Inc.

THIS MAN HAS CHANGED BUSINESS FOREVER

What personal computers can do for you

YOU AND YOUR SECRETARY

ART BUCHWALD VS. THE ATTORNEY GENERAL
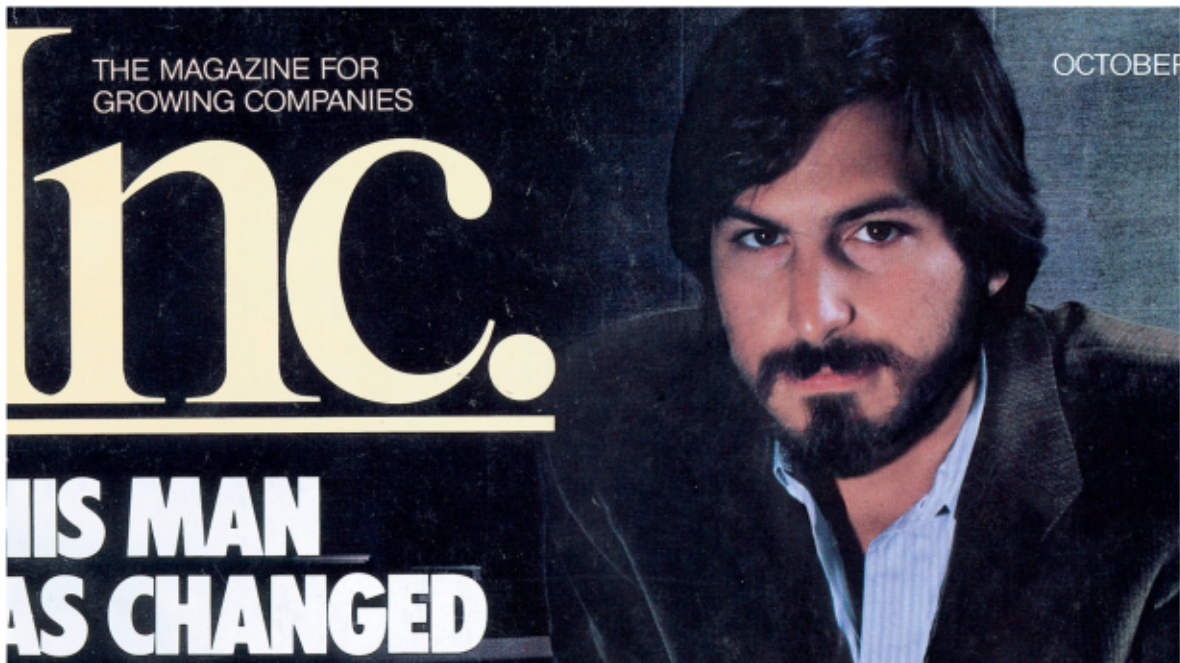
HOW THE TAX CUT AFFECTS YOU

Apple
Computer
Chairman
Steve Jobs

apple II

Inc.

Inc.'s October 1981 Cover Story: Steve Jobs, the Man Who Changed Business Forever How Apple Computer has inaugurated the workplace of the future. 🔗

BY STEVE DITLEA

Editor's Note: *In 1981, Inc. became the first national magazine to put Steve Jobs on its cover. But in hindsight, we got the headline dead wrong: Jobs did not change business forever. At the time, Apple users were disparagingly labeled the "3 percenters," in reference to the company's market share. It was IBM that created widespread consumer adoption of PCs. Even today, Apple owns less than 25 percent of the U.S. enterprise PC market. Still, our reporter, Steve Ditlea, sensed this guy was special.*

He couldn't have known that Jobs's management style, relentless pursuit of unreasonable goals, and terrible treatment of employees, would get him exiled from Apple–or that his true success would come from that failure. When Jobs returned to a rotting Apple, he found traction with consumer products that have ended up changing our lives forever. Maybe Jobs's time away helped him understand which categories could benefit from his obsessive nature. — Bill Saporito

Here's that cover story from back in 1981:

Apple Computer Inc. practices what it preaches. Without fanfare, the firm has inaugurated the workplace of the future by putting its personal computers on most of its employees' desks. The company almost eliminated typewriters, abolished the job title of secretary, and instituted a more efficient and pleasant work environment.

In a memo circulated last year, then-president Mike Scott ushered in a new age in office procedures. "EFFECTIVE IMMEDIATELY!! NO MORE TYPEWRITERS ARE TO BE PURCHASED, LEASED, etc., etc. Apple is an innovative company. We must believe and lead in all areas. If word processing is so neat, then let's all use it! Goal: by 1-1-81, NO typewriters at Apple... We believe the typewriter is obsolete. Let's prove it inside before we try and convince our customers."

Combined with conventional data processing run on a Digital Equipment Corp. minicomputer system, the result is what one executive calls "the most computerized company in the world," a revolutionary development even by the high-tech standards of California's Santa Clara County (a.k.a. Silicon Valley).

There are now no more than 20 typewriters left in the 2,200 employee firm. Instead of typewriters, the several hundred employees involved in composing or disseminating letters, memos, documents, or reports use a typewritersized Apple II with built-in keyboard, a pair of add-on disk drives, a video monitor, and Apple Writer, the company's own disk-stored word processing software. Word processing has gained a foothold in many businesses, but never before has a firm so completely done away with typewriters by executive fiat.

