

MODULE TITLE: Problem solving and Decision making

Module Code: LCLM4004

Assessment: Component 2 Report-Basils Bakery

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Task 1: Overview on Basil's Bakery

Basils Bakery is known as an independent Bakery established in 2015 in a retail park in Coventry. Well, the bakery specialises in organic cakes, bread and pastries. It has steady growth. However, since COVID-19 pandemic, the sales have stayed 25% lower and they are lower than the 2019 level of sales even despite the lockdown restrictions being lifted. The business has suffered a lot.

Unfortunately, the business is facing challenges due to descending numbers due to the amount visiting the retail park. All costs have gone up due to shop closures and people working from home. Organic ingredients prices have gone up also the rents and wage which is affecting profits. The business is seriously struggling.

Customers have requested deliveries and orders to be done online and even pre-orders items. Basils Bakery have not met customers needs that also has played a part in losing sales. The bakery has a major risk of financially being unsustainable they start to meet customers' requirements. (Kotler and Keller, 2022).

ROOT PROBLEM

The main problem affecting Basil's Bakery is that they are not meeting needs and requests of the customers, because of declining customers proposals which is affecting sales, and they are losing business and affecting operational costs.

The bakery is focusing on too much walk in services as that's why they are being affected as they could potentially increase sales by doing online services and by doing home delivering service. Basils' Bakery ability to attract customers that are working from home now has gone down as they are not reaching customer requirements.

Going further, higher increasing overheads and not knowing costs of ingredients costs to reduce profit margins, making it hard for current business model increasing difficult to sustain(porter,1985).

Contributing factors

Several factors contribute to the low figures and business not doing too well and its performance.

- No facility of ordering online or by phone.
- No growth in remote and hybrid working patterns.
- Closure of shops in the retail park.
- Rising bills and rent and possible insurance payments.
- Other bakery's offering online service and delivering to the door.
- Waiting times during busy periods.
- Reduction in people coming to the retail park.

Basil's bakery requires a strategic solution that will expand the customers while improving operational efficiency and improving convenience.

TASK 2: TWO PROPOSED SOLUTIONS

SOLUTION A: TO SET UP ONLINE SERVICE TO PROMOTE BUSINESS BY MAKING LEAFLETS AND POSTERS USING DIGITAL MARKETING STRATEGIES AND THAT WILL HELP WITH BOOSTING SALES.

SOLUTION B: TO START DELIVERING AND TO INTRODUCE CLICK AND COLLECT SERVICES IN MORE LOCATIONS OTHER THEN JUST ONE PLACE. TO ALSO INTRODUCE A COMPLAINTS LINE TO HELP WITH NON-SATISFIED CUSTOMERS AND WORK ON WHERE THEY MIGHT BE LACKING.

Kolter and Keller (2022). Digital Marketing allows small business to communicate Directly with customers, strengthen relationships and increase repeat purchase.

This solution is realistic for a small independent business because it can be implemented gradually while maintaining manageable operating costs.

Task 3A: Evaluation of the two proposed solution using the PMI Technique

Using the PMI technique is (plus,minus,interesting technique, created by Bono (1992). This is a decision-making tool normally used for alternative decisions to test their strengths and weaknesses in potential prospects.it gives structure to compare their solutions before selecting the right one.

Appendix 1: PMI Evaluation table

PLUS(+)	MINUS(-)	INTERESTING(I)
Supporting customers at home.	More build up costs	More positions expand in local area.
Increases sales and opportunities.	Deliveries can be difficult with logistics.	Join up with companies to expand.
Helps customers convenience.	More staff will need to be employed.	Can be open more days.
Strengthens customers bond and loyalty.	Technology requires more money.	Can help future success.
Total 4	4	4

Overall score =12

SOLUTION B: PRE ORDER WITH CLICK AND COLLECT WITH DIGITAL MARKETING.

PLUS(+)	MINUS(-)	INTERESTING(+)
LOWER THE COST.	PEOPLE NEED TO TRAVEL TO PICK UP ORDERS.	CAN ADEVRTISE AND INTODUCE QUICKLY.
REDUCE TIMES OF WAITING.	DOES NOT GET RID OF PROBLEM.	BRING MORE BUISNESS.
MAKE SURE CUSTOMERS ARE HAPPY.	REGULAR SOCIAL MEDIA UPDATES.	PUT A CUSTOMERS SATISFACTION CARD
EASY TO PUT USING EXISTING STAFF.	LIMITED REACH ON LAND.	CAN INTRODUCE DELIVERY LOGISTICS LATER.
TOTAL=4	4	5

TOTAL SCORE=13

The PMI evaluation shows that both solutions should improve Basil's Bakery's performance. In addition, on the other hand, solution B has a slightly higher overall score because it is less costing, as well as easier to implement as well as carrying lower operational risk. Moreover, it also gives a strong foundation for future business expansion while also addressing the customer's needs and requests, which then allows for quicker ordering and reducing the overall waiting times. (De Bono.1992).

