

Apple's mission statement

[Business](#)



Company Apple Inc. is an American multinational corporation founded in 1976 with 361 retail stores worldwide as of January 2012. The current CEO of Apple is Tim Cook and the current Chairman is Arthur Levinson. Its headquarters is situated at: 1 Infinite Loop Cupertino, CA 95014 United States Apple's mission statement is: " 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 is defining the future of mobile media and computing devices with iPad. " [(Apple Inc. - Frequently Asked Questions, 2012)] Products and Distribution Apple's prime function is the design and marketing of products such as consumer electronics, computers, and computer software, including:

- * iPhone
- * iPad
- * Mac
- * iPod
- * iOS
- * Apple TV
- * iCloud
- * Mac OS X

Apple also offers various third-party accessories, digital content and applications compatible with its own products.

Apple sells these and its own products through various distribution channels including:

- * retail stores
- * online stores
- * direct sales force
- * third-party cellular network carriers
- * wholesalers
- * retailers
- * value-added resellers

Apple's products and services are sold to a wide variety of customers including:

- * consumers
- * small and mid-sized businesses
- * education
- * enterprise
- * government customers

Customers and Market Expansion Apple has a loyal customer base, with regular customers accounting for a large percentage of sales.

However, Apple is always looking to expand into new market areas through the creation of new products and marketing techniques. For instance, Apple is considering the creation of an Apple Bank, with a recent survey showing that 43% of the current Apple customers would switch from their current banks to Apple. Apple also recently delved into the electronic book industry, over which it now faces a lawsuit for colluding with other companies to raise the price of electronic books. Shares 1, 748 institutions currently hold Apple shares. Due to its recent success, reflected in its no. position in BrandZ's 2011 list of the 100 most valuable brands in the world, Apple has amassed US\$98 billion, and has therefore decided to pay a quarterly dividend of US\$2.65 a share to investors starting from July 1, implying a 1.8% dividend yield based on a current share price of around US\$600. Apple is also planning to repurchase US\$10 billion in shares over a three year period starting from September 30. The total cost of these planned operations amounts to roughly US\$45 billion. Employees Apple has over 60, 000 employees, and this number is increasing rapidly due to the company's high employment rate.

The research and development department is relatively small, with most staff employed in general and administrative roles - approximately 60% of Apple's employees work in Apple Stores, compared to other companies in the same industry of similar size. Most Apple employees have more than 5-10 years of work experience, but the level of education is not a crucial deciding factor in employment - the amount of graduates hired without masters or doctoral degrees is significant. Environmental Impact Apple has long been the subject of criticism over its environmental impact.

In 2007, Steve Jobs penned an open letter promising to remove toxic materials from Apple's products, and that promise has been fulfilled since then, with toxic substances being removed from Apple's whole array of products. However, Apple is still criticised often over its impact on the environment. In a list released in April 2011 by Greenpeace, Apple was deemed the least greentech company due to its high reliance on coal power. Apple published a breakdown of its carbon footprint in 2011, estimating that it was responsible for 23.1 million metric tons of greenhouse gas emissions during the year.

Chinese environmental groups have also published two reports detailing the pollution and health hazards present in Apple's supply chain in China. In these reports, Apple is criticised for ignoring the unhealthy conditions in its factories in China. In response to these reports, Apple's pledge to ensure safe working conditions for its suppliers was restated. Apple was again criticised when several of its manufacturers in China were accused of releasing harmful pollutants. In response, Apple met with Chinese environmental groups, promising to assess its environmental impact and ensure its partners would follow environmental regulations.

Apple's own supplier responsibility report detailed that waste was being improperly discharged from some of its suppliers and some facilities did not have adequate systems or records in place required to deal with hazardous materials. Economic Conditions Apple has always had to cope with changing economic conditions. However, Apple's response to these conditions has varied. For instance, in the Global Financial Crisis, rumours spread that Apple would develop new, more affordable products across its Mac and iPhone

families. However, when questioned over this, Steve Jobs replied: " There are some customers which we choose not to serve.

We don't know how to make a \$500 computer that's not a piece of junk, and our DNA will not let us ship that. But we can continue to deliver greater and greater value to those customers that we choose to serve and there's a lot of them. And we've seen great success by focusing on certain segments of the market and not trying to be everything to everybody. " Apple continued to develop its product lines in the same style and price range. In the fourth fiscal quarter of the 2011 financial year, economic conditions threatened iPhone sales, and in response, Apple chose to reduce orders for handset parts and components.

By the end of the quarter it had been revealed that it had been Apple's biggest September quarter ever, but due to Apple's even greater success in the third quarter, the company's revenue had not lived up to the Wall Street estimates. Competition Apple uses several strategies to stay ahead of the competition: * It is constantly developing new products. * It is continuously upgrading its existing products. * It continues to sell successful products and keeps successful designs. * It tries to cover all price ranges when it can.

