The success of apple: above and beyond its technology

Business, Company

The Success Of Apple: Above And Beyond Its Technology Over the weekend I was in an Apple store in northern New Jersey. It made me very uncomfortable. See, I'm a PC guy. A staunch Windows user, from Windows 3. 1 to 95 to 98 to NT to XP to Vista (ouch) to the current Windows 7 (did I miss any?). However, I'm dabbling in the dark side, using an iPad (in addition to other devices such as a BlackBerry Playbook and a few Android phones). On a recent trip I broke the glass of my iPad. Hence my trip to the Apple store.

As I was waiting for someone from technical support (called the Apple Genius bar) to help me, I observed Apple up close and personal. Here are a couple of things I noticed that have, no doubt, played key roles in Apple's success. Happy staff = happy customers The whole staff was excited and happy to help customers. I observed one young lady in particular, an Apple staff member, who continually and genuinely smiled as she helped customers. She warmly greeted one customer after another and helped them work through their problems with a spark of excitement. Another lady adorned in big earrings and big glasses reminded me of a concierge at a high-end New York hotel. Friendly, professional and excited to help. In another incident, a customer came in and had a question about using her product in another country. I overheard an Apple manager suggest to a staff member that he call someone in the country to which the customer was headed, to get the answer she needed! How many retailers would take the time to make a phone call (to another country!) to help out a customer on the retail floor? A chaotically smooth in-store process Over the course of my life, I've had the privilege of being around several U. S. Presidents. For obvious reasons, there is always a lot of commotion, activity and security around the President.

However, all of this fuss is carefully choreographed by the U. S. Secret Service, the White House advance team and others. To an outsider it might look like confusion, but as you look closer you see there's a very detailed plan of action in place. This is how it was in the Apple store. Their were dozens of customers milling around, all with different needs. There were customers with pre-scheduled appointments at the Genius bar, walk-ins in need of technical support, those simply making retail purchases and people trying out new products–and everyone saw immediate attention from passionate and very knowledgeable staff members. What was also interesting was that all of the sales staff on the floor had the ability to process credit card sales with their iPhones, an innovation that is not seen at most retailers. Instead of standing in line for the cashier, the cashier comes to you and processes your transaction on the spot: pretty neat (and efficient). So what happened with my cracked iPad? Since the iPad was relatively new, the Apple representative said he would make an exception and gave me a new one. The entire process took about 10 minutes. I was fully expecting to pay $200 to get it fixed. So I was pleasantly surprised. Clearly, Apple's products are well designed, easy to use and fun. However, the products are only one part of Apple's success. The other part is the ease of doing business (that is, making the purchase and receiving support) that Apple delivers so harmoniously to its customers 6 Reasons Apple Is So Successful One of the more interesting questions I get asked about as an industry analyst who's followed Apple since 1981 is why Apple is so successful. It's an honest question because to those unfamiliar with Apple, the company's rise and current dominance in non-PC devices is somewhat

puzzling. Most people have a working understanding of the fact that Apple lost the PC wars to Microsoft, and only nominally understand that when Apple created the iPod and then the iPhone, the company started to go in a new direction. And anyone who's gone into an Apple store knows full well that Apple's customer service and stores represent the gold standard for selling and supporting tech gadgets. But beyond that, the reasons why Apple is really successful are still a mystery to many. (MORE: 50 Best iPhone Apps 2012) There are plenty of books about Apple that talk about everything from Steve Jobs' history to tenets of Apple's business models to secrets about Apple's internal-management ideas. However, after years of watching Apple up close and personal and having to deal with every one of their CEOs, as well as interacting with various Apple execs over the years, I would like to suggest that the reasons the company is successful can be boiled down to six key principles that make it very hard for competitors to compete with Apple. 1. For any product that Apple creates, the people who create it have to want it themselves So many times with projects I do with other tech companies, the goal is almost always based around the technology first, followed by whether or not people really want to use it. Geeky engineers are dazzled by the technology at their disposal and often create something because they can. But Apple's approach is quite different. The engineers who are creating Apple products actually make them for themselves. And Jobs was the chief " user" of Apple products when he was alive. All of Apple's products are based on the fact that Jobs represented the real customer. And his engineers had to come to grips with that when designing a product. It has to be something that they personally couldn't live without. 2. The products

