Dear Miriam,   
  
With regards to your email message, I do hope you are in good health. I am grateful for this opportunity to engage with you on the dilemma your restaurant cafe is experiencing. I have well understood all the issues that are troubling your business at the moment, and it is my duty to help provide solutions and share ideas on how to re-strategize and move your business back on track. Over this letter, I will tackle the issues, both internal and external, affecting your company, put forward smart recommendations for key business operations, consider ethical implications, and suggest practical ways of boosting Bistro Café success and sustainability (Alalwan 2017). Now, we can go and work deeply on what is delivered and the action strategies to beat any problem you're facing.  
  
For a thorough PESTEL (Political, Economic, Social, Technological, Environmental, and Legal) analysis as well as a SWOT (Strengths, Weaknesses, Opportunities, Threats) examination, which will reveal the political, economic, social, technological, environmental, and legal forces affecting Bistro Café, it is essential to conduct the internal and external environment. These instruments allow taking a look at the general situation from various angles, considering different factors under the influence of which the business runs and evaluates the competitive environment of the café.  
  
**Political:** The Bistro Café's premises are regulated by a set of laws that address issues of labour, food safety provision, and taxation. Political pressures such as changing government policies or regulations are usually related to minimum wage or food industry imposed sanctions that in their turn influence structure of costs and the way café are operated. The compliance with the established standards is of the utmost importance as is is would be the factor determining if the legal penalties are to be imposed or not as well as if the consumers will continue trusting the brand or not (Alves, Fernandes & Raposo 2016).  
  
**Economic:** The café faces the risk of economic shocks, resulting in decline in consumer spending and thus, ultimately jeopardizing the business. Changing disposable income and economy situation may become a key factor for adjustment in chosen consumer behavior. The shift in dining out patterns and spending may follow. Furthermore undulating inflation levels and currency exchange rates drive up the prices of goods and operational expenditure and they, in turn, influence profitability and pricing strategy of the cafe.  
  
**Social:** Such implications impel Bistro Café to adjust to changing consumer preferences as well as the trends of the society so as not to become outdate. As demography changes, for example aging population or a new crowd of professionals comes in, the demand for menu picks and therefore dining experience naturally changes as well (Bitner 2019). The particularity on the other hand instead of his alternative role in planning preferences produces healthier eating aspects and the sustainable practices may lead to a newer menu and more operation adjustments according to the expectations of consumers.  
  
**Technological:** On the one hand, the recent developments in technology give both good and room for improvement for the Bistro Café. Although technologies like mobile applications and digital payment systems are promising to boost the overall efficiency of the café operations and enhance customer experience, they might not be helpful unless the café begins to use and accept them. Not having technology as part of its activities could lead to missed customer engagement and waste work optimization sectors.  
  
**Environmental:** Rising environmental sustainability to be taken into account as it influences Bistro Café's business life. The café may require adjusting supply chain and business operations in line with ever dynamic demands from consumers for eco-friendly packaging and ethically procured produce. One of the best ways to decrease the coffee shop’s environmental footprint and maintain its image as a knowledgeable and responsible business is the compliance with environmental regulations on waste management and energy consumption (Chatterjee & Kar 2020).

**Legal:** Our restaurant must face numerous legal respective duties like complying with health regulations, food labelling and employment laws. Meeting these regulations is the only key to be lawful and free from legal liabilities, and for the protection of the cafe. In addition, as the capital is a common goal of entrepreneurs in every industry, safeguarding intellectual property rights, such trademarking the brand and recipes, is crucial to hinder infringement and maintain a competitive edge in the market.  
  
**SWOT Analysis:**   
  
**Strengths:** Bistro Café has gained a reputation for its friendly ambiance and well-prepared meals which, together, can create a long-lasting customer base. Its location in the busy town center - only a few meters away from showrooms - gives its business a competitive edge (Clark & Hunt 2019). Among the multiple factors is also the approach of the cafe’s affordable pricing. Consequently, it is one of the reasons as to why it is well received by the price-conscious clients.

