

Coca-cola management project flashcard



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Introduction •Company Introduction The Coca-Cola Company is an American multinational beverage corporation and manufacturer, retailer and marketer of non-alcoholic beverage concentrates and syrups and one of the most highly recognized soft drink brands in the world. (1) The company is best known for its flagship product Coca-Cola, invented in 1886 by pharmacist John S. Pemberton in Columbus, Georgia. (2) The Coca-Cola formula and brand was bought in 1889 by Asa Candler (co-founder of Coca-Cola) who incorporated The Coca-Cola Company in 1892. 3) Coca-Cola currently offers more than 500 brands in over 200 countries or territories and serves over 1.7 billion servings each day. [4] The company operates a franchised distribution system dating from 1889 where The Coca-Cola Company only produces syrup concentrate which is then sold to various bottlers throughout the world who hold an exclusive territory. The Coca-Cola Company owns its anchor bottler in North America, Coca-Cola Refreshments. The Coca-Cola Company is headquartered in Atlanta, Georgia, United States.

Its stock is listed on the NYSE (New York Stock Exchange) and is part of DJIA (Dow Jones Industrial Average: a stock market index), S&P 500 Index (a free-float capitalization-weighted index), the Russell 1000 Index (a stock market index) and the Russell 1000 Growth Stock Index. Its current chairman and chief executive is Muhtar Kent (a Turkish-American business executive).

•Company's Vision, Mission and Goals Mission Company's mission in their own words: (5) " Our Roadmap starts with our mission, which is enduring. It declares our purpose as a company and serves as the standard against which we weigh our actions and decisions.

To refresh the world... To inspire moments of optimism and happiness. To create value and make a difference. " Vision In their own words: (6) " Our vision serves as the framework for our Roadmap and guides every aspect of our business by describing what we need to accomplish in order to continue achieving sustainable, quality growth. People: Be a great place to work where people are inspired to be the best they can be. Portfolio: Bring to the world a portfolio of quality beverage brands that anticipate and satisfy people's desires and needs.

Partners: Nurture a winning network of customers and suppliers, together we create mutual, enduring value. Planet: Be a responsible citizen that makes a difference by helping build and support sustainable communities. Profit: Maximize long-term return to shareowners while being mindful of our overall responsibilities. Productivity: Be a highly effective, lean and fast-moving organization. " Goals Company set followings goals to be achieved: Water stewardship: To be responsible stewards of the water we use, we are becoming more efficient in our water use by reducing the amount we use per liter of product.

Energy efficiency and climate production: Careful use of energy resources to help in improving our climate by following steps ? Investing in clean energy ? Cutting carbon emission ? Increasing energy efficiency ? Cutting emission and energy use in developing countries Sustainable packaging: Improve packaging material efficiency for the betterment of environment. Healthy communities: Our goal is to give back at least 1 percent of our operating income annually to improve the living standards of people around the world.

(7) Millennium Development Goals:

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Along with its own internal goals it is also participating in The Millennium Development Goals (MDG: are eight goals to be achieved by 2015 that respond to the world's main development challenges). (8) These are: Goal 1: Eradicate extreme poverty and hunger Goal 2: Achieve universal primary education Goal 3: Promote gender equality and empower women Goal 4: Reduce child mortality Goal 5: Improve maternal health Goal 6: Combat HIV/AIDS, malaria and other diseases Goal 7: Ensure environmental sustainability Goal 8: Develop a Global Partnership for Development

STRATEGIC GOALS:

The strategic goals are considered when company is thinking of the long-term objectives but at coca cola strategic objectives and goals are set up for three years. These strategic goals are decided by the top management with consultation by the parent company head quartered at Singapore. However, they are reviewed every year in the annual meeting to make sure that they are in line with the changing environment. They are: ? To continue to be an organization providing the quality products to the valuable customers. ? To select and retain the professional people for the organization. ? To project an outstanding corporate image. To satisfy the customer through extra ordinary service and an excellent service along with the complete tactical and operational support. TACTICAL GOALS: The top management of the company on an annual basis devises these goals together with the consultation of the lower level employees. Then each departmental director is given these annual tasks that then subdivide it on the quarterly or monthly basis to have a proper check to ensure that these objectives are achieved, mainly through marketing, is the job of the director of each division. For this year, these

goals are: ? To increase the revenues by 20% as compared to last year. To increase the total retail customers by around 10%. ? To increase the market share by 5%. ? To reactivate the discontinued customers by 30%.

