

Analysis of the strategy and business performance of starbucks coffee uk

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



This report will analysis the strategy and business performance in the retailfoodsector, the company I will be analyzing is Starbucks Coffee UK, using the PESTEL. Starbucks is a multinational coffee and coffeehouse chain based in the USA. It is the largest coffeehouse company in the world. Starbucks was founded in 1970, with the first store opening that year in USA. In 1982 Howard Schultz joined the company, later going on to be the Chairman, CEO and President of the company. The first UK store of Starbucks opened in 1998.

In 2007, there were 15, 011 Starbucks outlets in 42 countries, 6, 793 of these being in the US. Additionally Starbucks was voted one of the top ten UK workplaces in the Financial Times 2007. In the future Starbucks aim's to operate over 40, 000 outlets worldwide. The PESTEL framework gives broad list of influences on the likely success orfailureof particular strategies. It is important to analyse how environmental influences are effecting an organization in the present and in the future.

The PESTEL analysis is used as it sufficiently can be used to understand and identify the important factors that Starbucks must consider in all areas of the business and industry. PESTEL stands for: Political - current political influences and the influence of the Government Economic - business cycles, world economy and inflation Social - changes in society, lifestyle changes as well as social mobility Technological -growth of the Internet, new emergingtechnologyand Government spending on research Environmental - 'green issues' and growth of environmental protection laws

Legal - Changing health and safety laws, growth of legislative constraints on companies. Employment Law - Each country that Starbucks operates in has their own varying employment laws. Many stores may offer a day of once a week, others may have a limit on the maximum number of hours an employee can work in a week and in all countries there is a variance on the national minimum wage that an employee can earn. From looking at the PESTEL analysis it can be seen that Starbucks is a strong brand, and this strength of the brand is an important factor in the future of the company.

The PESTEL analysis is mainly used to assess the future impact of environmental issues that may occur. However it only deals with the external business environment, additionally another limitation is that these environmental influences that have been expressed may be important to one company, but in turn may not be as important to another. Often it can be seen when analysing the issues using the PESTEL analysis it can be seen a merely listing all the external influences as opposed to was in which the company can improve or the strengths of the company.

For the environmental analysis to be more accurate it is important for the company to monitor and focus on the factors that most influence the industry. BSS Business Management Coursework 2 : Individual Report

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