

APPLE INC.

STRATEGIC PLAN



Strategic Plan

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BUS3525-OL16[1545]

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Mohamed Badr**Chief Executive Officer**

Annual Income: \$ 3 million

The Chief Executive Officer is responsible for taking a decision, planning long-term plans, and setting the company policy. He also sometimes serves as a board of directors and as the company's public face. Mohamed is responsible for the Apple Logo, history of the firm, vision & mission statements, and SWOT analysis.

Lu Yang Dong
Operations**Senior Vice President**

Annual Income: \$ 364,000

As the senior vice president of operations, Lu has played an important role in planning and product fulfillment functions for the company. He is responsible for the action plan of the company.

Mausam Mahara**Vice President Worldwide Communication**

Annual Income: \$ 535,016

He is responsible for Apple's global communication strategy, leading the public relations team as well as team communications. Mahara also did the part on the history of the firm, and the table of contents, as well as the communication with the team members, to collect drafts and merge them into the final project. He gave an aesthetic look.

Luis Partella
Marketing**Chief Financial Officer and Senior vice president Worldwide**

Annual Income: \$ 1 million

The CFO tracks the financing process of the company. He tracks the financial strength, weakness, and cash flow of the company. He is also responsible to report what he finds out to the CEO. And as a Worldwide Marketer, he produced customer-loved products. He is also responsible to do the service and products the company provides, the salaries of the employees, and budgets.

Okikijesu S. Ogunyemi**Vice President of Corporate Development**

Annual Income: \$ 1 million

He is responsible for strategic investment efforts. He oversees the successful integration of vital technologies and new businesses across hardware, software, and services. Ogunyemi did the critical success factors, goals, strategies, and objectives.

Apple Inc. is a multinational American technology company specializing in consumer electronics, software, and online services. Apple was founded as Apple Computer Company on April 1, 1976, by Steve Jobs, Steve Wozniak, and Ronald Wayne in Los Altos, California to develop and sell Wozniak's Apple I personal computer. Those three founded the company, in Steve's parent's garage due to a lack of financial hardship. "Steve Jobs sold his only motorized means of transportation, a VW Bus, for a hundred dollars, and Wozniak sold his HP-65 calculator for the US \$500 (in total equivalent to \$2381 in 2021) (Wikipedia). They sold whatever they own to be able to fund their company. Later, in 1977, it was incorporated by Jobs and Wozniak as Apple Computer Inc. to develop its best-selling computer called Apple II. Jobs wanted to create a large company and consulted with Mike Markkula retired electronics engineer who had managed marketing for Intel Corporation and Fairchild Semiconductor. Chairman Markkula bought one-third of the company for \$250,000, helped Jobs with the business plan, and in 1977 hired Mike Scott as president. Wozniak worked for Apple full time in his engineering capacity.

Jobs recruited Regis McKenna, owner of one of the most successful advertising and public relations firms in Silicon Valley, to devise an advertising strategy for the company. McKenna designed the Apple logo and began advertising personal computers in consumer magazines. Apple's professional marketing team placed the Apple II in retail stores, and by June 1977, annual sales reached \$1 million. It was the first microcomputer to use color graphics, with a television set as the screen.



Figure 2: Steve jobs parent's garage, California

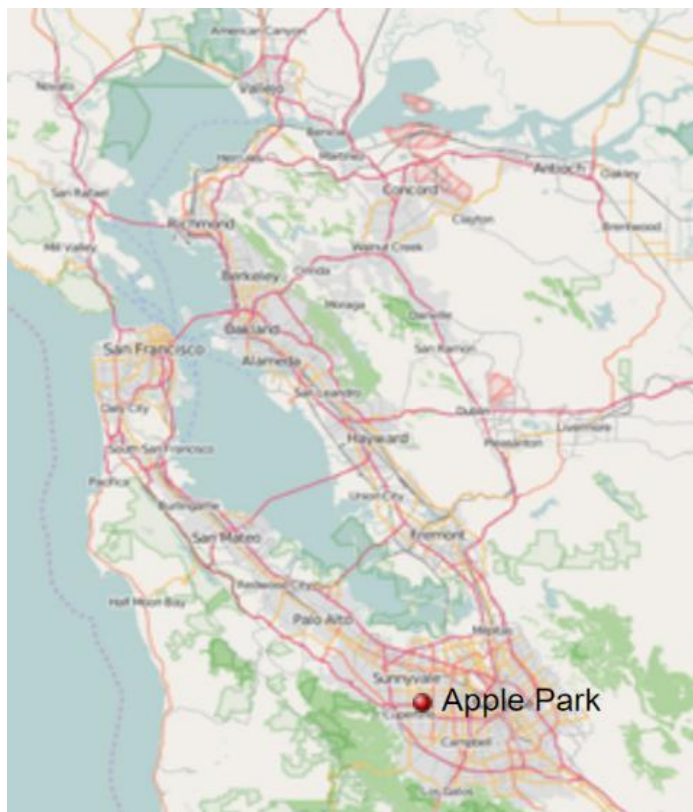
Apple Inc. is a company that designs, manufactures, and markets mobile communications and media devices, personal computers, and portable digital music players as well. Apple Inc. sells a variety of services, peripherals, applications, software like iOS and Mac OS X operating systems,

