

## **101 LESSONS THE WORLD** CAN LEARN FROM **STEVE** JOBS **BY JAMIE McINTYRE**

THIS BOOK REPRESENTS THE AUTHORS VIEW WITHOUT ANY OFFICIAL CONNECTION TO APPLE OR STEVE JOBS









# 101 LESSONS THE WORLD CAN LEARN FROM STEVE JOBS

Jamie McIntyre

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#### Foreword

I have had the good fortune to study, meet and learn from some amazing individuals in my 20-year search for the answer to an overriding question.

Why is it that people can grow up in the same country, have the same opportunities, even the same family, go to similar schools and live in the same economy, yet some individuals can excel and outperform financially, while others, often capable and intelligent people, fail miserably in life?

The search for the answer to this question has led me to seek out outstanding role models and find extraordinary mentors that have helped shape my life and enabled me to outperform in many areas of my life including business and investing.

Modelling a billionaire won't exactly guarantee you will become a billionaire, but it could just be enough to make you a millionaire many times over if you so desire.

I've found that true in my own life.

It was this desire to always learn and improve that led me to study and observe arguably one of the world's most successful entrepreneurs and marketers, Steve Jobs.

His success with Apple and Pixar has inspired literally millions of fellow entrepreneurs to achieve greater success and innovation worldwide.

I often invite leading entrepreneurs and thought leaders to share the stage with me at our 21st Century Financial Education Summits which are attended by upwards of 6,500 people and feature guest lecturers such as Sir Richard Branson amongst others.

It was my goal to have Steve Jobs speak at the 2011 event, however due to his illness at the time it was not possible and sadly he passed away just a few weeks before the October 2011 Financial Education Summit.

So unfortunately the opportunity to have met Jobs in person never become a reality. However, whilst writing this book I was fortunate to meet Apple cofounder Steve Wozniak, who shared many insightful facts and fascinating stories about both Jobs and Apple that have helped immensely in articulating the valuable lessons the world can learn from Jobs in this book. A lot has been written about Jobs, largely positive but also some negative; some portrayed him as a difficult, demanding boss who could be quite rude to employees.

Whatever was the truth, it must be noted that Apple had a very low staff turnover. Thus, even as demanding or difficult Jobs may have been to work with, his key employees clearly respected him. These employees remain part of the Apple family.

Under Job's leadership, Apple's strength and effectiveness saw it become the world's most successful company measured by market valuation by 2011. It continues to grow even larger in 2012.

Due to the cult-like following Apple has created, Jobs could easily have been referred to as a cult leader, not just a rock-star entrepreneur.

With this book, *101 Lessons The World Can Learn From Steve Jobs*, my goal is to educate and empower the entrepreneur within you to excel to greater heights.

These lessons, although at times simplistic, are incredibly powerful. They have helped improve myself and others as entrepreneurs. Most importantly, these lessons are proven by the success of Apple as one of the top-ten brands in the world.

These lessons are from someone with a Ph.D. in results - not theory. They are real life business lessons that should be taught at business school and to corporations worldwide.

If you have an entrepreneurial streak, or even work for an entrepreneur, (I don't believe everyone should become an entrepreneur and start their own business) then this book is an absolute must.

Steve Jobs would say not everyone is cut out for what it takes to be a success in business; it takes massive courage and willingness to deal with failure in business.

However, I believe that by learning these lessons, many people could become entrepreneurial managers and partner with entrepreneurs to grow their businesses, as well as their own wealth.

In fact, I have entrepreneurial managers in some of my companies who often earn more than myself from those companies.

When Australia's former richest person Kerry Packer was alive, he complained that executives in his companies were buying up houses in the same street as his. This highlights that you don't have to be an entrepreneur these days to do well financially. You just need to have an entrepreneurial spirit. Of course, for some people the desire to be their own boss is strong enough motivation to make them want to branch out and build their own empires.

This book will also serve those in customer service or business development. It certainly should be required reading by management in any organisation, for lessons on how to create a business culture that breeds success.

Many of these lessons turn typical business management practices on their head. Even though they are quite unconventional, they have proven to be highly effective.

A book such as this provides the opportunity to distil the knowledge often locked up in the minds of those that achieve great success, like Jobs.

And through this book, I want to share the lessons why Steve Jobs' success as an entrepreneur, innovator and person has made Apple into the success it is today.

I trust you will enjoy these lessons from a business legend, who left an undeniable mark upon the world.

Thanks largely to Steve Jobs, Apple is one of the top ten brands in the world, the world's most successful company and one likely to dominate for many years to come.

> Warmest regards, Jamie McIntyre, July 2012 CEO 21st Century Education

### 1. WHO WAS STEVE JOBS

Being the richest man in the cemetery doesn't matter to me...Going to bed at night saying we've done something wonderful...That's what matters to me.

Steve Jobs, in The Wall Street Journal, 1993

Any person who has ever owned an Apple MacIntosh computer, iPhone, iPod Touch, iPad or other Apple device will be probably be familiar with at least part of the story of the rise, fall and rise of Steve Jobs at Apple and the brilliant products he created. Jobs and Apple co-founder Steve Wozniak, achieved the status of legends, even messiahs in the IT industry while still in mid-life.

Jobs made computing sexy and packaged music players, phones and portable screens to make them the must-have item for millions.

For readers with an interest in astrology Jobs was a Pisces born on 24 February, 1955. This may explain - in part - what motivated him (people born on 24 February are reputed to have a particular love of hand-made beauty).

People born on this date are drawn to have a goal. They are sometimes slow to recognise their talents, and even when they do, they may find their material goals conflict with their spiritual needs. Learning to reconcile these is the greatest goal they can achieve. Jobs took up the study of philosophy and foreign cultures after dropping out of college and later took off for India in search of enlightenment with a friend.

Pisces are said to have a dynamism; they are go-getters who enjoy an interesting social life. They may have difficulty finding a focus, but when they do they remain true to it.

Money doesn't equal status in their minds, and although they enjoy living well, they can get along on little if circumstances demand it.

The more Pisces reach out in their desire to be of service then the more the world around them will support their efforts.

Pisces need a structure through which their contributions of service may be made. Pisces have to know when enough is enough and, be able to identify when it is correct for them to withdraw in order to recuperate and restore their life energies. (Steve Jobs took time out from Apple in 2009, for a six-month leave of absence to recover from a cancer problem.)

Jobs Piscean desire to be of service greatly influenced the formative days of personal computing. Users, many with no prior experience in computers were amazed how easy an Apple computer and its software was to operate when compared to other computers. Some people consider Jobs to be the messiah of personal computing. Jobs was also known as the one man who could have upstaged Bill Gates. But Jobs was as excited about innovation as Gates was interested in making money.

For many Apple devotees, under Jobs leadership the Apple logo and name became the symbol of consumerist cool - an affordable piece of luxury that divides consumers the world over into Apple lovers and others.

Along the way Jobs and Wozniak created what many consider to be the world's most colourful company - and one of the most recognisable logos - with a legion of cult followers.

By 2012, Apple Inc., formerly Apple Computer Inc., was a multinational corporation and the largest company in the world based on market capitalisation, with annual revenues of more than \$60 billion from sales of its consumer electronics, computer software and commercial servers.

The story of how Jobs and Wozniak managed to create such a huge company - the biggest in the world within 35 years - from scratch with no money to purchase the initial components to make their first commercial computer has become entrepreneurial and marketing folklore and makes fascinating reading. They also become multi-millionaires along the way.

In 1972, Jobs graduated from High School in California and enrolled in Reed College in Portland, Oregon. One semester later he had dropped out. However, instead of going back home he hung around college and took up the study of philosophy and foreign cultures.

Jobs had a deep-seated interest in technology so he took a job at Atari Inc. which was a leading manufacturer of video games. He struck a friendship with fellow designer Steve Wozniak and attended meetings of the 'Homebrew Computer Club' with him.

Wozniak and Jobs developed a system with a toy whistle available in a breakfast cereal box that made it possible to make free long distance telephone calls. However, they called off this amateur venture after someone told them of the possible legal consequences.

After saving up some money Jobs took off for India in search of enlightenment. Once he returned he convinced Wozniak to quit his job at Hewlett Packard and join him in his venture concerning personal computers. They sold items like a scientific calculator to raise the seed capital.

#### 101 Lessons The World Can Learn From Steve Jobs

In 1976, Jobs, then 21, and Wozniak, 26, founded Apple Computer Co. in the Jobs' family garage. The first personal computer was sold for \$US666.66. By 1980, Apple had already released three improved versions of the personal computer.

Jobs and Wozniak had been friends for some time, having met in 1971 when their mutual friend, Bill Fernandez, introduced 21-year-old Wozniak to 16-yearold Jobs. Jobs managed to interest Wozniak in assembling a machine and selling it.

Jobs approached a local computer store, The Byte Shop, who said they would be interested in the machine, but only if it came fully assembled. The owner, Paul Terrell, went further, saying he would order 50 of the machines and pay \$500 each on delivery.

Jobs then took the purchase order that he had been given from the Byte Shop to Cramer Electronics, a national electronic parts distributor, and ordered the components he needed to assemble the Apple I Computer. The local credit manager asked Jobs how he was going to pay for the parts and he replied, "I have this purchase order from the Byte Shop chain of computer stores for 50 of my computers and the payment terms are COD. If you give me the parts on net 30 day terms I can build and deliver the computers in that timeframe, collect my money from Terrell at the Byte Shop and pay you."

The credit manager called Paul Terrell and verified the validity of the purchase order. Amazed at the tenacity of Jobs, Terrell assured the credit manager if the computers showed up in his stores Jobs would be paid and would have more than enough money to pay for the parts order.

The two Steves and their small crew spent day and night building and testing the computers and delivering them to Terrell on time to pay their suppliers. There was always a tidy profit left over for their celebration and the next order.

Jobs had found a way to finance his soon-to-be multimillion-dollar company without giving away one share of stock or ownership.

This early machine had only a few notable features. One was the use of a TV as the display system, whereas many machines had no display at all. This was not like the displays of later machines. Text was displayed at a very slow 60 characters per second. However, this was still faster than the teleprinters used on contemporary machines of that era. The Apple I also included bootstrap code on ROM, which made it easier to start up.

Finally, at the insistence of Terrell, Wozniak also designed a cassette interface for loading and saving programs, at the then-rapid pace of 1,200 bit/second. Although the machine was fairly simple, it was nevertheless a masterpiece of design, using far fewer parts than anything in its class, and quickly earning Wozniak a reputation as a master designer.

Joined by another friend, Ronald Wayne, the three started to build the machines. Using a variety of methods, including borrowing space from friends and family, selling various prized items (like calculators and a VW bus) and scrounging, Jobs managed to secure the parts needed while Wozniak and Wayne assembled them.

However, the owner of the Byte Shop was expecting complete computers, not just printed circuit boards. Terrell still paid them, because the boards were a product for the end customers. Eventually 200 of the Apple Is were built.

In due course Jobs and Wozniak managed to earn \$774,000 from the sales of the Apple I.

Don Valentine, a venture capitalist, told Mike Markkula, the former marketing manager at Intel, that Apple was worth looking into. Buying into Apple with an investment variously estimated between \$91,000 and \$250,000, Markkula became chairman of the company in May 1977.

Through Markkula, Apple accumulated a line of credit with the Bank of America and \$600,000 in venture capital from the Rockefellers and Arthur Roch.

In a market where there was no segment for personal computers Apple Computer grew at an incredibly fast rate. The numbers were mind-blowing: from 2,500 Apple IIs sold in 1977, 8,000 were sold in 1978, and up to 35,000 in 1979.

Quickly setting the standard in personal computers, the Apple II had earnings of \$139,000,000 within three years, a growth of 700 percent.

The company earned \$47 million in revenues in fiscal year 1979, making Steve Jobs a millionaire on paper (he owned \$7 million worth of private shares). At this stage the company's board of directors began to discuss taking Apple public.

#### The Apple IPO

Impressed with Apple's growth, and a trend indicating an additional worth of 35 to 40 percent, the cautious underwriting firm of Hambrecht & Quist in

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cooperation with Wall Street's prestigious Morgan Stanley, Inc., took Apple public in 1980.

In anticipation of the IPO, Apple started advertising in the mass media, notably the *Wall Street Journal*, spreading the legend of the technical genius of Steve Wozniak, and his friend, marketing genius and visionary Steve Jobs starting a revolution from their garage. There were full-page advertisements with pictures of Steve Jobs and the Apple II, in which he was quoted as saying that the "personal computer was a new kind of bicycle — a bicycle for the mind."

Industry commentators noted that Jobs' personality was transformed during that period. He was increasingly recognised as a national icon, and as a symbol for the country's new entrepreneurial wave.

Jobs was starting to realise his dream of changing the world. His hippie days seemed long gone: he gave up the beard and the mustache, stopped going to the Los Altos Zen Center, and occasionally wore suits.

On 12 December, 1980, Apple went public and simultaneously created another Apple legend. Even though the country was in the middle of a recession, the IPO was a huge success and beyond anyone's expectations.

The underwriter's price of \$22 per share went up to \$29 the first day of trading, bringing the market value of Apple to \$1.2 billion.

The Apple IPO generated more capital than any IPO since Ford Motor Company in 1956 and instantly created more millionaires (about 300) than any company in history. Several venture capitalists cashed out, reaping billions in long-term capital gains.

After the IPO, Steve Jobs was worth \$217.5 million, \$210 million more than the day before when its shares listed for \$22.

In 1982 Apple had sales of \$583,000,000 up 74 percent from 1981. Its net earnings were \$1.06 a share, up 55 percent, and as of December 1982, the company's stock was selling for approximately \$30 a share.

Since those early days Apple products have created a dedicated legion of fans and have even spawned a number of magazines including *MacAddict*, *Macuser* and *Macworld* dedicated to Apple products.

#### Naming the Apple

There is some mystery as to where the 'Apple' brand name originated - or is it marketing hype and part of the Apple legend?

In almost every culture, the apple is ripe with symbolic meaning and mythical folklore. They can signify wisdom, joy, fertility, temptation, peace, love, masculinity, and youthfulness.

According to one version, the brand name Apple originated from a pleasant summer Jobs had spent as an orchard worker in Oregon.

Another version of how the Apple name eventuated comes from an interview recorded for an in-house video for company employees in the mid-1980s.

In this interview Wozniak and Jobs recall a seminal moment in Silicon Valley history - how they named their upstart computer company some 35 years ago.

"I remember driving down Highway 85," Wozniak recalls. "We're on the freeway, and Jobs mentions, `I've got a name: Apple Computer.'We kept thinking of other alternatives to that name, and we couldn't think of anything better ...

"And also remember that I worked at Atari, and it got us ahead of Atari in the phonebook," adds Jobs.

There is another school of thought that has become accepted legend by some Apple devotees. The story goes that at a meeting to discuss marketing strategies and to choose a name for their products, Jobs said to those assembled as he looked at an apple on the table, "If you don't come up with a name quickly, we will name our computer company Apple." Thus mysteries and legends are created.

Another version claims Jef Raskin wanted to name the computer after his favourite type of apple, the MacIntosh, but the name had to be changed for legal reasons as it was too close, phonetically, to that of the McIntosh audio equipment manufacturer. Jobs requested a release of the name so that Apple could use it, but was denied, forcing Apple to eventually buy the rights to use the name.

Yet another version of how Apple was named comes from the third Apple founder Ronald Wayne. "People always ask me where Jobs got 'Apple'.

"I never thought to ask. I suspect it has something to do with 'bite' and 'byte."

When I spoke to Apple co-founder Steve Wozniak and asked him how the Apple name actually came about, he told me at one stage Jobs was living on some acreage that had an Apple orchard, hence the derivation of the Apple name. Jobs added, "The colourful Apple symbol was because we were bringing colour to the world, especially as computers in the past had no colour. Did you know one new Apple computer model featured a completely different interface and introduced the words *mouse, icon,* and *desktop* into the lexicon of the computing public?

#### 1985: Steve Jobs leaves Apple

In 1985 the original founders of Apple left the company in controversial and dramatic circumstances.

Steve Jobs had been trying to hire the former president of Pepsi-Cola, John Sculley since early 1983. In April of that year he succeeded, but Jobs and Sculley soon discovered that they could not get along. One of Sculley's first actions as CEO of Apple was to remove Jobs off the Apple 'Lisa' project. The Lisa was the first consumer computer with a graphical user interface (GUI).

Jobs then switched over to managing the Apple Macintosh project begun by Jeff Raskin. Jobs was determined that the new Macintosh was going to have a graphical user interface, like the Lisa but at a considerably lower cost.

Seventy-four days after the introduction of the Macintosh, a disappointing 50,000 units had been sold.

Apple refused to license the OS or the hardware, the 128k memory was not enough and a single floppy disc was difficult to use. The Macintosh had Lisa's user friendly GUI, but initially missed some of the more powerful features of the Lisa like multitasking and the 1MB of memory.

Jobs compensated by making sure developers created software for the new Macintosh, figuring that software was the way to win the consumer over.

In 1985, the Macintosh computer line received a big sales boost with the introduction of the LaserWriter printer and Aldus PageMaker: home desktop publishing was now possible.

By then Jobs had decided to regain control of the company. He scheduled a business meeting in China for Sculley and planned for a corporate takeover when Sculley would be absent.

Information about Jobs' true motives, reached Sculley before the China trip, so he confronted Jobs and asked Apple's Board of Directors to vote on the issue.

Everyone voted for Sculley and Jobs was asked to resign, in lieu of being fired, while Steve Wozniak returned to college.

Within days Jobs sold off all but one share of his Apple stock and flush with around \$70 million he set about creating another computer company, this one

called NeXT. The startup ostensibly was a vehicle for revolutionising higher education with powerful, beautiful computers. In reality, it was a bet that one day he would get the better of Apple.

The new machine was called NeXT Computer and Jobs plowed more than \$250 million into the company. The machine was a commercial washout but it did help in object-oriented programming, PostScript, and magneto-optical devices.

Jobs also started Pixar Inc., which has gone on to produce animated movies such as *Toy Story* (1995); *A Bug's Life* (1998); *Toy Story 2* (1999); *Monsters, Inc.* (2001); *Finding Nemo* (2003); and *The Incredibles* (2004). This venture made him one of the most sought-after men in Hollywood.

NeXTSTEP would eventually be developed into Mac OS X. While not a commercial success, due in part to its high price, the NeXT computer would introduce important concepts to the history of the personal computer (including serving as the initial platform for Tim Berners-Lee as he was developing the World Wide Web).

After Pixar, Jobs wanted to do some more revolutionising, so he chose the music industry.

He introduced the iPod in 2003. Later he came up with iTunes, which was a digital jukebox. Millions of iPods later, the music industry still does not know whether this invention will save it or destroy it.

