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The Life and Death of a Relationship

I now had what the self-help books called baggage, which I would carry around for the rest of my life. The trick was to meet someone with similar baggage, and form a matching set, but how would one go about finding such a person?

—David Sedaris¹

More than 20 years have passed since Steve Jobs and John Sculley's much-publicized breakup at Apple. Yet it still serves as a cautionary tale. In two short years, their celebrated camaraderie turned into an antagonism so great it escalated hostilities between divisions, put the firm at risk of a takeover, and sent Steve Jobs into a 12-year exile, from which the firm has only recently recovered. How these leaders went from soul mates to adversaries in such a short time shows how relationships, even those touted as a perfect match, can self-destruct under pressure, leaving a firm to pay the formidable price of a failed relationship.

When the Jobs and Sculley relationship fell apart, most people chalked it up to personalities: Jobs was too volatile, Sculley too cautious. Others cited circumstances: mounting competitive pressures put otherwise kindred spirits at odds.² Still others said their chemistry wasn't right: they may have seemed the perfect match, but Sculley was way too corporate, Jobs too iconoclastic. While each explanation holds merit, all overlook the most intriguing and instructive aspect of what happened: the way their relationship developed over time.

Only by understanding how relationships form, develop, and die can you see *why* people form ill-fated matches, *why* certain personalities clash, and *why* some relationships break down so quickly and completely under pressure. And only by understanding how relationships form, develop, and die do you stand a chance of altering the course a relationship takes. By looking closely at how the Jobs and Sculley relationship developed over the course of three stages, we can extract timeless lessons about the life and death of a relationship—and its impact on the firm.

Stage 1: How a Relationship Forms

When someone joins a team, everyone spends a good deal of time defining their formal roles in relation to each other. In some cases, they'll spend anywhere from weeks to months negotiating everything from tasks to responsibilities to financial rewards to decision rights. Unbeknownst to all involved, as these negotiations unfold, another deal is being struck: people are also defining their informal roles by signaling to each other through their interactions the emotional responsibilities they'll each assume, the psychological rewards they'll each need, and the interpersonal rights they'll each claim.

It is the interplay between these two deals that sets the foundation of a relationship. By paying attention to both deals, you're much more likely to get a relationship off to a good start. Conversely, as the Jobs and Sculley relationship shows, when you ignore the informal deal you strike, you're much more likely to get into trouble, and you're much more likely to be stunned and amazed when you do.

The Story: The Perfect Match

When Steve Jobs and John Sculley first met at a January 1983 dinner following a private preview of Apple's new Lisa computer, their mutual attraction was obvious to everyone.³ One Apple chronicler, Frank Rose, tells the story of that midwinter evening in New York:⁴

After an hour or so they went downstairs, where Sculley's limousine was waiting to take them to the Four Seasons for dinner. It was a car that seemed as big as an airplane, with a bar and a TV and a driver named Fred, all on call twenty-four hours a day. . . . They swept down Park to Fifty-Second . . . and pulled up at the discreetly canopied entrance to the Four Seasons. Sculley led them into the travertine ante-room, up the stairway to the reservations desk, past the enormous Picasso stage curtain, and into the stark opulence of the Pool Room.

Over dinner the unlikely chemistry between Jobs and Sculley became readily apparent. Despite their obvious differences in age and background—Sculley was strictly Ivy League and corporate, having graduated from Brown University and the Wharton School and having spent most of his professional life at Pepsi; Jobs, seventeen years his junior, had dropped out of Oregon's funky little Reed College during his freshman year—they somehow clicked. It was almost as if each tapped something unrealized in the other. There was a cool, crisp professionalism to Sculley that Jobs respected, a utopian fervor to Jobs that Sculley found intriguing. Sculley was a man who knew how to run a multimillion-dollar enterprise. Jobs was a kid who proved he could change the world. Put them together. . . .⁵

Earlier that same day, the differences between Sculley and Jobs were as apparent as their affection was at dinner. While Jobs was jumping up and down with enthusiasm for his spanking-new product, Sculley held back. *He* was looking at the product through the eyes of a corporate executive at the helm of a traditional company in an industry where winning depended more on cost efficiencies and marketing know-how than on product innovation. Says Rose:

. . . he didn't take to it wholeheartedly. He was cautious. He had reservations. He wasn't sure that this new technology, dazzling as it was, would have much impact at a big corporation like Pepsi, because it didn't have the IBM logo. No one ever got fired, the saying went, for buying an IBM.⁶

