

Apple value driven management: a case study

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My choice of corporation as the most desirable workplace is Apple Inc, which deals with the design and manufacture computer software products as well as consumer electronics. Its headquarters is at Cupertino, California. Apple Inc's hardware products are Macintosh computers, iPod as well as the iPhone. Its software products include Mac OS X-operating system, iWork productivity software suite, iLife creativity and multimedia software suite and iTunes media browser. The company traverses nine countries where it runs over 250 retail stores. It also runs an online store where it sells both software and hardware products.

The company was established 1976 by Ronald Wayne, Steve Wozniak and Steve Jobs as Apple Computer Inc. The company initially sold a personal computer kit known as Apple I, which was hand-built by Steve Wozniak and first publicly displayed at Homebrew Computer Club.

It was later incorporated in January 1977 where it dropped ' Computer' from its name after using it for thirty years, a reflection of its expansion strategy. This strategy involved venturing into the consumer electronics market as an addition to its personal computer market. Apple employs about 350, 000 people worldwide and its annual sales are about US\$ 33 billion.

Value Drivers

There are various value drivers that boost value-added management as well as value over time maximization (Pohlman et al, 2000). These drivers include competitor values, owner values, third party values, supplier values, customer values, individual employee values, organizational cultural values and external culture values (Pohlman et al, 2000).

Corporate side**Competitor value drivers**

Since its inception, Apple has stood in opposition to its sedate competitors such as IBM by default due to its founders' influence. For instance, Steve Jobs, a founder and company top executive, usually walked barefoot around his office even after Apple became a Fortune 500 company. This quality became an important way of differentiating the company from its competitors and is still among the company's strong points to date (Fisher, 2008).

Owner value drivers

Apple Inc owners have shown dedication and commitment throughout the company's developmental stages. For instance, one of the company's founders, Steve Jobs, has greatly influenced the management style of the company that has worked very well in catapulting it way ahead of its competitors (Fisher, 2008). This style has also attracted many talented employees into the company's workforce.

Individual employee value drivers

Apple Inc has created a program dubbed the Apple Fellows aimed at recognizing its best employees. Apple Fellows are the employees who have made extraordinary leadership and technical contributions to computing while working for the company. This program has so far been awarded to Steve Wozniak, Rich Page, Don Norman, Al Alcorn, Guy Kawasaki, Alan Kay, Rod Holt, Steve Capps and Bill Atkinson. This has greatly helped in motivating the company's employees to towards value addition in their areas of operation.

Customer and external culture value drivers

The company has a unique advertising campaign and a comprehensive design philosophy. This has earned it a huge and wide customer base devoted to it and its product brands, especially in the US. In the year 2008, Apple Inc was named as the United States' admired company by Fortune magazine (Fisher, 2008).

Surveys have often rated Apple as having the highest purchase and brand loyalty among all computer manufacturers. Although this loyalty is not regarded as usual for any product, Apple seems to have used little effort in creating it. At some point, Apple actively engaged a number of evangelists, but the loyalty phenomenon had already been firmly established. One of these evangelists, Guy Kawasaki is of the view that Apple's brand fanaticism is something the company just stumbled upon. However, Apple supports the continuing existence of a Macintosh User Groups network in many minor and most major centers where Macintosh computers are available and in use.

Macintosh users usually meet at trade shows such as the Macworld Conference and Expo in San Francisco and the European Apple Expo. Apple uses such meetings and shows to introduce new products to the public and industries each year. In turn, Macintosh developers meet at the conference dubbed Apple Worldwide Developers every year. Apple store openings can attract thousands of people, with a number of them flying in from far countries just for the event, and some having to wait in line for as long as a day.

Apple Inc has on several occasions been declared the decade's marketing company by many authoritative sources. Market research has also found out <https://assignbuster.com/apple-value-driven-management-a-case-study/>

that most of Apple's customers are drawn from an unusually well-educated, creative, artistic population, which explains the company's visibility within certain avant-garde, youthful subcultures. You may also be interested in Apple quality management strategies

Organizational culture value drivers

Organizational culture refers to a concept describing values, beliefs, experiences and attitudes of an organization. The company seems to have strong organizational culture values among a number of its employees, which have enabled it to achieve great success over the years of operation (Pohlman et al, 2000).

Apple is among the most successful companies established in the 1970 bucking the traditional concept of what corporate cultures should look like as far as organizational hierarchy is concerned; casual wear versus formal wear and flat versus tall. Microsoft and Southwest Airlines are the other successful companies established in the same period and which possess the same cultural aspects as Apple Inc.

