

Global Entity Management the GCM Way

The Coca-Cola Company is a global Fortune 500 company with over 21 billion dollars in annual revenue, and approximately 800 legal entities worldwide.

Today the world's largest beverage company has an entity management system that enables it to update, report on, and manage a legal structure that spans the globe. And just as importantly, Coca-Cola's implementation of Global Corporate Manager helps it to comply with the new reporting requirements of the U.S. Securities and Exchange Commission (SEC).

The Act states that the CEO and CFO are responsible for having "designed such internal controls to ensure that material information relating to the issuer and its consolidated subsidiaries is made known to such officers by others within those entities, particularly during the period in which the periodic reports are being prepared..."

Entity Management at Coca-Cola: An Historical Perspective

Before GCM, Coca-Cola managed its worldwide legal entity structure using an in-house developed system, explains Fiona Payne, Assistant Corporate Secretary for The Coca-Cola Company. Over time, however, the system became difficult to update or support. Moreover, the process for updating legal entities, regardless their country of origin or incorporation, fell to one person in the centralized Office of Corporate Secretary.

The Search For a Solution

In order for the company to accomplish its legal entity management goal, it had three key application requirements. First, the solution had to enable the Company to push the management of a legal entity's details out into the offices responsible for creating and maintaining them. Secondly, the system had to be fully web-based (i.e., it had to be accessible across their corporate intranet using a standard web browser). And finally, the supplier had to partner with a vendor who would continue to support and improve its product as the Company's use of it matured.

The Office of Corporate Secretary set up a users group to consider possible vendors and products. The user group consisted of people from the Secretary's office, the Legal group, Tax, Finance, and a mix of other potential users and participants, including members

The Coca-Cola Company

Status:

A global Fortune 500 company with over \$21 billion in annual revenue

Active Subsidiaries:

800 legal entities worldwide

Number of Users:

25 edit users and 70 browse users

The Coca-Cola Company manufactures, distributes and markets non-alcoholic beverage concentrates and syrups in almost every country in the world. The legal structure required to support that effort is massive, relying on a complex assortment of wholly and partially owned subsidiaries, partnerships, joint ventures, and a variety of other legal entity types.

Historically, managing those entities has been a Herculean labor. But not until 2002—when the U.S. Congress passed the Sarbanes-Oxley Act (SOX)—did legal entity management rise to the level of an absolutely essential business activity. SOX is a wide ranging law that requires companies to provide the SEC with detailed certifications regarding corporate financial status and controls.

from IT. "We had presentations from all the vendors," explains Payne. And after the dust settled there was only one reasonable choice: Datacare's Global Corporate Manager.

GCM At Coca-Cola

While Coca-Cola implemented and began using GCM in 2001, the Company didn't make full use of the product until upgrading to version 3.1 in June, 2004.

The Company spent the first three months of the summer of 2004 reviewing and converting data from the first version of GCM to version 3.1. Before the conversion, Datacare conducted an intensive two-day 'best practices' seminar with Ms. Payne and Stanley Zawko, Coca-Cola's key technical support person for the project. During that seminar, key Datacare personnel conveyed conversion strategies, and some of the best practices used by other GCM users to facilitate the best possible implementation and use of the software.

"That two-day seminar was extremely helpful," notes Ms. Payne. "I had Datacare right there walking us through the best possible ways to convert our data and implement GCM. After that seminar I had a legal pad filled with notes, covering everything from where to put data, to how to clean it up, including suggestions about what other companies have done." Many of the key points she learned in Datacare's best practices seminar she used to manage Coca-Cola's conversion and implementation.

By August much of the information was at, or near a place that enabled Ms. Payne to begin demonstrating the product to users in remote offices. Throughout the fall of 2004 and into December, Ms. Payne trained approximately 50 edit users, usually via remote telecommunications and web conferencing.

To facilitate her training Ms. Payne relied on documentation downloaded from Datacare's technical support site along with information obtained at the user conference. She modified and tailored the documentation to

Coca-Cola's needs. Each trainee received a Get Started Guide in advance of their instruction, which could then be used as a support document once their training was completed.

The Coca-Cola Goal

"By the end of March," Fiona concludes, "each division signed a certification statement that includes a reference to the accuracy of the GCM system."



Coca-Cola's use of GCM won't rest with having a clear, complete picture of the Company's legal entities. As soon as the first wave of training and entity management is finished, other parts of the company are planning to take advantage of selected GCM features.

The Coca-Cola Tax Department, for instance, is planning on using GCM's built-in organizational chart capabilities to alleviate their manual org chart process.

Today, with the help of Datacare's GCM, the world's largest beverage company has an entity management system that enables it to update, report on, and manage a legal structure that spans the globe.