**Exercise:**

You will be shared a document titled Starbucks FY 22 Annual Report.

This exercise is intended to help you:

1. Extract the macro and industry factors that you believe may be critical to Starbucks. Briefly read Item 1A (found between pages 10 – 21) and attempt to identify the key issues that relate to the PESTEL framework for assessing macro level drivers and risks. You can note your findings briefly in the below table:

|  |  |  |
| --- | --- | --- |
|  | **Key Drivers** | **Key Risks** |
| **P**olitical Factors |  |  |
| **E**conomic Factors |  |  |
| **S**ocial Factors |  |  |
| **T**echnology Factors |  |  |
| **E**nvironmental Factors |  |  |
| **L**egal Factors |  |  |

1. Based on your reading, what do you believe are the capabilities and/or weakness that enhances (or weakens) Starbucks’s competitive advantages in its industry? You may also wish to read pages 6 – 9 which outlines the primary business lines and their strategies.

|  |  |
| --- | --- |
| **Relative Competencies** | **Relative Weaknesses** |
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1. How well do you believe Starbucks addresses the key drives and risks facing the industry? In your estimation, what score would you give them (out of 10, with 10 being the highest?)