

MODULE CODE: LCLM4004
**MODULE TITLE: PROBLEM SOLVING AND DECISION
MAKING**

**ASSIGNMENT TITLE: COMPONENT 1- INDIVIDUAL
PRESENTATION BASIL'S BAKERY**

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Introduction



- Examines Basil's Bakery sales decline following the COVID-19 pandemic impacts.
- Identifies major internal and external factors reducing business performance and sustainability.
- Applies the 5W2H model to define the problem systematically and clearly.
- Uses PESTEL analysis to evaluate external environmental influences affecting business operations.
- Employs Fishbone Diagram to identify root causes supporting effective managerial decisions.

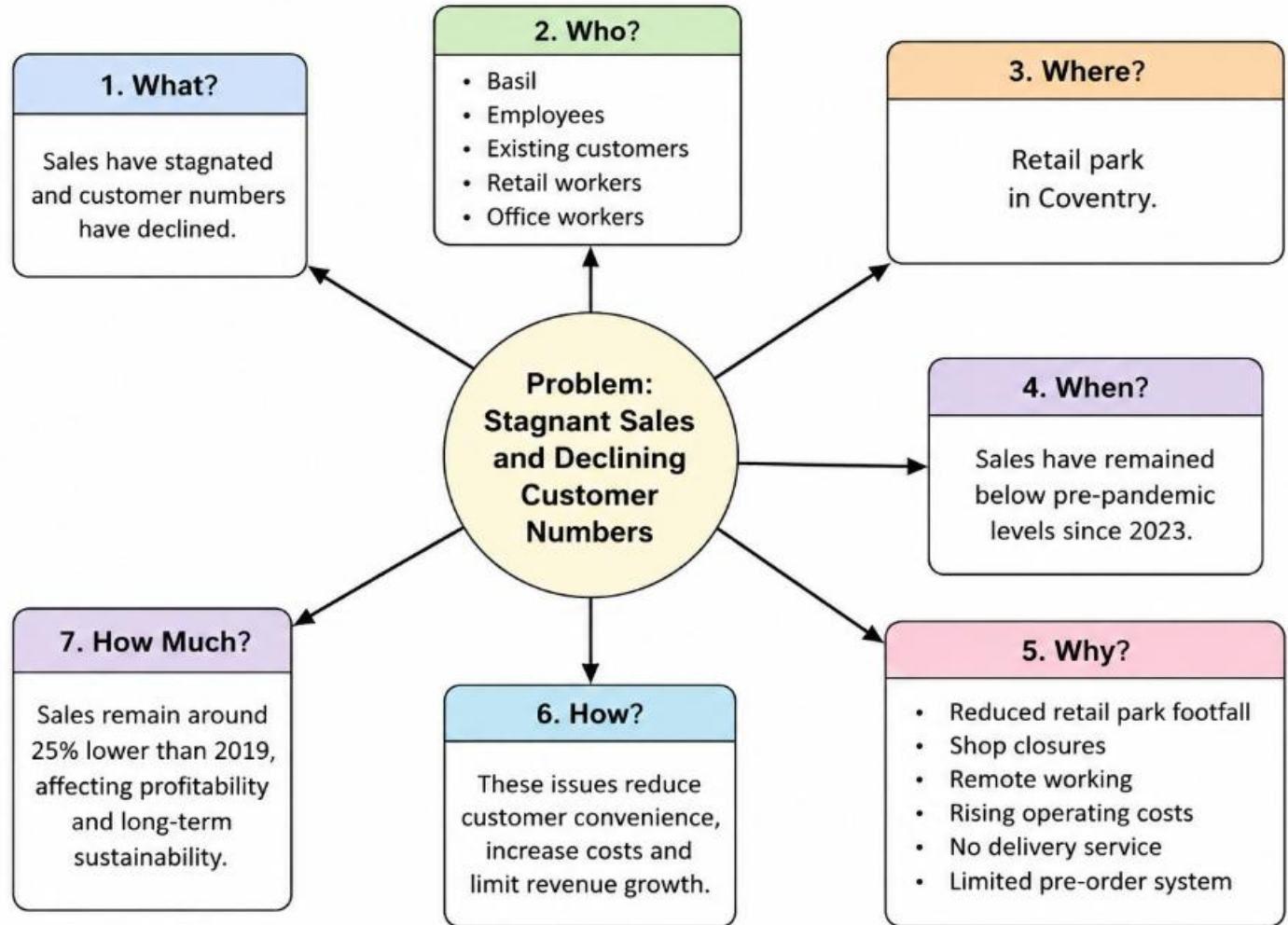


Company Background

- Established in **2015**, Basil's Bakery operates independently within Coventry's retail park location.
- Specialises in premium organic cakes, pastries and freshly baked artisan bread products.
- Serves shoppers, retail workers, warehouse employees and nearby office workers daily consistently.
- Sales increased steadily before COVID-19 but declined significantly during lockdown restrictions nationwide.
- Sales remain 25% below 2019 levels, prompting strategic business model review urgently.

Problem- Nature and Scope (5W2H Model)

- 5W2H systematically identifies problems through seven essential analytical questions for decision-making.
- Sales stagnation and declining customers represent Basil's Bakery's primary business challenge today.
- Reduced footfall, remote working and shop closures significantly decreased customer demand consistently (Ovezmyradov, 2026).
- Rising operating costs and limited services weakened competitiveness and revenue growth considerably.
- Sales remain 25% below 2019, threatening profitability and long-term business sustainability.



