Steve Jobs: The Entrepreneurial Leader
A Case Study
A Case Study by Dr. Sunil Maheshwari

“The people who are crazy enough to think they can change the world are the ones who do.”
—Apple’s “Think Different” commercial, 1997

1. Background

Entrepreneurial Leadership may be looked upon as the art of organizing a group of people to achieve a common goal using proactive entrepreneurial behavior by optimizing risk, innovating to take advantage of opportunities, taking personal responsibility and managing change within a dynamic environment for the benefit of the organization.

An entrepreneurial leader proactively identifies opportunities to gain advantage through creativity, innovation and market understanding. Such a person works within a formalized organizational structure, but employs the approaches normally expected of an entrepreneur to identify opportunities to gain advantage. (S)he also has the ability to then manage change in order to deliver that advantage.

Perhaps the most widely considered and celebrated example of an entrepreneurial leader is Steven Paul "Steve" Jobs.

Steve Jobs was a genius American entrepreneur, marketer, and inventor, who was the co-founder, chairman, and CEO of Apple Inc. Through Apple, he is widely recognized as a charismatic and design-driven pioneer of the personal computer revolution and for his influential career in the computer and consumer electronics fields - transforming "one industry after another, from computers and smartphones to music and movies.

A seamless integrator of opposites, Steve Jobs was an artist and an engineer; an ardent Buddhist as well as a hard-nosed businessman; an optimist and a pessimist both rolled into one; a rugged individualist who appealed to the masses while also
being a prickly and somewhat difficult leader who inspired enormous loyalty among his troops; the ultimate opaque manager who stubbornly guarded his privacy and secrecy, even while providing the world with the tools of transparency. It was this ability of Steve Jobs to hold completely disparate ideas and values in his mind at the same time, and then synthesize these to create an elegant outcome that is a key to the success of this visionary entrepreneur who built large and resilient companies. Brilliance, insight and courage were his hallmark. His “satori” leaps of genius have redefined the technology landscape forever.

Steve Jobs thus belongs in the pantheon of America’s great innovators, along with Thomas Edison and Henry Ford. Long after their personalities are forgotten, history will remember how these men applied their imagination to technology and business and revolutionized human existence on the planet.

2. The Early Life of Steve Jobs


His father Paul worked as a mechanic and as a carpenter. Paul taught Steve how to work with one’s own hands, and also showed how to work on rudimentary electronics in the family garage, demonstrating his son how to take apart and rebuild electronic devices such as radios and televisions. As a result, Steve became interested in, and developed, a hobby of technical tinkering.

Steve Jobs’ youth was riddled with frustrations over formal schooling. At the Monta Loma Elementary School in Mountain View, he frequently played pranks on others. Though school officials recommended that he skip two grades on account of his excellent test scores, his parents elected for him to skip only one grade. Steve then attended Cupertino Junior High and Homestead High School in Cupertino, California.
At Homestead, Jobs became friends with Bill Fernandez - a neighbour who shared the same interests in electronics. Fernandez, in turn, introduced Jobs to another neighbor, Steve Wozniak. Popularly known as “Woz”, he was a computer and electronics whiz kid.

Following high school graduation in 1972, Steve Jobs enrolled at Reed College in Portland, Oregon. It was an expensive college which Paul and Clara could ill afford. They were spending much of their life savings on their son's higher education. So, Steve Jobs dropped out of college after six months and spent the next 18 months dropping in on creative classes, including a course on calligraphy.

Accompanied by a friend, Steve Jobs traveled to India in mid-1974 - in search of spiritual enlightenment. When they got to the Neem Karoli Baba’s ashram at Kainchi (near Nainital), they found the place almost deserted because the holy man had passed away a few months ago. Then, they made a long trek up a dry riverbed to an ashram of Haidakhan Babaji. They also spent a lot of time on bus rides from Delhi to Uttar Pradesh and Himachal Pradesh. During this time, Jobs experimented with psychedelics, later calling his LSD experiences "one of the two or three most important things [he had] done in [his] life". He also became a serious practitioner of Zen Buddhism thereafter. This visit to India served to broaden Steve’s vision of life and its significance.

