?

Primarily affecting the physical store in Norwich high street.

When?

Over the past 12 months.

Who?

Customers shifting to competitors

Liam and Priya (owners)

Employees

Suppliers

How?

Through reduced foot traffic, price competition, limited online functionality, and increased operational expenses.

How much?

30% decline in in-store sales, plus increased supply and sustainability costs.

This model confirms the issue is both internal and external.

THE NATURE AND SCOPE OF BUSINESS PROBLEM AT GREEN HAVEN FLORIST :

- **The problem's scale**
 - A notable 30% decline in revenue from physical stores
 - The growth in online sales is not enough to counteract the decline.
- **Impact's Range**
 - The strain on finances caused by growing operating expenses
 - More pressure from competitors
 - A smaller local market share
 - A strategic mismatch with the trends in digital retail
- **Implications for Business**
 - A strategic adjustment is required.
 - The necessity of digital transformation
 - A review of the service and pricing models



FISHBONE DIAGRAM GREEN HAVEN FLORIST :

People (Staff & Management)

- Limited digital marketing skills
- Over-reliance on word-of-mouth promotion
- Lack of expertise in e-commerce strategy
- Slow response to changing customer behaviour

Methods (Business Processes)

- Traditional retail-focused business model
- No subscription service
- Limited delivery options
- No loyalty programme
- Minimal promotional campaigns

Technology

- Outdated website
- Difficult navigation for customers
- Weak online ordering system
- Poor SEO visibility
- Limited use of Instagram and digital ads

Materials / Suppliers

- Rising cost of imported flowers (e.g., orchids, tulips)
- Increased cost of eco-friendly packaging
- Supply chain disruptions
- Inflation affecting wholesale prices

Environment (External Market Conditions)

- Reduced high street foot traffic
- Closure of nearby businesses
- Growth of online flower delivery services
- New local competitors
- National chain with aggressive pricing

Customers

- Preference for convenience
- Demand for same-day delivery
- Price sensitivity
- Expectation of subscription services
- Shift to online shopping



A PESTLE ANALYSIS OF GREEN HAVEN FLORIST:

- **Political**
 - Post-Brexit trade regulations increasing flower import cost.
- **Economic**
 - Inflation increasing supplier prices
 - Reduced disposable income affecting spending
- **Social**
 - Consumer shift toward online convenience
 - Continued demand for sustainable product.
- **Technological**
 - Growth of e-commerce and social media marketing
 - Outdated website limits digital competitiveness
- **Environmental**
 - Sustainable sourcing increases costs
 - Rising eco-conscious expectations
- **Legal**
 - Compliance with consumer and employment regulations

CAUSE AND EFFECT ANALYSIS: GREEN HAVEN FLORIST:

