



# Welcome to Apple...

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# Apple, Inc.



## **Mission Statement:**

“Apple is committed to bringing the best personal computing experience to students, educators, creative professionals and consumers around the world through its innovative hardware, software and Internet offerings.”

# A Strength of Apple:

## Vision

“ I skate to where the puck is going to be, not where it has been.”

-Wayne Gretzky

# History of Apple, Inc.



## 1976

- Apple Computer Company founded.

## 1983 -1984

- Enters Fortune 500.
- John Sculley becomes president and CEO.
- Apple airs “1984” during Super Bowl.

## 1985

- Jobs forced out of company

## 1993

- Sculley forced out.

## 1997

- Steve Jobs returns to Apple.

## 2007

- Apple changes name to Apple, Inc.

# SWOT

## Strengths:

- Retail Store
- Products/Branding
- Steve Jobs
- Marketing/Advertising
- Innovation



## Weaknesses:

- Non-Compatibility
- Price
- Proprietary

## Opportunities:

- Stock Investments
- Jobs-Moving Up

## Threats:

- Copy-Cat Products
- Market Share-PC's
- Too Broad
- Steve Jobs Health

# Inputs, Outputs, & Feedback

## Inputs:

- Steve Jobs
- 17,000 Employees
- 200+ Retail Stores



## Outputs:

- iPod
- Mac Computers
- iPhone 3G

## Feedback:

- Customer Support/Service
  - AppleCare

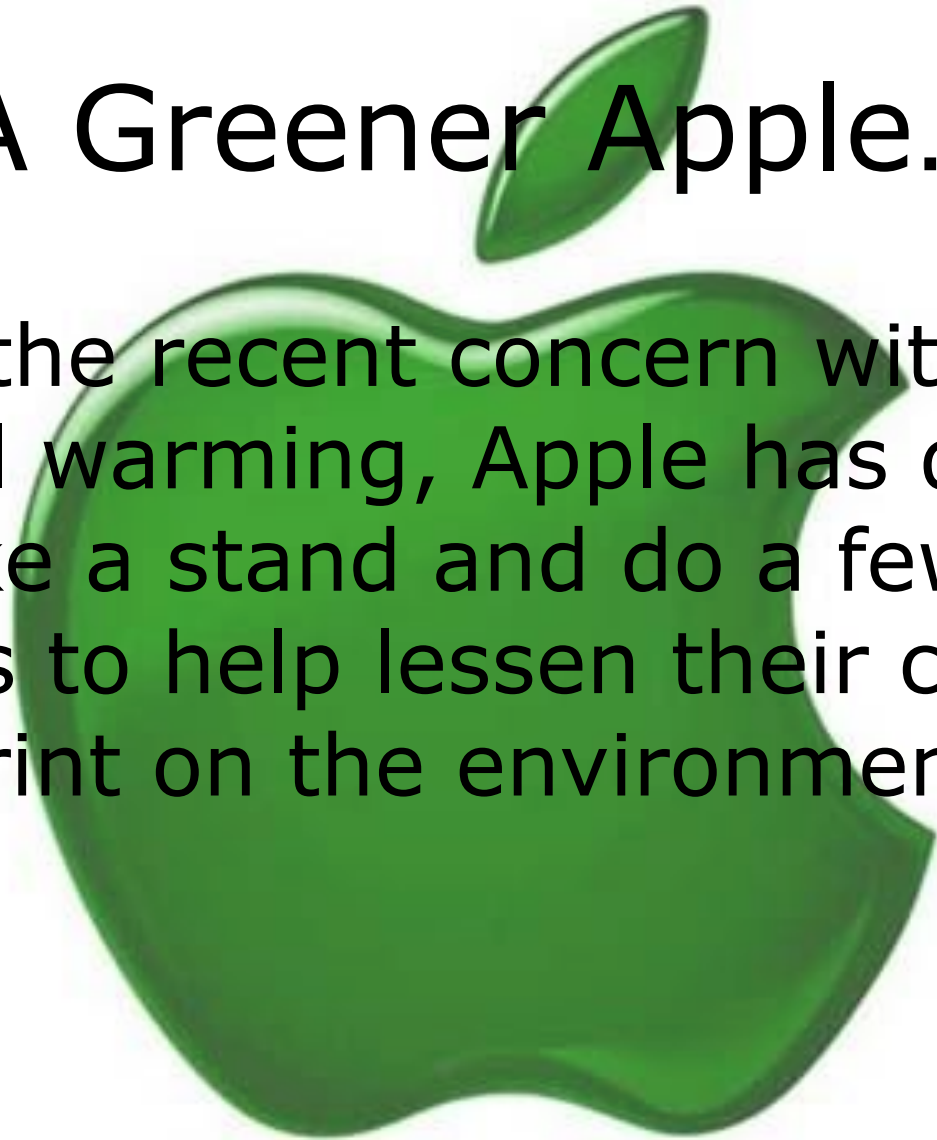
# What Does Apple Do?



