

# BITC Member Company Education Case Study



## Company Details

Starbucks was established in 1971 in Seattle, Washington. Since its inception as a local coffee-bean roaster and retailer, it has undergone rapid expansion and is now (December 2007) the largest coffeehouse company in the world, with 15,756 stores in over 40 countries. The Chief Executive Officer, Howard Schultz, led the company's entry into the European market in 1998 with the acquisition of 60 *Seattle Coffee Company* stores in the UK. As of December 2007 there are nearly 8,500 UK employees working in over 600 stores and the UK support centre (the name for the head office in Parsons Green, West London).

The company serves drip-brewed coffee, espresso- and non-espresso-based hot beverages, tea, and ice-blended drinks. It supplements these offerings with pastries, salads, and sandwiches. It also sells coffee mugs and home-brewing equipment as well as fresh whole-bean coffee. The company has also ventured beyond refreshments into books, music, and film, through its *Starbucks Entertainment* division and *Hear Music* brand.

Since the 2006 financial year, a significant portion of Starbucks' community investment, which forms a part of the business's CSR strategy, has focused on education and access to clean water, both areas identified after discussion with internal and external stakeholders as having global importance. Starbucks addresses them through various channels, including: cash contributions at the corporate, regional and local levels; in-kind donations; employee-volunteer programmes; financial contributions to the Starbucks Foundation (which is then used to issue grants to pay for projects) and also by encouraging customers to make charitable donations.

## Educational Activities

Starbucks does a great deal of education work on an international scale, but the purpose of this paper is to document education programmes in the UK.

*Starbucks Partners in Education* (as Starbucks' UK education programmes are collectively known) has three major community initiatives. Each aims to provide opportunities to young people at key stages in their educational development. The programmes complement Starbucks' business commitments by fulfilling one of the company's six guiding principles: '*to contribute positively to our communities and our environment*'.

The first of the three programmes, originally *WorkWise*, later restructured to become *FutureStars*, aims to provide young people with an interactive approach to improving their citizenship and employability skills. The two-day programme, which is by trained Starbucks volunteers, involves a number of exercises and workshops that help young people understand why employability skills are important and how they are relevant to young people's lives.

The second programme, *All Books for Children*, encourages positive attitudes to books and reading among pre-school children and their families. It aims to achieve that by introducing them to local libraries and encouraging a reading culture in households that may not already emphasise the importance of

reading. The *Starbucks Bookdrive*, which is run annually at Christmas time, builds on *All Books for Children* through the donation of free books. Both literacy programmes are run in partnership with the National Literacy Trust (NLT), an independent charity that changes lives through literacy.

Starbucks was a “Big Tick” winner for Education in 2005 and 2006 for its *Partners in Education* programme. The programme encompasses all of Starbucks’s activities in education.

### **WorkWise/FutureStars**

*WorkWise* was developed more than 10 years ago, and gifted to BITC by *Industry in Education* – with the aim of improving the employability of disadvantaged young people. It is a two-day programme made up of activities and inputs on citizenship and employability skills. The programme is designed to help students better understand the requirements of future employers and provide them with positive role models from the local business community. As an outcome, students should have enhanced their inter-personal skills and self knowledge. From a school perspective, the programme helps deliver the enterprise and work-related learning curriculum, which is compulsory for all 14-16 year olds. Some delivery of key skills (*Communication, Application of Number, Improving Own Learning and Performance, Problem Solving and Working with Others*) are included in the programme.

In 2004, Starbucks piloted *WorkWise* in one school with volunteers from one Starbucks store. It was such a success that Starbucks decided to refine the *WorkWise* model and roll it out to other stores and schools throughout the UK. As part of the roll-out process, Starbucks recognised elements that would make the delivery of the programme more consistent and easier to manage. For instance, delivery has been eased by the provision of resource packs for each team of volunteers as well as a facilitators’ and participants’ workbook to be used over the two-day programme. This rethinking of the programme also presented the opportunity to rebrand it to fit more readily into the Starbucks corporate social responsibility approach – *WorkWise* became *FutureStars*. *FutureStars* was now ready to be picked up and delivered by any team of trained volunteers from any Starbucks store in the UK.

