

Gateway Inc. co-founder Mike Hammond dies at age 53

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Mike Hammond, who co-founded computer maker Gateway in an Iowa farmhouse in 1985 and helped turn it into an American success story by shipping PCs straight to customers in boxes with a spotted-cow design, has died at age 53.

Hammond died Thursday at his home in Sioux City, Iowa, funeral director Korey Robinson with the Meyer Brothers Funeral Home said Monday.

Hammond started Gateway Inc. with brothers Ted and Norm Waitt, selling what became among the most popular computers on the market. The success was short-lived, though, in the fast-changing computer industry.

The firm began by selling components for Texas Instruments computers out of a farmhouse on a cattle farm that Waitt's family owned outside Sioux City in northwest Iowa. The Gateway brand of computers began shipping directly to consumers a few years later.

In 1991, the company started shipping its computers in distinctive containers decorated with cow spots.

Hammond helped manage the company's operations in Iowa and South Dakota. After retiring from Gateway, he started Dakota Muscle to restore and repair classic cars.

Former Sioux City Mayor Jim Wharton, who worked with Hammond, told the Sioux City Journal that he thinks Hammond's contributions were underappreciated at the company.

"He was always in the background," Wharton said. "He was the nuts and bolts of the organization. ... So widely respected, and one of the smartest guys I ever met."

Gateway used a business model similar to Dell's by waiting to build computers until orders were placed. But Gateway mostly targeted consumers, not the business market that Dell went after.

Gateway struggled as more players entered the personal computer business and profit margins shrank. The company tried to expand into consumer electronics and opened retail stores, but didn't succeed there.

It went from 24,600 employees in 2000 to 1,800 after it started closing the stores in 2001 and refocusing on its core [computer](#) business.

Then in 2007, Gateway was sold to Taiwanese company Acer Inc. for \$710 million. Only a handful of employees remain at Gateway's North Sioux City, South Dakota, operation.

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