

# Foundations of the pepsi cola firm



**ASSIGN  
BUSTER**

Pepsi Cola International is world renowned soft drinks brand. It is a very well organized multinational company, which operates in almost all over the world. They produce, one of best carbonated drinks in the world. Pepsi is a symbol of hygiene, quality and service, all over the world. Pepsi is producing Cola for more than 100 years, and it has dominated the world market for a long time. Its head office is in New York.

The story of Pepsi starts from North Carevebino Store that was owned by Caleb Bradham. He prepared a drink called drink of bread. In 1903 Caleb Baradham introduced it as a Pepsi Cola and registered it, made his own company and soon started it sales. In 1909 more than 24 American States gave license to Pepsi for sale. Pepsi Cola was first introduced in 6. 5 ounce bottle. Pepsi was first registered in 1932.

In 1932 Pepsi Cola was introduced a big bottle of 12 ounce. In 1950, the Pepsi Cola formula was slightly changed and the sweetness and calories in Pepsi Cola were decreased. In 1957, the bottle was changed to new attractive bottle and the product line was also increased by introduction of two more products that were Teem and Marinda.

Today Pepsi Cola is available to more than 100 million of consumers which includes Soviet Union (Russia) and China.

## PEPSI IN PAKISTAN

The market in Pakistan is surely dominated by Pepsi. It has proved itself to be the No. 1 soft drink in Pakistan. Now a days Pepsi is recognized as

Pakistanis National drink. In 1971, first plant of Pepsi was constructed in Multan, and from their after Pepsi is going higher and higher.

Pepsi's greatest rival is Coca Cola. Coca Cola has an international recognized brand. Cokes basic strength is its brand name. But Pepsi with its aggressive planning and quick diversification in creating and promoting new ideas and product packaging, is successfully maintaining is No. 1 position in Pakistan. In coming future Pepsi is also planning to enter into the field of fruit drinks. For this it has test marketed its mango juice in Karachi for the first time?

When Pepsi was introduced in Pakistan, it faced fierce competition with 7up, lemon and lime drinks, which was established during 1968, in Multan. Pepsi introduced its lemon and lime, " Teem" to compete with 7up. It successfully. After some years, Pepsi took over 7up, and this enhanced Pepsi's profits and market share. In Pakistan, Pepsi with 7up enjoys 70% of the market share where as the coke just has 20% market shares.

Pepsi is operating in Pakistan, through its 12 bottlers all over Pakistan. These bottlers are Pepsi's strength. Pepsi has given franchise to these bottlers. Bottlers, produce, distribute and help in promoting the brand.

#### PEPSI IN LAHORE

Pepsi production was started in Lahore in 1976 by exâ€™ Governor Saddiq Hussain Qureshi. In 1988, Pepsi plant was buyout by RIAZ BOTTLERS. After 1988, Riaz Bottlers are producing Pepsi Cola International's products under " Franchising". All specifications are provided by the Pepsi Cola International and Riaz Bottlers follow them.

## DEPARTMENTS OF THE COMPANY

The company is divided into different departments for the convenience of its operations. These departments are headed by their respective managers, who are responsible for efficient, effective and productive operations of their departments. These departments include:

Human Resource department

Sales and Marketing department

Finance department

Purchase department

Research, Development and Control department

Production department

Personnel department

Plant maintenance department

Pepsi with such an information system Named as MANAGEMENT & INVENTORY CONTROL SYSTEM that could facilitate the whole organization, the system can....

Help in reducing expenses

No. of employees can be lessened

Operations of the company can be faster than usual

The weaknesses of the current system will be removed.

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LEADERS OF THE COMPANY

## THE HISTORY

The company was initially owned by late

Nawab Saddiq Hussain Qureshi & family till 1989. The Pepsi International franchise declared the management incompetent, thus, the company was handed over to a new set of personnel. The factory set up was reorganized & re-established with expansion in various sectors. The Pepsi International did this by offering it to Mr. Jehangir Tareen, who formed up his new team.

Mr. Jehangir Tareen is Nephew of General (late) Akhtar Abdur Rehman.

## INTRODUCTION OF THE FAMILY

General (late) Akhtar Abdur Rehman belonged to East Punjab and was commissioned in the army through IMA/PMA in the corps of Artillery. He rose to the rank of General. He remained the chief of ISI and then became the Joint Chief of Staff till he died in an Air crash.