iCloud, supports, and products like iPhone, iPad, Mac, iPod, Apple TV, and other supports as well.

Apple Park is the corporate headquarters of Apple Inc., which is in Cupertino, California, United States.

Headquarters: 1 Apple Park Way Cupertino, California, United States

Zip code: 95014



Location of Apple's headquarter in Google maps

Steve Jobs was asked at the conference in 1976 about why he chose the company to be named “Apple”. And he responded that the apple is his favorite fruit. Not just this, he added that he chose that name for simplicity. Apple’s name is simple and easy for the public. However, the first logo was expected. It started with this logo. Ronald Wayne, Steve jobs partner, wanted to share his thoughts about the contribution of the apple to humanity. He wanted to represent the law of gravity that is inspired by an apple. He seems to be influenced by the great Isaac Newton when the apple falls on his head.



Figure 3: This photo resembles the first logo of apple company. *Truly, it doesn't look like an Apple or its physical shape, but this is how it started.*

However, Steve Jobs was not in agreement with Ronald Wayne. He thought that this old logo doesn't fit the company well. It is simply an old fashion. As a result, Jobs hired Rob Janoff, who then created the now classic and world-renowned logo of the bitten apple.

Steve jobs wants a good logo for his apple computer, so he did is that he made a meeting with Rob and as a result, Rob Janoff replied: “It was very simple really. I just bought a bunch of apples, put them in a bowl, and drew them for a week or so to simplify the shape.” Janoff thought that he should add a “rainbow-striped” apple through the second logo. He thought about this idea since the computer Apple II, was the world's first computer with a color display feature. So, he drew this logo below:



Figure 4: This picture represents Rob's idea of the first computer in the world that has a color display. He thinks that this rainbow points to this computer.

However, Steve Jobs didn't like the logo as he wanted green on the top instead of those rainbows. Because this is what the leaf looks like. He also added the feature of the bitten apple to differentiate it from a cherry fruit. Finally, the logo got approved by Steve Jobs. This logo stayed for 22 years till Steve returned to apple in 1997 and decided to change it again. He hated for things to stay constant, he always sought change. And he changes the rainbow apple to the image displayed below. He felt the rainbow apple looked "silly" and "childish".



Figure 5: This photo shows the third logo Apple company has. Jobs liked this logo since it has metallic look which is found in most of his products.

Again, Steve Jobs felt that the logo needed to change. He had just released his blue mac and felt that the logo needs to change. As a result, he changed it to Blue.



Figure 6: Steve changed the firm logo to blue since he wanted his mac color to be matching the company logo.

Below there is a picture of the Mac photo.



Figure 7: This shows the reason Apple changes its logo to blue.

However, the products are in continuous change. So, during the period 1998 - 2000's, Steve changed his apple logo to a black monochrome that is more universal and reserved.



Figure 8: This picture represents the newer version of the logo. It represents the growth of the company through thick and thin. And it shows also that it's the leading company in modern technology.

He wanted everybody to think-- but thinking differently. So, he asked Janoff to do a new logo with the word below "Think Different" but with minimal size this time.



Figure 9: This image shows another logo change while apple was being managed by Steve Jobs.

