Strategic Plan

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Executive Summary

Strategic planning is recognized as the mandatory aspect to ensure the success of the business form. It is one core responsibility for the management of the company to critically analyze the entire business scenario and adopt suitable business measures. Starbucks is identified as the successful coffee brand at both the national and global level. Appropriate consideration and alignment of different strategic features help the organization to recognize as the leading coffee retailing brand at a global level. All the diverse operations are strategically handled by the management by providing the necessary confidence to all the shareholders.

Strategic Plan

**Introduction**

Strategic planning is recognized as one of the important features of the overall management of the organizations. It is important for the management of the business organization to set realistic goals of business productivity and establish a relevant strategic plan. The overall process of strategic planning helps organizations to identify their main business objectives and available potential to achieve these targets. Here the focus is to consider the organization of Starbucks to critically analyze its strategic plan and all relevant approaches.

**Discussion**

Comprehensive consideration of strategic planning of the organization indicates the overall strategy adopted by the management of the organization. It is interesting to examine the strategic positioning of Starbucks to figure out its business domain is different from its competitors in the local and international market. Detailed company’s analysis is essential to ensure a suitable form of strategic planning adopted by the management of Starbucks.

**Company’s Overview**

Starbucks Corporation (SBUX) is an American coffee company comprised of a number of coffeehouses in different regions around the globe. The company of Starbucks expand its business while operating over 30,000 different locations around the globe. The business organization of Starbuck was founded in the geographical area of Seattle, Washington in 1971. The main essence of Starbucks’s business is to buy and roasts high-quality whole coffee beans for its potential customers. The business organization of Starbucks established itself as the limited-service café operating around the world with almost 191,000 workers. The business of Starbucks grabs attention because it is the largest coffee retailer brand on a global level. The business dimensions and strategies of Starbucks are unique that eventually turn as the most profitable corporation.

**Company’s History**

Detailed consideration of the historical overview of Starbucks is essential to figure out that from where it started its business and how it achieve different milestones. Identification of the history of the company also helps to identify specific business strategies and instruments adopted by the management of Starbucks. The first shop pf Starbucks opened in the area of Seattle, Washington, on March 31, 1971. It is interesting to explore that the business of Starbucks started by three partners, Jerry Baldwin, Zev Siegl, and Gordon Bowker with the focus to initiate small level coffee business. All these business partners were aligned to sell high-quality coffee beans. The management of Starbucks inaugurated its second coffee store at 1912 Pike Place. This was the time when the company was only interested to sell whole coffee beans and started the business project of brew coffee. It is worthy to mention that initially, Starbucks purchased green coffee beans from Alfred Peet but soon began buying directly from farmers. Direct supply was one major decision for the business that eventually provides new directions to the corporate prospect of Starbucks. Historical background of the company of Starbucks is a clear indication of the transitional process of the entire business. Different proactive business measures lead the organization to the heights of success. Adoption of different growing business methods helps in establishing Starbucks as the brand name in the business market of coffee. History of the company also indicates the overall development of the logo of Starbucks. The particular marine and the Moby-Dick theme were the basic inspirations when it comes to to the name and logo of the company’s business. Terry Heckler designed a popular logo for Starbucks that represent the overall image of the business profile. The management of the company changes the company’s logo with the passage of time to give it a new and refreshing look for its customers.

**Product and Services**

Proper identification of the entire prospect of product and services of Starbucks is essential to understand its overall business domain. When it comes to the consideration of product than there are different products offers by Starbucks for its potential customers. A great range of exceptional coffee products available for customers with a combination of great services for them. Branded foods and beverages are the significant product domains delivers by the organization of Starbucks. Both aspects of products and services can critically observe in the case of Starbucks. The management of Starbucks is highly focused to offer the best customer services to the customers through a great café environment and offer an extraordinary range of food products.

