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TECH

Jony Ive Is Leaving Apple, but His Departure Started Long Ago

Design chief helped create some of the world's best-known products, but grew distant as the company shifted focus under CEO Tim Cook

Apple CEO Tim Cook, left, and chief design officer Jony Ive at the Apple Worldwide Developers Conference in June. JEFF CHIU/ASSOCIATED PRESS

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By Tripp Mickle

Updated June 30, 2019 10:11 pm ET

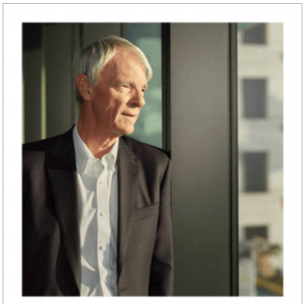
As the deadline loomed for the 10th anniversary iPhone, Apple Inc.'s AAPL -0.91% ▼ top software designers gathered in the penthouse of an exclusive San Francisco club called The Battery.

They had been summoned some 50 miles from the company's Cupertino, Calif., headquarters to demonstrate planned features of the product to Jony Ive, Apple's design chief, who seldom came to the office anymore from his San Francisco home.

For nearly three hours on that afternoon in January 2017, the group of about 20 designers stood around waiting for Mr. Ive to show, according to people familiar with the episode. After he arrived and listened to the presentations, he left without ruling on their key questions, leaving attendees frustrated.

"Many of us were thinking: How did it come to this?" said a person at the meeting. There was a sense "Jony was gone but reluctant to hand over the reins."

The episode was emblematic of a widening disconnect at the top of Apple that, invisible outside the company, was eroding the product magic created by Mr. Ive and the late Steve Jobs that helped turn Apple into America's pre-eminent corporation.



Apple announced Thursday that Mr. Ive will leave later this year to form his own design firm, LoveFrom, after 23 years running what was arguably the most successful design operation in business history.

Few on the outside knew that for years, Mr. Ive had been growing more distant from Apple's leadership, say people close to the company. Mr. Jobs's protégé—and Apple's closest thing to a living embodiment of his spirit—grew frustrated inside a more operations-focused company led by Chief Executive Tim Cook.

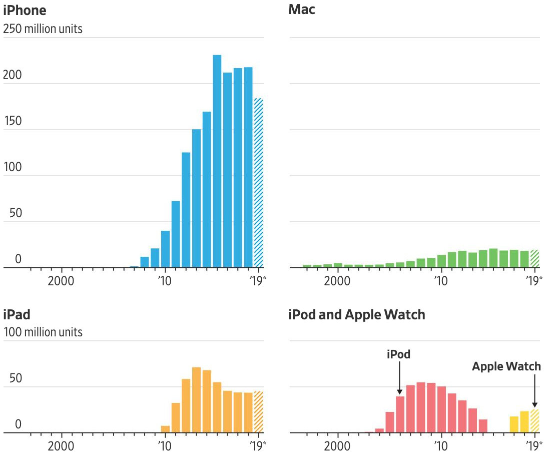
Mr. Ive, 52, withdrew from routine management of Apple's elite design team, leaving it rudderless, increasingly inefficient, and ultimately weakened by a string of departures, people close to the company say.

The internal drama explains a lot about Apple's dilemma. Its one major new product of the post-Jobs era, the Apple Watch, made its debut five years ago. Its iPhone business is faltering, and more recent releases like its wireless AirPods haven't been enough to shore up falling sales. It hasn't had a megahit new product since the iPad that started selling in 2010.

Defined by Design

Products launched during Jony Ive's tenure turned Apple into a corporate giant.

Apple products' sales by fiscal year



*FactSet research analysts estimates
Source: International Data Corp.

Apple remains enormously profitable, and far larger than the company Mr. Jobs left behind. Its earnings topped $30 billion for the first half of this fiscal year.

Apple's association with Mr. Ive will continue; the company will pay his new firm millions of dollars a year to continue to work with Apple, people familiar with the arrangement said.

Yet his departure from the company cements the triumph of operations over design at Apple, a fundamental shift from a business driven by hardware wizardry to one focused on maintaining profit margins and leveraging Apple's past hardware success to sell software and services.

