

# [Business entrepreneurship: strategy of bill gates](https://assignbuster.com/business-entrepreneurship-strategy-of-bill-gates/)

William Henry Bill Gates born 28th October, 1955 and he is an American business magnate and chairman of Microsoft, the leading software company. He is consistently ranked among the world’s richest people and the wealthiest overall as of 2009.

Gates is the most successful entrepreneurs of the world. He is capable to run a successful and a profitable entrepreneurship for many years and even today, we cannot survive in this competitive world without it.

Vision and dedication are the key factors of being a successful entrepreneur and these skills were present in Bill Gates from the beginning. He has got the skills to identify the most suitable employee for recruitment.

The success of Microsoft is the true example of the entrepreneurial skills of Bill Gates. The success story of Bill Gates is highly motivating for all the upcoming entrepreneurs.

His hard work, dedication and self-confidence helped him to earn everything he has. He is a simple man and slightly conservative in regards of money although he is one of the richest people of the world. The youth can take inspirations from the life of Bill Gates.

## 2nd Entrepreneur

Steven Paul Jobs another person like Bill Gates. He was born 24th February, 1955. He is a computer technical entrepreneur and at presently he is the co-founder and Chief Executive Officer of Apple inc. as a result I think the comparison between him and Billgates are perfect.

His comparison with Bill gates discussed bellow.

Until recently, Bill Gates has been viewed as the villain of the tech world, while his archrival, Steve Jobs, enjoys an almost saintly reputation. Gates is the cutthroat capitalist. A genius maybe, but one more interested in maximizing profits than perfecting technology. He’s the ultimate vengeful nerd. Ostracized at school, he gets the last laugh by bleeding us all dry.

On the other hand, Jobs has never seemed much concerned with business, though he’s been very successful at it of late. Instead, Jobs has been portrayed as a man of art and culture. He’s an aesthete, an artist; driven to make a dent in the universe.

But these perceptions are wrong. In fact, the reality is reversed. It’s Gates who’s making a dent in the universe, and Jobs who’s taking on the role of single-minded capitalist, seemingly oblivious to the broader needs of society.

Gates is giving away his fortune with the same gusto he spent acquiring it, throwing billions of dollars at solving global health problems. He has also spoken out on major policy issues, for example, by opposing proposals to cut back the inheritance tax.

In contrast, Jobs does not appear on any charitable contribution lists of note. And Jobs has said nary a word on behalf of important social issues, reserving his talents of persuasion for selling Apple products.

Giving USA Foundation, a philanthropy research group which publishes an annual charity survey, said Jobs does not appear on lists of gifts of $5 million or more over the last four years. Nor is his name on a list of gifts of $1 million or more compiled by Indiana University’s Centre on Philanthropy.

Jobs’ wife is also absent from these philanthropic lists, although she has made dozens of political donations totalling tens of thousands of dollars to the Democrats, according to the Open Secrets database.

Of course, Jobs and his wife may be giving enormous sums of money to charity anonymously. If they are funnelling cash to various causes in private, their names wouldn’t show up on any lists, regardless of the size of their gifts.

For a person as private as Jobs, who shuns any publicity about his family life, this seems credible. If so, however, this would make Jobs virtually unique among moguls. Richard Jolly, chairman of Giving USA Foundation, said not all billionaires give their money away, but a lot do, and most do not do it quietly.

“ We see it over and over again,” he said. “ Very wealthy individuals do support the organizations and institutions they believe in.”

That’s certainly true of Gates, who not only gives vast sums away, but also speaks up in support of the organizations and institutions he believes in.

This is not the case for Jobs. To the best of my knowledge, in the last decade or more, Jobs has not spoken up on any social or political issue he believes in — with the exception of admitting he’s a big Bob Dylan fan.

Rather, he uses social issues to support his own selfish business goals. In the Think Different campaign, Jobs used cultural figures he admired to sell computers — figures who stuck their necks out to fight racism, poverty, inequality or war.

Jobs once offered to be an advisor to Sen. John Kerry during the 2004 presidential election, and he invited President Clinton over for dinner when Bubba visited Silicon Valley in 1996 — hardly evidence of deep political convictions.