Apple has a great advertising track record and its 'Rip, Mix, Burn' campaign was another feather in its cap. Now the industry uses a Mac to make the music and an iPod to store it.

During what some consider to be his 'eleven wilderness years' after Jobs departed Apple, and during a time many remember as his most disappointing, he matured as a manager and a boss. He learnt how to make the most of partnerships and found ways to turn his native stubbornness into a productive perseverance.

Jobs became a corporate architect, coming to appreciate the structure of a business just as much as the frames of real buildings, something which always fascinated him. He mastered the art of negotiation by immersing himself in Hollywood, and learned how to successfully manage creative talent, namely the artists at Pixar. Most importantly, Jobs developed an amazing adaptability that was critical to the hit-after-hit-after-hit climb of Apple's last decade.

At NeXT, Jobs was determined to deliver a great computer with massive resources by raising well over \$100 million from H. Ross Perot, Japanese printer maker Canon, and Carnegie Mellon University. He organised an astonishing automated factory in Fremont, California, where every surface and piece of equipment was painted in specific shades of grey, black, and white.

Jobs did it in style, working with a full-time architect to give the corporate headquarters in Redwood City a distinctive, austere aesthetic; NeXT HQ looked much like the interior of one of today's Apple Stores. The centerpiece was a staircase that seemed to float in air.

Despite some people's perception of Jobs 'eleven wilderness years' in late 1996, Jobs actually prospered by selling NeXT to Apple for \$400 million, which he used to pay back Perot, Canon, and some other early investors.

Within six months, Jobs had mounted a putsch and became Apple's 'iCEO', with the i standing for what proved to be a deeply false 'interim'.

#### Jobs returns to Apple

After being ousted from the company in 1985, Jobs returned in 1997 to eventually become Apple's CEO after his company NeXT was bought by Apple Inc.

In 1996, the struggling NeXT company beat out Be Inc.'s BeOS in its bid to sell its operating system to Apple.

Apple purchased Jobs' company, NeXT in December 1996, and its NeXTstep operating system.

As well as returning Jobs to Apple's management, his NeXT technology would become the foundation of the Mac OS X operating system.

Jobs' return, more than a decade after he was forced out of the company he co-founded, marked the beginning of one of the great comebacks in business history. It led to a long string of blockbuster products - including the iPod, iPhone and iPad - that have made Apple one of the world's most profitable brands.

In July 1997, Gil Amelio was ousted as CEO of Apple by the board of directors after turning the company around from a multi-billion loss to a \$25 million dollar profit.

Jobs stepped in as the interim CEO to begin a critical restructuring of the company's product line. He would eventually become CEO and served in that position until August 2011.

He brought with him a new corporate philosophy of recognisable products and simple design. With the introduction of the successful iPod music player in 2001, Apple established itself as a leader in the consumer electronics industry, dropping 'Computer' from its name.

In November 1997, Apple introduced the Apple Store, an online retail store based upon the WebObjects application server the company had acquired in its purchase of NeXT. The new direct sales outlet was also tied to a new buildto-order manufacturing strategy.

#### An annual salary of US\$1

It was surprising for a man who takes home an annual salary of US\$1 that Steve Jobs regularly made it to most rosters of the rich and powerful.

When Jobs returned to Apple it was widely reported that he would only receive \$1 per year in salary.

Some found it hard to believe that Jobs would work for such a low salary, though he was more than adequately compensated in shares and reimbursements.

In January 2011 it was reported that, although he did not receive equity, he received \$248,000 in the past year for the use of his private plane for business purposes and he owned 5.5 million of the company's common stock (and was the company's largest shareholder). After the release of the of the iPod, iPhone and iPad, Apple shares closed at \$333.73, bringing the value of Jobs' personal holdings to \$1.84 billion. By early 2012 Apple shares were trading at more than \$600 per share!

Just because you work for Apple though doesn't mean you get a measly salary. Apple's chief operating officer and Jobs' second in command, Tim Cook, received a special \$5 million bonus and a restricted stock award in 2010 for his 'outstanding performance' during Jobs' medical leave in the first half of 2009 when he took over, Apple said. According to media reports his 'bonus' is said to be worth \$59 million.

#### Steve Jobs' skill set

Steve Jobs had an exacting, oversize personality. According to some business analysts, Jobs, for all of his virtues, clung to the Great Man Theory of Leadership - a CEO-centric model of executive power that was outmoded, unsustainable, and, for most people, ineffective in a world of non-stop change.

But for Jobs, the regular rules did not apply.

His charisma at product launches made them exciting events for Apple devotees and the media who eagerly reported each event and have become an intrinsic part of Apple folklore.

Jobs had a penchant for being secretive that meant shrouding Apple in secrecy; any employee who talked to the media about new products before their release was liable to be fired.

Humility was not part of Jobs' leadership and he was renowned for treating his employees to tyrannical outbursts.

Despite his outbursts, Jobs was so successful because he understood customers' wants, even if they didn't yet know what they wanted.

He was a master of market dynamics, with the acumen of a poker champion. He had an unwavering commitment to excellence and quickly rejected 'good enough' solutions.

When things went wrong he was prepared to be accountable.

Jobs had a talent few, if any CEOs could match - the ability to defy the business equivalent of nature's law. "If anybody's going to make our products obsolete, I want it to be us," Jobs said.

The Innovator's Dilemma, is a major problem for Silicon Valley companies. The Innovator's Dilemma says that once a company takes the lead in any given domain, it becomes less able to come up with radical innovations in that field.

This was not a problem for Jobs who had the ability to create one innovative breakthrough after another

The iMac was followed by a digital hub strategy with iTunes, which led to the iPod, which eventually served as a launch pad for the iPhone, which in turn evolved into the first massively successful tablet, the iPad.

Some chief executives view a successful run as a springboard to loftier pursuits - politics, philanthropy, the helm of an even bigger firm. For Jobs, running Apple was the pinnacle. After receiving treatment for his lifethreatening cancer, all he wanted to do, besides enjoy his family, was run Apple. In his last years, every time a journalist interviewed him, he would reiterate: "I love this job."

Even during his medical leave in early 2011 Jobs kept up with Apple's big decisions and products. He reviewed key releases, negotiated with tech and media people and he also made star appearances at two Apple launches.

He chose not to use his iPhone to make his appearance remotely, instead appearing personally, and was, as always the ruler of the stage. Instead of enervating him, those moments appeared to energise him.

#### Steve Jobs: The neatest experience of my life.

"I don't think I've ever worked so hard on something, but working on Macintosh was the neatest experience of my life," Jobs said. "Almost everyone who worked on it will say that. None of us wanted to release it at the end. It was as though we knew that once it was out of our hands, it wouldn't be ours any more.

"When we finally presented it at the shareholders' meeting, everyone in the auditorium stood up and gave it a five-minute ovation. What was incredible to me was that I could see the Mac team in the first few rows. It was as though none of us could believe that we'd actually finished it. Everyone started crying."

#### A focused attitude

According to the third Apple founder Ronald Wayne, who dropped out very early, after just 10 or 12 days, Wozniak was the engineering genius who designed computers for the sheer fun of it, and Jobs was the consummate businessman who turned it into an industry. "Jobs had a very focused attitude, and I knew he was going to go someplace and he was going to make sure he got there.

"He couldn't match Wozniak, but he recognised the significance of Wozniak. The reality was that Jobs had a focused intent to do something dynamic in business and he would get there on whatever device would carry him.

"If he'd lived in the 1830s and had met Sam Colt, he would have ridden to his success on the Colt revolver," Wayne adds. "The device was just a means to an end. He'd actually asked me if he should go ahead with this with Steve Wozniak.

"He was concerned about it because there were all these other interests that he had and he was afraid that he would lose out on these other interests if he pursued this enterprise. "And I said, 'Well, you could pursue these other enterprises more easily if you had money in your pocket, and this looks like a money making thing. Go ahead and do it. Take the money and do your thing.""

In 2004, a cancerous tumour in Steve Jobs' pancreas was successfully operated upon. At the Apple Computer Worldwide Developers Conference in 2006, when Jobs addressed the audience during his keynote speech, he looked weak and his speech was not as vibrant as it would usually be.

This raised concern about his health. In 2008, rumours about his health issues intensified after an article in *Fortune Magazine* said that Jobs did not consider undergoing surgery to treat his pancreatic cancer. The rumours about his health were fuelled further by his obituary published by *Bloomberg*, which they later declared was a mistake.

In 2009, Jobs announced that he would be going on a six-month leave of absence and that Tim Cook would be the acting CEO of Apple.

It was clear that Jobs had serious issues with his health. In June 2009, it was reported that he had undergone a successful liver transplant. It looked like he would soon resume work.

In 2011, after a brief leave of absence, Jobs resigned his position as Chief Executive Officer of Apple. His resignation came as a shock to many. But he had always maintained that he would step down on the day he felt he wouldn't be able to meet his duties and expectations as the CEO.

Under Jobs Apple established a unique reputation in the consumer electronics industry. This included a customer base that is devoted to the company and its brand, particularly in the United States.

We don't often see the words 'business' and 'celebrity' together, but Steve Jobs was a business celebrity. He wasn't just any celebrity, either - he achieved rock-star status, but his hands clutched an iPhone instead of a guitar.

Celebrities whose fame comes from technological or business achievements rather than entertainment, sometimes develop larger-than-life reputations; it's often hard to figure out just how much truth is contained in the outlandish stories we hear about them. Steve Jobs was one such tech celebrity.

"He's probably going to be remembered for the next 100 years as the best business leader of our time. He will watch the company for a while, hope it's on such a good track. For a company as large as Apple, corporate culture doesn't change overnight. The quality of the people doesn't change." Apple co-founder Steve Wozniak at the time of Jobs' resignation

"In a company, you've got so many things that have to come together that it's difficult for one person to do it. If you have one person at the top who is very thoughtful, you get the excellence and the integrity of one mind conceiving how the company works.

"Steve had the spirit: 'We're doing something new. We're going to be doing something great.' He had the drive to do everything from publicity to finding the last part in the world when we desperately needed one and calling stores and talking them into selling our computers. He was excellent at that."

Apple co-founder Steve Wozniak

Steve Jobs' long battle with pancreatic cancer took his life on 5 October, 2011 at age 56. His death came just weeks after he stepped down as CEO and handed the reins to Tim Cook.

Jobs' innovation distinguished him as a leader; a true leader who left behind a legacy.

Not surprisingly, interest in Apple and its founder has grown dramatically since Jobs' death.

His death sparked an international outpouring and marked the end of an era for Apple and Silicon Valley.

In December 2011, the Recording Academy announced Jobs would receive a posthumous Trustees Award. Under Jobs' leadership Apple won a technical Grammy in 2002.

In the same month, US TV host Barbara Walters announced her annual 10 Most Fascinating People list, and overtaking many big names was one person whose impact and legacy transcended all of them combined - the late Steve Jobs.

Upon Jobs' resignation as CEO earlier in 2011 he became Walter's choice, even though she never got to interview him. Jobs is the first deceased Most Fascinating Person.

This is what Barbara Walters had to say about Steve Jobs: "Truly a once-in-ageneration mind, Jobs was taken from us far too soon, but not before transforming technology - and modern life - in profound ways. "His fingerprints are on everything from the iTunes store to the iPod, iPhone, iPad, Pixar films and even the mouse. Yes, the mouse. In a word, he was awesome."

## 2. FOLKORE, STEVE JOBS AND THE CULT OF APPLE

I'm the only person I know that's lost a quarter of a billion dollars in one year...It's very character-building.

#### **Steve Jobs**

#### The father of the Macintosh

"Ultimately, if any single individual deserves the honour of Father of the Macintosh, I would have to cast my vote for the obvious choice, Steve Jobs.

"The Macintosh never would have happened without him, in anything like the form it did. Other individuals are responsible for the actual creative work, but Steve's vision, passion for excellence and sheer strength of will, not to mention his awesome powers of persuasion, drove the team to meet or exceed the impossible standards that we set for ourselves.

"Steve already gets a lot of credit for being the driving force behind the Macintosh, but in my opinion, it's very well deserved."

Apple team member, Andy Hertzfeld

#### Man of the Year or King of France?

The February 15th, 1982 edition of *Time* magazine featured Steve Jobs on its cover, appearing in an article titled 'Striking It Rich: America's Risk Takers'. Instead of a photograph, Steve was depicted in a drawing with a red apple balanced on his head that was pierced by a zig-zag bolt of light emanating from an Apple II.

The article inside focused on a number of high tech start-ups, but there was a long sidebar that told the story of Apple's meteoric rise. It was a bit critical in places ("As an executive, Jobs has sometimes been petulant and harsh on subordinates"), but in general it was positive about the company and its prospects.

In December 1982, word got around that *Time* magazine was considering awarding Jobs its prestigious 'Man of the Year' designation for 1982.

Instead of crowning him as the Man of the Year as expected, *Time*'s editorial staff gave the designation to 'The Computer', declaring 1982 to be the "year of the computer".

They explained that, "It would have been possible to single out as Man of the Year one of the engineers or entrepreneurs who masterminded this technological revolution, but no one person has clearly dominated those turbulent events. More important, such a selection would obscure the main point. *Time*'s Man of the Year for 1982, the greatest influence for good or evil, is not a man at all. It is a machine: the computer." The cover story included another profile of Steve Jobs. Many considered the best quote to be: "He would have made an excellent King of France."

#### **Apple values**

When Jobs and Steve Wozniak started Apple, there was no template for how two young entrepreneurs could build a big corporation.

But Jobs had a role model. "There was a template HP (Hewlett Packard), also founded by two young men."

HP had been an integral part of Silicon Valley's values and standards for decades, and Jobs saw it first hand.

"Woz and I both worked there," he said. "There would never have been an Apple had there not been an HP.

"When we started Apple, we took values from Hewlett-Packard as best as we understood them.

"We took things from other companies we admired, and to now be in that role for some new young company is wonderful. I'd like to think that in our own small way we've done some of that."

Jobs knew that he and Apple did provide such inspiration, and not in a small way. When he returned to Apple as the CEO, he set a standard for leadership that was as impossibly high as the standard he set for his products.

#### Apple and the 1984 commercial

The Macintosh 128k was announced to the press in October 1983, followed by an 18-page brochure included with various magazines in December.

In December 1983, Apple ran its famous *1984* Macintosh television commercial, on a small unknown TV station solely to make the commercial eligible for awards during that year.

The commercial cost \$1.5 million and only ran once in 1983, but news and talk shows everywhere replayed it, making TV history. The next month, Apple Computer ran the same ad during the third quarter of Super Bowl XVIII on January 22, 1984, and millions of viewers saw their first glimpse of the Macintosh computer.

It was directed by the illustrious film director, Ridley Scott. This commercial is now considered a 'watershed event' and a 'masterpiece' by marketers.

The *1984 commercial* used an unnamed heroine to represent the coming of the Macintosh (indicated by her white tank top with a Picasso-style picture of

Apple's Macintosh computer on it) as a means of saving humanity from conformity (Big Brother). These images were an allusion to George Orwell's noted novel, *Nineteen Eighty-Four*, which described a dystopian future ruled by a televised Big Brother.

#### Jobs' presentation at Apple's 1984 annual shareholders' meeting

Apple employee Andy Hertzfeld describes the dramatic opening event of the 1984 Annual Shareholders' meeting:

"It began with an introduction by Jobs. 'Welcome to Apple's 1984 Annual Shareholders' meeting. I'd like to begin by reading part of an old poem by Dylan, that's Bob Dylan'. Steve flashed a big smile as he started to recite the second verse of The Times They Are A-Changin, stretching an occasional vowel in a Dylanesque fashion:

Come writers and critics

Who prophesise with your pen

And keep your eyes wide,

The chance won't come again

And don't speak too soon

For the wheel's still in spin

And there's no tellin' who that it's namin'.

For the loser now

Will be later to win

For the times they are a-changin.

"Steve thanked Apple's board of directors individually by name for their support in a turbulent year, and then turned the meeting over to Apple's chief counsel, Al Eisenstadt, to run the formal part of the shareholders' meeting. Al ran through some procedural stuff, and then he introduced Apple's CEO, John Sculley, who was just hired nine months ago, for a report on the business.

Sculley reported on Apple's latest quarter, which saw disappointing Lisa sales more than balanced by a fantastic Christmas for the Apple IIe, whose sales had more than doubled from the previous year.

"But the crowd seemed distracted, impatiently waiting for the main event that was now imminent. Sculley seemed to sense that, and hurried through the bulk of his presentation. Finally he concluded by thanking Mike Markkula and the executive staff for supporting him during his first few months at Apple, thanking one individual in particular. "The most important thing that has happened to me in the last nine months at Apple has been a chance to develop a friendship with Steve Jobs. Steve is a co-founder of Apple, and a product visionary for this industry, and it's my pleasure now to reintroduce Steve Jobs.'

"Steve reappeared on the left side of the stage as the lights dimmed again. 'It is 1958', he began, speaking slowly and dramatically. 'IBM passes up a chance to buy a young fledgling company that has invented a new technology called xerography. Two years later, Xerox was born, and IBM has been kicking themselves ever since.'The crowd laughs, as Steve pauses.

"One observer recalled, 'Steve had cooked up this spiel for the sales meeting in Hawaii to introduce the 1984 commercial. I had seen him do it a few times by now, but never with as much passion, intensity and emotion, dripping from his voice.'

"It is ten years later, the late sixties', Jobs continued, speaking faster now. 'Digital Equipment Corporation and others invent the mini-computer. IBM dismisses the mini-computer as too small to do serious computing, and therefore unimportant to their business. DEC grows to be a multi-hundred million dollar company before IBM enters the mini-computer market.' Steve pauses again.

"It is now ten years later, the late seventies. In 1977, Apple Computer, a young fledgling company, on the West Coast, introduces the Apple II, the first personal computer as we know it today. IBM dismisses the personal computer as too small to do serious computing, and therefore unimportant to their business,' Steve intoned sarcastically, as the crowd applauds.

"The early 1980s. 1981 - Apple II has become the world's most popular computer, and Apple has grown to a \$300 million corporation, becoming the fastest growing company in American business history.

"With over 50 companies vying for a share, IBM enters the personal computer market in November of 1981, with the IBM PC.' Steve is speaking very quickly now, picking up momentum.

"1983. Apple and IBM emerge as the industry's strongest competitors, with each selling approximately one billion dollars worth of personal computers in 1983. The shakeout is in full swing. The first major personal computer firm goes bankrupt, with others teetering on the brink. Total industry losses for 1983 overshadow even the combined profits of Apple and IBM." "He slows down, speaking emphatically. 'It is now 1984. It appears that IBM wants it all. Apple is perceived to be the only hope to offer IBM a run for its money. Dealers, after initially welcoming IBM with open arms, now fear an IBM dominated and controlled future and are turning back to Apple as the only force who can ensure their future freedom.'