The story of Mr. Ive's drift is based on conversations over more than a year with people who worked with Mr. Ive, as well as people close to Apple's leadership.

Mr. Cook, an industrial engineer who made his name perfecting Apple's supply chain, sought to keep Mr. Ive happy over the years, in

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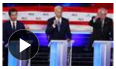

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part with a pay package that far exceeds that of other top Apple executives, a point of friction with others on the executive team, people familiar with the matter say. Apple doesn't disclose Mr. Ive's pay. But people in the design studio rarely saw Mr. Cook, who they say showed little interest in the product development process—a fact that dispirited Mr. Ive.

Mr. Ive grew frustrated as Apple's board became increasingly populated by directors with backgrounds in finance and operations rather than technology or other areas of the company's core business, said people close to him and to the company.

Apple's new headquarters in Cupertino, Calif. **PHOTO:** KENNETH CANTRELL/ZUMA PRESS

Revenue for the iPhone in the latest quarter sank to its lowest for the first three months of the year since 2014, balanced partly by growth in sales of mobile apps, entertainment and other services that Apple is increasingly betting its future on.

The Apple Watch and AirPods wireless earbuds have gained momentum, but remain relatively small. Apple's last attempt to jump into a major new hardware category, the HomePod smart speaker, disappointed. A wireless charging pad that Apple announced with fanfare two years ago never came to market.

The country's most valuable company for years, Apple recently ceded top status to Microsoft Corp. , and its stock remains 15% below its record high in October. Mr. Cook said in Apple's announcement Thursday that he looked forward to continuing to work with Mr. Ive. "Jony is a singular figure in the design world and his role in Apple's revival cannot be overstated," he said.

Mr. Ive, through a spokesman, declined to comment. In Apple's press release Thursday, he said: "After nearly 30 years and countless projects, I am most proud of the lasting work we have done to create a design team, process and culture at Apple that is without peer. Today it is stronger, more vibrant and more talented than at any point in Apple's history."

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Steve Jobs, left, and Jony Ive in 2005. **PHOTO:** RICHARD LEWISOHN/ALAMY

A person who worked closely with Mr. Ive for many years said Apple employees who were “newer see [that], ‘Oh wow, Jony has gone away a bit,’ but I don’t look at it as him being distant.”

After many product releases over the years, including the iMac and iPhone, this person said Mr. Ive took time to recharge, adding that the company tried to create a different model where the designer could work remotely more often. “The reality was he worked just as hard and got just as tired.”

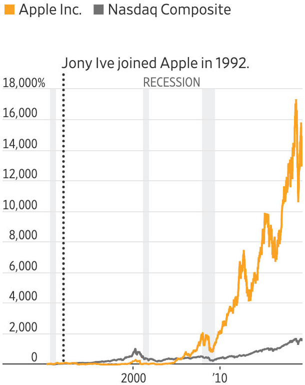
Mr. Ive, who earned a design degree in his native Britain, joined Apple in 1992, when Mr. Jobs was in exile after being pushed out of the company he co-founded. Mr. Ive was leading the design team when Mr. Jobs returned in 1997.

The two connected through their shared love of design. Mr. Ive cemented his leadership role by shepherding the design of the iMac the first major product in what became Apple’s revival from near bankruptcy.

He built a small, insular team of industrial designers who obsessed over the curvature of computer displays and what shade of blue best complemented the software inside. They compared themselves to a family that worked long days and socialized after work at bars and clubs—a partying culture that continued for years.

At most tech companies, engineering dictated product development. At Apple, designers reigned supreme. Hardware engineers had a saying: “Don’t disappoint the gods.”

Stock and index performance

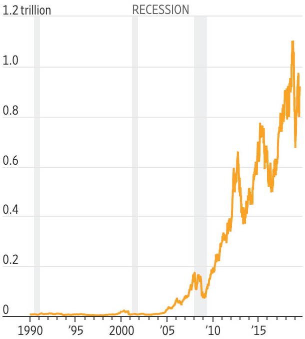


Mr. Ive and Mr. Jobs often ate together, feeding off each other’s ideas. Mr. Ive could translate futuristic concepts into physical objects with simplicity and sophistication. Mr. Jobs was the inspiration and the editor needed to bring these ideas to life.

