

Coca-Cola Company

Original entry by August W. Giebelhaus, Georgia Institute of Technology, 02/10/2004

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The registered trademark of this multinational soft drink firm represents arguably the most widely recognized consumer product on the face of the earth. From "The Pause That Refreshes" to "The Real Thing," the company's advertising slogans have become as much a part of Americana as has our visual perception of the fat and jolly Santa Claus, which was first drawn by the artist Haddon Sundblom for a 1931 Coca-Cola advertisement. As the company expanded its business to global markets, particularly after World War II (1941–45), many people in Africa, Asia, Europe, and Latin America have come to associate the taste of this carbonated cola drink with American culture.

Origins

When John Stith Pemberton sold the first glass of his newly concocted drink in Atlanta's Jacobs Pharmacy in 1886, he was entering an already established but localized market for soda fountain tonics that promised health benefits of one kind or another along with refreshment. Born in tiny Knoxville, Georgia, in 1831, Pemberton had trained at a college of herbal medicine before graduating from pharmacy school in Philadelphia. He first practiced his trade in Oglethorpe before moving to Columbus, where he operated as a druggist for fourteen years with various partners. After relocating to Atlanta in 1869, Pemberton began to experiment extensively with extracts of the coca leaf and kola nut, initially marketing a moderately successful health drink called "French Wine Coca."

One of Pemberton's four partners, Frank M. Robinson, coined and trademarked the name Coca-Cola, derived from its central ingredients. He also registered the product's famous script logo, and a marketing phenomenon was born. From that moment a mystique over the supposed "secret formula" of Coca-Cola embodied in the aptly named "Merchandise 7X" has remained. Folklore has it that the original beverage contained cocaine from the coca leaf, at least until the passage of the Pure Food and Drugs Act in 1906. The official position of the firm, however, is that the drink does not and has never contained the drug. Meanwhile, company attorneys have fought aggressively in the courts to protect trademarks and ensure Coke's identity.

Pemberton's small company grew rapidly after it was acquired by Asa Griggs Candler between 1889 and 1891. Candler, a successful druggist and businessman, outlined the company's basic strategy—the manufacture and distribution of Coca-Cola syrup to be mixed with carbonated water at the soda fountain.

A staunch Methodist whose brother was a church bishop, Candler successfully marketed the nonalcoholic beverage as a "temperance drink," but he did not see beyond the drugstore fountain. In an astounding deal negotiated in 1899, two lawyers in Chattanooga, Tennessee—Benjamin Franklin Thomas and Joseph Brown Whitehead—obtained the rights to bottle Coca-Cola throughout the United States except in Mississippi, where Joseph A. Biedenharn of Vicksburg had obtained rights in 1894. When Thomas and Whitehead undertook to grant exclusive rights to other bottlers, the term *parent bottler* emerged to designate large regional bottlers. These parent bottlers in turn granted franchises to thousands of smaller, independently licensed franchises all over the United States.

Independent Coca-Cola bottlers soon became established in small and middle-sized towns throughout America; most of them also became very wealthy. In Georgia a number of prominent families made their fortunes as franchised Coca-Cola bottlers, including the Barons of Rome, the Cobbs of LaGrange and West Point, the Hales of Albany, the Montgomerys of Atlanta, the Robertses of Columbus, and the Samses of Athens. To better coordinate relations with and between the franchised bottlers, the parent company established the Coca-Cola Bottlers Association in Atlanta in 1914. Two years later Coca-Cola introduced the distinctive "hobbleskirt" bottle as the standard package for use by its franchisees. This contoured bottle has become a well-known symbol for the beverage and serves to further distinguish the "real thing" from its imitators.

