

Project Background:

In early 1992, PepsiCo launched Crystal Pepsi project in order to keep up with the “Clear Craze” marketing fad. [1] The idea of “Clear Craze” was making clear and transparent looking products that give consumers a sense of “purity” and “healthy”. [9] The Crystal Pepsi was initialized, pitched, led and managed by David Novak, who was the new COO of PepsiCo. The head of R&D was Surinder Kumar, the junk food wizard. [3] In April 1992, Crystal Pepsi was launched into the test market and received a great deal of popularity. In December 1992, Crystal Pepsi was officially launched to the public. [5] On Jan.31, 1993, the world officially knew Crystal Pepsi via 1-minute advertisement on Super Bowl. In 1993, the world-first digital printed bus wrap painting was applied to a California bus as advertisement for Crystal Pepsi. [6] In 1994, the sale for Crystal Pepsi stopped. Crystal Pepsi then made the list of the 10 Worst Product Fails of All Time of TIME magazine.

Project Intention – Desired Outcome:

Taste	Similar to original Pepsi, Lighter tasting [3]
Visual	Clear content, Clear bottle, Healthier seeming [3]
Ingredient	Caffeine-and-preservative free [3]
Market	2 percent of the Pepsi Market [5]
Marketing	Advertisement on Super Bowl 1993 [3]
Marketing	Bus wrap digital painting ad in California [1] [6] [7]

Parameters:

BASICS

Beginning	End	Objective	Resources			Leader	Other Efforts	Research	Progress
			Time	Money	People				
Y	Y	P	P	Y	Y	Y	Y	P	P

In the above BASIC box:

Y: Yes, based on the reference I collect, I believe the Project Manager/Leader have a clear understanding of the ingredient.

N: No, based on the reference I collect, I believe the Project Manager/Leader DO NOT have a clear understanding of the ingredient.

P: Based on the reference I collected, I believe the Project Manager/Leader have a PARTLY understanding of the ingredient but not enough.

Explanation:

Beginning:

The leader David Novak became COO of PepsiCo in 1992 [2] and Crystal Pepsi was introduced in April 1992 for test [1]. Also, the recipe of Crystal Pepsi took the food scientist Surinder Kumar several months. What’s more, it took just nine months from Novak’s pitch to nationally launch [3]. So, I assume the beginning date of the project was in very early months of 1992.

End:

David Novak want Crystal Pepsi launched in Super Bowl on Jan. 31, 1993. [3] So I assume Jan. 31, 1993 is the end date of the project.

Objective:

Taste	Similar to original Pepsi, Lighter tasting [3]
Visual	Clear content, Clear bottle, Healthier seeming [3]
Ingredient	Caffeine-and-preservative free [3]
Market	2 percent of the Pepsi Market [5]
Marketing	Advertisement on Super Bowl 1993 [3]
Marketing	Bus wrap digital painting ad in California [1] [6] [7]

Resources:

Time:	The time from Beginning to End is too short for a new product development
Money:	40M dollars on ad campaign. I assume more on R&D [3]
People:	Pepsi’s R&D, led by famous junk food wizard Surinder Kumar [3]; the Marketing Team

Leader:

David Novak [3]

Other Efforts:

1. Crystal Pepsi was officially launched internationally in U.S. and Canada, so I assume there were some efforts there. [1]
2. Crystal Pepsi was officially campaigned in Super Bowl ad which is a huge national Sports event. I assume there must be some efforts apart from money. [3]
3. David Novak teamed up with Surinder Kumar, the junk food wizard. [3]
4. PepsiCo invented world's first digitally printed vehicle wrap in California [1][6][7]

Research:

From various resources, in the early 90s, the concept of “purity”, “clear” and “healthy” were popular among soft drink consumers. (The trend was called Clear Craze.) [1][3][4] So I assume David Novak's idea was based on that. But whether this trend would last was not determined.

Progress:

As every new product development, Crystal Pepsi started from a pitch from David Novak to PepsiCo CEO, then went to R&D, then to the test Market and finally the official launch. [3] However, whether the Crystal Pepsi could stay popular was not determined.