After staying for seven months, Steve Jobs left India and returned to the US. In 1976, Jobs and Wozniak formed their own business, which they named "Apple Computer Company" in remembrance of a happy summer Steve Jobs had spent picking apples. The new company commenced operations by selling circuit boards.

### 3. Beginning of Apple Computers

In 1976, Wozniak single-handedly invented the Apple I computer. After Wozniak showed it to Jobs, they and Ronald Wayne formed Apple Computer in the garage of Steve’s home in order to sell this computer. Only 21 years of age, Steve Jobs
had to sell his Volkswagen car to get money to start the company. Wayne stayed only a short time, leaving Jobs and Wozniak as the primary co-founders of the company. They received funding from a semi-retired Intel product marketing manager and engineer Mike Markkula.

In 1978, the Apple II, the first personal computer, was launched and sold for $666.66. In December of that same year, Apple launched a successful IPO, making it a publicly traded company. By 1980, Apple had released three improved versions of the personal computer, and Jobs and Wozniak became multi-millionaires.

Then, IBM entered the personal computer market in 1981 and quickly became a serious competitor. IBM’s open architecture was easily imitable by other manufacturers and soon became the industry standard, giving rise to many more computer companies in the United States (e.g., Compaq and Dell), as well as in Taiwan, Korea, and other Asian countries. Nonetheless, in just over 10 years, Apple had grown into a $2 billion company with over 4,000 employees.

In 1984, Apple introduced its finest creation yet: the Macintosh. Curiosity and intuition had led Steve Jobs to become fixated on the design and the style of the machine – to the neglect of its technical capabilities. Thus, although the Macintosh was the first personal computer applauded for unique industrial design and ease of use, it had a slower processor than IBM PCs and their clones. The Macintosh also had very few compatible software programs due to Apple’s closed proprietary operating system. As a result, the Mac was gradually pushed to the periphery as a niche player - with customers mainly in education and graphic design. Apple’s integrated value chain enabled the company to produce computers of high quality, but placed the Macintosh at a price disadvantage as the growing consumer technology industry became increasingly commoditized.

In 1983, Steve Job brought in John Sculley to run the company with him. With Sculley in-charge, Apple’s core identity began to change. The business strategy shifted from differentiation based on a premium product with a high price tag to producing a low-cost product with mass-market appeal. Sculley’s new ambition for
Apple was to compete directly with IBM in the household-computer market. At the same time, Apple moved toward desktop publishing, multimedia, and peripherals.

However, a series of major product flops, missed deadlines, and unrealistic earnings forecasts destroyed Apple’s reputation. As a consequence, Apple’s profitability continued on a downward slope. The innovator Apple had now become a non-factor in the PC industry, retreating to ever-smaller niches of the market.

With dismal sales and declining net income, a power struggle erupted. Sculley eventually succeeded in convincing Apple’s board of directors to throw Steve Jobs out of Apple in 1985. In June 1993, the leadership at Apple changed hands once again from – John Sculley to Michael Spindler. By 1995, Apple was spreading itself too thin across product lines and geographic markets. It had lost strategic focus, and was now operating in the red.

Apple experienced its worst year ever in 1997. Subsequently, Steve Jobs was brought back as the interim CEO of the company in September of that same year. Thereafter, he succeeded in orchestrating one of the greatest corporate comebacks in modern-day history.

4. The Turnaround at Apple

When Steve Jobs returned to Apple in 1997, he was ready and eager to shake things up. He discontinued several products such as the Newton PDA, the LaserWriter printer line and the Apple QuickTake camera, outsourced manufacturing to Taiwan and scaled down the distribution system by ending relationships with smaller outlets. With his savvy insight for what consumers wanted, he launched a new, revolutionary website to sell Apple products directly to customers online. For the first time ever, he also opened Apple retail stores, tied to his build-to-order manufacturing strategy.
Steve Jobs also realized the necessity of making Apple’s operating system more accessible for software providers. He switched everything to the open-source, UNIX-based operating system, Mac OS X. This proved to be a more stable operating environment and permitted the company to issue annual upgrades in response to customer feedback. This marked the beginning of a truly open era for Apple computers: They were now the most flexible, as well as the most attractive.

