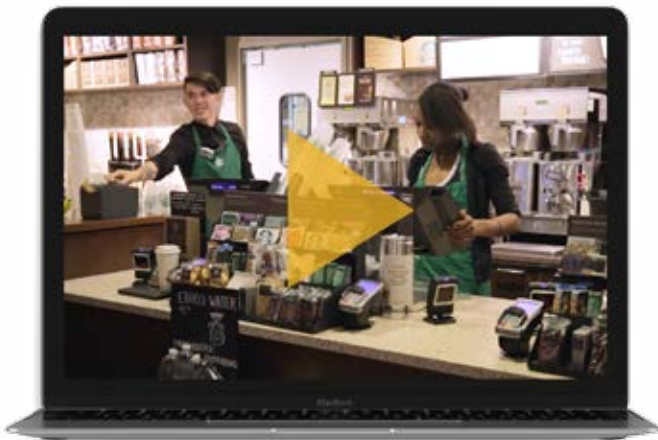# CASE STUDY: STARBUCKS CANADA
Brewing with Opportunities

The following case study draws on Starbucks Canada's (Starbucks) journey towards reaching its opportunity youth hiring goals and can act as a roadmap for your company to take the next step.

With an average of two new stores opening per day globally for the last 27 years, Starbucks Canada has become the largest coffee chain in the world. In Canada alone, Starbucks employs 14,000 store partners (full and part time employees).

Watch the Starbucks case study video!

Why Do Youth Matter to Starbucks?

Starbucks has long acknowledged Canada's youth not only as an untapped source of talent primed to make a significant economic impact, but also as a current and future customer base. Youth make up 73% of store partners, so it's no surprise that Starbucks has made providing work opportunities to youth part of its core mission and values.

What Starbucks Did

The food service industry has always seen high turnover rates and Starbucks is not immune to this issue. Demand for new store partners is constant, meaning Starbucks is dealing with recruitment, hiring, and onboarding processes on a continuous loop. With this constant stream of work opportunities, Starbucks recognized the potential to use this engine to provide employment opportunities to youth seeking work but who face social barriers to landing that first job.

In 2014, the company expanded the **Starbucks Work Placement Program** to Vancouver, Calgary, Toronto and Montreal providing over 100 opportunity youth each year with soft skills training, employability training and work placement experience. In 2015, Starbucks launched its opportunity youth hiring program with a public commitment that 10 per cent of its store hires in Toronto (150 store partners) would be given to opportunity youth, which was achieved within the first year. This was followed by an announcement to expand the 10 per cent commitment nationally, the first commitment of its kind among employers in Canada. Partnering with community employment agencies across the country, Starbucks is working to employ 3,500 opportunity youth in its stores over three years.

Starbucks' Challenge: Tracking the Development of Opportunity Youth

In 2017, Starbucks' recognized a new challenge: how do you track and measure the development and impact of opportunity youth in stores beyond anecdotal stories. Because it isn't just about giving youth a job, it's about whether they retain it and continue to grow within the company. In order to continue their longstanding commitment to Canada's youth, the company acknowledged the need for evidence and data

to be able to make improvements, share best practices, build a compelling businesses case and promote corporate success. Central to this was identifying the processes of community employment agencies in sourcing youth and the performance outcomes of youth and business pre- and post-hire.

The KPMG Spotlight: Mapping the Road Ahead

With the support of KPMG and its in-house data analytics project team, Lighthouse, Starbucks worked with Youth Employment Services (YES), one of its key community employment agencies, to determine common metrics, data collection methods and processes that would lead to a comprehensive tracking dashboard. The dashboard is designed to measure the success and impact of opportunity youth hires, while also allowing for two-way data sharing between the organizations. Ultimately the dashboard enables employers to obtain information to make informed, evidence-based business decisions regarding their current and future talent.

It was recommended that the dashboard would allow Starbucks and YES to access information such as:

Starbucks	YES
• Macro at-a-glance view of candidate performance across community employment agencies • Information about which agencies provide the biggest ROI in terms of employee retention • Success rate of recruiting efforts by agency • Acquire insight on the diversity of new hires • Store performance pre/post hire • Onboarding hours/training of opportunity youth	• Interview-to-hire ratio, measuring how many successfully placed youth • Length of youth's employment and progression tracking • Reason for turnover (voluntary vs. involuntary) • Acquire stats on income accessed through this placement

Two-way data collection and tracking also allows Starbucks and YES to gather essential information to better evaluate current success and pinpoint areas of improvement around recruitment, screening and selection, onboarding and retention.

