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**“AN INVESTIGATION OF CONTROLLING MANAGEMENT OF THE  
ENTERPRISE ON THE EXAMPLE OF THE ”COCA COLA 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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## GENERAL DESCRIPTION

The thesis of this master's research paper titled "An investigation of OF controlling management of the enterprise on the example of the "Coca Cola Company". Volume of graduation project is 133 pages.

**Theme actuality.** Controlling is an important function of management. Its importance becomes apparent when we find that it is needed in all the functions of management. Controlling checks mistakes and tells us how new challenges can be met or faced. The success of the organisation thus hinges on the effective controlling.

Controlling is the last function of the management process which is performed after planning, organising, staffing and directing. On the other hand, management control means the process to be adopted in order to complete the function of controlling. The following steps are included in it: setting performance standards, measurement of actual performance, comparison of actual performance with standards, aAnalysis deviations, taking corrective action.

The importance of controlling management becomes clear from the following facts:

1. Accomplishing Organisational Goals. The controlling process is implemented to take care of the plans. With the help of controlling, deviations are immediately detected and corrective action is taken. Therefore, the difference between the expected results and the actual results is reduced to the minimum. In this way, controlling is helpful in achieving the goals of the organisation.

2. Judging Accuracy of Standards. While performing the function of controlling, a manager compares the actual work performance with the standards. He tries to find out whether the laid down standards are not more or less than the general standards. In case of need, they are redefined.

3. Making Efficient Use of Resources. Controlling makes it possible to use human and physical resources efficiently. Under controlling, it is ensured that no employee deliberately delays his work performance. In the same way, wastage in all the physical resources is checked.

4. Improving Employee Motivation. Through the medium of controlling, an effort is made to motivate the employees. The implementation of controlling makes all the employees to work with complete dedication because they know that their work performance will be evaluated and if the progress report is satisfactory, they will have their identity established in the organisation.

5. Ensuring Order and Discipline. Controlling ensures order and discipline. With its implementation, all the undesirable activities like theft, corruption, delay in work and uncooperative attitude are checked.

6. Facilitating Coordination in Action/ Coordination among all the departments of the organisation is necessary in order to achieve the organisational objectives successfully. All the departments of the organisation are interdependent. For example, the supply of orders by the sales department depends on the production of goods by the production department.

Through the medium of controlling an effort is made to find out whether the production is being carried out in accordance with the orders received. If not, the causes of deviation are found out and corrective action is initiated and hence, coordination between both the departments is established.

**The object of this study** is Coca-Cola Company, **the subject of research** is an investigation of controlling management at this enterprise.

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

The aim of this research paper is to improve the controlling management at Coca-Cola Company.

The main tasks of master research paper are the following:

- to describe the theoretical aspects of controlling management and its importance;
- to examine the factors affecting controlling management in the organization;
- to analyze the company activity for several periods;
- to investigate the controlling management at Coca-Cola Company;
- to conduct SWOT-analysis of Coca-Cola Company;
- to make decisions concerning controlling management of Coca-Cola company;
- to find the ways to improving the system of quality control and food safety of the Coca-Cola;
- to improve the supply chain of the Coca-Cola.

Research methods cover methods of systematic approach, analysis, synthesis, comparison, detail.

## MAIN CONTENTS

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

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

Control management, or controlling, is one of the managerial functions like planning, organizing, staffing and directing. It is an important function because it helps to check the errors and to take the corrective action so that deviation from standards are minimized and stated goals of the organization are achieved in a desired manner. According to modern concepts, control is a foreseeing action whereas earlier concept of control was used only when errors were detected.

Control management means setting standards, measuring actual performance and taking corrective action. Production planning and control practices will vary widely from plant to plant/organization to organization. Though no production control function can be entirely eliminated, the least control that results in effective operation of the factory is the best control. It must be remembered that production planning and control systems should be tools of management.