Foreign Operations

Significant growth internationally had to await the change in ownership and control that accompanied the Candler interests' sale of the firm for \$25 million to a consortium headed by Atlanta businessman Ernest Woodruff in 1919. Prominent Columbus businessman W. C. Bradley played a critical financial role in the group, serving as board chairman until 1939 and chairman of its advisory committee until 1946. The Bradley family remains a prominent force in Columbus today through its many business interests and the philanthropy of the Bradley-Turner Foundation. In 1923 Ernest Woodruff's son Robert Woodruff became president and the eventual architect of Coke's worldwide expansion. Key steps included the formation of the Coca-Cola Export Corporation in 1930 and the World War II pledge to provide a Coca-Cola for five cents to every American serviceperson, wherever he or she might be stationed. This brilliant business strategy and patriotic gesture provided the Coca-Cola Company

with worldwide bottling plants and a business infrastructure poised to go forward at the end of the war.

The company has always had success creating partnerships with local franchised bottlers, but a recent trend to expand the number of company-owned bottling plants abroad mirrors changes in distribution strategies at home. As supermarket sales and regional distribution have come to dominate the beverage industry, the number of local bottlers has waned. The parent firm in 1986 formed a wholly owned subsidiary, Coca-Cola Enterprises, as a vehicle for acquiring a larger share of bottling operations domestically and later overseas.



Coca-Cola Today

As the world's largest manufacturer, distributor, and marketer of nonalcoholic beverage concentrates and syrups, operating in more than 200 countries, the firm supplies many products in addition to its flagship brand. These include fruit-based and other carbonated beverages tailored to local tastes as well as newer variants of the main brand, such as Diet, Cherry, and Vanilla Coke. Although the company did experiment with diversification in recent decades (for example, motion pictures, coffee, and wine), current corporate strategy has emphasized the nonalcoholic beverage market. Although carbonated beverages represented 85 percent of worldwide sales volume in 2002, increased market share for such Coke products as Dasani bottled water, POWERade sports drink, and Minute Maid orange juice have demonstrated growth in the noncarbonated sector.

The Coca-Cola Company and the individuals associated with its history have left a lasting imprint on the face of Georgia. [Emory University](#) in Atlanta has benefited immensely from the philanthropy of both the Candler and the Woodruff families, and the company has long been at the forefront in sponsoring the arts and civic affairs. Robert W. Woodruff, who remained a power within the corporate leadership of the company up until his death in 1985 at age ninety-five, had been called "Mr. Anonymous" because of the millions of dollars he contributed quietly to a host of causes. The Robert W. Woodruff Memorial Arts Center in Atlanta is perhaps the most recognized monument to his philanthropy. Woodruff's handpicked successor, [Roberto Goizueta](#), who steered the company to corporate success, is also noteworthy for his charitable contributions.

Just after Woodruff's death in 1985, Coca-Cola embarked on one of the most famous marketing blunders in the history of American business. Concerned by taste tests that suggested a growing preference among the young for the sweetness of archival Pepsi-Cola, management announced a change in the formula of its main brand. Ensuing protests and torrents of negative publicity greeted "New Coke" and resulted in the decision to reverse policy and retain "Classic Coke." The company weathered the storm to emerge even stronger in the 1990s and by the early twenty-first century had reestablished itself as the pacesetter in the nonalcoholic beverage industry.

The company in 1990 opened the World of Coca-Cola in Atlanta. This popular museum served the company well while retelling one of Georgia's most famous success stories to thousands of daily visitors. In 2007 the museum moved to a larger facility featuring new exhibits and artifacts, as well as a statue of John Pemberton. It is located near other attractions in downtown Atlanta, including Centennial Olympic Park, the [CNN Center](#), and the Georgia Aquarium.

Several new varieties of Coke were introduced early in the twenty-first century. In 2004 the company launched C2, a low-carbohydrate cola, and Full Throttle, an energy drink. The following year Coca-Cola with Lime; Coca-Cola Zero, a no-calorie beverage; and a sugar-free version of Full Throttle debuted. In 2006 Black Cherry Vanilla Coke, both regular and diet; Vault and Vault Zero energy sodas; and Coca-Cola Blak, a coffee-cola combination, entered the marketplace.

