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The Dismantling of Microsoft

Whil Hentzen

If you haven't heard the news by now, you've probably been living in a cave, but I'll repeat it for those few of you who are unawares. The United States Department of Industry, Commerce, and Knowledge has prevailed in their various legal machinations against our generous benefactor and beloved parent of Visual FoxPro, Microsoft Corporation, and has proposed a plan to divide Microsoft into multiple businesses in order to alleviate the charges of monopolistic practices and unfair bundling of products. As FoxPro's journal of record for the past eleven years, it's only appropriate to describe what that plan is, and what it means to you.

First, I'm going to point out some background that will help you understand the reasoning behind the plan, and to provide you with additional information that will help you make your own plans during these tumultuous times.

In the late 1800's and early 1900's, industrialists (what they called "businessmen" back then) would use a combination of shrewd business knowledge, unscrupulous practices, and blatantly illegal techniques, to form a company that dominated the industry it was in. John D. Rockefeller, as many of you know, was perhaps the most well known of these industrialists, having formed the world's largest corporation and effectively monopolized the domestic oil business. He continued to buy competitors or put them out of business, in all aspects of oil production, from discovery to refining to distribution. This combination of a broad range of companies was popularly referred to as a "Trust" such as in the "Standard Oil Trust."

Teddy Roosevelt went after and broke up the Trust because of a personal blood feud with Rockefeller. Standard Oil was divided into multiple companies, each geographically restricted. Thus, we had Standard Oil of Illinois, Standard Oil of New Jersey, Standard Oil of Ohio, and so on. Some changed their names (SO-New Jersey to Exxon, Standard Oil of Ohio to SOHIO, and then to British Petroleum, etc.)

Today, some aspects of the legal battle between Microsoft and the government are similar, and some are different. For example, the term "Trust" isn't ever used when referring to Bill Clinton's administration or Microsoft's far-flung operations, and there isn't any personal animosity between the commander in chief and the head of the world's largest independent software company. And while Microsoft competes so hard as to be overwhelming, they don't have the blatant disdain for the law that the Trusts of a century ago openly carried.

However, the charges of monopolistic practices and unfair bundling of products are very similar to those of Roosevelt's administration, and these must have formed the basis for the government's decision on how to break up Microsoft.

Pundits have guessed that the company would be divided into product lines, such as operating systems, home-based (or "edutainment") products, development tools, and so on. This was a completely reasonable assumption, of course, both because of the charges that profits from one product or product group were unfairly used to subsidize another product, and because of Microsoft's actual organizational structure along those lines made it easy to see how the breakup would be done.

In fact, news of Microsoft's recent reorganization, where the company was being aligned across customer groups, instead of products, was seen by some as a defense against such a breakup plan, since the breakup would presumably be made more difficult after the reorg.

Of course, both of these were wrong.

Microsoft will not be divided into pieces like across product lines – one company responsible for Windows, another for developer tools, a third for edutainment products. Nor will the company be split into functional lines, such as for business, home use, and so on. Instead, the company's breakup will be divided into geographic areas, *just like Standard Oil was a century ago*. Imagine: Microsoft New York. Microsoft Texas. Microsoft L.A. Fascinating, eh?

But fascination doesn't do much for you when you're trying to deliver an application. What does this mean to you?

First, you'll no longer have to listen to your customers whine about Bill Gates being the richest man in the world ("Gee, I'd sure like to be in his shoes."). He will become, as Jay Leno presciently joked about recently, the world's five richest men.

Second, you'll soon see a flurry of competitive mechanisms arise as each of these companies struggles for market share. I predict that by the summer, you'll be able to buy Windows via kiosks on every street corner, and you'll be able to "pay as you go" - buying two weeks of Windows at a time, for example.

You think I'm joking? Knowledge Base article #216641 (Title: "Computer Hangs After 49.7 Days", Symptom: "After 49.7 days of continuous operation, your Windows-95 based computer may stop responding.") indicates that a regular fill up of Windows may be a good idea. I wonder if you pull up to the full service kiosk, a uniformed attendant will wash your monitor's screen for you.

You'll also probably see a few of name changes. Microsoft New Jersey will become something goofy, like ExxonSoft. Microsoft Kentucky will rename their flagship product "Microsoft Winders." I don't know any of this for a fact; but events like these are bound to happen.

Finally, you'll be able to buy stock in companies like Microsoft Georgia, Microsoft New York, Microsoft Ohio, and Microsoft Illinois, thus allowing you to diversify your portfolio. And you can stop complaining about the tepid pace of government action, because this will all become possible as of April 1, 1999. I know I can't wait.