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## Introduction

An organization can be defined as a collection of people working together for achieving a certain goal or objective.

In such kind of an organization essentially there will be a strategy that the organization intended to follow. These strategies are explained by vision, mission, goals and objectives of the organization. Although these goals or objectives may be differing from one organization to another, there are some of the desired targets to be achieved within any of the organization.



These concepts related with the strategic vision, mission, goals and objectives can be illustrated by using one of the most reputed organizations “Coca-Cola Company”, the number one brand in the non-

alcoholic beverages in the world.

## Vision, Mission, objectives and Core competencies

- **Vision-** This can be simply defined as the desired dream or state that the organization is intended to be achieved in the future. This is mainly formulated by the top level management of the organization and this will provide an overall guide for the entire organization. Sometimes this may not be much practicable or predictable. This can be explained in relation to “Coca-Cola Company” as follows. (Porter, 1998)

The vision of “Coca-Cola Company” is treated as the framework or the road map for their every business activity and it explains what it is intended to achieve in order to maintaining sustainable and quality growth in relation to following aspects.

- **People-** Creating a workplace where the people are inspired and do their best.
- **Portfolio-** Becoming a portfolio of brand that gives the satisfaction for the needs and desires of the people around the world.
- **Planet-** Becoming a responsible citizen in the corporate world by supporting in sustainability.
- **Profit-** Achieving a maximum return for the stakeholders of the organization while maintaining all the responsibilities.
- **Productivity-** Becoming an effective, lean and fast moving organization.

- **Mission-** This is the statement that describes the reason for the existence of an organization. This will further explain the vision of the organization by defining the scope and direction of the organization. This will help to differentiate the organization from those of others.

The mission of “Coca-Cola Company” explains its purpose as an organization and to serve its actions and activities

- For refreshing the world
- For inspiring the moments with optimums and happiness
- For creating a value and difference

For achieving the above mentioned vision and mission of the “Coca-Cola Company”, it has determined several core values in order to be maintained within their business practices as follows.(Mercer, 2009)

- **Leadership-** Focusing on encouraging the people for achieving a better future
  - **Collaboration-** To achieve the genius collective effort
  - **Integrity-** To be genuine
  - **Accountability-** Creating and accountability for everything they do in their business activities
  - **Passion-** Committed for everything in both heart and mind
  - **Diversity-** To be inclusive like its brands
  - **Quality-** To do everything well in quality
- **Core competencies-** Core competencies of an organization can be seen as the factors that gives a competitive advantage for the organization n the market that the competitors of the firm. In order to identify a certain factor as a core competence, it should possess the following characteristics.
    - **Difficult to imitate-** It should not be easy to imitate that factor or ability for the competitors
    - **Ability to reuse-** It should be able to use that for many products and markets repeatedly
    - **End customer benefit-** The considering factors should be resulted in creating a good benefit to the end customer

These core competencies in relation to “Coca-Cola Company” can be explained as follows.

- ✓ **Strong and well-established brand-** “Coca-Cola Company” is the world’s number one brand in the non-alcoholic beverages market. Therefore this invaluable brand recognition can be considered as the major core competence that “Coca-Cola Company” has.
- ✓ **Unique formula for producing “Coca-Cola”-** The recipe used for producing “Coca-Cola” is still not publicly available and it is treated as a secret. Therefore this creates a strong uniqueness for the company among its rivals.
- ✓ **Well-organized structure-** The organizational structure and the strong distribution network all over the world will give a unique advantage for the company in the market that its competitors.
- ✓ **Wider range of product portfolio-** “Coca-Cola Company” serves its customers with a very wider range of products such as Diet Coke, Coca-Cola Zero, Coca-Cola Light, Sprite, Fanta, Minute Maid, Aquarius and Georgia in addition to the regular “Coca-Cola”.

