Apple intensifies succession planning for CEO Tim Cook

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This abstract has been adapted from the Financial Times, written by **Tim Bradshaw**, **Stephen Morris** and **Michael Acton** in San Francisco and **Daniel Thomas** in London, 15 November 2025

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Abstract

Apple is stepping up its succession planning efforts, as it prepares for Tim Cook to step down as chief executive as soon as 2026.

John Ternus, Apple's senior vice-president of hardware engineering, is widely seen as Cook's most likely successor, although no final decisions have been made. People close to Apple say the long-planned transition is not related to the company's current performance, ahead of what is expected to be a blockbuster end-of-year sales period for the iPhone. Apple prides itself on product development and is set to launch a new iPhone in September 2026.

Cook, Apple's former operations chief who turned 65 this month, has led the company since 2011 when he took over the role from its co-founder Steve Jobs, who died months later.

During Cook's tenure, the market value of the company has surged from approximately $350,000,000,000 in 2011 to $4,057,000,000,000 in 2025. Apple's shares are trading close to an all-time high after strong results last month.

Apple has had a number of high-profile changes this year among its top executive team. Chief financial officer, Luca Maestri, stepped back from his role at the start of this year and Jeff Williams announced he was stepping down as chief operating officer in July. John Ternus has worked for Apple since 2001. It has been suggested that he could be an obvious choice, as it would put an executive from the hardware side of the company back in charge at the iPhone maker at a time when Apple has struggled to break into new product categories and keep up with its rivals in AI, such as Microsoft, that continues to invest heavily in AI.

Cook has voiced his preference for an internal candidate to be chosen as his replacement, saying the company has "very detailed succession plans".

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Links to Specification

1.1.2 Market research

3.6.1 Cause and effects of change

3.6.3 Scenario planning

Recommended research activities

- What type of leadership style does Tim Cook use? What are the benefits and drawbacks of this type of leadership style?

Exam style questions*

1. Calculate the percentage change in Apple's market value between 2011 and 2025. State your answer to 2 decimal places. (4) (Model Response)
2. Explain one advantage to Apple of adopting a product-orientated approach. (4) (Model Response)
3. Assess the importance of succession planning for Apple. (12) (Model Response)
4. Assess the impact of a change of CEO on the internal stakeholders of Apple. (12) (Model Response)

Additional question using the full article

- Who are Apple's tech rivals?
- When are they going to announce the replacement?

*Exam style questions are not necessarily the exact format of those that will appear in the qualification examination papers but are written to elicit student responses that meet the assessment criteria, which are exemplified by the answers provided. The length of response in the answers is not indicative of expected student responses, and are provided to support centre teaching, student practice and self-assessment.

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Model Responses – Click here to return to question page

Exam style question 1

Calculate the percentage change in Apple's market value between 2011 and 2025.

State your answer to 2 decimal places. (4)

Answer

% Change = Difference / Original x 100

(4057-350)/350 x 100 = 1059.14%

Mark/Level awarded and commentary

This response gains 4 out of an available 4 marks:

- The answer of 1059.14% is correct.

It is always good practice to show your working. If a wrong answer is accidentally given, but the working is correct, you would still gain some marks; in this instance for both the knowledge in the formula and the workings.

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Model Responses – Click here to return to question page

Exam style question 2

Explain one advantage to Apple of adopting a product-orientated approach. (4)

Answer

Product orientation would allow Apple to focus on developing its products based on its technical capabilities, rather than its market research. This would be by innovating new iPhones, such as the one set to be launched in September 2026. This could allow it to charge higher prices and maximise its profits, contributing towards its 'blockbuster end-of-year sales'.

Mark/Level awarded and commentary

This response gains 4 out of an available 4 marks:

- The knowledge comes from 'developing its products based on its technical capabilities'.
- Application comes from 'iPhones … set to be launched in September 2026' and 'blockbuster end-of-year sales'.
- Analysis comes from 'could allow it to charge higher prices and maximise its profits'.

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Model Responses – Click here to return to question page

Exam style question 3

Assess the importance of succession planning for Apple. (12)

Answer

Succession planning is the process of identifying a critical role in an organisation and developing internal talent to ensure that the business continues when they leave. This would be particularly important to Apple given that its CEO Tim Cook is stepping down in 2026 and it would need someone to replace him in this critical role. John Ternus, the senior vice president of hardware engineering, seems to be the obvious choice for Apple as a successor, given his focus on hardware engineering and Apple's lack of focus on AI. Consequently, this internal candidate could not only provide consistency, due to working at Apple since 2001 and appreciating the culture, but also support the business with the AI transition. As a result, these 'very detailed succession plans' that Tim Cook supports could prepare Ternus or any other internal candidate for a smooth transition.

However, it could be argued that Apple should consider looking externally for a new CEO, therefore succession planning may not be important, as the new employee may bring their own ideas. It is evident that Apple has fallen behind some of its competitors, such as Microsoft, due to lack of development of AI. Therefore, if Apple were to focus its efforts more on an effective external recruitment and selection process, rather than developing its internal employees through succession planning, then it may find that there may be a more suitable candidate to take Apple forward into the next phase in the technological market. This may be important given that Apple operates in the highly competitive, dynamic technological market. Therefore, if it does not adapt to trends quickly enough, it may find that its market share falls, resulting in a fall in the value of the company.

It is essential that Apple keeps its options open when considering who is going to take over from Tim Cook in 2026. Therefore, succession planning seems like a sensible approach in order to keep all those options open. That is not to suggest that they will definitely go with an internal candidate, such as John Ternus, but at least it still allows Apple to consider it and for it to have someone fully prepared to take over when the time comes.

Mark/Level awarded and commentary

This is a level 4 response:

- There is accurate knowledge that is applied to the extract throughout.
- There are developed chains of reasoning and balanced arguments, leading to a supported judgement.

Apple intensifies succession planning for CEO Tim Cook

Model Responses – Click here to return to question page

Exam style question 4

Assess the impact of a change of CEO on the internal stakeholders of Apple. **(12)**

Answer

A stakeholder is anyone with an interest in a business. Tim Cook has been the CEO of Apple for 14 years, so a change in this leadership is likely to affect a number of different stakeholders. The employees are possibly going to see a change in culture, depending on who the new CEO is. As a result of this, some employees may find it difficult to adapt to the new leadership style, especially if Apple decides to go with an external candidate who is not familiar with Apple's culture. This could lead to a number of key employees leaving, which is not something that Apple wants, given that it has already lost key employees recently, such as Luca Maestri and Jeff Williams.

However, employees may not be negatively affected by this change in CEO, especially if Apple decides to recruit internally, with employees such as John Ternus. This is because John has been at Apple for 24 years, so he will be familiar with the culture and possibly less likely to make significant changes to the brand. Moreover, it also depends on how the new CEO approaches the management of change. If they choose to consult and implement new practices gradually, employees may be happy to adapt to the new norm.

In conclusion, in the short-term employees are likely to feel a little unsettled when Tim Cook leaves Apple in 2026. However, over time these employees will learn to adapt to the new leader.

Mark/Level awarded and commentary

This is a level 3 response:

- There is accurate knowledge of stakeholders and it goes n to assess the impact on the employees.
- However, there are not wide-ranging arguments, as it doesn't address other stakeholders.
- Also, the chains of reasoning are undeveloped in places.
- Best fit: middle of level 3.