



MODULE CODE: LCLM4004
MODULE TITLE: PROBLEM
SOLVING AND DECISION
MAKING

ASSIGNMENT TITLE:
COMPONENT 1-
INDIVIDUAL
PRESENTATION BASIL'S
BAKERY

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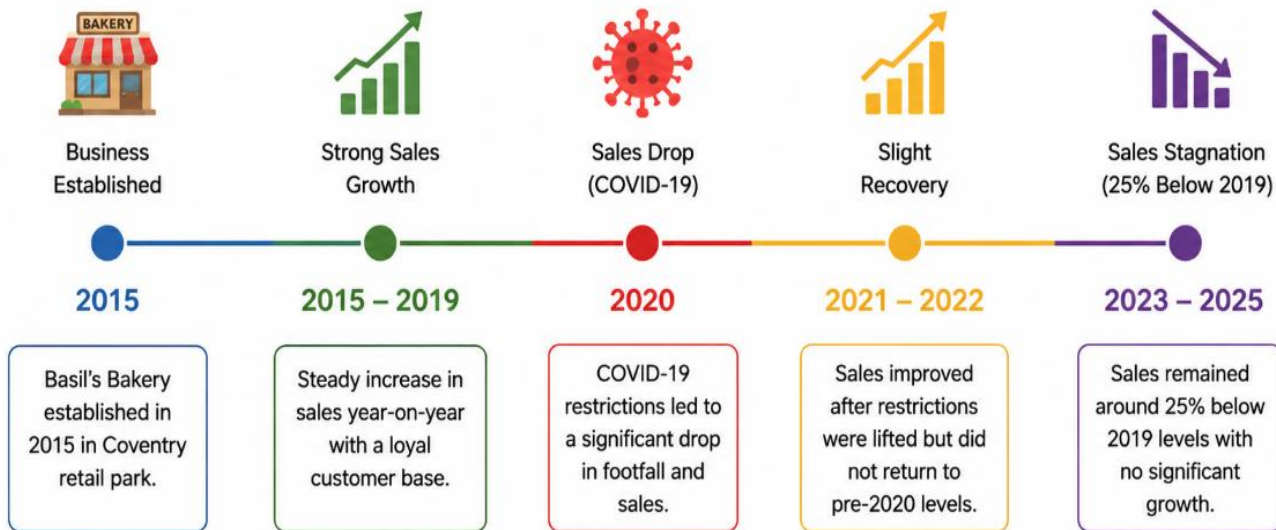
Introductiion

- Explains Basil's Bakery sales stagnation using structured problem-solving and decision-making approaches.
- Defines problem solving for identifying business issues and practical solutions effectively.
- Explains PESTEL Analysis to evaluate external factors affecting business performance strategically.
- Uses Fishbone Diagram to identify root causes supporting informed business decisions.



COMPANY BACKGROUND

Basil's Bakery – Sales Timeline



- Established in 2015 as an independent artisan bakery in Coventry retail park.
- Serves shoppers, retail employees, office workers, and warehouse workers using organic ingredients.
- Sales increased steadily until 2019 before declining during the COVID-19 pandemic.
- Sales remain 25% below 2019, requiring strategic analysis and managerial decisions.

PROBLEM - NATURE AND SCOPE (5W2H MODEL)

Question	Focus	Answer
 What	Problem	Sales have stagnated at approximately 25% below 2019 levels.
 Who	People affected	Basil, employees, customers and suppliers.
 Where	Location	Retail park in Coventry.
 When	Time period	From 2020 onwards.
 Why	Reason	Changing customer behaviour and rising operating costs.
 How	Impact / Process	Reduced profitability and uncertain business sustainability.
 How Much	Extent	Sales remain around 25% below pre-pandemic performance.

PESTEL Analysis (Political, Economic, Social)

- Food safety regulations increase compliance costs and operational responsibilities (Muir et al., 2023).
- Business taxation reduces profitability and future investment opportunities.
- Inflation increases organic ingredient and energy costs significantly (Saine, 2025).
- Reduced consumer spending lowers demand for premium bakery products.
- Hybrid working reduces office workers purchasing bakery lunches (Patel, 2023).
- Lack of online services decreases customer convenience and satisfaction.