"Steve pauses even longer, as the crowd's cheering swells. He has them on the edge of their seats. 'IBM wants it all, and is aiming its guns at its last obstacle to industry control, Apple. Will Big Blue dominate the entire computer industry? The entire information age? Was George Orwell right?'

"The crowd is in a frenzy now, as the already famous *1984* commercial, which was shown for the first and only time during the Superbowl two days before, fills the screen, featuring a beautiful young female athlete storming into a meeting of futuristic skinheads, throwing a sledge-hammer at Big Brother, imploding the screen in a burst of apocalyptic light. By the time the commercial is finished, everyone in the auditorium is standing and cheering.

"Steve describes the Macintosh as the third industry milestone product, after the Apple II and the IBM PC. 'Some of us have been working on Macintosh for more than two years now, and it has turned out insanely great!'

"All this time, a lone Macintosh has been sitting in its canvas carrying case near the centre of the stage. Steve walks over to the bag and opens it up, unveiling the Mac to the world for the very first time. He pulls it out and plugs it in, inserting a floppy, and the demo begins to run, flawlessly. The Macintosh becomes the first computer to introduce itself, speaking in a tremulous voice:

'Hello, I am Macintosh. It sure is great to get out of that bag!

'Unaccustomed as I am to public speaking, I'd like to share with you a maxim I thought of the first time I met an IBM mainframe: Never trust a computer that you can't lift!

'Obviously, I can talk, but right now I'd like to sit back and listen. So it is with considerable pride that I introduce a man who has been like a father to me ... Steve Jobs!'

"Pandemonium reigns as the demo completes. Steve has the biggest smile I've ever seen on his face, obviously holding back tears as he is overwhelmed by the moment. The ovation continues for at least five minutes before he quiets the crowd down.

"The rest of the meeting was an anti-climactic blur, as Steve ran through some marketing material and introduced new versions of the Lisa. He showed a slide-show tribute to the Mac team, with voice-overs from the most important contributors.

"Finally, he turned the meeting back to Al Eisenstadt, to announce the shareholder tallies and complete the formal portion of the shareholders' meeting.

"Every member of the audience was given a copy of the first issue of *MacWorld* magazine, with Steve on the cover, as they departed. Most of the Mac team hung around near the stage, congratulating each other, waiting for the crowd to disperse."

Another team member continues the story. "A little bit later, after we returned to Bandley 3, we were surprised by a large Apple truck that pulled up in the parking lot near the back of the building. It contained 100 brand new Macintoshes, one for each member of the team, personalised with a little plaque on the back. Steve presented one at a time to each team member with a handshake and a smile as the rest of us stood around cheering.

"We were so keyed up that it was impossible to get back to work that afternoon, but most of us didn't want to go back home, either. The Macs were supposed to go on sale that very day, immediately following the introduction. I thought that it would make it more real to me if I actually could go out and buy one, so five or six of us walked to the nearest Apple dealer, to see if that was possible.

"The first, closest dealer didn't have any units in stock, and said that they weren't for sale yet, but we didn't give up, and the next dealer was willing to sell me one, even though he didn't have any units in yet either."

#### The cult of Apple

The Apple brand and mission statement stems all the way from Steve Jobs to the community with its idea and slogan 'Think Different'. The terms 'conventional wisdom' and 'status quo' are blasphemous to the character of Apple.

According to *Business Insider*'s Steve Tobak, the culture of Apple is revealed through ten different principles guiding their mission:

Empower employees to make a difference.

Value what's important, not minutiae.

Love and cherish the innovators.

Do everything important internally.

Get marketing.

Control the message.

Little things make a big difference.

Don't make people do things, make them better at doing things.

When you find something that works, keep doing it.

Think different.

Seemingly, each of these principles defines not only the company's goals, but it defines the mindset of the Apple community.

The death of Jobs clearly affected many members of the cult of Apple, as was evidenced by many memoirs and tributes.

The loss felt by Apple enthusiasts was real. That is because they have invested in their relationship with Apple as a company and an ideal, and Jobs was the human face of that ideal.

A sign left at the memorial outside one Apple Store featured a message saying, 'Keep Thinking Different'. Other notes amplified that theme of the cult of Apple as representing a form of individualistic self-identity.

Another thanked Steve for 'changing the world for good'. Many of the messages followed the latter theme, emphasising Jobs as a prophet of technology who changed the world for the better. For adherents of the cult of Apple who created these shrines, Apple as an ideal and Jobs' innovation in particular represented a world changing and shaping force. They mourned his death just as followers of any other prophet would.

#### Keep it simple and user friendly

From the beginning, Apple deliberately sought to minimise by design the user's conceptual awareness of the operating system.

On a Macintosh, tasks that on other products required a more explicit working knowledge of an operating system would be accomplished by intuitive mouse gestures and manipulation of graphical control panels.

The intention was that the product would thus be more user-friendly and so more easily mastered. This would differentiate it from devices using other operating environments, such as MS-DOS machines, which were more technically challenging to operate.

The core of the system software was held in ROM, with updates (which would override ROM-resident portions in RAM) typically provided free of charge by Apple dealers on floppy disk. The user's involvement in an upgrade of the

operating system was also minimised to running an installer, or simply replacing system files, the simplicity of which again differentiated the product from other offerings.

"There are two ways of constructing a software design: one way is to make it so simple that there are obviously no deficiencies, and the other way is to make it so complicated that there are no obvious deficiencies. The first method is far more difficult."

Tony Hoare

#### Steve Jobs and computer design

Apple team member Andy Hertzfeld recounts Jobs' methodology for designing a computer housing:

"In March 1981, I had been working on the Mac team for only a month. I was used to coming back to the office after dinner and working for a few hours in the evening. Even though many of the early Mac team members usually worked late, and we often went out to dinner together, I was by myself one evening when I returned to Texaco Towers after dinner around 8pm. As soon as I entered the building, I heard loud voices emanating from Bud's office, which was adjacent to mine, apparently engaged in a spirited discussion.

"It's got to be different, different from everything else."

"I recognised Steve Jobs' voice before I saw him as I passed by the door of Bud's office. He was standing near the doorway, near our only working prototype, conversing with someone who I didn't recognise, that Steve introduced to me as James Ferris, Apple's director of Creative Services. 'James is helping me figure out what the Mac should look like,' he told me.

"The plan of record for the Macintosh industrial design was still the one conceived by Jef Raskin, which chose a horizontally oriented, lunch-box type shape, with the keyboard folding up into the lid of the computer for easy transportability, kind of like the Osborne I, which we weren't aware of at the time. But Steve had a real passion for industrial design, and he never seriously considered following Jef's recommendations.

"I went into my office and started to program, working on improving the code that drove the serial link between the Mac and Lisa, at Bud's request. But I couldn't help but overhear the passionate discussion taking place next door between Steve and James Ferris. For some reason, they were talking about cars.

"We need it to have a classic look, that won't go out of style, like the Volkswagen Beetle', I heard Steve tell James.

"No, that's not right.", James replied. 'The lines should be voluptuous, like a Ferrari.'

"Not a Ferrari, that's not right either', Steve responded, apparently excited by the car comparison. 'It should be more like a Porsche!' Not so coincidentally, in those days Steve was driving a Porsche 928.

"I thought it was kind of pompous to compare computers with sports cars, even metaphorically. But I was impressed with Steve's passion for elegance in the industrial design and his powers of discrimination continually amazed me as the design took shape.

"Steve recruited Jerry Manock to lead the industrial design effort. Jerry was the early Apple employee who had designed the breakthrough plastic case for the Apple II, initially as a contractor before signing up as an employee. For the Macintosh, Jerry recruited a talented designer named Terry Oyama, to do most of the detailed drafting of the actual design. The hard tooling for the plastic case was the component with the longest lead time, so we had to get started right away.

"A week or so after the car conversation, Steve and Jerry decided that the Macintosh should defy convention and have a vertical orientation, with the display above the disk drive instead of next to it, in order to minimise desktop footprint, which also dictated a detachable keyboard. That was enough of a direction for Terry to draft a preliminary design and fabricate a painted, plaster model.

"We all gathered around for the unveiling of the first model. Steve asked each one of us, in turn, to say what we thought about it. I though it was cute and attractive, looking a lot like an Apple II, but with a distinctive personality all its own. But, after everyone else had their say, Steve cut loose with a torrent of merciless criticism.

"It's way too boxy, it's got to be more curvaceous. The radius of the first chamfer needs to be bigger, and I don't like the size of the bezel. But it's a start.

"I didn't even know what a chamfer was, but Steve was evidently fluent in the language of industrial design, and extremely demanding about it. Over the next few months, Jerry and Terry iterated on the design. Every month or so, there was a new plaster model. Before a new one was unveiled to the team, Jerry lined up all of the previous ones, so we could compare the new one with past efforts. One notable improvement was the addition of a handle at the top of the case, to make it easier to carry. By the fourth model, I could barely distinguish it from the third one, but Steve was always critical and decisive, saying he loved or hated a detail that I could barely perceive.

"At one point, when we were almost finished, Steve called up Jerry over the weekend and told him that we had to change everything. He had seen an elegant new Cuisinart at Macy's on Saturday, and he decided that the Mac should look more like that. So Terry did a whole new design, based around the Cuisinart concept, but it didn't pan out, and soon we were back on the old track, after a one-week diversion.

"After five or six models, Steve signed off on the design, and the industrial design team shifted gears to do the laborious engineering work necessary to convert the conceptual model into a real, manufacturable plastic case. In February 1982, it was finally time to release the design for tooling. We held a little party, complete with champagne to celebrate sending off the design into the world, the first major component of the Macintosh to be completed."

#### Eclectic tastes, colourful backgrounds and power supply

Both Jobs and Wozniak were people with eclectic tastes and colourful backgrounds. However, some of the people they brought on board at Apple made the two of them look like straight-laced squares.

For instance, when it came time to design the power supply for the early Apples, they tracked down the best power supply designer in the business, Rodney Holt, a motorcycle-riding graduate-school math major with a strong interest in Marxist-Leninist doctrine.

Holt's colourful CV included finding graduate work in mathematics at Ohio State which he found lonely. "It was like playing chess with yourself."

Before joining Apple he edited a free-speech newspaper, and explored the private jealousies of radical-left splinter groups. He became national treasurer for the student portion of the National Coalition Against the War in Vietnam and was invited by a small New York publisher to write a book about the Logic of Marxism.

# Park different

Steve Jobs was renowned for regularly parking his Mercedes in a handicapped space, sometimes taking up two spaces. The pattern became so noticeable that employees put notes on his windshield that read, 'Park different'.

Jobs' fabled attitude toward parking, reflected his approach to business. For him, the regular rules did not apply.

Apple folklore has it that as a prank Steve Wozniak called the police to look at Jobs' parking practices and have his car towed away. However, it turned out the parking spaces were not properly marked as handicapped spaces so the police could do nothing.

A blogger once published a photo of Jobs' silver Mercedes in the Apple parking lot. The car had no rear licence plate, and there was a barcode sticker inside the frame.

Where were Jobs' licence plates? According to *Fortune* magazine he left the plates off to avoid parking tickets. Jobs once said the missing plates were a sort of game to him.

### American business practices, they are very strange

At one stage a team of people at Apple were working on a project they wanted to keep secret from Steve Jobs until it was a proven success.

This entailed frequent meetings with two different Japanese suppliers.

It wasn't that hard to do in Japan, since Jobs didn't go along, but it got a little awkward when Japanese employees had to visit Apple in California.

A young Japanese engineer (Kamoto-san) was sent to Apple to work out the modifications that were required. He was sitting in an Apple employee's cubicle when they suddenly heard Jobs' voice as he unexpectedly strode into the software area.

They knew that Jobs would wonder who Kamoto-san was if he saw him. Thinking quickly, they immediately tapped Kamoto-san on his shoulder, and spoke hurriedly, pointing at the nearby janitorial closet. "Dozo, quick, hide in this closet. Please! Now!"

Kamoto-san looked confused but he got up from his seat and hurried into the dark janitorial closet. He had to stay there for five minutes or so until Jobs departed and the coast was clear. The Apple employees apologised to Kamoto-san for their unusual request. "No problem," he replied. "But American business practices, they are very strange. Very strange."

#### How to hire

One day in a conference room populated with about 25 members of the Mac team, Jobs was lecturing on how to hire.

"A players hire A players," he said. "B players hire C players. Do you get it?"

Apparently not. Somebody in the back of the room raised his hand and asked, "So how do you hire more B players?"

#### Apple marketing and evangelism

For a special post-election edition of *Newsweek* in November 1984, Apple spent more than \$2.5 million to buy all 39 of the advertising pages in that issue. Apple also ran a 'Test Drive a Macintosh' promotion, in which potential buyers with a credit card could take home a Macintosh for 24 hours and return it to a dealer afterwards.

While 200,000 people participated, dealers disliked the promotion, the supply of computers was insufficient for demand, and many were returned in such a bad shape that they could no longer be sold.

This marketing campaign caused the then CEO John Sculley to raise the price from US\$1,995 to US\$2,495.

Two days after the *1984* ad aired, the Macintosh went on sale. It came bundled with two applications designed to show off its interface: MacWrite and MacPaint. Although the Mac garnered an immediate, enthusiastic following, it was too radical for some, who labeled it a mere toy.

Macintosh also spawned the concept of 'Mac evangelism' which was pioneered by Apple employee, and later Apple Fellow, Guy Kawasaki.

On the day Steve Jobs died, Kawasaki was scheduled to make a training presentation but after the shock of learning of Jobs' death he commenced his training presentation with these reminiscences of Jobs.

"When I saw what a Macintosh could do, the clouds parted and the angels started singing. For four years I evangelised Macintosh to software and hardware developers and led the charge against world-wide domination by IBM," Kawasaki says. "My job as evangelist at Apple when I joined in 1983 was to meet with software developers and hardware companies and convince them to create Apple compatible products.

"In those days Apple had the greatest collection of egomaniacs in the history of California which is really saying something. The closest I can come to describing what it was like to work there, is being paid to go to Disneyland.

"The Macintosh division was on a mission from Steve - as opposed to God to prevent worldwide domination of information by IBM. We looked on IBM as the enemy. Our stance was if IBM ruled the world it would be boring, totalitarian in the mould of George Orwell, an ugly society of mediocracy, full of conformance and thought control, with Apple ready to take an axe to big brother.

"There was a religious fervour in the sense that we were fighting a mighty opposite in IBM, the totalitarian main-frame company.

"Someone put a pirate flag above the building we worked in, because we were going to be pirates and take on the establishment.

"This was Steve's division and we worked very hard because we truly thought we were on a mission to improve people's creativity and productivity and prevent totalitarianism, primarily by IBM.

"It was a great place to work because we were going to change history. I can't tell you how euphoric we were with our mission to change the world.

"One of the most enchanting moments of my life was the first product launch I was involved in at Apple in 1984. It featured Steve wearing a black, double-breasted suit and a bow tie, not the turtle neck jumper of later years.

"We had a very successful launch. The goal was to sell 250,000 Macs in the first 100-days, which we achieved.

"In those days as developers and marketers we told three stories. There was a very rich technological environment, there was a rich programming environment, and there was a financial environment that included affordability. We were going to bring personal computers to people who had never used a computer before.

"What appealed to developers was the richness of the Apple software, created by engineers and nerds - not marketing people. That was what sucked people in, albeit in a very challenging environment. "After these successes we went through what I call the wonder years. We wondered when there would be new software. We wondered when we would turn the corner.

"During this difficult period Steve hired John Sculley, a decision that ultimately saw Steve leave the company.

"In 1995 I returned to Apple as an Apple Fellow. At the time, according to the pundits, Apple was supposed to die. (Apple should have died about ten times in the past 20 years according to the pundits.) My job on this tour of duty was to maintain and rejuvenate the Macintosh cult.

"Steve Jobs also returned to Apple around this time and his introduction of the innovative iMac with an industrial design that came in a range of bright colours rekindled people's enthusiasm for Apple products.

"Steve Jobs was the greatest influence in my life. From him I learnt an appreciation of design, an appreciation of elegance and simplicity. I learnt how far you can push people. I learnt how you can get the best out of people by motivating them with great challenges.

"Steve was not a warm and fuzzy kind of guy, but he got the best out of people. He could drive you crazy because the trash can icon did not look right, or a certain shade of black was not black enough.

"I considered it an honour to work for him. No matter how you feel about Apple, Steve Jobs created affordable personal computing and standards for other computer manufactures to emulate as well standards for smart phones and other products.

"A lot of companies and their CEOs are lucky to create one revolutionary product - Steve Jobs created four or five.

"If you look at the history of business CEOs I don't think there is anyone who has done more for their employees, their shareholders and their customers.

"The world is lot worse off without Steve Jobs. May he rest in peace. What a job he did for many, many people.

"His Apple products have made many people more productive and brought joy and enchantment to their lives."

Despite initial marketing difficulties, the Macintosh brand was eventually a success for Apple. This was due to its introduction of desktop publishing (and later computer animation) through Apple's partnership with Adobe Systems which introduced the laser printer and Adobe PageMaker. In due course the

Macintosh would become known as the de-facto platform for many industries including cinema, music, advertising, publishing and the arts.

#### **Bo Jobs**

Apple folklore has it that a book editor in New York had worked on a project with Bo Derek before she moved to California.

One night when she was having dinner with Jobs, Bo's name came up - as did the trivial information that Bo was a heavy duty computer jockey, albeit of the IBM persuasion.

Jobs took this as a personal challenge; he was going convert Bo to a Mac user - and who knew what else. Clearly the computer could be a foot in the door, so Jobs persuaded the book editor to make him an appointment with Bo.

One day shortly thereafter, Jobs piled into his Mercedes, along with a Mac, and drove down to Bo's Santa Barbara ranch, which she shared with her husband John Derek. Bo was cordial but unimpressed; she accepted the computer but remained a PC user. Apparently she did not find Jobs as dashing as he expected she would.

Several weeks later, Jobs was complaining to the book editor about the lacklustre impression he had made. "Look," she told him, "she's married. And besides, I don't know any woman who would want her name to be Bo Jobs."

#### **Computer designers as artists**

Jobs encouraged the Mac designers to think of themselves as artists. In the spring of 1982, he took the entire Mac team on a field trip to a Louis Comfort Tiffany exhibition in San Francisco, because Tiffany was an artist who was able to mass produce his work, as Mac designers aspired to do.

Jobs even had his Mac designers individually sign the interior of the Macintosh case, like artists signing their work, encouraging each one of them to feel personally responsible for the quality of the product.

