



Exploring the Effectiveness of Supply Chain Management: A Case Study of Starbucks

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Abstract: Starbucks is a global coffee company located in Washington. It purchases, roasts, and sells specific bean specialty beverages and coffee drinks through a global retail chain. Starbucks focuses on its supply chain process carefully, from the coffee beans to the coffee cup sold to buyers. It also considers social responsibility and ethical concerns in all production methods by featuring the most distinguished quality standards. The company's vision concentrates on leading the coffee production globally and keeping buyers satisfy by establishing long-term relationships and linking people, coffee, and the community at the same time. This research aimed to analyse the supply chain management (SCM) model for Starbucks, which seeks to improve organizational performance and achieve all its business goals through engineering techniques. In this research, many topics have been analyzed in detail, like supply chain management roles in Starbucks in logistics activities (Primary & supportive). Based on the descriptive study, the researcher has examined the main types of information technology implemented by Starbucks to maintain its highest quality. Such as Customer Relationship Management System, Transaction processing system, Security Systems, Decision Support System, Supply Chain Management System, Enterprise Resource Planning, and Customer Relationship Management System. This study's finding (Starbucks) has overall good performance due to good supply chain management. However, continuous improvement is required significantly since the number of competitors has been increased. The finding also indicated that Many plans had been discussed adapted by Starbucks to grow globally and gain more competitive advantages, such as Improving information Technology systems, purchasing, and marketing plans. The researcher has proposed a set of recommended strategies that enable Starbucks to sustain itself globally, such as differentiation strategy, intensive strategy, and building a business integration model. Along with explaining how the Starbucks managers have been keen to develop good relationships with coffee bean suppliers by continually communicating with them and sending the latest information on improving various coffee products. Finally, the researcher has introduced 12 points as recommendations for further improvement.

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1-Introduction

Starbucks is a coffee shop firm in the USA, which began in 1971 in Washington state. The firm now possesses more than 16,226 branches worldwide, thorough 11,434 in the United States of America and more than 172,000 employees in all its departments. Starbucks focuses on each stage of its supply chain process, from the coffee beans to the goblet of coffee sold to customers. It also respects the concepts of social responsibility and ethical considerations in all production processes by emphasizing the highest quality standards. The company's vision focuses on leading the coffee industry worldwide and sustaining buyer satisfaction by forming long-term connections and connecting people, coffee, and the community at the same time. (Bajpai, 2015).

Starbucks was keen on its employees by developing an annual incentive bonus plan according to their performance. It set financial targets for the year 2020 for the actual investment of 70% and 30% returns for its employees. (Starbucks, 2021).

In this research, the Key roles of Supply Chain Management in Starbucks will be discussed in detail and the Supply Chain Functions & Strategies adopted by Starbucks.

2-Research Problem

Through the preliminary study, the researcher found a lack of clarity about the role that Starbucks played in managing its supply chain. Although many distributors and sellers of coffee products could not continue in the market, Starbucks continues its openness and continuous development. The researcher was motivated to conduct a theoretical

study to clarify the reasons behind Starbucks' success in produce and distribute coffee beans worldwide.

3-Research Objectives

By reviewing studies, articles, publications, and books related to the topic of study, the researcher identified the main objectives of this research for as follow:

- 1- What are the critical roles of Supply Chain Management in Starbucks?
- 2- What are the main plans for Supply Chain Function in Starbucks?
- 3- What are Starbucks Supply Chain Management Strategies adopted by Starbucks?
- 4- What are Supplier relationship management strategies and IT used by Starbucks?

4-Research Importance

This research sheds light on the pioneering role that Starbucks played in survival and continuation despite external conditions and global events such as the Corona pandemic and others. This study will also help suppliers and distributors not only in the field of production, sale, and marketing of coffee seeds but in all fields to identify best international practices in supply chains.

