

Module Title: Problem Solving and Decision Making

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Table of Contents

Contents	Page Number
Introduction.....	3
Brief Explanation of the Specific Business Problem.....	3
Two Alternative Solutions.....	3
Justification for Selected Solution.....	4
Risk Analysis of the Selected Solution.....	4
Plan to Implement the Selected Solution.....	4
Means of Measuring Effectiveness of Implementation of Selected Solution....	5
Conclusion	5
Reference List.....	6

Introduction

This report is about Green Haven Florists, a small independent flower shop located in Norwich, UK, Has recently faced significant business challenges with 30% increase in sales, despite its strong reputation for bespoke floral arrangements and sustainable practices. Over the past year, the company has experienced a decline in in-store sales, reduced foot traffic, rising operational costs, and increasing competition from online retailers and two new local competitors. In addition, weaknesses in its digital presence and limited delivery options have affected customer satisfaction and sales performance. This report will examine the key issues impacting the business and propose some feasible solution aimed at improving sales, strengthening competitiveness, and supporting the long-term sustainability of Green Haven Florists.

Brief Explanation of the Specific Business Problem

- Green Haven Florists, a small flower shop in Norwich, UK, is struggling with a 30% drop in in-store sales over the past year. The main challenges are:

The shop has experienced a sharp drop in revenue and foot traffic because of rising operational costs and stiff competition from online flower-delivery services. In the last twelve months, in-store sales have fallen by 30%, while online orders have risen only marginally and cannot make up for the loss. The once-busy high-street location now sees less activity due to nearby shop closures and a general consumer shift toward online shopping. Customers now favor large e-commerce florists that provide same-day delivery and frequent discounts. The cost of fresh flowers—especially imported varieties like orchids and tulips—has increased because of supply-chain disruptions and inflation, and the shop's sustainable material choices have become more costly. Customer reviews are mixed: people appreciate the quality and creativity of arrangements but criticize the outdated, hard-to-navigate website and the lack of flexible delivery or subscription options. Moreover, two new competitors have entered the market: a trendy boutique with a strong social media presence and a national chain offering aggressive prices and broad delivery coverage, forcing Green Haven to modernize and differentiate itself. Liam and Priya need a workable solution that can boost either in-store sales, online sales, or both to keep the business profitable.

Suggested Two Alternative Solutions

Solution A

Boost the online presence with an integrate with in store experience – redesign the website to be mobile-friendly, user friendly, easy to navigate, and feature-rich (e.g., custom-design tools, subscription options, and flexible delivery scheduling). Launch targeted digital marketing (social-media ads, SEO, and influencer partnerships focused on sustainability) to drive traffic to both the website and the physical store. Tie the online ordering system to in-store pickup or “click-and-collect” services, encouraging customers to visit the shop for personalized experiences while benefiting from online convenience. This boosts online sales and pulls foot traffic back into the store.

1. By linking online orders to in-store pickup (“click-and-collect”), the solution pulls customers back into the physical shop, increasing foot traffic and counteracting the 30% sales drop.

- Tackles online competition: A modern, feature-rich website with custom-design tools, subscriptions, and flexible delivery meets consumer expectations for convenience and personalization, enabling Green Haven to compete with large e-commerce florists that offer same-day delivery and discounts.

- Mitigates rising operational costs: Digital marketing focused on sustainability leverages Green Haven’s eco-friendly brand, attracting environmentally conscious buyers willing to pay for quality, thus improving profit margins despite higher material costs.

- Improves website criticism: Updating the outdated site fixes customer complaints about navigation, enhancing the online shopping experience and converting more web visitors in

P-plus	M-minus	I-interesting
>Customer can order at anytime through online >A modern easy to use website attracts and retain clients.	>Website design, support and delivery setup can be expensive. >Staff may need digital skill training.	>Could collaborate local influencer or wedding planners. >Using social media and allow costumer to share their flower.
>Same day or next day delivery or subscription service that meet customer's needs. >Loyal customer base = Longtime customers exist, even if some have shifted to competitors. They could be re-reengaged	>Location disadvantage High street no longer bustling, so reliance on walk-ins hurt them. >Hard to stand out against big corporation.	>Community ties as marketing asset: With word-of-mouth being their main channel, formalizing "local loyalty" schemes or community workshops could turn a weakness into a strength. >Launch an eco-friendly flower subscription service with flexible delivery, paired with a website revamp. It addresses customer feedback, leans into their sustainable brand, creates recurring revenue, and sidesteps direct price wars with national chains.

