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**AN INVESTIGATION OF PROJECT MANAGEMENT  
AT PEPSICO COMPANY**

Speciality 8.03060101 – Management of organizations and administration

**ABSTRACT**  
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Master's research paper has been done at the management in manufacturing sphere department of the Ternopil Ivan Puluj National Technical University.

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Defense will be held on February, 20, 2017 at 9.00 o'clock at the sitting of the State Examination Commission at the management in manufacturing sphere department of the Ternopil Ivan Puluj National Technical University. Address: Ternopil, Mykulynetska str., 46, Management in manufacturing sphere department.

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## GENERAL DESCRIPTION

The thesis of this master's research paper titled "An investigation of project management at PepsiCo Company". Volume of graduation project is 136 pages.

**Theme actuality.** Project management is clear that unless there is a structured and scientific approach to the practice of management, organizations would find themselves "adrift in the ocean" called organizational development and hence would be unable to meet the myriad challenges that the modern era throws at them. Hence, the importance of project management to organizations cannot be emphasized more and the succeeding paragraphs provide some reasons why organizations must take the practice of project management seriously.

Without a scientific approach to the task of managing the projects and achieving objectives, it would be very difficult for the organizations to successfully execute the projects within the constraints of time, scope and quality and deliver the required result. In other words, there has to be a framework and a defined way of doing things to ensure that there is a structure to the art of project management.

Thus, project management is about creating structure and managing the project commitments and the delivery of agreed upon results. By using the methods of project management and allied technical journals, organizations can seek to achieve control over the project environment and ensure that the project deliverables are being managed. Managers face what is known as the "triple constraint". This is the competing demands of time, scope and quality upon the project manager's list of things to do and how well the project manager manages these constraints goes a long way in determining the success of the project. Without the use of Project management, managers and organizations would find themselves facing an unpredictable and chaotic environment over which they have little control. Thus, Project management is both necessary and essential to the success of the project.

Project management is too big an area to be covered in a few pages and the attempt is to provide concise and lucid definitions of the various terms and terminologies associated with a project. It is important to note that project management provides a framework within which subsequent actions by the organization can be taken and in this way, it is essential for organizations to adopt the framework provided by the practice of project management.

In conclusion, project management and the practice of the same have become indispensable to the modern day project manager and they form the basis of much of what is achieved during the course of a project. Thus, the idea of a project being managed professionally lends itself to the concepts and processes laid out for the practitioners of the art of project management.

Research paper includes the contents, abstract, introduction, seven chapters, conclusions and suggestions, list of references and appendices.

The main **purpose** of this research paper is to improve the project management at PepsiCo Company.

The main **tasks** of master research paper are the following:

- to describe the theoretical aspects of project management and its importance;
- to examine the factors affecting project management in the organization;
- to analyze the company activity for several periods;
- to investigate the project management at PepsiCo Company;
- to improve the project management at PepsiCo Company;
- to find the ways to enhance the company activity;
- to conduct SWOT-analysis of the industrial and economic activity of PepsiCo Company;
- to explore the current trends and law regulations;
- to make decisions concerning project management of PepsiCo Company.

## **MAIN CONTENTS**

**The introduction** clearly states an area of research, justification and discussion procedures, the aim, objectives and the research methods.

**Theoretical section** contains the meanings and definition of project management, theoretical review of project management and factors affecting project management activities.

The role of the project manager is one of great responsibility. The project manager's job is to direct, supervise and control the project from beginning to end. Project managers should not carry out project work - managing the project is enough. There are five project management steps:

Phase 1: Project Initiation – this is the start of the project, and the goal of this phase is to define the project at a broad level. This phase usually begins with a business case. This is when you will research whether the project is feasible and if it should be undertaken. If feasibility testing needs to be done, this is the stage of the project in which that will be completed.

