

BA 5390

# Strategic Management



## Strategic Management Research

Apple Inc.

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## Table of Contents

<b>Strategic Management Research</b> .....	<b>3</b>
<b>Apple Inc.</b> .....	<b>3</b>
<b>Abstract</b> .....	<b>3</b>
<b>History of the company</b> .....	<b>4</b>
<b>Key members of the company</b> .....	<b>5</b>
<b>What is the organizational culture?</b> .....	<b>5</b>
<b>Locations where the company operates and primary products and/or services</b> .....	<b>6</b>
<b>Which competitive advantage strategy do you believe the company is implementing: I/O view, Resource-based, or Guerrilla view?</b> .....	<b>7</b>
<b>Present a SWOT Analysis of the company. This includes distinctive organizational capabilities</b> .....	<b>7</b>
<b>Analyze Michael Porter’s Model</b> .....	<b>9</b>
<b>Who are the main competitors of the company and current financial situation?</b> .....	<b>12</b>
<b>Which strategy does the company implement: cost leadership, differentiation, focus, or stuck in the middle?</b> .....	<b>14</b>
<b>Provide a successful or not successful strategy the company has implemented</b> .....	<b>15</b>
<b>Description of human resources practices implemented by the company. (How do they attract future talent and retain current talent)</b> .....	<b>17</b>
<b>Career opportunities available to the company</b> .....	<b>18</b>
<b>Are there any controversies or issues that the company has faced?</b> .....	<b>20</b>
<b>Does the company give back to the community in any form?</b> .....	<b>22</b>
<b>Conclusion</b> .....	<b>23</b>
<b>References</b> .....	<b>24</b>

## **Strategic Management Research**

### **Apple Inc.**

#### **Abstract**

As the global business environment becomes increasingly modernized, businesses of all sizes such as Apple Inc. are on the lookout for opportunities and threats to venture into diverse markets around the world. These venture opportunities enable Apple to remain competitive by using its strengths and addressing weaknesses. Due to many potential markets and prospective countries for doing business, Apple is left with the critical strategic, plans, issues, and choices for their leadership team to address. They are also faced with the critical issues of product selection and the best market entry strategy.

## **History of the company.**

Apple Inc. was founded as Apple Computer, Inc., “April 1, 1976, by college dropouts Steve Jobs and Steve Wozniak...” (Library of Congress, 2021) They had a new idea of how computers should function and be able to work for the consumer. Including the computer is small enough to fit in a home or office, versus a whole room system as they have been in the past. They started with the “...Apple I in Jobs’ garage and sold them without a monitor, keyboard, or casing...” (Library of Congress, 2021)

Apple II’s creation is when the company made an impact on the industry and introduced the “first-ever color graphics” skyrocketing sales for the company in 1980 (Library of Congress, 2021). The company continued to grow in the 80s and 90s. The company was thought to be on its last leg in the mid-90s but reintroduced Steve Jobs as CEO in 1997 (Library of Congress, 2021). They revamped the computers that were in use, but in 2007 was when Apple truly stepped out and initiated its dominance on the market.

“The iPhone, a touch screen cellular phone, introduced in 2007” became an extremely successful product for Apple, Inc. and set them moving forward full steam ahead (Library of Congress, 2021). This setup a new platform of mobile devices and led the way to the development of many add-on services/devices to support the iPhone and the future of mobility.

“Steve Jobs died October 5, 2011...” (Library of Congress, 2021), with Tim Cook taking over as CEO, he has led the company in the same direction that Jobs intended. The vast success of Apple, Inc and reaching a trillion-dollar valuation was in part to iPhone and its continued successes. Apple, Inc. is continuing to develop and spend in research and development to maintain their top-of-the-line prowess in their respective markets.

**Key members of the company.****Executives**

Tim Cook – CEO leads the Executive Team for Apple, Inc. since Steve Jobs passed in 2011. Cook has a total of 17 members on his executive team that ensure the company continues to turn and create innovative products. The team covers several different areas of business including: General Counsel, Services, Software Engineering, AI, Marketing, Operations, Finance, Retail, Hardware Tech/Engineering, Policies, Communications, and Corporate Development. This team works on the day-to-day activities within Apple, Inc, but ultimately, they report up to the Board of Directors.

