

Starbucks Operations Analysis

Yinlin Chang, Songlin Cheng

City University of Seattle, WA 98121, China.

Abstract: Operations is a corn of business strategy and is a common plan for its going concern. Starbucks is a typical and classical company that has an excellent operations. The article analysis the advantage of Starbucks operations base on below five aspects: background; operation plan; supply chain; quality control and technology. At the end of the article, in the current environment protection such a great voice, how to consider Starbucks to protect the environment and promote green and sustainable development strategy.

Keywords: Green Sustainable Development; Supply Chain; Emission Reduction; Purchasing Raw Materials; Business Strategy

1. Executive Summary

Starbucks is one of the world's largest coffee brands, selling more than 30 types of high-quality coffee, sandwiches, coffee cups, and other products around the world. (Starbucks.com). Starbucks creates a coffee for coffee connoisseurs and use all its resources to obtain only the highest quality beans. Starbucks' mission statement is to be the best coffee brand in the world. Through operational planning, Starbucks has achieved such success. At the same time, the company has also implemented an important strategy in various aspects, namely, Starbucks' green environmental protection strategy for sustainable development. Starbucks creates a coffee for coffee connoisseurs and use all its resources to obtain only the highest quality beans. Starbucks' mission statement is to be the best coffee brand in the world. Through operational planning, Starbucks has achieved such success. In celebrating 30 years of environmental leadership, Starbucks recognizes that the earth is our most important partner.

2. Operations Plan

An operational plan is a comprehensive strategy that drives the next step in the organization's development to help it achieve its goals. In addition, the operation plan also sets the core strategy for the development of the enterprise. This includes specific implementation steps, resource allocation, and labor allocation to support the company's core strategy. Starbucks is a company with strong ethical values and a moral mission statement, and Buck is committed to environmental leadership in all aspects of our business. The organization will continue to promote environmental protection, with Starbucks reducing water consumption by 25 percent compared to 2015. While recycling remains a complex, multi-tiered issue, Starbucks has been able to provide in-store recycling facilities for more than 67 percent of its stores. In addition, they have expanded the scale of environmental sustainability beyond 18 countries to support their strategies. CupClub, a British firm, for example, has launched the world's first cup recycling system. CupClub will recycle and clean the cup after using, and then put it back into the coffee shop. In addition, Starbucks has pledged to eliminate more than 1 billion plastic straws from its stores each year. Last July, Starbucks announced it would ban plastic straws and cutlery from its Seattle stores and said it would ban plastic straws from more than 28,000 stores worldwide.

In addition, Starbucks use ethical sourcing. Starbucks attaches great importance to establishing long-term cooperative relations with suppliers to achieve win-win cooperation. Starbucks is also working hard to create its own coffee district. Starbucks opened its first 240-hectare coffee farm in PoasVolacno in 2013. Starbucks' relentless pursuit of quality is one of the reasons why customers remain loyal to Starbucks. They also argue that Starbucks has a strong business ethics, is an active environmentalist and respects those who grow and supply its products.

Besides, Starbucks is trying to be creative in developing greener cups. Customers will get a discount if they use reusable cups. In addition, Starbucks is recycling cups in many communities, working with local governments and stakeholders to promote environmental awareness. Replacement retail stores, greener cups and greener aprons are their vision. The targets include building and operating 10,000 greener retail stores globally by 2025, doubling the amount of recyclable material, recycling capacity and reusability of cups by 2022, and supporting 10,000 partners globally to become sustainability advocates by 2020 (Starbucks).

Lastly, Starbucks has invested in greener electricity. Starbucks has invested in renewable energy since 2005 and last year made a milestone of sourcing 100 percent of the electricity used by its own stores worldwide, using renewable energy credits (REC) in the United States and Canada and through green power supply contracts in Europe (Starbucks.com). In addition, Starbucks has joined the climate group, become a member of some of the world's large-scale renewable power enterprises alliance, and continue to invest in renewable energy projects to meet the needs of sustainable development.

