Management Profiles

Steve Jobs

"Machine Dreams"
Scott Rosenberg
http://www.salon.com/bc/1999/01/cov_05bc.html

"Making a difference" is the ideal that has led Jobs to his greatest achievements and most profound failures. He goaded the original Macintosh team by promising them that they would "put a dent in the universe." He lured Pepsi CEO John Sculley to Apple in 1983 by asking him, "Do you want to spend the rest of your life selling sugared water or do you want a chance to change the world?"

Difference -- innovation that simply wasn't available from other computer companies -- transformed Apple into the powerful icon it remains today, both in its own industry and in the broader world of American business.

Difference -- incompatibility with existing systems in which people and companies had invested too much time, energy and resources to abandon -- also trapped Apple in a small niche even as the computer marketplace exploded around it.

Steven Paul Jobs was an orphan, adopted by Paul and Clara Jobs in 1955. He graduated from Homestead High School in Los Altos, California, in 1972. His science teacher recalled that he "always had a different way of looking at things."[1]

Jobs attended Reed College in Oregon, leaving after one year. In 1974 he took a job with Atari as a game designer, leaving after a few months to travel in India.

On his return to California, Steve Jobs began to spend time at the Homebrew Computer Club. Steven Wozniak, one of the club's founders, had met jobs several years earlier when they were both summer employees at Hewlett Packard. Working together in Job's bedroom at home, they designed the prototype for the Apple I computer. Wozniak had the electronic circuit design skills. Jobs provided the key ideas for its functionality and physical design.

Introduced in 1976, and priced at $666, the Apple I provided enough profit to fund the development of the Apple II, which was introduced in 1977. Embodying Wozniak's cleverness at minimizing components, the Apple II was the first inexpensive personal computer that provided a floppy disk drive for storage and a graphics display. Its look—more like a consumer product than a piece of test equipment—was revolutionary for a small computer at that time.

The Apple II was an enormous success, powering the development of the fledgling personal computer industry. Within three years, Apple Computer went public, its equity valued at

[1] Halliday, David. 1983. "Steve Paul Jobs". Current Biography 5 (February): 204-207.

$1.2 billion. The company's compound growth rate in the period 1978-83 was about 150% per year.

Jobs and several Apple engineers visited Xerox's Palo Alto Research Center (PARC) in 1979, where they saw demonstrations of the Alto computer. Alto featured a mouse and windows graphical user interface (GUI), object-oriented languages, and networking. The key insight the team took away was the power of the GUI. Within Apple, two projects were begun to build GUI-based computers: Lisa and Macintosh.

With competition from the IBM PC, introduced in 1981, Apple accelerated its development of machines that would leapfrog the PC's design and technology. The Apple III, introduced in 1981, never really caught on. The Lisa, introduced in the same year, offered a GUI-based operating system, a sharp graphical display, and the use of a mouse. Priced at $10,000, Lisa was deemed too expensive and too slow.

Inside Apple, Steve Jobs had begun to adopt the Macintosh project as his own, assembling a design team of suburb technical experts. The young members of the team had little experience in product development or even much formal training in computer science. Nevertheless, each was a world-class technologist.

"Mac creators talk about Jobs, OS X at MacHack"
David Read
June 21, 2001 10:30 am
http://maccentral.macworld.com/news/2001/06/21/machack/

Love him or hate him, Steve Jobs' fate and that of the Macintosh are forever intertwined. While many of the panelists berated Jobs for his mind games and unique management style, most agreed that it was Jobs' will, perseverance and passion that created the Macintosh and saved Apple.

Denman said early that Steve Jobs could have an abrasive management style, and that people who work with him need to be strong enough to justify their decisions when Jobs challenges them. Jobs would often take a look at something, and say it sucks. Those who took this personally had problems, but those who came back and explained why they did what they did and stuck to their guns usually won out or bettered their work. Not everyone played this game with Jobs. People who were shy and didn't interact in this give and take usually didn't last.

It slowly came out during the evening that, in the beginning, the Macintosh project was a reaction to the management of Apple during the early eighties. While the Apple II was a raging success, MBAs and other management types were slowing down development and slowly eroding Job's control. The small, independent Mac team was a backlash to this. Hertzfeld and Raskin both expressed sentiments that Jobs wants control, and he eventually got this control over the Mac team. However, Jobs' passion for excellence and drive is what eventually got the Mac to market.

Jobs' good qualities, according to some panel members, include a passion for excellence, a strong drive, a calling for something higher than money, an exceptional design sense, speed and excellent marketing ability. Balancing this are his inability to share control, his need to be the center of attention, his penchant for excess and his lack of tact.

In late 1982, Apple's board began to press for the hiring of a professional manager as CEO. In April 1983, John Scully, a senior executive with PepsiCo, was hired for this position. Scully's courtship by Jobs has become a legend in Silicon Valley.

John Scully, Odyssey, Harper & Row, 1987. p. 63.