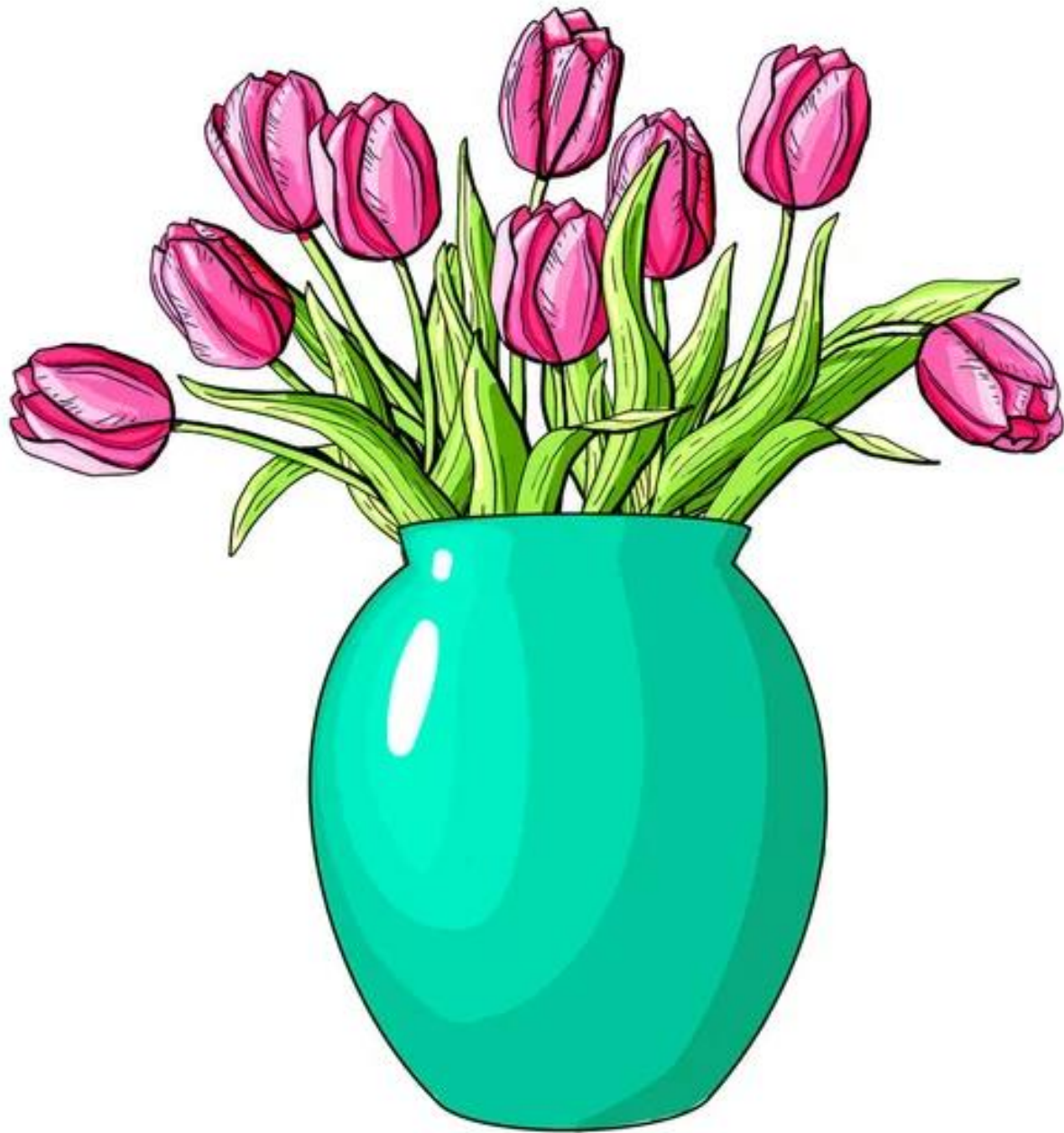


- **Main Problem: Decline in In-Store Sale.**
- **People**
 - Limited digital marketing expertise
 - Small management team
- **Process**
 - No subscription model
 - Limited delivery flexibility
- **Promotion**
 - Weak social media presence
 - Outdated website
- **Price**
 - Higher costs due to sustainability
 - Competitors offering discount.
- **Place**
 - Reduced high street activity
 - Business closures nearby
- **Product**
 - Rising cost of imported flowers
 - Limited diversification

GREEN HAVEN FLORIST CAUSE AND EFFECT ANALYSIS

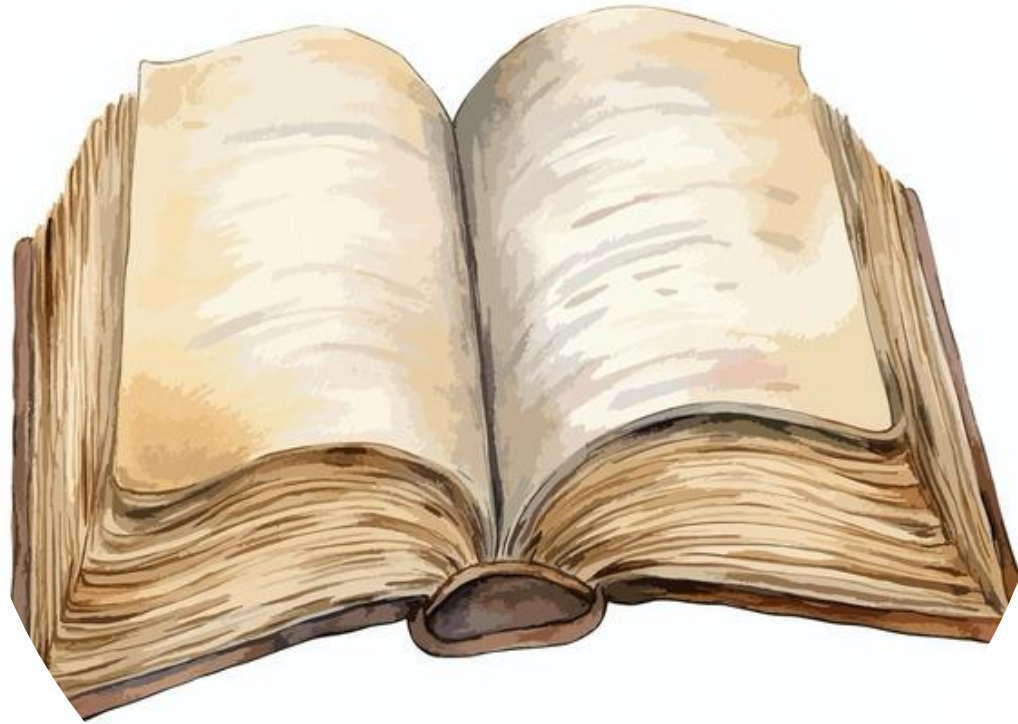


The Cause and Effect analysis demonstrates that the decline in in-store sales is not caused by a single issue but by multiple interconnected factors. Weak digital promotion, limited service flexibility, high pricing pressures, and reduced high street footfall collectively contribute to reduced customer traffic. The diagram highlights that internal operational weaknesses combined with external market pressures are driving the problem, indicating that both strategic and operational changes are required.



CONCLUSION:

- 30% decline caused by both internal and external pressures
- Digital underdevelopment is a critical weakness
- Economic and technological factors are major external drivers
- Increased competition intensifies price pressure
- Urgent need for strategic and digital transformation



LIST OF REFERENCES:

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- Institute for Healthcare Improvement (2026) Cause and Effect Diagram. IHI. Available at: <https://www.ihi.org/library/tools/cause-and-effect-diagram> (Accessed: date).
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**ANY
QUESTIONS?**