- Apple is an innovative company that manufactures, markets, and sells many kinds of consumer electronic devices.
- Apple has developed a series of computers, phones, portable media players, software, and many other products that have advanced technology from what it used to be, as well as creating new needs from the consumers.

# A Greener Apple...

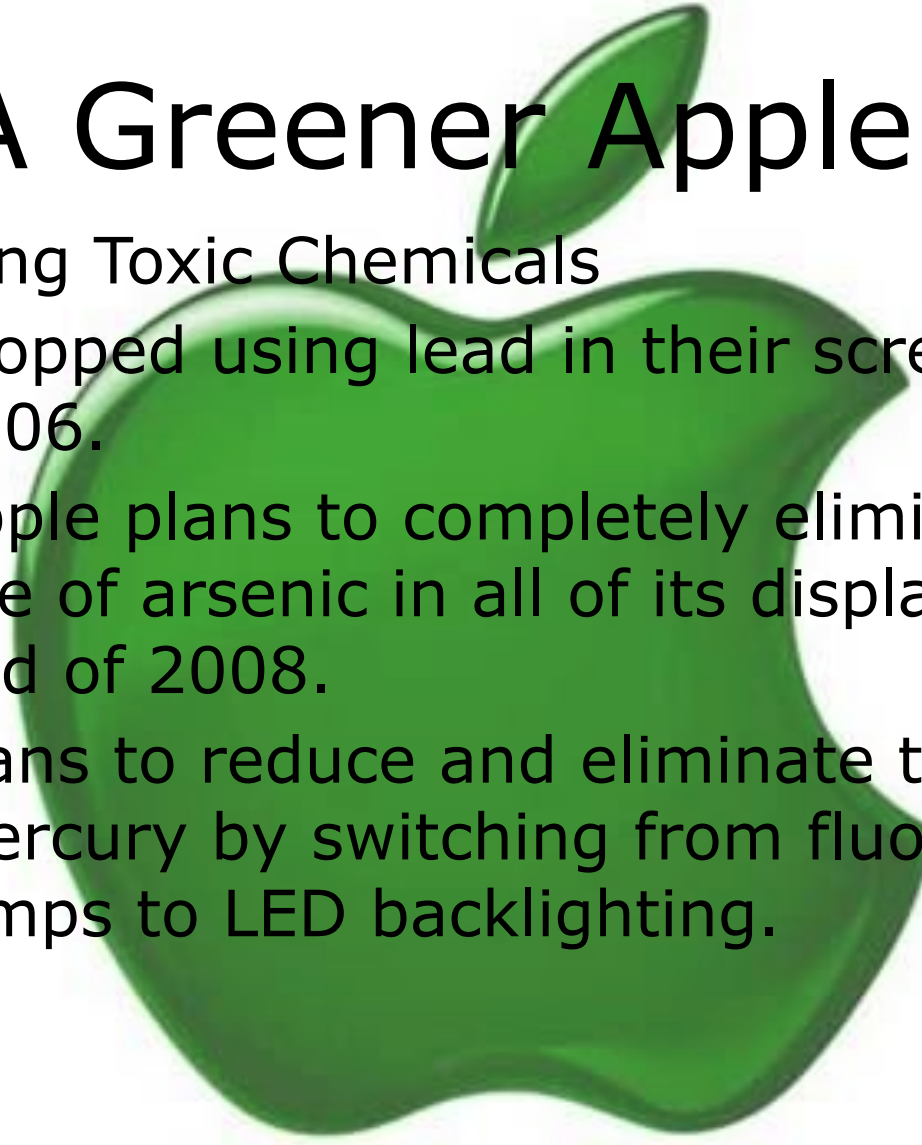
- With the recent concern with global warming, Apple has decided to take a stand and do a few things to help lessen their carbon footprint on the environment.





# A Greener Apple...

- Removing Toxic Chemicals
  - Stopped using lead in their screens in 2006.
  - Apple plans to completely eliminate the use of arsenic in all of its displays by the end of 2008.
  - Plans to reduce and eliminate the use of mercury by switching from fluorescent lamps to LED backlighting.