Mike Markkula greeted me in shirtsleeves and a pair of casual trousers. I was the only one on the floor in a suit. I felt awkward and surprised that most people at Apple were less formally dressed than PepsiCo's maintenance staff. Mike had a small corner cubicle for an office, with a round table in its center. It was neat and orderly. Behind him were three Apple computers, one of which flashed stock quotes on a video screen....

Steve's office, in the other corner on the floor, was nothing like Mike's. It seemed the epicenter of activity. A line of people stood outside, waiting to get in. The telephones rang constantly. Curiously, Steve had no computers in his office; instead, electronic parts and cases of products were scattered about the room. It was cluttered and disorganized, with posters and pictures taped onto the walls. He had just returned from Japan with a new product that he had taken apart. Pieces of it were on his desk. Whenever Steve saw something new that he was curious about, I discovered, he would buy it, take it apart, and try to understand how it worked.

He was sitting in a small 9- by 9-foot conference room next to his office, gesturing and pointing in a meeting with four other people, all in their early twenties. Steve wore blue jeans and an open checked shirt, his sleeves folded back. We waited a few minutes outside his office while he finished up his meeting.

"Hi," he said, when he emerged, "I'm Steve Jobs. It's really great you came out here. I'm really happy to meet you." .

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"Well, I really think you're the guy. I want you to come and work with me. I can learn so much from you."

I privately wondered, though, how this could be true. Steve was highly opinionated about almost everything. He did not have the patience of job. Indeed, he showed little patience for anyone or anything that seemed to get in the way of his vision of the future. He had no tolerance for people who weren't bright because intellect was a requirement to accomplishment. He showed no patience for other computer companies because he thought they only confused people about the computer's true potential. Steve particularly sneered at the so-called MIS experts in corporate management information systems departments. He didn't think these professionals, who decide what kind of computer equipment big business would buy, knew much of anything about products. He thought IBM treated the individual as a mere node, a connection point, to its institutional mainframe computers. Apple, he felt, began with and stood for the individual, not Big Brother. He had extraordinary foresight and vision for his age.

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We were on the balcony's west side, facing the Hudson River, when he. finally asked me directly: "Are you going to come to Apple?"

"Steve," I said, "I really love what you're doing. I'm excited by it, how could anyone not be captivated? But it just doesn't make sense."

I explained that even if I wanted to join him at Apple, the financial package wasn't right. I told him I needed $1 million in salary, $1 million for a sign-up bonus, and $1 million in severance pay if it didn't work out.

"How did you reach those numbers?" he asked.

"They're nice big round numbers," I replied, "and they make it a lot easier for me to talk to Kendall."

"Even if I have to pay for it out of my own pocket," Steve said, "I want you to come to Apple. We'll have to solve those problems because you're the best person I've ever met. I know you're perfect for Apple, and Apple deserves the best."

"Steve," I said, "I'd love to be an adviser to you, to help you in any way. Any time you're in New York, I'd love to spend time with you. But I don't think I can come to Apple."

Steve's head dropped as he stared at the pavement. After a weighty, uncomfortable pause, he issued a challenge that would haunt me for days: "Do you want to spend the rest of your life selling sugared water or do you want a chance to change the world?"

It was as if someone reached up and delivered a stiff blow to my stomach. I had been worried about giving up my future at Pepsi, losing pensions and deferred compensation, violating the code of loyalty to Kendall, my ability to adjust in California-the pragmatic stuff that preoccupies the middle-aged. I was overly concerned with what would happen next week and the week after next. Steve was telling me my entire life was at a critical crossroads. The question was a monstrous one; one for which I had no answer. It simply knocked the wind out of me.

Scully's book also provides glimpses of Jobs at work with the Macintosh team.

John Scully, Odyssey, Harper & Row, 1987. p. 157.

Steve was nothing short of exciting. He was arrogant, outrageous, intense, demanding-a perfectionist. He was also immature, fragile, sensitive, vulnerable. He was dynamic, visionary, charismatic, yet often stubborn, uncompromising, and downright impossible. He was always interested in learning whatever I could teach him from my own experiences.

Our most important bond, though, was the dream we shared for Apple Computer and its ability to change the way people work and live.

Nothing consumed Steve's interest more and nothing seemed more central to that dream than the doings of a team of young, dedicated fanatics who toiled under a pirates' flag in the Macintosh Building. Steve's "pirates" were a handpicked band of the most brilliant mavericks inside and outside Apple. Their mission, as one would boldly describe it, was to blow people's minds and overturn standards. United by the Zen slogan "The journey is the reward," the pirates ransacked the company for ideas, parts, and design plans.

Steve dreamed up the pirate metaphor, first springing it on his small Mac team at a retreat in September of 1982. "It's more fun to be a pirate than to join the Navy," Steve would say. It was Steve Capps, a software ace drafted from Lisa, and Susan Kare, the Mac's graphics designer, who had sewn together the black skull-andcrossbones flag that would become the group's symbol. It was a funny way to convey the fact that this was no traditional development team. This group shunned corporate orthodoxy and the conventions of society.

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Steve and I would often venture back into the "fishbowl"-the nickname for the software room where some ten young engineers could be found leaning over their computers in small, open cubicles.