Controlling has got two basic purposes: it facilitates coordination and helps in planning. Following are the characteristics of controlling function of management:

1. Controlling is an end function - a function which comes once the performances are made in conformance with plans.
2. Controlling is a pervasive function- which means it is performed by managers at all levels and in all type of concerns.
3. Controlling is forward looking- because effective control is not possible without past being controlled. Controlling always looks to future so that follow-up can be made whenever required.
4. Controlling is a dynamic process- since controlling requires taking reviewer methods, changes have to be made wherever possible.
5. Controlling is related with planning- Planning and Controlling are two inseparable functions of management. Without planning, controlling is a meaningless exercise and without controlling, planning is useless. Planning presupposes controlling and controlling succeeds planning.

Quality control is a process by which entities review the quality of all factors involved in production. ISO 9000 defines quality control as "A part of quality management focused on fulfilling quality requirements".

This approach places an emphasis on three aspects:

1. Elements such as controls, job management, defined and well managed processes, performance and integrity criteria, and identification of records
2. Competence, such as knowledge, skills, experience, and qualifications
3. Soft elements, such as personnel, integrity, confidence, organizational culture, motivation, team spirit, and quality relationships.

Controls include product inspection, where every product is examined visually, and often using a stereo microscope for fine detail before the product is sold into the external market. Inspectors will be provided with lists and descriptions of unacceptable product defects such as cracks or surface blemishes for example. The quality of the outputs is at risk if any of these three aspects is deficient in any way.

Quality control emphasizes testing of products to uncover defects and reporting to management who make the decision to allow or deny product release, whereas quality attempts to improve and stabilize production (and associated processes) to avoid, or at least minimize, issues which led to the defect(s) in the first place. For contract work, particularly work awarded by government agencies, quality control issues are among the top reasons for not renewing a contract.

There is a tendency for individual consultants and organizations to name their own unique approaches to quality control—a few of these have ended up in widespread use.

In project management, quality control requires the project manager and/or the project team to inspect the accomplished work to ensure its alignment with the project scope. In practice, projects typically have a dedicated quality control team which focuses on this area.

Controlling as a management function involves following steps:

1. Establishment of standards- Standards are the plans or the targets which have to be achieved in the course of business function. They can also be called as the criteria for judging the performance. Standards generally are classified into two:

- a. Measurable or tangible. Those standards which can be measured and expressed are called as measurable standards. They can be in form of cost, output, expenditure, time, profit, etc.

- b. Non-measurable or intangible. There are standards which cannot be measured monetarily. For example- performance of a manager, deviation of workers, their attitudes towards a concern. These are called as intangible standards.

Controlling becomes easy through establishment of these standards because controlling is exercised on the basis of these standards.

2. Measurement of performance. The second major step in controlling is to measure the performance. Finding out deviations becomes easy through measuring the actual performance. Performance levels are sometimes easy to measure and sometimes difficult. Measurement of tangible standards is easy as it can be expressed in units, cost, money terms, etc. Quantitative measurement becomes difficult when performance of manager has to be measured.

**Research and analysis chapter** refers Coca-cola company overview, SWOT-analysis of Coca-Cola Company, analysis of project management at Coca-Cola.

Founded in 1886, the Coca-Cola Company is the world's leading manufacturer, marketer, and distributor of nonalcoholic beverage concentrates and syrups. Although Coca-Cola was first created in the United States, it quickly became popular wherever it went. Our first international bottling plants opened in 1906 in Canada, Cuba and Panama, soon

followed by many more. More than 70 percent of income Coca-Cola Company comes from outside the U.S., but the real reason it is a truly global company is that products meet the varied taste preferences of consumers everywhere. Today, people are more concerned than ever about health and nutrition. They understand the importance of good nutrition and proper hydration - and they also know that delicious foods and beverages are an enjoyable part of life. People have trusted and enjoyed soft drinks for more than 115 years, and they can continue to be confident about their favorite beverages.

The Coca-Cola Company is a global key player in the beverage industry. The firm comprises the corporate division, headquartered in Atlanta, GA, and about 300 bottling partners worldwide. According to its most recent annual report from 2015, Coca-Cola's net operating revenue amounted to 44.29 billion U.S. dollars. Bringing in 49.2 percent of the global revenue in 2015 was the North America segment, making it the company's flagship market.