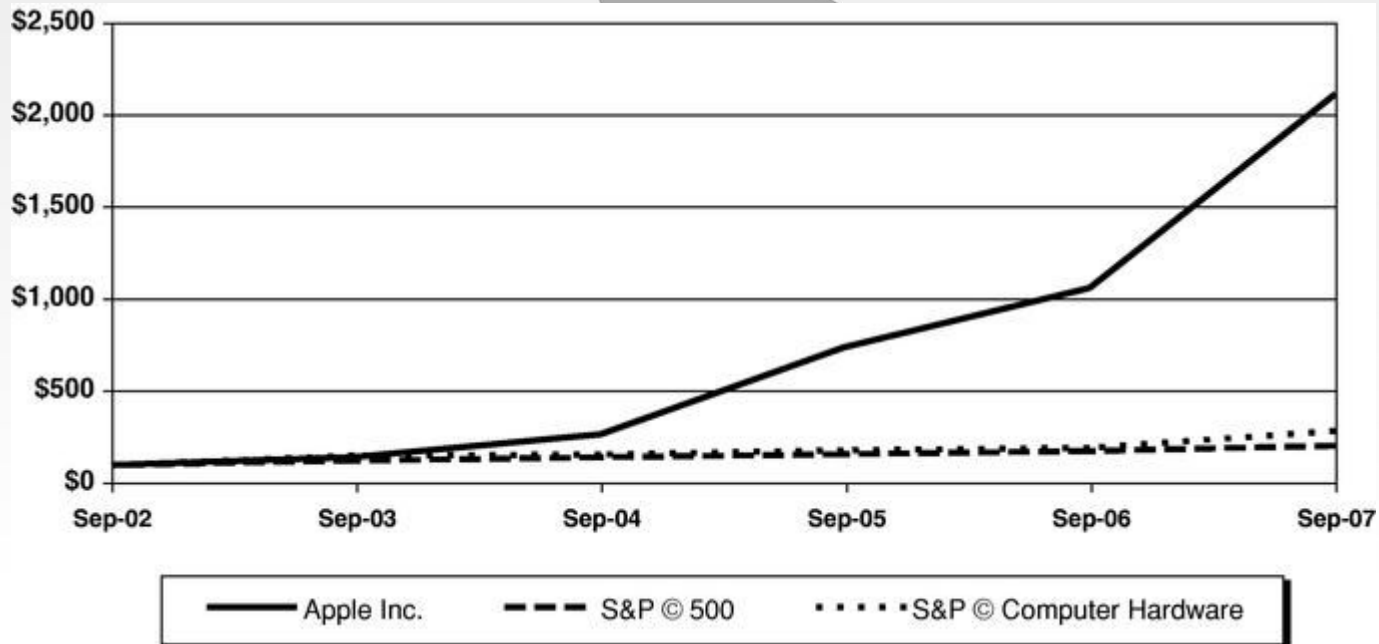
# A Greener Apple...



- Recycling (E-Waste)
  - Apple recycled 13 million pounds of e-waste in 2006.
  - Predict by 2010 they will recycle 19 million pounds per year.
  - Free iPod recycling in the US (10 % discount to trade in old iPod).
  - Apple products are designed using high quality materials that are in high demand from recyclers.

# Profile - Apple Corporation Company Stock Performance

Graph shows a five-year comparison of cumulative total shareholder return for the Company.



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## Profile - Apple Corporation iPod and Computer Growth

- Apple shipped 2,319,000 Macintosh computers, representing 44 percent unit growth and 47 percent revenue growth over the ending 2007 quarter.
- Apple sold 22,121,000 iPods during the quarter, representing five percent unit growth and 17 percent revenue growth over the same quarter. Quarterly iPhone sales were 2,315,000.

[Corporate Release January 22<sup>nd</sup>, 2008]

## Profile - Apple Corporation Financial Results for 07'

- 2007: Revenue-\$9.6 billion & net quarterly profit of \$1.58 billion.
- 2006: Revenue-\$7.1 billion & net quarterly profit of \$1 billion.
- Gross margin increased from 31.2% to 34.7% a year ago. International sales account for 45% of revenue.

### Share Holders:

- As of November 2, 2007, there were 30,336 shareholders of record.

