

Madalyn Chaffin

Strategic Plan for Apple Inc.

CO 469V-03 Capstone

Dr. Carroll

Executive Summary

Situation Analysis

Apple Inc. needs a communication plan to strengthening the company image and rebuild confidence and retention, specifically among the investors.

The effectiveness of the communication plan could be limited by Apple Inc. communication concerns leading to threatened credibility of information, the competitive business environment and the current economic downturn.

Apple Inc. can provide information to the active public of investors about financial status and the health status of Steve Jobs with confidence and certainty. This will help give the investors a sense of inclusion and stability while resolving the situation.

Apple Inc. wants to be known as the company honestly providing the best product and service while making a profit under any leader. There are three goals:

- To reestablish Apple's image as a honest and profitable company.
- To maintain investor support.
- To ensure investors of the ability to resolve the communication concern while still making a profit.

Recommendations

Our communication objectives are to:

1. To have an effect of *awareness*, particularly to increase knowledge of financial stability for Apple Inc. with or without Steve Jobs and increase the confidence in leadership chosen to take his position at a interim level. (75 percent within two weeks)
2. To have an effect of *acceptance*, specifically to regain trust in Apple from the investors driving the value of Apple's stock. (45 percent within four weeks)
3. To have an effect of *acceptance*, by investors supporting Apple's decisions. (35 percent within four weeks)
4. To have an effect of *action*, specifically by maintaining all current investors. (100 percent within four weeks)
5. To have an effect of *action*, particularly to increase share prices by purchasing more stock in Apple. (15 percent within 6 weeks)

Communication Strategies

Our proactive strategies are to involve investors in meetings and discussions about the future of Apple with or without Steve Jobs, offer an opportunity for investors to express questions, concerns and opinions and for Apple to continue to product excellent products, which are superior to the competitors, while growing financially under the interim leader. Our reactive strategies are to explain the actions and decisions causing the communication concern and the resolution, explain the communication concern resulted as an attempt to maintain confidence in Apple, to not make Jobs' health a larger issue than it is and express that Apple is not indifferent about the customer's or investor's thoughts or about Jobs' health.

Description

Our communication plan consists of the following:

In order to increase investor confidence, Apple Inc. will use Steve Jobs, CEO, Tim Cook, previous interim CEO and Arthur Levinson, Chairman of the Board of Investors, as spokespeople. Our rational appeals are factual propositions of correcting the concern throughout all publics including how Apple will remain profitable and value propositions stating the importance of investors and economic success to Apple. Our emotional appeals are to positive emotions such as loyalty through Apple's loyalty to investors through correcting the concern and continuing in profit and esteem in Apple's position in the marketplace as the producers of the highest quality products, along with the negative emotion of fear of no longer supporting the most financially successful electronics company. One point of view that all acts of Apple will be conducive to growth and success with or without Steve Jobs will be presented. One conclusion that Apple will do everything in their power regardless of who fills the leadership role to resolve the communication concern and continue making the best product resulting in profit will be drawn. The message clarity will be increased to a Fog Index of 9th grade. The message will include power words such as "best electronic innovators" and "premier financial success." The message will not include slander of other electronic companies, of those who could have prevented the communication concern or any of Apple's stakeholders including employees, customers or investors. Use of nonverbal communication will include Apple's logo, positive, professional language, the setting of regular meeting location for the Board of Directors and business formal attire.

The communication tactics will have a budget less than \$5,000 for expenses such as printing, mailing and producing broadcasting pieces, all of which will span over an 18 week period. The offices of event coordination, publications, broadcasting and medial relations well be necessary.

Communication Tactics

To insure the continued success of Apple and establish a sense of inclusion while regaining support from the investors, Apple will go to great lengths to foster these attitudes. Well informed Apple employees and the CEO (or interim CEO) will host meetings and speeches about the communication concerns, efforts to resolve it and answering any questions in order to promote the sense that Apple cares about the situation and their future. Various news interviews, story ideas, videos and other forms of advertising information will be available. Letters to investors, videos and serial publications will provide information disclosure to all investors without breaking laws or regulations. Each source will promote support and knowledge of the situation.