Focus group	“Love it.” [3]
Test Market	Crystal Pepsi went through test Market in April 1992 and received positive feedback. [1]

My Assumptions & Analysis:

Based on the resources I collected on Basic parameters, most of the parameters are clear. However, the end date or, to put it another way, the total time span of the project is unclear to me. My assumption is that since Pepsi had been a big company and until the day they released Crystal Pepsi, they had released several successful products, so they had a robust R&D pipeline. So, the seemingly unclear parameter values (End, Time and Money) were likely to be clear to the team, but It is hard for me to find out.

That being said, some potential reason for the failure starts to reveal:

Q: Did the value contribute to the project failure? Were the values correct?

A: Yes, and partly. Analysis as follows.

1. Objective & Research

A Food product should be considered to be as either a “star” product for the brand/company (Pepsi Cola for Pepsi) or a “target/activity” product targeting specific group/trend (Vegan Burger for vegetarian, local food/diet for Chinese market). So, the development type of these 2 objectives should be different. The idea of Crystal Pepsi targeted to, or at least should target to the customers following the popular healthy-pursuing trend in the early 90s in U.S. Yes, they wanted the caffeine-free, preservative-free, clear Pepsi, but they also want less calory and less syrup which were not identified as objectives. So, the Research team is the one to blame. Also, no one can be sure when the trend will pass. It was challenging for the Market Research team to reach a solid prediction if they wanted know when to stop producing Crystal Pepsi or if they wanted to make Crystal Pepsi a “star” product that stays. However, a big company like Pepsi should have developed a more careful objective when the project started or at least considered what if the “healthy-pursuing” trend passed. From the resources I collect, the Market objective is just “2% of the Pepsi Market” [5] without a safer bound on time.

2. Time of Process

Pepsi took 3 years to launch Slice [3]. Compared to this, the development process of Crystal Pepsi was not enough. David Novak wanted Crystal Pepsi to launch for the Super Bowl of 1993.[3] So, whether the whole development period was shorted ed during the planning phrase or it was shortened in the development phrase, the one-year development period was inadequate. For a food project, a common way is to update the flavor even after the official launch based on consumers' reaction. So, I think it was, at least should have been, a longer-term project.

3. Other Efforts

One of the objectives of Crystal Pepsi was to have the similar(lighter) taste as the normal Pepsi. But the recipe of normal Pepsi was/have been/is a trade secret and was not provided to R&D. [3] This put an even harder constrain to R&D because they had to develop the recipe that made Crystal Pepsi taste like normal Pepsi but look different.

With 1 & 2 combined, we can deduce that although the project had a clearly defined Basic parameter value, some of the values required deeper thought. Based on my assumption and analysis on the Basic parameters, we can deduce a story: Because of the popular “purity” trend happened in early 90s, David Novak wanted to introduce Crystal Pepsi. He was so eager to follow the trend that ignored, in terms of the parameters, an adequate time span, a valid Research on the Objective and Other Effort such as disclosure of the recipe. These parameters contributed to the failure of the project. And, again, the value for the parameters should be given second thoughts.

BASICS

Yes	No
	Y

Explanation:

From the above explanation and analysis part, some the Basics for the Crystal Pepsi project were ill-defined.

STAKEHOLDERS

PepsiCo	Customers	Shop Owners	Other Projects	Competitors	R&D, Market Team
Y	P	N	Y	N	Y

Explanation:

As the COO of PepsiCo, David Novak, the leader, can of course identify PepsiCo (along with the shareholders), R&D and Market team as Management & Team Stakeholders. Customers as stakeholder was also identified because of the bus wrap and Super Bowl marketing and the “purity” objective of Crystal Pepsi. [1] [3] However, because the feedback from the customers were not positive, so I assume the stakeholder’s satisfaction was not fulfilled so the leader only partly understood the stakeholders. Based on the marketing objective of taking 2% of Pepsi Market [5], Other Projects in PepsiCo had been identified. Based on resources I collected, I do not believe the leader identify Shop Owners who actually put Crystal Pepsi on the shelf and Competitor as stakeholders.