TASK 3B: PREFERRED SOLUTION AND JUSTIFICATION.

Evidence on PMI evaluation, solution B bringing pre-order and click and collect system is powered by digital marketing is a good option. Even though some of these options will help increase sales, solution B is preferred for Basil's Bakery because its less of a financial investment. While improvement is needed in operational side.

Basil's bakery is already in higher debts and overheads and not making any profits. Making smaller moves and lowering costs will support the business soon in the near future. Introducing ordering online and making orders before hand will help with queues and hiring more staff it will also reduce

customers waiting times by promoting on social media like Facebook, TikTok, Instagram and many more sites will attract customers and promote new items on the menu. Digital marketing will help attract customers the bakery is up and fully established it will hopefully run smoothly and can introduce home delivery and pre-ordering.

Solution B is a good strategy which offers most practical, sustainable and affordable great valued practical term for business growth and the best sales interest for the small business.

IMPLEMENTATION PLAN

HOW TO SOLVE THE PROBLEM:

Reduction in customers footfall, behaviour changes in customers and monitoring absences can solve the issue.

Selecting solution

Introducing digital marketing and can spike sales using online click and collect orders also pre-orders.

Appendix 2: Implementation plan

Task:	what	when	who	status
1.	Using websites make a platform to promote bakery for the customers for them to start ordering.	1-2 weeks	Basil's IT team Technicians.	pending
2.	Using TikTok, Instagram, Facebook, billboards, Posters, emails promote the business.	2-3 weeks	Bakery digital marketing team.	pending
3.	Teach the team to follow rules and instructions show them how to use the social media service for online orders and collection service.	3 weeks	Basil's Bakery.	pending
4.	Launch the online order service and to monitor both staff and customers behaviour	4 weeks	Staff & basils bakery.	ongoing
	continuous improvements through performance.			

IMPLEMENTATION SUMMARY:

When implementing a plan, it's a logical sequence you must follow making sure everything is correct before taking a step and helping customers. You would have to make sure staff is fully trained and understands procedures and can provide best top-quality customer service. Customer feedback is very important as a factor in business as they are the ones you need to please. Phased implementation eliminates disruption to the bakery daily routine increasing the likely hood of successful adoption of the new services (Kotter, 1996).

JUSTIFICATION FOR THE IMPLEMENTATION PLAN:

When the implementation plan has been reduced in operational disruptions it minimises financial risk when the introduction is of a new online ordering system. the initial step is to develop and test the system to ensure it works correctly before it available to customers. Once everything is ready, marketing activity will build customer consciousness and promote official sales and new services for customers training. staff training is a very crucial as part of the process , employee need to understand how placing orders work and to follow all the systems correctly , to deliver high customer service after the system has been set , everything that has been put in place will be monitored regularly and customer feedback can be monitored and improved this process will slowly approach and help employees get used to the change , to make sure implementation process allows the business to elevate its future success and brand new system. as Kotter (1996) explains, efficient planning and employee involvement places a key role for a successful business change. overall as implementation plan gives Basil's Bakery a change to success to higher sales and help with future growth.

KEY PERFORMANCE INDICATOR (KPI) AND SMART OBJECTIVES:

In order to evaluate the proposed solution successful using the key performance indication, checking on online orders and pre-orders on sales and profit for growths' is a quantifiable worth that helps the organisation to calculate its goals and net business. (Parmenter, 2020).

APPENDIX 3: KPI AND SMART OBJECTIVES:

OBJECTIVE (SMART)	KPI	TARGET	TIME SCALE
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Increase the amount of customer pre orders through the new click and collect system.	Number of online pre orders received every week.	Allow for a 30% increase in sales by the week.	3 months – of launch time.
Also, to enhance and boost sales and revenue.	Monthly sales revenue	Increase monthly sales by 20%	6 months
Enhance customer service with the ordering process	Customer satisfaction survey results	90% positive customer feedback	6 months
Increase customer engagement through social media marketing	Followers, likes, comments and further shares	40% increase in social media.	6 months

The SMART goals are specific, measurable, achievable, pertinent, and well-timed, they are attached above to help Basil assess the effectiveness of his new launch. Furthermore, by keeping an eye on these KPIs they can help with these new areas that need to be improved and support proper business decisions.

MONITORING & EVALUATION:

The new KPIs should be used on a regular basis to assess the effectiveness of the proposed solution. Basil should review weekly pre-order figures, monthly sales data and feedback from customers to see if the new click and collect system is working as planned. Social media analytics can help understand the success of marketing campaigns and customer engagement, if sales or customer satisfaction targets are missed, Basil should look at factors such as pricing, marketing or possible operational issues, he should take proper action to sort this out, regular staff meetings should help identify weak areas of ongoing improvement and provide useful feedback on the ordering process, Parmenter (2020) indicates that businesses that regularly monitor KPI's are better prepared to boost performance, respond to market changes and allow for long term financial success. Furthermore, to ensure Basil's Bakery remains competitive and meets customer expectations, it is necessary to constantly monitor and evaluate.

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