"Hi, Andy," I greeted Hertzfeld one night, "what are you working on?"

"This is really neat, you gotta see this, he said, pulling me over.

Andy was the architect for the Mac's systems software. He was a short, heavyset fellow with tousled hair who often wore a rumpled sweatshirt and faded jeans, and paraded around the building barefoot. He had just come up with a new refinement of the computer's scroll bars. Andy painted an explanation of how they worked in the air, swirling his hands and waving his arms in excitement.

Most documents, of course, are too large to fit in their entirety on a computer screen. The scroll bars, along the right and bottom of the Macintosh computer screen, allow a user to effortlessly move around a file. By dragging along the bars a white box-called a "thumb" for thumbing through the documents-you could see different parts of the document. The feature users now take for granted took Andy months of 100-watt effort and a trunkload of failed attempts at writing code until he got the program working.

"Hey, what's that?" Steve asked, coming over after a chat with another engineer.

"Steve, we got this really neat thing," Andy replied. "I want you to look at the way we're doing scroll bars."

"That's really neat! Look everybody, come on over," shouted Steve. "Look what Andy's done! It's the greatest thing I've ever seen."

A cadre of the engineers crowded around Andy's cubicle for a personal demonstration. They would get just as excited as Andy and Steve. Andy had scroll bars running on the Mac back in 1981, yet he still was refining more than a dozen subtle details to get to Steve's "insanely great" stage.

"Boy," another chimed in, "we're really going to make it!"

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Yet, Steve also wouldn't hesitate to call their work "a piece of shit" and throw it back at them in an angry rage. Their faces would grow numb, until they could gather just enough energy to move to a chair, sit down, and start again. I was amazed at his behavior even when his criticism was correct. A few hours later they'd be back at the computer keyboard, starting to rewrite all the code over-knowing that they had probably two hundred or more hours of work ahead of them before they could show it to Steve again.

Steve would routinely walk up to someone, disarm him by saying, "Hi! What are you doing?" The person, who might have been up all night working on it for five nights in a row, would explain, only to get a sharp reprimand from a piqued Steve.

"Well, you're doing it all wrong," Steve would say. "Here's what we want to do...." He would then launch into a long, technical harangue. "Why can't you do it right?" he'd demand to know. "It's just not good enough. You know you can do better."

Little details obsessed Steve. Time and time again, the engineers would come back to him, saying they couldn't design a piece of plastic to conform to the odd shape of the Macintosh computer case, which Steve insisted had to be all one piece. Its construction represented a manufacturing breakthrough.

"Steve, we can't do it. It's too complex," one of the industrial design engineers told him.

"I don't buy that," he snapped. "If you can't do it, I'll find someone else who can."

Eventually, it was done-but it took something like fifteen separate forming tools to make one piece of injection molding for the case.

When the Apple II engineers insisted they couldn't inexpensively design a mouse that could be used for both the Apple II and the Macintosh computer, he got Woz to do it, and it was done. When the Apple Ilc was being built, Steve was adamant that they build into the machine AppleTalk-which allows users to connect their computers together into networks so they can send documents electronically to each other. The engineers groused that they couldn't get the product out on time, that it would cost too much, and that there wasn't enough real estate on the computer's board to install it. In his quest for perfection, Steve put many people on the defensive. He'd fix his intense, dark eyes on you in an intimidating stare, focusing his eyes in and out. It was a stare that bore down on you, froze you like a 100-ampere headlight, a what-makes-you-think you're-so-smart look. He could inspire people, and he could make them sweat. He could tell you things that only you knew about yourself. At one moment, he could drain all your self-esteem. At the very next, he could praise you, offering just a few complimentary crumbs that somehow made all the angst worthwhile.

At Pepsi, such behavior would not have been tolerated or understood. But it worked at Apple because Steve was Steve. He was a world figure, with incredible accomplishments to his name. One immediately thought of the impresario of an opera company, someone whose changing moods and manners were hard to deal with. Yet everyone respected him and would nearly kill to receive only a few approving words from the master.

The Macintosh was introduced in 1984. Sales were good, but not up to the optimistic forecasts Jobs had made. Increasing friction between Jobs and Scully led to Jobs separation from Apple in late 1985. The parting was not cordial and Jobs made it clear that his new company, NeXT Computers would not compromise with the task of making "insanely great" computers.

The NeXT Cube was to be a one-foot cube of black cast magnesium. Special molds had to be created for its shape, the surface preparation was extremely difficult and costly, and Jobs insisted that the company do all its own manufacturing in an automated facility rather than contracting out the construction of printed-circuit boards stuffed with chips. The NeXT was an expensive machine, which had a small loyal following.