In the U.S., the Coca-Cola Company held a market share in the soft drink segment with 42.5 percent in 2015. The company's leading four carbonated soft drinks brands in the U.S. market were Coke, Diet Coke, Sprite, and Fanta. The Coca-Cola Classic brand itself, held a market share of 17.7 percent in the United States in 2015.

The world's largest beverage company rang up almost 55% of its sales outside the US during 2015, in some 200 countries worldwide across Eurasia, Africa, Europe, North America, and the Pacific Region. Important international markets include Asia, Latin America, and Europe, which made up more than 30% of 2015 revenues, combined.

Not only is Coca-Cola one of the world's most recognizable and valuable brands, but The Coca-Cola Company supports the largest beverage distribution system in the world, made up of company-owned or controlled bottling and distribution operations, as well as independently owned bottling partners, distributors, wholesalers, and retailers. Beverages bearing trademarks owned by or licensed to them account for 1.9 billion of the approximately 57 billion beverage servings of all types consumed worldwide every day.

Coca-Cola Company sells more than 3,500 different products in more than 200 countries and has 500 brands, 16 of which have annual sales in the billions of dollars.

Coca-Cola has a high exposure to carbonated soft drinks. In 2015, Coca-Cola's soda, or sparkling beverages, accounted for 67% of its US unit case volumes, while still beverages accounted for the remaining volumes. Outside the US, sparkling beverages accounted for 74% of Coca-Cola's 2015 unit case volumes. Operating on such a philosophy also enables the company to focus its products and practices to the local tastes, culture, and regulations. For example, as a corporation, The Coca-Cola Company sponsors a number of global events, such as the Olympics and soccer's World Cup. The company develops a theme, TV advertising, Web support, etc., then "offers" it to each country, allowing individual changes and decisions to fit the local community.

Indicators of Coca-Cola market activity shows below. Global net operating revenue of Coca-Cola Co. - \$44,294 m. Revenue distribution share of North America - 49,2%. Product portfolio distribution share of juices/juice drinks - 38%. Advertising spending of Coca-Cola Co. in TV segment - \$231,5m. Brand value of Coca-Cola - \$79,21 bn. PET largest part of packaging distribution mix - 57,2%. Charitable contributions of Coca-Cola Co. to water stewardship - 28%.

The company sales for 2015 year compared to previous year decreased by 2,3 billion dollars or by 5%. The total Cost of Goods Sold for reporting year compared to previous year decreased by 407 million dollars or by 3,3%. The total income for reporting year compared to previous year decreased by -1,71 billion dollars or by 6,1%. Income Before Taxes for reporting year compared to previous year increased by 0,28 billion dollars or by 3%. The net income for reporting year compared to previous year increased by 0,25 billion dollars or

by 3,5%. Conducted Coca Cola SWOT analysis showed that its Strengths > Weakness, and Threats > Opportunities.

While the number of challenges facing Coca-Cola is abundant, this company does possess a good deal of promise for the future. Its overall size, leverage, and financial resources have it well positioned to take advantage of worthwhile acquisition targets. Too, the company's brand appeal and cult-like following insure that it will probably remain a top-tier beverage provider going forward. Coca-Cola's vast distribution network should enable better volumes ahead and success in burgeoning markets.

**Recommendation chapter** includes the recommendations concerning controlling management of Coca-Cola Company, recommendations for improvement of Strategic Direction, recommendations for improving the system of quality control and food safety of the Coca-Cola, recommendations for improving the supply chain of the Coca-Cola.