OPERATIONAL GOALS: Operational goals are decided by the top management in consultation with the lower level employees. They are following the concept of management by objectives (MBO). Each employee is assigned its goals and is told what is expected of him and then he is evaluated on the basis of certain rules and regulations followed evenly by the company. For example: a sales man is given following tasks, duties and certain targets: Each salesman has to oversee around 100-125 outlets.

The frequency of visits to each outlet depends upon the sales of that particular outlet. Normally, a salesman has to visit a single outlet thrice a week i. e. every alternate day. This means that a salesman visits at least 20-30 outlets per day. The salesman has three basic functions to perform. • To find new customers, • To retain existing ones, • To bring back the discontinued accounts. Each salesman has to bring in at least three new accounts every month. These may either be new customers or the reactivation of the discontinued accounts.

Sales manager is made responsible for the performance and achievement of operational goals and is assigned to set certain milestones for the salesman so as to give him proper feedback, which definitely helps the salesman achievement of the above-mentioned goals. •Company History The product was first made in Atlanta, Georgia, on May 8, 1886. Dr. John Stith Pemberton, a local pharmacist, produced the syrup for Coca-Cola, and checked it from Jacobs' Pharmacy, where it was sampled, and placed on sale for five cents a

glass as a soda fountain drink. 1886 May 8. Coca-Cola is created by John S. Pemberton and served at Jacobs' Pharmacy.

Nine drinks a day are sold during this year. Company accountant, Frank Robinson, names the drink "Coca-Cola". The first newspaper ad appears. 1887 Coupons are first used to promote Coca-Cola. John Pemberton registers his "Coca-Cola Syrup and Extract" label as a copyright with the U. S. Patent Office. 1888 Asa Candler begins to acquire personal control of the Coca-Cola formula and patents from John Pemberton and his partners. 1891 Calendars are first used for advertising by Asa Candler. 1892 Asa Candler, who began to acquire The Coca Cola Company in 1888, finalizes the purchase and incorporates The Coca-Cola Company as a Georgia Corporation.

An advertising budget of \$11, 000 is authorized. 1893 The Coca-Cola Spenserian script trademark is registered with the U. S. Patent office. 1896 Soda fountain urns and clocks are first used for advertising purposes. 1898 The first building is constructed for the purpose of housing The Coca-Cola Company. 1899 The rights to bottle Coca-Cola in most of the United States are sold by Asa Candler to Benjamin F. Thomas and Joseph B. Whitehead of Chattanooga, Tennessee, for \$1. Chattanooga becomes the first city to bottle Coca-Cola under the contract. 1900 The second bottling plant to begin production under the 1899 contract opens in Atlanta. 1901 The advertising budget surpasses \$100, 000. 1904 Annual sales of Coca-Cola hit the 1 million-gallon mark. 1906 Bottling operations begin in Canada, Cuba and Panama, becoming the first three countries outside the United States to bottle Coca-Cola. D'Arcy Advertising Company begins its association with The Coca-Cola Company. 1907 The first festoons are installed in soda
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fountains. The Company begins its long association with athletes with a series of ads featuring noted baseball players. 1909 The Coca-Cola Bottler magazine begins publication and is produced for more than 80 years. 1911 The annual advertising budget for The Coca-Cola Company surpasses \$1 million. 1912 Bottling operations are started in the Philippines, the Company's first expansion into Asia. 1914 Asa Candler makes a \$1 million donation to Atlanta's Emory University. 1916 Asa Candler retires from the Company to successfully run for mayor of Atlanta. 1917 Bottling operations begin on the island of Guam. A relationship between the Red Cross and the Coca-Cola system begins. 1920 The Coca-Cola Company moves to its current location on North Avenue in Atlanta. 1921 The first employee publication, The Friendly Hand, begins publication. 1923

Robert W. Woodruff is elected President of The Coca-Cola Company, beginning more than six decades of leadership in the business. The introduction of the first six-bottle carton is a significant innovation for the beverage industry. 1925 The Board of Directors passes a resolution placing the secret formula for Coca-Cola in a bank vault at the Trust Company Bank in Atlanta. 1926 The Coca-Cola Foreign Department is formed. Bottling operations begin during in Belgium, Bermuda, China, Colombia, Germany, Haiti, Italy, Mexico, the Netherlands and Spain. 1928 The Company begins its long-term association with the Olympic. 1930 The Coca-Cola Export Corporation is. 1936 The 50th anniversary of Coca-Cola is celebrated. 1942 During World War II, the Company operates a propellant ammunition loading plant in Talladega, Alabama, called the Brecon Loading Company. 1945 "Coke" becomes a registered trademark of The Coca-Cola Company. 1948

