INSIDE THE INDUSTRY

Ashton-Tate Looks To Expand Its Software Presence

Company's appetite for growth exceeds what database market will support

Esber says dBase III Plus will be designed for the more complex world of workgroups

Computer users tend to have insatiable and ever-growing demands," says **Edward M. Esber Jr.**, chairman and chief executive officer of Ashton-Tate. "And that provides us with plenty of opportunities to sell new software." At the company's Torrance, Calif., headquarters, Esber is gearing up his company to satisfy that demand in the next round of the highly competitive personal computer software industry's battle for market share.

Gone are the days of feisty independence when the big three—Ashton-Tate, Lotus Development Corp., and Microsoft Corp.—did not compete directly with one another, and each owned a unique piece of the software marketplace—Ashton-Tate in databases management systems, Lotus in spreadsheet packages, and Microsoft in operating systems.

ASHTON-TATE'S EDWARD M. ESBER JR. **31**

Now, each of the big three has announced or plans to announce application software products that overlap each other's product lines.

"We've certainly been proud to be a database company for as long as we have," says **Roy E. Folk**, executive vice president and general manager of the Software Products Division. "We continue to see database software as a bread and butter product, but our appetite for growth exceeds what the database category will support.

"And, we think we have become far more than a database company," he adds. Ashton-Tate's growth in four related personal computer application software markets—database, word processing, integrated, and presentation graphics—is clear testimony to that statement.

Ashton-Tate's strategy is to diversify horizontally and add new products to its line. That strategy involves adding database products that go beyond personal computers to minicomputers and mainframes. And, except for enhancing existing products, Ashton-Tate relies on acquiring companies or products to implement its strategy.

To date, each of the initial offerings in the company's product families has been developed by an independent company, from which Ashton-Tate has subsequently acquired the product rights. In August 1983, Ashton-Tate acquired the rights to dBase II from Wayne Ratlief. In July 1985, it acquired Forefront Corp., makers of the Framework II integrated package. In December 1985, it acquired Multi-Mate Corp., makers of the MultiMate word processor, and in September 1986, it took over Decision Resources, makers of the Master presentation graphics series. Also in 1986, Ashton-Tate signed an agreement with Skisoft, a Lexington, Mass.-based independent software developer, to produce a desktop-publishing program known as Byline. Ashton-Tate confirmed the agreement, but would not comment on the product name 'or proposed introduction date.

Although Ashton-Tate has tripled in size in the last three years, its rapid growth sometimes strains the re-sources of the company (see story, page 34).

According to Esber, the company maintains a proactive acquisition stance. "We're always dating," Esber jokes. But in a more serious vein he says "Many opportunities are presented to us, so our problem is selecting which companies we should de-vote our precious and limited resources to, and which opportunities we should pursue." Esber predicts that database products will decline as a percentage of
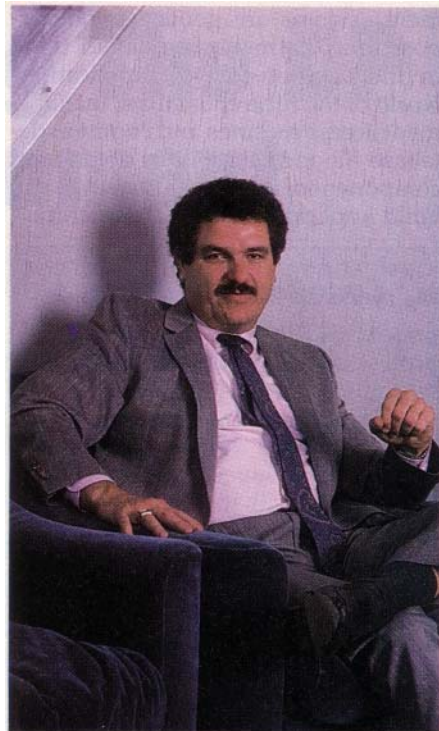
Roy Folk says Ashton-Tate has become far more than a database company

Ashton-Tate's revenue, while other application areas rise.

While the company may concentrate on other areas, the perception of Ashton-Tate as "the" database company is, of course, well founded. In the personal computer world, the dBase family has achieved widespread recognition as the unquestioned leader. With an installed base of more than 1.5 million users, database products accounted for approximately 64% of the company's 1986 total net revenue of $211 million. And the company makes no secret of its desire to remain the top contender in the database field.

The original dBase II product has spawned dBase III, dBase III Plus, dBase Mac for Apple Computer Inc.'s Macintosh, and RapidFile—a dBase-compatible single-file management program. In addition, an entire third-party industry has sprouted based around developing applications in the dBase programming language.

Ashton-Tate's Acquisitions Pay Off

Decision Resources Inc.
September 1986

MultiMate
December 1985

Forefront Corp.
July 1985

Rights To dBase II
August 1983

But the company's flagship product, dBase III Plus, faces an uncertain future in light of many recent developments, the most recent of which was Lotus's announcement of Lotus/DBMS, a future OS/2 database product.

