

Basil's Bakery

Why have sales stalled, and what is really causing it?

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Basil's Bakery

Overview of my presentation

Good morning / afternoon. My name is Mathurin Chanfort Bougne Nzokou. In my presentation I will:



Background

Introduce Basil's Bakery and the nature and scope of its problems.



PESTEL

Critique and apply the PESTEL framework.



Cause-and-Effect

Critique and apply the Cause-and-Effect model.



Key findings

Summarise the main findings from the analysis.

Background: Basil's Bakery



Independent organic bakery

Cakes, pastries and bread in a Coventry retail park. Open since 2015.



Loyal, local customers

Shoppers, retail park staff, and office and warehouse workers nearby.



Sales stuck since Covid

Growth until 2019, a fall in 2020, then only a partial recovery. Sales have never returned to pre-2020 levels.

Sales compared with 2019

100



2019

≈ 75



2023–25 average

Index: 2019 = 100. The case study states sales are about 25% below 2019.

The problems behind the stagnation

Root problem: sales stuck about 25% below 2019 (2023–25 average).

External: limited or no control

Quieter retail park, fewer visitors (none)

Shops closing, units left empty (none)

Loyal customers lost their jobs (none)

Hybrid working cuts lunch trade (none)

Rent, rates, utilities, insurance up (low)

Unpredictable organic stock costs (partial)

Internal: within Basil's control

No delivery service (full)

Pre-orders fail: phone not answered (full)

Long waits at busy times (full)

Basil must stay onsite to bake (partial)

PESTEL framework: a critique

What is it?

- Six macro-environmental factors: Political, Economic, Social, Technological, Environmental, Legal (Johnson et al., 2020).
- Grew out of Aguilar's (1967) environmental scanning.
- Looks outside the organisation only.

Why and where is it used?

- To spot external threats and opportunities early (Johnson et al., 2020).
- Strategic analysis, market entry and scenario planning.
- Often a first step before a SWOT analysis.

Benefits

- Simple, quick and cheap: no specialist data needed to start.
- Broad coverage of the wider environment.
- Gives a shared structure for discussion.

Criticisms

- Lists factors but does not measure or rank them (Yüksel, 2012).
- Treats factors separately, ignoring how they interact (Yüksel, 2012).
- Seen as a simple tool with limited academic depth (Ho, 2014).
- Ignores internal causes.

PESTEL applied to Basil's Bakery

Political

Medium

- Government sets tax and business-rate rules; employer National Insurance rose to 15% in April 2025 (GOV.UK, 2025).
- Local support for the retail park is unclear.

Economic

High

- Rent, rates, utilities and insurance well above 2019 (case study).
- Shop job losses cut spending by loyal customers (case study).

Social

High

- Hybrid working means fewer daily commuters buying lunch (ONS, 2024).
- Customers ask for delivery and pre-ordering (case study).

Technological

Medium

- Phone-only pre-ordering fails when Basil is busy (case study).
- No online ordering or delivery channel exists (case study).

Environmental

Medium

- Organic crops are more vulnerable to crop failure (case study).
- Ingredient costs are therefore hard to predict and budget.

Legal

Low

- Employment and compliance rules raise running costs (GOV.UK, 2025).
- Food-safety rules apply to all bakers, so they do not explain lost sales.

Cause-and-Effect model: a critique

What is it?

- Also called the Ishikawa or fishbone diagram (Ishikawa, 1990).
- The problem (effect) is the fish's head; causes branch off bones.
- Causes are grouped, e.g. people, methods, materials, environment (IHI, 2004).

Why and where is it used?

- Root-cause analysis: finds why a problem happens, not just its symptoms.
- Used in quality control, manufacturing and healthcare (Ishikawa, 1990; IHI, 2004).
- Usually done as a team brainstorm.

