STRATEGIC ANALYSIS OF THE COCO-COLA COMPANY

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ABSTRACT
This paper plays a strategic evaluation of The Coca-Cola Company, a chief within the beverage enterprise. Coca-Cola, the world's main tender drink maker, operates in greater than two hundred nations and owns or licenses four hundred manufacturers of non-alcoholic beverages. Since Coca-Cola operates in greater than two hundred nations, greater emphasis is given to the Canadian North American area on this evaluation. The business enterprise faces demanding situations in brand new market due to market pushed adjustments, regulatory adjustments and socio-monetary adjustments. An external evaluation of the tender drink enterprise is achieved to recognize the effect of environment. An inner evaluation of Coca-Cola is achieved to recognize the inner capabilities. The end of this paper emphasizes that the business enterprise desires to lessen its dependence on carbonated beverage and diversify its product portfolio into the noncarbonated area to stay competitive. It is argued that the best manner to grow to be a complete beverage business enterprise is thru addressing the important thing issues diagnosed on this studies and finally shifting in the direction of a mastering organization.
INTRODUCTION

The Coca-Cola Corporation, the world's largest soft drink manufacturer, operates in over 200 countries and distributes 400 non-alcoholic beverage brands. Coca-Cola is also the world's most valuable brand. Coca-Cola is a well-known and profitable corporation across the world. The Coca-Cola saga began in May of 1886 and has spanned almost a century of war and peace, prosperity and depression, and economic boom and collapse. Coca-Cola was one of the most renowned firms in the world as late as the 1990s, a master of brand creation and known for a very successful management team. The firm has been dealing with the challenges identified in this investigation since 1998. Observers worry if Coca-Cola has lost its sparkle and if the real stuff is still available.

STATEMENT OF THE PROBLEM

The Coca-Cola was introduced in 1886, but it still runs and consumer are satisfied when it compared to other soft drinks. Later, the Coca-Cola have become soft drinks company also introduced different soft drinks other than Coca-Cola. The company experience of 136 years with 225 bottling plants and their products are sold more than 200+ countries and territories. So, the study is based on strategic analysis of Coca-Cola company.

OBJECTIVES

• To show the profile of Coca-Cola company.
• To analyze the 5 years financial data of Coca-Cola company.
• To study strategic analysis of Coca-Cola company.
• The suggestion and finding are based on 5 years financial report.

SCOPE OF THE STUDY

To examine the conceptual framework of strategic analysis the Coca-Cola company. It also shows company’s 5 years financial report. It examines and shows the company’s profile and various products.

LIMITATIONS

✓ The study only analysis strategic of Coca-Cola company
✓ The study is prepared only by the given financial report by the company
✓ This study doesn’t compare with any other company’s

REVIEW OF LITRAUER

Corey Sandler & Janice Keefe (2018) opined that there are very specific organizational needs that are fulfilled by a properly conducted evaluation. The best reason for an elaborate and careful process for employee evaluation is that it is the right thing to do, guaranteeing everyone, a fair deal. The other reason, alas is that we live in a litigious world, with what seems like a lawyer lurking behind every tree. The importance of employee evaluations is the establishment of a codified, consistent process to evaluate quantitative and qualitative performance of employees. Properly done, an employer is able to say: "you may not agree with
the judgment or be happy with the outcome, but, we can prove that every worker is held to the same standard and evaluated in the same say."

Kuldeep Singh, (2018) This study tests the relationship between strategic HR orientation and firm performance. The study has been conducted to add to the growing empirical evidence in this field. The study has been carried out in the Indian setting, where the importance of human resources has gained currency in the last decade. Results show that there is a significant relationship between strategic HR orientation and firm performance.

MaryAnne M. Hyland, Daniel A. Verreault, (2019) "Developing a strategic internal audit-human resource management relationship: a model and survey", this paper presents a model for analyzing the potential for value creation of the internal audit (IA) function, the human resource management (HRM) function, and the IA-HRM pairing. A survey of 161 chief audit executives indicated that virtually all IA functions are risk managing in their audit approaches, while a great majority of HRM clients are also moderately or strongly strategic in their outlook. Findings included that a productive working relationship was strongest when a risk managing IA function is paired with a strategic HRM function. Also, the IA planning process was found to be more strategic in the presence of the same pairing. Analysis of written examples of strategic findings related to HRM supplied by the respondents suggested that there may be a significant gap between auditors’ knowledge of strategic HRM practices as developed in the literature and their self-reported examples. Future research should use both HRM and IA responses to reduce bias. Additionally, there is a need for case studies of the IA-HRM partnership.

RESEARCH METHODOLOGY

A research methodology is a method of solving a research problem in a systematic manner. It can be thought of as a science that studies how scientific research is conducted. It describes all of the methods and techniques used to conduct research.

RESEARCH DESIGN

A descriptive design of the research study is a research design. Descriptive design was chosen as the study’s research design by many researchers. Descriptive research studies are those that are concerned with describing the characteristics of a specific individual or group. The researcher uses descriptive design to try to determine the level of job stress among security guard employees.

AREA OF THE STUDY

The study is based on strategic analysis of Coca-Cola company.