Phase 2: Project Planning – this phase is key to successful project management and focuses on developing a roadmap that everyone will follow. This phase typically begins with setting goals. Two of the more popular methods for setting goals are S.M.A.R.T. and CLEAR:

**S.M.A.R.T. Goals** – this method helps ensure that the goals have been thoroughly vetted. It also provides a way to clearly understand the implications of the goal-setting process. **Specific** – to set specific goals, answer the following questions: who, what, where, when, which, and why. **Measurable** – create criteria that you can use to measure the success of a goal. **Attainable** – identify the most important goals and what it will take to achieve them. **Realistic** – you should be willing and able to work toward a particular goal. **Timely** – create a timeframe to achieve the goal.

**C.L.E.A.R. Goals** – A newer method for setting goals that takes into consideration the

environment of today's fast-paced businesses. Collaborative – the goal should encourage employees to work together. Limited – they should be limited in scope and time to keep it manageable. Emotional – goals should tap into the passion of employees and be something they can form an emotional connection to. This can optimize the quality of work. Appreciable – break larger goals into smaller tasks that can be quickly achieved. Refundable – as new situations arise, be flexible and refine goals as needed.

During this phase, the scope of the project is defined and a project management plan is developed. It involves identifying the cost, quality, available resources, and a realistic timetable. The project plan also includes establishing baselines or performance measures. These are generated using the scope, schedule and cost of a project. A baseline is essential to determine if a project is on track.

Phase 3: Project Execution – this is the phase where deliverables are developed and completed. This often feels like the meat of the project since a lot is happening during this time, like status reports and meetings, development updates, and performance reports. A “kick-off” meeting usually marks the start of the Project Execution phase where the teams involved are informed of their responsibilities.

Tasks completed during the Execution Phase include: develop team, assign resources, execute project management plans, procurement management if needed, PM directs and manages project execution, set up tracking systems, task assignments are executed, status meetings, update project schedule and modify project plans as needed.

Phase 4: Project Performance/Monitoring - this is all about measuring project progression and performance and ensuring that everything happening aligns with the project management plan. Project managers will use key performance indicators (KPIs) to determine if the project is on track.

A PM will typically pick two to five of these KPIs to measure project performance:

- **Project Objectives:** Measuring if a project is on schedule and budget is an indication if the project will meet stakeholder objectives.
- **Quality Deliverables:** This determines if specific task deliverables are being met.
- **Effort and Cost Tracking:** PMs will account for the effort and cost of resources to see if the budget is on track. This type of tracking informs if a project will meet its completion date based on current performance.
- **Project Performance:** This monitors changes in the project. It takes into consideration the amount and types of issues that arise and how quickly they are addressed. These can occur from unforeseen hurdles and scope changes.

Phase 5: Project Closure – this phase represents the completed project. Contractors hired to work specifically on the project are terminated at this time. Valuable team members are recognized.

Some PMs even organize small work events for people who participated in the project to thank them for their efforts. Once a project is complete, a PM will often hold a meeting – sometimes referred to as a “post mortem” – to evaluate what went well in a project and identify project failures. This is especially helpful to understand lessons learned so that improvements can be made for future projects.

There are seven factors affecting project management:

1. Deadline is one of the key aspects that determine how a project is managed.
2. Budget is another critical factor that determines a project’s progress and management. In case the budget is high, then the number of days for completion of the project is also more and so is the number of resources allocated to it.
3. Stakeholders: techniques of managing projects will vary depending upon the kind of stakeholders for the projects.
4. Project Members: project management techniques are also determined by the challenges faced by a project manager which, in turn, depends on the kind of team he or she is handling.
5. Demand depends on a few factors such as type of products or services, usability, etc.
6. Supply: in order to meet the demand within a stipulated date and time (which we came across as deadline), supply of resources is necessary. A project manager needs to ensure that supply is adequate, so that deadline is not compromised for want of resources.
7. Price is an important aspect of project management. Price is determined by high level managers in consultation with project sponsors after studying market trends. Price is an important determinant of the sale and profit and should be determined after careful calculation.

