

Strategy was initially
a computer
manufacturing
company



**ASSIGN
BUSTER**

Strategy and policy are the backbones of success in the business world. If the policies and strategies of a company are well structured, they mostly translate to profits (Colley, 2004, p. 23). This is because strategic planning helps an organization to produce goods that are appreciable by their customers and also helps them to enter new markets and thus widen their customer base. Additionally, strategic planning helps a company plan well for the future and be aware of future business twists and also helps it to maximally employ the skills of its workforce. On the other hand, development of policies helps an organization to maintain ethical standards and thus maintain its goodwill.

Policies also protect the assets of the organization and thus they protect the organization from losses fuelled by fraudulent employees and/or court cases which will, otherwise, be evident in the organization (Hartley, 2010, p. 1).

This paper explores the strategies and policies of the Apple Company.

History of the Apple Company

Apple was founded by Steve Jobs and Wozniak Steve in the year 1976. It was initially a computer manufacturing company but it has, since then, expanded to offer a variety of technology products and a wide range of electronics.

In the last 30 years, Apple has expanded its product base to include products like laptops, Mac OSX, the iPod, the iPad, the iPhone, Apple TV, Mac OS Server and a wide variety of desktops. The strategic innovation of the Apple Company has enabled it to gain worldwide popularity with its recent product, the iPad, hitting a million sales marks recently. A billion units of the product

are expected to be sold by the end of May. On the other hand, the iPhone is in stock in close to a hundred countries (Malik, 2010, p. 1). The company has been revolutionary in the distribution of digital media and in the field of personal computing. It has dominated most technology consumers and achieved commendable appreciation from educational establishments.

Most educational institutions are now using Apples products in their classrooms and computer laboratory. Additionally, a great number of students and lecturers own Apple products for their personal computing and technology needs (Malik, 2010, p. 1). This success can be partly attributed to the priority that the Apple Company gives to strategic innovation and invention.

Strategies and policies of the Apple Company

The Apple Company has also established relationships with international agents to help them market their products. For instance, Rogers Communications Inc.

markets Apple products in Canada. They have recently developed policies on the marketing of data plans for the iPad. They offer 250 Mb monthly data for \$15 and 5 Gb for \$ 35. They do not have an unlimited data plan because they believe that most customers use less than 250 Mb in a month. This is contrary to the policies set by the Apple Company in the U. S. where they have offered an unlimited data package for \$ 30 (Rowley, 2010, p.

1). This way, the Apple Company is able to provide products that a specialized for different groups of customers. As stated earlier, much of the success of the Apple Company can be attributed to the priority that the <https://assignbuster.com/strategy-was-initially-a-computer-manufacturing-company/>

company gives to strategic innovation. To exemplify this, in the recent past, the company took the mobile telephony by storm with its invention of the iPhone. It has fantastic features which include a user friendly User Interface, voicemail enhancement, a powerful GPRS and a powerful platform for development and information sharing. These features enabled the iPhone to be the choice of consumers registering exponential sales in the U. S.

since its launch. There are currently more than 6. 5 million iPhones active in the U. S. alone. The company has also developed an online music store. This innovative step has enabled the company to market tunes for their products such as the iPhones. It is also a strategic step since in selling their iTunes, the company also gets a chance to market their products to prospective customers since people buying iTunes are also potential customers for products like the iPod, the iPhone etc (Doughdale, 2010, p.

1). Apple has also upheld inter-corporation cooperation. To achieve this end, it worked in alliance with Microsoft in the 1990's incorporating Microsoft's products like office in their systems. They also abandoned Suns Original for Microsoft java Implementation and took Microsoft browser, the Internet Explorer, as a Mac OS standard.

