

**A**S THE NEW CHIEF EXECUTIVE OFFICER OF Starbucks, Laxman Narasimhan found himself in recent weeks spending days and nights in a Seattle hospital, taking care of his 82-year-old mother after a severe illness. Prior to taking over as chief executive, Narasimhan had undertaken a six-month immersion, steeping himself in Starbucks' business and culture, training to be a barista and visiting countless Starbucks locations. He had made news by vowing to work a half day every month in a Starbucks store, strapping on his green apron, making drinks and serving customers.

So why not work a shift at the Starbucks in the hospital, which had become his second home? You might think a hospital too peculiar a location to offer up wider lessons about coffee and coffee shops. But for Narasimhan,

# BARISTA

the hospital Starbucks was a revelation, beginning with the relief that its logo clearly brought to the faces of visitors and patients entering the shop. "In the strangeness of the hospital environment, the familiarity of Starbucks is a great comfort," says Narasimhan.

What most struck him, though, was a sense of something like camaraderie, as customers and partners, as Starbucks calls its employees, shared news about birth and illness, recovery and death. It was, he says, a "cauldron of human emotions." Narasimhan found that the partners embraced him like family. And he ran into doctors and nurses from their rounds who came there too.

"Our customers have a connection to Starbucks, and that connection is strongest when the face of it is your favorite barista," he says.

Narasimhan's hospital experience brings to mind a signature message of his first year at Starbucks. "With every cup, with every conversation, with every community—we nurture the limitless possibilities of human connection." That's Starbucks' new mission statement, launched in April.

"We live in a world that is lonely and highly disconnected, there's just a desperate need for togetherness," Narasimhan says.

Narasimhan is a former McKinsey star and top PepsiCo executive who had orchestrated a turnaround of London-based consumer goods company Reckitt last

# in CHIEF

Meet **LAXMAN NARASIMHAN**, father





her, husband, son—and now CEO of Starbucks. By **NIKHIL DEOGUN**

year when he accepted the top post at Starbucks. After 30 years of leading or advising consumer-facing brands, he is tackling an enviable challenge at Starbucks—evolving and modernizing the brand, the business and culture to meet the needs of today. Both at inside counters and drive-through windows, he says, Starbucks can provide a point of human connection, a bright spot in a customer’s day.

Narasimhan realizes that his emphasis on human connection, on Starbucks as a catalyst for togetherness, could sound naïve, and he’s OK with that. Ridicule doesn’t scare him. He began his first Town Hall as CEO by asking everyone to close their eyes and focus for three minutes—three silent minutes—on their breath, to get centered. “I thought, when I opened my eyes, people would be laughing at me,” Narasimhan recalls. “But they were going with me. They knew that coffee is a way for us to connect with ourselves, and through that, connect with others.” Now, it’s not uncommon for Narasimhan, a years-long meditator, to open meetings with a period of silence.

Like the hospital experience, his family has been influencing his career for three decades. Certainly his career affected his family. He and his wife have lived in 25 different homes in 29 years. “I could not be here without my wife’s support.” Family was a huge contributor to the drive that propelled Narasimhan to America from his hometown of Pune, India. Despite a lack of financial means, Narasimhan graduated from business school and over the three decades that followed, built a series of accomplishments that brought him to the attention of Starbucks.

Drive may be a complex phenomenon to dissect, but Narasimhan traces the source of his to his family. Before he was born, his sister died. Then when Narasimhan was six, his eight-year-old brother died following a long illness. The death of his siblings left Narasimhan feeling extraordinarily obligated to his parents. “I never wanted them to miss my brother or my sister,” he says. “Being an only child who was not an only child, making up for the loss of my siblings—that’s what drove me.”

Early on, his resources falling far short of his ambitions, Narasimhan discovered that his openness to connection made him subject to the kindness of strangers, or near strangers, who helped him out along the way. It’s no secret, of course, that opportunity flows from human connection. He believes it’s what distinguishes the Starbucks experience, along with great coffee, food and service.

A close look at Narasimhan’s career might give rise to an intriguing question: Did his success come



**“AT STARBUCKS,  
DROP ME  
INTO A STORE  
ANYWHERE AND I  
AM CONFIDENT  
OF MY ABILITY  
TO MAKE  
CONNECTIONS.  
AND THOSE  
CONNECTIONS  
HAVE BEEN AN  
IMPORTANT PART  
OF HOW I LEAD.”**

in spite of his devotion to family, or because of it? For Narasimhan, it’s an irrelevant equation, because he made a vow to his dying father. As their only surviving child, “I promised him I’d take care of my mother,” Narasimhan recalls.

