

Tim Cook and His Business Administration

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Abstract

This paper presents some of the major features of the Apple, Inc. CEO Tim Cook's leadership, his business entrepreneurship and business administration. Tim Cook joined Apple, Inc. as Senior Vice-President for Worldwide Operations in 1998. Later he served as Executive Vice-President for Worldwide Sales and Operations. When Steve Jobs became sick, he was appointed CEO of Apple, Inc. Tim Cook and Apple Inc. are these days interchangeable and he is seen as the Face of Apple, Inc. Maintaining the quality of the product even through Outsourcing production of Apple products, growing the demand for Apple products, maintaining supply almost short of the demand in progress, creating expectations in the prospective customers, strengthening of social prestige through the possession of Apple devices are some interesting ways Tim Cook's business administration employs to achieve success in business.

Keywords: Tim Cook, Apple, Inc., business strategies. Outsourcing, supply-demand.

Timothy Donald Cook

Timothy Donald Cook (Tim Cook) is the Chief Executive Officer of Apple Inc. He was born on November 1, 1960 in Mobile, Alabama. His father was a shipyard worker and her mother worked in a pharmacy store. He has a Bachelor of Science in Industrial Engineering and an MBA degree (https://en.wikipedia.org/wiki/Tim_Cook#Early_life_and_education). Tim Cook worked for IBM for over ten years. After this, he worked as a Vice-President for Corporate Materials for a very short time, less than a year in Compaq, a leading computer manufacturing corporation at that time. He was interviewed by Steve Jobs, the cofounder and the CEO of Apple, Inc. in 1998.

Trust-worthy, Imaginative, Dynamic Co-worker

Tim Cook joined Apple, Inc. as Senior Vice-President for Worldwide Operations in 1998. Later he served as Executive Vice-President for Worldwide Sales and Operations. When Steve Jobs became sick, he was appointed CEO of Apple, Inc. Tim Cook performed as a very reliable, trustworthy, constructive, imaginative and dynamic assistant and associate of the founder of Apple, Inc. Steve Jobs. Tim Cook and Apple Inc. are these days interchangeable and he is seen as the Face of Apple, Inc.; so much is the high impact of Tim Cook on Apple, Inc. Leander Kahney

(2019) suggests that the following features were ingrained in Apple Inc. by Tim Cook: accessibility; education; environment; inclusion and diversity; privacy and security; and supplier responsibility.

From PC Domain to Apple - Seeking Purpose with Purpose in Heart

Looking back into his career, his leaving IBM or leaving Compaq Inc. to join Apple Inc. might look like poor career decision at that time. IBM has been and continues to be a very prestigious organization. In the past, IBM dominated the computer service and manufacturing. Apple was facing financial and other difficulties. To leave PC dominated domain to Apple was unthinkable. The reason for this was that he was greatly impressed with the work of Steve Jobs. He looked forward to helping Apple to resurrect itself, a challenge but he considered it a great purpose for him.

Adoration for Steve Jobs

Later, he narrated his personal experience in this manner, in his convocation address in Stanford University in 2019:

“When Steve got sick, I had hardwired my thinking to the belief that he would get better. I not only thought he would hold on, I was convinced, down to my core, that he’d still be guiding Apple long after I, myself, was gone.

“Then, one day, he called me over to his house and told me that it wasn’t going to be that way.

“Even then, I was convinced he would stay on as chairman. That he’d step back from the day to day but always be there as a sounding board.

“But there was no reason to believe that. I never should have thought it. The facts were all there.

“And when he was gone, truly gone, I learned the real, visceral difference between preparation and readiness.

“It was the loneliest I’ve ever felt in my life. By an order of magnitude. It was one of those moments where you can be surrounded by people, yet you don’t really see, hear or even feel them. But I could sense their expectations.” (<https://news.stanford.edu/2019/06/16/remarks-tim-cook-2019-stanford-commencement/>).

These words clearly reveal his admiration, love and obedience and dedication to Steve Jobs and his work and leadership. These words also show how sad he became. Indeed, these words are couched with deep emotions.

Resurrecting Apple Through Outsourcing

Resurrecting Apple was not that easy. A totally new approach and worldview was necessary. A major approach adopted by Tim Cook was to close factories in USA that manufactured Apple products and to outsource production in China which would drastically cut down the cost of production of Apple products.