This strategy of cooperation made the Apple Company to get out of losses that were experienced by the company in 1997. It also helped the company to provide the customers with products that were compatible with other products in the market. For instance, the incorporation of office was a big step in their recovery (Rowley, 2010, p. 1). Many people will agree with me that Apple is the company of the decade. In the last decade, Apple has

launched a number of new products that have gained amazing popularity and revolutionized the technology industry. To get a glimpse of the success that Apple has seen in the last decade, let us compare it with the technology giant, Google. The performance of the stock of the giant is amazing but it does not compare to the performance of Apple.

Since the time it was listed, Google's stock has risen by an approximate 500%. In the same period, the stock of Apple has risen by about 1200% (Saxena, 2010, p. 1). This highlights the fact that Apple was the most performing company in the last decade. This success is attributable to the aforementioned strategic innovation in consumer demanded technology products like the iPhone that has revolutionized the Smartphone industry and the iPod whose influence in the music industry is massive (Foremski, 2010, p. 1).

To cite a current example, the company is now accepting advance orders for the iPad from international clients. This is a strategy that will definitely help in the realization of exponential sales of the product when the company enters international markets in the end of May. The pre-order strategy has been implemented for the eight countries which appreciate the iPad launch as a very significant event. This implies that the pre-order strategy will definitely have its desired effect since Apple customers in these countries are genuinely interested in acquiring the iPad.

The Apple Company has also adopted a strategy to control the kind of software and applications that run in its hardware. This was developed to add to the existing control on the Operating System that runs on Apple

systems. Many critics have branded Apple Inc. the control freak but the control is advantageous to the company since it enables the company to market more of their software and applications. In this regard, the applications which run on the iPad and the iPhone are all developed by Apple Inc (Foremski, 2010, p. 1).

Another strategy that has enabled Apple Inc. to maintain its competitive edge is its acquisition policy. Remarkable among its acquisitions is the acquisition of its co-founder, Steve Jobs, and his company NeXT. This acquisition brought to Apple a lot of expertise and innovations that enabled the creation of iMac and Mac OS X gold. The company has recently acquired a chip company in order to maintain a competitive edge in the mobile industry.

The acquired company, Intrisity, was bought for 121 million dollars, which is a negligible amount of money to Apple compared to the benefits that the company will bring to Apple Inc (Doughdale, 2010, p. 1). The involvement of the company in the microchip industry has been very profitable to the company since its conception. It is the microchip resources possessed by Apple that have enabled the company to develop products like the iPhone, the iPod and the iPad which are have skyrocketed the success of the Apple Company. Unfortunately, Lala, a company bought by Apple specializing in streaming of music, is closing down by the end of May.

This is bad news to the music streaming industry and to Apple since other music streaming sites using Apples app store may be affected. Users may

become reluctant to the buying of music for ownership. Such music sites include Rhapsody, Pandora, MOG etc (Saxena, 2010, p. 1).

Apple Inc's policies have also helped it to achieve the success it has achieved in the last decade. Consider for example its sales and refunds policy. The company offers assistance about product information, pricing, orders etc throughout the week. This enables it to reach a myriad of customers interested in its high quality technology products.

The company accepts defective products from customers to ensure that their customers get the best of its products (" Apple store", 2010, p. 1). This has made Apple customers gain confidence in the products of the company and thus it has helped in increasing the customer base of the company. The company also offers a variety of software which is readily available for downloading on the internet (Lowensohn, 2010, p. 1).

This has made the company reach software customers across the globe and it has also enabled the company to market its products since most of its software are compatible with its systems and devices.

Conclusion

The Apple Company can be taken as the benchmark of the importance of strategy in the corporate world. Its strategic involvement in products other than desktop computers depending on demand has made the company achieve unimaginably. Much of the success of the company can be attributed to its investment in strategic products like the iPhone, iPod and the iPad.

All these products serve different industries and were developed by the company due to its innovative capability and the demand of such products in the technology market. The company has been able to achieve an innovative and competitive edge through the use of a variety of strategies which include acquisition, inter-corporation cooperation, online marketing, international market exploitation and exceptional customer care. All the stated strategies were meant to beef up their digital hub strategy which focuses on Macs (hubs) and spokes, software and hardware (Mortensen, 2010, p. 1).

