

# Starbucks business case for new technology business plan examples

[Business](#), [Company](#)



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## **ABSTRACT**

Starbucks Coffee is a leading chain of coffee shops, which started the cafe phenomenon in the United States back in 1971. The chain has grown a lot since the time it first opened and is now a globally known brand. Although the company is popular and has embraced globalization, they were slow to adapt new technologies for their organization. However, in 2008, the company has realized the need to embrace the new available technologies in order to help their brand improve, not only for the customers, but also for their management. Along with these changes, Starbucks has incorporated something known as a Corporate Alumni Program which helps the efficiency of the recruitment process and can also give them a competitive edge in the war on talent. This paper discusses the new technologies which has helped Starbucks improve its human resource recruitment process. This paper is aimed at presenting a business case to implement a Corporate Alumni Program at Starbucks using Software as a Service (SaaS). The research will outline the benefits, recommendation for technology, return-on-investment, and implementation plan to Starbucks executive management.

## **The Starbucks Corporate Alumni Program**

### INTRODUCTION

Starbucks Coffee Company opened its first coffee house in the Seattle Pike Place Market in 1971. Founded by three friends, today Starbucks has grown to become the largest business of its kind on the planet. It is one of the most globally recognizable brands significantly contributing to its market success and its swift expansion all over the world. Starbucks can be found in approximately 62 countries with more than 20, 000 stores worldwide. Its mission is to inspire and nurture the human spirit-one person, one cup and one neighborhood at a time.

Historically Starbucks has had a high capacity for being able to manage its workforce through competent management leadership enabling the company to become highly successful (Fitzgerald, 2013). The wide range of coffee and other products that it offers customers means that it has to hire and maintain a large workforce in order to be able to function effectively. Unlike other companies in the same industry, Starbucks tends to be very careful and selective with the management of its staff because of the need to continuously remain profitable.

However, Starbucks was said to have delayed big IT projects because its focus was to expand its retail base. These compromises may have caused the big coffee chain giant losses in terms of the war on talent. They have under-invested in their IT infrastructure which could have helped them in recruiting more capable employees. Starbucks was too invested in quickly adding new stores that the manpower for each store was not well supervised. It can be said that the weakness of the stores was not in

management or staff, but the quick turnover of employees due to lacking HR investments.

## **CURRENT TECHNOLOGY**

Starbucks went through something known as technological debt. This is when a company under invests in new technology. The use of technological innovations has been found to be a very important aspect when running a company such as Starbucks because it is these innovations that have enabled them to get customers and make them remain loyal for many decades. It was realized early by Starbucks management that it must be innovative in order to survive and remain competitive in the global market. Over the years, Starbucks has paid some of its technology debts, incorporating new software applications, computer-based systems and other technological innovations to the job. Not only are there new point-of-sales and Corporate Responsibility Management (CRM) systems, but store managers now have laptops and can utilize cloud-based computing. Its employees also benefit from technology as well. Starbucks has come to establish internal social networks to give its employees the opportunity to connect with management and to support each other. This network allows stores to share ideas, best practices, customer stories, and a forum to encourage dialogue between Starbucks' management and its employees as well as dialogue between employees. The use of such technology has been proven to be successful in getting the employees more involved with both the company's management as well as fellow employees.

In order to encourage its employees to adapt to the new technological

changes within their stores, the management of Starbucks organizes training in the use of the new technology annually for those who do not know how to use it. As the employees come to learn how to use this technology, and they find how much easier it is to use in place of the older system, the employees who have undergone training come to accept it as a fundamental part of their working environment (Crompton, 2013). With this acceptance the desired technological changes in the company tend to be done swiftly, ensuring that the employees retain their high capacity of production and efficiency.

The introduction of new technology to aid its employees in their work is one of the most important policies that Starbucks has implemented. Starbucks employees tend to embrace technology while other companies often are resistant to. The introduction of new technology at Starbucks has become immensely attractive to the younger generation of workers, who are often quick to adjust to its use, and the older employees have also embraced the use of new technology.

The Corporate Alumni Network program for Starbucks and other big company's benefits both students/new graduates and the companies that hire them. With the latest trends in globalization, the war on talent, and different approaches to work and employee relationships comes technological changes. The adoption of these new technologies has encouraged a number of companies all over the globe to invest in techniques that can help them harvest a solid workforce. The pioneering companies were originally from the professional service sector. However, as time went by a significant number of corporations across different sectors have

embraced this type of program.

Starbucks is one of the companies that have taken advantage of the corporate alumni program. The key factors for this type of program are information technology, a business environment, the work environment, competitive advantage as well as the culture of trust. Without these things, this kind of program would not be able to function. Technology has enabled corporations to develop robust alumni communication networks. Tie in social networking and the fact the Starbucks was named most popular social sites. Web service providers provide structured platforms that can be customized for the programs of specific corporations (XING).

Starbucks has made it a point to invest in new technologies in order to improve their management and overall organization. The need for change has been recognized, and along with the mobile revolution, Starbucks has realized that technology plays a big role in development. Not only would they want their customers to find their service more convenient, they need to come up with more efficient ways to find and hire new talent. With the turnover of staff on the rise, the human resource department behind the big coffee giant needs to invest in this type of technology in order to support the alumni program.

Starbucks should invest in the new technologies, including software applications, that can help it shave down on recruiting costs while still efficiently hiring the people who are right for the job. Information technology and the rapid developments in the area, those who are interested in alumni networks have been able to take part in this type of globalization move through extremely low-costs and robust forms of communication. Because of

this kind of communication, networks and some norms have become smaller, and tighter. Globalization has been moving as fast as communications technology because the two go hand-in-hand. In order to break these barriers down, markets should be open to labor and talent. Outsourcing is one example of this. The intense competition for human resource has made it a bit more difficult to hire the right people for the job.

Starbucks should make it a point to invest in technologies that can help them maintain a connection with those who are important to their recruitment efforts. The Starbucks Alumni Program is one thing that should be maintained. This can be done through social networking and other mediums. Over the past couple of years, social networking websites have taken over the world. From micro-blogging platforms to personal profile pages, many people and businesses stay connected through these mediums. This is one type of investment that Starbucks should consider because it is low-cost and highly effective. It already has one of the most popular social media websites in the world. The key should be maintaining it.

Not only should these social media websites be used to post photographs or be part of an advertising campaign, Starbucks should use it as a form of recruitment. It is a great source for networking in terms of human resources, career advancement and news. Starbucks uses things like Facebook API, Twitter and a personal website in order to target customers. This type of strategy can also be used with the Alumni Network. Starbucks should connect with schools, universities and other educational institutions to find the talent that they are looking for. Different pages, specifically for recruitment should be created in order to maintain these relationships. This

way, people will know about the opportunities available to them. So far, only those who frequent the branches and see brochures about the recruitment and becoming a “ partner” are the ones aware of this kind of program. Social networking can play a valuable role in recruitment for Starbucks, and it can help move the HR efforts a lot faster.

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