

UNIVERSITY OF ESWATINI  
FACULTY OF COMMERCE  
DEPARTMENT OF BUSINESS ADMINISTRATION  
JANUARY RE-SIT / SUPPLEMENTARY EXAM

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COURSE TITLE	:	STRATEGIC MANAGEMENT I
COURSE CODE	:	BUS401 / BA440
ACADEMIC YEAR	:	2019/2020
TIME ALLOWED	:	3 HOURS

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INSTRUCTIONS

1. This paper consists of a Case Study
2. All Questions are compulsory
3. Answer ALL questions after reading the Case Study.

Please note that in assessing your work, consideration will be given to the accuracy of language, quality of expression and layout/presentation of your final answer.

# Apple without Steve Jobs: The five challenges ahead

## What tasks are on Tim Cook's to-do list as the new Apple CEO?

On 5<sup>th</sup> October 2011, breaking and sad news that Steve Jobs, co-founder of Apple Computer and a global icon, has passed away. He was 56 when he died. "Apple has lost a visionary and creative genius, and the world has lost an amazing human being. Those of us who have been fortunate enough to know and work with Steve have lost a dear friend and inspiring mentor. Steve left behind a company that only he could have built, and his spirit will forever be the foundation of Apple," Apple's graceful statement reads on its Web site, followed by a line inviting all to share their thoughts, memories, and condolences by e-mailing [rememberingsteve@apple.com](mailto:rememberingsteve@apple.com).

Jobs is recorded in the history books as a man who influenced millions, whose ideas changed the technology landscape, whose work bettered lives across the globe. His name is well known and will be so for many generations ahead, but his whole story is sometimes glossed over, polished up by his and Apple's many accomplishments.

Jobs passed away after truly changing lives and facing some obstacles to do so. While his obstacles weren't the worst out there, it does illustrate some simple life lessons.

### **When it's not working, move on**

Jobs dropped out of college. He had been enrolled in Reed College in Oregon. Like many, he was in college because that's what is often done after high school. It's a well-travelled path where many of us go to "figure it out" or "find ourselves." But after deciding Reed was a too expensive place to be without direction, he dropped out. Soon after he took a calligraphy class, which, he said in his **2005 commencement speech at Stanford**, eventually influenced the typography aesthetic of the first Mac. He talks in that speech about following his own path and knowing that sometimes being where we are expected to be isn't where we are supposed to be.

"You have to trust that somehow the dots will connect in your future ... That will give you the confidence to follow your heart even when it leads you off the well-worn path and that will make all the difference," Jobs said.

### **When it's not working, but you know it could, fight for it**

Eventually, Apple was born. And some years later, at 30 years of age, Jobs was pushed out of the then bleak company. He was chewed out in *Forbes* as perhaps dooming Apple and was described as not being among the "few miracle workers in the business world." Yet he hung in there, took his ideas and started next, then, ultimately after Apple acquired next, took back the reins at the company.

"I didn't see it then but it turned out that getting fired from Apple was the best thing that could have ever happened to me. The heaviness of being successful had been replaced with the lightness of being a beginner again. "Sometimes life is going to hit you in the head with a brick. Don't lose faith. I'm convinced that the only thing that kept me going was that I loved what I did. You have got to find what you love," Jobs said in the 2005 speech. "If you haven't found it yet, don't settle. Keep looking."

### **When it's finally working, grow it**

Jobs' passing came in the same week as the Apple iPhone 4S, which, was getting less than overwhelming reviews. Jobs' time at Apple moved along the iPod, iPhone, iPad, and the anchoring Mac line. In doing so the company lit a fire under its competitors, helping the electronics industry grow beyond what many imagined it could be.

With or without Jobs, we're still growing. Steve Wozniak, co-founder of Apple and Jobs' partner for many years, was **quoted in the *LA Times*** tonight as saying: "People sometimes have goals in life. Steve Jobs exceeded every goal he ever set for himself."

### **What tasks are on Tim Cook's to-do list as the new Apple CEO?**

For many people, Steve Jobs is Apple - one of the company's original founders and the directing force behind its success today selling high-

end hardware to a devoted public. But Apple now has a different leadership - Tim Cook, its former COO, is now at the helm.