5-Research limitation

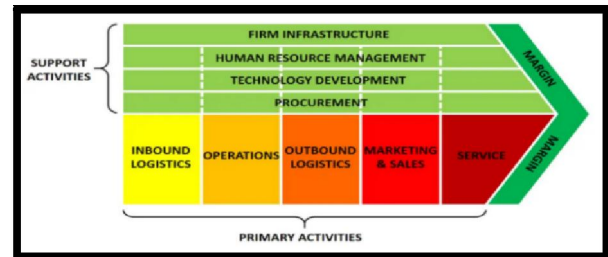
This research has theoretically driven to investigate the role of Supply Chain Management in Starbucks based on collecting and analyzing studies, reports, periodicals, and books to express a primary picture for Starbucks performance. However, the researcher is looking to conduct analytical research to evaluate overall all performance in Starbucks. This research has been applied in March 2021.

6-Theoretical frame work

A- Key roles of Supply Chain Management in Starbucks

Starbucks was focusing on two types of logistics activities ((Primary& supportive). Inbound logistics included getting coffee from the different coffee bean producers through mutual agreements and effective relationships to enhance the supply chain management. (Bhasin, 2020). Starbucks operates a complete logistics system where coffee seeds are purchased from Latin America, Africa, and Asia to the United States and Europe inboxes. Then the green seeds are carried to various warehouse locations and in or near the processing plant. After the seeds are treated and packed, the processed product is transported to the local warehouse sites (Thompson2020 ☺) . The company also gives attention to the other supportive activities like firm

infrastructure, store design, human resource management, and technology advancements. All above activities formulated the effectiveness of supply chain management at Starbucks. Starbucks has developed a lot of essential functions to guarantee a fully integrated supply chain as follows: (Porter, 1985).



(Porter, 1985)

1. Inbound Logistics

Starbucks has a very efficient plan for its purchase of raw materials at a specific time for its coffee. To ensure their goals were effective, Starbucks works directly with the farmers to ensure the highest quality standards, so It adapts enterprise resource planning (ERP) system to manage its primary activities that consist of the determination, acquisition, and distribution of raw materials before transforming them into final products, So, The unroasted seeds are obtained from its origin and then transport to the storage centres, after which the beans are roasted and canned, then shipped to the distribution sites for other required processes. (Cooke, 2010).

They care about the quality of the raw materials and offering good services and benefits to their suppliers through providing them with highly professional training programs to enhance their performance and ensure the highest loyalty. (Farfan, 2021). This way maintains long-term relationship with their suppliers. Moreover, it emphasizes the necessity of preserving ethical aspects and social responsibility in all stages of its production processes. (Dudovskiy, 2017).

In 2013, Starbucks owned their first coffee farm in Costa Rica with an area of 240 Hectares to maintain their high-quality coffee materials. Time by time, Starbucks has gradually bought lands and farms to plant their coffee seeds, reaching 30,000 Lands and Farms of coffee worldwide. (LeBlanc, 2019).

2. Operation Processes

Once the raw materials' input has been identified, it transfers these inputs to production lines to produce the final products and distributes them to several licensed stores. (Shrum, 2018).

3. Outbound Logistics

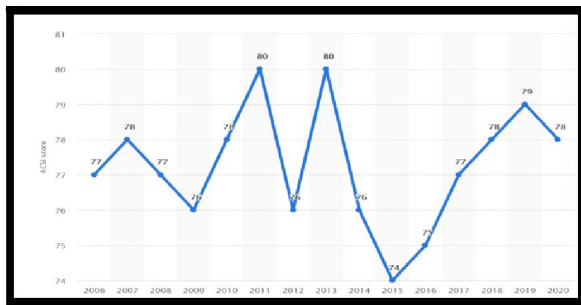
Starbucks uses a small number of distributors for its products and relies on selling its products in its owned stores to maintain the highest profit margin. However, the company gradually began to realize the importance of having its products available everywhere. (Sargent, 2015).

4. Effective Marketing and Sales

Starbucks is keen to market its products strategically and follow its customers' responses and opinions in all branches. For this reason, the company conducts customer experiences questionnaires on Twitter, Snapchat, and Instagram. It modernizes its manufacturing processes to match up with customer's expectations. The company also seeks to provide competitive advantages over the other competitors and tries to use the effective differentiation strategy in the whole logistics. (Siddig, 2019).