Steve Jobs was a perfectionist and could focus on the smallest detail. To an engineer, the detail might seem insignificant. But to Jobs, if that detail didn't meet his approval it was a show stopper. He wasn't shy about expressing his opinion and could even end a project meeting early if something struck him as being wrong.

Jobs would heap praise on employees who got results. However, the same employee who might be applauded one day could get chewed out the next day. Apple employees who worked with Jobs have said that they did some of their best work for him but that the experience was gruelling.

Jobs could be abrasive. Sometimes, he used an aggressive approach to test employees. He would listen to those who could defend their work or point of view. Those who couldn't, he would dismiss - sometimes literally.

He may even have used sharp criticism to encourage employees to work harder, knowing that he was feeding on their own insecurities. It got results but it probably wasn't the most pleasant work environment.

Jobs' approach may not have complied with leadership manuals, but in the end Apple produced some of the most successful electronics for the consumer market ever to hit store shelves.

And despite his reputation for being harsh and demanding, Jobs earned the devotion and admiration of many of his employees. Like other visionaries before him, the reality of Steve Jobs might just be larger than the myth.

#### The Steve Jobs dress code

Steve Jobs almost always wore a black mock turtleneck and jeans - at least in public, and at least since 1992.

Why? Jobs never said, though we can speculate. The outfit looked comfortable. Most people do their best work after they loosen their ties or take off their heels. Or Jobs may have done it to save time, since he was undoubtedly busy.

Although he wore the outfit while at NeXT Computer, Jobs could have made it his uniform for Apple. It made Jobs and his products easy to identify. One commentator suggested that the simple, straightforward outfit could send the message that Jobs used his creativity elsewhere. Or Jobs, like his products, may merely have favoured a simple interface.

One pundit even suggested that Jobs' turtleneck was wired for Internet access, as part a new line of iNecks. Perhaps the turtleneck reflected Jobs' attitude toward buttons: First, he removed them from his shirt, and then his company came out with the iPod and iPhone.

Jobs didn't wear the outfit inflexibly though. He changed when it was appropriate. He wore a suit to the 2001 MacWorld Expo in Tokyo and wore tuxedos to the Academy Awards. He occasionally wore a white T-shirt and black vest to work, and its rumoured that he even owned a white turtleneck

# Some Apple trivia

Apple Computer actually had three co-founders: Jobs, Wozniak and Ronald Wayne. Wayne who was around 20-years older than the other two pulled out of the company less than two weeks after its founding after being a party to a loan agreement.

Ronald Wayne must surely have nightmares about the fortune he missed out on.

In 2011 an original Apple contract, dated April Fool's Day, 1976, signed by Jobs, Wozniak and Wayne, fetched a staggering \$1.6 million at auction - roughly 1,000 times the amount Wayne received to forfeit all claims to the company. The two Steves' signatures are downright childlike, compared to Wayne's barely legible scribbles.

Wayne now lives about 100-kilometers outside of Las Vegas where he is known as, 'a bit of a recluse.'

Did you know that the Macintosh user experience is credited with popularising the graphical user interface?

Media reports in December 2011 reported that Apple had \$81 billion (yes billions) in cash and investments; a large proportion of this money was held by its overseas subsidiaries. Its share price has almost tripled in recent years. At the time of publication, to buy just one Apple share would cost around \$600.

When Jobs returned to the company in the spring of 1997, Apple was reportedly on the brink of bankruptcy.

According to the research company Millward Brown, the Apple brand makes up more than half the company's \$550 billion book value.

Apple has more than 60,000 employees and there are more than 350 Apple stores around the world.

Apple is now the largest company in the world by market capitalisation, ahead of Exxon Mobil. Apple has more balance sheet cash than any public company, while paying a dividend yield of exactly zero. When Steve Jobs was asked why the company pays no dividends, he stated that the huge cash hoard represented a kind of security blanket for Apple - a quick and easy way to make acquisitions should the need arise or to develop new products through long-term R&D projects

"We know if we need to acquire something, a piece of the puzzle to make something big and bold, we can write a cheque for it and not borrow a lot of money and put our whole company at risk. The cash in the bank gives us tremendous security and flexibility."

Before the Macintosh, all computers were 'text-based' - you operated them by typing words onto the keyboard. The Macintosh was run by activating pictures (icons) on the screen with a small hand-operated device called a mouse. Most modern-day computers now operate on this principle, including modern Apple computers and most others which run the Microsoft Windows operating system.

In hindsight some of Apple Computers first attempts at advertising are hilarious to look over. Verbatim copy from a full page 1976 Apple ad: "Our philosophy is to provide software for our machines free or at minimal cost."

The case of the Apple I was made out of wood, created by a local cabinetmaker. The startup version of the Apple I came as a printed circuit board, completely ready to go with the chips in place. All you had to do was add a power supply, keyboard, case, television monitor, and cables.

Did you know that early Apple computers (the Apple II) had a very small 9" (23cm) screen and came with a canvas carry bag?

Did you know that in return for the right to buy \$1,000,000 of pre-IPO stock, Xerox granted Apple Computer three days access to their PARC (Palo Alto Research Center Incorporated) facilities? After visiting PARC, they came away with new ideas that would complete the foundation for Apple Computer's first GUI computer, the Apple Lisa. When the first Macintosh computer was introduced by Jobs in January 1984 it was the first commercially successful personal computer to feature a mouse and a graphical user interface rather than a command-line interface.

Did you know that one version of Microsoft Windows was so good that Apple filed a monumental copyright lawsuit against Microsoft in 1988, but they eventually lost on a technicality.

The judge ruled that Apple inadvertently gave Microsoft a perpetual license to the Mac user interface in November 1985.

When Apple registered the Apple.com domain name, on 19 February, 1987, it was one of the first hundred companies to register a .com address on the nascent Internet?

Did you know that the 1991 Apple PowerBook became a landmark product that established the modern form and ergonomic layout of the laptop?

In addition to his work at Apple, Jobs was also a member of Disney's board and its largest shareholder, thanks to the sale of Pixar to the Mouse House in January 2006.

Jobs sold Pixar, the animation studio he acquired in 1986, to Disney in 2006 for \$7.4 billion.

Even before its purchase of Pixar, Disney and Apple enjoyed a close relationship. Disney was one of the first studios to support the iTunes video store and the two companies frequently marketed their products together throughout the 1990s.

Pixar films frequently carry homages to Apple, including the startup sound in *WALL-E* and the white iMac (complete with the Safari web browser) in *Toy Story 3*.

Jobs might not be primarily considered a Hollywood mogul, but the success of Pixar made him a force to be reckoned with.

When he died he left a fortune of almost \$2 billion dollars.

*Fortune* magazine named Apple the most admired company in the United States in 2008, and the most admired company in the world in 2008, 2009, 2010, 2011.

Apple's (AAPL) share price has averaged a 1% gain each week for eight-and-ahalf years.

#### **Meeting Bill Gates**

"Apple had already learned the value of having a thriving third party software market with the Apple II, whose sales increased more than ten-fold when Visicalc, developed by a tiny company called Software Arts, caught on in the business market. The Macintosh intended to replicate the success of the Apple II as an industry standard platform, so it was very important to bring third party developers into the picture as soon as possible," former Apple employee Andy Hertzfeld recounts.

"Microsoft was an obvious choice for one of the first companies for us to talk to. Both companies were started around the same time during the infancy of the personal computer industry, and they already had a business relationship, since Apple licensed Microsoft's Applesoft Basic for the Apple II.

"Steve had mentioned the Macintosh project to Bill at an industry conference in April, which led to a meeting in Seattle in June, where Steve spun an intriguing vision of pumping out Macintoshes by the millions in an automated factory. The plan was for Microsoft to develop a series of applications for the Macintosh, to be ready at launch. Things went well enough to schedule a meeting in Cupertino in July, where we promised a demo of the actual machine.

"Unfortunately, there was one small snag. We were using the Lisa as the development machine for writing the software for Macintosh, and we hadn't yet reached the point where the Macintosh could run stand-alone. The Macintosh needed to be hooked up to a Lisa, in order to download software from it. But the Lisa group was writing all of its own applications for Lisa and didn't want Microsoft to see a Lisa. They made us promise that we wouldn't let Microsoft see the Lisa.

"We finally came up with a solution where we'd use a 25 foot cable and keep the Lisa in a different room that the Microsoft guys weren't allowed to enter. I would start up the programs on the Lisa in the other room, and Bud Tribble would operate the Macintosh. I would usually run into the main room to see their reaction.

"Bill Gates showed up in the early afternoon with three other colleagues: Charles Simonyi, who had recently joined Microsoft from Xerox PARC, Jeff Harbers, who would manage the Macintosh development team, and Mark Matthews, who was to be the technical lead on the project. They crowded around the prototype, and we started to run our various demos for them, with Steve doing most of the talking.

"You could tell that Bill Gates was not a very good listener - he couldn't bear to have anyone explain how something worked to him - he had to leap ahead instead and guess about how he thought it would work.

"We showed him how the Macintosh mouse cursor moved smoothly, in a flicker-free fashion.

"'What kind of hardware do you use to draw the cursor?', he asked. Many current personal computers had special hardware to draw small bitmaps called 'sprites', and he thought we might be doing something similar.

"Of course, the Macintosh didn't use any special hardware at all. It did everything in software, which was more flexible anyway, during the vertical blanking interval to eliminate the possibility of flicker. In fact, Burrell and I had recently gotten a mouse to run smoothly on an Apple II, using a similar technique.

"'We don't have any special hardware for it!' I blurted out, probably with a proud sneer in my voice. In fact ... I was about to mention that we got it running on an Apple II, which had one-tenth the processing horsepower of a Macintosh, when Steve guessed what I was about to say.

"'Shut up!', he yelled as loud as he could, looking directly at me. He yelled it again, possibly trying to drown me out in case I kept on going. But I understood what he wanted, changing what I was going to say. In fact, doing it in software is better anyway.

"The rest of the demo went pretty well, and both teams shared their excitement about how the Macintosh was going to take the industry to another level. We went out to dinner at a fancy restaurant in Los Gatos to celebrate working together, and we agreed to a framework of a deal where we would give them a stand-alone Mac prototype to develop with in the Fall (Autumn). We were very excited to be working with a third-party company that seemed to understand and appreciate what we were doing."

#### **Steve Jobs and Bill Gates**

Did you know that Bill Gates and Steve Jobs were born in the same year and shared a similar vision for the potential of personal computers.

Jobs and Gates were the founders of the personal computing revolution and although they displayed great mutual respect, over the years the competitors frequently took potshots at one another.

Each one thought he was smarter than the other one, but Steve generally treated Bill as someone who was slightly inferior, especially in matters of taste and style.

Bill looked down on Steve because he couldn't actually program. Jobs said Gates was 'unimaginative' and hadn't invented anything.

While holidaying in Sydney with his family in late 2011 after the death of Jobs, Gates said Jobs was 'brilliant' and he enjoyed working with him on Mac software and also competing with him, but, "because the Microsoft machines outsold his machines by a lot he was always kind of tough on Microsoft, but that's fine, he was a brilliant person."

According to Gates, Jobs was driven by the fact that, "Microsoft machines outsold his machines by a lot."

Steve Ballmer, who has been Microsoft's CEO since taking over from Gates in 2000, is widely considered to have missed the significance of what Jobs dubbed the 'post-PC era' and Microsoft is now considered an also-ran in smartphones, tablets and music players.

Gates may be just as culpable as Ballmer for missing the new era in computing as he has been quoted questioning the viability of Apple devices like the iPod and iPad.

"Our work at Microsoft was super successful for all good reasons but Steve made huge contributions and in his last few years was a lot kinder but over the years he did say some tough things," Gates said.

Gates' approach – to licence his software to all computer makers – contrasted sharply with Jobs' philosophy of controlling the entire user experience from top to tail.

Gates' method saw Windows dominate the PC industry but the Jobs philosophy is proving powerful in the smartphone and tablet era.

Gates has previously said of Apple's closed model: "The integrated approach works well when Steve was at the helm. But it doesn't mean it will win many rounds in the future."

Jobs said of Gates' open model: "Of course his fragmented model worked, but it didn't make really great products. It produced crappy products." Gates has previously described Jobs as "fundamentally odd" and while recognising his mesmerising effect on people, described him as "weirdly flawed as a human being."

Jobs, who went on a journey of spiritual enlightenment in his younger years, said Gates would "be a broader guy if he had dropped acid once or gone off to an ashram when he was younger."

Jobs' harshest criticisms of Gates came during an interview with his biographer, Walter Isaacson.

"Bill is basically unimaginative and has never invented anything, which is why I think he's more comfortable now in philanthropy than technology. He just shamelessly ripped off other people's ideas."

Jobs had previously complained that Gates stole the idea of bringing a mouse-operated graphical user interface to Windows after seeing it on the original Macintosh.

"They just ripped us off completely, because Gates has no shame," Jobs said in the biography. To which Gates replied, "If he believes that, he really has entered into one of his own reality distortion fields."

When asked about Jobs' technical ability, Gates has said: "Don't you understand that Steve doesn't know anything about technology? He's just a super salesman."

Interestingly in an internal email that recently surfaced, Gates was more charitable: "Steve Jobs' ability to focus in on a few things that count, get people who get user interface right, and market things as revolutionary are amazing things."

When Jobs and Gates appeared on stage together in 2007 in a rare joint interview, Gates quipped: "I'd give a lot to have Steve's taste."

# **Steve Jobs and Mark Zuckerberg**

Mark Zuckerberg says he asked Steve Jobs how to build a high-quality team and great products, but denies Apple and Facebook ever talked about an acquisition.

In a recent interview Zuckerberg's relationship with Steve Jobs was discussed.

"I had a lot of questions for him on how to build a team around you," Zuckerberg says in response to one question. "That's focused on building as high quality and good things as you are. How to keep an organisation focused, right, when I think the tendency for larger companies is to try to fray and go into all these different areas."

Zuckerberg professed respect for Apple because, like Facebook, it is out to build a company that will change the world rather than fatten the bottom line. Zuckerberg was asked whether or not the two companies had ever talked about an acquisition.

#### Steve Jobs talks about his rivals

Apparently an interview on the US 60 Minutes TV show edited out some of the more interesting moments when Steve Jobs talked about his rivals.

Jobs was withering in his assessment of Google and Microsoft, but he expressed respect for Facebook and founder Mark Zuckerberg.

"We talk about social networks in the plural," Jobs said, "but I don't see anybody other than Facebook out there. Just Facebook, They are dominating this. I admire Mark Zuckerberg ... for not selling out, for wanting to make a company. I admire that a lot."

Jobs didn't have such nice things to say about Google or Microsoft. He was angry at Google for what he saw as its attempt to copy the iPhone with Android.

When Larry Page became Apple CEO Jobs agreed to meet with him to give him some advice: "Don't be like Microsoft with products all over the map, focus. And don't try to be too nice as a CEO."

Jobs' relationship with Bill Gates goes back the furthest and is the most complicated. The two PC era pioneers met one last time near the end of Jobs' life and talked for several hours.

Gates told Jobs that he proved his model of controlling computer products from end to end works.

Jobs said that Microsoft's model of licensing out the OS to other manufacturers worked as well.

Only later did Gates relate to the *60 Minutes* interviewer: "What I didn't tell Steve is that it only works when you have a Steve Jobs." When the interviewer asked Jobs if he really thought the Microsoft model works, Jobs replied: "Yeah, it works, but only if you don't mind making crappy products."

#### **The Apple Campus**

The Apple headquarters facility located in Cupertino, California is referred to as a campus because its design resembles the campus of a university, with the buildings arranged around green spaces.

The campus occupies 13 hectares (130,000 m<sup>2</sup>) in six buildings spread over four floors. Each building is numbered with one digit on the private U-shaped street Infinite Loop, named after the programming concept of an infinite loop.

Apple controls more than 31 hectares (310,000 m<sup>2</sup>) for its activities in the city of Cupertino. This represents almost 40% of the office space and facilities for research and development available in the city.

With return of Steve Jobs to Apple in 1997, changes were made to the campus: Apple increased the number of occupied buildings, and many activities not related to R&D were moved to the buildings on Infinite Loop, at which point they began to be referenced by their IL # designations.

Jobs left additional marks on the campus, for example, banning employees' pets and dramatically improving the cafeteria menu.

In April 2006, Jobs announced to the city council of Cupertino that Apple had acquired nine contiguous properties to build a second campus in the city one mile east of the old campus. Apple has had a presence in Cupertino since one year after its founding in 1976, which is why the company decided to build in the area rather than move to a cheaper location. When completed it is expected that the centralised campus will house some 13,000 employees.

In June 2011, Steve Jobs gave a presentation to Cupertino City Council, detailing the architectural design of the new building and its environs. The new campus, on a site now totaling 175 acres (0.71 km<sup>2</sup>), is planned to house up to 13,000 employees in one central four-storied circular building of approximately 260,000 m<sup>2</sup>, including a café for 3,000 sitting people, surrounded by extensive landscape (with parking mainly underground and the rest centralised in a parking structure).

Other facilities include a 1,000 seat auditorium, 28,000m<sup>2</sup> of R&D facilities, a fitness centre and a dedicated generating plant as primary source of electricity powered by natural gas and other more environmentally sound means.

As Jobs stated, "It's got a gorgeous courtyard in the middle - and a lot more. It's a circle, so it's curved all the way round. This is not the cheapest way to build something. Every pane of glass in the building is curved. The existing ratio of built-up area to landscaping on the site is 80:20, but the new ratio will be 20:80, that is, 80% of the site area will be greenery."

#### **Dinner with the President**

In mid-February 2011 Steve Jobs joined President Obama and other Silicon Valley technology leaders at a dinner in Woodside, California.

Those attending the dinner included Facebook founder Mark Zuckerberg, Google Chief Executive Eric Schmidt, Twitter CEO Dick Costolo, Oracle chief Larry Ellison, and technology leaders.

Photographs of the event show Jobs to the immediate left of the president, with Zuckerberg to the right.

A statement released by the White House on the night detailed the event:

"This evening, the President joined 12 leaders from technology companies to discuss ways to work together to invest in American innovation and promote private sector job growth.

"In the President's State of the Union Address, he called on us to win the future by out-innovating and out-educating the rest of the world and increasing American competitiveness. The President believes that American companies like these have been leading by investing in the creativity and ingenuity of the American people, creating cutting-edge new technologies and promoting new ways to communicate.

"The President specifically discussed his proposals to invest in research and development and expand incentives for companies to grow and hire, along with his goal of doubling exports over five years to support millions of American jobs.

"The group also discussed the importance of new investments in education and the new White House initiative Startup America, a partnership with the private sector aimed at supporting new startups and small businesses.

