



**Executive Summary**

This report aims to assess the roles of global operational management3 and innovation3 management3 within Apple Inc. and how they influence the growth of the corporation. To do this, this document draws on a number of scholarly publications and available data. It highlights how Apple's capacity for innovation gives it the opportunity to expand and carry out effective operations on a worldwide scale. Additionally, this research develops an executive3 action plan for Apple that offers some suggestions for the CEO to mull over. The need to do a thorough market analysis and encourage business interaction via strengthening Apple's ecosystem and customer service experience is foremost among these initiatives.

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1.0 Introduction  
The prosperity of any corporation is steered by operations management. Companies that are shutting down operations have probably neglected to implement a place of organization's operations (Whybark, 2009, p. 122). Thus, the objective of this report is to discuss the optimum operations3 management3 practices2 and apply them to Apple Inc. Apple is an American transnational technology company that has long been admired for its cutting-edge devices. Consumers know Apple for its physical products, such as the iPhone’s, iPad’s, MacBook, iPod’s, and Smart watch, which cleverly blend cutting-edge functionality, an unmatched consumer experience, and strict adherence to design elements (Riches et al., 2015, p. 21). As a global corporation, Apple has a sophisticated retailing infrastructure that includes 475 physical locations throughout 17 nations, but also regionally specific digital Apple stores and iTunes Shops. The most lucrative company in the globe, valued at $145.3 billion, thus according to Forbes Rankings, is Apple, with a market valuation of $741.8 billion in May 2019 (Smith, 2021).



Figure 1: Apple Headquarters in California, USA

# 2.0 Apple Company International Operations Management

Operations management is the phrase used to describe the administration of a corporate's manufacturing systems. To phrase it more accurately, it is the optimal administration of production resources, including human capital, materials, etc. The crucial aim is to eliminate waste and increase revenue rates (Stevenson, 2017). Every source should result in a profitable output. The operations director will be responsible for developing products and services predicated on customer requirements and the firm's capacity to deliver. The operation management department is still in charge of purchasing materials, creating communications infrastructure, and selecting the machinery (Rastogi, 2010).

Apple Inc. uses a number of decision-operations management techniques to ensure the firm runs smoothly. Amongst the topics are quality control, product development, inventory control, capacity, and process2 design. The team responsible for product design and manufacturing, the marketing and selling group, and the distribution network section work together to execute these aspects by creating a cohesive system for the business. Apple Inc. has persevered in the face of intense competition in digital products and computer innovation because of its excellent technological leadership (Paam et al., 2018, p. 697). Thus, by assuring the ongoing creation of new gadgets and development of high-quality operating systems, the operations team has been able to fulfill its objective of making sure that the needs of the consumers are satisfied (Apple, 2022).

## 2.1 Operations of Apple

### 2.1.1 Goods and service design

As was already established, operations refer to the way a company carries out its commercial operations. Apple Inc.'s skilled departmental heads are in charge of designing products and services. The Vice President2 in responsible of Mac hardware2 and the Vice President2 in command of Mac software costs, for example, are head of managing Mac's design. With the Executive Vice President in command of operations, the two frequently interact. Each of the two2 vice presidents will be in charge of managing a certain division while providing updates on their performance. In this instance, the design is evolutionary and consolidated (Stone, 2016, p.5). It is not a situation where one section completes its work and then passes the baton to another to proceed. The two system integration design divisions are connected by the operations unit.

### 2.1.2 Location Strategy

Another matter that operations management deals with is the placement of the business's stores, markets, and production facilities. Apple Inc. has a limited number of retail stores, most of which are concentrated in metropolitan areas. The locale is picked with the intention of luring customers who were strolling through the congested sidewalks. It has locations in more than 20 different countries. The goals of internationalization are to increase market size and endure in nations with weak competition. The placement of various retailers and the countries to explore are chosen by the operational unit (Ledenyov & Ledenyov, 2015, p. 45).

### 2.1.3 Quality Management

Quality management is a crucial principle in operations management. The eight department vice2 presidents at Apple Inc. are supervised by the overseeing VP for operations. The collaboration program highlights each participant's department's attention on quality. They are required to provide regular assessments on the marketplace, provision of services, quality of the product, etc. The senior vice2 president in responsible of operations will call a conference if there is a problem with the good or service to go over potential sources of breakdown. The operations division is also entrusted with creating a number of standards that the business may be proud of (Chen & Ann, 2014, p. 229).

By putting a new product through testing, the quality of the goods is determined (Apple, 2022). Numerous simulation applications have also been developed. When potential faults are found, the device is either revised with the suggested changes or put into use if no problem was found.

