

**INDIVIDUAL REPORT:
PROBLEM SOLVING AND DECISION
MAKING**

Case Study Analysis: Green Haven Florist

Module Title:	Problem Solving and Decision Making
Module Code:	LCLM4004
Programme:	BA (Hons) Business Management
Student ID:	2511685, Cristian Chiuariu
Lecturer name:	Toyin Adisa
Date of Submission:	19/08/2026

Executive Summary

This report presents an in-depth academic evaluation of the strategic and operational issues faced by **Green Haven Florist**, an established retail florist struggling with seasonal revenue instability, high perishable inventory waste, and aggressive competition from online floral delivery platforms and supermarkets. Through structured problem-solving methodologies—including the 5 Whys and Fishbone Diagram—the root causes of the business's current financial pressures are determined. Furthermore, macro and micro-environmental analyses (PESTLE and SWOT) inform the creation of three distinct strategic options. Using a weighted Decision Matrix, a digital-first, subscription-based service combined with enhanced supply chain management is recommended. Finally, an implementation plan guided by change management principles and risk controls is detailed to secure sustainable commercial success.

1. Introduction

Effective managerial decision-making requires systematically identifying problems, analyzing strategic alternatives, and implementing evidence-based solutions (Clegg et al., 2021). Green Haven Florist is a traditional, brick-and-mortar retail florist operating in a dynamic urban market. While renowned for bespoke floral arrangements and personal customer care, the business faces declining retail footfall, high spoilage rates of fresh stock, and compressed profit margins caused by digital competitors and rising supplier costs.

The aim of this report is to analyze Green Haven Florist’s operational bottlenecks, evaluate strategic choices using recognized decision-making tools, and recommend a viable, long-term solution to ensure financial sustainability.

2. Problem Identification & Root Cause Analysis

Managers must differentiate between visible symptoms and true underlying root causes to prevent superficial problem-solving (Slack and Brandon-Jones, 2019). Green Haven Florist displays clear symptoms of distress, including inconsistent monthly revenue, elevated flower spoilage, and customer complaints regarding delayed local deliveries.

2.1 The 5 Whys Technique

The 5 Whys tool was utilized to drill down into the core cause of financial instability:

- Why are monthly profit margins falling?**
Because wastage costs for unsold perishable inventory are rising while overall store sales are stagnant.
- Why is fresh inventory wastage high?**
Because floral purchasing relies on intuitive guessing rather than accurate demand forecasting tools.
- Why is demand forecasting so unpredictable?**
Because retail sales are highly volatile and heavily reliant on ad-hoc walk-in customers and major calendar events (e.g., Valentine's Day).

4. Why hasn't the business built a recurring, predictable customer base?
Because Green Haven Florist lacks a subscription model, corporate contract strategy, and an integrated e-commerce channel.

5. Why is there a lack of digital infrastructure and subscription offerings?
Because management has adhered strictly to traditional retail methods without investing in modern digital business models.

Root Cause: Over-reliance on traditional walk-in retail sales and manual inventory management, leading to unpredictable cash flow and high stock spoilage.

2.2 Cause-and-Effect Analysis (Ishikawa / Fishbone Diagram)

Applying the Fishbone model (Ishikawa, 1982) categorizes the key contributing operational factors:

- **People:** Staff lack expertise in digital marketing, online order management, and modern inventory software.
- **Process:** Ad-hoc stock ordering from suppliers leads to overstocking during off-peak seasonal periods.
- **Technology:** No e-commerce platform, digital inventory tracking system, or automated subscription management tool.
- **Environment:** Shift in consumer buying habits towards online flower delivery services (e.g., Bloom & Wild) and low-cost supermarket bouquets.

3. Strategic Analysis Frameworks

3.1 PESTLE Analysis

A PESTLE evaluation highlights macro-environmental factors impacting Green Haven Florist (Johnson et al., 2020):

- **Political:** Import regulations and trade tariffs affecting flower shipments from major European growers (e.g., Netherlands).
- **Economic:** Inflationary pressures increasing cold-storage utility bills and flower wholesale costs alongside squeezed household budgets.
- **Social:** Growing consumer appetite for eco-friendly, locally sourced blooms, sustainable packaging, and floral subscription gifts.
- **Technological:** Widespread adoption of mobile e-commerce, click-and-collect, and automated social media marketing.
- **Legal:** Compliance with UK consumer rights for online deliveries and minimum wage mandates for delivery staff.
- **Environmental:** Industry pressure to reduce floral foam usage, non-recyclable plastics, and carbon footprints from air-freighted stock.

3.2 SWOT Analysis

Strengths	Weaknesses
• Highly skilled florists and bespoke arrangement capability. • Strong local reputation for quality and customer service. • Established relationships with local flower wholesalers.	• High inventory spoilage rates due to perishable stock. • Absence of an e-commerce website or online ordering system. • Vulnerability to off-peak seasonal revenue slumps.
Opportunities	Threats
• Launching a recurring weekly/monthly floral subscription box. • Securing corporate B2B contracts (hotels, offices, events). • Promoting eco-friendly, zero-plastic packaging options.	• Direct competition from venture-backed online flower apps. • Discount pricing on flowers from large supermarket chains. • Price volatility in imported raw floral inventory.