"Steve Paul Jobs," Lee Angelelli, 1994.
http://ei.cs.vt.edu/~history/Jobs.html

Many colleagues describe Jobs as a brilliant man who can be a great motivator and positively charming. At the same time his drive for perfection is so strong that employees who do not meet his demands are faced with blistering verbal attacks that can eventually burn out even the most motivated of people. Jobs pushed his workers to the heights of unethical work conditions. In the late 1980's, two NextStep engineers had been slaving nights and weekends for 15 months to meet an important and impossible deadline for a new state-of-the-art chip. No one had ever designed such a thing before, and the strain was incredible. At a weekend off-site meeting Jobs publicly and viciously berated them before the entire company for not working faster, even after all their effort they put into building the chip. Out of pride they finished the project, but one of them quit soon thereafter. A NextStep employee describes his attitude: "You've been on it a week, and you're supposed to be brilliant. So what have you done? That's why so many people are afraid of him." [Dumaine, 1993, p. 40]

Jobs' drive for perfection often led him to be ignorant to other people's ideas. One ex-employee recalls how Jobs was demanding that, on principle, he would often reject anyone's work the first time it was shown to him. To cope with this unreasonableness, workers deliberately presented their worst work first, saving their best for a subsequent presentation, when it could have a better chance of satisfying the boss's expectations. Several employees felt Jobs is going through a major personality change and becoming much more of a consensus manager and team player. [Dumaine, 1993, p. 41]

For most buyers, NeXT was off-standard (neither Mac nor PC), and expensive. Aimed at the education market, the product failed and was eventually withdrawn. NeXT became a software house.

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Fall and rise of Steve Jobs
By CNET News.com Staff
http://news.com.com/2100-1001-256947.html

By 1993, after blowing through $250 million of investors' money, Next shut down its hardware division and started quietly turning out software for engineers creating computer programs.

Jobs sank into obscurity, being called upon more often to talk about the old days at Apple than about Next. He granted progressively fewer interviews and soon refused to talk about Apple at all.

But behind this quiet facade, Jobs stayed busy looking for the next "insanely great" thing, as he called the Macintosh at its introduction. He started charitable organizations. He sat on boards of other companies. The famous orphan even tracked down his sister, who turned out to be writer Mona Simpson, whose first novel anywhere. But she drew on her childhood experience of "giving away" a younger brother as part of the plot. Jobs also invested. Most notably, he bought Lucasfilm's computer division for $60 million in 1986. In 1995, Pixar Animation Studios, as the division was renamed, released Disney's Toy Story, the first feature length, computer animated film. It was a box-office smash and once again Jobs was on top of the world and on the covers of magazines. Pixar went public this year and Jobs became an instant billionaire.

Jobs divorce from Apple and the failure of NeXT dulled some of his original youthful optimism. The 1997 interview with Wired shows a more sober Steve Jobs.

Gary Wolf
The Wired Interview
Issue 4.02 - Feb 1996

Steve Jobs has been right twice. The first time we got Apple. The second time we got NeXT. The Macintosh ruled. NeXT tanked. Still, Jobs was right both times. Although NeXT failed to sell its elegant and infamously buggy black box, Jobs's fundamental insight - that personal computers were destined to be connected to each other and live on networks - was just as accurate as his earlier prophecy that computers were destined to become personal appliances….

The Macintosh computer set the tone for 10 years. Do you think the Web may be setting the tone today?

The desktop computer industry is dead. Innovation has virtually ceased. Microsoft dominates with very little innovation. That's over. Apple lost. The desktop market has entered the dark ages, and it's going to be in the dark ages for the next 10 years, or certainly for the rest of this decade.

It's like when IBM drove a lot of innovation out of the computer industry before the microprocessor came along. Eventually, Microsoft will crumble because of complacency, and maybe some new things will grow. But until that happens, until there's some fundamental technology shift, it's just over.

What's the biggest surprise this technology will deliver?

The problem is I'm older now, I'm 40 years old, and this stuff doesn't change the world. It really doesn't.

That's going to break people's hearts.

I'm sorry, it's true. Having children really changes your view on these things. We're born, we live for a brief instant, and we die. It's been happening for a long time. Technology is not changing it much - if at all.

These technologies can make life easier, can let us touch people we might not otherwise. You may have a child with a birth defect and be able to get in touch with other parents and support groups, get medical information, the latest experimental drugs. These things can profoundly influence life. I'm not downplaying that. But it's a disservice to constantly put things in this radical new light - that it's going to change everything. Things don't have to change the world to be important.

The Web is going to be very important. Is it going to be a life-changing event for millions of people? No. I mean, maybe. But it's not an assured Yes at this point. And it'll probably creep up on people.

It's certainly not going to be like the first time somebody saw a television. It's certainly not going to be as profound as when someone in Nebraska first heard a radio broadcast. It's not going to be that profound.

Then how will the Web impact our society?

We live in an information economy, but I don't believe we live in an information society. People are thinking less than they used to. It's primarily because of television. People are reading less and they're certainly thinking less. So, I don't see most people using the Web to get more information. We're already in information overload. No matter how much information the Web can dish out, most people get far more information than they can assimilate anyway.

The problem is television?

When you're young, you look at television and think, there's a conspiracy. The networks have conspired to dumb us down. But when you get a little older, you realize that's not true. The networks are in business to give people exactly what they want. That's a far more depressing thought. Conspiracy is optimistic! You can shoot the bastards! We can have a revolution! But the networks are really in business to give people what they want. It's the truth.