Project management is a complex concept. There is no one rule for managing projects as there is no single type of project. Services and products are the two key categories of offerings in the market and the management method differs significantly for both. Within each category, there are multiple varieties and again project management will vary depending on the type of product or service in question. The factors mentioned in this article will give you a clear idea regarding the key determinants of project management methods and techniques.

Having a talented project manager is the first step to actual project success, but there are other important factors that contribute largely to a project’s outcome. It takes careful planning, attention to detail and effective communication to make a project succeed. With vigilant management and a strong project closing, a company can consistently reach project success.

**Research and analysis section** refers to the introduction of PepsiCo Company, SWOT-analysis of the industrial and economic activity of PepsiCo Company, and analysis of project management at PepsiCo Company.

PepsiCo’s mission statement is “to provide consumers around the world with delicious,

affordable, convenient and complementary foods and beverages from wholesome breakfasts to healthy and fun daytime snacks and beverages to evening treats”.

Main competitors of PepsiCo Company are the following: The Coca-Cola Company, DPSG, Mondelēz International, Monster Beverage Corporation, Hansen Natural Corporation, National Beverage Corp., Kraft Foods Group, The Kellogg Company, ConAgra Foods, Nestlé S.A., Snyder’s-Lance and other beverage, food and snack companies.

PepsiCo’s organizational structure has been reformed several times to address changing global market conditions. The company’s current organizational structure reflects the business aims of global expansion and leadership. These aims highlight PepsiCo’s mission and vision statements. PepsiCo’s strategies are also manifested in how its organizational structure supports international growth. A firm’s organizational structure defines the system and design of business components, and how these components interact to fulfill the firm’s mission and vision. In PepsiCo’s case, the organizational structure enables control over the expansive reach of the company around.

PepsiCo’s strengths are: strong brand image, broad product mix, extensive global production network and extensive global distribution network. There are PepsiCo’s weaknesses: low penetration outside the Americas, limited business portfolio, weak marketing to health-conscious consumers. PepsiCo has opportunities for continued global growth: business diversification, market penetration in developing countries and global alliances with complementary businesses. There are the most significant threats: aggressive competition, healthy lifestyles trend and environmentalism.

PepsiCo is the second biggest player in the global food and beverage industry. The company offers a diverse array of products. PepsiCo’s generic competitive strategy is based on the need to address market pressure coming from its biggest rivals, including the Coca-Cola Company. A firm’s generic strategy (based on Porter’s model) defines the basic strategy used to maintain competitive advantage. On the other hand, PepsiCo’s intensive growth strategies are a response to the evolving global food and beverage market conditions. Intensive growth strategies outline how firms support their growth. PepsiCo’s generic strategy for competitive advantage matches its intensive strategy to ensure long-term growth.

PepsiCo applies different generic competitive strategies, considering the company’s wide array of products. However, the main generic strategies that contribute to PepsiCo’s competitive advantage are as follows:

1. Cost leadership
2. Broad differentiation.

PepsiCo’s intensive strategies include:

**Market Penetration:** PepsiCo implements market penetration as its primary intensive growth strategy. This intensive strategy supports business growth through increased sales, such as from a bigger market share. For example, PepsiCo uses aggressive marketing to attract more consumers. A strategic objective linked to this intensive growth strategy is to minimize costs and prices to attract more consumers despite market saturation.

**Product Development:** PepsiCo's secondary intensive growth strategy is product development. This intensive strategy requires offering new products to capture more consumers. For example, PepsiCo continues to develop products or variants of existing ones, such as low-calorie, reduced-salt, or low-saturated-fat variants of its food and beverage products. A strategic objective linked to this intensive growth strategy is to boost R&D investments for product innovation.

**Market Development:** PepsiCo applies market development as its supporting intensive growth strategy. This intensive strategy supports business growth by capturing new markets or market segments. For example, PepsiCo continues to expand its distribution network to reach the last remaining markets or segments, especially in developing regions.