Jobs can’t even get behind causes that would seem to carry deep personal meaning, let alone lasting social importance. Like Lance Armstrong, he is a cancer survivor. But unlike Armstrong, Jobs has so far done little publicly to raise money or awareness for the disease.

On the evidence, he’s nothing more than a greedy capitalist who’s amassed an obscene fortune. It’s shameful. In almost every way, Gates is much more deserving of Jobs’ rock star exaltation.

## Life Story of Bill Gates

It can be concluded that Bill Gates is one of the ideal personalities of the world who has honestly contributed towards the world’s success.

Gates was born and grew up in Seattle, Washington USA. His father, William H. Gates was an attorney and his mother, Mary Maxwell Gates was a school teacher. She was also head of the United Way Charity.

Gates attended a public grade school and then the Lakeside School, a private school. When he was in Lakeside his first interest is in the relatively new field of computer programming. That time he met his friend and future business partner Paul Allen, and developed his first computer software program when his age is only 13.

In 1973, Bill Gates started studying at Harvard University. That time he spent time with Paul Allen. Gates and Allen were working on a version of the programming language BASIC. He was so busy with the computer and computer software and at last he did not go on to graduate from Harvard University because he left in his junior year to start the largest computer software company in the world; Microsoft Corporation. But it is an astonish matter Gates did not think about the software giant Microsoft.

## Early Life (Business Development)

After leaving out of Harvard University Bill Gates and his partner Paul Allen created revolution to the computer industry. Gates believed there should be a computer on every office desk and in every home and now it is not the dream it is real fact.

The Microsoft real giant software company was formed in 1975. Its abbreviation is microcomputer software. It soon became popular and went on to completely change the way people use computers.

The company helped to make the computer easier to the users with its developing and purchasing software, and made it a commercial success. The big success of Microsoft began with the MS-DOS computer operating system and Bill Gates licensed it to IBM. Gates also set protecting the royalties and he could acquire from computer software by fighting against all forms of software piracy.

At age 25, Gates obliged IBM to let him keep the proprietary rights to the DOS operating system they had him develop for a program called the pc. Actually he purchased the program from other company and modifying for the PC. Thinking the program would be quickly replaced anyway, IBM agreed to pay for a license to use it rather than purchase it outright. Now Microsoft software operates 90 percent of the world’s desktop computers.

Microsoft launched Windows 1. 0 in 1983, which produced a graphical user interface better graphics and multitasking. After five years Microsoft reproduced a number of windows versions which added many programs, flexibility and character. When Microsoft grew, the share price goes to the mountain, and Bill Gates became the youngest billionaire at the age of 31 in USA.

In 1990 Microsoft actually organised by Bill Gates made a new version of Windows named Windows 3. 0 with an improved graphics and features and it sold 10 million copies or more. After followed by Windows 3. 1, 3. 11 Microsoft added networking support. On success of that type of OS Microsoft developed Windows 95 and upgraded the new windows 98, windows 98se, windows 2000, Millennium Edition, Windows XP, Windows Vista and the latest version windows 7. While innovative windows came out Microsoft take market share more and along with their popular software such as Office, games etc has seen Gates become the richest man in the world and his estimated property US$46 billion.

Gates also has interests not only the computer software but also in other business. He has many investments as including Corbis Corporation, Berkshire Hathaway Inc, Teledesic Corporation.

Being the richest man in the world Bill Gates created one of the world’s largest charity90. The Bill and Melinda Gates Foundation donates totally more than $1 billion every year. The foundation was formed in 2000 after merging the Gates Learning Foundation and William H. Gates Foundation. The aim is to bring innovations in health and learning to the global community.

From the foundation in 1975 until 2006, Gates had major task for the corporation product strategy. He effectively launch various type of products, and as a result Microsoft attained a dominant position.

