
Problem solving and Decision making
LCLM4004
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Assignment 1: Presentation

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Company background
Problem: nature and scope
PESTLE ANALYSIS:
Basil's Bakery
Cause and effect analysis: Fishbone diagram
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OVERVIEW

Introduction

What the presentation is about?

Definitions of the concepts you
are going to use

Company background

Basil's Bakery

Founded in: 2015

Owners: Basil, whom of which is an accomplished artisan baker

Sells: Cakes, Pastries, Breads.

Location: independent business located in a shopping retail park in Coventry, UK.

Basil prides himself on sourcing high quality organic ingredients.

Annual sales figures increased year on year from 2015 up until 2020 when they significantly decreased due to lockdown.



Problem: nature and scope

5W2H

What: Though there was a recovery after COVID-19, sales have stagnated and remained around 25% below levels in 2019.

Who: Basil, employees, customers.

Where: At a retail park in Coventry, UK.

Why: Often shop closures, overheads increasing, reduced footfall, lack of delivery options.

When: 2020

How: Shopping center much quieter; fewer customers visiting the retail park; redundancy; loyal customers working from home.

How much: 25% below 2019 levels.

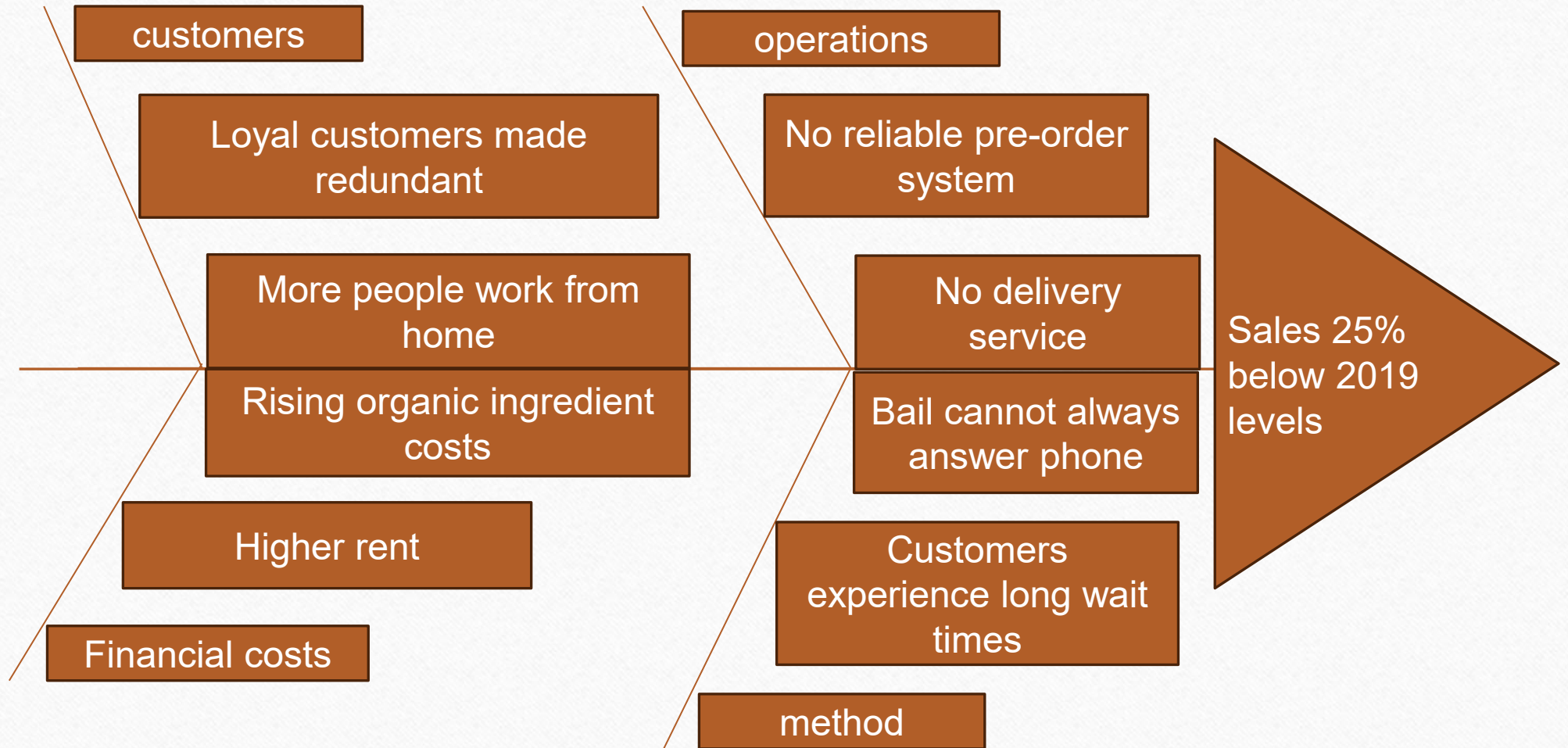
PESTLE ANALYSIS: Basil's Bakery

- Political: High UK business rates increase operating costs for bakeries, while changes in consumer behaviour following the COVID-19 pandemic have contributed to lower levels of repeat customers.
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- Economic: Rising overhead costs, including utilities and wages, place financial pressure on bakeries. Additionally, Regular ingredients remain more affordable than organic alternatives, influencing purchasing decisions.
- Social: Increased home working, redundancies, and reduced retail park footfall have led to fewer visitors and lower customer demand for local bakeries.

PESTLE ANALYSIS: Basil's Bakery

- Technological: Basil's bakery's ability to meet customers' changing expectations is reduced by the lack of pre-ordering, delivery services, and the inability to order online. This also limits convenience for customers.
- Legal: The need to comply with business regulations as such as insurance, rent, utility bills and rising business rates, increases the cost to operate the bakery.
- Environmental: Although basil's commitment to using organic produce supports environmental sustainability, these ingredients are more vulnerable to crop failure, and the cost of the stock is unpredictable, which makes it difficult to budget for.

Cause and effect analysis (Fishbone diagram)



Conclusion

In conclusion, Basil's Bakery has experienced a decline in sales due to a combination of issues starting with COVID-19. As a result of this there were less social interactions, shop closures, redundancies, operational limitations, rising business costs, and a lack of delivery and pre-ordering services. All have negatively impacted Basil's Bakery. Although the bakery has a strong reputation for using high-quality organic produce, currently this is becoming less sustainable. To improve its long-term viability, Basil should consider adapting to customers' needs and convenience by introducing a delivery and pre-order service.

Basil should also implement cost-effective strategies to manage rising costs and maintain product quality, for example, reviewing suppliers and having multiple suppliers to contend with, hiring part-time staff at peak times to help manage orders through the delivery and pre-order service. Taking these measures would contribute to a positive performance and outcome of Basil's Bakery, supporting future business growth.

References

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Questions
