

Bill gates is an entrepreneur and philanthropist history essay



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Bill Gates is an entrepreneur and philanthropist that changed the way people live their lives. Not only did he lead a technological revolution, but his charitable work has saved millions of lives across the globe. According to Forbes, he is currently the world's second richest man, worth an estimated \$65 billion. He has also given away \$28 billion, and intends to donate the vast majority of his wealth to charity by the time he dies.

Gates is most famous for his work with Microsoft, the leading company in computer software. Gates dropped out of Harvard to pursue his vision of the company, and in 20 years he was a global business leader worth billions of dollars. Through his unmatched dedication, impeccable leadership, and sometimes questionable business tactics, Gates was able to elevate Microsoft above all other companies in an industry that was just finding its footing in the marketplace. He created a firm grip on the computer software industry while it was still in its infancy, and hasn't let go since.

Though he still sits on the Board of Directors at Microsoft, he no longer oversees the day-to-day operations of the company. Today, he focuses much of his time on his charitable work, mostly done through the Bill and Melinda <https://assignbuster.com/bill-gates-is-an-entrepreneur-and-philanthropist-history-essay/>

Gates Foundation. His mission now is eliminating infectious and deadly diseases, which by his own estimates could help save 8 million lives by 2020.

Bill Gates is a billionaire computer tycoon and merciless competitor. He is also a kind and caring person outside the office, dedicated not only to his family, but complete strangers across the globe. He helped shaped the world that we live in today and is one of the great leaders of this generation.

The Man

Growing up. William Henry Gates III was born on October 28, 1955, in Seattle, Washington. He was the middle child and only son to his parents, William H. Gates and Mary Maxwell Gates. Born into a close-knit, upper-middle class family, Gates had a great support system from an early age. However, as a child, Bill lacked focus in school. In a book by Janet Lowe titled *Bill Gates Speaks: Insights from the World's Greatest Entrepreneur*, his early struggles are documented. He admits to taking notes with both hands in class, using his right hand when he was bored and "wanted a small challenge" (2001). Bill liked to goof off and was the class clown more often than not. Lowe describes how Bill was doing poorly in the sixth grade, was feuding with his mother, and struggling with life in general. He was sent to a psychologist. The psychologist introduced him to Freud through books he gave him after each session. After a year, the psychologist relayed to Bill's mother that "it was useless to force Bill to conform to tradition behavior or to be more obedient" (Lowe, 2001, p. 2). Bill was a free-thinker, trying to stifle that would only lead to more problems. Instead, his parents tried to focus his energy in other ways. He joined the Boy Scouts and eventually became an

Eagle Scout. Gates credits the scouts for teaching him leadership, as well as promoting an environment where learning and curiosity was encouraged.

Because he was doing so poorly in public school, his parents decided that he should get an education that was more suited to his needs. He was enrolled in Lakeside School, a decision that would ultimately help shape the young boy's life. In 1967, the Lakeside School Mothers Club used the proceeds from a rummage sale to buy and install a simple computer terminal for the students to experiment with. For an hourly fee, the terminal would connect to a General Electric Mark II elsewhere. It was Gates' first exposure to computers, and by the seventh grade he was engrossed in computers. Gates and his friends would ditch class in order to hang out at the computer center. By the eighth grade, he was already making money as a programmer. It was at Lakeside School working with the computer that Bill Gates met Paul Allen, a man who would be influential to Bill and help co-found Microsoft (he is even credited for coming up with the company name, originally called Micro-Soft).

Members of Lakeside School's computer club started to take jobs to help pay for the computer access. They started a business called Traf-O-Data that used a computer to count cars on designated streets. The company made \$20, 000 before clients decided to look for more advanced service providers. According to Lowe, Gates and Allen would say that " the little company was a test run in the business world and they learned a lot" (Lowe, 2001, p. 12). Even at a young age Bill had the entrepreneurial spirit. During the summer, Allen and Gates earned about \$5, 000 in computer time by writing programs for the school.

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Gates says it was Allen who convinced him of the significance of the microprocessor. He taught Bill about computer hardware. However, after the two built their first computer, they were convinced they should remain in the software business. They would attempt to make software for IBM while only in high school, but were rebuked by the company. Finally, they were contacted by TWC Inc. to help fix bugs in the software that controls the Northwest power grid. It was their first major job (they were still in high school) and showed them that they were more than capable of starting their own business. Gates graduated high school in 1973 and scored a perfect 800 on the math portion of the SAT. After that, he was off to college.

