

Business problem solving case study

Case 2

Conversation between Complex Data and Home Universe

Complex Data [CD]: *So, it sounds like Home Universe has been using Data Churn for a while now. Is that correct?*

Home Universe [HU]: *That is correct. We have a few licenses that we bought 3–4 years ago, and our team has been using the tool to analyze data and generate insights.*

CD: *Don't you think data churn is a complex tool and need time to grasp?*

HU: *It is a difficult tool to use, I must admit, but the team has learnt how to make the most of it.*

CD: *It must take a lot of time training the employees; doesn't this affect your deadlines?*

HU: *It does not affect us much. We have trained a team of five people on how to use Data Churn effectively.*

CD: *The pressure must be there, doesn't the requests get piled up? How do you manage this ?*

HU: *Not much. The requests pile up only when one of the five members quits our organization and we are waiting for a new member to be trained on Data Churn.*

CD: *Most of your members must finding it very difficult, Right?*

HU: *Yes, our team members certainly do not like using Data Churn and tend to quit within 12–18 months.*

CD: How long does it take to fully train your employee and isn't cost you a good amount of time and money?

HU: It takes 4–6 weeks of training for a new team member to use Data Churn competently. So, that is at least 1.5 months of salary incurred as training cost. In addition to that, we also make a separate payment for the new team member to complete certain training projects, certifications and quizzes provided by Data Churn, which costs about a month's salary of a team member. So yes, our training cost is quite high. And so far in this year, we have trained six new members because of employee attrition.

CD: Data churn offers you any other services like training a new member and does it cost you?

HU: Data Churn offers services as well, wherein they provide us one of their trained employees as an additional team member when one of our team members leaves and we are in the process of training a new one. But they charge really high rates for it, which is about three times what we pay our team members. So, we either use that option to handle heavy workloads when we are short-handed, or we pay overtime for the existing trained team members.

CD: So Overtime pay to employees right, It must be increasing your expenses towards the project, making the cost of using Data Churn higher than you have calculated??

HD: Yes, our overtime pay rate is double the normal salary. But even with overtime pay, the existing team members are not willing to do the extra work, which leads to further attrition.

CD: Got it. But when you employ contractors from Data Churn, who do not know your data as well as your team members, does that not affect the quality of the work?

HU: Absolutely, data knowledge is key to our work. So, when we employ Data Churn contractors, the quality of their analysis and insights is not as good as what our team members would produce because the former do not have in-depth knowledge of our data. Because of this, our existing team members need to review their work, which leads to duplication of effort.

CD: So is your teams functioning optimally with data churn? The quality of output in the project must be very low

HU: *Tell me about it! I keep getting escalations every other day from the heads of various departments that my team is not functioning optimally. I wish I could get some peace of mind at times. Data Churn is certainly not helping our case!*

CD: *- So to make your quality of work better you must be crossing your deadline. Doesn't it hamper your companies decision making?*

HU: *It definitely does. Our business is becoming more and more data driven, and all the departments are highly reliant on us to provide on-time quality insights. Else, their decisions are delayed or are sub-optimal. Just last week, the Head of Marketing was on my case on the phone, talking about how their marketing campaign was delayed by more than two weeks during the peak season because my team could not share insights on which stores are to be targeted for the campaign.*

CD: *It sounds like Data Churn is causing employee attrition, high training costs, high overtime costs, high contractor costs, low-quality output, duplication of effort and delays, thus affecting critical business decisions. Is that a fair summary?*

HU: *Looks like Data Churn is indeed a pain in the neck!*

Case 3

Questions on Product

Q1: What is the core product of Starbucks?

A1: Experience and services is a core product of starbucks, they provide an environment supporting the local culture and traditions. Starbucks is not only in a coffee business, but it is also in the people business. Starbucks wants to give its customers not only a drink but also a satisfying smile on their face.

Q2: What are the actual and augmented products of Starbucks?

A2: Actual products of starbucks hot and cold drinks, whole-bean coffee, micro ground instant coffee known as VIA, espresso, caffe latte, full- and loose-leaf teas including Teavana tea products, Evolution Fresh juices, Frappuccino beverages, La Boulange pastries, and snacks including items such as chips and crackers and In terms of the augmented product, Starbucks

offers after-sales service in the form of wireless connections and atmosphere in store, as well as providing customers with some education about coffee and coffee making and an interactive website.

Q3: What are the various product categories offered by Starbucks?

A3: Starbucks sells drip brewed coffee, espresso-based hot drinks, other hot and cold drinks, coffee beans, salads, hot and cold sandwiches and panini, pastries, snacks, and items such as mugs and tumblers. Through the Starbucks Entertainment division and Hear Music brand, the company also markets books, music, and film.