**Weaknesses:** One of the main problems that Bistro Café faces is eroding margin on coffee sales due to rising vendor’s cost which presents a significant problem for the company. The staff recovering from constant stress rates results in staff transition which in turn bring recruitment and training expenses creating an operational reputation and service quality problem. As such, the absence of technology and online presence do damage the café conduct in line with market demand and customer interaction.  
  
**Opportunities:** Café Bistro has the chances to grow its customer shares and at the same time increase the profitability. Prolonged operating time of the facility on the nights and weekends is meant to utilize more potential earnings from late-day and evening traffic (Dwivedi, Kapoor & Chen 2015). Through social media platforms, marketers can apply digital tactics such as an online brand presence or customer engagement with the intrigue, which leads to higher brand visibility as well as the attraction of new customers. Considering joint-venture with nearby eateries or working places for meal service can extend varieties in revenue models.  
  
**Threats:** Sharp rivalry among other cafés in the area from big street brands and chains as well provides Bistro Café with cause for concern about its market share and revenue. A possibility of poverty and a fluctuation of customers spending habits in post-WWII period might affect a volume of finance of the cafe Moreover, the increasing utility bills that comprise the electricity and personnel costs also stand as a difficulty to realize positive financial performance compared to competition.  
  
**IBIS World Industry Report Insights:**The fact the IBIS World Industry reports for the cafés and coffee shops in UK provides just some information that is enough to know the on-going industry demands and challenges. It is clearly shown in this case study that customers are increasingly becoming discernible and in search of high quality coffee and artisanal food items (Evans, Bratton & McKee 2021). These are the reasons why differentiated and innovative products as well as services are becoming an essential condition for business success. Moreover, the report emphasizes how the online ordering and delivery services are coming to play a much more important role in catering to modern day consumer needs. Leveraging these insights, Bistro Café has the capability to redevelop its strategies and on-site alignments to the latest trends and attract consumers towards the business. In addition, such insights enable business to deal with industry challenges easily.  
  
Bistro Café's major functions within the business would be marketing, operations, finance, and people. Each of these functions is an important component to the cafe's overall performance being so they must be done with great care and a clear plan. This plan will ultimately ensure that these functions are done right so that they can generate profit, efficiency and satisfactory customers, which is the ultimate goal.  
  
**Finances:** Ensuring effective financial management therefore matters for Bistro Café to be in the black and stay in business. Your task is to find the best word in each line and write it in the blank provided. Low profit margins from coffee retail sales as a result of expanding supplier costs become a failure of finances for a business product. In order to handle this particular issue the café if they can have contract review or even find an alternative producing to regain the cost efficiency without quality reduction. In addition to this, the continued high staff attrition is responsible for weighing down on the recruitment and training costs, a factor that ultimately affects the business’s bottom line. Considering investments in strategies for employee’s retention which include offering competitive salaries, opportunities for employee's growth and development and work environment that favours a thriving work culture is also a sure way to reduce the rate of job switching and make the most out of the available funds (Florido-Benítez 2016). Moreover, a dramatic increase in Bistro's monthly electricity costs and the huge additional to staff payments from 7 workers to 14 is true of its operating costs as well. Substituting energy saving measures like adopting energy efficient products and cleverly regulating lighting and heating systems contribute to reduced electricity expenses and better savings. Moreover, if we reorganize the process of hiring and delivering employing courses platform with intensive training programs this will help improving the efficiency of procedures and cutting down the expenses of training in the future.  
  
