**Case Study: Coca-Cola**

Coca-Cola has been founded since 1886 in Atlanta, United State. The Coca-Cola Company has produced more than 10 billion gallons of syrup. But Pemberton, he died in 1888 without realize the achievement of the beverage he had created.  In year 1888-1891, Asa Griggs Candler protected rights to the production for a total of about $2,300.

Asa G. Candler, a natural born salesman, transformed Coca-Cola from an invention into a business. He gave away coupons for complimentary first tastes of Coca-Cola, and outfitted distributing pharmacists with clocks, urns, calendars and apothecary scales bearing the Coca-Cola brand. By 1895, Candler had expanded the product into Chicago, Dallas and Los Angeles.  In year 1894, a Mississippi businessman name Joseph Biedenharn became the first to fill Coca-Cola in bottles. He didn't realize then that the future of Coca-Cola would be with handy, bottled beverages customers could take anywhere. In five years, two Chattanooga lawyers, Benjamin F. Thomas and Joseph B. Whitehead, secured restricted rights from Candler to bottle and sell the Coca-Cola.

In 1886, Coca-Cola® brings refreshment to patrons of a small Atlanta pharmacy. Now well into its second century, the Company's goal is to present magic every time someone drinks one of its more than 500 brands. Coca-Cola has fans from Boston to Budapest to Bahrain, drinking brands such as Ambasa, Vegitabeta and Frescolita. In the furthest comers of the globe, you can still found Coca-Cola. Coca-Cola is dedicated to local markets, paying notice to what people from special cultures and backgrounds like to drink, and where and how they want to drink it. With its bottling partners, the Company reaches out to the local communities it serves, believing that Coca-Cola exists to benefit and refresh everyone it touches.

The vision of the Coca-Cola Corporation is to become the biggest and the best anchor bottler in the world and its mission is to refresh everyone which guides its management team in the planning process.

The top management of the company engages in formulating five year longer term plans as well as shorter term planning for the next year or so. The idea behind this type of planning is to have a strategic vision extending over a longer period as well as a flexible and adaptive strategy to change according to the imperatives of its external environment.

Apart from this strategic planning, the top management at Coca-Cola also engages in tactical planning in consultation with the middle management who in turn acts on the feedback from the salespersons on the ground.

The planning at Coca-Cola entails setting targets for all employees at all levels that are periodically reviewed for either success or failure in meeting the targets and in case of the latter, feedback is sought from the managers and the employees who have failed to meet the targets about the reasons for the same. This is then incorporated into the decision making loop so that the next year’s plan can address and redress the shortcomings as well as set new targets taking into account these aspects.

An example of how planning at Coca-Cola works can be gauged from this year’s target for the managers to increase sales by 20% over last year’s target and increase the total customer based by 10%.

This is the micro level planning which is complemented by the macro level planning which can be seen from the objectives of increasing market share ranging from 5 to 30% for the middle management in the various markets in which it operates. Further, there are operational goals which are set for the salespersons on the ground and which are to do with the point of sale and the other front end supply chain interfacing roles to actualize coordination and cooperation among the partners, bottlers, vendors, and distributors.

Coca-Cola follows the decentralization within centralization model of organizing itself. This means that while the global headquarters retains its overall decision making, the corporation is divided into regions and geographical territories in which it operates. These regional divisions are then organized into the functional departments which in its case comprise the Production, Industrial Relations, Sales and Marketing, and Human Resources departments.

The key to understanding the organizing function at Coca-Cola is to recognize that employees with similar skills and common work functions are grouped together. This helps the company avoid redundancies in problem solving processes as well as bestowing a certain functional autonomy at all levels.

Further, the organizing function at Coca-Cola follows the maxim of the span of control not exceeding five direct reports which means that no employee has more than five others reporting to him or her. Having said that, it must be noted that there is cross functional reporting as well which is in the case of the managers and the functional heads reporting to the other divisional heads in addition to the country heads.

Moreover, the managers at all levels are afforded a high degree of autonomy which empowers them to decide according to the specific local needs.

Finally, the organizational structure is such that redundant layers in the hierarchy are eliminated and the layers of direct and dotted line reporting ensure that information flows through the organization without the clogging of the organizational arteries due to bureaucratic mindsets as well as blockages due to communication gaps.

The overall responsibility for each country or region is with the country or regional head and the functional heads under him or her also report to the global functional heads. Similarly, the responsibilities are clearly defined which means that accountability is taken care of as is the aspect of transparency.

Though Coca-Cola is organized around geographical regions and then the various departments for each region, the company emphasizes the importance of transformative leadership at both the Global and the Local levels.

This means that local managers and the heads of departments in addition to the Country Heads in the various markets that the company operates in are free to decide on the appropriate strategies for their territories as long as they conform to the global norms and global culture that permeates the organization. This decentralization within centralization is the hallmark of the Glocal approach which has been stated in the thesis.

Apart from this, the leadership at Coca-Cola believes in a democratic and “laissez faire” approach to leading which is necessary considering the business it is in which is heavily dependent on both the macro level vision and mission that need to be translated and transformed into micro level execution.

Typically, the General Manager is at the top of the regional hierarchy who in turn reports to the country head. These general managers have other managerial subordinates such as the ones referenced for this article who have mentioned how the organization practices behavioral leadership that is based on acting on the specifics of the situation at the micro level.

The managerial styles of these managers also follow the incentive based system for actualizing peak performance from the salespersons. In this system, monetary and non monetary incentives are provided to the salespersons to motivate them and make them meet or even exceed their sales targets.

The monetary incentives include pay hikes, bonuses, and commissions based on the sales achieved whereas the non-monetary incentives include vouchers for vacations, travel, and discounted holiday packages for the employee and his or her immediate family.

The controlling function in Coca-Cola is done through periodic reviews of managerial and salespersons performance. Towards this end, an appraisal system based on objective evaluation of whether the employee being appraised has met his or her targets forms the backbone of the controlling function in the company.

Though managerial performance goes beyond evaluation of targets and their compliance as the managers typically perform other roles such as people management and strategic planning, the salespersons are appraised based on the Sales Person’s reporting system and the Sales Person’s evaluation system.

The former tracks the activities of the salesperson on a daily basis whereas the latter is done according to the appraisal cycle and the results of which are used to determine promotions, bonuses, and other incentives. The evaluation period is usually a year for sales managers whereas it is a quarterly cycle for the market development roles, and a monthly cycle for the salespersons.

Apart from these performance measures, the employees are also evaluated according to their contribution to the actualization of the overall goals of the organization as well as on their soft skills including communication, people management, coordination, and service quality.

Further, the controlling function also ensures that a performance development plan is prepared which takes into account the salespersons meeting the targets such as growth in sales, market development, and completion of customer and partner calls including conversion of cold calling, attendance, and the punctuality of the salesperson.

The key point to note about Coca-Cola’s controlling function is that it follows a Glocal approach wherein the performance measures vary according to the local conditions of the markets in which it operates.

**Case study questions**

1. Identify and describe the four managerial functions in Coca cola. Give a specific example of each.
2. Explain the different types of planning for the different levels of management in Coca Cola company. Include the typical time frame for which each plan is created.
3. Describe the organizational structure in coca cola company and its basic elements.
4. Identify and describe the leadership managerial style in coca cola company.

**Learning outcomes**

**1.      Necessary functions of a manager.**

1. Discuss the planning function of management.
2. Discuss the organization structure
3. Identify leadership managerial style