

# Phase 1

Technology, Information Technology



Topic: Risk RISK Risk entails the potential of losing something that is valuable since values can be achieved or lost when risks are taken resulting from specific actions, activities or inactions that have either been forecasted or unpredicted (Carson & Bain, 2008). Risks may also be considered as intentional interactions with uncertainty while perception of risk is the biased judgment people make concerning the possibility of risks occurring and may be different from one person to another. All the activities that human beings take part in are associated with some level of risk but some are have more risk than others do. In terms of business and management, the possibility of an investment's actual return usually differs from the expected and risks include the probabilities of losing part of or the entire original investment. On the other hand, risk assessment involves determining both quantitative and qualitative risks associated with a situation and recognizing threats (Hussain, 2013). A risk assessment of quantitative nature needs calculations of two aspects of risk including the degree of the possible loss and the possibility that the loss take place. Additionally, acceptable risk is the risk that may be understood as a consequence of the cost or difficulty in the implementation of an efficient countermeasure for the related vulnerability that surpasses the expected loss.

#### Apple's potential risks

Apple is an international company whose head office is in California, that is involved in designing, developing and selling consumer electronics (Young, 2009). Even though Apple develops its own products and comes up with the software which is run on its devices, it manufactured and assembles its devices through outsourcing operations. Since the company has a heavy

dependence on its partners on the delivery of the final product, it is faced with the threat of not having the full ability to control its supply operation. Apple also has a heavy dependence on numerous other organizations to develop components that constitute its final products. Even though this kind of partnerships is advantageous in the production of high quality devices, they also underscore the technological dependency of Apple on external companies. Additionally, any form of disruption suffered by the companies, which manufacture its components will directly influence the ability of Apple to produce products for the market on a timely basis. Regardless of the fact that this form of partnerships are advantageous in the production of devices of superior quality, they underscore the Apple's technological reliance on external companies. Additionally, any form of interruption experienced by the companies that manufacture its components will directly disturb Apple's own ability to deliver its products to its customers in a timely manner.

Brand value is also a risk that is posed to Apple as a company and even though the company received the award of being the brand with the most value in the globe recently, it has been faced with controversies like poor working environments and a lack of workplace safety, which may have significant effects on the perceptions of its consumers. These aspects could possibly cast the company under scrutiny by the public concerning inappropriate business practices, which may end up harming the brand that has been nurtured carefully for some time. Apple enjoys considerable loyalty to its brand and continues to have the benefit of being a market leader as far as the tablet industry is concerned. Nonetheless, cannot meet product demands adequately, then other manufacturers will be able to develop

technology that would attract customers to migrate from Apple and this will significantly threaten the dominance of the company.

#### References

Carson, D., & Bain, A. (2008). Professional risk and working with people. London: Jessica Kingsley Publishers.

Hussain, O. (2013). Risk assessment and management in the networked economy. Heidelberg: Springer.

Young, J. (2009). Brilliant African-American scientists. Berkeley Heights, NJ: MyReportLinks. com Books/Enslow Publishers.