He had four sons as follows:

1. Akbar Akhtar \_\_\_\_\_ (MBA)
2. Humayun Akhtar \_\_\_\_ (MNA) \_\_\_\_ (MBA)
3. Haroon Akhtar \_\_\_\_ (Ex-MPA) \_\_\_\_ (CA)

4. Ghazi Akhtar \_\_\_\_\_ (CA)

His all four sons had their higher education abroad, two in Canada and two in USA, with qualifications shown against each.

## **COMPANY'S PROFILE**

-> Ghazi Akhtar \_\_\_\_\_ M. D

-> Akbar Akhtar \_\_\_\_\_ Director

-> Haroon Akhtar \_\_\_\_\_ Director

-> Nawab Muhammad Ahmad \_\_\_\_\_ Director

(He is the sonâ€™ inâ€™ law of late Nawab Saddiq Hussain Qureshi and inherited his share in the company)

-> Jehangir Tareen \_\_\_\_\_ Director

(Presently, he is the advisor on agriculture to Punjab government).

-> Mr. Humayun Akhtar is neither the director nor the shareholder of the company.

## **STATUS OF THE COMPANY**

The company is franchise oriented through Riaz Bottlers. Pepsi International supplies the concentrate of Pepsi to them, who supply sugar, carbon dioxide, other chemicals & filling of the bottlers. The franchised area of Riaz Bottlers is municipal limits of Lahore (excluding Shahdara which comes in Gujranwala) and Kasur.

Marketing is done through two systems, i. e. direct and through dealers/wholesalers. Seven to ten retired army officers are working in the set up including marketing department.

## **OTHER IMPORTANT FIGURES OF THE FAMILY**

Following are some prominent personalities having relations with General (late) Akhtar Abdur Rehman's family.

1. Lt. Gen. Zahid Ali Akbar is father-in-law of Haroon Akhtar.
2. Gen. Rahimuddin Din is father-in-law of Ghazi Akhtar, whose other daughter is married to the son of late General Zia-ul-Haq.
3. Air Vice Marshal Saddaruddin Din is the father-in-law of Akbar Akhtar.

## **CONTRIBUTION IN SOCIETAL WELFARE**

-> One small hospital / dispensary in the name of General Rahim has been established by the family.

-> Three model schools have been constructed. These schools are located in Larkana, Hyderabad and in Gujranwala.

## **BUSINESS MISSION**

Business mission of Pepsi, in Pakistan, is to be the best and biggest seller of carbonated soft drinks.

## **PLANS, OBJECTIVES & POLICIES OF PEPSI COLA**

The company main objective is to achieve the highest level of quality and their all strategies are related with this objective. The company is quite successful in accomplishing this objective as they are known for their quality in the market.

Company's second main objective is product development. Along with the product Quality Company largely emphasizes on the development of the product with the help of R&D in order to meet the changing need of the industry.

Company's third objective is to increase their revenues from international operations.

At the corporate level, Pepsi has centralized and formal structure. All the policy matters related to different businesses and regions are made at the upper level and guidelines are received from the parent office in USA, the routine and local level decisions are made by subsidiary itself, like the distribution network, marketing etc.

Pepsi has a policy of setting sales targets for each region. They have also the targets for earning certain level of revenues from each region.

#### PLANS & GOALS OF PEPSI

Plans related to their objectives and policies are as follows:

\* To accomplish their goal of achieving highest quality product. They use their technical expert terms to visit the different plants and collect samples to send them Tokyo for lab testing, every month. Now, they are planning for



further tightening the quality standards by forcing the franchisers to use different new techniques for total quality management. So, that highest quality standards could be achieved. They invite different experts of franchisers from different countries to participate in short courses related to quality at different area head quarters.

\* To accomplish their goal of new product development, they are spending huge amounts of money on R&D.

\* For achieving their third goal of increasing international revenues, they are planning to expand their international operations. Especially, they are targeting to those underdeveloped countries which have high GDP and per capita income.

## COMPETITORS AND MARKET SHARE

### **COMPETITORS**

The major competitors Pepsi Cola are Coca Cola and RC Cola. Both of these are making little or no effort to put Pepsi down. Because they have accumulative share of only 20% in market. On the other hand Pepsi Cola is advertising and promoting their product so heavily that they have almost finished name of their competitors in the market.

