

How Apple became the world's most valuable company



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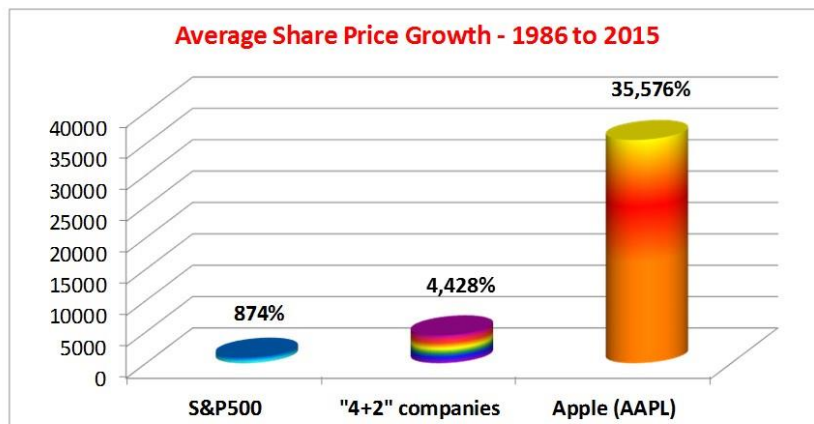
Was it simply the genius of Steve Jobs? Or its über-cool designs? Pivotal as these factors are, they are far from the whole story.

The reality is that Apple has consistently followed a set of fundamental business practices that mirror those in [What Really Works: The 4 + 2 Formula for Sustained Business Success](#). Their success follows that of well-known companies like the ones below, to name a few.



Over the last 30 years, such winning companies saw their share price increase by **4,428 %** (versus **874%** for the S&P500 index). Their market capitalization increased some 7,630% or **254% per year**. And their annual revenue growth was **104% per year**. But Apple did even better – see below!

GROWTH OF 4+2 COMPANIES v/s Apple Inc.



30 years: "4+2" Market Capitalization Ⓢ = 7,630% ; AAPL Ⓢ = 45,527%

30 years: "4+2" Sales Ⓢ = 3,128%; AAPL Ⓢ = 9,487%

Below are the results of a 4+2 assessment our team at Avidium conducted of Apple Inc. after deep research:

Primary management practices

Strategy — 97.1%
Execution — 100.0%
Culture — 100.0%
Structure — 100.0%

Secondary management practices

Talent — 100.0%
Innovation — 100.0%
Leadership — 100.0%
Mergers and Partnerships — 52.3%

(A company needs to MASTER the four Primary Management practices listed above, as well as two of the Secondary Practices. Not having core competency in Mergers and Partnerships has been irrelevant to Apple's growth).

So yes, Steve Jobs' leadership has been a key factor. And yes, innovation and great design have been very important too. But keep in mind in the examples below that Apple did not invent these products or services: its genius (which you can learn to do for your company too!) comes from how it saw a trend or innovation, and then leapfrogged its competition to implement, executing brilliantly along the way.

1. **Apple I, II and III** – preceded by the Intel 8080 and Motorola 6800, and then the Atari
2. Apple's **mouse, keyboard and desktop** – invented at Xerox
3. **iPod** – preceded by the mp3 player (remember Sony Walkman?)
4. **iTunes** – flat 99c pricing, with the agreement of five major music studios, to replace Napster and other illegal popular file sharing services
5. **iPhone** – preceded by the Blackberry and other smart phones – but Apple's was smarter!
6. **iMac** – remember the long lead that Dell and others have had with PCs, often clunky. Then along comes the iMac – super cool, super sleek, super sexy – and with an easy to use operating system to boot!
7. **iPad** – remember the Window's tablet that was a dud?

It is not surprising that Apple made Fortune's Most Admired Company™ list eight years in a row, and that its market capitalization is on a steady march to hit \$1 trillion!

To see how your organization can emulate the performance of the world's most successful companies, start by taking the online assessment tool at <http://results.avidium.com>.

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