Bill Gates was an exceptional math student, and he was accepted to Harvard University in 1973 with the intent of majoring in computer science. It was here he became friends with Steve Ballmer, another person influential to Bill and the success of Microsoft (he would later become the chief executive of Microsoft). Despite getting mostly A's, Gates was falling behind in class and becoming bored with Harvard. One day in December of 1974, while Paul Allen was visiting Gates, he stumbled upon a magazine that introduced a "revolutionary new microcomputer kit, the MITS Altair 8080" (Lowe, 2001, p. 21) and raced to show Gates this new computer. He persuaded him to develop a language for the small computer, which would change both of their lives forever. Bill is quoted in Lowe's book (2001) as saying, "After we saw that article, there was no question of where our life would focus" (p. 22).

The Altair 8080 was basically just a box with switches and flashing lights, but it inspired many people who believed that computers were the next big thing. It could demonstrate how a computer worked, but didn't do much in <https://assignbuster.com/bill-gates-is-an-entrepreneur-and-philanthropist-history-essay/>

the way of practical computing. According to Gates, the fascination was in the “ challenge of making it work and trying to figure out what it could and couldn’t do” (Lowe, 2001, p. 23). Gates wrote BASIC, the programming code that started Microsoft, in 1975 for the Altair 8080. It was an instant success with computer hobbyists and helped to launch the careers of Gates and Allen. Gates dropped out of Harvard to pursue his partnership with Allen, and the two began a company called Micro-Soft.

Microsoft. In 1980, IBM contacted Microsoft about writing codes for their new personal computers. IBM wanted Microsoft to develop an operating system for their computer as well as application software. In his book, *The History of the Personal Computer*, Roy Allan describes how this partnership helped to mold Microsoft into the software giant it is today. Because the IBM computer was built with existing computer parts, other vendors were able to clone the device and manufacture their own personal computers. Seeing the possibility of this, Gates held on to the rights of the software, and when manufacturers began producing clones of the IBM machine, Gates was there to provide software, for a price. The operating system became known as MS-DOS, and would ultimately turn Microsoft into a corporate giant.

In the book *Bill Gates: Entrepreneur and Philanthropist*, Jeanne M. Lesinski explains how Gates licensed the operating system out on a royalty basis, meaning that for each computer IBM or other companies sold with Microsoft’s software, they would pay a percentage of the money to Microsoft. IBM’s personal computer became an instant success, and royalties came pouring in to Microsoft. By 1983, Microsoft had sold more than \$32 million in software. Its employees were up from two to two hundred. By then, Gates <https://assignbuster.com/bill-gates-is-an-entrepreneur-and-philanthropist-history-essay/>

had shifted the focus of Microsoft to two areas: creating products for computer users and developing an international sales force. They had introduced a spreadsheet program called Multiplan (later named Excel) and their famous word processing program, Microsoft Word. Gates also began developing the first Windows. Gates ordered the creation of a new piece of hardware to help users interact with the new operating system, the mouse, an idea he “ borrowed” from Steve Jobs’ Macintosh. He also created Microsoft Press, which published books about how to use Microsoft programs. However, Gates’ focus and passion remained software.

Windows. Instead of continuing his partnership with IBM, Gates “ bet the future of his company on an operating system he called Windows” (Lesinski, 2004, p. 38). The operating system was named after the separate frames a user could create on the screen, and would have a graphical user interface that utilized a mouse. This was an idea Bill learned from his work with Macintosh as they had already incorporated a similar idea in their computers. Instead of having to memorize commands to input like users did in MS-DOS, Windows would feature icons that a user could click on. It was meant to be more user friendly. It would also feature multi-tasking, the ability to run more than one program at a time, and users could easily move data from one program to another. In 1985, Microsoft shipped the first version of Windows. The company sold \$140 million in products that year. However, the more powerful Microsoft became, the more it was accused of business practices that were perceived as unfair. Microsoft was accused of beginning partnerships with smaller companies with the intent to learn about their ideas, and later terminate the partnership and develop a similar

product on their own. An article by Phil Lemmons describes Microsoft, and in particular Bill Gates' leadership of the company as "brilliant, ruthless, and relentless" (Lemmons, 2002). He states that Microsoft's success was due to their "expertise in wielding monopolistic power" (Lemmons, 2002). By 1990, Microsoft began to have clashes with the United States government about anti-trust violations. They would be sued by companies and governments in the United States and Europe for their monopolistic practices. They were accused, among other things, of unfair prices and locking vendors into its products. However, even with huge settlements, Microsoft was now a giant in the industry. They had a stranglehold on the market.

In 1986, Microsoft went public, creating instant millionaires out of the top shareholders. Gates' holding in the company was said to be worth \$300 million on the first day of trading. Eventually, the rise in stock price would create four billionaires and 12, 000 millionaires out of Microsoft employees. Microsoft had become a global power in the computer software industry with no signs of slowing down. At the forefront of this was Gates, whose shrewd business tactics and leadership helped revolutionize computers and began an era of information and technology.