### **MARKET SHARE**

Pepsi hold 50-60% of the market share. The rest is held by RC and Coca Cola.

Pepsi Cola 50-60%

Coke & RC 40-50%

Others 2. 0-3. %

## **DISTRIBUTION AND DEALERS**

Pepsi Cola International has 12 bottles all over Pakistan. They are responsible for the production, distribution and selling. These bottlers use intensive distribution to reach as many customers as possible. Bottlers after producing and filling the bottles give the bottles to the distributors.

Distributor, either distribute the bottles directly to outlets or they supply it to the whole seller, who then provide and supply the bottles to the retailer.

Distribution channels have tremendous growth potential. They are continuously making huge investments in the machinery, trucks etc for upcoming “Coca War”. Their efficiency levels some times dwindles, but up till now they are able to manage minor problems and drifts in their distribution channels.

## **MARKETING SERVICE FIRMS**

As Pepsi has given its franchises to its bottlers in Pakistan, the bottlers are wholly responsible for transportation services, warehousing facilities and arranging finance, to meet their objectives. Bottlers have set up their own territories, and warehouses. For instance, there is one warehouse in Multan for Bahawalpur, and for providing warehousing facilities for Gujranwala, there is one in Sialkot. Bottlers have their own trucks, and vehicles for transporting the products. They have adequate resources to meet their expanding distribution net work.

However, advertising is the one marketing mix, that Pepsi Cola International do itself. Pepsi International sets the promotional plans for their product. In Pakistan, Pepsi is advertising its schemes, Packages and product developments, through “ Inter Flow”. This is one of the leading advertising agencies in Pakistan operating in Karachi. Pepsi has allocated sufficient resources for promoting and advertising its products.

## EXTERNAL FACTORS

### **DEMOGRAPHIC FACTORS**

Demographic changes and development poses some threats and opportunities. Pepsi Cola International keeps close tracks of demographic trends and development in the market. Increasing migration to cities provides opportunity for Pepsi to increase its production, adjust its prices, accordingly. People are now becoming more aware of calories and are more conscious about their health. Pepsi tackled this trend by offering diet version for low calories conscious consumers. So Pepsi International keeps a very close eye on the demographic changes, occurring in Pakistan and then plan its marketing strategies according to these developments.

### **ECONOMIC FACTORS**

Pepsi is a luxury product. It's not like “ Rolls Royce”, but it is also not like “ flour”. People can drink water too instead of Pepsi. But rising income always affects the company. When people have more disposable income, Pepsi sells more.

It is also an impulse product. It has no planned purchase. Normally, we do not go out, especially to drink Pepsi. Very often, we see Pepsi sign board, a

khokha, and decide to buy Pepsi. In Pakistan, Pepsi's sales were rising, along with other things that the company did, like, sales promotion, advertisement and distribution, which was very effective. Year 1996, was not a good year. Because after a long time the company's pricing increased by the inflation rate. Due to rise in inflation last year, Pepsi took a 2 rupee jump from Rs. 7 to Rs. 8. That affected the consumer, because their disposable income decreased.

Despite the pressure from the Pepsi principals in New York, and the bottlers, to further increase the price as due to inflation the cost of production was increasing, Pepsi managed to hold its price at Rs. 8, in order to keep its customer. Now they have come back to Rs. 7.

## **POLITICAL FACTORS**

Developments in political environment also affect company's strategies. Higher percentage of sales tax and excise duty has been imposed on the company's product, which affects the selling price, and ultimately the buying. It affects packaging. Due to current sales structure, manufacturing bigger packs become unviable.

Current duty structure has affected Pepsi's take home packages, i. e. 1 liter bottle, 2 liter pet and non returnable packages. 250 ml is the most viable package under current condition. Prior to this tax in March 94, Pepsi introduced many packages i. e. 1. 5 liter pack, disposable packs and 2 liter packs, but after these tax increase, Pepsi is focusing more on 250 ml.

Political instability and uncertainty in a country has very bad effects on the

investment in new ventures, new product development, and on the economy as a whole.

## **CULTURAL FACTORS**

Although Pepsi is an international brand, but it is very closely aligned with Pakistan cultural environment. Pepsi, in Pakistan is no doubt No. 1 beverage brand. Yet it is also recognized as a “ national drink”. Pepsi’s has related its ads and promotion, to nationalism, like sponsoring

**Dill Dill Pakistan,**

**Pepsi with Imran Khan,**

**Pepsi with Wasim and Waqar, etc.**

This reflects that Pepsi is a part of Pakistan.

