

# IBM, Apple, HP: Stark Contrasts in CEO Succession

IBM's selection of Virginia Rometty as its next CEO is a testament to Big Blue's corporate culture, and will make the transition easier than what Apple or HP may experience as they adjust to new leadership, analysts say.

By Jeffrey Burt

IBM's selection of Virginia Rometty to replace Sam Palmisano as CEO marks the latest high-profile tech company in recent months to change leadership, and it stands in stark contrast to the new chief executive situations at Apple and Hewlett-Packard.

Apple, for more than a decade, was led by the charismatic Steve Jobs, who co-founded the company in 1976, was kicked out in 1985 and returned in 1997 to lead it to incredible heights, making it the most valuable company in the world. Jobs was the driving force behind such groundbreaking products as the iPod, iPhone and iPad, and his passing in October threatens to leave a significant hole in Apple's future. (Ex-COO Tim Cook was named CEO when Jobs resigned in August.)

For its part, HP is now operating under its third CEO in just over a year and its fourth in about a decade, starting with Carly Fiorina, who was followed by Mark Hurd, Leo Apotheker and, now, Meg Whitman. All were outsiders who were chosen over candidates that included HP executives.

Rometty, who takes the reins Jan. 1, 2012, is the prototypical IBM CEO: a longtime Big Blue executive who, like Palmisano, had long been groomed for the role. She is expected to take a leadership role, rather than rock-star status like Jobs or Fiorina.

"IBM has one of the strongest institutionalized succession plans of any company in the world," Rob Enderle, principal analyst at The Enderle Group, told *eWEEK*. "This is largely why it is one of the few firms that has lasted a century."



Virginia Rometty, IBM's newly named CEO

That contrasts sharply with Apple, whose identity has been tightly tied to Jobs, according to Enderle and Charles King, principal analyst with Pund-IT Research. "The differences between Apple and IBM in leadership change couldn't be starker," King told *eWEEK*. "Apple was—and likely would still like to be—a company led by a lone, powerful, charismatic chief executive."

Enderle said the lack of planning could make things difficult for Apple going forward. "Apple was incredibly dependent on Steve Jobs, who

made himself indispensable, and his executive office was made up of a team of people who together covered the critical skill set," he said. "He actually worked against training a replacement because he was afraid of being prematurely replaced, so

Apple is now left with a huge hole where Jobs used to be."

That said, Apple is only now entering its post-Jobs phase, and it's too early to say how the company and its customers will respond. The day before Jobs' death, Apple launched its latest iPhone (the iPhone 4S) which reportedly sold 4 million units in its first weekend. And while Cook may lack the charisma of his predecessor, he worked closely with Jobs for years and has a deep understanding of the company.

But IBM is most likely in better shape, thanks to a corporate culture that seeks out potential CEO candidates from within the ranks and spends years preparing them for the moment when they're appointed to the top slot.

This could help IBM avoid some of the turmoil that has enveloped HP over the years in bringing CEOs in from other firms that might not be steeped in the inner workings of the company. **e**

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