



## Who Are Apple's New Competitors?

**The Apple-Cisco partnership promises to transform the workplace; It may forge a whole new marketplace along the way.**

There's been some highly successful, win-win partnerships in the IT sector over the last 10 months: Google and Luxottica, Uber and Spotify, Snapchat and Square's Snapcash. Now Apple, which recently became partners with IBM to create apps (software) for the workplace, is stepping up its push into the corporate market in a game-changing alliance with Cisco.

The Apple and Cisco partnership has the goal of better integrating iPhones with corporate networks in general, and specifically with Cisco products for visual conferences over videolink or web services. While Apple's IBM alliance was mostly oriented toward the large corporations IBM serves, the Cisco deal shows that Apple has clearly committed to becoming a company that serves enterprise in general, alongside its current strength in the consumer markets.

While having the biggest supplier of network equipment show favour toward iPhones and iPads will steer enterprises toward Apple devices, the Cisco alliance will also bring extra leverage to the many partnerships in which Apple either helps to develop apps or helps app-developing firms connect their offerings to give greater functionality for small businesses.

### Opening opportunities for innovation

The opportunity for Cisco, IBM, and other partner firms lies in the fact that so many employees already own iPhones, often as a result of their own choice rather than a company purchasing policy. Integrating these iPhones deeper into what the company does can be an opportunity for simple tasks like meetings over a distance, and for more complex processes like scheduling, staffing, and sales. Cisco and Apple can integrate mobile devices and apps more tightly with business networks because each company supplies both hardware and software. Or, as Cisco's Collaboration Group senior vice president Rowan Trollope noted, "We can move beyond what just a normal app developer could do."

From the viewpoint of firms that provide these services now, the iPhone looks like a Trojan horse – something that got into the business because it looked nice and harmless, but is now ready to become a potent competitor.

### Moving into new arenas

So who does the iPhone now compete with? The interesting feature of these competitive moves is that an iPhone (in fact, any smartphone) can be

programmed and networked in so many ways that it is very unclear where the limits are. Both established Apple partners and new firms can apply their creativity to the task of seeing what business activities can be improved by integrating iPhones. Cisco's competitors in video-conference service space will already be concerned about the Apple link which takes advantage of the complementary business presence and software/hardware of Cisco and personal presence and software/hardware of Apple. But this is just a starting point. The next steps can happen very quickly, with new app-based businesses able to be up and running within a few weeks of conception.

### Looking a step ahead

Gaining a network advantage in existing and yet-to-be-thought-of market places comes from placing your business in a position where it can benefit from its network of partner firms. With rapidly updated technology transforming the way people work it is not surprising that Apple is forging partnerships to leverage a solid platform in this space; after all their business is based on products that connect to networks giving users their own personal network advantages.

**Henrich R. Greve** is a Professor of Entrepreneurship at INSEAD and a co-author of **Network Advantage: How to Unlock Value from Your Alliances and Partnerships**

Follow INSEAD Knowledge on **Twitter** and **Facebook**

#### Find article at

<http://knowledge.insead.edu/blog/insead-blog/who-are-apples-new-competitors-4245>

#### Download the Knowledge app for free

