

Good starbucks essay example

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



Relationship between strategic and financial planning

Strategic planning is the process of the determination of the company's direction in the reference of the goals of Starbucks and how to achieve them. Financial planning for this company will involve the process of managing the company's finances over a period of time to meet the objective of the company. Both involve defining objectives, information gathering and analyzing data followed by implementation of the plan and monitoring of the results (Patel, 2007).

Identification and discussion of the strategic initiative

The annual strategic initiatives for Starbucks are meant to set the guide on rules and objectives of this firm over one year period. After the elapse of the year, the Starbucks management assesses the progress of the organization in order to find out whether the objectives were met. A number of the initiatives are set in consideration of the target of the organization. The initiative that is discussed concern with the market and the future expectation. The first initiative is capitalization on the long term profit. Since Starbucks is a profit maximizing organization, the management set the plan that clearly pointed the way to acquire profits in a long term. They decide on the mechanism to employ such as employing the use of the large scale production in the coffee outlets business. This helped the company in providing them with the large area of scope.

The initiative that is discussed in the annual report regards business expansion. This is formulation of the plans to find the area of expanding the provision of services and the production of goods. Starbucks does this by

opening new areas, expanding the existing ones or upgrading the low performing. This opens up the organization in a way to meet the demand. In so doing, the provision of services to customers is improved thus attracting sales. For the business expansion, there will be a need to expand sales. The plans that are considered in the sale are designed to attract customers. This may be by the provision of the after sales services. This may include offering transport for a certain quantity of coffee purchased. This bonds the organization's relationship with the customers. For Starbucks, it sets a plan to meet the demand on the international market. It is to make the product available on time according to the market demand.

Effects of the initiative on the organizational financial plan

The effect of the initiatives on Starbucks may affect the financial plan in two dimensions. It may cause the increase in the revenue leading to profit increase. The introduction of the new initiatives requires additional funds in implementation. The financial planner for Starbucks may require funds for outsourcing for implementation of the introduced initiative. This is to cater for the expenses that result from the initiative. This includes the pay of additional workers so as to complete the new project. In the same, the equipment is to be purchased. This is to ensure the initiative is fully and well planned for implementation.

The financial planners are supposed to review the budget set for the new initiative to make sure everything is in line with the present capital. This ensures that the funds are available for full implementation of the initiative. The financial planner will certify the availability of such funds. Before the planners finance the new initiative, they are supposed to look over the

reports to guarantee the new plan is aligned with the objectives and goals of the organization. This is to avoid the common risks that arise with the investment for Starbucks.

Reference

Patel, M. D. (2007). Project management: Strategic Financial Planning, Evaluation and Control. New Delhi: Vikas.