

# GLOBAL ENTITY MANAGEMENT FOR COMPLIANCE AND REPORTING

THE COCA-COLA COMPANY

## CASE STUDY

### FACTS

Consumers in more than 200 countries enjoy The Coca-Cola Company's beverages at a rate of 1.5 billion servings each day. Along with Coca-Cola®, recognized as the world's most valuable brand, the company markets four of the world's top five non alcoholic sparkling brands, including Diet Coke®, Fanta®, and Sprite®, and a wide range of other beverages.

Today, the world's largest beverage company with the distinctive script logo operates in more than 200 countries and markets more than 2,800 beverage products. 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 entities both directly and indirectly held.

Historically, managing those entities has been a Herculean labour. 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 essential business activity. SOX is a wide-ranging law that requires companies to provide the U.S. Securities and Exchange Commission (SEC) with detailed certifications regarding corporate financial status and controls including sign off by the CFO.

"Initially, 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 of their country of origin or incorporation, fell to one person in the centralised Office of Corporate Secretary.



**A global Fortune 500 company with over \$28 billion in annual revenue**

**Using GEMS software, records are maintained on nearly 900 direct and indirect legal entities worldwide**

**Number of application users: more than 55 edit users and nearly 150 browse users**



### CRITICAL ACTION

The company had three key application requirements to accomplish its entity management goal:

- > 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
- > the system had to be fully web-based (i.e. it had to be accessible across their corporate intranet using a standard web browser)
- > 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 the Corporate Secretary set up a user group to consider vendors and products. The group consisted of people from the Secretary's office, the Legal group, Tax, Finance, and a mix of other potential users, including members from IT. "We had presentations from all the vendors," Fiona explained. After the dust settled, there was only one reasonable choice: the Datacare Software Group's Global Corporate Manager (GCM), which has since evolved into Computershare Governance Services' Global Entity Management System (GEMS).

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. Before the conversion, Datacare conducted an intensive two-day 'best practice' seminar with Fiona and Stanley Zawko, Coca-Cola's key technical support person for the project.

Over the next few months, Fiona trained approximately 50 edit users, usually via remote telecommunications and web conferencing. To facilitate her training, she relied on documentation downloaded from the vendor's technical support site along with information obtained at the user conference. She tailored the documentation to Coca-Cola's needs. Each trainee received a 'Get Started Guide' in advance of their instruction, which could be used as a support document after their training was completed.

### RESULTS

Once the first wave of training was completed, Fiona concludes, "each division signed a certification statement that includes a reference to the accuracy of the GCM system." Afterward, other parts of the company took advantage of selected GCM features. The plans are for the Company's tax department for instance, to utilise the solution's latest organisational chart capabilities to alleviate their manual organisation chart process.

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. Just as importantly, Computershare Governance Services' solution helps Coca-Cola comply with the reporting requirements of the SEC.

COMPUTERSHARE INVESTOR SERVICES PLC  
[www.computershare.com](http://www.computershare.com)

**Paul Stark**  
Sales Manager > Europe  
[paul.stark@computershare.co.uk](mailto:paul.stark@computershare.co.uk)  
Phone +44 (0) 870 703 6248

**Siobhán Leahy**  
Sales Manager > Ireland  
[siobhan.leahy@computershare.ie](mailto:siobhan.leahy@computershare.ie)  
Phone +353 (0) 1 216 3111

UK: Computershare Governance Services (UK) Limited. Company No. 03231424. Registered Office: The Pavilions, Bridgwater Road, Bristol BS13 8AE.  
Ireland: Computershare Governance Services Limited is registered in Ireland. Company No. 97374. Registered Office: Heron House, Corrig Road, Sandyford, Dublin 18.

CGSCS0001W