

APPLE INC. STRATEGIC PLAN



**APPLE INC.
STRATEGIC CORPORATE
PLAN**

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Executive Summary

Our proposals herein will define our approach to create an exemplary marketing program that will allow Apple Inc. to reach current brand loyal consumers and convince other consumers to develop a following for our products. By utilizing our competitive advantage we aim to improve upon our established success and strengthen our potential for future growth.

Mission and Vision

Apple is a pioneer of originality, creativity and collaboration. These values allow us to innovate in a way that others cannot. Through the amalgamation of technology, liberal arts and humanities, Apple will take advantage of its position as the world's leader in computer technology and use its distinctive competencies to meet the global demand for high quality high-tech products.

Apple's mission is to design the best computers in the world and to define the future of mobile computing with devices that exceed consumer expectations. Apple has reinvented the mobile phone with its revolutionary iPhone and leads the digital music revolution with the iPod and iTunes online store. Mobile computing devices such as the iPad along with ground-breaking services such as iCloud have propelled Apple to a position of dominance in the computer industry.

Assessment of Current Strategies and Environmental Volatility

In a hypercompetitive industry where products are outdated in a short period of time and consumer requirements are stringent, innovation is vital to the success of this company. Apple has succeeded in becoming the industry leader in computer technology and has continued to innovate and thrive through tough economic times. Apple has been one of the few bright spots in the US economy by reporting consistent growth and record levels of revenue.

Events within the company such as the death of Steve Jobs, have raised the question of how Apple will sustain success without his vision and guidance. The challenge ahead is to develop a strategy that will carry our organization into the next decade with a strong market share and continued momentum for becoming the world's leader in product innovation and consumer loyalty.

Recommended Projected Strategic Plan

Apple Inc. will utilize current resources to implement a strategic plan that will be implemented over the next two years and will be continued through year five as deemed applicable to the growth of the company.

Key Strategy: Develop a marketing campaign to exploit Apple's strengths, expand market share, enhance the image of the company and promote the existing products.

Training and education of our products for the general public and our customers will be an emphasis as well. Apple Inc. will educate the world on the possibilities that lie in wait for the innovative person to explore, or the student to utilize to become the next world-class teacher, or the executive to develop the next innovative plan.

To successfully implement the strategy, four objectives have been identified. The objectives are scheduled to begin implementation phase in September 2013 and end by June 2014. To manage the implementation of the objectives, a responsible leader will be assigned to carryout completion of each objective.

Estimated Strategic Impact on Corporate Resources and Competencies

Apple will not only exploit our position as the world's leader in computer technology but will use our present skill set of employees to analyze new markets around the globe. The goal is to satisfy a world of consumers who require technology that has the potential to unite all people. This ever-growing trend requires a seamless ability to become digitally connected to human beings anywhere on the planet at any time of the day.

The Marketing department will be required to develop and lead Apple's effort to implement a comprehensive marketing plan while successfully accomplishing the strategic objectives. Production facilities should be prepared for proportional increases in product orders commensurate to the new level of demand in iPad, iPhone and PC sales. Distribution facilities should be prepared for proportional increases in distribution volume orders commensurate to the new level of production.

The Human Resources department will be tasked with the selection, hiring and support of any new personnel needed in support of the strategic plan. The Finance department will be tasked with the detailed preparation of budgets and overall support for each objective of the strategic plan. The Legal department will be responsible for a detailed review of all proposed contracts and agreements that are created in support of the strategic plan. Protection of Apple intellectual property, copyrights and patents are paramount. The Information Technology department will be responsible for development, implementation and maintenance of all required software changes for web services required to support the strategic plan

Implementation Highlights of Proposed Strategies

Implementation of the proposed strategies focuses on four objectives over a five year period. The goals of the strategic plan emphasize the following highlighted areas:

- To capitalize on the legend of Steve Jobs
- To better market our innovations

- To address higher price points with a new rewards program
- To develop a higher market share for our personal computers
- To reach consumers have high expectations of the company
- To reach customers who want the latest innovations
- To reach beyond the competition's level of expertise and create a limited entry
- To address the hypercompetitive issue in this industry

Projected Quantitative and Qualitative Outcomes and Financial Implications

Improvements in the marketing area will help Apple keep its dominant position in the technology market, retain loyal customers, and turn the competitor's customers to Apple. Specific desired outcomes include:

- Increase PC market share by 3%
- Convert 5 million Android customers to Apple products
- iPad sales increase by 18%
- Sales increase by 10%
- Net Income increases above 59% per year for the next 5 years
- New after purchase service and customer service recognition

To finance the strategic plan, Apple Inc. will execute a stock split and issuance of 50% of the total \$247,807,920 in equities and 50% in a short term loan. The total loan amount will equal \$123,951,980.

By splitting our stock on a three to one basis, Apple Inc. can allow the average investor the greater possibility to becoming a brand loyal follower and Apple Inc. user. The monies provided by the stock split strategy will be used to develop our five-year marketing strategy.

Impacts if Proposed Strategies Fail

Failure of the proposed strategy will cause quantitative negative effects on the company's stock prices, financial resources and product quality. Such a scenario could decrease profits and increase the level short-term debt along with increased sunk costs.

The qualitative impacts of failure include impaired image of the company and decreased customer satisfaction reduction in product line market share. Internal impacts include dispirited employees, lost resources such as time, financial resources, and human resources.

Mission and Vision

Mission Statement

Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary iPhone and App Store, and is defining the future of mobile media and computing devices with iPad (Apple Inc., Investor).

Vision Statement

Apple Inc. is looking forward to enhancing our mission by announcing a vision statement to the general public and all stakeholders that encompasses the culture of our corporation and supports our mission for the future to create and distribute the best products with the highest level of innovation; we will continue to be the cutting edge for technology.

At Apple Inc, our deeply embedded values of creativity and collaboration allow us to innovate in a way that others cannot. Through the amalgamation of technology, liberal arts and humanities, we exist to make the best products in the world and participate only in markets where significant contributions can be made.

Communication of Mission and Vision Statement

Apple Inc. will introduce multiple communication channels to communicate the mission and vision statements to stakeholders. The new channels will allow us to enhance our corporate culture and create synergy within Apple Inc., groups of shareholders, employees, and customers.

1. Apple Website

- The mission and vision statements will be located under the Apple Info link on our website. This will better allow us to communicate with the world why Apple is here and how we want to continue to be the industry leader in technology.

2. Communication Boards

- Apple will display communication boards in all Apple main offices, our stores, break rooms, and conference rooms.

3. Integration into all Apple Products

- Apple will be adding mission and vision statements to all our computers and devices to display to the startup screens.

4. Badges and Business Cards

- All employee badges and business cards will display mission and vision on the back.

5. Business Letters and Memos

- All shareholders will receive quarterly letters or memos with mission and vision statements.

Environmental Volatility Analysis & Current Competitive Position

Assessment of Company /Industry Environmental Volatility

The markets for Apple's products and services are very competitive and the industry competition is highly aggressive in all areas (Apple Inc., Form 10-K). The markets in which Apple competes are characterized by fast-paced technological advances and frequent product introductions "that have substantially increased the capabilities and use of mobile communication and media devices, personal computers, and other digital electronic devices" (Apple Inc., Form 10-K).

Over a decade ago the success of the iPod was the turning point for Apple and catapulted the company into a new era. Then in 2007 the iPhone was launched, powered by the operating system called iOS (iPad). This product featured a camera, mobile phone and a finger-sensitive touch-screen with the ability to run a variety of mobile applications. The iPhone revolutionized the mobile phone market, but Apple wasn't done making new products. The next major product breakthrough, the iPad, was announced on January 27, 2010, by Steve Jobs at an Apple press conference in San Francisco (iPad). In its first three months on the market, Apple sold 3.3 million iPads which, impressively, made a significant dent in the PC market (Robertson).

During the recent recession, Apple has not remained idle (Why America Needs Apple). Apple has continued to innovate and thrive through tough economic times. Apple has been one of the few "bright spots" in the US economy by reporting constant growth and record-breaking levels of revenue (Why America Needs Apple). Although leadership of Apple has been handed over to Tim Cook, the death of former CEO, Steve Jobs, raises the question of how Apple will sustain this success without his vision and guidance (Steven Paul Jobs, 1955-2011).

Apple's competitors who sell mobile devices and personal computers based on other operating systems, like Android and Windows, have lowered their product margins and have been aggressive in cutting prices to gain or maintain market share (Apple Inc., Form 10-K). Apple can be negatively affected by these and other industry-wide forces to lower gross margins (Apple Inc., Form 10-K). Strategic factors important to Apple include price, product features, product quality and reliability, design innovation, marketing, service and support, and corporate reputation (Apple Inc., Form 10-K).

Going forward, Apple's primary emphasis is centered on expanding opportunities related to mobile communication devices, tablet devices and personal computers (Apple Inc., Form 10-K). These markets are characterized by competition from several large, well-funded and experienced firms who utilize aggressive pricing strategies, rapid adoption of a competitor's technology and frequent product introductions (Apple Inc., Form 10-K).

Assessment of Current Strategies

Corporate Stock Performance Comparison

- Apple Inc. competes in multiple markets within the technology/computer industry. Within each specific market Apple has unique competitors. For the purposes of this plan, however, the focus is only the markets in which strategic improvements are sought: the mobile device market, the tablet market and the personal computer market.
- In the mobile device, tablet and personal computer markets, Apple Inc. (AAPL) has three main competitors: Google Inc. (GOOG) and Samsung Electronics Co. Ltd. (005930.KS) and Dell Inc. (DELL).
- The chart below shows a five year comparison of Apple and its competitors along with the S&P 500 index (^GSPC). The graph reflects Apple's superior performance as the share price rose to nearly \$600 in March 2012.



(Apple Inc. Stock Chart | AAPL Interactive Chart -- Yahoo! Finance)

Stock Price History

- The tables below compare the five year stock price comparison of Apple, Google, Samsung and Dell.

Apple Inc.			
	High Price	Low Price	Close
2008	\$154.71	\$143.61	\$153.08
2009	\$116.13	\$102.61	\$115.99
2010	\$238.73	\$231.62	\$235.97
2011	\$354.32	\$343.30	\$344.56
2012	\$621.45	\$595.26	\$599.55

Source: (Yahoo! Finance)

Google Inc.			
	High Price	Low Price	Close
2008	\$477.83	\$446.87	\$471.09
2009	\$371.72	\$336.05	\$369.78
2010	\$573.45	\$560.28	\$568.8
2011	\$619.22	\$595.19	\$600.62
2012	\$658.59	\$639.54	\$641.24

Source: (Yahoo! Finance)

Samsung Electronics Co. Ltd (prices converted from ₩ to \$)			
	High Price	Low Price	Close
2008	\$675.40	\$625.78	\$658.18
2009	\$21.55	\$16.67	\$19.08
2010	\$756.76	\$712.76	\$754.12
2011	\$839.00	\$803.29	\$839.00
2012	\$1,164.10	\$1,116.15	\$1,132.14

Source: (Yahoo! Finance)

Dell Inc.			
	High Price	Low Price	Close
2008	\$20.34	\$19.43	\$19.53
2009	\$10.38	\$9.20	\$10.32
2010	\$15.20	\$14.83	\$15.05
2011	\$15.15	\$14.22	\$14.34
2012	\$16.78	\$16.32	\$16.60

Source: (Yahoo! Finance)

Stock Volatility

- The beta index shows a company's level of volatility or risk. Apple has a beta coefficient of 1 which means the stock price should move with the market (Apple Inc. - Yahoo! Finance). Google's beta coefficient is 1.19 which indicates that it is about 20% more volatile than the market (Google Inc. - Yahoo! Finance). Dell's beta coefficient is 1.38 which reveals it has the highest comparative risk (Dell Inc. - Yahoo! Finance). Samsung shares are traded on the Korea Stock Exchange. Samsung's beta coefficient is listed at 0.56 which indicates that Samsung is less volatile than the market (Samsung Electronics Co Ltd (005930.KS) Quote | Reuters.com).

Stock Valuation

- The P/E ratio is commonly used to gauge the market value of a firm and is a simple measure used to assess whether a stock is overvalued or undervalued (Berk and DeMarzo 33). It is based on the idea that a stock should be proportional to the level of earnings it can generate for its shareholders (33). Apple's P/E ratio of 17.22 suggests that investors expect high future earnings.
- The total market value of a firm's equity equals the market price per share multiplied by the number of shares outstanding (Berk and DeMarzo 25). Apple's market capitalization of \$564.3B shows that it has the highest market value among its competitors.
- The ratio of market capitalization to the book value of stockholder's equity is referred to the Price-to-book ratio (Berk and DeMarzo 26). Successful firms most often have a P/B ratio that exceeds 1 (26). Apple's P/B ratio of 6.45 is the highest amongst its competitors and indicates that the value of its assets exceeds historical costs by the largest margin (26).

	AAPL	GOOG	DELL	005930.KS
Beta	1	1.19	1.38	0.56
Price/Earnings	17.22	20.99	8.57	14.26 ¹
Market Capitalization (\$)	564.30B	203.08B	28.39B	180.90B ²
Shares Outstanding	932.37M	325.14M	1.76B	130.39M
Price/Book	6.45	3.64	3.21	1.70

Source: (Yahoo! Finance)

¹ (Samsung Electronics Co Ltd (005930.KS) Quote | Reuters.com)

²(Converted from ₩ to \$)

Comparative per Share Data

- Apple's earnings per share and revenue per share are superior to both Google and Dell. Google outperforms Apple with regard to book value per share and cash flow per share.
- Apple trails Samsung with regard to comparative share data overall. Samsung, a true multinational conglomerate, competes with Apple in the mobile device and PC market but is a larger and more diverse company in general. Samsung's businesses span advanced technology, skyscraper and plant construction, medicine, hotels and more (Samsung Profile).
- Samsung is the only competitor that regularly pays dividends.

