Howard Schultz: Transformative Leader

By Erica Riccardi

Howard Schultz has proven himself to be one of the most pioneering and relentless leaders of our time. Within a matter of decades, he was able to turn Starbucks Coffee Company, a small whole-bean and ground coffee retailer, into one of the most recognizable brands in the world—a capstone of American culture. Just before the onslaught of America’s worst economic downturn since the Great Depression, Starbucks began to fall behind. A combination of elevated hubris, accelerated growth, and lack of competition caused the massive coffee company to fall behind on all platforms. Quality was compromised, customer interactivity thinned, and technology far surpassed the company in a matter of two years. Starbucks needed a leader who was not afraid to face these nearly insurmountable challenges head on. In Schultz’s book *Onward*, Schultz explains how he revitalizes his skills as a leader to hone in on quality and recreate Starbucks into a sustainable business based on the essence that Starbucks possessed back in 1987. According to Daniel Goleman, author of Harvard Business Review’s article *What Makes a Leader?*, “someone who is highly self-aware knows where he is headed and why” (Goleman). From the very beginning, Schultz focused his vision for the company around what he believed to be a sustainable model for his business: make the coffee more than just a product—make it an experience. Schultz’s goal “has never been just about winning or making money; it has also been about building a great, enduring company, which has always meant trying to strike a balance between profit and social conscience” (*Onward*). Thus when this vision of the company was lost in early 2007 and 2008, Schultz utilized his self-awareness to be decisive at a time when the company needed to make a drastic decision:

There are moments in our lives when we summon the courage to make choices that go against reason, against common sense and the wise counsel of people we trust. But we lean forward nonetheless because, despite all risks and rational argument, we believe that the path we are choosing is the right and best thing to do. (*Onward*)

One example of such actions he took was the creation of the “Transformation Agenda”, which called all senior leaders to action in order to make the internal behavior reflect on the external perception of their company. The goals discussed in the agenda were sevenfold: 1) Be the undisputed coffee authority. 2) Engage and inspire our partners. 3) Ignite the emotional attachment with our customers. 4) Expand our global presence—while making each store the heart of the local neighborhood. 5) Be a leader in ethical
sourcing and environmental impact. 6) Create innovative growth platforms worth of our coffee. 7) Deliver a sustainable economic model (Onward). In pursuing these lofty goals, Schultz was able to create more than a strong market for a simple commodity, he created a need for the Starbucks Experience by tapping into consumers’ emotions.

Citations:


Although he apparently fell in love with a number of women, the identity of the girl who lay closest to his heart remains elusive to this day. He is one of the most influential and extensively studied filmmakers in the history of cinema. Known as "the Master of Suspense", he directed over 50 feature films in a career spanning six decades. His films garnered a total of 46 Oscar nominations and six wins. Of course, this wasn't exactly a surprise; for decades, planetary scientists have suggested the channel networks visible in spacecraft imagery couldn't have been made by anything else. The evidence has been esoteric as well, as various clay minerals and iron oxides have been identified through hyperspectral imagery. We depend on our words. Our task is to communicate experience and ideas to others. We must strive continually to extend the scope of our description, but in such a way that our messages do not thereby lose their objective or unambiguous character. We are suspended in language in such a way that we cannot say what is up and what is down. The word "reality" is also a word, a word which we must learn to use correctly. I consider those developments in physics during the last decades which have shown how problematical such concepts as "objective" and "subjective" are, a great liberation of thought. The whole thing started with the theory of relativity. At this time he decided to become a lawyer, teaching himself the law by reading. After passing the exams, he started practicing at a law firm. Success in several court cases brought business clients - banks, railway and insurance companies and manufacturing firms. Lincoln also did some criminal trials. In one case, a witness claimed that he could identify Lincoln's client who was accused of murder, because of the intense light from a full moon. I can't agree with anyone who negates that learning Chinese hard, because it's got to be one of the hardest things I've ever done. It has surely been extremely rewarding, but I personally found it quite demanding. Hopefully you're not someone who chooses to learn a language based solely on how difficult it is perceived to be.