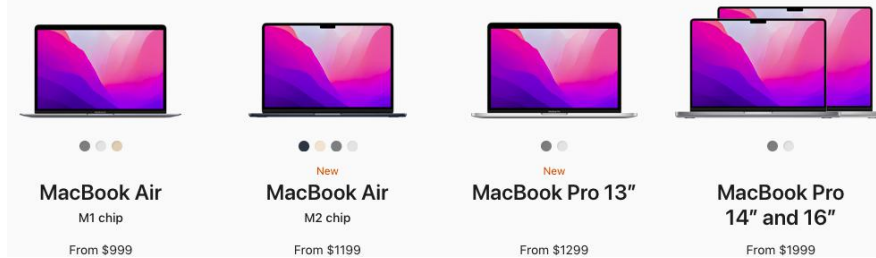
He added the word "think different" so that people change their way of thinking. He wanted all people to keep thinking till they get the best results from what they do.

Mac (Notebook/Desktop)

Apple offers personal computers, Macintosh, since 1984. (Currently abbreviated as Mac) Apple designed its computers for all users, including students, children, casual users, and business professional users.

Desktop

- o **iMac 24"**
- o **Mac mini** (without monitor)
- o **Mac Studio** (without monitor)
- o **Mac Pro** (without monitor)

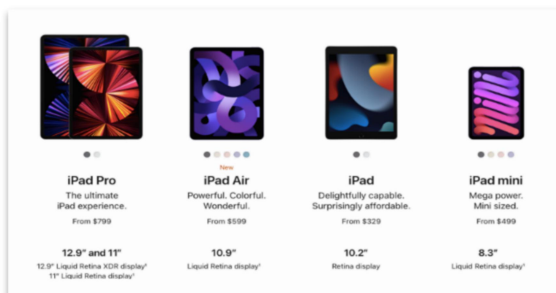


Notebook:

- **MacBook Air (M1 Chip)**
- **MacBook Air (M2 Chip)**
- **MacBook Pro (13")**
- **MacBook Pro (14 & 16")**

iPad (Tablet)

Apple offers a variety of tablets (iPad). The original iPad debuted in 2010. This portable touchscreen device can be used for browsing the web, listening to music, watching movies, reading e-books, and playing games, among other things.

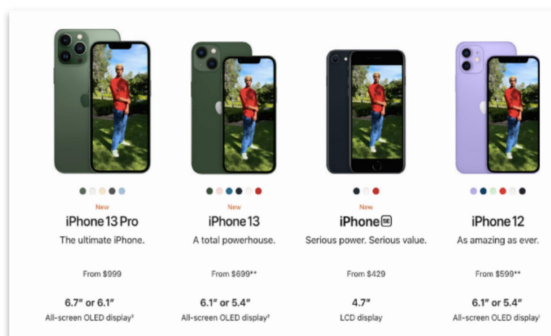


Product Lineup:

iPad Pro (12.9" & 11"
iPad Air (10.9")
iPad (10.2")
iPad Mini (8.3")

iPhone

The iPhone is a smartphone that combines a computer, iPod, digital camera, and cellular phone into one device with a touch screen interface. The first-generation iPhone was released in 2007. Currently, Apple offers a variety of smartphones targeting all consumers that prefers a bigger screen to a pocket-size phone.



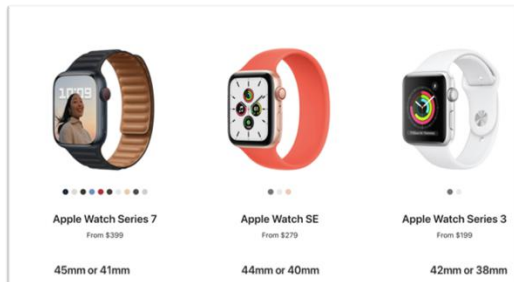
Product Lineup:

iPhone 13 Pro (6.7" & 6.1") *current/latest*
iPhone 13 (6.1" & 5.4") *current/latest non-Pro*
iPhone SE (4.7") *Budget Friendly*

iPhone 12 (6.1" & 5.4") *Non-Pro Previous Generation*

Apple Watch

Apple Watch is a wearable smartwatch with fitness tracking and health-oriented capabilities. Also, it allows users to accomplish a variety of tasks, such as contactless payments, remote controlling other Apple devices (iPhone, smart home devices), and communication (text and call).