With the growth of the company as well as changes in its chief executives, some of Apple's original traits have been lost since each executive comes with his or her own idea of what Apple should look like. However, Apple still holds a reputation of fostering excellence and individuality that reliably attracts talented people into its workforce, especially Steve Jobs' return.

Apple's list of acquisitions and mergers shows its products' vertical integration since they manufacture computer hardware and pre-install their software on it. In the course of Macintosh's early history, Apple refused to

adopt the existing industry hardware standards and instead created its own. This trend was however reversed when the company adopted the PCI bus in their Power Macs (Linzmayr, 1999).

Ever since, Apple has adopted Wi-Fi, Hyper Transport, AGP, USB as well as other standards in its computers. In some cases, Apple leads in the adoption of such standards as USB. FireWire is another originally Apple standard that has been widely adopted by the industry after its standardization as IEEE 1394 (Miner, 2007).

Ever since the opening of its first store, Apple has also been selling third party accessories. This approach is what has allowed Canon and Nikon to sell their camcorders and digital cameras as long as they are Macintosh-compatible. Interestingly, Microsoft sells Microsoft Office for Macintosh. However, the 'For Dummies' series instructional books, published by John Wiley and Sons, are not allowed in Apple stores after a disagreement with Steve Jobs about their editorial policy (Linzmayr, 1999).

Critical steps to implement value driven management

To achieve value driven management, Apple Inc must follow seven important steps. First, there should be a long term commitment to the implementation of value-driven management from the company's top management and all through the whole company. This will mean the involvement of all the employees in this important venture, but with clear leadership from the top managers (Linzmayr, 1999).

Apple Inc should make sure that every employee is not just an employee, but an empowered one. The employees must therefore be provided with the

necessary resources and a favorable working environment, which can enable them achieve this noble goal. The employees must therefore work as a team towards this end; each employee's views and contributions should be acknowledged and encouraged (Linzmayr, 1999).

Apple Inc should adopt a compensation system based on the value creation behavior in every functional unit and every level throughout the company. Any unit or employee who shows exemplary contribution towards value addition to the company should be encouraged and awarded. This should be regardless of whether one is a junior or senior employee.

Apple must undertake proper restructuring in order to put in place the necessary mechanisms for the facilitation of value addition. These mechanisms should also make the value addition process easy. Moreover, the mechanisms must be sustainable to allow for continuous value addition (Linzmayr, 1999).

Apple Inc must carry out a systematic selection of employees all through the organization who will create value in the specific positions they fill. These employees must be talented and dedicated in the particular positions they fill. The employees must be committed value improvement in their specific areas of work and the company in general. The company must carry out an awareness creation campaign among its employees. This is to ensure that value creation is the topic of the day, everyday and at all times (Linzmayr, 1999).

Finally, there must always be an on-going, comprehensive, and life-long education of all the employees of Apple Inc in the balancing act: how to

use value driven management in the organizational decision making process. This will no doubt help the company in achieving its goal of value driven management.

Retail side

Value drivers

The retail outlets must adopt a unique management style that differentiates them from their competitors. One particular area that needs consideration is fair pricing. This pricing must be affordable but at the same time be in a position to deliver quality. The owners must demonstrate commitment towards quality assurance and provide leadership and management direction.

The outlets should be in constant consultation with their suppliers to ensure quality. They could develop a feedback mechanism that ensures quality of their goods and services. The outlets must develop a strong organizational culture aimed at motivating its employees to work at improving quality in their specific areas of operational.

Critical steps to implement retail value-driven management

Apple Inc's retailers must follow a number of steps to achieve value-driven management. The management of the retail stores must first acknowledge the importance of value-driven management and commit themselves to attaining it. These managers must provide the required leadership for other employees to follow for this to be achieved.

The retail stores must openly discuss with its employees and agents on how value can be improved at their outlets. They should also be provided with compensation commensurate to the work they do. The stores should therefore adopt teamwork approach among their employees

The retail outlets should undertake a proper training of its employees to enable them deliver quality service. They should also equip these employees with the necessary skills and attitudes to deliver quality service to the customers. This training should also include ethics so that they do not misrepresent facts and information to the customers, with an aim of making quick sales.

To add value to their retailing ventures, the outlets must gather as much information as possible from the ground, mainly from the customers. The outlet must in turn present this information to Apple Inc management for consideration.

Staff selection among the staff of these retail outlets must be done carefully so that the right skills and experience is tapped. The outlets must explicitly display value addition in their visions and missions. This will help remind the staff at all times about its importance.

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