



**University at Buffalo**  
*The State University of New York*

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**Starbucks: Employee Engagement and Sustainability**

Business Proposal

COM 300 - L03

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Employee Engagement and Sustainability

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Starbucks Coffee Singapore



By

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## **Executive Summary**

The Earth is undergoing constant and detrimental environmental change, and this could affect the operations of Starbucks. Climate change is starting to turn coffee fields non-arable, directly impacting the very thing that makes Starbucks the renowned coffee company that it is today. This could be partially attributed to the production of tonnes of methane gas which is also caused by dumping of coffee grounds in landfills, with over 500,000 tonnes of waste coffee grounds dumped in the UK every year alone. Employees have also traditionally shown a profound lack of interest in Starbucks' sustainability efforts, only being interested in personal benefits rather than the environment.

Starbucks is in a position to help prevent this. As a company that is as renowned for its sustainability efforts as its coffee, seeking to reduce the amount of coffee grounds being dumped could bring about many potential benefits for Starbucks and its employees and customers. Having your employees being engaged towards sustainability would lead to greater participation that would benefit your cause. Taking into account all these, we would like to propose a sustainability campaign to be implemented by Starbucks.

The campaign will mainly consist of two phases: one where coffee grounds will mainly be collected, and the other where a soap-making initiative that uses these coffee grounds will be organised. The first phase consists of the simple collection of coffee grounds from Starbucks' outlets, as well as distributing coffee grounds to the public. This already helps in boosting Starbucks' public image as a company that cares for sustainability, and the bags that the coffee grounds will be distributed in will be designed by employees, stimulating employee engagement through creativity. The second phase consists of a soap-making initiative involving employees creating soap bars made out of coffee bars, and these soap bars being produced and sold in the name of charity. This would again serve to benefit Starbucks' image, and allowing employees to make their own soap bars helps to get them to be engaged towards the cause of sustainability and the organization.

These two phases will combine to form Operation Coffee Grounds, a sustainability programme focused on creativity as a way to engage employees to serving Starbucks' environmental cause. We at ABEX Consulting hope that you find the proposal promising with regards to its potential qualitative and quantitative benefits and provide the necessary resources to begin the implementation of the campaign.

## **Introduction**

Starbucks Corporation is a world-renowned coffee company founded in 1971 (Starbucks, 2018). In addition to being renowned for its specialty coffee, Starbucks is a marketer and retailer of handcrafted tea beverages, pastries and non-food merchandise (Starbucks, 2018). It presently operates in over 28,000 locations in 76 markets worldwide (Starbucks, 2018). Starbucks Coffee Singapore Pte. Ltd. is one of the subsidiaries of Starbucks Corporation, operating in Singapore since 1996 (Starbucks, 2018). This coffeehouse chain prides itself on adopting a unique culture of employee engagement as well as pioneering various environmentally sustainable solutions. Its unique culture of addressing employees using the term, "partners" (HR in Asia, 2017, para. 5), serves to establish Starbucks' "foundational belief in shared success" (HR in Asia, 2017, para. 5).

## **Environmental Sustainability**

Starbucks has been involved in numerous environmentally sustainable ventures. These ventures include working to bring about greener stores in terms of building design, greener cups through recycling efforts and greener energy (Starbucks, n.d.). With the global consumption of coffee on the rise, peaking at a level of 157.38 million 60kg bags of coffee in the years 2016 to 2017 (Statista, 2018), Starbucks has pledged to "make coffee the world's sustainable agricultural product" (Starbucks, 2018, para. 18). It established the Sustainable Coffee Challenge (n.d.) in 2015, a four-pronged approach to producing coffee beans using sustainable practices such as planting trees and improving the labour practices of farmers. In doing so, Starbucks hopes to ensure that there is a continuous supply of coffee beans to sustain this 20 billion dollar coffee industry (Feng, 2017).

## **Problem - Oversight and the Waste Coffee Grounds**

While Starbucks has devoted time and immense attention to the production of sustainable coffee, its approach has been limited to involving only its farmers working on site at the coffee plantations. Additionally, its focus has been directed solely at the production process of coffee beans. Starbucks has overlooked the possibility of saving coffee beans in other areas of management, such as its operations. This level of management includes baristas who when brewing coffee, are subject to leaving behind remnants known as coffee ground. These coffee grounds, even with alternative uses like that of fertilisers (Starbucks, 2015) or furniture (Wang, 2016), are often disposed off as waste due to the lack of a concrete recycling movement.

The United Kingdom produces 500,000 tonnes of waste coffee grounds annually (Bio-bean, n.d.). When dumped in landfills, these coffee grounds can potentially emit several

tonnes of methane gas (The Closeteur, 2017), contributing to climate change. By 2100, more than 50 percent of land used to grow coffee is predicted to become non-arable (Charlebois, 2017) as a result of heavy rains and droughts that have affected the regions wherein coffee is grown. Regardless of Starbucks' strategic measures to produce sustainable coffee, external factors like climate change can reduce the supply of coffee amidst a rising demand.

