Stakeholder Analysis: The Coca-Cola Company

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Stakeholder Analysis: Coca-Cola Company

An organization's project management and success depend solely on the interactions between people and teams that are affected by the organization. These groups of people, which a company influences in one way or another, are commonly referred to as stakeholders. As such, determining and establishing the relationship between different stakeholders and the company can tell if the company is progressing or is nonviable. Stakeholder analysis is a tool to locate and identify these individuals before any organizational project commences. The stakeholder analysis process involves grouping people attached to the organization in terms of their level of participation, interest, and influence on the project operationally. Moreover, the stakeholder analysis process also entails determining the methods that an organization can use to best exploit the potentials of its stakeholders, thus enhancing production and performance. Therefore, this paper applies the science of stakeholder analysis to the Coca-Cola Company, noting its key stakeholders, their influence on the company's operation, and appropriate strategies that can be implemented to catch stakeholders' attention for higher Coca-Cola performance.

Reason for Conducting Stakeholder Analysis

Organization managers, project managers, and product managers must conduct a stakeholder analysis to help them lay down and develop suitable strategies to see the organization through the anticipated hurdles. One important reason that managers across all companies need to carry out stakeholder analysis is to enlist key organizational players. Identifying key company players, such as the executives and other valuable stakeholders, in good time, especially during the onset of a project, helps managers leverage the knowledge and wisdom of these people. This is very important because a project or an organization's success depends on various efforts from different stakeholders rather than unidirectional decisions. The second reason for conducting stakeholder analysis in a firm is to gain early alignment of all goals and plans. According to Bendtsen et al. (2021), stakeholder analysis helps managers determine people needed in a project or organizational plan. This is followed by a series of meetings to communicate project objectives and plans. Furthermore, stakeholder analysis prepares everyone involved in a project to start operations with a clear and predetermined understanding that defines success and ways of achieving it.

Stakeholder analysis also helps managers and the company as a whole to address conflicts or issues early enough to nurture an environment that yields success. Bendtsen et al. (2021) note that through the stakeholder analysis, it is possible for all company teams, from top management to colleagues, to understand projects. This is true because all key company stakeholders, such as executives and customers, and even the community members where the organization is operating, need to be consulted to enhance the development of a project or an initiative that is viable and operational.

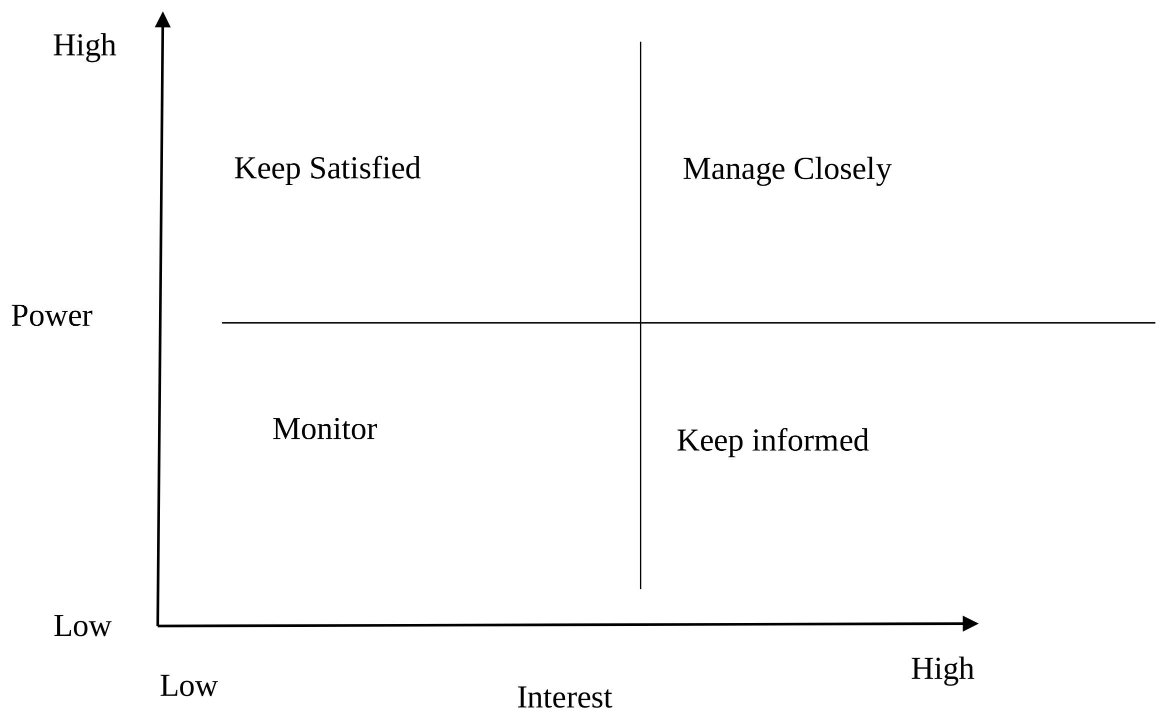
Stakeholder analysis, in this sense, works to generate different views across the company's team and those who are yet to be affected by the initiative. Through the process, managers present their plans to executives, listen to their objectives and, more importantly, work to earn their approval of an initiative (Bendtsen et al., 2021). As such, stakeholder analysis in an organization before taking any initiative is very important since it enlists key stakeholders, aligns all people involved to goals and plan, and, finally, helps address the anticipated conflicts and issues before it is too late. In addition, stakeholder analysis in an organization is normally important and valuable when managers want to start complex projects or undertakings.