Hence Gates is an executive. met randomly with the senior managers and program managers. Gates’s responsibility at Microsoft for most of its history was mainly a management and executive role. However, he was an active software developer in the previous years. He was officially been on a development team since working on the TRS-80 Model 100 line, but wrote code as late as 1989 that lauched in the company’s products. On June 15, 2006, Gates told that he would transition out of his day-to-day role over the next two years to dedicate more time to philanthropy. He divided his responsibilities between two successors, placing Ray Ozzie in charge of day-to-day management and Craig Mundie in charge of long-term product strategy.

Bill Gates is playing a very active role in the workings of the Microsoft Company, but he has handed the position of CEO to Steve Ballmer. Now Gates holds the positions of Chairman and Chief Software Architect. Now His plans to take on fewer workings at Microsoft and try to devote all his time to the Bill and Melinda Gates Foundation.

Time magazine called Gates, one of the 100 most influential people of 2004, 2005, and 2006. Time also collectively named Gates, his wife Melinda and rock band U2’s lead singer Bono as the 2005 Persons of the Year for their caring efforts. He got vote eighth in the list of “ Heroes of our time” in 2006. In 1999 Gates was listed in the Sunday Times power list. CEO of the year by Chief Executive Officers magazine in 1994, ranked number one in the “ Top 50 Cyber Elite” by Time in 1998, ranked number two in the Upside Elite 100 in 1999 and was included in The Guardian as one of the “ Top 100 influential people in media” in 2001.

He has taken honorary doctorates from Nyenrode Business Universiteit, Breukelen, The Netherlands, in 2000; the Royal Institute of Technology, Stockholm, Sweden, in 2002; Waseda University, Tokyo, Japan, in 2005; Tsinghua University, Beijing, China, in April 2007; Harvard University in June 2007; the Karolinska Institutet, Stockholm, in January 2008, and Cambridge University in June 2009. He was also an honorary trustee of Peking University in 2007. An honorary Knight Commander of the Order of the British Empire (KBE) by Queen Elizabeth II in 2005 was taken by Bill Gates. Some entomologists name the Bill Gates flower fly, Eristalis gatesi, in his honor.

In November 2006, he and his wife were awarded the Order of the Aztec Eagle for their philanthropic work around the world in the areas of health and education, particularly in Mexico, and specifically in the program “ Un país de lectores”. In October 2009, it was declared that Gates will be awarded the 2010 Bower Award for Business Leadership of The Franklin Institute for his success in business and for his philanthropic work.

With his great success it came many criticisms. With his ambitious and aggressive business philosophy, Gates or his Microsoft lawyers are fighting legal battles almost since Microsoft began.

The Microsoft is dominating every market through acquisition, aggressive business policy or a combination of them. Many of the largest technology companies have fought legally against the actions of Microsoft, including Apple Computer, Netscape, Opera, WordPerfect, and sun Microsystems.

The Ceativity. It is common, particularly within the management literature, to associate entrepreneurship with boldness, daring, imagination, or creativity.[1]

These accounts emphasize the personal, psychological features of the entrepreneur. Entrepreneurship, in this conception, is not a required component of all human decision-making, but a specialized activity that some individuals are well able to perform[2].

If these characteristics are the essence of entrepreneurship, then entrepreneurship has no obvious link to the theory of the firm at least not without further arguments. The necessary personal features can presumably be taken by contract on the market by buying advising services, project management, and the like. Moreover, the literature does not explain clearly whether imagination and creativity are necessary, sufficient, or incidental conditions for entrepreneurship. Clearly the founders of many firms are imaginative and creative. Fortunately Bill Gates have this character and he build the big software company Microsoft.

Intelligent. He believes that if you are intelligent and know how to apply your intelligence, you can achieve anything. From childhood Bill was ambitious, intelligent and competitive. These qualities helped him to attain top position in the profession he chose.

Visionary. Microsoft’s vision is “ A computer on every desk and Microsoft software on every computer he will continue to stomp out the competition until he dies. Every business and household must have a computer and must run Microsoft software”, was the basic guiding vision of Bill Gates.

