

Recurring Failures in Corporate Governance: A Global Disease?



Is it a Good Strategy?

Leveraging core competence:

- Ability to effectively leverage their core competence product differentiation strategies by offering a premium product (high quality beverages and snacks)
- Providing each customer unique "Starbucks Experience"
- Human resource management for building very strong internal and external relationships with suppliers
- dates the successful deployment of its business strategy of organic expansion into international markets, horizontal integration through smart acquisitions and alliances

Low-cost implementation through:

- Exporting or licensing for product (contractual source of income)
- Franchising the services -> open new Starbucks shops
- Licensing for trademarks: Delight customers with the original store design, popular seasonal promotions, and handcrafted beverages enjoyed by more than 20 million loyal customers every week
- Economies of scale, location, and learning

Bibliography

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An International Strategy

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Why?

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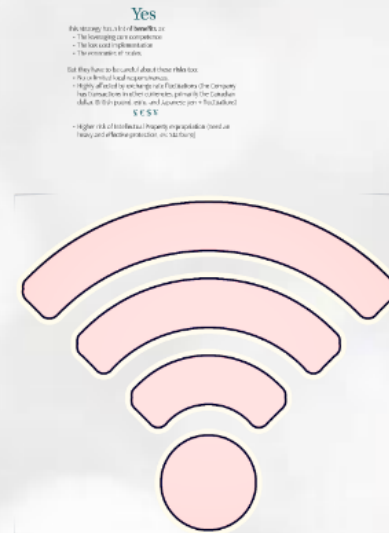
Why?

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Examples of Starbucks' expansion



Future plans



"These strategies will deliver growth and the enduring company."

Howard Schultz, CEO

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 - Learning for customers: delight customers with the original store design, popular seasonal promotions, and handcrafted beverages enjoyed by more than 30 million loyal customers every week
 - Economies of scale, location, and learning

Bibliography

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Yes

- Advantages to a global strategy are:
- The leveraging on core competence
 - The low cost implementation
 - The economies of scale
- Starbucks has benefited a great deal from this:
- The a global legal system
 - Rights of appeal for the high quality franchisees of the company
 - The consistent in other countries primarily the Canadian (M&A) (to provide services and customer per franchisee)
- KEYS**
- Higher risk of intellectual Property reproduction (used as heavy and heavy production in the market)

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An International Strategy

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International Strategy

An International Strategy

Definition of a International Strategy

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Leveraging home-based core competencies

Selling the same products or services in both domestic and foreign markets



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Why?

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- Strong brand identity
 - Best known coffee brand in the world
- Strong network of franchising/licensing:
 - 10653 licensed stores worldwide, 50% of all Starbucks stores
- Differentiation strategy
 - Premium quality positioning



Why?

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Used by MNE' with relatively high domestic market : the US

Well suited for premium products :
The quality of the product and the service

Supply chain easy to divide



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Examples of Starbucks' expansion



England (1998)

Starbucks entered the U.K. market with the \$83 million acquisition of the then 60 outlet, UK-based Seattle Coffee Company, re-branding all the stores as Starbucks.

2015: First profitable year for Starbucks in the UK



Japan (1996)

- First expansion outside of Northern America
- Starbucks operated through a joint-venture with Sazaby
- It helped them gain the knowledge about Japanese market
- Now that Starbucks is well established in Japan, they want to buy their partners' shares to gain full control.



Year	Country	Number of Stores
1992	USA	100
1993	USA	150
1994	USA	200
1995	USA	250
1996	Japan	10
1997	Japan	20
1998	Japan	30
1999	Japan	40
2000	Japan	50
2001	Japan	60
2002	Japan	70
2003	Japan	80
2004	Japan	90
2005	Japan	100
2006	Japan	110
2007	Japan	120
2008	Japan	130
2009	Japan	140
2010	Japan	150
2011	Japan	160
2012	Japan	170
2013	Japan	180
2014	Japan	190
2015	Japan	200



China (1999)

Starbucks aggressively expanded in China where Chinese traditionally prefer tea.

Key to success: coffee houses that empower China's emerging middle class to publicly display their new lifestyles and status while keeping Starbucks beverages as affordable luxuries.



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