

Apple computers case study project

[Technology](#), [Computer](#)



Apple computers was established on April 1, 1976 by Steve Jobs, Steve Wozniak and Ronald Wayne and incorporated on January 3, 1977. The first Apple Computer was put together by Steve Wozniak and sold for \$500.00. The computer, called Apple I, went on sale in July of 1976 and consisted of a circuit board, keyboards and screens. While Wozniak built the computers himself, both he and Jobs and sold them to a computer store, the Byte Shop, in Mountain View California. Most people recall Apple Computers as being founded by “the two Steves”, Jobs and Wozniak.

However, Wayne was present in the garage at the founding of Apple. Wayne, then 41, worked with Jobs at Atari during the day. It was there, Jobs (21) and Wayne became friends and also where Jobs offered Wayne a partnership in Apple computers by way of a ten percent interest in the company. Wayne accepted, and worked nights on the original Apple logo and documentation for the Apple I. On April 12, less than two weeks after Apple Computer’s founding, Wayne renounced his ten percent interest in the company for a onetime payment of \$800.

Although Wayne had renounced his stake in the company, he still spent some of his free time consulting on projects for Apple I. Apple followed the Apple I computer with the Apple II, introduced on April 16, 1977 and the Apple III in May of 1980. Apple also went public in 1980, “generating more capital than any IPO since Ford Motor Company and instantly creating more millionaires.” Jobs began working on the Apple Lisa in 1978 but was pushed from the Lisa to the McIntosh. Apple launched the McIntosh (Mac) in 1978. Although the Mac launched well, its follow up sales weren’t strong and this caused conflict within the Apple Corporation.

Wozniak quit Apple in early 1985 after complaining of the company neglecting the Apple II. John Sculley had been hired as the CEO of Apple two years prior to the launch of the Mac. Sculley soon had enough of Jobs' and confronted him. Sculley believed Jobs' management style was hurting Macintosh. Later, Apple's board of directors demoted Jobs and removed him from his managerial duties. On September 13, 1985 Jobs resigned from the Apple Corporation and a few days later started his new company, NeXT. Apple suffered through a time period where market share and stock prices declined.

Then, in 1998, Apple introduced the iMac which sold almost 800, 000 units in the first five months. Apple opened its first official Apple retail stores in Virginia and California on May 19, 2001. The same year, Apple announced the iPod portable digital audio player. In 2006, Jobs announced that Apple would start producing intel-based Mac computers and in January of 2006, MacBook Pro and iMac became the first Apple computers to use the Intel's Core Duo CPU. Apple released its first iPhone on June 29, 2007 and announced the iPad on January 27, 2010.

Apple's official name was Apple Computer, Inc. for its first thirty years after its focus moved from computers to consumer electronics. Apple's official mission statement reads, " Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary iPhone and App Store, and had recently introduced the iPad 2 which is defining the future of mobile media and computing devices."

According to Computer Companies, Apple is the ninth largest computer manufacturing company in the world. It is behind other American multinational companies like HP, Dell and IBM. It is the world's third largest mobile phone maker after Samsung and Nokia. Identification of Company Strengths Apple excelled at planning and managing its brand. Planning is the management function of systematically making decisions about the goals and activities that an individual, group, work unit or overall organization will pursue. Apple products are shrouded in secrecy until their release.

Apple's reporting structure also differs from conventional organizations. Apple's plan was to control its product in every way, (i. e. marketing, design, production, distribution) in an attempt to have the best product on the market. It seems Apple was extremely successful in implementing its plan. In the industry, Apple has become excellent at marketing its brand and its products. Apple purchased NeXT late in 1996 bringing Jobs back to the company he helped co-found. Under Jobs, Apple sales increased significantly on the back of "appealing designs" and powerful branding.

Brand appeal is the attraction you have to a brand and it makes your customers feel like they are purchasing "hours and hours" of perfection. Jobs' was admired for the brand appeal he brought to Apple products. After Jobs' return, he got personally involved in Apple products. He had to know how many screws were in a laptop case because he felt the level of perfection in its products would have a direct result with Apple's success. Apple's hardware was proprietary, meaning if you wanted to run Apple software you had to own an Apple computer.

When asked about the value of Apple by AllThings Digital, Jobs responded by saying he found it all pretty incredible but “ for him the most important thing was always that customers got great products. ” Jobs was concerned with the functionality of the products over the quarterly results Apple delivered. Another example of the planning and time that goes into the marketing of Apple products are how the products are even announced. Apple products are announced at the Apple Worldwide Developers Conference (WWDC). The WWDC was used by Apple to announce its new software and technology for developers.

Apple started announcing hardware at the WWDC in 2002. Jobs and now Cook, have revealed Apple’s newest products at the WWDC. This is where the iPhone and iPad were introduced. All of the attendees have to sign a non-disclosure agreement. The WWDC has over 5, 000 attendees and tickets, which range from \$1, 599 to \$3, 500 (after market price) have sold out since 2008. Analysis and Evaluation As stated earlier, Apple is well known for its secrecy and propriety business sense. Apple has employed the global model way of doing business in manufacturing their products.

