

Strategic analysis (swot and bcg matrix) of apple inc

[Business](#), [Company](#)



Introduction

In this project I am going to describe the Strategic and Marketing Plan of Apple Inc, Which is the biggest consumer electronics provider in the world. It provides wide range of consumer electronics in the market like MAC computers, IPOD, I Phone, LAPTOP, IPAD. It has about 49, 400 employs and over 240 Retails Store all around the world wide out of it 218 are in US and 24 in UK rest in other countries.

I personally think that before studying the strategy of any organization we need to understand the basic of Strategic Management like What Strategic Management is?

What is Strategic Management?

Strategic Management is nothing else but plans defined by the management of an organization to achieve a long termgoalswhich are predefined and monitored towards reaching the organization's goal. The steps that are taken till now are being monitored to make sure that they have been carried out in the most efficient manner possible to achieve organizational predefined goal as described in the mission statement which directs the strategic management process.

Definition:

“ The on-going process of formulating, implementing and controlling broad plans guide the organizational in achieving the strategic goods given to its internal and externalenvironment”

This is an ongoing process which keeps changing according to the circumstances and requirements of the internal and external environments but it keeps moving towards to achieve its predefined organizational goal.

Strategic Management is comprised of its three main processes which manager of an organization has been familiar with. These Processes are as given below.

Strategy Formulation

Strategy Implementation

Strategy Evaluation

Strategy Formulation:

Strategy formulation means a strategy formulate to execute the business activities. Strategy formulation Includes developing:-

Vision and Mission (The target of the business)

Strength and weakness (Strong points of business and also weaknesses)

Opportunities and threats (These are related with external environment or the business)

Strategy formulation is also concerned about setting long term goals and objectives, generating alternative strategies to achieve that long term goals and choosing particular strategy to pursue.

The considerations for the best strategy formulation should be as follows:

Allocation of resources

Business to enter or retain

Business to divest or liquidate

Joint ventures or mergers

Whether to expand or not

Moving into foreign markets

Trying to avoid take over

Strategy Implementation:

Strategy implementation requires a firm to establish annual objectives, devise policies, motivating employees and allocate resources so that formulated strategies can be executed. Strategy implementation includes developing strategy supportive culture, creating an effective organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information system and linking employee compensation to organizational performance.

Strategy implementation is often called the action stage of strategic management. Implementing means mobilizing employees and managers in order to put formulated strategies into action. It is often considered to be most difficult stage of strategic management. It requires personal discipline, commitment and sacrifice. Strategy formulated but not implemented serve no useful purpose.

Strategy evaluation:

Strategy evaluation is the final stage in the strategic management process. Management desperately needs to know when particular strategies are not working well; strategy evaluation is the primary means for obtaining this

information. All strategies are subject to future modification because external and internal forces are constantly changing.

History Apple Inc:

Apple Inc formerly known as Apple Computer Inc which provides corporate Server, MAC OS Systems and Operating System. Apples core product lines are the iPhone, iPod and Macintosh System. Steve Jobs and Steve Wozniak, The founder of Apple has created the Apple Computer on 1st April 1976 and integrated in the company on 3rd January 1977, in Cupertino California. It has driven the Computer manufacturing market for more than two decades. Mr. Steve Jobs who was expelled in 1985 was return as CEO of the APPLE Inc in 1996 with new Ideas and corporate philosophy. With introduction of successful iPod Player in to 2001 Apple has again proved itself as a Market leader in consumer electronics. Latest era of extraordinary success of the company is in iOS based Apple products like I Phone, iPod slim, I Pad and now I Pad 2. Now a day's Apple is a biggest technology corporation in the planet with the profits of more than \$65 billion. It has about 49, 400 employs all over the world. Fortune Magazine most Admired company in United State in 2008 and in the world in 2008, 2009 and 2010.

Apple has over 240 Store all over the world and the bifurcation of these store in different countries are as below.

Vision Statement of Apple:

“ Man is the creator of change in this world. As such he should be above systems and structures, and not subordinate to them.”

Explanation of Vision Statement:

Apple lives this vision through the technologies it develops for consumers and corporations. It strives to make its customers masters of the products they have bought. Apple doesn't simply make a statement. It lives it by ensuring that its employees understand the vision and strive to reach it. It has put systems in place to enable smooth customer interaction. It has put objectives in place to continuously move forward; implemented strategies to fulfil these objectives; and ensured that the right marketing, financial and operational structures are in place to apply the strategies.

