

A case analysis of apple inc business essay



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The purpose of this paper is to explain the definition of Strategic Management and why it is critical to the success of an organization in meeting its goals and mission. The paper will include a brief analysis of the situation and pending decision problem, as presented in the case and in relevance to the answer. In addition, the major issues will be surrounding the organization or individuals involved with the organization. Included will be alternate courses of action to address the issues identified. Next, will be the decision or recommendation for action, with the appropriate supporting arguments if any.

Statement of the Problem(s):

Thousands of people were laid off at Apple, Inc. It does not look like Apple, Inc. spent much time working on its management and marketing strategies from the beginning. It was not until better marketers such as Jobs and Sculley came into the picture, before the company started to expand to better markets with acquisitions and joint ventures. The problem was not changing their strategy sooner. The jobs are what contribute to a company's effectiveness (Mello, 2011, p. 115) and if they kept their employees it might have contributed to earlier success. It is human capital that helps companies to strive. For Apple, Inc. to lay off employees to help their financial statement for stakeholders may have been part of the cause of the problem (Yoffie & Slind, 2008). Their mission statement should have answered the question about what is strategic management, and why is it critical to the success of an organization in meeting its goals and mission statement?

Summary of the Facts:

According to research done by Yoffie and Slind, (2008) Apple, Inc. started out with a great product line to reach the computer market. Then they advanced to the iPod, iTunes and the 3G network in order to advance their technology into the competitive marketplace. They became the industry leader under Wozniak with the new Macintosh. However, their technology was slow. They did not beat their competitors during this stage. Sculley added desktop publishing, which focused on the educational market which sold at top price. Because Sculley was good at marketing he was able to hit the market with the personal assistants gadgets. The smartest move Apple made was to form a joint venture with its competitor. Products dropped and IBM and Apple parted but they were just starting to learn the joint venture game.

When Steve Jobs came on board the company went through reorganization and many people lost their jobs. Microsoft invested one hundred and fifty million dollars just after Microsoft Office was formed. Then iMac went out to three hundred million and Apple's image was back on track again. Their marketing strategy was to differentiate themselves from other competitors. Apple, Inc. had great designs under Steve Jobs with Microsoft's cooperation. However, Acer and Dell were catching up with the new Intel processors and Windows 7 emerged. Apple's smartest move was the iPod with music. However, Amazon was the company's newest threat. The end result was the iPhone reaching the smartphone market. They reached all heights by finally changing their game, by reaching seventy percent of the U. S. market. In addition, the " iPhone 3G reached twenty-two markets" (Yoffie & Slind, 2008, p. 22).

Definition:

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The elements of a strategy consist of arenas so the company knows where the main operations will be and core technologies used (Mello, 2011, p. 131). The next step in setting up the company's strategy is the vehicle they will use to achieve their goals? Third, is differentiation on how they can beat their competitors in the high-tech world? Fourth, is the staging management strategy of what products they plan on using? Lastly, is the company's economics in deciding how much to charge or to decide if their product is hard to market. In addition, there are different stages of technological change. The fast growth stage is when the product starts with a concept and then has fast innovation. The " Wild, Wild West" stage is also fast innovation but for smaller companies taking risks. The consolidators are in the steady evolution stage that are in the mature life cycle and use economies of scale. Lastly in the creative destruction stage there is new knowledge and competencies and the company seeks other industries to joint venture (Mello, 2011, p. 145).

Analysis:

Apple, Inc. started out as a concept driver when they reached new market showing fast growth in the beginning. Then, they came up with new knowledge and competencies as concept learners. They were also pioneers in the industry showing fast innovation. They reached a mature life cycle with economies of scale when they had to widen their product lines. Apple, Inc. went through all the stages of technological change. However, in the fast growth stage they were not prepared for what lay ahead, so they had to come up with different strategies to have the competitive advantage. Every

stage requires development of their employees and more financing resources (Mello, 2011).

Recommendations:

According to (Mello, 2011), “ Strategic Human Resource Management (SHRM) and the Resource-Based View (RBV)” organizations need to hire employees that are motivated and have a highly trained skills to help the company have a competitive advantage (p. 119). Core competencies are shared throughout the organization collaboratively. This knowledge connects “ strategy and SHRM” (p. 125). The systems need to comprise of “ human, social and organization capital”, and it is through this creation and integration working together that the company can remain a success. This should have been done in the very beginning in their formation of strategy planning and origination of their mission statement.

Moreover, recommendations for the company in the future is to make it part of their strategic management goal to do a SWOT (strengths, weaknesses, opportunities and threats) analysis year. A SWOT analysis should have been done in the beginning of their strategic mission, so they would have known the threats that lay ahead. This is normally done with their marketing management department. If all of the departments were integrated to work together interchangeably using core competencies, they would have foreseen what lay ahead. Whenever a company has fast growth such as in Apple, Inc.’s fast growth stage, the company takes the risk of competitors striving to take over the marketplace with better high technological products (Mello, 2011).

Consequently, their strategic management mission and goals should have included a plan for when there was overkill in the marketplace. Apple, Inc. would make a smart move to find ways to have employee retention and to beat the competition with continuous new innovative products. It is by keeping employees and training them they can come up with new ideas and sustain their growth in the future. They can stay ahead of the competition by having some low-cost items such as music downloads and higher cost for their other products. Apple, Inc. should use some of their new revenue towards research and development to design new innovations for “tomorrow’s customers” (Mello, 2011, p. 152).

According to Zhouying & Ying (2011), strategic management problems in the past with organizations were because they lacked integration. Apple, Inc. should have used sustainable and long-term development in their strategy for “tracking, management and feedback” otherwise long-term goals are harder to achieve (p. 49). Apple, Inc. failed to pay attention to its economy and financial resources needed in the beginning. However, they did sustain growth in the later stages of the company. Now they need to sustain their growth through continuous integration and coordination (p. 50). The goals need to consist with development for the long-term and to focus on the external environment. Strategic goals need to be achieved from the bottom up and the top down (p. 53) in their vision. Apple, Inc. needs to continue to inspire and motivate their new employees by giving them a support system to reach their vision and goals that are achievable.

Conclusion

The case analysis consisted of a statement of the problem showing a brief analysis of the situation and decision problem. The analysis included the major issues surrounding the organization and individuals involved. The alternate courses of action were identified in the recommendations, which showed strategies needed to sustain growth and development in a high-tech environment. The main strategy is to maintain and inspire their employees to continue with growth in this fast-paced environment.