

The Machine that Started It All...

The IBM Model 5150 seen here was the first of the “IBM PC’s”. This machine coined the term “PC Compatible”. It was based on the Intel 4.77MHz 8088 processor and came with Microsoft’s *Disk Operating System*.

IBM, famous for its mainframe computers, sat back and watched as inexpensive microcomputers hit the market in the late 1970’s. Soon, machines like the Apple II were showing up on desks within the IBM Corporation itself. It was only then that the giant started to take the microcomputer seriously...

The story of the IBM PC started c.1980. In an attempt to prevent microcomputers like the Apple II from dominating the industry, IBM designed their own machine -- Quickly. To minimize bureaucratic red tape and speed up development, IBM assembled their microcomputer using readily available components from other vendors. Only a software chip called the BIOS was developed by IBM, and it was heavily copyrighted.

IBM went shopping outside their walls for software, as well. Big Blue ended up on the doorstep of a small Seattle company named Microsoft, wanting to license two items: a programming language called BASIC, and a Disk Operating System (DOS) to operate the machine. There was just one problem – Microsoft did not own a Disk Operating System.

Rather than see IBM shop elsewhere, Bill Gates scrounged an operating system from a local Seattle company. Gates Purchased the software outright for \$50 000 US, then turned around and licensed it to IBM. This acquisition on the part of Microsoft has since been dubbed the “Deal of the Century”.

Armed with a machine, a programming language, an operating system, and a small assemblage of software, IBM announced their PC at a New York Press Conference on August 12, 1981. The base model retailed for about U.S. \$2880. IBM sold 200 000 of them in the first year or production.

There was only one problem; non-IBM components found within the PC made it easy for other companies to copy. Within a couple of years, IBM’s BIOS chip was legally reversed-engineered by Compaq, and clone computers were born. Clones hit the market with vengeance, offering 100% compatibility. As a result of competition, PC’s and compatibles were suddenly subject to intense technological innovation and fierce price wars.

90% of desktop computers in existence today are based on the architecture of the IBM 5150. Today IBM continues to be a successful leading-edge PC builder, but one of many.

-Robert Grosse