

Managing to keep Apple fresh

There are some companies that exude management magic, and Apple is one of them. It is no coincidence that Apple is renowned as a great place to work. It is not because Apple is soft on its employees or slack in its expectations. The company demonstrates the power of managing its culture to create the conditions in which good people want to come to do their best work.

However, this was not always the case. Now bigger than Microsoft, Apple used to be the poor relation to the all-conquering Microsoft. Apple had so small a share of the market that hackers simply didn't bother writing viruses to infect its 'microcomputers'. Decades ago, in 1977, we all but wrote off Apple and its hobbyist model, the iconic but quirky Apple IIe. In the years since, we opted for the big business name brands of IBM and HP, and later, Dell and Toshiba. Now it is they who are playing catch up, as wave after wave of Apple innovations have swept through, crested by desirable 'must-haves' such as the iPod, the iPhone and the iPad, and in laptops, the dazzling Macbook Pro — still the staple of product placement in avant-garde movies to show off the tech-savvy designer. Founder Steve Jobs was 'obsessed with product design and aesthetics, and with making advanced technology simple to use'.¹ There's no doubt that Apple has produced some of the world's most beautiful technology — elegant in shape and texture, robust in operation, and intuitive for the enthusiastic owner. Renowned as a control freak in his management style, Jobs inspired almost fanatical loyalty in customers with his 'simply beautiful' products. The company's sales tripled in five years.²

When Jobs, a few months before his death in 2011, announced his successor as Tim Cook, speculation was rife as to whether he would be able to sustain the company's market dominance and magic. So far, it seems that Cook is displaying leadership qualities dissimilar to his late predecessor, placing an emphasis on matters such as promotions and corporate reporting structures — issues Jobs didn't care much for. Unlike Jobs, he also seems to display a greater degree of inclusiveness, addressing Apple employees as a 'team', and he is keen for Apple to contribute to charities. Even though Jobs was described as a charismatic leader, he was considered a task master who sometimes could be difficult. On the other hand, Cook has been

described as diplomatic and energetic, with the potential to do a better job at maintaining relationships than Jobs did. However, Cook seems to have the same passion for many of the philosophies that Job's held dear, such as idolising product development and design and advocating intense secrecy.³

Before we had access to iPods, iPhones and iPads, the gramophone gave way to the transistor radio — which yielded to the Walkman. Now we have

In 2010, Apple launched the iPad, an innovative product designed to offer users laptop features in a tablet computer format. Sales into the millions propelled Apple into the rank of world's largest company.



what some consider to be the holy grail of a device — one that captures music and videos off the internet, stores them, plays them and allows ordinary people to make extraordinary movies, and a lot more besides. When the iPad 3 was launched in 2012, it sold an incredible 3 million in the first three days. No other company seems able to infuse its products with such irresistible appeal and build such long-term customer loyalty. Indeed, the iPad is also a computer that grows with the market, updating itself as upgrades are posted, and adapting to user needs. Whatever will they think of next?

More particularly, how does Apple do it? How does it *keep on* doing it? It is said that Apple hires people who are never satisfied, who are emotional about technology, and who collaborate in the spirit — and pursuit of — perfection. Eschewing diversification as its risk management strategy, so commonly adopted in lesser firms, Apple concentrates its energies on inventing, designing and building a small range of products exceedingly well. It gathers and integrates its talent and its processes economically, controlling its sources of competitive advantage itself (its hardware and its operating system), and it relentlessly drives for customer satisfaction. It thinks as if it is its own customer, and continually strives to delight and astonish with intuitive operation and chic efficiency. Apple's HR policy is to empower the source of its creativity — its people — and it gives them responsibility in managing its production and sales, and thus its outcomes. Every Monday the top management team reviews the last week's operations, from the progress of each product under development to the success of each product in the market. The company is committed to continuous learning, and to continuous growth in capability and market share.

When the global financial crisis hit, with its attendant economic downturn, then-Apple CEO Steve Jobs said he would not lay people off because he had gone to such trouble to recruit good people in the first place, and that he would keep up his research and development budget to innovate his way through the recession. Clever. Courageous management decision, you might say, but it marks out Apple as one of the truly great management examples of this century. The runs are already on the board, and the company is going ahead to build a magnificent innings. Part of this is due to organisational culture, and much of this is due to one man. Indeed, founder Steve Jobs himself was the subject of adulation for his brash creativity as much as for his company's technical wizardry.⁴ His loss to cancer in 2011 did not diminish the company's fortunes, and the various and ever-improving and innovating versions of the iPad became the must-have devices of 2010 and since.⁵

Apple stays fresh by hiring the right people, giving them the power to grow and developing them and their ideas, and pushing ahead in the quest for linking emotion and technology in products that are as sensuous to look at as they are efficient to operate. Apple's products excite the user and inspire adoring membership of the Apple community in customers and staff alike. It's the company that just will not quit. The applause by staff that breaks out in Apple stores worldwide as another excited customer walks out carrying a new purchase may appear superficial hype, but it may say something about the desirability that Apple infuses into its products. Not every company can have that kind of management, or needs it. But almost every company can learn from it.

Question

What can you learn from Apple's management style and method? What can you apply from it to your organisation?