	AAPL	GOOG	DELL	005930.KS
Earnings Per share	35.14	29.76	1.88	78.55 ¹
Revenue Per Share	137.88	117.43	33.77	1,119.09 ¹
Book Value Per Share	96.60	178.97	5.06	659.95 ¹
Cash Flow Per Share	32.34	133.26	8.41	181.69 ¹
Dividends Per Share	N/A	N/A	N/A	4.85 ²

Source: (Yahoo! Finance)

¹ (Converted from ₩ to \$)

² (Return To Shareholder - Samsung)

Apple Inc. and Competitors

- In terms of the number of employees, Apple is larger than Google but smaller than Samsung and Dell. Annual sales are only surpassed by the multinational conglomerate Samsung.
- Apple is the largest company among competitors in terms of market capitalization.

	AAPL	GOOG	DELL	005930.KS
Annual Sales (\$)	108.6B	37.86B	62.26B	220.1B ¹
Employees	63,300	32,467	109,400	344,000 ¹
Market Capitalization(\$)	564.30B	203.08B	28.39B	180.90B ²

Source: (MarketWatch - Stock Market Quotes, Business News, Financial News)

¹ (Samsung Profile)

² (converted from ₩ to \$)

Profitability

- A firm's gross profit margin reflects its ability to sell a product for more than the cost of producing it (Berk and DeMarzo 30). Apple's gross profit margin over the past three years has been consistent and comparable with competition while net profit margin has risen slightly.
- The net profit margin shows the fraction of each dollar in revenues that is available to equity holders after the firm pays interest and taxes (Berk and DeMarzo 31). Apple's net profit margin has shown an upward trend over the past three years. Differences in net profit margin amongst competitors can be due to differences in efficiency, but they can also result from differences in leverage (Berk and DeMarzo 31).

Apple	2009	2010	2011
Gross Profit Margin	40.14%	39.38%	40.48%
Net Profit Margin	19.19%	21.48%	23.95%
Return on Assets	17.34%	18.64%	22.28%
Return on Equity	26.03%	29.32%	33.83%

Source: (Investing & Stock Research - Businessweek)

Google	2009	2010	2011
Gross Profit Margin	62.61%	64.47%	65.21%
Net Profit Margin	27.57%	29.01%	25.69%
Return on Assets	16.10%	14.70%	13.42%
Return on Equity	18.11%	18.39%	16.75%

Source: (Investing & Stock Research - Businessweek)

Dell	2009	2010	2011
Gross Profit Margin	17.95%	18.62%	22.33%
Net Profit Margin	2.71%	4.28%	5.63%
Return on Assets	4.26%	6.83%	7.84%
Return on Equity	25.40%	33.93%	39.16%

Source: (Investing & Stock Research - Businessweek)

Samsung	2009	2010	2011
Gross Profit Margin	30.61%	33.60%	32.03%
Net Profit Margin	7.16%	10.44%	8.32%
Return on Assets	8.70%	12.02%	8.82%
Return on Equity	13.36%	18.07%	13.49%

Source: (Financial Highlights - Samsung)

Asset Management

- The average collection period measures how well Apple has been able to collect on its sales. Apple's figure increased from 43.02 days in 2009 to 55.53 days in 2010 but decreased to 39.51 days in 2011. With the exception of Dell, Apple has outperformed the competition.
- The values of inventory turnover show that Apple dipped in 2010 but increased to 83.03 in 2011. A higher inventory turnover ratio is indicator of better performance. Apple, therefore, became more efficient in this area by 2011 and outperformed the competition.
- Fixed asset turnover indicates how well a business is using its fixed assets to generate sales (Berk and DeMarzo G-2). While Apple has shown consistent performance in the past three years, Dell has demonstrated a higher level effectiveness.
- Total asset turnover measures the amount of sales generated for every dollar's worth of assets. Apple has lagged behind both Samsung and Dell over the past three years. Apple, however, showed improvement in 2011 while Samsung and Dell became less efficient.

Apple	2009	2010	2011
Average Collection Period	43.02	55.53	39.51
Inventory Turnover	56.45	37.62	83.03
Fixed Asset Turnover	14.52	13.68	13.92
Total Asset Turnover	0.90	0.87	0.93

Source: (Investing & Stock Research - Businessweek)

Google	2009	2010	2011
Average Collection Period	49.40	52.93	52.26
Inventory Turnover	--	--	--
Fixed Asset Turnover	4.88	7.42	3.95
Total Asset Turnover	0.58	0.51	0.52

Source: (Investing & Stock Research - Businessweek)

Dell	2009	2010	2011
Average Collection Period	40.27	38.54	38.08
Inventory Turnover	41.30	38.46	34.34
Fixed Asset Turnover	24.26	31.49	29.22
Total Asset Turnover	1.57	1.59	1.39

Source: (Investing & Stock Research - Businessweek)

Samsung	2009	2010	2011
Average Collection Period	53.00	50.30	53.43
Inventory Turnover	9.61	7.68	7.14
Fixed Asset Turnover	3.13	2.92	2.66
Total Asset Turnover	1.22	1.15	1.06

Source: (Financial Highlights - Samsung)

Liquidity

- Apple's current ratio started at 2.74 in 2009 then changed to 2.09 in 2010 and then in 2011 it was 1.61. In the past three years Apple has had more current assets than current liabilities. This is an indicator of the ability to meet short-term obligations. Having a current ration above one is a good sign for investors and for creditors (Berk and DeMarzo 28).
- Similar to the current ratio, the quick ratio uses current assets minus inventories because inventory is hard to quickly liquefy (Berk and DeMarzo 28). The quick ratios for Apple over the three examined years were 2.70, 1.96 and 1.58. These figures show Apple's ability to use its most liquid assets to meet its short-term obligations. Apple was outperformed only by Dell over the past three years.

Apple	2009	2010	2011
Current Ratio	2.74	2.01	1.61
Quick Ratio	2.70	1.96	1.58

Source: (Investing & Stock Research - Businessweek)

Google	2009	2010	2011
Current Ratio	10.62	4.16	5.92
Quick Ratio	9.01	4.98	5.03

Source: (Investing & Stock Research - Businessweek)

Dell	2009	2010	2011
Current Ratio	1.28	1.49	1.34
Quick Ratio	1.22	1.42	1.27

Source: (Investing & Stock Research - Businessweek)

Samsung	2009	2010	2011
Current Ratio	1.58	1.54	1.61
Quick Ratio	1.30	1.20	1.26

Source: (Financial Highlights - Samsung)

Historical Income Analysis of Apple and Competitors

- Apple has experienced across-the-board gains in cash flow, revenue and net income for the past three years despite uncertain global economic conditions.
- Between 2010 and 2011 Apple experienced a 102% increase in operating cash flow. The closest competitor, Dell, only experienced an increase of 39%.
- Revenue increased by 66% from 2010 to 2011. The closest competitor, Google, experienced an increase of 29% over the same time period.
- Net income increased by 85% since 2010. Dell increased its net income by 32.5% over the same time period. Samsung's net income decreased by 15%.

Apple	2009	2010	2011
Operating Cash Flow (millions)	\$10,159	\$18,595	\$37,529
Revenue (millions)	\$42,905	\$65,225	\$ 108,249
Net Income (millions)	\$8,235	\$14,013	\$ 25,922

Source: (Investing & Stock Research - Businessweek)

Google	2009	2010	2011
Operating Cash Flow (millions)	\$9,316	\$11,081	\$14,565
Revenue (millions)	\$23,651	\$29,321	\$37,905
Net Income (millions)	\$6,520	\$8,505	\$9,737

Source: (Investing & Stock Research - Businessweek)

Dell	2009	2010	2011
Operating Cash Flow (millions)	\$3,906	\$3,969	\$5,527
Revenue (millions)	\$52,902	\$61,494	\$62,071
Net Income (millions)	\$1,433	\$2,635	\$3,492

Source: (Investing & Stock Research - Businessweek)

Samsung	2009	2010	2011
Operating Cash Flow (millions)	\$16,257.2	\$20,912.8	\$20,115
Revenue (millions)	\$119,528	\$135,579	\$144,673
Net Income (millions)	\$8,392.4	\$13,852.6	\$11,713.3

Source: (Investing & Stock Research - Businessweek)

Specific Targets for Improvement/Development

Through the development of the External Factor Analysis and the Internal Factor Analysis Review Team, the following areas of corporate performance will be targeted for development in a five-year implementation plan.

Apple will increase the marketing of our products through an extensive marketing campaign and specific promotions through the next five-year period. The implementation plan is a priority to further enhance and promote the Apple brand name and create greater market share in specific areas.

Apple will target foreign markets for development and investment as a multinational corporation with target markets in South America, Europe and the Russia and will analyze plans for expansion into multinational areas that show positive growth for market and growth for Apple market exploitation.

New products to meet the demand for innovation that Apple will develop will include the gaming iPhone with applications; new applications for healthcare monitoring, the iPhone, for monitoring blood sugar and blood pressure.

The new iPhone will be on the market within a year. Apple will be promoting and enhancing applications for iTunes and will continue to work toward exploitation of the iCloud to gain market share.

Sales and Marketing will introduce a point's reward program. The program will enhance our efforts to continue to offer Apple products at current price points and at the same time give Apple users the opportunity to develop cost savings through purchase reward points.

Apple will develop the target market for personal computers by organizing a high impact push for contracts from the healthcare sector and government sector for sales for their internal use of Apple pc's. We will target these markets to increase our market share for personal computers.

The Apple Inc. Strategic Team has analyzed the current status of the effective factor strategies for the impact on the corporation by assigning and analyzing the impact of each strategic factor on the corporation. Strategists have given each strategic corporate analysis factor a rating for targeting strategic plan implementation plans.

Apple Inc. has achieved an industry rating standard of 4.195 for Internal Factor Summary Analysis and a rating of 4.335 for External Factor Summary Analysis. The Apple Strategic Factors Analysis Summary received a total industry comparison rating of 3.95. Apple is addressing target areas that will improve the market share for the company.

Rationale

The Apple analysis

The lead strategy for this plan will focus on an exemplary marketing program to create, develop and implement a comprehensive and dynamic and successful plan to enhance the brand of Apple Inc. and increase market share. Apple will research multinational opportunities for our products and investment opportunities in countries that research shows a positive opportunity for growth.

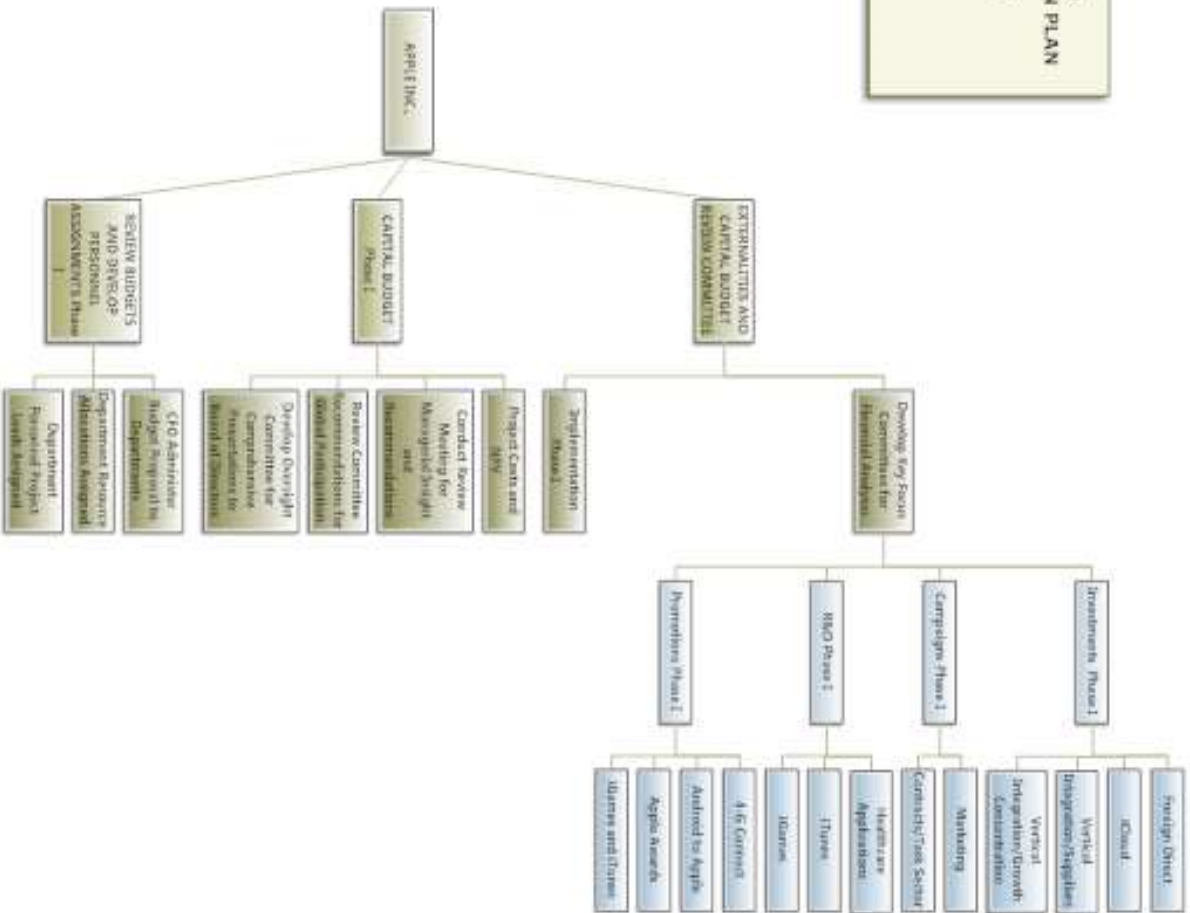
Assessment of Specific Areas of Corporate Performance for Improvement and Development

Through the implementation of plans for the development of specific strategies, Apple Inc. will be addressing strategies developed through analysis of key components of our internal and external factor analysis project by the strategic factor analysis team. Through analysis, the strategic team has developed key strategies or projects that will become targets for implementation for the next five years. We believe that through strategic development of key components of the factor analyses our company can produce and market the best available devices and apps on the market for Apple Inc. exploitation.

