

Steve Jobs: The Businessman, the Visionary, the Leader

1. INTRODUCTION

Of all the leaders of the 21st century, no one is as charismatic, transformative and successful as Steve Jobs. He is the most successful corporate CEO, even though he was never been taught Business. He is the most adept consumer psychologist and human sociologist, even though he has never read about either. He is the most charismatic technologist, even though he is self-taught. He is a visionary, a trend-setter, an agent of change, a disruptive force in the system, a fountain of ideas, an artist, a creator. For the last three decades, Steve Jobs has been behind some of the greatest advances technology has ever made: calligraphic computer fronts, the Mac, the iPod, the iPhone, the iPad, micropayments, the iTunes store, aesthetics in products, simplicity of user interfaces. Steve Jobs has managed to make everyday devices interesting, beautiful, intuitive, simple to use and yet powerful. He has transformed our lives through his products, but also introduced a new paradigm for business and leadership, and he has earned his spot amongst some of the great leaders humankind has ever seen.

In the following sections I will explore further what makes Steve Jobs a great leader, and what his contributions to the world and to leadership are. I first will present a quick historical overview of Jobs' leadership path. I will subsequently analyze Steve Jobs' most important contributions to leadership: the product as art, establishing strong culture, fast decision-making & eliminating bureaucracy, understanding & listening to the consumer, and continuous iteration of the Plan-Do-Study-Act cycle.

2. THE HISTORY

Steve Jobs grew up in one of the most creative periods in technology, teaching himself how to program and interact with the predecessors of personal computers. He dropped out of college after his first six months, but continued to take classes for the next two and a half years. In his legendary commencement address to Stanford in 2005, he mentioned taking a class on calligraphy after he dropped out of college; thanks to this class, he

would, 10 years later create the beautiful fonts used in modern computing. He built Apple in his garage at the age of 22, along with the electronics hacker Steve Wozniak, and soon he had revolutionized the world of personal computers by creating the Apple and the Apple 2. Apple had used the proof-of-concept window-mouse interface developed at Xerox PARC to develop a beautiful interface for a personal computer. The company's products were an instant hit and in 1984 the Macintosh was introduced, after a groundbreaking Orwell-themed superbowl ad. In 1985, after a company power struggle Steve Jobs was fired from his own company.

While at the time devastated, in retrospect, Jobs described this event as the greatest thing that could have ever happened to him, as he was relieved of the heavy load of success and was free to venture into new territory. He went on to create Pixar, which revolutionized the movie animation industry by creating Toy Story, the world's first computer-generated movie. Pixar was then bought by Disney, making Jobs the largest shareholder in Disney.

Jobs also created NeXT Computer, a technologically state-of-the-art device and software that introduced object-oriented programming, modern web browsers, rich-content email and some of the fundamental building blocks of OSX.

In the meanwhile, Apple was on a downward spiral of mismanagement, lack of direction, failure and, ultimately, bankruptcy. In 1996, it bought NeXT for about \$430m and Steve Jobs was made CEO of Apple again. With exceptional discipline, leadership and vision, he attempted to re-establish the lost corporate culture, sense of pride and famously said that Apple needs to innovate its way out of bankruptcy. And innovate it did, until it was out of bankruptcy and turned into one of the most profitable companies of our decade.

Steve Jobs had managed to accomplish yet another task: resurrecting a dying company into a landmark of modern entrepreneurship. The company introduced the iPod in 2001, making it a monopoly in music devices, while the iTunes music store completely changed the way music is purchased. In 2007, with the iPhone, it entered yet another seemingly saturated market, the cellular phone business, and established the concept of micro-payments with the App Store, creating a new flourishing market for mobile applications. Last, in 2010, it introduced the iPad, obtaining a 70% market share in the tabletPC market, in less than a year.

Most importantly, Jobs has managed the impossible: to penetrate saturated markets, like music, cellular and tablet PCs, by redefining these markets overnight. And all this, without discovering something new (in the sense the locomotive revolutionized the transportation industry), but by simply understanding the users' needs and preferences and rearranging existing components in a way that suits them best. Very few non-incumbents have managed to penetrate a new market so successfully, and in the remaining of this article I hope to establish some of the fundamental leadership qualities necessary to do so.

