

Apple inc.: keeping the "i" in "innovation" essay sample

[Business](#), [Company](#)



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A. CASE SYNOPSIS

As one of the most well-known and respected companies in the world, Apple Inc. was one of the few companies to emerge from the recession stronger than ever. Started in 1976 as a computer business, most of Apple's success has been attributed to its music- and video-related products and the iPhone. Quickly became known then as a company that made innovative consumer electronic products instead of just a company that made computers, it changed its name in 2007 from “ Apple Computer” to “ Apple Inc.”. As Steve Jobs, Apple's former CEO and co-founder said, “ The Mac, iPod, Apple TV and iPhone. Only one of those is a computer. So we're changing the name.”

Steven Jobs and Stephen Wozniak began the partnership to become later the Apple Computer. Worked for Hewlett-Packard (HP), Wozniak once approached his employer with his idea, but then was rebuffed for HP did not see any future for personal computers (PC). Later then he and Jobs decided to go into business together and sell computers themselves. The first computer, Apple I, was known as a “ kit computer” since the original Apple consisted only circuit board and did not even have an exterior casing.

Sold only for hobbyists, soon after got the feedbacks and responses from the hobbyists they tried to develop another, and reach for wider market for personal computers by building a more attractive and useful machine. After the born of Apple II, then came the struggles from competitors, such as IBM with its personal computer release. Jobs realized that Apple would have to move fast in order to remain a viable company. Not so long time since then,

Apple released their new computer models which included notably Apple III and the Lisa. Several moments happened until Jobs's first leave from the Apple, at the moment after the launch of Macintosh computer whose features in graphical interface and a mouse for navigation. He left in May to start his own new business, NeXT Computers. However, the ongoing dispute between Apple and Microsoft over the Graphical User Interface (GUI) had Jobs returned to lend a hand.

He then proceeded to change the company's sales strategy in 1997 to encompass direct sales - both online and by phone. Finally, after a year with no profit showed, the next first quarter of 1998 began three years of profitable quarters for Apple. Intended to make the Mac " the hub of [the consumers'] digital lifestyle", in 2002 Apple introduced new iLife, a software suite including applications such as iPhoto, iMovie, iTunes, and eventually the iPod. It saw a yieldful way to capitalize on the emerging trend of cheap music downloads by creating a legal online music distribution network, with iTunes as the bullet for the guns. After then, Apple kept growing and growing the innovation within the assets not only to develop, but as well as creating the products customers did even imagine. Ventured into the market of legal downloads, Apple introduced the iTunes Music Store which provided customers in 23 countries with music, movies, HDTV shows, apps, games, podcasts, audiobooks, and ways to connect with artists and friends (via Ping).

Another iTunes's feature, iTunes U, can even provide the users access to download lectures, discussions, language lessons, and other opportunities

for learning for free from leading universities, museums, and other institutions. Later on, the success of iTunes (the downloads rate) is also used as a means to boost the sales of other products as such as iPods, iPhones, iPads, and Apple TVs. Facing the world full with competitors, Marketing has been one of Apple's strengths. However, staying on top of the game has become more difficult as Apple develops a broader range of products for the mainstream customer rather than just the "tech-savvy fanatics" in fields such as education and design. Begins with the design of the product, Apple's marketing plan conducting took a different approach to the design of its products. While competitors do everything they can to keep costs down, Apple does what it can to make its product different, as entitled by Jobs as "a legend for the design sense".

Apple's advertising focuses more on a lifestyle instead of a product and has helped create a cult-like loyalty among Apple enthusiasts. Much of Apple's success has been attributed to Jobs. With a unique ability to visualize innovative product designs and predict what people would like to have, Jobs was known to be obsessive about process and detail. However, his influence and his presence in the whole company made a hard struggle on Apple by the time of his another leave for medical reasons. This additional challenge for Apple started when Jobs handed in the role of control to Timothy D. Cook, the current COO with a prior announcement. Jobs will be difficult to replace, since it is considered that no other person at Apple has had the experience of founding the company, being asked to leave the company, and returning years later to save it from bankruptcy just like Jobs was. But then, although

the challenge soon to be faced was getting harder, several analysts are confident that Apple will survive the loss.

