

Module Title: Problem Solving and Decision Making

Module Code: LCLM 4004

Assessment: Component 2 Report – Basil's Bakery

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## **Task 1: Overview of Case-study**

Basil's Bakery is a small artisan bakery in Coventry that stands out for its use of organic ingredients and its range of high-quality products. Although it saw sales growth up until 2019, the business has not fully recovered following the COVID-19 restrictions, remaining approximately 25 per cent below its previous performance. The main challenge lies in the ongoing decline in demand. This situation is linked to reduced footfall in the shopping centre, the closure of shops, the rise in remote working and changes to consumers' routines. At the same time, the lack of online orders and delivery services limits the bakery's ability to meet customers' new needs (Basil's Bakery Case Study, 2026).

## **Task 2: Two Proposed Solutions**

### **- Business Partnerships and Catering Services for Local Companies - Solution A Proposal.**

Basil's Bakery could develop partnerships with nearby companies, offices and warehouses, offering breakfast boxes, light meals and pre-ordered catering services. This strategy would enable the bakery to reduce its reliance on walk-in trade at the shopping centre and create an additional source of revenue. Corporate orders could be organised in advance, facilitating production planning and reducing waste. Furthermore, offering artisanal and organic products could set the business apart from its competitors and foster long-term commercial relationships. Diversifying sales channels could thus increase Basil's Bakery's reach and contribute to a more consistent recovery in revenue (Kotler, Keller and Chernev, 2022).

### **- Repositioning the Product Range and a Loyalty Scheme - Solution B Proposal.**

Basil's Bakery could adapt its product range to meet current consumer needs by introducing seasonal products, combined breakfast and lunch options, and a loyalty programme. These initiatives could encourage repeat purchases and increase the value of transactions by existing customers. The use of rewards would also help to strengthen relationships with consumers and encourage more frequent visits. At the same time, promoting the new options through digital channels could increase the bakery's visibility and reach customers who currently visit the shopping centre less frequently. This approach would enable the company to strengthen customer retention, differentiate its offering and support a recovery in sales (Buttle and Maklan, 2019).

### **Task 3b) Evaluation Results and Justifications**

The results of the PMI analysis presented in Appendix 1 indicate that Solution A—Commercial Partnerships and Catering Services for Local Businesses—is the most favorable option for Basil's Bakery. The decision was based on criteria such as the ability to increase sales, reach new customer segments, reduce dependence on foot traffic in the shopping center, and establish more consistent demand. These factors were given greater weight because they are directly linked to the main challenges identified in the business. Revenue recovery and demand diversification were therefore considered higher priorities than ease of implementation. Although Solution B could improve customer loyalty and encourage repeat purchases, its performance remains more dependent on the frequency of visits by existing customers. In contrast, Solution A allows for the development of new business relationships and the outreach to corporate clients, creating additional revenue opportunities. Thus, it offers greater potential to respond to market changes and strengthen the bakery's financial sustainability. The use of criteria and weightings makes the comparison between alternatives more systematic and well-founded (Zhang and Balakrishnan, 2021).

### **Task 4b) Justifications for the Implementation Plan**

The plan has been structured progressively to enable Basil's Bakery to develop the new service without incurring excessive costs or commitments at the outset. The first stage focuses on identifying potential business customers, as understanding demand is essential before defining the offering. In the second stage, menus, prices and procedures will be finalised, ensuring that the service is operationally viable. The third phase introduces a pilot scheme, allowing the response of the first customers to be assessed before a wider roll-out. Finally, the results will be analysed and used to refine the service. Basil will lead decision-making and relations with businesses, whilst staff will assist with the preparation and delivery of orders. The eight-week timeline allows sufficient time to test each phase and rectify any issues. This phased approach reduces exposure to risk and facilitates the management of available resources (Project Management Institute, 2021).

## **Task 5b) Justifications for the KPI and SMART Objectives**

The selected KPI, which measures the number of repeat business customers per month, is appropriate because it assesses whether the catering strategy is creating ongoing commercial relationships rather than occasional orders. This directly supports Basil's Bakery's aim of diversifying demand and reducing reliance on shopping centre footfall.