As such, this proposal serves to highlight the problem and potential that comes with waste coffee grounds. ABEX Consulting proposes that Starbucks pioneers the innovative movement of recycling coffee grounds for this has not been taken on by any food and beverage company. ABEX Consulting believes that this will be a viable addition to Starbucks's environmental sustainability programmes, and one that will greatly engage a different group of Starbucks employees. This will thereby, ensure that all of Starbucks' employees are engaged and contributing to a sustainable company.

### **Operation Coffee Grounds**

Operation Coffee Grounds is a sustainability campaign that revolves around the concept of recycling coffee grounds. The campaign will be organised by Starbucks' sustainability department as they are well-equipped with knowledge of the environmental situation and are better able to properly plan for and implement this campaign as a result. This campaign will be made up of two phases. Phase 1 involves the collection and distribution of coffee grounds, while Phase 2 revolves around a sustainability programme of creating soap bars that makes use of coffee grounds. Our campaign puts a focus on multiple smaller activities or programmes that allow employees to showcase their creativity, to ensure that employees stay engaged throughout the campaign.

#### **Phase 1: Collecting Coffee Grounds**

The first phase of our campaign involves the collection of coffee grounds. Starbucks' employees will be collecting and reusing coffee grounds that are produced as a result of their day-to-day operations in their various stores. These coffee grounds will be collected from the coffee brewing machines at Starbucks and their various stores in Singapore, to be recycled for other uses as part of the campaign. This is important and helps in sustainability as these coffee grounds can be recycled and used for practical purposes, rather than be seen as a waste product of the coffee production process. Already, this can have a positive impact on the environment, as the amount of coffee grounds Starbucks dumps in landfills every year (Bernstein & Woods, 2012) would be reduced.

**Grounds for your Garden.** Starbucks may make use of this opportunity to distribute some of the collected coffee grounds for the public's use, by reintroducing a program called 'Grounds for your Garden'. This program was initially introduced, then discontinued in the United States in 1995 due to a lack of publicity (Starbucks, 2015). Employees will be packaging collected coffee grounds in biodegradable paper bags and displaying them on their store's merchandise stand (refer to Appendix), allowing customers to freely take these bags for their own use. Employees may also help to design these biodegradable paper bags individually to make it more appealing to customers, whereby they can pick the design of the bags that they like the best. There are various possibilities for the choice of designs on the paper bags, such as instructions or guides on using the coffee grounds or even positive messages. The designing of paper bags serves as a viable method to get employees to showcase their creativity - similarly to how the promotional menu board for the store is designed by them.

'Grounds for your Garden' gets its name from the fact that these used coffee grounds can also be used for gardening purposes. As these coffee grounds contain high levels of nitrogen, it helps to get rid of weeds that would help their garden to flourish (Crumbley, 2009). By distributing bags of used coffee grounds to the public, they can make use of the recycled coffee beans as a way to contribute to the environment while promoting Starbucks' cause of sustainability at the same time.

By encouraging creativity in designing these bags, employees would be more confident to share their ideas freely and take an active role in supporting Starbucks' cause for sustainability, thus increasing employee engagement. Besides Starbucks's employees, customers get to learn simple sustainability solutions and with the help of Starbucks, they get to act on it as well. This further reiterates Starbucks' core values of putting customer, partners and coffee as their main priority (Starbucks, 2018a). Other than collecting coffee grounds for customers, Starbucks can keep half of their coffee grounds for their own sustainability purposes.

## **Phase 2: Recycling Coffee Grounds**

Phase 2 of the campaign focuses on Starbucks' initiative of recycling coffee grounds. This phase aims to exemplify Starbucks' key message of sustainability, showing that a 'waste' product like coffee grounds can be turned into a viable ingredient that is recycled for other uses. In this phase, the rest of the collected coffee grounds that were not distributed to the public will be utilised for a soap bar production programme in collaboration with a soap manufacturing company. This campaign will first consist of a soap-making workshop organised for Starbucks'



employees, followed by mass-producing and selling selected soap bars created by employees. Used coffee grounds will be used in the making of these soap bars.

**DIY Soap Making Workshop for Employees.** The soap bar production programme will first begin with the organising of a bi-annual soap-making workshop for employees from each Starbucks' store to learn about the process of making soap bars with coffee grounds. Coffee grounds are a viable ingredient to make coffee grounds, as coffee can be considered to be the leading source of antioxidants to protect our skin (Lamb, 2016). The workshop will start off by explaining and demonstrating the process of making soap to Starbucks' employees. In making the soap bars, they will get to experiment with different ingredients that go into soap production, such as goat milk and lavender oil to see which complements the coffee grounds best.

Starbucks will be collaborating with local soap manufacturing company, Soap Ministry for the organisation of this workshop. The company already offers soap-making workshops on their own and sells all-natural handmade soap (Soap Ministry, 2018), which showcases their expertise and experience with the subject matter of soap production. Their mission statement, "Share as we serve, give as we get" (Soap Ministry, 2018), is in line with Starbucks mission statement, "To inspire and nurture the human spirit - one person, one cup, one neighbourhood at a time." (Starbucks, 2018b). These mission statements are consistent with one another, showing that both companies place value in giving back to the community. This makes Soap Ministry an ideal company to collaborate with Starbucks.