**Board of Directors**

The Board of Directors ensure the company is headed in the correct direction to keep the shareholders appeased for the long-term. The Chairman of the Board is Arthur D. Levinson, Ph. D. Tim Cook, the CEO of Apple, along with seven Board Members. They all have different backgrounds to help support the longevity of Apple, Inc. and look at it from different perspectives.

**What is the organizational culture?**

To understand the organizational culture at Apple, Inc., we should first look at the mission, vision, and core values. The mission of Apple, Inc. is “To bring the best user experience to customers through innovative hardware, software, and services.” (Apple, 2021) They put forth their best efforts in all aspects of business they jump into and try to impress from the beginning or create new hype for aging popular items by revamping them for the better. The vision of Apple, Inc. is “To make the best products on earth and to leave the world better than we found it.” (Apple, 2021) They are taking strides in making all of their

products completely green and of recycled products to improve upon the earth. Apple, Inc. also follows seven core values. The company showcases these daily to their customers and shareholders and continually work to make improvements.

“Apple Inc. has an organizational culture for creative innovation.” (MEYER, 2019) This aligns with the mission, vision, and core values they have created for themselves to guide daily and long-term decisions. Apple strives to dominate every market they enter, if after a period they are not dominating, they exit. The employees are given the freedom to be innovative and think about what is around the corner. Sometimes Apple is slow to enter an innovative market because they want to ensure they are providing their customers, the absolute best in innovation.

### **Locations where the company operates and primary products and/or services.**

#### **Operation Locations**

Apple, Inc. is a global company that can be purchased online from anywhere in the world. They do receive most of their revenue/operating income from five major areas.

<b>Region</b>	<b>Revenue %</b>	<b>Operating Income %</b>
Americas	44%	41%
Europe	23%	23%
Greater China	18%	20%
Japan	8%	10%
Rest of Asia Pacific	7%	7%

(Johnson, 2021)

#### **Primary Products/Services**

“The Company designs, manufactures and markets smartphones, personal computers, tablets, wearables, and accessories, and sells a variety of related services.”

(Apple, 2020)

Products – iPhone, Mac, iPad, Wearables, Home and Accessories

Services – Advertising, AppleCare, Cloud Services, Digital Content

Payment Services

**Which competitive advantage strategy do you believe the company is implementing: I/O view, Resource-based, or Guerrilla view?**

### **Resource-Based View**

Apple, Inc. utilizes its resources and only seeks the best possible resources to create the greatest products as they have set for themselves in their vision. “An organization will be positioned to succeed if it has the best and most appropriate resources for its businesses.” (Coulter, 2013) Some other competitive advantages they have been through brand strength, innovative products, strong integrated supply chain, and premium pricing strategy. (Linton, 2018) Showcasing how Apple, Inc. is utilizing the resource-based view by adding value to their customers, selling rare/innovative items, and ability to exploit their resources. They hire top talent and enter top innovative markets to stay keep ahead of their competitors, or at least sell something of better quality than the competition.

**Present a SWOT Analysis of the company. This includes distinctive organizational capabilities.**

### **Strength**

Apple, Inc. has a few items of distinct nature to them and provides strengths for their platform. They have an extremely strong brand that is recognizable the world over. Including the logo of a partially bit into the apple. The logo has had its tweaks over the years, but it predominantly remains the same and continues the strength of the brand. The premium pricing, they charge affords them large profit margins. For example, the iPhone has no more than \$500 in material costs to create, but retails at \$999. This is a 200% markup and allows large amounts to go back into R&D for the next successful/profitable product. (Turner, 2020) They also have a strength in R&D and innovation with rapid deployment due to a strong history of innovation within the firm. The founders created a sense of innovation and wanted Apple employees to step out and try new ways of creating. These advantages provide Apple Inc. a significant advantage over its competitors.

### **Weakness**

As do all companies, Apple, Inc. is not free of weaknesses that provide opportunities for their competitors to steal customers. They start by having a limited approved retailer to sell their products. Certain expectations must be met by the reseller before they can showcase Apple products. Apple, Inc. only allowed AT&T to sell the original iPhone. The next weakness is their pricing, this is so high, it prices out many customers from being able to adopt the Apple technology. Competitors can swoop in with cheaper pricing and similar technologies, reducing the opportunities for Apple. Due to the high pricing scheme Apple, Inc. implements, they must rely on strong sales demographic for high-end markets. If customers are not buying high-end products, they do not have much to back up their market share and ensure the company continues to grow.



