

NAME: *Problem Solving and Decision Making*

MODULE CODE: *LCLM4004*

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Assignment 1: Presentation

OVERVIEW

- ▶ Introduction
 - ▶ Company background
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Introduction

Green Haven Florists company problems

- Significant Revenue Decline
 - 30% drop in in-store sales over the last 12 months.
 - Slight increase in online orders is insufficient to offset the loss of high-street foot traffic.
- Changing Market Dynamics
 - Shift in consumer behavior toward online shopping and large-scale retailers offering discounts.
 - Reduced high-street activity due to the closure of neighboring businesses.
- Rising Operational Costs
 - Surge in the price of fresh flowers (orchids/tulips) due to inflation and supply chain issues.
 - Maintaining the "sustainable ethos" (biodegradable packaging/local blooms) has become increasingly expensive.
- Digital & Operational Gaps
 - Outdated Technology: The current website is difficult to navigate and lacks flexible delivery/subscription options.
 - Marketing Deficit: Minimal digital presence; reliance on word-of-mouth is no longer competitive against social-media-savvy rivals.
- Intensified Competition
 - New local boutique with a strong Instagram presence.
 - National chains offering aggressive pricing and wider delivery coverage.

Company Background

Green Haven Florists

- Foundation: Established in 2016 by partners Liam and Priya Patel.
- Location: Small, independent flower shop based in Norwich, UK.
- Core Identity: Renowned for bespoke floral arrangements.
- Committed to a sustainable ethos, utilizing eco-friendly packaging and locally sourced blooms.
- Strong community ties and a reputation for a "personal touch."
- Customer Base:
 - Walk-in clients (bouquets).
 - Corporate clients.
 - Weddings and special events.
- Market Position: Originally a thriving business on a bustling high street, appealing to environmentally conscious consumers.

Problem: nature and scope

5W2H

1. What: A 30% decline in sales and profitability caused by low foot traffic, high costs, and an outdated digital presence.
2. Why: Shifting consumer preferences toward online shopping, rising inflation/supply costs, and a failure to compete with modern digital marketing.
3. Who: Owners Liam and Priya Patel, a dwindling loyal customer base, and aggressive local/national competitors.
4. Where: A declining high street in Norwich, UK.
5. When: A critical downturn over the last 12 months, following eight years of growth.
6. How: Reduced physical sales are not being offset by weak online performance, while rising stock and eco-packaging costs squeeze margins.
7. How Much: A 30% revenue drop and loss of market share to more convenient, lower-priced competitors.

PESTLE ANALYSIS: Green Haven Florists

- PASTLE analysis is a strategic framework used to examine the **external environment** of a company by assessing six key factors: **political, economic, social, technological, legal, and environmental**.
- PESTLE Analysis: Green Haven Florists

1. Political

- Trade Policies and Tariffs: Any new tariffs on floral imports from major hubs (like Colombia or the Netherlands) directly increase the shop's cost of goods sold.
- Government Support for SMEs: Lack of local government grants or business rate relief for high-street shops can exacerbate the pressure caused by the closure of neighbouring businesses.

PESTLE ANALYSIS: Green Haven Florists

2. Economic

- Inflation and cost of living: High inflation reduces consumers' spending. Since flowers are often a luxury purchase, customers are switching to large online retailers who offer frequent discounts and aggressive pricing. As discussed by Mankiw (2021), inflation often leads to the substitution effect, where buyers switch to cheaper alternatives.
- Rising Operational Costs: The shop faces rising costs for both fresh flowers and sustainable materials, making it difficult to maintain profit margins.

3. Social

- Consumer Shift to Online Shops: There is a general shift toward online shopping for convenience and lower prices. Customers value same-day delivery. CIPD (2025) highlights that social factors like changing lifestyle preferences (convenience-driven) are critical to organizational survival.
- Ethical and Sustainable Trends: There is a growing social demand for locally sourced blooms and biodegradable wrapping. So that they don't want to spend higher price for imported flowers.

