Markkula, Apple's master marketer

By Paul Freiberger, IW Staff

"Markkula is what made Apple real." Chuck Peddle, president of Victor Technologies

"It became very clear that what we really wanted was Mike. So we split the pie three ways." Steve Jobs, chairman of the board of Apple Computer

Back in 1976 two precocious long-haired teenagers put together a single-board computer. Lots of computer hobbyists were doing the same thing back then. Like Steve Wozniak and Steve Jobs, many of them brought their designs to the Hombrew Computer Club in Silicon Valley.

Dozens of small companies started up. Some were successful for a time. Eventually most of them died, the reason, according to a few of the early industry participants—"entrepreneur's disease"—the inability to run a business successfully. The list of companies that could have become enormous success stories is long: MITS, Processor Technology and IM-SAI to name a few.

But the one that made it big was Apple, and the difference with Apple was the man who wrote the company's first business plan, Mike Markkula.

Stepping aside

On April 6, Markkula, who had become Apple's president in April 1981, stepped aside for the company's new president, John Sculley, recently president of Pepsi Cola Company. Sculley may be well suited to run a firm as large as Apple has become in a very competitive industry, but Mike Markkula, now Apple's vice-chairman, must be acknowledged as the person who distinguished Apple from the other early personal-computer firms, turning it into one of the biggest success stories of the century.

Markkula was happily retired from Intel back in 1976 when he came across Wozniak and Jobs. He had no plans to get involved in a new business. He wanted more time for his family. He wanted to learn to play the guitar. A millionaire with numerous investments including oil wells, he could afford to take it easy.

But the Apple computer captured his imagination. After visiting Wozniak and Jobs' garage operation he volunteered, "I'll help you do a business plan." He added that he might invest some money in the company, and if not, "You've gotten a few weeks of my time for free."

It didn't take long for Markkula to decide he wanted to join. Apple became his full-time concern. "He got hooked," says Rod Holt, an early Apple employee and designer of the power supply on the Apple II. "He worked harder than anybody. He was working till two in the morning day in and day out."

Perhaps Markkula was driven by an early goal of his: to build a Fortune 500 company in five years, an achievement that no one had been able to do.

As vice-president of marketing, he brought to Apple expertise in an area that was unfamiliar to other firms. Apple placed early ads in publications with high-income readers such as *Playboy* and *Scientific American.* As

chairman of the board, he obtained a line of credit for Apple at the Bank of America, and he attracted venture capital to the company from the prestigious Venrock Associates. He also talked Mike Scott, a former colleague of his from a previous job at Fairchild Semiconductor, into joining Apple as its president.

There were a few things Markkula didn't change, however—most notably the name Apple—and for good reason. His marketing savvy told him that Apple was the right name. "We knew we would be first in the phone book," he explains.

In addition, the word Apple had

positive connotations to people who were turned off by the word *computer.* And the unlikely combination of the words *Apple* and *computer* would help people remember the name, he realized.

At the first West Coast Computer Faire in 1977, while Steve Jobs gave demos of the new Apple II computer, and while Steve Wozniak wandered around the San Francisco Civic Auditorium looking at other machines, Markkula met with potential dealers from all over the country. He understood that dealers were frustrated with many of the other firms and were

Mike Markkula, Apple's vice-chairman

MacIntosh may be for the masses

**By Paul Freiberger
and John Markoff, IW Staff**

It's hard to keep a secret in Silicon Valley.

In 1981, *InfoWorld* published an article about several personal computers that Apple Computer of Cupertino, California, was working on. This article is about one of those computers.

In January this year, at the company's annual meeting, chairman Steve Jobs mentioned the computer, the MacIntosh, by name for the first time.

In fact, although the computer hasn't gone public yet, Jobs has. At Ap-

Steve Jobs, chairman of Apple, has made the Mac his personal project.

ple's party, held in Disneyland during this year's National Computer Conference, in Anaheim, California, Jobs was wearing a MacIntosh T-shirt.

The MacIntosh is intriguing partly because, unlike the higher-priced Lisa, it follows closely in what many see as Apple's original traditions. The MacIntosh will be a computer for the masses.

With a price possibly as low as $1200 to $1500, the Mac is now not scheduled to be introduced until January of 1984.

Information about the MacIntosh has, however, already been leaked to the public in some publications.

Despite the cloak of secrecy that still

surrounds the project, *InfoWorld* has been able to piece together some interesting facts about the MacIntosh.

Like the Lisa, the computer will be based on the Motorola 68000 microprocessor. Unlike the Lisa, though, the MacIntosh will have only 128K of RAM. (This might change, as final decisions on hardware have not yet been made.)

The Mac will come with a 9-inch screen and offer resolution that is equivalent to that of the Lisa: 512×375 pixels.

At least some of the Mac's software is being made by Microsoft of Bellevue, Washington, and that company has at least one of the six prototype machines.

The Mac will also have more ROM than the current generation of personal computers. Apparently, Apple plans to put a significant portion of system software in ROM.

One of the delays in completing the machine has been the selection of a disk drive. Apple has finally opted for a 3½-inch micro-floppy drive, similar to those manufactured by Sony and Shugart. The MacIntosh will come with one of these drives, containing a full megabyte of storage capacity.
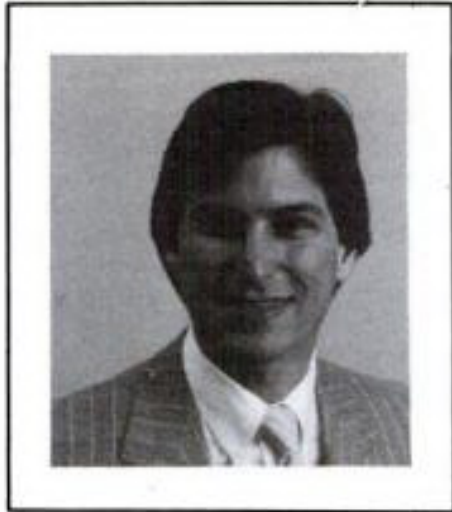
The MacIntosh is going to have a user interface that is similar to the Lisa's, complete with a mouse, windows and icons.

Apple believes the MacIntosh will be a big seller and is preparing to build at least 20,000 machines a month.

Not that Apple really wants us to know all these things.

An *InfoWorld* staffer recently had a "press tour" of the MacIntosh building at Apple.

The tour began—and ended—in the lobby. ∎

Markkula

anxious to carry a new computer.

Besides not changing the name of the company, Markkula also didn't alter the computer. There was talk among the company's founders about switching from the 6502 processor to the 8080, but they quickly decided to retain Wozniak's original design. Together with Steve Jobs, Markkula encouraged the incorporation of an elegant plastic case as part of the package.

Markkula had technical ideas and enjoyed experimenting with a checkbook program that he wrote on the Apple. In fact, his own frustrating experience with cassette storage caused him to suggest that Steve Wozniak design a disk drive for the Apple.

Usually calm, cordial and businesslike, Markkula also had an occasional penchant for the flamboyant. At one point he urged the company on by offering to take every employee to Hawaii if Apple achieved $100 million in sales for one quarter in 1981. The company fell slightly short of earning the luau, though. Markkula granted everyone an extra week's vacation instead.

By 1982, annual sales for Apple had risen to over $500 million. In May of this year the company was named a Fortune 500 corporation by *Fortune* magazine. ∎