



THE STARBUCKS EXPERIENCE: 5 Principles for Turning Ordinary into Extraordinary

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FOREWORD

- Is your team a team of “litter-picker-uppers”?
- If anyone on your team comes across something that isn’t right, do they take the time to fix it?
- Core purpose: Create a business that aspires to enrich the human spirit.
- They have a “Green Apron Book.” Small book. The core ways of being that you need to follow to be successful at Starbucks.
- Author travels to stores all over, shares the culture, collects stories, and tells them.

INTRODUCTION

- The core of their success:
 - #1: Their unique corporate culture
 - #2: Being great at passing this culture down to all team members
- Create a place where people can soar.
- Share the wealth when you succeed.
 - Don’t be shy about profitability.
 - It is not a dirty word.
 - It’s vital to future success.
- Result is that turnover rate at Starbucks is 120% less than industry average
- Another result is attracting and retaining people who care about the experience. It creates a bond with customers.
- They want to “stay small while growing big.”
- They empower team members to make customers’ visits count.

PRINCIPLE #1: MAKE IT YOUR OWN

- How can you get people to engage their passions at work and balance uniformity of experience for customers?
- Be your individual self but deliver these “five ways of being”:
 - Be welcoming.
 - Be genuine.
 - Be considerate.
 - Be knowledgeable.
 - Be involved.



- Their “Green Apron Book” that they give shares concrete ideas on how to personalize relationships with customers and deliver these things. It gives guiding principles, not rigid instructions.
- **Be welcoming.**
 - People want to be recognized and celebrated in some way.
 - Welcoming them by name is a whole other level.
 - Acknowledge uniqueness.
- **Be genuine.**
 - Connect, discover, and respond in each interaction.
 - Don’t need to be best friends, just a positive connection
 - Shultz: “We are not in the coffee business serving people, but in the people business serving coffee.”
 - Listening is critical, but so is discovering the customer’s needs.
 - Respond when you understand those needs. Take action immediately.
- **Be considerate.**
 - To those immediately around you and to those in your community
- **Be knowledgeable.**
 - Encourage people to love what they do and share it with others.
 - Know your industry. They train their new members on coffee to make them experts.
- **Be involved.**
 - Actively participate in the store, in the company ,and in the community.
 - Get away from the “do the minimum” mentality.
 - Find in-store improvements.
 - Keep asking, “How can we make the customer’s life easier? How can we give them what they want from us in a more efficient way?”
 - Free training to underemployed, unemployed members of the community

PRINCIPLE #2: EVERYTHING MATTERS

- Schultz: “Retail is detail.”
 - All business is detail.
- Starbucks leaders understand that their successful ship can go down if they fail to take care of both the “below-deck” (unseen aspects) and “above-deck” (customer-facing) components of the customer experience.
- Everyone at the organization needs to realize that nothing is trivial and that customers notice everything.
 - Understanding of roles in all situations
 - Checklists to make sure things are done consistently
- Don’t cut corners on quality.
- Members of the design team have been required to start their careers at Starbucks by working behind the counters.
- What can you do to put yourself more directly into the experience of your customer?



- Write up difficult situations and walk people through how they should handle them. Use tools to handle them.
- Create a playful corporate culture.
- The culture of recognition at Starbucks doesn't take place only at the store manager and district manager levels. President and CEO Jim Donald starts each day making recognition calls to partners in stores throughout the world. While visiting the Starbucks Support Center, I observed the chairman of the board, Howard Schultz, casually and unobtrusively walk up to a partner's desk expressly to thank him for his effort on a project.

PRINCIPLE #3: SURPRISE AND DELIGHT

- Unfortunately, many companies focus too much on the basic ingredients and not enough on adding that extra something that differentiates them from their competition and builds brand loyalty.
- Whether it's brewing coffee, designing software, or mopping floors, a commitment to "Surprise and Delight" literally transforms the very nature of work. Employment stops being about the words written in job descriptions and expands to include offering unexpected experiences.
- Starbucks leadership often initiates a surprise event that is not primarily aimed at self-promotion. For example, on one occasion, Starbucks partners surprised customers in their stores with a product you can't even buy there. To celebrate summer and National Ice Cream Month, baristas served one million free cups of ice cream at 6,000 Starbucks locations for an unadvertised "ice cream social." Even though Starbucks sells ice cream in supermarkets, it doesn't sell it in its stores. So to make this event happen, ice cream was sent to stores via FedEx overnight delivery.
- Rather than encouraging trite customer service sayings like "Have a nice day" or other scripted communications, successful leaders help staff look for genuine opportunities to do the positively unexpected. Whether it is in the service of customers, coworkers, or suppliers, the willingness to take a genuine interest in another person is often among the most pleasant surprises of all.
- Predictability produces customer delight. People are pleased when they know that a company will deliver what it promises. And even when something goes wrong, an employee or manager can still delight the customer by going the extra mile to make things right. Delight is the result of an unwavering commitment to creating a comfortable and trusted customer relationship.

