

••• CASE: THE COCA-COLA COMPANY

Coca-Cola was created by Dr. John Stith Pemberton, a pharmacist in Atlanta, Georgia. It went on sale in a drugstore for five cents a glass as a soda fountain drink on May 8, 1886. Today, the Coca-Cola Company is the largest beverage company in the world. It has grown to become the world's most recognized brand, with more than 3,500 products sold in 200 countries. Coca-Cola is ranked in the top 60 Fortune 500 Companies, top 210 Fortune Global 500 Companies, top 5 of the Fortune World's Most Admired Companies, and its CEO Muhtar Kent is ranked in the Fortune top 10 Businessperson of the Year.

Coke was one of the first U.S. companies to go international. The company began building its global network in the 1920s. One of the first countries the company expanded to was China, opening its first bottling plants in Tianjin and Shanghai in 1927. In recent years, it has spent more than \$2 billion expanding operations in China. In the late 2000s, the Coca-Cola Company was looking for new ways to expand in China. Coca-Cola announced a bid for Huiyuan, one of China's top local brands and the country's largest maker of 100-percent fruit juice. The deal would have been the largest for the Coca-Cola Company in Asia and the second-largest acquisition overall for the company in its history. However, the Chinese government found Coca-Cola's bid to be in violation of the country's new antimonopoly law and blocked the company's acquisition bid. Coke still wants to grow in China, so what should it do at this point?

Case Questions

1. Explain the relationship between Coca-Cola's objective, decision, and problem in this case.
2. What is the classification of the problem/opportunity and which decision-making model should have been used in the acquisition decision in this case?
3. Which quantitative techniques could have been used in the acquisition decision in this case?
4. After having its bid for Huiyuan rejected, should Coca-Cola have continued to focus on acquisitions by trying to acquire another company in an attempt to expand in China?
5. After having its bid for Huiyuan rejected, what other alternatives did Coca-Cola have to expand in China? Faced with this problem, what should Coke do?
6. Do you drink Coca-Cola Company beverages? If so, which products? How many of the 3,500+ Coca-Cola brands can you name?

Cumulative Case Questions

7. Describe the role of the manager's resources in Coca-Cola's success. (Chapter 1)
8. Which management functions, skills, and management levels are more important in developing the growth strategy for Coca-Cola? Which are more important for making and delivering Coca-Cola beverages? (Chapter 1)
9. Coca-Cola has been a highly successful company over the years. Which internal and external

environmental factors were most instrumental in its long-term success? (Chapter 2)

10. How is Coca-Cola's business classified in the global village? Which approach to taking a business global is it using today? (Chapter 3)

Source. Information for this case was taken from the Coca-Cola Company's website at <http://www.thecoca-colacompany.com>, accessed September 17, 2013. Fortune Global 500 (July 22, 2013), F3; Fortune 500 (May 20, 2013), F3; Fortune Businessperson of the Year (December 12, 2011), 91; Fortune The World's Most Admired Companies (March 18, 2013), 138.