

# Analysis of pepsico's vision statement



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In the report, I had analyzed the vision and mission statements of PepsiCo. I had used vision statement matrix, shortcomings of vision statement and mission statement evaluation matrix to conduct the analysis. In the vision statement matrix, there are few characteristics such as directional, graphic, focused and so on. There are also some common shortcomings in company vision statements that I used to analyze the vision statement of PepsiCo. Then I recommend a new vision statement to improve the weaknesses of the current vision statement of PepsiCo. For the mission statement part, I also evaluated and I had enhanced the missing components in PepsiCo mission statement by recommend the new mission to PepsiCo.

## **Introduction**

PepsiCo is an American multinational company for food and beverage industry which operate globally. The product portfolio of PepsiCo is wide and it is defined in the 10k as “ a leading global beverage, snack and food company.” Other than that, PepsiCo also produces variety of convenient,

salty grain-based and sweet snacks, non alcoholic drinks and foods in around 200 countries.

## **Analysis of PepsiCo Vision Statement**

PepsiCo's responsibility is to continually improve all aspects of the world in which we operate-environment, social, economic-creating a better tomorrow than today. Our vision is put into action through programs and a focus on environmental stewardship, activities to benefit society, and a commitment to build shareholder value by making PepsiCo a truly sustainable company.

PepsiCo is using this vision in their company. I had analyzed PepsiCo vision statement by using directional, graphic, focused, feasible, desirable and easy to understand to analyze the company vision statement.

Based on my analysis, the directional of the company is to make PepsiCo a truly sustainable company in the market. PepsiCo improve the environmental stewardship and activities that benefit the society continually to enable them to be a truly sustainable company. PepsiCo think for environment and society before they make every decision. They care about the environment and society because it is their aspiration what company they want to be. Be a truly sustainable company, PepsiCo brand can be known globally around the world. PepsiCo can expand their product portfolio and introduce more products into the market. PepsiCo can enter into new segment to serve more market. Becoming a truly sustainable company, PepsiCo might face intense competition from other brands. (refer to appendix 1and 3)

For the graphic characteristic, it does not apply in the vision of PepsiCo. It is because PepsiCo do not mention what product portfolio they are making.

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People might not get the picture of the kind of company and management they trying to create. So, for the graphic characteristic, it is absent in PepsiCo vision statement.

Besides, focused characteristic is found in the vision statement of PepsiCo. This can be proven in the vision statement as PepsiCo is trying to focus on environmental stewardship, activities to benefit society and commitment to build a shareholder value. It is clear that PepsiCo want to do more for the society and environment and not to forget about their company shareholder. These are what PepsiCo want to achieve in their future. They want to serve society and their shareholder better. PepsiCo has working with numerous projects around the world to provide safe and clean materials for the packaging. It is important in to provide fresh and clean water as it is the main ingredient for the product. By serving the society and create value for shareholders, PepsiCo can enhance their brand name and create positive image for the brand while gaining trust from the shareholders. Thus, PepsiCo can expand their company size in the future if they get support from the society. The weakness is that PepsiCo may spend too much of the money for charity and it will affect shareholders profit.

Next, from the vision statement, there is feasible characteristic found in the vision statement. PepsiCo want to continually improve all aspects of the world which they operate including environment, social and economic to create a better tomorrow than today. PepsiCo can reach achieve their vision because of the size of the company and the financial of the company.

PepsiCo is the one of the main brand in non-alcoholic drink in global. From the case, we can know that PepsiCo have the resources to achieve their

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vision because in the past 3 years, the net income of PepsiCo was over 5000millions. By serving to the society, PepsiCo can understand about the society needs and thus PepsiCo can serve the society better by doing the right thing that the society want.

There is desirable characteristic in the vision statement of PepsiCo. In the vision statement of PepsiCo, the goal of the vision is to be a truly sustainable company. It is desirable to the stakeholders of PepsiCo. It is because PepsiCo is committed to build shareholder value. It is good for the shareholders in the long term interest because PepsiCo care about their shareholders benefit. For example, PepsiCo held a foundation called as PepsiCo Foundation to help the society and they also increase the use of recycled materials and reduce materials used in packaging. PepsiCo can gain support from the shareholders for long term because PepsiCo could bring benefit for shareholders in long term. Thus, shareholders might invest more money into the company and it is good for PepsiCo to be a truly sustainable company. The weakness is that some of the shareholders may disagree with PepsiCo and thus conflict may occur between shareholders of PepsiCo.

In the vision statement of PepsiCo, the language that they used is easy to understand. Easy to understand characteristic also applied in the vision statement of PepsiCo. They use simple and clear language which can guide the people to achieve the goal of the vision statement. People can easily remember the vision statement of the PepsiCo because it is not too long and it is easy to understand by people. People can easily understand the vision thus the tasks can be done more efficiently for PepsiCo.

## **Analysis of Vision Statements-shortcomings**

While I analyze PepsiCo vision statement, I found a few shortcomings in the vision statement of PepsiCo. First, the vision statement of PepsiCo is vague and incomplete. It is because in the vision statement, PepsiCo mention about to improve all aspects of the world in which they operate for their environment, social and economic but their do not mention about the product portfolio that they serve and how they treat their employees. (refer to appendix 2)

Besides, in my analysis of PepsiCo vision statement, they are not forward looking. The reason why I say so is because as a one of the main brands in non alcoholic drink industry, PepsiCo got the potential to become the leader of the market share. But in the vision statement of PepsiCo, they do not mention about to be the leader in the industry.