## **Opportunities**

Apple, Inc. can take some of its weaknesses and see them as opportunities for growth. Expanding their network of distribution and what resellers can sell Apple products will greatly improve adoption levels and additional sales. If they moved away from the strictly high-end market and diversified to lower-end products, they could also gain customers. This would require additional marketing to push higher sales for the less profitable products that they would like to sell. And they can develop further product lines to open the company up again to additional customers. Always looking for new opportunities will keep Apple, Inc. as a leader in the industry.

## **Threats**

Apple, Inc. is a large player, but that means there are many threats placed upon taking their customers every minute of every day. Some of the largest names inching into Apple's customers are "...Samsung, Amazon, and Microsoft." (Smithson, 2020) A big threat, but also a form of flattery, is imitation, especially from the Chinese markets. Huawei constantly implements new technology and revises their phone's many times throughout the year, versus Apple issuing one revision per year typically. This means new technology can be found cheaper and sooner by other firms. The rising labor costs are also starting to eat away at profits and could produce more threats for the company. They will need to work with their suppliers to find new locations for production that are cheaper or seek new suppliers. No company is removed of threats, especially the larger you are, the more threats that will be placed on stealing customers.

## **Analyze Michael Porter's Model.**

### **Competition in the Industry**

Apple, Inc. faces many competitors in the marketplace, but there are three that have strong brand recognition and financial backing to compete. Three companies are "...Samsung, Amazon, and Microsoft." (Smithson, 2020) The brands are recognizable by most technology shoppers and know that the products will be comparable and likely less expensive than Apple, Inc. The products produced though usually have a completely different feel than their competitors, making customers stay with Apple, Inc versus their rivals.

### **Potential of New Entrants into the Industry**

Apple, Inc. is in an industry that requires a lot of capital and know-how to enter the market. Huawei has been the most recent to make large shockwaves in the industry, particularly the smartphone industry. The type of R&D budgets that are required to keep up with Apple, Inc. is unfathomable for most companies to take the leap of faith that they can knock them off. They might take a piece of market share, but likely not enough for Apple, Inc. to notice. If they do notice the competitor, they are likely to swoop in and swallow them through acquisition and utilize their technology as their own. Software developers within Apple, Inc. spot this often. This is an unlikely issue to occur soon for Apple, but they should still try and maintain control of the market.

### **Power of Suppliers**

Depending on the component of the discussion, Apple, Inc. has the power most of the time. Customers have been wanting better screens and battery life, they started getting into the OLED screen technology. Smartphone producer Samsung has a firm hold on this screen technology. Therefore, Apple, Inc. may not be able to request the supply they need or the price they would prefer to garner the profits they seek. Apple owns the App Store

and requires all developers to submit through them. If they do not meet the rules of engagement, they will not be posted in the store. This reduces the number of smartphone devices a developer can access significantly. Again, this is it depends on the situation and where Apple, Inc. is on the pecking order of the food chain. Apple, Inc. does have a low level of this being significant to change the suppliers if it were to come into play.

### **Power of Customers**

Apple, Inc. does need to keep this on the radar as customers can switch their purchasing habits. Though individual switching is a small piece of the overall pie, if consumer tastes change, a dramatic shift could occur. They do boast significantly higher costs for similar products that can be found by other providers and offer comparable capabilities. Apple, Inc. does have a stronghold on design-minded customers, and may be able to keep that away from competitors. They are continuing to develop ways of keeping customers with Apple, Inc. and not transitioning from the platform, especially with the internet of things, integration and devices Apple offers.

### **Threat of Substitute Products**

This is not a strong concern for Apple, Inc., substitutes are limited in the competition. For example, if someone were to opt for a landline versus a cell phone, they would lose out on the capabilities offered by an iPhone that cannot be found with any type of landline. It is not likely for book writers to convert over to typewriters from a laptop. And it takes so long to create a film, a video editor will continue to stay with the prowess of a computer over cutting film strips and splicing. Apple, Inc. just needs to be on the lookout for potential substitutes that will come as the future unfolds, but right now they have a good runway.