have to be easy to use Jobs was a stickler on this point. While industrial design is a critical component of any product Apple makes, if it is not easy to use, it is considered worthless to the consumer. This is what drove the company's user-interface designs from Day 1 and is still the mantra pushed to the software and hardware engineers every day they go to work. All of the products they create have to be intuitive and easy to understand and learn. As technology has become more intricate and users want more features, the task of keeping things simple is sometimes difficult. And Apple creates tools for power users and rookies, which can mean a broad range of ease-of-use issues. But even with that, Apple is the only company I deal with where ease of use is more important than the product itself. Apple makes this a critical goal of its approach to creating anything for the market. (PHOTOS: The Apple II Turns 35) 3. Keep things simple I was in Paris in the past two weeks and had talks with various French telecommunications officials about many mobile-computing issues. But one conversation I had in particular emphasizes this keep-it-simple point. We were discussing how to compete with Apple – a major pastime for all Apple competitors and carriers these days – when the question of why Apple is really successful came up. And one exec nailed it when he said he felt that the real reason Apple is successful is because it has one product; in this case the iPhone. It minimizes the decisionmaking process for the consumer by making things simple. The person speaking was with a carrier in France, and he said that in their stores, they have to have as many as 25 different models of phones available. That makes it hard for his staff to be really knowledgeable about all of them all of the time, and their customers just have too many options to choose from.

But Apple only has one iPhone model, and anyone who has gone into an Apple store understands that every staff member there knows a great deal about each of the four major products carried in its stores. Apple doesn't have five iPhone models to choose from; it has only one. While this may seem limiting given the amount of smart phones available to users, the truth is the reverse. Our company has done consumer research for over 30 years, and consumers constantly tell us that while choice is nice, in reality they want the process of choosing a tech product to be simple and not complicated by a plethora of choices. Yes, there are tech-savvy people who like more choices and sometimes even like complexity, but from years of experience as a market researcher, I can tell you that in the end, the majority of users are not tech-savvy, and keeping things simple for them is a plus. Apple understands this in spades and is never tempted to add multiple versions of an iPhone, iPad or even more than one or two types of iPods. This makes buying an Apple product simple. And consumers seem to appreciate this considering the huge number of iDevices that are sold each year. I know the tech media and techies are the most vocal about this issue of choice, but in the end, while choice is good for competitive pricing, what nontechie consumers really want is simplicity. (MORE: The Inventor Of the Future) 4. Offer great customer service and in-store experiences Jobs understood one of the major conundrums of technology: even if you create products that are easy to use, the variety of things that people want to use technology for often creates complexity. Because of this, consumers at all levels may need some hand holding from time to time. I was one of the most vocal critics of Apple when it introduced its first retail store in Tokyo in 2002. I thought it

was crazy for Apple to try and go into retail. At the time, and even today, tech retail stores are in decline while big-box stores like Costco and Walmart sell products on price and nothing else. I thought that if price were the issue, an upscale retail store would be DOA. Wow, were other naysayers and I wrong about Apple's retail strategy. Apple uses this conundrum to its advantage. Because it keeps product SKUs simple, the salespeople inside the stores know the products really well. Notice that when you go into an Apple store and are greeted by one of the sales staff, you're not asked, " How can I help you? " Instead they ask, " What would you like to do today? " They go right to the heart of any technology user's question, a question that's always related to what they want to do with the technology the user is interested in. And once you explain your needs, they take care of it on the spot in most cases. Or if you need more hand holding, they turn you over to the Apple Geniuses. No wonder 50% of people buying Apple products are new to Apple. Apple's products are simple to understand and use, but if you do have a problem, Apple can take care of it at their stores or over the phone quickly. (PHOTOS: Apple Announces New iPad) 5. Apple only makes a product if Apple can do it better Apple normally doesn't invent a new product or product category. Sure, the company did invent the first commercial PC with the Apple II, and the Mac improved on PCs with a graphical user interface and mouse input. But since then, all of Apple's other products have been recreations of existing products. Apple did not invent the MP3 player; Apple reinvented it and made it better. Apple did not invent the smart phone; Apple reinvented it and made it better. And Apple did not invent the tablet; Apple reinvented it and made it better. As Apple designer Jonathan Ive said