My analysis:

Q: Did the value contribute to the project failure? Were the values correct?

A: Yes and No.

Customers:

The fact that customers’ satisfaction was not fulfilled shows the stakeholders’ priorities on Scope, Time, Cost, Quality or the definition of Scope, Time, Cost, Quality are not identified correctly. In this case, customers not only wanted the “clear” content, but they also wanted a healthier and a lighter tasting version of normal Pepsi. However, the amount of calory only reduced by 20 and it contains a lot of high fructose corn syrup. Also, the taste was not similar to normal Pepsi. [3][5] So, despite the “clear” visual, the quality of Crystal Pepsi was not so great, and customers felt either disappointed or being tricked.

Competitors:

The Coke company launched Tab Clear with the intention of mutual destruction. I do not know whether the leader had identified the competitor. However, if the leader did (and he should), he should have some plan, but based on the resources I collect, I cannot see any plan.

Shop Owners:

The food scientist actually warned the leader about the danger of clear bottle. Because the sunlight/ultraviolet would hurt the liquid inside the bottle. But the leader did not mind it because he only saw that the focus group liked it. [3] From the resources I collected, the sunlight spoiled the drink, causing negative feedback from customers. [3]

Bottlers (bottling company):

The bottlers should be identified as stakeholders. Their interest is directly related to the success/failure of the product. Also, because they are the link between the PepsiCo and the actual shop, along with the fact that they are the companies that do the bottling, their suggestions and feedback should be considered.

SOCIAL ROLES

Innovator	Change Target	Opinion Leader	Change Agent	Change Aid
Y	Y	Y	Y	Y

Explanation:

The Change Target was the Market and the consumers because of the big “Clear Craze” marketing fad. [1] The Innovator, Opinion Leader and Change Agent were David Novak, the leader of Crystal Pepsi and COO of PepsiCo. The Change Aid was also David Novak because, based on my resources, he first detected the Clear Craze in PepsiCo.

Q: Did the value contribute to the project failure? Were the values correct?

A: Partly and Yes.

My analysis:

David Novak successfully detected the Change, formed a great idea and pitched the project to CEO [3]. The idea of Crystal Pepsi itself had nothing to do with the failure. However, as previously stated, he did not capture what (some) consumers really wanted, which was an actually healthier version of Pepsi with lower calory and less syrup.

CHANGE ASSUMPTIONS

Magic Bullet	Advocate	Facilitator
Y	Y	Y

Explanation:

Based on the passion I felt from David Novak (he was the innovator and he rushed for the market) [3], the leader of Crystal Pepsi and COO of PepsiCo, I assume he thought this new product was Magic Bullet and he was the advocate of Crystal Pepsi. All other departments participated in the Crystal Pepsi project were Facilitator.

My analysis:

There are a lot of articles I can find stating why the magic bullet would fail. We simply cannot allow some product to be the “magic bullet”. This is the exact reason today’s companies sell “solutions” instead of products. In a changing environment, nothing stays forever. We have to keep up with the changes. So, if one is in favor of an idea, that guy should be the Advocate to support the idea in an organization and to coordinate with R&D and other departments instead of saying that “If we do this, everything will be fine.” Also, the internal stakeholders of the company should also be Facilitator to help develop this project. In our Crystal Pepsi case, when the food scientist informed the leader of potential problems about the original objectives, the leader should think of some alternative objectives instead of saying “you are the food scientist, go figure it out.” [3] What I want to propose is that a change agent should be the Advocate and Facilitator in a project or an organization instead of believing a product being a “Magic Bullet”.

*Note: My understanding of the concept come from The Magic Bullet Theory in IT-Enabled Transformation

<https://sloanreview.mit.edu/article/the-magic-bullet-theory-in-it-enabled-transformation/>

MOTIVATION

Intrinsic	Extrinsic
Y	Y

Explanation:

1. The leader, David Novak, was the initiator of Crystal Pepsi. [3] So, he wanted Crystal Pepsi to be successful for self-actualization which is Intrinsic motivation. Also, as the new COO of PepsiCo, [2] he might want to achieve success to get positive recognition in the company, so there might be some Extrinsic motivation.