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## Profile - Apple Corporation Consolidated P&L Statement

**Earnings Per Gross Margin** for each of the last three fiscal years are as follows (in millions, except percentages):

	September 29, 2007	September 30, 2006	September 24, 2005
• Net sales . . . . .	\$24,006	\$19,315	\$13,931
• Cost of sales . . . . .	15,852	13,717	9,889
• Gross margin . . . . .	\$ 8,154	\$ 5,598	\$ 4,042
• Gross margin percentage . . . . .	34.0%	29.0%	29.0%

Gross margin percentage of 34.0% in 2007 increased significantly from 29.0% in 2006. The primary drivers of this increase were more favorable costs on certain commodity components, including NAND flash memory and DRAM memory, higher overall revenue that provided for more leverage on fixed production costs and a higher percentage of revenue from the Company's direct sales channels.

### Liquidity and Capital Resources

• Cash, equivalents, investments . . . . .	\$15,386	\$10,110	\$8,261
• Accounts receivable, net . . . . .	\$ 1,637	\$ 1,252	\$ 895
• Inventory . . . . .	\$ 346	\$ 270	\$ 165
• Working capital . . . . .	\$12,657	\$ 8,066	\$6,813
• Annual operating cash flow . . . . .	\$ 5,470	\$ 2,220	\$2,535

As of September 29, 2007, the Company had \$15.4 billion in cash, cash equivalents, and short-term investments, an increase of \$5.3 billion over the same balance at the end of September 30, 2006.



# Profile - Apple Corporation Markets & Distribution

## Apple Consumer's

### Education:

Throughout its history, the Company has focused on the use of technology in education and has been committed to delivering tools to help educators teach and students learn.

### Creative Professionals:

Creative customers utilize a variety of activities including digital video and film production and editing; special effects, compositing/titling; digital still photography; graphic design, publishing, print production; music creation/production; audio production/sound design; web design, development, and administration.

### Other Market Segments:

Apple also provides hardware & software product solutions for: Science, Business, Government, Information Technology.

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## Proprietary Business Strategy

- **This strategy works as both its best friend and worst enemy**
  - The company is able to benefit from exceptional technological leaps by keeping their knowledge and products proprietary and secret from competition.
  - With this they are not only closing off themselves to open forum of ideas and criticisms they have caused a rift between technological usability.
- **Because of this strategy Apple products can only use Apple software, thus creating the strong competition between Apple & PC.**
- **Can both help and hinder growth and performance in the market.**
- **Includes expanding its distribution network to effectively reach more of its targeted customers and provide them with a high-quality sales and post-sales support experience.**





# Strength of Business Strategy

- Strategy leverages its unique ability to design and develop its own operating system, hardware, application software, and services to provide its customers new products and solutions with superior ease-of-use, seamless integration, and innovative industrial design.
- Continual investment in research and development is critical to new products and technologies.
- Continual refinement of already established products.

## Profile - Apple Corporation

- **The Company has in place the creative and production elements for continued product innovations.**

By industry standards the Company has a highly competent workforce, especially in key lead positions relating to creative design, innovation, programming, analysis, and financial oversight.

- **They have established a product footprint in mobile data/communications designs.**

The Company currently enjoys a clear market lead in seamless mobile data communication applications. As a result, the Company is focused on opportunities related to digital content distribution along with consumer electronic devices, including **iPod and Apple TV, and mobile communication devices, including iPhone.** Competition is expected to intensify as competitors attempt to imitate Apple's successful products.

# Apple Corporation

- 3G iphone

- Apple's original iphone reached the mark of one million sales within just 74 days from launch.
- Apple announced number of sales of their new iphone surpassed the one million mark just 3 days after the launch date July 11, 2008.
- Steve Jobs said he expected 10 million phones to be sold in 2008.
- The new 3G is twice as fast, available all over the world, and half the price of its original at \$199. So Jobs' 2007 estimate may be conservative.

- iPhone 3G is now available in 21 countries.



# Where is Apple Located?

- Apple's main headquarters is located at 1 Infinite Loop, Silicon Valley, California.



# Where is Apple Located?

- Apple has also expanded internationally with locations in Cork, Ireland and Silicon Valley, Singapore.



Cork, Ireland



Silicon Valley, Singapore

# Where is Apple Located?

- Apple has over 200 retail locations across the U.S. To find a store nearest you, Apple's main website provides a search engine that can provide that information.