recently, " Our goals are very simple – to design and make better products. If we can't make something that is better, we won't do it. " Clearly, Apple applied that thinking first to iPods, then smart phones and more recently, to the iPad. 6. Apple stays at least two years ahead of its competitors This is the one that scares Apple's competitors the most. While those competing with Apple are just getting products to market that are competitive, Apple is already working on the products at least two years out. For example, the new iPhone that will most likely go to market in October was designed and signed off on two years ago. And the iPhone the company is working on now is for the fall of 2014. The same goes for the iPad. The new iPad that we will most likely see next March was signed off on two years ago. The one that's being worked on now we will probably see in 2015. This is a nightmare for Apple's competitors and will continue to be for some time. (MORE: What Would Steve Jobs Do?) Besides having geniuses in design, software and retail, Apple also has the cash to invent components, manufacturing processes and things like that, which almost makes it impossible for the competition to make any real headway against Apple. And don't let the fact that Android has become the No. 1 smart-phone operating system make you think that it's the big winner. Yes, Android has gained ground by the sheer numbers of companies and products pushing Android. But the real measure of success is in the profits, and Apple is making as much as 70% of all the profits in smart phones and about 85% of the profits in tablets. Just ask any Android competitor which they would like more, market share or profits. You'll get the answer relating to the real measure of success in this market. These six principles may seem a bit simplistic given the fact that Apple also

has great software, industrial design and a powerful ecosystem of content, apps and services as part of the company's success equation. However, I can tell you that from my three decades of following Apple, it's these six key principles that are what really makes it successful. And as long as it adheres to them, it's pretty likely that Apple will continue to grow and command a relatively large share of the market in the company's product categories where it competes. Bajarin is the president of Creative Strategies Inc., a technology-industry-analysis and market-intelligence firm in Silicon Valley The secret of Apple's success: simplicity Apple's success — driven by the vision of Steve Jobs — has been to distil its ideas to their essence. By contrast, too many companies are overly complicated [pic] Steve Jobs speaks during an Apple special event in 2010 in Cupertino, California. Photograph: Justin Sullivan/Getty Images Apple's package-design team had just returned from its presentation to Steve Jobs, and the faces told the story — they had that " things didn't go exactly as we planned" look. " The suspense is killing me," I said to the project leader. " How'd it go this morning?" " Well," he said, " Steve hit us with the Simple Stick." Translation: Jobs had rejected their work — not because it was bad but because, in some way, it failed to distil the idea to its essence. The person leading the project had directed the team to create packaging for two versions of the same product. Jobs had decided this was brain-dead. " Just combine them," he said. " One product, one box." There was no need to explore the idea of a second package. He was right. It was simpler, quicker, better. The conversation was over in minutes, and it left one very smart and talented group of people wondering why they hadn't thought of that before. The

Simple Stick symbolises a core value within Apple. Sometimes it's held up as inspiration; other times it's wielded like a caveman's club: a deep, almost religious belief in the power of simplicity. If you're prepared to do battle with complexity, you'll have no trouble finding a fight. Chances are you're surrounded by it. Unless you work in the rarest of environments, complexity lives inside your organisation's hierarchy, its goals, and probably most of your colleagues as well. If your company ever fails, you can be sure it won't be the fault of simplicity — it will be the result of its absence. Think brutal Clarity propels an organisation. Not occasional clarity but pervasive, 24-hour, in-your-face, take-no-prisoners clarity. Most people never perceive that this is lacking in their organisation, but 90% of the time it is. Just open a few random emails, activate your " brutal-vision", and read. The muddying messages are rampant. If people were brutally honest in their emails, the time we spend sorting through our in-boxes would surely decrease by half. Steve Jobs demanded straightforward communication from others as much as he dished it out himself. He'd cut you off if you rambled. He ran his business as if there were precious little time to waste, which well reflected the reality for Apple — as surely it does for any company serious about competing. This is probably the one element of Simplicity that's easiest to institute. Just be honest and never hold back. Demand the same from those you work with. You'll make some people squirm, but everyone will know where they stand; 100% of your group's time will be focused on forward progress — no need to decode what people are really saying. There is a general perception that Jobs was the nasty tyrant who demanded allegiance, barked commands, and instilled the fear of God in those around him. While

Jobs certainly did exhibit these behaviours, this portrait is incomplete. The man could also be funny, warm, and even charming. There is a huge difference between being brutally honest and simply being brutal. You can't let yourself be talked into going along with something when you know it can be better. Ever. To settle for second best is a violation of the rules of simplicity, and it plants the seeds for disappointment, extra work, and more meetings. Most disturbing, it puts you in the worst possible business position: having to defend an idea you never believed in. Your challenge is to become unbending when it comes to enforcing your standards. Mercilessly so. If you submit only the work you believe in 100% and approve only the work you believe in 100%, you own something that no one can take away from you: integrity. As often happens in life, one must often suffer the consequences of doubting before becoming a believer. I'm not proud of it, but that's the way I learned my lesson about standards. There was a certain amount of theatre that went on inside Apple. The rules were well known, and a number of dramas played out with predictability. That Jobs was intolerant of stupidity is a matter of record. He wasn't at all polite when stupidity reared its ugly head. He especially wasn't fond of employing stupidity, so if you were on Apple's staff and wanted to retain that status, it was wise not to display your lack of smarts in a meeting with him. You'd just set him off and get it right between the eyes. A former Apple senior staffer remembers a routine that he saw played out often during his time as a direct report to Jobs. He calls it " the rotating turret". There was no predicting when it would happen, as it depended on how conversations evolved. But in some meeting, at some random time, some poor soul in the room would say something that

