

# Bill Gates – The Entrepreneurial Leader

D. Annie Rose Nirmala<sup>1</sup>, Dr. Selvam Jesiah<sup>2</sup>

Assistant Professor, Department of Management Studies, Francis Xavier Engineering College, Tirunelveli, Tamilnadu, India <sup>1</sup>

Professor, Alliance Business School & Assistant Dean- Research, Alliance University, Bangalore, Karnataka, India <sup>2</sup>

**Abstract:** *Bill Gates, an entrepreneurial leader. His passion towards computer made a startup of Microsoft. The key success of his entrepreneurial leadership are Responsibility, Acumen & Grabbing the opportunity, Dare to solve the problem, Devotion to work, Punctuality, Multidimensional, Simplicity, Deal Maker, Balancing in tough times and Heart for the Poor.*

**Index Terms—** Entrepreneur, Entrepreneurial leadership.

## I. INTRODUCTION

Entrepreneurial leadership is a process of an entrepreneur, possessing the ability to influence employees to achieve a common goal of an organisation using the notions of newness, innovation, vision, organising, creating wealth, mobilising resources, risk taking and achievement.

Entrepreneurial leadership involves encouraging the confidence to think, behave and act with entrepreneurship in the interests of the intended purpose of the organisation to the beneficial growth of all stakeholders involved.

Bill Gates is an American business magnet, entrepreneur, investor, author and philanthropist.

Bill Gates is the co-founder of Microsoft. Through technological innovation, keen business strategy and aggressive business tactics, he and partner Paul Allen built the world largest PC software company. He held the positions of Chairman, CEO, and Chief Software Architect, and was the largest individual shareholder until May, 2014.

Time magazine has named Bill Gates as one of the 100 people who most influenced the 20<sup>th</sup> century. Forbes ranked Bill Gates as the fourth most powerful person in the world in the year 2012. He is one of the best-known entrepreneurs of the personal computer revolution. As of December, 2016, he is the richest person in the world.

### **The early life of Bill Gates:**

Bill Gates was born in Seattle, Washington on October 28, 1955. He is the son of William H. Gates Sr., a prominent lawyer and Mary Maxwell Gates served on the board of directors for First Interstate Bank, the United Way and International Business Machine (IBM). Bill parent's had a

law career in their mind for him. He grew up in an upper middle-class family with two sisters. The Gates family atmosphere was warm and close, and all three children were encouraged to be competitive and strive for excellence.

In child hood, he was a voracious reader, spending many hours in reference books like encyclopedia. At the age of 11, Bill Gates was doing well in school, but he seemed bored and withdrawn at times, which bothered his parents. When Bill was 13, he was enrolled in Lakeside School. He was good in all subjects, especially in math and science. He was also performing well in drama and English.

### **Bill Gates free time with computer:**

When he was in the eighth grade, the Mother's club of Lakeside organised the school's rummage sale and used the gain of the sale to purchase a Teletype Model 33 ASR terminal and a block of computer time on a General Electric (GE) for student's use. Bill Gates spent much of his free time in programming the GE system, excused from Math classes. He wrote the first program, tic-tac-toe in BASIC computer language that allowed users to play against the computer. After the Mothers Club donation was exhausted, he and other students required time on systems.

Bill Gates met Paul Allen, senior for two years in Lakeside School. They became fast friends, as they have common enthusiasm for computers. But Allen was more reserved and shy while Bill was feisty and combative. They spent much free time in working on programs. Occasionally, they have arguments and disagreements. The Computer Center Corporation (CCC), banned four Lakeside students, Bill Gates and Paul Allen for caught of exploiting bugs in the operating system to obtain free computer time. The four students were offered to find bugs in CCC's software. Bill Gates went to CCC's offices and studied source code for various programs till the year 1970.

In 1970, they developed Traf-o-Data, a computer program that monitored traffic patterns and got \$20,000 for their work.

In the year 1971, the Information Sciences, Inc. hired the four students to write a payroll program in Cobol, providing computer time and royalties. The Lakeside school administrators came to know about the programming abilities. The school offered Bill to write computer programming for the school to schedule students in classes.

In 1973, Bill Gates was graduated from Lakeside, with a score of 1590 out of 1600 on the college SAT (Scholastic Aptitude Test), which is an achievement of intellectual. He was a National Merit Scholar. He enrolled at Harvard College and chose a Pre-law major and took mathematics and graduate level computer science courses. In the second year,

Gates devised an algorithm, which was held the record as the fastest version for over thirty years. He did not have a definite study plan and spent a lot of time using the school's computers. He went for test and pass with a reasonable grade.

