



## The Starbucks Experience

5 Principles for Turning Ordinary into Extraordinary

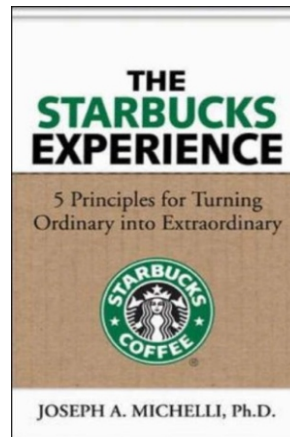
By Joseph A. Michelli, Ph.D.; McGraw-Hill, 2007

Everyone is familiar with the Starbucks story. The eponymous American coffee chain has been part of peoples' lives for years now. Among other things, the company has been recognized as one of the world's most admired companies by Fortune magazine. And this has been reflected in the value placed in the company by its shareholders: since 1992, its stock has risen by an astounding 5,000 percent.

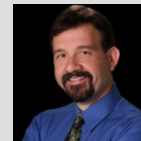
The genius of the company's success lies in its proven ability to create personalized customer experiences, secure customer loyalty,

stimulate business growth, generate profits, and energize employees - *all at the same time.*

[read the summary](#) ➔



### About the Author:



**Joseph A. Michelli, Ph.D.**, is a world-renowned speaker, organizational psychologist,

and business consultant. He has been described as having the ability to "catch what is right in the world and playfully spark people and businesses to grow toward the extraordinary."

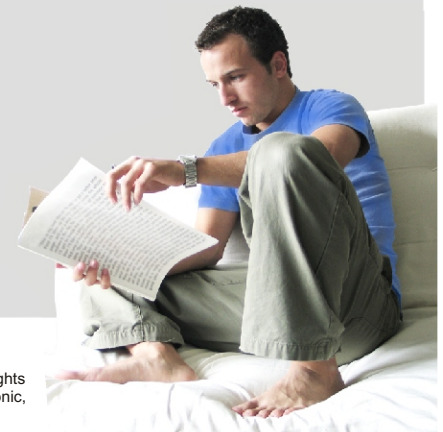
Dr Michelli is famous for his best-selling books about enduring business principles. Aside from this, he also hosted an award-winning daily radio program in Colorado for over a decade.

For more about Dr. Michelli: please go to: <http://www.josephmichelli.com/bio.html>

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## Why You Need This Book

*The Starbucks Experience* discusses the unique blend of “home-brewed” ingenuity and people-driven philosophies that are behind Starbucks’ success. Author Dr Joseph Michelli gained access to Starbucks personnel and resources and discovered that the company’s success is driven by those who work there - the “partners” - and the special experience they create for each and every customer.

Dr Michelli makes use of real-life insider stories, eye-opening anecdotes, and step-by-step strategies to condense Starbucks’ working philosophies into five key principles in order to enable readers to learn from the best and be the best.

## Principle 1: Make It Your Own

Business leaders want their employees to be fully engaged in the work they do instead of simply going through the motions. Senior management must find ways to get its partners to fully engage their passions and talents every day, while ensuring that individual partners’ differences are blended into a good uniform experience for its customers.

It can admittedly be very awkward to find a balance between these two vital - yet sometimes divergent - leadership responsibilities. Through its principle of Make It Your Own, however, Starbucks has managed to create a model that encourages partners at all levels to pour their creative energy and dedication into their jobs and inspire customers in legendary ways.

This structure is known as the “**Five Ways of Being**” and is encapsulated in a pamphlet known as the **Green Apron Book**:

### 1. Be welcoming

- At Starbucks, “being welcoming” is an essential way to get the customer’s visit off to a positive start, and is also the foundation for producing a warm and comfortable environment. It lets partners forge bonds with customers.

- “Being welcoming”, at its essence, is defined as “offering everyone a sense of belonging”. Partners should do all they can to create a place where people feel that they are a priority and where their day can be brightened, at least for a moment.

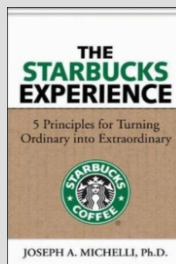
- Welcoming people by name and remembering them from visit to visit is a small thing, but it counts very much. People fear being just another member of the herd; they want to have their uniqueness recognized.

### 2. Be genuine

- At Starbucks, being genuine means to “connect, discover, and respond”. Focusing on these three elements in each customer interaction forms a quality relationship.

- Connect*. Legendary service comes from a desire and effort to exceed what the customer expects. Customers have repeatedly shared

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experiences of Starbucks partners making a connection well beyond some formulaic greeting. Individual staff uniqueness gives them a special way to connect with others.

- Discover.* Business success requires the discovery of each person's needs and individual situation. Discovery is essential to developing a unique and genuine bond. The special qualities and needs of each customer must be determined.