The Leader

Even with his great success and billions of dollars, Gates stayed focused on creating an empire with Microsoft. He had been directing most of the software development, but the scope of his responsibilities was beginning to limit his effectiveness. He employed a participative style of leadership and respected the input of his peers. In 1984, there was a restructuring of the leadership in Microsoft, with Steve Ballmer managing the Systems Division.

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Microsoft also recruited Ida Cole to manage the Applications Division. This gave Gates the ability to focus on the software and delegate responsibility for other aspects of the business.

Gates saw the potential of CD-ROMs and began research and development into them in 1985. Seen as the “ next hot product” (Lesinski, 2004, p. 48), they were able to hold far more information than computer diskettes.

Microsoft was influential in creating a standardized disk format for CD-ROMs, which helped usher in the era CD-ROMs. It was forward thinking such as this that helped secure Microsoft’s future.

Gates built the company from two employees at its inception to around 100,000 employees today. While others may have been content with the success of BASIC, Gates knew that Microsoft must sell more than simple language products to be relevant in the fast-growing technology industry. It was their expansion in to computer software, CD-ROMs, and later, the Internet that helped cement Microsoft as the leading company of the computer age. In 1996, Microsoft and NBC partnered to create a cable news channel, MSNBC, which still exists today.

Under Gates’ leadership, Microsoft became one of the most influential companies not just in the United States, but the entire world. Each Windows release was highly anticipated, and partnerships with computer manufacturers ensured that there would be a massive install base with each new release. Aside from that, software such as Office Suite became the standard for office computing. His original goal of “ a computer on every desk and in every home” was becoming a reality. He was not only a

billionaire computer tycoon, but he had become synonymous with the entrepreneurial spirit. He was a person many aspiring businessmen looked up to. As Microsoft's influence grew, Gates began to see opportunities in other markets. In 2001, Microsoft released the Xbox, a gaming console that would compete with the likes of Sony and Nintendo. It has since become a staple of the gaming industry, currently on its second generation, the Xbox 360, with the next generation set to be released some time in 2014.

Microsoft has also expanded into the smartphone market with the Windows Phone, though they are still well behind Google and Apple in this area.

Gates and Microsoft embraced a strategy known as "embrace, extend, extinguish". This controversial strategy, revealed in internal company memos, was the practice of first embracing new technologies, extending them within Microsoft's software, tying them into their products, and then extinguishing competitors by making the technology only work with Microsoft's own iteration. Many people considered this tactic not only unfair, but illegal. Microsoft squashed many smaller companies as it steamrolled competition. In 2000, an antitrust suit was filed by the United States government, in which it deemed Microsoft was an "abusive monopoly". It ordered Microsoft to be split into two companies. However, in 2001, the justice department abandoned this measure, and a deal was reached to settle the case. Sun Microsystems Inc. and AOL both filed lawsuits against Microsoft and settled for \$1.6 billion and \$750 million respectively. In 2004, the European Commission fined Microsoft \$613 million for antitrust violations. In 2005, Microsoft was forced to settle with two more companies, IBM for \$775 million and RealNetworks Inc. for \$761 million. In 2006,

Microsoft was again fined by the European Union as they alleged Microsoft failed to comply with sanctions from the previous ruling. Finally, in 2008, the EU once again fined Microsoft, this time for \$1.3 billion for unreasonable prices the company charges developers. Gates has also been criticized for outsourcing jobs to India and China.

Despite these criticisms of Microsoft's business practices, it is hard to argue with their success. While Microsoft has settled for billions of dollars in damages, it still remains one of the most powerful companies in the world- Microsoft is a global powerhouse in the industry and shows little signs of slowing down. Today, Gates no longer oversees the day to day operations of the company. He resigned from any executive roles within the company in 2008, though he still remains on the Board of Directors and helps to advise the company. His focus now is on his foundation, created in 2000, called the Bill and Melinda Gates Foundation. He believes his vast wealth is too much for one man (or one family for that matter), and has become one of the most prolific philanthropists of any time.

The Philanthropist

The man who helped shape the computer age wanted to shape the world in a different way. He focused his foundation on global problems such as poverty, disease, and famine. He also wanted to improve education in underdeveloped parts of the world. He plans to give away nearly all of his fortune to these issues over the course of his life. Today, the Bill and Melinda Gates Foundation is the largest transparently operated charitable foundation in the world.

The foundation has worked in many areas of global health, such as developing a malaria vaccine, helping people in Africa receive medication for AIDS, and providing inventions for agriculture that help to free up people from subsistence farming and allows them to spend more time learning and becoming educated.

In conjunction with Warren Buffet, Gates has started a pledge in which billionaires agree to give away half their wealth over the course of their lifetimes. What started with just Gates and Buffet has ballooned to 91 billionaires across the world.

Conclusions