Evaluation

Apple Inc. will evaluate its strategic communication initiative for the investors of Apple Inc. according to the following plan:

1. Placement reports tracking distribution and use of communication tactics such as the serial publication, letter of information, video, story ideas and memos to reporters.
2. After surveys of investors dealing with their knowledge of Steve Jobs' health status and their feelings toward investing in Apple Inc., the financial future for Apple Inc. and the future leadership of Apple Inc.
3. Content analysis of newspaper, radio, television, news reports and magazines especially the media outlets that Apple ran articles, stories or advertisements analyzing for positive or negative reactions to Apple and/or Apple's strategic communication efforts.
4. Track purchase patterns to ensure that no investors have sold their stock and also be aware of any purchases of stock.
5. Monitor the stock price.

The evaluation report will be provided to Steve Jobs or the interim CEO.

Table of Contents

Situation Analysis	5
<i>Situation Analysis</i>	5
<i>Organization Analysis</i>	5
<i>Public Analysis</i>	5
Recommendations	6
<i>Goals and Objectives</i>	6
<i>Action and Response Strategies</i>	7
<i>Identifying Message Sources</i>	7
<i>Communication Tactics</i>	9
<i>Timeline</i>	11
<i>Evaluative Research</i>	11

Situation Analysis

Situation Analysis

Because of recent communication concerns between Apple and its stakeholders about Steve Jobs' health, Apple Inc. wants to develop a strategic communication plan to focus on strengthening the company image and rebuilding confidence and retention.

Organization Analysis

Here is the analysis for Apple Inc.

Internal Environment

Apple Inc., headquartered in California with CEO Steve Jobs, is a multinational company that sells consumer electronics, computer software and personal computers in 357 retail stores throughout ten countries. Apple Inc. is a publicly traded company with many stockholders and influence from its board of directors. The company's CEO recently has experienced reoccurring issues with his health and the company has not given full disclosure about Jobs' health status.

Public Perception

The recent communication concerns threaten the credibility of Apple's information. The consumers, stockholders, employees and marketplace are hesitant to trust the information provided by Apple.

External Environment

The business environment for consumer electronics is competitive. While Apple's products are superior to the competitor's products, competitors and consumers are opposed to Apple's actions and are taking action to give light to any negative attention to Apple they can. With the recent economic downturn, the future success of the company is growing yet unpredictable.

Public Analysis

Public Listing

Here is a listing of publics for Apple Inc.

- *Customers* include electronic owners who use the products for personal use of computers, cell phones and music devices, business who operate with computers and technology, teachers and students who use the electronics. Secondary customers include people who may use businesses who primarily use Apple technology or children and future technology users of parents who use Apple Inc. products.
- *Producers* include employees, Apple Inc. retail locations, stockholders, suppliers.
- *Enablers* include America Online through their iTunes alliance, the Worldwide Developers Conference (WWDC), electronic retail stores, AT&T Wireless cellphone service provider and the media (predominately national). Opinion leaders include electronic salesmen, consumer groups, information technology professionals and educators.
- *Limiters* include other electronic companies and boycotting consumers.

After due consideration, key publics for this campaign are identified as *employees, customers, investors, suppliers and electronic oriented media.*

Analysis of Key Characteristics

Apple Inc. investors are an active public.

- *Issue:* The investor public wants to see the company maintain financial success and remain an industry leader. Apple's reputation has been affected due to the communication concerns about Jobs' health and the investors are concerned with continuing to succeed financially without interruption from Apple's affected reputation. This public needs information on how Apple's financials grow to exceed previous earnings and company worth.
- *Organization:* This public provides financial support, knows Apple well and ultimately affects the company's financial state. Apple affects the investors by utilizing investor money to continue in business. This public challenges Apple by asking how the communication concerns will affect Apple's stock. The investors share a goal with Apple to further economic success.
- *Communication:* This public will be reached through personal communications from investor relations personnel and interpersonal media. This public will seek as much information as possible. Credible sources include Apple management, accountants, other Apple officials and other Apple investors.
- *Personality Preference:* While the investor public may be a diverse group, the investors are a mostly logical and fact appealing public. While some figurative ideas may be important to the investors, they are more concerned with their money, Apple's money, the value of Apple and the affect the communication concern will have on Apple in the stock-market.
- *Demographics:* The public of investors vary in age, gender, race and geographical location, yet are similar in middle to upper class socioeconomics and educational backgrounds. They all are troubled with the financial effects of Apple's communication concern and how Apple will resolve the situation.