- Respond.* A lot of businesses do manage to achieve the first two elements, but they don't always act on what they learn. Starbucks employees not only listen to their customers, but also take action immediately based on what they hear and learn from these experiences for future customer interactions.

### 3. Be considerate

- Starbucks partners look beyond their needs and consider the needs of others - customers, potential customers, critics, co-workers, other shareholders, and even the environment - in sum, the entire universe of people and things Starbucks affects.

- At the corporate level, "being considerate" means exploring the long-term well-being of partners and those individuals whose lives the partners touch - while being mindful of the earth's ability to sustain the demands placed on it.

- Thoughtfulness should become a part of a company's culture. Leaders should place a priority on consideration and encourage their staff to put their own twist on the concept.

### 4. Be knowledgeable

- What does being knowledgeable mean in this context? Starbucks partners are always encouraged to love what they do and share it with others.

- Partners are encouraged to enhance their expertise in coffee and customer service. Value is always added to partners' efforts when they gain work-related knowledge. In addition, as they become more informed, their value to the business, self-confidence, and the impact they have on others all increase.

- Starbucks upper management also offers formal training opportunities to develop their knowledge of coffee that can lead to personal insights for customers, and also give out incentives for partners to undertake such training.

### 5. Be involved

This means nothing less than active participation in the store, in the company, and in the community - a "yes, I will" attitude where breakthrough products and service are created. There must be a move away from a "bare minimum is OK" mentality.

- Partners look around the store for clues on how to make the customer experiences and the business better and to improve the manner in which customer needs are served.

- The management makes it a point to listen and respond to the ideas and suggestions of partners - as a result, partners frequently take responsibility for suggesting and championing new product ideas based on the inputs from their customers.

- Lastly, there is community involvement, which can take many forms - from creating a community meeting place to staff volunteering in community-related activities, all of which are encouraged and supported by Starbucks leadership.

## Principle 2: Everything Matters

All business is detail. When details are overlooked or missed, even the most patient customers can be frustrated and costly errors can occur. What's more, only a handful of unhappy customers bring their complaints to management - the rest simply



bring their dollars elsewhere, and share their grievances with family members, friends, and acquaintances. (People are more likely to talk about unpleasant experiences than pleasant ones.)

Leaders have to understand that they must take care of both the “below-deck” (unseen aspects) and the “above-deck” (customer-facing) components of the customer experience. In the world of business, everything truly does matter.

- A small detail can sometimes make the difference between success and failure. Something as simple as a little 7-cent valve did more than its share towards making Starbucks a publicly traded company.

- Important details live in both that which is seen and that which is unseen by the customer.

- There is absolutely no way to hide poor quality in anything. Hide it though some may try, it *always* becomes evident in the end.

- Store environment, product quality, training (doesn't need to be boring, conventional or mundane), the development of a playful culture (a playful and positive work environment produces vital and engaged staff members), and a social conscience all matter a great deal.

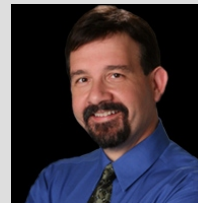
- The “Starbucks sensation” is driven not just by the quality of its products, but by the entire atmosphere surrounding the purchase of its coffee, the openness of its store space, interesting menu boards, the shape of its counter, and other things besides.

- The art of retailing coffee - and indeed many other things as well - goes way beyond product. The details of the total experience matter, from napkins to coffee bags, store-fronts to window seats.

- Details affect the emotional connection (the “felt sense”) that others have with you and your store or product.

- People should go out and ask what details customers notice about their businesses, in order to know exactly what to focus on (this doesn't mean however that whatever's invisible to the customers can be neglected, of course - this should still be focused on).

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Through keynote presentations that explore ways to develop joyful and productive workplaces with a focus on the total customer experience, Dr Michelli transfers his knowledge of exceptional business practices. He encourages both leaders and frontline workers to invest passionately in all aspects of their lives.

In addition to his dynamic and entertaining international keynote presentations, Dr. Michelli also provides such services as CEO consultation, corporate coaching, group facilitation and team-building strategies, individual development planning, creation of open management systems, and customized management and frontline training programs.

Dr. Michelli believes his greatest accomplishment is his ability to learn from the laughter and humor of his children, Andrew and Fiona.

For more about Dr. Michelli: please go to: <http://www.josephmichelli.com/bio.html>



- Acknowledge the importance of everything, celebrate all the details, and play have fun while working hard to make sure that everything is as good as you can make it!

- Lastly, not only does everything matter; *everyone* matters as well.

### Principle 3: Surprise and Delight

This idea behind the importance of this principle is hardly a new one. As early back as 1912, the Rueckheim brothers, who are behind the successful candy brand Cracker Jack, already knew that adding a surprise to each package would dramatically increase the appeal of their product.