Coca-Cola is introduced in Egypt 1950 Coca-Cola becomes the first product to appear on the cover of Time magazine. 1960 The Coca-Cola Company acquires The Minute Maid Corporation, adding a line of juice products to its portfolio. 1972 The first bottling operations open in Poland. Mr. PiBB is introduced. 1981 Roberto Gouizeta becomes Chairman and CEO of The Coca-Cola Company. The first bottling plant opens in China. 1982 The Coca-Cola Company purchases Columbia Pictures Industries, Inc 1985 Bottling operations begin in Russia. 1994 The first bottling operations open in Vietnam. 1995 The Coca-Cola Company acquires the Barq's root beer brand. 1999 The Coca-Cola Company acquires Peruvian soft drink Inca Kola and Schweppes beverages in many markets around the world. 2001 The Coca-Cola Company and Nestle create a new company, Beverage Partners Worldwide, to market ready-to-serve coffee and tea beverages.

The Coca-Cola Company joins the fight against AIDS in Africa with the joint United Nations Program on HIV/AIDS, UNAIDS. The Coca-Cola Company acquires Odwalla Inc. , a producer of premium refrigerated fruit beverages. The Coca-Cola Company and NASCAR sign a multiyear sponsorship extension. 2002 The Coca-Cola Company sponsors the FIFA World Cup™ competition in Japan and Korea. 2006 The Bottling Investments Group is established. 2007 The Coca-Cola Company acquires Energy Brands Inc. (Glaceau), maker of vitamin water and smart water. 2010

The Coca-Cola Company acquires the entire North American bottling operations of Coca-Cola Enterprises. 2011 The Coca-Cola Company celebrates 125 years of brand Coca-Cola. Pakistan: Coca-Cola Beverages Pakistan Limited (CCBPL) began its operations on 26 May 1996 in Pakistan.

Coca-Cola Beverages Private LTD (CCBPL) is a joint venture between Coca-Cola International, Fraser and Neeves Singapore and Package Ltd. Initially it acquired National Beverages LTD Karachi and later acquired International Beverages LTD Hyderabad. In May 1996 Fraser and Neeves, a Singapore based bottler of Coke, bought off the local bottlers in Karachi.

Not long after it went on to acquire the bottling plants in Hyderabad as well. Since then coke has made an impressive impact on the local market by increasing its availability as well as its volume share. CCBPL has decided to expand its operations in Pakistan by buying other bottlers all over Pakistan. Implementing their plans of acquisitions of other plants they have recently acquired all the plants in Pakistan as they are inclined to give more attention to increase the market share in Pakistani market. SWOT Analysis Strengths: ? Coca-Cola has the most dominant brand name all over the world. Patent is most important and powerful strength of Coca-Cola Company. ? It is rated as the world's number one cold drink. ? Taste of Coca-Cola is unique and widely accepted by customers. ? They have a strong brand image all over the world ? Coca-Cola Company has their own production plant in many areas. ? They have well-established research & development department & have highly qualified employees for their research & development dept. ? They are the most prominent manufacturers among all the beverage company in the world & have higher market share than their competitors. Coca-Cola Company has broad coverage as it is producing around 500 brands in nearly 200 countries. ? The company owns four of the top five soft drink brands in the world: Coca-Cola, Diet Coke, Sprite and Fanta. ? With revenues in billions Coca-Cola has a large scale of operation. Coca-Cola is the largest

manufacturer, distributor and marketer of nonalcoholic beverage. ? The company's operations are supported by a strong infrastructure across the world. ? Due to its experience in the market it has cost advantage on its competitors. ? Joint venture with Nestle has resulted in formation of Beverage Partners Worldwide (BPW). Development of a good reputation with its customers. ? Enormous number of loyal customers and brand equity all over the world. ? The multinational entity of the Coca-Cola Pakistan gives it an edge upon other competitors. ? The management of this beverage company comprises of one of the most professional people. ? The products are regularly supplied to the dealers through proficient means.

Weaknesses: ? ? Coca-Cola had lack of exclusive or advantageous access to resources ? Although Coca-Cola is widely distributed but it has lack of advantageous access to channels of distribution in some areas. Coca-Cola Company doesn't sell on account, whereas other companies like selling on account to their dealers. ? Coca-Cola products can hardly be seen in village areas. It does not have a good and skillful village distributor. ? As they are the first beverage producers in the world and has a very strong brand image and patent, so the company has overconfidence over their product. ?

Products offering are restricted to beverages. ? In Pakistan there is a weak point in their Human Resource management. ? The product is not available to the extent that it should be in Pakistan. In our country, Coca-Cola does not have enough advertisement promotion. Opportunities: ? ? Opportunity of increasing sales in the Chinese market ? Coca-Cola has successfully captured the urban market but there are still potential markets in rural areas. ?