The objective is specific because it focuses on securing corporate clients who regularly use the catering service. It is measurable through the target of ten repeat corporate clients, allowing progress to be monitored. It is achievable because the bakery plans to contact companies, promote its catering service and initially trial it with a limited number of potential clients. It is relevant because regular corporate customers can provide more predictable demand and support sales recovery. Finally, the six-month timeframe makes the objective time-bound, providing sufficient time to establish relationships, collect feedback and improve the service.

This approach is consistent with current performance management guidance, which emphasises that objectives should be clearly defined, measurable, aligned with organisational goals and supported by appropriate performance measures (CIPD, 2026).

## **Task 6 a) Identify one Key Performance Indicator (KPI) and a set of SMART objectives.**

The selected KPI will be the number of corporate clients placing recurring catering orders each month. This will measure whether the new strategy is converting potential partners into regular revenue sources. The SMART objective is to secure 10 recurring corporate clients within six months of launching the service. It is Specific because it targets corporate customers, Measurable through the number of recurring clients, Achievable through sales contacts and pilot schemes, Relevant to diversifying revenue, and Time-bound by the six-month deadline. This approach follows current CIPD guidance, which recommends clear objectives aligned with organisational goals and measurable performance indicators (CIPD, 2026).

### **Task 6 b) Based on 6a) describe how these metrics will be used to monitor and evaluate the effectiveness of the solution.**

The solution's performance will be monitored monthly based on the number of business customers placing repeat orders. The results will be compared against the target of 10 regular customers over a six-month period, enabling an assessment of the catering strategy's progress. Analysing this data will help Basil determine whether the partnerships are generating consistent demand and contributing to greater revenue stability. Should the results fall short of expectations, changes may be made to sales prospecting, the menus or the terms offered to businesses. In this way, the KPI will serve as a performance monitoring tool and enable the actions implemented to be aligned with the bakery's strategic objectives (Hristov, Chirico and Camilli, 2022).

### **Task 7) Key Findings**

- Basil's Bakery is facing a prolonged decline in demand, mainly linked to reduced footfall in the shopping centre, remote working and the loss of regular customers.
- The analysis considered two alternatives: developing business partnerships with catering services or repositioning the offering through differentiated products and customer loyalty schemes.
- The PMI assessment favoured Solution A, due to its potential to reach new markets, diversify revenue streams and reduce dependence on footfall in the shopping centre.
- Phased implementation, starting with research into potential business partners and concluding with the expansion of the service, allows for cost control and risk mitigation.
- The defined KPI — 10 recurring corporate clients within six months — will enable objective monitoring of performance and assessment of the strategy's effectiveness (Hristov, Chirico and Camilli, 2022).

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# Appendices

## **Appendix 1 – Task 3a**

### **PMI Evaluation Table**

The PMI (Pros, Cons, Interesting) technique was used to compare the two proposed solutions. The PMI technique offers a structured approach to decision-making, taking into account the positive, negative and potentially significant aspects of each alternative (Pratama and Putra, 2024).

| <b><i><u>Provide the Name (Business Partnerships and Catering Services for Local Companies- Solution A)</u></i></b> |                                                             |                                                              |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------|
| <b>Plus</b>                                                                                                         | <b>Minus</b>                                                | <b>Interesting</b>                                           |
| It can generate regular business orders. +3                                                                         | You may charge special rates for business customers. –1     | Possibility of recurring contracts. +2                       |
| Utilises existing production capacity. +2                                                                           | It may require packaging, transport and promotion. –2       | Investment may increase gradually in line with demand. +2    |
| Allows you to reach nearby offices and warehouses. +3                                                               | It requires commercial effort to establish partnerships. –1 | You can set up a permanent business account. +3              |
| Diversify your sources of income. +3                                                                                | It might increase Basil's workload. –2                      | It can reduce reliance on the shopping centre's footfall. +3 |
| <b>TOTAL: +11</b>                                                                                                   | <b>TOTAL: -6</b>                                            | <b>TOTAL: +15</b>                                            |

Therefore: Overall Total for Name (Business Partnerships and Catering Services for Local Companies) = +15