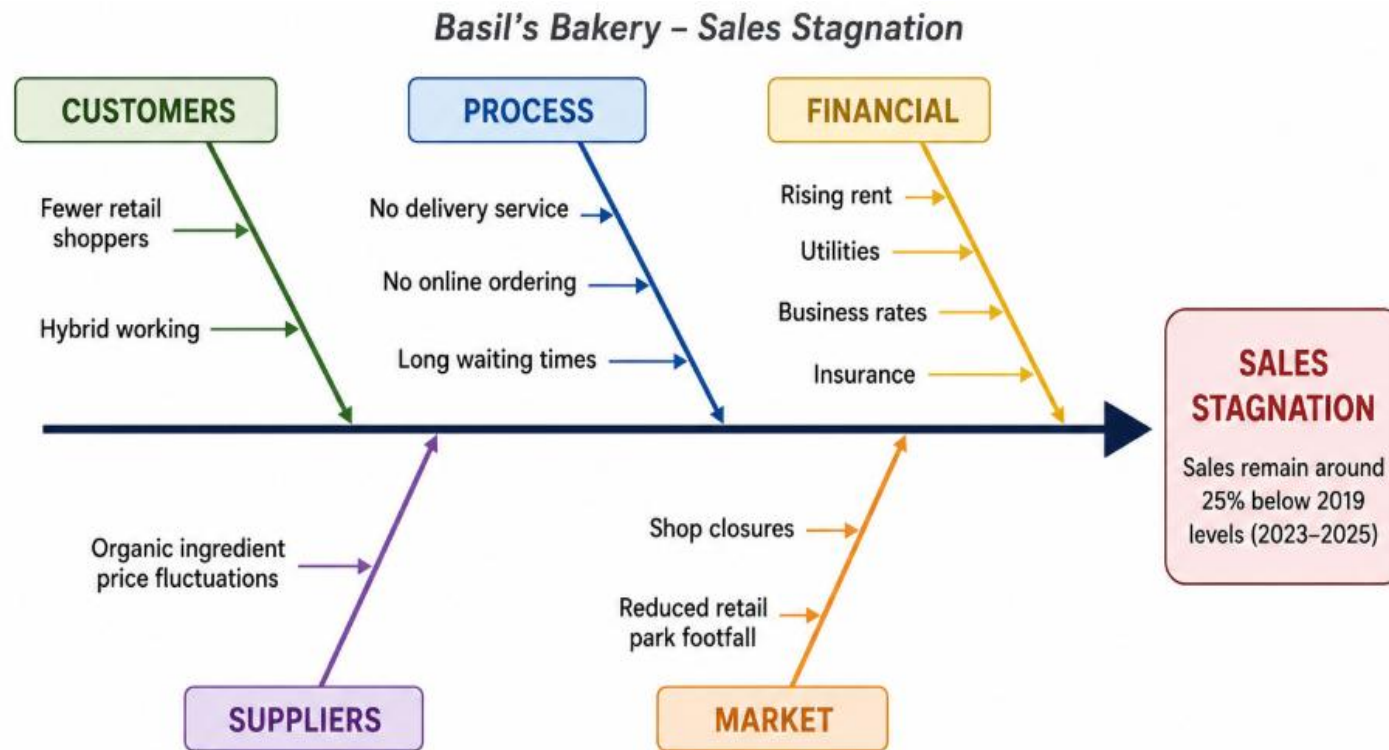


PESTEL Analysis (Technological, Legal, Environmental)



- No online ordering reduces customer convenience and accessibility (Królak et al., 2022).
- Lack of delivery services limits competitive advantage and market reach.
- Food hygiene regulations increase compliance responsibilities and operational costs (Owusu and Vieira, 2022).
- Employment legislation raises staffing expenses and administrative requirements.
- Climate change affects organic ingredient availability and supply (Melesse and Orrù, 2025).
- Sustainable sourcing increases ingredient costs and budgeting uncertainty significantly.

