Firm Related Factors.

An innovator is a person who develops new ideas and looks for efficient ways of accomplishing a certain task. Innovation is the art of developing new ideas and looking for efficient ways of accomplishing a certain task. This means that an innovator can include people across all the professions that currently exist in the world. An innovator does not necessarily have to be a business person he or she can even be an engineer. Over the years, Starbucks has been investing heavily in order to promote innovation in the organisation. This is because there has been an increase in the number of coffee shops that are setting up in America and other parts of the world.

As a result of this, the organisation needs to ensure that it is displays high levels of innovation so as to be able to remain competitive. Recently McDonalds ventured into the business of making and selling premium coffee. McDonalds is a company that has the capability of giving Starbucks a run for their money. This is because the company boasts of vast experience in the field of food and beverage. The company also has the financial muscle that would enable it to successfully invest in the coffee industry. Recently, McDonald ventured into the business of making and selling premium coffee. The company has managed to open several outlets of their coffee making segment that is known as McCafe. Through their new coffee outlets, the company is able to retail premium coffee at a lower price compared to that of Starbucks. As a result of this, McCafe is continuously increasing its market share in the coffee making industry.

In order to remain competitive, Starbucks needs to develop and implement a policy that encourages innovation in the organisation. This policy will enable Starbucks to be able to develop various ways through which it can differentiate the services and product that it offers, one of the ways through which the management of Starbucks has been able to facilitate the developed of innovation in the organisation is through the IFMA Centre of Innovation and Excellence. It is through the participation of the members of staff in the IFMA Centre of Innovation and Excellence that the employees are able to learn various ways that they can utilize to become innovative while at the work place. When there are a significant number of employees who display high levels of innovation, the organisation is normally able to cut down on the cost of production; as well as the operating costs. This is because the employees will be always looking for more efficient ways of achieving their objectives or carrying out their tasks. The management of Starbucks has also been able to foster a resounding innovation oriented culture through the issuing of rewards to employees who display high levels of innovation. This is a strategy that has managed to motivate most of employees to look for ways through which the organisation can be able to operate at the least possible cost while still attaining maximum outputs and realising maximum profits.

The organisation has also invested heavily in the field of research and development. The main objective of the organisation, with respect to investing heavily in the field of research and development, is to be able to provide customers with differentiated and unique services. The research and development department at Starbucks is tasked with the responsibility of developing new and modern flavours that will attract and retain as many customers as possible. All of the products that are developed by the research and development department at Starbucks should be in line with the rapidly changing customer preferences and tastes. This will serve to ensure that Starbucks is able to remain relevant in the coffee industry. In addition to that, the research and development department is tasked with the responsibility of ensuring that the organisation is able to standardise all the process that are carried out within the organisation. This will serve to ensure that there is negligible disparity in the taste of snacks, coffee and other beverages that are being served in their various Starbucks outlets which are located in almost each and every city across the globe.