In 2016, Starbucks also allocated a marketing budget of \$ 251.5 million. This budget for publicity and advertising investment, along with the development of a proper marketing mix. Specific applications are also used on smartphones to ensure the speed and ease of transferring their goods to consumers. (Bajpai, 2020).

So, Starbucks' American consumer happiness average scores have been increased from 2006 to 2020 in the United States as below: (Xia, 2014).



(<https://www.statista.com/statistics/216719/starbucks--customer-satisfaction-in-the-us/>, 2020)

5. Service

Starbucks focuses on after-sales services to its customers and tries to seek their opinions and suggestions on the quality of services provided by giving each consumer a unique Starbucks Experience.” (Cooke, 2010).

6. Human Resource Management

Starbucks company has developed a set of compensations and benefits offered to its employees. The purpose is to involve them in the Starbucks

culture. As a consequence, it brings more satisfaction and builds a homogeneous internal work environment between all staff. (Siddig, 2019).

7. Proper Infrastructure and design

Starbucks developed a good infrastructure and attractive design for stores and distribution outlets to ensure that consumers' satisfaction is maintained. It always strives for continuous development and improvement through opinion surveys about the products and services provided. (Bajpai, 2020).

8. Technology Development

The company roasts coffee beans according to the latest technology standards using modern equipment and well-trained human resources, has centralized storage centers, and makes sure that all countries that have Starbucks branches comply with the same roasting standards. The company is keen to develop its equipment and supplies that strike a balance between customer expectations and desire in light of the available resources. (Xia, 2014).

9. Procurement

The company is keen to set standards for its purchases of raw materials, machinery, laboratory equipment, office equipment, and other assets necessary for the production process to achieve the required results efficiently and effectively and create valuable multiple value chain activities. (Sargent, 2015).

Finally, I can say, Starbucks has taken care of all outbound and inbound logistics activities along with achieving the concept of total quality management (TQM) in all stages of service provided through focusing on identifying customers' desires continuously.

B- Points plan for Supply Chain Function and its Strategy

In order to maintain Starbucks' efficiency level, I proposed the following plans:

1. Reviewing the strategic plan

Starbucks should review its vision, mission, and strategic goals along with a SWOT analysis to study all environmental changes that may affect its supply chain. Through effective strategic planning, Starbucks can develop the efficiency and quality of its supply chain and deal with unexpected risks such as Coronavirus 19, which requires reorganize the whole supply chain to deliver high safety products along with considering all ministry of health instructions. (Starbucks, 2021), (Thomsen, 2021).

2. Improving information Technology systems (IT)

A complete database of distributors, suppliers, and the level of inventory should be available. The "enterprise resource planning" (ERP) system must also be used to ensure the supply chain's effectiveness, as the presence of integrated information systems is the backbone of the logistics process's success. (Thompson, 2020).

3. Improving production Efficiency and Effectiveness (E&E)

Starbucks should achieve a full balance between efficiency and effectiveness by minimizing the cost of production and utilizing its resources optimally in compatible with the company vision, mission, and long-term objectives. Starbucks ought to likewise receive the idea of Business Process Reengineering, which incorporates the vital overhaul of its middle business cycles to achieve the most astounding upgrades in efficiency, process durations, and quality. Using Transportation resource planning (TRP) enables distributors and suppliers to determine the transportation benefits within their supply chains. By considering the transportation management method and transportation's vital role in the Starbuck company. (Dudovskiy, 2017).

4. Employee Empowerment Plan

Human Resource Management is considered the most valuable asset. For that reason, Starbucks should enable their employee to participate in decision-making process and take their feedback and suggestions periodically. (Xia, 2014).

5. Marketing Plan

Starbucks should analyse the key competitors and create competitive advantages through a compelling marketing mix and market segmentation analysis. It can also adapt the differentiation, cost of leadership strategies to maintain long term relationship with its customers. They also should make a wider variety of products delivered to customers for example: they should expand their breakfast menu. (Starbucks, 2020).