Narasimhan moved to London in the fall of 2019 to take charge of Reckitt. When COVID struck, he was isolated in London with his mother, while his wife and children were living in New York (a decision made when travel across the Atlantic was much easier).

In September, barely three months after *The Sunday Times* published a glowing assessment of Narasimhan’s performance at Reckitt, Starbucks announced it had hired him as its next chief executive officer.

In Narasimhan, Starbucks was gaining a results-getting consumer-brands veteran. From Narasimhan’s point of view, who wouldn’t want to run Starbucks, the Seattle-based global coffee purveyor? “It might be the best job in the world,” he says. Starbucks stock rose on the news.

To once again live in the same country as his wife and children? “That was definitely a driving factor,” says Narasimhan. In a conversation with Brunswick CEO of the Americas Nikhil Deogun, a fellow native of India, Narasimhan tells the story of a journey that turns on human connection, leading him at length to the office of Starbucks chief executive.

**Most CEOs aren’t hyper-focused on connection. It seems like not only a business priority for you, but also a personal one.**

My upbringing definitely played a role. To connect with someone, you have to first signal that you’re open to it. I’m not afraid of that kind of rejection.

When I was four, five and six years old, I would awake some mornings in a strange house. My parents, needing to rush my brother to the hospital in the middle of the night, had dropped me off at a neighbor’s or a friend’s house. What I discovered those mornings was that I could connect with the people in whose home I’d awakened.

At Starbucks, drop me into a store anywhere and I am confident of my ability to make connections. And those connections have been an important part of how I lead. I’ve connected with people in our stores, distribution centers and even our own coffee farm. It became clear those connections were not only helping me as a leader of the company—they were at the heart of the company. COVID was tough on Starbucks. It challenged those connections. We are focused on rebuilding that fabric: internally and



externally. More than ever, the world needs the type of connection we strive to make at Starbucks.

**After graduating from the College of Engineering in your hometown of Pune, India, you had a job in India, you were getting promoted, rising fast—how did you wind up coming to America?**

I almost didn't finish college. When I was 19, my father suffered a debilitating illness. The doctor in charge told me to drop out of college and begin to work at my father's struggling entrepreneurial venture. But my mother told me to ignore the doctor. "We're going to live off my primary school teacher income while we figure these things out."

All my friends had gone to America to study. For me, after my father got sick, that didn't seem like an option. I was working and finishing college, getting home at nine every night and helping take care of my father. I never went to a party. I never stayed out late, I didn't think my parents could take the thought of me having an accident.

After I graduated, my father made me accept a job at a company that said it would send me to America

**"OUR CUSTOMERS HAVE A CONNECTION TO STARBUCKS, AND THAT CONNECTION IS STRONGEST WHEN THE FACE OF IT IS YOUR FAVORITE BARISTA."**

for three months to train on a shop floor. He said, "You'll never go to America otherwise." My first experience of America was Florence, South Carolina, on the floor of a factory assembling machines we wanted to build in India. Returning to India, I thought, "America—amazing land of opportunity."

A year later, as I was returning from a business trip, I bought a book in the airport about the 10 best business schools. I decided to apply to the top five. If I didn't get in, who cared? I studied for the GMAT on the trains and buses of India, on sales trips. I took my GMAT in a Mumbai school in a crowded neighborhood, during a religious festive period, with horns blaring and loud music. I thought I did very badly.

I wrote my application forms on trains, by hand. Then I went to the home of these three sisters who had a small electronic typing shop. When I'd typed up the applications, I handed it all to my mother to mail. She sent out four applications—except the one to Harvard. She did some research on Harvard and she thought it would be tough going, so she did not mail it. I still have that application in my files.

I got accepted by the Joseph H. Lauder Institute at the University of Pennsylvania. I arrived in Philadelphia with two suitcases and a pressure cooker, which my mother thought I needed. I tried influencing some people in India to trade working for them for five years if they paid for me to go. That did not quite work. But then, the Lauder family helped me, as did this incredibly kind Indian family I had never met, the Shivdasanis, who interviewed me out of pity, wanting to gently turn me down, but in the spur of a moment decided to loan me money. My Lauder classmates chipped in to help. They were students too—which is why they remain like family to me.

**Out of Wharton you joined McKinsey—after turning down Bain?**

Mitt Romney was the CEO of Bain at that time. They flew me to Boston to have dinner with Romney at his house as part of the "sell weekend."

