

MANAGEMENT & CAREERS

Meet the Starbucks CEO Who Has to Follow Howard Schultz

Kevin Johnson discusses his management style, his handling of a national controversy and his coffee routine; a triple espresso, followed by a French press, then a flat white

By Heather Haddon

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Kevin Johnson frequently finds himself at companies where a famous founder is leaving.

The 59-year-old technology executive was a senior vice president at Microsoft Corp. when Bill Gates stepped down from his CEO seat in 2000. Then, in 2008, Mr. Johnson took over Juniper Networks as its first chief stepped aside.

He didn't expect this to happen again when he joined Starbucks Corp. SBUX -0.86% ▼ in 2015 as a lieutenant to longtime CEO Howard Schultz. Within two years, however, Schultz had relinquished the top job and Johnson was thrust into the CEO's seat.

He took over during a tumultuous period for the coffee chain. He's had to navigate national attention brought on by the arrests of two black men sitting at a Philadelphia Starbucks last year, as well as rising competition to the brand's dominance in the U.S. and China.

Starbucks's sales and stock price have improved under Mr. Johnson, who says he's trying to boost profits while investing more in environmentally friendly efforts, coffee producers and the company's workers.

Mr. Johnson recently sat down with The Wall Street Journal. Here are edited excerpts:

WSJ: What was the transition like from the tech sector to such a consumer-facing company?

Mr. Johnson: I'll just share a little bit. It was about seven years ago that I was diagnosed with melanoma. I was still trying to do my job at Juniper Networks as CEO. I was sitting in the San

Francisco International Airport one day, about to board a flight to Europe, and I had just called and canceled my doctor's appointments for the week. I thought to myself, "Why am I doing this? Why, am I prioritizing a business trip to Europe over everything that matters to me in my life?"

I decided, at that moment, for the rest of my life I would only do things that are joyful, with people I love. And I informed the Juniper board that I was planning to retire. After a little over a year of being retired is when Howard asked me to come have lunch with him.

It was my wife that really influenced me. She said, "You love Starbucks, and you love Howard. Whatever you do, don't look back 10 years from now and say 'I wish I would have'."

I realized that this is the next chapter of my life.

WSJ: What's your leadership approach?

Mr. Johnson: I tend to use data and analytics to help inform decisions. I complement that with being an experiential learner. The first year I was in the job as chief operating officer, I did store visits. It started to feel like they were orchestrated, so I changed the model. Now I want 90 minutes to talk with five or six partners who wear the green apron. We sit at a table and I ask each one of them to share with me a little bit about their life journey, what brought them to Starbucks and their aspirations.

WSJ: What was it like to hear about the Philadelphia arrests?

Mr. Johnson: I first learned about it on a Saturday morning. I had hundreds of emails from outside the company with the video attached. I spent much of that morning understanding what did happen. By Sunday, I was on the ground in Philadelphia.

We work to create a warm welcoming environment for all customers in our stores. We failed to do that on that day. It was an opportunity for us to step back and learn and acknowledge that we can be better. I think the journey we've been on since then has made us a better company.

WSJ: Whom do you turn to for advice?

Mr. Johnson: A lot of people. Go back to the Philadelphia incident -- I called Eric Holder. His advice to me was that there'll be a lot of pressure to answer questions before I've had the opportunity to fully investigate. He said, "Your job is to engage, to understand it. As you understand things, being intentional about your decisions and communicate them. But don't feel pressure to answer questions before you've had that opportunity."



Kevin Johnson sought advice from former Attorney General Eric Holder after the 2018 arrest of two black men at a Philadelphia Starbucks generated protests and national controversy. Here demonstrators stand outside the store days after the incident occurred. PHOTO:RON TODT/ASSOCIATED PRESS

WSJ: What are the challenges of running such public spaces?

Mr. Johnson: We have over 100 million customers in our stores every week. We're a microcosm of society. Whether it's mental illness or drug abuse or homelessness, violence, all those things in society, we'll see a subset in Starbucks.

When a customer walks in the store, we want to create a warm, welcoming environment for them. At the same time, we respectfully request that every customer in the store uses the space as it's intended.

WSJ: Starbucks is investing more in gathering spots. Why do that when there is so much focus on to-go these days?

Mr. Johnson: One of the downsides of the internet is you go to dinner, and you see a family of four sitting together and looking at their mobile device. That is detracting from human connection. It is contributing to a global epidemic of human loneliness. The third place experience is a very healthy thing. We're going to continue to invest in that.

WSJ: What's your coffee routine?

Mr. Johnson: I get up every morning and I have a triple espresso with a little splash of hot water. I go [to my local Starbucks] every morning and they know my beverage. I'll read the newspaper in the store and then I'll drive into the office. When I get into the office, I usually make a French press coffee and that will get me to maybe 8 or 9 o'clock.



Starbucks CEO Kevin Johnson likes to begin his mornings with a triple espresso and a French press coffee before having a flat white in the afternoon. "I drink a lot of coffee." PHOTO: RYAN HENRIKSEN FOR THE WALL STREET JOURNAL

We start most every meeting with a coffee tasting, so with three or four meetings a day, I'll have three or four coffee tastings. Then in the afternoon, a lot of times I like to get a flat white.

WSJ: Would you say you're an addict?

Mr. Johnson: I drink a lot of coffee.

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