



Rising Tide  
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## **STEVE JOBS' DEATH & THE TECH SECTOR** *Will Apple remain a leader, or will rivals set the pace?*

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**“He changed the way each of us sees the world.”** How many CEOs leave that kind of legacy? How many get that kind of compliment (from President Obama, no less)? Steve Jobs’ death on October 5 drew myriad tributes to his sustained brilliance. It also led to questions keying on one of Jobs’ favorite topics: what comes next.<sup>1</sup>

**Will Apple continue to set the curve?** As *Forbes* contributor Carmine Gallo noted, “I often get the question, ‘Can anyone innovate like Apple?’ The simple answer: While anyone can learn the principles that drive Apple’s innovation, few businesses have the courage to do so.” Jobs and Apple spread that courage and vision into a trifecta that few firms (and few of its rivals in the tech sector) could have hoped to achieve.<sup>2</sup>

- Apple created its own orbit of revenue from a culture of raving fans. Instead of rigidly defining Apple as a computer manufacturer, Jobs saw Apple as a digital products company whose revenue streams could come from many forms of media: music, books, movies, and more.
- Apple sells much of its product from its own online and brick-and-mortar stores. It laps up retail gross profit *and* manufacturing gross profit.
- Apple has created its own iPhone/iPad apps, which generate yet more profit.

So with this trifecta in place, it is hard to imagine any firm dislodging Apple from the lead in the tech sector in the near future. Amazon’s Fire tablet has grabbed plenty of headline space as a low-end alternative to the iPad, and it may well be that Amazon claims the low-end tablet market for the near future while Apple gets the high end. (Of course, Apple owns the OS for its tablet; Amazon doesn’t.)

**Does anyone possess the Jobs magic?** As Blast Radius senior creative director Jason Theodor remarked, Jobs dreamed up Apple products that were “beautiful, friendly, and often indistinguishable from magic ... he never gave people what they wanted, but chose instead to give them what they never knew they needed.”<sup>3</sup>

Apple has a capable CEO in Tim Cook and an innovative designer in Jonathan Ive, so there is every reason to think it will remain the pacesetter into the middle of the decade. If it can find another maverick like Jobs, it might hold its lead for longer.



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### **Citations.**

- 1 - [whitehouse.gov/blog/2011/10/05/president-obama-passing-steve-jobs-he-changed-way-each-us-sees-world](http://whitehouse.gov/blog/2011/10/05/president-obama-passing-steve-jobs-he-changed-way-each-us-sees-world) [10/5/11]
- 2 - [forbes.com/sites/carminegallo/2011/05/16/steve-jobs-get-rid-of-the-crappy-stuff/](http://forbes.com/sites/carminegallo/2011/05/16/steve-jobs-get-rid-of-the-crappy-stuff/) [5/16/11]
- 3 - [marketingmag.ca/news/media-news/industry-execs-weigh-in-on-the-passing-of-steve-jobs-37475](http://marketingmag.ca/news/media-news/industry-execs-weigh-in-on-the-passing-of-steve-jobs-37475) [10/6/11]
- 4 - [montoyaregistry.com/Financial-Market.aspx?financial-market=power-of-attorney-why-its-so-important&category=30](http://montoyaregistry.com/Financial-Market.aspx?financial-market=power-of-attorney-why-its-so-important&category=30) [10/6/11]