In his 2005 best-seller, *A History of the World in Six Glasses*, social historian Tom Standage includes Coca-Cola as one of six beverages, along with beer, wine, spirits, coffee, and tea, that have shaped different eras in world history. He singles out Coke to represent the globalization of U.S. business and industry in the twentieth century and chronicles its role as an international symbol of freedom during the cold war.

In 2007 Coca-Cola acquired Glaceau, a beverage company that produces flavored and vitamin-enhanced water.

Delta Air Lines

Original entry by [Jamil S. Zainaldin](#), Georgia Humanities, 07/27/2004

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Begun in 1928 in Louisiana as the Delta Air Service, the Atlanta-based Delta Air Lines is, as of 2015, the world's largest in terms of passengers, with operations around the world.

Through sound management it survived a competitive airline market in the 1930s; in the postwar era it modernized and expanded its fleet, gaining new service routes beyond the South through approval by the Civil Aeronautics Board and by corporate acquisitions. In the modern era of deregulation, which has seen the downfall of such historic carriers as Pan American (or Pan Am), [Eastern Air Lines](#), and TWA, Delta Air Lines has prospered and grown. Indeed, Delta's growth paralleled, and helped fuel, the growth of [Atlanta](#) as a regional and national commercial center. The September 11, 2001, terrorist attacks in New York City and Washington, D.C., combined with a slowdown in the U.S. economy, have imposed new challenges on the domestic airline industry, including Delta.

Beginnings

Delta's origins can be traced to a historic decision by B. R. Coad and C. E. Woolman. Coad was an employee of the U.S. Department of Agriculture's field laboratory in Tallulah, Louisiana; Woolman was with its extension service. They worked on finding a solution to the [boll weevil](#) infestation of [cotton](#) crops and concluded that the "dusting" of an insecticide powder from the air would be the most effective form of treatment. Born from this decision was Huff Daland Dusters, Incorporated, a crop-dusting operation begun in [Macon](#) in 1924 and moved to Monroe, Louisiana, in 1925. Woolman left his position with the extension service and in the off-season traveled with the company to Peru, where he helped to establish crop-dusting and passenger services. With this experience Woolman returned to the United States and in 1928 raised the capital to buy Huff Daland, renaming it Delta Air Service, with headquarters in Monroe. The name Delta, referring to the Mississippi River region, was suggested by Catherine Fitzgerald, a secretary who later would rise to the rank of an executive in the company.

Woolman purchased three Travel Air six-seat monoplanes and on June 17, 1929, inaugurated Delta's passenger service from Love Field in Dallas, Texas, to Jackson, Mississippi. Later in the year, service to Birmingham, Alabama, and Meridian, Mississippi, was added. In 1930 the Delta Air Corporation (as it was then called) expanded eastward to include service to Atlanta, the fastest-growing city in the South, and westward to Fort Worth, Texas. Delta's lack of success in winning a commercial airmail contract—the bread and butter of any aspiring air service—jeopardized its early existence, however, and the company was forced to suspend passenger service.

A reprieve came for Delta on the heels of the "airmail scandal," when the U.S. Congress enacted the Air Mail Act of 1934. Woolman secured a low-bid contract for the new Route 24 airmail service between Dallas and Charleston, South Carolina, via Atlanta. That same year Delta resumed passenger services, flying Stinson Trimotors. From a precarious beginning it now had a foothold in the Deep South, with Georgia's capital city, Atlanta, as the prize.

Market Competition and the Civil Aeronautics Board

With the exception of the "Big Four" airlines (Eastern, TWA, United, American) that were favored with mail contracts and routes, the aviation industry in the 1930s was less a business than a high-stakes gamble. Safety remained a constant concern. An important step in regulation was the passage of the Civil Aeronautics Act of 1938, which created the Civil Aeronautics Board (CAB). The legislation was typical of U.S. president [Franklin D. Roosevelt](#)'s second term, favoring business stabilization, growth, and safety within a competitive market. Delta was an early beneficiary and by 1943 obtained CAB approval to expand its route system to Cincinnati, Ohio, to the north, [Savannah](#) to the east, and New Orleans, Louisiana, to the south. In the meantime, Delta upgraded its fleet to include Douglas DC-2s and DC-3s, and in 1940 added flight attendants to the flight crews. These aircraft established standards of reliability, safety, and passenger comfort; they also signaled the company's policy of staying technologically competitive. With its headquarters in Atlanta since 1941, Delta was becoming an established southern-based carrier in the national air system.

