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- **Student Name: Bogdan**
 - **Student ID: 2508573**
 - **Lecturer's Name: Babar Syed**
 - **Module Code: LCLM 4004**
 - **Module Name: Problem Solving and Decision-Making**
 - **Component 1: Green Haven Florists**
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Overview

- ***Nature and scope of the problem***
- ***5W2H analysis***
- ***PESTEL critique and application***
- ***Cause-and-Effect critique and application***
- ***Key findings***

Background

- ***Independent florist in Norwich***
- ***Founded in 2016***
- ***Eco-friendly brand positioning***
- ***Serves walk-in, weddings, corporate clients***

Root Problem

- **Root Problem**: 30% decline in in-store sales (last 12 months).

External Problems

- Fewer people shopping on the high street.
- More customers buying online.
- Inflation increasing flower costs.
- New competitors in the area.

Internal Problems

- ***Business relied heavily on physical store sales.***
- ***Online Sales increasing but not enough to replace store loss.***
- ***Limited digital marketing.***
- ***Higher costs due to sustainability choices.***

Based on your insight, apply a 5W2H model and discuss the information provided in your table (approx. 1 minute).

Identify the Root Problem						
What?	Where?	When?	Who?	Why?	How?	How much?
What effect is it having?	Where is the problem occurring?	When was the problem first noticed?	Who is impacted by the problem?	Why is the problem happening?	How serious is the problem?	How much money is being lost?
S	Physical retail store in Norwich	Over the past year	Owners	Shift toward online shopping	30% is a significant decline	Gross revenue declines
Footfall customer in shop	High-street foot traffic	Gradual decline	Employees	Competition	Threatens long-term viability	30% store revenue decline
Online sales increased	In-store revenue stream	Online competition and rising costs	Customers	Rising costs	Fixed costs stays constant	Break-even point becomes harder

Provide a critique of the PESTEL Framework (approx. 1 minute).

- The PESTEL framework is a strategic tool that assists in the analysis of the external environment of a business in terms of its macro-environment. The factors that are taken into consideration in this model are Political Factors, Economic Factors, Social Factors, Technological Factors, Environmental Factors, and Legal Factors. This model assists businesses in identifying the external environment during strategic planning. In the case of Green Haven, factors that could be considered in this model are inflation and the rise of online shopping. The major advantage of this model is that it gives a clear overview of the external environment. This model has been criticized for being descriptive rather than analytical.

Provide an application and discuss the information provided in your PESTEL Framework (approx. 1 minute).

- Here is the tabular PESTLE analysis of **Olive Tree Bistro**.

