# Strategic planning for starbucks

Business, Strategic Management



#### Introduction

Most Admired Companies by Fortune magazine's coffee in the U. S. and Starbucks is the ninth and, above all, the company received the prestigious award of happiness. This recognition has Starbucks in planning long-term strategic management, which helped them also, enabled the world to grow your business. The company increased its Starbucks stores fifteen percent for 1987 and for more than six thousand two hundred thirty branches in the country. The criterion is that successful companies to maintain local interest in almost all societies in which they and the criteria are the financial strength to work for the faculty of social responsibility, services and quality products, the value of investment long term and quality management. The company is the distributor of coffee and the foreground is the brand of specialty coffee in the world. The company operates seen produce environmental, economic and social. Starbucks also has sales operations in more retail sales and production to drink Frappuccino coffee drinks and Starbucks coffee and ice cream joint venture (Seattle, 2003).

The review of the performance of organizations by the Director of the company or the owner and the preparation of the plan on the basis of this review is strategic planning and some factors involved in this process are important issues that must be aligned, comments must be the daily work be separated and must be checked regularly. All these have to be clearly marked to develop a better strategic plan in some respects,

• What is the current state of the organization?

- What are the objectives?
- What are the strategies of the company's novel is in terms of risk?

Strategic development of a better all organizations must focus on issues of vision, values, goals, tasks, programs and strategies (Business Papers, 2009).

The main competitive strategy of organizations around the strategy of market behavior is to explain the system ahead of other competitors, the company's strategic direction. Porter model provides comprehensive information on the company's strategy and the corresponding threats and opportunities in the external environment of the company. Five workers were highlighted, which is defined through which every society and in all markets, profitability, competitive intensity and attractiveness of a company (Olivia Hunt, 2007).

# **SWOT Framework Analysis**

SWOT analysis identifies strengths organizations, threats, vulnerabilities and opportunities.

#### Strength:

The main strength of Starbucks is from a customer and is very satisfied with the taste and quality of coffee. The company owns a brand of high and businesses are in good financial shape. The organization seeks to expand its high-speed pace and started in several stores in the United States in 2009. Brand awareness also helps the organization is successful, the strength of

Starbucks in places that are convenient as shopping centers, etc. Library has excellent customer service. Strong mission and ethical values of the organization has a leadership role in the environment in all facets of the organization.

#### Weaknesses:

Starbucks organization has a good reputation for the creation and development of new products, but now with time. Prices compared with competitors are very high and operating costs are high. The company profits are dependent on coffee products. After less control over the operations outside the United States is the greatest weakness.

#### Opportunity:

The organization Starbucks is having a too good reputation in the markets to seize the opportunities in business process. The diversification of products is different forms like whole grain sales in supermarkets, the entry of the organizations in international markets such as Bangladesh, Pakistan and India. Starbucks co-brand with various food manufacturers.

#### Threats:

The recession in the present can affect sales in the international market could also pose a threat. Competitors are higher in developing countries, price changes can be a threat to Starbucks. Strength in international markets Starbucks faces due to political and cultural problems, differentiation from competitors minimized by imitation (John Williams and Tony Curtis, 2006).

Starbucks have been chosen the topic because the organization has more strategic plans and research carried out showed that the organization was successful in its business markets.

#### Task 2

# **Marketing Strategies**

The strategic decisions of organizations are Porter's Five Forces, SWOT analysis and Ansoff analysis. Starbucks strategic decision can be explained by Ansoff Matrix

Strategic options for organizations such as the action-oriented creative alternative uses that the responses to the external situation facing organizations. The benefits of strategic options, especially on trends, facts, dangers and global market participants are based. There are several strategic options as a support five forces, Ansoff Matrix and SWOT analysis pestle. Starbucks to recognize support five forces that these analyses of the global market options are explained. Five Forces Porter

Potential new entrants: This option to analyze the organization to the current environment will help the organization competes. There is an increase in industry size of the coffee industry of scale. Some of the organizations such as Dunkin 'Donuts and McDonald's has distribution channels can be transported around the world through the coffee at low cost much new to other organizations towards the world market. Starbucks has to be cautious and other large organizations benefit from economies through the purchase of bulk coffee beans from the farmers to accept lower prices. There are some

disadvantages in comparison can be forced to the costs imposed new entrants into the economies of scale.

