

Case Title: Apple Inc.

Unique ID: MHE-FTR-051-1259927628

REV: May 22, 2017

Abstract: CEO Tim Cook confronts multiple issues that each relate to identifying a source of longer-term growth at Apple, as it becomes increasingly dependent on iPhone revenues. Since Steve Jobs' death, Cook has successfully led Apple and made it the first company to be worth more than \$800 billion. However, under Cook's leadership, Apple has largely released derivatives of existing products (e.g., iPhone 6 and 6 Plus, etc.). This has increased Apple's reliance on the iPhone (~70 percent of revenues), and Apple appears to be following a path to sell complementary products to the iPhone (Beats, Apple Pay, Apple Watch, Air Pods) at the same time that it is pursuing product development (Apple TV, Apple Car, Siri Speaker). The Apple Watch was the first new product category introduced under Tim Cook, and it has not been successful. As industry convergence continues, the case also looks at Apple's main competitors: Alphabet (Google), Amazon, Microsoft, and Samsung, as well as emerging Chinese competitors. Apple's sales in China are also declining.

Concepts:

Key Concepts: Vision, mission, and values; strategic leadership; internal analysis; external analysis; SWOT analysis; industry convergence; competition; innovation and innovation ecosystems; technology strategy; corporate strategy, in particular, mergers & acquisitions and international strategy.

Context:

- Protagonist: Tim Cook, CEO
- Country: USA
- Sector: Mobile devices, Internet services, Computer hardware & software
- Company Employee Count: 116,000 (2017)
- Company Revenue: \$215.6 billion (2016)
- Ticker Symbol: AAPL
- Event Year: 2017

Teaching Note: Available