



Apple Iphone Supply Chain Strategy

About Apple Inc.

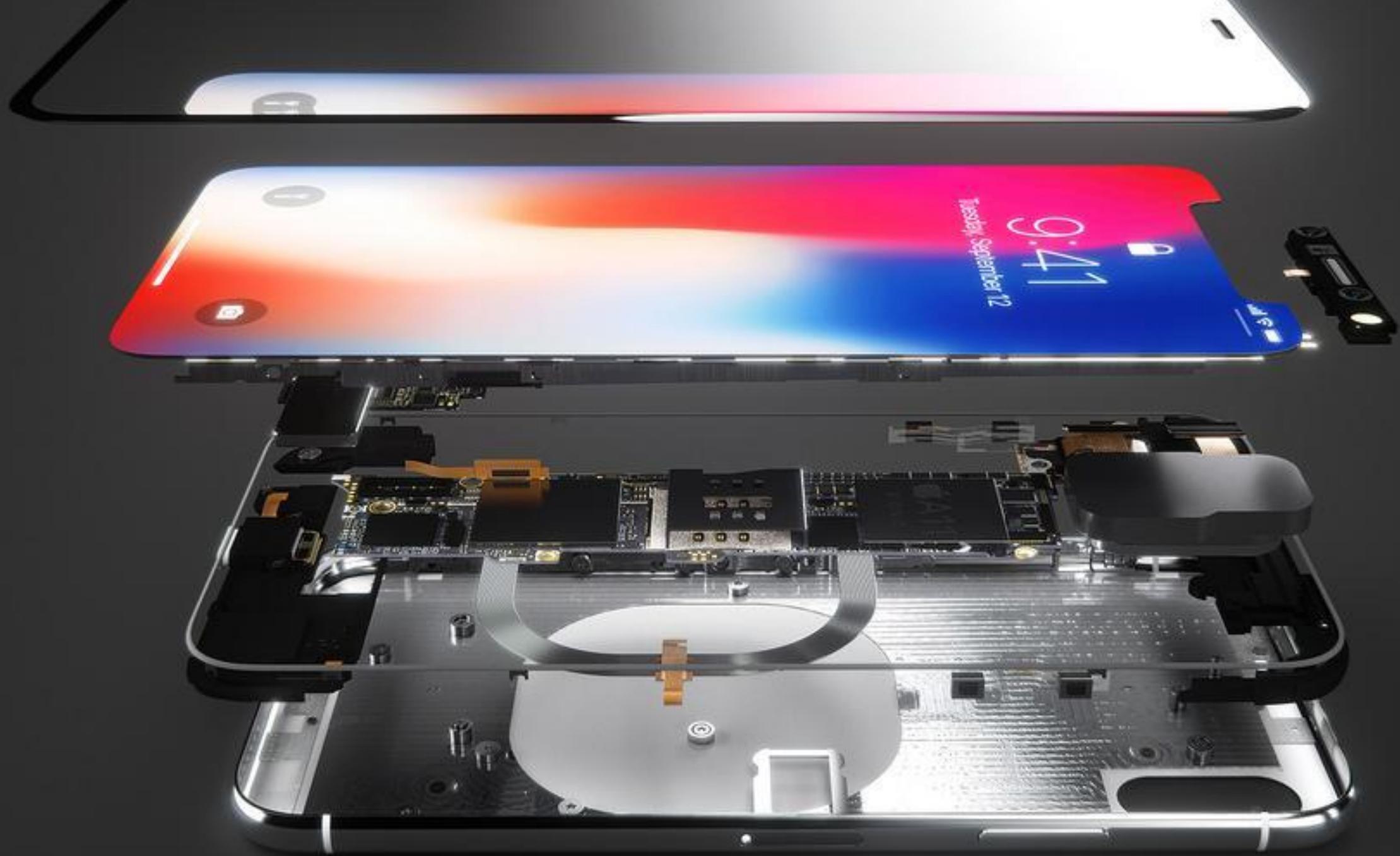
- Established in 1977 in California. Started with providing consumer electronics.
- Steve job leave the company in 1985 and back in 1998.
- Hold the philosophy of recognizable products and simple design to start published MAC in 1998 and iPhone in 2007
- iPhone has 51% market share in the worldwide in 2017 Q4
- Apple announces Q4 2017 revenue of \$52.6b: 46.7m iPhones, 10.3m iPads, 5.4m Macs



Current CEO of Apple Inc

Critical Suppliers for Apple







Supplier 5



Supplier 1

SAMSUNG

Supplier 2



Supplier 3

QUALCOMM

Supplier 4

FOXCONN

Supply Chain of Apple

- Apple purchases components and materials from various suppliers, then gets them shipped to the assembling plant in China.
- Apple keeps products at Elk Grove, California and ships products from there. At the end of product's life, customer can send products back to nearest Apple Stores or dedicated recycling facilities.