The War Years and After

America's entry into [World War II](#) (1941-45) slowed Delta's growth. With fewer aircraft in operation, Delta converted its Atlanta facility and personnel into aviation maintenance and training cogs in the national war effort. In 1945 the company's official name became Delta Air Lines, and Woolman, Delta's first vice president, became president and general manager.

enviable record played a role in winning public acceptance. In the mid-1980s, however, the company faced setbacks when a Delta TriStar crashed on its final approach to Dallas. Safety examiners determined that the cause of the crash was wind shear accompanying stormy conditions. On four occasions over a three-week period in 1987, Delta aircraft incidents involving human errors kept the airline in the news, though none of these incidents resulted in injury. A crash of a Delta 727 on takeoff from Dallas in 1988 because of an improper flap setting did result in loss of life. Delta responded to these accidents and errors with a complete review of its training programs and operations and made improvements.



A Global Airline

Delta started its first transpacific service to Tokyo, Japan, from Portland, Oregon, on March 2, 1987. The following month, Delta's third acquisition took place with the merger of Western Airlines. Western's Salt Lake City, Utah, base brought access to the West, Mexico, and Canada and made Delta the fourth largest national and fifth largest international passenger airline. It also added to the company's growing fleet of Boeing aircraft (the 737, 757, and 767). Delta's relationship with Douglas continued with the purchase of the McDonnell Douglas MD-88, a descendent of the DC-9, and the wide-body MD-11 for its new Pacific route. That year Ronald W. Allen became CEO and chairman.

In 1991 Delta's international market reached a new level with its record-setting acquisition of Pan Am's transatlantic routes (Pan Am was in liquidation). In 1993 Delta established a code-sharing arrangement among other airlines, giving the company access to more destinations. In 1995 the company added scheduled service aboard its new wide-body MD-90 and two years later began service to Latin America. In 1997 Delta set a record for passenger boarding volume, and Leo Mullin was named president. In 1999 the company added the Boeing 777 to its fleet. By the turn of the century, Delta Air Lines had become a true global carrier—an extraordinary progress from three six-seat monoplanes and a few pilots serving four Deep South cities in 1929. As of mid-2004 Delta had access to more than 494 cities in 86 countries.

Challenges in the Twenty-first Century

The challenges of operating an airline have remained essentially the same since the mid-1930s: viability depends upon safety, equipment, economy, market, and service. The new feature is deregulation, the results of which are still playing out to tremendous effect as airfares plunge. Revisions in bankruptcy law, by allowing new low-service, low-fare competitors to reorganize and stay in the market after a business failure, has made profitability even more of a challenge for the major carriers. The job of running an airline was never easy. The airline business is a capital-intensive industry that now must make do in an unpredictable world. In addition to fare competition, such cyclical developments as inflation, recession, labor actions, and fuel prices are some of the variables in a company's survival or defeat. Shutdowns, consolidations, and mergers have become common: the downfall of historical giants including Pan Am, Eastern, and TWA, and the precarious perch of such others as American and United represent a new chapter in airline history. Behind them, however, are new airlines (some short-lived) promising low-cost, no-frills fares to an ever-wider public.

For the major airlines, the situation has only worsened with the downturn in the U.S. economy and the decline in air travel since September 2001. Because it has climbed to the top, Delta's newest challenge is one of managing a multibillion-dollar global business in a competitive environment riddled with political and international stress. Delta posted a \$2.4 billion loss in 2001-2.

