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The Biography Paper

“Bell Gates”

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The founder of Microsoft, has had as much influence on the evolution of computing as any individual. While Gates has become prominent recently because of the U.S. government's anti-trust case against Microsoft, he was involved in the computer field for two decades before this. His innovations and contributions have been overshadowed by all the publicity and accusations concerning the government's claims that Microsoft is a monopoly and engages in unfair trade practices. However the government's case against Microsoft turns out, and whatever its effects on the computer field, Gates has had a large and permanent effect on the field. The field would be much different than it has evolved to be without the large presence of Bill Gates over the past couple of decades.

Gates was born on October 28, 1955 in Seattle. When he was nineteen, he teamed up with a friend of his named Paul Allen to adapt the major computer language of the time, known as BASIC, for use in personal computers. (Slater, 1987, p. 263) In the mid 1970s when Gates and his friend Allen worked on this, personal computers were only a small part of the computing field. Large mainframes and related computers dominated the field. At the time, although computers had a significant and productive place in American business, they did not have the central, crucial, place they have come to have at the end of the twentieth century. Most computers were used locally in connection with the nearby mainframes. In the mid 1970s, the Internet was only in its early stages. The general public had little awareness of either the current uses or the potential uses of computers. The idea that small computers, PCs, would be of interest to the public was not a part of the thinking of those in the computer field.

Gates, however, along with Allen, had a vision of PCs as a part of the daily lives and activities of average persons. Gates “made the small computer revolution possible [by] enabling the personal computer industry to reach millions of offices and homes—overnight.” (Slater, 1987, p. 263) The adaptation of BASIC was the first key step in this. Gates’ adaptation “made his own Microsoft BASIC the *lingua franca* for computer users.” (Slater, 1987, p. 263)

Gates did not start out to create Microsoft as the monopoly the government saw it to be about two decades later. When he first became involved in the computer field in the mid 1970s, Gates aimed only on improving the existing major program for computers to make them more dependable and more accessible. Gates had the ability to devise computer programs, which eliminated the “bugs” found with BASIC and the other programs of the day. Gates described the codes he created as “slick and tight”. (Slater, 1987, p. 263) Others in the computer field saw immediately the improvements Gates’ programs brought to the field. By 1984, Gates operating software (DOS) had become the industry standard. This was the foundation of Gates’ company Microsoft.

Along with writing the operating system and applications software, Gates was a prominent spokesperson for the usefulness and value of computers for both businesses and individuals. Despite his youth and his unconventional beliefs about the potential of computers, Gates attracted the attention of the leading technology companies. “Microsoft’s first orders came from such prestigious firms as General Electric, NCR, and Citibank.” (Ichbiah, 1991, p. 34) To begin with, Gates was doing all of the basic work of Microsoft. “Determined that his company would provide BASIC for the top microcomputer manufacturers, he was writing most of

the code himself.” (Ichbiah, 1991, p. 33) At the time, Gates was going to Harvard. Before long, however, partly at Allen’s urging, Gates left Harvard to devote his time fully to the programming he was doing. After orders started coming in from the technology companies, Microsoft hired its first employee, a former high school classmate of Gates’. Within the next few months, Gates hired three more employees. The four new employees were all programmers. Although Microsoft had grown beyond Gates ability to accomplish everything on his own, he remained closely involved with its products by checking every line of code the new employees wrote before it was approved and went into production for sale to General Electric and the other companies, which were for Microsoft’s first customers. By the fall 1976, Microsoft was established enough to lease offices in Albuquerque, NM.

While still overseeing the work of the programmers, Gates had to take on the primary administrative duties for his growing company. And he also was responsible for its marketing strategies, which carried it to the head of its field of programming. In the Summer 1983, Gates made the decision to name his company’s products after the name of the company itself. (Ichbiah, 1991, 127) Microsoft would be used in the name for each of the products. Among these were Microsoft Plan and Microsoft File. Microsoft was becoming a brand name. The product which had the leading role in making Microsoft a brand name was Microsoft Word. This was mainly a word-processing program, but it could also be used for designing material such as ads and brochures. With its range of capabilities, Microsoft Word made computers useful to a wider market. Programs for the financial and administrative aspects of business had no relevance to the average person. But most ordinary persons outside of the

business world had a use for a program that could do word-processing. Average persons could use such a program for letters, resumé's, diaries, and other personal writing. Microsoft Word was a program that small businesses as well could productively make use of. This leading product of Microsoft gained popularity not only for its variety of features, but also for its relative ease of use. The software program was based on a slick, tight code like Gates used when he adapted BASIC to PCs in the mid 1970s. With Microsoft Word, Gates helped to bridge the gap between computers and the public.

