

Strategic Management for Competitive Advantage

(Apple Inc.)

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## **Introduction**

CSR is an approach organization uses in the integration of its social and environmental aspects into the business operations alongside its interaction with the stakeholders (Rana & Majmudar, 2015). In other words, CSR is considered a self-regulated business approach helping companies to be responsible to itself, and the public. Moreover, CSR is categorized as environmental, economic, philanthropic, and human rights.

The multinational corporation to be considered in this case is Apple Inc., which is an enterprise with its headquarters based in California. It develops, creates, produce as well as sells software, and electronics. Apple Inc. is considered among the Big Tech technology companies, among others such as Google, Amazon, Facebook and Microsoft company. Like any other company, Apple Inc. is thriving towards having a successful and productive CSR. Apple's CSR approaches are led by its Environmental Initiatives Vice President Lisa Jackson and reporting direct to CEO Tim Cook.

Apple Inc. CSR initiatives and programs include providing support to the local communities, empower and educate staff, encourage employee safety and health, labour and human rights, as well as carbon emissions and supplier responsibility. On the aspect of supporting local communities, Apple Inc. in 2011, launched a world's volunteer plan encouraging workers to voluntarily engage in local community activities. The initiative or program gives employees the chance to decide on the projects within their locality they would like to engage in or contribute. Apple Inc. has also invested in the empowerment and education of its workers since 2008.

Apple Inc. provides recycling plans and schemes in all countries it undertakes its operations and has led to the company diverting from its landfills a huge amount of waste since 2007. It has also lowered its overall carbon footprint from about 29.5 million metric tons to 27.5 million metric

tons from 2016 to 2017, respectively. Moreover, in 2017 on matters regarding supplier responsibility, the company has trained approximately 3 million suppliers regarding their rights, which includes the company's code of conduct and labour laws. Also, the company has initiated a health plan or strategy that empowers female employees to advance their health awareness.

### **Apple Inc. Performance:**

In comparison with other companies, Apple Inc., in terms of performance, has done significantly well. Apple Inc. in the first quarter of 2020 it has increased its revenue by 0.51% yearly. Though the revenue growth was somehow below its competitor's average growth of approximately 11.67% in the same quarter, however, Apple with a net margin of about 19.29% it has gained higher profitability compared to its competitors in the computer technologies industry. The company operates in a more competitive market making products and services more competitive. Due to this, the company is urged by much aggressiveness from its rival companies in all its sectors (Dudovskiy, 2019). The markets, in this case, are defined by frequent introduction of products and increasing technological improvements have enabled its capabilities and mobile use communication, and personal computers

Apple Inc. makes itself different from its competitors in three ways, which are "thinking different", management style, and design DNA (Dudovskiy, 2019). First, Apple Inc. tends to be different from its competitors in both market and industry by thinking different. Apple Inc. is noted to have a different way of doing things and not affected or impacted by what others engage in or does. The activities of its competitors in one way or the other have not changed the services and products Apple develops and brings to its target market or consumers (Bajarin, 2012). By doing so, Apple company has been in the leading front by creating new and exemplary products that have

driven innovation in different products such as computers, tablets and MP3 players for several years.

Apple's management style also makes it set itself apart from its competitors, which is based on the way it is controlled and run by the managers and leaders in different sectors and countries. Compared to other companies, Apple has a centrally placed executive committee working as a team to make decisions and designing of items that meets the target consumers (Dudovskiy, 2019). Apple Inc., unlike other technology companies, owns its operating system (OS), hardware, applications and services, which are connected within its cloud architecture. Despite the various outlets that Apple Inc. company has in over 100 countries globally, all its decisions are made by the executive committee, in a more seamless way (Bajarin, 2012). Such a difference in the management makes Apple have a significant edge over its competitors, which gives it a bigger market share.

The third aspect that makes Apple be ahead of other companies is its design DNA. Apple founder Steve Jobs in one of his speeches once talked about his passion and love for calligraphy and how this has both influenced and impacted his thinking about design, which has driven him and his team be perfectionists (Dudovskiy, 2019). The aspect of design DNA has been seen in every product Apple brings to the market by its target consumers. Even after his death Jonathan Ive the company's designer has been tasked with embedding the design DNA in all Apple's products and teach the new employees to embrace such culture as the company grows or progresses (Bajarin, 2012). Therefore, unless the competitors start engaging in innovating on their own, Apple company will still be on the forefront in both market and industry.

### **Apple Inc. Financial Performance**

Apple Inc. has shown an increasing trend in its financial performance for quite long. The company's revenue, as noted from the year 2016 has shown a significant increase, whereby its annual revenue for 2017 was \$229.234 billion, showing a 6.3% increase from 2016 compared to its competitors. In 2018 its annual income was approximated at \$265.595 billion, which is a 15.86% increase from the previous year 2017 (\$229 billion) (Dudovskiy, 2019).

Additionally, in 2019, Apple Inc. revenue was \$260.174 billion, showing a 2.04% decline compared to its 2018 (\$265.595 billion) (Dudovskiy, 2019). Moreover, the revenue for the company twelve months ending March 31, 2020, stood at \$267.981 billion, which is a 3.67% increase yearly. From the trend, it can be noted that Apple Inc. shows a progressive trend, which is an indication that its financial performance is positive due to its difference in doing things.