**Operations:** We cannot accomplish anything if our operational processes are inefficient. What this means is not delivering quality products and services to our customers, and nobody wants a substandard product! Bistro Café needs to take care of high turnover, which is the main reason the staffing is not adequate and the service quality is low. Bringing in and keeping personnel who have the expertise and the ability to do well in the job require that the organization finds workable retention and recruitment strategy which make wages competitive, and which include regular trainings and development opportunities in addition to a supportive work atmosphere. Over and above, the ability to stay open during peak times like in the late afternoon and evening is another way Bistro Café can realize more profits and pull in new customer base (González Romo & Pallarés Segura 2020). Despite the fact that the implementation itself should be done as smoothly as possible, reducing the staff, proving that the operation can cope with the new hours effectively are the challenges that this process might as well carry. An extra investment in the technology like POS systems as well as inventory management software can help in improving efficiency and eliminating operational slack. This in turn makes the customers happier and gives better shopping experience to them. To this end, Bistro Café should make its customer service a top priority by training their staff to give highly personalized service, immediately address customer questions and complaints and keep their business environment delightful. Quality customer service in one goes resonates with customers and help to create customer trust and morality.   
  
**Marketing:** The marketing strategy plays a vital role in growing the customer base, retaining loyal consumers and maintaining a competitive advantage. While the café so far has relied on personal recommendations and the business’ credibility for coffee and cosy atmosphere, it needs to adjust to the digital communications and the changing behavioural patterns of a modern customer. Utilizing social media networks such as Facebook, Instagram, and Twitter can help Bistro Cafe interact with customers, display menu offerings and run special events or promotion by this way.  Additionally, leveraging collaboration with convenience stores, office buildings, or community groups can serve as places for cross promotion and visibility enhancement (Hapsari, Clemes & Dean 2017). Launching evening activities like theme nights, live music performances, or coffee tasting events can not only attract new customers but also give them something to remember and come back for.  
  
**People Management:** It is imperative that successful people management is to be applied for the purpose of building a positive and productive organizational climate, as well as ensuring excellent customer service. Bistro Café shall focus on how to solve high turnover ratio, staff dissatisfaction which impact the staff morale and quality of service delivery. Training and development of the employees can motivate them to excel in their job, improve their skill and, contributes to the coffee shop excellence. Furthermore, supplying holidays for career advancement, recognition, and feedback allows employees to be more engaged and committed in the organization. It is equally important that management is open for communication and collaboration with the employees. This is the way to create trust, to fix contradictions and to solve problems successfully. Initiating employee wellbeing program, providing fair compensation, and creating room for growth can build a work environment that embraces teamwork and therefore helps to improve the experience of the customers (Harris & Cohen 2003).

There are many ethical issues that Bistro Café has to deal with and some of them are too difficult to be resolved. It is important to guarantee the rights of the workers and represent the society as a responsible business. The ethical issue of asking applicants to work in unpaid trainee roles is addressed by this method which raises ethical issues. Free of charge labour acts against fair labour policies and abuses of those professionals who may feel obliged to accept working without pay in order to gain jobs. This approach, moreover, devalues applicants' time and effort, and indirectly reinforces inequality as it gives advantage to those very few privileged can work without pay. Bistro Café should also be aware of ethical issues surrounding trial shifts without pay and modify its hiring process that pays a fair price to all potential employees (Kotler & Armstrong 2010). The second ethic issue springs from their decision to give up a part of employees tips as a substitution for costlier operating expenses. Although it may be legal to retain some tips for various purposes, e.g., for covering administrative expenses or raising shared profit, this decision, if practiced without the employees' consent and clear communication, raises important ethical issues.

Hence, the overarching solution to Bistro Café's issues calls for a multi-tined approach targeting the financial, operational, marketing, and ethical aspects. An effective approach towards enhancing financial management, streamlining operations, boosting marketing operation, and adherence to ethical practices may all be used by Bistro Café to face up to the present obstacles and be at a better place still in the future. These are achieved by the Bistro Café through establishing a culture of transparency, justice and the welfare of employees, which makes the bottom line management profitable as well as enhancing the image of the organization among the customers. By having a zeal and devising formulated plans, the Bistro Café will be able to overcome the challenges of this business and become one of the most successful social enterprise.  
  
Best regards.

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