

From bad coffee to global enterprise: Business lessons from Starbucks



How a bad customer experience turned into an opportunity and a lesson in what it really means to start a business.

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Having co-founded **Starbucks**, one of the most successful companies in the world, [Zev Siegl](#) maintains that entrepreneurship requires more than just a **good idea and capital**.

*“Most **young entrepreneurs** are too focused on the product. I used to be too, but that’s not enough.*

You need to focus on the business: money, projections, numbers, and how many customers you lose each year”, Siegl said during his talk at [incMTY Festival 2026](#).

Holding a cup of coffee, Zev Siegl, co-founder of Starbucks, begins his talk on the second day of incMTY. Photo: Screenshot



The first step: Spotting an opportunity where no-one else was looking

In his talk, *Brewing Success: Lessons from Starbucks' Early Days*, Siegl recalled that launching one of the world's most successful companies (now **publicly traded on Wall Street** with a market capitalization of [**\\$106.86 billion**](#)) was no easy feat.

In 1971, **Seattle** coffee was of poor quality. Given this scenario, three young people with no business experience ventured into the **gourmet coffee** market by offering **premium beans** to coffee shops around the city.

Starbucks didn't start out as we know it today. At that time, Siegl and his partners opted for a wholesale model **selling coffee through five small stores** located throughout Seattle.

In the mid-1980s (when the brand had become well established), then-investor **Howard Schultz** suggested transforming the stores into coffee shops.

Schultz saw an opportunity to turn gourmet coffee into a consumer experience.

*“He was right. It was a good idea. But we founders were slower to act because we liked the company we had; we liked that **wholesale business**”, Siegl recalled.*

Unsure about how to move forward, Schultz decided to start his own chain of coffee shops by sourcing coffee from Starbucks. A year later, he returned with the proposal to **buy the company**.

His offer was accepted and, within six months, Schultz became CEO and majority shareholder of **Starbucks Coffee Company**.



What began as a product designed to improve the quality of coffee in Seattle grew into a multimillion-dollar business that expanded worldwide.

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From having a product to doing business: The shift that changed everything

In the early years, Siegl and his partners learned a key lesson: **it's not enough to simply fall in love with the product.**

*“Investors don’t just want to hear about the product; **they want to understand the business, and that should be the main focus**”,* said the co-founder.

Although coffee quality was the point of departure, **Starbucks’** real growth came when they understood the business side of things: **margins, customer retention, financial projections, and scalability.**

That shift in mindset marked the difference between a good idea and a sustainable business.

Zev Siegl, co-founder of Starbucks, gave a virtual talk at incMTY. Photo: Screenshot



Mistakes that almost cost the company

Once entrepreneurs understand the true nature of the business, it becomes harder for them to make the same mistakes that Siegl and his partners made.

One of the most critical moments came in the second year when they decided to open a new store without enough **capital.**

The result was **debt, pressure from suppliers, and a real risk of bankruptcy.**

It was one of the hardest lessons Siegl ever learned: **profitability does not guarantee stability**. Believing that a business can survive simply because it generates revenue was, in his words, one of the biggest mistakes.

Another mistake was **diversifying too soon**. In the early years, they tried importing commercial grinders and selling tea in supermarkets, but these ventures did not take off.

*“We should have resisted the temptation to venture into areas other than roasting and selling coffee. I see people doing this all the time. Getting sidetracked into the field next to your own is a **common mistake**”, he explained.*

Having a mentor and sharing ideas with people who are important to the entrepreneur allows you to see the business for what it really is and not just an idea of what we love. Photo: Freepik



Mentoring: From apprentice to a mentor for new entrepreneurs

Part of Siegl’s learning also came from mentoring. **Alfred Peet**, a pioneer of specialty coffee in the United States, became a key mentor after a simple phone call.

His experience enabled the founders to avoid mistakes during a critical growth phase.

“The impact of a good mentor cannot be overstated. It’s vitally important. “All it takes is asking for help, building the relationship, and not being too demanding”, Siegl said.

Over time, the experience he has gained has led him to become a **mentor to entrepreneurs** around the world.

Today, he has mentored hundreds of young people in the early stages of their careers, particularly in the tech industry, where he has identified recurring patterns that help build a business:

- *Being in the right business with a real chance of success*
- *Having a team capable of implementing the plan*
- *Getting the timing right with regard to launching and scaling*
- *Securing the necessary capital so as not to run out of funds*

From his perspective, mentoring gives you something that’s hard to come by on your own: **perspective**.

Listening to other entrepreneurs, their successes and, above all, their mistakes has helped him understand his own story.

*“It’s like taking another look at the business **from a different angle**”, he said.*

Juan Manuel Aguirre, director of the Eugenio Garza Laguerre Entrepreneurship Institute, spoke via videoconference with Zev Siegl during incMTY Festival 2026. Photo: Everth Bañuelos



A lesson that is still relevant

Today, there are **Starbucks** franchises in dozens of countries, including Mexico, which has hundreds.

But its origins still offer a lesson that remains relevant today: large companies aren't built on certainties, but on an idea that has the potential to become a business.

For Siegl, entrepreneurship isn't just about spotting opportunities, but about **understanding the business** that creates them, **surrounding yourself with the right people**, and **constantly learning from others**.



Brewing Success: Lecciones de los Primeros Días de Starbucks - 2026 | CREATING THE FUTURE - LIVE.TEC

En esta sesión exclusiva, Zev Siegel, cofundador de Starbucks, se une a Marcela Gutiérrez para realizar un viaje a las raíces de una de las marcas más influyentes del mundo. Más allá de los lattes y los logotipos, esta charla profundiza en el "chisme estratégico" de los primeros días: desde los ...

About incMTY 2026

incMTY is the entrepreneurship festival organized by [Tecnológico de Monterrey](#), which was held for the 13th time **from March 17-20, 2026**.

Over the course of four days, **Tec Campus Monterrey and the Autonomous University of Nuevo León** served as a meeting place for **entrepreneurs, investors, innovators, and artificial intelligence experts**.

The festival brings together key players in the ecosystem with **over two hundred events**, including talks, panel discussions, networking events, and founders' and investors' meetings.

In addition, Japan attended this year's event as a guest country, **which added an international perspective to the exchange of ideas and collaboration.**

Juan Pablo Murra, Rector of **Tecnológico de Monterrey**, sums up the event's purpose as three actions: **innovate**, **connect**, and **build**.

"The challenge in the coming days is to come up with new, disruptive, and innovative ideas that resonate with people", Murra said.

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