

Steve Jobs biography by Walter Isaacson (2011)

Steve Jobs (SJ) was born 24Feb55 and died 5Oct11. His biological mom (Joanne) was from a German Catholic family from Wisconsin. His biological dad (John) was a Muslim from Syria. Paul & Clara Jobs adopted him, but had to sign a contract to start a college fund and send him to college. In 7th grade he demanded he go to a different school, so his parents sold their house and moved to Los Altos, CA. He started drugs in high school and met Steve Wozniak (SW). They both loved pranks. SW made this device that would interfere with a TV's reception.

They had fun as people in the dorm would try to fix the TV. He also made a box that would allow them to make free long-distance calls. Steve refused to go to college unless it was Reed (expensive & liberal). He became a serious vegetarian & Buddhist. He was mentored by Robert Friedland (charismatic con-man) whose family owned an apple farm. The hippies worked the farm & Robert got the money. He dropped out from school, but audited some fun classes like calligraphy. He moved back to CA & went to work for Atari, but they made him work at night because he was rude & stunk. He went to India to find peace, but never did.

In 1976 the two Steves [Jobs & Wozniak] designed a computer and named it Apple Computers after the OR farm. The third partner got cold feet and was bought-out after a few months for \$2300. If he kept his 10% stake it would be worth \$2.6B in 2010. They got a computer store to buy 50 computers at \$500 each. They assembled them in his parent's garage. Apple II would require money. Mike Markkula invested \$250,000 for 26% of the stock & incorporated in 1977. Regis McKenna designed the logo. SJ was so obsessed with details that Pantone's 2000 shades of beige were not enough. Apple II sold 2500 units in 1977 & 210,000 in 1981.

His daughter, Lisa, was born in 1978, but he abandoned her when he was 23 just as his biological parents did. The courts ordered him to pay child support, but had little to do with her until she was a teenager (in '92 she moved in). Then it was off & on. Lisa's mom sold the \$700k home SJ gave them & spent the money.

Apple gave Xerox \$1 million of stock in trade for bitmap secrets. SJ was banned from the Lisa project and started the Macintosh division. He always felt he was the enlightened rebel fighting the evil empire (IBM, Microsoft), so he called his team of 'A' players, pirates. He has a reality distortion field, thinking he can bend reality with his mind, but sometimes he ignores it (ie Lisa & cancer). The root of this is that he doesn't feel rules apply to him. He would manipulate or berate others to obtain the perfect product. He was an obsessive control freak. He goes from courting to manipulating to rude in no time at all. He had an intense stare.

The sum of a sequence of odd numbers produces a sequence of perfect squares (1+3=4, 1+3+5=9). He hired German designer Hartmut Esslinger to help design products. In 1983 they hired John Sculley (pres of Pepsi) to be CEO. SJ made him feel that he was mentoring, but he was manipulated by him. 1982 there were about the same number of PC sold as were Apple II, but 1983 PCs were 3x as much as Apple. In 1982 the young Microsoft started doing the excel software for Apple. 1985 key Apple personnel left, including SW. But SJ made it difficult for him when he started another company to make remote controls. 1985 SJ was more of a liability than asset to Apple so the fired him. He sold his \$100 M worth of stock.

He started another company called NEXT. Ross Perot invested \$20 M in it, but it didn't do well. In 1985 Lucasfilm sold their computer division to SJ for \$10M (70% ownership). By 1991 he put over \$50M in Pixar and nothing to show for it, and then Disney hired them to do Toy Story. It released in 1995 and had \$362 million in sales worldwide. When Pixar went public his 80% was worth \$1.2B. 1998 DreamWorks stole an idea from Pixar and released Antz (\$172M sales) before Pixar released Bug's Life (\$363M sales). Other movies were: Toy Story II ('99) with \$485; Monsters ('01) with \$525M; Finding Nemo ('03) with \$868M. Michael Eisner was letting the animation department die & it was the lifeblood of Disney. In 2004 they replaced him with Bob Iger (pres of ABC when bought out by Disney in '96). Soon ABC TV shows were playing on the iPod and Disney bought Pixar for \$7.4B in stock (SJ became Disney's largest shareholder with 7% compared to Eisner @ 1.7% & Roy Disney @ 1%).

He called the doctor on his birth certificate to find out about his birth parents. After the doctor died SJ got a letter naming the mom. After Clara died in '86 he contacted Joanne, but not John (they did meet by accident, but neither knew it was their dad/son). He met his mom & full sister, Mona. He became close to Mona. When Apple went public, he gave his parents \$750,000 worth of stock.