2. The food scientist, Surinder Kumar, was also the head of PepsiCo R&D. He thought this project was a “good shot to the moon”. [3] Although he identified some potential problems at the beginning of the project, he still started to try. [3] I assume his motivation was also both Intrinsic (for self-actualization in an interesting project) and Extrinsic (for the positive recognition in the company)
3. The customers’ motivation was Intrinsic and Extrinsic. Because of the “Clear Craze”, they wanted to try Crystal Pepsi themselves. Also, they wanted to get some for their friends to get social recognition. [3]

My analysis:

Q: Did the value contribute to the project failure? Were the values correct?

A: Yes, and Partly.

It is natural for anyone in David Novak and Surinder Kumar’s position to have both Intrinsic and Extrinsic motivation. These motivation help start the project and help these two teaming up at first. However, the motivation of the customers, again, were not fully identified. Another Intrinsic motivation was that (some) consumers really wanted an actually healthier version of Pepsi with lower calory and less syrup. Also, for the shop owners, the motivation was Extrinsic. If they could sell more Crystal Pepsi, they could earn more money. So, for a brand-new product, the promotion plan was simple: putting the product in brighter places. However, because the bottle was clear, the brighter the shelves are, the faster the drink will spoil.

MOTIVE DISPOSITIONS

Achievement	Power	Affiliation
Y	Y	

Explanation:

The leader, David Novak, wanted Crystal Pepsi to have good market performance, hence the Need for Achievement. Also, because he did not listen to the suggestions from R&D [3] and rushed to publish the product, I sense some Need for Power in his Motive Disposition.

The food scientist, Surinder Kumar, brought a lot of potential problems, for example, the danger of clear bottle may hurt the shelf-life of Crystal Pepsi and the ingredient was not as healthier as the company claimed it to be. So, from my point of view, his Motive Disposition was mainly the Need for Achievement because he really wanted to produce a real “healthier” Pepsi.

My Analysis:

Q: Did the value contribute to the project failure? Were the values correct?

A: Yes, and No.

The Need for achievement is great for a leader. However, the need for power can damage the project. The development for a new project should follow a scientific development procedure instead of one’s own will of showing off power. The shorted test period due to his need for publishing in time for the Super Bowl definitely contributes to the project failure. Also, because his Need for Power, he did not list to the suggestions of the food scientist for longer test period [3]. The Need for Power of the leader contradicted with the Need for Achievement of the food scientist. And because the leader had the “veto right”, Crystal Pepsi did not have adequate test and rushed for market which was the reason it failed from my perspective.

LEADERSHIP TYPES

L1	L2	M
Y		

Explanation:

The Leadership Type of David Novak on the Crystal Pepsi project was a typical L1. He initialized the idea, gave pitch to CEO [3] and dealt with marketing strategy. He was the “face” of the project.

My analysis:

Q: Did the value contribute to the project failure? Were the values correct?

A: Partly and Partly.

Marketing on bus wrap and Super Bowl were great. However, for a project focus on product, it is better to focus on the quality of the product which requires balancing the development time, making it more flexible. Also, the leader should try to fulfill team’s requirements. In the Crystal Pepsi project, the leader should try to provide more time for test market as the R&D required. In terms of the Leadership Types, adding a little Leadership Type M is better for the project.

PROJECT AUTHORITY

Formal	Purse String	Bureaucratic	Technical	Charismatic	Dominance
Y		Y	P	Y	Y

Explanation:

Since David Novak, the leader, gave the project pitch to CEO and he could decide when to publish the product. I assume he was given the Formal Authority. As the COO of PepsiCo in 1992, I assume David Novak developed a sense of Bureaucratic Authority in this big company. Also, the fact that he knew the exact person (the famous junk food wizard Surinder Kumar) to find also indicates he could use the Bureaucratic Authority. At first, Surinder Kumar held a negative thought of Crystal Pepsi, but he still started to try. So, David Novak must have a Charismatic and Dominance Authority to persuade or “mind trick” Surinder Kumar to start.