## Strategic planning

Strategic planning can be defined as the process of defining the organizational strategy and making decisions in relation to allocating required resources for achieving that strategy. For determining the future expected direction or the scope of the organization, it is essential to clearly identify the correct position that the organization is currently operating. Mainly this process of strategic planning involves three major problems. (Johnson, Scholes, 2002)

- ✓ Where are we now
- ✓ What are we going to
- ✓ How do we excel

This is focus on determining what the organization is going to achieve in the next 5-10 years. There are number of tools available for strategic planning such as SWOT analysis, scenario

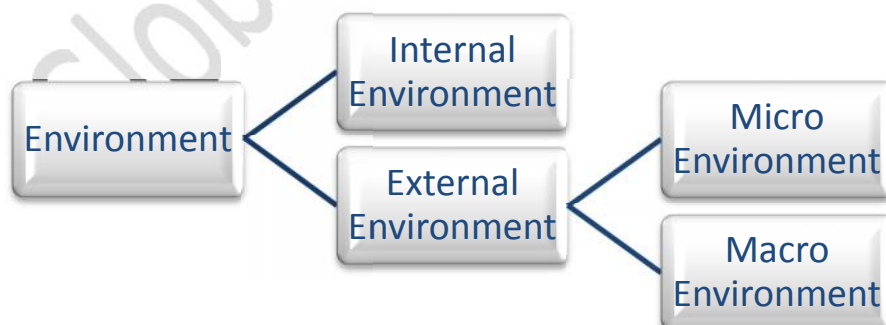
planning, PEST analysis and Cause analysis. This process of strategic planning will involve the following process.(Mercer, 2009)

**Determining where the organization is now-** Here, it should identify the relative position that the organization is operating in the market place now. For this, it should conduct both internal and external audit to understand the market place and the competitive environment of the organization.

- **Determine where you want to go-** It should understand what the position that the organization is going to be achieved in the future.
- **Develop an action plan and identify the responsible parties-** It should develop some action plans and strategies in order to achieve the desired goals and objectives. At the same time, it should identify the responsible parties for putting such plans into action.
- **Review the plan-** For the better performance of the plan, it should ensure that the plan is properly reviewed time to time in order to identify the deviations and to take corrective actions.

## Environment analysis

Any kind of an organization a business is considered as a component of the environment and therefore, there is a considerable impact from the environment towards the business and from the business to the environment too. The environment that affects the business activities of



an organization can be divided as follows.

For analyzing the above mentioned sub groups of the environment, it can

use several tools such as *SWOT*, *Situational analysis*, *Michel Potter's five forces model* and so on. In relation to “Coca-Cola Company”, the SWOT analysis can be explained as follows. (Johnson, Scholes, 2002)Here, the SWOT analysis will consider about both the internal

external environment analysis. Mainly the Strengths and Weaknesses are analyzed in relation to the internal environment while Opportunities and Threats are on external environment.

### **Strengths**

- The most reputed and valuable brand in the world (\$ 77839 billion)
- The market leader in the beverage industry in the world
- Most strong distribution network for beverages in the world.
- Higher involvement in Corporate Social Responsibility (CSR) activities
- Customer loyalty

### **Weaknesses**

- Focusing only on carbonated soft drinks and lesser movement towards other soft drinks.
- Having number of brads with relatively low turnovers
- Negative advertising

### **Opportunities**

- Increasing demand for the health and safety beverages
- Growing population in BRIC countries
- Increase in the bottled water consumption

