

United States Senate
Committee on Veterans Affairs

Hearing: Is Transition Assistance on Track?

Statement of Mr. Matthew Kress
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Good afternoon Chairman Isakson, Senator Blumenthal, Senator Murray, and Members of the Committee. As a post-9/11 veteran, it is an honor to share with you how Starbucks Coffee Company is supporting the successful transition of veterans, and how our efforts are augmented through collaboration with a broad group of companies, public agencies, non-profits and veteran/military service organizations. I am also pleased to offer some thoughts on our policies and programs that we believe are critical to improving this experience.

To give some personal context to my remarks, I spent 22 years in the Marine Corps, in both active and reserve service as a commissioned officer and an enlisted Marine. After deploying to Iraq in 2004 with Marine Corps SOCOM Detachment, the initial USMC Force Contribution to USSOCOM, I left active duty to become a firefighter in Southern California. During my time in public safety, I took advantage of the Post 9/11 GI Bill to earn a masters degree in strategic planning from the University of Washington and an MBA from UCLA. When I then turned to the corporate world, I was surprised to learn that, despite my advanced education and years of leadership and management experience in very challenging environments, I had a difficult time translating my value and experience for potential employers. If I had a hard time sparking interest, even with my graduate degrees and background as an officer, you can imagine the challenges other service members face when they speak with companies. Fortunately, I was helped by veterans in the corporate setting, who were generous with their time and opened their networks to me. Through these connections, I landed at Starbucks — in a role where I can continue my career serving others at a company that cares tremendously about our military members, has the leadership and humility to incorporate an effective veteran hiring program into the culture, and is pushing others to join the movement.

In November 2013, Starbucks made a groundbreaking commitment to hire at least 10,000 veterans and military spouses in five years. In less than two years, our company has already hired over 5,600 — more than half of our goal. Throughout this process, we have recognized that serving our veterans and military spouses is about

much more than simply providing jobs. Starbucks recognizes the value of the unique skills, experiences and knowledge that veterans and their spouses have gained through their service. Our goal, therefore, is not only to hire 10,000 veterans, but also to create a work environment and corporate culture that fosters their personal and professional growth. A steady paycheck is important when shifting jobs, but veterans and their families are not just shifting jobs when they leave the service. They are leaving an environment where they had a clear sense of purpose and worked closely with others toward goals that were much bigger than themselves. I am proud to say that Starbucks provides that environment.

Driven by a passion and dedication that starts with our chief executive and chairman, Howard Schultz, and extends to the rest of our partners (employees), Starbucks is committed to creating a workplace and a culture where our military members and their spouses can succeed.

Our journey started with engaging leaders at all levels of our organization on the tremendous untapped value and experience of veterans and military families. As a socially conscious company, we understood the moral imperative of hiring veterans and military spouses. We also recognized that with less than 1 percent of our population serving in the armed forces, there is a basic lack of understanding of our service members throughout America. Acknowledging that we were not vet-ready when we began our hiring initiative, Starbucks set out to prepare our organization, specifically hiring managers with training and resources to help them understand and engage the military talent pool. With a high level of buy-in and support throughout the company, we created a dedicated military recruiting team that focuses on more than finding talented candidates; they also help managers and recruiters in specific business units translate and leverage the unique experiences and skills that each veteran candidate brings to us. To ensure a long-term positive experience for the veteran *and* the employer, companies must have human resources personnel who understand veterans. Doing so will enable veterans to translate their unique skills, find a meaningful career path, and enjoy a successful onboarding, training and development experience. The result will be

a win-win: veterans will find rewarding jobs and companies will retain talent, maximizing their return on investment.

We have also listened to our partners and developed or improved several programs and policies that are unique to our military and veteran populations. For our military spouse partners who are regularly relocated, we are streamlining a system for transferring them to new Starbucks locations. For current reservists, we provide 80 hours of flexible leave to facilitate military participation. Finally, our veteran partners can now gift their College Achievement Plan, which is a fully funded remote bachelors degree at Arizona State University, to their spouse or child.

We also recognized the need to build a corporate environment that not only understands and values veterans but infuses their values into the company's culture. For Starbucks, this started with the recognition that much of what has made the company incredibly successful parallels military values. Commitment to excellence, a strong sense of ethical and moral principles, camaraderie, and empowerment of our partners are among the values that make Starbucks a special place to work. In turn, the presence of more veterans at Starbucks has prompted many of our non-veteran partners to embrace our veterans' commitment to service, becoming more engaged and involved in volunteer and community programs. Another internal cultural piece is the growth of our military affinity group, Armed Forces Network (AFN), which has chapters throughout the country. The AFN provides a source of mentorship, camaraderie and connection for our veteran partners. It is also a forum and focal point for building our veteran cultural competence. In return, our veteran partners pay it forward by engaging in community volunteer activities and represent the best of Starbucks.

While these efforts have not been flawless, we continue to learn from our mistakes and drive forward to serve those who have so selflessly served our nation.

We also have sought to collaborate among a diverse, cross sector audience to promote veteran hiring and achieve a broader recognition of the unique skills, values and commitment to service that our post-9/11 veterans possess. This started last year with the Concert for Valor in Washington and the bestselling book *For Love of Country*,

which called attention to the sacrifices and contributions of our veterans and their families. In October of this year, we gathered more than 160 representatives from corporations, all levels of government, the military services, non-profits and foundations for an event called the Muster. During that two-day gathering, we discussed the urgency of addressing the military-civilian drift and how to work collectively to reverse it. Utilizing the best practices and lessons learned from our experiences, as well as those of the other attendees, we are moving forward to impact the transition experience for military members and their families. In April, 2016, we will come together again in Washington, D.C. with a diverse group of decision makers and influencers to propose specific actions that will impact the national conversation on transition and restore the understanding and true appreciation for our service members and their families. At a local level, Starbucks is using our scale to create connections to bridge the military-civilian divide. Utilizing our Military Family Stores, which are situated in communities near military installations, we are working with a range of our partners such as the USO, Blue Star Families, and the Hiring Our Heroes to provide needed transition programming and services such as resume counseling, interviewing skills and family cohesion counseling. A very successful example of this is Military Mondays, which was developed in conjunction with the law school at the College of William and Mary, to provide free legal counseling to service members at our stores. Military Mondays is now scaling nationally and growing to include other critical services such as financial literacy training and investment counseling. Our stores are also a hub for organizing community service projects, driven by our partners, and in conjunction with the veteran groups Mission Continues and Team Rubicon.

Moving forward, our ambition is to change what it means to support our troops. While being thanked for their service is appreciated, military members and their spouses want to be given the opportunity to demonstrate the incredible leadership, experience and talent that they bring to the workplace. We will continue driving and refining this effort through our policies, storytelling and partnerships. And we will continue sharing our model and lessons with others.

Thank you for inviting me to speak with you today. After serving our country for 22 years on several levels, it is my honor to discuss the Starbucks veterans program, which is making a difference in the lives of our military members and their families. Howard Schultz and our Starbucks partners look forward to working with the Senate Veterans Committees in the months and years to come on these efforts.