The Process of Stakeholder Analysis

Even though all companies or organizations are expected to carry out stakeholder analysis when launching a new initiative, the exercise varies depending on the company, industry, and the individual managers that do the process. According to Mialon et al. (2021), a company may conduct a stakeholder analysis for either project or product management, which cannot follow the same procedure. However, Mialon et al. (2021) have identified some common useful steps when organizations do the stakeholder analysis. The process's first step entails determining all the company's stakeholders. According to Flew et al. (2021), this step is where managers and company executives brainstorm all possible stakeholders of a new initiative. This step is crucial because it helps identify all pivotal and potential teams and groups that would enable the company's success in general. According to Dimitrovski et al. (2021), the common stakeholders that an organization could consider include executive staff and different departments such as marketing, sales, finance, product, and product. Other stakeholders identified were operations/IT, consultants, and procurement departments.

The second step of organizational stakeholder analysis is grouping and prioritizing the identified groups. According to Flew et al. (2021), this should be the immediate stage after identifying stakeholders. The step entails categorizing these people based on their expected influence, interest, and level of participation in the project or company undertakings. Organizations assess stakeholders' relevance through the power/interest grid (Flew et al., 2021). As represented in the figure below, company stakeholders can be grouped into four categories. According to the power/interest grid, the first group is high-power, high-interest stakeholders, commonly known as players. According to Dimitrovski et al. (2021), these are the most important stakeholders in any organization. Their happiness and involvement in an initiative are vital, and managers should prioritize these individuals.

The second group is high-power, low-interest stakeholders who have influence in a company but show low interest, often referred to as context-setters. Involving these groups in an initiative is very important, bearing that they influence the success and implementation of programs. Another group of individuals is those with low power but high internet subjects. These are organization stakeholders who must be kept informed to ensure the smooth implementation of the project. The last group of people that organizations ought to consider are those with low power and low interest, who generally represent the crowd and customers. These groups should be informed of the organizational projects and undertakings to avoid unnecessary confusion in implementing an initiative.



The last and the third stage of stakeholder analysis is the determination of effective communication, which targets different groups of individuals who influence or are affected by an initiative. According to Węgrzyn and Wojewnik-Filipkowska (2022), the stakeholder analysis does not stop immediately after groping the individual into their respective levels. This is when one or a company must strategically develop ways of alluring all stakeholders to participate in a project or an initiative. An organization in this step needs to know what motivates a particular group of stakeholders. Moreover, it is also important to lay down the priorities each group has and assess the impact of each group of individuals on an organization.

The Coca-Cola Company Profile

The Coca-Cola company is the largest nonalcoholic beverage company in the world. According to Luo (2022), the company started gathering huge profits as early as the 1940s. Coca-Cola has swiftly grown over the past few decades and operates in more than 200 countries. The company's purpose is to refresh the world through its brands, including Coca-Cola, Sprite, and Fanta, among other carbonated drinks. Moreover, the company also provides tea brands such as Dasani and Vitamin Water, among other products.

Coca-Cola Stakeholders

Being one of the biggest American multinational corporations, Coca-Cola outsources and sells over 500 brands in over 200 countries. As such, Coca-Cola operates with probably hundreds of stakeholders, which has greatly enhanced Coca-Cola's success. The main stakeholders of the Coca-Cola company are bottling partners, suppliers, consumers, and customers. Affan (2019) also identifies Coca-Cola partners, different respective governments, and nongovernmental organizations (NGOs) as other key stakeholders of the industry. The Coca-Cola stakeholders are further divided into internal and external stakeholders. According to Brondoni (2019), the internal key groups in the Coca-Cola fraternity are the Board of Directors, Vice presidents, senior leaders, employees, and shareholders. This group of people is considered the main stakeholders of the Coca-Cola company. According to Maher and Buhmann (2019), external stakeholders of the Coca-Cola company are the bottling partners, customers, consumers, suppliers, partners, governments, and NGOs. Thus, an established relationship between the internal and external stakeholders of the Coca-Cola Company plays an important role in the company's success, and the interests of all must be considered when developing a new initiative.