Apple Rationale for Assessments

Apple Inc. will carry forward the initiative for innovation for a highly driven and successful culture created by the corporate leaders by initiating an exemplary market program.

APPLE INCORPORATED FIVE-YEAR IMPLEMENTATION PLAN FOR STRATEGIC ANALYSIS



Projected Strategies

The Apple Inc. schedule to implement a five-year marketing plan addresses several key factors for the company's strategic factors analysis. Our new marketing strategy will be a campaign to achieve results:

- To capitalize on the legend of Steve Jobs
- To create growth for the multinational brand name of Apple
- To grow horizontally and vertically
- To market our innovations
- To address higher price points with a new rewards program
- To develop a higher market share for our personal computers
- To reach consumers that know and trust Apple and have high expectations of the company
- To reach customers who want the latest innovations
- To reach, globally, the customers who depend on Apple products
- To reach beyond the competitions level of expertise and create a limited entry
- To address the hypercompetitive issue in this industry

Due to the marketing response from the general public and the potential for implementing an advertising campaign to continue the branding Apple has achieved through the use of its legendary icon, we will associate the Apple products with its founder. We will continue throughout the following five years of business.

Vertical Growth for Apple can be achieved through a multiplicity of channels and we will be analyzing each of these channels to implement strategies that continue to show growth potential. Sales of each product will be monitored and strategies developed that will improve our sales through the next five years.

Vertical growth has been achieved through looking outside the industry and marketing products we have developed such as iTunes. Horizontal growth will be achieved through analyzing the potential for purchasing companies that show potential and warrant investment for production of our parts. The plan is to develop a timeline for purchases and to negotiate terms within two years.

Innovations such as iPhone, iPod touch and the new iPad will be continually improved as we analyze the market demands for our products. Apple will look at developing products that meet consumer needs in nations that show strong growth potential for Apple products. We will be developing existing products and new products over a five-year period and on a continual basis.

Higher price points have been addressed through the rewards program. We will research the implementation of the program in progress and implement programs through channels we deem applicable to further create incentives for our customers. The timeline for the incentives is three to five years, depending on the success of current programs.

Personal computers have received a market share of 3%. There is room for improvement in that segment in the U.S. and abroad. Through an emphasis on sales to larger businesses, we can create a loyal following and increase sales of the personal computer as well as training. Apple has goals for completion for this program of three years.

Our customers are the driving force for this company. From the beginning, Apple has chosen to reach goals such as “putting a computer into the hands of the average individual”—Jobs. We will continue to emphasize that goal and to create and distribute high quality products that exceed our customer’s expectations. We will be reaching the customers who demand the highest quality and newest innovations. Apple’s timeline for our innovative approach will be five years and beyond.

Globally, we have created an Apple following and we will continue to supply the demand. Our timeline for distribution globally will be three to five years and we will monitor the results and react accordingly.

Entry into the technology industry for duplication of our products is limited due to our level of expertise for excellent applications and devices. We will continue to address the market’s demand for our products and by doing so, will create barrier entries that discourage duplication of Apple products. By vertically and horizontally integrating, we will develop a company that is positively affected by economies of scale. Our timeline for integration is three to five years.

Strategy Implementation Plan

According to Apple Inc. research, the marketing focus of the company should be improved. To maintain and continue the success of the company, the following strategy has been proposed.

Key Strategy: Develop a marketing campaign to exploit Apple's strengths and expand market share. Enhance the image of the company and promote the existing products.

To successfully implement the strategy, four objectives have been identified. To manage the implementation of the objectives, a responsible leader of the processes will be assigned for completion of each objective.

Objective #1: Create an advertisement campaign

- Apple Inc., has lost not only their leader, whose charismatic personality has been passed on to the company, but has lost a face and a voice of the company. Steve Jobs has been a live advertisement of the company since 1997. (Steve Jobs Commercial, 2011).
- To keep up with the fast pace of the technology industry, and to justify the high cost of their products, Apple Inc. will create a new advertisement campaign that will include creating three Apple commercials. The purpose is to promote the company's latest products and applications such as iCloud. Also, to turn Google Android and other competitor's users to Apple, and to announce customers a free three months of 4G connectivity with a new iPad purchase.
- To create new commercials, the responsible leader of the process will be contacting the advertisement agency to formulate the advertisements. The advertisement agency along with the employees will come up with an advertisement plan.

Objective #2: Promotions

- Apple Inc. will be working and improving promotion of the company. To increase the sales, Apple Inc. will budget and implement the free 4G connectivity. Another promotion activity will include an implementation of a "Reward points program" which will let the customers receive the points that will provide a discount for other Apple products.

Objective #3: Expand market share in PC segment

- After researching the government sector and the healthcare industry's software requirements, the company plans to promote their products where they could be used. Apple Inc. will increase their market share in the PC segment by establishing solid business relationships within these sectors.

Objective #4: Implement training services for Apple users

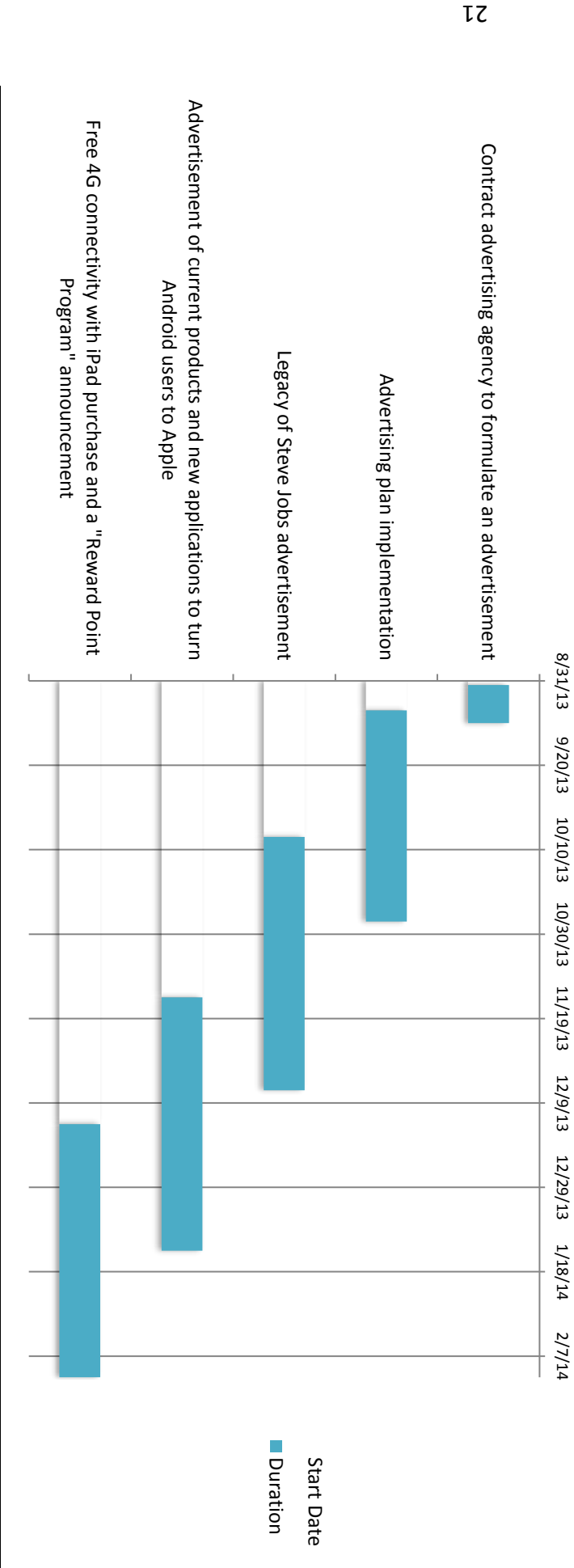
- New technology changes are always followed by the need of educational support. Some Apple Inc. customers have experienced a necessity to conduct training in their work places. Apple Inc. will provide training services for their customers. The company will create training programs, hire qualified instructors and technical professionals who will conduct the classes.
- The estimated timeline for strategic objectives implementation is demonstrated in the following Gantt charts starting on page 21.

Strategic Implementation Cost Budget

		1 Qtr	2 Qtr	3 Qtr	4 Qtr	Strategy Implementation Total FY1
Strategy						
Obj1	Advertisement Campaign	\$ 10,000,000	\$ 7,000,000	\$ 3,500,000	\$ 2,018,910	\$ 22,518,910
Obj2	Promotions	\$ 7,500,000	\$ 1,441,986	\$ 550,000	\$ 435,000	\$ 9,926,986
Obj3	Expand market share in PC segment	\$ 242,216	\$ 242,217	\$ 242,217	\$ 242,216	\$ 968,866
Obj4	Implement training services for Apple users	\$ 4,036,705	\$ 4,036,706	\$ 4,036,706	\$ 4,036,705	\$ 16,146,822
Totals		\$ 21,778,921	\$ 12,720,909	\$ 8,328,923	\$ 6,732,831	\$ 49,561,584

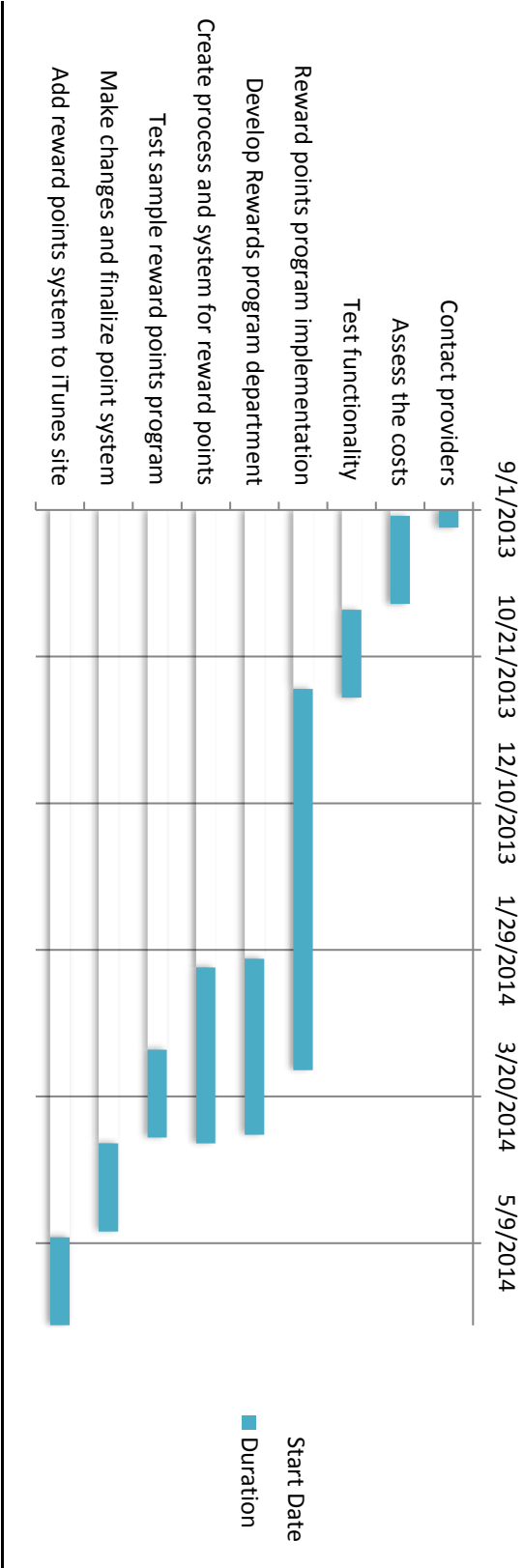
Objective #1 Timeline

Objective #1: Advertisement Campaign	Start Date	Duration in days	End Date
Contract advertising agency to formulate an advertisement	9/1/2013	9	9/10/2013
Advertising plan implementation	9/7/2013	50	10/27/2013
Legacy of Steve Jobs advertisement	10/7/2013	60	12/6/2013
Advertisement of current products and new applications to turn Android users to Apple	11/14/2013	60	1/13/2014
Free 4G connectivity with iPad purchase and a "Reward Point Program" announcement	12/14/2013	60	2/12/2014



