

Module Title: Problem Solving and Decision Making

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Assessment: Component 2 Report

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Task 1: Overview of Case-study

Critique the issues that are contributing to the root problem

Green Haven Florists is a small independent flower shop in Norwich founded in 2016 by Liam and Priya Patel. The business built a strong reputation for bespoke floral arrangements, eco-friendly packaging and strong relationships with the local community. However, over the past year the company has experienced a significant decline in sales, with a reported 30% drop in in-store purchases. The root problem affecting Green Haven is the shift in consumer behaviour toward online flower retailers combined with increasing operational costs. Contributing issues include an outdated website, weak digital marketing, increased competition from online and local florists, and reduced high-street foot traffic, which together threaten the company's profitability.

Task 2: Two Proposed Solutions

Solution A Proposal

Proposed solution A: Promoting digital transformation strategy focused on improving Green Haven's online presence. This would involve redesigning the company's website to make it modern, mobile-friendly and easier for customers to navigate. The website could include features such as online ordering, same-day delivery options and subscription flower services. Additionally, Green Haven should strengthen its digital marketing through social media platforms such as Instagram and targeted online advertising.

Justification: This solution would help the business compete with online retailers and attract new customers. By improving digital visibility and convenience, Green Haven could increase online sales and compensate for declining in-store foot traffic.

Solution B Proposal

- The second proposed solution is to strengthen Green Haven's community engagement and differentiate the brand from larger competitors. This strategy would involve hosting workshops, floral arrangement classes and partnerships with local businesses such as cafés, wedding planners and event venues. The business could also promote its sustainability values and locally sourced flowers through community events and loyalty programmes. By focusing on

personalised customer experiences, Green Haven could strengthen relationships with local customers and encourage repeat purchases. This approach builds on the company's existing reputation and highlights its unique qualities that large online retailers cannot easily replicate.

Task 3b) Evaluation Results and Justifications

- *NOTE: Based on the results from your Grid or PMI Analysis provided in Appendix 1:*
- Explain why either Solution A or B is the most appropriate solution to progress with.
- Explain and defend the criteria you used.
- Explain and defend the weightings you attributed to this criterion.
- Justify and defend this preferred solution
- Based on the grid analysis, Solution A (Digital Transformation Strategy) is the most appropriate option to implement. The evaluation criteria included cost, potential increase in sales, competitiveness, and long-term sustainability. These criteria were selected because they directly address the root problem of declining revenue and increased online competition. Higher weighting was given to sales growth and competitiveness because improving revenue is critical for the survival of the business. Although the digital strategy may require initial investment, it offers greater long-term benefits by expanding the customer base and improving convenience for online shoppers. Therefore, Solution A provides a more sustainable and scalable solution.

Task 4b) Risk Analysis Results and Justifications

- *NOTE: Based on the results from your Risk Analysis provided in Appendix 2:*
- Discuss the risks your solution may encounter.
- Explain and defend the criteria you used.
- Explain and defend the weightings you attributed to this criterion.
- Justify and defend that this solution is reliable.
- The proposed digital transformation strategy involves several potential risks. One risk is the financial cost of redesigning the website and implementing new technology. Another risk is the possibility that staff may lack the skills needed to manage digital marketing effectively. A third risk is that increased

online competition may still limit sales growth. The risk analysis criteria used were likelihood and impact, which help determine the seriousness of each risk. Higher weight was given to risks that could affect financial stability. Despite these challenges, the risks can be managed through careful budgeting, staff training and gradual implementation, making the solution reliable and achievable.

Task 5b) Justifications for the Implementation Plan

- *NOTE: Based on the Implementation Plan you provided in Appendix 3:*
- Explain and defend the order, scheduling and responsibilities of the tasks.
- Provide insight into your decisions and provide justifications for these.
- The implementation plan is structured in stages to ensure an organised and manageable process. The first stage focuses on researching customer needs and analysing competitors to identify improvements for the website. The second stage involves designing and launching the new website with improved navigation and online ordering features. The third stage introduces digital marketing campaigns to promote the new services through social media and online advertisements. Finally, the business will monitor customer feedback and adjust strategies accordingly. Responsibilities are shared between the owners and external specialists such as web developers and marketing consultants. This structured approach reduces risks and ensures the project is implemented efficiently.

Task 6b) Justifications for the KPI and SMART Objectives

- *NOTE: Based on the KPI and SMART Objective table you provided in Appendix 4:*
- Explain and defend the Key Performance Indicator you have proposed.
- Explain and defend the SMART objectives you have proposed.
- The key performance indicator selected is the growth of online sales and customer engagement. This KPI is appropriate because increasing online revenue directly addresses the decline in in-store sales. SMART objectives were developed to ensure clear and measurable goals. For example, Green Haven aims to increase online sales by 25% within six months after launching

the new website. The objective is specific because it focuses on online revenue, measurable through sales data, attainable through improved digital marketing, relevant to the business problem, and time-bound with a defined six-month target. These objectives allow the business to track progress and evaluate the success of the digital strategy.