3. THE PRODUCT AS ART

Steve Jobs has defined Apple as a company to be at the crossroads of Liberal Arts and Technology. In a market governed by “ugly beige boxes”, as Jobs famously called traditional PCs, Steve Jobs recognized the need for creating a product that is aesthetically pleasing both physically and in software. Apple products are not only beautiful externally, but they are also beautiful internally, in that the chips and the components are wonderfully packed in the boards making the products thinner, more energy efficient, and faster to service. Even the presentation of the product, the ads, the box, the stores are indicative of the level of artistic detail and perfection that goes into every aspect of the product. The software itself has beautifully designed user interfaces, and as Steve Jobs said, the buttons have to be so beautiful that the user should just want to lick them off the screen. He has created a philosophy by which a product should be a form of art in itself.

The Apple products are governed by rules useful to every business:

- Make the products visually appealing
- Start from the basics, then remove all excess noise, keeping only the components that really matter
- Focus on ease of use and intuitive design
- Perfect every detail in the product, turning it into a piece of art
- Establish the same level of quality in the boxing, the presentation, the ads, the manuals, the retail, the service – buying an Apple product should be an experience in itself

4. ESTABLISHING STRONG CULTURE

Perhaps Steve Jobs' most important talent is his ability to build a strong corporate culture that permeates through the products that are built, the buildings and even the stores. The following components are key to all the companies Steve Jobs has run

- Excellence – Steve Jobs hires the best and brightest across a number of industries, but also expects very high results from them
- Perfection – Apple products cannot have flaws. They have to be the best in what they do and no half-baked solutions are acceptable
- Teamwork – Jobs has instilled a strong team spirit to enhance ideas through collaboration. Apple is run in a very flat structure, allowing for effective communication between teams and managers
- Imagination & Creativity – The team members are expected to spend time to brainstorm, think, fool around and explore. Traditional business concepts like formal attire are banished, and people can wear jeans and sneakers to feel more comfortable
- Pride – Apple employees feel proud of the quality of their work, and take personal commitment to its quality

Through this culture of excellence, perfection, teamwork, creativity and pride, Jobs can motivate his employees to work on very tight deadlines, solve problems in innovative ways and develop the products of the future.

5. FAST DECISION-MAKING & ELIMINATING BUREAUCRACY

Jobs has set up an environment in which employees can make decisions on their own, without having to go through intensive bureaucratic procedures. In addition, programs, ideas, concepts can be killed or promoted instantly. One of the key management tactics of Jobs that it is better to make fast decisions, than wasting time debating the right decisions. Rapid decision-making enables Apple to engage in development of risky ideas, such as the iPhone, but still maintain the flexibility to adjust the product specifications quickly, and even halt a project if it is failing (such as the recent halt of the Xserve product line).

If not for fast decision-making and elimination of bureaucracy, companies would be reluctant to engage in groundbreaking product development.

Fast decision-making also enables the company to respond quickly to product issues, such as the recent offering of a free “bumper” for every iPhone4, for example, thereby keeping customers satisfied. This also allows for grassroots projects to very quickly commence development, as there is no lengthy approval and budgeting process.

6. UNDERSTANDING & LISTENING TO THE CONSUMER

One of the founding principles of the Jobs philosophy is his deep understanding of the consumer. The consumer does not know what he needs. For example, before the iPhone, nobody really needed one; today, however, a lot of people could not function without an iPhone. But once presented with a product, the consumer can create a need for it, if it is better than the product he currently has. There are a lot of things that attract us to iPhones: their simplicity, their intuitiveness, their beauty, their power. Before the iPhone there were thousands of different phones, that could do everything the iPhone could do and more. So what made millions of people worldwide switch to the iPhone? Ultimately, it is Jobs’ genius in understanding the psychology of the consumer, and creating a revolutionary phone, by just piecing together components that already existed.