Cause and Effect Analysis (Fishbone Diagram)



- Hybrid working reduces retail shoppers and bakery sales (Mickiewicz and Britchenko, 2022).
- No delivery service limits customer convenience and repeat purchases.
- Rising rent, utilities and insurance increase financial pressures (Semenova and Semenov, 2023).
- Organic ingredient price fluctuations create budgeting and supply challenges.
- Reduced retail park footfall decreases overall customer demand significantly.

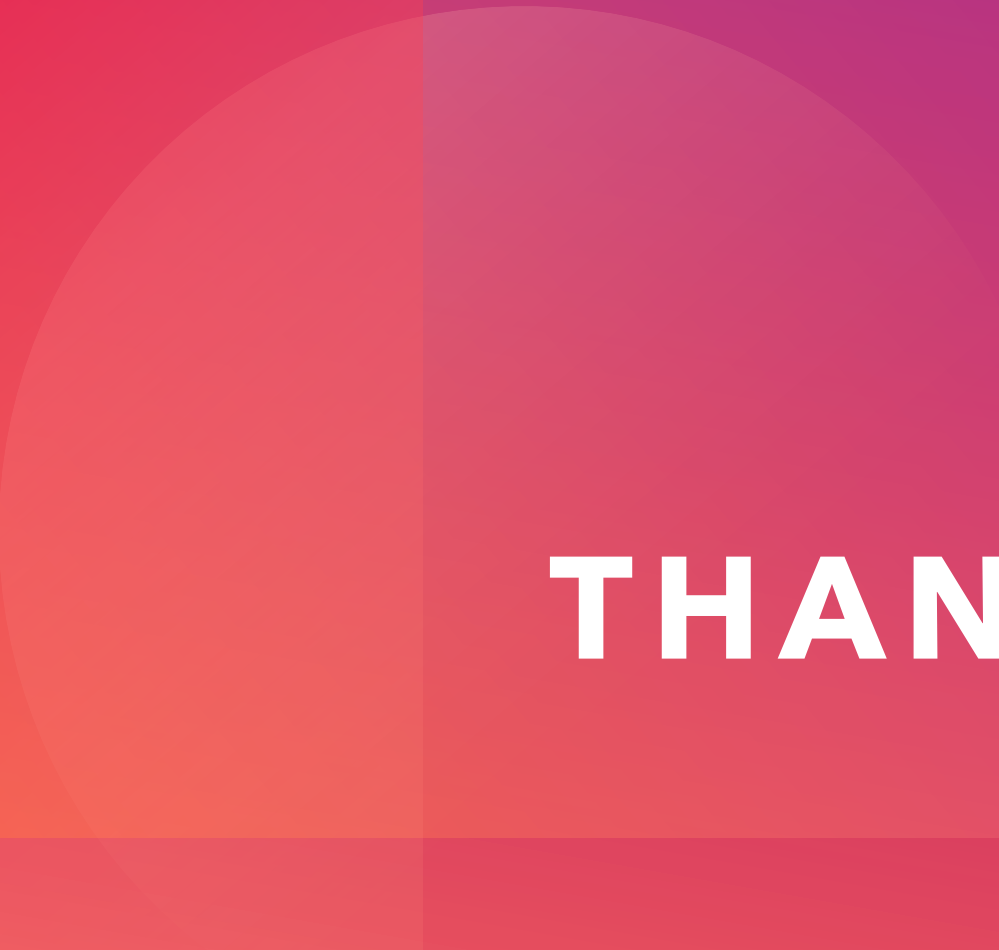
Conclusion

- Sales remain 25% below 2019 due to changing customer behaviour.
- Rising operating costs continue reducing profitability and business sustainability.
- PESTEL identifies external pressures affecting overall business performance significantly.
- Fishbone reveals operational weaknesses supporting informed strategic business decisions.



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THANK YOU