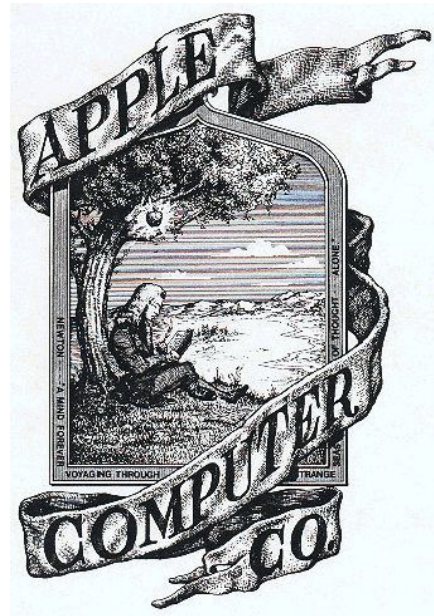# The History of Apple Inc.

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History 12
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Apple Inc is a multinational corporation that creates many different types of electronics, with a large chain of retail stores, "Apple Stores". Their main product lines are the iPhone, iPad, and Macintosh computer. The company was founded by Steve Jobs and Steve Wozniak and was created in 1977 in Cupertino, California. Apple Inc. is one of the world's largest and most successful companies, recently being the first US company to hit a $1 trillion value. They shaped the way computers operate and look today, and, without them, numerous computer products that we know and love today would not exist.

Although Apple is an extremely successful company today, they definitely did not start off this way. They have a long and complicated history, leading up to where they are now.

Steve Jobs was one of the co-founders of Apple Inc. and one of first developers of the personal computer era. He was the CEO of Apple, and is what most people think of when they think "the Apple founder". Besides this, however, Steve Jobs was also later the chairman and majority shareholder of Pixar, and a member of The Walt Disney Company's board of directors after Pixar was bought out, and the founder, chairman, and CEO of NeXT.

Jobs was born on February 24th, 1955 in San Francisco, California. He was raised by adoptive parents in Cupertino, California, located in what is now known as the Silicon Valley, and where the Apple headquarters is still located today. As a child Jobs was interested in engineering and planned to go into that in his future.

When Steve Jobs was in high school, he was introduced to Steve Wozniak, which went on to becoming the most important friendship of Apple History. The pair was introduced by a mutual friend, Bill Fernandez, who later went on to become one of Apple's earliest employees. Both Steves got along very well because they both loved technology, and performing pranks. They would always come up with huge pranks in front of Jobs' entire school and even once figured out how to build 'blue boxes' which made it possible to make long distance phone calls for free and sold several hundred models. The two also worked together on the Atari arcade game "Breakout". They managed to reduce the number of logic chips required for the game and

received a big bonus for doing so. At this time Jobs was working at Atari while Wozniak was working at HP. However, after Jobs graduated high school the two lost touch.

   In 1972 Jobs moved to Portland, Oregon and attended Reed College while Woz was attending UC Berkeley. Within that same year, however, Jobs ended up dropping out.

   In 1974 Jobs had managed to save up enough money and decided to travel through India, seeking enlightenment and studying Zen Buddhism. His declassified FBI report stated that he took LSD while he was in college, and once told a reporter that doing this was "one of the two or three most important things he had done in his life"[1].

   In 1975, Wozniak started to attend the Homebrew Computer Club which was a computer hobbyist group that gathered in California's Menlo Park. At the time the only microcomputer CPUs (Central Processing Unit) available were the $179 Intel 8080, and the $170 Motorola 6800[2]. Wozniak preferred the 6800, but both were out of his price range. So he watched and learned, and designed computers on paper, waiting for the day he could afford his own CPU. When MOS Technology released its $20 6502 chip in 1976, Wozniak wrote a version of BASIC for it, then began to design a computer for it to run on. Wozniak's earlier 6800 paper-computer only needed minor changes to run on the new chip. He completed the machine and took it to Homebrew Computer Club meetings to show it off. He ended up creating the first computer with a typewriter-like keyboard and the ability to connect to a regular TV as a screen. However, Wozniak wasn't trying to change the world with what he'd produced, he just wanted to show off how much he'd managed to do with so few resources.

