Corporate History and Development of Apple

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Apple was founded on April 1, 1976, by Steve Jobs, Steve Wozniak and Ronald Wayne and was incorporated in 1977. The iMac, iPhone and iPad were developed decades later and were not ideas supplied by Wayne at the company's founding. Apple marked its 50th anniversary in 2026 and reports more than 150,000 employees worldwide; broad ranking claims should be tied to a specific metric and date. Apple products can be grouped into three: computer software, which includes the iOS operating system and iTunes media player. The software is used to support Apple hardware. Another type is consumer electronics, which includes Apple TV, IPAD, iPhone, Apple Watch, and iPhone; these items generate the highest income for the Apple Company. The third one is online services, which include the iTunes Store and App Store for the clients to purchase and view products online. However, Apple has challenges regarding competition in the market, the source of raw materials used, business and environmental practices, and also labour practices. Apple has online services, which include Apple Music, iTunes Store, iOS operating system, and many more.

Sales of its computers generated a lot of revenue, which facilitated the growth and expansion of the company. Apple was publicly known in 1980, and within the following years, they shipped computers that featured graphical user interfaces. Apple products are costly, and this became a critical issue because the price was high and the software was limited; this resulted in the competition for power among the executives in the company. Due to the increased market competition for personal computers, Apple faced many challenges from its competitors who had lower-priced items.

Job shuffles were very common in the Apple Company until 1997, when CEO Gil Amelio decided to buy NEXT Company to bring the jobs back. He started to rebuild the Apple Company, which led to the opening of the retail stores owned by the Apple Company, which led to high profitability and success for the company.

Apple's supply chain has many challenges, which include the company relying on its partners to obey the supplier code of conduct and also depending on the logistical services provided by outsourcing partners. Apple faces challenges too from the global economy, and inventories can become obsolete to meet the expected demand. Some resellers in the Apple Company may also distribute goods and services from competing manufacturers. Some of the Apple components are currently obtained from limited sources, and they are not common to the rest of the industry. The supply chain may be affected by man-made disasters and natural calamities, which can cause damage to the company. Also, the ability to obtain components of sufficient quality is important, but the company may not fully get them.

Apple's supply chain faces many risks, making overcoming them difficult. Although it is globally recognized as the worldwide leader in supply chain management, the company has been associated with unethical practices like long working hours and suicidal cases, which are related to work and child labour. In 2012, a blogger who was a former student of Cory Kingsbury wrote an account of labour abuses in a supplier factory of Apple located in China, which resulted in long shifts in work, making the workers restless, suicidal cases, physical injuries, and child labour. These accusations led to questioning of the ethics of the Apple Company's supply chain, and the supporters requested Apple to make necessary changes and improve the working conditions of the workers. (Coyle, 2013; Handfield et al., 2016)

Apple has tried to correct the accusations and started to conduct internal audits to ensure that the supplier behaves well in order to avoid jeopardizing their business. Apple Company published a report known as the 2015 Apple Supplier Responsibility Report, which gave the results of the accusations and also gave some updates. Doing this helped the company win back its clients' trust because of transparency, and revealing the 156 names of their key suppliers surprised the people. Apple took advantage of the negative situation and used social media to strengthen its supply chain. Despite the challenges faced by Apple, it is still the leading company. They put more effort into ensuring the consumers' interests are first met, outsourcing manufacturing to a good inventory body, and continuing to adapt to the demands of the clients.

Companies can also face financial problems in case of changes and disruptions in the firm. The iPhone key supplier said that they were shipping fewer products than expected. Hon Hai Precision Industry Co. said that the products were of low quality, which made the company deploy fewer units of the iPhones to the clients globally. The issue of quality affects supply chain management, and it requires the company to provide solutions to reduce losses and alleviate risks. The solutions come as a result of using technology to connect all people taking part in the company, especially the managers, and advocating for effective communication and information from all the branches of the company. (Bidgoli, 2010)

Terry Gou, the chairman of Hon Hai Industry, said that the demand is very high, but it is difficult to meet all the demands of Apple. After launching the iPhone 5, Apple faced some challenges, including delayed delivery of goods and services to the clients, making the products scarce in the market. Apple may face the problem of not meeting the buyers' requirements in the future, which will be very competitive with other firms, especially on Smartphones. The Hoi Hai Precision Industry Co. is experiencing stress from the labour bodies around the world due to delivery issues with the iPhone 5, which puts a lot of pressure on the workers, especially in China. Gou emphasizes an environmentally friendly workplace. Supply chain management helps Apple ensure it is on the right track and avoid getting into risky businesses.

