



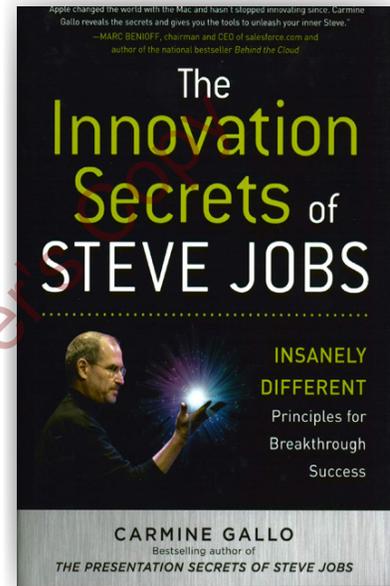
The Innovation Secrets of Steve Jobs

Insanely Different Principles for Breakthrough Success

Carmine Gallo

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INTRODUCTION

In *The Innovation Secrets of Steve Jobs*, business journalist Carmine Gallo describes the seven principles that form the philosophical core of master innovator, Steve Jobs. Although there is only one Steve Jobs, studying and following these principles can inspire creativity and the ability to 'think different' in any profession or workplace. Among these principles are the importance of following one's heart and pursuing one's passion, as well as the importance of seeking out new experiences. Innovations occur by making connections between unexpected things, and this ability is rooted in a life filled with a wide range of experiences. Simplicity is also crucial, because anything which is more complicated than it needs to be will attract a narrower audience. Also important is the ability to communicate the importance and utility of one's innovation, or tell its story, effectively.

PURSuing PASSIONS IN ORDER TO CHANGE THE WORLD

Steve Jobs has always pursued his passions, whether or not this seemed like the best choice at the time. He dropped out of Reed College in 1972 because he was not passionate about school, and wanted to focus on what he was passionate about: computers. He slept on the floors of his friends' dormitories and dropped in on classes that interested him. After eventually moving back in with his parents in Silicon Valley, he and his childhood friend, Steve Wozniak, continued to pursue their common interest in computers. Wozniak designed programs and computer technology without pay, simply because that is what he loved to do. Jobs and Wozniak cofounded Apple Computers based in Job's parents' house, becoming millionaires a few years later, and then billionaires a few years after that.

Principle #1: Do What You Love

The story of Apple Computers illustrates the first principle of innovation: people should do what they love. For successful innovation to occur, individuals must pursue what they are most passionate about. Passion drives people to work harder, longer, and better because they truly care about what they are doing and enjoy doing it in and of itself. Jobs and Wozniak did not start Apple Computers because they wanted to get rich; they started it because they loved computers and wanted to do something which involved computers every day. This necessitated making a living via computers.

In 1985, Steve Jobs was fired from his own company, Apple Computers, during a power struggle with the then CEO, John Sculley. Jobs was humiliated and crushed. But his passion for electronics was still there, and he pursued it actively. During the next decade, he started several new electronics companies, including Pixar. During that decade, Pixar produced *Toy Story*, which was, and still is, one of the most successful and critically acclaimed animated films of all time.

Steve Jobs has been able to capture his intense passion for electronics and turn it into innovative electronic and digital entertainment, solutions, and products. While it is possible for anyone to become innovative if they do what they love; few people will ever come up with an idea that is truly revolutionary and useful without passion for their work. The opportunity for innovation is always there for those who focus on doing what they could not imagine living life without. For anyone who has not found a passion, he recommends that they keep looking. He believes time spent doing what one is not passionate about to be wasted time which would have been better spent discovering one's true love. To find a passion, try something new and different, or ask a friend who has transitioned into a career they love about their own story of discovery.

Throughout his discussion on the importance of passion, Gallo cites several individuals who truly exemplify the first principle of innovation. James Dyson is a British inventor who had a particular fixation on creating the world's first bagless vacuum. Bagless vacuums retain suction better than those which utilized bags. Dyson's wife supported them

KEY CONCEPTS

Seven principles forming the philosophical core of the innovations of Steve Jobs include:

1. *Do What You Love.* For effective innovation to occur, individuals need to pursue what they are most passionate about.
2. *Put a Dent in the Universe.* True innovation should seek to improve the world.
3. *Kick Start Your Brain.* To be innovative, individuals need to try new experiences to open their mind to unforeseen possibilities.
4. *Sell Dreams, Not Products.* Advertising should show how the product can make life better, rather than overloading viewers with excessive flashy visuals and text.
5. *Say No to 1,000 Things.* Simplicity is attractive to individuals of all ages, genders and nationalities. Remove anything detracting from a product or service's purpose.
6. *Create Insanely Great Experiences.* Retail stores and service locations should center around the needs and desires of the customer.
7. *Master the Message.* Individuals should explain their product or service in three concise points to ensure that their audience will remember what was stated.