Recommendations for improvement of Strategic Direction for Project Management:

1. The recommendations are intended to ensure that there is department-wide accountability for and ownership of accomplishing project management objectives.
2. Develop the Department's project management culture by providing clear, consistent, executive communication and leadership regarding the department-wide importance of project management objectives and their accomplishment.
3. Establish department-wide ownership and accountability by senior management for strategic objective accomplishment in scope, budget, schedule, and quality.
4. Establish measurable Departmental strategic objectives for scope, budget, schedule, and quality and measure their accomplishment.
5. Recommendations for Roles and Responsibilities of the responsibilities, and authority of project managers, project teams, technical managers, technical leaders, and team members. Strengthen the project manager's level of authority.
7. Strengthen the consistency of project management across. The Department by establishing consistent project management procedures.
8. Revise project management policies, guidelines, and manuals to reflect these consistent project management requirements of Coca-Cola.
9. Establish measurable performance objectives for project managers that are aligned with the departmental strategic objectives and project managers' roles, responsibilities, and authority.
10. Develop and maintain department-wide project status information regarding project scope, schedule, and budget.

The population continues to increase. Areas such as India and China have ramped up demand for the company's latest juice and coffee offerings. Too, developing countries face hefty clean water shortages, which ought to result in surging demand for the company's bottled water goods. These business segments have increased, highlighting an elevated need for beverages other than Coca-Cola's traditional drinks.

A cultural shift toward natural and organic products has led many to opt for nutritional waters, smoothies, and various healthy beverage options. Thus, core soda offerings that include high amounts of sugar, or diet items with artificial sweeteners, have fallen out of favor with buyers. What's more, this trend does not seem likely to abate, as consumers continue to boost their knowledge of proper dietary requirements and exercise programs. Further, many health professionals have called for the elimination of foods and beverages containing lofty amounts of sugar, since these products place individuals at an elevated risk of becoming obese, developing diabetes, and suffering from heart disease.

In order to capitalize on this fact and consumers' shift toward healthier living Coca-Cola must be focused on bolstering a variety of its business lines.

Taking this into account, recommendations for improving the system of quality control and food safety of the Coca-Cola:

1. Coca-Cola Co should work on reformulating some drinks and more aggressively marketing options.

2. The Coca-Cola Company must turn toward other parts of their noncarbonated product portfolio for growth, such as fruit juices, sports drinks, and bottled water and tea beverages.

3. Coca-Cola Company must promote best practices across the system. It will definitely help to drive quality and food safety culture and awareness.

4. The company also must post monthly food safety webinars geared toward its quality and food safety managers, but are available to any employee.

5. Coca-Cola should focus on innovation with better beverage options for consumers, including lower calories and natural ingredients. The company has to produce a carbonated soft drink made with real sugar, crafted dark berry flavor, and herbal bitters. Coca-Cola must also work on healthier options in its snack food business. The company can produce crispy snack bars that contain oats, real pieces of fruit, crunchy nuts, flax, and sunflower seeds, with no artificial flavors or added colors.

While the number of challenges facing Coca-Cola is abundant, this company does possess a good deal of promise for the future. Its overall size, leverage, and financial resources have it well positioned to take advantage of worthwhile acquisition targets. Too, the company's brand appeal and cult-like following insure that it will probably remain a top-tier beverage provider going forward. Coca-Cola's vast distribution network should enable better volumes ahead and success in burgeoning markets. Management team needs to work on implementing goals to reach the Coca-Cola Company's long-term growth potential.

**Conclusion** includes a summary of controlling management research at Coca-Cola Company.

## **SUMMARY**

**Animashaun Aminat Olajumoke**

**“An investigation of controlling management of the enterprise on the example of the Coca Cola”**

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Master degree thesis consists: 133 pages, 6 figures, 13 tables, 5 additions, 50 references.

The object of investigation is the Coca-Cola Company.

The aim of the work is to improve the controlling management at Coca-Cola Company.

Research methods cover methods of systematic approach, analysis, synthesis, comparison, detail.

The meanings and definition of controlling management, theoretical review of controlling management and factors affecting controlling management activities have been described. The introduction of Coca-Cola Company, SWOT-analysis and controlling management at Coca-Cola Company have been done. The theoretical recommendations concerning controlling management, the improvement of Strategic Direction for Project Management, the system of quality control and food safety of the Coca-Cola, the improving the supply chain at Coca-Cola have been proposed.

Keywords: controlling management, controlling quality, analysis of economic activity, Strategic Direction, supply chain.