### 2.1.4 Job design and Human resource

Job design is the technique of coming up with plans to complete a particular task. It comprises describing the conditions under which the staff performs a certain duty. On the other side, defining how manual labour is used within the business is function of human resource administration. It entails placing the appropriate employees in the appropriate position (Ramaswamy et al., 2022).

Excellence is valued at Apple Inc., which adopted the Steve Jobs philosophy. But since Tim Cook took over as CEO, adjustments have been done. His strategy was to foster a friendly environment in order to raise employee motivation. His viewpoint is that employees' creativity should be seen as a quality rather than a necessity (Chen & Ann, 2014).

Apple's prosperity can be ascribed to its firm's emphasis of investing in the existing human resource. A variety of retraining sessions are conducted on a regular basis to make sure that workforces' ability levels increase. The greatest methods for providing services to clients are also included in the guidelines. Apple has been eager to recognize emerging talent around the globe. Once identified, the abilities are developed, polished, and aligned with the company’s objective (Kaliannan & Ponnusamy, 2014, p. 27).

The importance of maintaining well-structured information is another aspect of human resource strategies. Each staff is obligated to collect information about any altering circumstances. The procedure of new design is closely related to database updating. Due to the current information in the database, a fix may be located quickly during a crisis (Abdukarimova, 2021, p. 11).

### 2.1.5 Supply Chain Management

Supply chain management (SCM) describes the movement of commodities from natural resources to finished goods that are available for customer purchase. Tim Cook deserves praise for streamlining Apple's supply chain operations. Notwithstanding Steve Jobs' renowned guidance, Apple's SCM at the time was complicated. Under Tim Cook's guidance, the inventory system was changed from being complicated to being simple, and as a result, the company has won numerous honors since 2010. The first step in the plan is to source raw materials from Chinese, the US, and European nations (Lockamy, 2017, p. 177).

The following are a few of the techniques Tim Cook implemented in the SCM division, which completely transformed the business.

1. Providing2 products with a long lifespan2 of at least a year.
2. A main warehouse2 was built in California, and the amounts of warehouses were decreased.
3. Utilizing outsourcing2 manufacturing, which reduces turnaround time
4. Decreased the amount of suppliers participating in manufacturing, transportation, and storage.

Apple is regarded as the premier corporation in supply chain management (SCM) based on the aforementioned strategy and design.

### 2.1.6 Inventory Management

Generally, obtaining raw resources or warehousing raw resources and manufactured goods constitute inventory management. To turn raw resources into final goods, every business will require them (Korkeamäki & Takalo, 2013, p. 202). Various models of inventory management have been implemented by various businesses. Several of these models consist of;

***Just in time (JIT)***

Because most businesses incur significant losses by keeping outmoded parts before they are used, JIT had become a fix to this challenge. It entails making sure that supplies reach the manufacturing facility exactly in time for use. The difficulty may come from outside forces that could lead to failure, such a problem with the means of transportation. As a result, it is a risk-based approach to inventory management because even a little carelessness might cause a slowdown in the subsequent phase of manufacturing or marketing (Cooper, 2020, p. 31).

***Material Requirement Planning (MRP)***

It is a method of managing inventory2 that strongly depends on sales forecasts. Accurate sales data are needed for the business to adopt this inventory control technique. Failure of trends won't cause any disruptions because it proves that predictions of higher purchase volumes were accurate. It is a probabilistic2 strategy, though, and results can vary widely. Thus, poor predictions may result in a corporation suffering a big loss. At Apple Inc., this inventory2 approach is frequently utilized. Apple also employs the Economic2 Order Quantity approach, which involves calculating the number of units to be produced for each batch purchase while maintaining a steady level of customer demand. Even so, some businesses use the Days Sales Inventory System, which calculates the typical turnaround time for their inventory (Van Angeren et al., 2016).

# 3.0 Issues, problems and practices that characterize International Operations Management of Apple

Apple Inc. faces difficulties with operations and possibly with human resource administration. For a considerable number of years, the firm has been capable of consistently producing PCs while maintaining a steady market of devoted customers. Since it has commanded the industry, particularly in terms of software manufacture and revenue, Microsoft has continued to be a strong rival in this field (McCray et al., 2011, p. 241).

Other service providers employ tactics that are really important. For example, Dell sells inexpensive PCs, which has led to its phenomenally steady market growth. Foreign activities could be difficult. The business is organized into three geographically distinct sections: "USA," "Japan2 and Asia-Pacific," and "Europe2 and the Middle East." (Abdukarimova, 2021, p. 16).

Despite expanding its operations internationally, Apple's biggest market is still the America. Taiwanese, Korean republic, China, the Czech Republic, and Holland are where its products are assembled for export out of the United States. There were certain barriers to entering Deutschland, French, and britain market, but the majority were economic in nature due to costs and consumer pressure rather than political (Thuy Doan, 2022, p. 55).