Benefit Statement

Apple Inc. can provide information to investors about financial status and the health status of Steve Jobs with confidence and certainty. This will help give the investors a sense of inclusion and stability while resolving the situation.

Recommendations

Goals and Objectives

Goals

Here is the first part of strategic planning for Apple Inc.

- To reestablish Apple's image as a honest and profitable company. (Reputational)
- To maintain investor support. (Reputational)
- To ensure investors of the ability to resolve the communication concern while still making a profit. (Task)

Position

Apple Inc. wants to be known as the company honestly providing the best product and service while making a profit under any leader.

Objectives for Investors

- To have an effect of *awareness*, particularly to increase knowledge of financial stability for Apple Inc. with or without Steve Jobs and increase the confidence in leadership chosen to take his position at a interim level. (75 percent within two weeks)
- To have an effect of *acceptance*, specifically to regain trust in Apple from the investors driving the value of Apple's stock. (45 percent within four weeks)
- To have an effect of *acceptance*, by investors supporting Apple's decisions. (35 percent within four weeks)
- To have an effect of *action*, specifically by maintaining all current investors. (100 percent within four weeks)
- To have an effect of *action*, particularly to increase share prices by purchasing more stock in Apple. (15 percent within 6 weeks)

Action and Response Strategies

Apple Inc. will develop the following strategies:

Proactive Strategy

- Involve investors in meetings and discussions about the future of Apple with or without Steve Jobs. (audience participation)
- Offer an opportunity for those with concerns to ask questions and receive answers or express their opinion through the stated meetings/discussions or through a designed webpage for those unable to attend scheduled meetings. (audience participation)
- Continue to produce excellent products that are superior to the competitors while simultaneously growing financially under the interim leader. (organization performance)

Reactive Strategy

- Make a compelling case to explain the actions and decisions causing the communication concern about Jobs' health and actions to resolve the concern. (apologia)
- Explain to investors that the communication concern resulted because Apple was attempting to maintain confidence in Apple and not make Jobs' health a larger concern to the public than it should be. (justification)
- Express that Apple is not indifferent about the consumer's or investor's thoughts or about Jobs' health. (concern)

Identifying Message Sources

In its campaign to increase investor confidence, Apple will use the following spokespeople:

Steve Jobs, CEO of Apple Inc.

Jobs will be perceived as credible because of his position in the company not only by being knowledgeable about every day action taken, being involved in decision making and personal insight on his state of health. He is a competent public speaker and has the ability to deliver a clear and powerful message from his experience of multiple key note addresses at the Macworld Conference and Expo. (Note that the use of this spokesperson should be used immediately due to his health. If the state of his health worsens, he will need to be removed as a spokesperson because he then may be perceived as weak and no longer a credible source.)

Tim Cook, previous interim CEO

Cook is the most likely candidate as interim CEO for Jobs during his leave. Cook will be perceived as credible source because of his previous (and possibly future) leadership position. His strong work ethic and deep knowledge of Apple's operations have gained him respect from the Board of Directors and the investment community. He is viewed to lack charisma, yet he is highly regarded and his leadership characteristics will get the attention of the investors.

Arthur D. Levinson, Former CEO of Genentech, Chairman of the Board of Investors for Apple

Levinson will be perceived as a reliable source due to his position on the Board of Investors and his expertise in investments. He would be a familiar face among experienced investors and able to effectively explain the state of Apple's financial future.

Apple will combine rational and emotional appeals in its message.

Rational Appeals

Apple will present several appeals:

- A factual proposition of correcting the communication concern throughout all publics, including how Apple will remain profitable.
- A value proposition stating the importance of investors to Apple and the importance of economic success as a whole.

The message will include examples of correcting the communication concern, statistics among SEC filings, comparisons of previous years and projected future years along with charts demonstrating the financial growth of Apple.

Emotional Appeals

- To positive emotion such as loyalty of Apple to their investors by correcting the communication concern so that the company will continue in profits.
- To positive emotion such as esteem in Apple's position in the marketplace as producers of the highest quality products and most economically successful electronics company.
- To negative emotion such as fear of no longer supporting a company who is financially successful.