"The President expressed his desire to continue a dialogue with the group to share new ideas so we can work as partners to promote growth and create good jobs in the United States."

#### **The Macintosh Spirit**

"Enthusiasm is contagious, and a product that is fun to create is much more likely to be fun to use. The urgency, ambition, passion for excellence, artistic pride and irreverent humour of the original Macintosh team infused the

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product and energised a generation of developers and customers with the Macintosh spirit, which continues to inspire more than 20 years later." *Andy Hertzfeld* 

# 3. Steve Jobs Turns Apple Around

This is about getting Apple healthy, this is about Apple being able to make incredibly great contributions to the industry and to get healthy and prosper again.

Steve Jobs

#### Apple's revenues, profits and share price

After Steve Jobs returned to Apple in 2005, Apple's revenues, profits, and share price grew significantly. On 26 May, 2010 Apple's stock market value overtook Microsoft's, and Apple's revenues surpassed those of Microsoft in the third quarter of 2010.

After giving their results for the first quarter of 2011 Microsoft's net profits of \$5.2 billion were lower for the quarter than those of Apple Inc., which earned \$6 billion in net profit for the quarter.

This was the first time in 20 years that Microsoft's profits had been lower than Apple's, and according to one industry source "this would have been unimaginable 10 years before."

*The Guardian* reported that one of the reasons for the change is because PC software, where Microsoft dominates, has become less important compared to the tablet PC and smartphone markets, where Apple has a strong presence.

#### Licensing the Mac OS

During 1995, a decision was made to (officially) start licensing the Mac OS and Macintosh ROMs to third party manufacturers who started producing Macintosh 'clones'.

This was done in order to achieve deeper market penetration and extra revenue for the company. This decision lead to Apple having over a 10% market share until 1997 when Jobs was re-hired as interim CEO to replace John Sculley.

Several computer manufacturers over the years made Macintosh clones capable of running Mac OS, notably Power Computing, UMAX and Motorola. These machines normally ran various versions of classic Mac OS.

Jobs promptly found a loophole in the licensing contracts Apple had with the clone manufacturers and terminated the Macintosh OS licensing program ending the Macintosh clone era.

The result of this action was that Macintosh computer market share quickly fell from 10% to around 3%

In 2008, a manufacturing company in Florida, Psystar Corporation, announced a \$499 clone that came with a barebones system that could run Mac OS X 10.5 Leopard. Threatened with legal battles, Psystar originally called the system OpenMac and then changed it to Open Computer. Apple filed a lawsuit with the company and asked that Psystar be ordered to stop producing clone systems, recall every system sold, and pay monetary damages.

Eventually, Apple prevailed in court, and the Open Computer's production was ceased. Psystar itself appears to be defunct now.

#### **Microsoft deal**

At the 1997 Macworld Expo, Steve Jobs announced that Apple would be entering into partnership with Microsoft. Included in this was a five-year commitment from Microsoft to release Microsoft Office for Macintosh as well a US\$150 million investment in Apple.

It was also announced that Internet Explorer would be shipped as the default browser on the Macintosh. Microsoft chairman Bill Gates appeared at the expo on-screen, further explaining Microsoft's plans for the software they were developing for Mac, and stating that he was very excited to be helping Apple return to success. After this, Jobs said this to the audience at the expo:

"If we want to move forward and see Apple healthy and prospering again, we have to let go of a few things here. We have to let go of this notion that for Apple to win, Microsoft has to lose.

"We have to embrace a notion that for Apple to win, Apple has to do a really good job. And if others are going to help us that's great, because we need all the help we can get, and if we screw up and we don't do a good job, it's not somebody else's fault, it's our fault.

"So I think that is a very important perspective. If we want Microsoft Office on the Mac, we better treat the company that puts it out with a little bit of gratitude; we like their software. So, the era of setting this up as a competition between Apple and Microsoft is over as far as I'm concerned.

"This is about getting Apple healthy, this is about Apple being able to make incredibly great contributions to the industry and to get healthy and prosper again."

#### The iMac

In 1998, a year after Steve Jobs had returned to the company, Apple introduced an all-in-one Macintosh called the iMac. Its translucent plastic case, originally

Bondi blue and later many other colours, is considered an industrial design landmark of the late 1990s.

The iMac proved to be phenomenally successful, with 800,000 units sold in just 139 days, making the company an annual profit of \$309 million

This was Apple's first profitable year since Michael Spindler took over as CEO in 1995.

The iMacs's blue and white aesthetic was then applied to a new product, the iBook. Introduced in July 1999, the iBook was Apple's first consumer-level laptop computer. More than 140,000 pre-orders were placed before it started shipping in September, and by October it was as much a sales hit as the iMac.

# Mac OS X

In 2001, Apple introduced Mac OS X, an operating system based on NeXT's NeXTstep and incorporating parts of the FreeBSD kernel. Aimed at consumers and professionals alike, Mac OS X married the stability, reliability and security of Unix with the ease of a completely overhauled user interface.

To aid users in transitioning their applications from Mac OS 9, the new operating system allowed the use of Mac OS 9 applications through the Classic environment. Apple's Carbon API also allowed developers to adapt their Mac OS 9 software to use Mac OS X's features.

#### iMac, iBook, and Power Mac G4

While discontinuing Apple's licensing of its operating system to third-party computer manufacturers, one of Jobs' first moves as new acting CEO was to develop the iMac, which bought Apple time to restructure. The original iMac integrated a CRT display and CPU into a streamlined, translucent plastic body. The line became a sales smash, selling about one million units each year. It also helped re-introduce Apple to the media and public, and announced the company's new emphasis on the design and aesthetics of its products.

#### iPod

In October 2001, Apple introduced its first iPod portable digital audio player. The iPod started as a five gigabyte player capable of storing around 1,000 songs. Since then it has evolved into an array of products including the Mini (now discontinued), the iPod Touch, the Shuffle, the iPod Classic, the Nano, and the iPhone. An incredible 20 million devices were sold in the first four years.

#### iTunes, iOS

In early 2002, Apple unveiled a redesigned iMac, using the G4 processor. The new design had a hemispherical base and a flat panel all-digital display supported by a swivelling neck.

In 2002, Apple also released the Xserve 1U rack mounted server. Originally featuring two G4 chips, it represented a strong effort to enter the enterprise computer market and it was also relatively cheaper than similar machines released by its competitors.

Jobs introduced the iTunes Store on 28 April, 2003. By January 2004, iPod was enjoying a 30% market share (by units sold), making it the leader of the portable music players market.

As Jobs often pointed out, only Apple could make the iPod. The reason was, there was simply no other company out there that still knew how to make both great hardware and great software.

In the computer business, there were PC manufacturers on one side, and software developers on the other. As for the consumer electronics business, they could never come up with advanced software such as iTunes, which made the iPod experience so effortless.

What had always been designated as Apple's greatest flaw turned out to be their greatest strength in the emerging digital consumer electronics market. Jobs saw that unique opportunity and he grabbed it.

#### **Power Mac G5**

In mid-2003, Jobs launched the Power Mac G5, based on IBM's G5 processor. Apple claims this was the first 64-bit computer sold to the general public.

The Power Mac G5 was used by Virginia Tech to build its prototype System X supercomputing cluster, which at the time garnered the prestigious recognition of the third fastest supercomputer in the world. It cost only \$5.2 million to build, far less than previous supercomputers.

Apple's Xserves were soon updated to use the G5 as well. They replaced the Power Mac G5 machines as the main building block of Virginia Tech's System X, which was ranked in November 2004 as the world's seventh fastest supercomputer.

# iPod Video, iPod Classic, the iPod touch and iPhone

2004 was a turning point for Apple. After creating a sizable financial base to work with, the company began experimenting with new parts from new suppliers.

As a result Apple was able to produce new designs so quickly over a short amount of time, with the release of the iPod Video, then the iPod Classic, and eventually the iPod touch and iPhone.

# iOS evolution: iPhone and iPad

First announced by Jobs in January 2007, Apple introduced the first version of the publicly available iPhone on 29 June that year in selected countries and markets.

It was another 12 months before the iPhone 3G became available in July 2008.

Apple announced the iPhone 3GS on 8 June, 2009, along with plans to release it later in June, July, and August, starting with the US, Canada and major European countries on 19 June.

This 12-month iteration cycle has continued with the iPhone 4 model arriving in similar fashion in 2010, a Verizon model was released in February 2011, and a Sprint model in October 2011, shortly after Jobs' death.

The Apple iPad was announced on 27 January, 2010 with retail availability commencing in April and systematically growing in markets throughout 2010. The iPad fits into Apple's iOS product line, being twice the screen size of an iPhone without the phone abilities.

While there were initial fears of product cannibalisation the FY2010 financial results released in January 2011 included commentary of a reverse 'halo' effect, where iPad sales were leading to increased sales of iMacs and MacBooks.

On 2 March, 2011, Apple unveiled the iPad's second generation model, the iPad 2. Like the fourth generation iPod Touch and iPhone, the iPad 2 comes with a front-facing camera as well as a rear-facing camera, along with three new apps that utilise these new features: Camera, FaceTime, and Photobooth (only on iPad2).

#### Viruses

Mac OS X viruses exist but, so far, none seems to have done any actual damage. Those that do exist were often written to win hacker competitions and have not been released into what computer enthusiasts call 'the wild'.

The attribute of the Macintosh platform that most annoys those running rival platforms is the Apple's resistance to viruses, worms, trojans and all the other nasties roaming the internet.

Even executives of the companies making their money from beating off malicious software, called malware, concede the point. "The threats just aren't there on the Apple," according to one maker of anti-malware products.

# **Retail stores**

In May 2001, after much speculation, Apple announced the opening of a line of Apple retail stores, to be located throughout the major US computer buying markets.

The stores were designed for two primary purposes: to stem the tide of Apple's declining share of the computer market, as well as a response to poor marketing of Apple products at third-party retail outlets.

In due course, and after years of speculation, Apple opened similar stores in high profile locations in Australia. Each store opening received huge media coverage, which in turn created huge awareness among Apple devotees and the public, with people camping outside the store overnight in order to be first in.

The value of this free media coverage? Huge! Worldwide Apple now has more than 350 stores.

#### Market share and user demographics

Apple has always had a number of industry pundits and critics who point to their supposed low market share as a strong reason not to buy an Apple computer.

Whether the size of the Mac's market share and installed base is relevant, and to whom, is a hotly debated issue. These industry pundits and critics have often called attention to the Mac's relatively small market share to predict Apple's impending doom, particularly in the early and mid 1990s when the company's future seemed bleakest.

Others argue that market share is the wrong way to judge Apple's success. Apple has always positioned the Mac as a higher-end personal computer, and so it may be misleading to compare it to a budget PC. Because the overall market for personal computers has grown rapidly, the Mac's increasing sales numbers are effectively swamped by the industry's expanding sales volume as a whole.

Apple's small market share, then, gives the impression that fewer people are using Macs than did ten years ago, when exactly the opposite is true.

Soaring sales of the iPhone and iPad mean that the portion of Apple's profits represented by the Macintosh has declined in recent times, dropping to 24% from 46% two years earlier.

Others try to de-emphasise market share, citing that it is rarely brought up in other industries. Regardless of the Mac's market share, Apple has remained profitable since Steve Jobs' return and the company's subsequent reorganisation.

A recent report found that Apple had a 14% market share in the personal computer market in the US, including 66% of all computers over \$1,000.

#### **Christmas Apple**

According to *The Los Angeles Times*, Apple and Android mobile devices lit up like Christmas lights on Christmas Day 2011 as people the world over pulled a smartphone from their stocking.

People fired up 6.8 million Apple and Android devices on Christmas Day, more than doubling the 2.5 million that they activated on the same day last year, according to FlurryAnalytics, a mobile metrics firm that tracks activity from 140,000 apps.

On the days leading up to Christmas, people activated about 1.5 million Apple and Android smart phones and tablets each day.

On Christmas Day itself, activations shot up more than 350%, to 6.8 million. (The report does not disclose whether Apple or Google-powered devices accounted for a larger share of that number).

Predictably, Christmas Day app downloads began to rocket up around 6am, and remained high throughout the day until they hit a peak around 8pm - that is, after dinner, when sated revellers can play with their new toys in earnest.

More than 15 million apps were downloaded between 7pm and 9pm alone, if you line up all the world's time zones.

The Flurry report notes that app downloads have shot up in 2011, with Apple users downloading close to 10 billion this year, as many as in the previous three years combined. Google's Android devices have seen similarly rapid growth.

#### **The Apple Museum**

In 1997, soon after Jobs returned to the company, Apple officials contacted Stanford University and offered to donate the collection to the school's Silicon Valley archives.

Within a few days, Stanford curators were at Apple headquarters in nearby Cupertino, packing two moving trucks full of documents, books, software, videotapes and marketing materials that now make up the core of Stanford's Apple Collection.

The collection, the largest assembly of Apple historical materials, can help historians, entrepreneurs and policy makers understand how a start-up launched in a Silicon Valley garage became a global technology giant.

"Through this one collection you can trace out the evolution of the personal computer," said Stanford historian Leslie Berlin. "These sorts of documents are as close as you get to the unmediated story of what really happened."

The collection is stored in hundreds of boxes taking up more than 600 feet of shelf space at the Stanford's off-campus storage facility.

"Apple as a company is in a very, very select group," according to Stanford curator Henry Lowood. "It survived through multiple generations of technology. To the credit of Steve Jobs, it meant reinventing the company at several points."

According to Lowood, Apple scrapped its own plans for a corporate museum after Jobs returned as CEO and began restructuring the then financially struggling firm.

After Stanford received the Apple donation, former company executives, early employees, business partners and Mac enthusiasts have come forward and added their own items to the archives.

The collection includes early photos of young Jobs and Wozniak, blueprints for the first Apple computer, user manuals, magazine ads, TV commercials, company T-shirts and drafts of Jobs' speeches.

In one company video, Wozniak talks about how he had always wanted his own computer, but couldn't get his hands on one at a time when few computers were found outside corporations or government agencies. "All of a sudden I realised, `Hey microprocessors all of a sudden are affordable. I can actually build my own'," Wozniak says. "And Steve went a little further. He saw it as a product you could actually deliver, sell and someone else could use."

The pair also talk about the company's first product, the Apple I computer, which went on sale in July 1976 for \$666.66.

"Remember an Apple I was not particularly useable for too much, but it was so incredible to have your own computer," Jobs says in the video. "It was kind of an embarkation point from the way computers had been going in these big steel boxes with switches and lights."

Other items included in the Apple Collection:

Thousands of photos by photographer Douglas Menuez, who documented Jobs' years at NeXT Computer, which he founded in 1985 after he was pushed out of Apple.

A company video spoofing the 1984 movie *Ghostbusters*, with Jobs and other executives playing 'Blue Busters', a reference to rival IBM.

Handwritten financial records showing early sales of Apple II, one of the first mass-market computers.

An April 1976 agreement for a \$5,000 loan to Apple Computer and its three co-founders: Jobs, Wozniak and Ronald Wayne, who pulled out of the company less than two weeks after its founding.

A 1976 letter written by a printer who had just met Jobs and Wozniak and warns his colleagues about the young entrepreneurs: "This joker (Jobs) is going to be calling you ... They are two guys, they build kits, operate out of a garage."

The archive shows the Apple founders were far ahead of their time, Lowood said. "What they were doing was spectacularly new. The idea of building computers out of your garage and marketing them and thereby creating a successful business - it just didn't compute for a lot of people."

# New market segments for iPads

#### Apps for Apes. Orangutans go ape for iPads

According to media reports, three orangutans at the Milwaukee County Zoo have had the pleasure of playing with a donated iPad a couple times a week for six months, and guess what? They love it.

"We show them the iPad, and read them stories or let them have different apps," said Jan Rafert, curator of primates and small mammals at the zoo. "We don't let them hold them, but they can do some of the paint apps by sticking their fingers through the mesh."

The orangutan iPad program, known as Apps for Apes, was started after the gorilla keeper at the zoo mentioned on her Facebook page that she'd like to get some iPads for her gorillas to play with, Rafert explained.

It was meant as a joke, but a zoo volunteer took it seriously and donated a used iPad to the zoo. It turned out that the gorillas didn't really enjoy the iPad - "they are more stoic," Rafert said - but the orangutans went wild.

The orangutans' keeper, Trish Khan, lets the orangutans play with the iPad about twice a week. They are not allowed to hold it because they are so strong that they would probably wind up cracking it in half, so Khan holds it up to their cages and allows them to interact with it.

The orangutan conservation group is now involved with the project and is hoping to get Apps for Apes started at other zoos.

When the other zoos are on board, zookeepers will arrange primate play dates - where orangutans from different zoos can see each other via the iPad.

Nobody has done research on how orangutans interact with iPads, but that may be coming soon.

For now, the Apps for Apes program has two main goals: providing stimulation for orangutans who are easily bored when in captivity, and raising awareness for orangutan conservation in Malaysia and Indonesia where the animals are suffering declining numbers and loss of habitat.

"Seeing the animals with the iPad has had an effect on the zoo visitors," Rafert said. "They have this recognition that these are amazing, cognitive, curious creatures, which gets back to our message, that these are animals that need to be saved."

#### Steve Jobs and the Apple vision and culture

Steve Jobs believed that central to Apple's success was his vision of making technology simple. "There's a very strong DNA within Apple, and that's about taking state-of-the-art technology and making it easy for people," he said. "Apple's target customers are busy, modern consumers; who don't want to read manuals, people who live very busy lives," Jobs said.

Jobs created one of the most distinct corporate cultures in the business world at Apple. Over the last decade of his life, Jobs was Apple's saviour. He helped the company revive its ageing business model, innovate beyond all expectations and deliver some of the better products on the market.

What is it that makes Apple's corporate culture so unique? What words come to mind when you think about Apple's products?

For most people, words such as simple, elegant, and innovative are among the first. Of course, that is no accident. Those values were critically important to Steve Jobs, and he instilled them into the Apple company culture.

These core values are the reason that Apple products have been so consistently excellent.

From sales associates to top executives, Apple is united by a common culture. And it is that culture that ensures that Apple customers enjoy the experience that they have come to expect whenever they interact with Apple - whether that means using their iPhone, visiting an Apple store, or calling Apple's technical support line.

Jobs created a strong focus on design at Apple. Apple really understands design and what consumers want. Further, Jobs knew how to meet those desires and he and Apple set out to beat any and all expectations. It may not have always been easy, but under Jobs Apple seemed to get it right every time.

Legend has it that new Apple employees are expected to immediately forget everything they ever knew about the technology world.

Apple does everything differently. Whether it's the design of products, how it goes about devising ideas for new products or simply the way it carries itself, everything is different at Apple.

