

Mission statement
summarizes
company's strategies
for achieving its goals



Introduction

A corporate formal mission statement summarizes a company's strategies for achieving its goals, by stating the important goals that its employees must strive to meet (David, 2009). It is a statement that states the reason why a company exists and states a company's purpose in the business world. Constructing a formal mission statement that explains a company's interest in the market world is among the most difficult tasks that an executive committee leader faces. In this paper, Coca-Cola's formal mission statement will be evaluated by comparing the core values, suppliers, products and services, markets, shareholders, employee and customers concern for profitability and philosophy.

Coca Cola's Mission Statement

Coca Cola's mission statement is to maximize shareowner value over time. Its strategic business objectives are to expand its production volume, expand its share of worldwide nonalcoholic ready to drink beverage sales, improving its economic profits and economic value and lastly to maximize the long term cash flows. In order to achieve its mission statement, Coca Cola Company has taken the initiative of creating value when serving its constraints which includes its customers, its bottlers and the community. The company explains that its mission of existence is to refresh and benefit anyone that uses its products.

According to Dess et al (2007), evaluating a company's mission statement involves conducting a research on whether the mission statement fulfills the following conditions; if it focuses on fulfilling the company's need rather than

focusing on the product, clear and easily understood by all, it explains how it will serve its customers, based on the company's strengths, motivates and inspires its employees, realistic and fits in the current market situations and lastly if it is specific, short and states what the company wants to be remembered for in the future (Thompson et al, 2007).

A company must redefine its formal mission statement after a considerable time so that it does not lose its credibility in defining the definite course for a company. Without a formal mission statement, a company may lose track and drift according to the pressures in the business environment. Viljoen & Dann (2003) stated that for a company to stay focused in the business environment, it should have a clear and a concise formal mission statement.

Coca Cola company mission statement defines the business and this can be depicted from the amount of sales that is realized in the company. Its mission was to get access to all persons by making them enjoy their products. Its local marketing strategy enables Coca Cola Company to listen to all voices around the world and this has contributed to making beverages that can be consumed by any person, anywhere depending on personal preferences and occasions. The company is not only determined to make great drinks for its customers, but it also contributes to communities in the local market through involvements in education, diversity, health and wellness.

In order to achieve its mission statement, Coca Cola company has come up with visionary goals and articulate corporate philosophy which includes; being a great place to work for its employees, bringing a portfolio of different

brands that satisfies peoples needs and desires, building mutual loyalty with its partners, being a fast moving organization and highly effective, maximizing returns to shareholders while at the same time being mindful of their responsibilities and lastly being a global citizen that brings a difference in the market.

The company's mission statement can be perceived to be effective basing on the fact that it has established a wide range of markets and consumers. According to Woo and Cooper (2002), a company's mission statement is perceived to be effective and appropriate if it fulfills its goals such as fulfilling its community and customers needs and desires. The company has produced a nonalcoholic beverage that caters for each and every customers need, financial status, occasion and preference.

The corporate level is the highest level in any organization. According to White (2004), corporate managers have the duty to address issues pertaining to overall organization, decision making and planning strategy which affect the other levels in the organization. Marketing involves strategic planning in all levels of an organization (Corner, 2004). Grand et al (2011), defines strategic marketing as marketing activities that affect the business, corporate and marketing strategic plans. The marketing activities try to involve everyone in the organization towards achieving the company's mission statement, goals and objectives. It helps organizations to execute a marketing philosophy that can be applied through the planning process (Jones et al, 2007).

According to Grant (2010), a company's vision specifies what the company wants and how it plans to achieve that. Hill et al (2007), indicates that a comprehensive vision should state a company's market, objectives, desired public image, core values and basic company's basic philosophy. Most organizations developed a mission statement to communicate their corporate vision to the interested parties. A mission statement then becomes an important element that can be used in the strategic planning process because it specifies the boundaries under which a business operates.