Understanding the consumer is what makes Apple products successful. They don’t base their decision-making on figures. They actually get users to test the products, listen to them very carefully and iterate through to create a finished product. Everything matters – from the way the screen feels when you touch it to the shadow on the icons and the weight of the fonts. And Apple has developed such a great insight that it would take years of work for any competitor to achieve similar understanding.

Keeping the consumer happy is key to Apple. In order to get its products close to the public, Apple has revolutionized retail stores, by creating an efficient environment where consumers can interact with the products, ask questions, and purchase. But even after the purchase, the consumer has a familiar environment where he can come back for customer service and education. Apple also has the highest customer satisfaction ratings among all the companies of its size.

7. CONTINUOUS ITERATION OF PLAN-DO-STUDY-ACT CYCLE

Jobs' product development cycle is very closely linked to the Deming-Shewhart Plan-Do-Study-Act cycle. The cycle moves very fast and so instead of putting all their hopes on one iteration, Apple relies on multiple iterations of the Deming cycle: even before its announcement, a product can undergo hundreds of PDSA cycles before it is finalized. Teams spend weeks brainstorming, creating prototypes, analyzing competitor devices, looking anywhere for inspiration. After they have a version of a design, they show it to test groups and study their feedback very carefully. They then act based on that feedback and repeat the cycle.

Apple has managed to stay ahead of its competitors by constantly studying the feedback from its users. The users are also confident that Apple will listen to their feedback and address their needs in the near future, and therefore remain devoted to Apple. If it were not for this post-production feedback cycle, Apple would just be losing market share as its competitors managed to copy its devices.

8. BUILDING RELATIONSHIPS WITH THE BEST

Jobs has realized that while Apple is great at designing amazing products and the OS that runs on them, it cannot be the best in every single domain. For this reason, Steve Jobs, with his amazing persuasive power, has managed to bring to the Apple platforms the best in every area. One of the first executive decisions he made after being re-appointed at Apple was to reach out to Microsoft and have it create an Office software suite for Mac. Through the iTunes store, he has at several occasions reached out to the music industry to change specific policies, making all music sold nowadays DRM-free. When it was time to add movies and TV shows to iTunes, he reached out to all the major studios and when it was time to add a bookstore to the iPad, he amassed support from the biggest publishing houses.

Maintaining an environment of collaboration between companies is essential to bringing in the best from every area into a product, and Steve Jobs has successfully leveraged that to Apple's success.

9. CRITIQUES

Steve Jobs' personal style of management has been expressed to be demanding, which may at times be perceived as egotistic or aggressive. He certainly puts a lot of pressure on his employees to deliver the best possible products, to the point that employees can snap under the high expectations set.

Another critique is that he has established Apple as a company that can only be run by himself, which is especially worrisome given his recent health problems. It remains to be seen whether there is an undisclosed succession plan or not, but judging from Pixar, the company seems to be doing great post-Jobs.

10. CONCLUSION

Steve Jobs is a critical thinker, who has broken free from the confines of traditional business and has established a way of doing business through creating great products, in every way, from their physical beauty to their software power, and transforming consumption into an experience. He has established and instilled a modus operandi of very rapid iterations of the Deming cycle, fast decision-making and constant feedback from the user. He has a fundamental understanding of the needs of the consumer, and has established credibility that these consumer needs will be heard and acted upon quickly. He has instilled a corporate culture of excellence, perfection, teamwork, imagination, creativity and pride, allowing the employees to find a nurturing environment to deliver their best. He has brought the worlds of liberal arts and technology close together, creating products that are forms of art in themselves, through an idea-centric process. He has created an environment of excellence by building bridges with the best companies to partner with.

Steve Jobs is an entrepreneurial genius whose techniques still remain to be fully studied and understood. He has established three great companies from scratch and resurrected a failing company from its ashes. And all that without ever having studied management or business. He truly is a Businessman, a Visionary, a Leader that should hold a place in history among the great leaders of the world.