

# Apple Inc.



Think different.





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Overview

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## Company History

- 1976 - Apple was founded by college dropouts Steve Jobs and Steve Wozniak
- 1980 - Apple went public
- 1985 - Jobs left after tumultuous struggles with then CEO Sculley, and founded NeXT
- 2000 - Jobs became the CEO
- 2001 - Introduced a digital music player, the iPod
- 2007 - Apple Computers Inc. became Apple Inc. , unveiled the iPhone.



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## Company Key Facts

- Apple has 4 main divisions:
  - Laptop and personal computer division
  - Music Division
  - Video and Sound division
  - Wireless network and Accessories Division
- Net income in 2006 was \$1,989 million
- Currently has an approximate of 17,787 employees



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Company Vision Statements

## **VISION STATEMENT (Most Recent)**

“An Apple computer on every desk” – Steve Jobs

## **VISION STATEMENT (Proposed)**

To be the global leader in the consumer electronics industry .



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Company Mission Statement

## MISSION STATEMENT (Actual)

Apple ignited the personal computer revolution in the 1970s with the Apple II and reinvented the personal computer in the 1980s with the Macintosh. Today, Apple continues to lead the industry in innovation with its award-winning computers, OS X operating system and iLife and professional applications. Apple is also spearheading the digital media revolution with its iPod portable music and video players and iTunes online store, and has entered the mobile phone market this year with its revolutionary iPhone.



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## Mission Statement Evaluation Matrix

*Customers*

*Products  
Services*

*Markets*

*Concern for  
Survival, Growth,  
Profitability*

*Technology*

NO

YES

YES

NO

YES



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Company Mission Statement

## MISSION STATEMENT (Proposed)

At Apple, we will not only continue to provide revolutionary and innovative products to the consumer electronics industry like the iPod and the iPhone, but we will also make every effort to give back to society while recognizing our responsibility as a global citizen who strives to reduce the environmental impact of the work we do and the products we create. Additionally,



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## Strengths, Weaknesses, Opportunities, and Threats Analysis

### Strengths

- Brand Name
- Growing sale of iPod , iTunes and iPhone
- Low Debt
- Wide rage of innovative products
- Increase in number of retail stores
- Market Share and Global expansion

### Weaknesses

- Legal Proceedings
- Market share in personal computer
- No immediate revenue reflection from iPhone sale
- European Market Criticism for iTunes
- High Pricing for products

### Opportunities

- Competitors Offer Wider Product Line
- Expansion of Retail Stores for Customer Convenience
- Participate in Joint Ventures
- Make Easy to Use Products for Upcoming Retirees

### Threats

- Competitors' Technology and Pricing
- Low Compatibility with Non-Apple Products
- Less Global Coverage Compared to Competitors
- Substitution





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## External Factor Evaluation Matrix

KEY EXTERNAL FACTORS	WEIGHT	RATING	WEIGHTED SCORE
<b><i>Opportunities</i></b>			
1. Competitors Offer Wider Product Line	0.10	3	0.30
2. Expansion of Retail Stores for Customer Convenience	0.05	3	0.15
3. Participate in Joint Ventures	0.20	4	0.80
4. Make Easy to Use Products for Upcoming Retirees	0.09	1	0.09
<b><i>Threats</i></b>			
5. Competitors' Technology and Pricing	0.25	3	0.75
6. Low Compatibility with Non-Apple Products	0.12	3	0.36
7. Less Global Coverage Compared to Competitors	0.07	2	0.14
8. Substitution	0.12	2	0.24
<b>Total</b>	<b>1</b>		<b>2.83</b>



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## Competitive Profile Matrix

Critical Success Factors	Weight	Apple		Dell		HP	
		Rating	Score	Rating	Score	Rating	Score
Market Share	0.12	3	0.36	4	0.48	3	0.36
Compatability	0.13	3	0.39	3	0.39	3	0.39
Innovation	0.13	4	0.52	3	0.39	3	0.39
Management	0.12	4	0.48	2	0.24	2	0.24
Price Competiveness	0.09	2	0.18	3	0.27	3	0.27
Product Quality	0.13	4	0.52	2	0.26	2	0.26
Consumer Loyalty	0.11	3	0.33	3	0.33	3	0.33
Financial Position	0.09	2	0.18	3	0.27	2	0.18
E-commerce	0.08	2	0.16	4	0.32	3	0.24
<b>Total</b>	<b>1.00</b>		<b>3.12</b>		<b>2.95</b>		<b>2.66</b>



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<b>Innovation</b>	0.13	<b>4</b>	<b>0.52</b>	3	0.39	3	0.39
<b>Management</b>	0.12	<b>4</b>	<b>0.48</b>	2	0.24	2	0.24
Price Competiveness	0.09	2	0.18	3	0.27	3	0.27
<b>Product Quality</b>	0.13	<b>4</b>	<b>0.52</b>	2	0.26	2	0.26
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## Internal Factor Evaluation Matrix

Key Internal Factors	Weight	Rating	Weighted Score
<b>Strengths</b>			
Brand Name	0.12	4	0.48
Growing sale of ipod , iTunes and iPhone	0.12	4	0.48
Low Debt	0.13	4	0.52
Wide rage of innovative products	0.11	3	0.33
Increase in number of retail stores	0.09	3	0.27
Market Share and Global expansion	0.09	3	0.27
<b>Weakness</b>			
Legal Proceedings	0.05	2	0.10
Market share in personal computer	0.08	2	0.16
No immediate revenue reflection from iphone sale	0.05	2	0.10
European Market Criticism for iTunes	0.09	1	0.09
High Pricing for products	0.07	2	0.14
<b>Total</b>	<b>1</b>		<b>2.94</b>

Rating 1= major weakness, Rating 2= minor weakness, Rating 3 =minor strength, Rating 4 = major strength



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Legal Proceedings	0.05	2	0.10
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High Pricing for products	0.07	2	0.14
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## Financial Ratio Analysis

Basic Financial Ratios	Apple Inc	Dell Computer	Hewlett Packard
Return on Shareholders Equity (%)	19.92%	86.50%	16.25%
Current Ratio	2.24	1.11	1.24
Net Profit Margin (%)	10.30%	6.40%	6.80%
Total Asset Turnover	1.12	2.42	1.12
Debt to Equity Ratio (%)	7.50%	74%	20.94%



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Total Asset Turnover	1.12	2.42	1.12
Debt to Equity Ratio (%)	7.50%	74%	20.94%