DRAFTING ON STEVE JOBS’ LEGACY

Draft (v) – pulling along
Legacy (n) inheritance; a gift handed down from the past

Steve Jobs left quite a legacy. He was the Marketect of our generation. He was at the forefront in creating, and or recreating, several industries: personal computers; animated films (Pixar); the way we consume music (iPod, iTunes); mobile phones (iPhone, apps, iStore); tablets (iPad); and even retail (Apple Stores). He led the creation of innovative products, spawned new industries, and built a world-class organization.

Last week Apple Corporation reported fiscal 2011 fourth-quarter (ending 24 September) financial results. Apple scored sales of $28.27-billion and net profit of $6.62-billion, an incredible increase of 38% and 53%, respectively, over the same quarter a year ago. Mac unit sales were up 26%, iPhones 21% and iPads 166%. Apple posted gains in all areas, including growing profit margin (40.3% versus 36.9%), with the exception of iPods sales(-27%), which have been cannibalized by sales of iPhones.

Impressive? It’s more like astounding. What other companies can boast anywhere near the performance of Apple? In the U.S. we’re encouraged by fourth-quarter GDP growth of 2.8%. Apple performance exceeded that by several fold.

What’s behind this record breaking, stellar performance for Apple Corporation? Steve Jobs’ legacy. The company drafted on Steve Jobs’ vision, relentless pursuit of perfection, “class A” people selection, passion and competitiveness, among other gifts. This is not to suggest that Steve did it all by himself. No, he had help from incredibly talented individuals at Apple Corporation, who shared his dream and, importantly, could collaborate with Steve and each other, to make the unimaginable a reality. But Steve Jobs was the driving force, the inspiration and the guiding light behind not just the products but resurrecting a moribund company and creating a culture for which nothing less than excellence is acceptable.

What can we learn from Steve Jobs to help make us more effective marketers? If you’re interested in growing your brands and business, and yourself, read Steve Jobs, Walter Isaacson’s biography of the founder of Apple Corporation. We did! Here’s what we gleaned that can help each of us make marketing matter (more). This is Steve Jobs on:

- **Purpose** – His goal was neither to make money nor beat the competition. Instead, his purpose was to “do the greatest thing possible, or even a little greater.” He believed it was morally appalling to offer products that were merely adequate, and perform in a way that was merely average.
**Competition** – He was not indifferent to competition. He disdained his competitors for their putting out substandard products (from his perspective) and customer experience. He also saw Apple in stark contrast to the establishment. For example, he viewed the personal computer battle that ensued in the early 1980’s as a contest between the rebellious Apple and the establishment IBM, positioning all other competitors as irrelevant. By choosing his competition, and defining the battlefield, he positioned Apple as being “different” for consumers who shared similar values.

**Brands** – Mac, iPod, iPhone, iPad, Garageband, iMovie, iStore, etc., are all brands with proprietary technology designed to provide customers with the best experience possible. The consumers’ relationship to the brand and the creation of brand loyalty is built not on features, or even benefits, but the experience enjoyed by consumers. The iPad magnetic cover is merely one example of integrating the whole product, from hardware and software to content and, in this case, even the cover, to realize the intent of the product in delivering a uniquely meaningful experience.

**Creating Value** – People pay a premium for Apple products. While Apple only has about a 12% market share of the PC market, they have more than a 90% market share of the premium segment (i.e., computers costing more than $1,000). Also, the company was able to grow product margins while they were growing sales. But what truly amazes, and should amaze all marketers facing stiff price competition, is that they built an enviable business in the music industry at a time when competition (remember Napster? Kazaa?) was giving product away for free! How did they do it? Delighting customers with a winning experience.

**Animating the brand** – Steve Jobs learned the value of imputing the values of the brand from one of his early investors and mentor, Mike Markula. To impute is to animate the values such that they might be realized, really understood and felt by customers. It’s not something that is intellectual, in the mind. Instead it is something that is felt in the heart of customers, striking a responsive chord. Everything, absolutely everything, from the development of his business card, to packaging, to product, to advertising and promotion, to selection of people, suppliers and affiliations, to corporate culture and facilities, everything, animated the values of his brand(s) to consumers such that they stoked desire (to this day) for all that he and his company created.

**Ideas** – Steve Jobs was impressed by John Sculley relating Pepsi’s marketing success of selling a lifestyle with the Pepsi Generation, not just a product, which he achieved in creating the Apple Generation. He was also inspired by The Pepsi Challenge campaign. It integrated product, ads, PR and promotion to generate national excitement, which he achieved with the introduction of each of his products and product improvements.

**Focus** – Steve Jobs was focused and kept his organization focused. He conducted an annual retreat with his top 100 managers, which he defined as those he would take with him to his next company, and appropriately dubbed “The Top 100.” He asked his managers “what are the 10 things we should be doing” which he captured on a whiteboard. Participating managers would, as you expect, fight to get their suggestions on Steve’s priority list. However, even if they made the list Steve would cross-off all but the three that would be their, and the company’s, focus. “‘Deciding what not to do is as important as deciding what to do’, he said. ‘That’s true for companies, and it’s true for products.’” (Page 336) He wanted the company to focus on products that could truly make a difference, and avoid wasting time on what he considered to be “crappy” products. To Steve Jobs something was either (insanely) “great” or it was “shit.” Only the great deserved attention.

