

Georgia Economic History
SOCIETAL & TECHNOLOGICAL GROWTH IN MODERN GEORGIA

Lesson 13

“When Old Coke Became New Coke”

The Georgia-based Company Economic Project

Enduring Understanding

Technological innovations, as well as social change, result in periods of significant, rapid adjustments, including new opportunities for entrepreneurs, and the development of new goods and services.

Lesson Essential Question

How has the production of goods and services in Georgia changed over time?

Introduction

Georgia is home to numerous well-known public and privately owned companies. This lesson provides students with the opportunity to examine Georgia-based companies in order to learn about key economic concepts.

GPS Standards –

SS8E2 The student will explain the benefits of free trade.

- a. Describe how Georgians have engaged in trade in different historic time periods.

SS8E3 The student will evaluate the influence of Georgia’s economic growth and development.

- a. Define profit and how profit is an incentive for entrepreneurs.
- b. Explain how entrepreneurs take risks to develop new goods and services to start a business.
- c. Evaluate the importance of entrepreneurs in Georgia who developed such enterprises as Coca-Cola, Delta Air Lines, Georgia-Pacific, and Home Depot.

Economic Concepts

profit, factors of production, incentives

Knowledge

The student will know that

- Georgia is the headquarters of many important U.S. companies including Coca-Cola, Georgia Pacific, Delta Air Lines, Home Depot, UPS, and Chick-Fil-A.
- profits are the incentives for entrepreneurs to create relatively new companies such as Moe’s,

Core Skills

The student will be able to

- read for information.
- draw conclusions.
- identify social studies reference sources to use for a specific purpose.
- analyze graphs and diagrams.
- interpret timelines.

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<p>Applebee’s, and Zaxby’s.</p> <ul style="list-style-type: none"> ▪ companies constantly use innovation in order to increase profits. 	
<p>Materials Needed</p> <ul style="list-style-type: none"> ▪ Computer lab with Internet access ▪ Display board ▪ Markers <p>1 copy/student:</p> <ul style="list-style-type: none"> ▪ <i>Robert Woodruff Handout</i> ▪ <i>Robert Woodruff Worksheet</i> ▪ <i>The “Big Four” Georgia-based Businesses Worksheet</i> ▪ <i>Georgia-based Company Economic Project Handout</i> ▪ Georgia Stories video <i>Coca-Cola</i> 	<p>Time Required</p> <p>1-2 class periods for introduction, explanation, and student reading/Activity 1 and 2.</p> <p>2 class periods in computer lab to complete steps 3 and 4.</p> <p>Lesson extension: 1 class period to form groups and explain assignment, one to two weeks for research and production of project.</p>
<p>Procedures</p> <ol style="list-style-type: none"> 1. Tell students that this lesson is going to be about important Georgia-based companies (Note: make sure that students understand that a “Georgia based” company is one whose corporate headquarters is located in the state. For example, Home Depot is a Georgia-based company, while Lowe’s hardware is a company doing business in Georgia but based in North Carolina). 2. Explain to students that many Georgia-based companies have been started from scratch by entrepreneurs who identified untapped markets and took risks in order to gain a profit. Other entrepreneurs took existing Georgia-based companies and made necessary improvements which led to greater success. An example of this type of entrepreneur is Robert Woodruff of Coca-Cola. Tell students that they are going to read more about Woodruff and learn about the ways he made Coca-Cola into a successful international business. Distribute the <i>Robert Woodruff Handout</i>. After completing the reading, have students complete the <i>Robert Woodruff Worksheet</i>. Next show the Georgia Stories video <i>Coca-Cola</i> and answer the questions on the Worksheet. 3. Next, take students to the computer lab and have students research a biography of a founder of one of the other major Georgia companies listed below. Have students complete a Venn Diagram which examines how the characteristics of these entrepreneurs are similar and different to Robert Woodruff. Direct students to the New Georgia Encyclopedia for the biographies of these entrepreneurs: <ol style="list-style-type: none"> 1. Robert Woodruff http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-1926&hl=y 2. Alonzo Herndon http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-1917&hl=y 	