Many benefits can come about with the organisation of this workshop. It serves as a way to educate employees on sustainability and allows them to express their creativity in creating their own unique soap bar, enhancing employee engagement towards sustainability. Employees may also get to learn and understand their fellow colleagues better which will help to build better rapport. This adds a sense of unity and it makes feel that they contribute and are part of the Starbucks organisation (Brown, 2017), engaging them towards it as well. It also exemplifies the company's core values on creating a culture of warmth, belonging and acting with courage, and challenging the status quo (Starbucks, 2018c). Additionally, this workshop may give added confidence to employees to take on new responsibilities. Lastly, the workshop is meant to be fun, which helps in keeping employees engaged and aids in producing significant results (Richardson, 2018). In the future, Starbucks may further develop this idea by getting its employees to create other products that may include coffee grounds as an ingredient - such as cosmetic products. The programme also provides an opportunity for Starbucks to expand into

another new industry, possibly bringing further exposure to its brand and increasing its customer base.

**Soap Bar Production and Sale.** As the workshop concludes, each store manager and employees from Soap Ministry will then select the best soap bar from their own stores based on the fragrance and feasibility of the product. Store managers from the North, South, East, and West of Singapore will then come together and decide on four soap bars that best represents the four districts. Having chosen the four soap bars, Starbucks would proceed to work closely with Soap Ministry to commercialize and produce the chosen soap bars for each district. When these soap bars are produced, they will be placed for sale through a website, [www.bucksforcharity.com.sg](http://www.bucksforcharity.com.sg), that will be advertised on Starbucks's social media platforms such as Facebook and Instagram. Proceeds from all sales will go to a local charity of the customers' choosing (from a list of selected charities).

Through this initiative, Starbucks can build an image of contributing to society and the less fortunate while sustaining the image of being concerned for the environment and focusing on sustainability. It thus enhances the overall image of Starbucks' corporate social responsibility. Proceeds going to charities give employees another reason to stay engaged for the campaign, as they would feel good knowing that they can contribute to society and sustainability at the same time. One example of a related initiative would be the successful coffee brand Cozznee. The success of Cozznee is largely attributed to a percentage of their sales being donated to various charities of their customer's choice. (Olshansky, 2017). This highlights the potential of Starbucks similarly giving back to society while remaining one of the world's biggest coffee companies (Collier, 2017).

The sale of soap bars would also benefit Starbucks directly in a quantitative manner. Firstly, existing customer and brand loyalty would be enhanced, as customers would feel good knowing that they are contributing to the causes of environmental sustainability and society. This ensures a steady flow of revenue from their existing customers. Additionally, this initiative allows Starbucks to entice new or infrequent customers to become loyal to the Starbucks' brand and, thus, their cause. This is akin to how Starbucks' personalises customers' beverages as a way to show that they care about their preferences (Wojno, 2017) in order to encourage customers to return. This strategy works psychologically because research has shown that people are more inclined to help with donations when other people are playing a part (Tamma, 2015), enhancing Starbucks' customer base and allowing Starbucks' to grow as an organization. Finally, Starbucks' employees will be satisfied in the same manner as customers knowing that they are

helping both society and the environment, which helps in revenue growth. The service-profit-chain model can help to illustrate this exact benefit (Heskett, Jones, Loveman, Sasser Jr & Schlesinger, 2008). When employee satisfaction is met, employees will become more productive, which will in turn, improve their quality of service. This creates customer satisfaction, which leads to an increase in customer base and the retaining of customers. This will subsequently bring in profit, enhancing the growth of the company. (Heskett, Jones, Loveman, Sasser Jr & Schlesinger 2008).

Recycling used coffee grounds and transforming them into creative new products will not only engage Starbucks' employees, but also creates new opportunities for Starbucks to expand into different industries that make use of waste coffee grounds. This would depend on whether this initiative turns out to be successful, but a track record for Starbucks exists for successful collaborations with other companies. This can be seen in 2016, where Starbucks similarly collaborated with the cosmetics company - Benefit, to offer free makeup products and coffee respectively (Chapman, 2016).

### **Consultant Credentials**

At this point, Starbucks may question the overall success of this initiative. As such, the team at ABEX Consulting wishes to assert that ABEX Consulting is no stranger to helping companies become more drafting environmentally sustainable ventures and employee engagement initiatives. A leading consulting company in the industry, we are pleased to have you request our services for we have rich experiences in helping companies formulate and execute similar programmes.

ABEX has collaborated with a network of several organisations over its years of experience including governmental organisations such as Singapore's Ministry of Environment and Water Resources (MEWR), statutory boards such as the National Environment Agency (NEA) and Public Utilities Board (PUB) and companies such as Soap Ministry itself. Having a host of access and connections with both environmental and commercial organisations, ABEX is able to provide Starbucks with the opportunity to collaborate with these organisations.

Overall, ABEX Consulting recognises that Starbucks has the ability to make significant changes to the market at large for it is one of the leading coffee companies in the industry. As much as Starbucks engages in the brewing of specialty coffee, it has also pioneered several sustainability projects and employee engagement initiatives. As such, the team at ABEX Consulting has provided a proposal that is thoroughly well-researched, feasible and creative, tailoring to the needs of your organisation. ABEX Consulting believes that this proposal of

recycling coffee beans will bring great value to the Starbucks Corporation in helping to solidify Starbucks's leader position in the coffee industry.