Solution B

2. Introduce a premium local-sourcing & experience-focused service – shift the product mix toward locally grown, sustainable blooms and unique bespoke arrangements that justify higher prices, emphasizing Green Haven’s eco-friendly ethos and craftsmanship. Create experiential in-store events (workshops, seasonal pop-ups, wedding-planning consultations) and offer exclusive subscription boxes or loyalty programs that blend physical and digital engagement. This differentiates Green Haven from low-price online competitors, increases in-store revenue, and attracts online buyers seeking quality and sustainability.

Which of these solutions would you like to explore in more detail (implementation steps, expected impact, or required resources)?

Justification for Selected Solution

- Explain why either Solution A or B is the most appropriate solution to progress with.

Solution B – Premium local-sourcing & experience-focused service – should be the first priority for Green Haven.

Fixes profit issues first: Rising costs and competition are killing margins. Solution B moves away from competing on price by focusing on local, sustainable flowers and unique designs that support higher prices. Workshops and subscriptions also add profitable revenue. Solution A might bring more customers, but it won’t help if margins stay low.

Builds on what they already do well: Green Haven is known for eco-friendly practices, custom arrangements, and community links. Solution B plays to those strengths. Solution A needs digital expertise and ad budget, which they don’t currently have.

Harder for competitors to copy: A national chain can’t easily run local workshops or claim true local sourcing. The trendy boutique likely can’t match Green Haven’s wedding/corporate ties or sustainability track record. This gives them a clear edge.

Quicker and cheaper to start: Workshops, consultations, and subscriptions can launch using their existing shop, staff, and flowers. That means faster cash flow. A full website overhaul and ad campaigns take more time and money.

Sets up Solution A for later: The events, stories, and loyal customers from Solution B create great content for social media and SEO. So when they do upgrade the website, they'll be promoting something unique, not just copying rivals.

Summary: Solution A is important, but Solution B tackles the urgent margin problem, uses their current strengths, and costs less upfront. Do B first, then use the results to fund and improve A.

- **Justify and defend this preferred solution**

Here's a justification and defense of Solution B: Premium local-sourcing & experience-focused service as the preferred first move for Green Haven Florists:

Justification: Why Solution B is the right priority

1. It attacks the root cause: margin erosion, not just sales volume

Green Haven's 30% sales drop is painful, but the deeper issue is cost pressure + commoditization. Imported flowers and eco-materials are pricier, yet competitors push discounts and same-day delivery. Solution A generates more traffic, but if every order has thin margins, growth can actually accelerate losses.

Solution B repositions the product mix to command higher prices. Local, seasonal blooms + bespoke design + sustainability story = value customers will pay for. Workshops and subscriptions are service-based, high-margin add-ons that imported bouquet competitors can't easily match.

2. It aligns with brand equity and existing customer perception

Customers still praise quality, creativity, and the eco-friendly ethos. Corporate and wedding clients — their most profitable segments — already buy on trust and craftsmanship, not price. Solution B doesn't ask the market to believe something new about Green Haven. It doubles down on why people chose them originally. That reduces market education cost and risk.

3. It creates structural differentiation in a crowded market

The two new competitors represent the extremes.

- **Explain and defend the weightings attributed.**

Based on the Green Haven Florists task description, here's a decision with weightings to compare potential solutions, plus a defense of why each criterion is weighted that way.

I'll use two likely solutions from the case:

Solution A: Omnichannel website + click-and-collect + paid ads

Solution B: Premium local-sourcing + experience-led services (workshops/subscriptions)

Weighted Decision

Criterion	*Weight*	*Why this weight for Green Haven?*	*Solution A: Omnichannel*	*Solution B: Premium + Experience*
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1. Impact on gross margin %	*30%*	The brief says "rising operational costs... imported flowers more expensive... sustainable materials cost more." Revenue is down 30% but costs are up.		
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Defense of the weightings

Why 30% on gross margin?

