

Module Title: Problem Solving and Decision Making

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Introduction

The report analyses the problem faced by Green Haven Florists, a small flower shop in Norwich, UK. The business has experienced a decline in sales due to competition,

rising costs and changes in customer behaviour. The report will explore the causes of this issue and suggest possible solutions to improve performance. A business problem can be defined as a situation that negatively affects the performance or profitability of a company and prevents it from achieving its objectives (Kotler et al., 2022). PMI - is a decision-making tool used to evaluate different solutions by analysing their advantages, disadvantages and other relevant factors. KPI - are specific metrics companies choose to quantify their performance and measure progress toward their unique goals (Parmenter, 2015). Which means goals play a huge role in choosing key performance indicators

Brief Explanation of the Specific Business Problem

Green Haven Florists is a small independent flower shop based in Norwich, UK. The business was founded in 2016 and became well known for its unique floral arrangements, eco-friendly packaging, and strong relationships with customers. The shop served a wide range of clients, including walk-in customers, corporate clients, and weddings. However, in the past year the company has experienced a significant decline in sales and customer visits. One of the main causes of this problem is the growth of online flower delivery services. Many customers now prefer to order flowers online because it is faster and more convenient. Large online retailers also offer lower prices and same-day delivery, which makes it difficult for small businesses like Green Haven Florists to compete (Porter, 2008). Another important factor is the increase in operational costs. The price of fresh flowers, especially imported flowers such as tulips and orchids, has increased due to inflation and supply chain disruptions. In addition, the business uses eco-friendly packaging and locally sourced materials, which are more expensive. Finally, the company's website is outdated and difficult to navigate, and the business has limited digital marketing. As a result, Green Haven Florists is struggling to attract new customers and maintain profitability.

Suggested Two Alternative Solutions

Solution A

- **Improve website usability and navigation**

This solution focuses on improving website usability and navigation (Chaffey and Ellis-Chadwick, 2019). The website would be redesigned to make it easier for customers to find products and place orders quickly. This would improve the user experience and encourage more customers to use the website.

Plus	Minus	Interesting
Attract more customers	Website development costs	Reach younger audience
Increase brand awareness	Need digital skills	Increase online sales
Low- cost marketing	No immediate result	Can expand business online
Strengthen brand image		
More online orders		

This solution would directly address the decline in sales by attracting more customers online. It would also help the business adapt to changing customer behavior, as many people prefer to shop online. Improving digital marketing can increase visibility and make the business more competitive(Forbes, 2022).

Solution B

- Introduce discounts and promotions

This solution focuses on introducing discounts and special promotions on selected days. For example, the business could offer lower prices during weekdays or create seasonal offers for holidays. This would help attract more customers, especially during quieter periods when sales are low.

Plus	Minus	Interesting
Attract more customers	Reduce profit margins	Can test different offers
Increase sales during quite period	Customers may wait for discount	Opportunity to attract new customers

Encourage repeat purchases	Lower perceived value of products	Can be used during slow period
Boost customer interest		
Discount flowers that are not very fresh		

This solution would directly address the decline in sales by attracting more customers to the shop. It would also help increase foot traffic and encourage customers to make more frequent purchases. As a result, it could improve overall sales and business performance.

Justification for Selected Solution

The most appropriate solution for Green Haven Florists is Solution A, which focuses on improving the website and online presence. This solution is more effective because it addresses the main problem, which is the loss of customers to online competitors. A better website would make it easier for customers to find products and place orders, improving their overall experience. Although Solution B can increase sales in the short term, it may reduce profit margins due to discounts. In contrast, Solution A provides a long-term solution by attracting new customers and increasing online visibility. Therefore, Solution A is more sustainable and beneficial for the business.

Risk Analysis of the Selected Solution

The main risks of redesigning the website include high costs, lack of technical skills and possible delays. As the business is run by only two owners, they may not have enough time or knowledge to complete this task, so they may need to hire a freelancer, which can increase costs. However, these risks can be reduced by planning carefully and using simple and affordable tools. Hiring help only when needed can control spending. Testing the website before launch can also prevent problems. Overall, this solution can improve sales and attract more customers.

Plan to Implement the Selected Solution

Problem:

- ✓ Low customer engagement and declining sales.

Solution:

- ✓ Improve website and online experience

Action plan

Actions	Description	Time frame	Staff responsible
Hire web specialist	The business may need to hire a web designer or IT support to create a professional and user-friendly website. This is important because staff may not have enough technical skills to complete this task. A specialist can ensure the website is modern, easy to use and works properly.	1 week	Liam/ Priya Patel
Analyse current website	The business will check the current website to identify the main problems. This includes poor navigation, old design, unclear product information and difficulty placing orders. Customer feedback can also be reviewed to understand what users find frustrating or confusing.	1 week	IT support
Create new design	A new website design will be developed based on the plan. The layout should be clean and mobile-friendly, with clear product images, prices and order options. Special attention should be given to making the website easy to use on both phones and computers.	2 weeks	Liam / Priya Patel

Develop website	The website will then be updated with improved features. These may include easier search options, simple ordering steps and clear contact details. These features are important because they help customers find products faster and complete purchases more easily.	3 weeks	IT support
Launch website	The new website will be launched and monitored regularly. The business should check whether customers are using it more, whether navigation has improved and whether online orders increase. Small updates can be made if further problems appear.	1 month	Liam/Pria Patel

Means of Measuring Effectiveness of Implementation of Selected Solution

To check if the website redesign is working well, the business can use some simple KPIs. One of the main ones is online sales. If more people start buying online, it means the new website is easier to use and more effective. Another KPI is website traffic, which shows how many people visit the website. If this number increases, it means more customers are interested. The business can also look at how long customers stay on the website. If they spend more time there, it usually means they find it useful and easy to navigate. SMART objectives can also help measure success. For example, the business can aim to increase online sales by 20% within 3 months after the website redesign. Another goal could be to improve website usability within a short period of time. These KPIs will be monitored regularly to track progress. The results will also be evaluated to understand if the website redesign is successful and if further changes are needed.

Conclusion:

The business has been experiencing a decline in sales and customer engagement due to strong competition and changes in customer behaviour. Many customers now prefer to buy flowers online, which has made it more difficult for small businesses like Green Haven Florists to compete. One of the main problems is the website, which is outdated and not easy to use, making it harder for customers to find products and place orders. Two solutions were suggested: improving the website and introducing discounts and promotions. After comparing both options, improving the website was considered the better solution because it can help the business in the long term. The action plan shows clear steps, such as analysing the current website, developing a new design and testing it before launch. Some risks were identified, including high costs and lack of technical skills, but these can be managed with careful planning. KPIs and SMART objectives can be used to monitor progress and evaluate if the solution is working.

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