### **Cost- Benefit Analysis**

#### **Costs**

Costs will be incurred following the execution of the sustainability campaign, and this can be categorised into both direct and indirect costs.

**Direct costs.** Costs will be incurred in the areas of collecting, storing and shipping of coffee grounds. These coffee grounds will have to be collected by the the employees of Starbucks and stored within the Starbucks outlet before being transported to Soap Ministry to be used in the workshops and soap production. Space will have to be made in the form of stands where consumers can freely grab their bag of coffee grounds. Also, additional biodegradable bags will have to be manufactured in order to facilitate the employees designing them. This is necessary to promote the cause and campaign should Starbucks not have sufficient bags to collect the coffee grounds. These costs can be potentially negated should Starbucks' customers contribute to the high demand for waste coffee grounds, once they are aware of Starbucks' cause. This would make setting up space within the outlet worth the cost. When customers get into practice of reusing and thus, recycling the Starbucks bags, there will be little cost incurred in terms of the manufacturing of additional bags. Also, while the setting of the website [www.bucksforcharity.com.sg](http://www.bucksforcharity.com.sg) may incur additional costs, it is part of and affiliated to the Starbucks brand, which can bring about a large amount of web traffic. This can lower the average cost of setting up the site in the long run.

**Indirect costs.** A potential indirect cost can emerge when balancing the demands of companies Starbucks and Soap Ministry, when collaborating in the soap-making initiative. As much as both companies have a shared, vested interest in giving back to the community, they are starkly different in terms of their industry background and values. As such, there is a need to ensure that both companies benefit equitably from the collaboration. Having one company outshine the other when both could be awarded adequate recognition may strain ties between the two companies. This can potentially result in an unsuccessful employee engagement and sustainability venture. This can be properly addressed when both companies align their goals, capitalising on their common interest in giving back to the community regardless of company

status. As such, this indirect cost may also be negated when both companies come together to evaluate their goals in making a noble contribution to charities.

### **Benefits**

Several benefits that can come about from the organisation of the campaign, such as educating the employees during the workshops, have been mentioned earlier in the proposal. Summarily however, there are two key benefits in engaging in this proposed solution to employee engagement and sustainability.

Firstly, Starbucks will become a pioneer in recycling coffee grounds, enhancing its brand image as more than just a coffee company. The move to collaborate with local Singaporean companies championing natural organic products made with coffee grounds will classify Starbucks as a visionary and resourceful company. As a result, Starbucks will be seen as a company that has sought to take the initiative to maximise the potential of waste at all levels of management. It will be recognised for making efficient use of its already organic and agricultural coffee bean product. Ideally, capitalising on this first-mover advantage opportunity in Singapore will enhance Starbucks's brand name, allowing it to garner opportunities to partner with several other companies with shared goals in the future. This will provide the company with a constant stream of new and varied set employee engagement activities to sustain its future in employee engagement.

Secondly, despite the several costs addressed in the section before, Starbucks will emerge a truly profitable company from the organisation of this campaign, thereby constituting the second benefit to this initiative. On first glance, the soap-making workshop initiative appears to only serve as a charitable gesture with proceeds going towards a charity of the Starbucks' customers' choice. However, as these gestures and processes of employee engagement become documented via Starbucks's social media platforms, Starbucks will be garnering attention from organisations and consumers alike. This can potentially increase awareness of Starbucks' initiative, creating a wider appreciation for its efforts and widen its consumer base. With consumers identifying and pledging allegiance to the Starbucks brand name, this would translate to an increase in sales, greater revenue and potentially, greater profits. Thus, this would negate the direct costs mentioned in the Costs section.

### **Resistance to Proposal**

ABEX Consulting understands that the presence of several concerns may cause this project to acquire the status of being unfavourable. The nature and scale of this campaign may

cause some hesitance, but we at ABEX Consulting would like to assure you that these concerns will be put to rest.

A first concern is that some employees may object to being engaged and involved in this sustainability campaign, as they lack the ability to recognize the rationale and nobility behind this project. According to Tan (2015), Singaporeans are more fixated on the convenience and direct personal benefits that come with engaging in such programmes, rather than the benefits brought to the environment. As a result, they may not actively participate in this venture, negating the aim of increasing employee engagement. This thus makes solution no longer worth the cost. However, consider the notion that Starbucks is a strong advocate of sustainability practices and development, and Starbucks employees would be doubly involved in pioneering various sustainable movements by default. With that, a solution to redirect employees' attention and concern towards sustainability would be to place motivational posters around the company containing subliminal messages on how the environment may potentially affect their loved ones. This is a viable solution to encourage employees to get involved in more sustainability ventures, for this helps them establish the link between the environment and their livelihood.