According to Grant (2010), the Coca Cola Company being the leading distributor, manufacturer and marketer of nonalcoholic beverages in the world, has an efficient personnel who make all this achievable. It the world's largest producer, marketer and distributor of coca cola products and it operate in more than 200 countries worldwide. Strategic management, as defined by Hamel (2002), is the process that identifies a company's objectives and mission statement and developing policies and plans that can be used to achieve the objectives. It provides a guideline to those in the managerial position to work towards accomplishing an organizational goals and objectives. It is the highest managerial activity that is performed by an organizational chief executive officer (CEO). Strategic management deals with study of functions and responsibilities of those in the managerial position in the organization (Lewis et al, 1999). A company's CEO undertakes strategic monitoring in the company, to check the progress of the company toward achieving its goals and assessing whether the company needs any modification to arrive at its goals (Hill et al 2007).

According to Mintzberg et al (1998), having knowledge on strategic management helps the CEO to be in a position to know his business environment and how to control it, know how to manage and understand how policies can be formulated to achieve the company's goals. Coca Cola Company is headquartered in Atlanta, Georgia and its current CEO is Muhtar Kent, U. S. Kent has worked in the Coca Cola Company for a long period and when he ran Coca Colas international units, it accounted to 83% profit and sales value of more than \$20 billion (Grant 2010). He joined the Coca Cola Company in Atlanta in the year 1978 and has held a lot of operational roles in his career. Between the years 1995 and 1998, he served as a managing director of the coca cola Amtil-Europe Company and covered operations in 12 countries.

He was then named president and chief operating officer of the Coca Cola Company in Northern Asia, Middle East and Eurasia from the year 2005 till 2006 (Grant 2010). He served as the international president through the year 2006 until when he was appointed the Chief Executive Officer on 1st July, 2008. He succeeded Neville Isdell who was at the post. Under his leadership, various Coca Cola bottler companies experienced extra ordinary growth, over 250 percentage increase in the market capitalization and triple digit growth in different financial sectors. He has then joined as a chairman of board of directors in Coca Cola Company on 23rd April, 2009 (Grant, 2010).

Evaluation of a CEO Performance

According to Johnson et al (2005), a successful CEO is one who is available to subordinates and is able to relate with his or her organization in a trusted

<https://assignbuster.com/mission-statement-summarizes-companys-strategies-for-achieving-its-goals/>

way. This extends to the way he/she conducts himself/herself to the public, its employees, suppliers and customers. Grant (2010) argues that he/she should be able to motivate the employees in an effective way so that they can work towards fulfilling the customers' needs and desires. A good operational organization should have a CEO who can be looked upon by the other members of staff for decision making process. Liebeskind (2006) indicates that the performance assessment of a CEO can be done by observing the management system in an organization. A good CEO's performance will be reflected in the company's overall performance in the global market as it competes with the others. This requires a transparent communication concerning a company's progress with its customers, suppliers, employees, media and shareholders.

It has been observed that Coca Cola's CEO performs well in his position. He does this by promoting business care internally. According to Evens and Wurster (2007), a good performing CEO should place highlights to its employees in a persuasive manner, by motivating them to work towards achieving the company's goals and most importantly along the mission statement. The employees should also be motivated to work towards fulfilling the needs of the customer and this is what is seen in Coca Colas CEO. The CEO also engages the financial sector by focusing on the interest of the shareholders. He has engaged proactively with their major investors, bankers and insurers on issues that affect the company's innovation and business opportunities (Grant 2010).

He has also articulated purpose, principle and values both internally and externally. He does this by communicating and behaving in a manner that is <https://assignbuster.com/mission-statement-summarizes-companys-strategies-for-achieving-its-goals/>

consisted with the company's proposed values, purpose and mission statement. The CEO makes sure that he holds regular meetings with his employees, interacted well with his business associates, holds dialogues and communication with the stakeholders and organizing for annual reports and other corporate publications.

Shareholders

It is observed by Barney (2001), that Coca Cola Company's mission statement drives and focuses on the interest of the shareholders. The company's CEO has identified several long term objectives that maximize share owner's value over time. The company's shareholders congratulates the efforts of the CEO who has seen that the company involves them in the decision making process. The Coca Cola Company as argued by Grant (2010) has committed itself to supporting the community in various ways such as; ensuring access to clean water and environment and providing employment opportunities which promotes economic growth.