The Board of Directors and the senior leaders at the Coca-Cola company are responsible for all managing tasks and making strategic decisions in running the company. According to Maher and Buhmann (2019), both the Board of Directors and senior leaders of any organization are responsible for giving strategic direction or path of a company. Affan (2019) further explains that senior leaders and the Board of Directors usually commit to positively impacting the community they ought to serve. Therefore, these are vital individuals because their influence could affect the Coca-Cola Company both positively and negatively. Coming with an initiative for the Coca-Cola Company demands full support from the Board of Directors and senior leaders. Their approval of an initiative is considered the first success for a program implemented in the Coca-Cola fraternity. This is because they can either accept or reject an initiative outright without any explanation. As such, involving these individuals when developing a project or an initiative should come first.

Besides the senior leaders, Vice presidents, and the Board of Directors of the Coca-Cola, employees' and shareholders' interests must also be considered when coming up with an initiative. All Coca-Cola operations, including manufacturing, packaging, and distribution, are done by its employees across the globe. According to Affan (2019), a company or an organization's employees play vital roles, which are the company's definitions of success or failure. This is true because, with incompetent and lazy employees, no productive work can be produced even if the company has the best managers in the world. The role of employees in the

Coca-Cola company is to enhance the industry's performance through manufacturing processes, distribution, and marketing of the brands to ensure a larger market for the company's products. As such, employees could influence companies both positively and negatively. Shareholders of the Coca-Cola Company's interest must also be considered when developing a new initiative. This is true because shareholders need to know how implementing a program would affect their interests.

The Coca-Cola Company customers and consumers are also an important stakeholder group that must be considered when developing a new program or an initiative. According to Affan (2019), customers and consumers form the largest percentage of Coca-Cola company's external stakeholders. Since they are quality sensitive, they affect Coca-Cola in that they demand a variety of brands. At the same time, some take much sugar while others demand less concentrated drinks. Moreover, customers and consumers may demand from the Coca-Cola Company to create an eco-friendly environment through their operations. Brondoni (2019) opines that examining and understanding customers' preferences significantly helps improve a company’s products. Thus, introducing a new initiative in the Coca-Cola Company demands that all customers’ needs and specifications be incorporated into the program to enhance sales and consumption rates.

The Coca-Cola Company has long partnered with bottling companies that help it sell its various drinks. As such, bottling partners are considered crucial stakeholders when Coca-Cola company is concerned. This fact is true because, without bottles for drinks packing, it would be difficult for the company to distribute its brands to its suppliers and retailers. Therefore, any confusion or mess in this sector impacts the Coca-Cola Company negatively since it would not be able to get ready bottles for drink packaging. Other important Coca-Cola stakeholders to discuss are the government, NGOs, suppliers, and retailers. According to Brondoni (2019), governments and NGOs worldwide are also vital stakeholders of Coca-Cola. Thus, maintaining a good relationship with these bodies enhances the Coca-Cola Company's operations. For instance, Brondoni (2019) reports a case in 2017 NGOs and academics protested in Mexico, alluding that a certain bottling plant used much water, causing water shortages. These are the factors that Coca-Cola or any other company must consider when enacting a new program.

Strategies to Earn Stakeholder Support

Proper stakeholder management is necessary for profitable engagement among people involved in a company's operation. Stakeholders management identifies all strategies and actions needed to enhance the productive involvement of all stakeholders, including the Board of Directors to consumers. According to Brondoni (2019), identifying and getting stakeholders to talk to one another are simple ways of ensuring that implementing a program in an organization receives little criticism. Moreover, the report also identifies building a strong team and leading with integrity increases a program's implementation success. Lastly, managing expectations and frequently communicating with the company stakeholders, especially with the Board of Directors and senior leaders, among others in power, reduces the chances of hurdles during program implementation.

Conclusion

Stakeholder analysis is a crucial tool that is often used by managers of various companies and organizations to assess the various group of people affected by companies' operations. As this paper ascertains, stakeholder analysis is the process of identifying and grouping all individuals attached to an organization according to the influence, interest, or support they have as success is concerned. This paper has identified the Board of Directors, senior leaders, executives, employees, government and NGOs, customers, consumers, and suppliers as common stakeholders across all organizations. As recent studies show, stakeholder analysis is important to a company and program implementation because it predicts future success when all stakeholders are identified before project implementation. This paper thus has applied the three steps of stakeholder analysis to identify significant stakeholders of the Coca-Cola Company while pointing out their significance.

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