*FutureStars* currently runs across the UK in major conurbations where there are concentrations of Starbucks coffeehouses. The areas are also chosen according to local need, in more deprived areas, or those facing particular employability challenges for young people. *FutureStars* has now been delivered to over 3,500 pupils in over 35 schools; and by 2011 Starbucks would like to deliver it to 10,000 young people throughout the UK.

Starbucks district and store managers facilitate courses for a school in their local area, delivering to 14-16 year-olds who have been referred by their schools. Students tend to be those that are unlikely to continue into further education and are instead looking for employment immediately post-GCSE. They are often those considered to be “disadvantaged”.

The two-day course itself consists of a number of workshops aimed at introducing and strengthening skills such as presentation, communication and teamwork. The workshops are designed to be fun, interactive, and inter-

related. Students are first encouraged to consider their own employability, and how they are perceived by others, before identifying their strengths and possible career paths. Alongside the interpersonal skills, formal job-application techniques are also addressed, such as CV-writing and interview practice. Starbucks aims for participants to be better able to understand their strengths and promote them to a future employer. It is also a key aim that participants leave with the notion that they will be useful to society and that they can realise their full potential.

As course facilitators, Starbucks store managers themselves deliver the workshops to students. Teachers are present, but are encouraged to participate in the same activities as the students rather than taking on a management role. Store managers who apply are given an intensive training programme to ensure quality control and appropriate delivery of the programme. As a result, the programme is well thought of by Starbucks partners (employees). In addition, Jimmy Curtis (Starbucks community affairs manager) has suggested that a strong selling point of the programme is that store managers and partners are often from similar backgrounds to course participants. This makes the programme more relevant and respectable in the eyes of the students. Students and volunteers can understand one another, and the aspirations of students are raised through exposure to role models they can relate to.

Despite recognising the strong relationships that could be nurtured through a long-term mentoring programme, Starbucks feels that, because of its multi-site structure and small teams, its employees would find it difficult to take time off during shifts to commit themselves to that type of programme. For that reason Starbucks has instigated a root-and-branch review of *FutureStars* with the aim of understanding how it can grow and sustain the impact of the project in future.

The programme has been recognised for its effectiveness; and in July 2005 Starbucks Coffee UK was recognised as a leader in management and delivery of community programmes and rewarded with a BITC Big Tick.

## **Literacy programme**

### **1. All Books for Children (ABC)**

This area of work forms part of Starbucks' overarching literacy programme. *All Books for Children* is run in partnership with the National Literacy Trust, as part of its *Reading is Fundamental, UK (RIF)*, project. The programme began in 2001.

The project targets non-library-using pre-school children and their families, who are invited to a series of informal events at their local library over the course of a year. The events aim to help families feel welcome and comfortable in the library, to challenge stereotypical images of libraries and to create a home-reading culture through the gift of books. At each event the children choose and keep a free book as well as participating in activities such as storytelling sessions, face painting, craft sessions and sing-alongs. Parents are also encouraged to join the library with their child. Complimentary Starbucks refreshments are served by volunteers from the local store.

*ABC* is managed by the National Literacy Trust and delivered locally by librarians, with the support of Starbucks partners. Starbucks partners are involved in the scheme in many ways – reading stories, promoting library story sessions in store, serving food and drinks, participating in book-selection committees, joining in with nursery rhymes and wearing book-character costumes.

This programme (like *FutureStars*) runs in major UK districts, partly owing to the profile and deprivation characteristics of those areas, and partly owing to a significant Starbucks presence in the area. More than 22 library authorities have taken part. Families are targeted in a number of ways, for example through *SureStart*, health visitors, play centres, and other care-and-support networks.

Since its inception in January 2001, *ABC* has reached 8,495 pre-school children and their families, who have chosen to take home and keep over 25,485 free books from *ABC* library events.

## 2. Bookdrive

Established in 2003, Starbucks' annual Christmas in-store *Bookdrive* is the second aspect of its literacy programme, and complements the *All Books for Children* project. Like *ABC*, the Starbucks *Bookdrive* is a joint initiative with the National Literacy Trust. It takes place in stores across the UK, with the participation of partners, customers and communities.