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financially through her work as a teacher while he tried to create the bagless vacuum. After five years and 5,126 failed attempts, he successfully finished the vacuum. He took his invention to Britain's top vacuum companies, but no one wanted to buy his invention because they were making a large profit from selling vacuum bags. Dyson did not let this discourage him. Instead, he started his own company, Dyson, and started selling his vacuum in Asia, where it became wildly popular. He then introduced the vacuum into his home market of Great Britain, and Dyson Vacuums became the bestselling vacuum cleaner in the United Kingdom. Because Dyson, like Jobs, was truly passionate about what he was doing, his thousands of failures did not discourage him, nor was he discouraged by the rejections he received from the large vacuum corporations.

Principle #2: Put a Dent in the Universe

Steve Jobs has not only been passionate about computers; he has also foreseen how the personal computer could change the world for the better. This leads to the second principle of Steve Jobs' innovation success: put a dent in the universe. At the time of Apple's founding, computers were used in a relatively small number of businesses. The idea of using a computer in a home for personal use was completely foreign. Jobs wanted to create an effective and useful personal computer

ABOUT THE AUTHOR

Carmine Gallo is a former television anchor and business correspondent. He is currently a columnist for *Bloomberg BusinessWeek* and *Monster.com*, and he has written two books, *The Innovation Secrets of Steve Jobs* and *The Presentation Secrets of Steve Jobs*. He has also appeared on CBS, CNBC, NBC, BNET, MSNBC.com, and Forbes.com. Gallo has been featured in the *Wall Street Journal*, the *New York Times* and *Investor's Business Daily*. He currently resides in San Francisco, California where he lives with his wife and two daughters.

and to improve the quality of everyday people's lives.

One of the most illuminating examples cited within Gallo's discussion of the second principle of innovation is the story of Rob Campbell. Campbell's particular tale conveys the ways in which Jobs' unique vision for the future of computers was able to attract so many similarly talented and passionate individuals. In 1977 Campbell was a small-time software programmer in Denver, Colorado and had just programmed the first general accounting program for the Apple II computer. He started looking for a permanent position at one of the companies he had been doing freelance

...Jobs is not a one-man show. He knows what he doesn't know. Jobs 'sees over the horizon' and hires people – the best in the business- who are inspired to make the dream a reality.

work for, and approached three companies, including Apple. Campbell asked each company what their vision for the personal computer was. The first company stated that computers were the new fad and they would be able to make a lot of money off of them. The second company stated that getting involved in the technology industry would help to raise their company's stock. Steve Jobs of Apple, however, outlined the many ways that he saw the personal computer improving the world of the future. Medical records would be able to be pulled up faster, people would be able to communicate with each other more easily, the amount of paper used in business would be significantly reduced, thus helping the environment, people would be able to work from home. This was the vision that Campbell wanted to be a part of, and it is a key part of why Steve Jobs has been able to come up with such groundbreaking products, year after year.

Jobs had a big, positive vision about what the personal computer could bring into the world, and this vision helped him attract some of the most intelligent and talented people in the computer industry. No single individual, no matter how smart, talented or charismatic, can create innovation on their own. Groundbreaking innovation is a team effort, and people are drawn to those who have inspirational ideas. Passionate people want to make a difference in the world, and if they are shown that a company

shares their belief, then they will want to work for that company. This desire to create a better world is a significant reason why Apple has been able to recruit such talented individuals and make such popular and groundbreaking products.

This big vision also helped raise the capital needed to make the vision become reality. When Apple sought private investments in 1977 to take their company to the next step, Jobs highlighted in his presentation the various ways that the average person would be able to use the personal computer. He suggested that it would improve learning efficiency, save time and money, allow for increased leisure time, increase the variety of entertainment, allow for better security of personal information, allow for better financial decisions and create personal enjoyment. A key aspect of his vision for the personal computer was that anyone would be able to use it, no matter their technical, mathematical, or engineering abilities—and this meant that its future users had no desire to purchase one at the present moment. This is another hallmark of true innovation: creating something that people do not even know they need.