However, the most visible change that Steve Jobs instituted at Apple was to leveraging industrial design capability in order to produce more aesthetically pleasing computers. He started to brand Apple as a functionally appealing, “hep” alternative to other dull, clone-like computers in the market.

As a result of these efforts, Apple’s stock price experienced unprecedented growth. At its height in 2012, Apple’s share price enjoyed a 9,000 percent premium over the NASDAQ 100 index. It rose from $375 a share in August 2011 to $700 a share in September 2012.

5. The Key to Leadership Success
The entrepreneurial leadership lessons from Steve Jobs may be drawn from looking at his actual accomplishments. When once asked as to what he thought was his most important creation, Steve Jobs said it was Apple the company. Making an enduring company, he said, was both far harder and more important than making a great product. How did he do it?

His biographer Walter Isaacson considers the following attributes as the key to the success of Steve Jobs as an entrepreneurial leader.

5.1 Focus
When Jobs returned to Apple in 1997, it was producing a random array of computers and peripherals, including a dozen different versions of the Macintosh. After a few weeks of product review sessions, he drew a two-by-two grid. Atop the
two columns, he wrote “Consumer” and “Professional”. He labeled the two rows “Desktop” and “Portable.”

Their job, he told his team members, was to focus on four great products - one for each quadrant. All other products should be canceled. There was a stunned silence in the room. But, by getting Apple to focus on making just four computers, he saved the company. “Deciding what not to do is as important as deciding what to do,” he believed.

5.2 Simplicity

The Zen-like ability of Steve Jobs to focus was accompanied by the related instinct to simplify things by zeroing in on their essence and eliminating unnecessary components. “Simplicity is the ultimate sophistication,” declared Apple’s first marketing brochure.

When Steve Jobs visited Xerox’s Palo Alto Research Center and saw the plans for a computer that had a graphical user interface and a mouse, he set about making the design both more intuitive (his team enabled the user to drag and drop documents and folders on a virtual desktop) and simpler. For example, the Xerox mouse had three buttons and cost $300; Jobs went to a local industrial design firm and told one of its founders, Dean Hovey, that he wanted a simple, single-button model that cost $15. Hovey complied.

Steve Jobs aimed for the simplicity that comes from conquering, rather than merely ignoring, complexity. Achieving this depth of simplicity, he realized, would produce a machine that felt as if it deferred to users in a friendly way, rather than challenging them. “It takes a lot of hard work,” he said, “to make something simple, to truly understand the underlying challenges and come up with elegant solutions.”

5.3 Take Responsibility End to End

Steve Jobs knew that the best way to achieve simplicity was to make sure that
hardware, software, and peripheral devices were seamlessly integrated. An Apple ecosystem - an iPod connected to a Mac with iTunes software, for example - allowed devices to be simpler, syncing to be smoother, and glitches to be rare. The more complex tasks, such as making new playlists, could be done on the computer, allowing the iPod to have fewer functions and buttons. Being in the Apple ecosystem could be as sublime as walking in one of the Zen gardens of Kyoto that Jobs loved.

5.4 When Behind, Leapfrog

The mark of an innovative company is not only that it comes up with new ideas first, but also to leapfrog when it finds itself behind. That happened when Jobs built the original iMac. He focused on making it useful for managing a user’s photos and videos, but it was left behind when dealing with music. People with PCs were downloading and swapping music and then ripping and burning their own CDs, while the iMac’s slot drive couldn’t burn CDs.