“Creative geniuses like Steve and Jony speak a mutual language, and they understand each other well,” said Millard Drexler, Source: FactSet

the former J.Crew Group Inc. CEO who served on Apple’s board from 1999 to 2015 and is now an investor and adviser to Alex Mill, a retail startup. “There was an enormous challenge that anyone would have had following Steve Jobs into that position.”

Market capitalization for Apple Inc.



Source: FactSet

The partnership produced a string of hits—the iPod, iPhone and iPad—that transformed Apple. It also made Mr. Ive the second most powerful person at Apple, Mr. Jobs told his biographer, Walter Isaacson, before his death in 2011.

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Mr. Ive was devastated by Mr. Jobs’s death. The studio’s cadence slowed.

“When Steve Jobs was alive, there was a lot of effort toward: Steve’s coming to the studio today, so we have to have a lot for him to see,” said a former member of the design group. “When he died, that went away.”

In May 2012, Mr. Ive was knighted at Buckingham Palace, for “services to design and enterprise.”

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At the same time, investors and tech analysts were questioning Apple’s ability to innovate without Mr. Jobs. Mr. Ive had begun pushing to make a watch. He was intrigued by the potential to further miniaturize the iPhone’s powerful technology into a wearable device.

Some executives pushed back, questioning if a device so small could ever have a killer app that would compel people to buy it.

Mr. Cook approved the project and Mr. Ive threw himself into it in 2013. In addition to industrial design, he took on oversight of the “human interface” team, responsible for software performance. He met with the team almost daily and immersed in detail, helping dream up the distinctive, hexagonal grid of apps that morphed as people scrolled. He worked with Apple’s acquisitions team to hire industrial designer Marc Newson, his friend, who had developed designs for rectangular watches. He pushed Apple to hire the chief executive of Yves Saint Laurent to run the business side of the project.

He disagreed over how to position the Watch with some Apple leaders, who wanted to sell it as an extension of the iPhone. Mr. Ive saw it as a fashion accessory.

The result was a compromise. The watch was electronically tethered to the iPhone, and started at $349. Apple also created a $17,000 gold version and partnered with Hermès.

At a meeting with members of the watch team, he thanked them for their work, and said 2014 had been one of his most challenging years at Apple. The company sold about 10 million units in the first year, a quarter of what Apple forecast, a person familiar with the matter said. Thousands of the gold version went unsold.

Mr. Ive told Mr. Cook he wanted to step back from day-to-day management responsibilities. The staff beneath him had ballooned to hundreds of people. He didn't want to leave, but wanted time and space to think, he told several people.

iPod, introduced 2001 PHOTO: GETTY IMAGES

iPad, introduced 2010 PHOTO: AP

Apple Watch, introduced 2015 PHOTO: GETTY IMAGES

9:41
Tuesday, September 12
iPhone X, introduced 2017 PHOTO: GETTY IMAGES

In May 2015, Mr. Cook emailed staff to announce Mr. Ive's promotion to chief design officer—a recognition, he said, of expanded design responsibilities that included hardware, human interface, packaging, retail stores and the company's new campus in Cupertino.

As part of the change, Mr. Cook agreed Mr. Ive would be less present at the company. Mr. Ive often worked near his homes in Hawaii, the U.K. and San Francisco where he met with designers.

Apple said little publicly about the change. Internally, it proved disruptive. “The team craved being around him,” said a person close to Apple’s leadership at the time. “He’s engaging. Him being around less was disappointing.”

Members of the human interface and industrial design teams viewed approval from their new leaders as merely tentative. “They still wanted Jony’s thumbs-up to go forward,” this person said.

Mr. Ive promised to hold a “design week” each month with the software designers to discuss their work. He rarely showed up.

Ahead of one design week in 2016, Johnnie Manzari, who was in charge of Apple’s camera app, stood before more than a dozen 11-inch-by-17-inch images of changes he planned to pitch when word trickled through the studio that Mr. Ive wasn’t going to come.

“What am I going to do now?” Mr. Manzari said.

“It’s not that you needed him to make every decision,” a designer said. “He challenged us to do better. You can’t replace Jony with one person.”

Apple notched a success with AirPods, the first hardware product launched after Mr. Ive’s change in status, though they had been in development for three years. Sales began in December 2016 and were strong. With a price of $159, though, their impact for Apple was limited.