Passion. When as a student at the Harvard University, every single student would have wanted to be part of the great institute and graduate to be successful, Bill Gates decided to stop studying and pursue his dream of writing software’s for every computer in the world

He was just passionate about software, coding and technology that incidentally also made him the richest man in the world

Innovation. The best-known concept of entrepreneurship in economics is Joseph Schumpeter’s idea of the entrepreneur as innovator. Schumpeter’s entrepreneur informs “ new combinations” new products, production methods, markets, sources of supply, or industrial combinations – shaking the economy out of its previous equilibrium through a process Schumpeter termed creative destruction.

The entrepreneur innovator is introduced in Schumpeter’s ground-breaking Theory of Economic Development (1911) and developed further in his two-volume work, Business Cycles (1939). Understanding that the entrepreneur has no place in the general-equilibrium system of Walrus, whom Schumpeter greatly admired, Schumpeter gave the entrepreneur a role as the source of economic change.

In capitalist reality as distinguished from its textbook picture, it is not price competition which counts but the competition from the new commodity, the new technology, the new source of supply, the new type of organization . . . competition which commands a decisive cost or quality advantage and which strikes not at the margins of profits and the outputs of existing firms but at their foundations and their very lives.[3]

Schumpeter carefully distincted the entrepreneur from the capitalist. His entrepreneur need not own capital, or even work within the confines of a business firm at all.

While the entrepreneur was an owner of a firm, he is more likely to be an independent. In Schumpeter’s conception, “ people act as entrepreneurs only when they actually carry out new combinations, and lose the character of entrepreneurs as soon as they have built up their business, after which they settle down to running it as other people run their businesses.[4]

This suggests a rather relationship between the entrepreneur and the firm he owns, works for, or contracts with. Entrepreneurship is exercised within the firm when new products, processes, or strategies are introduced, but not otherwise.

Gates and Allen were assisted by a staff of six, which included four programmers. In late 1977, Gates released a version of FORTRAN language for microcomputers. In 1978, Gates and Allen introduced a version of COBOL. Around this time, Microsoft emerged as the market leader in microcomputer languages with sales exceeding $1 million. In 1979, Microsoft developed a new version of BASIC… He had an early interest in software and began programming computers at the age of thirteen.

Risk Taker. In his junior year, Gates dropped out of Harvard to devote his energies full-time to Microsoft, a company he had started in 1975 with his boyhood friend Paul Allen development of new products.

Charismatic leadership. Another strand of literature, incorporating insights from economics, psychology, and sociology and leaning heavily on Max Weber, associates entrepreneurship with charismatic leadership. Entrepreneurs, especially in communication the ability to articulate a plan, aset of rules, or a broader vision, and impose it on others.

Casson (2000) calls these plans “ mental models” of reality. The victorious entrepreneur exceeds at communicating models one to another, who come to share the entrepreneur’s vision. Such entrepreneurs are also typically self-confident.

Witt (1998a, 1998b) states entrepreneurship as “ cognitive leadership.” He outlines an entrepreneurial theory of the firm that combines recent literature on cognitive psychology with Kirzner’s concept of alertness. Entrepreneurs require complementary factors they argues, which are coordinated within the firm.

For the firm to be successful, the entrepreneur must establish a implicit, shared frame-work of goals, which governs the relationships among members of the entrepreneur’s team.

As Langlois (1998) points out, it is often easier for individuals to commit to a specific individual, the leader, rather than an abstract set of complex rules governing the firm’s operations.

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## Bill gates style as Fiedler Model

“ In Fiedler’s model, leadership effectiveness is the result of interaction between the style of the leader and the characteristics of the environment in which the leader works”

“ According to Fiedler, the effectiveness of a leader is determined by the degree of match between a dominant trait of the leader and the favorableness of the situation for the leader…. The dominant trait is a personality factor causing the leader to either relationship-oriented or task-orientated”

## Relation-oriented leadership:

Leaders who describe their preferred coworker in favorable terms, with a high LPC, are purported to derive major satisfaction from establishing close relationships with felow workers. High LPC leaders are said to be relationship-orientated. These leaders see that good interpersonal relations as a requirement for task accomplishment.

