URL: https://stvp.stanford.edu/blog/videos/the-impact-of-a-ceo

John Sculley, historic CEO of Apple, and Bill Gates, CEO of Microsoft, both demonstrate the impact that effective leadership can have on business and technology. Both of these large companies missed the ground-floor opportunities of the Internet, says Hugh Martin, Chairman and CEO of Pacific Biosciences. But there is a lesson to be learned in how each CEO responded. Apple mostly ignored the Internet boom, says Martin, and faced years of weak financial footing as a result. But Microsoft turned the company around to establish a deeply-rooted Internet presence – particularly its web browser Internet Explorer – in just three days. Martin uses this anecdote to demonstrate how essential leadership can be in corporate success.
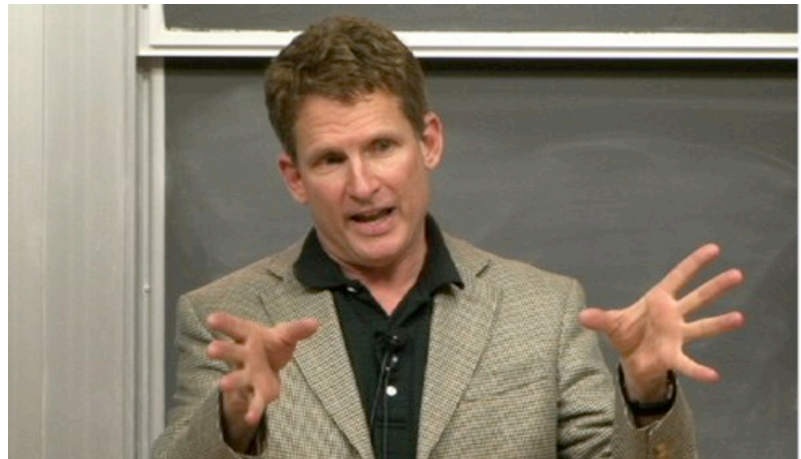
Transcript

Sometimes, I think people underestimate the impact that a CEO can have on a corporate culture or the company's success.. The example I'll give you is John Sculley and Bill Gates.. Though Apple paid lip service to the Unix market with A/UX, both companies missed the Internet by a country mile.. Netscape came out of nowhere.. The reason Netscape was there in Silicon Graphics was because the Internet was a Unix-based phenomena and neither company really cared that much about Unix and so they both missed it.. But what was very interesting is the way the two companies responded.. So Bill, as you probably famously know, had a two-day offsite, wrote a white paper, 10 pages long, and turned the company around literally in three days and said, we have got to effectively supplant the Netscape Navigator.. And Apple did absolutely nothing and of course, you now know what happened.. Again, that's just what the CEO can do and demand out of an organization.. So another point that I learned painfully is the CEO is really, really important...