

# The output analysis of pepsico-frito lay essay



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Stock Information as of 04: 01 P. M. , 12 June 2008: change is 0. 46, with high rate of \$68. 23, low rate of \$67. 30, average rate at \$67. 95 and with traded volume at 6, 546, 152 shares. Definition: Impeccable Thus, the 59th position of PepsiCo-Frito Lay in the Fortune Largest 1000 Corporations of the 2008 report is based on its 2007 US\$39. 5 millions in revenue, which resulted to US\$. 5. 7millions in profit. This further resulted to PepsiCo-Frito Lay being among the top 300 most admired companies (Fortune 1000, 2008).

Amongst Standards and Poor's 500 top companies, they rated PepsiCo-Frito Lay with a Corporate Governance Quotient better than 94. 4% and 100% amongst the Food and Beverage and Tobacco Industry. (Yahoo Finance, 2008) Ever since 1965, PepsiCo-Frito Lay has been consistent in its growth pattern and sustained an impeccable and admirable conduct of business affairs. The snack foods operation contribute a greater majority to its overall financial performance well above an average of 60%.

Pepsi's Frito-Lay division holds approximately 55% of the snack food industry's market share in the United States, and 40% worldwide.....

Overall, Frito-Lay had another strong, industry-dominating quarter and saw profitability leap, thanks largely to good management and new initiatives. " (Fischer, 2000) Therefore, based on the above nutshell, it becomes moot and academic that the fundamentals of organizational congruencies are so far put to place by PepsiCo-Frito Lay. The bases of such performance are on the outputs that are meticulously laid out.

Meeting Goals and Objectives “ Performance with Purpose” is the battlecry of PepsiCo-Frito Lay. Its goals and objectives are extensively defined in its sustainability vision covering three planks: “ human sustainability (working to nourish people with their products); environmental sustainability (working to replenish the environment); and talent sustainability (working to cherish people)”. The company likewise takes upon itself its mission in sustaining premiership in manufacturing and serving convenient consumer foods and beverages.

The multifaceted resultant effect will redound to healthy financial investment rewards and career enrichment of their employees and growth to the industry it belongs and most importantly to the community they live with.

The sustainability principles of PepsiCo-Frito Lay are exemplified in a product innovation that they have recently introduced in March 2008: 30 to 50% less salt ingredient in their “ Pink of Salt” brand of potato, tortilla and corn chips. Indeed, the company safeguards its output towards meeting goals and objectives thru the impeccable guidelines of entrepreneurship.

The essence of PepsiCo-Frito Lay’s entrepreneurial sense is a dynamic mix and interplay of all its resources and abilities “ to generate value to the customer”. It ensures that their strategies “ create true, substantial wealth; that it creates wealth expeditiously; that the high risk is well calculated and it inculcates profound and long lasting and impacting innovations in production methods, products, markets and forms of organization” (Quick MBA Entrepreneurship, 2007).

Maximizing Resources Everything and anything that is well within the domain of PepsiCo-Frito Lay to use in pursuit of its business – are indeed functionally maximized, with calculable impact and desired results. From the application and continuous improvement of employee knowledge and talent; to research and development in product innovations; to enhancing network and market reach – the overall function of resources and intellectual capital are put to supreme efficiency and effectiveness.

The company recognizes that “resources [that] would provide sustainable competitive advantages, [are]: (1) value creation for the customer, (2) rarity compared to the competition (3) imitability and (4) substitutability. The only resource that seems to pass this acid test is “knowledge” – regardless of whether you call it invisible assets, absorptive capacity, core competencies, strategic assets, core capabilities<sup>10</sup>, intangible resources, organizational memory<sup>1</sup>, or other concepts carrying similar meaning.” (Roos & Roos, 1996/1997)

On May 15, 2008, a long term North American Contract for global partnership was signed between PepsiCo and Subway Restaurants. Frito Lay snack products will be sold and distributed all throughout the 28, 000 locations around the world. This illustrates putting to premium use the facilities of such well known dining outlet. The comprehensive encapsulation of the product and research development team of PepsiCo-Frito Lay implements the health and wellness mission of the company through the “positive steps [they’ve] taken to change the way America snacks”.

Therefore, innovations such as “ less salt; 0 grams transfat; use of farm grown corn, potatoes and grains and then cooked in natural corn and sunflower oils” – are safeguarded commitment outputs. Reckoning and Adapting to the Environment It is a prime guideline in the manufacturing process of PepsiCo-Frito Lay that dedicated employee/management teams police the efficient, reasonable and viable consumption of electricity, fuels and water. Since 1999, the company implemented water conservation and recycling methods that saves 1 billion gallons of water per year and reducing fresh water consumption between 35 to 50%.

With regards to the reduction of waste, they recycle the cartons that they use in delivering the products to stores – up to 5 uses. This is tantamount to saving 5 million trees in a year. Furthermore, energy consumption is annually reduced by 21 to 24% since 1999. There is of course the by and large local, national and global community that PepsiCo-Frito Lay relates and lives with. Its corporate advocacy towards alleviating human marginality is an illustration of its reckoning the world outside its own fences.

It participates in community affairs; it continually supports health and wellness not only in its product innovation; it contributes to the initiatives in the prevention and cure of HIV/AIDS; it has outlined its adherence to protection of human rights; it has foundations for scholarship and grants. The Interrelationship of the Outputs vis-a-vis The Core Player It is a very coherent performance level that the three output characteristics of PepsiCo-Frito Lay has delivered. Based on the sustainable track that the company has trekked since its merger and acquisition from 1965, the continuity of the trend is comfortably envisioned.

The incessant and profound purpose of the business and its entrepreneurship as it meets its goals and objectives are truly imbedded by all of its employees and sales and market network. The proof is in the pudding based on the quantified coordinates of the company's performance. Undoubtedly, the foundation of the other two outputs dynamically interplayed and contributed to the overall impeccable state of the company. The creative and innovative application of its resources proves that there is synchrony in the performance of the company.

Finally, the overall performance is a dedication and a consideration of the general macro surroundings that the business operate in. How PepsiCo-Frito Lay profoundly reckons, evaluates and maximizes its resource outputs – is indeed the most prominent and core output player in the impeccable status of the company. The intellectual capital that is harnessed and is continually safeguarded contributes to the total resource application which places PepsiCo-Frito Lay in an indefatigable competitive advantage.

The Synergy of the Output Coordination As PepsiCo-Frito Lay put to place and consistent order and passion its principles and philosophies as a business enterprise, the efficient and effective result of its output and performance is truly commendable. As it maximizes its resources, the synchrony is reflected as the company realizes that its mission and vision are realized. The encapsulated and total involvement of everyone in the company from its executives to its management team to its employees – can be felt on how the markets and consumers respond, accept and enjoys the snacks.

The synergy of the outputs speaks best in how the market prefers and stay loyal to the products of PepsiCo-Frito Lay. Finally, PepsiCo-Frito Lay stands out to be a responsible corporate citizen as it knows how to “ give back”. Recognizing, respecting and retaining the holistic embodiment of community, the environment and the world may be a gift they wish to sustain yet the company knows it bounces back to each and everyone in PepsiCo-Frito Lay the fruits of their impeccable output coordination.