

# The structure framework: structure and strategy case study samples

[Business](#), [Company](#)



## **Coca Cola Case Study**

### Introduction

Creating a good fit between a company strategy and its structure is often poorly accomplished by managers and planners; this is often due to the lack of arrangement and knowledge. To accomplish this fit, strategists need to orient their attention towards planning and organizational strategies, which implies going through three main steps. The first step is to give stakeholders the chance to participate in the decision making process. The second step is to collect all available data by running different types of analysis. In the final step the company needs to implement achievable plans collectively. In this paper, we will use Coca Cola Company to learn if the company leaders are achieving this fit or not.

### **Coca Cola Organizational Strategy**

Depending on media and advertising, Coca Cola Company became number one choice for half of the world population as a leading producer of soft drinks. By adopting an aggressive strategy, Coca Cola maximize its growth and profitability levels to create value for its stakeholders all over the world. The success of the company strategy revolves around few factors, such as obtaining a unique brand among different famous trademarks in the world, the high quality of its products, the creative thinking approach it follows in bottling and distributing its products and providing its consumers innovative products, such as Diet Coke and Coca Cola Vanilla.

## **Creating an effective Organizational Structure**

As a global company recognized worldwide, Coca Cola Company creates an effective organizational structure that reflects its market position while meeting particular needs of regional markets. The company has an international divisional structure which allows its international staff to work separately from headquarter. The company divisions are distributed everywhere around the globe, each division has its own president who controls each continental division. Each president in each division has vice presidents who proceed their work regionally. The structure in Coca Cola extends from organizing internal relationships to external ones. External groups include bottling groups and suppliers and other groups with whom the company tends to strengthen its relationships to ensure that products are made into finished beverages and meet necessary quality requirements.

## **Fit between Coca Cola Strategy and Structure**

Coca Cola organizational structure reflects the fit between different elements of the company internally and externally. In order to implement its plan, the company must have both strategy and structure woven together. During the last decade, the company restructured its geographical operating segments in North America, Europe, and the Middle East. This organizational change was in favor to implement the company strategy, by focusing on divisions that need to be decentralized and give the chance to presidents in these areas to take strategic decisions according to their area requirements. The strategy of Coca Cola is characterized by local manufacturing and global marketing. According to structural changes in the company, the global

marketing approach has been changed to local marketing to meet varieties in customers' experiences and preferences.

## **Outcomes of the fit between Coca Cola Strategy and Structure**

The primary outcome of this fit between Coca Cola strategy and structure can be seen in the degree of achieving company goals and priorities; we can summarize this in the following points:

- Expand product lines
- Raise profitability level
- Invest intelligently in market growth
- Achieve cost effectiveness objective using technology and large scale production systems

## **How do managers in Coca Cola design and implement a structure appropriate to the organizational problems?**

Many researchers equate organizational design with organization's structure. Organization design reflects the degree of alignment between company structure and its mission. For Coca Cola Company, the applied organizational structure facilitates communications, productivity and innovation; it provides an effective environment for employees to work in. In the divisional structure followed in Coca Cola Company each division is separate and has a divisional manager. Each business unit is formulated along different functional lines; each division, for instance, may have a separate marketing function.

## **Recommendations**

Coca Cola Company uses its strategy aligned with its organizational structure, as we mentioned above; to enhance this fit, the company needs to revise and develop new skills sets in order to handle the required organizational change needed in its current structure to accommodate its strategies and objectives. The company needs to center its common philosophy on certain issues:

- Mission and policies clarification
- Establishing formal and informal organizational structures and consider them as ways for authority delegation and responsibility sharing
- Reviewing current objectives in regards of company priorities
- Maintain better communication channels within different divisions and with the community
- Motivating staff and follow up their accomplishments

Coca Cola Company must expand its knowledge in communication with its customers locally and internationally while adopting new marketing strategies to handle reduced sales levels by offering special discounts or raising the market share during this period.

## **Conclusion**

In this paper, we discussed the issue of how can the fit between the company structure and its strategy affects its performance and the needed organizational change in order to enhance this fit and strengthen it. We used Coca Cola Company as an example here; we pointed out Coca Cola structure and strategy and the degree of fit between them. We also offered different

recommendations that top management can adopt to enhance this relationship and strengthen it.

## References

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