   At this meeting, Wozniak saw his old friend Steve Jobs, and the two re-connected immediately, with Jobs being interested in the commercial potential in his friend's new machine. When Wozniak told Jobs about his progress in designing his own computer logic board, Jobs suggested that they go into business together. At this time Wozniak was still working at HP and

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[1] Steve Jobs Biography
         www.notablebiographies.com/Ho-Jo/Jobs-Steve.html
[2] Nik Rawlinson, History of Apple: The story of Steve Jobs and the company he founded
         www.macworld.co.uk/feature/apple/history-of-apple-steve-jobs-mac-3606104/?amp

tried to take his new computer there, but HP firmly turned it down. After this, Woz took Jobs up on his offer to go in business together, with Woz's new computer.

The product was later called the Apple I and was the foundation for every modern computer. It was first built in the Jobs' family garage with money they got by selling Jobs' Volkswagen minibus and Wozniak's programmable calculator. Jobs also managed to get their friend Ronald Wayne involved and convinced him to take 10% of the company stock and act as a middle ground if he and Wozniak ever ruined their friendship.

The name Apple is credited to Steve Jobs. He thinks he may have gotten the idea from when he was attending school in Oregon because he would often work in the orchards there. Jobs apparently thought the name sounded "fun, spirited and not intimidating."[3] They both tried to come up with better names for their computer but neither one of them could think of anything better after Apple was mentioned. They also liked the name because it began with the letter A, which meant it would appear at the top of any list. The name did however cause many problems later because it was extremely similar to the Beatles' publisher, Apple Corps.

There is also another theory which suggests that the name Apple comes from Sir Isaac Newton sitting under the apple tree. The original Apple logo was a complicated picture/drawing of Newton sitting under a tree, with an apple falling out of that tree.

Later the company changed their logo to the bite taken out of an Apple design for Apple's logo,which was a much simpler and more fitting logo design for what the company is: simplicity.

After building the first Apple I, Jobs brought the computer to a local computer store, The Byte Shop. The shop said that they would be interested in the machine, but only if it came fully assembled. The owner, Paul Terrell, said that he would order 50 of the machines and pay $500 each on delivery. Jobs then took the purchase order that he had been given from the Byte Shop to Cramer Electronics, a national electronic parts distributor, and ordered the components that they needed to assemble the new Apple I Computer. The local credit manager was very confused and

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[3] Walter Isaacson, Steve Jobs
         Simon & Schuster

asked Jobs how he was going to pay for all of these parts and he replied, "I have this purchase order from the Byte Shop chain of computer stores for 50 of my computers and the payment terms are COD (cash on delivery). If you give me the parts on net 30-day terms I can build and deliver the computers in that time frame, collect my money from Terrell at the Byte Shop and pay you."[4] This shows how Jobs knew a lot about managing a company and was ready to be a CEO from the get-go. The credit manager called Terrell and verified the purchase order. The electronics worker was amazed that Jobs was capable of this, and Terrell assured the credit manager if the computers showed up in his stores, Jobs would be paid and would have more than enough money to pay for the parts order. This was too involved for their third partner Ronald Wayne and is what caused him to back out 12 days after the creation of Apple I. He sold his shares for just $500 which would have been worth $72 billion 40 years later.[5]

After this, the two Steves and their newly acquired small crew spent day and night building and testing the computers, and delivering them to Terrell on time to pay his suppliers with enough profit left over for their next order. Steve Jobs had found a way to finance his soon-to-be trillion-dollar company without giving away one share of stock or ownership.

The Apple I stayed in production from April 1976 until September 1977, with a total of 200 units sold. These products are extremely rare today. In 2014 a working Apple I was auctioned for $905,000.

