Business Policies and Strategies

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**BUSINESS POLICIES AND STRATEGIES**

The company used for this task is Starbucks Company. I choose this firm, as Starbucks is the best coffees selling the company in the United States of America with sales of over $12.7 billion. The firm’s CEO is Kevin Johnson (Koehn, 2001). In this paper, I am supposed to take the role of vice president of strategic planning where am tasked with evaluating the company past performance and the impact of the economic changes to the company. In this paper, I will discuss the mission and vision statement for a strategic plan for the corporations next 3-5 years, SMART goal and objectives, industrial analysis and a perceptual map. This plan will be used as a sample standard for the new employees.

**Mission and vision statements**

The mission statement of organizations states the long run goals that the organization is set to accomplish this is by ensuring that it has solved their client's problem for a better future. The mission statement is “to provide America with the better solution for their quest for the employment of an extensive variety of ample and standard of fast foods.” Vision statement, the vision statement refers to the statement that described the future of the organizations to where the organization sees itself in the years to come. This provides the visionary element of the top management in the organization. In this case, the vision statement for the strategic plan is “to become the best solution for our company’s short term and long term problems by putting our clients first while ensuring continuous improvement all through our plans.” With this mission and vision statement then the strategic planning departments will have a well-laid direction of what the long-term goal entails. The strategy will work to ensure that the current company problems are provided with a better solution for the future while avowing the repeat of the same in the future.

**SMART goals and objectives**

This is an efficient process for setting and achieving business goals. In this case, there are the goals that the strategic plan will tend to attain. The first goal is to accomplish a competitive advantage; the strategic plan steps will achieve two steps per every quarter for the next three years. The steps will be set to ensure that the food is of more quality and that they are healthy and nutritious following the current people's sensitivity to their health. The product quality will be improved, and by the end of four years’ time, the company will have had a competitive advantage over their competitors. The second goal is to diversify the product mix; the measurement of the effectiveness will be on the number of the clients willing to buy the new products introduced. The company will offer additional products like ice cream and milk products to their formers products to ensure that their customers need catering for. This will take the company relatively four years to materialize. The third goal is to expand the markets share; the measure for this will be the percentage increase in the market share across the world. The company will ensure that they have extended to the Asian and Europeans markets offering the different product mix for the new five years.

**Industrial analysis**

Industrial analyses refer to the evaluation of the company’s situation. In this case, I will discuss the following:

**The company’s current situation analysis**

To prepare an excellent strategic plan for the company then it is essential for the team to understand the company’s current situation. Currently, the employees’ skills and performance is not good. Some of the employees are not fully devoted to their work some lack the skills to use the machines presented like the cash receipt machines. This might be because some of them are students working part-time, and they might be encountering the machines for the first time. This makes some of our clients go home unsatisfied therefore the company deserved better-skilled employees with good customer relations. Competition is stiff. Currently, the company is facing competition from McDonald's company that has dominated American market. This competitor is ranking as the best with sales amounting to $35.6 billion. This is a significant threat to the company. Technology has changed, and most of their competitors are employing the use of technology to create competitive advantage. Therefore, the company should ensure that the job is given to the right person. The company has plans to expand to others countries like China and Europe this is to ensure that they get the benefit of being a starter in those areas.

**Starbucks SWOTT analysis**

SWOTT analysis refers to the evaluating of strengths, weaknesses, opportunities, threats and trends that affect something. Strengths: Solid market position and worldwide brand acknowledgement; In the United States, it has a 36.7% market shares and maintains a significant representation across the globe as it operates in over 60 countries. It is also acknowledged brand in the coffee house section. It uses its band by licensing other products to use its logo. This gives the company a competitive advantage. High products quality. They provide the premier prominence to their products and ultimately avoids normalization of their condition even when producing high quantity. Site and appealing to its stores across the globe, Starbucks have the strategic positions and locations in the whole world. This makes it accessible to the consumers. Their stores are visually appealing to their customer’s hence great attachment. Distinct product mix, the products offered are meant to meet the needs of all groups of persons across the populations (Smith, & Hu, 2013).

Weaknesses: Expensive products, the high-quality tag of the Starbucks product makes them more differentiated hence the consumers need to buy the products at a price that is higher than the prices of the competing firms. Overdependence in United States markets, a huge revenue comes from the US hence making the company very sensitive to any significant changes in the US economy and its growth. Although it sells their product globally, most of the stores are in the US. Self- cannibalization through overcrowding, Due to the aggressiveness that Starbucks has on expansion, then it ends up killing the long run dream of growth targets (Smith, Maguire, & Hu, 2013).

Opportunities: Expansion into emerging markets, due to overcrowding in the US, then the company have the chance to explore other countries and make new market shares. Expanding product mix and offering. The fact that they are growing their product mix and starting to sell tea and fresh juice products then this is a great opportunity to venture in new product mix (Harrison, Chang, Gauthier, Joerchel, Nevarez, & Wang, 2005). New distribution channels, Mobile pour is the current delivery version that is employed by Starbucks Corporation. This provides the opportunity to for expanding the distribution of their products system and could lead to more revenue being realized by the firm.

Threats: Increased competition, McDonald's, Costa coffee and other big firms are posing competition for Starbucks as they are currently increasing the market shares in the US. The company is in its mature stage. Therefore, this is a more significant challenge to face. Price volatility. In the global coffee market, there is a substantial fluctuation in the market prices of high-quality coffee beans, and any firm cannot control this. Changing consumers’ tastes and lifestyle choices, People are currently adopting a healthy lifestyle. Therefore, coffee intake is decreasing this is a threat to the future.

Trends: In the case of economic crises, the consumers tend to shift from best product mix to stay in the restricted budget during monetary lacks. Saturation in the developed countries market. Majorly Starbucks revenue is earned from the developing markets, and this saturation is a significant threat. Expansion of merchandizing operations. Currently in the food, industry diversification of the portfolio is much appreciated. This offers the company a great opportunity for the future to lead the growth a brand. Technology improvements. Currently, the food industry has employed the use of technology regarding mobile application to meet more customers.

**A Perceptual Map**

The criteria I would choose is competitive perceptual positioning regarding fast food offered for adults and children versus the people’s choice. This is because currently, the company is facing a great competition form their competitors who have scoop the makers share. The strategic plan will be meant to renovate the company to scoop as markets shares, get a competitive advantaged that will position Starbucks ahead of their competitors.

**A competitive perceptual positioning map**

Wide choice

Subway

Dominos Starbucks

For kids KFC pizza hut for adults

McDonalds

Dunkin Donuts

Low choice

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