Designed by Apple in California Assembled in China



Sourcing



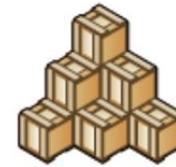
Manufacturing



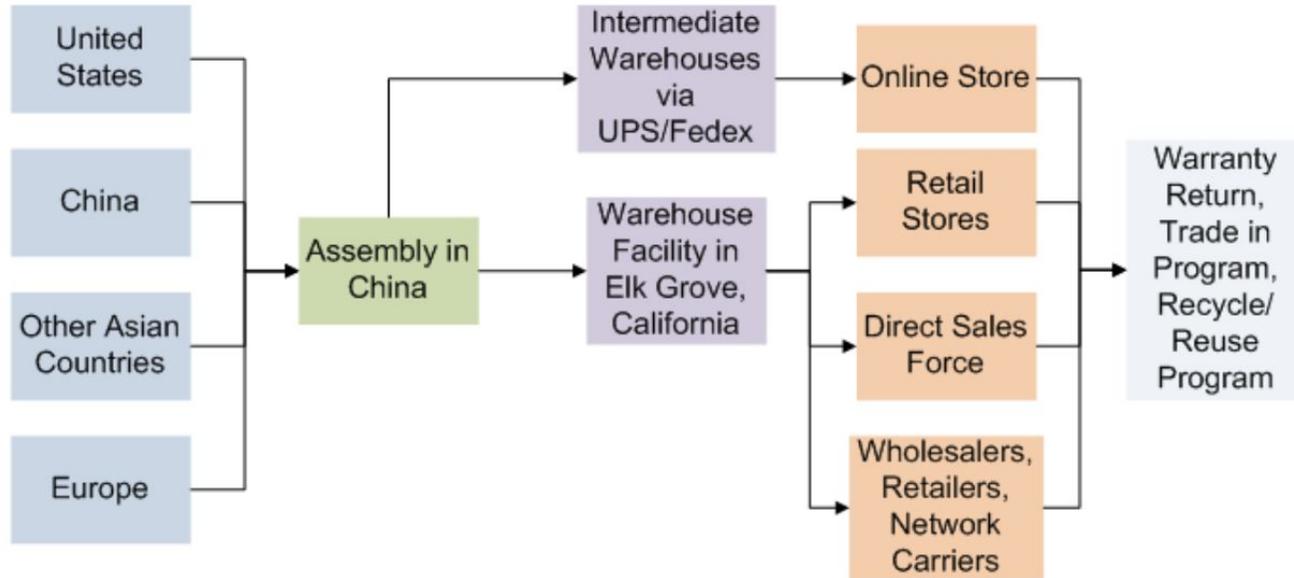
Warehousing



Distribution



Return



1 warehouse in
California

reducing the number
of key suppliers

Less is More.

Non-seasonal,
Long life cycle

reducing SKUs to
about 26,000

Inventory is fundamentally evil -Tim Cook

Tim Cook believes that when it comes to technology such as smartphones, tablets and laptops, inventory depreciates very, very quickly, losing 1-2% of value each week.

A great amount of Apple's supply chain success can be attributed to them continuing to design their products in California, while leveraging the lower cost of outsourcing manufacturing to China. - Jonathan Hamilton

Challenges

- Global economy.
- single limited sources.
- man disaster.
- Supplier relationship.



Micron

THANK YOU

Out of stock in 6 seconds



RedmiNote

Octa-core MTK 1.7GHz Processor
5.5-inches HD IPS display
13MP rear facing camera

2 Dec 2014
mi.com/in

Xiaomi – Cannot order enough phones from Foxconn to meet the needs.