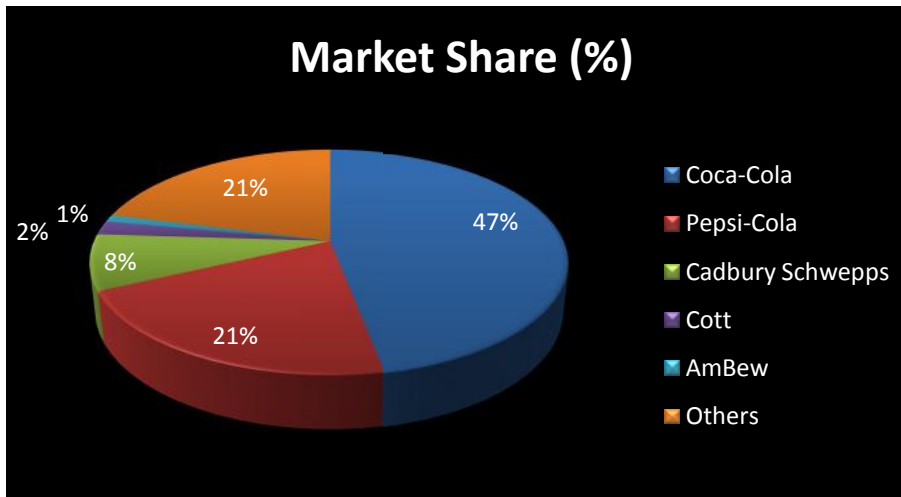
### **Threats**

- Dynamic nature of customer preferences
- Competition from the rivals (such as Pepsi)
- Scarcity in pure water and other natural resources

Organizational audit can also be identified as one of the major tools that can be used for analyzing the environment of an organization. This is focused on gaining a comprehensive idea about the organization and its capabilities, strengths and weaknesses. At the same time this will identify the issues related with the organization and expected challenges of the organization also. (Johnson, Scholes, 2002)

The strategic position of the “Coca-Cola Company” can be explained as follows.

When considering about the industry of carbonated soft drink market in the world, there are three major players in that market namely Coca-Cola, Pepsi and Cadbury-Schweppes. Among those tree companies, the relative market shares of each company are as follows ([www.foodlineweb.co.uk](http://www.foodlineweb.co.uk)).



According to this chart, it is clear that “Coca-Cola Company” holds around 50% of the market share in the beverages industry. Therefore, it seems that the company is

in a considerably strong position within its market.

## Stakeholder analysis

For any kind of an organization, it is better to think and consider about its stakeholders when determining the strategic position and the strategic success of such organization. A stakeholder can be defined as a party that will have effect on the organization or affected by the actions and activities of the organization. Each and every action of the organization will have a impact on the organization and they will also influence the organizational activities, therefore it is vital and significant to identify and analyze those parties very closely. The process of stakeholder analysis can be done on a periodic basis or on a continuous basis.

When considering about the stakeholders in relation to any kind of an organization, it will generally consists with the parties such as Customers, suppliers, competitors, government, employees and society as a whole. (Porter, 1998)

- ✓ **Customers-** Since there is a massive customer base for the “Coca-Cola Company”, it is essential to keep close attention about them and changes of their preferences and buying behaviors. In relation to the today’s world, most of the customers around the world are highly considering about the longevity and this trend will create a

considerable impact over the industry like non-alcoholic beverages. Therefore, “Coca-Cola Company” should consider highly about this matter.

- ✓ **Government**- Government will lay a considerable impact over most of the companies through the tax improvement and subsidies. Therefore, in relation to “Coca-Cola Company”, it should consider the present and future tax applications and try to identify the ways and means to be in line with those requirements while maximize the shareholder wealth.
- ✓ **Competitors**- This is also one of the aspect that “Coca-Cola Company” should consider in relation to stakeholders because of the existence of strong competitors such as “Pepsi” with a market share of around 21%.
- ✓ **Suppliers**- In relation to an organization like “Coca-Cola Company”, sometimes this group of stakeholders will not be much relevant because of its ability to produce the main ingredient for “Coca-Cola” itself. However, it should pay a close attention about the other suppliers associated with its manufacturing process and distribution process. On the other hand, it should consider about the franchisees that are in other countries representing “Coca-Cola Company” because there is a direct relationship of the activities done by those franchisees towards the success and reputation of the company.

## Growth strategy

A growth strategy is something that is designed for achieving the expected goals and objectives of the organization in relation t the future expected state of such organization. This may be focused on achieving business success, increasing turnover, increasing the effectiveness of management or developing the managing efficiency. (Porter, 1998)

For explaining the growth strategy in relation to any kind of an organization there are few tools that will be helpful. Some of them are Ansoff Model and McKinsey Growth Pyramid. According to the McKinsey Growth Pyramid, it suggests that the growth strategy of an organization should be based on the following areas.(Johnson, Scholes, 2002)

- **Operational Skills**- These are the core competencies that the organization have for creating the basis for the growth strategy of the organization.