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3. **C.E. Woolman** (Founder of Delta):
<http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-1302&hl=y>
4. **Bernie Marcus** (Co-Founder of Home Depot)
<http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-1920>
5. **Arthur Blank** (Co-Founder of Home Depot)
<http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-1908>

4. Distribute *The “Big Four” Georgia-based Businesses* Worksheet and have students research and fill in the chart about these companies. Direct students to the New Georgia Encyclopedia for information about these companies. Information should include (1) the founder(s) the company (2) the date founded (3) where the company was founded (4) whether the company is public (owned by stock holders, ex. Coca-Cola) or private (owned by individuals/stock is not sold, ex. Chick-Fil-A) (5) major products or services produced by the company (6) historical innovations associated with the company (new products or services in order to increase profits) (7) and the company’s impact on Georgia’s economy. Upon completion, discuss student answers.

Coca-Cola: <http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-1854&sug=y>

Delta Air Lines: <http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-1302&hl=y>

Georgia-Pacific: <http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-1839&hl=y>

Home Depot: <http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-1886&hl=y>

Lesson Extension: Distribute the *Georgia-based Company Economic Project-Student Activity Sheet 4* and explain to students that they will choose a Georgia-based company from the *Georgia-based Companies Project List*. In order to avoid multiple projects about the same company, allow students to work in groups of up to four and instruct students that groups cannot research the same company. Place the names of the companies on strips of paper and have a representative from each group draw a name. Once each group has a name they may exchange if groups agree.

Explain to students that they will use a display board to exhibit information discovered about their company.

This information will include

- a. the company name and logo.
- b. the founder of the company.
- c. the name of an entrepreneur associated with the company.
- d. whether the company is public (owned by stock holders, ex. Coca-Cola) or private (owned by individuals/stock is not sold, ex. Chick-Fil-A).
- e. yearly profit from last year (public companies must disclose their yearly profits; private companies are not required to do so).

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- f. innovations that made the company more successful.
- g. a graph illustrating stock price over a two week period (if public).
- h. the number of employees at the company.
- i. a timeline displaying the history of the company.

The New Georgia Encyclopedia

For more background information to support this lesson, read these entries:

[Chick-fil-A](#)

[Coca-Cola Company](#)

[Huddle House](#)

[Royal Crown Cola Company](#)[Stuckey's](#)

[Tom's Foods](#)

[Waffle House](#)

[Aflac](#)

[Atlanta Life Insurance Company](#)

[Primerica Financial Services](#)

[Babyland General Hospital](#)

[The Home Depot](#)

[CNN](#)

[Georgia-Pacific](#)

[Arthur Blank \(b. 1942\)](#)

[Truett Cathy \(b. 1921\)](#)

[Bernie Marcus \(b. 1929\)](#)

[John Stith Pemberton \(1831-1888\)](#)

[Ted Turner \(b. 1938\)](#)

[Robert Woodruff \(1889-1985\)](#)

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EconEdLink Online Lessons

For more student activities on economic history in a U.S. context, use these lessons:

✓ no additional activities for this lesson

Assessment

1. Truett Cathy and Ted Turner are risk takers who combined the four factors of production to start new companies. Both men are considered successful
 - A. laborers.
 - B. employees.
 - C. economists.
 - D. entrepreneurs.*

2. One major difference between a public and a private company is that
 - A. private companies sell stock and public companies do not.
 - B. public companies sell stock and private companies do not.*
 - C. private companies make larger profits than public companies.
 - D. public companies make larger profits than private companies.

3. Which Georgia-based company does not sell shares of stock to the public?
 - A. Coca-Cola
 - B. Chick-Fil-A*
 - C. Home Depot
 - D. Delta Air Lines

Robert Winship Woodruff (1889-1985)

Handout

Robert Woodruff was born on December 6, 1889, in Columbus, GA. From an early age Woodruff showed an enthusiasm for sports and the outdoors and was possessed of a competitive and independent spirit. This spirit eventually led to his making Coca-Cola into an extremely successful multinational corporation.