Apple has been facing supply constraints because coming up with a new brand requires it to have new materials. This may be challenging because the workers are inexperienced or do not have the knowledge of working with the new parts. This slows down the manufacturing process because they will not be able to move with the same speed and meet the standards that Apple needs. Inadequate training for the employees in case of new materials that require advanced ideas in order to handle them effectively. If Apple does not offer proper and equal training to all its workers, it faces serious delays in manufacturing.

Apple Company is required to cooperate with its workers for good output and help its employees, especially the suppliers, with good training so as to produce quality and quantity of the products needed. Initial low volume production –we got cases of clients praising an item, which manufacturing Apple Watch is a different issue because it is a new product; issues may arise. Some commodities may have supply issues, and suppliers may prefer to market the item in the low seasons rather than the high seasons, such as Christmas. By doing this, it helps them to test the market in order to know when the items are in high demand, enabling them to increase the production volume. Apple company has put much effort into the Apple Watch to overcome the challenges, and if they are unable to overcome them, they will have to use a short supply to meet demand.

A flourishing sourcing strategy needs a proper understanding of a company's policy. Available resources are expected to meet the policies made. There are four sourcing strategies that are used today, they include: sourcing, in-sourcing, single-sourcing, and multi-sourcing. Outsourcing is the process by which a company gives the supplies the authority to distribute goods and services that were earlier provided within the premises or internally. Outsourcing involves substitution, where the replacement of production and internal capacity is by that of the dealer. In-sourcing is the process by which goods and services are internally developed. Single sourcing is the process whereby one seller supplies the purchased part. Most of the manufacturing companies prefer having one supplier in order to build a close relationship with other suppliers. These relationships foster good cooperation and reliability. Multi-sourcing is the procurement of a product from many self-governing suppliers. The companies can use it to facilitate strong competition among the suppliers so as to attain superior quality and lower prices.

Multisourcing is a discipline that promotes the blending of IT services and businesses from internal to external providers according to the business goals. This engages many providers, different types of products, and different methods of delivery. Multisourcing was introduced in 2005 by a market research firm known as Gartner, although it has been in the market since the 80s. Multisourcing involves many supplies that are controlled by one main contractor who ensures the client's needs are met. In Multisourcing, moving suppliers is easier and faster, just in case something is not working out properly and seems to fail; one needs to render a small part only and not the whole service. This is the most suitable because the clients will have the freedom to interact with many suppliers since they are not restricted to one supplier. (Brase, 2017)

It makes companies flexible, which paves the way for them to make improvements where necessary and makes the suppliers give their level best and maximize their potential to meet the clients' standards. Companies are able to be keen on working hard for good output in order to reduce over-dependence on the sole suppliers for an extended time. The clients are privileged to meet and practice business deals with experts in all fields. When clients and experts team up, they create a healthy environment, hence resulting in increased quality of the provided products and raising the working standards of the people involved. The company may gain experience and more information about different suppliers and their competitors, and they are able to do a comparison between third-party providers and internal-service organizations, making them able to narrow down the best and work towards producing goods of the best quality. (Sollish, 2011)

Multi-sourcing promotes innovation due to the interaction of different suppliers and the sharing of ideas between small and medium-sized firms. It provides multiple procurement channels for products due to many suppliers and interaction of buyers and sellers, helping them to analyze the prices of the product and the interests of the buyers. It drives up the competition, driving down prices, which makes one consider the services offered, location, delivery dates, and prices. This makes one minimize the indirect and direct spending. Displays the company's interest and commitment to the economic growth of the community, which is brought about by creating employment at the local level and engaging the society in the business. Allow access to a whole different network because it makes the suppliers get into new markets fast and have new customers, hence upgrading the business due to increased market.

Multisourcing has limitations: Getting effective communication and information is a bit challenging and can bring risks to the company. The competition between the suppliers may not be able to trigger the market and produce equal cost savings, as volume leveraging and low order volumes result in less bargaining power. The lower the company suppliers vest interests in the business, the less active they will be during urgent cases. There is more overhead involved in management, contract negotiation, and the process execution in dealing with many suppliers. In multi-sourcing, providing goods and services is done under supervision, and sometimes it is time-consuming. In case of the emergence of problems in the company, it may be risky and costly, and they are forced to offer low prices to its products.

