

# Diversity / Careers in Engineering & Information Technology

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## Starbucks takes diversity (and coffee) worldwide

*This coffeehouse-deluxe has more than 10,000 stores in thirty-seven countries, serves 34 million customers a week and actively seeks a diverse supplier base*

Starbucks (Seattle, WA) began a formal supplier diversity program in 1998. The company immediately joined the Northwest Minority Business Council (NMBC), the regional affiliate of the NMSDC, and took a place on its board.

Formal supplier diversity training was provided for purchasing folks to be sure they understood the company's position. In fact, Starbucks collaborated with several other organizations to establish a model training program, which is shared with the regional business community.

In 2000, supplier diversity goals were set for the company's supply chain and coffee ops. And in 2004, Joe Coe came on as supplier diversity program manager.



At WBENC: Joe Coe and a diversity fair attendee.

Starbucks, Coe explains, is committed to ensuring that qualified diverse suppliers have equal access to the company. "We actively seek to identify diverse suppliers who can provide the quality, services and value necessary to achieve Starbucks goals, and who can meet our growth demands. We know that having a supplier diversity program is the right thing for our business."

The NMBC agrees, and has given Starbucks a service

award and, in 2003, its regional corporation of the year award.

### Diversity spend

Starbucks Corp has good claim to being the leading retailer, roaster and brand of specialty coffee in the world. In addition to its retail ops, the company sells packaged coffee, bottled coffee drinks and a line of super-premium ice cream through joint-venture partnerships. There are even CDs based on the music you hear at the stores. "It's all part of the Starbucks experience," Coe notes. Starbucks has more than 10,000 stores in thirty-seven countries and more than 100,000 employees worldwide. Some 34 million customers visit a Starbucks each week. "It just makes sense that with such a diverse workforce and customer base, we would benefit from a diverse supplier base," Coe says.

Starbucks' goal for fiscal 2005 was to spend \$140 million on purchases from diverse suppliers, and that goal has probably been exceeded. The yearly goal has steadily advanced from an initial \$38 million in 2000 to \$114 million in 2004, and now the projected 23 percent jump to \$140-plus.

### Working with Zones

One of Starbucks' most helpful and appreciated diverse suppliers is Zones, Inc (Auburn, WA). "They really work with us in partnership to make sure the relationship is win/win on both sides," Coe says. "We enjoy working with Zones and appreciate their dedication to our business."

The supplier even assigns a full-time person to Starbucks' Seattle HQ to make sure everything is running smoothly. "This way we're sure our business needs

and expectations are conveyed to Zones in a clear and timely fashion," says Coe. "The two-way communication is critical for success on both sides."

### Reselling technology

Zones, Inc was incorporated as a technology reseller in 1988, explains Sean Hobday, executive VP of sales for Zones' Corporate Solutions subsidiary. "Since then we've developed a robust system of providing IT hardware, software and services to customers from small businesses to global enterprises, as well as the public sector."

The products include a range of computers and servers; peripherals like printers, monitors, storage devices, projectors, scanners and digital cameras; a wide range of accessories and printing supplies; networking and network storage products; and packaged software and licensing programs. All Intel platforms, point of sales systems, Unix/Linux-based products and software are available, Hobday notes.

### Showcasing skills

Zones was in the very pleasant position of having Starbucks seek them out. It was April 2004, and "They were looking for qualified minority suppliers to handle their IT hardware and software fulfillment," Hobday recalls.

"The relationship with Starbucks has been an incredible growth experience for Zones and a great opportunity for us to showcase our skills within a large international organization," he adds.

Like Starbucks, Zones is now an active member of the NMBC. It received the council's 2005 supplier of the year award its first full year with the organization. It



Sitting down over a pleasant latte: Zones' Sean Hobday, left, and Firoz Lalji.

is also certified by the California Public Utilities Commission. Zones is one of only eighty-seven minority businesses out of 16,000 that has NMSDC's "Corporate Plus" certification. "It means that Zones is financially stable, has national reach, and has shown that we are capable of dealing with Fortune 500 clients," Hobday explains.

### Internal workings

Firoz Lalji, Zones' East Indian president, CEO and chair, is a 53 percent owner of the company. Sidrew Cabani started Zones in 1988 as a catalog company for Apple peripherals. Lalji was an initial investor and a driving force in taking the company public in 1996, Hobday explains.

Anwar Jiwani, Zones' CIO, is East Indian as well. Christina Corley is president of a recently acquired subsidiary, Corporate PC Source.

Zones Corporate Solutions is responsible for the company's Fortune 1000 clients, including Starbucks, of course. It manages Starbucks' supply chains for IT hardware and some software for its stores. That includes point of sale, the manager's computer system in the back and the printers.

"If you walk into a Starbucks and see something that plugs in but doesn't make coffee or keep things cold, it probably comes from us," Hobday says with a chuckle.

Starbucks is one of Zones' larger customers: "in our top 15 percent," Hobday says. Zones has some 800 employees. "We're very much a frugal culture, committed to excellence and providing value to our clients by lowering their total cost of IT procurement and making it easier for them."

