Phase 1 Individual Project: Planning

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**Creation**

Caribou Coffee is a coffeehouse operator in the United States. The company was created in 1992, and this means it has operated for about three decades now (The Wall Street, (n.d.). The company owns many local and international licenses, and this gives it a competitive advantage over its rivals.

**Industry**

Caribou Coffee operates in the coffee shop industry in the US, which encompasses about 20,000 stores with pooled yearly revenue of $11 billion. The major players in this industry include Tea Leaf, Coffee Bean, Caribou, Dunkin’ Donuts, and Starbucks. This industry is exciting because it is highly condensed at the top and disjoined at the bottom: The top fifty firms have over seventy percent of the total sales in the industry (MarketLine, 2012). Coffee is among the largest commodity in the world, and it is loved by many. The man producers of coffee include Vietnam, Columbia, and Brazil. In most cases, the growers of the coffee are developing nations who rely on the commodity for the development of their economy. The most significant consumer and exporter of the coffee are the US. However, its ecological conditions do not support the growth of coffee except for Puerto Rico and Hawaii. The most committed and typical coffee drinkers are aged 25-42 years, educated, and affluent adults (Al-Ali & Al-Saadi, 2013). The baby boomers have contributed to the success of the coffee shops. Nevertheless, coffee attracts differentiated adult populations, including young adults and college students. The giant firms may likewise sell the coffee beans in wholesale prices to commercial consumers like the restaurants and grocery stores. In general, this industry is stable, settled, and saturated, which enables most of the rivals to yield good revenues. Also, the competition for premium locations and new customers is intense.

**Location**

The headquarters of Caribou Coffee in Minneapolis, Minnesota; however, the company has established its business in multiple locations in different states within the US. Additionally, it has some international presence since it has been able to develop its business in about 11 different countries. Therefore, the company has an excellent local and global presence, which gives it an edge over its rivals who only operate in the US.

**General Corporate Structure**

The general corporate structure employed by Caribou Coffee to all its syndicates is the simple organizational structure. This structure has a hierarchy that entails the top executives who allocate power down the corporate ladder. The company has established procedures and policies that ensure that the operations are run effectively at different levels. This structure is useful because all the activities and operations are managed through a direct line of power. This structure makes the company slow when it comes to reacting to external changes since the information must go through the whole chain of command, and the guidelines must travel back down (Khan & Uddin, 2011). This organization is likewise associated with low centralized authority, broad widths of control, limited work specialization, and centralized authority limited divisions. The type of structure used in this organization is suitable because of the nature of the business. The coffee stores, which are the significant syndicates, do not require a sophisticated department for them to remain effective. Even though the simple organizational structure has been used in most of the coffee shops in Caribou Coffee, the company has been adopting other forms of corporate structure to enhance the management of the business while reducing the workload on the organizational leadership. Therefore, the business has adopted the functional organizational structure, and they believe it will enhance the operations of the company in the industry.

**Leadership**

In its headquarters, Caribou Coffee is headed by a John Butcher, who is the CEO and the President. Butcher has been a president in this company from 2017, and this is after he succeeded Sarah Spiegel, who left the organization for personal causes. The organization has a team of executives that is led by the CEO. These executives are in charge of making critical decisions that affect all the stores in and out of the US. From the executives, some managers are in charge of individual stores. The managers make most of the decisions at the managerial level even without consulting the executives. They work closely with the supervisors at the store in order to ensure that all the business operations are running as usual (Auerbach, 2010). The main decision is made by the managerial team at each store and depending on the management style used, and employees are involved in decision-making. For the international coffee shops, they are managed by an individual manager but are also affected by the decision made at the executive level in Minneapolis, Minnesota. The leadership approach embraced by this organization is practical, and it encourages the distribution of powers at different levels.

**Why This Company?**

Working in a coffee house was my first real job as a kid and I absolutely loved every second of it. The atmosphere, drinks and people made each day something to look forward to. While I am no longer in the coffee industry it still plays an important part in my day to day life and is something I will always be excited for. Most people are interested in Starbucks or Dunkin as they are some of the major players in the coffee industry. Caribou is gaining ground and I am interested in seeing how they continue to stack up against the other coffee giants.

**Conclusion**

In conclusion, Caribou Coffee is among the successful seller of coffee in the US and other parts of the world. Among the factor that has contributed to its success includes the business strategy, corporate structure, leadership, and others. The company has thrived in a competitive environment that is characterized by some giants like Starbucks.

References

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