

Module Title: Problem Solving and Decision Making

Module Code: LCLM 4004

Assessment: Component 2 Report – Basil's Bakery

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Task 1: Overview of Case-study:

Basil's Bakery is an independent artisan bakery in Coventry that gained high annual sales growth after opening in 2015. However, COVID-19 restrictions lead to a sharp decline in footfall and sales. Sales during 2023–2025 remained approximately 25% below 2019 levels.

The root problem is **“Reduced and changing customer demand”**, which has made the business model (walk in) increasingly unviable.

Contributing issues include decreasing retail-park footfall, closure of shops, remote work culture, demand for delivery and pre-ordering, long waiting times, and inability to answer telephone orders. Concurrently, rising rent, utilities, insurance, business rates and unpredictable costs of organic ingredient are increasing financial pressure. Effective problem solving requires addressing underlying causes rather than merely treating symptoms (Fisher, Wisneski and Bakker, 2020).

Task 2: Two Proposed Solutions

Solution A: Digital Pre-Ordering and Click-and-Collect Service

Basil should introduce a digital pre-ordering system through a website or mobile-friendly App, enabling customers to select products, place and time and pay in advance. This will directly address the complaints about long waiting times and inability to answer telephone orders. It would also allow customers to order before going to the bakery, which will reduce pressure during busy hours. This can help food businesses to cope changing customer expectations and strengthen access to customers (Pereira et al. 2023). This solution has less operational complexity because customers collect orders from the existing premises, which allows Basil to retain control over product quality while potentially increasing sales and customer retention.

Solution B: Local Delivery and Online Ordering Service

Basil should establish a local delivery service supported by online ordering, targeting retail-park customers, remote office workers and nearby shops. Customers can place online orders for delivery within defined local time slots, while Basil can restrict the delivery area and minimum order value to maintain profitability. This solution

directly responds to the present customer requests for delivery and reduces dependence on declining retail-park footfall. Research indicates that online food-ordering and delivery services can help businesses respond to changing customer expectations through greater flexibility and adaptation to customer requirements (Di Pietro et al., 2023).

Task 3b) Evaluation Results and Justifications

Based on the PMI evaluation **Solution B: Local Delivery and Online Ordering Service** is the most appropriate solution. This solution is justified due to its **impact on the root problem, customer reach, financial feasibility, operational practicality and customer convenience**. These criteria are selected because Basil's primary difficulty is declining customer demand, while increasing costs mean that the solution must also be financially and operationally realistic.

Greater weight should be given to **impact on the root problem and customer reach** because a solution that only addresses the existing walk-in process would not equally address the continuous decline in retail-park footfall. Solution B provides access to customers who no longer visit, while also responding directly to existing requests for delivery. Although it has greater operational complexity and delivery costs than Solution A, its wider market reach and stronger potential to restore lost sales make it the more appropriate long-term solution.

Task 4b) Justifications for the Implementation Plan

The implementation plan in Appendix 2 follows a **logical four-stage sequence: preparation, system development, service launch and performance review**.

- **Preparation:** Basil must establish essentials like delivery area, pricing, minimum order value and operational requirements.
- **System development** focuses on setting up the online ordering process and arranging delivery support, ensuring that the necessary infrastructure is available before launch.

- **Service launch** should be gradual, allowing Basil to communicate the new service to existing customers and nearby businesses while limiting operational disruption.
- **Finally, performance review** using sales volume, order volumes, delivery costs and customer feedback so that weaknesses can be identified and improved.

Basil should retain responsibility for product quality, production and overall decision-making, while technical and delivery activities can be addressed where necessary. This arrangement reduces implementation risk and follows the standard that effective implementation needs clearly defined actions, roles and timescales (Project Management Institute, 2021).

Task 5b) Justifications for the KPI and SMART Objectives

The KPI selected for Appendix 3 is **percentage increase for sales generated through the new online delivery service**. This KPI is most suitable because Basil's root problem is a decline in number of customers, customers demand and sales, so the success of the proposed solution should be viewed and calculated through measurable increase in sales. A useful KPI should provide a clear measure of progress towards an organizational objective and support performance monitoring (Parmenter, 2020).