Mission Statement of Apple:

" Apple ignited the personal computer revolution in the 1970s with the Apple II and reinvented the personal computer in the 1980s with the Macintosh. Apple is committed to bringing the best personal computing experience to students, educators, creative professionals and consumers around the world through its innovative hardware, software and Internet offerings."

http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=aapl&script=1800&layout=7#corpinfo2

SWOT Analysis of Apple Inc:

Although participation in such activities may add value, they may not be a source of competitive advantage. Ultimately, the value, rarity, inimitability, and/or organization (VRIO) of an activity or resource determine its sustainability as a source of competitive advantage. Within this context, we can identify a firm's strengths, weaknesses, opportunities, and threats (SWOT).

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In SWOT analysis Strength and Weaknesses are depends on Internal factors and Opportunities and Threats Depends on External Factors of and Organization. SWOT analysis is useful in decision making about the organization going for any new or existing project.

Apple SWOT Analysis

Strength:

iTunesMusicStore is a excellent source of revenue, especially with the iPod and the accessibility on Windows platform.

Apple Computer are expert in Developing own software and hardware.

Apple's niche audience provides the company with some lagging from the direct price competition.

Giving a face-lift to desktop and notebook lines.

technology can be used to improve product awareness and sales.

Low debt—more maneuverable.

Apple Computers have good brandloyalty.

Partnership with Intel Computers in 2006 - Present.

Strong Research & Development Department.

Weaknesses:

Weak relationship with Intel and Microsoft.

Weak presence in business arena.

The product life cycle of Apple products are very small for that reasons revenues are more depend on launch of new products and services.

Weak presence in markets other thaneducationand publishing.

Slow turn around on high demand products.

Apples market share is far behind from major competitor Microsoft.

In past the relationship between Steve jobs and employee were not good which result in reputation loss.

Opportunities:

Increase in worms and viruses on PCs so the antivirus solution can be developed by Apple

Large population (Gen X&Y) which are extremely individualistic and name brand conscious.

The ties of apple other companies are weak, Apple can develop good relationship for joint ventures

Downloadable music and MP3 players are highly marketable.

The online sales of computer are increasing with rapid speed.

The laptop market growth is high; Apple Computers should focus to develop new models to cater the need of customers.

Threats:

Companies not seeing Apple as compatible with their software.

Apple facing strong competition from Dell, HP, Sony and Toshiba in laptop segment.

Downloading free music from other online source without paying cost is common it may impact the iTunes sales.

Apple software, Cell phone and hardware are expensive as compared to other competitors such as Dell.

The long lasting recession may impact the sales of the company due to higher prices of the products and services

Microsoft launched Microsoft Vista, Windows 7 which is gaining market

share.

The switching in technology is very fast

BCG Model:

Boston Consulting Group (BCG) model is a technique developed by BRUCE HENDERSON of the Boston Consulting Group in early 1970's. According to this technique businesses or products are classified as low or high performers depending upon their market growth rate and relative market share. It is very useful tool to identify the product line of an organization.

BCG model classified in four main.

1.) Star 2.) Cash Cow 3.) Question Mark 4.) Dog

RECOMMENDATIONS:

FOR COMPANY:

Lowering the cost of products and maintaining the same quality standards

Can form joint - ventures

Knowledge Management

More number of retail stores for easy access

Continuous innovation to expand

FOR OTHERS:

Does not compromise on price for quality

Choose the products based on individual needs

Be unique and different

CONCLUSION

I feel that Apple must focus on several key aspects to continue to grow and succeed. They must continue a stable commitment to licensing, push for economies of scope between media and computers, and become a learning organization.

Apple apparently made a commitment to licensing. Although it should continue, Apple may want to consider other forms of strategic alliances. An equity strategic alliance may offer Apple the opportunity to obtain additional competencies. An effective way for a company like Apple to accomplish this would be in the form of a joint venture.

Apple should continue pushing the new line of media-centric products. Meanwhile, Apple should not lose focus on its computers. Macintosh computers were 39% of Apple's sales in 2005. (Burrows) This very innovative company exploits its second-mover position. In the future, they will need to continue innovating to expand the boundaries of both media and computers