

Module Title: Problem Solving and Decision Making

Module Code: LCLM 4004

Assessment: Report – Basil's Bakery

Student Name: EGNER FAVERO

Student Number: 2441163

Lecturer's Name: ANITA NAN

Table of Contents

<u>Contents</u>	<u>Page Number</u>
Task 1: Overview of Case-study	3
Task 2: Two proposed solutions	3
Task 3b): Evaluation Results and Justifications	4
Task 4b): Justifications for the Implementation Plan	4
Task 5b): Justifications for the KPI and SMART objectives	5
Task 6: Key Findings	5
Reference List	6

Appendices

Appendix 1: Task 3a) PMI Evaluation Table.....	8
Appendix 2: Task 4a) Implementation Plan.....	9
Appendix 3: Task 5a) KPI and SMART Table.....	10

Task 1: Overview of Case-study

Basil's Bakery is a small independent bakery located in a retail park in Coventry, UK. Since opening in 2015, the business experienced steady growth until the COVID-19 pandemic, after which sales failed to recover to previous levels. Customer footfall has decreased due to shop closures in the retail park and the increase in home working. In addition, the bakery does not offer delivery or an online pre-order service, despite customer demand. Rising operating costs and unpredictable prices for organic ingredients have also reduced profitability. These internal and external factors have created a significant challenge for the long-term sustainability of the business (Kotler and Keller, 2022).

Task 2: Two Proposed Solutions

Solution A: Online Ordering and Delivery Service

The first proposed solution is to introduce an online ordering system with click-and-collect and local delivery services. Customers would be able to place orders through a website or mobile platform and choose either home delivery or collection at a convenient time. This solution responds directly to customer requests identified in the case study and helps Basil reach people who now work from home or no longer visit the retail park regularly. It also improves customer convenience, reduces waiting times during busy periods, and creates an additional sales channel, helping the bakery increase revenue and remain competitive (Chaffey, 2022).

Solution B: Business Partnerships and Marketing Campaign

The second proposed solution is to introduce a customer loyalty programme supported by digital marketing. Customers could earn rewards after a few purchases, while social media advertising and email promotions would encourage repeat visits and attract new customers. Regular promotions could highlight seasonal products and special offers, increasing customer engagement and brand awareness. This strategy is relatively inexpensive and helps strengthen relationships with existing customers while attracting new ones. As a result, Basil's Bakery could improve customer retention and increase sales without making major operational changes (Kotler and Keller, 2022).

Task 3b) Evaluation Results and Justifications

The PMI evaluation indicates that **Solution A**, which introduces an online ordering, click-and-collect, and delivery service, is the most appropriate option for Basil's Bakery. Although this solution requires an initial investment in technology and staff training, its benefits outweigh the disadvantages. It directly addresses the main problems identified in the case study by reaching customers who work from home, reducing waiting times, and providing the delivery service that customers have requested. In comparison, Solution B improves customer loyalty and marketing but does not solve the bakery's biggest challenge of reduced customer access. The evaluation considered the potential impact on sales, customer convenience, implementation costs, and long-term business growth. These criteria were prioritised because increasing revenue and adapting to changing customer behaviour are essential for the bakery's future success. Therefore, Solution A is the preferred option for implementation (De Bono, 1992).

Task 4b) Justifications for the Implementation Plan

The implementation plan has been designed to ensure that the new online ordering, click-and-collect, and delivery service is introduced in a structured and organised way. The first step is to develop the online ordering system because customers need a reliable platform before the service can be launched. Once the system is operational, the bakery can introduce click-and-collect and delivery services with support from a local delivery partner. After these services are available, a marketing campaign will be launched to inform existing customers and attract new ones. Finally, sales performance and customer feedback will be monitored continuously to identify any areas for improvement. This sequence reduces operational risks, allows staff to adapt gradually to the new processes, and supports a successful implementation. A structured implementation plan helps businesses manage change effectively and improve the likelihood of achieving their objectives (CIPD, 2023).