Like Jobs, Cook is a seasoned Apple staffer. Unlike Jobs the creative, Cook comes from an operations background, taking care of supply chains and reseller relationships.

And so, with the changing of the guard, what challenges now face Apple?

### **1. Finding the next big thing**

Apple's product strategy will not have been thrown into disarray by Jobs' departure - Apple will have a product roadmap all locked down for several years to come, so it will be a shock if Apple doesn't release an iteration of the iPad and iPhone on a yearly basis. Designing these iterations is more than a year's work, so it's clear Jobs-supervised products will be with us for some time yet.

### **2. Real competition in the mobile market**

Both the iPhone and the iPad left the rest of the industry trailing in their wake when they first launched, spawning a raft of substandard copycats. The industry has regrouped since then and genuine contenders have appeared - as evidenced by Apple's patent battle with Samsung and Android's growing ubiquity. The app ecosystem that has supported the iPhone, thanks in part to a lack of competition, is also being attacked - Android's own app ecosystem is growing and being ported to BlackBerry, if reports out this week prove correct, while the growing adoption of web apps will avoid the silos that Apple has kept developers in. It is after all the app ecosystem that has kept iPhone sales in particular so buoyant. Cook will need to move to make sure it continues to do so.

However, what isn't known is whether Jobs has left the company with another product category on the drawing board. While iPads and iPhones have a healthy future in front of them, the nature of publicly

traded companies is that shareholders demand growth - the sort of growth that comes from introducing new categories of products, as the company did with the first iPad in 2010. Cook will need to be taking...

...over running the company with his designers and engineers working on the next big thing before the ink is even dry on his contract.

### **3. Coping with the cloud**

Apple's cloud strategy hasn't always hit the mark - Mobile Me didn't exactly set the world alight, for example. And yet the cloud can't be ignored. Google, Amazon and the like have all joined the cloud revolution and Apple would be remiss not to do the same. Before Jobs left, he launched Apple's iCloud service - a syncing and storage product that automatically updates a user's content across their Apple devices and desktops. So far, so good. However, the service isn't really.....breaking new ground and isn't as ambitious as rivals' offerings. Cook will need to build on the iCloud foundation with must-have services to make it a compelling proposition for users in the cloud age.

### **4. The cult of personality**

Steve Jobs was the face of Apple. With his standard uniform of black polo neck, jeans and trainers, his appearance onstage at an Apple event was taken for granted and every pronouncement pored over. When Jobs occasionally responded to an email by an Apple user, it would create ripples of fascination throughout the technology industry.

Apple - and Jobs - is well known for its secrecy and tight-lipped nature around all aspects of the company. This has helped fuel the Jobs personality cult. Having built up a reputation as the genius head of an innovative company, Jobs could afford to sit quiet and let the buzz build around him without lifting a finger. It will be harder for Cook. He'll need to keep quiet to preserve Apple's Sphinx-like allure, while trying to generate his own following to feed back into that crucial Apple reputation: no easy task

## 5. Managing the transition

Swapping from one CEO's vision to another's is a tricky business, regardless of company, and it will be trickier still given how closely Apple's success and Jobs' strategy were linked. Cook will have to spend time reassuring buyers, channel partners, suppliers and investors that he's a safe pair of hands.

Having Steve Jobs on the Apple board will be a boon to the company in that it won't be losing all the experience that Jobs has built up over his time in charge, but it will also present another challenge. Jobs is well known for his laser-focused control on all aspects of the design and engineering process - as well as his demanding management style. Will Cook be able to keep Jobs onside while moving ahead with his own plans for the company?

**Source: By Jo Best | August 25, 2011 -- 15:18 GMT (08:18 PDT)**

### Answer all questions

#### Question 1

To take the legacy of Steve Jobs forward, discuss 9 comprehensive model of Scarborough stepwise approach, Tim Cook could introduce?

**36 marks**

#### Question2

With reference to the case study above, prepare Apple's SWOT analysis. **14 marks**

#### Question 3

Using the SWOT analysis develop strategies Tim Cook could use to take the legacy forward? **30 marks**

#### Question 4

Select for priority strategies the new CEO could pursue based on the prevailing situation and explain why? **20 marks**