**Problem Analysis From Supply Chain Management
&
Key Strategic Decisions**

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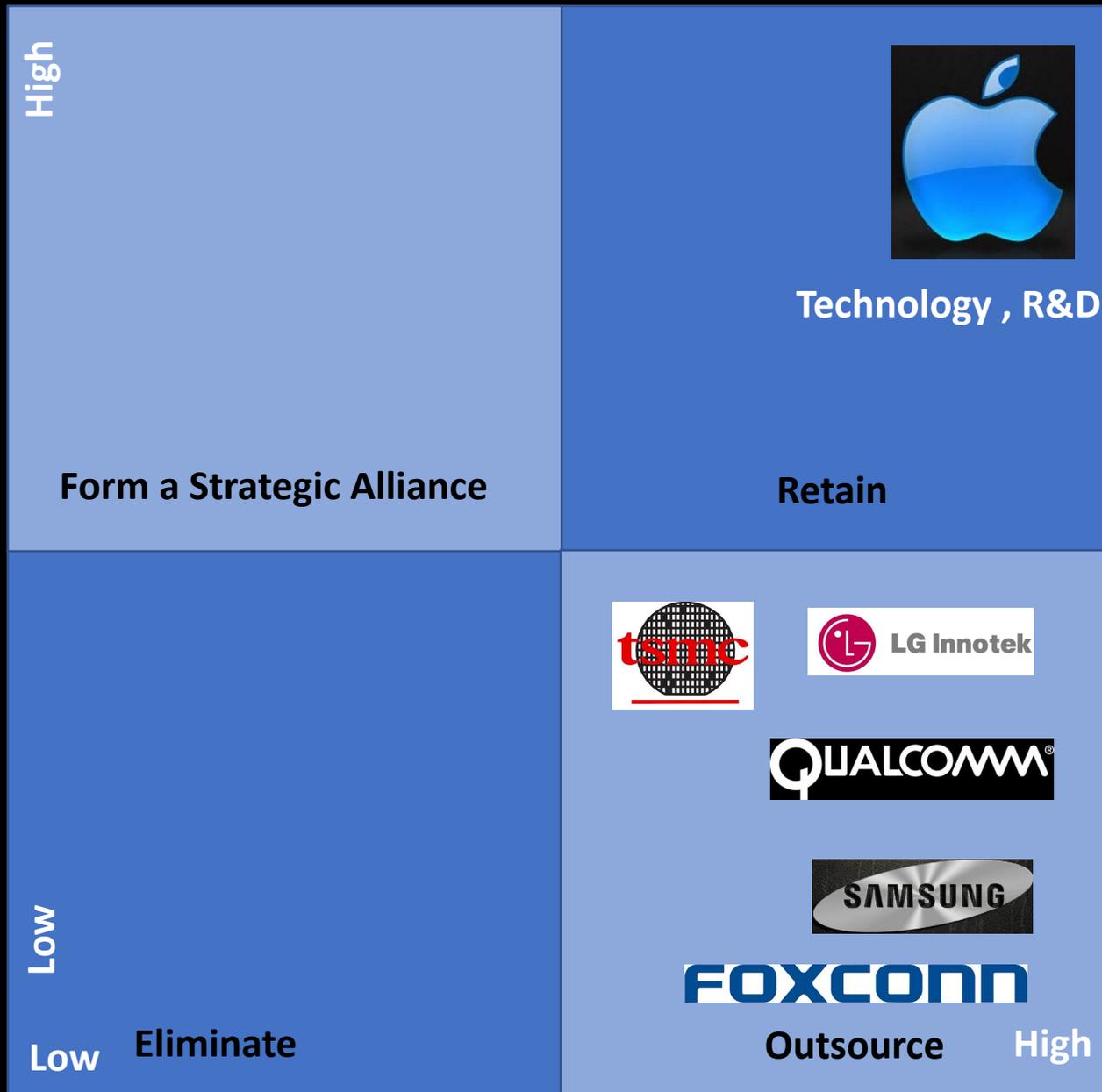
Levies target 1,300 separate product categories

Solutions

- **Supplier Diversification:** Geographical & Strategic
- **3 A of Supply Chain:** Build Strategic Partnerships with Suppliers for critical components. Target issue with alignment specifically)
- **Build capability inhouse** for critical technology which currently is being insourced via Open Innovation.

Before Recommendation

Strategic Importance ↑



Contribution to Operational Performance of Apple →

After Recommendation

Strategic Importance ↑



Contribution to Operational Performance of Apple →

Thank You

Reference:

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