Organizational structure of coca cola

In 1892, Candler set out to incorporate a second company; “ The Coca-Cola Company” (the current corporation). When Candler had the earliest records of the “ Coca-Cola Company” burned in 1910, the action was claimed to have been made during a move to new corporation offices around this time. After Candler had gained a better foothold of Coca-Cola in April 1888, he nevertheless was forced to sell the beverage he produced with the recipe he had under the names “ Yum Yum” and “ Koke”. This was while Charley Pemberton was selling the elixir, although a cruder mixture, under the name “ Coca-Cola”, all with his father’s blessing. After both names failed to catch on for Candler, by the summer of 1888, the Atlanta pharmacist was quite anxious to establish a firmer legal claim to Coca-Cola, and hoped he could force his two competitors, Walker and Dozier, completely out of the business, as well.

When Dr. John Stith Pemberton suddenly died on August 16, 1888, Asa G. Candler now sought to move swiftly forward to attain his vision of taking full control of the whole Coca-Cola operation. Charley Pemberton, an alcoholic, was the one obstacle who unnerved Asa Candler more than anyone else. Candler is said to have quickly maneuvered to purchase the exclusive rights to the name “ Coca-Cola” from Pemberton’s son Charley right after Dr. Pemberton’s death. One of several stories was that Candler bought the title to the name from Charley’s mother for $300; approaching her at Dr. Pemberton’s funeral.

Eventually, Charley Pemberton was found on June 23, 1894, unconscious, with a stick of opium by his side. Ten days later, Charley died at Atlanta’s Grady Hospital at the age of 40. In Charles Howard Candler’s 1950 book about his father, he stated: “ On August 30th {1888}, he {Asa Candler} became sole proprietor of Coca-Cola, a fact which was stated on letterheads, invoice blanks and advertising copy.” With this action on August 30, 1888, Candler’s sole control became technically all true. Candler had negotiated with Margaret Dozier and her brother Woolfolk Walker a full payment amounting to $1, 000, which all agreed Candler could pay off with a series of notes over a specified time span.

Advertising

Coca-Cola’s advertising has significantly affected American culture, and it is frequently credited with inventing the modern image of Santa Claus as an old man in a red-and-white suit. Although the company did start using the red-and-white Santa image in the 1930s, with its winter advertising campaigns illustrated by Haddon Sundblom, the motif was already common. Coca-Cola was not even the first soft drink company to use the modern image of Santa Claus in its advertising: White Rock Beverages used Santa in advertisements for its ginger ale in 1923, after first using him to sell mineral water in 1915. Before Santa Claus, Coca-Cola relied on images of smartly dressed young women to sell its beverages. Coca-Cola’s first such advertisement appeared in 1895, featuring the young Bostonian actress Hilda Clark as its spokeswoman. 1941 saw the first use of the nickname “ Coke” as an official trademark for the product, with a series of advertisements informing consumers that “ Coke means Coca-Cola”.

In 1971 a song from a Coca-Cola commercial called “ I’d Like to Teach the World to Sing”, produced by Billy Davis, became a hit single. Coke’s advertising is pervasive, as one of Woodruff's stated goals was to ensure that everyone on Earth drank Coca-Cola as their preferred beverage. This is especially true in southern areas of the United States, such as Atlanta, where Coke was born. Some Coca-Cola television commercials between 1960 through 1986 were written and produced by former Atlanta radio veteran Don Naylor (WGST 1936–1950, WAGA 1951–1959) during his career as a producer for the McCann Erickson advertising agency. Many of these early television commercials for Coca-Cola featured movie stars, sports heroes and popular singers. During the 1980s, Pepsi-Cola ran a series of television advertisements showing people participating in taste tests demonstrating that, according to the commercials, " fifty percent of the participants who said they preferred Coke actually chose the Pepsi."

Statisticians pointed out the problematic nature of a 50/50 result: most likely, the taste tests showed that in blind tests, most people cannot tell the difference between Pepsi and Coke. Coca-Cola ran ads to combat Pepsi's ads in an incident sometimes referred to as the cola wars; one of Coke's ads compared the so-called Pepsi challenge to two chimpanzees deciding which tennis ball was furrier. Thereafter, Coca-Cola regained its leadership in the market. Selena was a spokesperson for Coca-Cola from 1989 till the time of her death. She filmed three commercials for the company. During 1994, to commemorate her five years with the company, Coca-Cola issued special Selena coke bottles. The Coca-Cola Company purchased Columbia Pictures in 1982, and began inserting Coke-product images into many of its films. After a few early successes during Coca-Cola's ownership, Columbia began to under-perform, and the studio was sold to Sony in 1989.