PESTLE ANALYSIS: Green Haven Florists

4. Technological

- Digital Marketing Trends: Green Haven is failing to keep up with trends, relying on word-of-mouth. Meanwhile, competitors use Instagram presence to capture a younger, trendier demographic.
- E-commerce Infrastructure: The shop outdated and difficult to navigate website is a major barrier. Chaffey (2022) explains how poor User Experience (UX) leads to customer abandonment.

5. Legal

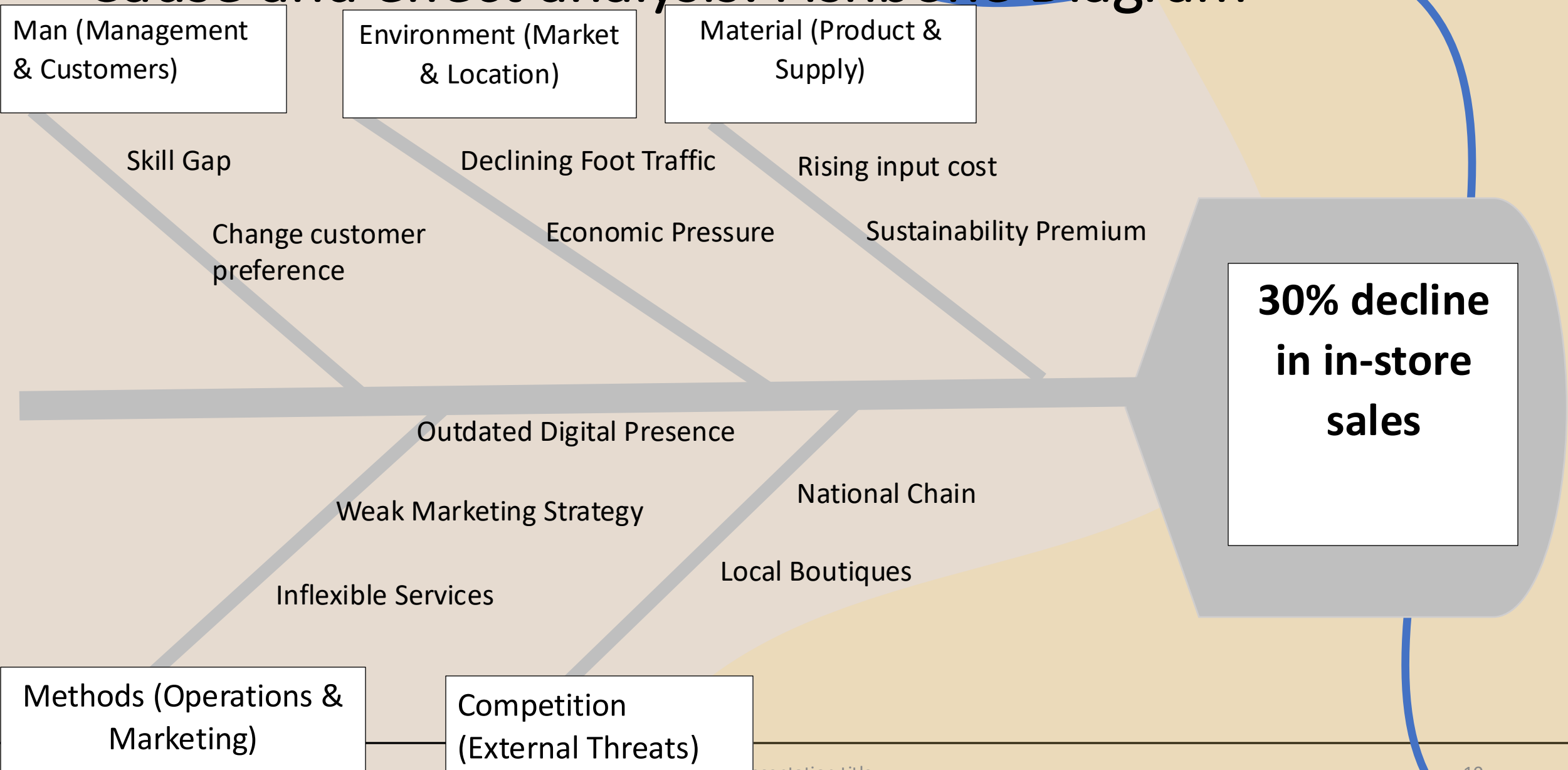
- Employment Laws: Any changes in the minimum wage or labor regulations increase the payroll costs for Liam and Priya, especially if they need to hire specialists to manage their digital transition.
- According to Porter Five Force (2025) Consumer Protection Requirements for clear disclosure of delivery promises and easy cancellation processes for the requested subscription services must be legally compliant.