Instead of merely catching up by upgrading the iMac’s CD drive, Steve Jobs decided to create an integrated system that would transform the music industry. The result was the combination of iTunes, the iTunes Store, and the iPod, which allowed users to buy, share, manage, store, and play music better than they could with any other devices.

5.5 Put Products Before Profits

When Steve Jobs and his small team designed the original Macintosh in the early 1980s, his injunction was to make it “insanely great.” He never spoke of profit maximization or cost trade-offs. “Don’t worry about price, just specify the computer’s abilities,” he told the original team leader. At his first retreat with the Macintosh team, he began by writing a maxim on his whiteboard: “Don’t compromise.” The machine that resulted cost too much and led to Jobs’ ouster from Apple. But the Macintosh also “put a dent in the universe,” as he said, by
accelerating the home computer revolution. And in the long run he got the balance right: Focus on making the product great and the profits will follow.

### 5.6 Don’t Be a Slave of Focus Groups

When Steve Jobs took his original Macintosh team on its first retreat, one member asked whether they should do some market research to see what customers wanted. “No,” Jobs replied, “because customers don’t know what they want until we’ve shown them.” He invoked Henry Ford’s line “If I’d asked customers what they wanted, they would have told me, ‘A faster horse!’”

Caring deeply about what customers want is much different from continually asking them what they want; it requires intuition and instinct about desires that have not yet formed. “Our task is to read things that are not yet on the page,” Jobs explained. Instead of relying on market research, he honed his version of empathy—an intimate intuition about the desires of his customers.

He developed his appreciation for intuition—feelings that are based on accumulated experiential wisdom—while he was studying Buddhism in India as a college dropout. “The people in the Indian countryside don’t use their intellect like we do; they use their intuition instead,” he recalled. “Intuition is a very powerful thing—more powerful than intellect, in my opinion.”

Sometimes that meant that Jobs used a one-person focus group: himself. He made products that he and his friends wanted. For example, there were many portable music players around in 2000, but Jobs felt they were all lame, and as a music fanatic he wanted a simple device that would allow him to carry a thousand songs in his pocket. “We made the iPod for ourselves,” he said, “and when you’re doing something for yourself, or your best friend or family, you’re not going to cheese out.”

### 5.7 Bend Reality
Steve Jobs’ (in)famous ability to push people to do the impossible was dubbed by colleagues his Reality Distortion Field - after an episode of Star Trek in which aliens create a convincing alternative reality through sheer mental force. Because he felt that life’s ordinary rules didn’t apply to him, Steve Jobs could inspire his team to change the course of computer history with a small fraction of the resources that Xerox or IBM had.

One day Jobs marched into the cubicle of Larry Kenyon, the engineer who was working on the Macintosh operating system, and complained that it was taking too long to boot up. Kenyon started to explain why reducing the boot-up time wasn’t possible, but Jobs cut him off. “If it would save a person’s life, could you find a way to shave 10 seconds off the boot time?” he asked. Kenyon allowed that he probably could. Steve went to a whiteboard, and showed that if five million people were using the Mac and it took 10 seconds extra to turn it on every day, that added up to 300 million or so hours a year - the equivalent of at least 100 lifetimes a year. This interaction had the desired impact. After a few weeks, Kenyon had the machine booting up 28 seconds faster.

5.8 Impute

Steve Jobs’ early mentor Mike Markkula wrote him a memo in 1979 that urged three principles. The first two were “empathy” and “focus.” The third was an awkward word, “impute,” but it became one of Steve’s key doctrines. He knew that people form an opinion about a product or a company on the basis of how it is presented and packaged. Mike taught him that people do “judge a book by its cover”.

As a result, when he was getting ready to ship the Macintosh in 1984, Steve Jobs obsessed over the colours and design of the box. Similarly, he personally spent time designing and redesigning the jewel-like boxes that cradle the iPod and the iPhone.
Often, he used the design of a machine to “impute” a signal rather than to be merely functional. For example, when the playful iMac was being created, he was shown a design that had a little recessed handle nestled at the top of the machine. It was more semiotic than useful, since the desktop computer was not to be casually carried around by the users. However, Steve realized that a lot of people were still intimidated by computers. If the new machine had a handle, he reasoned that the iMac would seem friendly, deferential, and at one’s service to the users.