Jobs believed his company was the best in the world and that it should carry itself that way. This annoyed Apple detractors, but it became a call to arms for all the Apple lovers and employees.

Apple understands that attention to detail pays off in the long run. Apple goes the extra mile. It has become a staple of the company's vision. And it's something that it expects from its employees.

Steve Jobs had a penchant for secrecy at Apple. Apple's upcoming updates rarely got leaked. Apple has had a long-standing rule that secrecy will govern success at the company.

When it came to technology Steve Jobs had a goal of domination. He wanted to show the world that Apple can best them all.

On stage Jobs was the ultimate salesman. His speeches were famous for generating a sense of devotion to the Apple cause that most rival technology bosses would kill for.

Countless Apple devotees would go wild for each new product that Jobs delivered, and his enthusiasm and charisma poured out across the stage.

Under Jobs Apple became a lifestyle brand, rather than a technology company. Each iPod comes inscribed with the words 'designed in California', a seemingly throwaway statement that gives a fundamental insight into the company's outlook.

The Steve Jobs' message was straightforward: we are innovators, we are cool, we are friendly. It was a new age mantra that showcased Apple's Silicon Valley roots and proved crucial to its image over the years.

Remaining friendly in the eyes of consumers was at the heart of Apple's motivations under Jobs. Green issues are becoming a real concern and like many other computer firms, Apple has come under increasing scrutiny about its environmental policies.

Jobs was clear that reducing the footprint of products was important, but he felt it should be put into context. "One automobile is, I'm sure, greater in impact than 100,000 iPods.

"The one part of consumer electronics that you have to worry about is the battery. I'm glad we got rid of cathode ray tubes, because they were horrible, full of lead. Flat displays are much better. The batteries ... you have to watch. But you can bring your iPod into an Apple store and get it recycled, and we run a battery replacement scheme.

"Even our packaging reflects these concerns. It is dramatically smaller these days, and we have removed styrofoam and such things."

#### Steve Jobs as 'the good guy'

As the public face of the company Steve Jobs laid claim to the firm's image, and he understood the necessity of being seen as the good guy. When it is suggested that record labels might look to increase their income by bumping up the price of iTunes downloads, he raised the spectre of illegal downloading.

"Music companies make more money when they sell a song on iTunes than when they sell a CD," Jobs said. "If they want to raise prices, it's because they're greedy. If the price goes up, people turn back to piracy - and everybody loses. "We're not trying to sell belief - we're just who we are. Apple has values we care about; Apple cares about tolerance. We are not a political company, but a company with a set of values."

# 4. 101 LESSONS THE WORLD CAN LEARN FROM STEVE JOBS

"Would you rather sell sugar water to kids for the rest of your life, or would you like a chance to change the world?"

Steve Jobs to John Sculley when interviewing him for CEO

I have divided the lessons I learnt from Steve Jobs into five distinct categories: Motivation, Innovation and Design, Branding and Marketing, Control, and Building a Committed Team.

# Motivation

According to Steve Jobs, "It started before I was born. My biological mother was a young, unwed college graduate student, and she decided to put me up for adoption. She felt very strongly that I should be adopted by college graduates, so everything was all set for me to be adopted at birth by a lawyer and his wife. Except that when I popped out they decided at the last minute that they wanted a daughter. So I was adopted by another couple."

Then when Steve's biological mother found that Steve's adopted parents were not college graduates she refused to sign the adoption papers. She relented though when they promised to send Steve to college.

"When I was younger I saw a sign that said, 'Stay hungry, stay foolish', and I have always wished that on myself."

# Lesson 1. Empower employees to make a difference

Classic Steve Jobs who also urged consumers to 'think different'. Apple employees were always encouraged by Jobs to make a difference to the IT industry - and the world - by their efforts.

The success of any organisation relies on its employees.

# Lesson 2. The people who are doing the work are the moving force

"My job is to create a space for them, to clear out the rest of the organisation and keep it at bay," Jobs said.

#### Lesson 3. Accentuate the positive

Jobs started life out on the wrong foot. He was given up for adoption at birth because his mother had wanted a daughter.

Tough break? Young Jobs didn't think so: he was thankful for his loving adoptive parents who happened to live in Palo Alto, California, which would eventually become Silicon Valley.

# Lesson 4. Learn from others

In high school, Jobs attended lectures at a then small computer technology company called Hewlett-Packard (HP). Before turning 21, he had worked for both HP and Atari. He saw what these companies were doing and learned what he wanted to do differently with Apple.

# Lesson 5. Start early

Because Jobs was still a sponge-brained teenager when he started working with computers, he learned quickly.

It also helps that he started Apple in his early 20s: when he was still full of energy, fresh ideas, and not yet restrained by a family or career.

# Lesson 6. Think big

When Jobs and Wozniak were operating out of a garage they received an order worth \$250,000 for 500 of their first ever computers. They had no money to buy the components nor a team of people to assemble 500 computers. Undeterred they thought big and overcame all of the handicaps thrown at them and succeeded beyond imagination.

Any person who has ever attempted to create 500 of anything will realise what a daunting task this was. Even creating a mail-out of 500 letters can be daunting for most people.

# Lesson 7. Education is important

At its best, higher education challenges us to make connections and solve problems.

Jobs credits a college calligraphy course for part of the Macintosh's development:

"If I had never dropped in on that single course in college, the Mac would have never had multiple typefaces or proportionally spaced fonts."

#### Lesson 8. But education is not necessary

Reed University was expensive and Jobs didn't want to drain his parents' savings. If Jobs hadn't dropped out, he would have been a junior in 1975. He co-founded Apple Computer that year instead.

# Lesson 9. Travel the world

The year before he founded Apple, Jobs journeyed to India. Travel has a way of broadening a person's perspective and expanding their sense of what's possible - good traits in an entrepreneur.

# Lesson 10. Obstacles are meant to be overcome - One

Jobs and Wozniak ran out of money while developing the first Apple computer. Instead of giving in, Jobs sold his van and Wozniak sold his graphing calculator. When there's a will, there's a way.

# Lesson 11. Obstacles are meant to be overcome - Two

"So we went to Atari and said, 'Hey, we've got this amazing thing, even built with some of your parts, and what do you think about funding us? Or we'll give it to you. We just want to do it. Pay our salary, we'll come work for you.'

"And they said, 'No.' So then we went to Hewlett-Packard, and they said, 'Hey, we don't need you. You haven't got through college yet.""

Apple is now the largest company in the world!

# Lesson 12. Don't Value Money

As CEO of Apple, Jobs earned \$1 a year. Jobs wasn't incentivised by his salary, but by his own unrelenting pursuit of excellence. Although his huge stock holdings may have been some incentive.

Instead of high salaries, Apple prefers to pay executives in performance awards and slow-vesting stock. This policy encourages executives to stay longterm.

# Lesson 13. Take Risks

Steve Jobs was willing to cannibalise his company's products in the name of progress. Many CEOs would have been hesitant to develop the iPhone, knowing full well that it would help to make the iPod obsolete – but Jobs did it anyway (and took a huge bite out of the lucrative mobile market).

Don't be afraid to take risks. Especially smart ones.

#### Lesson 14. Fail Forward

Everybody fails. It's how you respond to those failures that makes all the difference. In 1984, Steve Jobs was fired from Apple.

At the Stanford University 2005 commencement address, he had this to say about it: "I didn't see it then, but it turned out that getting fired from Apple was the best thing that could have ever happened to me.

"The heaviness of being successful was replaced by the lightness of being a beginner again, less sure about everything. It freed me to enter one of the most creative periods of my life."

#### Lesson 15. Learn how to take a brick to the head

Some more inspiring words from Job's Stanford speech: "Sometimes life hits you in the head with a brick. Don't lose faith. I'm convinced that the only thing that kept me going was that I loved what I did. You've got to find what you love.

"And that is as true for your work as it is for your lovers. Your work is going to fill a large part of your life, and the only way to be truly satisfied is to do what you believe is great work."

#### Lesson 16. Put a dent in the universe

Jobs once said, "We're here to put a dent in the universe. Otherwise, why else even be here?"

Having a higher purpose doesn't just help you find success. It redefines the meaning of the word.

#### Lesson 17. Redefine success?

According to Jobs, "If you haven't found it yet, keep looking. Don't settle. As with all matters of the heart, you'll know when you find it."

What is your definition of success? How will you measure your success?

#### Lesson 18. Focus and simplicity

Jobs said, "Focus and simplicity have been one of my mantras. Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple. But it's worth it in the end because once you get there, you can move mountains."

#### Lesson 19. Perseverance

"I'm convinced that about half of what separates the successful entrepreneurs from the non-successful ones is pure perseverance," Jobs said.

#### Lesson 20. Faith

Sometimes life is going to hit you in the head with a brick. Don't lose faith.

"When I left Apple in 1985, I felt like somebody just punched me in the stomach and knocked all my wind out. I was only 30 years old and I wanted to have a chance to continue creating things. I knew I've had at least one more great computer in me. And Apple was not going to give me a chance to do that."

## Lesson 21. Live every day as though it is your last, because one day it will be

"At the start of every day I ask myself, 'If today was my last day, would I do what I am about to do today?'

"If I get a negative answer for too many days in a row, I know I need to change something.

"Remembering we will all be dead soon is the most important tool I have ever encountered to help me make the big choices in life. Because almost everything, all external expectations, pride, fear of embarrassment or failure, these things just fall away in the face of death, leaving only what is truly important.

"Remembering you are going to die is the best way of avoiding the trap of thinking you have something to lose. You are already naked, there is no reason not to follow your heart."

#### Lesson 22. Your time is limited

Your time is limited, so don't waste it living someone else's life. Don't be trapped by dogma - which is living with the results of other people's thinking.

Don't let the noise of other's opinions drown out your own inner voice. And most importantly, have the courage to follow your heart and intuition. They somehow already know what you truly want to become. Everything else is secondary.

#### Lesson 23. Don't be afraid to admit and correct a mistake

When Jobs was running NeXT after departing Apple it would be two years before he delivered anything to customers. When the NeXTcube computer finally did arrive, it proved too expensive to ever command a serious market. Ultimately, Jobs was forced to admit that the undeniably beautiful machine he and his engineering team concocted was a flop.

He laid off most of the staff and turned the company from hardware to software, first to rewrite NeXT's operating system, called NextSTEP, for Intelbased computers. The company also engineered an ingenious development environment called WebObjects, which eventually became its best-selling program.

Jobs didn't know that WebObjects would later prove instrumental in building the online store for Apple and for iTunes, or that NextSTEP would be his ticket back to Apple.

#### Lesson 24. Life's change agent

No one wants to die. Even people who want to go to heaven don't want to die to get there. And yet, death is the destination we all share. No one has ever escaped it, and that is how it should be, because death is very likely the single best invention of life. It's life's change agent. It clears out the old to make way for the new.

#### Lesson 25. Think of your self as the primary customer

Jobs was most effective as a marketer and a business leader when he could think of himself as the primary customer. What would he want from a computer-animated movie, both for himself and for his kids? That was the only market-research question he ever asked. He had always demanded great production values and design for his computer products.

#### Lesson 26. People remember stories more than products

"The technology we've been laboring on over the past 20 years becomes part of the sedimentary layer," Jobs once said. "But when Snow White was re-released [on DVD, in 2001], we were one of the 28 million families that went out and bought a copy of it. This was a film that is 60 years old, and my son was watching it and loving it. I don't think anybody's going to be beating on a Macintosh 60 years from now."

#### **Innovation and Design**

When Steve Jobs returned to Apple he brought a new corporate philosophy of recognisable products and simple design with him. "The cure for Apple is not cost-cutting. The cure for Apple is to innovate its way out of its current predicament."

In November 1998 Fortune wrote, "Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's not about money. It's about the people you have, how you're led, and how much you get it."

## Lesson 27. Innovation distinguishes between a leader and a follower

Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. "It's not about money. It's about the people you have, how you're led, and how much you get it."

#### Lesson 28. Regular rules do not apply

As the leader of an innovative company Jobs had a mantra, 'Think Different' which in turn meant regular business rules were ignored in favour of innovation.

As a consequence Apple products did not follow any convention and often set new benchmarks.

Apple employees could often be flexible in their work hours. 10.00am starts and late finishes were the norm.

#### Lesson 29. Think different

The Apple philosophy of 'think different' epitomised the Apple culture and is one of the major factors in its success in a number of marketing niches.

Think Different was an advertising slogan created for Apple Computer in 1997 by an advertising agency. It was used in a television commercial, several print advertisements and a number of TV promos for Apple products.

A series of 'Think Different' print ads were more focused on brand image than specific products. Those featured a portrait of one historic figure, with a small Apple logo and the words 'Think Different' in one corner, with no reference to the company's products. In Steve Jobs' words, "Everything around you that you call life, was made up by people that were no smarter than you. And you can change it, you can influence it, you can build your own things that other people can use."

#### Lesson 30. Be entrepreneurial

The story of how Jobs and Wozniak managed to create such a huge company the biggest in the world within 35 years - from scratch and with no money to purchase the initial components to make their first commercial computer, has become entrepreneurial and marketing folklore. They also became multimillionaires.

## Lesson 31. Make your product or service the industry standard or industry platform

The Macintosh computer system created huge sales by becoming the de-facto platform for many industries including cinema, music, advertising, publishing and the arts.

#### Lesson 32. Be a game changer. Upset the apple cart

Jobs understood that game changers upset the apple cart. "Why join the Navy if you can be a pirate?"

Jobs was very aware that a true game changer is a visionary who creates groundbreaking products and services that change our lives and make us wonder how we ever lived without them.

"Some people say, 'Give the customers what they want.' But that's not my approach. Our job is to figure out what they're going to want before they do. I think Henry Ford once said, 'If I'd asked customers what they wanted, they would have told me, "A faster horse!'

"People don't know what they want until you show it to them. That's why I never rely on market research. Our task is to read things that are not yet on the page."

#### Lesson 33. Design is a funny word

For Steve Jobs, design was never for its own sake, but for something greater the shaping of experiences. He thought as a marketer but also as a consumer. From that vantage point, he understood how to simplify design and make devices part of our everyday experience, thereby enabling people more enjoyment of their complicated lives. He believed in simplicity as a means of engaging people and letting them feel close to something as overwhelming as technology.

According to Jobs, "Some people think design means how it looks. But of course, if you dig deeper, it's really how it works. The design of the Mac wasn't what it looked like, although that was part of it. Primarily, it was how it worked.

"To design something really well, you have to get it. You have to really understand what it's all about. It takes a passionate commitment to really thoroughly understand something, chew it up, not just quickly swallow it. Most people don't take the time to do that."

#### Lesson 34. On simplicity in product design

Simplicity is not the goal. It is the by-product of a good idea and modest expectations. The simple design of many Apple products is a major factor in their sales success.

Steve Jobs excelled at making complex products seem simple to the mainstream consumer. He believed that central to the company's success is Apple's vision - his vision - of making technology simple.

#### Lesson 35. Design perfection

Design is not just what it looks like and feels like. Design is how it works. Steve Jobs drove people crazy with his design demands - some shades of black weren't black enough. Mere mortals think that black is black, and that a rubbish bin is a rubbish bin.

Jobs was such a perfectionist and it transpired that he was right: some people care about design and many people at least sense it. Maybe not everyone, but the important ones.

## Lesson 36. Design is the fundamental soul of a man-made creation that ends up expressing itself in successive outer layers of the product or service

Jobs said, "In most people's vocabularies, design means veneer. It's interior decorating. It's the fabric of the curtains and the sofa. But to me, nothing could be further from the meaning of design."

#### Lesson 37. Love and cherish the innovators

Without innovation all of the products and lifestyles we take for granted would not exist.

Steve Jobs excelled at introducing and marketing innovative products. The innovative skills of Jobs and Wozniak led to the first personal computer and a whole new product category as well as changing the way people work.

## Lesson 38. Make your product or service easier to use (user friendly) than the competitor's.

Any person who used an Apple computer in the formative days of computing after using an IBM compatible computer could not help but be impressed by their ease of use.

An Apple computer was easy to boot up. There was no need to use F-keys or to select an A or B drive. Even the software was so much easier to use.

#### Lesson 39. Keep it simple and user friendly

From the beginning, Apple deliberately sought to minimise by design the user's conceptual awareness of the operating system.

#### Lesson 40. Obsolescence

Steve Jobs had a talent no other CEO could boast of, the ability to defy the corporate equivalent of nature's law.

"If anybody's going to make our products obsolete, I want it to be us."

#### Lesson 41. Vertically integrate your production

Production of the Mac was based on a vertical integration model whereby Apple facilitated all aspects of its hardware and created its own operating system that is pre-installed on all Mac computers.

This is in contrast to most IBM PC compatibles, where multiple sellers create and integrate hardware intended to run another company's operating software.

#### Lesson 42. On quality

Be a yardstick for quality in both products and service. Some people aren't used to an environment where excellence is expected.

#### Lesson 43. It's really hard to design products by focus groups

Jobs famously said, "A lot of times, people don't know what they want until you show it to them." One of Apple's major strengths has been its ability to design and market revolutionary new products that are readily accepted by consumers - without using focus groups.

## Lesson 44. Innovation comes from people meeting up in the hallways or calling each other at 10.30 at night with a new idea

Or because they realised something that shoots holes in how we've been thinking about a problem. Its ad-hoc meetings of six people called by someone who thinks he has figured out the coolest new thing ever and who wants to know what other people think of his idea.

And it comes from saying no to 1,000 things to make sure we don't get on the wrong track or try to do too much. We're always thinking about new markets we could enter, but it's only by saying no that you can concentrate on the things that are really important.

## Lesson 45. You can't connect the dots looking forward; you can only connect them looking backwards

According to Jobs, "You have to trust that the dots will somehow connect in your future. You have to trust in something - your gut, destiny, life, karma, whatever. This approach has never let me down, and it has made all the difference in my life.

"Believing that the dots will connect down the road will give you the confidence to follow your heart, even when it leads you off the well worn path."

#### Lesson 46. "If you don't cannibalise yourself, someone else will."

This can be applied to companies that claim they constantly strive to innovate, to improve and to develop the next big thing.

Thousands of companies have closed because they failed to keep abreast of industry developments.

## Lesson 47. You should never start a company with the goal of getting rich

This can be applied to companies that are run by passionate, vested and visionary entrepreneurs. Your goal should be making something you believe in and making a company that will last.

Profits will accrue to a business that consistently delivers what consumers want, when they want it.

#### Lesson 48. About companies that claim they are laser-focused

"Deciding what not to do is as important as deciding what to do. That's true for companies, and it's true for products," Jobs said.

#### Lesson 49. Little things make a big difference

Steve Jobs was infamous for his attention to detail when designing products. But he also had the ability to value what was important, not minutiae.