...One reason behind Jobs' ability to generate idea after idea is that, as Harvard researchers observe, 'he has spent a lifetime exploring new and unrelated things – the art of calligraphy, meditation practices in an Indian ashram, and the fine details of a Mercedes-Benz.'

Apple has continued to be successful because Jobs' original vision has never wavered. He has been very clear about his vision for each of the new products that the company has developed. He does not use or support the use of mission statements, instead, preferring to hire talented people who are passionate about what they do and who inspire each other to make the best products possible. Subsequently, Apple does not place huge "inspirational" posters on the walls.

Individuals should never underestimate the power a clear and strong vision gives to an organization. If an organization lacks a concise, consistent, and bold vision, it should begin putting one together, and if this proves to be difficult, they should look to a company or organization with an effective vision to see how it incorporates their vision into everyday interac-

tions and policies.

TRY NEW THINGS, THEN SELL PEOPLE DREAMS, NOT PRODUCTS

Steve Jobs has always actively sought out new experiences, and in doing so, has opened his mind to new ways of thinking. After dropping out of Reed College, he periodically returned to Oregon to spend time at a Zen-influenced commune that made an income by growing apples. At the commune he conversed with a wide variety of individuals, learning about many different topics. Jobs also visited India in the 1970s in order to have a new, different and exciting life experience. When Apple began to grow, he hired artists, musicians and poets to work for the company in order to ensure that they had a diverse amount of creative input within the organization. It is because of his desire to try the new and unknown that he has been, and continues to be, able to draw connections between things that others cannot.

Principle #3: Kick Start Your Brain

The substance of the third principle of innovation is that individuals should try new things. The brain follows established mental patterns in order to conserve energy, and these mental patterns often result in repetitive, non-creative thinking. However, according to Emory University neuroscientist Gregory Berns, if individuals bombard their brain with new experiences, they force their brain to make new judgments. Neuroscience researchers at Harvard University have concluded the most important skill separating innovators from other, less creative, individuals is the ability to connect seemingly unrelated issues or concepts. Innovators are able to connect their previous experiences in order to create new things.

As a result, the more varied the life experiences of an individual, the greater the number of connections they are able to make between different subject matters. Steve Jobs has been able to come up with very unique innovations because his wide-ranging, seemingly unrelated life experiences have provided him opportunities to draw strikingly different connections between concepts and things. His brain processes and

connects information in a way that is unique, in part because he has exposed himself to many different things.

When Jobs was attending Reed College, he took a calligraphy course and fell in love with the subject. Calligraphy seemed unrelated to his computing passion, and it offered no real career path, but he pursued it just the same. Later on, when he and Wozniak were designing the first Apple computer, Apple I, Jobs thought to incorporate different typefaces into the programming. Without that college calligraphy course, he may well not have considered incorporating different fonts into the device, and the world's computers probably would offer fewer font options.

Jobs also made a connection between the appearance of comforting devices which people use every day, and the exterior appearance of computers. Although it featured comparatively advanced programming, the Apple I was sold primarily as a kit for computer hobbyists. Its exterior design did not differ significantly from that of other computers at the time: it was large and flat, and required the addition of parts to the circuit boards—something which the average individual would never dream of doing. Realizing that a personal computer which would be used by families could not appear overwhelming, Jobs spent many hours in the kitchen sections of department stores studying the exterior design of various appliances. It was in food processors that he found inspiration for the Apple II's exterior design, which used a molded, textured plastic exterior. Most computers have used this design since, with the exception of the new metallic-encased MacBook Pros.

Principle #4: Sell Dreams, Not Products

The fourth principle of Steve Jobs' innovation is to sell dreams, not products. This sentiment is evident in the return of Steve Jobs to Apple Computers in 1997. After he was fired from Apple in 1985, the company began to expand, offering products that were not particularly useful or applicable to their main consumer audience. As a result, Apple sales dropped from \$11 billion to \$7 billion. When the company asked Jobs to return to Apple, he knew there would have to be

some major changes.