Once the pair began to make money off of the Apple I, they realized that they could spend more money on parts and that they could greatly improve their computer, which led to the creation of the Apple II. The Apple II debuted at the West Coast Computer Faire in April of 1977. On the first day of the exhibition, Jobs introduced the Apple II to a Japanese chemist named Toshio Mizushima, who became the first authorized Apple dealer in Japan. It was a

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[4] Steve Wozniak, iWoz: The Autobiography of the Man Who Started the Computer Revolution.
[5] Nik Rawlinson, History of Apple: The story of Steve Jobs and the company he founded
    www.macworld.co.uk/feature/apple/history-of-apple-steve-jobs-mac-3606104/?amp

groundbreaking machine, just like the Apple I. The Apple II was released in 1977, with millions being sold well into the 1980s.

After the Apple II, Apple continued to grow. On December 12, 1980, Apple launched the Initial Public Offering of its stock to the investing public and by August 1981 Apple was among the three largest microcomputer companies in the world.

At this time IBM started to create personal computers, with the IBM PC. IBM was big, but Apple was better. IBM began with one microcomputer, little available hardware or software, and a couple of hundred dealers. Apple had five times as many dealers in the US and a well-established international distribution network. The Apple II also had more than 250,000 customers, and hundreds of independent developers offered software. The IBM PC, however, was more popular and had more fans. Customers thought Apple was unreliable and too young a company to trust. Because of this, by 1983 the IBM PC surpassed the Apple II as the best-selling personal computer[6]. By 1984 IBM had $4 billion in annual PC revenue, more than twice the amount of Apple.

In 1983, Steve jobs lured the former CEO of Pepsi, John Sculley, to join the marketing team at Apple. Steve Jobs successfully got him to join the team after he made his "legendary" pitch to Sculley, "Do you want to sell sugared water for the rest of your life? Or do you want to come with me and change the world?"[7]

Sculley had a solid business background and was successful in giving Apple an image of greater reliability and stability.

Although Apple was no longer the most popular computer company, this did not stop them. In 1984, Apple came out with The Macintosh 128K. The product was debuted during the Super Bowl of that year, with a 1-minute commercial called "1984". This commercial was extremely liked and is now considered a "masterpiece." Two days after the 1984 commercial

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[6] David Stranger,, Philip Estridge Dies in Jet Crash; Guided IBM Personal Computer
    www.nytimes.com/1985/08/05/us/philip-estridge-dies-in-jet-crash-guided-ibm-personal-computer.html
[7] Triumph of the Nerds: The Transcripts, Part III.
    www.pbs.org/nerds/part3.html

aired, the Macintosh went on sale. Although the Mac had an immediate popularity from its huge commercial, some did not like the new product and thought it was like a toy. Despite initial marketing difficulties, the Macintosh brand was eventually a success for Apple. This was because of Apple's introduction of desktop publishing through its partnership with Adobe Systems, which introduced the laser printer and Adobe PageMaker. Macintosh was soon to become the "technological choice" for many different industries.

Jobs and Scully had very different business plans for the future of Apple. Jobs liked how Apple was for a niche group of people, and was an alternative to the IBM PC, while Sculley thought otherwise. Sculley, however, had little control over the chairman of the board, Jobs, who controlled the development division of Apple. The Macintosh and the Apple II almost operated like separate companies because the two had such separate visions for Apple as a whole. Because of this, many big apple employees left, including Steve Wozniak, who stated that the company had "been going in the wrong direction for the last five years" and he sold most of his stock.[8]

Since the Macintosh (Jobs' division) had failed to become more popular than the IBM PC, Sculley developed more power at Apple. By June, the Apple board sided with Sculley's ideas, and Jobs lost all of his power at Apple. This caused Job's to resign from the company since he had no say in its future direction. Jobs ended up selling all but one of his 6.5 million Apple stocks for $70 million. Jobs then bought Pixar for $5 million, and also founded NeXT Inc., a new computer company. NeXT would eventually be developed into the Mac Operating System.