The manufacturing team was opposed to the extra cost that the handle in the iMac entailed, but Steve Jobs simply announced, “No, we’re doing this.” He didn’t even try to explain.

5.9 Push for Perfection

During the development of almost every product he ever created, Jobs at a certain point “hit the pause button” and went back to the drawing board because he felt it wasn’t perfect. In case of the iPhone, the initial design had the glass screen set into an aluminum case. The whole device felt too masculine, task-driven, and efficient. “Guys, you’ve killed yourselves over this design for the last nine months, but we’re going to change it,” Jobs told the design team. “We’re all going to have to work nights and weekends, and if you want, we can hand out some guns so you can kill us now.” Instead of balking, the team agreed. “It was one of my proudest moments at Apple,” Jobs recalled.

His perfectionism extended even to the parts unseen. As a young boy, he had helped his father build a fence around their backyard, and he was told they had to use just as much care on the back of the fence as on the front. “Nobody will ever know,” Steve said. His father replied, “But you will know.” It was the mark of an artist to have such a passion for perfection.

5.10 Tolerate Only “A” Players
Jobs was famously impatient, petulant, and tough with the people around him. But his treatment of people, though not laudable, emanated from his passion for perfection and his desire to work with only the best. His rudeness and roughness were accompanied by an ability to be inspirational. He infused Apple employees with an abiding passion to create groundbreaking products and a belief that they could accomplish what seemed impossible. His top executives tended to stick around longer at Apple and be more loyal than those at other companies, including ones led by bosses who were kinder and gentler.

5.11 Engage Face-to-Face

Despite being a denizen of the digital world, or maybe because he knew all too well its potential to be isolating, Jobs was a strong believer in face-to-face meetings. He had the Pixar building designed to promote unplanned encounters and collaborations. “If a building doesn’t encourage that, you’ll lose a lot of innovation and the magic that’s sparked by serendipity,” he said.

Steve Jobs hated formal presentations, but he loved freewheeling face-to-face meetings. He gathered his executive team every week to kick around ideas without a formal agenda, and he spent every Wednesday afternoon doing the same with his marketing and advertising team. Slide shows were banned. “I hate the way people use slide presentations instead of thinking,” Jobs recalled. “People would confront a problem by creating a presentation. I wanted them to engage, to hash things out at the table, rather than show a bunch of slides. People who know what they’re talking about don’t need PowerPoint.”

5.12 Know Both the Big Picture and the Details

One of the salient traits of Steve Jobs was his ability and desire to envision overarching strategy while also focusing on the tiniest aspects of design. His
passion was applied to issues both large and minuscule.

For example, in 2000 he came up with the grand vision that the personal computer should become a “digital hub” for managing all of a user’s music, videos, photos, and content, and thus got Apple into the personal-device business with the iPod and then the iPad.

In 2010, he came up with the successor strategy - the “hub” would move to the cloud - and Apple began building a huge server farm so that all a user’s content could be uploaded and then seamlessly synced to other personal devices. But even as he was laying out these grand visions, he was fretting over the shape and color of the screws inside the iMac.

5.13 Combine the Humanities with the Sciences

Steve Jobs connected the humanities to the sciences, creativity to technology, arts to engineering. There were greater technologists (Wozniak, Gates), and certainly better designers and artists. But no one else in our era could better integrate poetry and processors together in a way that jolted innovation. And he did it with an intuitive feel for business strategy.

He had a vision for turning textbooks into artistic creations that anyone with a Mac could fashion and craft—something that Apple announced in January 2012. He also dreamed of producing magical tools for digital photography and ways to make television simple and personal. Those, no doubt, will come as well. And even though he will not be around to see them to fruition, his rules for success helped him build a company that not only will create these and other disruptive products, but will stand at the intersection of creativity and technology as long as Jobs’ DNA persists at its core.

