

Basil's Bakery

Business Analysis



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Module

Problem Solving and Decision Making



Module Code

LCLM4004



Lecturer

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Introduction & Case Overview



Business

- Independent artisan bakery
- Coventry, UK
- Established in 2015



Sales

- Strong growth until 2019
- Sales now **25%** below 2019 levels



Customers

- Local shoppers
- Office workers
- Retail & warehouse employees



Presentation Aim

- Identify the causes of declining sales
- Recommend practical business solutions



2015



Business opens

2019



Growth

2020



COVID

2023–2025



Sales remain
25% lower

Source: Basil's Bakery Case Study (2026).

Issues Impacting Sales Stagnation

Issue	Evidence from Case	Impact
Fewer visitors	Retail park footfall has declined	High
Home working	Office staff buy lunch less often	High
Shop closures	Fewer neighbouring businesses	Medium
No delivery service	Customers requested delivery	High
Poor pre-order system	Basil often misses phone calls	Medium
Rising operating costs	Rent, utilities and ingredients increased	High

5W2H Analysis

Question	Findings
Who?	Local shoppers, office workers, warehouse employees
What?	Sales have remained approximately at 25% below 2019 levels
Where?	Basil's Bakery, Coventry retail park
When?	Since 2023(sales remained around 25% below 2019 levels)
Why?	Fewer visitors. Home working. Rising operating costs. No delivery service
How?	Reduced customer visits, lower lunchtime purchases and missed pre-orders.
How much?	Around 25% decline compared with 2019

PESTEL Analysis

PESTEL analysis of external factors affecting Basil's Bakery and its sales performance.



Political

- Government support for small businesses and local economies.
- Policy changes on business rates and taxes impact operating costs.
- Post-Brexit trade and supply chain regulations affect ingredient costs.



Economic

- Rising inflation increases ingredient and energy costs.
- Cost of living crisis reduces discretionary spending.
- High interest rates limit investment and expansion opportunities.



Social

- More people work from home, reducing lunchtime footfall.
- Changing consumer habits and preference for convenience.
- Customers increasingly expect online ordering and delivery.



Technological

- Lack of online ordering system results in missed sales.
- Competitors use apps and digital marketing more effectively.
- Automation and technology could improve efficiency and service.



Environmental

- Increasing pressure to reduce waste and use sustainable packaging.
- Rising energy costs encourage environmentally friendly practices.
- Customers value businesses with strong environmental values.

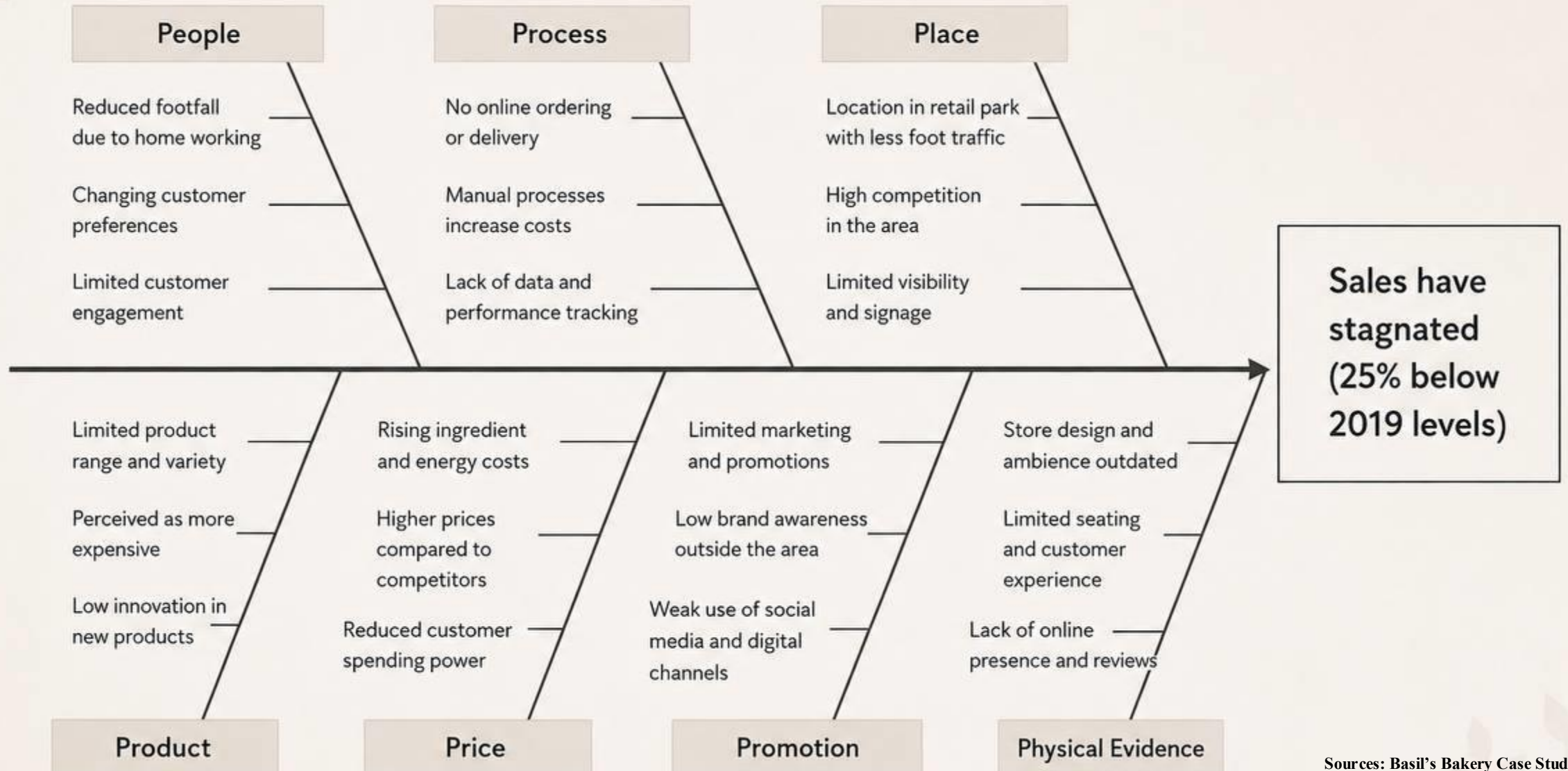


Legal

- Compliance with food safety and health regulations is essential.
- Employment law and minimum wage increases affect labour costs.
- Data protection laws impact online customer data handling.

Fishbone Diagram

Cause and Effect Analysis – Why sales have stagnated at Basil's Bakery



Key Findings

Customer footfall has decreased, reducing overall sales.

Home working has reduced lunchtime purchases.

Rising operating costs have reduced profitability.

No delivery or online ordering limits customer access.

Customers expect greater convenience and digital services.

Marketing and pre-order systems require improvement.

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