Q4: How has Starbucks adapted its product offering to suit the Indian market?

A4: In 2011 Starbucks announced a joined 50:50 venture with Tata called “Starbucks, A TATA alliance”. Apart from the usual products offered internationally, Starbucks in India has some Indian-style product offerings such as Tandoori Paneer Roll, Chocolate Rossomalai Mousse, Malai Chom Chom Tiramisu, Elaichi Mewa Croissant, Chicken Kathi Roll and Murg Tikka Panini to suit Indian customers.[38] All espressos sold in Indian outlets are made from Indian roasted coffee beans supplied by Tata Coffee. Starbucks also sells Himalayan bottled mineral water.[39] Free Wi-Fi is available at all Starbucks stores.[40]

In January 2017, Tata Starbucks introduced Starbucks' tea brand Teavana offering 18 different varieties of tea across its outlets in India. One of the varieties, called the India Spice Majesty Blend, was specifically developed for the Indian market and is only available in India. India Spice Majesty Blend is a blend of full leaf Assam black tea infused with whole cinnamon, cardamom, cloves, pepper, star anise and ginger.

Q5: How has Starbucks introduced healthy products in its range?

A5: Starbucks India has made healthier additions to its limited edition Spring Range. A refreshing glass of Yoghurt Smoothie right in the morning or even after a workout should be great. The smoothies at Starbucks are packed with whey protein and fiber powder and come in three flavors – Mango, Chocolate and Blueberry. We loved the Mango flavor the best and loved the fact that all the smoothies were topped with granola. It also has the Macadamia Cocoa Cappuccino, Chocolate Crunch Frappuccino, and the Tahitian Vanilla Macchiato from Starbucks' Spring Range. We loved the Chocolate Crunch Frappuccino out of the three. The Tahitian Vanilla Macchiato and Macadamia Cocoa Cappuccino too made for enjoyable hot brews. Starbucks India Makes Healthy Additions To Its Spring Range Yet another addition to their healthy options

is the Savory Quinoa Oatmeal which is served along with bell peppers and roasted walnuts. The power packed meal of oats and quinoa can make for a healthy meal. We also enjoyed their other new eats – Chicken Pita and Vanilla Cruffin. The creamy chicken was quite tasty and coming with a whole wheat pita is yet another tasty, healthy option. With a little health, there is a little indulgence and ours was the Vanilla Cruffin which was so tasty, we couldn't put it down at all. Filled with a light, airy vanilla cream, this was a lighter, tastier version of the cream rolls we've all enjoyed in our childhood.

In USA Starbucks also displayed the calorie count on the menu list for the calorie conscious people in USA

Q6: Mention an innovation by Starbucks with regard to an existing product.

A6: It has launched the India Estates Blend – a country-specific blend developed with Tata Coffee, and the India Espresso Roast, which is sourced locally through the coffee sourcing and roasting agreement with Tata Coffee.

Q7: What are some partnerships that Starbucks has entered, from the point of view of product?

A7: Starbucks has made partnerships in very region with respect to product as in China the locals were the second largest producers of coffee so Starbucks made an alliance with the locals and started selling their coffee beans with their own roasting style and same in India they made a 50:50 alliance with the TATA and started selling their coffee beans in packets and on the coffee shops using the same beans. As TATA is the largest producer of coffee in India so it is a worthy partnership for both of the companies with respect to the product.

Questions on Price

Q1: What is the most expensive coffee that Starbucks in CP sells?

A1: Caramel Java chip venti -350

Caramel Java chip venti -350 is the most expensive coffee that Starbucks in CP sells

Q2: What is the least expensive coffee that Starbucks in CP sells?

A2: Caffè Americano is short is the least expensive coffee that Starbucks in CP sells.

Q3: Which of the following pricing strategies does Starbucks follow? Justify your answer.

- Economy pricing strategy

- Penetration pricing strategy
- Skimming pricing strategy
- Premium pricing strategy

A3: Aside from inducing people into buying Starbucks to experience more than just the commodity, Starbucks employs “the premium pricing” and “price skimming” strategies to increase their profits. Starbucks targets consumers with lower price elasticity for demand. Like on the case regarding China and Russia, Starbucks is considered as luxury goods, associated with Western influence and a chic lifestyle. By creating a more loyal consumer base, Starbucks “captures consumer surplus from consumers with a willingness to pay a higher price.” The loss in sales due to the increase in price is usually a lot less than the increase in profit margin from higher rates. Also, Starbucks increases the price of a tall latte, for example, to motivate people to upgrade. This also helps increase their profit margin.