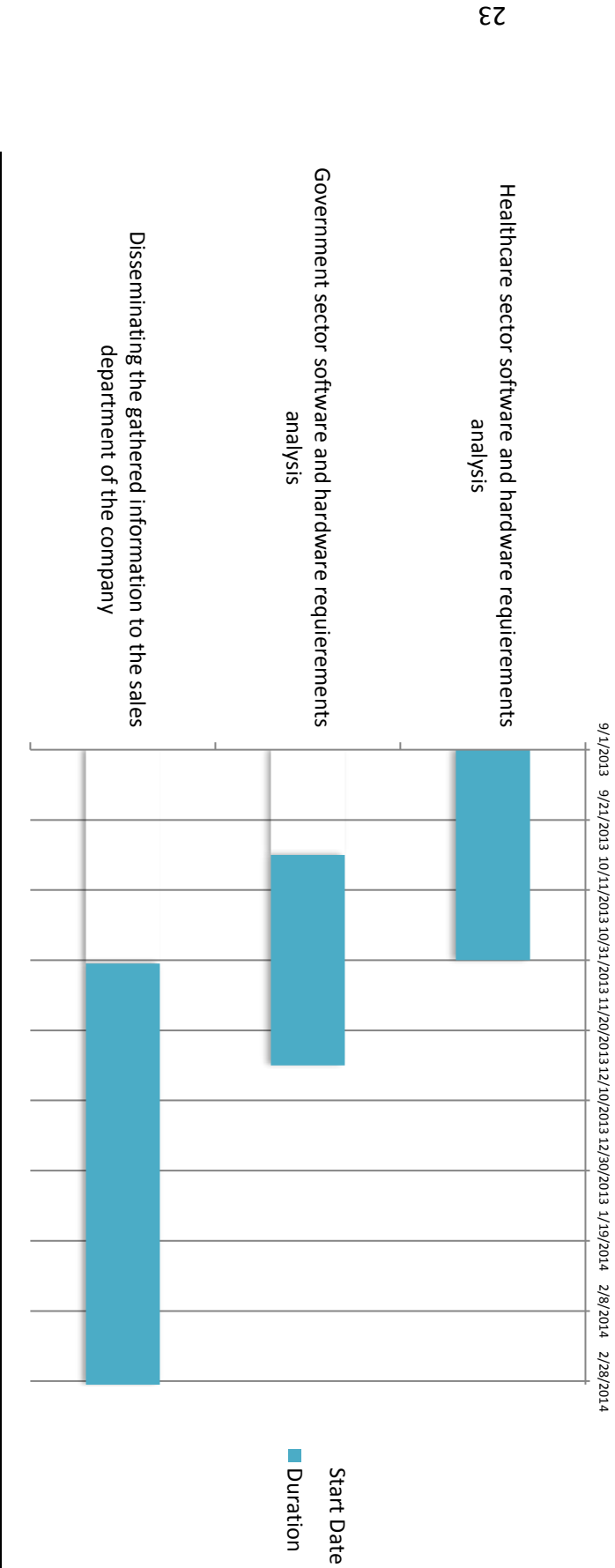
Objective #2 Timeline

Objective #2: Promotions	Start Date	Duration in days	End Date
Contact providers	9/1/2013	6	9/7/2013
Assess the costs	9/3/2013	30	10/3/2013
Test functionality	10/5/2013	30	11/4/2013
Reward points program implementation	11/1/2013	130	3/11/2014
Develop Rewards program department	2/1/2014	60	4/2/2014
Create process and system for reward points	2/4/2014	60	4/5/2014
Test sample reward points program	3/4/2014	30	4/3/2014
Make changes and finalize point system	4/5/2014	30	5/5/2014
Add reward points system to iTunes site	5/7/2014	30	6/6/2014



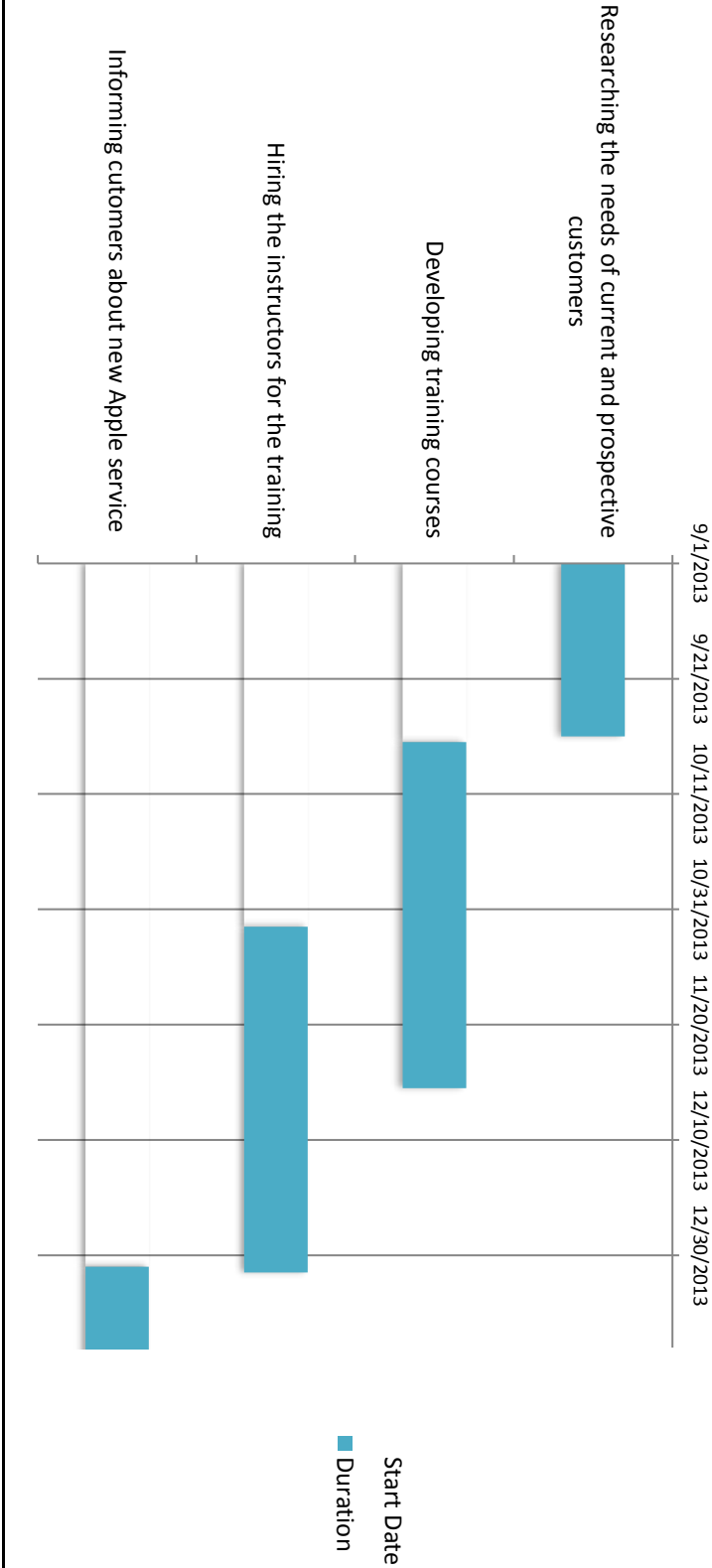
Objective #3 Timeline

Objective #3: Expand Market Share	Start Date	Duration in days	End Date
Healthcare sector software and hardware requirements analysis	9/1/2013	60	10/31/2013
Government sector software and hardware requirements analysis	10/1/2013	60	11/30/2013
Disseminating the gathered information to the sales department of the company	11/1/2013	120	3/1/2014



Objective #4 Timeline

Objective #4: Training services for Apple users	Start Date	Duration in days	End Date
Researching the needs of current and prospective customers	9/1/2013	30	10/1/2013
Developing training courses	10/2/2013	60	12/1/2013
Hiring the instructors for the training	11/3/2013	60	1/2/2014
Informing customers about new Apple service	1/1/2014	30	1/31/2014



Projected Cost of Strategic Implementation

Existing Resource Costs

Resource Description	N/E	# of Units	Unit Cost	Total Cost
Existing Resources				
CEO	E	1	\$180,000.00	\$180,000.00
CFO	E	1	\$140,000.00	\$140,000.00
Chief Accountant	E	1	\$114,920.00	\$114,920.00
VP Marketing	E	1	\$350,000.00	\$350,000.00
Human Resources	E	4	\$50,024.00	\$200,096.00
Total				\$985,016.00

Objective #1: Advertisement Campaign	N/E	# of Units	Unit Cost	Total Cost
Project Manager	E	1	\$102,752.00	\$102,752.00
Legal Personnel (Lawyers)	E	4	\$10,000	\$40,000.00
Support Personnel	E	11	\$59,488.00	\$654,368.00
Marketing Personnel	E	3	\$52,728.00	\$158,184.00
Accountant	E	2	\$81,692.00	\$163,384.00
Project Leader	E	1	\$58,136.00	\$58,136.00
Total				\$1,176,824.00

Objective #2: Promotions	N/E	# of Units	Unit Cost	Total Cost
Free 4G:				
Project Manager	E	1	\$102,752.00	\$102,752.00
Project Leader	E	1	\$58,136.00	\$58,136.00
Accountant	E	1	\$18,857.00	\$18,857.00
Legal Personnel (Lawyers)	E	2	\$10,000.00	\$20,000.00
Rewards Program:				
Project Manager	E	1	\$102,752.00	\$102,752.00
Project Leader	E	1	\$58,136.00	\$58,136.00
IT Programmers	E	3	\$94,640.00	\$283,920.00
Support Personnel	E	3	\$59,488.00	\$178,464.00
Web Personnel	E	2	\$59,280.00	\$118,560.00
Total				\$941,577.00

Objective #3: Expand Market Share	N/E	# of Units	Unit Cost	Total Cost
Project Manager	E	1	\$102,752.00	\$102,752.00
Project Leader	E	1	\$58,136.00	\$58,136.00
Legal Personnel (Lawyers)	E	3	\$10,000.00	\$30,000.00
IT Personnel	E	2	\$81,120.00	\$162,240.00
Sales Personnel	E	3	\$47,320.00	\$141,960.00
Total				\$495,088.00

Objective #4: Training Services for Apple Users	N/E	# of Units	Unit Cost	Total Cost
Project Manager	E	1	\$102,752.00	\$102,752.00
Project Leader	E	1	\$58,136.00	\$58,136.00
Trainers	E	3	\$60,840.00	\$182,520.00
Training Equipment (projectors, software, etc.)	E	30	\$1,000.00	\$30,000.00
Total				\$373,408.00

Grand Total of Existing Resources				\$3,971,913.00

New Resource Costs

Objective #1: Advertisement Campaign	N/E	# of Units	Unit Cost	Total Cost
Support Personnel	N	4	\$40,560.00	\$162,240.00
Marketing Personnel	N	2	\$44,616.00	\$89,232.00
Creative Designers	N	2	\$35,360.00	\$70,720.00
Marketing Consultant(Director)	N	3	\$87,880.00	\$263,640.00
Office Supplies	N	1	\$10,000.00	\$10,000.00
Total				\$595,832.00

Objective#2: Promotions	N/E	# of Units	Unit Cost	Total Cost
Office Supplies	N	1	\$10,000.00	\$10,000.00
Free 4G:				
Support personnel	N	4	\$40,560.00	\$162,240.00
Consumer Focus Group	N	100	\$10.00	\$1,000.00
Rewards Program				
Support personnel	N	4	\$40,560.00	\$162,240.00
Consumer Focus Group	N	100	\$30.00	\$3,000.00
Total				\$338,480.00

Objective #3: Expand Market Share	N/E	# of Units	Unit Cost	Total Cost
IT Personnel	N	2	\$60,840.00	\$121,680.00
Office Supplies	N	1	\$10,000.00	\$10,000.00
Total				\$131,680.00

Objective #4: Training services for Apple users	N/E	# of Units	Unit Cost	Total Cost
Support personnel	N	2	\$40,560.00	\$81,120.00
Trainers	N	30	\$12,168.00	\$365,040.00
Travel Expense Voucher (travel, food, lodging)	N	30	\$1,200.00	\$36,000.00
Training equipment (projectors, software, etc.)	N	30	\$1,500.00	\$45,000.00
Total				\$527,160.00

Grand Total of New Resources				\$1,593,152.00

Total Resource Costs

Total Existing and New Resources				\$5,565,065.00
Other Expenses for all Objectives:				
Advertising Expenses(TV, Internet, Social media)				\$20,500,000.00
Free 4G				\$8,017,525.00
Rewards Points				\$383,150.00
Expand Market Share				\$95,844.00
Training Services for Apple Users				\$15,000,000.00
Total Other Expenses				\$43,996,519.00
Grand Total of Expenses and Resources				\$49,561,584.00

Implementation Cost Breakdown

Apple Inc. Implementation Strategic Cost		
	Objective Cost	Cumulative cost
Objective #1: Advertisement Campaign	\$22,518,910.00	\$22,518,910
Contract advertising agency to formulate an advertisement	\$509,894.00	
Advertising plan implementation	\$1,509,016.00	
Legacy of Steve Jobs advertisement	\$10,000,000.00	
Advertisement of current products and new applications to turn Android users to Apple	\$10,000,000.00	
Free 4G connectivity with iPad purchase announcement	\$500,000.00	

Objective #2: Promotions	\$9,926,986.00	\$32,445,896
Free 4G connectivity offer application		
Contact providers	\$38,857.00	
Assess the costs	\$451,255.00	
Test the activation codes	\$1,000.00	
4G Expenses	\$8,017,525.00	
Reward points program implementation		
Develop Rewards program department	\$467,479.00	
Create process and system for reward points	\$283,920.00	
Test sample reward points program	\$3,000.00	
Make changes and finalize point system	\$162,240.00	
Add reward points system to iTunes site	\$118,560.00	
Reward points Expenses	\$383,150.00	

Objective #3: Expand Market Share	\$968,866.00	\$33,414,762
Healthcare sector software and hardware requirements analysis	\$365,531.00	
Government sector software and hardware requirements analysis	\$365,531.00	
Disseminating the gathered information to the sales department of the company	\$141,960.00	
Expand market share expenses	\$95,844.00	

