

Apple's competitive advantage clearly lies

Life



Apple's competitive advantage clearly lies in its organizational culture. However the leadership for maintaining the specific cultural orientation comes from Steve Job's vision of the future direction of product development. Without his leadership, the company might not be in a position to develop products that will transform the market.

This has been the core competency of the company. By transforming the market dynamics, the company has managed to create a market leadership position. Therefore new product development has been the critical success factor at Apple and the guiding force behind the success of this strategy has been Steve Job's vision.

Once he relinquishes his position, it is not clear whether Apple would be able to maintain its competitive advantage. In this respect, the issues of succession planning become relevant. If Apple is to make its competitive advantage sustainable, then it would have to develop the necessary human capital that would maintain the company's momentum in new product development.

According to Michael Porter's framework for strategy formulation, a business organization has three strategies at its disposal for developing a competitive advantage: differentiation, cost minimization and quick response.

The problem with these strategies is that they cannot lead to the development of a sustainable competitive advantage because they can be easily copied by competitor organizations.

However when it comes to the competitive advantage rooted in the organizational culture, then it becomes sustainable because the

organizational culture in each company is unique, therefore the best practices in this regard may not be immediately transferable.

This unique organizational culture at Apple has been created by Steve Jobs' vision for the continuous improvement process. Essentially he is implementing the strategy of differentiation through a continuous process of new product development.

However it is his leadership which facilitates the continuous process of managing change which new product development entails. Therefore whether the company would survive Steve Jobs' departure is a valid question.

The general public is clearly of the opinion that Apple will lose its competitive advantage once Jobs no longer provides the creative force. The share prices of the company fluctuate depending on the health condition of the CEO. In order to boost public confidence, the management of the company should clearly develop its internal resources so that dependence on Steve Jobs' leadership may be slowly diminished.

However no matter how much of strategic human resource management the company practices, its glory days may be gone with the departure of Steve Jobs. His vision guided the product development strategies of the company and they were the core competencies of the company.

Once this mental connect with the market is no longer there, the company may no longer be in a position to develop products that will draw an enthusiastic response from the market. Apple's competitive advantage is based on reshaping markets and rethinking products to the core. The

implementation of both these strategies has been driven by Steve Jobs' vision.

The critical need for Apple at the moment is to conduct a rigorous process of succession planning. The company needs to recruit manpower from external sources in order to maintain the innovative spirit of the company. The most important strategy for the company is to maintain the strategy of differentiation. However the innovative cultural orientation must be maintained.

The management should therefore develop human capital accordingly. Employees must be made to see how their work links to the strategic focus of the company, so that they can be involved in the new product development process. In this respect, the importance of creative thinking must be stressed at all times.

In this respect, the management has to invest in training and development programs. Once the employees are involved in the decision making process, it will be enriched and as a result, the company will be able to maintain its momentum in continuing to develop revolutionary products.

Dess, Gregory G., et al. (2007). Strategic Management: Creating Competitive Advantage. McGraw Hill/Irwin.