

	<p>THE STARBUCKS EXPERIENCE, by Joseph A. Michelli 5 Principles for Turning Ordinary into Extraordinary</p>
<p>1. The Situation</p>	<p>Starbucks is the leading retailer, roaster and specialty coffee brand in the world. The company was founded in 1971 in Seattle by Howard Schultz. His vision was to combine the quality of a coffee bean with European charm of the coffee house. The concept of coffee would never be the same anymore, once they 'Made the ordinary extraordinary'.</p>
<p>2. The Challenge</p>	<p>Turn the ordinary into extraordinary.</p>
<p>3. The Approach</p>	<p>Starbucks has been very consistent in staying true to the following 5 principles:</p> <p>'Make it your own' as in; working for Starbucks is a way of life. Co-workers, called 'partners', are involved in what they do and what the customer wants. Starbucks work force is positive, genuine and considerate. This is because partners share in the company's success, are stimulated to innovate and listened to. They feel like they are part of something big and important. For example; Starbucks invests a lot in training on product knowledge.</p> <p>The second 'Everything matters' principle means that Starbucks cares a great deal about the details, they listen carefully to customers feedback and react on it: Details affect the emotional connection that others have with you. That's why the toilets are always clean. Besides that consistency and solid processes and procedures in daily operations are recognized as being very important.</p> <p>The third principle is 'Surprise and Delight'. It underlines the importance of surprising the customer with more tender, love and care than they expect. For example giving away free samples, offering a new drink when a customer spills, asking beyond polite questions and lots of smiling. It all strengthens the connection with the customer.</p> <p>'Embrace Resistance' is the fourth principle and indicates the value of critique. Actively listening to criticism, strengthens the relationship. The best way to handle criticism is to accept responsibility if the criticism is based on correct information and to improve with corrective action. It is important to keep in mind that you have to distinguish between people who want their concerns to be resolved and those who simply like to complain.</p> <p>Finally Starbucks believes in the principle 'Leave your Mark' simply because people prefer to do business with and work for socially conscious companies. Successful business leaders realize that a key part of their success is leaving a powerful and positive mark on their communities. And it is a fact that business value rises, because they are considered to be more trust worthy.</p>

4. The Success

Today Starbucks has stores in 37 countries and an average of 35 million visitors per week. If you would have invested \$10.000 in 1992 on Nasdaq, you would have had \$650.000 today. Fortune says Starbucks is 'one of America's most admired companies'. Its influence is obvious; new words like 'barista', 'Chai' and 'Frappuccino' have become part of our everyday language.

Critical Success Factors:

- a. Passion for product, people, experience and community;*
- b. Corporate culture embodies: empowerment, entrepreneurship, quality and service;*
- c. Employees are 'partners'; Starbucks spends more on training than on advertising;*
- d. Passing values to partners and from partners to customers;*
- e. Leadership: sharing*