# The Apple Retail Store

- Employees:
  - Apple Specialist: Knows software, inside and out
  - One-to-One Personal Training: Hour Long
  - Free Workshop-Group: Training
  - Genius Bar: Damaged product assessment
  - Concierge: Help you find anything is in the store
- Activities:
  - Local Gathering Place
  - Free Musical Performances
  - Entertaining/Informative Presentations
  - Youth Workshops: Year-round
  - Apple Camp: Summer
  - School Night: Students & Teachers showcase own work done on Mac.

# Apple Products





# History of Apple Products

## 1977 Apple II (first personal computer)

- Cost \$1,298
- 1 MHz microprocessor and 4-48 KB of RAM.



## 1983-Lisa

- Cost \$10,000
- 5 MHz processor and 1 MB of RAM.



## 1984 Macintosh

- Cost \$2,495
  - 8 MHz processor and 128-512 KB of RAM.
- \*1985 Steve Job's forced out



## 1987 Macintosh II

- Cost \$3,898
  - 16 MHz processor and 128-512 KB of RAM.
- \*1997 Steve Job Returns

TODAY...

# iMac All-In-One

## 1998 iMac- All-In-One

- Cost \$1,299
- 233 MHz processor, 256 Mb of RAM and
- 4 GB of Storage Space.

## 2002 iMac- All-In-One

- Cost \$1,299
- 700/800 MHz processor, 1 GB of RAM and
- 60 GB of Storage Space.

## 2008 iMac- All-In-One

- Cost \$1,199-\$2,199
- 20" – 24" screens.
- 2.4-3.06 GHz processor, 4 GB of RAM, and
- 250-500GB of Storage Space.
- CD / DVD burner drive.
- iSight camera- you can video chat with friends and family.
- iLife '08-photo, iDVD, iWeb: create a photo book, make a movie, build a blog, compose a song, etc...



# The iPod

- 160 GB iPod Classic: \$349
  - 40,000 songs for
  - Weighs 5.7 ounces
  - 200 hrs of video
  - Photo Album
  - 2.5-inch Color Display
- 4 GB iPod Nano: \$199
  - 2,000 songs for
    - [iPod nano commercial](#)
- 2 GB iPod shuffle: \$69
  - 500 songs





# iTunes



- #1 Music Store in the World
- Compatible with PC or Mac
- Turn CD's into digital music files, plus purchase songs, movies, etc...on iTunes.
- Music
- Movie Rentals
- Audiobooks
- Free Podcasts
- TV Shows
- iPod Games

iTunes

Crazy  
Cnarlis Barkley

0:40 -2:18

View Search

**LIBRARY**

- Music
- Movies
- TV Shows
- Podcasts
- Radio

**STORE**

- iTunes Store
- Purchased

**DEVICES**

- Steve's iPod
- Legend

**PLAYLISTS**

- Party Shuffle
- Weekend Party
- 90's Music
- Music Videos
- My Top Rated
- Recently Added
- Recently Played
- Top 25 Most Played
- 60's Rock Essentials
- One-Hit Wonders

Elephunk  
Black Eyed Peas

Name	Time	Artist	Album	Genre
Hands Up	3:37	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Labor Day (It's a Holiday)	3:58	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Let's Get Retarded	3:35	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Hey Mama	3:34	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Shut Up	4:56	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Smells Like Funk	5:04	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Latin Girls	6:17	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Sexy	4:43	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Fly Away	3:35	Black Eyed Peas	Elephunk	Hip-Hop/Rap
The Boogie That Be	5:12	Black Eyed Peas	Elephunk	Hip-Hop/Rap
The Apl Song	2:54	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Anxiety	3:38	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Let's Get It Started (Spike Mix)	3:39	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Third Eye	3:55	Black Eyed Peas	Elephunk	Hip-Hop/Rap
Go-Go Gadget Gospel	2:19	Cnarlis Barkley	St. Elsewhere	Alternative
Crazy	2:58	Cnarlis Barkley	St. Elsewhere	Alternative
St. Elsewhere	2:30	Cnarlis Barkley	St. Elsewhere	Alternative
Gone Daddy Gone	2:28	Cnarlis Barkley	St. Elsewhere	Alternative
Smiley Faces	3:05	Cnarlis Barkley	St. Elsewhere	Alternative

9743 items, 24.7 days, 31.7 GB



# iPhone 3G

## Twice as Fast. Half the Price

- 16 GB G3 iPhone  
\$349
  - Cell phone
  - iPod Touch
  - GPS
  - App Store
  - Calendar
  - Internet: browse the web, e-mail, weather, take notes, view maps, etc...