Other than that, I also analyzed that PepsiCo have another shortcoming in the vision statement. PepsiCo vision statement is too broad and not distinctive. In the vision statement, they had mentioned that they want to focus on environmental stewardship, activities to benefit society and commitment to build shareholder value. It might have conflict because by doing charity that benefit society and working together with several groups such as Earth Institute, UNICEF, Keep America Beautiful and so on. PepsiCo might need to invest a lot to do the research to come out with recycled materials. This will have conflict with build shareholder value because shareholders want to get their bonus rather than invest in so many areas.

In the vision statement of PepsiCo, I do not use rely on superlatives shortcoming because PepsiCo does not claim themselves as NO. 1 in the world or best in the world. So, rely on superlatives does not apply to PepsiCo vision statement.

PepsiCo also do not combine vision and mission statement characteristics in their vision statement. As we all know, vision statement is about the future business path of the company while mission statement is focuses on the current business activities. There is no conflict between the mission and vision statement of PepsiCo because in the mission statement of PepsiCo, which is short term objective, they want to be the world's premier consumer products company that focused on convenient foods and beverages while the vision statement of PepsiCo is to continually improve all aspects of the world in which they operate for long term. PepsiCo want to continually improve to become a truly sustainable company in the future.

## **Recommendation**

Since there are few shortcomings in the vision statement of PepsiCo, I would like to do some recommendation to improve the current vision statement of PepsiCo. First, I found that PepsiCo vision statement is incomplete. PepsiCo should have mention about their product portfolio and benefit for their employees because employees are their main asset to operate the company. For the long term business, benefit of employees should be included in the vision statement.

Besides, PepsiCo should be more forward looking ahead of their competitors. Since they are main brands in the industry, they should aim to be the best in

the industry and gain the largest market share in the industry. PepsiCo should include the vision statement to motivate the people in the company to work hard together to achieve the goal of the vision statement which is to be the leader of the non alcoholic drink industry. From the case, we can see that the main competitor of PepsiCo is Coca-Cola who is the leader in the market which occupied 41 percent while PepsiCo only hold about 36. 7 percent of the market share in the industry.

Other than that, PepsiCo should prevent the conflict between shareholders benefit and society benefit. It is because PepsiCo need to spend money to benefit the society while shareholder would like to remain most of the money. So I would suggest that in the vision statement of PepsiCo, they should prioritize which aspects they want to serve the best.

The current vision statement of PepsiCo is good but I would like to improve the shortcomings in PepsiCo vision statement. The new vision statement will be as below:

To treat the employees as a family and maximize all of stakeholders benefit that PepsiCo concern. Always be innovation and enhance current product portfolio for society. Show dedication by committing to PepsiCo and be the leader in the industry.

## **Mission Statement Evaluation**

I had used a few components to analyze the mission statement of PepsiCo. So, to enhance it to be a better mission statement, I will suggest new description for PepsiCo. First component is the customers. There is no description about the customers in current mission statement. I would want

to recommend PepsiCo to include a new description into their current mission statement which is to serve globally. There are some less developed countries which stay in unhygienic places. PepsiCo should serve them by providing clean and fresh drinks for them so that people in there can enjoy the benefit together. (refer to appendix 4)

For the products and services component, although there is description in the current mission statement, but I would like to enhance it to become better by keep on innovate to come out with new products that benefit the society. It is because some of the current foods of PepsiCo are unhealthy for society if they take it for long term, so it is important to be innovative to come out with more healthy foods and beverages.

For the markets that PepsiCo serve, they want to become world's premier consumer products company. But PepsiCo are more concentrating on developed countries such as United States, Europe and Australia. I would like to suggest PepsiCo to serve globally and enter less developed market such as Africa region. It will show that PepsiCo is concern about the poor society and thus enhance the brand.

The next component is concern for survival, growth and profitability. The current mission is to seek to produce financial rewards to the investors. For a better mission, it is important to train and retain talented employees as they are the main asset for the company.

There is no technology component in the current mission statement. I would like to suggest PepsiCo to develop an advanced technology ahead of their

competitors to increase the efficiency of the production. It can be an advantage for PepsiCo in their industry.

The current philosophy of PepsiCo is to strive for honesty, fairness and integrity. For my suggestion, I would like to come out with new description which is to be responsible to society. It is better because PepsiCo should act ethically to serve the society so that it can help the society.

There is no self-concept component in the current mission statement. I suggest that PepsiCo should have prioritized their customers all the time. So that they can serve the customers better based on what they want.

The concern for public image component in the current mission is only about the business partners and communities. They should treat the environment better because it is important now and it can build positive brand image in global market.

PepsiCo also show their concern for employees. They provide opportunities for growth and enrichment to employees. But it will be better if they can empower their employees to make decision and reward them to create loyalty because they will feel that they are important in the company and thus will more committed to the company.

I would like to make a few enhancements for the current mission statement.

The enhancements will as shown in below:

Our mission is to serve fairly without bias and create a positive image in global market. We also want to develop advanced technology and be

responsible to the society. Customers' satisfaction is our top priority. We also want to empower employees to be innovative that benefit society.

## **Conclusion**

As a business analyst for PepsiCo, I had made few suggestions for the vision and mission statements and I hope that with the new enhancements of my vision and mission statements for PepsiCo current vision and mission statements, PepsiCo can improve company and be a better one to serve the society and be a truly sustainable company.