### **The Triple Bottom Line**

The TBL refers to an approach or framework recommending that organizations commit or should focus on environmental issues just as they do on matters regarding profits (Kenton, 2012). The triple bottom line (TBL) is divided into three areas: planet, people, and profit. Thus, TBL, in this case, tends to assess the level of an organization's commitment to CSR and its impact on the environment with time. Therefore, Apple just like other companies is committed to addressing its social performance, focusing on the three triple bottom line elements (Azevedo & Barros, 2017). A company focusing on social responsibility should emphasize on improving the environment it operates in that is the local community or society. Thus, (Social + Environmental Responsibility = Planet + People). Therefore, Apple Inc. focuses on the three elements or aspects of TBL as follows;

#### **People:**

The aspect of people as the TBL aspect considers all human interaction interdependency and relationships. Through the interdependency of these interactions and relationships within the organization, it enables the company or business to operate effectively and achieve its objectives and goals. For Apple Inc. to achieve this, it engages itself in providing its employees with affordable healthcare insurance through health and safety programs and flexible work schedules (Dudovskiy, 2019). Work schedules would involve policies such as job sharing, whereby workers tend to work in shifts, which based on the agreement of the employees based on the nature of their tasks. Through this, Apple Inc. workforce or employees have been more productive.

**Planet:**

The planet aspect of TBL aims towards minimizing or reducing the environmental effect it would have on those living around the company. Apple Inc. has reduced its overall carbon emission from 29.5 to 27.5million metric tons from 2016 to 2017, respectively, as shown in figure 1 below. Besides, Apple Inc. provides its employees with more than 550 electric vehicle charging ports free of charge, which is an increase of about 67% as compared to its previous years encouraging the use of electric cars. The planet aspect also brings into consideration the production of services and products meeting the industry's health and safety standards (Dudovskiy, 2019). Apple Inc has worked to ensure the safety of its products, the users, and the community by advancing the performance of its products. Therefore, as an element of the triple bottom line, the company has been in the best position to achieve its objectives.

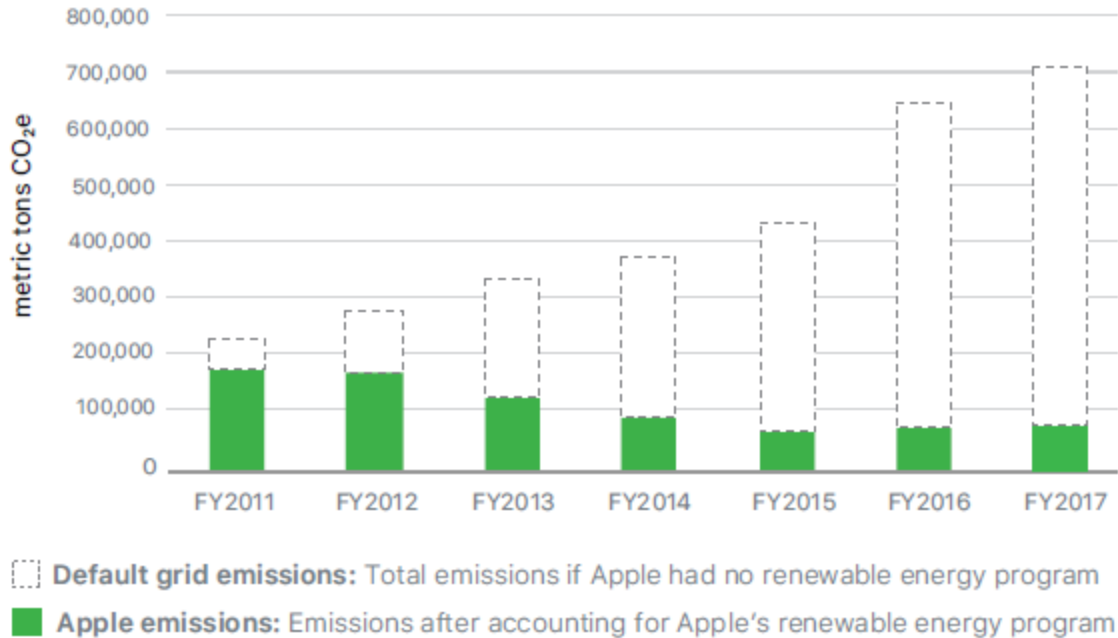


Figure 1: Total Carbon emission by Apple

**Profit:**

The aspect of profit is among the essential elements of the triple bottom line, as it enables companies to increase their production base and sales. Companies or organizations cannot achieve their goals without making profits. Thus, having considered all these policies, Apple company always consider the aspect of profits for it to continue with its daily operations. Apple Inc. thinks of the CSR policies, but it also feels the element of making a profit; however, profit will only be formed when all stakeholders are satisfied, and this would bring in the aspect of people and planet (Dudovskiy, 2019). Thus, by being socially responsible, Apple Inc. is in the best position to increase its target market by covering a more extensive market base and get direct to the consumers.

**Conclusion**

From the above CSR analysis, Apple Inc. is in the forefront, thriving to achieve a successful Corporate Social Responsibility (CSR) programs and initiatives. Apple has three ways in which it

is different from other competitors in the same market and industry. For instance, Apple thinks differently; it has a different management style and its design DNA. By holding into these three aspects, Apple has performed well in the technology industry, which has enabled them to gain a competitive edge compared to its rival companies.



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