Paul Allen and Bill Gates pose for the camera on October 19, 1981, surrounded by PCs after signing a pivotal contract with IBM.

The big rise of **Microsoft** began only through a cooperation with IBM. In 1980, IBM needed an operating system as soon as possible. They were late to enter the home computer business with their IBM PC. So they turned to Bill Gates' company for an operating system. However, Microsoft did not have its own operating system, and Gates sent the IBM negotiators to Digital Research, which developed and distributed CP/M. But Gary Kildall, the head and founder of Digital Research, was not present at that time. Therefore, IBM talked to Kildall's wife Dorothy. IBM merely presented her with a confidentiality statement about the purchase intentions of IBM to postpone the negotiations. But Dorothy Kildall hesitated and did not want to sign anything until her husband was back. After waiting for three hours in vain, the negotiators at IBM finally left Kildall's office.

Bill Gates's mother, Mary, was on board of the United Way charity. This way she had contacts with John Opel, president of IBM. So she could organize for her son the way to "Big Blue". First, Bill Gates wanted to refrain from a deal with IBM, but after a meeting with Allen, Microsoft finally turned to IBM. Then they made a contract for an operating system with $ 186,000. This laid the foundation for Microsoft's success. Probably none of the participants suspected the historical significance at that moment. Two days later, Microsoft purchased Seattle Computer Products' operating system for $ 86,000. The 86-DOS operating system was a CP/M variant. During the development process they called it QDOS standing short for "quick and dirty operating system". The programmer Tim Paterson was hired by Microsoft. Basically, QDOS was an imitation of CP/M including some features taken from it directly. Paterson, Gates, and Allen made all sorts of modifications to the software.. Then they shipped it to IBM and used the name MS-DOS. The changes in the operating system provided that CP/M programs could run under MS-DOS, but MS-DOS programs did not run under CP/M. After its launch, IBM discovered that they had acquired a CP/M variant. Then they paid $ 800,000 to Digital Research for a waiver of legal action against IBM.

The IBM-PC came out for just under $ 3,000 in the fall of 1981. Although, the quality of MS-DOS was well behind the state of art, the PC was a great success. This was because IBM pursued an open licensing policy that allowed third-party manufacturers to produce the PC. So prices fell through competition. Also customers wanted to **establish a standard**. Most they expected this from **IBM**, the market leader in mainframe computers.

The success of the MS-DOS is also due to the partial source-backward compatibility with CP/M. This made it possible to run common software such as WordStar, dBase II or the BASIC of Microsoft under MS-DOS. Only a few modifications and a re-assembly was required for this.

Due to a serious illness Paul Allen left Microsoft in 1983, but remained next to Gates main shareholder. The rapidly growing company had more and more liquid assets. Nevertheless, for example, Christmas bonuses were issued to employees in the form of shares. Many of these employees were millionaires within a few years due to these shares worth a few hundred dollars.

Quelle:
https://de.wikipedia.org/wiki/Microsoft#Entwicklung_von_MS-DOS_f%C3%BCr_IBM