

Onward Leads to Upward

By listening to its customers and returning to its core values, Starbucks made a dramatic comeback. PCOs can follow the same path.

By Bryan Rader ■ *Bandwidth Consulting LLC*

In 2008, one of my favorite companies, Starbucks, was falling apart. After a dozen years of adding new stores and new products and expanding its markets, the company became a leading indicator of a troubled economy. People stopped purchasing \$4 lattes and instead made coffee at home or went to McCafé.

With sales declining at a distressing rate and the stock price falling even faster, Howard Schultz, Starbucks' chairman and founder, feared that "the company's very survival was at risk." Schultz decided to rejoin the company as CEO and take control of the situation.

As he states in his new book about his return, "Onward," he came back with passion and a plan to stabilize the company and transform it by refocusing on core values and innovation. The marketplace was shifting, the company had new competitors and Starbucks was no longer considered special.

The book is about Starbucks' journey from a low point three years ago to a new success through smarter growth, accelerated revenue, a re-engaged staff and a huge drove of loyal coffee drinkers around the world.

Schultz summarizes his triumph. "Reliving those two years has given me a chance to reflect on a remarkable ride. I hope it inspires others to consider the untapped potential within their own organizations." He continues, "Yes, it is possible to rise, fall and rise again, recapture dreams, dream bigger and succeed in our ever-changing, complex world."

I like his message for Starbucks, for companies facing a long climb and for private cable operators (PCOs) and the entire industry. PCOs are in a challenging moment too, with more competitors

for properties, increasing online video use by consumers and fewer investors in the market.

ONWARD FOR PCOS

PCOs face an "Onward" moment right now that requires examine the industry and businesses and re-engaging customers in the same way Schultz led Starbucks in the past few years.

I believe the transformation has already begun. At the Independent Multi-Family Communications Council (IMCC) open meeting at the 2011 Broadband Properties Summit, PCOs gathered with property owners to discuss the market and opportunities for the future.

The meeting used a concept that was very similar to one of Schultz's. He developed a website, MyStarbucksIdea.com, where visitors could enter suggestions for improving their Starbucks experiences. In the first 24 hours, the company received more than 7,000 suggestions. "Give customers free coffee on their birthdays." "Start a rewards card." By the end of the first week, 100,000 people had voted. Many of the more popular ideas were implemented.

The open IMCC meeting was only the beginning of the PCO version of an online suggestion site for customers. Real estate owners were asked about their perceptions of service providers

and offered valuable feedback. "Some of my best experiences have been with PCOs. Some of my worst experiences have been with PCOs."

They were specific. "You understand my market. You understand how to work with my community manager. You are always the most responsive. If I called a telco, an MSO and a PCO with a problem, I guarantee you that the PCO would respond first. And that's important."

What can PCOs do more of? "Focus on ways to use technology to help my business. Wi-Fi in the common areas. Cable that doesn't require a set-top box for high-end fitness centers. More packages for my international customers."

IMCC recently used property owner feedback to design a Standards of Excellence guide for PCOs. "This is great," the participants said. "This details exactly what we want to see from our service providers. We can even give you more ideas to be successful."

Great! That's exactly the spirit of MyStarbucksIdea.Com, as well as the goal for PCOs today: renew spirit, re-engage with customers and get on the path to future success.

"Onward" was a great approach for Starbucks. It is a great plan for PCOs, too, because "onward" leads to "upward." And that's the path I expect PCOs will see over the next few years. ♦

About the Author

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