Here is an outline for the verbal and nonverbal communications for Apple:

Verbal

- The message will be one sided: All acts of Apple will be conducive to the growth and success of Apple with or without Steve Jobs.
- A conclusion will be drawn: Apple will do everything in their power regardless of who fills the leadership role to resolve the communication concern and continue making the best product resulting in profit.
- The message clarity will be increased to a Fog Index of 9th grade.
- The message will include saliency reminding investors that Apple is the manufacturer of higher quality and superior products.
- The message will include power words such as “ best electronic innovators” and “premier financial success.”
- The message will include Apple product names.
- The message will not include doublespeak to guarantee that all are aware of important information.
- The message will not include slander of other electronic companies, of those who could have prevented the communication concern or any of Apple’s stakeholders including employees, customers or investors.

Nonverbal

- Apple’s logo will be featured in the message.
- Positive and professional language will be used so that the investors feel that the message is looking forward and is encouraging, yet still focuses on the importance of finance and business.
- The setting will be at the same location as regular meetings for the investor’s Board of Directors.
- Clothing will be business formal.

Communication Tactics

Apple will develop the following interpersonal communication tactics to maintain financial support:

Tactic	Characteristic
Meetings based on plans and general information	key publics (investors), plan for leadership, rededication to honesty, serving acceptance objective
Speech from CEO (if unable, Tim Cook will deliver the speech for Jobs)	low cost, moderate impact, shows concern and effort

Tactic	Characteristic
Product exhibition of new Apple technology	publics (investors, employees and customers), moderate cost, high impact

Apple will develop the following tactics using organizational media:

Tactics	Characteristics
Serial publication weekly for eight weeks then monthly via email	all publics, moderate impact, keep news and information about leadership disclosed
Letter of information about communication concern and upcoming meetings/events hosted by Apple about the situation	key public (investors, employees), low cost, low impact, serving awareness objective
Video of Apple's future and introduction to potential interim leadership	moderate cost, high impact

Apple will develop the following tactics using news media:

Tactics	Characteristics
Article in trade newspaper on the projected continued success of Apple in the electronics industry	low cost, targeted to those who are involved in the electronics industry who may also be potential investors
News interview	low cost, beneficial for question and answer, all publics
Story idea memos to reporters	low cost, possible high visibility
Event listing of interpersonal communications tactic events	low cost, generates better awareness of events

Apple will develop the following tactics using advertising and promotions:

Tactics	Characteristics
Display ads in consumer magazines	moderate cost, target to consumers (potentially investors)
Display ad on T.V. commercials	high cost, high impact

The following initiative is packaged to the investors as the key public.

Public Relations Program directed at the investor key public.

To insure the continued success of Apple and establish a sense of inclusion while regaining support from the investors, Apple will go to great lengths to foster these attitudes. Well informed Apple employees and the CEO (or interim CEO) will host meetings and speeches about the communication concerns, efforts to resolve it and answering any questions in order to promote the sense that Apple cares about the situation and their future. Various news interviews, story ideas, videos and other forms of advertising information will be available. Letters to investors, videos and serial publications will provide information disclosure to all investors without breaking laws or regulations. Each source will promote support and knowledge of the situation.

Timeline

The following schedule shows several tactics to increase knowledge of financial stability for Apple Inc. and to regain trust from the investors of Apple Inc. It shows the event, cost, manager and start date for each tactic.

Event	Cost	Manager	Start Date
Product exhibition of new products: location and equipment	\$1,500	Event coordination	18 weeks
Printed letter of information about Jobs' health	\$300	Publications office	2 weeks
Video production done in house	\$300	Broadcasting department	6 weeks
News packages	\$200	Media Relations	8 weeks
Magazine ads	\$500	Publications office	10 weeks
Television commercials	\$1,500	Broadcasting department	12 weeks

Evaluative Research

Apple Inc. will evaluate its strategic communication initiative for the investors of Apple Inc. according to the following plan:

1. Placement reports tracking distribution and use of communication tactics such as the serial publication, letter of information, video, story ideas and memos to reporters.
2. After surveys of investors dealing with their knowledge of Steve Jobs' health status and their feelings toward investing in Apple Inc., the financial future for Apple Inc. and the future leadership of Apple Inc.
3. Content analysis of newspaper, radio, television, news reports and magazines especially the media outlets that Apple ran articles, stories or advertisements analyzing for positive or negative reactions to Apple and/or Apple's strategic communication efforts.
4. Track purchase patterns to ensure that no investors have sold their stock and also be aware of any purchases of stock.
5. Monitor the stock price.