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Business, Company



Business Problems and Solutions

Introduction

Problems are brought about as a result of inefficiency is performing a certain task. The outcome of a business problem usually generates a loss and a negative perception on the market. On the other, a solution is often an answer to the problem that has been brought about by the inefficiency in performing. Therefore, this paper attempts to demonstrate in detail on two major problems that are said to be affecting Starbuck, and yet it is one of the big firms on the market that makes huge profits (Simon, 2011, 37). In addition to the problems, solutions are proposed as ways that can be used by Starbuck in order to earn more profits and make the presence of clients appreciated. Inclusion of a conclusion is initiated in order to enumerate to the audience the steps that have been undertaken to make sense out of the assignment.

Business problem 1

Present system in application i. e. Gift-card

The issue Gift-card is an issue at Starbucks as clients have to go to the firm and buy the gift-card from them. This is the case if they desire to offer the card to someone close to them or if related to each other. Basically, the process makes clients at Starbucks feel uncomfortable and annoying as it is not a desirable process for clients (Easterby-Smith & Lyles, 2013, 76). Even though clients might want to purchase just one gift-card, they end up standing in long lines, and in the process waste their time instead of participating in more demanding and appealing projects in life. Gift-cards have the possibility of getting lost, and obtaining a new Gift-card is a long process.

The approach of obtaining a new Gift-card at Starbucks comes along with the aspect of proving to be the owner, and yet they have a person's details at the firm. Individuals using the Gift-card are not aware of the amount of money left in the card, and as a result, they always end up asking the clerk to check the balance on their behalf (Gulati, 2013, 33). At times, the owners of the Gift-cards have to log into the Starbucks website in order to confirm the amount of cash that is remaining in the card. An additional predicament is that cards expire based on the fact that they carry an expiration date, and as a result, the recipient has to use the card within the laid down period. Furthermore, the Gift-cards tend to carry fees, which entails that checking for balance comes along with a specific fee.

Coming up with the solution that people can be delivered off of their Giftcard is an essential entity as it will make their work easier and convenient. Furthermore, coming up with a first and modernized method of applying for a new card in case it has expired or has lost will be an essential entity for the firm. It is an essential application that should be initiated via the phone as it will entail that the process is easy and fast (Easterby-Smith & Lyles, 2013, 8). The application of the new method need to be implemented as it will benefit both the firm and the clients on the market. Additionally, it will show that the firm and the clients are working as a team because the needs of the clients and the firm will be achieved.

In addition, the Gift-cards are difficult to use, especially if the user is new to the system. Therefore, one has to be taught on how to use the card, which might delay the process and usage of the card. Gift-cards offered by Starbucks tend to carry an obligation with it. The obligation on Gift-cards are meant to be used only by the owner, and in such a case, absence of the user makes the card of no essence (Pham-Gia, 2011, 45). The other problem of purchasing a Gift-card at Starbucks is that the purchaser is preparing for a purchase ahead of time, and in a way offering an interest free loan to Starbucks. Furthermore, the loan documentation can be lost, making the loan non-collectible. Basically, the Gift-card offered by Starbucks tends to make the purchaser indirectly pay for more.

One of the solutions that can be put into practice in order to make the practice of Gift-cards at Starbucks a success is sending the cards to other application users. Sending cards to other application users will motivate them and also enumerate to the users that their services at the firm are being appreciated. Furthermore, Starbucks needs to involve an additional card holder so that in case the owner of the card is unavailable, the party with the card can withdraw the contents of the card with the preferred documents (Gulati, 2013, 46). It is an essential approach as it will make the process of the Gift-card not just preferable, but of essence to the user, especially when the owner is sick or deceased.

Gift-cards at Starbuck should be transferred in connection with any other program that is offered by the bank as it will make the owner of the Gift-card feel at ease based on the fact that he or she will be able to retrieve the contents of the card on time. In case a Co-Applicant also owns another Account as an applicant, Starbucks Gift-cards rewards from both accounts ought to be consolidated at any time (Pham-Gia, 2011, 13). Consolidating at

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any given period of the day ensures that services are put into use because the permission has been relayed by the right person as per the terms of the Company.