The products of Starbucks can be distributed into different and important categories that turn as the great range of branded items available for the consumers. The food products offered by company characterized into the three great forms of hand-crafted beverages, pastries, and the category of sandwiches and salads for some specific markets. When it comes to the exploration of the product of Starbucks in the form of beverages than brewed coffee, Italian-style espresso, cold blended beverages, roasted whole bean coffees, different tea products, fruit juices, and the approach of coffee liqueur are the major items. The product domain of food is also successfully captured by the company by offering different forms of sandwiches, salads, pastries, and ice creams for its customers. These products are categorized as the major business products offered by the company to enhance its business domains and gain international market share as much as possible. Identification of non-food items is also essential to figure out the entire range of product and services offered by the management of Starbucks for its clients in different parts of the world. Starbucks initiated different marketing strategies by offering different product and service ranges for its clients. When it comes to the innovative idea in the form of non-food items than Starbucks come up with the significant items of mugs, travel tumblers, coffeemakers, coffee grinders, storage containers, different games, customized Starbucks cards etc. Identification of all these products is the clear indication of the high range of business line set by the management of Starbucks.

**Operations**

Critical observation and analysis of all the operations of Starbucks help to make better inferences about the entire business management of the business. Operation management of Starbucks is an extensive form of business that links with different forms of considerations. Starbucks distributed a broad form of operations into different key areas concerning the approach of decision-making. It is vital to consider the approach of operation management of Starbucks to attain better corporate knowledge about the company. The prospect of operations of Starbucks consists of different relevant strategies. Starbucks is continuously achieving its objective of success by initiating innovative ideas in its operations of the business. The broad idea of operations management of Starbucks divided into major categories that are linked with the main goal of the company.

Different practical approaches and policies are adopted by the management of Starbucks at both national and international level to increase its productivity in the form of operations management. Integrated practical measures help Starbucks to achieve actual goals considering the demands of the market. It is vital to discuss different areas of operations of Starbucks to get a better understanding of the overall domain of business. The first area of consideration under the prospect of its operations is to identify as the design of goods and services. The main focus of Starbucks is to develop and sustain premium design when it comes to the paradigms of its goods and services. The strategies of differentiation and premium pricing are the practical measures adopted by the management of Starbucks to attain proper attention of customers for its goods and services. Quality management is another major feature of the category of operations of Starbucks. The area of quality is greatly focused by the management to achieve high standards of quality products and services for its customers. The company of Starbucks keen to only buy coffee beans from certified farmers to ensure high-quality raw material use for its final products. The overall procedure and capacity design is another operational feature of consideration for Starbucks. Capacity efficiency is regularly enhanced by Starbucks which is one of the key reason for the success of this business. Flexible design processes are adopted by the higher management of Starbucks to effectively and efficiently meet the changing demands of the market. Location strategy is another major operational paradigm greatly adopted by Starbucks. Urban centers are the main focus of Starbucks when it comes to enhancing the domain of operation management in the form of location strategy. Large middle and upper-class populations are the target areas considered by Starbucks.

Development of proper layout plan for the business of Starbucks is another major form of operation management. The main aim of the management of Starbucks in the form of design strategy is to increase the overall efficiency of the workflow of its business practices. The design strategy is developed with a significant alignment with the overall culture of the organization. Premium customer experience is the main aspect of concern for the company which is achieved by offering innovative and comfortable café environment to the clients. Customer experience is the priority perspective considered by the management of Starbucks considering the operational facet of design strategy. Supply chain management is another important area of consideration related to the broader form of operation management of Starbucks. The prospect of supply chain management is greatly focused by Starbucks to attain desired outcomes at both the national and global level. The operational strategy of diversification is adopted by Starbucks to attain and sustain a better form of sustainability in case of supply. Identification of Coffee and Farmer Equity (CAFÉ) program is integral which is adopted by the company with the focus to give the necessary priority to its suppliers. Suppliers are established as one of the critical and main stakeholders of the entire business. The organization of Starbucks strictly adopted various ethical consideration to ensure better and sustainable positioning of all the shareholders in an effective way (Campbell & Helleloid, 2016). Development of the feature of sustainability is the main concern for the business of Starbucks which is achieved by assuring proper integration between its different operational areas. Aligned working approaches are adopted by the management to provide good quality products to the customers. Inventory management is another major form of the overall approach of operation management adopted by the organization of Starbucks. The broad idea of inventory linked with the overall form of supply chain established by Starbucks. The paradigms of automation and proper assessment are considered to ensure a proper record of all the items. It is mandatory for the company to use a regular supply of coffee beans to ensure high-quality coffee products for its customers. The specific practical forms of supply adequacy and automation are properly utilized by Starbucks to effectively handle all the concerns related to inventory management.

**Vision**

“To establish Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles while we grow.”

