

## Once Wary, Apple Warms Up to Business Market



An employee at a Lowe's store in Brooklyn uses an iPhone to check inventory. The home improvement chain bought about 42,000 iPhones for employees.

By [NICK WINGFIELD](#)

SAN FRANCISCO — [Steven P. Jobs](#) never cared much for selling [Apple](#) products to big businesses.



Capt. Joe Burns, United's managing director of technology and flight tests, uses an iPad instead of a printed manual. The airline began using iPads in August.

The late Apple chief executive so disliked the process of catering to the needs of business, rather than those of consumers, that he called chief information officers in corporations “orifices” at a conference in 2005. “There are 500 men and women in the Fortune 500 — C.I.O.’s — that you have to go through,” Mr. Jobs said then.

A funny thing happened, though, in the last few years. Big companies started buying Apple products — a lot of them — for their employees. [The iPad](#) and [iPhone](#) have given the Apple symbol a presence in workplaces that Apple never enjoyed when it was strictly focused on selling Macintosh computers.

While corporate technology buyers say Apple does not try to hide the fact that consumers are still its top priority, they note that the company has gotten easier to work with in recent years, adding features to its devices that make them more palatable to business. It also doesn't hurt that Apple's new chief executive, [Timothy D. Cook](#), is known to be far more at ease meeting with the C.I.O.'s Mr. Jobs once so memorably disparaged.

"What they've done in the past few years is really started thinking in a deeper way what the enterprise needs," said Rich Adduci, chief information officer of [Boston Scientific](#), a medical device manufacturer that has distributed about 3,000 iPads to its field sales people, and expects to buy 1,500 more by the end of the year.

Apple, which declined to comment for this article, has begun to drop hints that it sees the corporate market as a big growth opportunity. During recent earnings calls with analysts, Apple executives have boasted about the portion of Fortune 500 companies testing or deploying iPads and iPhones — 92 percent and 93 percent, respectively, Apple said last month.

"You never heard those stats before," said Gene Munster, an analyst at Piper Jaffray. "The reason why is they struggled for decades, and finally they have a story to tell in the enterprise."

Among the big customers Apple has won recently is the home improvement retailer Lowe's, which says it bought about 42,000 iPhones to be used by employees on store floors. Instead of having to find a computer, the employees can use the devices in store aisles to check inventory, pull up how-to videos and help customers estimate costs for painting, flooring and other projects.

Airlines have begun to use iPads to replace printed aircraft flight manuals, navigation charts and other material that pilots are required to bring on board. The binders holding those manuals typically had to be popped open every few weeks by pilots so they could replace pages with updated information. With iPads, the [updating occurs electronically](#).

All of Alaska Airlines' more than 1,400 pilots now have iPads, and United and Continental Airlines, which have merged, started giving iPads to all 11,000 of their pilots in August.

"We've shown we can retrieve an electronic page faster than we can retrieve a printed manual," said Capt. Joe Burns, a United pilot and managing director of technology and flight tests for the airline.

The iPad, in some cases, is proving to be an attractive substitute for laptops in situations where portability and speedy access to information matters. Technicians for Siemens Energy, for example, routinely have to scale 300-foot towers to service [wind turbines](#), sometimes in blistering heat in places like West Texas. Some of the technicians have been using laptops to read manuals and run through checklists when they're doing this

work, but the devices are too bulky and take too long to boot up, said Tim Holt, chief executive of Service Renewables for Siemens Energy.

Now the company is outfitting its wind service technicians with iPads, which are light, start instantly and have cameras that let workers send pictures to a technical support department if they need help troubleshooting an issue. About 350 technicians have the device already; within five years, about 5,000 should have it, Mr. Holt said.

Information technology departments, though, may find working with Apple a challenge. Historically among I.T. managers, Apple Macs were largely shunned as too expensive, and the company was viewed as not serious about making the computers blend well in corporate environments.

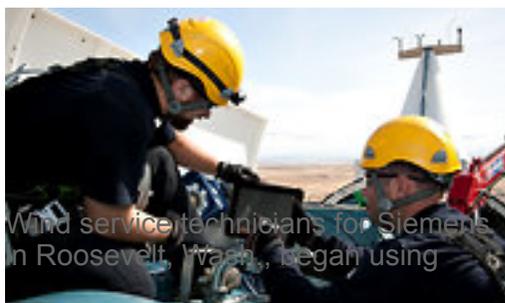
Mr. Holt said there was “pushback” initially from the central I.T. department of Siemens in Germany about the prospect of using iPads as part of its technology arsenal.

Also, although Apple’s secrecy about where its products are headed may help it make a big marketing splash in the consumer market, corporate I.T. departments like to know more so they can budget for big new technology investments.

“Traditionally, you sit down with a vendor and they show you a five- and 10-year road map,” said Todd Schofield, global head of the enterprise mobility group for Standard Chartered Bank. “With Apple, they don’t do that. You don’t know what’s coming next week, never mind two years.”

Still, Standard Chartered has started to supply as many as 11,000 iPhones to employees, moving workers off BlackBerrys. The reason? It was attracted by the ability to create apps for the iPhone — for example, ones that allow its bankers to view and approve customers’ stock and foreign currency transactions while on the go.

One factor working in Apple’s favor is so-called consumerization, a broader trend in which companies become more responsive to consumer technologies like social media. Mr. Schofield said he had just gotten used to Apple’s way of doing business. “They’re not an enterprise company and they’re up front about that,” he said.



Wind service technicians for Siemens in Roosevelt, Wash., began using iPads in September.

For many years, the view that Apple did not care about serving businesses was reinforced by the outspoken Mr. Jobs, who died in October. On the rare occasions when he did meet with corporate customers, Apple executives often braced themselves for the awkward moments that occurred because of Mr. Jobs’s tendency to speak his mind, according to two persons who used to work in business sales at Apple and declined to be named to avoid inciting their former employer.

One of those persons recalled a meeting at Apple headquarters in 2007, after the iPhone had been announced, where Mr. Jobs met with the head of the health care division of a major conglomerate. The executive told Mr. Jobs his company would adopt the iPhone if Apple would add a few features to make it work better in corporate environments. Mr. Jobs bridled at the suggestion, telling the executive how sales of the BlackBerry — then the hottest business-oriented mobile phone on the market — were dwarfed by the number of overall cellphones sold.

“Which market would you build for?” he asked sarcastically, according to the former Apple employee.

The former Apple employees said Mr. Cook, who was Apple’s chief operating officer before becoming chief executive, met more frequently with corporate customers and seemed to appreciate their needs, even if he did not deviate from Mr. Jobs’s views about making consumers the priority when making Apple products. “Tim was always very good with customers,” one of those employees said.

And despite the rebuff by Mr. Jobs to the health care executive, Apple ended up adding a number of business-friendly features — like better support for Microsoft Exchange, a common e-mail system inside companies — to a later software update for the iPhone.