The food scientist, Surinder Kumar, was also the head of PepsiCo R&D. So, he should have the Technical Authority.

My analysis:

Q: Did the value contribute to the project failure? Were the values correct?

A: Yes and No

In a big company like PepsiCo, Formal and Bureaucratic Authority are “must-have” authorities. Also, in the case of developing new products, Charismatic and Dominance Authority are needed to get the team started. However, the Technical Authority determines, or should determine, the R&D process. Based on the resources I got, the leader ignored the food scientist’s advice of longer test period and rushed for publish [3] which, from my perspective was one of the reasons why this project failed.

TEAM STRUCTURES

Domain	Technical	Equality	Leader-Centric
P			

Explanation:

The main sections of the whole Crystal Pepsi Team were the R&D and the Marketing team. The R&D focused on the domain of development of the product and the Marketing team focused on the marketing domain.

My Analysis:

Q: Did the value contribute to the project failure? Were the values correct?

A: Maybe, and Partly.

If the Team Structure of Crystal Pepsi was totally Domain, which means the leader/manager is unbiased when it comes to disagreement between two domains, then Crystal Pepsi might be a huge success. However, David Novak, the leader, rushed for publishing the product on Super Bowl [3] and shortened the test period which led to inadequate quality of Crystal Pepsi. So, he put the priority on Marketing, which violates the purpose of Domain Team Structure.

KINDS OF TEAMS

Engineering	Innovative	Construction	Exploration
		Y	

Explanation:

When the food scientist informed David Novak, the leader, of the potential problems that the sunlight will spoil the liquid in a clear bottle, David Novak literally said “You are the food scientist, figure it out” [3]. So, I assume, from the perspective of David Novak, this is a problem that can be figured out within the time span of the Crystal Pepsi project. So, I assume he thought the great R&D department of PepsiCo had done similar projects many times. In his eyes, every deliverable/task was very clear, and the team could just get on with it. This is a typical Construction team. I assume, from the perspective of David Novak, this team was a Construction team.

My Analysis:

Q: Did the value contribute to the project failure? Were the values correct?

A: Maybe, and Partly.

David Novak was wrong. All parts of the team should be somewhat flexible. The process/practice to reach the solution might vary. Indeed, the R&D team might have some experience, but it was indeed a new project which has Marketing team involved, especially with David Novak himself, as the NEW COO, involved. In this stage, the key is to build adequate interaction, good communication and to let everyone share their expertise in order to better structure the problem. That means the team should combined the Marketing expertise of David Novak as well as the Development expertise of R&D department to form a process to solve the problem. The goal was clear, but the Team membership was new, so, the team should be an engineering one where decision are made collectively.

*Note: Parameters to evaluate KINDS OF TEAMS refers to textbook [8]

TEAM FORMATION

Forming	Storming	Norming	Performing
			Y

Explanation & My Analysis:

Based on the result that they actually published Crystal Pepsi and it was welcomed at first, I would say the team itself is in the Performing stage. There was a disagreement about the test period being very short. [3] But, because the leader had all the power to decide everything, the disagreement was seemingly resolved. Also, the team actually completed all the original objectives. From this, we can see that if a leader has all the power and authority on a project with reasonable objective, some seemly-good result can be produced. I would not say the Team Formation contribute to the project failure.

Q: Did the value contribute to the project failure? Were the values correct?

A: No, and Yes.

ORGANIZATIONAL STYLE

Functional	Matrix	Project	Application
			Y

Explanation:

Based on the resources I collected, the Organization Style during Crystal Pepsi project was Application. The one and the only leader who had all the authority was David Novak who decide the end date of everything. [3] Because of his Bureaucratic Authority, he quickly found the food scientist to team up and get this project started. [3] There was little project sharing between normal Pepsi project and Crystal Pepsi project because the normal Pepsi project team do not share the full recipe of the normal Pepsi. [3] These are how I determine the Organizational Style was Application.