Objective #4: Training services for Apple users	\$16,146,822.00	\$49,561,584
Researching the needs of current and prospective customers	\$246,254.00	
Developing training courses	\$454,408.00	
Hiring the instructors for the training	\$365,040.00	
Informing customers about new Apple service	\$81,120.00	
Training services for Apple users expenses	\$15,000,000.00	
TOTAL		<u>\$49,561,584</u>

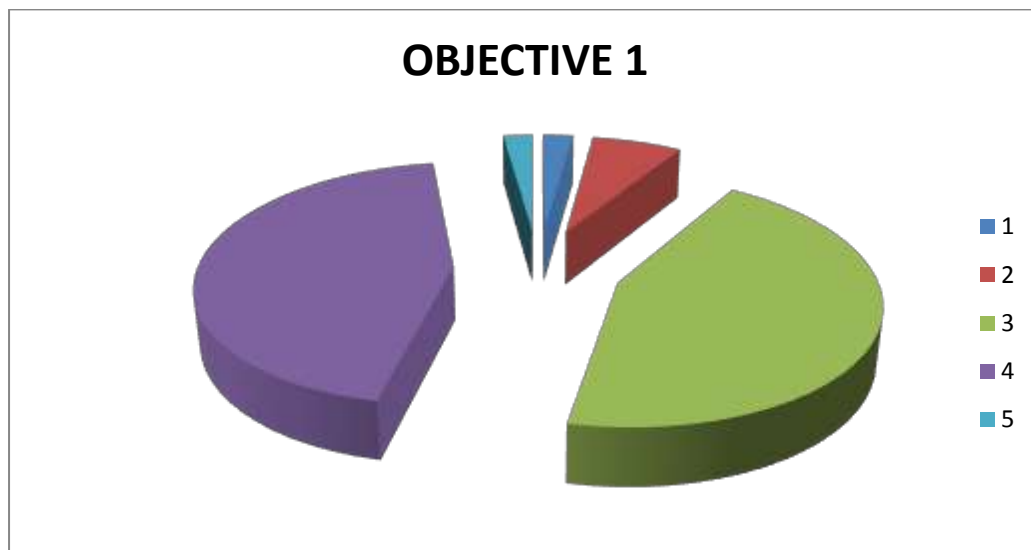
Strategy Financing

Apple Inc. Financing/Cost of Capital

The Marketing Strategy for Apple Inc. will be financed through 50% debt through the banking system and 50% monies from internal sources: the internal source will be through a stock split 3:1 to allow Apple Inc. customers to invest in the company. The Apple Inc. stock is currently selling for \$572.98 and would be available for \$190.9933 or \$191.

Major Budget Categories

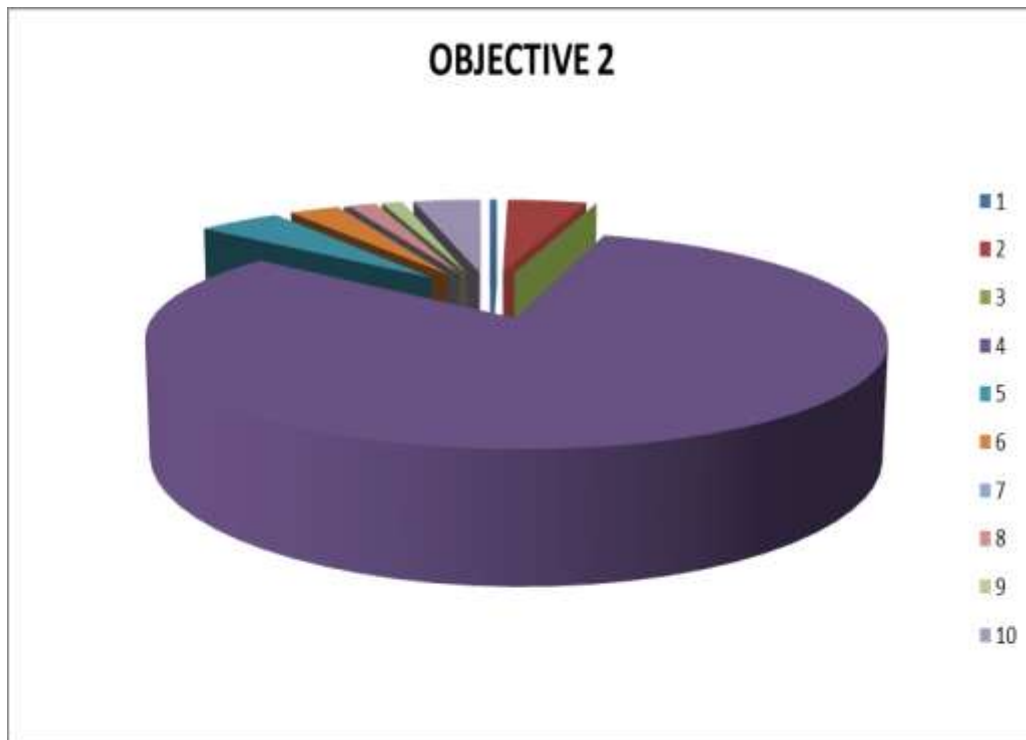
APPLE INC OBJECTIVE 1 BUDGET BREAKOUT
ADVERTISING CAMPAIGN



Objective #1: Advertisement Campaign	\$22,518,910.00	\$22,518,910 Running total
Contract advertising agency to formulate an advertisement	\$509,894.00	1
Advertising plan implementation	\$1,509,016.00	2
Legacy of Steve Jobs advertisement	\$10,000,000.00	3
Advertisement of current products and new applications to turn Android users to Apple	\$10,000,000.00	4
Free 4G connectivity with iPad purchase announcement	\$500,000.00	5

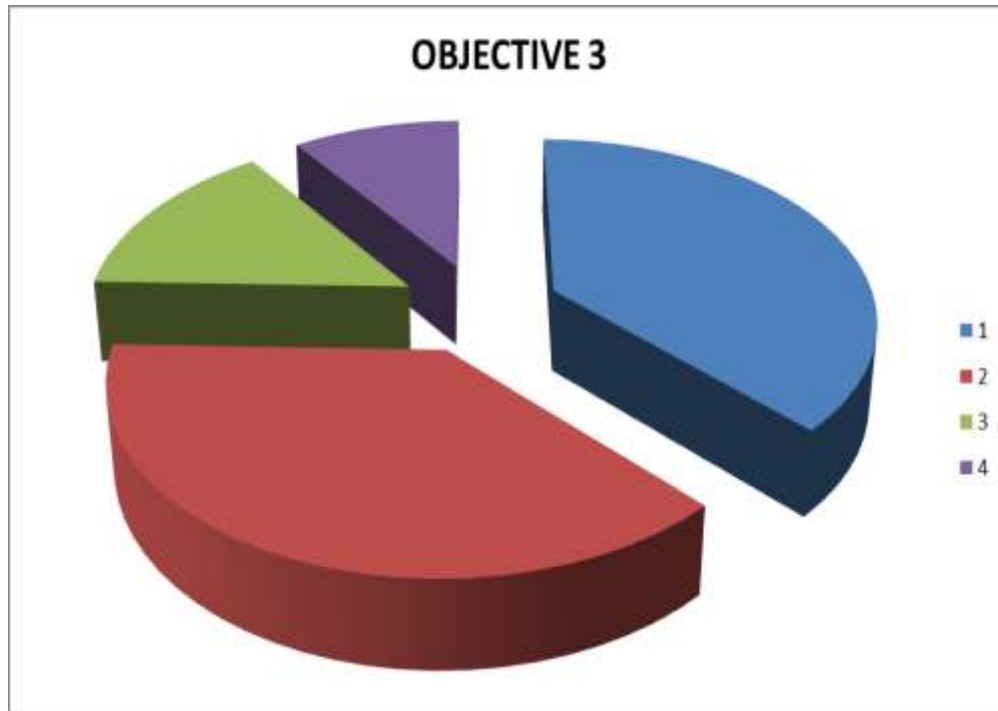
EMPHASIS: "Legacy of Steve Jobs Ad" and "Turn to Apple" ad total \$20m

APPLE INC OBJECTIVE 2 BUDGET BREAKOUT
PROMOTIONS



Objective #2: Promotions	\$9,926,986.00	\$32,445,896
Free 4G connectivity offer application		
Contact providers	\$38,857.00	1
Assess the costs	\$451,255.00	2
Test the activation codes	\$1,000.00	3
4G Expenses	\$8,017,525.00	4
Reward points program implementation		
Develop Rewards program department	\$467,479.00	5
Create process and system for reward points	\$283,920.00	6
Test sample reward points program	\$3,000.00	7
Make changes and finalize point system	\$162,240.00	8
Add reward points system to iTunes site	\$118,560.00	9
Reward points expenses	\$383,150.00	10

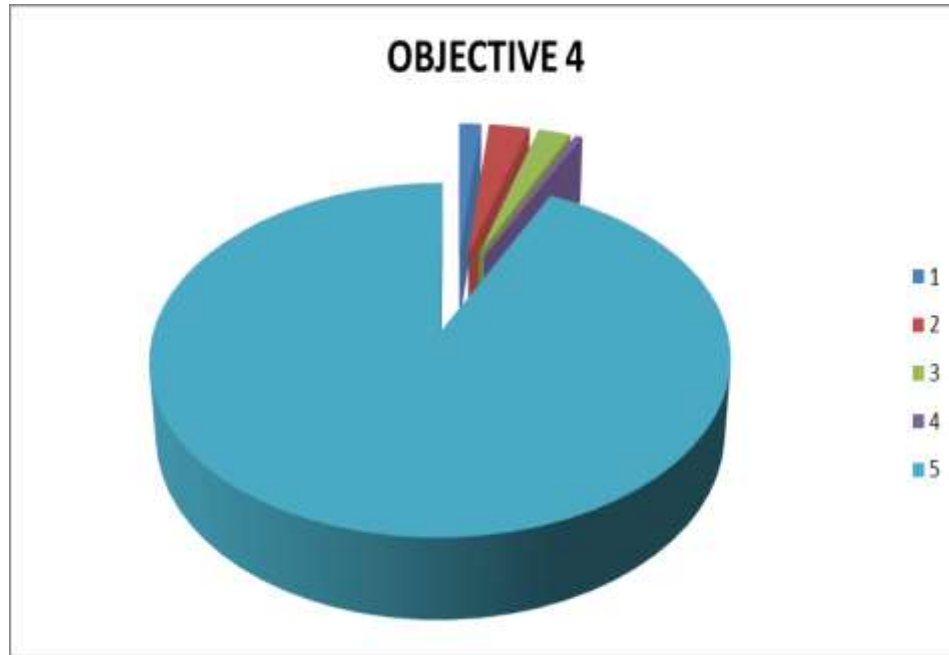
APPLE INC OBJECTIVE 3 BUDGET BREAKOUT
EXPAND MARKET SHARE DRIVE



Objective #3: Expand Market Share	\$968,866.00	\$33,414,762
Healthcare sector software and hardware requirements analysis	\$365,531.00	1
Government sector software and hardware requirements analysis	\$365,531.00	2
Disseminating the gathered information to the sales department of the company	\$141,960.00	3
Expand market share expenses	\$95,844.00	4

EMPHASIS: Software creation and sales

APPLE INC OBJECTIVE 4 BUDGET BREAKOUT
TRAINING SERVICES FOR APPLE USERS



Objective #4: Training services for Apple users	\$16,146,822.00	\$49,561,584
Researching the needs of current and prospective customers	\$246,254.00	1
Developing training courses	\$454,408.00	2
Hiring the instructors for the training	\$365,040.00	3
Informing customers about new Apple service	\$81,120.00	4
Training services for Apple users Expenses	\$15,000,000.00	5

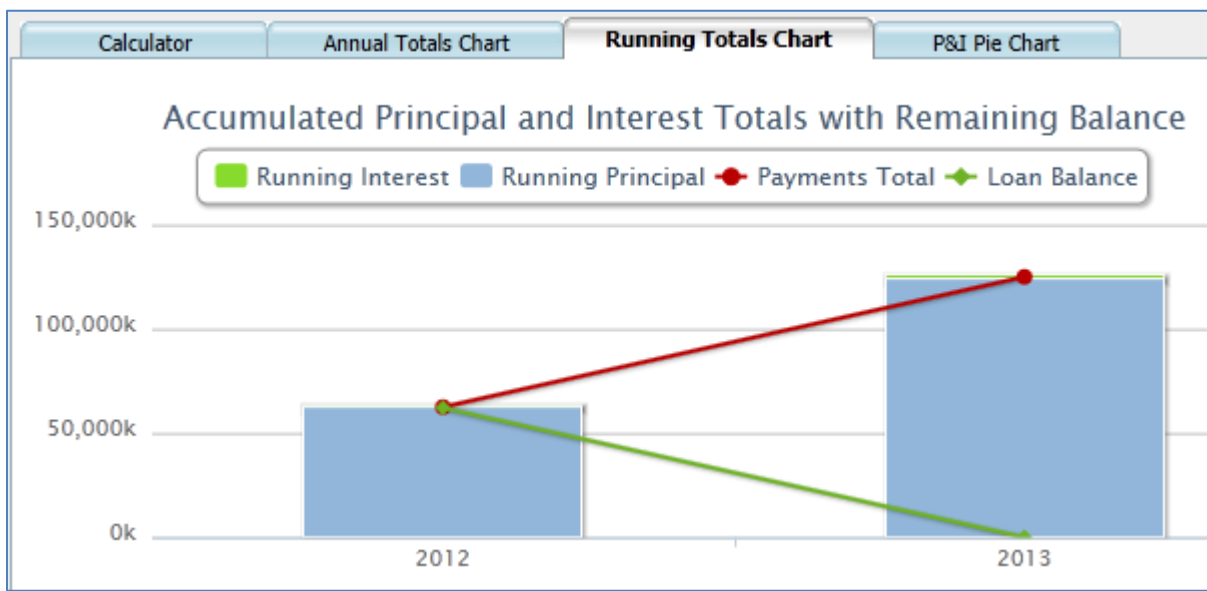
EMPHASIS: Training Services for Apple Users: Programs, Training, Expenses

Cost of Debt/Terms of Loan

Apple will borrow a total of \$123,903,960.00 from our lead bank, Bank of Cupertino, Cupertino, California. Duration will be two years and will be principle plus interest payback with the following calculated: interest rate will be 1% based on current LIBOR and Apple's investment rating of AAA. The loan will then be reassessed and submitted to the lender for Phases III, IV, and V (years 3, 4 and 5). The amount at that time will be dependent upon the success of the marketing objectives strategy through monitoring and evaluation. Apple is projecting an increase in sales as a direct result of the marketing strategy objectives implementation. The Apple repayment schedule will be calculated and paid on a quarterly basis.