Task 7) Key Findings

- Review your report
- Identify the most important four or five key findings from your report.
- Provide these in bullet format.
- Green Haven Florists has experienced a significant decline in sales due to reduced high-street foot traffic and increased online competition.
- The business's outdated website and limited digital marketing have weakened its ability to compete with online retailers.
- A digital transformation strategy is the most effective solution for improving online visibility and increasing sales.
- Implementing a structured plan that includes website redesign and digital marketing campaigns can help the business adapt to changing consumer behaviour.
- Monitoring performance through clear KPIs and SMART objectives will allow Green Haven to measure progress and make necessary improvements.

Reference List

- Include the details of all the sources cited in your report.
- Ensure these are presented in the Harvard Referencing style.
- Note: there is an expectation that at least five academic sources should be integrated with the content of this report.
- Kotler, P. and Keller, K. (2016) Marketing Management. 15th ed. Harlow: Pearson.
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- Porter, M. (2008) 'The Five Competitive Forces That Shape Strategy', Harvard Business Review, 86(1), pp. 78-93.
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- Chaffey, D. and Ellis-Chadwick, F. (2019) Digital Marketing. 7th ed. Harlow: Pearson.
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- Armstrong, G. and Kotler, P. (2020) Principles of Marketing. 18th ed. Harlow: Pearson.
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- Mind Tools (2023) Decision Making Tools and Techniques. Available at: <https://www.mindtools.com>

Appendix 1 – Task 3a

PMI Analysis Table

<u>Solution A:</u> Promoting digital transformation strategy focused on improving Green Haven's online presence		
Plus	Minus	Interesting
Improves website usability and online ordering.	Initial cost of website development.	Opportunity to reach a wider online audience.
Increases online visibility through social media marketing	Staff may require training for digital marketing	Potential to introduce subscription flower services
Competes more effectively with online flower retailers	Implementation may take time	Could attract younger digital customers
Convenient ordering and delivery for customers	Requires ongoing website maintenance	May increase brand recognition
TOTAL: 4	TOTAL: 2	TOTAL: 3

Therefore: Overall Total for Solution A = strong positive impact.

<u>Solution B</u> strengthen Green Haven's community engagement and differentiate the brand from larger competitors.		
Plus	Minus	Interesting
Strengthens relationships with local customers	Limited ability to attract new online customers	Could improve brand loyalty
Promotes sustainability and local sourcing values	Events require time and resources	Opportunity to collaborate with local businesses
Encourages repeat customers	Does not solve online competition problem	Workshop could generate additional revenue

Builds strong community reputation	May not significantly increase overall sales	Could improve word-of-mouth marketing
TOTAL: 4	TOTAL: 3	TOTAL: 3

Therefore: Overall Total for Solution B = moderate impact

Appendix 2 – Task 4a

Risk Analysis Table

	What could cause a risk?	What is the likelihood of the risk occurring? (1 – 5)	What is the impact of this risk? (1 – 5)	Risk Factor = Likelihood X Impact	What can you do to reduce this risk from happening?	If it happens – what can you do to minimise the impact?
1	High cost of website redesign	3	4	12	Set a clear budget and compare web developers	Implement project in phases
2	Lack of digital marketing skills	4	3	12	Provide staff training or hire a specialist	Outsource marketing temporarily
3	Online competition remains strong	3	4	12	Develop unique brand and sustainability marketing	Focus on niche market and loyalty program

Appendix 3 – Task 5a

Implementation Plan

Name the problem you are solving: declining sales and reduce customer traffic due to weak digital presence and increase online competition.

Name the solution you are implementing: digital transformation strategy.

	Task	WHAT	WHEN	WHO	Done
1	Conduct market research and analyse competitors to identify website improvements and customers' needs	Conduct market research	Month 1	Liam&priya	In progress
2	Hire a web developer to redesign the website with better navigation, online ordering and delivery options.	Redesign website	Month 2-3	External developer	In progress

3	Launch digital marketing campaign on Instagram, Facebook and google ads to promote the new website	Launch marketing campaigns	Month 4	Priya& marketing consultant	In progress
4	Monitor website traffic online sales and customer feedback to evaluate performance and make improvements	Monitor performance	Month 5-6	Liam& priya	In progress

Appendix 4 – Task 6a

The Key Performance Indicator is: increase online sales and customer engagement.

Specific	Measurable	Attainable	Relevant	Time-Bound
Increase online flower order through the redesigned website	Track number of online sales and website visitors	Achievable through improved website and digital marketing	Addresses the decline in in-store sales	Achieve a 25% increase in online sales within 6 months