The firm's viability is seriously threatened by swings in foreign exchange rates, global commerce restrictions including tariffs and other fines, in addition to demand to lower the price of its items. This is particularly true in these difficult economic circumstances, when individuals are looking to cut expenses and save more money (Riches, 2015, p. 230).

There are two key challenges that the global penetrations approach must overcome. Customer service and cost flexibility comes first. The corporation has struggled greatly to address these issues. Nevertheless, if the business could allay these worries by offering inexpensive laptops and other goods, it would enjoy extremely high client approval. Apple has indeed been attempting to implement this approach over the past few years, but it has not yet been fully utilized since, even if the corporation were to achieve a suitable low-cost method of production, it would still be under pressure to persuade its consumers that the new installment of their new tech was exceptional (Thuy Doan, 2022, p. 55).

# 4.0 Evaluate and appraise the role that innovation plays in the development of Operations Management techniques in different national and cultural settings.

The power of a company to develop effective operation management techniques for deployment in many national and cultural environments depends heavily on innovation. The vast majority of managers agree that invention is key to both the prosperity and downfall of their organizations. But reinvention is still a difficult task for many enterprises. Successful inventors not only strain to make their ideas work, but they also frequently fail to preserve their successes. Many businesses, such as Polaroid, Yamaha, Sun Technologies, Yahoo, HP, Nokia, and countless more, have narratives to share about their challenging experiences. Apple has continually produced a resounding accomplishment out of innovation, despite of the frustration and disappointments of many.  We must look further than just spending money on R&D projects and encouraging imagination and creativity to fully comprehend Apple's innovation approach (Walton, 2012, p. 33).

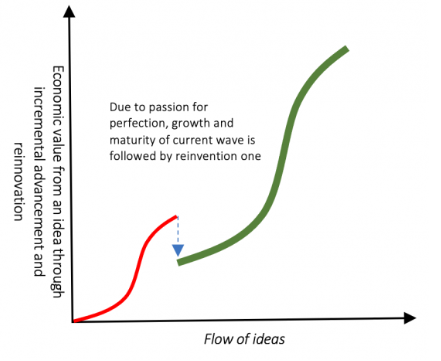


Figure 2: *Reinvention results in the development of winners and losers by replacing mature technological cores with emergent alternatives.*

## 4.1 Apple's innovation approach is based on empathy culminating to creativity via destruction and monopolization.

Steve Jobs had a keen sense of the underlying suffering of his intended audience. His comprehension of the several consumer demands used to frequently fall short of ordinary incremental development. As a result, he used to look at the world in completely new ways, which led to reinvention through a shift in technology. He was not satisfied, for instance, with the gradual development of text-based visuals like the LISA graphical interface. As a result, the Xerox Alto2 exhibit's mouse- and point-and-click-based GUI ignited interest in exploring the prospect of rebuilding the PC by shifting the technology at its center. Apple's development in the iPod and iPhone follows a pattern that is clear to see (Chan, 2018, p. 145).

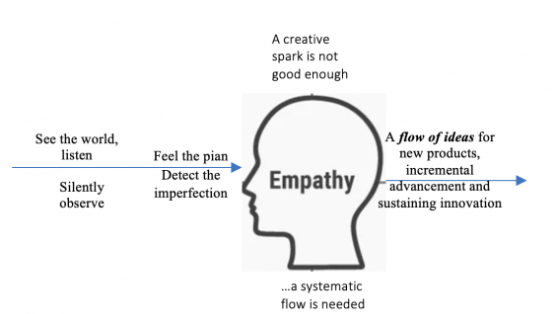


Figure 3: *Empathy is essential in developing a structured flow of ideas for developing inventions.*

However, simply reinvention as a result of a revolution in technology foundation did not satisfy his feelings. In hindsight, that was simply the start of a different era. His determination to achieve technical criteria kept improving innovation, producing a destructive creative storm. Inevitably, both imitators and incumbents failed to catch up, leading in the creation and monopolization of a new marketplace. Steve's enthusiasm has resulted in the development of *Apple's innovative approach of development and monopoly through reinventing and a ferocious journey of refining*. As a consequence, established companies such as Sony and others were forced out of the portable audio player market (Rikap, 2021, p. 131).

## 4.3 Scope effect from reuse of common asset in product family architecture

To capitalize on technological superiority, Apple's product diversification approach concentrates on creating a family2 of products based on iterative development, with a top standard of reusing of common components. This is about scope benefit economies. As a result, all Apple devices, from the iMac to the Apple TV, share the identical technological foundation—software commodity. Apple gains a major competitive edge from reusing economics of key resources among device family2 members owing to the zero marginal cost of duplicating software. In complement to cost savings, it reduces complication and accelerates product development. As a result, the scope effect is a critical component of Apple's development approach of expanding the reinventing wave as a source of disruption and corporate control (Heracleous & Papachroni, 2016, p. 15).