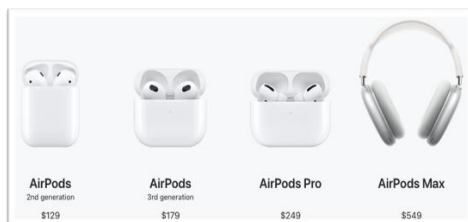


Product Lineup:

- **Apple Watch Series 7** (*current/latest*) Swim-proof Most crack-resistant front crystal, Certified IP6X dust resistant
- **Apple Watch SE** (*Budget Friendly*) Swim proof
- **Apple Watch Series 7** (*Previous Generation*) Swim proof

Air Pods

In 2016 Apple introduced the Apple headphones/earbuds (Air pods). The Air Pods are wireless Bluetooth earbuds. The Air pod is one of the most innovative earbuds in which in addition to playing audio, it contains a microphone that filters out background noise as well as built-in accelerometers and optical sensors capable of detecting taps and pinches to pause audio and placement within the ear, which enables automatic pausing of audio when they are taken out.



Product Lineup:

- **Air Pods 2nd Generation** (*Up to 5 hours of listening time with a single charge*)
- **Air Pods 3rd Generation** (*Up to 6 hours of listening time with a single charge & Sweat and Water Resistant*)
- **Air Pods Pro** (*Up to 4.5 hours of listening time with a single charge, Sweat, and Water Resistant & Active Noise Cancellation*)

STRENGTHS

- a. Founded by three smart people who all can share their ideas to build their new company.
- b. Provide products that look very existing to the consumers.
- c. Apple hires professional people with very good salaries.
- d. With its unique products, the company grew and grew till its economic budget (408\$ billion) became as large as a country's economic budget.

WEAKNESS

- a. Whether the product is an iPhone, iPad, or MAC computer, its price is very high.
- b. Began with a very limited amount of budget and no support from others which equals 2,000\$ as of 2021.
- c. The company creator Steve jobs died and maybe his policy is not achieved by his successors.

OPPORTUNITIES

- a. Apple is invited to open its store in any country due to its popular demand as it will try to expand its industry in Africa and the Middle East.
- b. Any graduate wants to work at apple due to its brand name and its competitive salary and thus apple will continue to grow because of its creative workers.
- c. According to Forbes, Apple smart wearable devices will double by the year 2022. It will become a \$27 billion+ market with 233-million-unit sales.
- d. An application in the apple watch can increase its sales a lot just because it monitors the patient heartbeat and oxygen level.

THREADS

- a. With its competitors and the continuous evolution of the technology of companies such as Samsung, Intel, and Microsoft-- no company will just watch Apple take over the market shares itself.
- b. The US government has imposed a higher tariff on imports from China, increasing the overall cost of the products.

- c. Some lawsuits have been filed against Apple since their older iPhone batteries have defects and thus could damage the firm's reputation.

Mission Statement: *“to bring the best personal computing products and support to students, educators, designers, scientists, engineers, businesspersons, and consumers in over 140 countries around the world.”*

This means that Apple's company goal is to provide the best computers and support whoever uses them. Such that it targets whoever uses a computer to use an Apple computer, it also points out that it is planning to be the dominant computer company in 140 countries. So, the goal of Apple is to be a multinational company, not just dominant within the US or some countries.

Vision Statement: *“to make the best products on earth, and to leave the world better than we found it.”*

This means that Apple's long-term goal is to provide the products that are the best and leave the world better than they found. I believe within this statement; they hope for better communication and better connection with people. They also aim to provide products with overall zero pollution.

To make great products and services that enrich people's lives and to provide an unparalleled customer experience so that our users are highly satisfied, loyal, and engaged.

- i. To bring the best personal computing experience to students, educators, creative professionals, and consumers around the world through its innovative hardware, software, and internet offers.
- ii. To engage the five core values that guide the company's operational and production standards: accessibility, education, environment, inclusion and diversity, privacy, and supplier responsibility.
- iii. To maximize shareholder wealth, profit, and sales.

- i. Focus on product design and functionality
- ii. Strengthening Apple's ecosystem
- iii. Improving consumer service experience
- iv. Reducing the business's reliance on iPhone sales

Apple is a technology company that is committed to delivering the most advanced and in-demand products to our customers. We intend to build our digital ecosystem. In Apple's digital ecosystem, various networks, devices, and software can connect, transmit together, and take advantage of each other. Also, in this ecosystem, user privacy is protected, and iCloud stores your photos, files, notes, passwords, and other data securely in the cloud and automatically keeps them up to date on all your devices. Apple's ecosystem goal is to provide a better user experience and develop more features that make every customer feel valuable from services and products.

To achieve this goal, this will be laid out in 3 phases:

Phase 1: Hardware

- a. Have a variety of equipment to meet consumer demand, such as iPhone, Mac, iPad, watch, Bluetooth, etc.
- b. Every device can connect and share an Apple ID, and customers only need one Apple ID to control and share information on their devices.