6. Establishing and revising the set of performance indicators (KPIs)

Starbucks should develop a set of performance indicators (KPIs) like qualitative Indicators, quantitative Indicators, Input Indicators, Process Indicators and, output Indicators to ensure a fully integrated supply chain in whole chain. Below table, showing the main set KPIs developed by Starbucks for ongoing improvement. (Starbucks, 2020)

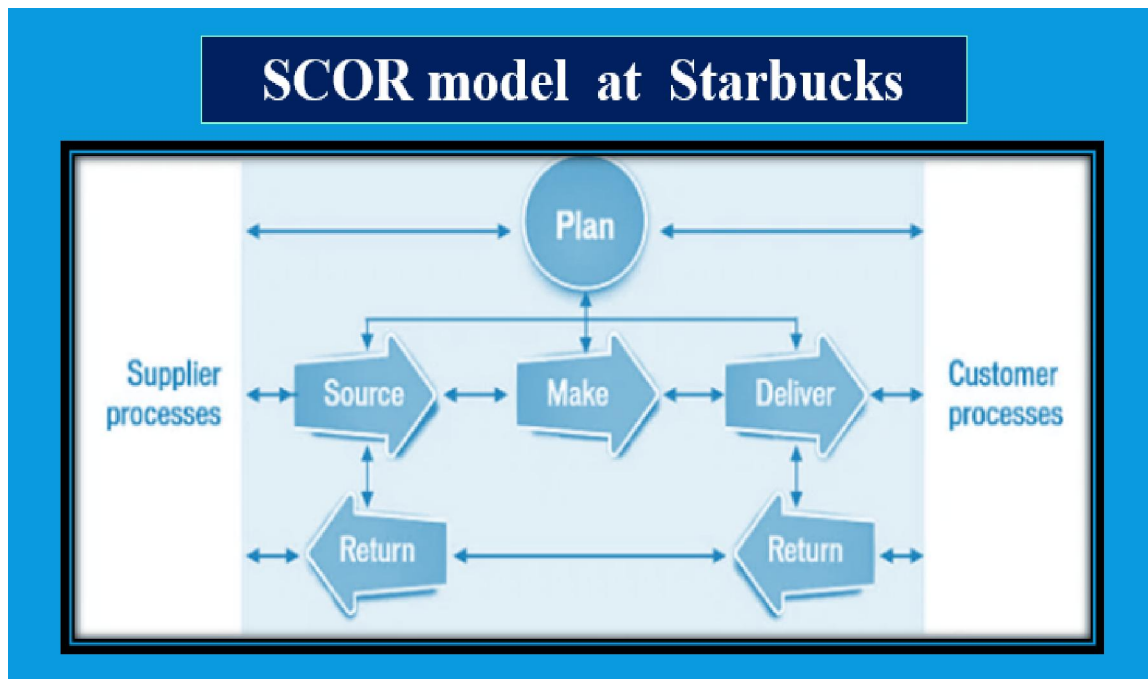
<p>GREENER CUPS & PACKAGING</p> <ul style="list-style-type: none"> Double the recyclability of our cups from 2016–2022; develop 100% compostable and recyclable hot cups by 2022 20% recycled content in our hot cups by 2022 Double the use of reusable cups from 2016–2022 Eliminate single-use plastic straws globally by the end of 2020 	<p>GREENER RETAIL</p> <ul style="list-style-type: none"> Build and operate 10,000 Greener Stores globally by 2025 Empower 10,000 partners to be sustainability champions by the end of 2020 Invest in 100% renewable energy to power global operations globally by the end of 2020
<p>PARTNERS</p> <ul style="list-style-type: none"> Graduate 25,000 Starbucks partners from Arizona State University (ASU) by the end of 2025 Continued leadership in innovative, relevant benefits for full- and part-time retail employees 100% global gender pay equity in U.S. and company-owned markets At the senior leadership level, 50% women and a 50% increase in representation by people of color since 2015 Cultivation of inclusion and diversity awareness 	<p>COFFEE & TEA</p> <ul style="list-style-type: none"> 100% ethically sourced coffee Provide 100 million coffee trees to farmers by 2025 100% ethically sourced tea Train 200,000 farmers by the end of 2020 Invest \$50 million in farmer loans by the end of 2020 Empower at least 250,000 women and families in coffee, tea and cocoa growing communities globally by 2025

Starbucks annual report (Starbucks, 2020), <https://globalassets.starbucks.com/assets/0110125A401A46B7BEFAD86DD6BC884B.pdf>

7. Developing an effective SCOR model

Starbucks should develop The SCOR model which consists of six essential management processes that involve: (Parnell, 1993).