With Microsoft Word, Gates brought a new type of marketing to the computer field. This was a marketing used for consumer products rather than the typical marketing of the computer field of the time directed at persons who were already familiar with computers and knowledgeable about their technical attributes. To conduct the marketing he wanted for his Microsoft products, especially Microsoft Word, Gates contracted the well-known San Francisco marketing firm Doyle Dan Bernbach. (Ichbiah, 1991, pp. 127-8) At the time, computer software and other products were introduced to consumers by reports of product tests in consumer magazines. If readers were interested in finding out more about a particular product, they had to go to a distributor for a demonstration. Gates departed from this conventional practice by distributing over four hundred thousand demonstration diskettes with a tutorial booklet. The diskette would be a sample of the complete program. "The free demo diskette would have all the characteristics of the program except that it would not allow users to save or print files." (Ichbiah, 1991, p. 128) Gates worked with David Bunnell to have 100,00 Microsoft Word diskettes distributed in a special edition of Bunnell's magazine "PC World."

Microsoft's new word-processing program got even wider attention when other computer as well as mainstream media ran articles on the innovative marketing.

Microsoft Word received mixed reviews. (Ichbiah, 1991, pp. 130-1) Several computer periodicals wrote that while the program was relatively easy to use, it was still challenging for computer users who had only modest computer skills. Other periodicals found bugs in the tests they ran on the program. The consensus was that Microsoft Word was a superior word-processing program, but was too complex for the average user. As the computer magazine *Business Computer Systems* put it, "users with moderate word-processing requirements might be better off with a product that does less, but is easier to learn and use." (Ichbiah, 1991, p. 131)

It looked as if Gates had been too ambitious with Microsoft Word, the product he hoped would move Microsoft into the consumer marketplace while maintaining its strong position in the business market. In its first year, sales for Microsoft Word were only modest. Gates was disappointed, but not discouraged. Microsoft struggled to make Microsoft Word successful. The program went through a series of versions. Microsoft teamed up with the printer manufacturer Hewlett-Packard to make Microsoft Word compatible with Hewlett-Packard's popular LaserJet printer. Microsoft also worked with distributors so they would promote its word-processing program when demonstrating printers for customers. It was Microsoft Word for the Apple Macintosh personal computer that turned the corner on this important product for Microsoft. Although the reviews were not universally favorable, the number of positive reviews Microsoft Word received in leading computer magazines changed the

industry's and consumers' views of it. One review remarked that Microsoft Word is "a polished product [that] is an absolute pleasure to use." (Ichbiah, 1991, p. 139)

With the eventual success of Microsoft Word added to the major technology companies that were customers of the company Gates founded, and the expert programmers Gates had hired, Microsoft became a "natural monopoly." (Manes, 1993, p. 197) Gates was always demanding and competitive with respect to the programs he devised. He first got so heavily involved in the computer field out of a desire to make better programs than the ones, which were available in the 1970s. As his business grew once it had office space in Albuquerque, Gates turned this same intelligence and competitiveness to making his company the top software company. But Microsoft did not become a natural monopoly simply by default. Gates and his programmers were putting out software that was not only superior in terms of its operation, but also contained features which other software companies had not thought of. Gates was not only a programmer in a class by himself and not only proved to be a savvy businessman, but he was also a visionary. This was a combination unique in the computing field. Gates tried to direct Microsoft to the top of its field. But so does every other businessperson try to direct his business to the top of its field. Under Gates leadership, Microsoft seemed destined to succeed because of the unique mix of qualities Gates brought to it.

By the early 1990s, Microsoft's success in the computer technology field under Gates leadership and vision became indisputable. Microsoft moved ahead of even IBM, the company which had been seen as representing the computer field and setting its direction. In the recession year of 1991, IBM reported a loss of \$2.8 billion on revenues, which had

fallen 6.1 percent from the previous year. (Wallace, 1992, p. 409) By contrast, Microsoft reported that its profits had risen by fifty-five percent on revenues, which had gone up by forty-eight percent. By the early 1990s, Microsoft had moved from Albuquerque to a newly-built, expansive corporate headquarters in Redmond, WA, outside of Seattle. At this time, its competitor the software maker Lotus was laying off employees while Microsoft was hiring as many as seventy per week. (Wallace, 1992, p. 4009) By the end of 1991, Microsoft had 10,000 employees. Microsoft had surpassed both the Boeing Company, another major Northwester U.S. company, and also General Motors in market value. (Wallace, 1992, p. 409)

Bill Gates has to be seen as more than an exceptionally skilled programmer and savvy businessman and marketer. He is also a visionary who has had an impact beyond the computer field Gates has led the public to see the relationship of computers to their own lives. He has presented a vision of the beneficial role computers can play in society. (Gates, 1999) He has presented ideas about the use of computers in the areas of health care, government, and local communities. Gates has become not only one of the world's wealthiest individuals through the success of Microsoft, but is also one of the most influential persons on society's understanding and acceptance of computers and how computers can shape society.

It is because of the incomparable effect Gates and the software products of his company Microsoft has had on the computer industry that Microsoft attracted the attention of the U.S. government. Because of the role of computers in shaping the economy, education, government, and other major areas of society, the government was concerned over the

effects Gates and Microsoft were having on the economy, consumer choices, and society. However, as an overview of Gates' abilities, knowledge, and activities in the computer field evidence, he is an exceptional individual. It is thus not surprising that with his motivation, sense of the significance of computers for society, and his unique skills, he has had such an effect. To some extent, the growth of the computer field in American society parallels the rise of Gates to the head of this field.

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