In relation to “Coca-Cola Company”, it can identify having a strong brand and good customer base as the core competencies/operational skills that will result in delivering a successful growth strategy.

- **Privileged assets-** These are the unique assets and resources that the organization has than the competitors.

As an example the extensive and wider distribution network of “Coca-Cola Company” can be identified as a privileged asset.

- **Growth skills-** In order to handle the growth strategy effectively, it should possess growth skills within the organization.

In relation to “Coca-Cola Company”, the ability to innovate new drinks with different tastes/flavors and financial capabilities for vertical and horizontal integrations can be identified as the skills or capabilities that that will help in growth of the organization.

- **Relationships-** These are the contacts or abilities that will result in creating new business opportunities and options for the organization.

In relation to “Coca-Cola Company”, the strong relationships and the franchisees around the world famous brands such as McDonald can be identified as the special relationships that create new options/opportunities for the business.

The growth strategy for “Coca-Cola Company” can be illustrated by using the “Ansoff Matrix as follows.(Johnson, Scholes, 2002)

	Existing Product	New Product
Existing Market	Market Penetration	Product Development
New Market	Market Development	Diversification

This can be explained as follows.

- **Market penetration-** Here, the organization should penetrate in the exiting market by using the existing product.

In relation to “Coca-Cola Company”, it can make agreements with the organization which are operating in the fast food and junk foods industry in order to offer the “Coca-Cola” products in those outlets.

— **Market Development-** Here, the organization try to serve the new markets with existing products,

Here, “Coca-Cola Company” can offer “Coca-Cola” share size new bottles with 1.25 liters.

— **Product development-** This will focus on offering a new product for the existing markets.

Here, “Coca-Cola Company” can offer new beverages with different flavors. Some of the examples for this type of products are “Fanta Icy Lemon” and “Coca-Cola Vanilla”.

— **Diversification-** This is the most important strategy that any kind of an organization should be practiced. However, there are chances for both being successful and fail.

In this context, “Coca-Cola Company” can go for other kind of soft drinks apart from the carbonated soft drinks.

## Resource requirements for the strategies

For the success of any organization, it should have a proper plan within that organization at the same time for the successful implementation of any of strategy; it will require some sort of resources within the organization. These resources can be divided into few categories as follows.(Porter, 1998)

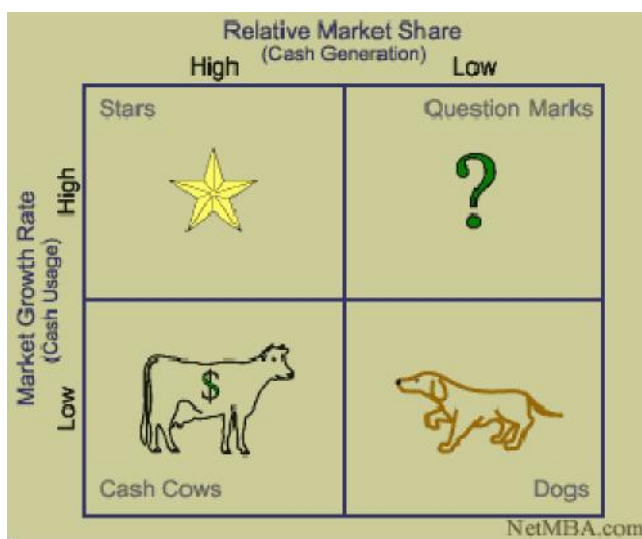
- **Financial Resources-** These are the critical resources that will determine the ability to finance the proposed strategy. This will determine the amount of funds that should be invested in the project and the available sources for financing those funds.

In relation to the financial resources, it should determine the existing financing funds and ability to raise new funds to the organization.