Task 5b) Justifications for the KPI and SMART Objectives

The selected Key Performance Indicator (KPI) is to increase monthly sales revenue by **20%** within six months after introducing the online ordering, click-and-collect, and delivery service. This KPI is appropriate because the main problem identified in the case study is declining sales caused by reduced customer footfall. Measuring sales growth will clearly show whether the new service is achieving its objective.

The SMART objectives support the KPI by providing a clear and structured target. The objective is **Specific** because it focuses on increasing sales through online services. It is **Measurable** by monitoring monthly sales revenue and the number of online orders. It is **Achievable** because customers have already expressed interest in delivery and pre-order services in the case study. It is **Relevant** because increasing sales is essential for improving the bakery's financial performance and long-term sustainability. Finally, it is **Time-bound** because the target is expected to be achieved within six months. Using a KPI together with SMART objectives allows Basil's Bakery to monitor progress, evaluate performance, and make improvements if the expected results are not achieved (Parmenter, 2020; Doran, 1981).

Task 6) Key Findings

The analysis identified that Basil's Bakery is experiencing declining sales due to reduced customer footfall, changes in customer shopping behaviour, and increasing operating costs. Two possible solutions were evaluated using the PMI technique. The results showed that introducing an online ordering, click-and-collect, and delivery service is the most effective solution because it directly addresses customer needs and creates new sales opportunities. An implementation plan was developed to introduce the service in a structured way, while a KPI and SMART objectives were established to measure performance. If implemented successfully, the proposed solution should improve customer satisfaction, increase sales, and support the long-term sustainability of Basil's Bakery.

Reference List

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Appendices

Appendix 1 – Task 3a

PMI Evaluation Table

<u>Online Ordering, Click-and-Collect and Delivery Service</u>		
Plus	Minus	Interesting
Increases sales by reaching customers who work from home.	Initial cost of creating an online ordering system.	Opportunity to attract new customers outside the retail park.
Improves customer convenience.	Additional staff or delivery partner may be required.	Could increase repeat purchases through online promotions.
Reduces waiting times during busy periods.	Staff will need training to manage online orders.	Online customer reviews could improve the bakery's reputation.
Reaches more customers who work from home.		

<u>Customer Loyalty Programme and Digital Marketing Campaign</u>		
Plus	Minus	Interesting
Encourages repeat purchases.	Does not solve the lack of delivery service.	Social media can reach younger customers.
Low implementation cost.	Results may take time to appear.	Seasonal promotions can increase sales during quiet periods.
Improves customer relationships.	Requires regular marketing activities.	Customer data can be used for future promotions
Easy to implement		

Appendix 2 – Task 4a

Implementation Plan

Name the problem you are solving: Declining sales and reduced customers footfall due to the lack of online ordering and delivery services.

Name the solution you are implementing: Online ordering, click-and-collect, and delivery service.

	WHAT	HOW	WHEN	WHO
1	Develop an online ordering system	Create a simple website or partner with an online ordering platform to allow customers to place orders in advance.	9 th July-15 th July 2026	Basil and an IT/Web Developer
2	Launch click-and-collect and delivery service	Introduce collection times and partner with a local courier or hire a part-time delivery driver.	16 th July-23 rd July 2026	Basil and Delivery Partner
3	Promote the new service	Advertise on social media, distribute flyers in the retail park, and inform existing customers through posters and special offers.	24 th July-30 th July 2026	Basil and Marketing Assistant

Appendix 3 – Task 5a

The Key Performance Indicator is:

Specific	Measurable	Attainable	Relevant	Time-Bound
Introduce an online ordering, click-and-collect, and delivery service to improve customer convenience, increase sales, and strengthen Basil's Bakery's competitive position in the local market.	Increase monthly sales revenue by 20% , achieve at least 100 online orders per month , and monitor customer satisfaction using monthly sales reports, online ordering data, and customer feedback.	The target is realistic because customers have requested these services, and similar bakeries have successfully increased sales through digital ordering.	This objective directly addresses the decline in sales and reduced customer footfall experienced by Basil's Bakery.	Achieve the target within 6 months of launching the new service, with monthly performance reviews to monitor progress and make improvements where necessary.