My Analysis:

Q: Did the value contribute to the project failure? Were the values correct?

A: Maybe and partly.

Application Organization Style was OK for Crystal Pepsi project. The problem of the Application Organization Style is that there was only one leader, and the project team is kind of isolated with each other. I would suggest a balanced Matrix Organization Style where several leaders can discuss the different of the project. The major reason why Crystal Pepsi was a failure is because the strong power of David Novak who decided to publish the project before an adequate test period was completed. He refused to listen to the suggestion of food scientist. If the food scientist also would have some authority to force a completed test period, the result would be better.

ORGANIZATIONAL CONTEXT

Decision			Task			Interaction	
Autocratic	Democratic	Laissez-Faire	Classical	Modern	Changing	Mechanistic	Organic
Y			Y			Y	

Explanation:

Decision:

Based on the resources, David Novak, the leader, did not listen to the feedback from R&D about potential issues about the clear bottle, the need for more testing time and not-so-healthy recipe. [2][3] He intended to publish Crystal Pepsi in time for the Super Bowl. This is top-down Autocratic decisions.

Task:

Again, because the leader refused to listen to the stakeholders and decided to stick to the original plan. The task was a Classical one.

Interaction:

Again, because the leader refused to listen to the stakeholders and decided to stick to the original plan. There was rigid flexibility. Along with the top-down communication and hierarchical control. The interaction was Mechanistic.

My analysis:

Q: Did the value contribute to the project failure? Were the values correct?

A: Yes and No.

The key for developing a new product should be the R&D department. That means the leader should take the feedback from R&D into account when making the decision for whether the product is ready for publish. The Objective is to improve effectiveness in the market. The Environment should be flexible. The focus should listen to the R&D department. So, the Task should be a Modern one and Interaction should be relatively Organic. Based on the customers' feedback about clear bottle issue, weird tasting and not-so-healthy recipe [2][3][5], if David Novak, the leader, would actually listen to the feedback from R&D and make some adjustment instead of rushing for Super Bowl, there would be room for potential improvement.

*Note: Parameters to evaluate Decision, Task, Interaction refers to textbook [8]

INTENTIONS

Experimental	Process	Strategic	Culture
		Y	

Explanation:

The objective of the Crystal Pepsi was to capture/follow the “purity” trend. This is obviously a Strategic intention to positively impact the business and get advantage over other companies.

My Analysis

Q: Did the value contribute to the project failure? Were the values correct?

A: No and Yes.

The Strategic project intention is correct. It did not contribute to the project failure.

PROBLEM ORIENTATION

Monolithic	Incremental	Evolutionary
	Y	

Explanation:

Before it reached the enough time to accurately test Crystal Pepsi's shelf-life, David Novak, the leader rushed to publish the product in Super Bowl [3]. So, I assume the marketing plan drafting and the actual development of Crystal Pepsi were

conducted in parallel. So, the whole Crystal Pepsi project was factored into at least 2 pieces of developing and marketing with each part stands alone. So, it is typically Incremental project.

My Analysis:

Q: Did the value contribute to the project failure? Were the values correct?

A: No and Partly.

I totally agree with the Incremental approach to conduct this project. However, the key to incremental projects is that we can divide and conquer each part of the project with each part stands alone. In this case, the R&D sacrifice the testing time in order to keep up with marketing plan which is either poorly structured or poorly executed. If anything, instead of the marketing plan, the plan for R&D should be the dominating factor.

PROJECT ASPECTS

Size		Structure		Technology	
Large	Small	High	Low	High	Low
Y		Y		Y	

Explanation:

1. Size:

Duration: At most a year

Team: Marketing (include international Market), R&D (including the head of R&D)

Stakeholders: U.S. & international consumers, normal Pepsi team, PepsiCo, etc.

Budget: 40M dollars just for Marketing [3], I assume more for others

Other areas: Other departments/teams within PepsiCo

The size of the project was obviously Large, although its objective was to cover 2% of the market. [5]

2. Structure:

As is discussed in the Basics part, the objective/requirements were definitely ill-defined. However, in the eyes of David Novak, the deliverables were adequate. So, I assume in his eyes, the structure was high.