# 5.0 approaches for developing a culture of creativity and innovation in an organization

Apple's organizational2 culture has been effective in positively affecting staff actions and supports the company's inventive trend in the tech sector. Apple's performance in this area validates the findings of other experts who have emphasized the relevance of culture as an institutional lever in influencing transformation. According to Leniak-Moczuk (2016), "in a creative culture, management competence, talent, imagination, and invention among staff produce, nurture, and support the elimination of obstacles in this method, in additional to innovation, backdrop psychological environment conducive to the creation of ideas." This assertion allows us to draw parallels between the importance of culture at Apple and the importance of personality in a person's achievement. Furthermore, just as a man 's personality establishes his authenticity and what he advocates for, Apple's organizational2 culture establishes what the company advocates for, and more crucially, what it utilizes a significant portion of its assets for (Leśniak-Moczuk, 2016, p. 31).

Organizational culture has developed at Apple as a structure of mutual awareness among staff and leadership. This culture has resulted in a greater demand for accuracy and inventiveness at the California-based2 firm since it addresses staff' psychological requirements, such as connection and a sense of accomplishment from being affiliated with one of the top worldwide businesses to transform the tech sector (Luckhurst, 2010, p.16).

## 5.1 Factors driving culture of innovation at Apple

### 5.1.1 Good leadership

Innovation has evolved as a complicated structure that incorporates several sorts of business structure that impact various divisions at Apple, notably financial, IT (technical), and brand management departments. The innovation approach is led by executives. The firm's management has frequently taken a minimalist strategy since it aims to improve only those initiatives that are critical to the corporation’s operations while discarding those which take up a lot of time yet offer fewer results. Several studies have emphasized this strategy, which they ascribe to Steve Jobs, who was a minimalistic by inclination (James, 2013, p. 155).

### 5.1.2 Diversity and inclusion

Apple has a robust innovative environment that ignores the boundaries of ideas. Tim Cook, who continues to uphold the values of his mentor Steve Jobs, has continued the practices that the corporation’s leadership fostered throughout Steve Jobs' tenure. The foundation of its innovation approach, based on the firm's site, is its multicultural personnel, which Apple takes great pride in. Apple sees itself as a representation of the society outside it, adhering to the slogan of multiculturalism. In other terms, it has attempted to reflect global diversity in its employment policies and compensation plans for employees. All of these efforts are made to remove obstacles to innovation (Müller, 2011).

# 6.0 Designing an action plan for innovation in Apple Company

Apple maintains a strong financial position with significant income and market dominance globally (Apple's turnover is projected to increase by 9.66% over the next ten years, according to a realistic development projection), but the CEO should take a number of steps to bolster the company's development (Butler, 2016, p. 119). The following proposal's important components include the goals and objectives to be realized:

## 1) Strengthening Apple’s ecosystem

The Apple Inc. should leverage the appeal of its ecosystem and the ambiance surrounding its brand, which will place Apple in a stronger position. Irrespective of the degree of innovation, loyal clients result in strong revenues. It will enable the business to closely incorporate its goods and services, giving it an advantage over rivals (Davies, 2022).

## 2. Improving consumer service experience

This can be accomplished by spending resources on customer service retraining. Make the effort to coach your employees if you want them to offer excellent customer service. Your technical team's prospective hire training program should focus heavily on developing interpersonal skills. For multinational corporations that aim to deliver a superior customer experience, establishing this uniformity is especially crucial (Prins, 2019).

# 7.0 Conclusion

According to the research of the Apple Company, effective operation management is crucial for the control of corporate activities and its engagements in the global market. The company may connect with many more customers by utilizing international operations2 management. The Apple Business focuses primarily on finding solutions to problems, especially those that characterize the IOM and assess the value of invention in the evolution of operation management methods at various geographical levels.

## 7.1 Recommendation

In the future, Apple must ensure that it retains its distinctiveness, notably in the usage of its iOS, and that it safeguards its quality procedures, which have become the driving factor behind its brand image. The business must consider market requirements as component of its long - term strategy and create products that address those requirements. This would represent a change from its successful technology pull approach developed under Steve Jobs. Since some of the most recent innovative goods developed by the corporation have fallen short of the hoopla of a few of its previous devices, including as the iPad2 and iPod, a market pull approach would assist the business in increasing the marketplace desirability of a few of its inventions. This is an important sign that the business should switch from a technology pull approach to a marketplace pull approach.

# Reference



