

# Microsoft apple case



Kelly Tomaska Computer Case March 6, 2006 Microsoft/ Apple Case Question

With Steve Jobs at the forefront of computer technology with Apple, people felt that the world of PC computers would skyrocket. Jobs had a lot of the right ideas and unarguably had a great vision for what level his computers should be run at but it didn't take long for other companies to catch up to Jobs and overrun him with cheaper prices and better machines. In late 1989 it was clear that Jobs could no longer keep up with other companies and produce expensive machines exclusively. Being that Apple computers did not stand out as they once did, they had to lower their prices. Also, the computers that Macintosh was putting out were unique and very difficult to work on by technicians. Special tools were needed to get into the backs of the computers and it was expensive to fix anything wrong with the PC. Although Steve Jobs had a great plan and computers that were technologically advanced, his competitors soon caught up with him and produced cheaper PC's that ran smoothly and had more versatile programming.

Question 2: Apple made some poor decisions as far as money goes and that had a great deal to do with the profit loss they experienced. Microsoft on the other hand invested their money in money market accounts, which with a return of 1 percent helped the company keep making money outside of its programming. Microsoft currently has more cash than any other non finance company and is now experiencing even bigger returns (Bass). Although Microsoft doesn't sell PC's it has made software that companies desire to put into their systems. In fact they have made the market need these products installed on their computers. Microsoft made operating systems that people wanted, they were easy to use, contained everything they needed and were

all in one box. So not only does Microsoft have a steady cash flow from investments, it is also making gains on its Windows products as well.

Microsoft saw what the people wanted and acted on it, capitalizing on their gains, leaving Apple in the dust.

Question 3: Apple computers in the past several years have made a name for themselves again by producing technologies that people want. The ipod was one of the biggest trends to hit the world, being able to put mp3's on to your computer without hassle and carrying around 5, 000 songs without a problem. They also had a patent on the ipod which gave Apple some time to be the only ones able to sell a product such as theirs. Apple then made music available through itunes and was able to charge people to download music and stray away from people using free sites to upload music. This supported musicians who in turn were more apt to do live shows for ipod listeners and make new released available to those customers. Apple computers then teamed up with cell phone companies to deliver itunes music to their phones. Apple began making computers that people wanted, with high quality screens and different sizes in case you wanted to fit your computer in your purse. Apple has really made an impact on the computer industry and while it may not be the leader, it is certainly taking positive strides.

Question 4: In Microsoft's business model they emphasize making low cost products to customers while supporting the economy as well. This model hasn't changed for the company and hasn't really had to change because they keep the same consistency. They have invested their money well and gotten positive returns on it. They keep it simple for people and makes programs that are easy to use and functional. By creating software that is

easy to use it promotes the economy by having more people able to use the internet. It also adds to larger scale companies who use Microsoft because of the reliability of the software and the cost of obtaining it. They are able to keep a stable market because they have kept their demand for products. They knew there would be a time of slow down and financially prepared for it. They were always one step ahead and continue to lead the industry with their product.

#### Works Cited

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