So Steve Jobs is telling us things are going to continue to get worse.

They are getting worse! Everybody knows that they're getting worse! Don't you think they're getting worse?

I do, but I was hoping I could come here and find out how they were going to get better. Do you really believe that the world is getting worse? Or do you have a feeling that the things you're involved with are making the world better?

No. The world's getting worse. It has gotten worse for the last 15 years or so. Definitely. For two reasons. On a global scale, the population is increasing dramatically and all our structures, from ecological to economic to political, just cannot deal with it. And in this country, we seem to have fewer smart people in government, and people don't seem to be paying as much attention to the important decisions we have to make.

But you seem very optimistic about the potential for change.

I'm an optimist in the sense that I believe humans are noble and honorable, and some of them are really smart. I have a very optimistic view of individuals. As individuals, people are inherently good. I have a somewhat more pessimistic view of people in groups. And I remain extremely concerned when I see what's happening in our country, which is in many ways the luckiest place in the world. We don't seem to be excited about making our country a better place for our kids.

The people who built Silicon Valley were engineers. They learned business, they learned a lot of different things, but they had a real belief that humans, if they worked hard with other creative, smart people, could solve most of humankind's problems. I believe that very much.

I believe that people with an engineering point of view as a basic foundation are in a pretty good position to jump in and solve some of these problems. But in society, it's not working. Those people are not attracted to the political process. And why would somebody be?

While Pixar made animated films, Apple Computer's fortunes were waning. Microsoft's Windows operating system granted a GUI interface to the PC world. Apple's market was increasingly a niche position. Instead of the "people's computer" Jobs had dreamed about, the Macintosh became the tool of choice for graphics designers, desktop publishing, and anyone wishing to make a statement against the Intel-Windows world. Scully left Apple in 1993, to be replaced by Michael Spindler, who was himself replaced by Gil Amelio in January 1996.

Amelio saw the strategic problem facing Apple as software—the Macintosh OS was, he believed, outdated and the Apple engineers had failed to create anything to replace it. He began talks with the French startup "Be," but soon switched to negotiating with Jobs' NeXT for its software.

Apple bought NeXT for $400 million in December, 1996. Key to the negotiations was that Jobs would stay on as an "advisor" to Apple. Many observers saw this acquisition as a pointless move.

"Apple's NeXT Move Misses Its Mark," FORTUNE
Monday, February 3, 1997
Stewart Alsop

John Sculley has admitted repeatedly that his biggest mistake as CEO was his inability to control Apple's engineers. In fact, no Apple CEO has come close to doing that. This failure has nothing to do with the decisions that get all the press, such as whether to license the operating system or which microprocessor to use in the Mac. It results from not knowing how to run a business for the benefit of customers and shareholders.

Personally, I had high hopes for the last CEO, Michael Spindler. He was nicknamed 'The Diesel' for being a tough, no-nonsense manager when he was running Apple Europe. But not only did he fail to control the engineers, he failed at everything else as well. I also had high hopes for the current CEO, Gil Amelio, who took over Apple nearly a year ago after turning around National Semiconductor with a commonsense approach.

There are signs that Amelio has begun to change Apple's underlying culture by placing a premium on performance. But executives still talk about how impossible it is to predict what will happen at Apple--and about how hard it is to get employees to go along with the program. And now Amelio has gone and bought Next.

Clearly, there is no one in the executive suite who knows how to translate a mess of software into something that will appeal to all those reasonably intelligent people who still want to buy from Apple. The Be operating system, BeOS, is designed expressly for desktop-computer users--in other words, for Apple customers. But, according to some news reports, part of the reason Apple resisted paying $200 million to acquire Be was that Amelio and his team were offended by Be CEO Jean-Louis Gassee, who asked for control over the development of Apple's system software. Isn't it ironic that even Apple's newest leader resisted the very thing that Apple needs most: a visionary with total control over technology development, someone who could direct Apple to a product it could sell to more people, not fewer?

You can take my pitch on Be and Gassee for what it's worth. But here's the bottom line on Apple. Apple has no visionary. Apple has two big messes of software rather than one. And I cannot see, for the life of me, what the Macintosh user gets out of the deal: Based on Apple's track record, would you wait two years to find out whether Apple can turn the Nexintosh into something compelling?

It takes a long time to kill an $11-billion-a-year company. Apple's already down to around $8 billion a year. I give it another three years, until the millennium, to fall the rest of the way to the ground.

When Gil Amelio had to report that Apple lost $1 billion during 1996, the board began to look for a replacement. He was forced to resign in the spring of 1997. By September, Jobs had been appointed "interim" CEO until such time as a permanent CEO could be found. He agreed to head Apple for $1 a year.

Alan Deutschman
The Second Coming of Steve Jobs, Broadway Books, 2000
p. 254.