Changes in life style of consumer affect the Company’s product. For instance, in a depressed society like in Pakistan, when people go out for picnic, and during leisure time. They enjoy themselves by cooking themselves, and very often take NR Pepsi with them. 80% consumption of Pepsi is, outside consumption.

As youth is the target segment of Pepsi, so their changing life styles also provide opportunities for the company to alter its strategies. Young people are more trendy and fashionable, and their behavior changes from time to time. Pepsi’s slogan

“ Choice of a new generation”,

Has appealed the Pakistani youth, a lot, and the company sales were increased considerably. Then, they shifted to new slogan, " GENERATION NEXT" and now one more step ahead with " ASK FOR MORE".

Rapid urbanization also provide opportunities to the company. People migrating to cities, are influenced by the cultural change, and they tend to buy Pepsi more as people in urban areas are more aware about soft drinks.

## TASK ENVIRONMENT

### **MARKETS**

Pepsi's market share is increasing 1 or 2 points over the last 8 to 10 years which is quite substantial. If we take up to last 10 years, it's almost 12% increase in the companies share.

1996 was a bad year for Pepsi because the pricing was high. The company prices when to Rs. 8 and as the consumer income has caught up to Rs. 8 so hopefully consumer will now get familiar to this price change.

There will be now more competition and whenever there is competition there is a lot of market activity, distribution improves, promotion improves and advertising improves. As in Karachi, at the end of 1996 in Nov., Dec., when coke launched its 300 ML pack Pepsi also launched its 300 ML. This created competition and prices went down to Rs. 3. This increase the market so much, that Pepsi sales were so high during Nov., Dec., that it has never been whole year. This shows that Pakistani market has great potential to grow.

The primary market of Pepsi is young people, between the ages of 16-40 year. The other segment is housewives and takes whole segment. Youth is

basically for on premises consumption, and housewives and decision makers for the take-home consumption.

Geographically company takes into account 4 segments. One is south, which is Sind and Baluchistan, the other southern Punjab, then central Punjab and then northern Punjab.

## EVALUATION OF THE STRATEGY

### **BUSINESS MISSION**

Business mission of Pepsi, in Pakistan, is to be the best and biggest seller of carbonated soft drinks.

### **OBJECTIVES**

To sell maximum amount of cases, to have and try to capture maximum market share. Pepsi has set their objectives, according to the resources they possess, and these objectives are quite appropriate, under the prevailing competitive position and the opportunities.

### **STRATEGY**

Core strategy is to achieve the objectives, to provide consumer the product he wants. To provide Pepsi at an “ arms length”, to the consumers. For this company has allocated sufficient resources.

### **BUDGETS**

Company has allocated sufficient resources to different market segments. Adequate resources are provided for product development, advertisements, promotion and other marketing mix elements. This can be seen by the

quality of ads produced by Pepsi. Pepsi ads are often shown during the most expensive time on the prime time, i. e. between 7. 00 Pm to 9. 00 Pm.

They also sponsor cultural events, musical concerts; cricket matches etc which involves vary high costs. But Pepsi is able to get the desired results out of its huge investments in promotion, advertisements and product development.

## **OPERATIONAL MANAGEMENT**

### **FORMAL STRUCTURE**

As bottlers are given the responsibility of production, distribution and sale. The Pepsi Cola International (PCI) sets the over all plan. HRM manager has the authority to develop the managing plan, or an other activity, but he has to communicate his ideas to the bottlers and after mutual discussion, the plan is finally executed. These formal structures possess difficulties in communication. As the HRM manager has to communicate with 12 bottlers, all over Pakistan. He has to convince the bottlers about the plan. This wastes a lot of time.

### **PLANNING & FUNCTIONAL EFFICIENCY**

Pepsi's product management system is quite effective. Planning manager plans about the profits and the marketing department plans and forecast the sales volume. Pepsi International plans the over all sales volume and brand building activities.

Communication between marketing staff and sales staff is not up to the mark. Because both these functions are handled by different people in different organization i. e. bottlers deals in sales and Pepsi International



works out the marketing plans. That is why the communication between sales staff is not effective.