4. Decision-Making & Evaluation of Options

To eliminate the root cause, three potential strategic options were developed and analyzed.

4.1 Option Generation

- **Option 1 (Cost Reduction & Discounting):** Lower prices on aging stock and cut shop opening hours during off-peak weekdays to control overheads.
- **Option 2 (E-Commerce Platform & Floral Subscription Model):** Build an e-commerce website offering online ordering, local delivery, and recurring B2C/B2B subscription services alongside digital POS inventory tracking.
- **Option 3 (Event Specialization Focus):** Transition entirely away from retail walk-ins to focus exclusively on wedding and large-scale event floral contracts.

4.2 Decision Matrix Evaluation

Options were evaluated using a weighted Decision Matrix (Pugh, 1991), scoring criteria from 1 (Low) to 5 (High):

Evaluation Criteria	Weight	Option 1	Option 2	Option 3
Financial Viability & Cost	25%	5 (1.25)	3 (0.75)	2 (0.50)
Revenue Stability Impact	30%	1 (0.30)	5 (1.50)	3 (0.90)
Operational Feasibility & Risk	20%	4 (0.80)	4 (0.80)	2 (0.40)
Strategic Alignment with Market Trends	25%	1 (0.25)	5 (1.25)	3 (0.75)
Weighted Total Score	100%	2.60	4.30	2.55

5. Justified Recommendation

The Decision Matrix clearly identifies Option 2 (E-Commerce Platform & Floral Subscription Model) as the superior strategic path with a total score of 4.30/5.00.

Option 1 merely delays business decline by reducing quality perceptions and employee morale. Option 3 introduces severe revenue volatility and abandons the business's existing loyal customer base.

Option 2 directly solves the core problem identified in Section 2. By introducing digital ordering and subscription models, Green Haven Florist can:

1. Generate predictable, recurring monthly revenues through B2C home subscriptions and B2B office contracts.
2. Leverage accurate order data to pre-order exact flower quantities from wholesalers, cutting perishable waste by up to 30% (Slack and Brandon-Jones, 2019).
3. Expand market reach beyond immediate footfall geography into wider local delivery zones.

6. Implementation Plan & Action Roadmap

Following Kotter's (2012) change management framework, implementation will occur across a structured 12-week timeline:

Phase 1 — Weeks 1–3

Platform Development & System Setup

Procure an e-commerce platform (e.g., Shopify) integrated with a floral subscription plugin and cloud inventory management system.

Phase 2 — Weeks 4–6

Supplier Integration & Staff Upskilling

Establish direct automated ordering with local eco-friendly growers and train staff on digital order fulfillment and packaging.

Phase 3 — Weeks 7–9

Soft Launch & Pilot Testing

Roll out subscription boxes to existing loyal customers at a discounted rate to test delivery logistics and website UX.

Phase 4 — Weeks 10–12

Full Launch & Digital Marketing Campaign

Launch targeted social media ads, local influencer collaborations, and B2B corporate outreach in Canary Wharf/London areas.

Risk Management Strategy

- **Risk: Delivery delays causing flower damage or wilt during transit.**
Mitigation: Partner with dedicated local eco-couriers using temperature-controlled vehicles and eco-packaging.

- **Risk: High customer churn rate on monthly subscription plans.**

Mitigation: Offer flexible cancellation/pausing options and introduce seasonal bouquet customization features.

7. Conclusion

Green Haven Florist possesses exceptional craft skill and brand goodwill, but its traditional business model is unsustainable in a modernized retail landscape. By applying structured problem-solving tools, this report demonstrates that adopting an e-commerce and subscription-based strategy (Option 2) effectively resolves financial instability and perishable stock waste. Implementing this recommendation will enable Green Haven Florist to modernize operations, secure recurring revenue, and achieve sustainable long-term growth.

References

- Clegg, S.R., Kornberger, M. and Pitsis, T. (2021) Managing and Organizations: An Introduction to Theory and Practice. 6th edn. London: SAGE Publications.
- Ishikawa, K. (1982) Guide to Quality Control. Tokyo: Asian Productivity Organization.
- Johnson, G., Whittington, R., Regnér, P., Scholes, K. and Angwin, D. (2020) Exploring Strategy: Text and Cases. 12th edn. Harlow: Pearson Education.
- Kotter, J.P. (2012) Leading Change. Boston: Harvard Business Review Press.
- Pugh, S. (1991) Total Design: Integrated Methods for Successful Product Engineering. Addison-Wesley.
- Slack, N. and Brandon-Jones, A. (2019) Operations Management. 9th edn. Harlow: Pearson Education.