## Who are the main competitors of the company and current financial situation?

The main source of revenue for Apple comes from selling smartphones, tablets, and personal computers. Because of this, Apple has many vast competitors for each of the product lines they serve, such as smartphones (iPhone), computers (MacBook), tablets (iPad), wearables (Apple Watch), and software and application development (iOS). It is worthy to note that not every competitor of Apple competes in every product line that Apple does today. We will go into detail for each product line competitor discussing more the company and their current financial performance. To begin the comparison, however, we must first show what Apple's financial situation has been for the past few years.

Company	Year	Revenue	COGS	Gross Profit	Operating Expenses	Net Income
Apple	2021	365,817,000	212,981,000	152,836,000	43,887,000	94,680,000
Apple	2020	274,515,000	169,559,000	104,956,000	38,668,000	57,411,000
Apple	2019	260,174,000	161,782,000	98,392,000	34,462,000	55,256,000

All numbers in USD thousands

In practically every division, Samsung competes with Apple, and it is Apple's biggest competitor in the cell phone business. Since 2012, it has maintained a market share of between 20% and 30% of the smartphone market (WCS, 2021).

Company	Year	Revenue	COGS	Gross Profit	Operating Expenses	Net Income
Samsung	2021	199,891,241	121,964,073	77,927,168	47,5443,62	22,023,554
Samsung	2020	194,483,779	124,286,434	70,197,345	46,757,657	18,152,639
Samsung	2019	205,769,986	111,755,499	94,014,487	44,307,637	37,048,745

All numbers in USD thousands

Microsoft is a software development which is one of the world's largest global technology corporations. Apple competes with Microsoft in many categories such as, software and application development, gaming, devices and marketplaces.

Company	Year	Revenue	COGS	Gross Profit	Operating Expenses	Net Income
Microsoft	2021	168,088,000	52,232,000	115,836,000	45,940,000	61,271,000

Microsoft	2020	143,015,000	46,078,000	96,937,000	43,978,000	44,281,000
Microsoft	2019	125,843,000	42,910,000	82,933,000	39,974,000	39,240,000

All numbers in USD thousands

Dell was founded in 1984 and creates, develops, and manufactures computers and other computer-related items which compete directly with the Apple MacBook. Dell produces IT hardware, software, and solutions that aid in the digital transformation process which is a marketplace that Apple is also a player in (WCS, 2021).

Company	Year	Revenue	COGS	Gross Profit	Operating Expenses	Net Income
Dell	2021	94,224,000	64,807,000	29,417,000	24,273,000	3,250,000
Dell	2020	92,154,000	63,221,000	28,933,000	26,311,000	4,616,000
Dell	2019	90,621,000	65,568,000	25,053,000	25,244,000	-2,310,000

All numbers in USD thousands

Lenovo a Chinese technology company founded in 1984, is the world's largest computer manufacturer. They are also the 7<sup>th</sup> largest smartphone manufactures. Lenovo has servers, storage systems, IT management software, tablets, smartphones, smart TVs, apps, and workstations are all part of Lenovo's portfolio (WCS, 2021).

Company	Year	Revenue	COGS	Gross Profit	Operating Expenses	Net Income
Lenovo	2021	60,742,312	50,974,425	9,767,887	7,587,480	1,210,839
Lenovo	2020	50,716,349	42,359,045	8,357,304	6,918,708	718,851
Lenovo	2019	51,037,943	43,667,299	7,370,644	6,192,827	650,103

All numbers in USD thousands

Huawei is a Chinese multinational corporation that was created in 1987 and specializes in information and communications technology, infrastructure, and smart products (WCS, 2021). Huawei sells smartphones, PCs, tablets, wearables, smart audio, smart screens, and virtual reality (VR) devices. Huawei is the third-largest smartphone manufacturer in the world, behind Apple and Samsung, with 15.2 percent of the global market (WCS, 2021).

Company	Year	Revenue	COGS	Gross Profit	Operating Expenses	Net Income
Huawei	2021	137,717	88,312	51,201	39,853	10,118
Huawei	2020	134,421	83,915	50,506	38,323	9,806
Huawei	2019	112,880	69,341	43,538	32,067	9,288

All numbers in USD thousands

HP is a computer corporation based in Palo Alto, California, that was founded in 1939. It is a provider of personal computers, various computer devices, as well as printers and related products. HP sells to individuals, small and medium businesses, and large corporations (WCS, 2021). Apple also sells its MacBook to individuals such as students and different size businesses.