Jobs believed that Apple had neglected its core consumer audience, and had begun to try to design their products for everyone. He determined that Apple's customer base was composed primarily of teachers and creative-types: at that time, 65 percent of all computers used by teachers in the U.S. were Apples, as were 80 percent of all computers used in graphic design, advertising, printing and prepress. These teachers and artists want to make the world a better place. A new ad campaign to remind Apple's customers and employees of what Apple was all about was initiated. One ad featured images of heroes and inspirational figures, including Einstein, Amelia Earhart, Martin Luther King Jr. and Bob Dylan, while actor Richard Dreyfuss read an inspirational poem that emphasized the importance of creativity, ingenuity and discovery. It reflected Steve Jobs' philosophy precisely: market the Apple brand as a whole in a way that inspires others to reach for their dreams and change the world for the better, instead of marketing a product with gimmicks, bells, and whistles. In fact, Jobs truly does believe that his customers and employees have the ability to make great and amazing changes in the world through the use of Apple computers, and the sincerity of this belief has encouraged millions to buy more Apple products.

All the same, innovation is not limited to building something that nobody has ever seen. Instead, Apple does one thing very well: making complex things simple and elegant. That's what makes Apple the world's most innovative company.

This approach of creating 'dreams instead of products' implies a different kind of relationship with a company's customer base. If a company is creating revolutionary products, they are creating something that people do not know that they want until they get it. This means that traditional consumer focus groups are not helpful. For example, the iPad was a huge success, but if Apple had asked consumers what product they would like next, few would have suggested a device between a laptop and an iPhone without a keyboard which allows them to read books, magazines and newspapers digitally, play music and movies, and

connect to the Internet. That would resemble asking someone in 1915 to describe their ideal entertainment product, and expecting them to suggest a television. It is simply beyond their realm of experience.

Instead, Apple connects with its consumer base in an extremely intimate way that supersedes the need for constant surveys or focus groups. Steve Jobs has said that he designs products that he would like himself, because he knows that his likes and dislikes and product needs resemble the likes and dislikes of his customers. When Apple releases a new product, it puts forward a vision of what its customers will love, and its ads demonstrate how they will come to love and enjoy the new product.

When Johnson and Jobs decided that the vision for Apple's stores would be 'enriching lives' instead of 'moving metal,' it allowed them to throw out the conventional retail playbook that dictated store design... Apple would build boutiques that offered solutions, a novel approach to selling computers.

KEEP IT SIMPLE

When Jobs returned to Apple in 1997, he reduced the number of products Apple offered from 350 to 10. He wanted to offer products that were excellent, and believed that offering anything failing his expectations would only sully Apple's reputation. The actions he took rescued Apple from the brink of bankruptcy and turned it into the successful company it is today.

Principle #5: Say No to 1,000 Things

Eliminating excess is in keeping with Jobs' fifth principle of innovation: say no to 1,000 things. Anything that compromises an uncluttered, elegant customer experience will not be included in the final product. This can be seen in many different aspects of Apple's advertising and product lines, as well as on their website, which sports a clean, minimalist layout.

Jobs hired Jonathan Ive, an English designer renowned globally for simple, visually pleasing designs and a tireless work ethic, to create modern, simple designs for Apple's products. The marriage of Ive and Apple has been a resounding success. Ive's minimalist designs offer a unique combination of simplicity and accessibility, adding significantly to

the ease-of-use of Apple products, which in turn has contributed to their commercial success.

The aluminum body enclosure of many Apple products also reduced the amount of the computer's structural parts by 60 percent, saving work for the manufacturer and helping to minimize production waste. The reduction in the number of computer parts has created computers which are stronger physically and better able to withstand pressure.

The simple, straightforward design of the iPod was revolutionary in the mp3 industry. Other mp3 players included different buttons and knobs which supposedly offered a wider variety of listening options to

the consumer, but in reality complicated the listening. In contrast, the iPod, featuring a circular pad with another circle in the middle, was designed to make the listening experience as simple, quick, and easy as possible. Anything detracting from the music listening experience was removed from the final iPod product.

A DIFFERENT BRAND EXPERIENCE

For many years, Apple depended on giant electronic retailers to sell their products. Unfortunately, many of the employees at these giant retailers knew little about the various electronic products being sold in the store, and as a result were not able to describe the advantages that Apple products had over the other products sold in the store. Jobs recognized this problem, and knew that the only solution was to open a chain of Apple retail locations.

Principle #6: Create Insanely Great Experiences

This leads to Jobs' sixth principle of innovation: to create insanely great experiences. He strives to create unique user experiences for Apple customers, and as a consequence, they return to Apple to satisfy their future electronic product needs.

