

The strategy implementation of starbucks management essay



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The Strategic business management and planning process is becoming more and more widely used by small firms, large companies, non profit organizations, governmental companies as well as multinational companies. David (1995) The process of “empowering” managers and employees has almost limitless benefits. In this study we find the strategic business management and planning of Starbucks Company.

Starbucks that provide the one of best coffee shop in the world. They are starting their journey from 1970. The name of the Starbucks Company is taken from a classic American novel in 19th century that is Herman Melville’s Moby Dick. Starbucks To identify the goals and values of Starbucks, we analyses their glorious history. After journey their 1970s then 1980s join their company Howard Schultz in 1982s. In 1990s they are opening a publicly traded company. In 2000s we see that Starbucks established their branch more than 15000 locations across the globe. They offer new product in 2000s that are Tazo® tea and Frappuccino® ice blended beverages are more popular to the consumers.

The goal of the Starbucks is that identifies achievement of this organization and analyzes their competitive position by discussing their previous <https://assignbuster.com/the-strategy-implementation-of-starbucks-management-essay/>

experience. To achieve their goals they identify the relationship between different goals. They traced their business goal level to produced business goal hierarchy. Rational (2003)

In the value of the Starbucks Company they identify the consumer behaviour to their company and employee. They make a statement about the value of the consumers, their suppliers and local community. Heathfield

Characteristics of strategic business management and planning can be defined by the formulation of science and arts, cross functional decision implementation and evaluation that is capability of the company to reach their goals and objectives. These characteristics implies the strategic management and planning that are focused on the management integration, accounting/finance, marketing, operations, development and research and computer software information to gain the company's success. As this definition implies, strategic management focuses on integrating management, marketing, finance or accounting, production/operations, research and development, and computer information system to achieve organizational success.

Kargar The characteristics of strategic business management can be categorized in three stages that are strategy formulation, strategy implementation and strategy evaluation. In strategy formulation includes developing a business mission, identifying an organizations external opportunities and threats, determining internal strengths and weaknesses, establishing long term objectives, generating alternative strategies and choosing particular strategies to pursue.

Strategy implementation is the action stage of strategic management.

Implementation means mobilizing employees and managers to put formulated strategies into action. Strategy evaluation is the final stage in strategic management. Manager desperately needs to know particular strategies are not working well that means strategy evaluation is the primary means of obtaining this information.

To develop business strategy and plan create a model that is conceptual framework of business model that are identifying the economic situation and provide the value of customer. In classic model that is give a picture about the customers, the value of the customers, and cost of the delivery to the customers and make profit, etc. In contemporary model used in business that are discuss about the product quality, types of product that are delivered to the customers. Here also consider about the services that are provide to the customers. In contemporary model also give a picture about the business operating system and organizing value.

The external environment means impact of the forces of economy, influences of political issue, market competition, local culture, social impact, local environment, technology influences, etc. It can be simplify the customer requirement in industrial and customer goods and services. It can be impact on the developing goods categories, strategies of market division, different type performance offered, and the option of market policy and market competition. blurtit

The Starbucks Company is running in more than 25 countries with United States of America. In the impact of external environment, they faced many

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training program for their employee, continue supervision and monitoring of the branch. They also need management market competition and keep patch with technology.

The organizational governance is responsible for making the function of the organization. These functions are most effective and efficient for the company. They are regularly evaluating the function of the company by board of meeting. These organizational requirements are creating a committee to make an appropriate structure for this company that are influence their conditions and need. This governance requirement also influences to set flexible guidelines for the effective functioning for the company.

The company forecast means which organizations deliberate and arrange for the future. It incorporates thinking the future results of this organizations decision. It depends the organizations full future, the future products outcomes, the future operations and programs, future infrastructure of this organization. MXI (2010)To take the company forecast, it sometimes solves many questions that are arising of this company. These questions may be company's future profit that is loss or gain, their product demand growing in the competitive market, etc. The most important forecasting is the financial change forecasting. It helps the organizations to take right decision in right time. For this reason, organization can prevent their financial loss. By taking change forecasting, they can increase their product quality and reach their target product within a short time.