On September 16, 1997, Steve announced that he would serve as the "interim CEO." He moved into a conspicuously small office, close to the boardroom. He inherited Gil's secretary, Vicki, and told her that he didn't like the pens that Apple kept in stock. He would only write with a certain type of Pilot pen, which he proclaimed was "the best." He took to walking around the Apple campus barefoot in cutoff shorts and a black shirt. One day he accosted Jim Oliver, a Wharton Ph.D. who had been Gil's assistant.

"What do you do here?" Steve demanded

"I'm wrapping things up." "You mean that in a while you won't have a job?" Steve shot back. "Well, good, because I need someone to do some grunt work." What a strange way to motivate people, Jim thought. Then again, it was a chance to work for a legendary figure.

It turned out that the "grunt work" would give Jim a closeup view of Steve's deliberations about how to save Apple. The job was to take notes at the meetings where Steve would review every part of the company and decide what to keep and what to kill.

The gatherings were held in the boardroom, which was in the only high-rise office building on the low-slung campus. It had a panoramic view of the expanse of Silicon Valley. Steve would call in the head of a product team and all of its key players. Anywhere from a dozen people to three dozen would crowd around the long wooden table. They had to show Steve all of their existing products and expound in detail about their future plans. If they made physical products, like

monitors, they had to bring models of their upcoming lines. If they wrote software, they had to run Steve through the features of their programs.

Steve's attitude wasn't confrontational. He wanted to absorb a vast amount of information before he took action. Still, there was always an undercurrent of tension, and Steve would occasionally upbraid people if they didn't seem to realize the urgency of the situation. Gil had made extensive cuts, but Steve was going to cut a lot more. Steve said that he would keep only the great products and the profitable products. If something was unprofitable but strategic, its managers would have to argue for its continued existence.

During the first review meeting with a group, Steve would listen and absorb. In the second meeting, he would ask a series of difficult and provocative questions. "If you had to cut half your products, what would you do?" he would ask. He would also take a positive tack: "If money were no object, what would you do?" The series of group meetings helped Steve to get to know 1 hundreds of people at Apple. And once he knew the players, he would deal with them directly. He had total disregard for the hierarchical chain of command. He would remember what several hundred people did and call on whomever he needed, always bypassing their managers. It was as though everyone in the company reported directly to Steve himself.

"Steve has the ability to buffer so much in his head," Jim Oliver explains. "He can remember the last conversation and the last e-mail exchange that he had with three hundred people." He put especially intense pressure on the top executives. He tormented Heidi Roizen with constant calls to her office phone, home phone, cell phone, and pager, starting at 7 A.M. almost every day. She was so unnerved by his interrogations and his frequent tirades that she decided the only way to preserve her mental health was to ignore his calls. She tried to communicate with him only by e-mail, which enabled her to consider the issues calmly and rationally, unaffected by the irresistible force of his compelling live presence.

Heidi talked with Bill Campbell, whom Steve had named to Apple's board of directors. Bill was a bona fide tough guy, a former college football coach, but he confessed that he, too, was unnerved by Steve's constant phone calls.

"Do what I do," she advised him. "Don't answer the phone." "That's what my wife said. I tried that. But then Steve would come over to my house. He lives only three blocks away." "Don't answer the door." "I tried that. But my dog sees him and goes berserk."

Jobs turnaround at Apple surprised nearly everyone. Here was the visionary combined with a hard-driving management style that understood the importance of focus. Jobs key insight about Apple's situation was that its product line was too complex (even he couldn't figure out which model to recommend to a friend!). Within a year he cut the product line to two items: the G3 and the G3 portable. Retail distribution was cut to two channels. Manufacturing was re-designed on the Dell model and an on-line retail store was opened. Finally, and crucially, he pushed the design and introduction of the iMac, an Internet-based new Macintosh with a radical new sleek design.

"The Second Coming of Apple," FORTUNE
Monday, November 9, 1998
By David Kirkpatrick

Free to act, Jobs moved with speedy intensity, addressing glaring weaknesses that he felt had accreted under Amelio. When you consider the changes in sum, they testify to a fact most observers have never noticed: Jobs is a savvy manager.

Licensing. Jobs' first big move was to terminate the licenses of several companies that had been building and selling clones of Apple's Macintosh computers. Executives now say 99% of customers who bought clones were existing Mac users. Rather than expanding the market, the clones were sapping Apple's profits.

Product lines. Apple was losing focus as it tried to support 15 product lines. Jobs decided to stop making printers and Newtons. He refocused the company on just four product categories: desktop and portable Macintoshes, for professionals and consumers. That's it. The spotlight is on consumers, but the pro models target design and publishing customers, where Apple still has 50%-plus market share.

Corporate structure. Apple had become highly decentralized and inefficient. For example, 22 marketing groups had sprung up around the company. Jobs reorganized, creating companywide departments for marketing, sales, manufacturing, and finance.

Marketing. Jobs rehired Lee Clow, the TBWA Chiat/Day exec who created ads for the original Macintosh, including the famous 1984 TV spot. Clow and Jobs created product and image ads that evoked their striking campaigns from the mid-1980s. The message: Buy a Mac and join a pantheon of creative geniuses-- like Albert Einstein, Miles Davis, and John Lennon--who 'think different.' Apple boosted its 1998 ad budget to well over $100 million.

