

## **Case Study of Steve Jobs: The Ultimate Intrapreneur and Entrepreneur**

Apple's success can be without a doubt is credited to Late Steve Jobs and his entrepreneurial skills which reflected the way Apple developed their strategies and hence becoming a corporate Entrepreneur organization.

Steve Jobs was an entrepreneur who turned into an intrapreneur due to demands of the environment he worked in. Apple was established on April 1st, 1976 by Steve Jobs, Steve Wozniak and Ronald Wayne to sell the Apple I personal computer kit. The kits were hand-built by Wozniak. Steve Jobs was booted in 1985 and returned as CEO in 1997. By the time of his death in 2012 at the age of 56, he had transformed a company that was in such weak financial shape that it accepted a \$150 million investment from Microsoft, into the most profitable technology company in the world. A consummate showman, Jobs was adept at explaining his vision to a mass audience and he built Apple into one of the world's most powerful brands. The company's annual revenues climbed to \$108 billion (CNN most admired company 2012). Jobs and Wozniak, both had a steady job but their entrepreneurial needs were unsatisfied and hence this gave rise to Apple Inc.

But by 1980, increased competition pooled with poor sales of the Apple III and its follow-up, the LISA, resulted in loss of its market share to IBM. Faced with bad sales, Steve Jobs introduced the Apple Macintosh in 1984. The first personal computer to feature a graphical-user interface controlled by a mouse, the Macintosh was a true breakthrough in terms of ease-of-use. This move by Apple demonstrated innovativeness and risk taking at the time of adverse conditions. This was partially because of Steve Jobs entrepreneur skills and partially of the entrepreneurial corporate strategies in place, this resulted in Corporate Entrepreneurship. Steve Jobs and his handpicked group of twenty Apple Computer engineers detached themselves from the other Apple employees to innovatively and intrapreneurially create the Mac. The MAC group, under Steve Jobs' personal leadership, operated totally autonomously and without meddling from anyone at Apple. The motor of Corporate Entrepreneurship (CE) resides in the autonomous strategic initiative of individuals at the operational levels in the organization. This is an example of how Steve Jobs exercised autonomy and disengaged from the organizational boundaries to lead a new business creation inside the same Apple. This action links up with the points of "Autonomous" and "Innovativeness" of the framework. It also fits in well with the definition of CE in question, since it created a new innovative business venture inside the organization.

However due to creative difference between Steve Jobs and the board, Jobs quit Apple in 1985. Here we see that Steve Jobs need for autonomy and power got in the way and eventually resulted in his leaving his beloved Apple Inc. Entrepreneur need to be autonomous and locus of power can sometimes result in unfavorable results. This marked a turbulent time for the company. It can be said that Apple lost its "Creative destruction" entrepreneur and hence entrepreneur orientation was lost and so was CE culture. However as entrepreneurs are "wild spirits" and always looking for new challenges, later that year, using a share of the money from the stock

sale, Steve launched NeXT Computer Co. with the objective of developing an innovative computer that would revolutionize higher education. Here we see the “never say die” spirit of the entrepreneur that Steve Jobs was. He despite all odds and failures stood back on his feet and created a new business venture. He portrayed attributes of innovativeness and proactiveness. He took a big risk with his savings and it could be argued that it was a calculated risk but others see it as a move to show his doubters that he can create “anything from nothing”.

Introduced in 1988, the NeXT computer boasted a host of innovations, but at \$9,950, the it was too expensive to create enough sales to keep the company afloat. Undeterred, Jobs switched the company’s focus from hardware to software. He also began paying more attention to his other business, Pixar Animation Studios, which he had purchased from George Lucas in 1986. Here we see that Steve created branched out from the primary product and created an alternative business inside a business by utilizing his entrepreneurial skill of learning from failures. Steve Jobs could be said was a serial entrepreneur. He created a new organization and when the organization business was not enough for his appetite of entrepreneur orientation, he created a created a new business inside a business to satisfy the hunger of “creative destruction”. Following on the success, soon Apple bought NeXT for \$400 million and re-appointed Jobs to Apple’s board of directors as an adviser to Apple chairman and CEO Gilbert F. Amelio. It was an act of desperation on Apple’s part. The physician of ancient Greece, Hippocrates in his aphorisms stated “For extreme diseases, extreme methods of cure, as to restriction, are most suitable.” Because they had failed to develop a next-generation Macintosh operating system and incurred heavy financial loss, the firm’s share of the PC market had dropped to just 5.3%, and they hoped that Jobs could help turn the company around. One could argue that the move to buy NeXT and bring back Steve Jobs was risky and innovative in some sense and that was Apple’s entrepreneur orientation as its best for many years. On the other hand one could say that emotional embedded reasons were behind Steve Jobs accepting the offer to work for Apple Inc.

Once again, head of Apple and having gained back the “locus of power” and “autonomy”, Steve went to his old style of leadership by example but the past taught him lessons and he fully learned from those mistakes like any other good entrepreneur would. Jobs struck a deal with Microsoft to help ensure Apple’s survival. Next, Jobs installed the G3 PowerPC microprocessor in all Apple computers, making them faster than competing Pentium PCs. He also spearheaded the development of the iMac, a new line of affordable home desktops, which debuted in August 1998 to rave reviews. Under Jobs’ leadership, Apple returned to success, and by the end of 1998, boasted sales of \$5.9 billion. Jobs’ first major innovation was the introduction in 2001 of the original iPod and iTunes music store, which altered how digital music was purchased. In January 2007, after years of rumors, Jobs rocked consumer electronics with the introduction of the first iPhone, which has since undergone four successive renovations. The device was not the world’s first touchscreen handset, but its design and easy-to-use user interface became the standard for all smartphone aspirants. However in Apple’s iPhone case, they created market or developed a new market by innovating and reinventing the existing product itself. Apple’s re-configuring of the smartphone market caused old-fashioned players, from Microsoft, Nokia, and RIM, to

reconsider and alter their own mobile strategies in the wake of the disruption caused by the iPhone. Apple Inc. under Steve Jobs adopted an unconventionality style to strategic design to identify opportunities in its external environment and to position the company to seize these opportunities. Profoundly, this involved the leader, in this case Jobs to think not only about needs of stakeholders but also how the Apple can reinvent or create new markets, products, customers, and services.

Nevertheless, Jobs stressed that the company had a longer-term strategy past personal computers, and that he was waiting for the next big thing, which turned out to be iPod and iPhone. Apple's corporate entrepreneur strategy was heavily influenced by Steve Jobs personal values of regular and steady entrepreneurial way of doing things. It is important that CE requires consistency in approach and regularity in behavior. Jobs succeeded at seizing opportunities because he was able to recognize and initiating trends by taking a calculated risk at the time. He perceived himself akin to Henry Ford who, when asked about the of the automobile stated, "If I'd have asked my customers what they wanted, they would have told me a faster horse". Hence, it can be said that Steve Jobs had a "knack" of seizing opportunities because he was a risk taker and so did Apple Inc. as a company. Apple Inc. embraced "creative destruction" by altering the rules of the game in an IT industry. It also involves the aptitude to recognize industry dynamics and the key success factors that drive performance. Apple is known to be obsessed about the strategic action of its competitors and encourages his employees to do the same so that the company does not become complacent. They with the help of "aggressive marketing" are always looking to "compete intensively", another dimension of the framework that is very relevant in Apple's strategy. This is very clear from the mp3 devices market, where iPod's monopoly has resulted in lack of competitors in the sector.

***Now, write down your observations based on this case study.***