- In that vein, *delight* is the caramelized popcorn - the basic product that your customers get - while *surprise* is the prize they get! Customers want the predictable and the consistent, while hoping for an occasional positive twist or added value thrown in.

- Nowadays, people have a certain anticipation for something special with just about every purchasing experience, or hope they will get surprised, even in the most mundane experiences.

- Today's customers are far more discerning than ever before and far harder to please than any others who came before them.

- To make matters worse, they have developed an insatiable appetite for what is unique and amazing in just about everything they buy. Most consumers have such a high threshold for the cutting-edge and the most up-to-date that they thumb their noses at almost everything that doesn't qualify as such.

- The most effective events are natural and spontaneous, not artificial or forced. Look first for a need, and then step in and fill it in the most genuine and spontaneous way possible.

Surprise can result from as simple a series of events as offering a little guidance, and then stepping in and getting out of the way and watching (and learning) as people search for the things that bring them joy.

- Your efforts to surprise others are a contagious force. Look for genuine opportunities to do the positively unexpected. This creates a "ripple effect" that will have customers talking and not only will help bring people to the store, but will also serve to spread good word about your product quality and level of service. And, customers often end up surprising the store staff and/or one another as well!

- Customer delight comes from surprise as well as predictability. You should ensure that your customers rely on you and your staff to provide both products and experiences at a consistently high level of quality. The occasional surprise will only serve to sweeten the pot and bring people back for more.

- When breakdowns occur, businesses can still delight customers by making things right. You can and should view breakdowns as unexpected (and not entirely unwelcome) opportunities to improve your customer experience.

- Delight is the result of an unwavering commitment to creating a comfortable and trusted relationship. If extra time and energy has been invested in delighting others and not simply satisfying them, you will be rewarded with nothing less than extraordinary results.

### Principle 4: Embrace Resistance

It was once noted that a person only profits from praise when he values criticism, and Starbucks management has taken this to heart. Valuing criticism is a major part of the Starbucks puzzle.

Embracing resistance involves a complex set of skills that can enable businesses and individuals to create business and relationship opportunities



when confronted with irritation, skepticism, and/or wariness.

This principle requires leaders to distinguish between customers who want their concerns to be resolved and those individuals who just can't seem to stop complaining or seem to find it impossible to be satisfied. Embracing resistance is more than simply placating these groups; it focuses on learning from those individuals who don't always make it easy to listen.

- It's important to realize that nothing in nature grows without facing limiting forces, and businesses are no different. Therefore it's best to learn to live with such challenges - and even use them to your advantage.

- To work with resistance effectively, you must distinguish between those people who really do want their concerns resolved and those who simply want to complain.

- For some concerns, listening is all that is required. It offers space for commentary and constructive discussion.

- For other types of resistance, direct action is required; management should know when listening is simply not enough.

- While it's natural to want to avoid complicating the issue and avoid contact with one's detractors altogether, quite a lot can be gained by welcoming these people to the early stages of problem-focused discussions. Their grievances can thus be voiced and their inputs incorporated early on when doing so matters most.

- If and when the concerns of critics are allayed, these people can and often do become your most ardent supporters.

- It's vital to correct misinformation as swiftly and rapidly as you can. Misinformation has a way of spreading and becoming even more complex and convoluted as it is spread, and the further this goes the harder and costlier it is to deal with.

- If and when errors are made, it's important to take direct, unequivocal responsibility and follow this up with corrective action.

## Principle 5: Leave Your Mark

We all end up leaving some mark on the world. What varies - and what is most important - is whether that mark is *positive* or *negative*. Do we give back more than we take, or do we take more than we give?

This is particularly significant in the world of business, where managers' actions have profound effects on individuals and societies. Some leaders are content with hitting the firm's product goals and cut corners on everything from employee benefits to capital expenses. Others believe that an important part of their business success is linked to the powerful and positive impact they have on their communities.

- Successful leaders realize that a key component of their success is leaving a powerful and positive mark in the communities in which their businesses operate.

- Many business executives initially decide to be good corporate citizens because they hope it will improve their business.

- Almost all who sustain this type of commitment do so because it becomes patently obvious that this is the right way - indeed, the only way - to do business.

- People want to do business with, work for, invest in, and patronize socially conscious companies.

- The most talented and qualified applicants increasingly consider a company's ethics and community support when selecting an employer.

- Employee morale is three times higher in those companies where community development is an integral part of the business model than in their



less-involved counterparts.

- When employees' work environments match their personal values, they become far more productive than employees whose work environments don't match what they value or uphold.
- By participating in community-based activities, employees are given the chance to build leadership skills and grow as teams.
- The value of a business's brand is 100 percent linked to the trust people place in the company to do what it says it will do.
- Corporate social responsibility shouldn't be seen as a passing fad or fancy. Instead, it should be valued as the way global business really gets done.
- We can all be the change we want to see in the world!

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