- Plan: It includes the accurate identification of the required resources, transportation, and establishing an exemplary communication to ensure a good flow of information along with ensuring aligning with Starbucks business objectives (Bush, 2016).
- Source: It involves determining the resources required to meet customer needs through purchasing, warehousing activities and supply agreements.
- Make: mean ensuring the final products are prepared to meet planned or actual needs. (Bhasin, 2020).
- Deliver: ensuring Starbucks' proper delivery of accomplished goods and services to satisfy the real demand through transportation and distribution management.
- Return: Return systems incorporate the recovery or receipt, either from buyers or vendors, of reversioner products. (Smith, 2007).
- Enable: This encompasses all processes related to supply chain such as firm regulation and procedures, Risk management, Cost Management, and contract types and procurement process along with auditing criteria.



(Montgomery, et al., 2018)

8. Competitor Analysis

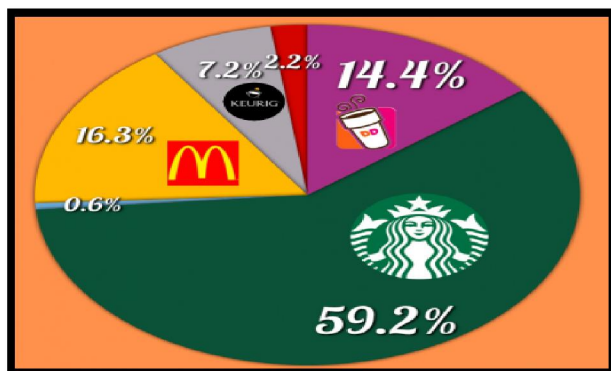
The Competitive Profile Matrix (CPM) is a strategic examination that compares Starbucks' corporation with other rivals to accurately analyse the actual weakness and strength points by correctly identifying each significant successful constituent competitors.

The company should conduct ongoing surveys, including study the competitors to find out their

strengths and weaknesses through applying the Competitive Profile Matrix (CPM). Especially, some of the competitors in many markets have created new ideas, special discounts, and other promotional tools to attract more customers like McDonald's, Dunkin' Donuts, Tim Hortons and Barista Coffee.... etc. (Smith, 2007).

Key Factors	Weight	Starbucks		McDonalds		Dunkin Donuts	
		Rating	Score	Rating	Score	Rating	Score
Advertising	0.05	4.00	0.20	3.00	0.15	3.00	0.15
Product quality	0.20	4.00	0.80	2.00	0.40	3.00	0.60
Product variety	0.10	3.00	0.30	4.00	0.40	3.00	0.30
Price competitiveness	0.20	2.00	0.40	4.00	0.80	2.00	0.40
Financial position	0.05	3.00	0.15	4.00	0.20	3.00	0.15
Customer loyalty	0.10	2.00	0.20	3.00	0.30	4.00	0.40
Global expansion	0.10	3.00	0.30	4.00	0.40	4.00	0.30
Customer service	0.20	4.00	0.80	3.00	0.60	3.00	0.60
Total	1.00		3.15		3.25		3.00

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(Team, 2016)

There are a set of suggested strategies that enabled Starbucks to sustain itself in the global markets as below: (Tong, 2009)

Strategy 1: Differentiation strategy

Starbucks may adopt a differentiation strategy in its products and services according to the latest international quality standards and in alignment with Starbucks's strategy by studying the customers' expectation and distributors, developing a benefits realization map, and sharing the results of performance evaluation with all concerned parties in its supply chain. This strategy also requires building an organizational culture, re-improving the production process's inputs, including machinery, equipment, and distinctive coffee beans, and following up distributors and suppliers' performance reports periodically. This approach involves comparing the work and its functions different concerning other café companies. (Starbucks, 2021).

