Apple’s Overview

Name

Institution

**History and Background Information on Apple.**

The firm that will be analyzed is Apple. It is one of the biggest companies in the US, and it is also very profitable. The company was started in the year 1976 in the state of California. Its founders were Steve Jobs and Steve Wozniak. For more than three decades after being founded, the company engaged in the selling of personal computers, which made use of the Macintosh operating system (Kubilay, 2015). All through the 1990s, the firm was not doing well since the sales were down by a huge margin. It was after the nineties came to an end that the company started to re-establish itself as an industry leader. That started with launching the iPod, which happened in the year 2001. By the year 2007, the company had innovated and made a smartphone called the iPhone, which would become one of the most revered items in technology. Since then, Apple has grown to be the largest publicly traded company in the world.

**The Industry and Type of Firm**

Apple can be termed to be a technology company whereby it engages in the manufacture of many consumer technologies. As well, it is involved in the making of computer software, which is made to works in its products such as iPhones and laptops. Additionally, the company has made a move to online services through its entry to music streaming. So, it is a company that has managed to be a key player in the technology industry through its policy of constant innovation to meet the needs of clients.

**Banking Structure of Apple**

The banking structure of Apple can be termed to be highly polished. For instance, in other companies, they are used to funding their activities using external capital. Given that, they have to take loans from banks and other lending institutions. For Apple, the situation is different, given that the company can collect money from the clients at a very fast rate. As well, the firm has managed to keep its inventory very low (Türkay, Saraçoğlu, & Arslan, 2016). Given the ability of the company to have a good cash flow, it implies that in most cases, it does not have to borrow in the process financing its activities. In terms of debt capitalization or what the company owes the suppliers, it has been increasing in the last three years by 63% to stand at 225.8% billion US dollars. That is caused by the slow pace the company has when paying suppliers (Montgomerie & Roscoe, 2013). As for the financial leverage of the company, it has also been on the rise at a rate of 126%. Lastly, when assessing the debt to equity ratio, it stands at 112%, which has been a huge increase.

**Current and Past Investments at Apple**

In terms of investments, Apple has been strategic in its approach. In the past, it made investments by making acquisitions of software companies, which would enable the company to make products that appeal to the clients. Some of the software companies that were acquired include Propel Software and C3 Technologies. The firm has also acquired Shazam and offer their clients a way of identifying music. In terms of hardware, the company has made a move to acquire Beats by Dre, which deals with selling headphones. Currently, the company has invested in the streaming services with a service named Apple plus which works through subscriptions. Using Apple Plus, the company has even moved to the creation of original content. That has resulted in an increase in the number of subscribers on its platforms. All the mentioned investments have made Apple very successful.

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