

April/May/June 1995

TO: Executive Addressed

FR: James E. Lukaszewski, APR, Fellow PRSA Chairman

RE: Avoiding the Starbucks Problem

Starbucks, the national up-scale boutique coffee company, is being successfully humiliated by a single angry, aggressive, and highly active customer. What's unusual about the situation is how quickly this individual managed to achieve a very high profile all across the U.S. How can you keep your organization from suffering the same fate? Here are some ideas:

1. *Make promises you can keep.* Starbucks' "exceptional quality guaranteed" motto is not sufficiently definitive and is a threat to its survival. Federal Express' motto, "absolutely, positively overnight" is a nearly perfect business goal. Employees, supervisors, customers, and vendors can all accurately define what it means, by themselves and without interpretation. Clearly, Starbucks' angry customer defines "exceptional quality guaranteed" in a very different way from the company and its chairman.
2. *Act conclusively from the start.* Once you recognize the threat, your decision-making should focus on quickly resolving and eliminating the fundamental issue or problem. Avoid denial, delay, stalling, and refusal to act. Without an approach that addresses a problem directly, positively, and promptly during the first minutes or hours, the initiative is lost (and rarely regained). PepsiCola's handling of the syringe hoax is an example of aggressively preserving a brand by acting effectively immediately.
3. *Set communication priorities that help manage all the exposure.* As Dr. Stephen Covey says, "Put first things first and begin with the end in mind" -- very solid advice for crisis managers. Your communication priorities must be:
 - o First: Those most direct affected (victims) -- resolve the fundamental problem.
 - o Second: Employees -- keep them in the loop.
 - o Third: Those indirectly affected (customers, neighbors, regulators) -- they just want to know that you know something is happening and that you're doing something about it.
 - o Fourth: The news media and other external channels of communication -- talk about how you are resolving the issue.
4. *Do what your mom taught you.*
 - o Meet face-to-face. Surrogates can't overcome direct attacks.
 - o Be nice. Wage peace. Strong language shows arrogance, conceit, indifference, and defensiveness.
 - o Avoid testosterosis. Keep your temper, emotions, and need for victory in check. The precedent you're so fearful of setting will be set for you if you fall victim to this common executive disease.

- Be compassionate and sensitive. Be willing to listen, act upon what you hear, and pay the price quickly. The earliest check is the smallest check. The longer you wait, the more it costs to buy back your reputation -- if it's even possible to do so.
5. *Sometimes, they're simply determined to get you and aren't immediately stoppable.* Still over the long run, a pattern of conclusive, positive, unassailable behavior will overcome incredible, outlandish, and obviously irresponsible demands. America does want the good guys to win.

* These concepts are explained more fully in the monograph, *Communications Standards: The Principles and Protocols for Standard-setting Individual and Corporate Communications*. Call for a free brochure or send \$20 per copy plus \$4 for shipping and handling to The Lukaszewski Group Inc., Ten Bank Street, White Plains, New York 10606-1933, (914) 681-0000.

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