Strategy 2: Intensive strategy

Starbucks can get an advantage from its client loyalty on the current items by extending in the current business sectors and attempting to increase its essence in the current business sectors by utilizing similar existing food and refreshment items to maximize revenues in these current business sectors through effective promotional offers. Starbucks also can grow in the market by opening more stores possessed or licensed coffee shop locations. (Agus, 2015)

However, Starbucks needs to defeat social and cultural difficulties in the coffee businesses. It can utilize market development techniques for severe intensive growth. This strategy enhances company growth by generating returns in new industry areas by giving its existing deliverables a mixture of meals and drinks. For instance, Starbucks Coffee offers its current items to more purchasers by joining more states, such as South Africa and the Middle East, leading to a more significant volume of food, refreshments, and other products. As an extra strategy, the intensive growth strategy and product improvement by adding new items or modifications that reply to business benefits. For example, within items addition, the company deliver advanced coffee products with low calories or as requested by their customer, along with the availability of its products at supermarkets (Thompson, 2020).

Strategy 3: Build Business Integration Model

Starbucks may create its business model that includes a complete set of integration strategies. For example, Starbucks may use a vertical integration strategy by buying, roasting, and selling all of its coffee beans, rather than using outside suppliers to purchase roasted coffee. This methodology reduces costs and increases the quality control process. It is also possible to use the forward integration strategy

to increase distribution centres in all regions that need their products and services, and this also requires searching for sources of financing to purchase high-quality coffee farms and purchase places and distribution centres in different countries. (Parnell, 1993). Starbucks may develop Canvas Business Model as strong command and lean start-up template for creating new or enhance existing business models. This Model may consist of 4 proposed values: (Bhasin, 2020).

Innovation Strategy: is the primary value that may be adopted by SBUX. It uses excellent seeds and creates innovative consequences for its buyers. It engages effective roasters to operate on those high-grade seeds. (Xia, 2014).

Accessible Strategy: a consumer may utilize the Starbucks application to obtain its goods easily, which considered a good buyers experience. (Thompson, 2020).

Convenience Strategy: Starbucks may facilitate its products by making a wide variety of products readily obtainable to its consumers. Such as tea, smoothies, pastries, salads, yogurt, and fruit cups. (Bajpai, 2015).

D- Supplier relationship management strategies and IT used by Starbucks

SBUX managers have been keen to build good relationships with coffee bean suppliers by continually communicating with them and sending the latest information on improving various coffee products. Although it owns many coffee farms; however, its' policy focused on maintaining the quality of relationships and building lasting trust and fair treatment because they are an essential part of its logistical operations. One of Starbucks' main goals is to ensure their coffee producers and suppliers have a guaranteed healthy and active life and follow the ("C.A.F.E.") ("Coffee and Farmer Equity Practices") Practices' guidelines and ensure its sustainability. (Bajpai, 2020).

Starbucks signed an agreement with Conservation International, a nonprofit environmental corporation, to amplify CAFE Practices ("Coffee and Farmer Equity Practices"). ("C.A.F.E.") aims were to offer the sustenance of coffee growers and to assure effective quality coffee for a long time. This inventiveness depends on some factors:

Grounds farmed with environmentally sound techniques. (Siddig, 2019).

Households that live in healthful, preserved, and supportive communities (Semroc, 2012)

The producers would be more willing to invest in productivity enhancement mechanisms and activities in their societies by supporting sustainable coffee supply sources. To efficiently fulfill ("C.A.F.E.")

operation' guidelines, Starbucks has decided to dedicate a full center of trained experts in Costa Rica, so they keep tracking the farmed lands' soils' lasting quality. This work promotes the sustainability of its coffee supply chain while at the same time honoring Starbucks' image as a socially responsible firm. (Parnell, 1993).

Starbucks also acquired certified and eco-labeled coffees raised and marketed to conserve the natural conditions and support industrial sustainability. There were three types of environmentally sustainable coffee purchased by Starbucks: Conservation Coffee (shade-grown): Starbucks, by its union with CI (a nonprofit organization committed to preserving global biodiversity), supported coffee producers to utilize conventional and sustainable farming techniques. The primary purpose was to protect shade trees, which were usually torn apart and substituted with close rows of coffee trees on huge coffee farms. This not only damaged the homes of various species but also happened to decrease coffee production. (Bajpai, 2015).