The task description lists cost increases three times: imported flowers, sustainable materials, general inflation. It also says online orders "have not compensated for the loss of foot traffic." That's a margin problem, not just a volume problem. UK high streets lost 38 stores per day in 2024 because costs rose faster than sales. If Green Haven doubles online sales at 10% margin, they still shrink. If they hold sales flat but lift margin from 25% to 45% via workshops/subscriptions, they survive. In a cost-inflation crisis, margin control outranks volume.

They've had "a significant downturn" for 12 months and in-store sales down 30%. Two new competitors are active now. The brief implies urgency: "adapting their business model to survive." A solution that breaks even in 12 months is irrelevant if they close in month 6. Solution B generates pre-paid cash from workshop tickets and subscriptions. That's why speed is weighted second only to margin.

Risk Analysis of the Selected Solution

Solution B: Premium local-sourcing & experience-led services (workshops + subscriptions)* is the selected solution based on the weighting matrix, here's a full risk analysis.

Low initial demand for workshops. Customers like the *idea* but don't pre-book.

1. *Highest risks = Demand & Supply*. They would stop the solution working. That's why mitigations focus on _small pilots_, _multiple suppliers_, and _cash-up-front bookings_ — they reduce both likelihood and impact before major spend.

2. *Most risks are operational, not strategic*. Unlike Solution A, this doesn't depend on Google's algorithm or £2k/month ad spend. Risks are things Liam & Priya can control day-to-day, which fits their skillset and the 20% "fit" weighting from earlier.

3. *Total risk exposure is manageable* for a small business: No single risk scores 25. With mitigations, all high risks drop to "medium" residual risk. The main trade-off vs. Solution A is _scale_ — this won't 10x the business overnight, but it has a much higher chance of keeping them profitable and in control.

Plan to Implement the Selected Solution

Means of Measuring Effectiveness of Implementation of Selected Solution

Based on the KPI and SMART a 90-day implementation plan for Solution B: Premium local-sourcing & experience-led services. It's built for 2 owners + part-time staff, minimal cash outlay, and fast feedback loops.

Launch paid flower arranging workshops + local-flower subscriptions to increase gross margin and bring extra event back to the Norwich shop within 3 months.

Here's the 90-day implementation plan written in paragraph form for your report:

The implementation of the premium local-sourcing and experience-led service solution will run over 90 days and is structured in three clear phases to keep risk and upfront cost low while generating cash quickly. In the first week, Liam and Priya will establish a baseline by recording current Saturday footfall, dwell time, and gross profit percentage, while simultaneously securing supply agreements with at least three local growers and confirming that their public liability insurance covers in-store workshops. This initial phase ends with a clear go/no-go checkpoint to ensure supply and safety are in place before any money is spent on marketing.

Phase one, running from day 8 to day 30, focuses on building and testing. Priya will design a two-hour "Intro to Seasonal Arranging" workshop, costed to keep materials under £12 per ticket, and set up a simple Eventbrite booking page with pre-payment to ensure the model is cash-positive from the start. Liam will run a small internal pilot with friends and family to gather photos, testimonials, and feedback, which will then be used to market the first public workshop. The first paid workshop will be limited to six seats at a discounted "founders special" price and promoted only to the existing customer email list and in-store, with the aim of selling out within ten days to validate demand before scaling.

Phase two, days 31 to 60, is the launch-and-learn period. After running the first public workshop and collecting satisfaction scores and online reviews, the team will analyse actual costs versus targets and immediately adjust pricing or content if margins fall below 60%. During this phase the first subscription boxes will also be delivered, and footfall observations will begin every Saturday to measure whether workshop days drive the targeted 25% uplift in store visits. Priya will also pitch a corporate team-day version to local businesses and seek free PR through the Norwich BID and local magazines to build credibility without ad spend.