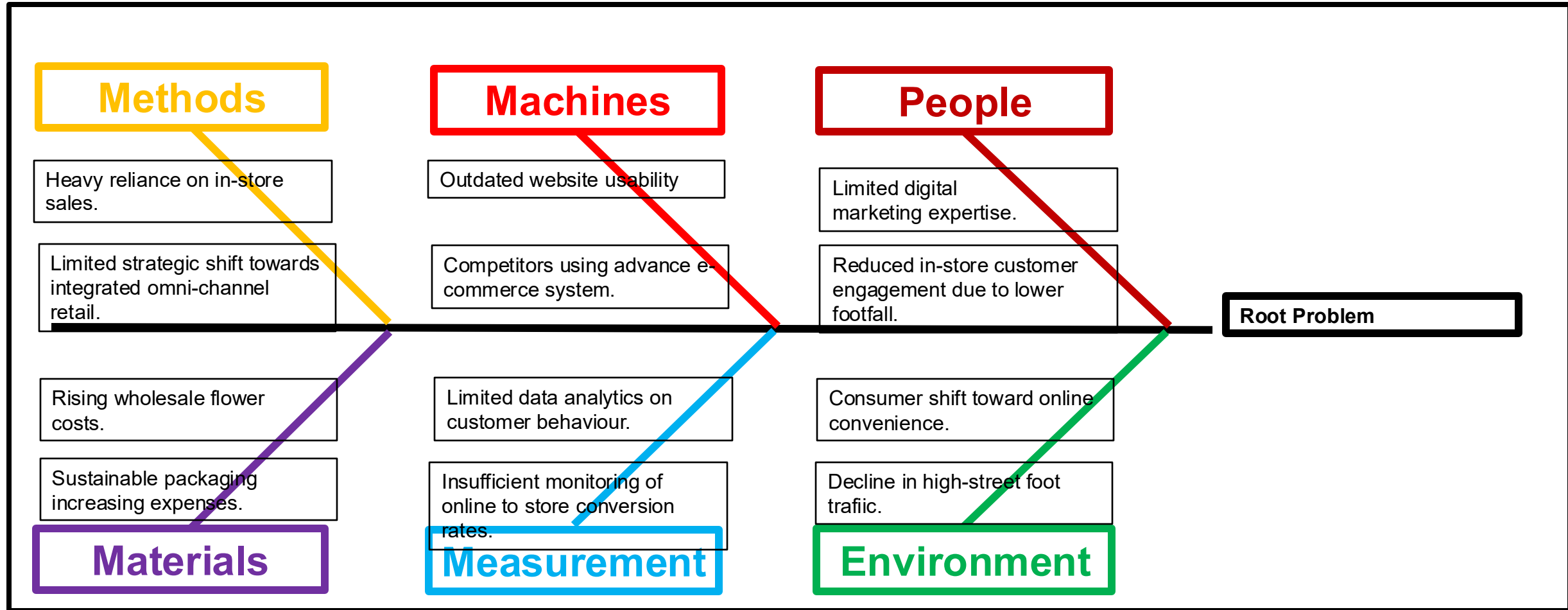
Political Factors	Economic Factors	Social Factors	Technological Factors	Legal Factors	Environmental Factors
▪ Import regulations affecting flower supply. ▪ Government business taxation & operating policies.	▪ Inflation increasing wholesale flower prices. ▪ Reduced consumer disposable income.	▪ Shift towards online convenience. ▪ Changing consumer shopping habits.	▪ Growth of e-commerce platforms. ▪ Competitors using advanced digital marketing.	▪ Employment law obligation. ▪ Consumer protection regulations.	▪ Demand for sustainable sourcing. ▪ Use of eco-friendly packaging.

Provide a critique of the Cause-and-Effect model (approx. 1 minute).

Cause-and-Effect diagram, also known as Fishbone diagram, is a problem analysis tool that helps identify and organize a possible cause for a particular problem. It is often employed in quality management or decision making to divide a problem into categories.

The advantage of this model is that it promotes thinking systematically and critically instead of focusing on a single cause for a problem.

Provide an application and discuss the information provided in your Cause-and-Effect diagram (approx. 1 minute).



Provide a summary of your Key Findings **(approx. 30 seconds)**

- Key finding 1: The reduction of 30% in in-store sales is mainly attributed to macro-environmental factors, which include a move towards online shopping.
- Key finding 2: Although online sales have increased slightly, they are not sufficient to compensate for the significant decline in physical store revenue, creating a revenue imbalance.
- Key finding 3: Rising operating costs, particularly inflation and sustainable sourcing expenses are increasing financial pressure and reducing profit margins.
- Key finding 4: The problem is a structural and multi-causal issue involving both external market forces and internal strategic positioning.

Reference List:

- Brooks, I. (2011) The international Business Environment. 2nd edn. Harlow: Pearson Education.
- Institute of Leadership & Management (2013) Solving Problems and Making Decisions. 5th edn. London: Routledge.
- Ishikawa, K. (1986) Guide to Quality Control. 2nd edn. Tokyo: Asian Productivity Organization.
- Johnson, G., Scholes, K. and Whittington, R (2020) Exploring Strategy. 12th edn. Harlow: Pearson Education.

Thank you for listening

