Question #2

The organization I selected for this assignment is Apple Incorporated, formerly known as Apple Computer, Inc. The company was founded by Steve Jobs and Steve Wozniak in 1976. The strategy of Apple is working because in the last decade it has evolved as an undisputed leader in various segments of consumer information technology industry, from digital music player, smartphone or Tablet. The company has also been making great strides in its computing business as people are increasingly adopting Mac platform for their computing needs. The company's profitability, market share and market capitalization in the capital markets have grown tremendously.

SWOT Analysis of Apple:

**Strengths:**

1) Extremely strong brand reputation and goodwill as an innovative manufacturer of world class, smartly designed and high quality consumer electronics products.

2) Self-sufficient by creating the internal components for its computers.

3) World class product portfolio and capability to introduce new, innovative products on a regular basis due to strong Research and Development capability.

4) Highest stock prices in the personal computer industry, coupled with the capability of acquiring any firm that could enhance the company’s value.

5) Efficient and highly respected by consumers for its customer service.

**Weaknesses:**

1) The task of ensuring consistency and quality within its products; as advances are made in technology.

2) The company's product has been priced at a premium in the market, thereby denying many potential customers to purchase the products.

3) With many companies creating similar products, it is imperative to remain competitive by solving technological errors in their devices.

2) Apple recently lost its founder and extraordinary leader Steve Jobs which has created a vacuum at the top level in terms of leadership.

**Opportunities:**

1) Significant growth opportunities exist for Apple in various segments of the consumer electronics segment. The growing demand for smartphones, tablets, etc., especially in emerging markets, has resulted in strong revenue generating opportunities for Apple.

2) Apple can tap into newer segments of the consumer electronics segment by leveraging on its strong R&D capabilities, brand reputation and distribution network. The company launched its own chain of retail stores, thereby allowing them to reach directly to the customers.

**Threats:**

1) Significant competitive threats exist in the market from other established players such as Samsung, Hewlett-Packard and Dell. The company has been losing significant sales and market share to Android smartphones from Samsung.

2) The company also faces threats from low cost manufacturers in countries like China. Apple's premium pricing deter many buyers to opt for cheaper alternatives, thereby motivating manufacturers from low cost nations such as China to put a dent on company's sales by offering cheaper alternatives of its products.

3) Lack of interoperability of Apple's products also forces many consumers to adopt other friendly platforms and products. This is also a threat for the company as it loses sales due to lack of interoperability of Apple's products and software platforms with other platforms.

4) Since Apple has expanded to the international market, the challenges of the global economy with the depreciation of the US dollar and exchange rate, a shift in supply and demand is affected and presents obstacle to Apple’s revenue.

With Peter Oppenheimer as the new CFO of Apple the company continues to strive to remain current and relevant. They continue to grow not just in the United States but also overseas with over 250 stores in 10 countries. Over the next 5 years, the company will need to continue to offer world class, customer friendly products at competitive rates in order to compete with strong competitors in the marketplace, such as Samsung, Microsoft and Dell. Apples competitiveness internationally and within the United States continues to set standards competitors must match.

Reference:

Wheelen, T. L., & Hunger, D. J. (2010). Concepts in strategic management and business policy (12th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.

<http://creately.com/diagram/example/gsv8l5hs3/SWOT+Analysis+of+Apple>

<http://topics.nytimes.com/top/news/business/companies/apple_computer_inc/index.html>