When Tim Cook was doing his MBA, Reagan was the 40th president of the United States from 1981 to 1989. It is possible that Tim Cook as an enterprising, ambitious and imaginative worker could have been impacted by Reagan's monetary economic policy. Starting with President Richard Nixon, successive Presidents of the United States, sought better relations with China. President Reagan's monetary economics encouraged U.S. industries and businesses to look for reducing cost of production and increasing profit and making US dollar extraordinarily powerful.

Open Door of China

The era of Chairman Mao Zedong and his Cultural Revolution, etc. was dwindled and under Deng Xiaoping (who became the paramount leader in 1978), China's goal focused on agriculture, industry, defense, and science and technology in China. He decentralized economic management. (<https://www.britannica.com/biography/Deng-Xiaoping>, https://en.wikipedia.org/wiki/Four_Modernizations). He inaugurated the Open Door policy which opened up China to foreign businesses that wanted to invest in the country.

Rivalry and enmity between Soviet Union and the United States encouraged US policy makers to help China by taking part in the Open Door. However, we need to remember that for ages Chinese were skillful businessmen within and outside China. The Qing Dynasty Emperor of China entered into an agreement with the United States of America in 1844 for peace, amity and commerce. (https://en.wikipedia.org/wiki/Treaty_of_Wanghia) In other words, it would be no surprise if Timothy Donald Cook, an enterprising MBA, had carefully looked into China and how outsourcing for Apple products in China would help his company.

Focusing on Manufacture of Apple Products in China

Tim Cook focused on outsourcing manufacture of Apple products in China. It was not simple outsourcing. It included Design and Quality Control, manufacturing speed, flexibility, and sheer capability (<https://www.outsourceaccelerator.com/articles/apple-steve-jobs-opinion-of-outsourcing/>).

Possibly Tim Cook also shared/shares the hope of his mentor Steve Jobs: "Former Apple CEO Steve Jobs believed that jobs could be created in the United States even though his company's major manufacturing base was overseas. His firm faith in this synergy came from an understanding that the United States would only benefit from a strategic outsourcing

strategy.”
[outsourcing/](https://www.outsourceaccelerator.com/articles/apple-steve-jobs-opinion-of-outsourcing/)

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The Plan of Controlled Production

Another feature of outsourcing initiated by Tim Cook was “controlled production”. Quantum, the variety and the time of release of products are all well-controlled under Tim Cook’s business administration.

When Tim Cook took the leadership and initiative for outsourcing Apple products, he also closed the warehouses. In some sense, no more grand and overwhelming stockpiling of Apple products.

Predicting Sales, Subconscious Desire, Creating Social Prestige

An important feature of Tim Cook’s business administration includes not only creating a demand for Apple products, but also predicting sales. This skill in predicting sales helps Apple to tell the world that their new product is sold out on the first day of its entry into the market.

Great psychological expectation is generated in people who want to “possess” Apple products. Subconscious desire to go in for the newest model before others is often the common experience here. In addition, social prestige is also generated for those who possess Apple products.

Apart from technical quality and newness of models, well-controlled production becomes an integral part of outsourcing here.

Superiority of the Technical Aspects and Easy to Use Facility

All these cannot last but for the superiority of the technical aspects of the products and the ease with which people can use the products. Price (higher cost of the product in the market) does not seem to play any role here at least for now. Prediction of demand is very seriously dealt with just as the quality control of the product as well as the time projected for the completion of projects. Investment in long-term technology developments is a chief feature of Tim Cook’s leadership right now.

To Conclude

To conclude, Timothy Donald Cook is highly focused on his company even as he is engaged in encouraging job creation in the United States (<https://www.foxbusiness.com/technology/apple-tim-cook-trump-jobs>). With its well-settled and disciplined work force and devoted management in China, Apple may not leave its production

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facilities in China and return to the United States, it appears. In addition, Tim Cook's business administration would ensure control over their brand.

Take for an example, Tim Cook refused to accept India Government's requirement that Apple, Inc. should take an Indian Partner if they want to run their own store and business in India: "We didn't want to do that. We want to maintain control over our brand," Cook said. "The [USA, President Trump] administration worked on this with the Indian government, and that change has been made, so we are very, very positive about entering in online this year and retail next year." (<https://www.foxbusiness.com/technology/apple-tim-cook-trump-jobs>).

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