



Coca-Cola Case Study

Coca-Cola Hellenic Bottling Company (CCHBC) holds the franchise to bottle Coca-Cola products in most of Eastern Europe, as well as in Austria, Switzerland, Italy, Ireland, Nigeria and other parts of the world. In 2005 they needed a tool to help them to make better infrastructure planning decisions, and, after evaluating a number of alternative software packages and vendors, they purchased Profit Point's Profit Network software. CCHBC uses Profit Network whenever they want to make new investment decisions within their large territory – this story describes one of those studies.

In addition to carbonated soft drinks, CCHBC produces energy, fruit and juice drinks in aseptic and related packaging. Aseptic packaging, which the consumer often sees in the form of boxes or pouches in addition to bottles, is used for products that might deteriorate when packaged in standard container types. With an aseptic process the package is sterile when receiving the food, and the food product is also sterile when it goes into the package. This means that the drink will be safe for consumption when stored at ambient temperature for months or years without the addition of preservatives.

Aseptically-packaged drinks are one of the fastest growing segments of CCHBC's market, and as a result they needed to plan for how to meet this growing demand – through:

- expanded capacity at one or more of their existing plants,
- construction or purchase of an additional facility,
- purchase of product from some other manufacturer, or
- another means.

Profit Network enabled them to perform this analysis in a quick and efficient manner.

CCHBC gathered the required data for the study, such as the demand forecast, current production capacity, potential locations for new production lines and transportation costs for products from one point to another. CCHBC and Profit Point worked together to build a baseline model (modeling the existing infrastructure), and then enlarge that to look at several alternative capacity expansion locations.

As a result of this process CCHBC identified the best locations at which to expand their production capacity. They went to the next phase of their capital expansion process, where they developed detailed expansion plans for those plants, confident that they were the right places.