

SYNOPSIS

INVENTORY CONTROL MANAGEMENT AT COCA COLA

ABSTRACT

The current study is an attempt to assess the impact of green technology investment and waste management on distributor firm performance in case of Indian FMCG firms. The study analyzed the relationship between a relationship between green packaging and improved green packaging materials, green distribution and elimination of environmental damages, green marketing and increased green promotion, hazardous waste handling and improved safe disposal of chemicals. Surveys have been carried out from SCM experts who are involved in implementing green technology practices within their supply chain while reducing waste in their supply chains. Also, interviews were carried out from senior executive/senior manager in SCM and finance operations. The sample size of surveys was 100 while for interviews, it was 5 respondents. Through regression analysis, the significant values were found to be less than 0.05 which concluded that there is a significant impact of green technology investment and waste management on the distributor firm's environmental performance.

INTRODUCTION

COCA-COLA, the product that has been given the world its best-known taste was born in Atlanta, Georgia, on May 8, 1886. COCA-COLA Company is the world's leading manufacturer, marketer and distributor of non-alcoholic beverage concentrates and syrups, used to produce nearly 400 beverage brands. It sells beverage concentrates and syrups to bottling and canning operators, distributors, fountain wholesalers. The company's beverage products comprises of bottled and canned soft drinks as well as concentrates, syrups and not-ready-to-drink powder products. In addition to this, it also produces and markets sports drink, tea and coffee. The COCA-COLA Company began building its global network in the 1920s. Now operating in more than 200 countries and producing nearly 400 brands, the COCA-COLA system has successfully applied a simple formula on a global scale: "provide a moment of refreshment for a small amount of money-a billion times a day".

The COCA-COLA Company and its network of bottlers comprise the most sophisticated and pervasive production and distribution system in the world. More than anything, that system is dedicated to people working long and hard to sell the products manufactured by the company. This unique worldwide system has made the COCA-COLA Company the world's premier soft-drink enterprises. For more than 115 years, COCA-COLA has created a special moment of pleasure for hundreds of millions of people every day.

The company aims at increasing shareowner value over time. It accomplishes this by working with its business partners to deliver satisfaction and value to consumers through a worldwide system of superior brands and services, thus increasing brand equity on a global basis. They aim at managing their business well with people who are strongly committed to the company values and culture and providing an appropriately controlled environment, to meet business goals and objectives. The associates of this company jointly take responsibility to ensure compliance with the framework of policies and protect the company's assets and resources whilst limiting business risks.

NEED OF THE STUDY:

Every industry on average spends 70% on raw materials (inventory). Therefore there is a need to know the raw material cost and also there is great importance to understand the inventory management system of this industry.

The study helps a log to various departments to take steps to control the inventory process.

OBJECTIVES OF THE STUDY

The present study revolves around the following broad objectives:-

- To understand the objective of inventory management.
- To identify how much inventory of bottles of COCA-COLA is maintained.

SCOPE OF THE STUDY

Many companies use inventory system in their production or retail operations. Inventory management provides the foundation to meet customer demands and composes one of the largest assets owned by the company. Companies incorporate inventory system as a way of managing inventory level. Each inventory system falls within a specific scope and experiences certain limitations. Management needs to understand the scope of each in order to choose the best inventory system for the company. The scope of an inventory system considers which needs the inventory system addresses. These include:

- Valuing the inventory, measuring the change in inventory and planning for future inventory levels.
- The value of the Inventory at the end of each period provides a basis for financial reporting on the balance sheet.
- Measuring the change in inventory allows the company to determine the cost of inventory sold during the period.
- The inventory level and changes allow the company to plan for future inventory needs.

RESEARCH GAP

There exists literature on the EGS industry and on the FMCGWM industry in particular. The literature has analyzed the requirement of a good FMCGWM system, the factors affecting the success of such a system as well as the eco-system and stakeholders needed to make a FMCGWM system effective. There are studies that critically examine the state of FMCGWM in India regarding the composition of FMCGWM, the state of the present system and barriers to its effectiveness. From a regulatory perspective, there is a branch of literature on the components that would encourage FMCGWM including models such as the five-point model for Environmental Protection using regulatory instruments. These have been debated and discussed from a Pigovian perspective, where the roles of the market as well as the regulatory interventions have been advocated in differing measures. On the other hand, the Coasian school of thought has proposed the 'market only' approach, where transaction costs would not have a great impact on the overall activity of pollution reduction.