# Apple vs. PC



## Price:

- \$1,199
- \$169 -3 Year extended warranty.
- \$0 Internet security not necessary.
- \$149.99 Microsoft Office 2007.

Total: **\$1,517.99**

## Features:

- Apple's Leopard Operating System
- 20" screen.
- 2.4 GHz processor,
- 1 GB of RAM, and
- 250 GB of Storage Space.
- Burn and watch personal videos with the built-in slot-load DVD.



## Price:

- \$1,299
- \$239 -3 Year extended warranty.
- \$69.99 Norton Internet security.
- \$149.99 Microsoft Office 2007.

Total: **\$1,757.98**

## Features:

- Windows Vista operating system
- 22" screen.
- 2.5 GHz processor Intel Core2 Duo,
- 4 GB of SDRAM, and
- 320 GB of Storage Space.
- Burn and watch personal videos with the built-in slot-load DVD
- Watch, pause, rewind, & record live TV
- Get quick, easy touch-screen access to your programs.

# Mac vs. PC

## Mac

- Trial Software
- Spy Ware
- Power Cord
- Works right out of the box
- Creative Professionals
- Viruses

## PC

- Gamers
- Price
- More variety in products



# Other Apple Products

## MacBook Air

### Commercial

- Cost \$1,799
- 0.16-0.76" in total thickness and weighs only 3 pounds.
- 1.8GHz processor.
- Wireless- 802. 11n2 and Bluetooth 2.1.
- No CD ROM access-Remote Disc- but it allows you to access a CD or DVD drive from nearby PC.



## MacBook

- Cost \$1,099-\$1,499 with 13" screen
- 2.1-2.4 GHz processor and 2 GB of RAM
- 120-250 GB of Storage Space.
- CD / DVD burner drive.
- iSight camera- you can video chat with friends and family.
- iLife '08- provides photo, iDVD, iWeb: allows you to create a photo book, make a movie, build a blog, compose a song, etc...



# Apple Inc. Employees



- In 2006, Apple Inc. reported employing 17,878 fulltime and 2,399 temporary employees in the following departments:
  - Mac Hardware Engineering
  - Software Engineering
  - Applications
  - iPod Engineering
  - Marketing
  - Sales
  - Operations
  - Information Systems and Technology
  - Legal
  - HR
  - Apple Care
  - Finance
  - Retail

# Work Environment



- Creative Freedom

" You can create more than any other consumer electronic company."

- Relaxed Atmosphere

"Funny, brilliant, relaxed co-workers and modern, spacious, beautiful offices filled with comfortable couches and huge picture windows make work time a pleasure."

- Passion for the products

"There's a passion for products and attention to the most minute details," posted a Mac specialist.

# Culture



- The work culture is laid back.
  - In some cases, employees come and go as they please.
  - Telecommuting also is allowed with management approval.
- It compares Apple to Southwest Airlines and Microsoft an attitude influenced by the company's founders, who often walked around the office barefoot, even after Apple became a Fortune 500 company.
- One senior hardware engineer said, "surrounded by a lot of energetic people and experienced no end to challenges and cool projects. However, there was no end to the hours."

# Advancement/Job Opportunities



- Apple provides advancement opportunities for employees who start as low as concierge in a retail store to quickly move up to corporate positions within the company.
- Newly graduated students have a chance to work at Apple Inc. through their New Grad. Employment Opportunity-No experience needed!
- Main qualification: “sharp intellect, a top notch educational background, and the energy to move the industry forward.”

# Employee Benefits



- Apple Inc. offers each full-time employee health, disability and life insurance through a program called Flexible Benefits.
- Apple employees are given FlexDollars to purchase basic benefits or have the option to allocate the money to a different department.
- Full-time employees are offered 401(k) plans, stock options and financial education.
- Corporate employees can take part in the Apple-Health fitness program located at the two corporate locations.



# Marketing

- Apple Inc. marketing campaigns have focused on comparing PC's and Mac's. They have tried to educate the consumer electronic population about Mac computers.
- Their campaigns have been geared to a younger generation using pop culture music and flashy visuals.
- PC vs Mac commercials are really geared toward pointing out the flaws in PC's and have been a huge strength for Apple's Marketing.



# Most Famous Ad Campaigns

- 1997: "Think Different" ad campaign was created
- 2002: "Apple Switch" ads
- 2006: "Get a Mac" more famously known as PC vs. Mac





# Recommendations



- Compatibility with PC's
- More Accessibility
- Simply Mac
- Price
- Software-Word Templates, Downloads
- Target Different Demographics



Think different.