Questions on Place

Q1: How many cities in India have at least one Starbucks store?

A1: As of April 2021, Starbucks operates 219 outlets in 24 cities of India i.e. 24 cities in India has at least one Starbucks.

Q2: What is the total number of Starbucks stores in India?

A2: As of April 2021, Starbucks operates 219 outlets in 24 cities of India

Q3: Which cities in India tend to have a Starbucks store? Why?

A3: The company opened its 200th store at Amritsar, Punjab on 22 October 2020.[34] Starbucks entered into Madhya Pradesh in 2021 by opening 3 stores in Indore and Bhopal with further expansion plans in Indore.[35] Starbucks is also going to enter Rajasthan by opening 2 Stores in Jaipur in 2021.

Q4: Mention an innovation by Starbucks with regard to its store strategy.

A4: Store design, or brand localization, is just one of the creative ways Starbucks connects with its customers, integrating local aesthetics into each of its stores. The company's design studios are strategically located so that designers can better understand their communities.

Like in Vietnam Starbucks faced some criticism as Vietnam is the second largest coffee producer and there were many small local coffee shops and local sellers but The Company offers a

welcoming atmosphere to many young white collars, college students as "a home away from home". Starbucks became a fashion symbol in Vietnam in just a few years; it translates more than coffee, but brand and culture. Many young white collars, university students like to spend time in coffee shops and are passionate about the environment that Starbucks creates where they can work, read, browse the Internet. A study was conducted on Starbucks's regular customer's reveals that they have a unique cultural experience with the company . Starbucks' corporate culture emphasizes and shows interest in people.

Q5: What are some partnerships that Starbucks has entered, from the point of view of the place?

A5: In January 2011, Starbucks Corporation and Tata Coffee announced plans to begin opening Starbucks locations in India.[8] Despite a false start in 2007,[9] in January 2012 Starbucks finally announced a 50:50 joint venture with Tata Global Beverages, called Tata Starbucks Ltd., which would own and operate outlets branded "Starbucks, A Tata Alliance".[10] Starbucks had previously attempted to enter the Indian market in 2007. Starbucks did not cite any reason for the withdrawal. So they make an alliance with TATA in India to enter the Indian market.

Questions on Promotion

Q1: What is the primary means of promotion for Starbucks?

A1: Starbucks uses a large variety of channels to market their product from social media to TV spots and ads. It's their mix of marketing media that makes their brand recognizable, and it's the consistent message that comes across every time that makes them stand out.

Q2: How does Starbucks go about executing its primary means of promotion?

A2: The Starbucks has adopted a brand differentiation strategy through product uniqueness and product differentiation in order to promote its products. Starbucks has used innovation in its products and services in order to gain competitive advantage in the market. My favorite one is when we go into the starbucks and order a coffee they ask you if you like to have your name on the cup and they usually write the spelling wrong by intention so that people will click a picture and post it over social media giving them a free promotion all over the internet targeting the teenagers especially.

Q3: What is meant by 'Third Place' in the context of the marketing strategy of Starbucks?

A3: The case discusses the evolution of US-based coffee café chain, Starbucks Corporation (Starbucks), into a 'third place' where people could enjoy and spend quality time. Inspired by Italian culture, Howard Schultz (Schultz), the CEO of the company, developed Starbucks into a perfect 'third place'.

Q4: What is meant by 'Fourth Place' in the context of the marketing strategy of Starbucks?

A4: Starbucks has always aspired to be the quintessential "third place," giving people another place to settle in apart from home and work. During the company's annual meeting with shareholders this morning, executives talked frequently about the company's role in the "fourth place" — a.k.a. the digital world.

Questions on People

Q1: What are the primary target customer segments for Starbucks?

A1: Starbucks,, main target market is men and women between the ages of 25-44, which accounts for almost half (49%) of its total business. Young adults, aged 18-24, are the next large group that Starbucks targets. They bring in about 40% of Starbucks' sales.

Q2: What is the connection between the target customer segments for Starbucks and its choice of price and place?

A2: Target Marketing for young adults (aged 18-24) Starbucks target this group through the growth of technology and innovative ideas. Starbucks positions itself as a place college students can hang out, study, write papers, and meet people.

Target Marketing for Men and Women (aged 25-44) Starbucks targets this group by offering certain drinks that appeal to them. Starbucks targets this group creating the "third place" to go to between home and work by creating this unique and relaxing "experience" and "atmosphere" as customers within this range tend to have high income and professional careers

Q3: What are Starbucks employees called?

