

Starbucks: testing technology for the green apron

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A growth system with a store-level question

Starbucks entered 2024 with a broad reinvention agenda. Its November 2023 “Triple Shot” strategy named three priorities-elevate the brand, scale digital capabilities and expand globally-supported by two “pumps”: operating efficiency and partner culture. The company described technology as one part of the plan. Among other initiatives, it announced a first Green Apron Innovation store where it would experiment with Apple products and refine technology intended to help partners. The announcement gave no test design, rollout timetable, cost or results. [P2]

Quarterly results sharpened the operating question. Starbucks reported record Q1 fiscal 2024 revenue of \$9.4 billion, up 8% year over year. Global comparable-store sales increased 5%, with transactions up 3% and average ticket up 2%. In the U.S., comparable sales rose 5%, with a 4% increase in ticket and 1% increase in transactions. The company reported 34.3 million U.S. Rewards members active during the preceding 90 days, up 13%. These indicators describe sales and membership; they do not measure service quality or establish the reason customers returned. [P3]

The North America segment reported revenue of \$7.12 billion and operating margin of 21.4%, compared with \$6.55 billion and 18.5% one year earlier. Starbucks attributed margin expansion primarily to in-store efficiencies and sales leverage, partly offset by investments in partner wages and benefits. The segment includes the United States and Canada, as well as company-operated and licensed business. [P3]

The partner and productivity question

On the Q1 earnings call, management said staffing and scheduling hours had been based on partners’ preferred shifts. Executives credited that work with greater stability, a better partner experience and subsequent store performance; they also said items per labor hour reached its highest level in the quarter. These are management’s explanations. The call disclosed no comparison group, store-level labor-cost breakdown or quantified effect on customer outcomes. [P4]

The FY2023 Form 10-K says company-operated stores generated 82% of net revenue. Store operating expenses include partner wages and benefits, occupancy, delivery commissions and other costs that support store operations. The filing also identifies wage inflation, recruiting and retention challenges, labor availability and training as risks. It does not establish that a

particular store is understaffed or that a new technology requires a fixed amount of labor. [P1]

For this case, imagine you are advising a **hypothetical U.S. store-operations planning team** on how to proceed with the announced Green Apron experiment. Starbucks has not disclosed this assignment or a decision among the options below. Partner-preferred scheduling is relevant operating context, but the public record does not show that this routine is uniformly deployed across stores.

The team can recommend one of three approaches:

1. Keep the technology experiment narrow while clarifying use cases and what evidence would justify expansion.
2. Extend testing in stages to a broader, deliberately varied group of company-operated stores, with partner input and a comparison plan.
3. Prepare for a faster expansion if early tests meet explicit partner, customer and operating thresholds, while preserving local exceptions.

These are hypothetical approaches, not management proposals. No fixed budget, rollout constraint or expected return is supplied. The choice is about the scope and evidence gates for learning; the public materials do not provide enough information to calculate a Starbucks-specific return.

Exhibits

Exhibit 1. Q1 fiscal 2024 results and context

Measure	Q1 FY2024	Comparison
Consolidated net revenue	\$9.4bn	+8% year over year
Global comparable-store sales	+5%	Transactions +3%; average ticket +2%
U.S. comparable-store sales	+5%	Transactions +1%; average ticket +4%
North America segment revenue	\$7,120.7m	\$6,551.3m in Q1 FY2023
North America segment operating margin	21.4%	18.5% in Q1 FY2023
U.S. Rewards members active in prior 90 days	34.3m	+13% year over year

Source: P3, Q1 FY2024 release, Jan. 30, 2024, highlights and North America table.

Comparable-store sales cover qualifying company-operated stores open at least 13 months and exclude currency fluctuations and Siren Retail. The North America segment is broader than the United States. The release's rounded segment-margin table shows a 290-basis-point increase; the call narrative describes 280 basis points (P4).

Exhibit 2. Announced operating context

Disclosure	What Starbucks said by the cutoff
Triple Shot priorities	Elevate the brand; scale digital; become truly global. Efficiency and partner culture were described as enabling "pumps."
Green Apron Innovation store	Experiment with Apple products and refine technology to assist partners. No results or expansion criteria were reported in the cited materials.
Q1 scheduling remarks	Management said hours were scheduled around partners' preferred shifts and attributed better partner experience, store performance and items per labor hour to the work.
FY2023 store cost scope	Store operating expenses include partner wages and benefits, occupancy, delivery commissions and other direct store-operating costs.

Sources: P2, Nov. 2, 2023 strategy announcement; P4, Jan. 30, 2024 corrected earnings-call transcript; P1, FY2023 Form 10-K, Note 1.

Questions for discussion

1. What should the team recommend about the experiment's scope and next stage? What would make the recommendation reversible?
2. Which outcomes should govern expansion? Separate partner experience and retention, customer service, throughput/accuracy and store costs.
3. How would you distinguish an effect of partner-support technology from scheduling practices, sales mix, pricing, store format or other Reinvention changes?
4. What comparison design and evidence gates would let Starbucks learn without assuming the public results establish causality?

Source key

- **P1:** Starbucks FY2023 Form 10-K, filed Nov. 17, 2023, SEC accession 0000829224-23-000058. Item 1, printed pp. 3-7; Item 1A, printed pp. 17-18; Item 7, printed pp. 26-30; Note 1, "Store Operating Expenses." [SEC filing](#)
- **P2:** Starbucks, "Starbucks Announces Triple Shot Reinvention Strategy with Multiple Paths for Long-Term Growth," Nov. 2, 2023, HTML lines 47-56, 64-74, 83-90. [Issuer release](#)
- **P3:** Starbucks, "Starbucks Reports Q1 Fiscal 2024 Results," Jan. 30, 2024, HTML lines 32-71. [Issuer release](#)
- **P4:** Starbucks-hosted FactSet CallStreet corrected transcript, Q1 FY2024 earnings call, Jan. 30, 2024, printed p. 10 / PDF p. 9, lines 373-380. [Transcript PDF](#)