**Mission Statement**

“To inspire and nurture the human spirit one person, one cup and one neighborhood at a time.”

**Corporate Values & Culture**

The overall organizational culture is established as an important form to develop and execute better business ideas. Different stakeholders involved in case of creation of particular organizational culture in Starbucks. Undoubtedly, Starbucks has its unique identity that is open reveals in the form of its culture. There are different aspects and organizational values which are connected in the form of culture of the company. Culture of inclusion is the main identity of the company of Starbucks that eventually reveals through its different operations. The proper combination of different key cultural aspects helps to develop unique form of organizational culture for Starbucks (Flamholtz & Randle, 2011). The management of the company is focus to adopt the idea of organizational culture which is closely compatible with the main goals and vision of the company. Exploration of the core values of Starbucks helps to distinguish its products and services from its counterparts in the markets.

The overall culture of Starbucks Corporations consisted of unique characteristics of the company which eventually represent the core values adopted by management and employees of the organization. The idea of corporate culture is utilized by the management to influence workers and the overall performance set for the company. Various domains of values, customs, traditions, and behavioral features are used to determine the significant form of organization’s culture. The detailed observation of the culture of Starbucks reveals that it is comprised of different related features. Consideration of different operations and licenses are determined under the main domain of cultural aspect adopted by the company of Starbucks. The working routine of café workers is one significant representation of the unique cultural perspective of Starbucks. Workers’ interaction with the customers is one practical domain considering the overall form of corporate culture adopted by the entire team of Starbucks at both the local and global level. Warm and friendly customer service environment is the symbol of Starbucks’ distinct cultural perspective in coffee shops.

The broader form of organizational culture is used by the company of Starbucks to represent its main strategies and procedures to all the stakeholders. When it comes to the identification of unique forms of the organizational culture of Starbucks is than belonging, inclusion, and diversity are three main dimensions. The proper combination of all these aspects eventually helps to shape the overall culture of the company. The useful practical approaches of human resource development programs and baristas' interactions with customers are the two unique aspects of the company’s overall culture. There are some major forms involves in the overall case of the cultural perspective adopted by Starbucks.

The idea of servant leadership is established in Starbucks which gives priority to workers. Employees of the company recognized as the partners of the entire business prospect of the company. The cultural perspective of the company also demands to follow particular relationship-driven approach with the focus to develop and sustain better relationships with all its shareholders. Proper collaboration and flexible communication are also key cultural features in the case of Starbucks (Thompson & Arsel, 2004). Different practical measures are adopted by management to ensure the idea of openness to enhance the prospects of innovation and technological advancements in its operations. The idea of diversity is also effectively and warmly welcomed by the management of Starbucks to involve the diverse workforce in the entire business scenario. It is important to indicate that various corporate cultural reforms developed by the management of the organization due to the changing demands of the business. The approach of flexibility is adopted by Starbucks to meet the requirements of modifications and introduce culture to meet the actual needs of the business.

**SWOT Analysis**

The idea of SWOT analysis helps to determine key strengths, weaknesses, opportunities, and threats for business corporations. The approach of SWOT analysis can also be helpful in case of determining the business position of Starbucks. The overview in the form of SWOT analysis can be helpful to offer better practical strategies for the business in future.

Strengths of Starbucks

Identification of the strengths of Starbucks helps to identify internal strategic factors. When it comes to exploration of main strengths of Starbucks than it is revealed that strong brand image, enhance the form of the global supply chain, and diversification are the key aspects of strength for the company of Starbucks. Different practical measures are adopted by the management of the organization to enhance its brand image within its potential customers (Chua & Banerjee, 2013). The strategy of proper diversification is also adopted by Starbucks to attain flexible operational form.

Weaknesses of Starbucks

Proper exploration of weaknesses is also essential to establish effective and proper practical measures suitable for the business. High pricing is identified as the major weak point for the company as Starbucks is focusing to offer premium product service to its customers. Another significant key point in the case of Starbucks is that its operations are mostly establish as generalized when it comes to establishing standards for most of its key products.

Opportunities of Starbucks

Identification of opportunities for Starbucks reveals about the external factors involves its business approach. The major opportunity for Starbucks is to expand its business in developing markets. The expansion of the business at an international level demands Starbucks to focus on exploring new markets. Business diversification is another major aspect of opportunity for Starbucks that allows the company to adopt different strategies and processes. The objective of long-term stability can better achieve through the proper utilization of the domain of diversification.