Coca-Cola has gone through a number of different advertising slogans in its long history, including “ The pause that refreshes,” “ I’d like to buy the world a Coke,” and “ Coke is it” (see Coca-Cola slogans). In 2006, Coca-Cola introduced My Coke Rewards, a customer loyalty campaign where consumers earn points by entering codes from specially marked packages of Coca-Cola products into a website. These points can be redeemed for various prizes or sweepstakes entries.

Mission, Vision & Values The world is changing all around us. To continue to thrive as a business over the next ten years and beyond, we must look ahead, understand the trends and forces that will shape our business in the future and move swiftly to prepare for what’s to come. We must get ready for tomorrow today. That’s what our 2020 Vision is all about. It creates a long-term destination for our business and provides us with a “ Road map” for winning together with our bottling partners.

Our Vision

Our vision serves as the framework for our Road map 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 share owners while being mindful of our overall responsibilities Productivity: Be a highly effective, lean and fast-moving organization.

Our Winning Culture

Our Winning Culture defines the attitudes and behaviors that will be required of us to make our 2020 Vision a reality. Live Our Values Our values serve as a compass for our actions and describe how we behave in the world. Leadership: The courage to shape a better future Collaboration: Leverage collective genius Integrity: Be real Accountability: If it is to be, it’s up to me Passion: Committed in heart and mind Diversity: As inclusive as our brands Quality: What we do, we do well Focus on the Market Focus on needs of our consumers, customers and franchise partners Get out into the market and listen, observe and learn Possess a world view Focus on execution in the marketplace every day Be insatiably curious

Work Smart Act with urgency Remain responsive to change Have the courage to change course when needed Remain constructively discontent Work efficiently

Act Like Owners Be accountable for our actions and in actions Steward system assets and focus on building value Reward our people for taking risks and finding better ways to solve problems Learn from our outcomes what worked and what didn’t Be the Brand Inspire creativity, passion, optimism and fun

The Division of Work & Grouping within the Coca Cola Company The division of labour can be unique in many organisations. It has been coined a production process in which a worker or group of workers are assigned a specialised task in order to increase efficiency (Siobhán Tiernan, Michael J. Morely, Edel Foley, 2006). This is the case for the Coca Cola Company. Primarily the company has a very tall hierarchy in place and subordinates that are then divided up by regions.

The Coca Cola Company being a truly global organisation uses the design of division of work by location. Each area/region has a certain amount of subordinates designated to that specific area; however, the number of employees delegated to one region may be different to another. By dividing its employees up according to geographic location, the company benefits on many levels. For example, being closer to a certain market allows the teams involved to work accordingly with regards to advertising campaigns, meeting the tastes of consumers of that region etc. Each region is then sub divided e. g. Europe divided up in to North West and South East, Nordic and Baltic(The Times 100, 2005). As mentioned before meeting the tastes of consumers is met more effectively due to the divisions and sub divisions by location. The Great Britain (UK) division would insure all areas such as marketing would be covered appropriately. For example, an advertising slogan that is appropriate to the UK and Irish Public may not necessarily be considered appropriate in another country. This is why there are so many sub divisions within the company.

Each division will have its own Marketing manager, Public Affairs Director, Finance Director and so on (The Times 100, 2005). When one of these divisions is planning a new beverage launch or perhaps an advertising campaign, the division must communicate respectively with their superiors.

Because the Coca Cola Company has such a tall hierarchy, communication must travel all the way back to the corporate division in North America where a 12 Member executive committee have the final say on any activities that the companies divisions are considering. Like many organisations today, The Coca Cola Company push elements such as teamwork amongst its employees whenever and wherever possible (The Times 100, 2005). Grouping takes place on many levels within the organisation whether it is on the bottling floor or launching new products. For example, the Great Britain division brings together a group of employees when creating new product development. Included in such a team will be marketing specialists who will inform others of their market research and testing, food technologists will clarify whether changes to a product are feasible, financial experts will describe the cost incurred with the change and other specialists will also be involved such as the strategic planning director (The Times 100, 2005).

The effectiveness of the division of work fostered by Coca Cola For an organisation as big as Coca-Cola, it is vital that the methods they adopt for the division of work among members of the organisation are effective and successful. They have achieved this through global and local strategies.

Global and Local Strategy

Coca-Cola concentrates certain functions for global strategy in a corporate segment, while having geographic segments dealing with local strategy. They divide the functions, responsibilities and work to avoid overlap and waste while concentrating on the optimum business structure to achieve its goals.