Deputy: There is a decrease in the products in the specialty coffee chemistry and many organizations have the industry with the threat in the type of products that have been recorded. The replacement of commodities will continue under the threat of the coffee industry are the drinks of Coca-Cola and Pepsi provided. Suppliers to negotiate, the bargaining power has changed in many ways, and it was through the growth of the coffee industry. The first time Starbucks has the authors, the coffee beans at low prices Starbucks started to be influenced to buy the coffee. The organization has reduced the capacity of the buyer to another, however.

Industry rivalry: Since 1987 Starbucks rivalry rivalry with industry drastically changed in the early days of Starbucks coffee industry had to complete with coffee shops in the small, but now more of the competition, and this is the size of the industry. The main competitor of Starbucks is the Minneapolis-based Caribou Coffee, and this has created the third. The organization has made many changes to compete with their competitors who have modeled their coffee shops and newspapers and magazines have introduced Wi-Fi to attract customers.

Bargaining power of buyers: The life force that the bargaining power of buyers has made, and this has applied to the modern coffee industry. The buyer of the specialty coffee industry is still single customer and that makes the industry easy to negotiate with customers. Negotiations with customers can depend on the type of buyer and Starbucks are two types of buyers, the

children are able to say or individual buyers often large and multinational organizations (Argenti, 2004).

#### **Stakeholders**

Starbucks has stated a number of social indicators; the organization has also listed a number of stakeholders, including customers, suppliers, environmental groups, shareholders, coffee farmers, community members and staff.

Coffee producers: Since 2002, the organization says that Starbucks has its price support for coffee farmers in the profit and supports families of farmers. The organization is responsible for managing the policy-maker today, the politics of environmental policy, economic, social and quality of manufacture, sale and cultivation of coffee, which is when the farmer and the cafe called the fairness in that it comprises 2004. In 2005, for the definition of principles is concerned COFFEE in the world procurement team has to be rolled out. In 2004, when coffee was 1. 6 percent was purchased from Fair Trade suppliers that have been collected. After that, support the victims was obvious, and the Starbucks organization offering credit available to coffee producers. For the smaller coffee producers, the organization, indicating nearly six million dollars for the benefit of the interest rate of 2. 5 percent. This is a support center for farmers in Costa Rica that provides technical assistance to farmers and also provides training for sustainable production of high quality coffee supplies.

Manufacturer: As a Starbucks and evidence must meet the individual providers to demonstrate some of the rules. Some are specific indicators of

economic responsibility, social responsibility, and employment measures, product quality and work management. Tracks status of purchase, better conditions and higher prices for suppliers, received high marks. Starbucks organization is with suppliers of bakery and dairy products in 2004, adopting strict measures to promote sustainable produces participate.

Employees: The main objective of the business philosophy that makes the members feels comfortable and valued and treated with dignity and respect. In Fortune magazine, Starbucks was placed at the 34th level in 2004 and which has been considered to be among the top most organizations in the world. The benefits for employees are given in Starbucks which are independent of the age which also includes contributions of the employees to the organization. This channel will also promote two-way communication and this review included the mission, where members of the situations that can inform the direction in which the experience is to work with the guiding principles (Andrew L. Friedman and Samantha Miles, 2006).

The organization must adapt to employees who are highly qualified and able to offer the customer service people. The benefits of the company have the capability of employees through training, have improved in the right way can provide good customer service. Been divided the company also benefits the employee and the relationship between market value of organizations and their contributions. Farmers, if not the coffee beans of high quality products, the market value of organizations is reduced and the competition is to cross the profit margin. By adopting some of these principles and strategies the organization can provide the at most fine quality coffee to customers

throughout the world (Mark Brown, 2010). The direction of the organization should focus on strategies of the company by the models fit the organizational capacity of concentration. Starbucks management to focus more on staff, contributing greatly benefit organizations, the staff should be treated as a partner.

## Task 3

For any organization to succeed in its business process then its team has to understand the policies in the strategic and loss account, which provides more success than others to understand. This is the vision, mission, goals and values. The vision is the statement or the motto explaining the organizations' goal or organizations can say whatever they want which includes their desire and targets. This should be echoed all types of people in the organization that helps employees who are fired, and even more proud that, as they have become part if the success of organizations. For the future of the vision statement of the organization indicates the direction and shape. The mission statement is the exact explanation of what the organization actually does, and this explains why the company exists today. Organizations of each member or employee must be able to carry out the mission of the company said. Each company has its own mission statements and management should be able to keep the definition of the statements. Values are the strategic states, which are grounded and define how people behave in society as a whole, and this will give value to suppliers, internal customers and the community. This is mainly explained the measures, the adoption of the values that people will have in the organization are. This makes the employees of the organization to give each other see their

expertise to the company to greater success. The determination of the effectiveness of organizations and has developed a very precise and clear sense of priorities, beliefs and direction because these are the values that well understood. In identifying these organizations goals, values and takes a practice that leads to performance feedback (Susan M. Heathfield, 2010).