Threats of Starbucks

Growing competition in the form of low-cost coffee sellers is one major concern for Starbucks in the form of threat for the organization. Currently, there are major coffee chains involves in the global market.

**Competition**

Detailed analysis of competition for Starbucks is essential to get a clear idea of the market in an effective way. This form of exploration further helps to offer suitable practical measures to achieve desired outcomes to growth and business development in long-run. Competitive rivalry is one significant aspect in case of business functioning of Starbucks at both national and international level (Haskova, 2015). It is important for Starbucks to compete with companies of different sizes and diversities to achieve the ultimate goal of enhancing market share.

Caribou Coffee is recognized as the major competitor form for Starbucks considering the focus of specialty based coffee chain. This particular coffee organization have an edge when it comes to offering a pleasant atmosphere in their coffeehouses. Starbucks needs to offer better strategic perspectives to handle the pressure of competition in case of Caribou Coffee. A. L. Van Houtte is another major competition for Starbucks at the global business level. There is a huge range of outlets offered by the company which is an ultimately alarming prospect for Starbucks. The detailed analysis of the overall perspective reveals that this coffee firm has an edge in the prominent forms of design, manufacturing, and proper distribution of the product. The extensive service networking developed by the organization is threatening for the rest of the coffee companies involves in the market.

**Management Team/Leadership**

The concepts of management and leadership are immensely important in the case of a business organization of Starbucks. Mixed structure of authority is applied in the case of Starbucks as workers have the priority. Leaders of the organization play their leading role as servant leaders to facilitate employees as much possible. The strategy of power communication skills is adopted by the management to clearly and timely articulate all the relevant decisions to all the shareholders. This form of consideration helps workers to identify their actual roles and job responsibilities in an effective manner. The visionary perspective of leadership helps to involve the strategies of innovation and technological advancement. The leading approach adopted by the leader of the company of Starbucks helps to encourage all the workers to the domains of empowerment and flexibility. The workers of the organization recognized as the main stakeholders considering the broad idea of business development and gain maximum market share.

**Financial Outlook**

Detailed exploration of the financial position of Starbucks is essential to determine its financial growth. There are different financial indicators that can be used to evaluate the business position of Starbucks. The financial outcomes for the business organization of Starbucks reveal its growing range of revenues and overall market share over the years. Financial statements of Starbucks shows its progress by hitting the target of growing revenues for years. It is important to define that all the major operating metrics of Starbucks greatly excelling considering the increasing rate of performance indicators. The detailed financial analysis for the company reveals that China and the United States of America are established as two major target region for Starbucks (Geereddy, 2013). The region of China is one great emerging market for the business of Starbucks. It is also critical to indicate that customer traffic indicators are still negative for the company that requires necessary and immediate action. There is a threat of slow growth for the company which is mainly linked with the broader idea of customer traffic outflow.

**Strategies**

Proper exploration and critical examination of the strategies of Starbucks is essential to identify the key practical measures adopted by this particular coffee company. Integration is the major aspect involves in case of strategic planning and appropriate management. Different integrated strategies and practical procedures adopted by the management of Starbucks at both the local and global level. Brand differentiation is the key strategic perspective adopted by the company to enhance its profitability and sustainability level. The strategic ideas of product uniqueness and premium customer services are offered by Starbucks to introduce and expand its products and services in different areas of the world. Pricing and promotion strategies of Starbucks also offer some distinctive perspectives with the consideration of profit maximization and attract potential customers. Rapid story enhancement is the key practical measure adopted by the management of Starbucks in the form of strategic perspective at a global level. Market exploration and expansions are the key strategic aspects adopted by the organization of Starbucks concerning its association with the main ideas of integration and business enhancement. The unique and flexible strategic domain is also considered by the company in case of supply chain management. The practical idea of diversification is implemented by Starbucks to involve external stakeholder into the entire scenario of its business operations.

**Conclusion**

To conclude the discussion about the strategic perspective of the business organization of Starbucks, it is necessary to mention that it is established as one of the great examples of successful businesses at a global level. Aligned strategic perspective is adopted by the management to ensure better intervention between all the relevant departments. Adoption of proper integration between various domains is the key aspect followed by the organization of Starbucks. Strategic implications are significantly addressed by the management by adopting flexible forms of working.

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