Global: The Corporate Segment

As aforementioned, the corporate segment consists of an executive committee of 12 company officers. This head office for Coca-Cola is used to give directions to the organization and make key decisions for the brand. One member acts as the CEO, the figurehead of the company. Other executive members have other responsibilities e. g. Senior Business Executives, Chief Financial Officer, etc. (The Times 100, 2005). Having a strong corporate segment has proven to be effective for Cola-Cola, bringing confidence and order to the whole company.

Global: In detail

The head offices of Coca-Cola have control over the company’s recipe (technology). They monitor the production of the syrups and concentrates that are then mixed with water at specific bottlers. There are 30 company owned and operated manufacturing plants around the world that produce the syrups and concentrates (Richard Girard, 2005). They’re also in charge of setting up the different production plants around the world and deal with all legal and financial issues that affect the organization as a whole. They have experienced many issues in the countries they produce in. For example, in India, they experienced problems involving environmental pollution and finding high levels of pesticides in their products in 2002 (Richard Girard, 2005). The corporate segment was needed to keep the consumer’s trust in the brand and to deal with all these issues effectively.

Local: Strategic Business Units

Coca-Cola has achieved a status of being a global product by operating in local environments all over the world. By dividing the organisation among different countries, Coca-Cola can meet the needs and requirements for different countries (The Times 100, 2005). SBUs are very effective for they allow Coca-Cola to recognize that tastes, lifestyles, income and consumption patterns vary from region to region. Coca-Cola can now price, distribute and innovate their products to best suit the needs and circumstances of the global market. The SBUs are also in charge of conducting market researches for their regions and promoting the brand through local advertisements using the native languages (The Times 100, 2005).

Local: In detail

The SBU's are sub-divided into divisions. This allows for the further spreading of Coca-Cola departments and production plants around different regions. The UK division (located in the North West Europe division) is an example of a Coca-Cola company that uses a more local level of management compared to the global positions in the corporate segment. As mentioned before, the company consists of different departments that specialize in different tasks. A president overlooks and represents the entire company (The Times 100, 2005). This use of specialization allows for the company to be run efficiently. The company provides for their division by dealing with public affairs and maximizing the satisfaction of its customers.

How Division of Work is related to Strategy within The Coca Cola Company

The main strategy of Coca Cola is to globalize their products while also creating a local structure in each country. The regional companies of Coca-

Cola serve to connect with the people in each region by evaluating consumers' attitudes and perceptions. With its wide range of products, Coca Cola capitalizes on each markets particular conditions, lifestyles, and tastes. The Coca Cola company is able to respond and interact with the needs of a changing market by introducing new products which are in demand in certain areas. Since only the syrup is produced by Coca Cola International, independent bottlers can adjust how sweet the beverage will be according to local tastes.

The bottlers for example have the option of using sugar instead of corn syrup. In Mexico, Coca Cola made a 2 and a half litre bottle since Mexican families are usually quite large and tend to gather together during meal times. This company has a very effective distribution system in each region, relying on both independent distributors and sometimes going into partnerships with local distributors. Coca-Cola has recently opened its 42nd Chinese bottling plant in partnership with local bottlers. One of the benefits of working with local bottlers is that these companies have an understanding of how the local market works. In a time of economic crisis such as now, many governments are restricting the import of foreign goods and encouraging the purchase of local products. Coca – Cola has managed to evade being classified as an import by connecting with the local business community.

When consumers look at the Coke product, they read that the beverage is locally assembled. Not only does the company provide employment in its bottling plants, but also with its methods of distribution. The division of power amongst employees creates a flatter, more flexible arrangement which is vital in global companies. Major decisions are taken at the highest level of the company, such as the sponsorship of the World Cup in 2002. The regional executives have the ability to choose and alter new products due to the decentralized structure of the company. The executives of the Coca Cola Company have experience in all areas and regions of this international company.

As a result, the managers can bring different perspectives of dealing with issues that could arise. With such a huge company, there are bound to be communication problems. In 2006, the CEO implemented a new strategy which included face-to-face meetings between local division managers in order to promote the exchange of ideas and to keep employees involved. This would increase motivation which had suffered before due to the fact that employees did not feel like they had input in the direction of the company. Quality control is a key component to achieving growth and globalization of the Coca-Cola Company. Bottlers are only allowed to source ingredients from approved suppliers.

To provide consistent quality in all regions, the company must achieve effective coordination and coordination with their bottlers. In Coca-Cola Serbia, all finished products are tested in on-site labs as well as annual audits by international representatives. In Serbia, Coca-Cola deals with over one thousand suppliers of sugar, cans, PET packaging, labels, etc. In many regions this has paid off, such as Coca-Cola Hellenic Serbia gaining the title of the Most Desirable Employer in 2011.