

Starbucks Company

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Introduction

Starbucks Company is a roaster and marketer of specialty coffee. It produces and sells packaged and freshly brewed coffee of high quality, tea, fresh food items, and a selection of equipment and accessories for making beverages. The company also sells its brands through channels like grocery stores, warehouse clubs, national food service accounts, and convenience stores. Starbucks aims at maintaining the global recognition and respect of its brands. The firm targets at balancing its profitability and social responsibility in the long run.

Mission

Starbucks mission is “to establish it as the premier purveyor of the finest coffee in the world while maintaining its uncompromising principles while it grows.”

Vision

The vision of Starbucks is “to nurture and inspire the human spirit- one person, one cup, and one neighborhood at a time.”

Core Values

With its employees regarded as partners, the coffee brands, and the firm’s customers at the core, Starbucks believes in these values:

- i. The corporation values creating a culture of warmth and belonging, where all stakeholders feel welcome
- ii. Provision of a favorable work environment where partners respect one another.
- iii. Embracing diversity, which is an important component within the company’s business facets.

- iv. Application of excellent standards in the procurement, processing, and delivery of coffee products.
- v. Developing a loyal satisfied customer base all the time.
- vi. Contributing positively to the development and welfare of the community and environment
- vii. Upholding profitability as an essential driver of future success.

Financial objectives

The company's financial goals are to achieve best-in-class revenue growth, capital investment efficiency, and ensuring the total return to shareholders. The main item guiding the setting and delivery of targets is the strong financial discipline that enables the company to double cash returns and dividend payout. The company's revenue sources include company-operated stores, consumer packaged goods, licensed stores, and food service operations (Schultz, 2011). The location of food service stores improves visibility and accessibility by attracting a stable and loyal customer following.

The firm has entered into licensing agreements to penetrate into highly protected markets of major strategic importance increasing revenues through fees. Consumer packaged goods income is generated from the sale of both domestic and international packaged tea and coffee. It is also created through the selling of tea products and ready-to-drink coffee at strategic locations. Other sources of earnings include the licensing fees from producers that manufacture and promote Starbucks products (Micheli, 2013).

Objectives for Improving Starbuck's Company Financial Position

The financial situation of Starbucks is determined by its overall shareholders' value maximization achieved through increasing the profitability of the enterprise. The key drivers and indicators of profitability include total revenues. The following set of objectives, measures, targets, and actions are aimed at maximizing the company's profits and shareholders' value.

Objective	Measure	Target	Action
Increase sales of the Starbucks brand by 50% at the end of the financial year	Sales revenues	\$6.0Billion quarterly revenues	Increase the presence of Starbucks company stores 39 to 45 countries by opening up new locations
Increase quarterly channel development revenues by 20% by the end of the last quarter	Revenues from licensing agreements	\$2.0billion	Develop new licensing agreements with manufacturers in international markets
Increase quarterly operating income to 25% at the end of the fourth quarter	Sales dollars	\$3.5billion	Increase the selling price of the premium coffee brands by 10%
Increase earnings per share to 20% to a split-adjusted quarterly rate of \$0.45 per share at the end of	Return on investment	\$0.45 EPS	Present a budget to the executive board to increase the distribution of net profits and reduce retained earnings.

2015/2016 financial year			
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References

Micheli, J. (2013). *Leading the Starbucks Way: 5 Principles for Connecting with Your Customers, Your Products, and Your People*. New York: McGraw-Hill Professional.

Schultz, H. (2011). *Onward: How Starbucks Fought For Its Life without Losing Its Soul*. London: John Wiley & Sons.

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