#### Lesson 50. Innovate. Build a better mousetrap

"Build a better mousetrap, and the world will beat a path to your door," is a phrase attributed to Ralph Waldo Emerson in the late nineteenth century.

The phrase is actually a misquotation of the statement: "If a man has good corn or wood, or boards, or pigs, to sell, or can make better chairs or knives, crucibles or church organs, than anybody else, you will find a broad hardbeaten road to his house, though it be in the woods."

This phrase has turned into a metaphor about the power of innovation. Jobs made Apple successful by building and marketing innovative, new, state-of-the art, user-friendly products that did not exist before him.

#### **Branding and Marketing**

Many people consider Steve Jobs to be a marketing genius. If you look at Apple's history it is defined by a very distinctive brand and vision which has guided their direction and development. This can be seen in everything from their products to their user interface. All of which emphasises a polished and well thought out marketing strategy.

#### Lesson 51. What business are you really in?

In the early days of Apple it was a company that designed and built computers. Steve Jobs reinvented the company by increasing its product range and turning it into a technology company and a lifestyle brand that very successfully designs and manufactures Apple devices like the iPod and iPad.

#### Lesson 52. Identify your own story

Steve Jobs said that marketing is not about touting features and speeds and megabytes or comparing yourself to the other guys - it's about identifying your own story, your own core, and being very, very clear about what you are all about and what you stand for, and then being able to communicate that clearly, simply, and consistently.

As Jobs said, "People want to know who you are and what you stand for."

In the case of Apple, the brand's core value, according to Jobs was not about technology or "making boxes for people to get their jobs done."

Apple's core value, said Jobs, was this: "We believe people with passion can change the world for the better ... and that those people who are crazy enough to think they can change the world, are the ones who actually do."

#### Lesson 53. Have a Point-of-Difference

One of the first things any marketing student learns in Marketing 101, is the necessity of Have a Point-of-Difference and a unique selling point (USP). Apple products have always provided this with their appearance, functionality and operating systems.

#### Lesson 54. Position your product or service in the market place

Apple has positioned the Mac computer as a higher-end personal computer. The iPhone quickly established itself as the industry standard.

The Macintosh computer system created huge sales by becoming known as the de-facto platform for many industries including cinema, music, advertising, publishing and the arts.

#### Lesson 55. Focus on a specific customer demographic

Market research indicates that Apple draws its customer base from a higherincome demographic than the mainstream personal computer market.

#### Lesson 56. Segment your market

Early on Steve Jobs identified schools and universities as a most productive market segment and introduced special programs to provide Apple computers to schools.

Someone who learns computing on an Apple machine is going to tell lots of other people about it and will probably buy an Apple as their first computer.

#### Lesson 57. Marketing boils down to providing unique value

Think of a 2x2 matrix. The vertical axis measures how your product differs from the competition. The horizontal axis measures the value of your product.

Bottom right: valuable but not unique - you will have to compete on price. Top left: unique but not valuable - you will own a market that doesn't exist.

Bottom left: not unique and not valuable - you are a marketing nobody. Top right: unique and valuable - this is where you make margin, money and history.

For example, the iPod was unique and valuable because it was the only way to legally, inexpensively, and easily download music from the six biggest record labels.

#### Lesson 58. Develop and hone your presentation skills

Steve Jobs must have sold hundreds of millions of dollars of Apple products through his highly developed presentation skills.

As a bonus, his annual presentations at shareholders' meetings were reported in the media - usually with photographs and details of Apple's latest products creating millions of dollars in free advertising.

#### Lesson 59. Making presentations

You can't go wrong with big graphics and big fonts. Take a look at Steve's slides. The font is 60 points. There's usually one big screenshot or graphic.

Look at other tech speaker's slides - even the ones who have seen Steve in action. The font is eight points, and there are no graphics.

Many people say that Steve was the world's greatest product introduction guy: don't you wonder why more people don't copy his style?

#### Lesson 60. Skate to where the puck is going to be

Jobs said, "There's an old Wayne Gretzky quote that I love.'I skate to where the puck is going to be, not where it has been.' And we've always tried to do that at Apple. Since the very, very beginning. And we always will."

Steve's ability to anticipate future trends helped Apple dominate nowburgeoning markets like digital music sales (through the iPod and iTunes Store).

#### Lesson 61. Create a personal brand

Steve Jobs was one of the first people to recognise the growing importance of personal brands in the Internet age. His black turtleneck was as instantly recognisable as the Apple logo.

#### Lesson 62. Have a higher purpose

Buddha said, "We are what we think. All that we are arises with our thoughts. With our thoughts, we make the world."

Steve Jobs turned his vision into reality since he began practicing Buddhism in the 1970s.

#### Lesson 63. Gamble on your vision

"We're gambling on our vision, and we would rather do that than make 'me too' products. Let some other companies do that. For us, it's always the next dream," Jobs said.

#### Lesson 64. 'Value' is different from 'price'

Price is not all that matters. Beware if you decide everything is based on price. Even more so if you compete solely on price. What is important, at least to some people, is value.

According to Jobs value takes into account training, support, and the intrinsic joy of using the best tool that's made.

It's pretty safe to say that no one buys Apple products because of their low price.

#### Lesson 65. How to respond to poor marketing products at thirdparty retail outlets

In May 2001, after much speculation, Apple announced the opening of a line of Apple retail stores, to be located throughout the major US computer buying

markets. The stores were designed for two primary purposes: to stem the tide of Apple's declining share of the computer market, as well as a response to poor marketing of Apple products at third-party retail outlets.

In Australia when each new store is opened, it generates huge media interest with people camped outside overnight in order to be the first in.

#### Lesson 66. Are you branding for branding's sake?

One of the lessons that we can learn from Steve Jobs is that marketing for marketing's sake is pointless.

Companies should be developing and integrating long-term visions and scope within their marketing process. Developing logos, web layouts, and print materials with no sense of direction can prove to be a waste of time when trying to build a brand.

#### Lesson 67. Develop a vision for your company's future

Develop a vision for your company's future and combine that vision with your marketing efforts, to create the type of brand that Jobs was a master at.

Readers may be aware of the saying, 'dress for the job you want'. In the same sense it's important to envision where you want your company to be in five years and work now to build a brand suitable for your vision.

## Lesson 68. To sleep well at night, the aesthetic, the quality, has to be carried all the way through

"In 1985 we thought the Mac would sell 'zillions', but we didn't build the Mac for anybody else. We built it for ourselves. We were the group of people who were going to judge whether it was great or not. We weren't going to go out and do market research. We just wanted to build the best thing we could build.

"When you're a carpenter making a beautiful chest of drawers, you're not going to use a piece of plywood on the back, even though it faces the wall and nobody will ever see it. You'll know it's there, so you're going to use a beautiful piece of wood on the back."

#### Lesson 69. Encourage customer feedback

"There's nothing that makes my day more than getting an email from some random person in the universe who just bought an iPad over in the UK and tells me the story about how it's the coolest product they've ever brought home in their lives.

"That's what keeps me going. It's what kept me five years ago (when he was diagnosed with cancer), it's what kept me going 10 years ago when the doors were almost closed. And it's what will keep me going five years from now whatever happens."

## Lesson 70. Customers and market research. Customers cannot tell you what they need

"You can't just ask customers what they want and then try to give that to them. By the time you get it built, they'll want something new."

Apple market research is an oxymoron. The Apple focus group was the right hemisphere of Steve's brain talking to the left one. If you ask customers what they want, they will tell you, "Better, faster, and cheaper."

That is, better sameness, not revolutionary change. They can only describe their desires in terms of what they are already using.

Around the time of the introduction of Macintosh, all people said they wanted was better, faster, and cheaper MS-DOS machines. The richest vein for tech startups is creating the product that you want to use - that's what Steve Jobs and Steve Wozniak did.

#### Lesson 71. Jump to the next curve

Big wins happen when you go beyond better sameness. The best daisy-wheel printer companies were introducing new fonts in more sizes. Apple introduced the next curve: laser printing. Think of ice harvesters, ice factories, and refrigerator companies. Ice 1.0, 2.0, and 3.0. Are you still harvesting ice during the winter from a frozen pond?

#### Lesson 72. Quality or quantity?

According to Steve Jobs, "Quality is more important than quantity. One home run is much better than two doubles.

"It comes from saying no to 1,000 things to make sure we don't get on the wrong track or try to do too much."

#### Lesson 73. On downsizing

"A lot of companies have chosen to downsize, and maybe that was the right thing for them. We chose a different path. Our belief was that if we kept putting great products in front of customers, they would continue to open their wallets."

#### Lesson 74. Initial Public Offering (IPO)

The way to make real money - millions of dollars - is to create and build up a business that potential investors perceive as having a strong upside with the ability to increase the share price when and after it is listed on the stock exchange.

In December 1980, Apple launched the Initial Public Offering of its stock to the investing public. This IPO generated more capital than any IPO since Ford Motor Company in 1956 and instantly created more millionaires (about 300) than any company in history. Several venture capitalists cashed out, reaping billions in long-term capital gains.

## Lesson 75. Real winners don't just enjoy the breaks, they exploit them

It is necessary to stay on top, especially when everybody is out to get you. As Jobs liked to remind his people: "We have world-class competitors trying to kill us."

When the iMac was introduced by Jobs people just couldn't believe seeing candy-coloured Apples, compared to the dull-beige-coloured-ordinary computers of the competition. Then Jobs introduced the iPod, another impeccable example of inventiveness, market prowess and future insight. Jobs then followed up with the iNano, an impossibly small music player.

In one three-month period Apple shipped more than six million iPods, underpinned by a pervasive marketing campaign and growing consumer awareness.

#### Lesson 76. When you find something that works, keep doing it

Classic advice for any marketer! Steve Jobs extended the Apple brand by brand extension to other products.

Brand extension is a marketing strategy in which a firm that markets a product with a well-developed image uses the same brand name but in a

different product category. Brands use this as a strategy to increase and leverage equity.

Product extensions, on the other hand, are versions of the same parent product that serve a segment of the target market and increase the variety of an offering. An example of a product extension is Coke into Diet Coke

A successful brand helps a company enter new product categories more easily.

Brand extensions let a marketer take a brand with well-known quality perceptions and associations and put it on a brand in a new category. Not only can marketers capitalise on brand awareness, they can also leverage off of the associations consumers know about the parent brand.

#### Control

Some commentators claim Apple is interested in control because it seems it has discovered that when you lock in the users to an experience, be it a valueadded one, the market share takes care of itself pretty easily.

Steve Jobs was all about control. He was very careful about what and when information was disclosed. He attacked the press when they said bad things about his products.

His lawyers ruthlessly went after reporters who disclosed proprietary information.

Why? Because successful business leaders, particularly in the technology world, don't like surprises.

Jobs determined and drove the discussion around Apple products and services, knowing that the world is full of haters and copycats.

To give a product or service, especially a new product or service, its fair chance you have to make sure it is introduced to the market the way you want the market to see it.

To exercise this kind of control over your fate, you have to be very strong and focused, for the good of the company, employees, and shareholders.

#### Lesson 77: Control the primary technology

Jobs said, "I've always wanted to own and control the primary technology in everything we do."

Apple is infamous for jealously guarding its operating systems. Unlike Microsoft who were happy for other computer manufactures to clone their 'IBM compatible' operating system, Apple refused to allow others to clone their operating system.

Steve Jobs told his biographer that he'd rather wage 'thermonuclear war' with Google than make deals to share its technology with the maker of the Android operating system.

That was no empty threat. In the 18 months before Jobs died on 5 October, Apple sued HTC, Samsung Electronics and Motorola Mobility, the three largest Android users. It alleged that the phone makers stole Apple's technology and asked courts to make them stop.

#### Lesson 78: Protect your brand name and logo

Apple is infamous for suing any company - large or small - for daring to copy its brand name or logo. Any company that uses the word Apple in its name or uses an apple as a logo is likely to receive a lawyer's letter or be taken to court.

In Australia even Woolworths was sued by Apple for using a stylised apple in its logo.

#### Lesson 79: Protect your Intellectual Property (IP)

Commencing in April 2011 Apple and Samsung were locked in heated legal battles in more than 10 countries. Each side accused the other of infringing smartphone and tablet patents.

Samsung retaliated against Apple by seeking to block sales of Apple's iPhone 4S in Australia and other countries.

The estimated costs of this action in Australia alone was estimated to be in the hundreds of thousands.

In December 2011 the Australian High Court denied Apple's request to appeal against an earlier decision overturning the ban on the device.

This decision was critical because if Apple was granted special leave to appeal against the decision, the Samsung tablet would most likely never have seen the light of day, as, by the resolution of the case, it would have been overtaken by newer products.

Intellectual Property (IP) in many instances can represent a very valuable asset that can be on-sold and in some cases IP can create an income stream: for instance from the copyright of books, or the licensing of IP to third parties.

#### Lesson 80: Some things need to be believed to be seen

When you are jumping curves, defying and or ignoring the experts, facing off against big challenges, obsessing about design, and focusing on unique value, you will need to convince people to believe in what you are doing in order to see your efforts come to fruition.

People needed to believe in Macintosh to see it become real. The same applied to iPod, iPhone, and iPad. Not everyone will believe, but the starting point for changing the world is changing a few minds.

#### Lesson 81. Do everything important internally

Apple follows this principle slavishly and by doing everything important internally has managed to create distinctive products, significant market share and strong profits.

#### Lesson 82. Control the message

Another Apple strongpoint developed by Steve Jobs who was highly conscious of message control as a part of marketing. For instance, note how tight Apple's security is on new product introductions.

#### **Build A Committed Team**

#### Lesson 83. Find the right partner

"There is no more important decision in your life than the person you decide to share it with." Choose wisely (as Steve did), and you have a partner who will help see you through daily challenges.

Jobs believed that managers in a startup company should find the time to spend recruiting other people. They had to find the time to hire people because it was the most important job. He gave this example:

"Assume you are by yourself in a startup and you want a partner. You would take a lot of time finding the partner, right? He would be half of your company. Why should you take any less time finding a third of your company or a fourth of your company or a fifth of your company?

"When you're in a startup, the first 10 people will determine whether the company succeeds or not. Each is 10% of the company. So why wouldn't you take as much time as necessary to find all the A players? A small company depends on great people much more than a big company does." Recruiting is one of the most important duties you have as a manager/ owner/HR professional. After all your employees determine your success.

#### Lesson 84. Surround yourself with good people

Jobs wasn't a great computer engineer. Apple would have had no chance if Jobs was the only one building the computers. That's why he recruited Steve Wozniak.

Through the years, Jobs' companies have blossomed thanks to the brilliant people he's brought on board.

#### Lesson 85. A players hire A+ players

Jobs believed that A players hire A players - that is people who are as good as they are. Apple evangelist Guy Kawasaki, refined this slightly.

His theory was that A players hire people even better than themselves. It's clear, though, that B players hire C players so they can feel superior to them, and C players hire D players. If you start hiring B players, expect what Steve called "the bozo explosion" to happen in your organisation.

Jobs said that in order to do things well that can't be done by one person, you must find extraordinary people. After all, a small team of A+ players can run circles around a giant team of B and C players.

## Lesson 86. Diamonds in the rough can polish each other by constant friction

Jobs had a great interest in the process of running a company in which diamonds in the rough can polish each other by constant friction. The results are obvious at Apple.

#### Lesson 87. Develop a strong company culture

A business culture can be described as the personality of a business. How strong is your company culture? What is the company culture like in your organisation? Are your employees united by common values and a common purpose, or do they operate in free-for-all mode?

As Jobs and Apple proved in recent years, a strong company culture can propel a business from the verge of bankruptcy to the world's second largest company in just a few short years.

Don't underestimate the importance of culture in your business!

#### Lesson 88. Hire with your company culture in mind

When you are hiring new people, do you take values and cultural fit into consideration, or do you search only for talent? Talent is important, but if you expect to build a strong culture, it's critical that you hire talented individuals who are a good cultural fit.

#### Lesson 89. Does your team buy in to a defined set of values?

Most businesses have a mission statement, or a statement of values. However, very few of these businesses actually operate in accordance with their stated values or mission.

## Lesson 90. Are your employees passionate about delivering the proper experience to each customer?

It is important that the owner or manager of a business define the proper experience for your customers, and it's equally important that your employees consistently deliver that experience.

#### Lesson 91. Changing your mind is a sign of intelligence

When Apple first shipped the iPhone there was no such thing as apps. Apps, Steve decreed, were a bad thing because you never know what they could be doing to your phone. Safari web apps were the way to go until six months later when Steve decided, or someone convinced Steve, that apps were the way to go. Apple came a long way in a short time from Safari web apps to "there's an app for that."

#### Lesson 92. Experts are clueless

Experts—journalists, analysts, consultants, bankers, and gurus can't 'do' so they 'advise'. They can tell you what is wrong with your product, but they cannot make a great one. They can tell you how to sell something, but they cannot sell it themselves. They can tell you how to create great teams, but they only manage a secretary.

The experts told Jobs that the two biggest shortcomings of Macintosh in the mid 1980s was the lack of a daisy-wheel printer driver and Lotus 1-2-3 software. Another advice gem from the experts was to buy Compaq. Hear what experts say, but don't always listen to them.

#### Lesson 93. Real CEOs demo

Jobs could demo a pod, pad, phone, and Mac two to three times a year with millions of people watching.

Why is it that many CEOs call upon their staff to do a product demo? Maybe it's to show that there is a team effort in play?

It is probably more likely that the CEO doesn't understand what their company is making well enough to explain it. How unprofessional is that?

#### Lesson 94. Real CEOs ship product

For all his perfectionism, Steve could ship product. Maybe the product wasn't perfect every time, but it was almost always good enough to go. The lesson is that Steve Jobs wasn't tinkering for the sake of tinkering.

He had a goal: shipping and achieving worldwide domination of existing markets or creation of new markets.

Apple is an engineering-centric company, not a research-centric one. Which would you rather be: Apple or a research-centric company?

## Lesson 95. Expect greatness. The biggest challenges bring out the best work

People tend to rise to expectations. Some Apple employees lived in fear that Steve would tell them that they, or their work, was not up to scratch.

Guy Kawasaki says this fear was a big challenge. "Competing with IBM and then Microsoft was a big challenge. Changing the world was a big challenge. I, and Apple employees before me and after me, did their best work because we had to do our best work to meet the big challenges."

#### Lesson 96. Fake it before you make it

In Apple's early days, Jobs recognised that Palo Alto, California was the epicenter of innovative computer technology. He wanted his company to be associated with this place – but Apple was still headquartered out of a garage in nearby Los Altos.