3. Supply chain

The process of supply chain management is very complex and needs to gather information from all aspects to design an effective supply chain. In supply chain management, the most important thing is the connection and cooperation between supply chain nodes, as well as the coordination of production, transportation, sales and other aspects. The supply chain is centered around the core enterprise, starting from purchasing raw materials, producing intermediate products and total products in the city, and finally delivering products to consumers through sales. Starbucks use a vertically integrated supply chain, which means the company is involved in every step of its supply chain, from the beans to the cup of coffee it sells to consumers. Starbucks' supply chain operation mainly includes four aspects: purchasing raw materials, processing products, selling products, transporting products and customer response. Using a vertically integrated system means Starbucks can work directly with nearly 300,000 coffee growers around the world.

Inbound Logistics is how you get materials and resources from suppliers before you develop your final product or service. Operations is the production of raw materials and resources and the production of final products or services (Hart,2020). The whole Company operates in 75 countries or regions, and there are mainly two forms of company-operated stores: Licensed stores and Company-operated stores. The management department determines the purchase of raw materials required by the Company according to the existing inventory and sales department's expected demand, and reports to the purchasing department. The purchasing department will purchase the raw materials uniformly.

Outgoing logistics describes the process by which a product or service is distributed when it is completed. Customers can buy goods from different retail stores. In addition, Starbucks also sells its products online and establishes cooperation with various online sellers, such as Amazon, Wal-Mart. Starbucks' sales are mainly about building a connection between customers and providing a life experience.

Starbucks does not just provide coffee, but the environment and service to drink coffee. Excellent customer service is the core source of Starbucks' competitive advantage and this major event adds tremendous value to the brand image (Dudovskiy,2017). Starbucks focuses more on building stable relationships with customers. Starbucks has always put customer service at the top of its list of priorities, enhancing the opportunity for customers to meet directly and share their latest information

4. Quality Control

Starbucks has very strict procedures for its own production, and it is possible to involve all employees in decision-making and ensure the high quality of its products. (Gregory,2017). In addition, Starbucks has established a stable coffee bean supplier around the world in order to ensure the high quality of their coffee raw materials. In the selection of suppliers, Starbucks is strict in coffee bean suppliers, they have a strict selection of raw materials procedures. Therefore, when they find suppliers of high-quality coffee beans, they will try their best to keep long-term cooperation with them. They will not easily change their suppliers for high quality raw materials. To keep the environment green, they have adopted a strategy of ethical sourcing, buying beans from accredited farmers and even growing their own in the United States. In order to keep the beans fresh, Starbucks USES a regional production model. They produce coffee in different regions, and the coffee beans are only produced in a few neighboring states. As a result, Starbucks has five coffee bean production plants located in different locations in the United States. In this operation plan, Starbucks strives to ensure

product quality and support its sustainable development and environmental protection strategy.

5. Conclusion and recommendation

In the whole operation strategy of Starbucks, we can clearly realize that the excellent operation of Starbucks includes supply chain, operation plan, quality control and enterprise operation structure. These aspects have brought different corporate culture to Starbucks, which constantly improves product quality, saves logistics and transportation costs, and guarantees high-quality raw materials. In addition, carbon neutrality is increasingly valued by companies and governments in different regions due to global environmental factors. Starbucks should also consider green sustainable development and green environmental awareness. In terms of science and technology, continuous reduction of environmental pollution, through afforestation, energy conservation and emission reduction forms, in order to offset their own carbon dioxide. The technological development of Starbucks can push them to better serve their green plan. With the mature development of processing and production technology, Starbucks can reduce production costs to gain technological advantages over competitors (Hart,2020). In terms of sustainability, Starbucks are considering to push forward with its conservation operations by introducing coffee cups that can be recycled and straws made out of paper not only in North American, even in all different areas. In addition, in the future, Starbucks' store design also will follow the concept of environmental protection and sustainability in design, construction and material selection, aim to obtain the highest level of green building certification.

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