Evidently, the approach of involving a Co-Applicant and Applicant to be consolidated is of essence to both the firm and the client as well as services move smoothly. The Gift-card offered by Starbucks ought to come up with new terms in which when a card gets lost, immediate replacement of the card should be accompanied with the transfer of the money left in the previous card (Gillin & Schwartzman, 54). The process should not take long, in order to enable the client to effectively continue using the benefits of the card. The approach ought to be put into consideration only if the terms of the card were of essence to the firm and only if the terms of the company were not violated.

After the expiry of the initial Gift-card, Starbucks should not come up with new terms as it would complicate the situation for their clients. What Starbucks needs to put into consideration is replacing the card with a new one immediately the owner contacts the firm. In this way, the client will be overwhelmed, and at the same time go to the extent of encouraging nonusers to participate in the same project (Simon, 2011, 42). The approach is essential as the client involves other participants; he or she is promoting the Gift-card on behalf of the Company.

Based on the fact that obtaining a Gift-card at Starbuck entails standing in long lines before one is offered a card, solutions have to be initiated. The best approach in such a case would be to give applicants who are through with the application process to seat down and have a cup of coffee. It will motivate clients to not feel bad because of standing for a long time. Furthermore, it will demonstrate to the applicants that their efforts have been noticed, and hence, offering them a cup of coffee is way of saying thank you for being at Starbucks. In addition, it is desirable to reward clients, as it gives them a sense of belonging because they are made aware of their positive contribution to the firm (Pham-Gia, 2011, 27). As a result, Starbuck will likely gain more clients because rewarding clients for their efforts is an entity that is bound to generate a positive outcome for the firm in the market.

Business Problem 2

Reward Stars

Reward stars is an issue among clients at Starbucks based on the fact that clients cannot get reward stars when they are paying with cash. A person cannot even get a reward star if or when other individuals pay on their behalf. It is true as a person can only get reward stars while he or she makes a purchase using the Gift-card offered to them by Starbucks (Gulati, 2013, 88). Furthermore, a person is offered only one reward per every transaction and at times, a person may earn a bonus reward star, but it is something that does not occur on a regular basis. Furthermore, there is what is known as Star codes that a person is permitted to enter on a daily basis and they are entered on a limited perspective.

Such an aspect does not make some clients comfortable as some prefer to take part in the process throughout the day minus any limitations. Therefore, the term of not getting reward stars because a person has been paid for by a friend or as a result, of paying with cash is a negative implication to the

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market. It is true because most of the applicants would like to earn more reward stars as much as possible in order to be regarded as the best client at the firm (Pham-Gia, 2011, 38). Basically, it is some kind of competition among clients as each of them wants to be looked at as the best client, and hence, such hindrance makes clients to feel uneasy about the whole process.

The other negative side of reward stars at Starbucks is that people tend to forget to bring their application when they go to Starbucks. Evidently it is an aspect that makes them angry and dissatisfied with the services being offered to them by the firm. The process rends to derail their plans and targets of earning more reward stars (Gillin & Schwartzman, 53). It is true as in the process of paying with cash of their credit cards, they end up not getting their reward stars. Such an outcome tends to discourage them as their target in gaining more reward stars from the firm is slowed down, and yet they are part of the community with Gold-cards.

It takes a long time before a person ends up earning substantial rewards from the company. This applies to the issue of gaining more reward stars. An individual has to purchase several times before he or she is looked at as being legit to earn a particular set of rewards stars. As a result, some of the clients get discouraged and as a result, their efforts are not met as per the terms of the firm (Gulati, 2013, 95). It is true as the aspect of earning reward stars is based on the number of transactions made as per the terms and conditions of the company.

In essence, it entails that the number of Reward stars earned is not based on the amount of shillings spend on a particular purchase, but rather the number of transactions made. Furthermore, an individual has to pre-load money onto his or her Gold-card in order for him or her to earn a reward (Gillin & Schwartzman, 49). Moreover, another disadvantage about reward stars is that one has to pay with a Gold-card in order to get a reward star. Such an event is the reason as to why clients look at the business undertaken by Starbuck as not being essential.