- **Human resources-** This is the major resource of any kind of an organization that will organize and manage all other resources towards achieving the desired targets. Here, it should determine whether the organization has enough resources to achieve the set objectives and whether they are matched with those of the required. This will involve in the activities such as staffing, grievances handling and employee welfare and so on.

- **Physical resources-** This will include wider range of resources such as production facilities, Marketing facilities and information technology facilities.
- **Intangible resources-** Intangible resources are also very helpful in determining the successfulness of achieving the set goals and objectives. This will be compromised with the resources/assets such as goodwill, reputation, brands and other intellectual properties.

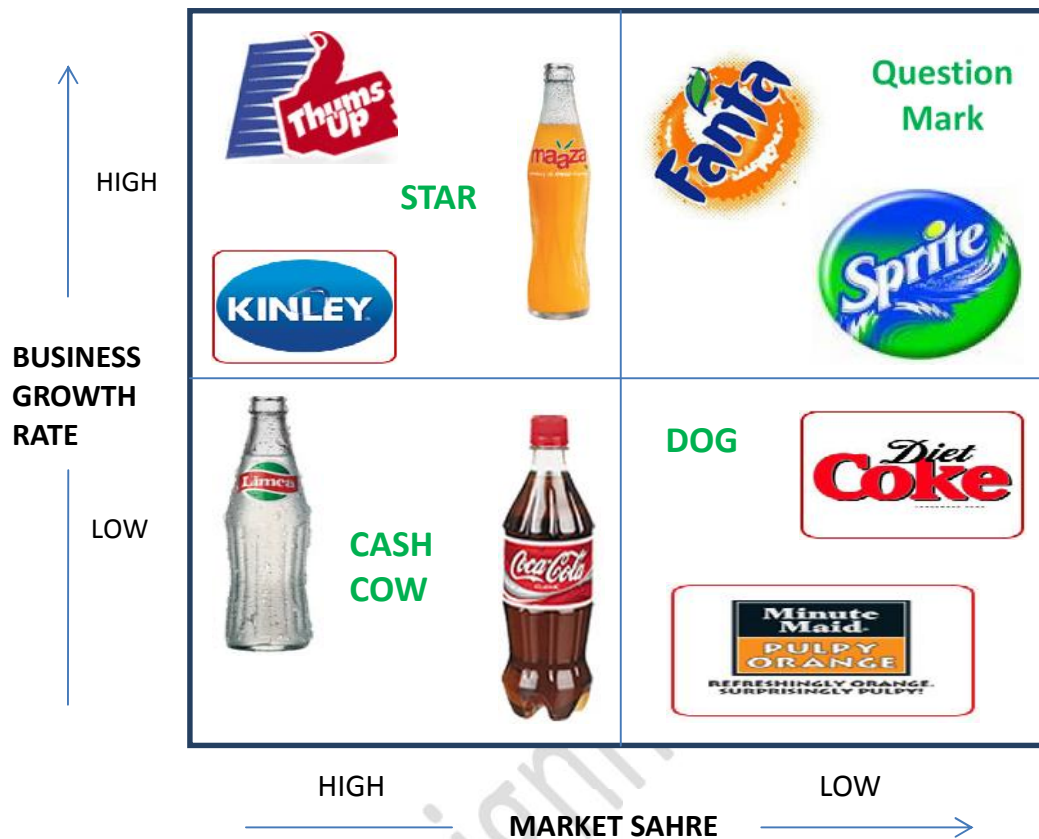
When analyzing the growth strategy of an organization, the BCG Matrix is also one of the helpful tools for that analysis. This is a planning model which has been created by the Boston Consulting Group.



According to this matrix, the strategic business units of an organization can be divided into four major categories based on market share and market growth in relation to large competitors. According to this matrix, the relative market share of an organization will be determined in relation to the generation of cash. The four categories considered under this matrix are as follows.