Company	Year	Revenue	COGS	Gross Profit	Operating Expenses	Net Income
HP	2021	1,773,927	1,672,450	101,477	189,158	-494,497
HP	2020	2,798,490	2,371,389	427,101	221,883	-33,656
HP	2019	2,487,268	2,236,412	250,856	218,786	482,672

All numbers in USD thousands

**Which strategy does the company implement: cost leadership, differentiation, focus, or stuck in the middle?**

Apple Inc.'s strategy is differentiation. Differentiation strategy gives organizations a competitive advantage by making it stand out amongst its peers (Coulter, 2013). However, the corporation must actively penetrate markets to strengthen its application of this generic strategy for competitive advantage (MEYER, 2019). This approach is especially relevant in the developing countries in the world, where the corporation's information technology goods and services have restricted market reach compared to developed countries (MEYER, 2019).

Apple differentiates itself in the industry thanks to its differentiation strategy. Stylish product design and functionality, paired with high-end branding, effectively differentiate themselves in the marketplace (MEYER, 2019). Simply put, using this means that they strive

to differentiate themselves from rivals not by cost, but by fierce advantages based on their products that are visually appealing.

Apple's strategy sets it apart from other companies and continues to reach out to a wide and vast customer base. The company's products are made for everyone, allowing for wide market reach. Apple's MacBook product range, for example, is aimed toward both consumers and businesses (MEYER, 2019). As a result, the company's competitive advantage, leadership, and position as a high-end and high-value technological corporation are all aided by the strategy of broad differentiation (MEYER, 2019).

**Provide a successful or not successful strategy the company has implemented.**

One of Apple's major failures was when it tried to grow its business in India. Apple was having major growth problems and wanted to sell its products over in India which has one of the largest populations in the world to solve this issue. India is the world's largest untapped tech market, with 1.3 billion consumers. Only 24% of Indians own cell phones, yet the number of users is expanding faster than anywhere else in the world (Cohan, 2018).

Apple considered India to be a promising growth market. Apple began selling the iPhone in India in 2008, and by 2011, sales had surpassed \$100 million, rising to \$1 billion by 2015 (Cohan, 2018). By 2020, the goal for Apple was to raise that figure to \$5 billion. That objective has remained elusive. According to the Journal, Apple only made \$1.8 billion in India revenue, this fiscal year, which is less than half of the company's objective for the year (Cohan, 2018). Which leads us to the question, why did Apple fail? There are five main reasons why Apple fell short in its quest for market share growth in India.

The first reason is that the iPhone is overpriced. Many of the new smartphone users in India turned away from Apple because its products are too expensive. According to the Wall

Street Journal, over 75% of smartphones sold in India cost less than \$250 and are purchased through local, unaffiliated stores in the countryside, where most Indians live (Cohan, 2018). The iPhone 7 is Apple's cheapest phone in India, costing \$550, with phased-out iPhone SEs costing around \$250 (Cohan, 2018).

The second reason is the iPhone's battery life is not long enough. It was discovered that boosting battery efficiency is a critical product feature "because customers often work long days away from electrical outlets and spend hours traveling through India's dense traffic" (Cohan, 2018). The short battery life led consumers to choose products that had longer battery life to fit their needs and lifestyles.

The third reason is that in India there are no iPhone stores. Apple wants to create an official Apple Store in India, even though most Indian consumers do not buy cellphones in metropolitan locations. However, it failed because India mandates single-brand merchants with more than 51% foreign ownership to purchase at least 30% of their manufacturing components from Indian vendors (Cohan, 2018). Apple manufactures most iPhone components in Asia and has been unable to persuade the government to grant it a tax exemption (Cohan, 2018).

The fourth reason is that there is no manufacturing of the iPhone in Indian. Due to this, there is a twenty-percent tariff imposed on all products that are manufactured outside of India. Since Apple has its iPhones built in China, they are subject to tariffs, where Apple's rivals make their smartphones directly in India (Cohan, 2018). The tariff fees are passed on to their consumers, which makes their pricing higher than Apple's competitors.

The final reason that Apple failed its growth strategy in India is that it had severe management turnover. Since the year 2016 Apple had had over three different general



managers in India (Cohan, 2018). With the turnover in India, it was difficult for Apple to maintain momentum on key strategies as new leaders were continually having to be brought up to speed. Also, each general manager brought different strategies and philosophies to the table on what to pursue to achieve growth in India. This led to conflicting paths and plans that were needed to execute their strategy to achieve the needed growth.

