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GREATEST COMPANIES · RESEARCH SHEET · The Ecosystem Moat

Apple

Ninety Days From Death to the World's Most Valuable Company

NASDAQ: AAPL · Consumer Technology · Founded 1976 · Cupertino, California, USA

Public · v1.0 · July 2026

In August 1997 a crowd boos as Steve Jobs announces that Microsoft, Apple's most hated rival, will invest $150 million to keep the company alive. What the crowd did not know: Apple had less than ninety days of cash left, was losing about a billion dollars a year, and its market share had fallen to roughly 4%. The most valuable company in the world today was, that summer, one quarter from insolvency.

Key Facts

Founders	Steve Jobs, Steve Wozniak and Ronald Wayne (Wayne sold his stake within weeks)
Sector	Consumer technology — devices, software and services
Moat	Ecosystem lock-in (the "walled garden") + premium brand + Services
Founder Archetype	Uncompromising unified vision — control every layer, give the right answer, not options
The Turnaround	Jobs returns (1997), cuts ~70% of products to four, and takes Microsoft's lifeline
Status	Public (NASDAQ: AAPL)

By the Numbers

1997 crisis: ~90 days of cash, ~$1 billion annual loss, market share down to ~4%

Microsoft invests $150 million and commits to keep making Office for the Mac

Jobs cuts roughly 70% of the product line to a simple four-quadrant grid

First US company worth $1T (2018), $2T (2020), and briefly ~$4T (Oct 2025)

Services revenue exceeded $100 billion a year by the mid-2020s

iMac (1998), iPod (2001), iPhone (2007): each device made the others more valuable

The Moat

A Moat Made of a Feeling

Apple's moat is the most elegant in the series because it is built not from a patent or a process but from the quiet reluctance of a billion people to ever leave. The architecture is the walled garden: iPhone, Mac, watch, earbuds, photos, messages, purchases, all woven together so each device makes the others work better, and stepping outside means giving up that seamlessness. The switching cost is cognitive and emotional, not just financial. On top of the lock-in sits the brand, which commands premium prices and fierce loyalty; beneath it sits Services, converting the installed base into recurring, high-margin revenue. Hardware is the gateway, brand is the pull, the ecosystem is the wall, and Services are the rent, a moat that deepens with every device sold.

The Near-Death & The Inflection

The Comeback of the Century

Twelve years without Jobs nearly killed Apple: a sprawling, incoherent product line, a doomed clone program, the Newton flop, ~$740 million lost in fiscal 1996, and share sliding toward 4%. Bought back in with NeXT in late 1996, Jobs returned and answered not with a clever new product but with subtraction, killing ~70% of everything and focusing on four. Then he swallowed his pride and took a lifeline from the enemy: Microsoft's $150 million, Office for the Mac, and a patent settlement (partly Microsoft's own antitrust self-defence). Ninety days from death, Apple survived, and the second founding began: iMac (1998), iPod (2001), and the iPhone (2007), each pulling customers deeper into an ecosystem they would never want to leave.

> *“ The most valuable thing a company can build is not a product but a place people cannot imagine leaving. ”*

The Legendary Scorecard

Category	Score	Notes
Founder Vision	10	The computer as a humane appliance; then a world to live inside
Innovation	10	iMac, iPod, iPhone, iPad — category after category
Execution	10	From 90 days of cash to the most valuable company on Earth
Moat	10	Ecosystem lock-in + brand + Services; the reluctance to leave
Capital Allocation	9	Took the Microsoft lifeline; later vast buybacks and a Services build-out
Wealth Creation	10	From near-zero in 1997 to ~$4 trillion
Durability	9	Fortress-like, but mature and exposed to platform and regulatory risk
Historical Importance	10	Defined the smartphone era and modern consumer technology
Overall Legendary	**9.8 / 10**	**The greatest comeback in corporate history**

Scores are an editorial verdict on the standard eight-category Greatest Companies scale. The overall is a judgment, not a weighted average.

Timeline

1976	Founded by Steve Jobs, Steve Wozniak and Ronald Wayne
1984	Macintosh launches
1985	Jobs forced out
1996	Loses ~$740M; buys NeXT; Jobs returns
1997	~90 days from bankruptcy; Microsoft invests $150M; product line cut to four
1998	iMac
2001	iPod and the first Apple Store
2007	iPhone
2010	iPad
2011	Jobs dies; Tim Cook becomes CEO
2018	First US company worth $1 trillion
2020	$2 trillion
2025	Briefly crosses ~$4 trillion

Lessons — What This Means for You

THE MOVE · Subtract to win
Jobs saved Apple not by adding a brilliant new product but by killing 70% of the existing ones and focusing on four. The trader's analogue is the discipline to cut the cluttered, mediocre positions and concentrate on the few with real edge.

THE MONEY · Take the lifeline, even from your enemy
Apple lived because Jobs swallowed his pride and dealt with Microsoft. Survival outranks ego. The investor's version is the willingness to do the unglamorous thing, take the hedge, raise the cash, cut the loss, that keeps you in the game.

THE MIND · Hold a unified vision against a world that wants you to compromise
Jobs's refusal to give customers a thousand confusing options looked like arrogance and was actually the source of the moat. The trader's parallel is conviction in a thesis when the crowd is demanding you dilute it.

Related Reading

The other side of 2008: Amazon: The 94% Crash and the Cost of Being Right

Its largest shareholder's bet: Berkshire Hathaway: Buffett and the Art of Capital Allocation

Explore every company: The Greatest Companies series

Read the Full Story

Read the full company story: Apple: Ninety Days From Death to the World's Most Valuable Company

Sources & Further Reading

Walter Isaacson, Steve Jobs (2011)

Apple Inc. annual reports and SEC filings

Greatest Companies (Apple chapter), The Complete Trader's Edge

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