Sculley was now the CEO of Apple, and Apple was now becoming a family of products. There was the Mac Plus, the Mac SE, the Mac II, the Mac Classic and the Mac LC. Apple also at this time tried to create a portable computer. Their first design failed, but their second design, the PowerBook, became a product that established the modern form and ergonomic layout of the laptop. Popular products and lots of money coming in made this a good

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[8]Walter Isaacson, Steve Jobs
          Simon & Schuster

time for Apple. MacAddict magazine has called 1989 to 1991 the "first golden age" of the Macintosh[9].

In 1987, Apple registered the "Apple.com" domain name, making it one of the first hundred companies to register a ".com" address on the Internet.

By the late 80s, Apple's new rivals were Amiga and the Atari ST, but IBM was still more popular than all three of these companies. Apple felt threatened, so they came out with a new line of Macintoshes. Sadly, this new line was poorly marketed, and was "arguably one of the worst-managed companies in the industry"[10]. This caused Apple's inventory to overgrow because they overestimated their projected demand for their new line. Eventually, Apple decided to bite the bullet and partner with IBM, to form the AIM alliance. Apple changed the hardware of the computers to IBM and Motorola, while still using Apple software.

At this time Mac OS was only available to Apple computers, but in 1995, a decision was made to open it up to 3rd party manufacturers who were making Macintosh "clones". This was done to make more money from the company. This decision lead to Apple having over a 10% market share increase.

After this, Apple bought Steve Jobs company NeXT, which allowed Steve Jobs to rejoin Apple's management. In July of 1997, the previous Apple CEO was ousted by the board of directors, which allowed Jobs to step in as the temporary CEO and begin a critical restructuring of the company's product line. Jobs immediately found a loophole in the licensing contracts Apple had with the clone manufacturers and ended the Macintosh OS licensing program, which ended the Macintosh clone era. Jobs wanted Apple to stay its niche self and not turn into IBM.

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[9] Nik Rawlinson, History of Apple: The story of Steve Jobs and the company he founded
        www.macworld.co.uk/feature/apple/history-of-apple-steve-jobs-mac-3606104/?amp
[10] Stewart Alseop, "Apple of Sun's Eye"
        content.time.com/time/magazine/article/0,9171,984054,00.html

Later that year, Apple launched the "Apple Store", which was an online retail store based upon the WebObjects application server which the company had acquired through its purchase of NeXT.

At the Macworld Expo that year, Steve Jobs announced that Apple was going to partner with Microsoft. As part of the deal, Apple and Microsoft settled a long debate on whether Microsoft's Windows operating system infringed on any of Apple's patents. At the Expo, it was also announced that Macintosh would be shipped with Internet Explorer as the default browser (a Microsoft browser). This closed the era of the major competition between Apple and Microsoft and settled their long-lasting dispute.

After this event, Apple continued to make new and great products. In 1999 Steve Jobs manufactured the first iMac, and in 2001 the first retail Apple store opened up in California. Within the 21st century, Apple has continued to grow, releasing the iPod, the iPhone, the iTunes store, the Apple watch, the Ipad, and many other products.

Sadly, in 2011 Steve Jobs passed away due to a pancreatic tumour, but his legacy continues to live on today, with Apple still striving and living up to Jobs' expectations.

Apple has had a long and very complicated history, but without each and every event that took place, from the creation of the Apple I to Steve Jobs leaving the company, Apple Inc. would not be where it is today. Apple not only paved the way for themselves, but they paved the way for every single computer which exists today. All computers, phones, and smart technology today stems from what the Steve's created back in 1977 in Cupertino. We would be nowhere without Apple Inc. Today Apple is one of the world's most successful and popular companies on the market. They still do make mistakes as they did in the past, but they are constantly improving and becoming a bigger and better company. They continue to come out with new products which have never been seen before, with other companies copying them and following their creations. Apple has shaped the Technology world, and we would be in a less creative world today without Apple Inc.

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