The Coca-Cola Company's fortunes were declining in the early 1900's. In 1919, a group of businessmen headed by Woodruff's father purchased Coca-Cola for \$25 million. Soon thereafter, the company's stock value and sales of syrup plunged, in part due to market fluctuations in sugar's price after World War I (1917-18). Vigorous leadership was urgently needed, and based on Robert Woodruff's performance with another company, he was offered the job of Coca-Cola's president in 1923. Woodruff accepted it, though his starting salary of \$36,000 represented a \$50,000 pay cut. He was thirty-three years old.

It was a superb match, for Woodruff brought to the company what it needed- an intuitive feel for how to attain success, the instincts of a born salesman, a sharp eye to customer wants, and a principles-centered approach to business as well as to his personal life. As was perhaps most evident to those who knew him, Woodruff disliked losing; the success of the company he led became his passion. These qualities would transform the Coca-Cola Company into one of the world's best-known and most-recognized brand names.

The soda fountain business prior to 1920 was the main source of company sales, but the rapid expansion of bottling interests fueled Coca-Cola syrup sales through the 1920s and 1930s. Under Woodruff's directive to establish an international market, bottling plants were operating in forty-four countries by the late 1930s. A deft Coca-Cola Company marketing strategy created a wholesome and satisfying image that made the product a household name; while the distinctive "hobbleskirt" bottle and Coca-Cola script set the company apart from its many imitators.

The well-known existence of a "secret formula" combined with "the real thing" appeal added a unique luster to the soft drink. The company's marketing savvy was revealed again in the 1930s with the introduction of the innovative red-and-white "six-bottle carton," which appealed to shoppers in new grocery stores. Despite the downturn in the economy of the Great Depression, the meager five-cent charge for a bottle of Coke kept profits growing and stock value rising.

The onset of World War II (1941-45) led to the rationing of sugar, a major ingredient in Coca-Cola syrup. Woodruff hit upon a brilliant alternative, one that served the country while expanding the Coca-Cola Company's international reach. He guaranteed the price of a Coke at five cents per drink for all American service personnel, wherever they were located. It was a promise he could deliver on since war-related production exempted the company from the sugar ration. With the Defense Department's approval and the endorsement of General Dwight Eisenhower, the supreme allied commander, dozens of new "war" plants were set up abroad to provide a steady supply of bottled Cokes for soldiers in China, Europe, North Africa, and the Pacific. Overnight Coca-Cola became a symbol of home-front support for American troops.

In the postwar years the company built upon its international plants to expand its operations. By 1968, 50 percent of Coke's net profits came from foreign operations. Woodruff's vision that Coke be within "arm's reach of desire" indeed made a spectacular global leap.

Adapted from: Jamil S. Zainaldin (2006). "Robert Woodruff." *New Georgia Encyclopedia*
<http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-1926&hl=y>

1. What caused Coca-Cola's stock and sales of syrup to decline in 1919?

- A. The Great Depression
- B. The invention of Pepsi
- C. The hiring of Robert Woodruff
- D. The price of sugar increased because of WWI

2. Which innovation helped Coca-Cola stay successful during the Great Depression?

- A. The introduction of new flavors
- B. Selling Coca-Cola for only 5 cents a bottle
- C. The introduction of a sugar free version of Coke
- D. The introduction of the red and white "six bottle carton"

3. How did Woodruff help Coca-Cola overcome the challenge of sugar rationing during WWII?

- A. He created a sugar substitute.
- B. He only sold Coke to countries who were allies with the United States.
- C. He guaranteed that he would sell Coke to service men for only 5 cents a bottle.
- D. He stopped producing Coca-Cola until the war was over to keep production costs down.

4. Which best describes the incentive behind Robert Woodruff wanting to expand Coca-Cola to international markets?

- A. There was no sugar rationing in other countries.
- B. He wanted Coke to be a symbol of home-front support of WWII.
- C. Eventually, 50% of Coca-Cola's profits came from foreign operations.
- D. Americans were getting tired of Coca-Cola and started drinking Pepsi instead, so he needed to enter a new market.