A second concern involves the fact that employees may feel that they are being tasked to do additional chores or jobs beyond their originally agreed upon job scope, thereby causing them to carry out their jobs in a passive-aggressive manner. These emotions may be inevitably directed to Starbucks' customers, creating an environment whereby customers become displeased and angered how they are being treated. According to Heskett, et al. (2008), employee's satisfaction in their job scope or environment can affect how they treat customers, which would in-turn affect the company's revenue. As such, a solution to overcome the resistance to this aspect would be to be transparent in the declaration of the company's revenue following the execution of Operation Coffee Grounds. While charitable in nature, the project can potentially bring about greater revenue, translating to greater higher-end bonuses to the employees. When these incentives are highlighted, along with the emphasis on a mutually beneficial relationship between Starbucks and its employees, Starbucks can create a win-win situation. Employees will now stay more engaged towards the cause for sustainability as they are aware of the potential monetary benefits they may receive when these incentives are highlighted to them.

### **Conclusion**

The concept of sustainability is extremely important in ensuring the survival of our planet, and eventually, humanity. In incorporating the solutions highlighted in this proposal to help

ensure sustainability, a difference can be made to the environment and planet, and it can benefit Starbucks Corporation as a whole. Starbucks has always been known for pioneering sustainable solutions and has integrated many sustainable changes such as greener stores and cups (Starbucks, 2018). It is essential that Starbucks steps up its efforts to enact more creative and viable solutions that play into the day-to-day operations of the organization. These solutions that would help in properly engaging employees in making a concerted effort to contribute to sustainability. In addition to understanding the environmental issues that Starbucks may have contributed to in the past with regard to waste coffee grounds, its employees can now help to enhance the reputation of Starbucks as an organization that cares for the environment. The Operation Coffee Grounds project, while predominantly charitable in nature, may essentially serve as another way to bring in further profit and sales for the company in the future, allowing for sustainability to serve as a way to directly benefit the organization.

In conclusion, we hope that our recommendations will meet your needs and be considered. If possible, we hope that this plan will be approved by December 12, so that further planning and strategizing for implementation in June 2019 will begin.

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## Appendix

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**Fig. 1. Proposed Timeline/ Task Schedule**

The timeframe will be broken down into 4 parts, Spring (March - May), Summer (June - August), Autumn (September to November) and, Winter (December - February).

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user engagement - make them feel good, (chain effect) - express idea

employee satisfaction - customer satisfaction - loyalty -  
(service profit chain)

different people have different strengths in different areas

general, over holistic statement (rationale, bullet points)

Professor's Outline for Us

Operations Management → Engage in Sustainability → Focus on Coffee BARISTAS → Coffee waste/ beans/ grounds Recycling → Make PRODUCTS → Collaborate with companies (how we decide on companies to choose? we have any criteria? e.g. we work with anyone like soap company, cosmetics company as long as they use, market themselves as natural products company cos coffee is natural plant product and we want ours and their company goals to align) → how are employees engaged

**NOTE: PARTNERSHIP does not equal to COLLABORATION, Refer to comments yeah.**

Employees = partners aka BARISTAS etc.

## Skeleton - Recycling Coffee Grounds

- Explain solution
- Rationale of the solution
- How does solution benefit environment, individual and organisation? Give evidence
- Explain how gets employees engaged for the solution

### 1. Collecting Coffee Grounds

- **Employees/Partners** collect coffee grounds from day to day operations in Starbucks.
  - **Some of these coffee grounds may be** distributed to the public using bags (use paper bags that are reusable with Starbucks goals printed on it) - ***will Starbucks have to specially manufacture bags with its goals/ aims printed on it? does this incur cost?***
    - through these informative coffee ground collection bags, Starbucks is highlighting benefits to public, creating awareness -
    - ***Rationale - benefit, potentially increase consumer base, wider reach, gain support from consumers, gain support from other organisations, brand awareness as we becoming pioneer, people identify with SBUX's efforts.***
    - These **benefits outweigh the potential cost** of printing bags with goals/aims of sustainability.

## 2. Sustainability Competition

- Host sustainability competition - ***how much cost will this incur? who is overseeing this?***
  - *Organised and supervised by Starbucks' sustainability/environmental conservation department.*
  - *Partners come up with product ideas, Starbucks' upper management/R&D department will evaluate and judge the best idea. A list of potential coffee ground uses (gathered from a cited source) will be used as a way to judge creativity of idea. (e.g. the idea that deviates from or applied using the list in the most creative manner).*
  - **EMPLOYEE ENGAGEMENT OPPORTUNITY**
    - ***Perhaps a cut of the profit of the eventual sale of products will be given to them as a way to engage employees to participate?***
  - *Result of Most Creative Idea will be released after a submission, judging and evaluation process.*

## 3. Collaboration with other Companies

**Finding an opportunity to collab with other companies (e.g. Body Shop),**

- After the idea is chosen, the process of collaborating with other brands begins. This includes looking for a suitable brand (**of preferably equal stature of Starbucks**) that would help to produce these products in a commercialized manner.
- **Rationale**
  - As Starbucks alone is unable to produce these products, it requires a suitable partnering company to help mass produce the products in collaboration in order to commercialize them
  - **EMPLOYEE ENGAGEMENT OPPORTUNITY**
    - contribute to designing packaging of products e.g. soap, cosmetic products
- **Benefits**
  - **1. STARBUCKS** as employees contributing to making more than just coffee, contributing to environmental sustainability and this is a noble cause
  - **2. BODY SHOP** as its collaborating with big company, natural products (coffee bean), must come up with **COST-BENEFIT for this**

