# Jony Ive joins OpenAI in $6.5bn deal to reinvent consumer tech beyond smartphones



In a move that could significantly shift the tech landscape, Jony Ive, the visionary designer renowned for crafting Apple’s most iconic products, has joined forces with OpenAI in a staggering $6.5 billion deal. This partnership is not merely a transition for Ive but represents a pivotal moment in the evolution of consumer technology, as they aim to develop advanced devices that could potentially render conventional smartphones obsolete.

Ive, who was instrumental in the design of the iPhone, iPod, and Mac, departed Apple in 2019 to establish his own design consultancy, LoveFrom. Since then, he has collaborated with various brands but remained outside the direct sphere of competition with Apple. His recent alliance with OpenAI marks a remarkable re-entry into the tech giant's arena, albeit in a radically different context. Together with OpenAI’s CEO, Sam Altman, they are looking to harness artificial intelligence in innovative ways that have yet to be fully realised in consumer products.

Reports indicate that the duo has been working silently for two years on a variety of prototypes, including smart headphones, augmented reality glasses, and possibly a new generation of smartphones. This initiative is driven by the desire to transcend traditional computing devices and create products that seamlessly integrate AI capabilities into everyday life. Such innovations could dramatically streamline tasks, from managing home appliances to planning daily activities, thereby reshaping the consumer landscape currently dominated by giants like Amazon and Google.

However, while OpenAI’s ambitions are tremendous, they must navigate considerable challenges. The company has recently reported significant financial losses, with a staggering $5 billion in red ink last year, underscoring the difficulties inherent in developing profitable consumer-oriented AI products. Despite its technological prowess and strong consumer engagement through platforms like ChatGPT and DALL-E, OpenAI has yet to establish a stable revenue stream that the broader market demands.

The acquisition of Ive's startup, io, not only brings his design acumen to OpenAI but also incorporates a staff of 55 engineers and scientists working towards tangible AI applications. OpenAI had already held a minority stake in io, demonstrating an ongoing relationship that has now culminated in full ownership. The partnership's success, however, remains contingent upon the ability to translate creative design into marketable products that can survive in a fiercely competitive environment.

The reaction from the market has been immediate and telling. Following the announcement of this partnership, Apple's stock price saw a notable decline, highlighting investors' concerns over increased competition from a brand that was once synonymous with industry innovation. The rising anxiety towards Apple's capacity to keep pace with emerging trends, especially in AI, has also become palpable. With Apple's anticipated upgrades for its digital assistant Siri postponed until 2026, critics question whether the tech giant is losing its edge.

Furthermore, Ive's legacy at Apple, where he spent nearly three decades alongside the late Steve Jobs, continues to loom large. The remarkable synergy that the duo brought to product development has set a high bar for anyone attempting to fill their shoes. Critics speculate whether OpenAI can replicate this unique blend of innovative design and technological excellence, particularly in a hardware domain where Apple has long been a leader.

Despite the skepticism, both Ive and Altman are imbued with a sense of excitement about this new venture. “I have a growing sense that everything I have learned over the last 30 years has led me to this moment,” Ive stated, reflecting his deep commitment to pioneering the next evolution of consumer technology. Whether this partnership will revolutionise the industry remains to be seen, but one thing is clear: the landscape of technology is set to undergo a transformational shift that could redefine how we interact with the world around us.

As the narrative unfolds, the industry will closely watch how these developments impact not just Apple but the tech ecosystem at large, especially as competitors brace for a potential paradigm shift that could come from the collaboration between a design luminary and a leading AI powerhouse.

### Reference Map

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## Bibliography

1. <https://www.dailymail.co.uk/yourmoney/article-14740817/iphone-genius-joins-apple-rival-billions-tech-deal-smartphone.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.ft.com/content/d31a0fdd-072a-4e64-b03f-ae5d90cfc77d> - OpenAI's recent $6.5 billion acquisition of io, a startup co-founded by former Apple design chief Jony Ive, has sparked speculation about a potential challenge to Apple's dominance. CEO Sam Altman envisions AI-driven devices that could replace smartphones, but skepticism remains about the project's innovation potential and whether it can rival Apple's hardware expertise.
3. <https://www.axios.com/newsletters/axios-am-6c1b646f-6e3a-44ef-b07c-702481c40ff2> - OpenAI is investing in hardware by acquiring Jony Ive’s startup, aiming to create AI-driven consumer devices beyond traditional PCs and smartphones. Ive, known for his Apple design legacy, joins OpenAI CEO Sam Altman in this initiative, potentially focusing on devices like advanced headphones, smart glasses, or AR technologies.
4. <https://www.ft.com/content/60c2143d-1951-4dd2-bedd-744f96faa40f> - Jony Ive, the renowned former Apple designer, has joined forces with OpenAI in a $6.4 billion acquisition, positioning him at the forefront of AI innovation. OpenAI acquired full ownership of Ive's AI hardware startup io, bringing its 55 employees under its umbrella while Ive assumes a key creative role without becoming a formal employee.
5. <https://www.theatlantic.com/technology/archive/2025/05/openai-io-jony-ive/682884/?utm_source=apple_news> - OpenAI has announced a major strategic shift by partnering with Jony Ive, former Apple design chief, to develop AI-specific hardware that could potentially replace current smartphones and computers. This move, backed by a $5 billion acquisition of Ive’s startup Io, signifies OpenAI CEO Sam Altman’s ambition to remove the friction of using AI tools through conventional devices.
6. <https://apnews.com/article/fad014e1322ea8bb9189cca6d3e83ba8> - Jony Ive, renowned for his influential 27-year career at Apple, played a pivotal role in shaping modern tech design. His groundbreaking collaboration with Steve Jobs led to iconic products like the iPhone, iPad, Mac, iPod, and Apple Watch, fusing cutting-edge technology with minimalist elegance. After Jobs’ death in 2011, Ive continued leading Apple’s design innovation until his departure in 2019.
7. <https://apnews.com/article/52c72786e54f0ead8b04d037c30d6754> - OpenAI has enlisted legendary iPhone designer Jony Ive to spearhead a new AI hardware initiative, acquiring his company io Products in a deal valued at nearly $6.5 billion. The acquisition includes $5 billion in equity, and OpenAI already held a 23% stake in io from a previous partnership. Ive, known for his iconic design work at Apple alongside Steve Jobs, co-founded io in 2023 after beginning a quiet collaboration with OpenAI CEO Sam Altman.