Certified Organic Coffee: This coffee was planted without artificial pesticides, herbicides, or chemical fertilizers to keep fine soil and groundwater. **Fair Trade Certified Coffee:** Through a licensing contract with TransFair U.S.A., Starbucks decided to guarantee that coffee producers were reasonably repaid for their crops. The Fair-Trade Certified Coffee label approved that the coffee matched with the Fair-Trade criteria. These standards concentrated essentially on cost and other sustainable requirements. (Starbucks, 2020).

Fair Trade Certified coffees only evolved from democratically dominated organizations, not big farms or coffee leaned across supply channels. To develop farmers' access to funding, Starbucks contributed loan supplies to various companies to secure those producers could receive affordable loans and earn some monetary capability to enhance their farming methods. In 2004, Starbucks invested \$6 million in many investment programs by collaborating with Shari Berenbach of Calvert Foundation's quote. Starbucks has secured a leadership rank by aligning its investment capital with its mission and products to create more sustainable coffee-growing communities. (Smith, 2007).

Starbucks obtained a distinguished leadership position among all its suppliers. It gained their trust by building long-term investment relationships and achieving its strategic goals and keenness on social responsibility with suppliers, distributors, and customers. (Agus, 2015).

Information Technology used by Starbucks for suppliers

Starbucks has created its electronic portal, categorized into two formats; the first portal, entitled the Store portal, is handled by the team working in retail stores to access the information. The second was entitled the partner portal used by staff working in areas and corporate places. In 2003 this system was applied as a useful tool to distribute information at a different organizational level. This method has encouraged its employees to obtain the latest updates and news about the firm and design and reach various analysis reports about its overall performance. (Agus, 2015).

Starbucks established an effective management information system that adequately organizes, coordinates, and controls effectively to ensure that the required information was available for strategic planning and to run the company's daily processes, which contains strategic information, Tactical information, and Operational Information. (Farley, 2021).

Starbucks applies different data systems to maintain that the business survives competitiveness in the food and drinks production. Starbucks is performing a digital media project where many types of information methods are utilized.

- **Transaction processing system** (Dudovskiy, 2017).

The Starbucks company has generated a valuable transaction processing system that gathers the data and reserves it in its multi-level data storage facility. (Farfan, 2021).

- **Security of the Information Systems** (Agus, 2015).

Starbucks created Information Systems Security to protect its employees, suppliers, and all of its financial operations from hacking by cyber thugs. This security system encouraged all stakeholders to feel secure in their money and their rights.

- **Decision Support System (DSS-System).**

Starbucks has created a system to make various decisions based on results, statistics, and business reports from suppliers and distributors. This system facilitated the promotional and investment decisions also monitored, analyzed, and stored information according to its priorities. (Hsuan, 2014).

- **Supply Chain Management System (SCM-System).**

Starbucks created a system to track its logistics operations, starting with suppliers till end-consumers. This system helps identify problems and fix them on time.

- **Digital Dashboards:**

Starbucks created a digital dashboard. In this, the top management utilizes a key performance indicator (KPI) to provide information about its actual ongoing performance. It displays the version by presenting it on a digital dashboard that reflects its advancement towards the firm objectives. (Dawson, 2020).

- **Cloud computing**

Starbucks created advanced cloud computing to find the best types of food and drinks that its customers want and create a new experience based on their suggestions, weather, or area. (Starbucks, 2020).

- **Enterprise Resource Planning (ERP -System)**

Starbucks has created an integrated system for all transactions from start to finish, such as finance, workforce, merchandising, manufacturing, service, and stores chain. (Dawson, 2020).

- **Customer Relationship Management System (CRM-System)**

Starbucks established a complete customer relationship management system by enabling them to track their coffee's entire supply chain. The American multinational coffee shop and roaster chain have deployed a blockchain tool backed by Microsoft Corporation to track coffee from the bean to the store. So, Starbucks adopted blockchain technology to follow the journey of coffee beans from farms to stores. The US supermarket chain has put its trust in blockchain technology, intending to bring more transparency to its customers. (Bajpai, 2020).