Per/Yr	Date	Payment	Principal	Interest	Balance
Init/1	01/01/2012	0.00	0.00	0.00	123,903,960.00
1/01	02/01/2012	15,625,461.67	15,625,461.67	0.00	108,278,498.33
2/01	05/01/2012	15,625,461.67	15,354,765.42	270,696.25	92,923,732.91
3/01	08/01/2012	15,625,461.67	15,387,989.91	237,471.76	77,535,743.00
4/01	11/01/2012	15,625,461.67	15,427,314.77	198,146.90	62,108,428.23
Y-T-D	12/31/2012	62,501,846.68	61,795,531.76	706,314.91	0.00
Running	12/31/2012	62,501,846.68	61,795,531.77	706,314.91	0.00
5/02	02/01/2013	15,625,461.67	15,466,740.13	158,721.54	46,641,688.10
6/02	05/01/2013	15,625,461.67	15,510,153.05	115,308.62	31,131,535.05
7/02	08/01/2013	15,625,461.67	15,545,903.30	79,558.37	15,585,631.75
8/02	11/01/2013	15,625,461.70	15,585,631.75	39,829.95	0.00
Y-T-D	12/31/2013	62,501,846.70	62,108,428.23	393,418.48	0.00
Running	12/31/2013	125,003,693.39	123,903,960.00	1,099,733.39	0.00

Source: (Amortization Schedule Calculator)



Source: (Amortization Schedule Calculator)

Payment Summary

The total paid for interest and principle will be \$125,003,693.40. Total interest paid will be \$1,099,733.40.

Rationale

The loan disbursement terms are based on marketing feedback for industry ROI for marketing. The results have been analyzed to be immediate. Repayment capacity will therefore be assured through the success of the objectives and on the current financial standing of the company.

There are three top agencies that deal in credit ratings for the investment world. They are the following: Moody's, Standard and Poor's (S&P's) and Fitch IBCA.

The rating system provided by Moody's, Standard and Poor's and Fitch IBCA assesses our investor's risk for investing in Apple. The rating not only allows investors an opportunity to determine the quality of their investment, but allows lenders the assurances that Apple Inc. is creditworthy.

Based on the five-year projection for the marketing strategy, Apple Inc will enter Phase III (year 3) upon completion of implementation of Phases I and II which are years 1 and 2. An analysis of the implementation through monitoring and evaluation controls will be the basis for consideration for creating monies for the current strategy by extending the objectives or and by revamping the objectives to meet current market environment and external environment for Apple Inc. for Phases III, IV and V, years 3 through 5. Consideration for a revolving loan would be applicable here with variable interests rates applied for successful strategies that are deemed to endure for longer than five years through evaluation and controls. At current evaluation, the Apple Inc. Financial Department has issued approval for the loan on the terms stated. Further evaluation and immediate response will be implemented should the objectives strategies prove inherently successful or unsuccessful.

Cost of Equity

$$K_c = R_f + [\text{beta} \times (K_m - R_f)]$$

The rate of a risk free investment, a 10-year treasury return, plus our beta of 1 times the S&P 500 market rate return at .72, when the ten year U.S. Treasury Bond yield has been subtracted will yield a equity financing cost of 1.72 percent. We find the cost through the following S&P 500 5-year average and the 10-year treasury return, considered the risk free investment. The figures are transient as they are constantly moving.

S&P 500 Index Average:

Trailing Total Return	1 Month	3 Month	1 Year	3Yr Avg	5Yr Avg	10Yr Avg	YTD
S&P 500 Index	-0.31	5.44	6.44	19.56	0.72	4.51	11.29

Source: (Walker)



Source: (10 Year Treasury Rate)

Treasury securities			
Updated 4/25/2012			
	This week	Month ago	Year ago
Ten-Year Treasury Constant Maturity	2.00	2.32	3.41

Source: (10 Year Treasury Rate)

Yield on current seven-year notes fell two basis points, or 0.02 percentage points, to 1.34 percent in New York, according to Bloomberg Bond Trader Prices. The yield on the benchmark 10-year note fell two basis points to 1.96 percent (Walker).

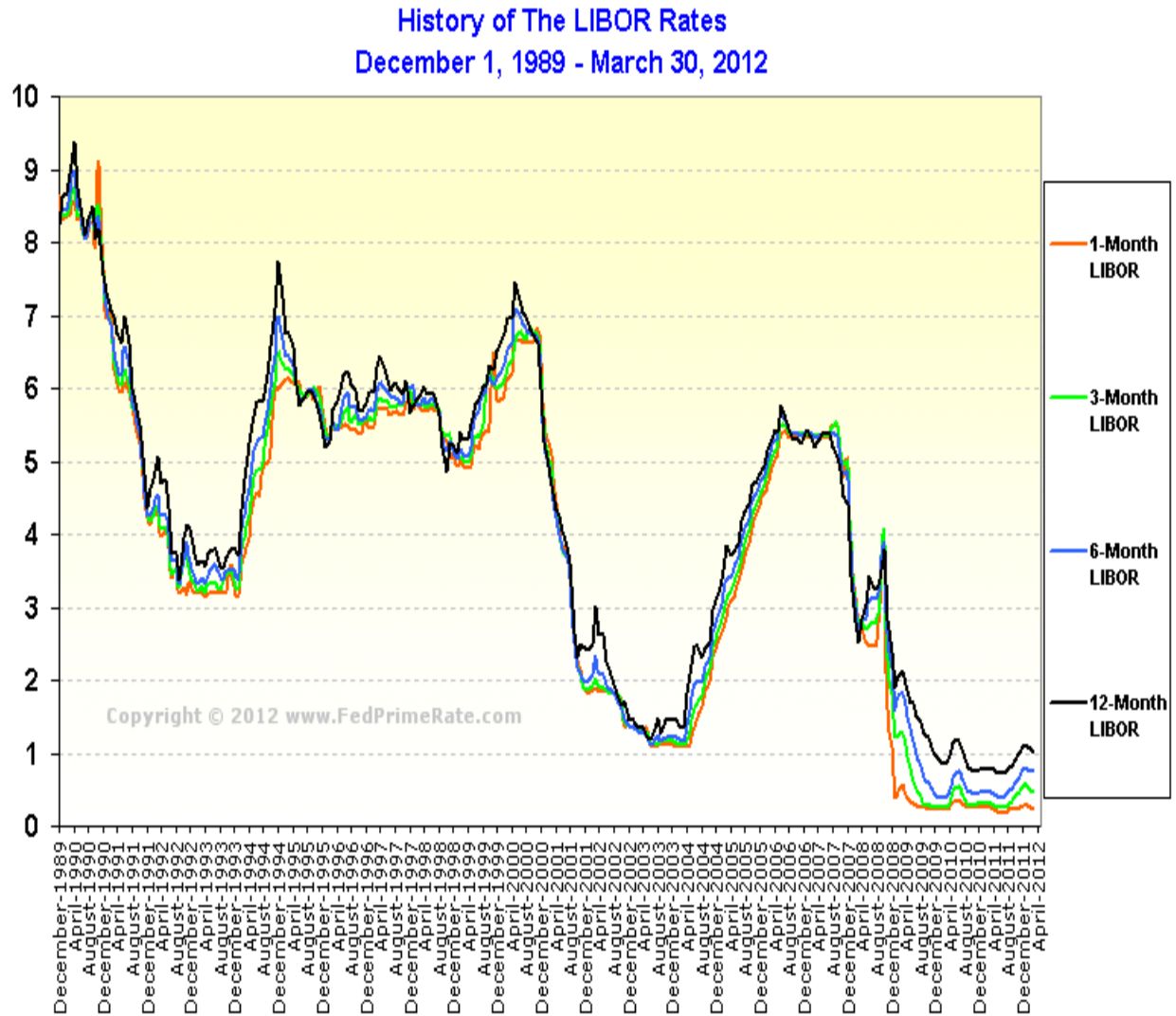
The 10-year bond yield fell six basis points to 1.68 percent today as euro-area economic confidence slid and Spain's prime minister said his country's ability to fund itself is at risk. The yield reached a record low 1.63 percent April 23 (Walker).

Using the 5-year S&P 500 Index return of .72 when subtracting the 10-year bond yield of 2.00, we get -1.28. The -1.28 is then multiplied by beta of 1 and added to the risk free rate. The capital asset cost of capital will be 1.72.

Apple can increase market capitalization by issuing stocks at a 3:1 split rate. We want to involve our customers and increase our capacity for market growth. The immediate payoff will be the market buzz as we are out-pricing competitors.

APPLE INC

LIBOR RATE REFERENCE



APPLE INC

Source: (LIBOR Rates: Historical Charts)

Functional Areas Impacted

Financial Resources

- Apple Inc. financing will evolve from a stock split and issuance of 50% of the total \$247,807,920 in equities and 50% in a short term loan: the loan amount will equal \$123,951,980. The total strategic project amount will be utilized within the first two years as per the implementation timelines. In the beginning of Phase III, year three, the evaluation process will yield information as to the amount of monies required for Phases III, IV and V, years 3, 4 and 5.
- We will issue 648,964 shares of stock at \$191 per share to cover 50% of the costs of Phase I and II.
- We will borrow \$123,951,980 from the Bank of Cupertino, California, on a short term, principle and interest payback loan for two years at which time the CFO and committee will evaluate the amount and terms of the loan to open Phase III, IV and V.
- For future reference there is a possibility that, if strategies seem continuously productive to become involved in a revolving loan with variable interests with our bank.

Marketing

- The Marketing department will develop an exemplary marketing program to create and implement a comprehensive plan to enhance the brand of Apple Inc., and increase market share.
- The Marketing department will increase the marketing of our products through an extensive marketing campaign and specific promotions through the next five-year period. The implementation plan is a priority to further enhance and promote the Apple Inc. brand name and create greater market share in specific areas.

Production

- The successful outcome of the strategic plan will result in at least a 10% increase in sales of iPads and iPhone. Production facilities should be prepared for proportional increases in product orders commensurate to the new level of demand.
- The successful outcome of the strategic plan will result in at least a 3% increase in market share of personal computer sales. Production facilities should be prepared for proportional increases in product orders commensurate to the new level of demand.

Distribution

- The successful outcome of the strategic plan will result in overall increases in productions for iPad, iPhone and Mac product lines. Distribution facilities should be prepared for proportional increases in distribution volume orders commensurate to the new level of production

Human Resources

- The Human Resources department will be tasked with the selection and hiring of any new personnel needed in support of the strategic plan.
- Appropriate affected functional department managers will provide the Human Resources department the specific knowledge, skills and abilities (KSA's) and core competencies needed for new-hire selections.
- The Human Resources department will be tasked with designing and executing the interview process.
- The Human Resources department will be required to provide new-hire orientation for all new personnel.

Finance and Accounting

- The Finance department will be tasked with the detailed preparation of budgets for each objective (and sub-objective) of the strategic plan.
- The Accounting department will be responsible for assigning lead accountants as needed to ensure full compliance of generally accepted accounting principles (GAAP) throughout each portion of the strategy implementation and evaluation.

Legal Department

- The Legal department will be responsible for a detailed review of all proposed contracts and agreements that are created in support of the strategic plan that involve Apple Inc. or any of its subsidiaries.
- Throughout all phases of the strategic plan it is the Legal department's responsibility to ensure protection of Apple's intellectual property, copyrights and patents.
- It is the Legal department's responsibility to police any potential unauthorized use of Apple's logo and trademarks.

Information Technology

- The Information Technology (IT) department will be responsible for development, implementation and maintenance of all required software changes for web services required to support the Apple Free 4G and Rewards Points initiatives.
- The IT department will provide any required internal company training needed in support of the Apple Free 4G and Rewards Points initiatives.
- The IT department will evaluate the organization's ability to provide world-class customer support in support of the strategic plan on a continued basis. The department will make recommendations for improvement as required.