## 4. Development and Release of Product

- At this stage, the product will be developed and released by both Starbucks and the partnering company.
- The partnering company will be able to use Starbucks' name and brand in marketing these products - serving as a collaboration between the two brands.
  - **Benefits of Commercialising**

- This helps in brand exposure, public awareness of starbucks' cause, improving their reputation, bring profit to the company
- **Both the partnering company and Starbucks will split the profit, allowing for this to directly benefit both companies financially.**
- **Why is our project awesome as 1. Profit, 2. Exposure, 3. Helps environment (brand awareness put where and exposure = trying out new things?)**
- Why would BODY SHOP want to partner us?
  - **Starbucks' stature of a coffee company**
    - **Working with a company like Starbucks can enhance sales of these products due to their reputation**
    - **Mutual brand exposure increase due to being associated with the Starbucks brand**
- **Products will be sold in the partnering company's physical shop e.g. Body Shop as well as online on Starbucks' website** - this helps in promoting their products on both brands' domains while reducing the threat on overshadowing the company's own products in the store.

## Skeleton - Basic Paper Structure

- Introduction
  - define what is wrong with environment today
    - Statistics to back this up, perhaps talk about the coffee land and how Starbucks' operations and coffee grounds has caused this issue
  - Establish that there is the need for sustainability
    - for sake of humanity, must save the earth as environment going through a lot
  - Give an intro main context and background of Starbucks Coffee Singapore
    - Starbucks Coffee Singapore original contributions, what have they already done for environment
    - include statistics
    - compare to other companies, what have others done for sustainability
  - emphasise that employees = partners in Starbucks context
  - overview of sections (abstract-like). Just basically summarize the format of our paper.
- Body
  - Follow the following order when explaining solutions (refer to skeleton part 2 on top)
    1. **Explain solution**
    2. **Rationale of the solution**
    3. **How does solution benefit environment, individual and organisation? Give evidence**

#### 4. Explain how gets employees engaged for the solution

- Qualifications & Experiences
    - ...
  - Costs
    - Cost-benefit (check how to present this proper) - add Professor into docs
  - Task Schedule
    - put this in Appendix, always cite as **(refer to Appendix 1)**, "details of how we will carry this out is listed in Appendix A/ Appendix 1"
  - Resistance to Proposal
    - Summarise potential issue
    - How do these issues arise?
    - Why is project **so good** that costs don't matter and shouldn't resist?
    - suggestions on how to counter costs to prevent resistance to proposal
    - "however, we believe that incentives will encourage & interest you in accepting this & contributing to sustainability"
    - worth exploring into this area
    - solution to help your own business
    - Ehhhhhhhhh Sujita, this one I speak to Prof alr, haha this **1 need more academic stuff**, not just on why cost don't matter and explain the situation :X. So i writing about other stuff ← **okay. Resistance to proposal actually need acad. stuff and Yong Fang helping us with it. :) Ignore the points was stated here.**
- <https://www.acs.org/content/acs/en/pressroom/newsreleases/2012/august/new-biorefinery-finds-treasure-in-starbucks-spent-coffee-grounds-and-stale-bakery-goods.html>
- 5000 tons of coffee grounds.

#### Introduction - new rough version (TBC)

Starbucks Corporation

- coffee company and coffeehouse chain founded in 1971 (Starbucks, 2018)
- "premier roaster, marketer and retailer of specialty coffee", now operating in over 28,000 locations in 76 markets worldwide (Starbucks, 2018)
- sells products including handcrafted coffee and tea beverages, pastries and non-food merchandises (Starbucks, 2018)

## STARBUCKS: EMPLOYEE ENGAGEMENT AND SUSTAINABILITY

- Starbucks Coffee Singapore Pte. Ltd. is one of the many subsidiaries of Starbucks Corporation, operating in Singapore since 1996 (Starbucks, 2018)

- prides itself in two key areas namely contributing to its unique culture of employee engagement, and pioneering environmentally sustainable solutions

- Employee Engagement

- unique culture of employee engagement where Starbucks' employees are addressed as "partners" within the organisation as opposed to the term "employees" due to their "foundational belief in shared success" (HR in Asia, 2017)

- some employee engagement strategies include sponsoring critical illness insurance plans for 10000 parents of employees in China and awarding full tuition reimbursement as part of the Starbucks College Achievement Plan for student employees

### Environmental Sustainability

- pioneered numerous sustainable solutions such as working to bring about greener stores from design to construction and operations, greener cups through recycling efforts and promoting reusable cups and greener energy.