- **Starbucks Reward System (SRC-System)**

Starbucks designed an effective loyalty program structure that consists of a couple of levels: Green and Gold. To award their consumers, they allowed them to gain "Stars" with each purchase. Through collecting stars, consumers then get free goods, extra personalized gifts along with discounts including the wedding ceremony and anniversary as well as purchase records (Cooke, 2010).

Finally, Starbucks obtained a distinguished leadership position among all its suppliers, distributors, and consumers and gained their trust by building long-term investment relationships and achieving its strategic goals. (Agus, 2015).

Conclusion

This research illustrated many practices of Starbucks for managing its chain of logistics operations by applying best management practices and logistical models. By analyzing several kinds of literature. Starbucks has undertaken many activities

to ensure the proper supply and distribution of its various products and services.

For this research, the general aim was to analyse and propose a supply chain management (SCM) model for Starbucks, which seeks to improve organizational performance and achieve all its business goals through engineering techniques. In doing so, the current study objectives are: To provide a brief introduction on the Starbucks Global Supply chain and the role of supply chain function in the context of this multinational coffee chain; to develop a 10-point plan to make sure that the company's supply chain function and its strategies remain pertinent to the chain's organizational objectives in future; to discuss some SCM models as strategies that are likely to assist the chain in achieving its business goals; to evaluate the effectiveness of methods used by Starbucks to maintain supplier relationships, and to analyze the Information Technology (IT) adopted by the chain to develop strategies in developing relationships with its global suppliers and customers. Lastly, the report concluded with good recommendations based on the analysis of Starbucks' SCM.

Recommendations

Based on the above analysis, Starbucks can improve its logistics system by considering the following recommendations.

1. Improve their raw material purchases

Starbucks should constantly keep searching for new sources of supply for coffee beans, especially since there are many competitors looking for the best coffee products. (Farfan, 2021).

2. Environmental Considerations

Starbucks should include environmental considerations in all logistics operations by minimizing the carbon emissions activities and reducing the waste from its warehouses and stores. (Farley, 2021).

3. Ethical issues

Starbucks should consider the ethical issues in all logistical operations and emphasize social responsibility and sustainable development in the global markets' continuation and survival. (Thomsen, 2021).

4. Financial study

Starbucks company should develop a complete study to analyze the expected profits, potential risks, rate of return on investment, and other financial indicators that may be affected on the current and future performance situation, mostly as it recorded a

30% drop in its quarterly profits in the last three months of 2020, due to the impact of Corona pandemic on its business.

5. Products Diversification (Expanding their menu)

Starbucks should diversify its products and introduce new items to its menus, such as new breakfast bundles, custom drinks, and more desserts.

6. Fitting into Each Nation's Culture

Starbucks should consider that each country has different customs and traditions, so Starbucks should give more attention to occasions and holidays for additional offers and benefits. (Bajpai, 2020).

7. Careful ongoing observation of their competitors

Starbucks should always keep an eye on their potential competitors to stay on the right track through analyzing competitors, acknowledging their strengths and weaknesses, understanding their capabilities, and their customers' acceptance level towards their products and services. (Bush, 2016).

8. Analyzing consumer attitudes

Starbucks should study the extent to which consumers' tastes have changed and find out their new desires through opinion surveys and online chats. (Farfan, 2021).

9. Franchise

Starbucks should increase the number of outlets and distributors to spread in the global markets by allowing other entities to utilize its products according to mutual agreement (MACDONALD, 2007).

10. Network communication

Starbucks should have social media accounts on all platforms so that they can easily keep in touch with their customers, know what their consumers think of them, and keep being updated about what's trendy (Bhasin, 2020).

11. Market assessment

Market assessment Starbucks should analyze the market and define the target marketing, market segmentation, and establish an acceptable marketing mix for each category. (Cook & Heizer, 2011).

12. Strategy for New store

Starbucks should identify its new stores' geographical locations, using Atlas's data, as a useful examination method generated by the Geographic Information System company Esri. This tool

estimates the required data, such as nearness to other Starbucks areas, demographics, traffic issues, before confirming the new store's geographic place. This practice foretells how the new repository will affect other Starbucks stores in the district. (Starbucks, 2021).

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