- **Dogs-** This will have both low market share and low growth rate and hence will consume a huge amount of cash. Since this cash is trapped in the business and therefore have a less possibility in growth.
- **Question mark-** Since these don't have a huge market share, they will not generate much cash even though they are growing considerably. However this has a reasonable possibility of becoming a star and therefore it should analyze carefully in order to assess whether they are worth to invest.
- **Star-** This will consume a large amount of cash because of their relative market share and higher growth rate. If this star can maintain a considerable market share for a longer time, then it will become a cash cow when the market growth rate decreases.
- **Cash cow-** Here, the return on assets will be greater than the growth rate of the market. Therefore it is possible to earn higher cash by investing a small amount of cash.

This Growth-share matrix can be explained as follows in relation to “Coca-Cola Company” as follows.



### Eight roles for a well-rounded team

The Belbin Team Roles are widely used for identifying the strengths and weaknesses in relation to the behavior of the people within the organization. This information will be helpful in

- ✓ Creating productive relationships
- ✓ Developing effective teams with high performance
- ✓ Increasing the level of self-awareness
- ✓ Developing the collaborative trust among the people

The team roles which were identified by Belbin were categorized under three major categories namely Action oriented, People oriented and Thought oriented.(Porter, 1998)

- **Action oriented**

- ✓ **Shaper (SH)**- These people will challenge the team for improving and development. They are very extraverted and see threats as challenges to them.
- ✓ **Implementers (IMP)**- They will be very clever in getting things done and putting something into action correctly.
- ✓ **Completer-Finisher (CF)** – These people are keen on completing something 100% correctly. They will not be ready to do a single mistake.

- **People oriented**

- ✓ **Coordinator (CO)**–These people will tend to take the managerial positions and will guide the team what to be achieved.
- ✓ **Team worker (TW)**–These people will ensure that the members within the team are performing their roles well they will be good in negotiating and perception.
- ✓ **Resource Investigator (RI)**–They will observe for new options and make innovations and make negotiation in relation to resources for the team. These people will be very energetic and negotiate with external parties correctly.

- **Thought oriented**

- ✓ **Plant (PL)**–These people will always come up with new ideas and hard to deal with criticisms but appraisals. Sometimes they may be not good in communication though their ideas are innovative.
- ✓ **Monitor-evaluator (ME)**–They will be clever in evaluating and analyzing the ideas of others. These people will highly consider about the advantages and disadvantage of a certain decision before coming to a conclusion.
- ✓ **Specialist (SP)** – In order to get the required job done, these people will have a specialized knowledge. They will always maintain their stability in professional contexts. At the same time, these people will be highly responsible and committed to the fields of their specialization.

## Importance of monitoring the strategy

Only developing an effective plan will not be enough to achieve the organizational success, rather it will require implementing and monitoring it correctly on time. The process of monitoring will ensure that the efforts and results are conforming to the set plans. At the same time, monitoring will result in taking corrective actions for the deviations of the results from those of the expected.

On the other hand, monitoring and controlling process can be identified as a warning system for the possible errors and mistakes if the controlling is being done on a continuous basis.

When considering about the monitoring and evaluating procedure of “Coca-Cola Company”, it can identify the following results in relation to its CSR and environmentally sustainable business activities.

- ✓ “Coca-Cola Company” has donated 1.2% of its operating income to health promotions
- ✓ “Coca-Cola Company” has increased its water usage rate by 16% in relation to year 2004.
- ✓ Carbon emission of “Coca-Cola Company” in 2010 has decreased by 2% than that of the year 2009
- ✓ “Coca-Cola Company” has installed around 400000 HFC-free coolers by 31<sup>st</sup> August 2011
- ✓ “Coca-Cola Company” has recover around 36% of the bottles they sent to the market

The importance of having this kind of measurement and evaluations can be summarized as follows

- It will help in determining whether the desired targets have been achieved correctly on time
- If it was unable achieve the desired targets, then what are the deviations and what were the reasons for them
- What are the corrective actions that can be taken in order to mitigate the adverse effect of those failures and how to avoid them in future
- It will help in determining how far the desired objectives have been achieved.

Because of these kinds of reasons, it is essential to have a proper monitoring mechanism within every organization for achieving the goals and objectives of such organization.

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