In Pepsi's opinion, sales staff needs improvement and motivation in sales execution. This requires training of sales man, sales supervisor, so that they can plan the routes effectively, communicating with the retailers. Recently the company has employed a training consultant, who will train the sales staff according to the recent developments made in the developed nations like U. S. A, and U. K. etc.

## MARKETING SYSTEM

### **INFORMATION SYSTEM**

Pepsi gets intelligence by marketing research. They have various research firms; one of them is " Aftab Associates". These companies gets intelligence for Pepsi. They provide the timely information about market conditions, products feed back, etc. These companies gather the data, the information and then report their findings to the company.

Pepsi decision makers, make full use of the research carried out by these agencies. They evaluate the report and if, there is anything which needs discussion, company managers sit with the representatives of the research firm and try to solve such problems. But the final decision is taken by the company itself.

## PLANNING SYSTEM

To a large extent, Pepsi has an effective planning system. Market demand and sales forecasting is measured effectively and quite accurately. Sales

forecasting is the primary, or the starting point of budgeting, allocating resources for production etc. This should be as accurate as possible. Sales quota for different market segments are set on proper basis.

Companies marketing planning system is so efficient, that it immediately adjusts its plans according to the changing industry situation, and market situations.

### CONTROL SYSTEM

Pepsi has developed a system for periodic analysis of their sales and profitability of products. It also analyze the standards and objectives it has set for the year and then compare the actual performance with these standards after every quarter. It also reviews its market, market size, and channels of distribution, promotion etc.

Marketing costs are also closely watched and matched with the budgeted costs, on regular basis after every 4 to 5 months. This unable the company to reorganize its resources, if there is any discrepancy in the first quarter.

### NEW PRODUCT DEVELOPMENT

A company is today's business, can survive, only if it keeps on developing new products and new ideas. Other wise, its competitors may take advantage by launching its new product. Pepsi has also developed different packs, flavors, different discount packages on new product launch. For instance, Pepsi has launched new products like Mountain Due and slice in Karachi, Marinda green cream, canes, plastic bottles and new sizes in different packages. Pepsi always allocate sufficient funds for research and

business analysis before investing in any new product. It always do research before launching a new product in market. Pepsi also test markets its new product before launching it into the market. This saves the company from the inconveniences, which otherwise would have occurred

## SWOT ANALYSIS

SWOT analysis is a common tool used in organizational planning & strategy development. The basic assumption of a SWOT analysis is that organizations must align internal activities with external realities to be successful. Its planning tool speaks to its usefulness in thinking about organizational strategy.

SWOT stands for Strength, Weaknesses, Opportunities & Threats. Using a simple 2 by 2 matrix as a starting point, organization can identify a number of important issues relevant to a strategy development

The first two factors, Strength & Weakness, involve specific organizational issues — both positive & negative. The second groups of factors, Opportunities & Threats, relate to influence in the organization's environment — once again both positive & negative.

## **SWOT ANALYSIS**

### **STRENGTH**

#### **1. Company Image**

It also is a reputable organization and is well known all over the world.

Perception is of producing a high quality product.

## **2. Quality Conscious**

They maintain a high quality as Pepsi Cola International collect sample from its different production facilities and send them for lab test in Tokyo.

## **3. Good Relation with Franchise**

Throughout its history it has a good relation with franchisers working in different areas of the world where they have the production facilities.

## **4. Production Capacity**

It has the highest production capacity i. e. 60, 000 cases per day is not only in Pakistan but also in South Asia.

## **5. Market Share**

It has a highest market share i. e. 62% in Pakistan and leading a far step head from its competitors.

## **6. Large number of diversify businesses**

This is also its main strength as it has diversify in many businesses such as:

Pepsi beverages

Pepsi foods

Pepsi restaurants

## **7. Hi Tech Culture**

The whole culture and business operating environment at Pepsi Cola – West Asia has quick access to a centralized database and they use computers as business tools for analysis and quick decision making.

## **8. Sponsorships**

They mainly use celebrities in their advertising campaigning like Imran Khan, Wasim Akram, Waqar Younas etc. Also sponsor social activities programmed like music etc.

## **WEAKNESSES**

### **Decline in Taste**

During the last year, it was published in Financial Post that there has been big complaints from the customers with regard to the bad taste that they experienced during the span of six months.