Five months after the decision was made to do away with typewiters at Apple Computer, the term "secretary" was abolished and replaced by "area associate" to reflect the more varied responsibilities made possible by personal computers. "we felt we needed a different term," Ann Bowers, vicepresident of human resources, explains, "because 'secretary' was so loaded with connotations of typist, errand-runner, and phone answerer. We wanted to expand the area associates' functions so they could use their brains, in addition to their clerical skills."

"We may have saved on personnel in some areas," admits Bowers, "but what's more important is that we're using a higher level of people's talents. Instead of efficiency, I like to talk of effectiveness. We're operating at a much higher effectiveness level than anywhere I've ever worked in Silicon Valley."

A veteran of 20 years in high-tech firms, including a stint as director of personnel at Intel, Bowers cites the example of cataloging job resumes that come in unsolicited to Apple: "We get over 1,500 resumes a month from all over. In any other company, they would have thrown up their hands and not even bothered logging them. Here we can use an Apple and data base management software to keep on top of what we receive."

One corollary of "working smarter" is greater job satisfaction and "virtually no job turnover" at every level of the company, says Bowers. "Our middle management people have more time to do what they're best at – coaching their employees instead of shuffling paper. There's also a wonderful thing that happens in terms of relationship with your support staff. I feel it when I ask my area associate to do more responsible things than just type letters."

In the same way that Apple Writer software run on Apple computers eliminated typewriters, the widespread use of VisiCalc software has made calculators obsolete throughout the company. By recalculating rows and columns of data at the push of a button, this program offers greater speed and flexibility for all kinds of planning needs.

To supplement VisiCalc, many Apple employees make use of the firm's own Apple Plot software to create graphs and charts. Karen Hostetler, cash coordinator in the company's financial section, employs Apple Plot to gauge the disbursement and clearing of checks for 75 different corporate bank accounts. In the marketing department, area associate Terri Hasbrouck takes advantage of Apple Plot to keep track of requests for promotional Apple IIs to be given away to educational institutions, as well as internal orders for personal computers. Another area associate in marketing research, Lucy Clark, learned to use the Apple Plot program on her own in two hours so she could monitor the performance of Apple Computer stock on Wall Street.

Apple offers employees voluntary classes in this and other popular software packages. As an incentive to developing computer literacy, any employee demonstrating proficiency with two programs is loaned an Apple II Plus, a disk drive, and a monitor for use at home; after one year title is given to the employee. This "loan-to-own" program has proven so popular that it has spawned a sizable waiting list. Cindy Lehmann is eager to qualify for her own home computer: "I'd use it to balance my checking account, though I'm not sure I want my husband to see that."

The Apple way is best exemplified by chairman of the board and co-founder Steve Jobs, a dark-haired 26-year-old, who in grey workshirt and slacks this particular morning could easily be mistaken for a maintenance worker. Instead he's the holder of the largest single block of Apple stock, some 7.5 million shares worth about $163 million at recent market prices.

When Steve Jobs speaks, it is with the "gee-whiz" enthusiasm of someone who sees the future and is making sure it works. He explains the decision to put an Apple computer on every desk as part of an overall desire to institute a more humane workplace. "Not only do our area associates have the freedom to do more rewarding, enriching tasks, they have the chance to get involved in solving problems that can ultimately affect the success of the entire company." As for worker fears that office automation may lead to greater unemployment, he insists the opposite is true, with personal computers opening up jobs for Apple employees. He singles out an area associate outside his office, a young woman with no previous computer experience, who was hired three months ago and was given an Apple II with which to familiarize herself. "In another month, she should be able to take on other functions within the company. There's a special relationship that develops between one person and one computer that improves productivity on a personal level."

His own productivity has been enhanced not only by Apple products, but also by those of the nearly 200 companies offering hardware and software for Apple systems. "In the beginning, I wrote my own forecasting and analysis software," he recalls. "Now I can use VisiCalc, which is a lot better. It may not be the best program in every case, but it is the most versatile. It takes me 10% of the time it used to for setting up financial models."

Apple Computer seemed to lead a charmed existence until difficulties developed with the firm's most sophisticated product to date, the Apple III. Since its announcement in May 1980, the Apple III has been the company's major source of aggravation. Intended as the micro workhorse of the business world, the Apple III offers double the internal memory capacity of the Apple II and can accommodate more powerful versions of VisiCalc and other business application programs. But quality control problems with the components from outside suppliers have led to delays in manufacture and software developments for the Apple III. And consumer response to the machine has been lukewarm. Eventually, management hopes to have an Apple III on every desk, but until recently the only Apple IIIs in use at company headquarters were in the engineering department. Now Apple IIIs are being used extensively in the publications areas.

From the beginning, Apple has employed its own computers for technical purposes, from quality

control on the production line (every completed micro system is given a final check by an Apple computer) to software evaluation.

For all its technical accomplishments, one of Apple Computer's most significant achievements remains the implementation of the office workplace of tomorrow. As Steve Jobs likes to point out, "In the past 15 years, there have been only a few tools that have actually increased the efficiency of the office worker – the IBM Selectric typewriters, the calculator, the Xerox copier, and the newer, advanced phone systems. Like all those inventions, the personal computer offers its power to the individual." By combining typing and calculating functions, replicating of stored documents, and data transmission over telephone lines, Apple's personal computers offer the promise of a synergistic increase in individual efficiency.

"We're able to provide prompter responses and do more sophisticated analyses with our Apples," says Ann Bowers. "If you think what we're doing is going to change the workplace, stick around – this is only the first wave."