Distribution. Jobs and sales chief Mitch Mandich decided they would sell Macs only through resellers and stores that were committed to Apple, including CompUSA, the nation's largest computer retailer. Thousands of less enthusiastic outlets were dumped.

Inventory. PCs lose value almost as fast as eggs on a supermarket shelf, so reducing inventory can save millions of dollars. Jobs brought in as operations chief Tim Cook, a Compaq veteran who calls himself the 'Attila the Hun of inventory.' Turns out that's true. At the mid-October meeting, Jobs announced that Apple's inventory on hand--including components and finished products --fell from $400 million last December to only $78 million as of Sept. 25.

Apple's relationship with Microsoft. In August 1997, Jobs announced an agreement with Microsoft. For starters, Microsoft would invest $150 million in the company. The deal came across as such a coup that it landed Jobs on the cover of Time magazine. It also sent a clear message: If Bill Gates thought Apple would survive, maybe it did have a chance. Even more important was Microsoft's five-year commitment to launch new versions of its Office suite of applications for the Mac as often as it introduces new versions of Office for Windows. Given that Office is the de facto standard for writing and spreadsheets, Apple needs current versions to ensure that its machines are competitive with Windows PCs. Crows Ben Waldman, general manager of Microsoft's Macintosh business unit: 'People say Office saved Apple, and I do believe it played a role in Apple's return to viability.'

The relationship with programmers. Adobe Systems sells about $300 million in Macintosh software annually. But, says Bruce Chizen, who runs Adobe's products and marketing, 'In the last few years it was impossible for any developer to work with them. We couldn't rely on anything they said.' What's more, Apple had announced an operating-system strategy that would have required programmers to totally rewrite their applications for new Macs. Many were unwilling to do so. Alienating programmers was suicidal. The more programmers focused exclusively on Windows, the further behind Apple would fall. Says Chizen, 'We were absolutely convinced they were going to die.'

Under Jobs and Clent Richardson, the new head of developer relations, software makers are assigned an 'evangelist' responsible for their every need. Says Chizen: 'It's a 180-degree turnaround.' Richardson and Jobs are also actively wooing computer-game developers, since about 80% of home-PC users play. One coup: Apple recruited Eidos Interactive, publisher of Tomb Raider, the hot game that features curvaceous digital daredevil Lara Croft. 'They never called us before,' says Eidos President Keith Boesky. 'Now they're bending over backwards.' Many of these programmers are enthused about Apple because of the iMac, the hot computer that offers the clearest indication of how Jobs plans to attack the consumer market. 'Look at which companies go after the consumer market--Compaq, Gateway, Hewlett-Packard,' says Jobs. 'None have assets anywhere near what Apple has for that market.' In fact, the iMac is the first desktop computer to get the whole industry excited since...well, since the original Macintosh.

Jobs says that when he arrived 'it was really a shocker' to learn that Apple wasn't selling a good consumer machine for under $2,000. He initiated plans for the iMac almost immediately after taking over, and the entire process was completed in just ten months. Crack designers sweated endless details to achieve iMac's small size and visual elegance. Consider the way Jonathan Ive, Apple's 31-year-old vice president of industrial design, describes his team's approach to the cable that links the mouse to the computer: 'You know how, when you take a shower, condensation forms on the glass? We wanted that same kind of exquisite matte surface finish on the cable.' Ive is equally poetic about the labels on the bottom of the mouse and the handle atop the monitor.

Before 1998, Jobs' managerial style had been seen as visionary, sometimes tyrannical, and focused on creating "insanely great" products. After saving Apple in 1998, a different view of Jobs began to emerge. Jobs' performance had clearly not been simply one of product innovation, or entrepreneurship. He had refocused Apple both strategically and organizationally. Many activities, products, and projects had been dropped; others had been pushed forward with great speed. The business press started to take him out of the pigeonhole of "computer seer" and began ask his opinion on a more general set of issues.

The Three Faces Of Steve
November 9, 1998
FORTUNE | Brent Schlender

People you've worked with say the word that best describes your management style is persistent. Where did you get your persistence?

I don't think of it as persistence at all. When I was growing up, a guy across the street had a Volkswagen Bug. He really wanted to make it into a Porsche. He spent all his spare money and time accessorizing this VW, making it look and sound loud. By the time he was done, he did not have a Porsche. He had a loud, ugly VW.

You've got to be careful choosing what you're going to do. Once you pick something you really care about, and it's a worthwhile thing to do, then you can kind of forget about it and just work at it. The dedication comes naturally.

p. 9.

Do you ever think you may be getting a little conservative in your old age?

One of my role models is Bob Dylan. As I grew up, I learned the lyrics to all his songs and watched him never stand still. If you look at the artists, if they get really good, it always occurs to them at some point that they can do this one thing for the rest of their lives, and they can be really successful to the outside world but not really be successful to themselves. That's the moment that an artist really decides who he or she is. If they keep on risking failure, they're still artists. Dylan and Picasso were always risking failure.

