



System Value Creation

A case study from Coca-Cola

The Client Need

In 2004 Coca-Cola was facing significant challenges to their core business due to changing consumer tastes and a flood of new competitors into the market. BTS was approached to develop a solution targeted at the top 451 leaders in the organization in order to engrain a new way of looking at the business and foster a shared vision of system value creation. The goal was for leaders within the company to understand the cause and effect relationship of business decisions across the entire Coke system in order to foster innovation and accelerate shareholder value creation.

By giving leaders an opportunity to grapple with the tradeoffs & business challenges necessary to grow revenues in varied competitive environments, participants were able to align their efforts to create value for Coca-Cola, its bottling partners, and its Customers. The solution was so well received by the initial target audience of leaders, that the program was expanded and deployed to all layers of the organization in a variety of learning formats.

BTS Approach

A Highly Customized Development

Beginning with interviews of key stakeholders from around the world, BTS identified best practices from across the organization and uncovered critical success factors. BTS then synthesized these into a curriculum of experiential learning solutions. BTS' global team delivered over 100 seminars to approximately 3500 participants in 35 countries. Finally, BTS worked with the client on a variety of post program performance support and measurement tools to facilitate application "back on the job".

In order to deliver the program to the broadest audience possible, and in a cost effective and timely manner, the curriculum included multiple delivery formats - computer simulations, learning maps, and E-Learning tools. Each component was designed for a specific target audience, ranging from leaders of the enterprise to individual contributors, but delivered the same key messages.

The Solution - System-wide Strategic Alignment

The initial design was around The Leadership Experience, which evolved to an integrated curriculum for capability building across the entire TCCC organization. The solution included a customized simulation with a dynamically competitive market, structured around Coca-Cola's goal of system alignment to drive its Revenue Growth Management (RGM) strategy.

- The Leadership Experience – a one week customized training experience designed to teach the leadership behaviors and routines necessary to apply Revenue Growth Management in the field.
- Leading From Within – mid-level leadership simulation experience.
- The System Board Solution – a customized board-based program during which participants learn and understand how The Coca-Cola Company system generates revenues and the levers for improving profitability.
- The RGM on-line experience – a self-paced web-based simulation experience during which participants apply the principles of RGM while running a simulated version of The Coca-Cola Company System.



- Understanding the Coca-Cola System – a customized e-learning module targeted at new hires that allows users to explore the fundamental growth and profitability drivers of the business.

Key issues addressed in the solution included:

- Growing the business profitably through system alignment
- Understanding the impact of business decisions on the company's financials
- Shareholder value creation
- Appreciating conflicting objectives of various stakeholders across the Coca-Cola system

Outcomes

Worldwide, 3300 Coca-Cola professionals have experienced the BTS Solutions, including people from 35 countries. 451 senior leaders were provided with the knowledge and skills to address key business challenges and strengthen personal leadership effectiveness.

To further understand the sustained value of the program over time, an impact survey of leaders who had participated in the leadership experience was conducted.

- 78% of participants agreed that they had achieved results due to the program that they would not have achieved had they not attended.
- The senior leadership of the company was able to adopt a “helicopter perspective” of the company and clearly identify the levers they can pull to succeed in the marketplace.
- The leadership also developed a better understanding of how their daily decision making can drive value for the organization and accelerate shareholder returns.

Client Testimonial

“I entered the course a believer in the direction of the MFG for TCCC; I left with a strong and active conviction and sense of personal ownership to make it happen.”

“The exercise drove our associates to a better understanding of the levers of success for our bottling partners. It also gave our bottlers some visibility into key, quick wins in terms of improving operating efficiencies by just being aware of the levels of performance being achieved by other bottlers in a similar operating environment. We estimate our savings in our key (and largest) market to be close to \$2Million over a 12 month period.”

“...you have truly been our partners in driving RGM capability across the system to all key markets. The impact that the simulation created is changing the way we work.”

Sampling of other BTS Clients

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| • Accenture | • Coca-Cola | • Liberty Mutual | • Roche |
| • Aetna | • Gap Inc. | • Liz Claiborne | • Sony |
| • AstraZeneca | • Genentech | • Macy's Inc. | • Texas Instruments |
| • AT&T | • Hewlett-Packard | • McKinsey | • Time Warner |
| • Bank of America | • Honeywell | • Microsoft | • Toyota Motor Company |
| • Biovitrum | • IBM | • Motorola | • Vodafone |
| • Cisco Systems | • ING | • Nokia | • Weyerhaeuser |

About BTS:

BTS partners with leading companies to accelerate change and improve business results. We are the world leader in customized business simulations and other discovery learning solutions that enable leading corporations to change, grow and succeed. BTS adds value for our Global Fortune 1000 clients through three practice areas: Strategic Alignment & Business Acumen, Leadership & Management, and Sales. We have additional capability in Operational Excellence & Project Management and offer an innovative Engage for Change process. BTS is a public company listed on the Swedish Stock Exchange and trades under the symbol BTS B. For more information please visit www.bts.com.