In 1974, Bill Gates and Paul Allen met during the summer in Honeywell. In the year 1975, Allen showed Gates an edition of Popular Electronics magazine about the Altair 8800 mini-computer kit. The Altair was made by a small company, Micro Instrumentation and Telemetry Systems (MITS). They both contacted the company, mentioning their experience on a BASIC software program. MITS president Ed Robert, asked the boys for demonstration. Gates and Allen, spend two months for writing the software at Harvard's computer lab. Without trying it on an Altair computer, Allen went to a test run at MITS. It worked perfectly.

#### **Beginning of Microsoft:**

Allen was hired at MITS. Gates left Harvard in November, 1975 to work with Allen at MITS. He did not return to Harvard to complete his studies. In 1975, Gates and Allen formed a partnership called Micro-soft, a blend of "Micro-computer" and "Software". On November 26, 1976, the trade name "Microsoft" was registered. In late 1976, Microsoft became independent of MITS. It continued to develop programming language software for various systems. On January 1, 1979, the company moved to Bellevue, Washington. At this age, the company had 25 employees, who had broad responsibilities on all aspects of the operation, product development, business development and marketing. Gates, when he is 23 years old, he placed himself as the head of Microsoft.

#### **The Escalation of Microsoft:**

In November 1980, IBM approached Microsoft for the software for their upcoming personal computer (PC). Bill Gates convinced that he and his company could meet their needs. The only problem was that Microsoft had not developed the basic operating system that would run in IBM upcoming PCs. Microsoft made a deal with Seattle Computer Products to be an exclusive licensing agent and the full owner for 86-DOS (QDOS), an operating system for IBM PCs. Microsoft also released software called Softcard.

Between 1979 to 1981, the staff of Microsoft increased from 25 to 128 and the revenue shot up from \$2.5million to \$16 million. In mid of 1981, Bill Gates was president and chairman of the board and Paul Allen was Executive Vice President. On November 20, 1985, Microsoft launched its first retail version of Microsoft Windows. During 1981, Apple invited Microsoft to develop software for Macintosh computers. In November 1985, Microsoft launched Windows system, which looked very similar to Macintosh system, product of Apple computers. In March 1986, Bill Gates took Microsoft to Initial Public Offering (IPO) of \$21 per share. Bill held 45% of the company's shares and became an millionaire at the age of 31.

In 2000, Bill Gates and Melinda, his wife formed the Bill & Melinda Gates Foundation. Bill stepped down from the day to day operations of Microsoft, appointing his college friend Steve Ballmer as CEO. Bill positioned himself as Chief Software Architect. Bill had the last full day at Microsoft on June 27, 2008. He decided to spend most of his time in his most interested area of philanthropic work. In February 2014, Gates step down as Chairman of Microsoft and replaced him into a new position as technology adviser. In addition to this change, he replaced Microsoft CEO Steve Ballmer by Satya Nadella.

#### **The Key Success of Bill Gates Entrepreneurial Leadership:**

An executive recalled an incident that he showed a game to Bill Gates and defeated him 35 of 37 times, when they met again a moth later Bill won or tied every game. The executive stated that Bill had studied the game until he solved it. That is a competitor. This situation states that Bill Gates is a Leader.

##### **1. Responsibility:**

From 1975 to 2006, Bill took the primary responsibility for the company's product strategy. He aggressively broadened the company's range of products and vigorously fought for achieving the dominant position.

##### **2. Acumen & Grabbing the opportunity:**

During the creation of software program to Altair computer for MITS, Gates and Allen did not have product. But with the curiosity they contacted MITS and wanted to know whether they have the opportunity to develop the software. Within two months of time, they wrote the software and tried it and got succeeded.

##### **3. Dare to solve the problem:**

Microsoft's BASIC software was popular with computer hobbyists. Only 10% of the people using the BASIC had actually paid and the remaining made reproduction of the software and were using it at free. Bill Gates wrote an open letter to Hobbyists in MITS newsletter that this type of action will prevent good software from being written.

##### **4. Devotion to work:**

Bill Gates is not only good in software development but also in business operations. Even after holding the position as head, he continued to write code and also in the first five years, he personally reviewed every line of code the company shipped, and often rewrote parts of it as he saw fit.

##### **5. Punctuality:**

Bill Gates, as an executive met the Microsoft senior managers and program mangers regularly. During the presentation of managers whose business strategies or proposals placed the company's long term interests at risk he interrupt with such comments "That's the stupidest thing I've ever heard!". When his subordinates appeared to be procrastinating, he was known to remark sarcastically.

##### **6. Multidimensional:**

Bill Gates used to see all sides of the software industry. He analyse the corporate moves about the product development,

