Was JC Penney's CEO doomed to fail?

In November 2011, JC Penney hired Ron Johnson as its CEO. At the time, Johnson was considered a bold hire—the visionary who ran Apple’s wildly profitable retail stores.

But Johnson’s star faded fast. Within 17 months, Penney ousted him after the company lost $4 billion in revenue and its stock tanked.

Upon retrospect, it’s easy to see why Johnson failed: He approached the job with faulty assumptions and misguided beliefs.

For starters, Johnson said he tried to run Penney like “a big $18 billion startup.” But the 109-year-old retailer consisted of thousands of well-established department stores—and Johnson couldn’t overhaul the entrenched culture overnight.

A fan of following your gut, Johnson insisted that he’d lead by instinct. But that meant rejecting tried-and-true activities such as studying other retailers and analyzing industry trends.

“All my ideas just sort of come,” he said three months into taking the post as Penney CEO. “I don’t know how to explain it. It’s all intuitive I think.”

Flush from his Apple success, Johnson treated Penney as if it were another Apple. He assumed that what worked during his 12 years working for Steve Jobs would work in an entirely different industry in which targeting your customer is vital.

“You look today and Apple’s the store for everyone,” Johnson said. “So when I come to JC Penney and it should be the same thing—we should be the store for everybody—why limit your reach?”

A first-time CEO, Johnson redefined the role from the outset. He expressed reluctance to wield power, describing himself as “one of the teammates” rather than the ultimate decision-maker.

“I want to be involved when do work, I don’t want to review work when its done,” he said. “I’m just kind of on the team.”