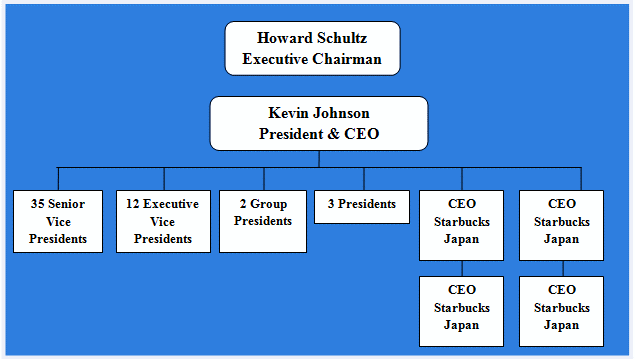
Proposal to Starbucks of the Plan to Align the Operational Needs with Business Strategies Based On Analysis

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Institutional Affiliation

**Part 1: Starbucks Organizational Chart**

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**Part 2**

**Description of Starbucks’ Organizational Chart**

The organizational structure of Starbucks can be described as a matrix organizational structure, which is a blend of multiple characteristics from the basic types of organizational structures. In the case of Starbucks, this matrix structure encompasses an intersection of various modules of the business (Macdonald, 2007). For instance, the company’s product-based divisions traverse the geographical divisions and functional groups, which then meet the other company’s parts. Starbucks' organizational structure is mainly characterized by teams, product-based divisions, geographic divisions, and functional hierarchy (Macdonald, 2007). The company has achieved sustainable success through this organizational culture because it best aligns with industry-wide trends and consumer expectations. The following is how each role in Starbucks Coffee’s corporate chart is related to the other areas within the organization.

**Functional Hierarchy**. In the organizational chart, leaders are grouped based on their business functions. For instance, Starbucks has a marketing, finance, and HR department most noticeable at the top levels of its business structure (Hurriyati & Sultan, 2020). This functional hierarchy promotes top-down monitoring and control, with each group accountable for implementing Starbucks' intensive growth and generic competitive strategies.

**Geographic Divisions**. Starbucks has geographic divisions within its corporate structure based on physical location worldwide: Americas, China and Asia-Pacific, and Europe, Middle East, and Africa (Azriuddin et al., 2020). There is a senior executive at each division. Therefore, the company achieves close managerial support for geographic needs.

**Product-based Divisions**. Starbucks has product-based divisions that address product lines. That way, the company can focus on development through innovation and enhanced competitiveness; the business needs to overcome the threats of new entry (Hurriyati & Sultan, 2020).

**Teams**. At the lower levels of the organization’s chart are teams. These teams are more pronounced at the coffeehouses. For instance, at every café, Starbucks has teams to execute coffee delivery and customer service (Azriuddin et al., 2020). That way, the organization can achieve strategic customer service and enhanced consumer relations (Azriuddin et al., 2020). The effectiveness of teams determines the financial success of franchised divisions and company-owned coffee shops. The company’s corporate culture impacts team efficiency because its development relies on factors associated with the teams and human resource management.

**Starbucks Coffee Five Forces Analysis**

**Competitive Rivalry**

There is a robust competitive environment in the coffee shop industry. This means that competitors have a strong influence on each other, and Starbucks is not an exemption (Duke, 2018). There is intense competition because of the low cost of switching.

**Bargaining Power of Starbucks’s Customers/Buyers**

Starbucks customers have strong bargaining power because they can easily shit between brands due to the low switching costs. Additionally, there is a huge availability of substitutes, meaning buyers can avoid Starbucks if they wish (Duke, 2018). For instance, instant beverages from vending machines are some of the readily available substitutes.

**Bargaining Power of Starbucks Coffee’s Suppliers**

Starbucks' suppliers have weak bargaining power. This means that the suppliers have a low influence on the company and the coffee shop industry. The individual suppliers have moderate sizes, which is an external factor that makes the suppliers have an average force on Starbucks (Duke, 2018). However, there are various suppliers, which limits their bargaining power.

**The threat of Substitution or Substitutes to Starbucks Products**

Starbucks is exposed to a strong threat of substitution. In the Five Forces analysis model, this force involves the influence of substitute services or products on an organization and its external environment. The high availability of substitutes such as instant and ready-to-drink beverages makes it easy for buyers to purchase the substitutes rather than Starbucks products (Duke, 2018).

**Threat Of New Entry**

Starbucks experiences a moderate threat of new entry. According to Porter’s Five Forces analysis model, this threat pertains to the influence of new companies in the industry (Duke, 2018). The reduced cost of running business activities is linked with the variations in the actual cost of starting and sustaining operations in the coffeehouse industry (Duke, 2018).

**The Effectiveness of the Leadership Model the Company is Currently Using**

Leaders drive organizations, through their leadership responsibilities, towards the desired direction. Notably, these outcomes are easily met if the leadership style aligns with the organization’s corporate strategies (Kwan, 2019). At Starbucks, Schultz's leadership style can be described as a combination of democratic and transformational leadership. This model promotes innovation, and team-based approaches to task completion are at the core of human resource management. Success is measured by how innovative-wise the teams can improve customer satisfaction (Khushman, 2019). It is a leadership that proactively approaches these notions, increasing the company’s possibility of achieving sustainable organizational growth in terms of meeting its needs (Kwan, 2019). Hence, the success of Starbucks compared to rivals.

**The Current Leadership Style or Styles in Place at the Company**

At Starbucks, Schultz's leadership style can be described as a combination of democratic and transformational leadership. A democratic leadership allows the employees the freedom to voice out their opinion and input (Clinebell, 2020). In a transformational leadership style, the administrator would use examples to set instructions on what is expected of the employees and trust them to use innovation, collaboration incentives to achieve high performance based on their autonomy to make choices (Kwan, 2019). They both enhance organizational productivity.

**The Effectiveness of the Leadership Style/S and Whether an Alternative Style/S Would Be More Impactful**

Based on the description of the current Starbucks CEO, it is worth noting that a blend of democratic and transformational leadership is an effective leadership model (Clinebell, 2020). This is evident from the sustainable success Starbucks has recorded over the years. Thus, considering that transformational leadership is typically used as a benchmark for successful leadership in terms of employee motivations and organizational goal achievement, it is reasonable to argue that an alternative style/s would be least impactful.

**How to Determine Effective Leadership. What Makes A Leader Effective or Ineffective?**

There is no single basis for determining an effective leader. Effectiveness varies from industry to industry. However, an effective leader can employ strategic decision-making and problem-solving approaches in leading followers through mutually benefiting changes from a general perspective. Strategic thinking, aligning leadership practices with organizational objectives, and people management are the baseline of determining effective leadership (Khushman, 2019). Notably, when leaders are effective, the source of managerial power is referent or expert power. Such leaders implement tactical influences that promote goal achievements and empowerment for followers (Haffer, 2017).

**Recommendations**

An operational need previously identified was for Starbucks to expand its online presence to become more competitive. To live this operational need, the company needs to align it with the business strategy of differentiation and quality customer service. Its administration must ensure high-quality commodity assortment and transaction security integration within its online presence to achieve this alignment. This is because the company's products are high-priced. To maintain increased sales and sustain the online expansion, these factors have directly related to the buildup of pricing power and customer loyalty (Wang et al., 2019).

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