PRINCIPLE #4: EMBRACE RESISTANCE

- The German poet Heinrich Heine once noted that a person "only profits from praise" when he "values criticism." Valuing criticism is a major piece of the Starbucks puzzle, and it plays a large role in the "Embrace Resistance" ingredient that is outlined in this chapter.



- This principle requires leaders to distinguish between customers who want their concerns to be resolved and those individuals who will never stop complaining or be satisfied. Embracing resistance involves more than simply placating people or groups that pose a challenge. It focuses on learning from individuals who don't always make it easy to listen.
- The entire experience reinforced a few lessons for me:
 1. When presented with negative feedback by a customer, recognize that you may have an opportunity to actually strengthen that relationship. By first thanking customers for their business and recognizing their grievances, you are far more likely to keep that customer as well as gain useful feedback to improve your business.
 2. When employees see that management actually cares about feedback—positive and negative—they are more likely to care as well.**When they see that management is personally committed to addressing issues, repairing and/or solidifying relationships, they will likely be more committed as well.**
- What if every business took the time to engage in conversation with those who are likely to create barriers? Rather than ignoring detractors or resisting them, these business leaders could be far more effective if they searched for common ground that could lead to successful partnerships.
- Whether in the community or in their stores, Starbucks leaders have learned that walking away from short-term battles often promotes a healthier, more collaborative long-term future.
- When you are faced with customers who thumbs their noses at your company's product or service, there are two viable options:
 - 1. Experiment with new ideas that might turn customers around.
 - 2. Abandon the product altogether.
- Store manager Holly Vanderknapp describes what happens when her staff confronts the prospect of turning down a customer request. "We have a 'just say yes' policy. When a customer asks for something, we explore how we can make the request into a reality for the customer."
- While it's natural to avoid contact with detractors, much can be gained by welcoming them into the early stages of problem-focused discussions. When the concerns of critics are allayed, those critics can often become your most ardent supporters. It is essential to correct misinformation swiftly. When errors are made, it is important to take direct, unequivocal responsibility and follow up with corrective action. Embrace resistance—unless, of course, there are elephants involved.

PRINCIPLE #5: LEAVE YOUR MARK

- Multiple research studies have found that people prefer to do business with and work for socially conscious companies. The most talented and qualified applicants are increasingly considering a company's ethics and community support when selecting their employer. Employee morale is three times higher in



firms that are actively involved in the community than in their less-involved counterparts. When employees' work environments match their personal values, they are more productive. Companies that focus on environmental impact typically are valued up to 5 percent higher than comparable organizations without that focus. The participation of employees in community-based activities strengthens their teamwork, leadership skills, and corporate identity.

- However, if a supplier wants to be a stable provider for Starbucks, it must commit to being independently measured on these criteria. This includes:
 - Opening its books so that Starbucks can see how it pays its providers, all the way down to the coffee picker
 - Working with Starbucks to develop environmentally friendly practices, such as decreased pesticide use and lower water consumption
 - Constantly improving the living conditions for its laborers
 - And, of course, maintaining a high level of product quality
- Can you find ways for you and your business to leave the biggest, most powerful mark possible? Will it be volunteerism, fund-raising, community grants, or a more overarching commitment to examining the impact of your business practices? How do you think these efforts would benefit your community? (Added volunteer resources, completion of projects that could not have occurred without your company's assistance, or some other way?) In what ways might corporate social responsibility help your business? In what ways can you use community outreach to build teams and increase employee engagement? What are you waiting for?

A FINAL WORD

- Consider doing a personal inventory of how you stack up against the Starbucks Experience principles. Consider the following questions: How consistently welcoming am I? What details do I tend to overlook? Where can I offer more surprise or delight in my workplace? In what situations do I embrace resistance, and when do I run from it? What mark am I leaving at work, at home, and in my community?