## Task-oriented leadership:

Leaders who describe their least preferred coworker unfavorable terms, with a low LPC, are derived major satisfaction by successfully completing a task. These leaders are said to be task-orientated. They are more concerned with successful task accomplishment and worry about interpersonal relations later

The second major factor in Fiedler’s theory is known as situational favourableness or environmental variable. This basically is defined as the degree a situation enables a leader to exert influence over a group. Fiedler then extends his analysis by focusing on three key situational factors, which are leader-member, task structure and position power. Each factor is defined in the following.

1. Leader-member relations: the degree to which the employees accept the leader.

2. Task structure: the degree to which the subordinates’ jobs are described in detail.

3. Position power: the amount of formal authority the leader possesses by virtue of his or her position in the organization.

So in this case Bill Gates found most favorable place where positional power is high as he has most authorities in the firm, task structure is also defined as he gives the direction to subordinate/follower to fulfill his vision, and last leader-member relation is also good.

That’s mean Bill Gates is more likely Task-oriented leader who want performance from his subordinate/follower and work has to be done to achieve the goal/objective of the company.

Hard work. Bill Gates is a hard worker since the beginning of his life. In his college days, he used to work all night long on his computer. When Microsoft was started, Bill Gates used to sleep only for 6 hours in a day without skipping a single day of office. For Bill Gates, hard work is one of the main keys of success.

Lackings or Criticism. The critics argued that Microsoft was not an innovative company. They said that Gates reformed existing products to satisfy customer needs instead of inventing new ones. Analysts also argued that Microsoft’s overwhelming market share was a major impediment to innovation in the software industry. Microsoft was not just the market leader, but also the standards provider for the industry.

Impediment in development of smaller firms: Critics claimed that winning was so important to Gates that he would go to any extent to beat his opponent. James Wallace of Seattle Post-Intelligencer said, “ Bill Gates not only wants to win, but he wants to kill the competition. He wants to bury the wounded”

“ Sometimes Gates took things so much to heart that his emotional feeling overshadowed his rational thinking. They said that Gates’ intense rivalry with some of his competitors made him personalize every battle and obscured his judgment. “

With his ambitious and aggressive business philosophy, Gates or his Microsoft lawyers have been in and out of courtrooms fighting legal battles almost since Microsoft began.

Many of the largest technology co. have fought legally against the actions of Microsoft , including – APPLE COMPUTER, NETSCAPE, OPERA, WORD PERFECT , AND SUN MICROSYSTEME ETC.

Penrose maintains that “ The term ‘ entrepreneur’ throughout this study is used in a functional sense to refer to individuals or groups within the firm providing entrepreneurial services, whatever their position or occupational classification may be.[5]

The theory of entrepreneurship comes in many guises. Management scholars and economists have made the entrepreneur an upgrador, a leader, a creator, a discoverer, an equilibrator, and more. In only a few of these theories, however, is entrepreneurship connected to asset ownership (examples include Knight, 1921; Mises, 1949; Casson, 1982; Foss, 1993; Langlois and Cosgel, 1993; and Foss and Klein, 2005). Still, these approaches are not founded on any systematic theory of capital or asset attributes. This paper outlines the capital theory associated with the Austrian school of economics and derives implications for entrepreneurship and economic organization.

Entrepreneur is an agent who collects the materials for manufacturing the product and prepares the goods by adjustment whose selling price is uncertain.[6]

Entrepreneurship is the act of being an entrepreneur, which is a French word meaning “ one who undertakes an endeavour”. Entrepreneurs organises resources including innovations, finance and capital in a trying to transform up gradation into economic goods. This may occur in recent organizations or may be part of mature organizations in response to get opportunity. The most obvious form of entrepreneurship is that of starting new businesses; however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity. When entrepreneurship is describing activities within a firm or large organization it is referred to as intra-preneurship and may include corporate venturing, when large entities spin-off organizations.[1]

Participating in a new business creation is a common activity among U. S. workers over their course of their careers.” And in recent years has been documented by scholars such as David Audretsch to be a major driver of economic growth in both the United States and Western Europe.