The final phase, days 61 to 90, is about optimising and making the solution business-as-usual. Using data from surveys, reviews, and margin analysis, Liam and Priya will drop any low-performing workshop formats, lock in a regular monthly calendar, and train a part-time staff member to handle prep so the model isn't reliant on the owners alone. By day 90 they will complete a formal review against the five success criteria: £4,500 gross revenue, $\geq 55\%$ gross margin, 25% footfall uplift, 15 new 4–5 star reviews, and positive cash flow from week six. Governance throughout will be light but consistent, with a 30-minute weekly check-in to review tickets sold, cash in, and any risks, and clear red flags such as unsold tickets or supplier withdrawal that would trigger a pause. This approach directly addresses Green Haven's core problems by prioritising margin and cash flow, using existing skills and space, and creating a defensible point of difference that the national chain and Instagram boutique cannot easily replicate.

2. Launch "wedding flower workshop" for DIY brides = new revenue stream.
3. Increase subscription cap from 30 to 60 once second supplier confirmed.

This plan directly attacks the case problems: events that give people a reason to visit, and differentiation via experiences chains.

Conclusion:

Key Findings Here are the conclusions for the Green Haven Florists case, pulling together the analysis of the problem, options, and implementation:

1. The core problem is margin and footfall, not just sales volume

Green Haven's revenue decline of 30% in-store has not been offset by online growth because rising import costs, sustainable material costs, and general inflation have eroded gross margin. Two new competitors and a 15–20% drop in high street footfall mean a “sell more of the same” strategy will not work. Survival depends on restoring profitability and giving customers a reason to visit the physical shop.

2. Solution B outperforms Solution A against the business's real constraints

When weighted for what matters most to Green Haven — gross margin (30%), speed to cash (25%), and fit with existing skills (20%) — the premium local-sourcing and experience-led model scores 4.65/5.0 versus 2.0/5.0 for an omnichannel website. This is because workshops and subscriptions generate $\geq 60\%$ gross margin, require $<£500$ to pilot, are cash-up-front, and use Liam and Priya's recognised design skills and community reputation. In contrast, the omnichannel route demands new digital capabilities the owners lack, requires £8k–£15k upfront plus ongoing ad spend, and competes on price/convenience where national chains have scale advantages.

3. Consumer trends directly support the selected solution

Deloitte data shows consumers' top sustainability criteria for products are recycled/repurposed materials, natural resources, and minimal packaging. 61.7% of consumers will pay 10% or more for locally sourced flowers, rising to 31.7% willing to pay 15% or more. Green Haven's existing "eco-friendly" and "personal touch" reputation therefore aligns with what customers value and will pay premiums for, reducing price-sensitivity risk if the value is communicated through experience and story.

4. The risks are controllable and lower than an omnichannel pivot

The highest risks are low initial workshop demand and local supply inconsistency, but both can be mitigated with small pilots, multiple growers, and pre-paid bookings. Unlike paid ads or SEO, these risks are operational and within the owners' control. Total risk exposure is manageable with no single risk scoring above 20, and all mitigations use existing staff, space, and free tools.

5. Implementation is fast, low-cost, and cash-positive by Week 6

A 90-day plan moves from baseline and supplier agreements in Week 1, to a sold-out pilot workshop by Day 30, to £2,000+ gross revenue and break-even by Day 60. Success is measured by five clear KPIs: £4,500 revenue, ≥55% GP, 25% footfall uplift on event days, 15 new 4–5★ reviews, and positive cash flow. Because bookings are pre-paid and material costs are <£12 per £45 ticket, the model funds itself and avoids the cash drain of a website build.

Final conclusion: Green Haven should reject a technology-led omnichannel approach and instead double down on its authentic strengths. By turning the shop into a destination for premium local flowers and hands-on experiences, it can rebuild margin, drive footfall, and create a defensible position that neither the Instagram boutique nor the national chain can replicate. The solution is not just the most profitable on paper — it is the only option that fits the owners' capabilities, timeline, and financial reality

The Key Performance Indicator is:

Specific	Measurable	Attainable	Relevant	Time-Bound
Questionnaire	5 question for online customers	Liam to set automated survey	Check online shop use	Weekly
Observation	Check visits and orders weekly	Priya records website data	Check website and delivery	Monthly
Reviews	Read most reviews	Priya and Liam to check monthly	Check products and services	3 monthly

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