- with global consumption of coffee on the rise, peaking at 157.38 million 60kg bags of coffee in the years 2016 to 2017 (Statista, 2018)

- Starbucks has pledged to "make coffee the world's sustainable agricultural product" to ensure that there is a continuous supply of coffee beans to sustain this 20 billion dollar industry (Feng, 2017)

- established the Sustainable Coffee Challenge, a four-pronged approach that primarily involves the efforts of Starbucks' farmers to produce sustainable coffee

### Problem - The Wasted Coffee Grounds

- Starbucks paid consistent attention to producing sustainable coffee through its farmers at the coffee plantations, overlooked possibility of saving coffee at other levels of management such as the operations management and thereby involving these operations-levelled employees such as the baristas

- most of the times, baristas involved in brewing coffee contribute to the production of coffee grounds or the remnants left behind from brewing coffee

- these coffee grounds contribute to waste



- UK alone produces 500000 tonnes of wasted coffee grounds annually that are dumped in the landfills, contributing to the release of 500000 tonnes of methane gas
- this has contributed to climate change where heavy rains and droughts have started to affect the tropical regions where coffee is grown
- should this continue, by 2100, more than 50 percent of land used to grow coffee will become non-arable, reducing the supply of coffee when demand is in fact rising
- hence, propose that engages in the recycling of coffee grounds as environmental sustainable and engages employees

### **Starbucks Sustainability Programme**

Starbucks has yet to establish a proficient system towards the issue of sustainability despite their goal to set new targets for their contributions towards the environment. In 2013, Starbucks aimed to encourage their customers to purchase their personal tumblers on sale to help reduce the number of paper cups used in their daily operations. They set a target of 5% of all beverages to be sold in personal tumblers (Lubin, 2014). However, in 2015, Starbucks only managed to sell 1.8% of all beverages in personal tumblers (Lubin, 2014), thus failing to meet their target. Therefore, in order to encourage their partners to contribute to sustainability, Starbucks may introduce different activities, competitions or events involving stores that are located in different districts in Singapore.

Starbucks have set up localized franchises all around the world that contributes greatly to the coffee industry. Over the past few decades, the issue on sustaining coffee grounds has become a massive problem when trying to keep up with coffee demand as the industry grows. When coffee grounds are being collected as normal waste and dumped in landfills, it inevitably produces methane gas, which can be harmful to the environment (Crumbly, 2009). This highlights the importance of recycling coffee grounds, and we propose a few measures to recycle coffee grounds while ensuring that our partners are engaged while doing so. Grounds for your Garden

In the United States in 1995, Starbucks introduced a program, 'Grounds for your Garden' to allow customers to collect a free bag of used coffee grounds. These used coffee grounds can be used for gardening purposes. As the coffee grounds contain high level of nitrogen, it helps to get rid of weeds which helps their garden to flourish (Crumbly, 2009). However, the program failed to attain success due to the public not being aware of it (The Starbucks Newsroom, 2015). In order to further engage the partners and customers, Starbucks may reintroduce the program by getting all of their stores to set up a stand. This stand allows for used coffee grounds to be

packed into a paper bag for customers to take freely for their own use. Partners may help to design these biodegradable paper bags to make it more appealing to customers. This allows customers to pick the design of the bags that they like the best. These designs on the paper bags can also include instructions or guide on using the coffee grounds or even positive messages, allowing for endless possibilities. The designing of paper bags allows partners to express their creativity - similar to how the promotional menu board for the store is designed by them. By encouraging creativity, partners will be more confident to share their ideas freely and take an active role in company's growth, allowing Starbucks to reach greater heights.

### **Body**

#### **#StarbucksxSustainability**

An internal Facebook group exists where partners of Starbucks stores in Singapore actively post pictures that feature their own latte art and/or coffee tasting sessions. To promote and encourage sustainability, partners will be encouraged to post any creative ideas that they have came up with regards to reusing coffee grounds using the hashtag #StarbucksxSustainability. Not only does this help with sustainability, it also allows them to further strengthen the bonds between partners, store partners are encouraged to find creative ways where they can collect used coffee grounds to create products that can also be beneficial to the operations of Starbucks. A list of products that partners can consider creating will be given to them for them to express their ideas freely. It can include items that can be used to repel insects, neutralize odors in hidden areas, clean, and repair furniture that have scratches on them (McDonell, 2018). Furthermore, they will be given a list of websites that can be used as resources to conceptualize and formulate their own products. With the extensive list of uses for coffee grounds, partners can make use of their creativity to recycle coffee grounds in making a product. Every month, Starbucks can review some of the designs and comment on their efforts. For the first year, Starbucks can use coffee grounds to encourage sustainability. Subsequently, they can change it to other things such as cups.

#### **District's Exclusive Eco-Cup**

Every Christmas, Starbucks will give out a special edition Christmas reusable cup to every gold member with any purchase. The designs are different each year, ensuring its exclusivity. These Christmas reusable cups have received an overwhelming response every year. To encourage sustainability, Starbucks may come out with a few designs that are exclusively designed by each district. These cups will be named Eco-Cup to highlight these cups' contributions to sustainability and the environment. Partners in each district will be able to

brainstorm and come out with the best design for the their district. In addition, they will have to come out with a name for each cup, giving it a sense of individuality. The cups will then be sold at a much more affordable price compared to Starbucks' tumblers with any beverage purchase. This allows Starbucks stores in each district to sell their own unique district design while promoting the cause of sustainability. The district with the highest sale of eco-cups would receive an additional sum of money for their store outing, encouraging partners to partake in designing and selling the cups. **By doing this, it will allow Starbucks to maintain the image of them being eco-friendly. It can also help to reduce the wastage of cups being disposed**

### Store's Sustainability Poster

Additionally, partners at Starbucks may also create posters of sustainability efforts that can be put up at individual stores. These posters are used to help set sustainability goals which will be reviewed monthly. Partners may come together to brainstorm ideas with regards to sustainability, such as setting up a recycle bin to collect disposable cups, encouraging partners to use their own mugs or even designing their aprons to promote sustainability to their customers. This serves as a way to engage our partners in contributing to the cause of sustainability. Starbucks' partners can then make use of their ideas in designing their very own sustainability posters and putting them up at their stores. Managers in each store may also personally reward their partners if they have managed to reach the target that they set by giving partners' exclusive merchandise such as lanyards. The partners that performs the best will be in consideration for "Partner of the Quarter" Award. This sense of competition engages partners to take part and contribute to the cause of sustainability.