**Description of human resources practices implemented by the company. (How do they attract future talent and retain current talent).**

Apple views human resource practices and methodologies as one of the main driving forces of their organization. They focus on recruiting talented and skilled employees as well as working to retain them. Several key philosophies and strategies lead to this, which will be discussed in greater detail as follows.

Firstly, Apple's strategy is to maintain a healthy work-life balance. The human resource management team at Apple is not only concerned with the company's work, but also with its employee's personal lives. Apple's goal has always been to strike a balance between work and personal life for its workers (Joseph, 2020). Apple employees enjoy the work they do because of the company's excellent healthcare programs and substantial annual vacations (Joseph, 2020). Due to this, they voluntarily are dedicating themselves to Apple's innovation.

Apple's next strategy is to increase the amount of workspace available for employees to completely flourish. Apple is at the forefront of developing application technology, and smart goods that many consumers across the world rely on (Joseph, 2020). To achieve this philosophy, Apple personnel must be innovative and constantly develop new ideas under the motto "Think Different" (Joseph, 2020). Apple's iconic founder Steve Jobs, once said, "It

doesn't make sense to hire smart people and then tell them what to do; we hire smart people so they can tell us what to do" (Joseph, 2020).

Apple's third strategy is to keep track of deadlines and productivity. The human resource managers at Apple make every effort to guarantee that staff finish duties on schedule. People are engaged when they are treated properly, have a sense of purpose within the firm, and have measurable goals (Coulter, 2013).

Overall, Apple supports a work-life balance and open workspace policy because it frees up their employees to come up with fresh ideas (Joseph, 2020). Apple is a forward-thinking company, so its policies are designed to encourage employees to come up with fresh ideas. While holding everyone at Apple accountable for their work. Furthermore, Apple places a greater emphasis on spiritual values such as care, compassion, and supporting others rather than on profits. Most essential, the managers at Apple constantly allow their employees to be innovative and think beyond the box. The most crucial job of a manager at Apple is to hire the right individuals for the position. Apple believes, if they want to continue to achieve their key strategies and continue to be a leader in the industry, then they need to invest in great people and retain their current talent.

### **Career opportunities available to the company.**

Apple currently has many different job openings for their organization. These openings include roles, marketing, design, operations, supply chain, sales, business development, retail, and corporate functions. As you can see these roles are around supporting three key areas, program design and development, sales, and supply chain management. As Apple mostly outsources its products, manufacturing roles are not a key

priority with Apple today. Rather than focus on developing new products, selling them, and managing their supplier base who manufactures products.

Soon there will be a very high demand for supply chain roles due to the supply chain issues that are currently impacting the semiconductor marketplace. Semiconductors are a key component that powers the iPhone. Apple will need supply chain employees to source components efficiently with dual sourcing as well as managing their suppliers to make sure products are delivered on time. This is just one example of components that Apple needs that are experiencing industry shortages. They will need similar roles to manage other critical components such as adhesive materials and glass for their iPhone and iPad. Today Apple has spent over 50 billion dollars with their supplier base. All of that spending needs to be managed by employees to make sure it's going to the right suppliers who give Apple top quality, cost, and delivery.

Apple will also need more future roles in design, engineering, and research and development. This is so that they continue to come up with and create new and better products and technology. Apple cannot rest on its laurels with the current products. Their competitors are working to take away Apple's market share. Apple must continue to invest in research and development by hiring the right creative engineering employees to continue to be the leader in their marketplace.

Apple will also need to hire cloud computing roles. Today, Apple runs a big internet operation, inclusive of the iCloud file storage service, the App Store, Apple Music, Apple TV+, and its eCommerce site. For Apple to compete in this marketplace with their competitors, they must hire employees who have experience and knowledge in cloud computing

### **Are there any controversies or issues that the company has faced?**

Apple, while being one of the largest and most admired firms, has never been without controversy. Examples of this include clashes with rival enterprises and government to workplace critiques that will be discussed more in-depth as follows.

Apple has had a long legal battle with competitor Samsung. Apple has filed patent infringement lawsuits and countersuits over the Samsung copying of smartphone design. Due to this Apple has tried to get Samsung phones withdrawn out of the United States marketplace.