A3: Starbucks calls their employees partners because they believe they are all partners in shared success. They make sure everything we do is through the lens of humanity—from their commitment to the highest-quality coffee in the world, to the way they engage with their customers and communities to do business responsibly.

Q4: Mention an innovation by Starbucks with regard to its employee training.

A4: Employees at Starbucks in India were given highly structured classroom and practical training, followed by additional product-specific and refresher workshop. An employee referral program was implemented. Outreach to nongovernmental organizations (NGOs) was initiated to hire, train, and retain employees with special needs.

Starbucks corp may bring a modified version of its education assistance program to India, in a move that could help retain local talent while saving on hiring and training costs.

Questions on Physical Evidence

Q1: How does the Starbucks store layout contribute to its marketing strategy?

A1: They use bright, loft-like, light-filled spaces punctuated with regionally inspired furniture and culturally relevant fabrics to create a calm and contemporary respite from the clamor of the fast-paced world. Concept stores are unique environments created by our designers to explore innovations within the coffeehouse. This tends to connect their customers from their regional atmosphere and attracts them to spend some time over there. The layout design of Starbucks cafes maximizes workflow efficiency. It also supports a warm and friendly ambiance to match the company organizational culture, Starbucks prioritizes customer experience over space utilization.

Q2: What is the Starbucks logo?

A2: The Origins of the Siren

The double-tailed mermaid appears to be a reference to an Italian medieval character Starbucks has claimed as “Norse”—but in any case, the imagery, born from a maritime book, inspired its founders to make her the logo of the Seattle coffee shop.

Q3: Has the Starbucks logo evolved over time?

A3: Yes, Starbucks’ logo has gone through two previous shifts, most dramatically in 1987, when Starbucks turned a brown woodcut into a green and black image. It dropped “tea” and “spices” from the text and changed the siren from a 16th-century Norse woodcut to a more stylized black-and-white graphic.

Q4: Can the Starbucks app be considered part of physical evidence in the 7 Ps framework? Justify your answer.

A4: Yes it can be considered as a part of physical evidence in the 7ps framework, as Physical evidence refers to everything your customers see when interacting with your business. This includes: the physical environment where you provide the product or service. The layout or interior design. Your packaging and the app for fits the condition of physical evidence. Customers can buy or somewhere order the coffee using the application.

Questions on Process

Q1: What is the process improvement philosophy that Starbucks adopted a decade ago to improve its productivity?

A1: So, lean Six Sigma implementation ensures Starbuck's success. It was introduced in early 2000.

Eight Steps to a Successful Lean Six Sigma Implementation

- Step 1: Create a Burning Platform.
- Step 2: Put Resources in Place.
- Step 3: Teach the Methodology.
- Step 4: Prioritize Activities.
- Step 5: Establish Ownership.
- Step 6: Take the Right Measurements.
- Step 7: Govern the Program.
- Step 8: Recognize Contributions.

Q2: What are some of the key metrics that Starbucks uses to measure in-store productivity?

A2: Some notable productivity measures in the company are as follows:

- Average order filling duration (Starbucks café productivity)
- Weight of coffee beans processed per time (roasting plant productivity)
- Equipment repair duration (maintenance productivity)

Case 4

5Ws + How analysis for the 6 entities in WalStore Operations

	Supplier	Warehouse Transporter	Warehouse	Warehouse-t o-store transporter	Store	Customer
What?	<p>What are the different types of products supplied by them?</p> <p>What are the types of contracts they have?</p>	What are the different conditions in stopping the transportation ?	What is the volume of warehouse storage?	What is the mode of transportation ?	<p>What is the size of the buffer supply area?</p> <p>What is the adequate time period for receiving the supplies at minimum loss and min inconvenience?</p>	<p>What are the different types of products required by the customer?</p> <p>What are the different payment options by customers ?</p>

How?	How can we assure the quality of the products ?	How many transportation units are involved in the process?	How can we list and tag all the times for further distribution ?	How are the schedules arrived at?	How often do you require restocking the stores? How many employees are involved in the store?	How is the store layout optimized ?
Who?	Who are the suppliers and who are the other vendors?	Who are the transporters?		Who is responsible for the loading and unloading process?		Who are our regular customers ?
When?		When do they pick up the supply from the supplier?	When do the warehouses receive goods from the transporters ?	When does the transporter transport the supplies to the store ?	When do you need to re-stock?	When do they visit the store?
Where ?	Where are the suppliers located?		Where are the warehouses located?		Where are the stores located?	

Which ?		Which prominent routes are used by the transporters for navigating between the suppliers and the warehouses?	Which process do you use in the operations?	Which prominent routes are used by the transporters for navigating between the warehouse and the Stores?		
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