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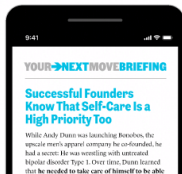
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Starbucks' AI Inventory Tool Comes Up Short

The coffee company has shut down the AI program launched last year to ensure every store has all the beverage ingredients on the menu, including milk. But it lost count.

BY KEVIN HAYNES, NEWS WRITER

MAY 23, 2024

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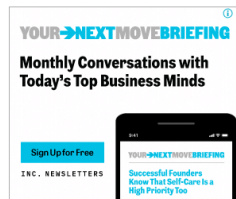
Photo: Getty

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0:00 / 2:58

Starbucks has fired the AI agent that was supposed to plug holes in inventory shortages in more than 18,000 stores throughout North America.



Reuters reports that the technology, introduced nine months ago, often miscounted and mislabeled assorted milks and other beverage ingredients, compounding the problem it was supposed to resolve.

“Starting today, Automated Counting will be retired,” Starbucks said in an internal newsletter distributed to employees last week. “Beverage components and milk will now be counted the same way you count other inventory categories in your coffeehouse.”

The AI tool was launched in September as part of chief executive officer Brian Niccol's plan to address chronic product shortages that curtailed sales.



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EE How to Win Over Investors With a Strong Proof of Concept

Now that the program has been terminated, Starbucks said the company will instead “standardize how inventory is counted across coffeehouses as we continue to focus on consistency and execution at scale.”

The coffee giant said it remains determined to find ways to improve its supply chain and replenish inventory more frequently on a daily basis so baristas won’t have to tell customers the shop is all out of oat milk, coconut cream, hazelnut syrup, and other tasty drink options.

“Our goal is simple,” Starbucks said. “If it’s on the menu, customers should be able to order it.”

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I Used to Be a VC. Now I’ve Found a Better Way to Build a Company

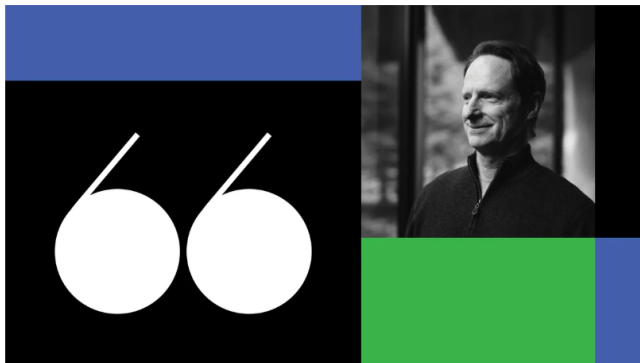
If you want to create an Evergreen company that’s designed to last, follow the example of some of the world’s largest tech companies: Don’t raise large amounts of venture capital.

BY DAVE WHORTON

MAR 17, 2026

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Dave Whorton. Photography by McCade Gordon.

These days, many founders feel pressure to raise tremendous amounts of venture capital. But it wasn’t always like this. Most people are surprised to learn that four of the most valuable companies in the world barely raised any VC funding at all by today’s

standards.

Apple is believed to have raised less than \$1 million before its IPO. Amazon raised about \$8 million. Microsoft raised about \$1 million. Google raised \$25 million. Add it all up, and it's less than \$35 million in total VC funding. Granted, that's about \$74 million in today's dollars, but it's still a relatively small investment that led to four companies that are worth around \$14 trillion today.

Before billion-dollar VC rounds became common, there was a way of building companies that was capital efficient. I was there when it all changed, and I, too, came to believe that a growing company needed a massive VC war chest to succeed. Now I don't, and you shouldn't either.

The Rise of “Get Big Fast”

Our story begins when I was recruited to Kleiner Perkins by its legendary partner John Doerr in 1997. Amazon had just gone public. John was a proponent of “get big fast” (or “growth at all costs,” as it was later called). That playbook still exists.

I had gone to business school at Stanford with the idea that I wanted to start my own company, but I got very caught up in this world of venture capital and the get-big-fast model. There couldn't have been a more exciting time than the three years I spent at Kleiner Perkins. The last major project I worked on was Google. John was the lead investor, and I was his right-hand guy. I was the one reviewing the term sheet with Larry and Sergey.

It wasn't until a few years later, when I was running my own company, Good Technology, which was backed by Kleiner Perkins and Benchmark, that I started seeing the negative side of the get-big-fast model. As an entrepreneur trying to build something, the expectation for me was that the company would be worth \$20 billion. That was a massive number in the early 2000s, and I felt a lot of pressure.

Instead of building something to serve the customer base I was passionate about, I was looking for a big idea in a big market that could create a really big company quickly. The market we identified was the personal digital assistant space. At the time, Handspring was competing with Palm. We started with an MP3 player that plugged into the back of the Handspring Visor. Soon it became apparent that the even bigger opportunity was in wireless messaging and the ability to get your email, contacts, and calendar onto your device so they're up to date all the time. So we started working on that, too, in our first year.

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