**Embrace diverse and collaborative culture. When different people from different walks of life comes to brainstorm together, it creates an ideal business culture.**

### **Consultant Credentials**

Starbucks has the ability to make a change as they are hugely involved in the coffee industry. Firstly, their store's partners are able to directly collect used coffee beans after their baristas have finished producing their customer's coffee. Secondly, Starbucks is one of Singaporeans top-of-mind brand when it comes to coffee, as a result by pioneering coffee sustainability activities and projects it can help to solidify their leader's position in the coffee industry. Last but not least, Starbucks would also be impacted if there are issues with coffee sustainability, which could, in turn, affect the salary of the partners, thus Starbucks' partners may be motivated to tackle this issue. ABEX consulting company is no stranger in helping companies become more environmentally friendly. Being one of the main leading consulting

companies in helping companies build environmentally friendly programmes, ABEX has rich experiences and ideas to offer Starbucks. ABEX also have good network contacts with MEWR (Ministry of Environment and Water Resources) and the statutory boards NEA (National Environment Agency) and PUB (Public Utilities Board). Having good connections with environmental government organizations, ABEX is able to provide Starbucks with opportunities to collaborate with them or even include Starbucks in incoming environmental projects should the opportunity arise.

### **Cost- Benefit Analysis**

#### Costs (Rough work - Sujita)

A potential cost would involve the fact that the Starbucks Coffee Singapore would have to gather the several resources such as paper bags involved in the Grounds for Your Garden initiative. This could add on to additional costs considering the fact that customers will be receiving the coffee grounds for free. With reference to Starbucks Sustainability, Starbucks Coffee Singapore may face problems in coming to a consensus on how to determine if an idea for sustainability is truly creative considering the fact that there are several unique ideas already present with regard to reusing coffee. One other cost would be the fact that Starbucks has to incorporate this plan into an existing plan they may have already had for the upcoming year. Additionally, Starbucks Coffee Singapore has to consider how to properly disseminate the roles to their employees or otherwise, partners. Only then, can they measure the rate of employee engagement.

#### Benefits (Rough work- Sujita)

On benefit to carrying out this project is the fact that Starbucks would become a pioneer in promoting and encouraging the use of coffee grounds. This would potentially enhance their brand name, contributing to their status of becoming a truly sustainable company. One other benefit would be the fact that Starbucks is strategically involving its customers in the process of committing to environmental sustainability. This form of community involvement can potentially expand the consumer base of Starbucks, attracting a greater number of customers who identify with Starbucks Coffee Singapore's goal of becoming engaging in sustainable coffee production.

#### Resistance to Proposal

Some employees may object to being involved with sustainability as they cannot understand the purpose behind it. According to Tan (2015), Singaporeans are more fixated on the convenience and not into sustainability and environment efforts. In addition, Starbucks has strong ambitions towards sustainability practices and development, as a result Starbucks

employees are expected to be involved with sustainability. One of the way we are going to encourage them would be to let them understand how the environment may affect their loved ones by placing posters with subliminal messages that would motivate them.

Secondly, employees may feel that they are being tasked to do jobs beyond their originally agreed job scope. This may cause them to be passively involved in the projects. They may even project passive aggressive emotions towards the customers and might cause the customers to be displeased or even instilling anger. According to (Heskett, et al., 2008), employee's satisfaction in their job scope or environment can affect how they treat customers, which would in-turn affect the company's revenue. One way we are going to overcome their objection would be to highlight the possible revenue it might bring to the company, which may translate into more year-end bonuses for them. We are going to motivate them through emphasizing on a mutually beneficial relationship, creating a win-win situation.

### **Conclusion**

The concept of sustainability is extremely important in ensuring the survival of our planet, and eventually, humanity. By making use of these solutions to help ensure sustainability, it will make a difference to the environment and planet, as well as benefit the organization as a whole. Starbucks has always been known for pioneering sustainable solutions and integrated many sustainable changes to the different aspects such as greener stores and cups (Starbucks, 2018). It is essential that the organization steps up its efforts and enact more creative and viable solutions that play into the day-to-day operations of the organization. These solutions would help in properly engaging employees in making a sustained effort to contribute to sustainability, give them a better understanding of the environmental issues that our operations may have contributed to, and increase the reputation of Starbucks as an organization that cares for the environment. The StarbucksXSustainability project may also serve as another way to bring in further profit and sales for the company, allowing for sustainability to serve as a way to directly benefit the organization.

In conclusion, we hope that our recommendations will meet your needs and be considered. If possible, we hope that this plan will be approved by December 12, so that further planning and strategizing for the June 2019 implementation will begin.

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