The first SMART objective is to **start the online ordering and local delivery service within three months**. This is specific and Time-Bound because it identifies exactly what must be implemented and establishes a clear deadline. The second objective is to **achieve at least 15% of total monthly sales through online delivery orders within six months of launch**.

This provides a measurable target that can be monitored using sales records and is relevant to reducing dependence on declining retail-park footfall. The third objective is to **increase overall monthly sales revenue by 10% within 12 months of implementation**. This is linked to the businesses' financial problem and provides a realistic longer-term measure of whether the strategy is improving business performance. Together, these objectives provide short, medium- and long-term measures of implementation and business impact.

Task 7) Key Findings

- **Root Problem:** Declining customer demand mainly because of low retail-park footfall, shop closures, redundancies and increased homeworking due to COVID-19.
- **Changed Customer Expectations:** Existing customers frequently requesting accessible delivery and pre-ordering services.
- **Solution B – Local Delivery and Online Ordering:** Preferable option because it can reach customers other than declining retail-park footfall and likely recover lost sales.
- **Successful implementation through careful management of costs and responsibilities:** Notably delivery expenses, online ordering, production potential and service quality.
- **Computable performance targets:** The proposed KPI and SMART objectives will allow Basil to scan whether the new service increases online sales and improves overall business performance.

Reference List

1. Include the details of all the sources cited in your report.
2. Ensure these are presented in the Harvard Referencing style.
3. Note: there is an expectation that at least five academic sources should be integrated with the content of this report.
4. Ali, S., Khalid, N., Javed, H.M.U. and Islam, D.M.Z. (2021) 'Consumer adoption of online food delivery ordering (OFDO) services in Pakistan: The impact of the COVID-19 pandemic situation', *Journal of Open Innovation: Technology, Market, and Complexity*, 7(1), p.10. doi: 10.3390/joitmc7010010.
5. Belarmino, A., Raab, C., Tang, J. and Han, W. (2021) 'Exploring the motivations to use online meal delivery platforms: Before and during quarantine', *International Journal of Hospitality Management*, 96, p.102983. doi: 10.1016/j.ijhm.2021.102983.
6. De Bono, E. (1982) *Lateral Thinking for Management: A Handbook*. Harmondsworth: Penguin.
7. Doran, G.T. (1981) 'There's a S.M.A.R.T. way to write management's goals and objectives', *Management Review*, 70(11), pp.35–36.
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9. Locke, E.A. and Latham, G.P. (2002) 'Building a practically useful theory of goal setting and task motivation: A 35-year odyssey', *American Psychologist*, 57(9), pp.705–717.
10. Parmenter, D. (2020) *Key Performance Indicators: Developing, Implementing, and Using Winning KPIs*. 4th edn. Hoboken, NJ: John Wiley & Sons.
11. Project Management Institute (2021) *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*. 7th edn. Newtown Square, PA: Project Management Institute.
12. Sharma, H.L. and Saarsar, P. (2017) 'PMI (Plus-Minus-Interesting): A creative thinking strategy to foster critical thinking', *International Journal of Academic Research and Development*, 2(6), pp.974–977.

Appendix 1 – Task 3a

PMI Evaluation Table

Solution A: Digital Pre-Ordering and Click-and-Collect		
Plus	Minus	Interesting
Reduced waiting time for customers (+2)	Does not address the problem of low retail-park footfall. (-2)	Present customers have shown interest in pre-ordering (+1)
Reduces dependence on answering telephone orders. (+2)	Customers still have to travel to the bakery (-1)	Can provide useful data about preferred products and ordering times. (+1)
Low additional operating cost because no dedicated delivery service is required. (+2)	Needs investment in an online ordering system and digital management. (-1)	Can be expanded into a delivery service if demand is sufficient. (+1)
Provides convenience and helps customers to order before arriving. (+2)	May not attract customers who now work remotely (-2)	Pre-orders can improve production plans and reduce product waste. (+1)
TOTAL: +8	TOTAL: -6	TOTAL:

