

# For CEOs in crisis, Starbucks offers an 'instructive playbook'

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Starbucks is just the latest brand to find itself under scrutiny in the public eye. However, the company's response to a viral video of two black men being arrested in one of its cafes last week, is what sets it apart.

On Thursday, a woman posted the video online and said that staff at a Philadelphia Starbucks had called police because the men had not ordered anything while they waited for a friend to arrive.

On Monday, Starbucks CEO Kevin Johnson was on the ground in Pennsylvania meeting with them.

"That's very rare," Aaron Allen, founder and CEO of global restaurant consulting firm Aaron Allen and Associates, told CNBC. "And it sends a message not just externally, but a strong message internally."

Allen said that for the majority of companies, the initial inclination is to "batten down the hatches" and stall for time to figure out a solution.

One sign of the success of its strategy is that Starbucks stock has remained relatively stable throughout the whole incident.

"I agree Starbucks and Kevin Johnson have done a good job in responding to this incident," Denise Lee Yohn, a brand leadership consultant, told CNBC via email.

She noted how quickly Johnson took responsibility for the incident, committed to reviewing the company's culture and practices, provided clear statements to employees and customers and flew out to meet with the two men who had been arrested.

"These steps provide an instructive playbook for other leaders facing crises like this," Yohn said.

On Tuesday, Johnson went one step further. The company announced that it was closing all of its company-owned restaurants in the U.S. during the afternoon of May 29 to conduct a racial-bias education program.

Some 8,000 of the company's U.S.-based locations will participate so that nearly 175,000 employees can attend the training program that will address implicit bias, promote inclusion and help prevent discrimination.

"The CEO was slow to address race, which remains a big stain on Starbucks' brand trust," Eric Schiffer, chairman of Reputation Management consultants, told CNBC via email. "But, the closing of Starbucks stores for racial-bias training is the single smartest move they can make. It shows through action, not talk that they get it and they value doing the right thing over earnings and customer cash."

Starbucks isn't the first restaurant brand to close stores in order to host a company-wide training session. Chipotle Mexican Grill shuttered its stores for an afternoon to conduct mandatory food safety training after a series of foodborne illness incidences tattered its reputation.

Still, some question how effective this racial-bias training session will be for the brand.