To this side of Sculley, Steve Jobs gave no notice. All he saw was a savvy, ingenious marketer, whom he alone described as “very charismatic.”⁷ After all, Sculley was the one who had revived the Pepsi Generation campaign in the late sixties, spurring unprecedented growth for the next six years. By 1978, Pepsi Cola was surpassing Coke in sales for the first time in the firm’s eighty-year history.⁸ Perhaps at Apple, Sculley could do the same thing—invent the Apple Generation. That would certainly advance Jobs’s vision of changing the world by resetting the balance of power between the individual and the institution. One person, one computer: that was his motto. Since Apple’s inception, he’d dreamed of bringing power to the people, as the saying from the sixties went. Only, he was going to do it by putting an Apple computer in the hands of every person. With Apple cofounder Steve Wozniak gone and CEO Mike Markkula anxious to move on, the decision whether to hire Sculley was largely up to Jobs. And it looked to him as if Sculley had all the right stuff.

Two months later, the deal was done. In April 1983, Sculley accepted the offer to join Apple as its new president⁹ and passed up the once-in-a-lifetime opportunity to succeed his mentor, Donald Kendall, as chairman of PepsiCo. To make the jump more palatable, Apple agreed to give the forty-four-year-old Sculley a \$1 million salary along with a promised \$1 million bonus, a \$1 million severance package (in case things didn’t work out),¹⁰ an option to buy 350,000 shares of stock, a \$2 million loan to buy a Tudor-style house in the California hills,¹¹ and \$1.3 million for Sculley’s Greenwich (Connecticut) home to save him the trouble of selling it.¹²

Although no small amount in 1983, the money is not what sealed the deal. Nor was it the opportunity to lead a company that was growing at a breakneck pace. No, what sealed the deal was the bond they’d forged out of their mutual attraction to power. For Sculley, Jobs held the awe-inspiring power to change the world; for Jobs, Sculley held the key to unbounded corporate power. It was a heady match, says Frank Rose, seducing them both and preoccupying everyone else:

For weeks they had been gazing worshipfully at each other, finishing each other’s sentences, parroting each other’s thoughts. It was as if

they were on a perpetual honeymoon which they had to share with a great many unruly children. . . . The summer honeymoon between Steve and John was the talk of the company. The two were inseparable. John was listening and learning, and the person he was learning from was Steve. . . . He seemed so in awe of Steve—his brashness, his charm, his charisma—that he saw everything through Steve’s eyes. . . . But the infatuation wasn’t one-sided. It was almost like a father-son relationship in which the two adopted each other.¹³

But theirs wasn’t just any father-son relationship. As Sculley later wrote: “I felt that part of my role was to nurture Steve from a prince to a king, so he would someday be able to run the company he cofounded.”¹⁴ That first summer, they were so absorbed with each other that they failed to see what those around them feared most—that their father-son indulgences might demolish a useful, if delicate, balance of power within the firm. Says Rose:

In the original triumvirate—Scotty [Mike Scott] as president, [Mike] Markkula as chairman, and Jobs as visionary—Jobs’s brash enthusiasms had been leavened by Scotty’s stern hand and Markkula’s persuasive manner. . . . Sculley’s arrival changed all that. John made Steve his partner, not realizing that Steve had never been a partner in running Apple before. Suddenly there were no restraints. Sculley unleashed him, and Steve unleashed what was an astonishing spectacle. People began to liken it to Godzilla being let out of his cage.¹⁵

But Sculley saw no trace of a monster in the hyperkinetic Jobs. He didn’t understand there was a reason no one had ever granted Jobs unchecked access to power. Nor did he see what he later came to believe: that Jobs was often “stubborn, uncompromising and downright impossible.”¹⁶ All he saw was a prince entitled to inherit the throne of the kingdom he’d cofounded. Similarly, Jobs didn’t see in Sculley what others saw: a cautious leader unlikely to make the bold moves that were second nature to Jobs. Nor did he see what he later came to believe: that Sculley wasn’t really a leader but a “manager,” preoccupied with control and

unwilling to provide Jobs the support he needed. At the time, all he saw was a powerful, supportive benefactor committed to helping him realize his dreams.

What the Story Teaches Us

The one characteristic that marks the beginning of all relationships headed for trouble is obliviousness to the informal side of a relationship. Like most executives, those negotiating Sculley's entry into the firm focused on business matters. They discussed ideas for growing the business; they debated how Apple's technology might change the world; they talked roles and responsibilities; they negotiated compensation. And in the end, they came up with a deal so full of potential upside and so buffered against downside risk that Sculley couldn't refuse.¹⁷

What they didn't do was take a close look at the relationship between Sculley and Jobs. Sure, everyone could see the two were enamored with each other, but no one questioned why they'd clicked so quickly and so completely. While some found their instant intimacy unsettling and others worried that each was not seeing the other for who he really was, no one could say why or do much about it. All they could do was chalk it up to chemistry and leave it at that.

