

KEEP IT SIMPLE: A RELENTLESS BUSINESS STRATEGY IN A WORLD OF COMPLEXITY THE XYZ CORPORATE STORY IN BRIEF

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ABSTRACT: *The objective of this study is to demonstrate how XYZ Corporation has perfected the art of achieving simplicity in its business strategy within a complex business world in order to achieve market dominance in their field of carbonated cola-based beverages. This study achieves that aim by reviewing a selection of company historical records available in the public domain and a critical study by Elmore (2015) which identifies, that contrary to popular belief, XYZ Corporation only makes one core product i.e. XYZ concentrate and even the components of that concentrate come from other sources. The corporation blends the components of the concentrate at a small number of regional concentrate sites and then distributes the concentrate globally; to bottlers who provide the water; the sweeteners, the gas (or fizz) ; the bottling/canning, warehousing; distribution and promotional components for the finished product. The company has a long history and research by outsiders is discouraged, so some citations and associated references are dated.*

Keywords: XYZ Corporation, Business Strategy

Introduction

In business school we teach the components of business e.g. entrepreneurship; product development; operations management, strategy, marketing; advertising and promotion; supply-chain management and human resources management. Our teaching typically pursues one or more strategies or game plans employed by companies to achieve dominance in their field of business. A prominent researcher in the field of business strategy is Michael E Porter of Harvard University well known for his “5 forces strategy model” (Porter M.E. 2008) amongst other significant publications (Porter, 1979,1980,1985,1986,1987,1996).

This current study focuses on the business strategy employed by the world’s largest manufacturer of carbonated beverages and “drills down” into the very core of the five components of that business strategy; which is to keep the business simple in terms of core materials comprising the components of the concentrate used to formulate the beverage. All other components of the product components and services are outsourced to licensed bottlers. (Elmore, 2015).

“In 2012 XYZ was the world’s most valuable brand. In that same year XYZ was sold in more than 200 countries and sold more than 1.8 billion beverage servings per day (one serving for every four people on our planet). It was the twenty-second most profitable company in the US with revenues topping US\$48 billion and net income of US\$ 9 billion making it one of the greatest profits generating businesses in world history.” (Elmore, 2015, p7).

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Important note: To protect the university and author from legal pursuit, the name of the corporation has been changed.

A Brief Corporate History

When XYZ began in Atlanta in 1886, the founder, John Stith Pemberton, formulated a refreshing beverage based on