

LEADING the STARBUCKS WAY



5 Principles for Connecting
With Your Customers, Your
Products, and Your People

JOSEPH A. MICHELLI

#1 *New York Times* Bestselling Author

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Joseph A. Michelli

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PRAISE FOR LEADING THE STARBUCKS WAY

"Starbucks Coffee and Tea Company began just a few blocks from my business, the Pike Place Fish Market. Joseph Michelli helped me tell the story of how we create engaging and powerful experiences at Pike Place Fish. He has also been trusted to work with and share business principles used at companies like Starbucks, The Ritz-Carlton Hotel Company, and Zappos. In *Leading the Starbucks Way*, Joseph takes an incisive look at the leadership excellence of Starbucks. Unlike his prior book about the coffee leader, *Leading the Starbucks Way* helps you leverage the connection you build at the person-to-person level while expanding your customer bond globally, through technology, and even onto your products and goods. What are you waiting for? Buy the book, dive-in, gain practical tools, and be transformed!"

—JOHN YOKOYAMA,

Owner of the World Famous Pike Place Fish
Market and coauthor of *When Fish Fly*

"Joseph Michelli offers interesting insights into the fundamentals involved in creating the world's biggest coffee chain. As a businessperson, you will learn how Starbucks leaders drive success as well as how they learn from setbacks. By reading *Leading the Starbucks Way*, you will be able to bypass many business pitfalls and streamline your pursuit of desired business objectives."

—MARTIN LINDSTROM,

bestselling author of *Buyology* and
Brandwashed

"Culture is everything! This fast-moving, fascinating book gives you countless practical ideas you can use immediately to create a company climate of inspiration and loyalty."

—BRIAN TRACY, author of *Full Engagement*

"In *Leading the Starbucks Way*, Joseph Michelli shows us how a small Seattle-based chain of coffee shops became one of the most beloved brands on the planet. Charming, real-life examples of true service culture blend with behind-the-scenes corporate training strategies to create a pleasant and interesting read. So grab a cup of coffee, put your feet up, and read this book!"

—KEN BLANCHARD,

coauthor of *The One Minute Manager** and
Leading at a Higher Level

"As a Seattleite who remembers when there was just one Starbucks store on the planet, I continue to be fascinated by the company's evolutionary journey to corporate icon. Michelli identifies the principles by which Howard Schultz and his team passionately perform in a culture that loves, respects, and rewards suppliers, employees, customers, shareholders, and the community."

—ROBERT SPECTOR,

author of *The Nordstrom Way* and coauthor
of the forthcoming *What's Love Got to Do
with It?: Courting, Catching, and Caring for
the Ideal Customer*

"*Leading the Starbucks Way* provides the key success factors of a lifestyle brand that is globally scaled, locally relevant, and powered by the passion of the Starbucks culture."

—JOHN TIMMERMAN, PHD,

Senior Strategist of Customer Experience
and Innovation, Gallup

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*This book is dedicated to the memory of my wife,
Nora Leigh Michelli (September 7, 1961, to February 11, 2013)—
the woman with whom I shared more than half my life.
You've been released from your six-year battle with breast cancer,
and I know you heard, "Well done, good and faithful servant."
Nora, it is your time to enjoy the Master's happiness!*

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Foreword

Many business leaders today face a dynamic set of challenges. How does one choose employees who have the talents and interpersonal qualities necessary to deliver memorable customer experiences? How can leaders bring on board, train, and acculturate team members so that they develop a passion for product excellence and the skills required to become consummate service professionals? How can technology be leveraged to strengthen, *not* diminish, personal service delivery?

If you are fortunate enough to be a manager or leader in a company with a global footprint like The Ritz-Carlton Hotel Company or Starbucks, you face the added challenges of constantly refining your products and services to connect with changing and culturally diverse customer groups—all the while maintaining operational excellence and the loyalty of your existing customer base.

Each of Dr. Joseph Michelli's books offers a learning laboratory that's rich with examples from leaders as they address the aforementioned challenges and opportunities. They provide information, insights, and analysis on how leaders seek to create a high-performance organization that operates through the lens of humanity. This book demonstrates both the setbacks and the breakthroughs that the Starbucks leadership has encountered as it has attempted to position its products and people to deliver consistent, engaging, and loyalty-enhancing experiences.

I first met Dr. Michelli approximately six years ago. At that time, he brought his background as a customer experience professional, business consultant, and author to The Ritz-Carlton Hotel Company and chronicled our never-ending commitment

to foster the engagement of our “Ladies and Gentlemen” and the guests whom we are fortunate to serve at our hotels and resorts in 27 countries presently.

As president of The Ritz-Carlton Hotel Company, I believe that a company’s culture is critical to its success. At The Ritz-Carlton, we strive to anticipate and exceed guests’ expectations in a warm, relaxed, and refined setting. We are constantly looking for ways to infer and go beyond the wants, needs, and desires of our Ladies and Gentlemen and of our guests. All of the Ladies and Gentlemen of The Ritz-Carlton (myself included) invest in and communicate about our cultural foundation on a daily basis.

American author M. Scott Peck suggested that we should “share our similarities, and celebrate our differences.” While The Ritz-Carlton and Starbucks are different organizations in many respects, *Leading the Starbucks Way* is a powerful and useful reminder that every one of us (no matter what our function or our industry) can contribute in some way to improved product quality, enhanced service delivery, emotionally engaging experiences, and enriched community involvement.

I wish you a fond farewell and joyful reading.

HERVE HUMLER

President and Chief Operations Officer

The Ritz-Carlton Hotel Company, L.L.C.