Figure 10: Apple's Products

Phase 2: Software

- a. Create the default app that consumer all needs, such as Messages, Calendar, Photos, Camera, Weather, Clock, Maps, Videos, Notes, Reminders, Stocks, Game Center, Newsstand, iTunes Store, App Store, iBooks, Health, Passbook, Settings, Phone, Mail, Safari, Music, Podcasts, Voice Memos, Tips, and Apple Watch.
- b. Create a remote server(iCloud), where users can store data such as documents, photos, and music. Share the data with other devices and manage their devices.

Phase 3

- a. Apple retail store should provide an appointment for repair or replace and deliver great customer service for those who need it.
- b. Provide the most comprehensive online support services. That includes software updates and utilities, technical support, and product information 24 hours per day and 7 days a week.

Ahead of the Curve - This principle of always staying ahead of the competition by designing and producing products that are to be released years into the future has set Apple apart from most companies.

Improvements and Branding - With every new Apple product, there is some technological advancement that was not seen in the previous model of that product.

Quality Products - Apple's obsession with perfection makes it so that its issues are virtually non-existent. Each product is tested by experts hundreds of times before it is finally approved for mass production and launching.

Range of Products - Apple has been consistently releasing a wide variety of products over the years ranging from phones, laptops, watches, and more that are steadily expanding. Word on the street is speaking of the potential production of Apple Cameras and even an Apple car. Though Apple holds no technology not already existing in the market, their customers still eagerly await the launch of their newest products simply because Apple just does it better.

A fiscal year is October-September. All values USD Millions.	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21
Sales/Revenue	97,278	123,945	83,360	81,494	89,898
Sales Growth	-21.52%	48.69%	2.29%	-9.35%	-
Cost of Goods Sold (COGS) incl. D&A	54,719	69,702	48,186	46,078	51,099
COGS excluding D&A	51,982	67,005	45,197	43,246	48,302
Depreciation & Amortization Expense	2,737	2,697	2,989	2,832	2,797
Depreciation	2,737	2,697	2,989	2,832	2,797
COGS Growth	-21.50%	44.65%	4.57%	-9.83%	-
Gross Income	42,559	54,243	35,174	35,416	38,799
Gross Income Growth	-21.54%	54.21%	-0.68%	-8.72%	-
Gross Profit Margin	41.78%	-	-	-	-
SG&A Expense	12,580	12,755	11,388	11,129	10,576
Research & Development	6,387	6,306	5,772	5,717	5,262
Other SG&A	-	-	5,616	5,412	5,314
SGA Growth	-1.37%	12.00%	2.33%	5.23%	-

Unusual Expense	-	-	-	-57	-60
Non-Operating Income/Expense	151	-203	-525	-29	-320
Non-Operating Interest Income	700	650	659	719	718
Interest Expense	691	694	672	665	670
Interest Expense Growth	-0.43%	3.27%	1.05%	-0.75%	-
Gross Interest Expense	691	694	672	665	670
Pretax Income	30,139	41,241	23,248	24,369	28,011
Pretax Income Growth	-26.92%	77.40%	-4.60%	-13.00%	-
Pretax Margin	29.85%	-	-	-	-
Income Tax	5,129	6,611	2,697	2,625	4,381
Consolidated Net Income	25,010	34,630	20,551	21,744	23,630
Net Income	25,010	34,630	20,551	21,744	23,630
Net Income Growth	-27.78%	68.51%	-5.49%	-7.98%	-
Net Margin	25.88%	-	-	-	-
Net Income After Extraordinaries	25,010	34,630	20,551	21,744	23,630
Net Income Available to Common	25,010	34,630	20,551	21,744	23,630
EPS (Basic)	1.52	2.1	1.24	1.3	1.4
EPS (Basic) Growth	-27.27%	69.69%	-4.65%	-7.17%	-
Basic Shares Outstanding	16,279	16,392	16,487	16,629	16,753
EPS (Diluted)	-	-	1.24	1.3	1.4
EPS (Diluted) Growth	-	0.00%	-4.65%	-7.17%	-
Diluted Shares Outstanding	16,403	16,519	16,635	16,782	16,929
EBITDA	32,716	44,185	26,775	27,119	31,020

EBITDA Growth	-25.96%	65.02%	-1.27%	-12.58%	-
EBITDA Margin	32.87%	-	-	-	-

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