Overall total for Solution A: Digital Pre-Ordering and Click-and-Collect = +6

Solution B: Local Delivery and Online Ordering		
Plus	Minus	Interesting
Addresses low footfall by allowing Basil to reach customers away from the retail park. (+3)	Delivery creates additional expenses, including labor, fuel or third party delivery charges. (-2)	Can reach former customers who now work remotely (+2)
Responds to present	High operational complexity	Offer opportunities to supply

customer requests for delivery services. (+3)	due to additional staff or delivery partner. (-2)	nearby offices and businesses. (+2)
Expands potential customer base beyond the retail-park visitors. (+3)	Additional pressure on production capacity due to more orders. (-2)	Delivery data can identify cost effective customer areas and famous products. (+1)
Provides an alternate sales method, reduces dependence on walk-in purchases. (+3)	Delivery could affect product quality in case delayed or mishandled. (-1)	Successful service can finally support greater local brand recognition. (+2)
TOTAL:	TOTAL:	TOTAL:

Overall Total for Solution B: Local Delivery and Online Ordering = +12

Appendix 2 – Task 4a

Implementation Plan

Name the problem you are solving: Dropping customer demand and sales due to diminishing retail-park footfall and changing working patterns of customers

Name the solution you are implementing: Solution B – Local Delivery and Online Ordering Service

	WHAT	HOW	WHEN	WHO
1	Devise the delivery service	Spot the target delivery area, delivery times, order value, delivery cost, demand and estimated costs.	Weeks 1–2	Basil
2	Establish online ordering and delivery arrangements	Set up an online ordering system, upload products and prices, establish payment methods, and recruit a part-time delivery worker or company.	Weeks 3–6	Basil + website/order-system provider + delivery worker
3	Launch and promote the service	Introduce the service on a limited basis. Promote it through customers, social media, advertising and nearby businesses. Monitor orders and solve	Weeks 7–10	Basil + delivery worker

		operational issues.		
4	Monitor and improve performance	Evaluate online sales and orders, delivery costs, feedback and repeat orders. Modify delivery charges, delivery area, product range and ordering times.	Weeks 11–12 and ongoing	Basil

Reference: Project Management Institute (2021) *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*. 7th edn. Newtown Square, PA: Project Management Institute. The PMI literature also emphasises that implementation activity plans should define tasks, deliverables, roles, accountabilities, dependencies, timetables and costs.

Appendix 3 – Task 5a

The Key Performance Indicator is: Percentage increase in monthly sales revenue generated through online delivery orders.

Specific	Measurable	Attainable	Relevant	Time-Bound
Objective 1: Initiate an online ordering and delivery service.	Service launched and operational orders recorded.	Attainable using a limited local delivery area and online ordering system.	Addresses low customer access and changing customer habits.	Launch within 3 months .
Objective 2: Target online delivery sales equivalent to about 15% of monthly sales .	Match monthly online-delivery revenue with total monthly sales.	15% target shows a challenging but practical target for a new sales method.	Calculates whether delivery is generating significant sales.	Achieve within 6 months of launch .
Objective 3: Expand total monthly sales revenue by 10% compared to previous sales .	Monthly sales will be correlated with the baseline established before implementation.	Achievable if the new strategy attracts former customers and new customers successfully.	Directly addresses continuous fall in sales.	Achieve within 12 months of launch .

Reference: Doran, G.T. (1981) 'There's a S.M.A.R.T. way to write management's goals and objectives', *Management Review*, 70(11), pp.35–36. Doran's article provides the established framework for writing management goals and objectives using the SMART approach.

KPI reference: Parmenter, D. (2020) *Key Performance Indicators: Developing, Implementing, and Using Winning KPIs*. 4th edn. Hoboken, NJ: John Wiley & Sons. Parmenter's fourth edition specifically focuses on developing and implementing effective KPIs for measuring organisational goals.