

Apple Inc.

Name

Institution

## Apple Inc.

Apple Inc. is among the leading technology companies in the global market, and it is famed for its iPhone smartphone. Besides this device, the corporation sells computers, smartwatches, smart TVs, and digital services. The organization has been considered an excellent performer in the market since the introduction of the iPhone. However, the growth rate has declined in recent years; this has raised concern among its shareholders.

Apple's internal environment is optimized to ensure that its resources are utilized in a productive and efficient manner; thus, it maintains low operation costs and high productivity (Apple Inc., 2019). Its mission and vision are aligned strategically to ensure that the firm's goals are met. In addition, the organizational structure of the company is flat to minimize the number of positions in the hierarchy from the bottom to the top (Bhasin, 2019). Such an arrangement is poised to limit the distance that information travels. Furthermore, communication within the company is quite efficient, since a two-way approach has been instituted to ensure that information from both the top and the bottom of the organization reaches the desired persons (Bhasin, 2019). Importantly, leadership at Apple has been visionary under the current CEO, Tim Cook, who took over from Steve Jobs (Apple Inc., 2019). However, Job's innovativeness is still missing in the firm, and the number of innovative products introduced under the new leadership has noticeably declined.

Notably, the external environment in the industry has been moderately conducive since a few events have affected the performance of the company's products on the market. Politics has been one of the most impactful areas for the organization, as the trade war between China and the United States may affect its revenue in cases where the latter nation decides to impose

punitive tariffs on its products (Apple Inc., 2019). Moreover, the environment has also had an impact on the company's performance due to an increased demand for green technology in the industry. However, the main issue the company faces is its dependency on iPhone sales for revenue (Feiner, 2019). In the last three years, 60% of the company's revenue was obtained from the sale of this product (Booton, 2019). Changes ought to be made to protect the firm from future uncertainty.

To address the issues, the organization should explore certain alternatives to guarantee its survival in the highly competitive technology market. First, Apple should consider establishing an independent research and development (R&D) department for the role of developing new technology. Dedicating resources to help cultivate this idea would accelerate the process of introducing new products to the sector. The management needs to take a visionary approach to the market to ensure that innovative products with market viability are developed within a short period to match those of rival companies. Alternatively, Apple should search for a company with a potentially disruptive idea and acquire its technology. Using its resources and brand equity, the organization can grow the product within a short time and use it to supplement the earnings made from iPhones. Another alternative to addressing the current challenge involves the creation of an innovative climate in the workplace. Policies and programs should be developed to encourage and support workers' creativity. The sharing of new ideas is likely to result in the introduction of a competitive product under the brand's name.

The best approach in the current market would be to acquire a company with products that have the potential of causing a market disruption in the industry. Since Apple has the resources to make this move, the management should scout for an organization with such

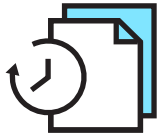
potential and purchase it. This approach is likely to reduce the risk of introducing completely new products to the market. In addition, the strategy takes a shorter time to implement, which would enable the company to recoup money and other resources that were expended in developing new products. Several options exist in the market, which could allow the firm to make a swift and effective transition from its iPhone dependency. The achievement or failure of this approach can be determined using several metrics. First, the payback period should be evaluated to ensure that the capital invested is recouped with a short period (Berenson, Koppel, Lord, & Chapdelaine, 2018). Secondly, the return on investment of the acquired technology should be positive for the project to be considered viable (Berenson et al., 2018). Thirdly, the net present value of the program should be calculated to determine if the acquisition of the new firm will have any benefits in the future (Berenson et al., 2018). Several of these metrics should be combined to provide an accurate analysis of the information.

Apple Inc. needs to move swiftly to adjust to the changes in its sector. The current level of dependency may have a negative impact in the future due to new technologies or saturation of their product in the market. Therefore, the company should consider investing in R&D, creating an innovative environment at the firm, or acquiring a new organization. However, the most viable alternative is acquiring an existing organization, since its products have already been exposed to the market. Changes in the market demand that the company takes precautionary measures to cushion itself from uncertainties.

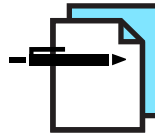
## References

- Apple Inc. (2019). *Annual report, 2018*. Retrieved from [https://s2.q4cdn.com/470004039/files/doc\\_financials/2018/q4/10-K-2018-\(As-Filed\).pdf](https://s2.q4cdn.com/470004039/files/doc_financials/2018/q4/10-K-2018-(As-Filed).pdf)
- Berenson, M. L., Koppel, N. B., Lord, R. A., & Chapdelaine, L. L. (2018). Using Financial Investment Measures to Proactively Engage Students in the Introductory Business Statistics Course. *Journal of Statistics Education*, 26(1), 17-30. Retrieved from <https://www.tandfonline.com/doi/abs/10.1080/10691898.2018.1426399>
- Bhasin, H. (2019). What are the different types of business environment? *Marketing91*. Retrieved from <https://www.marketing91.com/types-of-business-environment/>
- Booton, J. (2019). iPhones account for almost 70% of Apple revenue. *Market Watch*. <https://www.marketwatch.com/story/is-apple-too-dependent-on-the-iphone-2015-01-27>
- Feiner, L. (2019). Apple has been trying to persuade investors to focus less on iPhone sales — and it may finally be working. *CNBC*. <https://www.cnbc.com/2019/01/30/apple-reports-services-margins-along-weaker-iphone-sales-for-q1-2019.html>

## Get custom paper, written according to your instructions



**Round-the-clock delivery**



**Professional writers**



**Plagiarism-free papers**

[Order now](#)

[Custom writing](#)