In order to shape strategic option, the Starbucks company forecast changes by ensure unanimity of purpose within the organization. And provide a basis, or standard, for allocating organizational resources and establish a general tone and organizational climate. And serve as a focal point for individuals to identify with the organizations purpose and direction and to deter those who cannot from participating further in the organizations activities. This also specifies organizational purposes and the translations of these purposes into objectives in such a way that cost, time, and performance parameters can be assessed and controlled. It is also facilitate the translation of objectives into work structure involving the assignment of responsible elements within the organization.

Starbucks are coming with variety of premium coffee retailer with other snacks and sandwiches. They have worldwide network of over 37 countries that are well impression and good image from many other coffee shop. This network skill provides this company a high prominent power than other coffee company. This company currently strong depend on the United States market depended. It generally target and competitive with middle and high earners coffee houses. As example of Bulgaria market that valuable market place for this company. Another reason that is Bulgaria is the membership of the early stage in European Union. Another valuable market place is in Sweden, where many other coffee shops are failing in competition with Starbucks. Starbuck (2007)

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The Appropriate strategies for emerging, maturing and declining competitive positions are described in below:

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Get a new global market first. Trying to gain market share from well entrenched competitors is exceptionally difficult. Invest in new technology. Successfully firms in the 1990s are going to utilize the most efficient technology. Consider alternative sourcing. Locate manufacturing facilities in low labour cost areas of the world. Install the right managerial system. Ensure that managers in foreign markets understand the culture and languages in host countries. Take early losses if necessary. Sacrifice short term profit for long term rewards. Join forces with competitors. Collaborate with competitors who have expertise in other parts of the value chain.

Johnson (2008)

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Any uncertain happen in a company is called risk that is impact of this company. The risk will be coming from different sides that are organization strategic risk, risk of finance, operational risk and compliance and legal risk. Lynch (2005) These risks are impact in every company look like in Starbucks. Most of the impact is coming from the financial risk. Because finance is main backbone of any kind of business. In operational risk impact the daily activities of this company. Risk impact can be categorized in low medium and high. In high risk impact are serious risk in funds, reputation and operation. And in medium risk impact is significant risk occurring of fund, reputation and operation. And in low risk impact is less significant impact of those fields that is mentioned above.

Success of a business depends on the product and services that are provided to the customer in the competitive market on a global basis, not in the local thinking. Any company or organization is going to be loose position, if they <https://assignbuster.com/the-strategy-implementation-of-starbucks-management-essay/>

are not keep patch with the competitive market and good range of product price. In the world every remote and every corner of the world are cover by the global market that is called globalization. Cultural, industrial policies, joint venturing, and exporting are important in the strategic management process of international firms. As a world economics and consumption patterns become increasingly similar and interrelated, political and economic changes represent major changes major opportunities for or threats. scribd

There are different kinds of stakeholders that are impact on a company. scribd The primary stack holders that are customers and suppliers without those any company have no existence. And the secondary stakeholder is the community without this company can be exit. And there are another stake holders are active stake holders and passive stake holders that means active stake holders are employees and managers and passive stake holders are local community and government of this country. Stake holders are impact the company's present and future strategies in different ways. The external impacts are from competitors, customers, market situations, product suppliers and from local government. And the internal impacts are coming form company management, manager, stuff or employees, etc. To understand the impact of the stake holders in a strategic business management and planning its need priorities of the stake holders that are low and high power impact of stake holders. The high impact of stake holders means where company are fully engage about this impact. And low power impact where company have no concern at all about this impact.

The business activity of the Starbucks Company is wide range. They

operating in the many number of the countries and where environmental
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factor is play an important role. They need proper respond about environmental factor and need to make strategic planning. Every factor is coming from different channel, so its need to flexible responding to existence of this company. As we know that, Starbucks the world famous premier company in the coffee world. They always try to purchase their raw material that is coffee bean must be in high quality for this why they can serve the consumers the best coffee drinks. They believe that they need always happy of their customers that are depending on the future of the company and reputation of the company.

A successful strategic management and planning are depend on supports from all sides that external, internal, and discipline in the company, motivation of the employee, hard working from all managers and employees. That is depending on the size and type of organizations, other management issues could be equally important to successfully strategy management in a company.