everyone in the room could tell was going to light Jobs's fuse. First came the uncomfortable pause. The offending comment would reverberate in the air, and it would seem as if the entire world went into slow motion as Jobs's internal sensors fixed on the origin of the sound wave. You could almost hear the meshing of gears as his " turret" slowly turned toward the guilty party. Everyone knew what was coming–but was powerless to stop it. Finally, the turret would lock on to its target. In a split second Jobs would activate his firing mechanism, and without a second thought he'd unload all his ammunition. It was uncomfortable to watch and even more uncomfortable to experience, but at Apple it was just a fact of life. Think small How many overpopulated meetings do you sit through in a year? How many of those meetings get sidetracked or lose focus in a way that would never occur if the group were half the size? The small group rule requires enforcement, but it's worth the cost. Out in the real world, when I talk about small groups of smart people, I rarely get any pushback. That's because common sense tells us it's the right way to go. Most people know from experience that the fastest way to lose focus, squander valuable time, and water down great ideas is to entrust them to a larger group. Just as we know that there is equal danger in putting ideas at the mercy of a large group of approvers. One reason why large, unwieldy groups tend to be created in many companies is that the culture of a company is bigger than any one person. It's hard to change " the way we do things here". This is where the zealots of simplicity need to step in and overcome the inertia. One must be judicious and realistic about applying the small-group principle. Simply making groups smaller will obviously not solve all problems, and " small" is a relative term. Only you

know your business and the nature of your projects, so only you can draw the line between too few people and too many. You need to be the enforcer and be prepared to hit the process with the Simple Stick when the group is threatened with unnecessary expansion. In one iconic technology company with which I worked I found a framed sign in every conference room designed to nudge the employees toward greater productivity. The headline on the sign was how to have a successful meeting. The content read like it came right out of a corporate manual, which it likely did. It featured a bullet-pointed list of things like: " State the agenda at the start of your meeting," " Encourage participation by all attendees," and " Conclude your meeting with agreement on next steps". What these signs really said, though, was: " Welcome to a very big company! Just follow these signs and you'll fit in well." It's not hard to imagine Jobs, who actively fought big-company behaviour, gleefully ripping these signs off the wall and replacing them with Ansel Adams prints that might provide a moment of reflection or inspiration. If you ever work at Apple there will be no signs on the wall telling you how to run a meeting. Likewise, there will be no signs telling you how to tie your shoes or fill a glass of water. The assumption is that you are well equipped with brains and common sense and that you're a fully functioning adult. If you're not already a disciple of simplicity, you'll become one soon. Either that, or you'll decide you'd rather not be part of such a thing, which is okay too. Simplicity prefers not having to train a bucking bronco. If big companies really feel compelled to put something on their walls, a better sign might read: How to Have a Great Meeting 1. Throw out the least necessary person at the table. 2. Walk out of this meeting if it lasts more than 30 minutes. 3. Do something

productive today to make up for the time you spent here. Think clarity This is an area where just about every business needs more work. Words are powerful, but more words are not more powerful — they're often just confusing. Understand that in your company's internal business and in communications with your customers, dissertations tend to drive people away. Though many writers never seem to grasp the point, using intelligent words does not necessarily make you appear smarter. The best way to make yourself or your company look smart is to express an idea simply and with perfect clarity. No matter who your audience is, it's more effective to communicate as people do naturally. In simple sentences. Using simple words. Simplicity is its own form of cleverness — saying a great deal by saying little. Think human Unless you're in the business of sterilising things, business is no place to be sterile. Have the boldness to look beyond numbers and spreadsheets and allow your heart to have a say in the matter. Bear in mind that the intangibles are every bit as real as the metrics — are often even more important. The simplest and most effective way to connect with human beings is to speak with a human voice. It may be necessary in your business to market to specific target groups, but bear in mind that every target is a human being, and human beings respond to simplicity. Best advice: Just be true to your species. This is an edited extract from Insanely Simple: The Obsession That Drives Apple's Success by Ken Segall (Portfolio Penguin, £14. 99) or at Guardian Bookshop for £11. 99 Doing business the Steve Jobs way It's natural for people to be resistant to change, large or small, so trying to change attitudes within an organisation can be difficult. But when you spread the word about the value of simplicity you are not

