

Distinctive  
competencies on  
starbucks coffee  
company and hewlett  
packard



**ASSIGN  
BUSTER**

The mission statement of Starbucks is to “Inspire and nurture the human spirit – one person, one cup and one neighbourhood”. The goal of Starbucks is to use the Starbucks experience to create awareness about coffee among the consumers. In line with the above mission and goal of the company, the business strategy of Starbucks is to come up with innovative coffee drinks brewed from best of the cocoa seeds in the world and served to customers in a homely ambience. The distinctive competencies which sets Starbucks apart from other coffee chain outlets:

- **Quality and variety of Coffee:** The Starbucks coffee is brewed from the best of the coffee beans in the world. Starbucks choose the right kind of beans and roast them in different degrees to create variety of flavours for the customers.
- **Consistency:** To create a network of Coffee chains across the world which sells exactly the same coffee, a great deal of consistency is required in terms of sourcing, roasting and brewing to deliver the same taste across the world. Starbucks has pioneered its operations to provide exactly that.
- **Location:** Starbucks operate on the franchise model and has cluster methodology while deciding on the store locations in a particular area. It made Starbucks easy to access and created a brand which became synonymous with Coffee shop.
- **Employee Friendly -** While other coffee shops or fast food joints employ college students looking to make quick money, Starbucks provide long term career option in the organization. Starbucks is a firm of

endeavourment which takes care of its employees very well. Hence their employees became their brand ambassador to the outer world.

- Sustainable Supply chain setup - The Coffee bean is a seasonal product. Each season the quality of coffee bean varies from one planter to others. To keep the level of quality and availability Starbucks have developed highly efficient supply chain. In 2008, they transformed their supply chain to make it simpler and effective. They reorganized their entire supply chain into 4 basic functions: plan, source, make and deliver. After reorganizing the supply chain, they focused on reducing the cost and improving the efficiencies. Finally, they created a single, global logistics system which helped them consolidate their far-flung supply chain.
- Faster Service Time: Starbucks have optimized its operations within the store to reduce the waiting time for the customer. The queue time is short and coffee is delivered quickly and efficiently.
- Brand Image: Starbucks believes that employees are its best brand managers and promoters. Apart from spending money on advertising their products, they do promote their brand by taking good care of everyone involved in the value chain including coffee makers, planters, employees etc.

#### b. Hewlett-Packard

HP is an American multinational company which manufactures products such as Laptops, printers, servers, desktops, printers etc. It also provides software solutions and services to customers in both small and medium sector

enterprises. HP is world's leading PC manufacturer with revenue US\$ 127 billion.

### Differentiating Factors

The key differentiating factor of HP is the style of management practised that is popularly known as the HP Way after the famous book of the same name written by David Packard. The HP way of management is to "manage by walking around". In Hewlett and Packard, the senior executives are encouraged to go out and spend time with the line workers. They believe that in this way of free dialogue between a senior management and a line worker will provide a two way communication which will enable each one to understand the others perspective. In this way line workers would understand where their work fits in the overall strategic objectives of the company.

That brings a sense of accomplishment and purpose in them. At the same time, a senior management would recognize the required changes in the corporate structure that might be warranted. Managing by walking around brings everyone on the same page. In the words of Mr. Packard, "It is necessary that people work together in unison toward common objectives and avoid working at cross purposes at all levels if the ultimate in efficiency and achievement is to be obtained." The HP way of working includes following aspects as well focus on a high level of achievement and contribution.

To conduct business with utmost integrity. To have respect and trust for all individuals irrespective of their hierarchy or roles  
oTeamwork is of prime  
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importance. Objectives are won with teamwork. o To encourage flexibility and innovation.

There are few other aspects which differentiate HP. They are the objectives principle on which the entire business of HP resides and any key decisions that they take hovers around these objective principles.

-HP places a lot of value on customer loyalty.

-HP values profit earning for creating value for the shareholders

-HP does a lot of corporate social activities. It brings value to society by being an economic, social and intellectual asset to the community where HP does business.

-HP places a lot of commitment to employees and that is visible in their policies which are employee friendly. While US companies are known for its hire and fire policies, HP is a company which people regarded as a place to retire from. HP tries to provide a secure employment environment where people can think freely and innovate better products.

-HP works for the environment sustainability. It constantly tries to reduce its carbon footprint. Another area HP focuses on is the social innovation. HP is making a big impact on the areas of education, health care, community development and entrepreneurship. For this purpose, HP supports by investing in social projects in education, economic development and environmental sustainability.