

Principle and practices of management

[Business](#), [Management](#)



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AND PROFESSIONAL STUDIES PRINCIPLE AND PRACTICE OF MANAGEMENT
DMG1013 ASSIGNMENT 1 Prepared by MOHAMAD HAZIF BIN FIJASRI
012012110239 Submission date 14TH DECEMBER 2012 THE MANAGEMENT
OF STEVE JOBS In 1976 Steven P. Jobs sold his Volkswagen van, and his
partner Steven Wozniak sold his two programmable calculators, and they
used the proceeds of \$1,350 to build a circuit board in Jobs's garage. So
popular was the circuit board, which developed into the Apple II personal
computer (PC), that in 1977 Jobs and Wozniak founded Apple Computer to
make and sell it. By 1985 Apple's sales had exploded to almost \$2 billion,
but in the same year Jobs was forced out of the company he founded. Jobs's
approach to management was a big part of the reason he lost control of
Apple. Jobs saw his main task as leading the planning process to develop
new and improved PCs. Although this was a good strategy, his management
style was often arbitrary and overbearing. For example, Jobs often played
favourites among the many project teams he created. His approach caused
many conflicts and led to fierce competition, many misunderstandings, and
growing distrust among members of the different teams. Jobs's abrasive
management style also brought him into conflict with John Sculley, Apple's
CEO. Employees became unsure whether Jobs (the chairman) or Sculley was
leading the company. Both managers were so busy competing for control of
Apple that the task of ensuring its resources were being used efficiently was
neglected. Apple's costs soared, and its performance and profits fell. Apple's
directors became convinced Jobs's management style was the heart of the
problem and asked him to resign. After he left Apple, Jobs started new

ventures. First he founded PC maker NEXT to develop a powerful new PC that would outperform Apple's PCs. Then he founded Pixar, a computer animation company, which became a huge success after it made blockbuster movies such as Toy Story and Finding Nemo, both distributed by Walt Disney. In both these companies Jobs developed a clear vision for managers to follow, and he built strong management teams to lead the project teams developing the new PCs and movies. Jobs saw his main task as planning the companies' future product development strategies. However, he left the actual tasks of leading and organizing to managers below him. He gave them the autonomy to put his vision into practice. In both companies he encouraged a culture of collaboration and innovation to champion creative thinking. Meanwhile Apple was struggling to compete against Michael Dell's new, low-cost PCs loaded with Microsoft's Windows software. Its performance was plummeting, and to help his old company survive, in 1996 Jobs convinced Apple to buy NEXT for \$400 million and use its powerful operating system in new Apple PCs. Jobs began working inside Apple to lead its turnaround and was so successful that in 1997 he was asked to become its CEO. Jobs agreed and continued to put the new management skills he had developed over time to good use. The first thing he did was create a clear vision and goals to energize and motivate Apple employees. Jobs decided that to survive, Apple had to introduce state-of-the-art, stylish PCs and related digital equipment. He instituted an across-the-board planning process and created a team structure that allowed programmers and engineers to pool their skills to develop new PCs. He delegated considerable authority to the teams, but he also established strict timetables and challenging "stretch" goals, such as

bringing new products to market as quickly as possible, for these groups. One result of these efforts was Apple's sleek new line of iMac PCs, which were quickly followed by a wide range of futuristic PC-related products. In 2003 Jobs announced that Apple was starting a new service called iTunes, an online music store from which people could download songs for 99 cents. At the same time Apple introduced its iPod music player, which can store thousands of downloaded songs, and it quickly became a runaway success. Apple continually introduced new generations of the iPod, each more compact, powerful, and versatile than previous models. By 2006 Apple had gained control of 70% of the digital music player market and 80% of the online music download business, and its stock price soared to a new record level. The next milestone in Jobs's managerial history came in 2007 when he announced that Apple would introduce the iPhone to compete directly with the popular Blackberry. Once again he assembled a team of engineers not only to develop the new phone but to create an online iPhone applications platform where users would soared to a new record level. The next milestone in Jobs's managerial history came in 2007 when he announced that Apple would introduce the iPhone to compete directly with the popular Blackberry. Once again he assembled a team of engineers not only to develop the new phone but to create an online iPhone applications platform where users would able to download iPhone applications to make their phones more useful-able to surf the Web and interact with their friends. By 2010 over 2 million iPhone applications had been developed, over 2 billion applications had been downloaded by iPhone users, and Apple was the leader in the smartphone market. In 2010 Jobs announced that Apple

planned to introduce its new iPad tablet computer, which he claimed would be the best way to experience the Web, e-mail, and photos and would also have a wireless reading function to compete directly against Amazon. com's successful Kindle wireless reader. Jobs organized a new engineering unit to pioneer the development of applications for its new iPad, and in spring 2010 analysts and customers were eagerly awaiting its innovative new digital tablet that could potentially revolutionize yet another industry and make Apple the most profitable company in global computers and electronics. When Apple announced on March 5 that the iPad would be released for sale on April 13, 2010, its stock rose to a record high of \$219, and analysts claimed the company's stock might become worth more than Walmart's successful Kindle.