

1997: The two faces of Steve Jobs

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Last March, amid speculation that Steve Jobs was plotting an overthrow of Gilbert F. Amelio as head of Apple Computer Inc., a company publicist tried to enlist Jobs in a public show of support for the embattled CEO. But Jobs, the company's charismatic co-founder, resisted. Finally, according to a high-level Apple source, Amelio — who had brought Jobs back into the fold as a special adviser — said he would “handle” the situation and call Jobs himself. No statement of support ever ensued.

Chalk up another behind-the-scenes blow from Jobs to the man he privately derided as a “bozo.”

When Amelio was forced to resign July 9, Jobs quickly moved into Apple's leadership vacuum. Last week, the power play culminated with Jobs in complete control of the proceedings at the Macworld Expo in Boston. He introduced his largely hand-picked board of directors — including himself — and announced a shocking partnership with Microsoft Corp.

Since Jobs returned to Apple last December, his reemergence has been viewed as an object lesson in his legendary powers of charm, persuasion and intellect. Indeed, many Apple faithful see Jobs' vision and drive as the best chance for their beloved company to be rescued. But others who have been close to the events of the past 8 1/2 months see a flip side to that powerful personality. Several current and former Apple sources — who refused to be identified — said Jobs' return owes primarily to bullying, back-room maneuvering and opportunism. They question his commitment to Apple (he already runs Richmond-based Pixar Animation Studios) and his motives for returning, and they fear that his tactics will serve Apple poorly.

“Steve Jobs is Machiavellian up the yin-yang,” said one Apple executive who departed soon after Jobs arrived. “But you've got to be the prince in order to be Machiavellian. And Steve sees himself as the prince.”

Old vs. new

A more charitable view is that Jobs, one of Silicon Valley's most notorious enfants terribles, has grown wiser, humbler and gentler since his first go-round at Apple ended in a bitter dispute with the company board in 1985. The “Old Steve,” the theory goes, would never have been savvy or tactful enough to engineer such a miraculous personal rehabilitation.

Others say personality evolution is relative with Jobs.

“Yeah this is the ‘New Steve’ at work,” said a chuckling Bob Metcalfe, a longtime Jobs friend and the founder of networking giant 3Com Corp. Jobs, Metcalfe marveled, made a point of publicly crediting the board members he forced out as decent, hardworking people, though he didn't acknowledge any of them by name. “The old Steve would have just come out and said they were assholes,” Metcalfe said. Jobs refused repeated requests to comment for this story.

Some Apple employees, past and present, have taken to calling Jobs “Stevie Wonder.” It is both a term of admiration for how he is worshiped within the Macintosh realm, and also a term of derision for what he has been able to get away with.

They note, foremost, how Jobs was able to convince Amelio’s leadership team to pay \$430 million for Jobs’ Next Software Inc. company. By numerous accounts, Next was a minor player going nowhere in the software market, and an afterthought to Jobs, who was focused on Pixar.

In addition, Jobs reaped a huge personal windfall from the Next deal, a reported \$100 million and 1.5 million shares of Apple stock. But more remarkable, observers say, is that he was able to achieve this while gaining a toehold at Apple that would rapidly evolve into a position of unrivaled power and influence.

“Not only did (Jobs) sell Next for \$430 million, but Steve wound up with Apple in the deal, too,” said one departed Apple engineer who was part of the team that selected Next technology as the future Macintosh operating system software.

Grating personality

In fact, Jobs’ return to Apple was a major point of contention in the Next deal. In December, in the days leading up to Apple’s formal acquisition of Next, some of Amelio’s advisers debated whether to grant Jobs any role at Apple. While Jobs would bring sorely needed marketing acumen to Apple and his return would be a PR boon, his personality could become more trouble than it was worth, some argued.

“There was agreement on the (Next) technology, but not on Jobs,” said one person privy to the discussions.

One Amelio aide — believed to be former Chief Technology Officer Ellen Hancock — warned of “founderitis,” the phenomenon in which company founders prove incapable of subverting their own agendas and go along with someone else’s leadership team. A last round of haggling over Jobs’ role threatened to derail the deal, said one member of the negotiating team. The formal announcement of the acquisition was delayed until 7:30 p.m. on the Friday night of Dec. 20, four hours after it was scheduled. Ultimately, said a source close to Amelio, the CEO determined that Jobs’ “informal advisory role” would keep him sufficiently on the periphery.

Soon after the deal was consummated, it became clear that Jobs’ role was anything but informal. Hancock, a loyal Amelio aide who Jobs reportedly held in low regard, was demoted from Chief Technology Officer to executive vice president of technology. Two of Jobs’ closest Next aides — Avie Tevanian and Jon Rubinstein — were placed in high-level positions as head of Apple’s software and hardware units, respectively. Jobs also cultivated and won over Fred Anderson, Apple’s well-respected chief financial officer.