PESTEL Analysis (Political, Economic, Social)



Government policies and taxation increase operating costs, reducing bakery profitability (Yuliana et al., 2024).



Inflation and rising expenses significantly reduce Basil's financial performance and competitiveness (Rabensteiner et al., 2025).



Remote working decreases customer visits, reducing daily bakery sales opportunities (Stonke, Perret, and Mehn, 2025).



Growing demand for delivery and online ordering changes consumer purchasing expectations.



PESTEL analysis identifies external factors influencing Basil's Bakery's long-term business sustainability.

PESTEL Analysis (Technological, Legal, Environmental)



Limited online ordering and delivery reduce competitiveness and customer convenience (James et al., 2023).



Legal compliance increases administrative responsibilities and operational costs for Basil's Bakery (Petersen, Hansen, and Houlberg, 2024).



Food hygiene and safety regulations protect product quality and customer trust effectively.



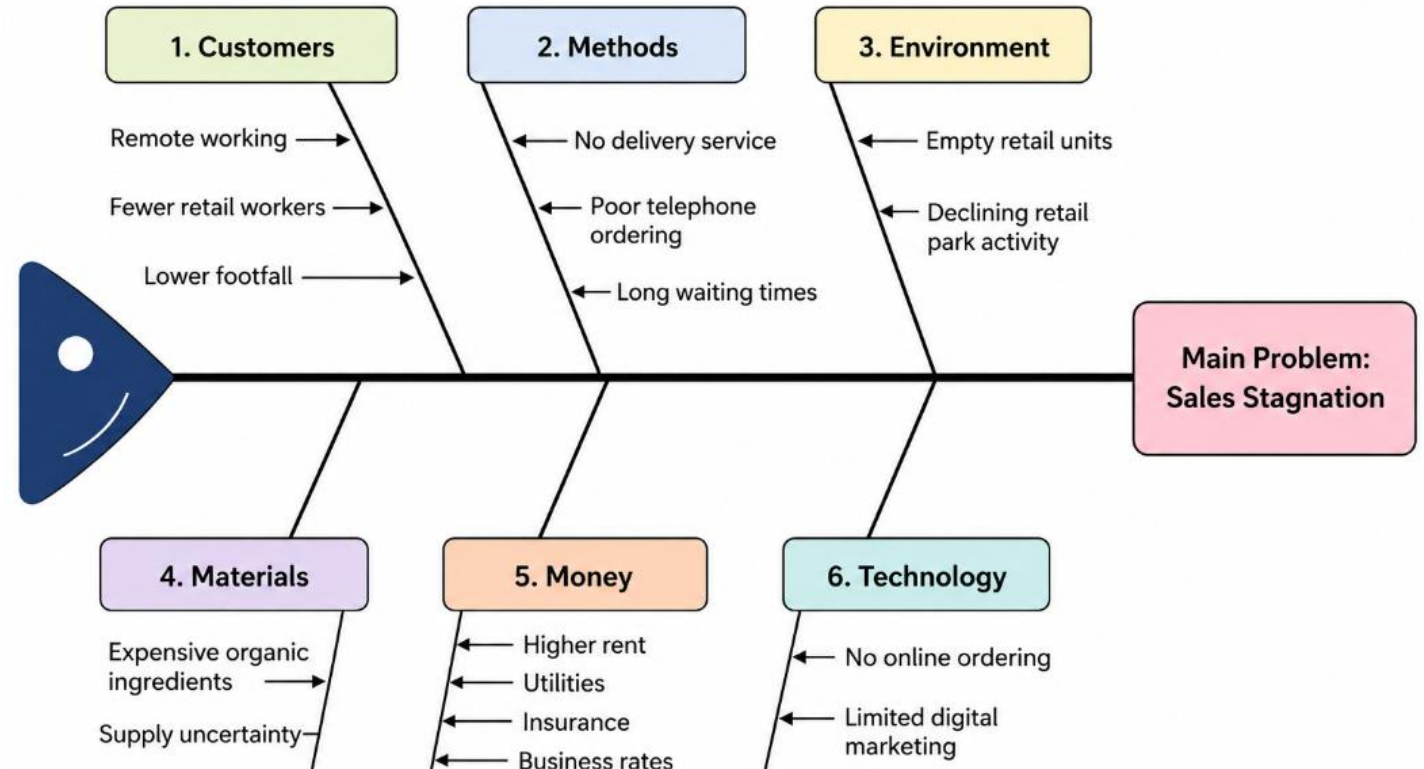
Weather-related crop failures increase organic ingredient costs and supply uncertainty significantly (Huang et al., 2022).



Sustainable waste management enhances environmental responsibility while meeting evolving customer expectations consistently.

Cause and Effect Analysis (Fishbone Diagram)

- Fishbone Diagram identifies root causes behind Basil's Bakery sales stagnation effectively (Philp et al., 2022).
- Customer factors include remote working, fewer retail employees and declining footfall consistently.
- Operational methods lack delivery services, efficient telephone ordering and quick customer service.
- Financial pressures include rising rent, utilities, insurance and increasing business rates significantly.
- Limited digital marketing and online ordering reduce competitiveness and customer accessibility substantially.





Conclusion

- Customer decline and changing behaviour caused persistent sales stagnation at Basil's Bakery.
- Rising operating costs significantly reduced profitability and long-term business sustainability prospects today.
- 5W2H model systematically clarified the bakery's key business problems and contributing factors.
- PESTEL analysis identified major external factors affecting overall business performance and growth.
- Fishbone Diagram revealed root causes supporting informed decisions and future business improvements.

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Thank You