This Apple thing is that way for me. I don't want to fail, of course. But even though I didn't know how bad things really were, I still had a lot to think about before I said yes. I had to consider the implications for Pixar, for my family, for my reputation. I decided that I didn't really care, because this is what I want to do. If I try my best and fail, well, I tried my best.

What makes you become conservative is realizing that you have something to lose. Remember The Whole Earth Catalog? The last edition had a photo on the back cover of a remote country road you might find yourself on while hitchhiking up to Oregon.

It was a beautiful shot, and it had a caption that really grabbed me. It said: 'Stay hungry. Stay foolish.' It wasn't an ad for anything--just one of Stewart Brand's profound statements. It's wisdom. 'Stay hungry. Stay foolish.'

Despite the fact that Jobs clearly saved Apple from bankruptcy, the world remained divided on his ability as a manager. Some saw his ruthless pursuit of product perfection as a shining beacon in a world of hype and mediocrity. Others continued to seem his as arrogant and self-centered, and therefore unfit to manage a modern corporation.

"What You Can Learn from Steve Jobs"
Inc. Magazine, Oct 1999 | Steven Berglas (UCLA)

According to many reports, Jobs's habit of dressing down subordinates helped get him booted from Apple when John Sculley was managing the company. Which brings me to my unsolicited advice to Apple's current board of directors that although they did well to exploit Jobs's charms during salvage operations, they must now pull the plug before his arrogant and demeaning interpersonal style undoes all the good he has done.

Getting ROI from a charismatic leader The major advantage of having Jobs on the job (forgive me) during uncertain and anxious times is his capacity to dispel feelings of ambiguity. With the exception of grief, there is no feeling more emotionally disruptive than the helplessness induced by not having a sense of direction or purpose in life. And the "reality distortion field" that leaders like Jobs bring to ambiguous times is just what the management doctor ordered.

Lacking a capacity for doubt, Jobs returned to a moribund Apple and alleviated the pain it was in by presenting an action plan that forced people to do *something* designed to make a bad situation better. His approach may have been ludicrous--in the final accounting many charismatic leaders see their vision proved wrong--but the fact that he initiated coping behaviors was enough to instill in Apple's workers the sense that the future was in their control. Even Jobs's much-maligned tendency to castigate coworkers has value in times of stress. A dressing-down doesn't instill a feeling of control, but it does typically generate action, which, once in progress, leads to an enhanced sense of being able to determine one's fate. Contrast those feelings with the ones evoked by "the paralysis of analysis"--catastrophic visions of the future, plunging self-esteem born of inaction, self-doubt--and it becomes clear why one Steve Jobs at the helm of a foundering ship is worth more than a boatload of Deepak Chopras.

So, why put an asterisk on Jobs's value as a leader?

The problem I foresee for Jobs is that both he and Apple's board will once again fail to appreciate that the value of his brand of charismatic leadership depends on its context. When crises threaten to overwhelm an organization, the usefulness of an egomaniacal leader is unparalleled. The rules change radically, however, once a business is established and develops integrity of its own. A self-confident workforce basking in prosperity and "we beat the bastards" pride seeks autonomy and credit for success, something charismatic leaders are loath to offer. Furthermore, psychological security will embolden people to take risks on their own, and unless charismatic leaders switch from command-and-control to empower-and-encourage management, they are sure to alienate those who were once loyal to their cause. Apple stock is now worth real money, and Apple executives have real market value. How long will a recently rejuvenated VP of anything tolerate one of Jobs's tongue-lashings in light of his or her economic cushion and the opportunities that beckon elsewhere?

Analyzing Steve Jobs is a cottage industry and the analysts disagree. His qualities as a person and as a manger continue to fascinate his peers and the public.

Alan Deutschman
The Second Coming of Steve Jobs, Broadway Books, 2000
p. 300.

Steve Jobs is the essence of Silicon Valley, the encapsulation of all the good and all the bad. He exemplifies its famous greed and its simultaneous ambivalence about its great wealth. He is a sophisticated elitist who nonetheless yearns for the patronage of the masses. He is torn between trying to change the world and trying to sell computers as though they were sugared water. He alternates between the desire to advance the state of the art in technology and the need to promote a brand that had more to do with slick imagemaking and advertising than technology. He is a control freak and an egomaniac, but his greatest wealth and success comes from supporting the creative achievements of others. At his professional nadirs, he can act with humility. At his professional peaks, he is a fearsome tyrant. He is loved and hated, and often by the very same people. He is not without his sycophantic admirers or his scathing critics, but most people who know him and have worked with him believe he is a man of great contrasts and contradictions. The Bad Steve can be loathsome, but the Good Steve can be one of the most creative, inspiring, and charismatic of figures. Paradoxically, failure brings out his humanity and success exacerbates his megalomania. But the two Steves can't be separated. They live in the mind and spirit of one person, and each is partly responsible for his successes and his failures. Over the course of three decades, the times have changed, the culture has shifted, but Steve has stayed largely the same, connecting and separating from the zeitgeist every few years. And as the century begins, they are in perfect sync.