B. PROBLEM/ ISSUE IDENTIFICATION

- The leave of Steve Jobs on medical reasons and the handed control to the company's COO, Timothy D. Cook which emerged another challenge for the entire company. -Arising question regarding the company's ability to move on the innovation and growing without Jobs on their side. " What happens to a modern company whose innovations and inspirations are so closely tied to the vision of one leader when the leader's influence is in decline?" -Stiffer than ever competition from new and existing online music and video download services. iPod, iPad, Apple TV, and iPhone all faced the threat of lower-priced rivals and possible substitutes. -Possibility of another problem emerged by the issue for the Hardware design's sustainability, where there is a chance for other competitors to surpass Apple's valuable designs. Since Apple's hardwares (particularly the computers) only operates its own Operating System which cannot be operated in other hardwares, the design became substantially important for the company to survive with their products. -In service supplier, on the App Store, Apple will charge publisher 30 percent of revenue, but in this case, sometimes publisher is connected to the customers directly. The impact to the Apple was to get nothing while publisher keeping 100 percent of the profits. This issue is about inbound logistic in Apple primary activities.

C. CASE ANALYSIS

Value Chain Analysis

-Value-putting process throughout the making of products (iTunes, iPod,

iPhone, iPad, and Apple TV) which is mostly done by Steve Jobs himself. Many viewed him as a definite strict supervisor whose discreetly high standards, particularly regarding the launched products' feasibility. Jobs's admired high sense of design also made him taking biggest role in the innovation of Apple products, since much of Apple's success has been attributed to Jobs. His unique ability to visualize innovative product designs and predict what people would like to have had entitled him as obsessive person towards processes and details. -Strategic moves Jobs made in the Marketing matters, which involved extraordinary people surrounding him. - Internally, Apple's best known reputation regarding the hiring of best and most talented people in their each disciplines, resulted in the team of highly skilled specialists with an operating system. -There is an issue found in the inbound logistics, the company's Primary Activities, one of the five generic activities, where Apple was involved in a problem with the service suppliers (content publishers) regarding the price and billing system.

Resource-based View of Strategy Analysis

-Apple Inc. is best known to own its Core Competencies, shown through the products' innovation and the ideas planted within. As it is discovered that the critical task of management is to create an organization capable of creating products which customers need but have not yet even imagined, Apple (and Jobs) strived to create products customers didn't even imagined yet figured out they would have been so into, and like a magic just worked on it. -The culture attached strongly in the entire company was considered as intangible resources (tacit knowledge's). Furthermore, it is the Technological resources which includes Apple Inc.'s ability to innovate more and more that was also

seen strongly dominated the company. Reputations, or goodwill of Apple which made it clear to be 'happening' issues among people nowadays also contributed to the building company's Sustainable Competitive Advantages. - Offering of One-to-One program for the subscribers, which allowed them to attend a tutorial session with an Apple expert for one hour once a week for one year. Those subscribers can also consult with the staffs at the "Genius Bar" by appointment, where Apple product users meet face-to-face with Apple "geniuses" for answers to technical questions and for troubleshooting. This offer by Apple, is considered as the method of Apple to share and manage the knowledge especially for the users.

D. CASE SOLUTION

-Certainly meets specification of what called "born global", Stephen Kobrin explained that Apple had reached the realm of high-tech companies that are driven by technology that demands they expand into many countries simultaneously. Apple itself had reached the achievement, which reported in form of the operating segments consisting of the Americas, the Middle East, Africa, Japan, Asia-Pacific, and the retail segment operating Apple-owned stores in the US and international markets. -It is undoubtful that Apple will continue and carry on after the leave of Jobs, as several analysts saw that Apple is now currently on autopilot mode to a degree and face the challenges as the company adjusts themselves to operate without Jobs's directions. However, despite the fact that currently the company still stays under the "shadows" of Jobs's methodology and the way he acts, Apple will have to move on and strive to retain their core competitiveness to offer to

the thirsty customers. -The next CEO must be the one who can apply the former rules by the previous CEO which was Steve Jobs.

E. CONCLUSION - RECOMMENDATION

-In order to continue the " journey" of the company's moving innovation and growing process, Cook (and other successors for the controlling role) should have understood and got into the values Jobs left in the company to be occupied. Going suited with all the culture and habits got, he is not only having the responsibility to continue what it takes before he took the role, but also to add more values, the key of growing company to face the rapidly demanding customers of innovation.

F. LESSON LEARNED

-What it takes for a company to survive and achieve the Sustainable Competitive Advantages and retain them as long as possible does involve Values put throughout the process of products' production, as well as the matters of Resources and Competencies that differ one company from others as competitors. Distinctiveness, difficulties to replicate and duplicate are very important regarding the capability of one company, which will bring the company into valuability and sustainability. -A leader, or the biggest role taker in a company should have brought his/ her personality together with the goals to the totality to encourage the whole company. In other words, he/ she should lead with all the hearts. The culture or habitual things in the company could possibly be the fundamental principals put by the leader, and become the most influence represents the whole company, even the industry.