

COLUMNS

Can Tim Cook lead Apple to another iPod moment?

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By A LUXURY DAILY COLUMNIST

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The following is the fifth or sixth version of this article – a piece that was originally intended to discuss Apple CEO Tim Cook and how changed leadership – or new leadership – would improve the company. I had put my paragraphs to bed each night, only to wake up the next morning dissatisfied with what I had written. Why was this happening?

It occurred to me that earlier drafts, like many others' perceptions of Apple, were flawed from the beginning.

Staid the course

My first draft devoted much space to Steve Jobs as if Jobs were Apple and Mr. Cook an unwitting cog in Apple's machinery.

Unintentionally, I had backed into a discussion about Mr. Cook by starting with his boss.

But Jobs has been gone 20 months and the company has struggled through public relations challenge after challenge.

Gone are the \$700 stock prices.

Gone is the feeling that Apple products are the coolest, most innovative in the world.

And tarnished – at least in some circles – is the belief in Apple’s hippie-inspired ethos, following recent tense Senate hearings on the company’s legal, if mean-spirited, U.S. tax avoidance.

In other words, this is not an article about Jobs. It is a story about the man now in charge and whether he can create a new legacy for Apple.

There is no denying that Mr. Cook became an accidental CEO by way of Jobs’ death. And any insight into the man and his methods requires a comparison with his late boss.

An Auburn University graduate with a bachelor’s degree in industrial engineering, Mr. Cook also earned an MBA from Duke University, landing in the top 10 of his class.

Rather than riskily starting his own business – such as Jobs, myself and millions of entrepreneurs – Cook has always been a company man, working his way up at IBM for 12 years and later becoming vice president of corporate materials at Compaq Computer Corp.

This is the resume of a conservative man – a man who stays the course, but may not know how to chart new ones.

Improve upon existing technologies?

Some companies need “aha” moments. Others need a management reshuffle or a brand reboot.

What Apple needs at this most critical crossroads is another “iPod” moment: an innovative breakthrough that re-imagines an industry.

Think back a decade ago when 20-gigabyte mobile music storage was not a novelty, but a revolution in how we shared content.

Remember getting your first mp3 player and marveling at its 4MB capacity? It is this type of industry-shattering and lifestyle-altering moment that Apple needs.

It is also what the market and shareholders are holding out for. Yet there is not a chapter on innovation in one of Mr. Cook’s aging MBA textbooks.

The only encouraging piece to Apple’s historical innovation might be its tendency not to invent, but to improve.

MP3 players had existed years before first-generation iPods.

The earliest computer mouse and graphical user interfaces (GUI) were designed way back in the 1960s.

But it was Apple’s signature style, attention to detail, simplicity and marketing acumen that allowed the iPod and other technologies to become the game changers they were.

That means the technological springboard is likely already out there, waiting for Apple – or someone else – to take that supercharged leap.

But can lightning strike twice?

Watch out

For the moment, Apple seems to be banking on its future success with the iWatch.

But skeptics, myself included, are not confident the product will shed the nerdy feel of '80s-era Casio calculator watches.

Unless the iWatch can do almost everything we have come expect from our smartphones, it might be dead on arrival.

There are rumors of other unspecified “product lines,” but no announcements have been enough to stop the degradation of Apple’s stock price and of its brand luster.

My advice to Mr. Cook is to start broadening the innovation panorama once more to include all things “embedded.”

Why embedded? Because Apple once managed to penetrate our lives – and thereby our homes.

Imagine if Apple created smart devices that were woven into our clothing, walls, cars or homes.

Yes, Google Glass will be available off the shelf next year, but a technology that boils down to “smart eyeglasses” is an important first step.

Even if Google is first in this arena, that does not mean Apple cannot beat it at its own game and, as it did with portable music, become the best.

Cook’s job: Find another Jobs

Another plausible scenario to stem the tide: Mr. Cook could step down.

Starting tomorrow, he could begin the search for another upstart innovator, someone willing to be daring, charismatic, a little edgy and take the company in new directions, a person who believes Jobs’ ethos that: “[Their] job is not to be easy on people, [but] to make them better.”

Since Jobs’ death, Mr. Cook has been forced to fill some very big shoes and many, myself included, have wrongly lumped Jobs, Mr. Cook and Apple together.

But it is no longer about Jobs or his legacy. It is about leading the company into the future through innovation, not stock-buyback programs.

While it would be great for investors, Apple does not need \$700 stock price success.

That number itself was as overinflated as Apple is undervalued today, which according to Aswath Damodaran, a professor of finance at New York University, is “as though it has no future growth.”

That is foolish too. Apple does have a future. Its cash reserves alone assure that. But the post-Jobs epilogue must end.

MR. COOK'S TIME must be allowed to begin or he must step down, making room for someone else willing to break the mold.

Otherwise, the brand faces the very real risk of never making a comeback, of being relegated to a legacy brand versus cutting-edge innovator. And then no number of apples a day could keep the proverbial doctor away.

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