The need for data collection goes beyond capturing hard data to simply prove and validate what's effective or working. Data empowers community employment agencies to better source talent for employers and present results for government funding. It also shapes stories of impact, communicating often intangible benefits on such areas as team morale, workplace culture, and the financial impact on a youth's life. These are the narratives that assist in creating leadership buy-in, but more importantly, they help prove the practical and social value of scaling similar programs that support opportunity youth.

DID YOU KNOW...

50% of staff at any given fast food restaurant will turnover each year, costing the whole industry about $3.4 billion in recruiting and training. Casual dining restaurants average a 44% turnover rate.

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Impact Management Process Map

Plan

- Define/refine outcomes and metrics and align this with how you will achieve results through your planning activities and operations. Define the targets, process timelines, roles and responsibilities for managing that process and align capacity to achieve them.

Manage

- Measure: Collect, manage and analyze data. Performance should be measured at regular frequencies throughout the timeline.
- Monitor: Regularly assess progress (actual performance against targets) to identify trends and make evidence-based decisions or corrections.
- Report: Develop reports and communicate results. Reports should be actual impact results against the plan and show how results have been achieved and lessons learned.

Evaluate

- Evaluate whether the right things are delivered in the right way to achieve positive results and continuous improvement. You should periodically evaluate the program's effectiveness and evaluate the impact management process itself.

CASE STUDY: STARBUCKS CANADA

Possible Data Set

Hypothesis	Possible Metrics
There is a robust pool of job-ready opportunity youth applicants	• #/%/ratio of applicants from each sourcing channel for entry-level positions • #/%/ratio shortlisted to interview from each sourcing channel for entry level positions
Changes have improved the success rate of opportunity youth	• #/% applicants • #/% telephone screening interviews • #/% departmental interviews • #/% job offers
Onboarding programs can successfully address specific opportunity youth challenges	• # of days for onboarding • # days, after an acceptance offer, before on-boarding begins • Onboarding program completion rates • % of new hire performance goals met
Retention is higher for opportunity youth employees	• Turnover rates of new youth hires compared to the organizational wide turnover rate • "Early/90 Day" turnover rate • % involuntary turnover related to poor performance

What to Consider When Collecting Data

Starbucks found the following helpful when collecting data to track and measure opportunity youth performance.

> Make sure to ask the right questions. Who is the audience/stakeholder(s) for the data? What to track and why? What do you hope the data will tell you and what decisions do you hope the data will inform?

> All stakeholders should be part of the design. This ensures aligned expectations and that everyone's data needs are being met.

> Integration with data. Both parties must be measuring the same things so they can leverage each other's data to build on their relationships and to improve performance.

> Encouraging placed opportunity youth to stay in touch with agency. Youth could be encouraged to maintain relationships with agencies to allow for a larger data set/tracking over time.

WHY SHARE DATA?

Improved data sharing and feedback can improve performance in:

- Selection of candidates
- Transition into role and productivity
- Improved retention
- Progression of youth in role
- It paves a path with valid proof points of what works and how, making scale a possibility for your work

Starbucks' Lessons for Success

Starbucks' journey to hiring more opportunity youth has been a deliberate, and rewarding one—proving two key realizations in the process:

Community employment agencies are key but largely work independently of one another. Starbucks knew they needed to leverage the strengths of agencies to tap into this young talent pool. But navigating a network of fragmented and smaller-scale agencies was complex and ineffective for employers. However, building relationships with specific agencies and putting the time into communicating specific employers' needs is integral to success.

System change is needed and system change requires tracking across partners. Consistent tracking, data collection, information sharing and evidence of success are all needed in order to build effective hiring processes with community employment agencies, and to demonstrate success to other employers in the hopes they will follow suit.

Starbucks' Advice

"The power of data and tying it back to business is the most effective way of influencing change, especially with senior leadership. For those companies who are looking to make opportunity youth an integral part of their workforce remember, nothing is more powerful than proof points. If you don't have them, look to other organizations who do to make your case."

– Ross Anderson, Head, Global Social Impact & Public Policy at Starbucks Canada

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