

INTRODUCTION

We each face, goodness knows, challenges every day. Some of them are life changing. Some are even life threatening. Most of the challenges we face every day, though, are mundane little things. Get to work. Do our job. Don't mess up. Maybe do something awesome. Hopefully do it better today than yesterday. Get home and deal with whatever drama and joy await us there.

For most of us it doesn't happen often, but, occasionally, overwhelmingly, challenges collide and magnify. They explode. That's what happened to Karen Gaudet and her colleagues at the Starbucks store in the small New England community of Newtown, Connecticut, on December 14, 2012.

Karen had been a devoted Starbucks regional director since 2002. She loved the company, her team, her customers—she loved her job. She had come to love her job even more in the months leading up to the tragic Sandy Hook Elementary School shooting in Newtown on that December day, as she and her team had learned a set of work and management practices that Starbucks called “Playbook.” With Playbook, Karen and the teams at the more than 100 stores she managed were learning to serve customers better, more fluidly, with less sweat, fewer mistakes, less drama, all while having more fun and being more deeply engaged in their work.

With over 87,000 different combinations of espresso beverages that a customer may order, being a barista in a Starbucks store was never easy, physically or mentally. But the way employees were originally trained made it more difficult than it needed to be. When Playbook came along, Karen quickly saw it as a means of elevating the work from just getting by to joyfully providing better service for

every customer. Even with the ebbs and flows of customer demand shifting throughout each day, Karen and her teams learned how to work steadily through it all. Little did Karen know that steady work would make it possible for her and her team to survive the worst week at work any of them would ever have.

Karen will tell you all about that. And she'll share some practical details about how Playbook made steady work possible for her and her team. But let's back up a bit. How did this Playbook come about? What was Starbucks trying to achieve and why?

Many of Starbucks' successes and a few of its failures are widely known. But just as each store has a back room, each success or failure has a backstory. In 2009, Starbucks was in the middle of a transformative crisis, experiencing severe declining same-store sales in the face of the Great Recession. One of us, Scott, was vice president of global strategy for the executive team of CEO Howard Schultz at the time. Consulting with John, Scott turned the attention of the company to operation of the stores themselves, where value is ultimately created: one store, one customer, and one cup at a time.

As with many companies, the prevailing inclination was to create a centrally developed set of best practices that could be rolled out fast. Instead, the company embraced a new approach leveraging learnings acquired through experiments in lean thinking and practice in a handful of stores.

Starbucks wanted customers to know they could expect the same outstanding customer experience at any Starbucks store (over 7,000 US stores at the time), but they didn't want stores to be cookie-cutter replicas of each other. Every store should be a reflection of the community it served—in design and operations. That thinking, aligned with the team designing stores, resulted in different equipment and layouts. And there were additional differences at each store in terms of basic business fundamentals

such as customer demand patterns, product mix, and even the community environment. These patterns not only varied store to store but also were wildly different throughout the day at a single store.

As a result of all the variation, the executive team was convinced that a single solution mandated top-down from corporate could never achieve the outcome they desired. Additionally, Scott and the team wanted store managers and local leadership to have ownership of their business and delivery of improvements. At the same time, Starbucks was understandably concerned that a simplistic empowerment model—telling people to do as they wanted as long as they hit their numbers—however appealing on the surface, would result in unacceptable variability in customer experiences. How could Starbucks, with so many stores that were so different, solve this conundrum? It was clear that a better work system was needed, but how to establish it while avoiding the traps of a top-down, cookie-cutter approach or a traditional empowerment model?

Through experimentation, the team discovered there were some powerful, learnable problem-solving capabilities that would enable local managers to adapt each store's operating system to its local situation, while also enabling responsibility for ongoing improvement. This required development of capability at all levels to solve problems, based on alignment to a core purpose (higher customer value, lower waste, and improved employee experience) and some basic work and leadership principles (e.g., plan-do-check-adjust, leader as coach, pull-based authority, value of routines, and the value of asking *why*, not *who*).

Armed with this capability, managers could take personal ownership to tailor the work system to his or her unique store environment of layout, customer demand, and unique problems. This was Playbook.

Playbook was a new approach for Starbucks—to work and to staffing, as well as to the manager’s role in designing, managing, and improving this complete work system. For more than a decade, Starbucks had used the approach to staffing and work assignments that is standard in the food and retail industries: a blunt, top-down labor model, totally out of the hands of store managers, which provided staffing levels by 15-minute intervals along with some high-level role assignment for each team member. But the experiments in trial stores revealed that it was possible to improve financial measures while directly enhancing each customer’s experience (beverage quality, speed of delivery, friendliness of staff). These improvements were enabled by deeply engaging the store teams through building their problem-solving capability.

Playbook provided the basic building blocks for managers to refine and choreograph these elements in what was essentially a big Tetris board for their specific customer demand patterns (drink mix and transaction levels). This not only allowed store managers to create their own work system but also provided a deep understanding of how to schedule staff to meet their unique customer profile. With this deeper understanding of the nuances of work methods and a system to improve it, store managers could improve their financial, customer, and employee performance. Neither top-down mandate nor bottom-up empowerment, the path Starbucks chose was something decidedly in between.

As Karen describes in these pages, Playbook was a truly empowering methodology that was owned by each employee who was touched by it. It wasn’t a competitive strategy separate from daily operations tactics—it was an integrated strategy that fostered problem solving at every level of the company. The work and management transformation in Starbucks’ stores had several important phases, each designed to introduce additional layers of

learning, from teaching some basic practices to a structured process to engage and develop leaders such as Karen.

This book is Karen's story. It's a story that is both deeply emotional and imminently practical. It's the story of one leader's unique experience of learning and then leading others through the same learning experience. And it's the story of a leader helping teams develop steady work to help them get through normal days just a little bit better and help make the worst day ever at work just a little bit bearable. Who wouldn't want steady work like that?

Scott Heydon, Mercer Island, Seattle, Washington

John Shook, Central Square, Cambridge, Massachusetts

September 2019