The company has therefore been able to achieve its objectives by the production of the aforementioned devices.

Bibliography

Apple Store. (2010). Sales and refund Policy. Available from, [http://storeimages.](http://storeimages.apple.com/1692/store.apple.com/Catalog/US/Images/salespolicies.html)

apple.com/1692/store.apple.com/Catalog/US/Images/salespolicies.html[Accessed May 11, 2010] Colley, J. (2004).

Corporate Strategy. California. Barnes & Noble. Doughdale, A. (2010). Lala is shutting down.

Available from, <http://www.fastcompany.com/1634508/apple-lala-itunes-music-streaming>[Accessed May 11, 2010] Foremski, T. (2010). Apple's Strategy: active curation creates value. Available from, [http://www.](http://www.https://assignbuster.com/strategy-was-initially-a-computer-manufacturing-company/)

<https://assignbuster.com/strategy-was-initially-a-computer-manufacturing-company/>

zdnet.

com/blog/foremski/apples-strategy-active-curation-creates-value/1315[Accessed May 11, 2010] Hartley, M. (2010). Roger's iPad plan to have no contract.

Available from, <http://www.vancouver.sun.com/business/fp/Rogers+iPad+plan+have+contract/3010440/story.html>[Accessed May 11, 2010]

Lowensohn, J. (2010). iPad hot on eBay, but for how long? Available from, http://news.cnet.com/8301-27076_3-20004562-248.html[Accessed May 11, 2010]

Malik, O. (2010). Why Apple Was My Company of the Decade. Available from, gigaom.com/2010/01/01/apple-company-of-the-decade/[Accessed May 11, 2010]

Mortensen, P. (2010). The dawn of Apple's Dominance: Digital Hub Strategy, Revisited. Available from, <http://www.cultofmac.com/the-dawn-of-apples-dominance-digital-hub-strategy-revisited/27810>[Accessed May 11, 2010]

Rowley, J. (2010). Apple policy said to prompt U.S. allegation by Adobe. Available From, http://www.bloomberg.com/apps/news?pid=newsarchive&sid=asdluYfRt_7U[Accessed May 11, 2010]

Saxena, R. (2010). Apple Inc. now taking pre-orders for Apple iPad international customers. Available from, trendsupdates.com/apple-inc-now-taking-pre-orders-for-apple-ipad-for-international-customers/[Accessed May 11, 2010]

https://assignbuster.com/strategy-was-initially-a-computer-manufacturing-company/

Rowley, J. (2010). Apple policy said to prompt U.S. allegation by Adobe. Available From, http://www.bloomberg.com/apps/news?pid=newsarchive&sid=asdluYfRt_7U[Accessed May 11, 2010]

Saxena, R. (2010). Apple Inc. now taking pre-orders for Apple iPad international customers. Available from, trendsupdates.com/apple-inc-now-taking-pre-orders-for-apple-ipad-for-international-customers/[Accessed May 11, 2010]

https://assignbuster.com/strategy-was-initially-a-computer-manufacturing-company/

Rowley, J. (2010). Apple policy said to prompt U.S. allegation by Adobe. Available From, http://www.bloomberg.com/apps/news?pid=newsarchive&sid=asdluYfRt_7U[Accessed May 11, 2010]

Saxena, R. (2010). Apple Inc. now taking pre-orders for Apple iPad international customers. Available from, trendsupdates.com/apple-inc-now-taking-pre-orders-for-apple-ipad-for-international-customers/[Accessed May 11, 2010]

https://assignbuster.com/strategy-was-initially-a-computer-manufacturing-company/

Rowley, J. (2010). Apple policy said to prompt U.S. allegation by Adobe. Available From, http://www.bloomberg.com/apps/news?pid=newsarchive&sid=asdluYfRt_7U[Accessed May 11, 2010]