Jobs made Amelio trust him, but derided him behind his back. He mocked what he perceived to be Amelio’s ignorance of the PC industry and his inflated compensation package. Sources close

to Jobs said he enjoyed rating someone's stupidity by its number of "Gils." He commonly referred to Amelio and Hancock as "bozos" and "idiots," though never to their faces.

Assurances to Amelio

In an interview with USA Today last week, Amelio said that Jobs called him after he was ousted and assured him that he did not orchestrate it.

"Steve . . . made a strong statement that he had nothing to do with it and that he had the highest regard for me, blah, blah, blah," Amelio was quoted as saying. He would not talk to the Mercury News for this article.

"What (Jobs) does for a living is disrupt people's lives," said Pieter Hartsook, a Macintosh industry analyst. "He doesn't like the status quo, especially when the status quo is, 'We're losers.'"

Early on, Jobs did most of his maneuvering behind the scenes. While he made repeated calls to Amelio and frequently met with the CEO privately in his office, he rarely attended the Apple executive committee meetings to which he was welcome. (By contrast, Steve Wozniak, who co-founded Apple in 1976 with Jobs and had also been brought back in an advisory role, regularly attended these meetings.)

But when Jobs did attend, he hardly cut the "mellowed" figure some have described. Nor was he deferential to Amelio. According to one person who attended an executive committee meeting soon after the Next acquisition, one item on the agenda was to discuss print advertising strategy for the then-newly released Macintosh 3400 and Power Mac machines. Amelio turned the meeting over to the company's vice president of advertising and brand communications, David Roman, who would unveil the "We're Back" series of ads, and urged the group to save their questions until after Roman was finished.

Roman had barely started when Jobs interrupted, clearly agitated. It was apparently something Roman said about placing Macintosh ads in newspapers. "Why do we want to spend all this money on newspaper advertising when these newspapers are killing us on the editorial page?" Jobs asked, as quoted by the person who attended the meeting. A discussion on the matter followed, well off-point from the meeting's original agenda.

Environment for Jobs

"We were kind of stunned at how quickly Gil lost control of the meeting, about how he was unwilling to stand up to Jobs," said another Apple executive who also attended the meeting. "It was pretty clear then that we had gotten more than we bargained for (in the Next deal)." In the end, Amelio's cautious and non-confrontational style created an environment in which Jobs could freely impose his hyper-formidable will. And as Amelio's position grew more and more tenuous at Apple, Jobs took on an increasingly visible role.

Several sources said Jobs was calling project teams in to meetings in which teams would be asked to justify their existence. If they couldn't explain how their projects fit in to Apple's strategy of focusing on its core markets — education and content creation — Jobs would cancel the project.

Eventually, several sources say, Jobs himself lobbied board members individually to dump Amelio. (No former Apple board members could be reached for comment.) Since Amelio was forced to resign, Jobs has been a regular presence around Apple, patrolling the hallways and pop-quizzing employees on their work. And he has quickly added to his temperamental legend.

According to a person briefed about a recent meeting with Jobs, Jobs looked around the conference room, remarked that he “always hated this conference room,” and moved the meeting to a new room. There, he grilled everyone in attendance about his or her role: When one person identified himself as a speech writer, Jobs shook his head, said, “No speech writer,” and banished him from the meeting.

Many Apple observers and Mac devotees insist this damn-the-torpedoes approach is precisely what the struggling company needs. Even his harshest detractors speak with amazement of Jobs' ability to persuade and inspire people, his marketing brilliance and his innate sense of what the Mac community— software developers and consumers alike — crave in a computer platform. No one would call Jobs anything less than engaged and enthusiastic. By contrast, Amelio, a process-oriented hardware guy, was seen as detached and almost clinical in his approach.

Contrast in color

“If Gil is dull and beige,” said one former Amelio aide, “Jobs is bright and white like a strobe light.”

Apple has been down for so long, the aide adds, maybe the company needs a minister more than it does a doctor. And Jobs' most valuable currency at Apple today is part and parcel to the company's stock in trade: faith.

“Steve Jobs has a way of making people believe,” said Bob Metcalfe. “It's called the reality distortion field. Whenever you get near him, no matter how mean he might be, there's this field that distorts reality. You are made to feel that if you disagree, you are a jerk.”

Among Apple's hard-core believers, there's a sense that a healthier Apple might justify Jobs' methods.

“Steve's motives are pure,” said longtime Apple evangelist Guy Kawasaki. “And anything that increases the public's perception of the viability of Apple is a good thing.”

But others see Jobs' methods as taking a toll. Numerous Apple employees, past and present, high-level and low-level — say they do not trust Jobs, and never will.

“Steve’s best skill is his magician’s skill, ” said one Apple executive who left the company earlier this year. “It’s amazing how he gets people on board. And it’s also amazing that he can live with himself.”