spreading some oddball theory, you're echoing one of the most successful people in business history, Steve Jobs (right). If you refer to the benefits Apple has enjoyed by embracing simplicity, and make the appropriate parallels to your own business, you'll build a compelling case. You can spread the religion of simplicity project by project, by interacting with people and groups one at a time. Getting people to buy into a concept to the point where they start contributing their own ideas can literally create a movement within an organisation. Simplicity is a way of looking at every part of your job, the jobs of those around you, and the way your company operates. Once you start seeing the world through the lens of simplicity you'll be astounded at how many opportunities exist to improve the way your business works What are the Keys to Apple's Success in Emerging Technologies? by Bill Halal [pic]Apple did not come by its present success easily. Before the iPod, iPhone, and iPad became profitable icons of high-tech fashion, Steve Jobs suffered a long series of failures. Apple's Pippin game player, the Next computer, Apple TV, the Lisa computer, the Newton PDA, and the Apple mouse are among the many products that are barely known because they were dismal flops. For many years, there were serious doubts if Apple could survive the battles it was losing to competitors like Microsoft. In contrast, Apple is now expected to sell 30 million iPads in 2011 – two-thirds of all tablet computers sold globally. Although the iPhone is fighting off 90 different smart phones, Apple's sales are up 60% and could reach 100 million iPhones in 2011. The source of this staying power is seen in the fact that the Apple iPhone has the highest consumer satisfaction scores ever recorded. Apple's profits exceed those of IBM, and it is considered one of the

most Innovative and valuable companies in the world, Such stunning success always raises questions over its origins. How did a struggling company run by a charismatic but somewhat erratic CEO learn to excel in the brutal battle among emerging technologies? Can the factors of this success be identified and used to guide others? The most striking conclusion about Apple's rise is that Steve Jobs learned bitter but crucial lessons from failure. After years of autocratic leadership, dismal sales, and temperamental behavior demoralized the company, John Sculley became CEO in 1985 and Jobs was sent into the computing wilderness. For 12 years, he suffered losses such as the Next computer, which was overpriced and sold only 50, 000 units in seven years. When Jobs returned to head Apple, he had learned to focus on good design, to treat people well, and to develop winning strategy. Tim Bajarin, president of a consulting firm, said "[Steve Jobs] would not have been successful if he hadn't gone through his wilderness experience. " The main lesson from Apple's success, however, is the central importance of focusing on strong products that are well-designed for the market. Jobs is a genius at minimalist designs that integrate technology breakthroughs to fill a newly emerging need with unusual style. He thinks success requires " listening to the technology" in order to " discover" the potential products waiting to be invented. The result can be seen in the way Jobs describes the attraction of the iPad — " It's like holding the Internet in your hands, " he told a crowd. " It's so much more intimate than a laptop and more capable than an iPhone. It's truly magical. " This keen sense of anticipating where emerging technologies are leading comprises the central talent that allowed Jobs to create revolutionary breakthroughs like the first personal computer

(Apple 1), the first graphical interface (Mac), the first Unix PC (Next), the first successor to Sony's Walkman (iPod), the first online music store (iTunes), the first widely used smart phone (iPhone), and the first successful tablet (iPad). Serious processes are needed to closely follow advances in technologies that will impact your organization and to find creative new solutions for the market. That's why Apple does far less conventional product research than other companies, and focuses instead on product discovery. Here's how Jobs described his approach: If I had asked someone who only used a calculator what a Mac should be like, they couldn't have told me. There's no way to do consumer research so I had to go and create it, and then show it to them. " Behind such great products, Apple thrives because it has been described as a " well-oiled machine. " Jobs learned to delegate, so his COO, Tim Cook, now runs a tight ship, and a cadre of managers and designers have learned to " think like Steve. " The company has outsourced its manufacturing operations, while 317 Apple stores are wildly popular and profitable. The Apple music store — iTunes — has expanded into a powerful vehicle for trading videos, movies, and possibly other information products. Even with these stunning achievements, Apple faces enormous new challenges as competition among other smart phones and tablets heats up. There are at least 20 versions of Android phones alone, slowly taking Apple's market share. In 2011, Americans will buy more Androids than iPhones. The main issue, of course, is what happens when Jobs' illness requires a successor? Despite claims that Apple has institutionalized practices that foster creativity, innovation, good design, and other legacies of Steve Jobs, it is

really impossible to replace true genius. When Jobs returned from the

wilderness to save Apple, John Sculley