The programme aims to support local primary schools through encouraging public donations of new books. Starbucks organises the *Bookdrive* in November and December each year. Partners and customers are encouraged to think about a book that has made an impact upon them as a child, and then donate a copy of it in one of the collection boxes in the store. The programme is not capital intensive but does require partner time and effort to make it a success. As well as reinforcing the achievements of the *ABC* project, *Bookdrive* is the more public face of Starbucks' literacy initiatives. As a result, the programme generates more good faith in the company and a more transparent understanding of Starbucks' community efforts than a straightforward cash donation from the company to a library might achieve.

Since beginning, the programme has had the following levels of book donations from Starbucks' partners, other employees and customers:

2003 – 13,000

2004 – 28,105

2005 – 52,000

2006 – 100,124

2007 – 222,414 books collected

The continuing increase in public participation is an indication of the positive image this activity is creating.

## Impact

Formal quantitative analysis on the Starbucks' programmes is not yet available, although the company has gathered and intends to produce evidence detailing the success of its work.

One obvious indicator of the success of the *Bookdrive* programme is the year-on-year increase in the number of books donated. However, it would be wrong simply to infer from these statistics that the project itself is actually having an impact on children's reading habits.

The positive reception of *ABC* can be seen through its continual expansion and the growing numbers of children that have been reached. There is also qualitative feedback from participants. For example, of libraries that responded for 2006-07:

- 94 per cent felt that the *ABC* events had positive value for the children served;
- 93 per cent reported that it increased library membership among invited families;
- 94 per cent reported increased library use;
- 88 per cent said that there was increased parental involvement in reading activities;
- 94 per cent agreed that there were increased opportunities for the library to create relationships with local community groups and 88 per cent said it helped to develop a relationship with the local Starbucks store; and
- 88 per cent agreed that it motivated Starbucks partners to get involved in the life of the library.

Starbucks is moving towards increased measurement. In line with the proposed roll-out to 70 schools in the next five years, Starbucks intends to create more formal evaluation tools to measure impact. Starbucks Foundation in Seattle is funding the development of an evaluation framework for its work with the *NLT*, and *FutureStars* is also being reworked to include a feedback feature in its programme so that participants are encouraged to reflect formally and share their experiences of the programme. This information has not yet been made available publicly. It was suggested that partner facilitators had developed certain desirable personal-development qualities, but only anecdotal evidence on this is currently available.

## Company Benefits

The company recognises that its work in education impacts positively upon:

- Recruitment and retention; and
- Reputation in the community.

More particularly, the impact of each programme can be seen in the following ways:

*FutureStars* has improved links with local communities and helped raise understanding of Starbucks' approach to doing business in a responsible manner. It has increased the employability of participant students, and participation in the programme helps with the personal development of

partners. This subsequently helps strengthen staff-appraisal performance and promotion opportunities.

*All Books for Children* has earned Starbucks a BITC Big Tick award; and Starbucks' community affairs manager has been awarded the status of *Reading Champion* by the NLT.

As part of the *Bookdrive*, local employees present the donated books to primary schools in January. That has strengthened links with local schools and builds a better understanding among students of the Starbucks company ethos and how it operates. In addition, partners in the coffeehouses feel a deeper sense of community and belonging through the programme, while local customers may be better able to appreciate the impact of CSR work because of the grassroots approach the programme takes.

Starbucks' work in education helps differentiate it from its competitors. It also helps customers (i.e. the local community) relate better to and connect with the company on a local level; that in turn helps the company move away from its image as a large faceless corporation. A potential consequence is a larger customer base and a more positive public perception of the company and what it stands for and works towards.

### **Educational Benefits from the Company's perspective**

Through *FutureStars* students better understand employers' requirements. Starbucks provides students with positive role models from the local business community. Students have opportunities to develop inter-personal skills and self knowledge. Jimmy Curtis has suggested that students benefit from working with people who have successfully gained employment, while coming from a similar background to the students themselves. This strengthens the credibility of the programme and helps to engage students.

The two literacy programmes provide valuable positive activities for children and families, and resources for local schools. *All Books for Children* encourages children to be involved with books and literacy from a young age. By involving children in activities that reinforce the enjoyment of reading, the programme aims to instil a love of reading in children that will last a lifetime and help them during their future education. This programme also offers support to families through positive messages and activities involving books, reading and libraries..

The *Bookdrive* programme reinforces the messages of the *ABC* programme about reading for pleasure. The books provided, for example, over 200,000 in 2007, supporting schools in encouraging children to read more.