

Business Problem Analysis of Basil's Bakery

Assignment 1: Individual Presentation

Module Name: Problem Solving and
Decision Making

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OVERVIEW

This presentation analyses the business problems affecting Basil's Bakery. It uses the 5W2H model, PESTEL Analysis and Fishbone Diagram to identify the causes of low sales. Finally, the key findings are presented.

- ➔ **Introduction**
 - ➔ **Company Background**
 - ➔ **Nature and Scope of the Problem**
 - ➔ **5W2H**
 - ➔ **PESTEL Analysis**
 - ➔ **Fishbone Diagram Analysis**
 - ➔ **Conclusion**
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INTRODUCTION

Basil's Bakery has experienced lower sales since 2020. This presentation analyses the reasons for this problem by using three business tools: 5W2H, PESTEL Analysis and Fishbone Diagram. These tools help to identify the causes of low sales.

Objectives

- **Identify the main business problem**
- **Analyse the causes of low sales**
- **Apply business analysis tools**
- **Present key findings**

COMPANY BACKGROUND

Basil's Bakery is a small independent bakery located in Coventry, UK. It opened in 2015 and sells organic bread, cakes and pastries. Before 2020, the business was successful and sales increased every year. However, after COVID-19, sales remained below the 2019 level.

Category	Information
Business	Basil's Bakery
Founded	2015
Location	Coventry, UK
Products	Bread, cakes and pastries
Customers	Shoppers, retail workers, office workers and warehouse workers
Strengths	Organic ingredients, good quality products, convenient location

Nature and Scope of the Problem

Basil's Bakery has faced lower sales since 2020. The number of customers has decreased, while business costs have increased. These problems have affected the bakery's performance and future growth.

Main Problem

Sales are 25% lower than in 2019

Nature of the Problem

- Lower customer numbers
- Higher operating costs
- Reduced business growth

Scope of the Problem

- Basil (business owner)
- Customers
- Business sustainability
- Business performance

5W2H Analysis

The 5W2H model helps to understand the business problem by asking seven important questions. It explains what the problem is, why it happens and how it affects the business.

Serrat (2017).

Question

Answer

What?

Sales are 25% lower than in 2019.

Why?

Fewer customers, higher operating costs and more people work from home

Who?

Basil and his customers.

Where?

Coventry retail park.

When?

Since 2020.

How?

No delivery service, long waiting times and cannot always answer the phone.

How Much?

Sales are around 25% lower than before.

PESTEL Analysis

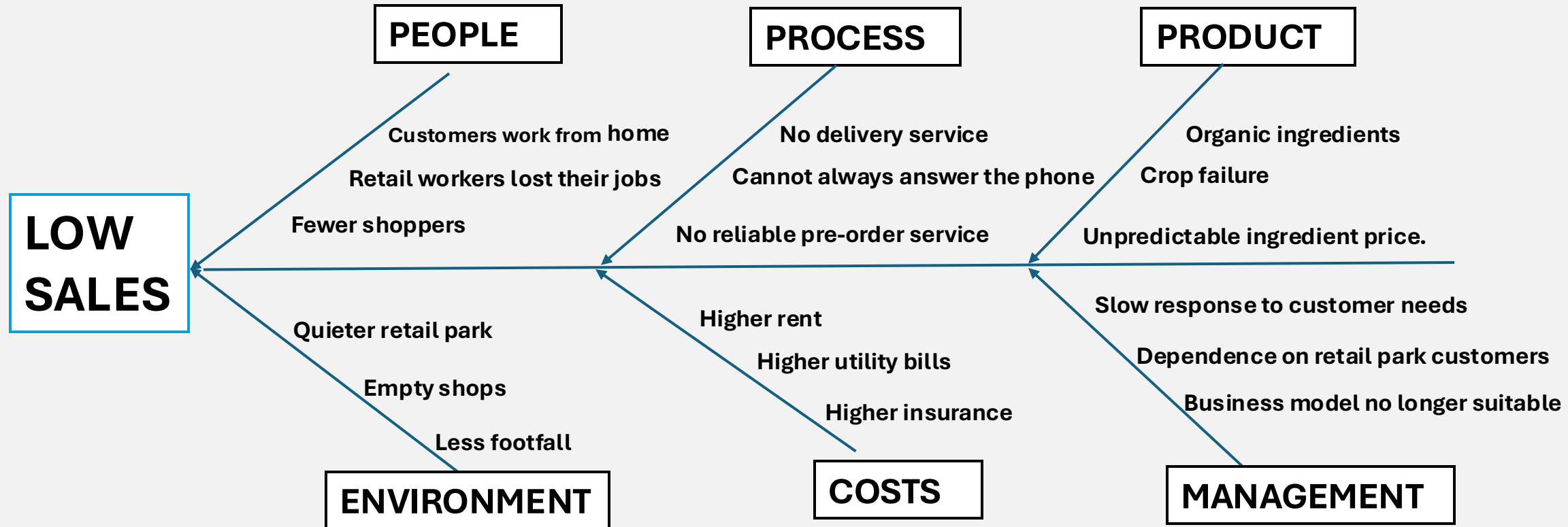
PESTEL Analysis helps to identify the external factors affecting Basil's Bakery. These factors influence customer demand, business costs and the future success of the business.

Yüksel (2012).

Factor	Impact on Basil's Bakery
Political	Business rates increase operating costs.
Economic	Higher rent, utility bills and organic ingredient prices increase costs.
Social	More people work from home and fewer people visit the retail park.
Technological	The bakery has no online ordering system and no delivery service.
Environmental	Organic ingredients are affected by crop failure, making prices unpredictable.
Legal	The bakery must follow UK food safety and business regulations.

Fishbone Diagram (Cause and Effect Analysis)

The Fishbone Diagram helps identify the root causes of a business problem. In this case, it is used to analyse the reasons for Basil's Bakery's low sales by grouping the causes into different categories.



Key Findings / Conclusion

Key Findings

- Sales are **25% lower** than in 2019.
- Fewer customers visit the bakery.
- More people work from home.
- Business costs have increased.
- There is no delivery service.
- The Fishbone Diagram and PESTEL Analysis show the main causes of low sales.

Conclusion

Basil's Bakery has several business challenges. The company needs to adapt to customer needs and reduce the causes of low sales.

References

Case Study

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