# Unit 6 Assignment - Research Assignment: Internal Organizational Analysis

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BU 690 Business Integration & Strategic Planning

**INTRODUCTION**

In this paper, I will conduct an internal company analysis of an organization. I have selected Starbucks Company for the analysis. Treatment will be given to identifying internal skills, financial performance, and marketing capabilities. Within the paper, I will identify issues related to the internal organizational environment, at least five sources of revenue related to financial performance and any internal marketing needs. Finally, an analysis and evaluation of those issues will be performed as well as internal concerns.

1. **INTERNAL ORGANIZATIONAL ENVIRONMENT**
2. **Innovation**

Through its Farmer Support Centers, located around the world, Starbucks has assisted farmers in overcoming challenges by sharing their research and resources. This has helped to improve productivity and sustainability of ethically sourced, high-quality coffee, tea, cocoa.

**Strength**: This helps to ensure long-term quality of its products, beginning with the source.

**Weakness**: None.

1. **Technology**

Starbucks mobile app, Uber Eats, or Starbucks Website; the company has several ways in which technology is used to place an order. Through the use of the mobile app, machine-learning creates tailor-made suggestions for customers. That same learning will be applied to drive-throughs in combination with the mobile app to offer suggestions at drive throughs.

**Strength**: Introduction of new and relevant products therefore increasing the chance of sale.

**Weakness**: Possible bottle-neck of traffic at the drive-thru.

There are many pieces of equipment needed to ensure that a customer’s order can be fulfilled. That equipment needs to be in working order at all times. The Internet of Things (IoT) is being incorporated into Starbucks to produce that assurance.

**Strength**: Stats from equipment can be gathered and analyzed in real-time and allow proactive approach as opposed to reactive.

**Weakness**: None.

Starbucks is parenting with Microsoft to provide transparency by tracing the movement of coffee from farm to customer. Using Microsoft’s Azure Blockchain Service, farmers can see the journey of their product and customers have visibility into the farming communities they are supporting.

**Strength**: Farmers are provided with additional information of their role in the supply chain. Socially conscious customers may find the information to be a purchase reinforcement.

**Weakness**: Practical application of the information from the farmers’ perspective not clear.

1. **Location and Design**

Starbucks locations are positioned in high traffic areas in 75 markets with nice seating arrangements, a decent atmosphere, and free Wi-Fi. Locations include near offices buildings, in bookstores, in airports, near college and university campuses, i.e. places of convenience for customers.

**Strength**: Starbucks is clearly positioning itself to be a global leader with its ever-growing presence.

**Weakness**: Being abreast of culture and traditions of the global locations and ensuring that those differences are respected.

1. **Workplace Culture**

The company promotes an atmosphere of diversity and inclusion. Starbucks understands that such diversity can foster new ideas leading to growth. Employees are viewed as partners in the business and not simply hired workers.

**Strength**: Employees are viewed with value and worth and this can create a sense of wholesomeness in work environment.

**Weakness**: Deciding which ideas to incorporate and provide support that leads to acceptance of diverse change.

1. **FINANCIAL PERFORMANCE**

Starbucks Company annual revenue increased, on average increased from $19,163 million to $26,509 million within a 5-year span, i.e. 2015 – 2019. On average, the company experiences an annual revenue increase of $1,469.20 million. The products that contribute to its revenue growth are as follows:

1. **Coffee**

Starbuck’s primary product is coffee. The company has buyers that visit the farms where coffee is purchased. Those 3 major regions are: Latin America, Africa, and Asia-Pacific.

**Strength**: This allows inspection and direct purchase of the main product to ensure a quality product.

**Weakness**: Expense related to site visitation adds extra cost.

1. **Tea**

Starbucks Company is not a producer or processor of tea. It purchases ethically sourced, top-quality tea from around the world. Starbucks has partnered with Ethical Tea Partnership (ETP) to create a practice of producing sustainable ethically sourced tea. The company relies on the generational expertise of tea farmers to provide a quality product.

**Strength**: Experts in the tea industry have been identified and are accessible.

**Weakness**: Starbucks lacks the capability to contribute to the technical expertise of tea production and has to rely on person outside the company.

1. **Cocoa**

Cocoa sourcing starts with seeking a high-quality product. That product must ethically sourced. Starbucks has worked to understand the intricacies of cocoa farming in West Africa and identify key areas for improvement in order to produce high-quality cocoa that is also sustainable.

**Strength**: High-quality cocoa production has been obtained and provides a great product for Starbucks goods.

**Weakness**: None.

1. **Water**

Water is a basic a staple for everyone. Sometimes, a customer is in the mood for simple water.

**Strength:** Water on the menu helps to create a beverage list that has something for everyone.

**Weakness**: None.

1. **Juice**

Among the variety of products sold, Starbucks also offers bottled fruit juices and vegetable and fruit blended juices.

**Strength**: Creates more beverage options for customers and may appeal to health-conscious person and children.

**Weakness**: This is not an area of specialization for Starbucks and there may be better market options

1. **Food**

All Starbucks locations offer a variety of food items the customers can purchase along with their beverages. Categories of food are: Hot Breakfast, Lunch, Baker, Yogurt & Custard, and Snacks and Sweets.

**Strength**: Fulfils customers need for food and expands business into the food industry.

**Weakness**: Frozen foods that are not freshly prepared.

1. **MARKETING**

Starbucks markets itself asthe neighborhoodcoffee shop, a place to gather and enjoy a high-quality beverage with family, friends, a good book, or a place to get a little work done. With an ever-growing presence and quality product, the company has firmly established itself in the coffee industry. Overtime, Starbucks has expanded its products to provide options for a range of customer’s needs. Additionally, the company has adapted its products and made them available in grocery and convenient stores, for home use, and ready-to-drink. Good products and accessibility keep customers engaged in transacting business with the company.

**Strength**: The Starbucks brand is highly recognized, practically synonymous with coffee.

**Weakness**: Products are also known for being highly priced.

**CONCLUSION**

Starbucks’ internal organization and marketing has strengths and weaknesses, yet its financial performance of continued growth demonstrates that the company is successful in promotion and selling of its products. The weaknesses serve as points of improvement that can addressed to foster additional growth.

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