### **Political Franchisers**

Such as in Pakistan, Hamayun Akhtar is its franchisee who has a strong political support from a political party which is in opposition. In their era in government fewer taxes are imposed on them but retaliation increases as they come in opposition. So the selection is not appropriate as this thing surely harmful to their image as well as the strategies.

### **Short Term Approach**

They have a lack of emphasis on this in their advertising such as currently when they losses the bid for official drink in the 96 Cricket World Cup they started a campaign in which they highlight the factor such as “ nothing official about it.

### **Weak Distribution**

They lack behind in catering the rural areas and just concentrating in the urban areas.

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## **OPPORTUNITIES**

### **Increasing Population**

As almost in all over the world growth rate is increasing which in turn increases the demand of products and necessities and especially in Asia the market is growing at a faster rate as compare to other continents so they have a to attract new entrants.

### **Changing Social Trend**

As in all over the world people are rushing towards fast food and beverage because of life which has become much faster, it provide the company a favour to capture this fast moving market with its take away product.

## **3. Diversification**

They may enter in garments business in order to promote their brand name, by making sports clothes for players which represent their name by wearing their clothes.

## **THREATS**

### **1. Imitators**

They also have a problem of imitators as receives complaints from customers that they find take product in disguise of Pepsi's product.

### **Government Regulation**

They face problem if government employ taxes on them which force them to raise the price of their product.

### **3. CO2's Shortage Problem**

Again this is also a serious threat from its supplier as if the supplier is unhappy with the company. He may reduce the supply and exploit the company. This action will surely affect the production process.

#### **PROBLEMS**

Although Pepsi is a well-organized multinational beverage company, yet it has some loopholes in its planning and distribution of its products. Some significant problems, which we noticed during the course of this project, are:

Management policies. Sales force is not providing good service to consumers.

Supplies are often delayed. They are not able to keep pace with the promotion and advertisements by the company.

There are also rare cases of bad quality of Cola. Some times its taste is not like the original Cola..

#### **SUGGESTION**

We suggest the following solution to the aforesaid problems, to the best of our knowledge and experience.

Sales force also needs improvement. It needs to redefine their objectives.

Their objectives should be:

To provide good service and placing the products in time and regularly.

To listen to the complaints of the retailers and try to rectify their complaints.

Although we found the working environment for the workers to be satisfactory and the workers expressed their satisfaction but we observed that the floor was not clean enough, this can lead to the propagation of germs in the production area and thus an unhygienic product

To convey all promotional schemes to retailers and to make a sure that trade is part of all consumers and promotion.

They should make sure that billing is correct.

## **RECCOMENDATION**

To provide the retailers merchandizing equipments on time to time, and they should make sure that products are merchandized properly, in the outlets

Company should announce discount packages when it is sure that it can supply the products in time for the discount or special offers.

Pepsi should not sacrifice its quality at any cost. It should test its Cola with much care. Change in taste is often due to the sugar used in it. Company should specify standards for its suppliers who supply sugar water. Research & development department should play active role in achieving product quality.

During our analysis of the process we found that some of the inputs that Pepsi is using are of a lower quality, for example the sugar used in the liquid is of B grade. Hence if Pepsi goes for a higher grade sugar the drink is likely to improve in taste and quality.



Pepsi has two carbon purifiers, although only one is always operating at a time. The one that is shut is put to work only when some maintenance work needs to be done on the other. We believe that much time can be saved and greater amount of liquid treated if both the plants work simultaneously.

Considering the above suggestion we conceive that as the carbon purifiers can take more loads, we will be not loose anything by purchasing additional units for the later stages of the process. Although this is an investment recommendation which Pepsi should only consider after evaluating its cost benefit analysis.

Moreover we were told that some of the apparatus in the laboratory have had performance problems i. e. the apparatus has sometime failed to identify some defects with the liquid and bottle as a result of which defective products have been sent into the market. As it is critical to have perfectly conditioned apparatus Pepsi should regularly pay heed to the maintenance of it and should not hesitate if it needs to make extra expenditures for this purpose.

Pepsi apart from the valves provided with each tank should seriously consider the implementation of on line monitors as this has become a standard component of modern soft drink plant the world over.

We believe that Pepsi should make its workforce familiar with his statistical methods of control, so that they can see and observe the effects of their increasing and decreasing efforts.