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Do You Remember?

1. Who was the druggist who actually invented Coca-Cola?
2. Where was the only place that Coca-Cola could originally be purchased? How much did it cost?
3. What happened to Coca-Cola when Pemberton died?
4. What did Candler do differently in trying to sell Coca-Cola to the public?
5. What happened when it became apparent that Coca-Cola was very profitable?
6. What did Coca-Cola do to stop imitators and make Coke different from other drinks?
7. Where was a copy of the Coke formula kept until 1919? What happened after that?
8. Where are the ingredients for the secret flavoring oils kept?
9. What are the largest ingredients of Coke?
10. What is the real secret of success of Coke?
11. What famous character was “improved” by Coke advertising?
12. How many Cokes are drunk every second?

What Do You Think?

13. Why do you think so many people drink Coke?

1. John “Doc” Pemberton
2. at a soda fountain; five cents
3. The patent was bought by Asa Candler.
4. He advertised heavily and also began to bottle the product.
5. A lot of “copycats” appeared on the market.
6. The company started using uniquely shaped bottles.
7. It was memorized by the makers and never written down. In 1919, the new owners wanted a copy of the recipe, and it was placed in a bank vault where it remains to this day.
8. at the company headquarters in Atlanta in a “secret” laboratory
9. Coke is 99 percent sugar and water.
10. advertising
11. Santa Claus
12. over 8,000
13. Answers will vary.

The “Big Four” Georgia-Based Businesses

Worksheet

Company	Founder(s) (Entrepreneur)	Date Founded	Where Founded	Public or Private	Major Products/Services	Innovations	Impact on Georgia’s Economy
Coca-Cola							
Delta Air Lines							
Georgia- Pacific							
Home Depot							

Georgia is home to numerous well-known companies. Some are extremely large and often associated with the state, including Coca-Cola, Delta Air Lines, and Home Depot. Others include restaurants that began with one location, went on to franchise, and are now operating in all parts of the state and throughout many parts of the country. Examples include Waffle-House, Chick-Fil-A, and Zaxby's. In some way all of these companies have helped spur economic growth in Georgia.

For this project you and your partners will select one Georgia-based company (a company whose corporate headquarters is located in the state of Georgia; see list) and find information about the following aspects of that company.

- **Founder:** the person or people who founded the company
- **Entrepreneur:** the person took a risk to bring together the factors of production in search of a profit (This may or may not be the founder of the company)
- **Private:** The company is owned by individuals, not shareholders, and it does not sell stock to the public
- **Public:** The company is owned by shareholders, and stock is sold to the public.
- **Stock Price:** The amount of money a share of the company is selling for today (if public)
- **Profits:** The amount of money made by a company after paying their costs (public companies are required to disclose their profits; private companies do not have to)
- **Innovations:** Changes to services or products in order to increase profits and improve the good or service
- **Employment numbers:** How many people does the company employ?

You will use a display board to present the information you found about the company. In addition to the above information, your display board will also include:

- The company's name and logo
- A timeline illustrating the company's history
- Five important or interesting facts about the company

Your grade will consist of accuracy of information, oral presentation, and a peer evaluation (your peers will grade you from a 0-10 based on your participation in the project).

For stock prices go to <http://finance.yahoo.com/>

AFLAC (Insurance)

www.aflac.com

<http://en.wikipedia.org/wiki/Aflac>

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1754&sug=y>

Applebee's (Restaurant No Longer Georgia-based as of 11/2007)

www.applebees.com

<http://en.wikipedia.org/wiki/Applebee's>

Arby's (Restaurant)

www.arbys.com

<http://en.wikipedia.org/wiki/Arby%27s>

Atlanta Life Insurance Company

www.atlantalive.com

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-862>

Blue Bird Corporation (School Bus Manufacturers)

www.blue-bird.com

http://en.wikipedia.org/wiki/Blue_Bird_Corporation

Carmike Cinemas (Movie Theater)