Solution

When it comes to the issue of people not getting reward stars based on the fact that they paid with cash or by a friend, the best option to such an event, major steps have to be put into consideration. The first approach is that the Starbucks ought to permit applicants to get stars when they pay with cash and credit cards as well. It is a way that will motivate them as they won't have to carry Gold-cards to get reward stars (Simon, 2011, 57). Additionally, in case of forgetting to carry their card, use of cash will benefit them in terms of earning a reward star.

The approach also should support payment being made on behalf of the owner of the card. Such an approach will assist the firm and the card holder to benefit in a mutual way. The Gold-card holder will be able to earn more reward stars via the assistance of friends paying on his or her behalf (Gillin & Schwartzman, 9). Moreover, the firm will also earn more profits as they will be encouraging payment of such transaction a beneficial approach in the market.

Therefore, the solution being proposed is significant because it is meant to benefit parties involved in the usage of the Gold-card (Gulati, 2013, 65). Individuals with Gold-cards from Starbuck are bound to earn more reward

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stars, and at the same time earn more rewards from the company. The solution proposed is one of the steps that can be used by the firm to lure more clients, and earn more profits as they will be regarding the proposals made by the public as well.

The other way out that can be used to counter the issue of people forgetting to carry their application when visiting Starbucks would be to permit individuals to get their reward stars when they go to the company with their receipts the next time they visit. It is a way that can be put into consideration as it will assure such Gold-card holders that despite forgetting to carry their cards while visiting Starbucks, presence of a receipt can be used to withdraw their reward stars (Mangold, 2010, 3). Essentially, it give them hope and assurance because their reward stars are not going to waste, but instead are being kept on their behalf.

The application that Starbucks could come up should be applicable online in order to make the process of client easier and fast to deal with. Making it applicable online entails that it is easy and free to access by any client that desires to do business with Starbucks. Furthermore, the system proposed should permit a family member with the required contents to retrieve reward stars when the owner is not available (Simon, 2011, 75). Such an entity will not only benefit the firm, but will lure more clients to the system of the firm. The approach is likely to assist the firm as such information is bound to be promoted by clients in the market, and as result, benefit the firm and increase their margin in the market.

The two proposed solutions for the issue of reward stars should be easy to understand and apprehend by the card holder. Furthermore, the terms and regulations of the application should not be so complicated. One of the best approaches that can make the process easy is by putting such an application on mobile phones as more people can access the phone. Therefore, making it accessible on the mobile phone will ensure that more client apply to it as every client desires to have a new system that benefit his or her needs. The proposed solutions are essential as they can be accessed or downloaded online (Gillin & Schwartzman, 22). The applications are significant and better because they are designed to earn more profits and satisfy the needs of the client. As a result, the outcome of such an application is likely to be a positive result on the market and among client as well.

Conclusion

This paper is essential as it demonstrates on the problems that are facing Starbuck and the impact being generated from the issues. Furthermore, it also enumerates in detail the solutions that can be practiced in order to avoid such problems from disrupting the business and relationship between the firm and its clients. The mentioned problems are that there is an issue with reward stars and issues related to Gold-cards at Starbucks. There is the problem with Gift-cards where a person has to go back to the firm in order to get a card for his or her relative (Mangold, 2010, 4). There is also the problem whereby a person cannot get reward stars if they pay with cash or by a friend. In addition, forgetting a Gift-card automatically means that a person will not be able to retrieve reward stars.

The solutions to these problems is that better applications need to be put into consideration in order to make the services offered to clients relevant. Some of the proposed solutions can be initiated via the Mobile Application as it is easier and faster in terms of access and affordability. Furthermore, another solution that was proposed was that applicants should be offered incentives like coffee especially if they have been standing in long lines. Such an approach is desirable as it motivates and lures more clients as their efforts are being recognized, and hence, the reason as to why they are being encouraged (Easterby-Smith & Lyles, 2013, 25). It is a way that also demonstrates that the firm and the account owners are working as a team towards a common goal of achievement.

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