The measures used to determine the value of project management at PepsiCo include:

- 1) Financial measures, such as return on investment, return on capital employed, economic value-added, sales growth, sales growth, and productivity;
- 2) Customer measures, such as customer satisfaction, customer retention, customer acquisition, market share;
- 3) Project measures, such as project budget performance, requirements performance, resource utilization, time to market, project completions, project risk;
- 4) Learning and growth measures: employee satisfaction, employee turnover, training time, employee productivity, employee motivation and employee empowerment.

**Recommendation section** includes the recommendations concerning project management, recommendations for economic activity improvement at PepsiCo Company and recommendations for economic activity improvement at PepsiCo Company. There are the best practices for successful project management:

- 1: Plan the work by utilizing a project definition document.
- 2: Create a planning horizon: after the project definition has been prepared, the work plan can be created. The work plan provides the step-by-step instructions for constructing project deliverables and managing the project.
- 3: Define project management procedures up front: the project management procedures outline the resources that will be used to manage the project. This will include sections on how the team will manage issues, scope change, risk, quality, communication, and so on.



4: Manage the work plan and monitor the schedule and budget: once the project has been planned sufficiently, execution of the work can begin.

5: Look for warning signs that the project may be in trouble.

6: Ensure that the sponsor approves scope-change requests: after the basics of managing the schedule, managing scope is the most important activity required to control a project.

7: Guard against scope creep: most project managers know to invoke scope-change management procedures if they are asked to add a major new function or a major new deliverable to their project.

8: Identify risks up front: when the planning work is occurring, the project team should identify all known risks.

9: Continue to assess potential risks throughout the project: once the project begins, periodically perform an updated risk assessment to determine whether other risks have surfaced that need to be managed.

10: Resolve issues as quickly as possible: issues are big problems.

There are ten rules of successful project management:

1. Be Agile: Traditional project management methodologies are proving to be too rigid, bureaucratic, and time consuming for today's dynamic business environment.

2. Do Not Micromanage: The ideal project managers are leaders, not control freaks. Flexible project management requires a balance of both the left and right brain, hard and soft skills.

3. Keep Improving Project Management Practice: Technology is always evolving to meet the changing needs of users. The approach to project management should evolve alongside business and IT processes.

4. Ongoing Planning: The single most important activity of project managers is planning. Planning must be detailed, organised, and require team participation.

5. Work with a Sense of Urgency: Because projects are constricted with a set timeline, budget, and resources, it is of utmost importance that the project process is constantly being driven towards completion.

6. Visualize and communicate all Project Deliverables and Activities: In short, the project manager and team must have a picture of the finished deliverables in the minds of everyone involved.

7. Complete Deliverables Step-by-Step: Work on each item step-by-step, get process reviews and approvals, and always maintain a sense of direction.

8. Healthy Risk Management: Assign a risk officer who will be responsible for detecting potential project issues.

9. **Open Communication:** Communication is vital in all aspects of project management. Adhere to a policy of open communication, encouraging all members to voice opinions and concerns.

10. **Never Lose Sight of the 3-Factors: Time, Budget, and Quality:** While project management practices have changed to be more flexible and open, the foundation remains the same.

**Conclusion** includes a summary of project management research at PepsiCo Company.

## SUMMARY

**Animashaun Olatoye Saheed**

**“An investigation of project management at PepsiCo Company”**

[Manuscript]: a comprehensive thesis for obtaining the qualification of master's degree  
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Master degree thesis consists: 136 pages, 3 figures, 14 tables, 3 additions, 40 references.

**The object of investigation** is the project management at PepsiCo Company.

**The aim of the work** is paper is to improve the project management at PepsiCo Company.

**Research methods** cover the statistical method and comparison analysis.

The meanings and definition of project management, theoretical review of project management and factors affecting project management activities have been described. The introduction of PepsiCo Company, SWOT-analysis of the industrial and economic activity of PepsiCo Company, and analysis of project management at PepsiCo Company have been done. The theoretical recommendations concerning project management, economic activity improvement at PepsiCo Company has been proposed.

**Keywords:** project manager, project management, PepsiCo Company, organizational structure, SWOT-analysis, and project budget.