



# Future Trends

## The Legacy of Steve Jobs

The rise, fall, and return of Steve Jobs is a big part of the Apple founder's legend.

By Roger Gudobba

**S**teve Jobs and Steve Wozniak founded Apple in 1976, with Jobs playing the part of strategic visionary and businessman, while Wozniak serving as the engineering expert who translated the vision into products. Neither brought any experience running a company into the Apple venture. Mike Markkula, one of Apple's earliest investors and sources of business expertise, addressed this by bringing in his friend Michael Scott as Apple's first CEO. Markkula himself became CEO in 1981 after Scott's departure.

In 1983, Jobs himself recruited John Sculley from PepsiCo for Apple's next CEO, even though he already saw himself as the right person for the job. It was clear that Apple's board wasn't confident in Jobs's ability to lead. His reputation for managerial callousness and obsession with detail was well known and considered a liability for the CEO's office.

By 1985, the power struggle came to a head. Jobs had led the initial development of the Lisa, the first computer with a graphical user interface (GUI). While a technical marvel, it was not a commercial success. His follow-up project, the Macintosh, had better sales, but nowhere near enough to shake IBM's control of the PC market. It was the beginning of the end. Sculley, acting on direction from the Apple board, tried to limit Jobs's efforts to launch expensive products in untested markets. After a failed boardroom coup attempt by Jobs, he resigned and founded NeXT.

NeXT's trajectory followed a similar pattern as Apple: technically impressive products—delivered late, priced beyond what most consumers could pay—failed to find market traction. In its first post-Jobs era, Apple saw remarkable success. The Mac offered color and the first PowerBook laptop was released. But there were flops as well and a costly strategic error in microprocessor technology that kept the price point of Macs out of reach for

many potential customers.

Gil Amelio became CEO in 1996 and it was his idea to acquire NeXT and its NeXTSTEP operating system. The move returned Jobs to Apple as an advisor. It would also be Amelio's undoing. The next year, an anonymous party sold 1.5 million Apple shares in a single transaction. As a result, Apple shares fell to a 12-year low. In the next weeks, Jobs convinced the board to fire Amelio and make him interim CEO. Jobs later confessed that he was the anonymous seller of the Apple stock.

Steve Jobs built a company where leaps of the **imagination were combined with remarkable feats** of engineering.

By August 1997, Jobs brought in a new board and mended business fences with long-time rival Bill Gates. Microsoft announced a \$150 million investment in Apple at the Macworld conference. In 1998, Apple introduced the iMac, its all-in-one computer, reinforcing the company's turnaround. In 2000, Apple officially dropped the "interim" from Steve Jobs' title of CEO. Steve Jobs said, "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. It freed me to enter one of the most creative periods of my life."

In his exclusive biography of Steve Jobs, Walter Isaacson writes about the man and the inevitable and often difficult intersection of personality and inventive success.

Let's look at some of the traits Walter Isaacson considered the keys to Job's success:

Focus: Jobs returned to Apple with

something to prove, and he would prove it by focusing on the core business as he understood it. Apple's product line was a mishmash of computers, gaming consoles, cameras, and printers. Jobs dumped products, slashed R&D projects from 50 to 10, and laid off over 2,000 employees. "Deciding what not to do is as important as deciding what to do," Jobs said. "That's true for companies, and it's true for products." Instead of making more products, he focused Apple on making only four computers, one for highly specific market segments. By getting Apple to focus on making just four computers, he saved the company.

**Simplify:** When designing the iPod interface, Jobs looked at every angle to reduce extraneous click for decisions that users shouldn't have to make. One proposed navigation screen required users to specify if they wanted to search by song, album, or artist. "Why do we need that screen?" Jobs demanded. The designers realized they didn't. As a result, the device does what a human brain will do: search all artificial categories (Is it a song? Is it an artist?) for any matches to the keywords supplied to it.

**Take Responsibility End to End:** Jobs was a controlling person, and while that made him dig in on decisions that were questionable, it also brought order to what could have been a disjointed product experience. He envisioned an Apple ecosystem that allowed for an intuitive, integrated user experience with connected Apple devices. This was not a matter of making an elegant product; it was about making the suite of products that worked together to create an experience greater than any single component.

**When Behind, Leapfrog:** No company, regardless of its innovative leadership, will always be first with a new idea. The trick is to know when you're behind

and then use that position to catapult ahead. In Jobs's own assessment, he missed the first wave of digital music technology by being blind to user behavior. The original iMac was geared to managing photos and video, but not music. Competitor PCs provided the avenue for downloading and swapping music and then burning personal CDs. The iMac's slot drive couldn't burn CDs. He could have simply upgraded the the iMac's CD drive, but instead he created an integrated system (again, end-to-end ownership) that transformed the music industry. The

resulting combination of iTunes, the iTunes Store, and the iPod allowed users to buy, share, manage, store, and play music better than they could with other devices.

According to Google, Steve Jobs is still the most interesting tech CEO. Steve Jobs may be gone, but clearly he's not forgotten. The mythology around the man is so strong that even five years after his death he still dominates online discussion, more popular than Apple CEO, Tim Cook; the Tesla and SpaceX CEO, Elon Musk; Facebook's CEO, Mark Zuckerberg; and Microsoft founder Bill Gates.

Steve Jobs said it best in 1995: "Of all the inventions of humans, the computer is going to rank near or at the top as history unfolds and we look back. It is the most awesome tool that we have ever invented. I feel incredibly lucky to be at exactly the right place in Silicon Valley, at exactly the right time, historically, where this invention has taken form."

This article cannot begin to explore the life of Steve Jobs in detail, but I hope it will give you a snapshot and encourage you to read "Steve Jobs," by Walter Isaacson, the official biography published in 2011. ❖



Steve Jobs knew that the **best way to create value** in the twenty-first century was to connect creativity **with technology.**

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