In early 2003 Delta created Song, a new unit of the company that offers flyers competitive low-fare amenities. In November 2003 CEO Mullin abruptly announced his retirement, a decision that followed a controversial move to give bonuses and pension guarantees to some executives (for which he subsequently apologized). He was replaced by Gerald Grinstein, a longtime member of Delta's corporate board and the former CEO of Western Airlines.

Delta posted a fourth-quarter loss for 2004 of \$2.2 billion, the largest loss in a single quarter in its history. As a stopgap measure, Grinstein successfully negotiated a giveback by the pilots of about one third of their pay and benefits, and he obtained new financing. New efficiencies were added, including reducing airplane turnaround time at [Hartsfield-Jackson Atlanta International Airport](#), lowering fares in some markets to be more competitive with low-cost air carriers, and instituting fuel-conservation measures. The company also sold some of its jets and cut thousands of jobs. The rapid escalation of fuel prices in the summer of 2005 pushed Delta's total losses since 2001 to \$10 billion.

After employing numerous strategies to reduce costs, increase revenues, and turn around staggering losses, the company finally filed for bankruptcy protection from creditors on September 14, 2005. (Northwestern Airlines, the fourth-largest carrier in the nation, also filed for bankruptcy the same day.) The following month Delta announced the closure of Song. The airline emerged from bankruptcy on April 25, 2007, and resumed public trading of its shares on the New York Stock Exchange about a week later.

Delta has a history of sound management and profitability. Its survival in the 1930s in the shadow of the Big Four was a mark of Woolman's business savvy and practical sense. Its lead in the purchase of Douglas jets, its aggressiveness in acquiring market assets, its responsiveness to issues of safety, its pride in service, its avoidance of labor wars, and its global expansion kept Delta competitive in the postwar era and elevated it to become the nation's third largest airline in 2003.

Despite the difficulty that much of the industry finds itself in—and the continuing challenge of operating in a deregulated environment—its home base at Hartsfield in Atlanta and in the southern region continue to mark Delta's destiny.

Georgia-Pacific

Original entry by [Joy Griffin](#), Georgia College and State University, 12/23/2004

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* Georgia-Pacific, a multinational corporation that manufactures paper, pulp, packaging, tissue, building products, and construction-related chemicals, is the largest wholesale supplier of building products in North America; only one corporation, International Paper, ranks higher than Georgia-Pacific in the production of paper products. Georgia-Pacific operates more than 600 facilities in the United States, Canada, and eleven other countries, and the company and its subsidiaries employ more than 61,000 people in North America.

* History

Owen R. Cheatham established the Georgia Hardwood Lumber Company in [Augusta](#) in 1927. This modest lumber mill enjoyed great success because of Cheatham's outstanding business and social skills. By 1938 the Georgia Hardwood Lumber Company operated five lumberyards in the South. Its first facility on the Pacific Coast was purchased in 1947 at Bellingham, Washington. In 1948 the company was renamed Georgia-Pacific Plywood and Lumber Company. The thriving corporation initially appeared on the New York Stock Exchange in 1949. Operations and product lines have expanded since the 1940s. Corporate headquarters returned to Georgia in 1982, after being based on the West Coast for almost thirty years.

A. D. "Pete" Correll was named chief executive officer of Georgia-Pacific in 1993, and in 2002 he was also named chairman of the board. Under his leadership, sales in 2003 exceeded \$20 billion and net income was \$254 million. In 2005 Georgia-Pacific was purchased for \$21 billion by Koch Industries, a private company based in Wichita, Kansas. The acquisition made Koch, a [textiles](#) and chemicals manufacturer, the largest privately held company in the United States. Correll stepped down from his executive positions to become a member of the board. The following year he was named [Georgia Trend](#) magazine's Most Respected Business Leader for 2006, the same year in which he retired from the Georgia-Pacific board.

* Product Lines

Product lines offered by Georgia-Pacific can be divided into many general categories. Building materials include various types of plywood, lumber, and wood paneling, as well as such gypsum-based products as plaster and wallboard. Georgia-Pacific also produces chemicals, including formaldehyde, wood adhesives, and industrial resins. A broad spectrum of paper is sold for both home and commercial use. Pulp, used for such varied items as diapers and containerboard, is produced and sold to manufacturers.