3. Technology:

The Technology was definitely high. Because the requirement was to make a “clear” soft drink with similar(lighter) taste with normal Pepsi without the full recipe of normal Pepsi. Also, the digital bus wrap marketing method was a world-first one. So, even for a big company like Pepsi, the deliverable required high technology.

My Analysis:

Size and Technology were correct. However, we discussed that the requirement/deliverables/objectives for this project were ill-defined. The deliverable should include a much healthier diet and whatever ways to keep Crystal Pepsi stay in the market.

*Note: Parameters to evaluate Size, Structure, Technology refers to [8]

EXTERNAL INTEGRATION

High	Medium	Low
	Y	

Explanation:

Based on the result of bus wrap marketing and Super Bowl ad, from the Marketing perspective, the project did a decent amount of External Integration stuff. [1] [3] Based on the fact of having a test market, the project, to some extent, brought the key stakeholder into the R&D process. [3] So the project had Medium External Integration.

My Analysis:

Although the project brought the final consumer into the development phrase, either the duration or the feedback was not adequate. [3] This was one of the direct reasons why I think the project failed. Costumers wanted to try Crystal Pepsi because of the “clear” color but whether they enjoyed the so-called similar(lighter) taste and whether the health-pursuers liked the new recipe were not determined. Whether of a food product is successful or not, even for a test market, is mostly determined by the taste. The visual appeal of the product only determined whether the consumers want to try it at first.

INTERNAL INTEGRATION

High	Medium	Low
		Y

Explanation:

Based on the resources, David Novak, the leader, did not listen to the feedback from R&D about potential issues about the clear bottle, the need for more testing time and not-so-healthy recipe. [2][3] Also, the R&D did not get access to the full recipe of normal Pepsi. Based on these two facts, the Internal Integration was Low from my perspective.

My Analysis:

Based on the customers' feedback about clear bottle issue (the sunlight spoiled the drink), weird tasting and not-so-healthy recipe [2][3][5], if David Novak, the leader, would actually listen to the feedback from R&D and make some adjustment instead of rushing for Super Bowl, there would be room for potential improvement.

FORMAL PLANNING

High	Medium	Low
Y		

Explanation:

Based on the various test methods and various Marketing methods all "crammed" into a one-year period. [3] Also, with that many resources and budget involved, I would assume it have High Formal Planning.

My Analysis:

The size of Crystal Pepsi was large, and based on the previous assumptions that David Novak, the leader, thought the project had High Structure. So, the Formal Planning level being high was correct. However, because I think the project had Low Structure, so I think the project should have Medium level of Formal Planning.

FORMAL CONTROL

High	Medium	Low
	Y	

Explanation:

Again, based on the various test methods as millstones. [3] I would assume the project have Medium Formal Control.

My Analysis:

I agree that whether the task Structure is High or Low, the Large size of the project requires a decent level of Formal Control. My Analysis on Project Aspect, External Integration, Internal Integration, Formal Planning and Formal Control,

Q: Did the value contribute to the project failure? Were the values correct?

A: Partly and Partly.

The reason of defining the Project Aspect is that we need to control the risk and choose suitable tools. From my perspective, either David Novak should notice that the deliverables were ill-defined and identified the Structure of the project was low, or he should have more clear-defined deliverables and the rest would work.