With the release of iOS 4, Apple created a stir on both the iPhone and iPad by prohibiting the use of programs written in coding languages not approved by Apple. Adobe Flash was one of these. That meant that the Adobe software which powered many animations and videos on websites would not work on Apple's mobile devices. Adobe deemed this as anti-competitive. If they wanted their material to be seen by Apple consumers, many developers were forced to reconsider utilizing the app.

The most serious issue is Apple's legal dispute with Epic Games, the creators of "Fortnite," over App Store fees and a requirement that select developers utilize Apple's proprietary payment system (Howley, 2021). The outcome of the case could have a significant impact on how Apple operates its digital store. Apple's antitrust battle with Epic maybe its most existential threat. The program founder of Fortnite filed a lawsuit against Apple in 2020. Arguing that the company's Software Store payment structure and restrictions on third-party app shops violated antitrust laws (Howley, 2021). Epic says that Apple's approach requiring developers to utilize its payment system, which charges a 30% commission, is harming consumers (Howley, 2021). Apple's App Store creates billions of

dollars in sales each year, and developers such as Epic have long chastised Apple for charging a 30% fee on every transaction made through the store.

Several different government offices investigated Apple. The FBI and the US government were Apple's most recent adversaries. The latter requested that the US Department of Justice compel Apple to assist law enforcement in unlocking a terror suspect's iPhone. Apple declined based on privacy, claiming that any work done to weaken encryption on this one device may be applied elsewhere, compromising iPhone security overall (Howley, 2021).

Apart from antitrust concerns, Apple has received criticism for its proposed child protection software, which will monitor users' iCloud accounts for photographs of child sexual abuse material (Howley, 2021). Privacy and free speech groups are concerned that authoritarian governments could use the tool to track out political opponents and demonstrators. For years, Apple has emphasized privacy as a core feature of its products, promoting its capabilities and rules in television commercials and billboards around the world (Howley, 2021).

However, Apple has recently come under fire for its plans to examine customers' iCloud accounts for photographs of child sexual abuse. While the removal of such content is commendable, privacy and cybersecurity experts warn the procedure exposed Apple to possible abuse by authoritarian countries such as China's Communist Party (Howley, 2021). Apple's strategy, according to cybersecurity experts, might enable such countries to track down dissidents by requiring Apple to search for more materials, including protest material.

Apple device production assembly is by contractors in China, specifically Foxconn. Multiple investigations have found that employees are pushed to labor in "sweatshop

conditions," with further reports of deaths tied to fatigued employees emerging in 2010.

Apple has subsequently instituted yearly auditing to oversee working and living conditions, though some people are still concerned.

### **Does the company give back to the community in any form?**

Apple supports the community through many various outreach programs, both domestically and internationally. Apple makes it a priority to give back to the community financially and through employee volunteer programs. Going back to the year 2011, Apple had raised over 600 million dollars, supported over 34 thousand organizations, and volunteered over one point six million hours. Apple doubles every volunteer hour or dollar donated by an employee with a pecuniary donation to the same organization. This is in addition to the annual corporate donations made by Apple's Community Investment team to organizations such as Feeding America, FIRST, Malala Fund, Simplon, and others (Howley, 2021).

Apple funds a multimillion-dollar annual grant program each year. This grant program supports various groups where Apple employees reside and work. Apple also gives roughly 5 million dollars during the Christmas season. This is to support a variety of global organizations that are assisting families and communities throughout the world for a variety of issues.

Apples also participate in the ConnectED initiative. They have been participating in this since 2014 by committing \$100 million to 114 impoverished schools across the country for teaching and learning solutions. Students in the class got an Apple tablet and the teachers at the school were given Apple computers. Apple also developed and instituted an extended learning program. The program has courses and classes in subjects such as planning,

professional development, and continuing support. This is so that all the schools can also take advantage of Apples technology transformation ability.

## **Conclusion**

Apple's key strategic plans that they choose to pursue and develop will play a significant role in the amount of success they hope to achieve and attain. However, Apple is likely to face stiff competition in the electronic device manufacturing industry as many companies are offering similar products. However, based on its economies of scale and brand identity it could leverage its resources and successfully continue to venture its current and new products into the marketplace. Apple must rely on its key strategic plans and formulas that were discussed in this paper for its organization.

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