In single sourcing, there are benefits gained by both the manufacturers and suppliers. In the field of administration, there is no importance in reviewing the bids from many suppliers, and also it is easier to rationalize accounting and identification of systems. There are few contracts to negotiate, and the negotiating process should be done often. Telephone calls made to the suppliers are minimal, and the blanket purchase orders minimize paperwork. The inventory is low because the supplier delivers a small amount of the products. Improved product quality because the company works with the employer to improve the quality of the products, and also, the short period between the delivery of the products and their usage helps the discovery of new items. Access to new technology, where the supplier may share its technology and take part in designing new items.

The supplier benefits also because there is a large amount of products sold to a few customers, and manufacturing is easy because the customers give an insight into the firm's production plans. The production capacity is well utilized and reduces the use of paperwork. There is a reduction in the inventories of finished goods, and the production costs are low. Identifying and tracking problems and affected products in the firm is easy. Single sourcing faces challenges: it is difficult for the buyer to know the competition levels because it focuses on one company and one source, and the buyer may not always be able to persuade the suppliers to accept the orders. A number of suppliers may be discouraged due to the competition from other businesses, and there are risks in case there is a catastrophic event where one is bought by a competitor due to financial problems.

A sole trader is a business that is mostly referred to as a small business or micro business. Some of the examples of sole trader firms are decorators, electricians, and many more. They use different methods like using word of mouth, doing domestic households, and others may set up a limited company under the required legislation. A sole proprietor is a business that is owned and managed by one person. The sole trader has benefits like being in charge of daily and strategic decision-making, and also has no staff or workers to pay. Starting a business is quick and easy, and all the financial data, including profits and losses, is private. No annual accounts to prepare, and there is minimal red tape, rules, and regulations compared to the other companies.

A sole trader has limitations: One is responsible for all the liabilities in the firm, and it may be challenging to bid, accept, and fit into larger contracts. A sole trader is forced to buy ideas and information from experts in that field in case he doesn’t have them, and it becomes difficult to scale the business alone without people to support it. There are no workers employed; hence, it becomes tiresome due to overwork. In case the sole trader gets into an accident, the business may experience delays or collapse. It is difficult for the sole proprietor to leverage power due to the small size of the business.

Outsourcing helps the specialization and labour reallocation of the Apple Company with a number of suppliers, but Apple has to face some risks, such as low wages experienced in China. Apple has some outsourced suppliers who help it to increase its bargaining power so as to have high profits and low cost of production. Also, the multiple suppliers help in quick decision-making and problem-solving, enhancing the flexibility and adaptability of the company. New supplies invest more in the Apple Company, making it fasten the development and improve the quality of goods. Apple has many suppliers who are required to meet and obey the code of conduct, understand their culture, meet the expectations, be flexible, and learn and understand the company’s needs.

Quality is the act of something like a product meeting the requirements of the consumers; hence, a systematic process is carried out during the manufacturing of the products to ensure good quality when developing a good or service. Jonathan Ive said that Apple focuses on quality products, not money. He emphasized that their goal was to make great products, and it was only through that they could make money. He said that making something new would require so much energy and have many challenges. Steve Jobs ‘ company was built on the idea that goods should improve the lives of the users. The products should be elegant and should work effectively, but above all, their usability and quality are important. Apple never rushes to publicize its products so as to be the first in the market, and their products become public in the market because of the way they function. Apple does not sell its products based on specifications but rather on the experience. (Kim, 2015)

Cost is the amount to be paid or given to get a product or a service in a business. Cost is mostly paid in monetary form for the materials, time, effort, resources, and risks incurred. Cost is the amount used by the company in the production sector. Apple CEO Tim Cook said that they never had a motive to sell a low-cost phone but instead wanted to sell a great one and have ways to reduce the costs. According to Macworld, Apple has maintained its popularity in high-priced goods, and Apple also uses the minimum advertised price strategy, which prohibits the sale of a product below a certain price. Apple aims to produce premier products and charge premium prices. (Slack, 2017)

Dependability is the level at which an item is capable of performing the needed functions at any time according to the specified time. Dependability ensures consistency in the workplace. Apple views a person's dependability, including suppliers in the company to get good productivity. Having dependable suppliers creates good relationships with customers and fellow co-workers, increasing the company's productivity. The clients can depend on Apple products because they are made of high quality and they are durable.

Flexibility is the ability of a company's activities, like production processes, to cost-effectively vary its outputs within a certain range and within a given time. Apple has been able to adapt easily according to the needs of the modern world in terms of network flexibility and flexible working. Flexibility helps the company solve problems quickly and easily manage the firm. The suppliers should be flexible in case of any changes experienced in the company for the smooth running of the business.

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