Starbucks's mission is to nurture and inspire the human spirit like a cup, a neighborhood and a person at a time. For the maintenance of the Mission of the Organization for the recording, the international brand has taken the aggressive approach in the different distribution channels such as retail, fashion, hotels and airlines.

The vision of Starbucks is that the organization is to restore the old tradition of Italian coffee house back to the international world wants. The other important vision of Starbucks gave the customer a superior experience feeling of Art, where they also have a place to think and think and can make a great cup of coffee. A research project was conducted by researchers that have been made by the team of people in the techniques of coffee.

Developed on the basis of this process, Starbucks, the identity of the corporate structure and has also created a store at the base of templates: roast, taste, cultivation and brewing.

The targets are based primarily on customer satisfaction and these differ.

The performance also defines the key to success. The key objectives are five and share risks and share rewards, market entry, development of common products, the confirmation of government regulation and technology. Other

benefits include the distribution and political connections that depend on access and relationships (dollars start, 2010).

#### **Business Ethics**

Economic Ethics of Starbucks supports the mission, protecting the reputation and culture through the resources that the partners who make ethical decisions can help with the work. The maximum received reports of ethics in relation to issues of employee relations, and this trend is consistent with other companies and this is the alternative coverage as part of the compliance program (Business Ethics, 2010).

### Organizational Culture

The corporate culture at Starbucks is the structure of beliefs, assumptions and values think and act accordingly within the company. The organization hired the Roman people and provides training to them during this process; employees learn the operation of machines and customer service and after staff which has been described in the culture of the organization (Cesario minor, 2009).

The most important factors in the organization of Starbucks are the best quality of service and coffee beans. The Starbucks customer service should be high quality as the products of young Starbucks customers and low-income and less educated people rank as well as people and this training can make the organization, to see how a strategy for deployment and attracted the marketing opportunity.

#### Task 4

## **Changes in Marketing Environment**

The Starbucks organization provides with the manifestation of the way changes are made. For example, if the house was the organization changed voice mail and sent a letter to staff, together with details of changes (Lucy, 2008).

The organization is a coffee house with operations around the world, the person who organizes Howard D. Schultz has made efforts to alert the organization began during the Great Depression in 2008. Efforts were made to the customer experience, which has gained back only a few channels, if the employee has heard of the barista. In 2009, Starbucks has a reminder of the laity opens its employees and has closed some stores, but after that the benefits of the company to began renovating the shares, the revenue growth that has raised more than \$ 24 per share. Then in 2010 the organization received more benefits in the second quarter of the reason is, began regular customers and visited more money spent. If the organization grows began there was an increase in customer traffic. This organization of Starbucks, the food offerings and also led to increased efficiency of the machines of automatic espresso machines. The recession of 2008, the company must change the economic climate, spending habits on luxury items (The New York Times, 2010).

Functional areas: Each organization is radically different ways by the structures, rules, positions and recognized chains of dynamic structures in which the communications staff of the organization is divided into fixed and

is expected instead to keep width according to requirement. The basic methods of the organization are the people on the basis of the methods according to geographical areas of the product.

Function: This function divides the company into teams with the same fields as accounting, human resources, finance, marketing, etc.

Due Process: This section makes people according to the processes, the implementation of the process successfully. For example, the retail industry organizations, such as Travis Perkins, Dixons and Argos, and these staff organizations to serve the customer equipment, packaging and presentation.

Product: This group of people as a team for the products they produce. As each company has different departments and groups are divided by service.

By geographic area: This explains that large organizations are in different geographical regions and different places or countries enlarged (The Times, 2010).

The Starbucks organization is independent of some of the external relations; this has been the consistent process for the selection, management and search for a partner that develops high quality. Starbucks functional areas, the technical product development, procurement and purchasing operations, operations for the understanding of the activities of the organization say they will help supply relationship. The organization divides its employees to the division, as it helps the employee to work effectively and give the results of efficacy (Ranjay Gulati, 2010).