PESTLE ANALYSIS: Green Haven Florists

6. Environmental

- Sustainability Commitment: Green Haven's commitment to locally sourced blooms and biodegradable wrapping is a positive environmental factor, but it currently acts as a financial strain. CIPD (2025) emphasizes that the increased need to switch to sustainable resources is a core environmental pressure for modern businesses.
- Climate Impact on Supply: Climate-related disruptions in flower-growing regions cause the rushed prices of specific varieties like orchids.

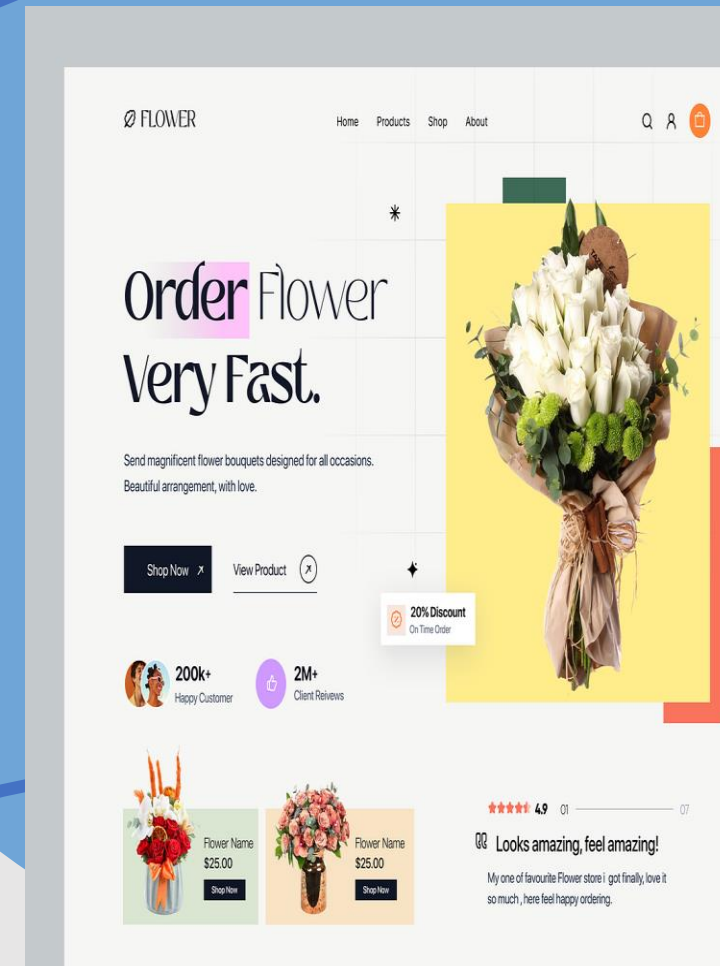
Cause and effect analysis: Fishbone Diagram



Conclusion

To summarizing my presentation Green Haven Florists is finally facing a critical downturn driven by a combination of external market shifts and internal operational gaps. The primary issues include:

- **Financial Instability:** A 30% drop in in-store revenue over the last year, which is not being offset by stagnant online sales.
- **High-Street Erosion:** Significant decline in foot traffic due to the closure of neighboring businesses in Norwich, making the physical storefront less workable.
- **Technological Stagnation:** An outdated website and minimal digital marketing presence are preventing the shop from competing in an increasingly online-first market.
- **Cost & Supply Pressures:** Rising inflation and supply chain disruptions have surged the cost of fresh flowers and sustainable materials, squeezing profit margins.
- **Intensified Competition:** Local "Instagram-savvy" boutiques and national chains with aggressive pricing are eroding Green Haven's traditional customer base.



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Thank You

Questions