In 2000 he hired former Target executive Ron Johnson and asked Gap CEO Mickey Drexler to join Apple's board to help guide Apple to retail success. They had a vision for Apple's retail stores, and that vision was to "enrich lives." Their goal was to enable consumers

to see what they could do with electronic products, and this entailed putting a model of each product out for the customers to play with and use.

After many meetings, Jobs and Johnson came up with several criteria that would make Apple stores stand out from other electronic retailers:

- The stores would be placed in locations with the easiest access. Instead of putting them in a unique and remote location, they placed Apple stores in shopping malls where everyday people would be able to go inside and look around.
- The stores would be simple and uncluttered inside. They would be well-lit and open, using only stainless steel, glass, and Scandinavian wood in their interior design.
- The stores would offer a service similar to that offered by a concierge at a nice hotel. A “genius bar” provides a place for customers to walk up and ask questions about any product or issue they may have with a product.
- The stores would provide one-on-one training with an Apple employee for any individual who has purchased an Apple computer on Apple’s website or in their store. The training would focus on whatever product or program the customer chose.
- The products would be easy to buy. There would be no cash registers; employees would be able to ring up any customer with a portable wireless credit card reader that they carried around the store with them.

The Apple retail stores have been a huge success. Not only have they boosted sales, their convenient mall locations have exposed a wide range of people to Apple’s products. The “Meet Your Mac” program has made the computer purchasing experience easier. Through this program, any customer who has purchased a new Apple computer is able to bring in the old computers so that Apple employees can transfer data from the old computer to their new one. The customer schedules an appointment to pick up both their

old computer and the new one which now conveniently contains all the information from the old one. Apple’s attention to making the computer purchasing experience one which is easy, pleasant, and quick has greatly expanded their customer base.

THE POWER OF PRESENTATION

Throughout Apple’s history, Steve Jobs has shared his vision with others in order to gain either financial backing or the trust and interest of consumers. Without the ability to communicate his vision to others effectively, Jobs would not be the successful businessman we know and Apple would not have become the iconic brand which it is today.

Steve Jobs understands that his audiences retain information more effectively when ideas are presented in words and pictures instead of words alone... in the iPad presentation...[t]here were words and pictures – plenty of pictures – but no bullet points.

Principle #7: Master the Message

The power of presentation is reflected in the seventh principle of Steve Jobs’ innovation, which is to master the message. It was Jobs’ remarkable ability to present his ideas in a way which inspires and motivates others that enabled Apple to gain financial backing in the first place, and later to regain the trust of its customers.

Jobs utilizes “the rule of three” in his presentations and product launches, explaining his products or ideas in three concise points to make them easy to remember and comprehend. In fact, studies by neuroscientists have demonstrated that the human brain usually cannot remember more than three or four pieces of information at a time. Jobs’ presentations describe an antagonist in a situation with a problem, and include Apple as the hero, or the solution to the problem.

The presentations also feature a twitter-friendly headline that provides media outlets a catch phrase to use when writing about the new product or service. This short and simple headline also enables Jobs to control the public message which the media communicates about the new product or service. The twitter-friendly headlines are shorter than Twitter’s 140-character post

limit, and feature something positive about the new product or service. The presentations are visually simple, including no bullet points, and feature slides to explain key words, as well as slides with pictures to illustrate points. They use “zippy,” uplifting words to describe Apple’s new product or service.

Three key tactics contribute to Jobs’ ability to communicate value effectively. First, he tells classic stories in order to get others to buy into the idea or product he is presenting. Second, he keeps everyone on the Apple team aligned by using a consistent and clear message about each of his ideas and products. Third, he encourages his employees to develop their own presentation skills, and targets people with outstanding presentation skills to work for Apple.



FEATURES OF THE BOOK

Reading Time: 4-5 Hours, 241 pages

The Innovation Secrets of Steve Jobs would be beneficial to those working in executive positions or to anyone who has started or is interested in starting their own business. The book cites many examples of other successful companies which have operated under principles similar to those championed by Steve Jobs. It is written in a straightforward, easy-to-read style. There are a few visuals in the book that help to demonstrate some of the tools Steve Jobs uses in his presentations and in his planning, but more visuals would have been helpful. It is not necessary to read the book from cover to cover, since the principles of innovation do not build upon each other chronologically.

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