

## Byte shop

The Byte Shop was the first retailer of the original Apple I computer, ordering 50 of the as-yet-unbuilt units from a persistent Steve Jobs.

Jobs approached a local computer store, the Byte Shop, who said they would be interested in the machine, but only if it came fully assembled. The owner, Paul Terrell, went further, saying he would order 50 of the machines and pay \$666.66 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 he needed to assemble the Apple I Computer. The local credit manager asked Jobs how he was going to pay for the 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. If you give me the parts on a 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."

With that, the credit manager called Paul Terrell who was attending an IEEE computer conference at Asilomar in Pacific Grove and verified the validity of the purchase order. Amazed at the tenacity of Jobs, 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. The two Steves (Steve Jobs and Steve Wozniak) and their small crew spent day and night building and testing the computers and delivered to Terrell on time to pay his suppliers and have a tidy profit left over for their celebration and next order. Steve Jobs had found a way to finance his soon-to-be multimillion-dollar company without giving away one share of stock or ownership.

Byte Shop history

Paul Terrell started his Byte Shop in December 1975. By January he was being approached by people who wanted to open their own stores. He signed dealership agreements with them, whereby he would take a percentage of their profits, and soon there were Byte Shops in Santa Clara, San Jose, Palo Alto, and Portland, Oregon.

In March 1976, Terrell incorporated as Byte, Inc.

By March 1976, one could identify four big retailers; Terrell, Heisers, Peachtree in Atlanta, and Dick Brown. Brown opened his outlet "The Computer Store" like Heiser's in 1975 along Route 128 in Burlington, Massachusetts. He also was interested in selling Apple I's. Without Paul Terrell and the Byte Shop, Apple may have never gotten anywhere.

Terrell grew the enterprise from the first company owned store in Mt. View, California into a chain of dealerships initially, and eventually into a franchise operation that reached from the United States to Japan before the parent company Byte, Inc. was sold to Logical Machine Corporation. Byte, Inc. was not only involved in the expansion of its retail chain of stores but began a manufacturing operation to build its own proprietary BYTE 8 Computer which was provided only to the Byte Shop stores. This gave both Byte Inc. and its Byte Shops a better profit margin than could be achieved by just distributing the computers of the other computer manufacturers at the time.

Many of the original Byte Shop dealers eventually became independent as the personal computer marketplace grew and became segmented by the various uses and applications the PC was developing. Hobby computer stores were becoming business centers and IBM was entering the market with a computer of its own which over time would become the standard in the industry.

Byte Shops of Arizona became MicroAge Computers and developed into a major national distributor as well as having its own chain of stores.

Byte Shop Northwest dominated its geographical area and became a target acquisition for Pacific Bell (RBOC predecessor to the modern AT&T) when they elected to get into computer stores.

Byte Shop of South Florida continued in operation as Byte Shop Computers. Eventually re-expanding then moving its business to Naples, Florida in 1986. In 2003 Byte Shop Computers was Acquired by Jim Wexell. The company was restructured as simply Byte Shop, LLC.

Since 2003 The Byte Shop grew with an ever-changing market. In 2008 Byte Shop laid out plans for future expansion, beginning construction of a second store to be known as Byte Shop / Style scheduled to open in the fall of 2009. A third location devoted to servicing business clients is also planned to be operational by Fall 2009 as well.

See Also

\* Paul Terrell

\* History of Apple