Projected Outcomes

Quantitative outcomes

APPLE INC Pro Forma Consolidated Balance Sheet (\$ in millions)										
	2011		2013		2014		2015		2016	
			50%		46%		38%		25%	
Current Assets:										
Cash and Cash Equivalents	9,815	8.43%	14,723	8.43%	21,495	8.43%	29,663	8.43%	37,079	8.43%
Short-Term Marketable Securities	16,137	9.24%	24,206	13.87%	35,340	13.87%	48,769	13.87%	60,962	13.87%
Accounts Receivable	5,369	3.08%	8,054	4.61%	11,758	4.61%	16,226	4.61%	20,283	4.61%
Inventories	776	0.44%	1,164	0.67%	1,699	0.67%	2,345	0.67%	2,932	0.67%
Deferred Tax Assets	2,014	1.15%	3,021	1.73%	4,411	1.73%	6,087	1.73%	7,608	1.73%
Vendor Non trade receivables	6,348	3.64%	9,522	5.45%	13,902	5.45%	19,185	5.45%	23,981	5.45%
Other Current Assets	4,529	2.59%	6,794	3.89%	9,919	3.89%	13,688	3.89%	17,109	3.89%
Total Current Assets	44,988	28.58%	67,482	38.66%	98,524	38.66%	135,963	38.66%	169,953	38.66%
Long-Term Marketable Securities	55,618	31.86%	83,427	47.79%	121,803	47.79%	168,089	47.79%	210,111	47.79%
Property, Plant and Equipment	7,777	4.46%	11,666	6.68%	17,032	6.68%	23,504	6.68%	29,380	6.68%
Goodwill	896	0.51%	1,344	0.77%	1,962	0.77%	2,708	0.77%	3,385	0.77%
Acquired Intangible Assets	3,536	2.03%	5,304	3.04%	7,744	3.04%	10,686	3.04%	13,358	3.04%
Other Assets	3,556	2.04%	5,334	3.06%	7,788	3.06%	10,747	3.06%	13,434	3.06%
Total Assets	116,371	69%	174,557	100%	254,852	100%	351,696	100%	439,621	100%
Current Liabilities:										
Accounts Payable	14,632	24.54%	21,948	36.80%	32,044	36.80%	44,221	36.80%	55,276	36.80%
Accrued Expenses	9,247	15.51%	13,871	23.26%	20,251	23.26%	27,946	23.26%	34,933	23.26%
Deferred Revenue	4,091	6.86%	6,137	10.29%	8,959	10.29%	12,364	10.29%	15,455	10.29%
Total Current Liabilities	27,970	46.90%	41,955	70.35%	61,254	70.35%	84,531	70.35%	105,664	70.35%
Deferred Revenue- Non-Current	1,686	2.83%	2,529	4.24%	3,692	4.24%	5,095	4.24%	6,369	4.24%
Other Non-Current Liabilities	10,100	16.94%	15,150	25.40%	22,119	25.40%	30,524	25.40%	38,155	25.40%
Total Liabilities	39,756	100%	59,634	100%	87,066	100%	120,151	100.00%	150,188	100.00%
Shareholders' Equity:										
Common Stock	13,331	7.64%	19,997	11.46%	29,195	11.46%	40,289	11.46%	50,361	11.46%
Retained Earnings	62,841	36.00%	94,262	54.00%	137,622	54.00%	189,918	54.00%	237,398	54.00%
Accumulated Other Comprehensive Income/(loss)	443	0.25%	665	0.38%	970	0.38%	1,339	0.38%	1,674	0.38%
Total Shareholders' Equity	76,615	43.89%	114,923	65.84%	167,787	65.84%	231,546	65.84%	289,432	65.84%
Total Liabilities and Shareholders' Equity	116,371	100%	174,557	100%	254,852	100%	351,696	100%	439,621	100%

APPLE INC Pro Forma Consolidated Income Statement (\$ in millions)											
	2011		2013		2014		2015		2016		2017
			75%		80%		83%		70%		60%
Net Sales	108,249	100%	189,435.75	100%	340,984.35	100%	624,001.36	100%	1,060,802.31	100%	1,697,283.70
Cost of Sales	64,431	59.52%	112,754.25	59.52%	202,957.65	59.52%	371,412.50	59.52%	631,401.25	59.52%	1,010,242.00
Gross Margin	43,818	40.48%	76,681.50	40.48%	138,026.70	40.48%	252,588.86	40.48%	429,401.06	40.48%	687,041.70
Operating Expense:											
Research and Development	2,429	2%	4,250.75	2%	4,372.20	1%	8,001.13	1%	13,601.91	1%	21,763.06
Selling, General and Administrative	7,599	7%	13,298.25	7%	13,678.20	4%	25,031.11	4%	42,552.88	4%	68,084.61
Total Operating Expense	10,028	9%	17,549.00	9%	18,050.40	5%	33,032.23	5%	56,154.79	5%	89,847.67
Operating Income	33,790	31%	59,132.50	31%	60,822.00	18%	111,304.26	18%	189,217.24	18%	302,747.59
Other Income and Expenses	415	0%	726.25	0%	747.00	0%	1,367.01	0%	2,323.92	0%	3,718.27
Income Before Provision for Income Taxes	34,205	32%	59,858.75	32%	61,569.00	18%	112,671.27	18%	191,541.16	18%	306,465.85
Provision for Income Taxes	8,283	8%	14,495.25	8%	14,909.40	4%	27,284.20	4%	46,383.14	4%	74,213.03
Net Income	25,922	24%	45,363.50	24%	46,659.60	14%	85,387.07	14%	145,158.02	23%	232,252.82
Earnings Per Common Share:											
Basic	28.05	1.50%	28.47	1.50%	28.90	1.50%	29.33	1.50%	29.77	1.50%	30.22
Diluted	27.68	1.50%	28.10	1.50%	28.52	1.50%	28.94	1.50%	29.38	1.50%	29.82

Qualitative Outcomes

Improvements in the marketing area will help the company keep its high position in the technology market, retain the loyal customers, and turn the competitor's Android users to Apple.

Increase PC market share by 3%

- By focusing on healthcare and the government sector's needs, Apple Inc. will work toward satisfying those requirements and needs, and in turn will establish new business relationships with those sectors. Apple Inc. intends to increase the PC market share at least by 3%.

Increase Android Conversion to 5 million Users

- Apple Inc. will initiate a new advertisement campaign to convert Android users to Apple, to attract new customers and retain existing customers. The goal of the company is to win 5,000 000 new customers.

iPad Sales Increase by 18%

- A free 4G Connectivity offer with iPad purchase will result in sale increase. The Company expects at least a 18% increase in iPad sales.

Sales Increase by 10%

- A "Reward points program" implementation lets the customers receive the points for purchased Apple products. This will increase the sales of the Company by 10%.

New after Purchase Service and Customer Service Recognition

- The implementation of new training services for Apple users will improve customer service, attract new customers, and acquire good reputation for the company.

Strategy Evaluation

To continue to be the leader in innovation, services and products our marketing campaign must be evaluated on a regular basis to make sure we are capitalizing in all markets and countries where significant contributions can be made. We will use the following measures to ensure success of our new marketing campaign.

- Decrease in Customer complaints by at least 35%
- 30 % Increase in brand awareness and brand loyalty with new and existing Apple users
- Apple rewards program used by 65% of Apple users
- Receiving at least 85% positive consumer feedback on how effective our new advertising campaigns are in different segment markets

The Strategy target measurement timeline will be used in the following ways:

1. Monthly Evaluations

- The project manager from each objective will monitor the progress of each objective with sales. This will allow the project managers to take any corrective or modification action required to advance the objectives.

2. Quarterly Meetings

- Every quarter, each project manager from each strategic objective will have a meeting with the CEO, CFO, and Vice President of Marketing to see if projected Android conversions, iPad sales and PC market share increases are aligned with actual figures. The project managers will present their monthly findings during that particular quarter. This will also allow the CEO, CFO, and VP of marketing to give feedback and make any necessary changes to either improve or cutback on an objective.

Apple Inc Strategy Target Measurement Timeline

Projected Budget: \$247,807,920.00

Projected Increase in iPad Sales: 10% or \$2,035,800 (over 5 yr lifetime of strategy)

Projected Android Conversion Increase: 5,000,000 (over 5 yr lifetime of strategy)

Projected Increase in Mac Market Share: 3% (over 5 yr lifetime of strategy)

FY 1:	Start	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Budget	\$0	\$107,305,720	\$108,805,720	\$110,305,720	\$111,805,720
iPad Sales Increase	\$0	\$500,000	\$650,000	\$875,000	\$965,000
Android Conversions	0	0	0	50,000	125,000
Mac Market Share	0%	0%	0%	0.50%	0.90%

FY 2:	Start	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Budget	\$111,805,720	\$122,306,270	\$132,806,820	\$143,307,370	\$153,807,920
iPad Sales Increase	\$965,000	\$1,235,000	\$1,290,000	1340000	\$1,385,000
Android Conversions	125,000	300,000	525,000	750,000	1,000,000
Mac Market Share	0.90%	1.12%	1.29%	1.40%	1.48%

FY 3:	Start	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Budget	\$153,807,920	\$162,807,920	\$171,807,920	\$180,807,920	\$189,807,920
iPad Sales Increase	\$1,385,000	\$1,445,000	\$1,511,500	\$1,578,200	\$1,623,200
Android Conversions	1,000,000	1,350,000	1,600,000	1,950,000	2,225,000
Mac Market Share	1.48%	1.60%	1.71%	1.82%	2.01%

FY 4:	Start	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Budget	\$189,807,920	\$199,807,920	\$209,807,920	\$219,807,920	\$229,807,920
iPad Sales Increase	\$1,623,200	\$1,678,200	\$1,733,200	\$1,772,150	\$1,812,900
Android Conversions	2,225,000	2,675,000	2,945,000	3,295,000	3,845,000
Mac Market Share	2.01%	2.09%	2.15%	2.25%	2.40%

FY 5:	Start	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Budget	\$229,807,920	\$234,307,920	\$238,807,920	\$243,307,920	\$247,807,920
iPad Sales Increase	\$1,812,900	\$1,869,450	\$1,926,700	\$1,976,200	\$2,035,800
Android Conversions	3,845,000	4,195,000	4,545,000	4,795,000	5,000,000
Mac Market Share	2.40%	2.55%	2.61%	2.70%	3%

Outcomes if Strategy Fails

Quantitative outcome

Stock Price Decrease

- Failure of the proposed strategy could cause a negative effect on the company's stock prices. A decline in stock prices by 10% will initiate an investor withdrawal from Apple Inc. stock portfolio which in turn will decrease our total market cap. Apple will monitor the objectives for downturns in revenue and act appropriately. Holding onto the current market cap is imperative to the success of the company.

Increased Short-term Debt

- Failure of the strategic plan would result in an increase in short-term debt up to \$124M. This scenario would temporarily decrease financial performance measures which could negatively impact investor confidence.

Operating Budget

- The failure of our objectives in marketing our products should not adversely affect the day to day operations of Apple. Our strategy budget of \$243M will be a pilot program strategy for plan strategies to be developed in the future and as such will therefore not adversely affect our operating budget.
- If the strategy fails, Apple will have to reconsider our focus. Our objectives are implemented and monitored daily with consideration for revenues.

Lost Resources

- Lost resources from a negative feedback by the general public can result in a downturn in sales or revenue by an estimated 2-5%.
- A 1-2% reduction in force (RIF) may occur in accordance with readjusted human resource requirements.

Market Share Decrease

- In the event of failure, Apple could experience a 1-10% increase in customer exodus to the competition reducing product market share. A strategic contingency plan will be implemented to compensate and regain our current lead in the event of such a scenario.

Qualitative outcomes

Impaired Image of the Company

- The image of the company can be damaged by public opinion or a negative feedback. The Apple strategic team has marketing monitors in place to create defensive measures and move forward to develop positive images by our consumers. Failure to reach our

target markets and create a positive affect will need to be monitored and adjusted accordingly.

Decrease in Customer Satisfaction

- If the strategy fails, the decrease of customer satisfaction will grow and the company will lose the trust of their prospective and current customers.

Corporate Culture

- Apple has a very strong corporate culture. A negative response to our market plan implementation by the general public can adversely affect Apple's culture and we are highly aware of the possibilities for the impact. Apple strives to keep the image of the company very high and will respond accordingly to achieve high morality within the organization.

Discouraged Employees

- In the event of failure, employee morale could suffer which might result in a temporary yet harmful decrease in worker productivity.

Government and Healthcare Sectors

- Thorough analysis of the requirements of these sectors will be conducted.

These are the projected quantitative and qualitative outcomes if the proposed strategy fails. Apple Inc. believes that the strategy will not fail. We have implemented thorough analyses in Marketing and we predict that our proposed objectives will retrieve the invested capital. To transition out of its strategy if it fails, the company will conduct BCG analyses. According to the results we will focus on those objectives that increase revenue levels adequately and replace those that do not.

