

In-class Task Scenario: Declining Sales in a Supermarket Chain

A local **supermarket chain** has been experiencing a **steady decline in sales over the past six months**. The management is unsure whether the issue is due to **pricing strategies, customer service, inventory management, competition, or external economic factors**. Despite offering discounts and promotional deals, sales have not improved as expected.

Customers have **complained about long checkout lines, frequent out-of-stock products, and unfriendly staff behavior**. Additionally, a new **competing supermarket** has opened nearby, attracting some of their loyal customers. The management now wants to analyze the **root causes of the problem and understand how different factors influence overall sales performance**.

Task 1: Influence Diagram (20 Marks)

Create an **Influence Diagram** to visually represent the key factors affecting sales performance. The diagram should:

1. Identify **major variables** (e.g., marketing efforts, customer satisfaction, pricing strategy).
 2. Show **how these variables influence each other** and the final outcome (sales).
 3. Use appropriate notations (decision nodes, chance nodes, and outcome nodes).
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Task 2: Fishbone (Ishikawa) Diagram (30 Marks)

Construct a **Fishbone Diagram** to determine the **root causes** of declining sales. Use the **6Ms approach** (Man, Machine, Method, Material, Measurement, and Environment) to categorize potential causes.

Task 3: Interpretation and Recommendations (30 Marks)

- Analyze your findings from the Influence and Fishbone diagrams.
 - Explain the **most critical factors** leading to declining sales.
 - Propose **data-driven recommendations** to improve sales (e.g., improve customer service, optimize inventory).
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Task 4: Report Submission (20 Marks)

- Submit a well-structured **8-10 page report** with diagrams and explanations.
- Provide a **brief executive summary** at the beginning.

Key Features of an Executive Summary:

- ✓ **Concise** – Usually **1-2 pages** long.
- ✓ **Summarizes Key Points** – Includes the **main objective, findings, conclusions, and recommendations**.
- ✓ **Easy to Read** – Written in a **clear and professional** manner.
- ✓ **Self-Contained** – Should make sense **without needing to refer** to the full report.