The Bain offer was intriguing. But I told Romney that I also had an offer from McKinsey, and McKinsey was talking about opening an office in India. "You see, my mother's alone in India, which helps if I am compelled to go back," I told him.

Romney said, "We do have some thoughts about opening an office in India, but it's not a plan, and it's not approved. If it's important to you to go look after your mother, you should go to McKinsey." I doubt he remembers that, but I have so much respect for him for telling me the truth.

I moved to India in 1994 as part of McKinsey

to help open the Delhi office and to help out my mother. For the last 26 years, she has lived with us. My wife has been amazing with all of this. It's been tremendous for our family.

**Over the decades, you moved to various cities around the world, you learned to speak six languages, you even returned to India a second time years later—in the process turning down an offer from Indra Nooyi to join PepsiCo. Four years later you did join her there. You seem to have a need for new challenges.**

Every five to seven years I've done something different, something entrepreneurial, even if I'm at the same company. I have a need to renew myself.

At McKinsey, with some encouragement, I started the consumer practice in Cleveland. At first, it felt tough because I had no clients, but then came a few significant new clients. My 19 years at McKinsey had a consumer and retail focus, but I had three or four careers in those 19 years. Then, of course, came PepsiCo, where I held several leadership roles, across multiple geographies, including Global Chief Commercial Officer.

The move to Reckitt also had a powerful brand component. Reckitt is a terrific company. Its household disinfectant, Dettol, is a big brand in India, and was very well known to my mother, from all those years of her caring for my brother. But there's no brand as iconic as Starbucks.

**Your journey to Starbucks feels like it is shaping how you now lead Starbucks.**

I spent my first six months at Starbucks “behind the bar.” It was an explicit part of the design of the transition co-created with founder Howard Schultz and independent board chair Melody Hobson. I earned a “green apron” and my management team and I are collectively training to be certified “Coffee Masters.”

I think if you're going to lead our partners, it's important to understand what it means to be a partner—they're the heart of our company and I want to understand their day-to-day experiences. That's why I continue to work in stores. I want to be the partners' CEO.

Partners have also been at the heart of how we continue to honor the heritage of our company, while also modernizing our business. Speaking of heritage, Starbucks has always been a different kind of company. Now the question is, how can we continue to be a different kind of company while evolving to operate in a different kind world?

Part of that involved getting back to basics. We've



**“IT STARTS WITH  
A FOUNDATION  
OF OPERATING  
STRONGLY—  
AFTER ALL,  
WE ARE A  
THEATER IN  
THE FRONT,  
AND A FACTORY  
IN THE BACK.”**

**NIKHIL DEOGUN** is Brunswick's CEO of the Americas and US Senior Partner. Previously, he was Editor in Chief and Senior Vice President, Business News, at CNBC.

updated our mission. We have contemporized our promises to our partners, customers, farmers, communities, shareholders and to the planet. We refreshed our values. We will deliver performance through the lens of humanity—a beautiful sentence from our past. We are now clear about what that means in what we value: craft, results, courage, belonging and joy. The last two in particular are very Starbucks.

To do this, we're asking our partners to embrace a mindset of empathy, growth and “no eggshells.” Our partners are very much involved in the process.

**From your time working in stores, what have you learned, and what surprised you?**

I was struck by how much our partners care about our customers, by how passionate they are about coffee, by how much they know about coffee. I learned what we do well, and I learned what we could do better—scheduling and supply chain issues, for instance—improvements all in the service of simplifying life for our partners in the store.

**How do you plan to keep the brand relevant?**

Over our history we've done a fine job of elevating the brand, and that will remain a top priority. It starts with a foundation of operating strongly—after all, we are a theater in the front, and a factory in the back. At the heart of our brand elevation is high quality products, innovation, store and product design, and customer engagement. We have 36,000 stores whose walls—inside and out—can elevate moments with art. We've always had a heritage with music, expect more of that. Our brand is delivered through nearly half a million partners. They have unique talents and Starbucks can be a great platform for us to showcase what they create. You can expect us to also strengthen and scale digital, be a lot more global, more efficient and reinvigorate our partner culture.

**How does your childhood, and your journey since then, influence the role you see Starbucks playing in the lives of your partners?**

Our partner promise is to bridge to a better future. I've benefited enormously from the help I have received. Starbucks can do wonderful things for our partners. Our Starbucks College Achievement Program—a Howard Schultz innovation—is a great example.

My personal mission is to help actualize even more ways to provide this bridge. If we can quintuple the impact we have, we'd make a material dent in society. That is my ambition. ♦