Starbucks functional areas supports the organization in achieving competitive advantage in the world with this organization the advantage of always looking for new ideas, new experiences, new products for customers. Market trends are running in the Starbucks also questioned. This study contributes to the manufacture of their products at the best part of the community (Claudia Espejo, 2008).

#### Task 5

# Implementation of marketing strategy

Milestones table sets out the objectives of Starbucks, strategy and objectives, and their release of Sales and Marketing Program. For each case is a landmark, it provides a qualitative and quantitative information on start dates and end budget figures, the responsibilities of departments and directors. When preparing a table of Milestone is important to consider the following points (strategic planning, 2010):

Key points for monitoring critical business development in the organization.

Specific steps to reduce the risk due to the increased viability

For derivatives, the changes business plan in the plan can be overcome by available resources and contingencies are developed in accordance with the strategic plan.

Available systems exist to determine the progress of society to achieve the milestones approved

The objectives and the analysis is an integral part of the daily process of planning and management.

Effective marketing strategy can succeed with products and services for developing the strategic plan and overall business planning (strategic planning, 2010).

After the development and implementation of organizational effectiveness, efficiency and economy must be assessed. Assessment programs enable the organization to bridge the gap between the customers and organization. Evaluation methods help suppliers to be informed of decisions on profitability and that these programs can represent savings in reference to the expectations of local and international market. Evaluating the effectiveness, economy and efficiency cannot (Services, 2010):

Improve management of evaluations, implementation and impact assessment, market and process the results.

Improved long-term evaluation and strategic planning of the procurement notice.

Improvement of deadlines, budgets and annual plans.

Cases of validation programs regarding the uniqueness of the particular market.

Improve and support for the use of screening tools that show the profitability and economic value of specific projects and programs

Strategic planning for starbucks - Paper Example

Page 16

Investigate whether the procedures and protocols of the EMV standard

(assessment, measurement and verification) to behave with the expectations

and demands close

Planning and implementation of quality assurance.

After the implementation of the new strategy is important to continuously

monitor and can be explained by the following examples:

Environmental strategies: They involve changes based on location, time or

place where you can enjoy the behavioral problems and examples include:

the change of the communities with the implementation of the new strategy,

avoiding the configuration situations, because unexpected behavior of

customers, etc.

Behavioral strategies: These involve changes because of the consequences

or past behavior of customers and employees. These can be explained by

examples: an increase in corporate social responsibility to achieve the

objectives of the organization, improvement of the reward for keeping the

desirable conditions for employees, etc.

**Key Milestones** 

Year

Milestone

1979

Starbuck was born

https://assignbuster.com/strategic-planning-for-starbucks/

1996

This year first Starbuck store was started and this was the first global store.

1999

This year in Beijing Starbucks was started.

2004

The share of the profits has increased with 90 percent.

2005

Fiscal goals have been achieved (Sarah E. Lockyer, 2004).

## **Conclusions**

Starbucks has begun planning for the strategic management with the objective of achieving long-term prices on the prestigious U. S. magazine Fortune. The main criterion was to study the relevance at the local level so that, in terms of social responsibility, services and quality products to the value of long-term investment plan to operate and maintain the quality management. He used the principles and techniques and tools to develop marketing strategies and education. Marketing strategy, which was followed by the pattern of the five ports of Starbucks Corporation, it helps to know the inclusion of the following marketing strategies of the company. Have the potential entrants, substitutes, suppliers, bargaining power, competition in the industry, and bargaining power of buyers, the coffee producers, suppliers and employees. The successful organization can be developed more when its

employees understands the strategic states such as vision, mission, objectives and values. The development of these criteria, the Starbucks can aggressively as an international brand of different channels, like the fashion industry airlines, hotels, and commercial approach. To protect the reputation and corporate culture of the organization, the management has to follow some of the business ethics and values which in turn make the involvement of the employs. Organizational culture plays an important role of values, beliefs and assumptions about the recruitment process for all companies and customers. Maintain the best quality is the key to the success of Starbucks because it helps to attract customers from all communities. Due to the international economic crisis in 2008, the company's efforts to customers and other suppliers due to take over the strings. In addition, the company has evolved over climate change in marketing spending in the areas of functional luxury products, such as the role which is the method by product and by geography. Finally, the planning of the new marketing strategy and its implementation are carried according to the changes that occur in settings made by the market.