The global model is designed to enable a company to market a standardized product in the global marketplace and to manufacture that product in a limited number of locations where the mix of costs and skills is most favorable. Various apple products, including the iPhone, are manufactured at Hon Hai Precision Industry Co. , (Foxconn) in Taiwan. Foxconn is the largest maker of electronic components in Taiwan. The corporation has endured some criticism on how its has manages its employees in China, where it is the largest private sector employer.

One of the main reasons Apple has employed Taiwan's Foxconn company is that it is known for its secrecy. Apple, and other companies, look to China to manufacture their products because of the confidentiality these companies provide. Apple is able to ensure their products are "shielded" from outsiders. A benefit of the global market is that manufacturing in a different country often times be traced back to cheaper production costs. It is generally assumed that labor in China is much cheaper. Cheaper labor will result in lower production costs which will leader to greater profits.

While we do not know how much more it would cost to build iPhones in the United States, various analysts have stated that labor is a small portion of the technology manufacturing and paying American wages would only result in an addition of \$65 to each iPhone. Apple's executives have stated that the vast scale of overseas factories as well as the "flexibility, diligence and industrial skills of foreign workers have so outpaced their American counterparts that 'Made in the U. S. A.' is no longer a viable option for most Apple products".

Apple employs 43, 000 people in the United States and 20, 000 overseas. However, many more people, 700, 000, work for Apple's contractors and almost none of those people work in the United States. Apple executives believe that no American plant can match the speed and flexibility the foreign plants employ. The workers at Foxconn city have 230, 000 employees, many who work six days a week and 12 hours a day, live in company barracks. One Apple worldwide supply manager, Jennifer Rigoni, stated that Foxconn could hire 3, 000 people overnight.

Rigoni asked what U. S. plant could hire 3, 000 people overnight and convince them to live in dorms. Working in the global model, however is not without its criticism. A report into the working conditions at the Chinese factory revealed serious labor violations, including excessive hours, unpaid wages and major health and safety risks. Suicides at Foxconn have attracted some media attention in recent years. It was reported that a worker, Sun Danyong, committed suicide in July of 2009 after the reporting the loss of an iPhone 4 prototype that was in his possession.

President Obama, during a meeting in Silicone valley, asked Jobs what it would take for the iPhone to be made locally to which Jobs responded the jobs were not coming back. It looks like Apple's global model is working well for their corporation. Forecast and recommendations Jobs was a CEO unlike any other and understandably there were reservations when he resigned on August 24, 2011 due to his illness. All information flowed up to him and his fingerprints were on everything Apple did. Tim Cook took over as CEO of Apple, six weeks before Jobs died. Cook was known as the anti Jobs. He is described as quiet, contained and unemotional.

Cook aims to muster all of Apple's resources on a few products and focusing on excellence. It seems as though Apple will be succeeding under its new direction. By all accounts, it does not look like Apple's hold on the computer and cell phone industry will be slowing anytime soon. " Experts from the largest and most revered banking institutions even suggest that Apple has reached the stage of market domination and that their astronomical value can be attributed to the completely new products and even industries that

Steve Jobs has developed. We have no reason to believe that this trend will not continue.”

Apple recently won a lawsuit against Samsung after a jury decided Samsung was guilty of infringement on most patents at issue. Samsung issued a statement after the verdict calling the verdict a “ win for Apple but a loss for the American consumer. ” Samsung contended that Apple’s patent win would lead to “ fewer choices, less innovation, and potentially higher prices. ” However, other industry analyst look at Samsung’s patent loss to Apple as an opportunity. With Samsung being forced back to the drawing board, it is hoped that it will lead to better innovation and more creative ideas.

And if Samsung, and others, begin to make a better, more creative product than Apple then would be forced to up its game. If this is forced to happen, then consumers would be the beneficiaries because they would have a wider variety of products to choose from. Some critics wonder if Apple will be able to continue its closed market model. Google’s Android operating system offers some advantages over Apple’s. “ Apple’s success will depend on its ability to keep its customers happy enough with its products and its closed system to want to stay in it.

Apple released its iPhone 5 last week and it has already sold more than five million units. With the iPhone five release there were problems. The maps system has been widely criticized. Cook released a statement recently which said, “ With the launch of our new Maps last week, we fell short on this commitment. We are extremely sorry for the frustration this has caused our customers and we are doing everything we can to make Maps better. ” This

statement is in stark contrast to what Jobs did during the release of the iPhone 4 when the company had widely reported antenna problems.

Jobs and Apple released a statement then that said, " We have gone back to our labs and retested everything, and the results are the same-the iPhone 4's wireless performance is the best we've ever shipped. " This marked difference shows that a new philosophy is now in play at Apple. Apple remains on course to sell between 100 and 150 million iPhone units over the course of next year. With numbers like Apple trading for \$667, Apple has \$117 billion in cash and investments to cover \$51 billion in total liabilities. With those numbers, Apple's forecast looks good.