Appendix A: Environmental Analysis

Apple Inc. IFAS (Internal Factor Analysis Summary)				
Internal Factors	Weight	Rating	Weighted Score	Comments
Strengths				
Pioneer of innovative and high-tech quality products	0.09	4.50	0.41	iPod, iPhone, iPad and Mac
Globally recognized brand name	0.10	4.00	0.40	Apple products are known around the world
Global Leader in Research and Development	0.09	5.00	0.45	Apple continually increasing budget for research and development.
Knowledgeable staff and experienced professionals	0.08	5.00	0.40	Apple employees have strong Tacit and Explicit knowledge
Very proprietary and controlling	0.09	5.00	0.45	Proprietary computer hardware and software
Marketing	0.06	3.50	0.21	Apple leverages its competitive advantages over competitors.
Corporate Leadership and Legacy of Steve Jobs	0.15	5.00	0.75	Spike in sales after Steve Jobs passed away.
Weaknesses				
Low market share in PC market compared with Microsoft and other competitors	0.05	4.00	0.20	Dell, Toshiba, Lenovo, HP, Windows XP, Vista, Windows 7 etc.
Higher price compared to Microsoft and other competitors	0.06	3.50	0.21	Pricing strategy is not attractive to some of the customers
Supply of Components	0.05	3.00	0.15	Limited sources of components subjected the company to supply and pricing risks
Death of Steve Jobs	0.08	4.00	0.32	Risk of losing company's image and performance (innovation)
Very proprietary and controlling	0.10	2.50	0.25	Operation decision to keep Apple products proprietary
Total	1.00		4.20	

Apple Inc. EFAS (External Factor Analysis Summary)				
External Factors	Weight	Rating	Weighted Score	Comments
Opportunities				
Changing consumer preferences	0.08	3.50	0.28	Change in consumer preferences toward technology driven communication devices
Changing market demographics	0.08	5.00	0.40	Consumer online purchasing, social media
Changing consumer expectations	0.09	5.00	0.45	Consumers want new innovative products
Increasing demand of online music and movies	0.07	4.50	0.32	I-tunes and all related applications
Increased global demand for technology driven communication devices	0.08	3.00	0.24	Increase foreign direct and indirect investment. Increase exports
Threats				
Increased competition	0.10	3.50	0.35	Dell, Toshiba, lenovo, HP, Nokia, Google, Nook, Microsoft Mobile 7, etc..
Changing consumer expectations	0.06	2.00	0.12	Consumers want high quality products at the lowest possible price
Intellectual property theft	0.08	3.00	0.24	knock-offs, patents, copyrights
Change in economic conditions	0.04	4.00	0.16	Recession affected consumers
Fast pace of the industry	0.10	4.00	0.40	Technology changes very quickly
Competition with other online music providers	0.07	4.00	0.28	Yahoo, Amazon, Wal-Mart.
Government regulation	0.05	4.00	0.20	FCC intervention
Changing services provided by key suppliers	0.08	1.50	0.12	Data plans of Verizon, AT&T
Changing market demographics	0.02	3.50	0.07	Firms must adapt quickly to new technologies and/or trends. Consumers may be resistant.
Total	1.00		3.44	

Apple Inc. SFAS (Strategic Factor Analysis Summary)							
				Duration			
Strategic Factors	Weight	Rating	Weighted Score	S	I	L	Comments
[S1] Corporate leadership and legacy of Steve Jobs	0.11	5	0.55	X	X	X	Spike in sales after Steve Jobs passed away
[S2] Globally recognized brand name	0.07	4	0.29	X	X	X	Apple products are known around the world
[S3] Pioneer of innovative and high-tech quality products	0.06	4.5	0.29			X	iPod, iPhone, iPad and Mac
[S4] Global leader in research and development	0.06	5	0.32		X	X	Apple continually increasing budget
[S5] Very Proprietary and Controlling	0.06	5	0.32	X			Proprietary computer hardware/software
[W1] Very Proprietary and Controlling	0.07	2.5	0.18			X	Operation decision to keep apple products
[W2] Death of Steve Jobs	0.06	4	0.23	X			Risk of losing company image/performance
[W3] Higher Price Compared to Microsoft/Competitors	0.04	3.5	0.15		X	X	Pricing strategy is not competitive
[W4] Low Market Share in PC Segment	0.04	4	0.14			X	Compared to Microsoft, Dell, Toshiba, Lenovo, HP, etc
[O1] Changing Consumer Expectations	0.06	5	0.32	X			Consumers want new innovative products
[O2] Changing Consumer Preferences	0.06	3.5	0.20	X	X		Change in consumer preferences toward technology driven communication devices
[O3] Increased Global Demand for Technology Driven Communication Devices	0.06	3	0.17	X	X	X	Increase in foreign direct and indirect investment to increase exports
[T1] Increased Competition	0.07	3.5	0.25				Dell, Toshiba, Lenovo. HP, Nokia, Google, Nook etc.
[T2] Fast Pace of Industry	0.07	4	0.29	X			Technology changes quickly
[T3] Services Provided by Key Suppliers Changes	0.06	1.5	0.09	X	X		Data plans of Verizon, AT&T
[T4] Government Regulations	0.04	4	0.14			X	FCC intervention
Total Scores	1.00		3.95				

APPLE INC. TOWS MATRIX				
Internal Factors	STRENGTHS (S)			
	S1	Corporate leadership and legacy of Steve Jobs	W1	Very proprietary and controlling
External Factors	S2	Globally recognized brand name Pioneer of innovative and high-tech quality products	W2	Death of Steve Jobs
	S3		W3	Higher price compared to competitors
	S4	Global leader in research and development	W4	Low market share in PC segment
	S5	Very proprietary and controlling	W5	Supply of Components
OPPORTUNITIES (O)	SO STRATEGIES			
		• Target new markets for foreign direct and indirect investment • Create apps/accessories for the healthcare industry (ex: blood pressures or blood sugar test) • Initiate new advertising campaign that personifies Jobs' legacy and exemplifies Apple as leader of innovation • Improve/modify Apple iTunes and Apple TV • Enhance marketing research for emerging new markets • Develop more iCloud applications		WO STRATEGIES • Initiate new advertisement campaign designed to convert android customer • Implement apple rewards program on all Apple products, offer different pts. for each product • Obtain new purchase contracts with federal and state government agencies
THREATS (T)	ST STRATEGIES			
		• Offer free 4G connectivity (unlimited data) for specified period of time with purchase of iPad • Create and market iPhone designed for gaming		WT STRATEGIES • Acquire new sources of component suppliers (initiate a supplier evaluation risk rating) • Improve software compatibility • Takeover/buyout/merge with competitor • Discontinue Apple TV
Increased competition Fast pace of the industry Changing services provided by key suppliers Intellectual property theft Competition with other online content providers				

Appendix B: Porter's Six-Force Model

Threat of New Entrants

For Apple, the threat of new entrants is high for the industry as a whole, but low within Apple's core and distinctive competencies. We are the leader in innovation for technology.

Apple Inc.'s ability to reinvent and move forward in the innovative process has kept the company at a higher level than other companies in the technology industry. The fact that Apple is proprietary and defending of their source code and legally defends its right to ownership has created a complex system for competitors to break into.

Apple has source code rights on all products.

Threat of Substitutes

The threat of substitutes in a hypercompetitive technology industry is very high. If Apple cannot design, create and sell products that the general public is asking for on a timely basis, there is always a company that will utilize to their advantage the market's request for electronic products.

The global computer industry is extremely competitive; in fact, by 2004 the worldwide computer industry was seeing consistent double-digit growth. The three main markets for computer sales are Japan, the United States, and Europe, and the five main personal computer manufacturing competitors include Dell, Hewlett-Packard, IBM, Gateway, and Apple. (Thompson Gale). We compete constantly and vigorously. The life cycle for a typical product is six months and often shorter. The first company through the door for innovation has the lead and if the lead can be kept, the revenue will follow. Japan and Europe are also key players in the technology industry. They pose a threat to the U.S. computer trade (Thompson Gale).

Rivalry among Existing Firms

Our industry is hypercompetitive and the life of an organization depends on the ability to scan, design, create and implement a product introduction to the market in as little time as possible. Competitive firms establish niches that seem impregnable from an outside view, but are less than safe in an industry that distinguishes itself from other industries with a high ability for corporate espionage and industrial spying. No sooner has a product left an engineer's drawing board, than another company is copying the product feature by feature. Apple will continue to be proprietary and guarding.

Power of Suppliers

The relative power of suppliers is high due to certain key components being available through one company or a limited source. Industry-wide limited source availability has further complicated the supply chain Apple relationship. The industry has faced shortages. The risks in supply chain pricing have increased from the limitation or scarcity of source for these components.

Power of Buyers

Due to the ability of buyers to turn to substitutes that are available through competitive sources, our company must defend the lead position for innovation by providing the expertise to develop products that adhere to the marketing demand of our customers. Loyal customers to Apple will be forthcoming in their dedication to a product that they have found superior and unsurpassable in quality, which is what this company strives to achieve. We will be the leader in innovation and technology.

Relative Power of Other Stakeholders

The drive to extend our length, breadth and width of stakeholders can be seen in the sales and marketing drive to tasks sectors such as government agencies and healthcare agencies: we wish to create a larger following that will be dependent on superior products for their success. Apple intends to supply products at a competitive price to create alliances in other fields. We will look outside our industry for inspiration.

Our company has many stakeholders that depend on our success. Employees and families, suppliers, investors, consumers, students, and many other people involved in our processes. The relative power of these stakeholders depends on the current success of the company. We at Apple are always connected to our stakeholders and their views and will always strive to meet their needs.

Appendix C: Core and Distinctive Competencies

Apple Inc. Core Competencies

- Corporate culture
- Product life cycle management
- Brand management
- Hardware and software capabilities

Apple Inc. Distinctive Competencies

- Apple store
- Innovation
- R&D
- Human resources
- Customer experience

Core Competencies:

The corporate culture of Apple Inc. is driven by the lasting inspiration of the legacy that molded the company into the culture that it is today. The steadfastness of that culture will endure due to the competencies imbedded by their founder Steve Jobs. “Part of what made the Macintosh great was that the people working on it were musicians, and poets, and artists, and zoologists, and historians who also happened to be the best computer scientists in the world” (Gallo).

“The people who are crazy enough to change the world are the ones that do” is a testament to the product innovation and inward drive that challenges the company to be number one in innovation (Nelson). From the passion of for our product to the presence of the operator, Apple has distinguished our brand above all others and offered excellence in technology with hardware and software that is exemplary in the technology industry.

Apple Inc. has created a life cycle management system that is a vehicle for analyzing their products for new introductions to the market—Apple knows markets better than the markets know themselves which has been the language used on the street and among Apple followers since we evolved into a innovation icon.

In Carmine Gallo’s book “The Innovation Secrets of Steve Jobs,” there are seven principles set out that are considered the basis for our company’s success. The first principle is “do what you love” (Gallo). “Have the courage to follow your heart and intuition.” “They somehow already know what you truly want to become” (Gallo).

A company who hires people who have the passion for success can pass that passion on through creating and advertising products that carry the company's culture to global branding. Apple has successfully accomplished their goal for global branding.

"Being the richest man in the cemetery doesn't matter to me. Going to bed at night saying we've done something wonderful—that's what matters to me."

"We're gambling on our vision, and we'd rather do that than make 'me-too' products."

"Creativity is just connecting things."

"Get rid of the crappy stuff and focus on the good stuff."

"Innovation comes from saying no to 1,000 things to make sure we don't get on the wrong track or try to do too much."

--Steve Jobs (Gallo)

Apple Inc. has a great product life cycle management system that helps us determine when to introduce new products to the market which allows us to generate revenue from the consumer demand for latest technology.

Apple Inc. is known for brand recognition marketing globally and locally. We have succeeded in keeping the Apple brand strong with positive and strong dedication among consumers. The Apple brand has helped people excel when entering new markets in technology.

APPLE INC. STORE



Jobs has made the Apple Store the gold standard in customer service by introducing simple innovations any business can adopt to create deeper, more emotional connections with their customers. For example, there are no cashiers in an Apple store. There are experts, consultants, even geniuses, but no cashiers.

Source: (Gallo)

Human Resources

Apple Inc. recruits the most qualified applicants from universities, internships, apple store leader programs, and online. Their human resources leaders are always adding new training classes for employees to allow them to stay up to date on the latest Apple and third-party products. Apple's human resources helps the company continue its great designs and innovations to pass on to the customers by hiring the best of the best in all areas.

"Working at Apple is a whole different thing. Because whatever you do here, you play a part in creating some of the best-loved technology on the planet. And in helping people discover all the amazing things they can do with it. You could call it work, or you could call it a mission. We call it a blast." (Gallo)

Appendix D: Apple Rewards Points Program

To Earn Points:			
Music and Apps:			
\$1.99-3.99	1 points		
\$4.99-9.99	4 points		
\$10.99-14.99	5 points		
\$16.99-19.99	7 points		
over \$19.99	8 points		
Books and Movies:			
New Releases	10 points		
All other	5 points		
Mac			
Mac Mini:		iMac:	
\$599 2.3 GHz GB	150 points	\$1,199 21.5" 2.5 GHz	350 points
\$799 2.5 GHz GB	175 points	\$1,499 21.5" 2.7 GHz	375 points
\$999 2.0 GHz w/Lion Server	200 points	\$1,699 27" 2.7 GHz	400 points
		\$1,999 27" 3.1 GHz	425 points
MacBook Air:			
\$999 11" 64 GB	200 points	Mac Pro:	
\$1,199 11" 128 GB	225 points	\$2,499 Quad-Core	500 points
\$1,299 13" 128 GB	250 points	\$2,999 Server	600 points
\$1,599 13" 256 GB	275 points	\$3,499 8-Core	750 points
		\$4,999 12-Core	950 points
MacBook Pro:			
\$1,199 13" 2.4 GHz	225 points		
\$1,499 13" 2.8 GHz	250 points		
\$1,799 15" 2.2 GHz	325 points		
\$2,199 15" 2.4 GHz	350 points		
\$2,499 17" 2.4 GHz	400 points		

iPads:			
iPad 2:		New iPad w/ Wi-Fi:	New iPad w/Wi-Fi+ 4G:
\$399 Wi-Fi 16 GB	50 points	\$499 16 GB	\$629 16 GB
		75 points	100 points
\$529 Wi-Fi++3G 16 GB	100 points	\$599 32 GB	\$729 32 GB
		125 points	150 points
		\$699 64 GB	\$829 64 GB
		175 points	250 points
iPods:			
iPad Shuffle	25 points	iPod Nano:	iPod Touch:
\$249 iPod Classic	75 points	\$129 8 GB	\$199 8 GB
		30 points	75 points
		\$149 16 GB	\$299 32 GB
		60 points	100 points
			\$399 64 GB
			125 Points
iPhone :			
\$199 16 GB	50 points		
\$299 32 GB	75 points		
\$399 64 GB	100 points		
All accessories will range between 20-50 points			
Redeem Points:			
Music	10-150 points		
Movies and Books	25-500 points		
Apps	25-1000 points		
Points to Cash: Every 25 points can be \$5 off purchase of any Apple hardware, software, or accessory			

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