Suppliers

According to White (2004), the principal raw material used by Coca Cola Company in United States is corn syrup, a form of sugar that is found from different local and domestic sources. The raw material that is used by the soft drink industry outside United States is sucrose which is also available from different sources. The managers have been observed to maintain a good relationship with its suppliers who contribute to the good performance of the company. Coca Cola Company has employed methods such as minority ownership and strategic alliances to improve and secure good and fruitful relationship with its suppliers (White 2004).

<https://assignbuster.com/mission-statement-summarizes-companys-strategies-for-achieving-its-goals/>

Employees

The employees at Coca Cola Company enjoy the benefits that the company offers. White (2004) argues that the company has initiated the use of total quality management system (TQM), which requires a well trained workforce that participates fully in ensuring the companies goals and objectives are achieved as stipulated in the company's mission statement. Such participations are usually reinforced by rewarding the employees and taking them through training programs (Nag et al, 2007). The employees of Coca Cola Company state that the ongoing education and training program in the company has helped them improve their knowledge, skills and the quality of work they produce, and makes it easy for the company to realize the objectives stipulated in the mission statement. The CEO of Coca Cola company has ensured that its employees are encouraged to be more responsible, communicate effectively and that they act creatively and innovatively. According to Thompson (2007), people mainly behave the way they do in organizations on the basis of how they are remunerated, and this can be linked to customer satisfaction (White 2004). Coca Cola has spread its interest to its employers by working so closely with them by asking them to openly identify, communicate and discuss environment issues to the top management. It hands out global employee engagement surveys regularly to allow the employees to make suggestions concerning the company's performance, and thus provides checks and balances to ensure the mission statement's objectives are well maintained.

Customers

Coca Cola's mission statement focuses on identifying customers' needs and fulfilling it. The company has worked hard to reach to its potential and existing customers by considering their views and suggestions when making decisions. Johnson et al (2005), explains that the most effective way to reach to the customer is listening to what they have to say about the company. The Coca Cola Company has done excellent job in creating a friendly, convenient and informative website to discuss the factors that affects its organizations. The website also allows the customers to give personal suggestion on the products offered by Coca Cola Company. It has also fulfilled it goal by fulfilling the customers' needs. It has a range of products that can be consumes freely by any consumer irrespective of the status or income level. It has also nicely packaged products which makes it easy for customers to carry about.

Conclusion

In line with the definition of a good manager as argued by Hamel (2002), the performance of Coca Cola CEO can be summarized to be one of a good manager. According to Corner (2004), a company's CEO has the ability to influence decision making process in the organization. He has the ability to control the internal factors in the organization by focusing on the company's stakeholders. The CEO has to ensure that the company operates in line with the company's mission statement, and at the same time fulfilling the company's visionary goals.

Coca Cola company has matched its mission statement by involving the employees, customers, suppliers and shareholders in the decision making

<https://assignbuster.com/mission-statement-summarizes-companys-strategies-for-achieving-its-goals/>

process. It has implemented an open door style to its stakeholders in which any of them can go to the management in case of any problem. All this has made the CEO to think out of the box when making decisions in the company. It has also enabled the CEO to identify and solve small problems before they become big and irresolvable. The majority of the top managers have well rounded backgrounds in the company, and this gives the CEO an easy time in handling them. It has also allowed problems in the company to be looked at from multiple angles all of which ensures that the mission statement objectives are met.

Coca Cola Company conducts annual chief executive officer performance evaluations, which ensure that he offers the best leadership for the company. His performance is measured against the company's goals and objectives as projected in the mission statement. Coca Cola has nearly 7 million potential customers and counts its success by its ability to satisfy more of their beverage demand and adding value to the customer. It also does this by placing the right products in the right market at the right time, thus making it a reliable source of beverages for its customers and thus maintains its corporate image as projected in the mission statement.