Jobs' solution was to set up a Post Office Box in Palo Alto and hire a voice answering service. A potential client would get the impression that Apple was a big company in the heart of Silicon Valley - even though the truth was that it was still just two sweaty guys in a garage across town.

#### Lesson 97. Value people

Jobs hired passionate people and cultivated exceptional company cultures at both Apple and Pixar – and their work speaks for itself.

## Lesson 98. Don't make people do things, make them better at doing things

A subtle point overlooked by many bosses and businesses. Spend some time in training and retraining your employees. Ask your employees what training they would like to undertake.

#### Lesson 99. Have fun at work

"I think we're having fun. I think our customers really like our products. And we're always trying to do better."

Consider these five significant benefits of re-working your corporate culture to one where having fun becomes a priority:

1. Having fun at work stimulates creativity: How often have you had a Big Idea while pouring through a thick file? Probably not often. Conversely how often have you had a Big Idea while on a run or drive, or while playing with the kids? Exactly.

The right brain works best when freed up, especially during times of play. By allowing you and your staff to have some down time, you free everyone up to be more creative.

2. Having fun at work is a stress reliever: All work and no play does make for a dull person. For people in high-stress occupations, it is often drink and illegal substances that act as the pressure valve, and that's unfortunate. Having an office where it is okay to play around a little and have a good time can prevent much worse down the road.

3. Having fun at work increases productivity: Every small business has a culture, some are by design, most are by default. What I am suggesting is that by deliberately creating a culture that cultivates fun and creativity, you will achieve better business results.

One immediate benefit is that, instead of being less productive, people will be more productive. They will like their work more and will find their job more rewarding. They will appreciate their boss and get the job done because of that.

4. Having fun at work increases employee retention: People who have fun at work and enjoy their job stay around. At a time when money is tight and

offering financial incentives is difficult, creating a happier workplace is an easy, affordable way to reward and retain staff.

5. Having fun at work increases communication: People speak and act differently when playing around. By participating in some playful activities with your team, you may learn things and garner information that you otherwise may never know.

#### Lesson 100. Remember attention to detail

Jobs understood that attention to detail and the pursuit of excellence pays off in the long run. Apple goes the extra mile. It has become a staple of the company's vision, and it's something that it expects from its employees.

## Lesson 101. Develop a network of suppliers who can complement and add value and profits to your business

Steve Jobs made sure developers created software for the new Macintosh, figuring that software was the way to win the consumer over.

Apple had already learned the value of having a thriving third party software market with the Apple II, whose sales increased more than ten-fold when Visicalc, developed by a tiny company called Software Arts, caught on in the business market.

#### **Seek Your Passion**

**Break out of your routine, and dare to ask**. You have got to stop what you are doing and be bold enough to ask yourself if you love what you are doing. If you don't, then what is it you really love? And if you don't know, are you going to look for it?

**Spend time thinking about it**. Take an hour or two to really think about the question. It's worth the investment. Really think about what you love, about your life, about what you want to be doing.

**Think of what you already love**. Is there something you always wanted to do but forgot about, or were too afraid to pursue?

What are your dreams? Is there something you've always wanted to accomplish in life? Give it more thought now.

What are you good at? What are your strengths? Do you have any talents? Is there something you've always excelled at? Pursue these things.

**Take action**. If you don't actually do anything, you will never find it. Start doing research and take action - now.

**Explore new things**. Find new ways to explore - break out of your patterns. **Once you find something interesting, pursue it**. Read about it. Learn, and try it, and do it, and get better at it. Don't be afraid to pursue it - fear is what stops most people from finding this happiness.

Then take action - again. Now that you've learned about it, give it a try! You might be able to pursue it within your current job, or do it as a side job or just as a hobby at first. Pursue your dreams!

## 5. STEVE JOBS - EULOGIES

"Steve's brilliance, passion and energy were the source of countless innovations that enrich and improve all of our lives. The world is immeasurably because of Steve."

#### Apple's Board of Directors

"Steve and I first met nearly 30 years ago, and have been colleagues, competitors and friends over the course of more than half our lives.

"The world rarely sees someone who has had the profound impact Steve has had, the effects of which will be felt for many generations to come.

"For those of us lucky enough to get to work with him, it's been an insanely great honour. I will miss Steve immensely."

#### Bill Gates, Microsoft founder

"My mind went blank like it had been clobbered with a hammer when I learned the news that Steve Jobs had died.

"Steve really excelled as the most incredible person, and business person and technology person in the world.

"Steve spoke to me of the illness more recently than a few months ago as something that really did bother him. I think if he had a goal, he certainly far, far overachieved any goals he had from the start of things. We've lost something we won't get back.

"The way I see it, though, the way people love products he put so much into creating means he brought a lot of life to the world.

"He was a great businessman who had an eye for details.

"Steve was a good marketer and understood the benefits of technology. While everyone else was fumbling around trying to find the formula, he had the better instincts. I think what made Apple products special was very much one person, but he left a legacy."

#### Apple co-founder Steve Wozniak

"Steve Jobs could have been a poker player with a reputation as a cool hand. After three decades at the top table of technology, all the required skills were there: patience, self-belief, bravado - and, most importantly, the ability to ride a streak of luck."

#### Anonymous

"In the end I suspect Jobs will be remembered chiefly as one of, if not the, best marketers the world has ever known."

#### Julian Lee, a former Sydney Morning Herald marketing editor.

"Steve Jobs created a growing snowball of innovation, hype, customer loyalty, and scale that could be seen with astounding force in the iPad. Here was a product category that was entirely new. But instantly it was a hit—not just among gadget geeks—but with tens of millions of people who saw something that immediately appeared useful and alluring."

#### TechCrunch

There's a good chance you read about Steve Jobs passing on your MacBook, iPad or iPhone.

Thanks to such influence, the Twitterverse was filled with notes of prayer and best wishes to Jobs' family on the night of his death, including countless messages passed along by many celebrities. A few have been included below.

"Whether you like Apple computers or not, you have to acknowledge that Steve Jobs changed the world. What an amazing visionary. To me, the mark of true genius is if you can make your vision relevant to the average person.

"We praise all kinds of people we label as 'visionary', but their visions are too far above the average person's ability to see or relate. Not Steve. He had a vision to change people's lives for the better.

"When you look at how many schools Apple placed computers in, you begin to see the scope of his vision for bettering the lives of people who could not afford to buy a computer of any kind. He made sure that literally thousands of kids had the tools to learn and compete. So, thanks, Steve, for a life well lived. You were an inspiration to us all."

#### Anonymous

"I just finished my show and I heard the news about Steve Jobs. He was an amazing man with an incredible vision. He changed the world." *Ellen DeGeneres* 

"Rest in peace, Steve Jobs. Your genius will live on for generations to come ..." *Neil Patrick Harris*  "An absolute genius. Not even a close second. He was a visionary much like Henry Ford, Walt Disney and Thomas Edison.

"He changed the way we communicate and gave purpose to technology. He will shape generations to come. A life well lived, and we are better for it.

"How ironic that many of us learned of the death of Steve Jobs by viewing one of his devices. In a way, isn't that the best way to pay tribute to a true visionary."

#### Anonymous

"We lost a man of true vision today. Condolences to the whole Apple family." *Jon Favreau* 

"Steve Jobs was a great friend as well as a trusted advisor. His legacy will extend far beyond the products he created or the businesses he built. It will be the millions of people he inspired, the lives he changed, and the culture he defined. Steve was such an original, with a thoroughly creative, imaginative mind that defined an era.

"Despite all he accomplished, it feels like he was just getting started. With his passing the world has lost a rare original, Disney has lost a member of our family, and I have lost a great friend."

#### Bob Iger, the president and CEO of Disney

"Steve Jobs was the greatest inventor since Thomas Edison. He put the world at our fingertips."

#### Steven Spielberg

"Steve Jobs was one of the greatest innovators of our time. He revolutionised how we consume entertainment, access information and stay in touch by making iconic devices that are brilliantly designed, intuitive and easy to use. He had a clear vision for what technology should deliver to consumers and his focus on the customer was relentless. He will be sorely missed." *Keith Rogers* 

"Steve Jobs. On behalf of every dreamer sitting in his or her garage who is crazy enough to try to change the world, you will be missed." *Damon Lindelof*  "Steve Jobs will remain the greatest innovator of our time. I even like to think that he was the greatest innovator since Thomas Edison. He really understood how humans think and what we would love. He created categories and categories of product that we can't but fall in love. Tablet PCs had been around for sometime, until he created a whole new category of Tablets with the iPad. He took a simple MP3 player, and created the iPod, and music was never the same again. iPod and iTunes disrupted the music industry more than Napster and bittorrent did, without harming the industry. iPhone re-invented the handheld, and when it came out, it was an iPod with the ability to call." *Anonymous* 

"Wow Steve Jobs died! He was a brilliant man!"

#### Kim Kardashian

"One of the great things about Steve Jobs was what came out of his mouth. The CEO of Apple Computer was a master of hype, hyperbole and the catchy phrase. Even when he was trying to talk normally, brilliant verbiage came tumbling out."

#### Zingybill

"Innovator, visionary, brilliant, groundbreaker, SOB, obsessive, relentless, perfectionist. There have been a million words used to describe Steve Jobs, but my favourite is game-changer.

That's why Jobs is our first inductee into the GameChanger Hall of Fame." *Kramer Capital Research, December 2011* 

"Decades after co-creating one of the planet's most storied companies, then leaving it behind, then returning to reinvent it and pump it full of high-voltage ideas until it became the world's most valuable tech company, Steve Jobs leaves a cultural landscape forever altered by his gadgetry and gusto." *Patrick May* 

"Hard not to think how much Steve Jobs could've done with more years. So sad. You're the best, Steve."

#### Mindy Kaling

"I consider Steve a god. Today's a sad day. But Steve's the consummate entrepreneur, and he had this enormously persuasive ability to create this new world we all live in, thanks to his insanely great products. It has been an awesome thing to watch."

Bob Metcalfe, a Silicon Valley pioneer who knew Jobs in the early days, turned down a job offer from him, then went on to found 3Com.

"Steve Jobs was a modern day genius. Some considered him the Leonardo da Vinci of this era while some of us saw him with reverence as a prophet who eminently walked the talk focusing on spreading ripples of light via intuitive innovation rather than waste precious breaths complaining about any prevalent darkness.

"Steve Jobs will be remembered as revolutionising communication via his own unique evolution. He paved the way for millions to connect with each other across the globe literally a touch away."

#### Dr. Dheena Sadik

#### The crazy ones

Steve Jobs was a man who made millions of lives so much easier by making technology seamless, intuitive, exciting and beautiful, instead of complicated, clunky, arcane, dull and ugly.

He was a business figure who can claim so many achievements with great and lasting influence on the IT industry.

What words could be more appropriate to summarise the essence of Steve Jobs, a genius, an icon with flaws, full of paradoxes, and a visionary, than these words spoken by Steve himself from Apple's *Think Different* commercial:

"Here's to the crazy ones, the misfits, the rebels, the troublemakers, the round pegs in the square holes, the ones who see things differently.

"They are not fond of rules and have no respect for the status quo. You can quote them, disagree with them, glorify or vilify them, but the only thing you can't do is ignore them, because they change things. They push the human race forward.

"While some may see them as the crazy ones, we see genius, because the people who are crazy enough to think they can change the world, are the ones who do."

#### Think different

When you grow up you tend to get told the world is the way it is and to live your life inside the world. Try not to bash into the walls too much. Try to have a nice family life, have fun, save a little money.

That's a very limited life. Life can be much broader once you discover one simple fact, and that is - everything around you that you call life, was made up by people that were no smarter than you. And you can change it, you can influence it, you can build your own things that other people can use.

The minute that you understand that you can poke life and actually something will, you know if you push in, something will pop out the other side, that you can change it, you can mould it.

That's maybe the most important thing. It's to shake off this erroneous notion that life is there and you're just gonna live in it, versus embrace it, change it, improve it, make your mark upon it.

I think that's very important and however you learn that, once you learn it, you'll want to change life and make it better, cause it's kind of messed up, in a lot of ways. Once you learn that, you'll never be the same again.

Steve Jobs 'One More Thing' documentary, 1994

#### Steve Jobs - the final word

"He transformed our lives, redefined entire industries and achieved one of the rarest feats in human history: he changed the way each of us sees the world." President Obama

## 6. STEVE WOZNIAK AND THE STEVE JOBS LEGACY

Every dream I've ever had in life has come true ten times over.

Everything we did, we were setting the tone for the world.

For some reason I get this key position of being one of two people that started the company that started the revolution.

Steve Wozniak

Apple co-founder Steve Wozniak visited Australia and New Zealand in May 2012 for some half day seminars which looked at the Apple Story, Disruptive Innovation and the legacy left behind by Steve Jobs.

Some of the interesting points raised by Wozniak included Jobs' ability to make electronics fun and put fun into work.

Wozniak also stressed that people in business should never pass up the big opportunities. Many people of course have trouble identifying big opportunities when they come their way.

Wozniak had myriad anecdotes to pass on about his time working with Jobs, including how Jobs didn't want to do the courses at college he was supposed to do.

He told how when Jobs started work at Atari he annoyed so many people by asking endless questions that he was transferred to the night shift where he had to work all alone.

Wozniak told how he was the design part of his early association with Jobs who would find ways of selling them. Part of Wozniak's revolutionary computer designing ability was the now basic concept of computers being supplied with a keyboard and video screen. "I had a TV set and a typewriter and that made me think a computer should be laid out like a typewriter with a video screen."

Early in their association they joined a computer club where a then unknown Bill Gates was also a member. "At our computer club, we talked about it being a revolution. Computers were going to belong to everyone, and give us power, and free us from the people who owned computers and all that stuff."

Wozniak recounted how while working for Hewlett Packard, he and Jobs invented the first Apple computer by using borrowed parts and arranging credit terms to make the first 1,000 machines. They soon realised that to succeed in selling computers they needed to become a marketing driven business. He also told how he had no real interest in running a company; he merely wanted to be a computer engineer and designer.

Conversely Jobs was not an engineer and was more interested in creating good looking products that were easy to use.

He also told how their business planning involved keeping prices high compared to their competitors and working on high profit margins to reduce the need to borrow working capital and thus funding their own growth.

He explained how in the early days of Apple their computers were an open platform so programmers could create compatible software and devices, which also created huge opportunities for programmers.

Wozniak recounted the Apple philosophy of big important launches for major new products - which must be great new products, that invariably generate a lot of media interest and consequent free publicity. He explained how Apple ensures these product launches are couched in the utmost secrecy in the lead up phase.

Interestingly Wozniak told how money was not the major motivator for Jobs; Jobs was more interested in being a person who moved the world forward by innovation. Importantly for Jobs creative, innovative products had to be artistic as well.

Not all of Apple's products are developed from scratch Wozniak explained, as Apple purchased a product called SoundJam that was then transformed into iTunes, a product that revolutionised the music industry.

Apple are well known for making computers available to schools and Wozniak explained that one of his personal passions is using computers to reshape education by becoming a teacher. Wozniak added that a computer is a platform; a platform that allows people to do almost anything.

For instance Siri is an intelligent personal assistant and knowledge navigator that works as an application for Apple's iOS.

Siri was originally introduced as an iOS application available in the App Store by Siri, Inc., which was acquired by Apple on 28 April, 2010.

Siri, Inc. had announced that their software would be available for BlackBerry and for Android-powered phones, but all development efforts for non-Apple platforms were cancelled after the acquisition by Apple.

Siri is now an integral part of iOS 6, and available on the iPhone 4S and the iPad.

Another platform Wozniak referred to was Wolfram/Alpha, that allows users to get answers to math questions with interactive math calculators, and elementary topics through calculus, number theory, logic, and advanced mathematics. He pointed out that Wolfram/Alpha is more than a search engine, it gives access to the world's facts and data and calculates answers across a range of topics, including science.

Another interesting point Wozniak made was that creative people don't need nor appreciate bureaucratic processes. Apple has a division with a large operating budget employing a range of creative people who are protected and allowed to work in secrecy.

On the topic of human resources, Wozniak believes strongly in getting to know employees, learning what motivates them and treating them like families. According to Wozniak communication needs to be open in order to encourage new ideas from employees, as many ideas will come from the bottom rung of a company.

He told how instead of cutting 10 percent of their staff in hard times, Hewlett Packard cut wages by 10% and employees take a day off every two weeks, creating a real win-win for both sides as well as maintaining a stable work force.

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In this book, Jamie lays the foundation for success with a blueprint of the same educational system he used to transform his life from broke to millionaire.

#### "What I Didn't Learn From My Financial Planner But Wish I Had"

This book not only challenges what many people think is required to become wealthy in this country, but exposes the Financial Planning industries tactics used to often make themselves wealthy, at their clients expense and poses many questions the author faced at the beginning of his journey to millionaire status such as, "If your Financial Planner can show you how to become wealthy and live the life of your dreams. then why haven't they done it themselves?"

#### "What I Didn't Learn From Google But Wish I Had"

This book is to assist those that want to make \$4,000 a month or more online by commencing an Internet career and highlights the enormous success of not only Google in itself, but also the power of using Google as a business marketing tool that has made many Internet millionaires in recent years, including the author.

#### "Time Rich"

How to have a millionaire's lifestyle inside 12 months, without even needing to become one. This book is all about removing those chains that tie you to a desk.

#### "Think & Grow Rich, for the 21st Century"

Think and Grow Rich is the seminal work by the well-loved and world-renowned Napoleon Hill, a contemporary of Dale Carnegie. Hill's money-making secrets are as powerful today as they were then and can change your life forever. After interviewing over 500 of the most affluent men and women of his time, Napoleon Hill uncovered the secret to great wealth based on the notion that if we can learn to think like the rich we can discover wealth and success. His strategies are still just as valid today, especially when updated for the 21st Century.

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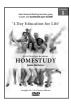
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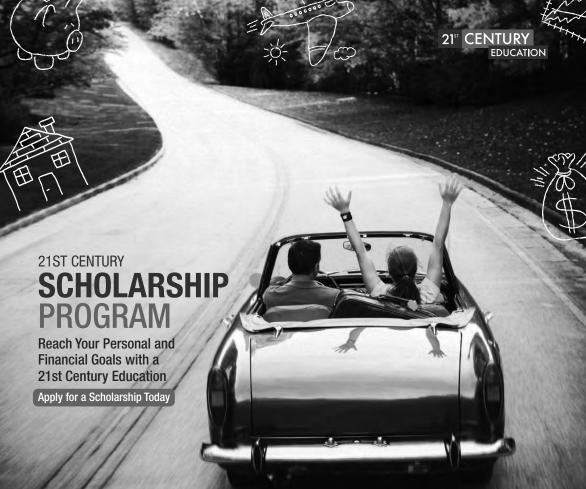






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