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Last month's article cited high margins, elitism, and poor consumer demand as major reasons for Apple's minute market share and consequently, its delicate predicament in the computing industry as a troubled company. These causes are not secret. Apple executives knew their margins were high, but people bought their machines resulting in a steady cash flow. They also knew that by keeping an ultra-tight leash on their technology, they were practicing elitism, but counter-culture said it was okay. As for a poor sense of consumer demand, well, there's just no excuse for it happening so repeatedly.

In conducting business the way Apple has over the years, it has successfully garnered cash in the short term, but the long-term consequences have finally caught up. Finally, executives are admitting that changes are in order and have been on the move in bringing those changes about. The user-friendliness gap has narrowed significantly, with Windows and the advent of Windows95. And with PC prices dropping drastically over the last year, the advantages of owning a Macintosh doesn't seem as clear-cut anymore. Something had to budge, to give way. Rambling to stop the bleeding, Apple has made some drastic changes that, hopefully, will rejuvenate sales, consumer faith, and market share. Major changes that were made include: a cloning strategy, new management, and improved developer relations.

In 1992, John Sculley and Michael Spindler embarked on a fruitless quest in hopes of wooing other companies to license the MacOS and manufacture Macintosh clones. But their proposed plans were so strict and regulatory that it left everyone cold to the idea. Not until 1994 did Apple decide to loosen the reins and grant Power Computing and Radius the opportunity to mass market their own machines. For the first time, a Macintosh without the familiar Apple logo (and higher price) was available to the public. The concept of clones was introduced, and while some Mac purists might abhor the idea, cloning is a necessary and inevitable evolutionary cycle for the Macintosh, both for increasing its presence in the market as well as for its survival.

Cloning provides the consumer three golden benefits: lower prices, more variety, and greater availability. If the booming sales of PC clones is any indication, these three factors spell success. Systems from Power Computing and Radius are quality Macintoshes from

quality manufacturers at prices lower than Apple. These are examples of cloning done the right way, unlike in the PC world where anyone who can pick up a phone and order computer parts can call themselves a clone maker by slapping components together into a computer case. Power Computing's PowerCurve and PowerWave clones are elegant machines that operate like a regular Macintosh sans Apple logo. And with excellent customer and technical support, and a slightly lower price tag, the logo doesn't seem all that important. Apple will, of course, still hold its own with the latest technologies integrated into its own line of Macs first before anyone else. But with each respected and well-known manufacturer signed up to market clones (UMAX and Daystar most recently), Mac lovers everywhere will stand to benefit. It is time to do a little rejoicing, because with Apple's entry-level Performas, Apple and Power Computing's excellent mid-range to high-level systems and towers, and Daystar's awesome multiprocessor Genesis systems, all the bases seem to be covered. And with more companies signing up, who knows what other fantastic options are in store. So don't be miffed by the term "Macintosh clone," because while there are tons of PC clones unfit even for a garage sale, the Macintosh cloning strategy is a superior and healthy strategy done the right way.

Just a few months ago, when the new year rolled around, rumors were flying everywhere. Apple was in a desperate situation and was reported to be in negotiations with Sun Microsystems concerning a possible buyout or takeover. While it is interesting to speculate what might have happened if Sun took over, the talks broke down and both companies went their separate ways. Soon after, the big news hit the papers. Michael Spindler, Apple's CEO and successor to John Sculley, and A.C. Markkula (long time Chairman and largest single shareholder) were dethroned. Spindler was let go while Markkula was demoted to Vice Chairman as both were blasted by shareholders and critics for their unyielding set of standards. In their place, Gilbert Amelio, former CEO of National Semiconductor, was brought on board to serve as both CEO and Chairman. Amelio is credited with helping National Semiconductor turn into a profitable company again, and the Apple big suits hope he can do the same at Apple.

The addition of Amelio looks to be a good one. Still in his so called "100 days" of analyzing and familiarizing himself with Apple's situation, strengths and weaknesses, and operations, Amelio hopes to announce his battle plans sometime mid-May. With Amelio, Apple's image seems a bit brighter for some reason. He has been open and receptive to both the press and employees, at least more so than his predecessors. And since his appointment, Apple has decided to report a loss of \$700 million for the quarter ended March 1996. This should be looked upon as a reasonable move. After all, why not take the hit now and get it over with instead of spreading the hurt over a long period of time? By posting the loss, the company can get on with the task of rebuilding right away. Besides it seems after reporting a \$700 million loss, things can only get better. While it is still too early to tell if Amelio can do the job he was brought in to do, he has at least calmed the nerves of many concerned, and given his track record, seems to be the right man for the job in bringing Apple to the forefront once more.

Apple's successes have not been exclusively the result of the Macintosh's remarkable operating system. The other half of the equation involves the developers who write those wonderful programs (and games!) for consumers to fiddle around with. Unfortunately, Apple hasn't been that grateful or concerned of a company to praise and encourage developers to continue to create more killer applications. This is where people like Guy Kawasaki, Heidi Roizen, and Mark Gavini come into play. By actively working with and encouraging their efforts on behalf of Apple, developers become welcomed and feel it is indeed worth their time to support the Macintosh. Guy Kawasaki has been a Macintosh evangelist since the beginning of the original Macintosh days and has recently been honored as an Apple Fellow, Apple's highest honor. By honoring Guy, his influence becomes that much more powerful in spreading the Macintosh faith and fervor to the Mac community. Heidi Roizen, recently hired

as Vice President of Developer Relations from her former position as CEO of T/Maker, has much the same duties as Guy, but with her background as a CEO of a software company, she understands the concerns many developers experience. Mark Gavini, as games evangelist, is responsible for helping developers get their great ideas on paper into a final product for shipping. In Mark's case, game developers are his charge. With Mark's encouragement and evangelism, gamers will hopefully see a continued stream of great titles for the Mac.

By helping developers get their product out the door, more innovative applications are available for the Macintosh platform. And as anybody knows, the software makes the system. The developers are the lifeblood of Apple and it's about time the company showed stronger support. Consumers and gamers all stand to benefit as more powerful and efficient applications and game titles are released. With a greater selection of software that takes advantage of the Macintosh, greater sales of Macs are sure to ensue.

Apple's changes in the form of a coordinated clone strategy, new management, and fostering stronger developer relations are welcomed sights. These changes should have been initiated a long time ago, but it's no use complaining. The fact is, the changes are happening now and things are looking up. But the question still remains, are these changes enough? Are they too little too late? The last article in this Apple Core Concerns series next month will tackle these two questions. Until then, devoted Mac users shouldn't be too worried.