**Repositioning of the Product Range and Loyalty Scheme -  
Solution B**

| <b>Plus</b>                            | <b>Minus</b>                                             | <b>Interesting</b>                                         |
|----------------------------------------|----------------------------------------------------------|------------------------------------------------------------|
| It can encourage repeat purchases. +2  | Growth may be gradual. -1                                | Seasonal products can encourage new purchases. +2          |
| Relatively simple to implement. +3     | Promotions and rewards can reduce profit margins. -2     | The programme can be adjusted in line with the results. +2 |
| It can win back existing customers. +2 | It depends mainly on traffic and consumer engagement. -2 | Social media can help spread the word. +2                  |
| It can help build customer loyalty. +3 | It requires ongoing maintenance of the campaigns. -1     | Customer data can help us understand their preferences. +2 |
| <b>TOTAL: +10</b>                      | <b>TOTAL: -6</b>                                         | <b>TOTAL: +8</b>                                           |

Therefore: Overall Total for Repositioning of the Product Range and Loyalty Scheme - for Solution B = +12

## **Appendix 2 – Task 4a**

### **Implementation Plan**

Name the problem you are solving: Basil's Bakery has seen a decline in sales due to fewer customers, an increase in remote work, and limited access to alternative ordering channels. Currently, the bakery has few opportunities to reach out to local businesses and generate regular catering orders.

Name the solution you are implementing: Develop a corporate catering service aimed at local businesses, offices, and warehouses, offering customized menus, a convenient ordering process, various payment options, and local delivery.

|          | <b>Task</b> | <b>WHAT</b>                                                                                                                    | <b>WHEN</b> | <b>WHO</b>            | <b>Done</b>              |
|----------|-------------|--------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------|--------------------------|
| <b>1</b> |             | Search for nearby businesses, offices and warehouses, identify potential corporate clients and assess the demand for catering. | Week 1      | Basil                 | <input type="checkbox"/> |
| <b>2</b> |             | Create catering menus, set prices, order sizes, payment terms and preparation and delivery procedures.                         | Week 2      | Basil + staff support | <input type="checkbox"/> |
| <b>3</b> |             | Contact selected companies, present the proposal and launch a pilot scheme with a number of corporate clients.                 | Weeks 3–4   | Basil                 | <input type="checkbox"/> |

|   |  |                                                                                                                       |           |               |   |
|---|--|-----------------------------------------------------------------------------------------------------------------------|-----------|---------------|---|
| 4 |  | Assess sales, costs, customer feedback and operational capacity; refine the service and expand it to other companies. | Weeks 5–8 | Basil + staff | □ |
|---|--|-----------------------------------------------------------------------------------------------------------------------|-----------|---------------|---|

This implementation plan outlines a structured sequence of activities, responsibilities, and deadlines, enabling Basil's Bakery to roll out its corporate catering service in a controlled manner. Regular monitoring during implementation will help identify operational issues and allow for adjustments to be made before the service is expanded. This approach reflects the principles of structured project planning, implementation, and monitoring recommended by the Project Management Institute (2021).

### **Appendix 3 – Task 5a**

The Key Performance Indicator is: The number of repeat business customers who place catering orders each month.

#### KPIs and SMART Objectives

| <b>Specific</b>                                                                                                                      | <b>Measurable</b>                                                                           | <b>Attainable</b>                                                                                                                       | <b>Relevant</b>                                                                                                                          | <b>Time-Bound</b>                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| To establish business relationships with nearby companies, offices and warehouses, encouraging regular orders for catering products. | To secure at least 10 repeat business customers, each placing at least one order per month. | The objective will be achieved by identifying local businesses, making direct contact, presenting the menus and running a pilot scheme. | Regular business customers can provide a more predictable source of demand and reduce reliance on shoppers visiting the shopping centre. | To secure 10 repeat corporate clients within six months of launching the catering service. |

This KPI was selected because it allows us to assess not only the number of new customers acquired, but also Basil's Bakery's ability to turn initial contacts into long-lasting business relationships. The SMART target sets out a quantitative outcome and a specific timeframe, making it easier to track progress. The use of specific, measurable, achievable, relevant and time-bound objectives provides a clear framework for guiding and evaluating organisational performance (Aldridge et al., 2024). The indicator should be monitored monthly to track changes in the number of loyal customers and identify any need to adjust the commercial strategy.