For the iPhone X model, Mr. Ive and other Apple leaders decided the phone would have no home button. The human interface team was asked to design software features that could return people to the homescreen without it.

For the January 2017 meeting at the Battery, Apple security escorted prototypes up from headquarters in an airtight, Pelican case. The team presented a multitude of features for Mr. Ive’s approval, including how to transition from lock screen to home screen.

Pressure was on to finalize features before for the phone’s autumn unveiling. Team members were disappointed Mr. Ive failed to give them the guidance they needed.

“It was rough development cycle,” said one person at the meetings.

That spring, a 50th birthday party was held for Mr. Ive in the British countryside where U2 performed and current and former members of the industrial design team were nearly a third of the guests. He spent time afterward in Venice with friends, including actor Woody Harrelson and Julian Lennon.

He also was focused on helping design Apple’s $5 billion new headquarters building, a giant glass ring dedicated to Mr. Jobs’s memory, which he began showing in 2017.

Apple unveiled the iPhone X in September, touting it as the most revolutionary model since the original device in 2007, with a starting price nearly 50% higher than its previous flagship model.

In January 2018, Apple cut iPhone X production in the face of weak demand. The company reported record annual iPhone revenue due to the higher price, but unit sales were flat, a rarity after the launch of a major new model.

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The HomePod, delayed by production issues, shipped in 2018. **PHOTO:** MARCIO JOSE SANCHEZ/ASSOCIATED PRESS

At the industrial design team, Mr. Ives's absence was straining the cohesion central to product development. A key designer left in 2017 and others were considering leaving.

In 2017, Mr. Cook met with Mr. Ive to discuss resuming day-to-day responsibilities. Mr. Ive agreed.

Initially, designers were encouraged. But his absences later resumed. He spent more time in the U.K., where his father has been ill.

Still, Mr. Ive brought the industrial-design and human-interface teams together in one office in Apple Park and created new processes for more quickly prototyping new products and software features, said a person who's worked with Mr. Ive closely for many years.

"He built Apple into this ID (industrial design) and HI (human interface) powerhouse. What does that mean going forward? None of us know," this person added. "It's not the team that he inherited."

The AirPower charging pad was supposed to arrive in 2018. Mr. Ive had imagined the product as a dresser-top catchall for Apple devices, but engineering tests found it behaved more like a dorm-room hot plate, heating up loose change and failing to evenly recharge devices. Apple killed it in March.

The HomePod shipped in February 2018, more than two years after Amazon.com Inc.'s Alexa-powered Echo. Delayed by production issues, the product flopped. Apple sold fewer than 500,000 units in its first full quarter of sales, according to Canalys, giving it just 3% of the smart-speaker market.

The latest iPhones released last fall have been a disappointment, triggering the first back-to-back decline in quarterly sales and profit in more than two years.

The design team has been working on augmented reality glasses that would give users visual displays of messages and maps. It continues work on annual updates to Apple's existing products.

Four longtime members of the design team left over the past year.

In May, Apple employees and guests received an invitation to celebrate the official opening of the company's headquarters with a concert by Lady Gaga. Mr. Ive, listed as a co-host, wasn't there. He had flown back to the U.K. to see his ailing father.

Weeks later, Mr. Ive attended Apple's annual developers conference. For years, product videos at those events featured a voice-over from Mr. Ive, explaining the wizardry and materials used to create products.

In this year's video, Mr. Ive's voice was absent.

On Thursday, Mr. Ive convened the user interface and industrial designers in their new, unified workspace at Apple Park. He explained he was leaving and answered questions. The intimate event felt like a family gathering and was a fitting way for the design chief to say goodbye, said one person in attendance.

Mr. Ive's old design team—a group of aesthetes once thought of as gods inside Apple—will report to COO Jeff Williams, a mechanical engineer with an M.B.A.

—*Shalini Ramachandran contributed to this article.*

Write to Tripp Mickle at Tripp.Mickle@wsj.com

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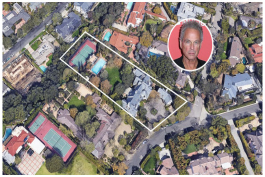

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