For instance, since the release of the iPhone 4S, Apple decided to keep selling the iPhone 3GS in order to provide a more affordable iPhone for potential customers. Apple has also initiated several lawsuits against Samsung and vice versa, with patent breaches being disputed in at least 10 countries. Most notably, Apple claimed Samsung had copied its iPhone and iPad. Business Life Cycle Despite being over 30 years old, Apple is still in the growth stage of the business life cycle. This is due to several reasons: *

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Growth is accelerating. Regular clients make up a large percentage of their customer base, but at the same time substantial effort is being put into tapping into new markets. * New products are being created and developed in order to fill market niches. * Mass marketing techniques are used to increase market share. * Profits are rising. * Production costs are decreasing. Company Harvey Norman Holdings Ltd is an Australian public company founded in 1982 which operates primarily as a franchisor. Gerry Harvey is the current Chairman of the company, and his wife, Katie Page, is the CEO. Its headquarters is based in Homebush West, NSW, Australia.

The company owns three leading brand names: * Harvey Norman * Domayne * Joyce Mayne Harvey Norman also owns several other Australian retail chains such as Space Furniture and Ariston Appliances. Under these brand names, the company grants franchises to independent business operators. As of the 2011 Financial Year, there were 195 franchised outlets in Australia, and 96 company owned stores. Products and Distribution Harvey Norman's franchisees sell a wide range of products in various categories including: * electrical goods * furniture * computerised communications * bedding and manchester * small appliances * carpets and flooring

The company recently planned to conduct 5% of its trade online, but these plans proved too optimistic, and they were scaled back. Customers and Market Expansion As an icon in the Australian retail industry, consumers make up most of Harvey Norman's customers. The company acquired retail chain Joyce Mayne in July 1998 and further expanded when it launched its Domayne retail chain in May 1999. It acquired a controlling interest in Rebel Sport Limited in July 2001 but sold it in March 2007. Harvey Norman opened

Harvey Norman Direct Import in December 2011, an online store based in Ireland which sells video games to Australia free of GST.

Shares Harvey Norman's shares have recently experienced a drop of over 6% due to uncertain retail conditions and a drop in sales. Employees Harvey Norman currently has approximately 10, 000 employees. The ratio of employees in general and administrative sectors to those in sales and marketing is less than in companies of similar size in the same industry. Most employees have over 5-10 years of work experience, and have bachelor's degrees rather than masters or doctoral degrees. Environmental Impact In 2011, Harvey Norman was the subject of criticism over the destruction of Australian native forests for use in the furniture industry.

A group called Markets for Change launched a campaign against Harvey Norman after they claimed to have conducted a year-long investigation into the company's timber usage. To this, Gerry Harvey responded on ABC Radio: " I'm an environmentalist" " I'm doing my best to use recycled timber or timber from plantations ... but every now and then [timber from native forests] will slip through. "[Often it's] timber the government has told sawmills they can take. " We are trying really hard to change and also to keep an industry going in Australia ... it's difficult for [the sawmills] to survive, and without us they just wouldn't. Economic Conditions It was recently revealed that Harvey Norman's first half yearly profits were down 2. 1%. The company released a statement explaining the situation: ``The combination of intense competitive pressures and price deflation in certain key product categories, accentuated by the high Australian dollar, deteriorating economic confidence and a prudent consumer, has seen many

retailers struggle to maintain margins in the fight for market share. " Competition Harvey Norman has several competitors in the market and therefore utilises several strategies in order to compete effectively.

Actions taken by the company in response to competition include: * The purchase of the Clive Peeters and Rick Hart brands, which resulted in a loss of AUD\$41 million, whose stores will now either convert to Harvey Norman or Joyce Mayne brands or close. * The launching of Harvey Norman Direct Import in response to JB Hi-Fi's addition of a direct importation section to its website. Some predict that Harvey Norman is the only Australian listed company that would be interested in purchasing Dick Smith Electronics from Woolworths and that if Harvey Norman was to pay AUD\$150 million for the business, it could boost earnings by 7%.

Business Life Cycle Harvey Norman is in the post-maturity stage of the business life cycle. This is due to several reasons: * Recently, it has been experiencing a small period of decline, but over the long term it has been in a state of renewal. * New strategies taken involve some degree of risk. * New markets are being exploited, with ventures into overseas markets. * Anticipated sales are not always eventuating. Comparing the two businesses: * Apple is a larger business than Harvey Norman, being a multinational corporation. * Apple operates in many more countries and has significantly more employees. Apple has had great recent success whereas Harvey Norman's profits have dropped. * Apple has expanded into many more areas in recent times than Harvey Norman. * Apple's share price is also much higher compared to Harvey Norman's, reflecting Apple's recent profits. * Both businesses have been the subject of criticism over their environmental

impact, but Apple has received more due to its operations in more areas and countries. * Both businesses employ various strategies in order to stay ahead of competition, but Apple has had greater success, with Harvey Norman experiencing losses due to unsuccessful strategies. Despite the fact that Apple was founded before Harvey Norman, Apple is still in the growth stage of the business life cycle due primarily to the fact that its sales and profits are rapidly increasing, with demand for its products high and customer base growing. Apple would be more resilient to influences in the business environment due to the fact that it is a larger business, with more resources and a massive amount of money currently with which it can respond to changing conditions.