5.14 Stay Hungry, Stay Foolish
Steve Jobs was a product of the two great social movements that emanated from the San Francisco Bay Area in the late 1960s.

The first was the counterculture of hippies and antiwar activists, which was marked by psychedelic drugs, rock music, and anti-authoritarianism. The second was the high-tech and hacker culture of Silicon Valley, filled with engineers, geeks, cyberpunks, hobbyists, and garage entrepreneurs. Overlaying both were various paths to personal enlightenment - Zen and Hinduism, meditation and yoga, primal scream therapy and sensory deprivation.

An admixture of these cultures was found in publications such as Stewart Brand’s Whole Earth Catalog. On its first cover was the famous picture of Earth taken from space, with the subtitle was “Access to Tools.” The underlying philosophy was that technology could be our friend. On the back cover of their final issue was a photograph of an early morning country road, the kind you might find yourself hitchhiking on if you were so adventurous. Beneath it were written the words, “Stay Hungry. Stay Foolish.”

Steve Jobs stayed hungry and foolish throughout his career by making sure that the business and engineering aspect of his personality was always complemented by a hippie nonconformist side from his days as an artistic, acid-dropping, enlightenment-seeking rebel.

6. Conclusion

In September 2012, Apple had been trading consistently at over $700 a share, the company had literally re-invented three new product markets over the past decade with its iPod, iPhone, and iPad, and there seemed to be nothing the company could not accomplish. Described by some as the “Father of the Digital Revolution”, Steve Jobs had blazed a path of innovative and entrepreneurial success for over three decades before his death in 2011.

As an innovator and entrepreneur, Steve Jobs needs no analysis. However, what is
perhaps the most remarkable thing to examine in his incredibly packed life story is the effect on his company Apple without his physical presence to guide it.

Over the past decade, with its astonishing product announcements seeming to come every few months, and with new features and devices being unveiled before adoring audiences at a rate fast enough to encourage addiction, Apple managed to create an unprecedented level of expectation and confidence in its ability to out-think, and out-create, anyone.

However, since Steve Jobs passed away in 2011, Apple remains without a landmark new product to follow up its last truly impressive unveiling - the iPad 2. Apple’s fans and dedicated investors have watched in disbelief and astonishment as the company’s stock has lost a staggering 44% of its market value in just a few months.

Perhaps the biggest question is not whether Apple can continue to stay ahead of everyone else (Samsung and Google have already been catching up), but whether it can re-invent itself successfully for “Life After Steve Jobs”.

References


About The Author

Dr. Sunil Maheshwari is regarded as an international authority in the theory and practice of appreciation and other strength-based approaches for personal and organizational effectiveness. His developmental expertise has been fine tuned in the course of a 13-year corporate career in Human Resource Management, working with RPG Enterprises, Gillette, Wipro Corporation, Tata Management Training Centre and Ernst & Young in various managerial roles.

Sunil is the founder of Samatvam Academy. He has facilitated executive education at the Tata Group, ITC, Xerox, Ranbaxy, Philips, Mahindra & Mahindra, GAIL India, FICCI and DCM Shriram (among others), and considers executive coaching to be his passion.

Sunil completed his PhD on "Relationship between Appreciative Intelligence and Leadership Capability" from FMS, University of Delhi and also has an MBA from the same institution. Prior to this, he schooled from Mayo College, Ajmer with flying colors in athletics, dramatics and debating, and went on pursue a Bachelor’s degree in Industrial Engineering (1992) from Nagpur University. He has also completed the prestigious Certificate Program in Experiential Learning and Training from the NTL Institute of Applied Behavioural Sciences, USA.

Sunil is a graduate of the Certificate Program in Yoga Education from The Yoga Institute (TYI), Mumbai. He has extensively taught and researched the role of Yogic sciences in delivering health, harmony, and happiness for human beings in society.