Consumer products made by the company include napkins, paper towels, bath tissue, facial tissue, and disposable food-service products. Georgia Pacific also sells portion-controlled dispensers for tissue, paper towels, and soap.

Georgia-Pacific has pledged to protect the environment not only through its current practices but also by the smart use of natural resources. For example, the amount of recycled material used in production more than tripled during the 1990s. The concept of sustainable growth for the forests of the future has become another focus of the Georgia-Pacific environmental pledge. Nongovernmental and intergovernmental organizations maintain pressure on Georgia-Pacific to continue to make environmental concerns a priority.

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The Home Depot

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Founded in [Atlanta](#) in 1978, the Home Depot has evolved into the world's largest home-improvement center and the fourth-largest retailer in the United States. Beginning with just three stores, the Home Depot now boasts stores in all fifty states, Canada, Mexico, and Chile. The Home Depot ended its 2014 fiscal year earning \$83 billion in sales. 

The Home Depot began after coworkers [Bernie Marcus](#) and [Arthur Blank](#) were fired on the same day in 1978 from their executive jobs at Handy Dan Home Improvement Centers in southern California. Turning a potential disaster into an opportunity, Marcus, a native of Newark, New Jersey, and Blank, a native of New York City, hatched a business plan. The two men envisioned a chain of home-improvement warehouses, larger than any of their competitors' facilities, filled with a vast array of products and staffed by customer-service experts. After securing sufficient capital and searching nationwide for a suitable location, Marcus and Blank opened two stores on June 22, 1979, in Atlanta, which made the city the official home of the Home Depot.

The stores were a rousing success, and Marcus and Blank initiated an aggressive yet well-planned expansion program. By 2003 the Home Depot had grown from three stores employing 200 people to more than 1,700 stores employing 300,000 people. The Home Depot's growth was unparalleled in the business community. It was the youngest company to reach \$30 billion, \$40 billion, \$50 billion, and then \$60 billion (in 2004) in sales. Critics of the company's meteoric success contend that the Home Depot's aggressive expansion policy unfairly drives smaller, preexisting competitors out of business and creates a monopoly in some markets. Despite such criticism, the company continued its expansion.

The Home Depot revolutionized the home-improvement industry by offering a wide selection of merchandise, low prices, and exemplary customer service to both the professional contractor and the do-it-yourself customer. Before the advent of Home Depot, small mom-and-pop stores, carrying a limited and specific selection of merchandise, dominated the industry and typically emphasized sales to the professional contractor. As a result, home-improvement projects often required driving to several stores to obtain the necessary materials. By contrast, the Home Depot stores offer a one-stop shopping warehouse. The average Home Depot store is approximately 130,000 square feet and is stocked from floor to ceiling with some 40,000–50,000 different products. An emphasis on size and volume allows the Home Depot to remain profitable by selling more for less. This, in turn, allows the Home Depot to negotiate lower prices from the merchandise vendors, with the savings passed on to the consumer.

In 2006 the company announced its acquisition of Home Decorator's Collection, a home furnishings retailer based in St. Louis, Missouri. The purchase was made to expand Home Depot's online and special order sales.

The Home Depot stores are staffed by knowledgeable professionals who are able to assist the novice in home improvement. Every Home Depot associate undergoes extensive and continuous training in product knowledge and customer-service skills. To further assist the do-it-yourself customer, and to bolster sales, the Home Depot stores also provide home-improvement training seminars to the public free of charge.

The company is also dedicated to giving back to the community and donates time, labor, money, and supplies to numerous charities, totaling more than \$200 million in contributions. The Home Depot Foundation, established in 2002, supports a variety of community projects, including [Habitat for Humanity](#); [City of Hope](#), a California-based [cancer-treatment center](#); and [KaBOOM!](#), a playground-construction organization.