www.carmike.com

http://en.wikipedia.org/wiki/Carmike_Cinemas

Chick-Fil-A (Restaurant)

www.chick-fil-a.com

<http://en.wikipedia.org/wiki/Chick-fil-A>

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1929&sug=y>

CNN (Television Station)

www.cnn.com

<http://en.wikipedia.org/wiki/CNN>

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-2643&hl=y>

Coca-Cola Company (Soft Drink Manufacturer)

www.cocacola.com

<http://en.wikipedia.org/wiki/Coca-Cola>

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1854&sug=y>

Coca-Cola Enterprises (Soft Drink Bottling)

www.cokecce.com

http://en.wikipedia.org/wiki/Coca-Cola_Enterprises

Cox Communications (Media)

www.cox.com

http://en.wikipedia.org/wiki/Cox_Communications

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-2644&hl=y>

Delta Air-Lines

www.delta.com

http://en.wikipedia.org/wiki/Delta_Air_Lines

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1302&sug=y>

Equifax (Credit Reporting)

www.equifax.com

<http://en.wikipedia.org/wiki/Equifax>

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-3217&sug=y>

Genuine Parts (Auto Parts Distributor)

<http://www.genpt.com/>

http://en.wikipedia.org/wiki/Genuine_Parts_Company

Georgia Pacific (Paper Manufacturer)

www.gp.com

<http://en.wikipedia.org/wiki/Georgia-Pacific>

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1839&sug=y>

Gold Kist (Poultry Producer)

www.goldkist.com

http://en.wikipedia.org/wiki/Gold_Kist

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1105&sug=y>

Gulfstream Aerospace (Aircraft Manufacturer)

<http://www.gulfstream.com/>

http://en.wikipedia.org/wiki/Gulfstream_Aerospace

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-3371&sug=y>

Home Depot (Home Improvement Retailer)

www.homedepot.com/

http://topics.nytimes.com/top/news/business/companies/home_depot_inc/index.html

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1886&sug=y>

Moe's Southwestern Grill (Restaurant)

www.moes.com

http://en.wikipedia.org/wiki/Moe's_Southwest_Grill

Mohawk Industries (Carpet Manufacturer)

<http://www.mohawkind.com/>

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-3019&hl=y>

http://en.wikipedia.org/wiki/Mohawk_Industries

Post Properties (Apartment Homes)

www.postproperties.com

Royal Crown Cola (Soft Drink Manufacturer)

www.rccolainternational.com

http://en.wikipedia.org/wiki/RC_Cola

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-3535&hl=y>

Southern Company (Utilities)

www.southerncompany.com

http://en.wikipedia.org/wiki/Southern_Company

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1879&sug=y>

So-So Def Recordings (Music Recording and Sales)

<http://www6.islandrecords.com/site/islandsosodef.php>

http://en.wikipedia.org/wiki/So_So_Def_Recordings

SunTrust Bank

www.suntrust.com

http://en.wikipedia.org/wiki/SunTrust_Banks

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1746&sug=y>

Tom's Snack Foods

<http://www.tomsfoods.com/>

<http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-3534>

<http://www.answers.com/topic/tom-s-foods-inc-2?cat=biz-fin>

Turner Broadcasting System (Media)

www.tbs.com

http://en.wikipedia.org/wiki/Turner_Broadcasting_System

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-2647&hl=y>

United Parcel Service (Shipping)

www.ups.com

http://en.wikipedia.org/wiki/United_Parcel_Service

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1903&hl=y>

The Varsity (Restaurant)

www.thevarsity.com

http://en.wikipedia.org/wiki/The_Varsity

Waffle House (Restaurant)

www.wafflehouse.com

http://en.wikipedia.org/wiki/Waffle_House

<http://www.newgeorgiaencyclopedia.org/nge/Article.jsp?id=h-1935&sug=y>

The Weather Channel (Television Station)

www.weather.com

http://en.wikipedia.org/wiki/The_Weather_Channel_%28United_States%29

Zaxby's (Restaurant)

www.zaxbys.com

<http://en.wikipedia.org/wiki/Zaxby's>