

Lessons on Prioritization from Steve Jobs

Running a business is not easy. No one ever said it was. However, some people have found a way to make it look so easy to be successful over and over again. While that doesn't mean it was actually easy, it is intriguing to think about what they did so differently that made their businesses stand out.

I'm almost done with the Steve Jobs biography and can say with confidence that it will go down in my history as one of the greatest books I have ever read. His is a story of one such person that found a way to be successful at all levels of business, almost all of the time.

Perhaps one of the greatest practices contributing to this success was his ability to intensely focus on just a few priorities at a time. In a world full of distractions, he picked his company's priorities very carefully and very definitively. The most consistent priority that emerges from the book was their focus on customer experience. In fact, he obsessed over this, sometimes to a fault, but mostly to successful blockbuster-style product launches.

From this we can learn something when it comes to creating products and services. While ensuring a high level profitability is incredibly important, prioritizing whether you focus on top line or bottom line growth can make a significant difference. Steve Jobs felt that Apple should not spare any expense in its pursuit of the greatest customer experience. This meant Apple products would be more expensive, which he also worked hard to make sure they weren't prohibitively so. What was clear though was his prioritization of the customer experience. When we think about the incredible success of Apple's products from customers' perspective, it is hard to argue against this priority and its accompanying expenses.

What we can learn from Steve and Apple is that when we look at our own companies, we need to be careful about where we cut costs. We should stay away from and possibly even increase expenses related to customer experience if we can create additional value. For example, Steve felt the multi-touch screen was critical to a great customer experience on the iPhone and he spared no expense in securing and developing that technology. In fact, when it launched, it was the most expensive mobile phone in the world. However, its record-shattering sales didn't seem to suggest customers had a problem with it. While the hit to the bottom line may sting at first, if done correctly, it could easily be off set by top line growth (i.e. record-breaking sales, price increases, complimentary offerings, aftermarket sales, etc.). Even if Apple didn't make great profits off of iPods and iPhones, it would have significantly made up for it off the 30% cut they take of all music, app, and video sales through iTunes.

Before you cut costs, make sure it isn't at the expense of your value proposition and customer experience. Equipped with this framework it will be a lot easier find the right opportunities to cut costs and identify the opportunities to possibly spend a little more. What product or service will you turn into a blockbuster first?

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