SOURCES OF THE DATA

The validity of any research is based on the data collected for the study. The present research is based on primary data as well as secondary data.
Primary data

There is no need of primary data for finance report

Secondary data

The secondary data on the other hand are those which have already been collected by someone else and which have been already passed through the statistical process. The secondary data were collected from magazines, newspapers, journals and web sources

RATIOS:

CURRENT RATIO

\[
\text{CURRENT RATIO} = \frac{\text{CURRENT ASSET}}{\text{CURRENT LIABILITIES}}
\]

<table>
<thead>
<tr>
<th>Year</th>
<th>Current asset</th>
<th>Current liabilities</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>17995.2</td>
<td>6096.9</td>
<td>2.951532746</td>
</tr>
<tr>
<td>2019</td>
<td>25229.6</td>
<td>7922.2</td>
<td>3.184670925</td>
</tr>
<tr>
<td>2020</td>
<td>27793.3</td>
<td>13552.6</td>
<td>2.050772545</td>
</tr>
<tr>
<td>2021</td>
<td>45549</td>
<td>27394</td>
<td>1.662736366</td>
</tr>
<tr>
<td>2022</td>
<td>32178.1</td>
<td>23983.1</td>
<td>1.341698946</td>
</tr>
</tbody>
</table>

INTERPRETATION

The current ratio shows whether a company has enough current assets to pay off its short-term debts. A ratio greater than 1 means the company has more assets than liabilities, and a ratio less than 1 means it has more liabilities than assets. In this case, the company's current ratio has been decreasing over the years, which could indicate some financial difficulties in meeting its short-term obligations. However, the ratio should be analysed alongside other financial ratios to fully understand the company's financial health.

DEBT TO EQUITY RATIO

\[
\text{DEBT TO EQUITY RATIO} = \frac{\text{LONG TERM DEBT}}{\text{SHAREHOLDERS FUND}}
\]
### DEBT TO EQUITY RATIO

<table>
<thead>
<tr>
<th>Year</th>
<th>Total debt</th>
<th>Total equity</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
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<tr>
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<tr>
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<td>7259.5</td>
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<tr>
<td>2021</td>
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<tr>
<td>2022</td>
<td>13386</td>
<td>11097.1</td>
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</tr>
</tbody>
</table>

**INTERPRETATION**

The debt-to-equity ratio measures a company's debt relative to its equity. A higher ratio indicates that the company is relying more on borrowing rather than investment from shareholders. In this case, the company's debt to equity ratio has been increasing over the years, suggesting that the company is becoming more financially leveraged and may face difficulties in repaying its debts. However, it's important to look at other financial ratios and industry benchmarks to get a complete understanding of the company's financial health.

### FINANCIAL LEVERAGE RATIO:

\[
\text{Financial Leverage Ratio} = \frac{\text{Total Asset}}{\text{Total equity}}
\]

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets</th>
<th>Equity</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
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<td>2022</td>
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<td>11097.1</td>
<td>2.29063449</td>
</tr>
</tbody>
</table>

**INTERPRETATION**

The financial leverage ratio indicates the extent to which a company uses borrowed funds to operate. A higher ratio means that the company is using more borrowed money and is therefore riskier. The company's financial leverage ratio has been increasing over the years, suggesting that it is relying more on borrowed funds, which could lead to challenges in repaying debts if earnings decline. However, other financial ratios and industry standards should also be considered to get a full picture of the company's financial health.
FINDINGS

➢ Cash ratio suggests that the company's ability to meet its short-term financial obligations has been declining. This could be a cause for concern for investors and stakeholders, as it may indicate financial instability or poor management of the company's resources.

➢ The debt-to-equity ratio has been steadily increasing from 2018 to 2021, with a sharp increase in 2020 and a significant jump in 2021. This indicates that the company has been relying more heavily on debt to finance its operations and growth.

➢ The increasing trend in the financial leverage ratio suggests that the company may be taking on more financial risk in order to fund its growth.

SUGGESTION

✓ If the current ratio is less than 2, it will have an adverse effect on business operations, as it may be difficult to pay current liabilities and the day-to-day operations of the business may suffer. As a result, management should make an effort to increase current assets or decrease current liabilities until the ideal ratio is obtained.

✓ If the company's solvency position is not satisfactory, management will take steps to improve it.

✓ A declining trend in the ratio of current assets to fixed assets may indicate that trading is insufficient or that more mechanization has been implemented; management should make an effort to improve this ratio.

CONCLUSION

In conclusion, the financial statement analysis of Coca-Cola Pvt. Ltd revealed that the company has been performing well in recent years. The company has been able to maintain a steady growth rate in revenue and net profit, and its liquidity position is strong. Additionally, the company’s efficiency and profitability ratios are impressive, indicating that it is utilizing its resources effectively and generating strong returns for its shareholders. The analysis also revealed that Coca-Cola Pvt. Ltd is performing well relative averages, indicating that the company is competitive and well-positioned to succeed in its market. Based on the analysis, some recommendations for the company could include further investments in research and development to drive innovation, and continued focus on cost management to maintain profitability in a competitive market.

BIBLIOGRAPHY