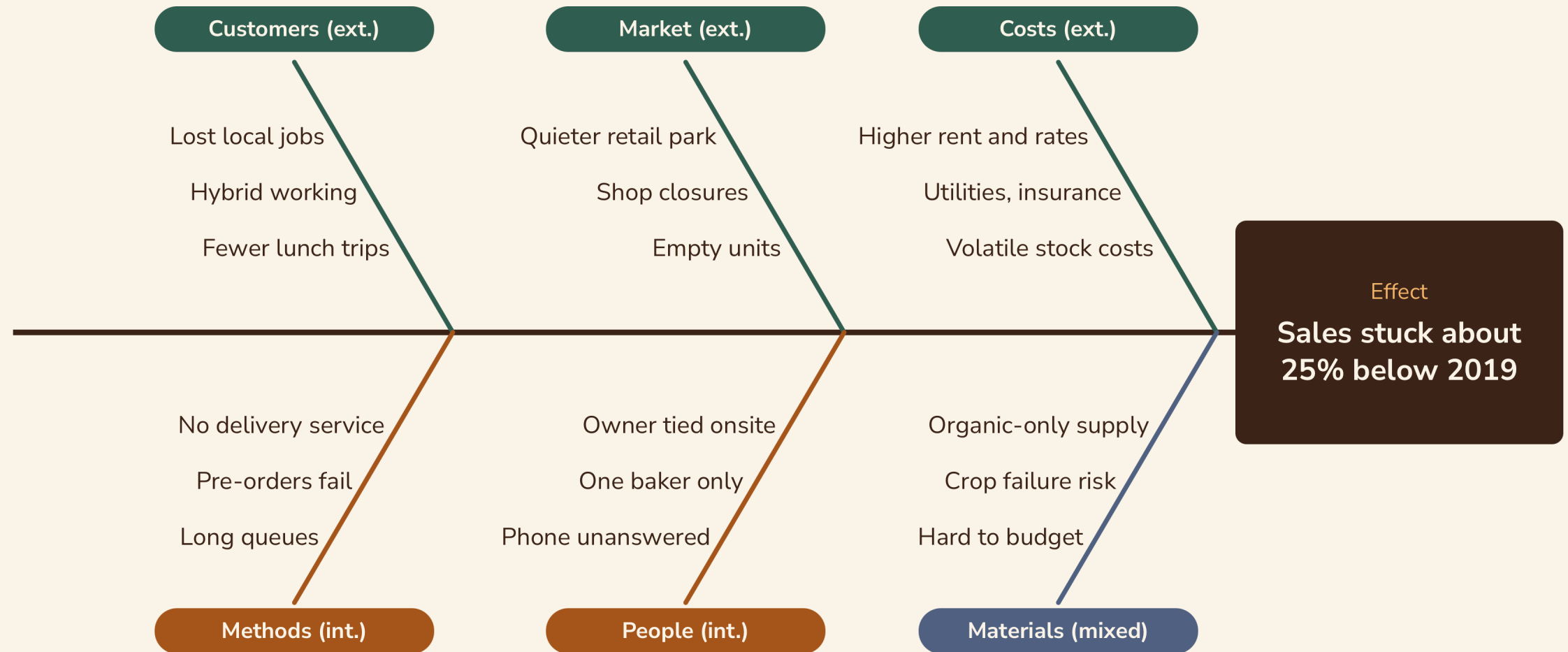
Benefits

- Visual and easy to explain to others (IHI, 2004).
- Organises many causes in one view.
- Covers internal and external causes together.

Limitations

- Causes are opinions until verified with data (Tague, 2005).
- Does not rank causes or show how they interact.
- Can become cluttered for complex problems.

Fishbone diagram: why are sales stuck?



ext. = external, int. = internal. Method: Ishikawa (1990); IHI (2004).

Key findings

1

Root problem

Sales have stagnated about 25% below 2019 because the post-Covid recovery stalled.

2

External forces

Lower footfall, hybrid working, job losses and higher overheads matter most, and are largely outside Basil's control.

3

Internal gaps

No delivery, unreliable pre-orders, long waits and a baker tied onsite are within Basil's control.

4

Two tools, one picture

PESTEL maps the outside pressures; the fishbone traces root causes inside and out. Together they give a fuller diagnosis.

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Thank you for listening

Questions and answers