That is one of the following 2 options:

Size	Structure	Tech	Ex Integration	In Integration	Formal planning	Formal control
Large	High	High	Low	High	Medium	Medium
Large	Low	High	High	High	Low+	Low+

Expert opinion (categorized by related Parameter):

Basics (Objective, Research), Stakeholders (Customers):

"No one bothered to explain why we need a clear Cola". ----- Kyle Murray, Professor of Marketing at University of Alberta. [11]

"Pepsi trained their consumers since the 19th century to associate brown soda with cola flavor. Launching cola in 1992 was too much of a sensory disruption." ----- Tristan Donovan, author of Fizz: How Soda Shook Up the World. [11]

Stakeholders (Customers, Bottlers, R&D team), Organizational Context and Authority

"The bottlers told me, 'David', it's a great idea, and we think we can make it great, but it needs to taste more like Pepsi,' And I didn't want to hear it. I was rolling the thing out nationally, and I didn't listen to them." -----David Novak [11]

"I learned there that you have to recognize that when people are bringing up issues, they might be right!"
-----David Novak [2]

Others:

"I learned that you can't trick the consumer -- at least not for long."
----- The head of R&D was Surinder Kumar, the junk food wizard.[3]

"It was probably the best idea I've ever had -- and the most poorly executed." -----David Novak [3]

My opinion:

If I ignore what others say and just look at the parameters, I will say the project failed because:

Basics, Stakeholders, Motive

- The Objective was ill-defined because the Research was incomplete. The time resource for test in the Progress was too short.
- The customers' requirements were incomplete. The project did not consider the Shop Owner, Bottling Company and Competitors as stakeholders.
- The project falsely identified the Change Target. The leader did not assume the role of Facilitator.
- Customers' motivation for the product was falsely identified.

Organization, Authority, Teams

- The leaders' Need for Power in his Motive Dispositions might affect the normal execution of the project.
- R&D'S Technical Authority was not enough competing with the leader's Authority.
- Team structures was correct but did not execute properly.
- The Kind of Team should be Engineering instead of Construction.
- The Decision-making should be Democratic, the Task should be Modern, the interaction should be Organic.

Project

- The Problem Orientation being Incremental was correct but was poorly executed.
- Because the Objective/deliverable was ill-defined, the Project had low Structure, so, the External/Internal Integration level should be changed to High in order to align with the low Structure.

The detail evidence and analysis are in each previous parameter section.

Similarity between Expert and My opinion:

I agree with all of them. The Research should help identify the potential Stakeholders and their requirements/Motives. Because the major Stakeholder is the Consumers, so the Research on Consumers' requirements are very important. The idea was great, but the Research should include a feasibility study to prove or falsify the idea. The research team should identify the Stakeholders, their requirements/Motives. It is only after a valid Research and Stakeholder/Motive identification can we start on or complete the Objective identification and then the Organization style, Authority, Teams, etc. Also, some parameters are defined correctly like Team Structure as domain but were indeed executed poorly

Difference between Expert and My opinion:

David Novak blames himself for being too rushed, too arrogant and too stubborn. I agree that he should be blamed, but I do not care so much of an individual's impact on a project failure. I agree that we, as project managers, should be flexible when

we meet different projects. However, no one is perfect. No one can be a “shape shifter” or a chameleon based on the various projects. Different person might have different to handle a project. The reason we have so many parameters is because however different the project and however different we might be, we have to consider these parameters. So, as I stated multiple times in the parameter explanation and analysis part, the value, in David Novak’s eyes, based on the Research result he had, were correct. Some of them were just inconsistent during execution. The major fault was on the Research and Stakeholder identification because it affected the Objectives and Process and further affected how David Novak saw the project. So, I think the Research team should also be blamed. For David Novak, I only blamed him for one reason which he, as the COO of PepsiCo, chose himself as the project manager. Because his role of initiator brought too much passion instead of logic. The passion enabled him to give himself too much Authority, making decisions in an Automatic way and stopped him to execute the project properly.

Conclusion:

From my perspective, the major contributing factors are:

- Incomplete, inadequate, invalid Research, resulting incomplete Objectives and insufficient Stakeholders.
 - Should identify all stakeholders and their requirements/Motives
- Wrong Project Authority and wrong Organizational Context because the project manager let passion get in the way of logic
 - should have more on Technical Authority
 - should be Democratic decisions, Modern Task and Organic Interactions
- Wrong Kind of Team
 - should be an Engineering one
- Poor Execution
 - should stay consistent

Reference:

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**Note: There are some references I cannot access because they need subscription. So, I use Wikipedia instead.*