The role of FMCGWM firms in improving the condition of FMCGWM in an economy has been discussed in much lesser detail, and where done so, as a peripheral variable to the main aspects of the FMCGWM system and its regulation. The business strategy perspective of such firms needs more exploration. In addition, there is a need to link the impact of environmental regulation and the policy to the working of these firms. This is important since these firms are instrumental in effecting the provisions of the policy. A large part of the success of best-intentioned policies depends on the way they are implemented and the FMCGWM firms play a critical role in this implementation. This research has tried to fill this gap and attempts to explore the role of the environmental policy on the working of FMCGWM firms and in turn, the effect on the overall environment. It tries to understand how the FMCGWM industry perceives the existing policy and looks for suggestions for improving the policy. The literature on sustainable businesses and

technological aspect of FMCGWM has not been focused upon in detail as the aim was to look at the policy aspect of these businesses. The review of literature has concentrated upon the activity of management of solid waste and the environmental policy as a whole, with emphasis on the policy related to FMCGWM.

CONCEPTUAL FRAMEWORK

The conceptual framework for this study is drawn from established work such as that of Kosoden and Nicodeme (2009), Bradbaart (2007), Kolstad (2000), Blackman and Harrington (2000), Ligthart (1998) and Wilson (1996). The focus of most of these works has been that there is no single way to tackle the environmental problem but instead it needs a coordinated effort. The multiple measures to tackle the problem have been identified in the literature review and are diagrammatically represented as under:



The nature of environmental taxation and emission fees that can be applied in different scenarios would be different (Pigou, 1920; Sandmo, 1975). In India, the application of environmental taxation is limited. While it is present in case of usage of plastic bags, it may shift the usage to

bags of other material, which may create a different environmental problem (Rebeiz and Craft, 1995; Scarlett, 1991).

Pollution permits have been studied under the concept of marketable instruments as an incentive to reduce pollution. Voluntary negotiation was the base of the Coase theorem (Coase, 1960), which states that initial distribution of polluting rights is of no consequence. Market mechanism would ultimately lead to the optimal option. Currently, there is no agreement in force to take care of the solid waste problem at the producer's level. Incentives and subsidies have also been studied and were generally found to be inefficient. However, there are studies that acknowledge an undeniable place for these measures as part of a composite package [Kolstad, 2000; Blackman and Harrington, 2000]. For example, there are income tax incentives for a large number of other activities such as setting up infrastructure (roads, highways, ports, etc.), donations to educational institutions, and for managing bio-degradable waste. However, there are no specific incentives for solid waste management. Two major sub-components of environmental policy viz. non-tax policy measures and green tax policies are discussed below:-

METHODOLOGY

DATA COLLECTION

Two types of data are collected, one is primary data and second one is secondary data. The primary data were collected from the Department of finance, COCA-COLA COMPANY. The secondary data were collected from the Annual Report of COCA-COLA COMPANY, its website, etc.

PLACE OF STUDY

PERIOD OF STUDY

I have done my project 45 days in Hyderabad plant of Hindustan Coca- Cola Beverages Pvt. Limited.

LIMITATIONS

There may be limitations to this study because the study duration (summer placement) is very short and it's not possible to observe every aspect of inventory management and control system practices.

1. Interest on invested capital.
2. Physical handling.
3. Accounting.
4. Depreciation and determination.

CHAPTERISATION

Detailed/final Project Report will include the following chapters

CHAPTER –I

- Introduction
- Significance of the study
- Need of the study
- Objective and scope of study
- Methodology
- Limitations

(Details of methodology used in studying and collecting the data and issue will be described)

CHAPTER –II

- Literature review
- Theoretical study

CHAPTER –III

- Industry & company profile

CHAPTER –IV

Analysis of the topic & Interpretation

(Descriptive work on the topic, this chapter will include analysis and interpretation of data tabulation and categorization)

CHAPTER –V

- Recommendation
- Bibliography
- Appendix

BIBLIOGRAPHY

1. **Financial Management** - **By IM Pandey**
2. **Financial Management** - **By Prasanna Chandra**
3. **Total Quality Management** - **By K. Shridhara Bai**
4. **Company's Stores Manual**
5. **Company's Annual Reports**