Stronger international operations increase the company's capacity to penetrate international markets and also gives it an opportunity to diversity

its revenue stream. ? One of the biggest opportunity to diversify into non-carbonated drinks such as coffee, water, juices etc. ? Coca-Cola should increase its partnership with fast food chains. Coca-Cola could leverage its strong position in the bottled water segment to take advantage of growing demand for flavored water. ? The company can benefit from an expanding Hispanic population in the US, which would translate into higher consumption of Coca-Cola products and higher revenues for the company. ? Opportunity of furthering its product diversification schemes in order to gain a wider customer base. ? One venture open to Coca-Cola is the expansion of its bottling and beverage concentrate production to gain possible cost savings from the lesser expenses in rural areas. Coca-Cola launched attractive pet bottles, which is accepted by the entire customer. ? Coca-Cola Company and its distributor have a very good relationship with each other. ? Good relationship with the Govt. is very important for any company to run its business. ? Coca-Cola Company is only providing drinks. It can attempt to provide food in future along with beverages. ? ? It can promote its products in the younger generation ? Coke came to Pakistan in 1996 Coca-Cola can secure new dealers and buyers of its product ? Coca-Cola has a very potential market in Pakistan because of its international reputation.

Threats: ? ? The increasing number of food and beverage products being introduced in the market result to a certain degree of threat to the company. ? Competitors are becoming very professional with their advertising as compared to Coca-Cola ? Carbonates Market is in Decline ? Boycott in the Middle East ? Protest against Coke in India due to using harmful chemicals. ? Negative publicity in Western Europe ? The association of Coca-Cola

carbonated products with fast food restaurants could mean that customers withdrawing from fast food consumption could also decide to lessen intake of carbonated products. Substitute products are being introduced such as tea, juices, coffee. These products serve as threats to Coca-Cola products. ? The economy now a day is depressing and the poor economy may affect the consumers to purchase company products. ? Coca-Cola also faces a lot of problems regarding the political situation. ? Fake beverages by the name of coke are being supplied by unknown people. ? Coca-Cola's competitors have been doing much more than Coke itself is doing. SWOT Analysis Strengths 1. Patent 2. Own production plant 3. Research & Development 4. High market share 5. Brand image Weaknesses . Do not sell on account 2. Less motivation down stream 3. Insufficient advertisement 4. Not skillful distributor 5. Over confidence on their product Opportunities 1. High growth rate 2. Huge local market 3. Acceptance of pet bottles is higher than 4. bottles 5. Good relation with distribution channel 6. Good relation with Govt. Threats 1. Other existing company 2. Good taste of competitor 3. Political stability 4. Better professional promotion of other 5. competitor Planning Process •Strategic & operational plans •Policies •Procedures/ Rules •Planning Tools and techniques Organizing Organizational Chart (Formal Structure) •Span Of Control •Human Resource Planning process Leading •Leadership Style Board of Directors ? Muhtar Kent ? Herbert A. Allen ? Ronald W. Allen ? Howard G. Buffett ? Richard M. Daley ? Barry Diller ? Evan G. Greenberg ? Alexis M. Herman ? Donald R. Keough ? Maria Elena Lagomasino ? Donald F. McHenry ? Sam Nunn ? James D. Robinson III ? Peter V. Ueberroth ? Jacob Wallenberg ? James B. Williams Operating group leadership ? Muhtar Kent ? Ahmet C. Bozer ? Eurasia & Africa Group ?

Dominique Reiniche ? Europe Group ? Jose Octavio Reyes ? Latin America Group ? J. Alexander M.

Douglas, Jr. ? Steve Cahillane ? North America Group ? Glenn G. Jordan S. ? Pacific Group ? Irial Finan ? Bottling Investments ? Javier C. Goizueta ? McDonald's Division Functional Leadership ? Alexander B. Cummings ? Harry L. Anderson ? Dr. Rhona S. Applebaum ? Ceree Eberly ? John M. Farrell ? Gary P. Fayard ? Rick Frazier ? Bernhard Goepelt ? Eddie R. Hays, Ph. D. ? Ingrid Saunders Jones ? Brian P. Kelley ? Carletta Ooton ? Beatriz Perez ? Nancy W. Quan ? John C. Reid ? Ed Steinike ? Ann T. Taylor ? Joseph V. Tripodi ? Clyde C. Tuggle ? Jerry S. Wilson ? Guy Wollaert Controlling Types of Controls

•Internal & External Controls Management by Objectives •Employee

Discipline Systems Suggestion for improvement References: 1. <http://www.whoinventedit.net/who-invented-coca-cola.html>

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