**Motivation** – His motivation was love. He loved music, and so did his people working on the iPod and iTunes. So, the products they made, they made for themselves. He put it this way, “when you’re doing something for yourself, or your best friend or family, you’re not going to
cheese out. If you don’t love something, you’re not going to go the extra mile, work the extra weekend, challenge the status quo as much.” (Page 407)

- **Marketing Research** – He relied on his instincts and desires, not on marketing research to tell him what customers wanted. He believed that consumers don’t really know what they want until they’re shown what is possible. He built a company that invented a future that consumers could not envision but would readily appreciate. On the other hand, Steve Jobs did listen to his customers, particularly key authorities and influencers such as Walter Mossberg of the Wall Street Journal. It’s obvious from the many product improvements and upgrades that he developed and introduced to provide customer with a better experience.

- **The Future** – Several years ago, Steve Jobs saw the PC as developing into the digital hub for the variety of lifestyle devices, such as the iPhone and iPad, which we enjoy today. He took the company from Apple Computer Company to Apple Corporation. In the waning years of his life he developed a vision that moved the hub from the PC to the cloud. There are more great things to come!

- **Collaboration versus Consensus** – He promoted a culture of what he referred to as “deep collaboration.” Instead of development going sequentially from engineering to marketing to sales and distribution, each department collaborated simultaneously. There was not a bone in his body that encouraged consensus or settled for its byproduct, compromise. By the way, he was known to fire managers who failed to collaborate.

- **People** – Only “A” players were chosen and tolerated by Steve, and his organization. When a candidate interviewed for a position at Apple Corporation s/he not only had to pass muster with the department head but the heads of other departments. “B” players were not tolerated because they diminished the overall performance of the company. And, Steve held people accountable for results. When it became clear that MobileMe, Apple’s first attempt at mastering the cloud, was flawed, he called a meeting and proceeded to berate the team for failing the organization and each other, and disappointing friends and customers alike. He fired, and replaced, the team leader on the spot. Yes, he held people accountable for excellence. By the way, he believed “A” players (within or outside the company) could achieve what others judged to be impossible.

- **Affiliations** – He affiliated with top performing companies and people. iPod was promoted by the likes of Bono and Bob Dylan. But it wasn’t a one-way street in which Apple derived all the benefit. Au contraire. Bono and Bob Dylan were able to attract a younger audience, promote their new albums, climb to the top of the charts and rejuvenate their careers. It was a mutually beneficial affiliation.

- **Resource Allocation** – He learned that by advertising his new devices, such as the iPod, it created a halo that lifted Mac sales. So, he shifted his advertising support to the iPod, leading him to dominate share of voice in the emerging market and with it market share, while he concurrently lifted sales of Mac computers.

- **Legacy** – It was not enough to develop innovative products. He strove to build a lasting company that reflected the values of its founder.

- **Values** – Nothing speaks more clearly of his values, and legacy, than this quote, taken from the Walter Isaacson biography, Steve Jobs (page 488), by Tim Cook, Apple CEO: “We believe that we are on the face of the earth to make great products, and that’s not changing. We are constantly focusing on innovating. We believe in the simple not the complex. We believe we need to own and control the primary technologies behind the
products that we make, and only participate in markets where we can make a significant contribution. We believe in saying no to thousands of projects, so that we can focus on the really few that are truly important and meaningful to us. We believe in deep collaboration and cross-pollination of our groups, which allow us to innovate in a way that others cannot. And, frankly, we don’t settle for anything less than excellence in every group in the company, and we have the self-honesty to admit when we’re wrong and the courage to change. And I think, regardless of who is in what job, those values are so embedded in this company that Apple will do extremely well.”

Yes, we believe Apple Corporation will continue to do well if they stay true to the values and legacy of their founding father, Steve Jobs.

**Boats & Helicopters:**

The preceding points represent key learning and serve to offer many Boats & Helicopters. Think about their meaning to you and managing your brand. But here are a few more for your consideration:

1. **Read Steve Jobs by Walter Isaacson** – There’s more to learn, much more than we could capture here in a DISPATCHES’ article. Hopefully, this article has wet your appetite for more on Steve Jobs and his winning ways. But get beyond reading the words. Be an active reader! Draft on the Jobs’ legacy. Identify learning (principles, practices, operations, philosophy, values, etc.) and how you can apply the learning to your brand, business, team, organization and self-development. Let his business acumen and success inspire you to be insanely great.

2. **Be a good steward** – If you’ve been entrusted with managing an established, leadership brand it is your duty to make the most of this asset. Learn what has contributed to making it successful. But don’t get stuck in a grove (i.e., the way it has always been done) because it will blind you to: threats, leaving the brand vulnerable to competitive inroads and decline; and opportunities, failing to realize the brand’s, and your, potential. Invest and focus resources (including your, and your team’s attention) to what will make a meaningful difference.

3. **Create your own legacy** – Create and build leadership brands that delight you, your friends and family, and you will delight your customers. Get beyond the product you sell and think about the experience you deliver. Ask yourself, “How would Steve Jobs manage this?” and seek-out big ideas. Be passionate about your brand, your team and ideas. Demonstrate that passion by championing each. And, remember, “God is in the details.” If it is worth doing, it is worth doing right. Get and stay involved from beginning to end.

4. **Enjoy the journey** – Steve was influenced by his early study and lifelong pursuit of Zen. He was one to be in the precious moment we call the “present.” The present was a gift to him and a reward in itself.

5. **Let’s go to the Theatre** - Jobs is playing at theatres throughout the U.S. and other parts of the world. Let’s grab a bucket of popcorn and learn while we are entertained.

Be insanely great in making marketing matter (more)!

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