

# FOCUS

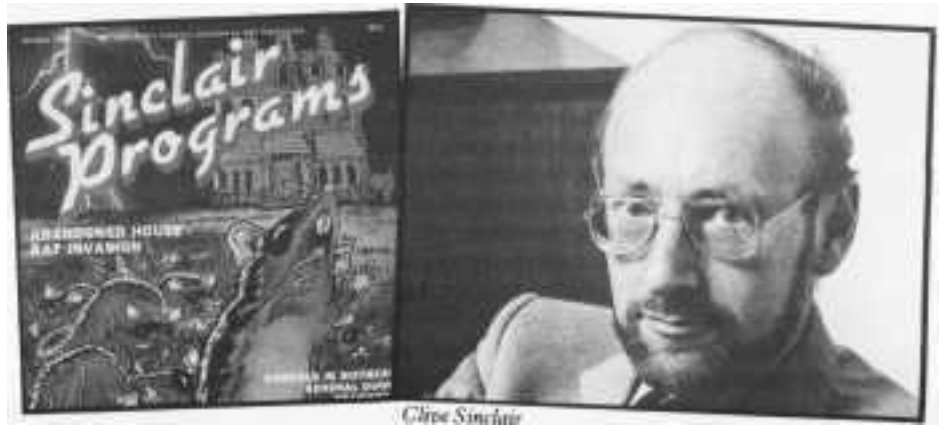
## SINCLAIR — A CHIP OFF THE OLD BLOCK?

In the midst of the cut-throat price war currently rocking the personal computer industry to its core, Clive Sinclair seems to lead a charmed life. In the US alone, Atari lost \$310m over the last quarter of 1983 and Mattel lost \$24m. A bruised Texas Instruments is quitting the market altogether after losing \$183m in the last quarter. Here at home the last few months have witnessed the collapse of the Grundy NewBrain computer, the Jupiter Ace and the last minute rescue of the Dragon.

Sinclair though has held his head well above water. His flat-screen pocket television released at the end of September looks set to revolutionise the TV industry. His ZX81 and Spectrum computers have between them sold 1.5 million worldwide — over two million if the licensing agreement with Timex in the US is taken into account. The company's turnover for the year to March 31 has doubled to £54.5m, turning in a 26% pre-tax profit of £14m. The Spectrum continues to remain the best-selling personal computer in Britain, and probably something in the region of 100 companies exist to produce programmes, hardware add-ons, books etc, for their users. On the shelves of W H Smith, four magazines alone cater solely for the Sinclair computer user.

Success has made Sinclair a very wealthy man indeed. He owns about 85% of the shares of Sinclair Research, which was valued at £136m in March last year — making him worth around a cool £116 million. Technical innovation, vast economies of scale, cheap foreign labour (from El Salvador among others), and entrepreneurial flair (Sinclair has signed a deal to supply the now obsolete ZX81 to China in kit form for local assembly) — all these have made Sinclair a byword among British home computer users and a cult figure among the hundreds of thousands who use his computers. Now he is set to launch an onslaught on the business micro world — taking on the IBMs of the world.

The prime minister is known to be an admirer of Sinclair's enterprising ability and it was significant that the gift she chose to present to the Japanese premier while on a visit to Japan last year was a Sinclair spectrum. In the Queen's birthday honours he received his reward — becoming Sir Clive. Sinclair's personal history and economic philosophy at least, epitomise the Thatcher doctrine of drive and ambition winning through to triumph in the marketplace.



Sinclair taught himself about electronics during the course of his pretty haphazard schooling. He attended 13 schools in all before leaving at the age of 17 to become a technical author. He churned out 17 books in the next four years. At the age of 22, he borrowed £50 to start a company which sold electronic components by mail order, including a kit for a matchbox-size radio — 'the smallest in the world'. The business soon expanded into hi-fi kits. Within five years the turnover was £100,000.

Within another five years Sinclair was taking the calculator world by storm with the launch of the first true pocket calculator. By 1975, turnover was running into millions of pounds. Sinclair followed up the pocket calculator first with the world's first digital watch — the notoriously unreliable Black Watch. The Black Watch fiasco hit Sinclair's pockets badly and caused him to approach the National Enterprise Board for funding for another pet project — the pocket TV. This partnership was to continue for three years, producing five calculators and two versions of the Microvision. Behind the scenes, Sinclair was working on a computer project, which was eventually to lead to the NewBrain.

But things were meanwhile getting tense between Sinclair and the NEB. The NEB saw the future in instruments, whereas Sinclair saw it in consumer electronics. The split came soon afterwards. The NEB, complaining that the TV had cost them £7,800,000, sold it off to Binatone — who then found that they couldn't make it at a profit. Sinclair took his golden handshake and went off to form Sinclair Research in July 1979. Seven months later he launched the ZX80 computer, selling at under £100 — vastly cheaper than the US models then available. It was followed by the ZX81 a year later and by the Spectrum 13 months afterwards.

Sinclair's impact on Britain with his computers and the technical revolution that

had occurred in the previous 15 years or so can be gauged by the following. In 1963, Cambridge University's EDSAC computer, of which it was justifiably proud, was a block of electronic circuitry (valves, mostly) about the size of a Ford Transit van, but much less reliable. It cost tens of thousands of pounds and broke down several times a day. Today the Sinclair ZX81 is the size of a cigar box, retails at £45 and can do everything EDSAC did and more! The following years will see greater leaps forward in technology — with an entire encyclopaedia being stored on a single laser disk, providing instantaneous information on any of a million subjects. Shopping, banking, theatre bookings, mailings etc, will be routinely done from home via computers. Much of education and business will be conducted via home computers — providing 24 hour a day information for the cost of a phone call.

Sinclair sees this as a 'new golden age' — the age of the mind, with more time spent on building culture than on labouring. But what of today's giro generation in this golden age? Sinclair for once has no answer. Today's four million unemployed is not a passing phase of the recession, he says, 'but a trend which will last until the end of the century.' During that time Sinclair expects manufacturing industry 'to shed a further seven million jobs, and for the proportion employed in manufacturing to decline from some 42% of the population to less than 10%'. If the number of unemployed rises to more than 90%, it may be necessary to redefine the term altogether, Sinclair adds.

At the same time, patterns of employment would change, with large firms giving way to small ones. This is central to the Sinclair 'small is beautiful' philosophy. The time it takes to co-ordinate huge numbers of workers ensures that large companies are always technologically behind smaller, more flexible companies, and are therefore less efficient.

Society's 'pattern of expectation' should be changed, says Sinclair, 'no longer to prepare people for a lifetime's work in major organisations, but to give them the self-reliance for a broader role in smaller groups.' A variation of Tebbit's 'get on your bike' theme? Indeed, Sinclair also echoes the Tebbit advice that young people should go out and found new small businesses if future jobs are to be created. The recession, he adds, is a good time to start, as competition has already cut raw material costs to the bone.

As far as the state is concerned, governments should not interfere in business activities — it only slows things down, says Sinclair — and this applies equally to the development of new activities or the death of existing ones. (Yet Sinclair is not averse to taking the odd 30% government grant when it is offered).

The 'golden age' may already have arrived for Sinclair himself, but for today's jobless school-leavers, Britain's computer whizz-kid has no solutions.

*Ron Peters*