He dated Joan Baez and other girls, but only one put up with him enough to get married (Laurene – 1991). They bought an unpretentious house in old Palo Alto, but took years deciding on furniture. They had 3 children: Reed ('91), Erin ('95) & Eve ('98). Some of Steve's heroes are: Einstein, Gandhi, Lennon, Dylan, Picasso, Edison, Chaplin & King. He mostly wore a black turtleneck & Levis. He hates slides shows, but liked to talk on long walks.

1996 Apple sales were down 30% in 1 yr & was on the verge of bankruptcy. So, in '97 they bought NEXT for \$157M and brought SJ back as CEO for \$1/yr. He replaced the board & got Bill Gates to invest \$150M into Apple as a patent infringement settlement. He cut projects, inventories & people and focused only on a few. '97 Apple lost \$1B, but '98 gained \$300M. By 2000 the stock went from a low of \$14 to \$102 & SJ wanted a private jet & stock options.

The 1st Apple Store opened in 2001 in VA. By 2004 they averaged 5400 visitors per week & \$1.2B in Sales. By 2011 there were 326 stores averaging \$34M per store. The stores created buzz & brand awareness.

He would take the top 100 employees to a retreat each year. Toshiba invented this 1.8-inch drive with 5GB (1000 songs) & Apple created the iPod (MP3 player). 2001 iPod & iTunes were unveiled. He realized iTunes would drive iPod sales & then iMac sales. They opened iTunes Store in 2003 in SF, CA. They sold a million songs in 6 days at 99 cents each. 2003 iTunes for Windows was launched. Sony Walkman (CD player) was gone. 2005 iPod sales were 45% of Apple's revenues. 2006 they sold their billionth song.

The dot-com burst just as sales of the G4 were dismal. Apple stock went down to \$15 in 2000. 2001 Fortune magazine had an article with SJ as the highest paid CEO & the SEC was after him for back-dating stock options (but released him since there was no profit). Apple paid a \$2M fine & \$14M in damages to shareholders.

2003 they found cancer in his pancreas. It was detected early, but he waited 9 months while he used alternative methods before he had surgery. But by then it spread. He began chemo.

His 2005 Stanford commencement address was supposed to be as good as George Marshall's at Harvard in '47. By 2008 his cancer was back and he was losing weight (cancer & morphine reduces appetite) partially because the loss of much of his pancreas (produces enzymes to digest protein). Apple stock went from \$188 to \$82. He got in trouble with the SEC again over withholding info from shareholders, but again they dropped it. 2009 he got a liver transplant & returned to work with the stock at \$140.

2005 Apple bought FingerWorks to use their multi-touch pads and hired Corning to make their "gorilla glass" for the display of their new display on the iPhone which launched in 2007. iPad was launched in 2010 with new keyboard software. He likes to make things simple and artistic. Soon apps could be downloaded for free or a few dollars. App stores opened in 2008 (but banned any that defamed people or were pornographic). The billionth download was 9 months later & 15B by 2011 (500,000 diff apps). By June 2011 Apple paid out \$2.5 B to app developers. Soon iBooks was out.

His legacy was not his children as much as Apple. He bought 150-acres for the new Apple campus and worked closely with architect Sir Norman Foster. By December 2010 he weighed 115 pounds (50# below normal) and was obvious that he was losing the battle. He always wanted end-to-end control over Apple products & in 2010 Apple had 7% of the personal computer market, but grabbed 35% in the operating profit. 2000 Apple's market value was 5% of Microsoft's, but by Sep 2011 it was worth 70% more than Microsoft.

Quotes: "The best way to predict the future is to invent it." (Alan Kay)

"Customers don't know what they want until we've shown them" (SJ)

"In the 1st 30 yrs of your life, you make your habits. For the last 30 yrs, your habits make you."

"It's kind of fun to do the impossible." (Walt Disney)

"One way to remember who you are is to remember who your heroes are." (SJ)

"Simplicity is the ultimate sophistication." (Apple)

Products:

1976	Apple I	\$500
1977	Apple II	6 million sold (in 16 yrs)
1983	Lisa	
1984	Mac	
1998	iMac	\$1299 800k units sold in 1 yr.
2000	Power Mac G4 Cube	
2001	iPod	\$399
2007	iPhone	\$500 90M units sold by 2010
2010	iPad	15M units sold in 9 months