

The operational logistics for pepsi and coke



Regarding to operations of logistics the Pepsi and Coca Cola consisted of largely the same. What concerns their own ingredients they purchase it through contracts and produce their own concentrate in their own facilities. Next step in their operations they send their concentrate to bottlers where they use contracted bottling company. When bottling company receives the concentration, they dilute it to the correct concentration and they also add correct amount of sugar, carbonated water, and they bottle it for sale. The trend of these companies was to contract as less as possible the bottling companies. This was basically done due to a decrease of shipping prices, and better ability for bottlers to meet the concentrate producers demand.

This procedure has two important reasons. To maintain their well-kept secret and that is exact mix of ingredients and they do not let bottlers know what goes into their product exactly. This preserves it as something of higher value and it also affects the image of the product. For Pepsi and Coca Cola this also applies a sense of prestige to the products with its excellent secrets.

Automation in technology in cash registers allows Pepsi and Coke, and the bottling companies for each bottle to know exactly how much of their product the merchant is carrying. This also allows merchant to sell more products and quick delivery of it in smooth timely procedure.

Rareness.

The rareness of a specific resource depends describes combination of physical rareness/uniqueness in the market or the rareness of the value of the resource caused by firm's particular resource combination.

Coca cola used to be one of the top companies over other soft drinks and has come up with many different types of favor at the inception of the business that would include sport drinks, bottled water and teas. Now both Coca cola and Pepsi with the constant growing allow now other vendors to contact in and have some opportunities to be a part of the companies. In regard to rareness the only rare component is the syrup that is artificial by the main corporations, which is then sold to the rest of the vendors.

Coca-Cola and Pepsi used numerous technologies in order to achieve rise to the top of the soft drink industry, and they also defined new technologies and established paradigms that popped the status quo like a cap from a soda bottle. Through technology, Coca-Cola and Pepsi both perfected their drinks as a beverage and spread it over the world. Today, the US industry of soft drink is organized based on this principle. The Coca-Cola and Pepsi are now the largest companies in the world with their soft drinks.

Imitability.

Imitability evaluates capacity of value of resource of competitive advantage and its extend. If other firms that face a cost disadvantage because they do not possess these resources in obtaining or developing the resources, then the resources are imitable. Imitability is decsribed in two ways: duplication and substitution.

These two main players dominate carbonated soft drinks' (CSD's) sector. Coke and Pepsi are dominant companies of the soft drink industry and they have a pride to hold most part of a global market share. Additionally to these

major players, there are also smaller companies such as Cott Corporation and Royal Crown that hold remaining market share.

Coke and Pepsi are the main players of this market. Over a century they struggle to conquer the number one position in the market, and in last few years they compete fiercely to follow each other's strategic decisions.

However there is something that seems to threaten the profitability of these two companies. One thing seems to be able to decrease their high margins and that is increasing share of non-carbonated soft drinks since they rule in the CSD's industry. In regard to this, what will the future of Coke and Pepsi be? How will bottlers and Concentrate Producers (CP's) face this new challenge?

Organization.

Organization evaluates the fact how the firm is organized in order to utilize its resources and capabilities. Evaluation also includes company's components, which are reporting structure, systems of management controls, informational management and compensation policies. .

These companies both perform close monitoring of the organizational structure, physical resources employees' routine and financial performance. With these, the organizational function is to correctly formulate their tasks, organization, and guideline. Their managers delegate duties and tasks to the rest of the holders around the world. The organizations provide positive concert and output of their human resource division since it is their most important source for always being on top of the competition by always

reading through to see if there is large amount of capable and knowledgeable employees. Staff is the most important assets of the corporations. Accomplishing assignments offers opportunities for the staff to strengthen their abilities and creates agreement.

HR operates in various means as tactical associate for coca-cola. The motto 'right people in right places' allows them to meet up company's goals and objectives. Globally, it was not easy for the company to operate successfully. However role and operations of dedicated HR department made the tough job easier for them. For driving the company on their way to success it is always about the creative manpower & their performances.

Job analysis is the process where sort of person who will be appointing for it must be here selected for these tasks & skills including the job. Job description and job specification are two criteria of job analysis. This analysis is recognized by HR department of Coca Cola where they try to gather information regarding worker's behavior performance and their working standards. This information is used by HR department to recruit, to select, to train people and for developing relationship between them.

Health and safety should be a big issue in terms of any organization, so coca-cola HR department very strictly follows this policy under continuous observation.

Recommendation to coca cola management.

Due to specific concentration of coca cola on older generations I would recommend to widen its portfolio and include the strategy where focus would be on entire spectrum of customers.

Also I would recommend pursuing a multi-pronged marketing strategy, including growth into geographic regions like Russia, China, and Turkey.

Another recommendation would be leverage of the Company assets by brand extension into water-based, slightly sweetened refreshment drinks to meet more health-conscious consumers.

Furthermore, the fact that company purchases concentrates and syrups and its entire requirement from Coca-Cola Trademark Beverages (which involves 90% of its total sales volume), could cause adverse impact on the company's future operation if a conflict of interest between the two companies would have arise.