he iMac has been the most-talked-about personal computer since the introduction of the original Macintosh. The retro-futuristic machine has won for itself many critics and much critical acclaim. Based on recent sales reports, the Bondi Blue iMac may soon be declared the most popular personal computer ever made. Indeed, according to a recent article at News.com, the iMac was the second best-selling computer for the month of August. Not too shabby when you take into consideration that the iMac was only available for half the month! This only adds to its mystique and overwhelming notoriety.

There's an old Wall Street adage that bull markets must climb a "wall of worry." The iMac wouldn't receive the amount of press attention it currently enjoys if it didn't have a cadre of detractors. There are people who don't understand the iMac. There are people who are bemused by the iMac. And, there are people who simply don't like the iMac or what it represents for the next era in personal computing.

For $1,299.00 an iMac buyer gets a G3 processor, 32 MB of RAM, a 4 GB hard drive, a 24x CD-ROM drive, Ethernet connectivity, a 56K modem, and USB ports. What the iMac owner doesn't get is a floppy drive, serial, parallel, or ADB ports. In short, an iMac owner can connect to the World Wide Web and a network, but it can't connect to most peripherals and printers. If it could connect to today's peripherals and printers it wouldn't the subject of so much conversation and it wouldn't be at the center of so much controversy. By deliberately embracing USB ports to the exclusion of ADB, parallel and serial ports, Apple is snubbing its nose at purveyors of status quo computing. Ironically, what many people think to be among iMac's major drawbacks only heighten the relative level of its success.

Despite the fact that the iMac cannot be connected to most hardware peripherals and printers, Apple is selling the computer to consumers as quickly as they can be made. Why? Because Steve Jobs and Apple's design team understood that consumers were ready for a change.

Walk the aisles of a large computer retailer and you'll see thousands of square feet of floor space covered with beige-boxed computers. To the average consumer, choosing a personal computer can be a mind-numbing experience. Ask two different sales people the same question and you're apt to get five different answers. Finding the right PC at an attractive price requires hours of comparison shopping. This is unless, of course, you buy a Mac.

During Gil Amelio's tenure as CEO, Apple Computer began to reduce the number of different motherboard designs it used in its products. This reduced the company's manufacturing costs because it simplified the manufacturing process. It has made choosing a Mac much easier for consumers. Today, consumers interested in buying a conventional desktop Mac need only choose between different processor clock speeds and a small number of other

options. The "Think Different" and "Snail" ads have helped to differentiate Apple-branded products and the G3 processor from their Wintel counterparts. The iMac's all-in-one design and stylish appearance only add to its perceived value. To many first-time computer buyers and Wintel converts, the iMac is the right computer at a very attractive price. People believe they are buying tomorrow's computer today.

As significant as the iMac is to Apple's near-term success, it's important to note that it's only the first "artillery piece" in the company's new hardware arsenal. The soon-to-be-released consumer portable will fill a large gap in Apple's product line. Consumers are looking for inexpensive mobile computing options. Providing an easy-to-use, $1,000.00–$2000.00 mobile computer that combines the sophistication of the Mac OS with much of the functionality of the eMate will only increase the popularity of Apple's offerings.

The iMac will more than satisfy the basic needs of most home users. Very few home computer owners add internal hardware such as PCI cards, nor do they spend a lot of money enhancing their systems after the date of original purchase. The trade-off for the iMac's lower price is its limited upgradeability. For most buyers, it's a very small price to pay in order to get a stylish G3 Mac that comfortably sits on any table or desk.

With all of the attention that the iMac has received, it's easy to forget that Steve Jobs' first responsibility has been to restore the company's profitability. Four consecutive quarterly profits and revenue gains in the quarter that recently ended should allow Apple a little bit of "breathing room" so that it can increase R & D expenditures and focus even more attention on new product development. The company now has $2 billion cash on hand, in addition to seeing its stock triple in value within a year. This should put to rest any merger, takeover, or buyout rumors.

It's my view that the biggest factor in Apple's pre-iMac sales decline was the general concern that the company would not survive as an independent entity. Although there are millions of people who prefer the Mac OS to Windows, few people wanted to risk being "orphaned" if Apple went out of business or was sold to the highest bidder. The success of the iMac has changed the public's perception about Apple Computer. This change has sparked the sales of other Apple products.

For everything the iMac is, there are several things it is not. For example, It is not the ideal computer for graphic professionals and other high-end users. Apple needs to extend its new line of innovative products into its other key markets. Apple's decision to embrace the USB technology is creating pent-up demand for its next line of professional desktops and portables.

I don't intend to replace my Power Mac 7600/120 until USB replaces serial and ADB ports on desktop Macs. It doesn't make sense for me to buy a new home office computer that can't use the printers and removable storage devices that I'll eventually buy for my iMac. The sooner Apple releases its next line of professional-level computers, the sooner people like me will upgrade our home office machines.

Reports indicate that iMacs are being sold in large numbers to Wintel converts and first-time computer buyers. This means the iMac is helping Apple increase its once moribund market share. It's significant to note that despite the long lead-time, PC manufacturers have not responded with innovative products of their own. Either they failed to see the iMac's potential or they chose not to re-engineer products to complete with Apple's stylish machine. There are many people in the Wintel world that will resist any change in the industry's current focus on deeply discounted computers that are manufactured with commodity-grade parts. The iMac "flies in the face" of the latest trend in the Wintel market.

The iMac's astounding success will not only increase Apple's market share; it will also provide the company with the opportunity to negotiate attractive deals with other national retailers. Watch for Apple products to reappear on retailer's shelves across the U.S. and around the world.

There are whispers that Apple plans to outsource some of its manufacturing in order to meet consumer demand for its products. It's my prediction that Apple will not only begin to outsource manufacturing, but the company will sign new clone deals designed to increase the market share for Mac OS X. Watch for low-end, G3 Mac OS clones around the time that Apple incorporates the G4 processor in its products.

The one mistake I believe Apple has made in the introduction of the iMac is comparing the computer's performance to that of much higher-priced Wintel PCs. It's a comparison that doesn't need to be made in order to sell the machine and it only invites mismatched comparisons of the iMac in the PC press. The iMac is not for everyone, but it is the best computer available in its class and at its price.

Along with playing home video games and watching rental movies, using the iMac is one of the things we now do for family fun. It's an attractive computer that takes up less than half the space of the beige box and monitor that it replaced. Its all-in-one design makes it easy for my seven-year-old to plug-in the phone cable and surf the Web without help from Dad. She's bookmarked her own pages and knows "where to go" for a little electronic fun and learning.

Last weekend my kids were at a party. Before leaving, they were each given a bag of marbles. On the way home they asked what the marbles were for and how one would play a game with them. It's been along, long time since I knelt in the dirt and let loose my favorite "shooter," so I recommended we that we use the iMac to find out how to play.

When we arrived home my son started the iMac and my daughter launched Netscape Navigator. I typed the following words into the text box at Apple's iMac Internet home page: "how to play marbles." Almost instantly, the screen returned the URLs of several Web pages that provide instructions on how to play the venerable game. Within minutes, we were off to the park with the glass balls in hand.

An iMac, a bag of marbles and a sunny southern California day. Maybe the iMac isn't for everyone, but it was an afternoon at the park made easy. What more does the world want for $1,299.00?