Most of us do the same thing. When people click or clash, we chalk it up to chemistry and leave it at that. But it is possible to identify and analyze the seemingly mysterious ingredients that go into the makings of a relationship. As this book shows throughout, given the right tools, it is possible to understand what happens when a relationship forms and anticipate what might happen next. For now, let's look more closely at what happened with Jobs and Sculley in this first stage.

Understanding what happens when a relationship forms. We all bring to relationships our own characteristic ways of interacting with others given our *behavioral repertoires*.¹⁸ Built out of experience, these repertoires are organized around key themes, such as power, conflict, control, or success. When we negotiate the informal terms of a relationship, these themes give rise to patterns of interaction, through which we signal to each other:

- ▶ the *emotional responsibilities* we'll assume ("I've *gotta* help this guy!") and those we'll reject ("No way I'm doing that!")—regardless of formal roles.
- ▶ the *interpersonal rights* we'll claim ("You can't treat me that way!") and those we'll relinquish ("Don't worry about it")—regardless of any formal deal.
- ▶ the *psychological rewards* we'll want to receive ("Just once I wish she'd give me a pat on the back!") and those we'll be willing to give ("You did a great job. Thanks.")—regardless of financial rewards.

When people first meet, their themes intersect to give rise to distinctive patterns of interaction. Acting like DNA, these themes shape the way a relationship's patterns of interaction evolve over time, defining the formal and informal sides of a relationship.¹⁹ One strand of DNA defining the relationship between Sculley and Jobs was a shared preoccupation with power, leading each of them to see in the other a form of power he coveted. Before Sculley joined Apple in the spring of 1983, the effusive Jobs saw in the more cerebral Sculley the corporate power he needed to change the world. Dazzled by the limousine, the chauffeur, and the opulence of the Pool Room, Jobs paid little attention to Sculley's more reserved, controlled side. To Jobs, the "charismatic" Sculley must have seemed more thoughtful than controlled, more sophisticated than reserved. And given how low-key Sculley acted, it must have been hard to imagine that he'd ever pose much of a threat.²⁰ As to how Sculley made it to the top of a highly competitive—some might say cutthroat—firm like Pepsi, Jobs apparently gave little thought, perhaps assuming it was due to his marketing talents. All Jobs saw was a perfect match.

Similarly, Sculley saw in Jobs a brilliant visionary with the power to change the world. Like Jobs, Sculley paid little attention to the behaviors he later found so unacceptable, even though they too were evident right from the start. Jobs's jumping up and down at the unveiling of Lisa, his unpredictable emotional outbursts, his caustic ridicule of Apple's competitors all must have seemed part of an otherwise attractive package—rough edges that could be smoothed out over time. Just how that smoothing out would occur, well, that too was assumed rather than

anticipated. All Sculley saw was an opportunity to do more than sell sugared water for the rest of his life.²¹ With Jobs's help, he was going to change the world.

Anticipating what might happen next. Two themes in Jobs's and Sculley's repertoires not only failed to form a matching set, they downright clashed: Jobs's well-known disdain for institutional authority (you could say he built the firm and its products upon this disdain),²² and Sculley's corporately honed preference and talent for institutional control (to which his tenure at Pepsi was a tribute).²³ As Frank Rose recounts:

[Sculley] liked to tinker with structure. Maybe it was his architectural training, maybe just his natural cast of mind, but he was always thinking about how things fit together. Jobs's thinking tended to be more intuitive, emotional, and visionary; Sculley was more a systems man, rational and analytical. Form and process were what interested him.²⁴

Had anyone paid attention to these differences, they might have given more thought to how they might play out over time.

As it was, no one asked what might happen should Sculley seek to impose the kind of corporate controls at Apple he'd imposed at Pepsi. Nor did they ask what might happen should Jobs bristle under that control. Intent on finding a seasoned executive to counterbalance and contain Jobs's more intuitive, even impulsive leadership style, Apple's board didn't think through how all this counterbalancing and containing would occur.

Nor did they anticipate the events their relationship might set in motion or the effect those events might have on the firm's delicate balance of power.

Stage 2: How a Relationship Develops

In the second stage of development, people renegotiate their formal and informal roles, as initial impressions give way to more stable interpretations and people come to know each other for "who they really are."