That, combined with IBM's earlier announcement of an extended version of its OS/2 operating system that will incorporate basic database features, posed no surprise to Ashton-'Tate. "The database area is fundamentally strategic for solving departmental workgroup problems," says Esber. "That's why there are so many expected competitors in the market and so many people pursuing it in such a fervent manner."

So what will happen to dBase III Plus? "We will design it for the more complex world of workgroups," answers Esber. "Even today's LAN versions are nowhere near what is required for tomorrow's workgroup needs. Today, we have to deal with the overhead of multiple users. In the multitasking future, we can deal with those issues in the background." Esber also predicts that the database that optimizes the departmental workgroup is definitely achievable within five years.

To help implement new database technology, Ashton-Tate recently hired **Dr. Harry K.T. Wong** as senior scientist. In addition to his research at the University of California Berkeley, Wong was with

Ashton-Tate Net Revenues By Product

(Three months ended Oct. 31, 1986)
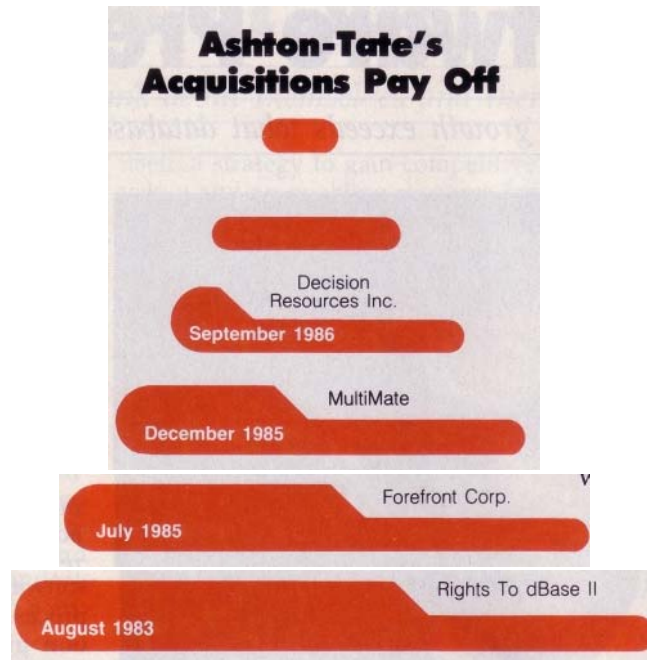
Product	Percent
dBase II	2
dBase III	5
dBase III Plus	61
Framework	1
Framework II	11
MultiMate Series 3.3	2
MultiMate Advantage	11
Chart-Master	1
Diagram-Master	1
Sign-Master	1
Map-Master	N/A
Other Products	4
Total	100

Source: Ashton-Tate

Wordtech Systems Inc.—an Orinda, Calif.-based maker of a dBase III Plus clone called dbXL—where he was working on dbSQL, a technology that marries current implementations of SQL to dBase III Plus. According to **Michael Gardner**, director of development for Word-tech, Ashton-Tate and Wordtech approached each other simultaneously. Ashton-Tate agreed not to sue Word-tech for infringing on dBase III Plus and Wordtech transferred the rights to dbSQL to Ashton-Tate.

Both Esber and Folk see workgroup computing as the wave of the future. "Today, the prevalent use of PCs is as standalone systems," says Esber, adding "tomorrow the predominant configuration will be PCs in work-groups." Folk even goes so far as to say "I think workgroup computing will replace the information center."

Folk believes that aggregating mainframe data and transferring it to a server will eventually solve many MIS problems. "Having a lot of business users connected to the main-frame is an MIS nightmare," he says. "If the people in a workgroup can live with aggregated data, even if that data is only transferred once a day or once a week, that eases the burden on the mainframe, and MIS can breathe a big sigh of relief.

"We think our database position is an important leverage point from which to expand," Folk continues. "Every application has to manage data at its core. Just like operating systems, which are common tools with broad use, database management systems are good general-purpose tools for managing data. I think in the decision-support applications world of the future, database management access routines and common database file formats will be a common component of all applications. We can build applications on that structure."

Although Folk was careful to apply a disclaimer when speculating about future workgroup applications, he says that Ashton-Tate is working on some expert-system techniques that would help put more information content in data stored in databases, which would allow the software to do more human-like associations.

Another future direction for software that Folk thinks is important is model-building tools that can represent decision-makers' assumptions and can be used to communicate with other decision makers. Such tools, says Folk, will be far more significant and useful than tools which simply produce memos, re-ports, and proposals.

Where does Ashton-Tate see itself five years down the road? Company officials say Ashton-Tate wants to be a solutions-oriented company with gross sales in the neighborhood of $1 billion.

"In five years, software will be a much bigger industry than it is to-day," says Folk. "And we're in an excellent position to get to the top of the heap of independent software vendors."

"In five years, Ashton-Tate will be providing more and more of the total software solution, not just pieces of the solution as we do today," adds Esber. And that, certainly, would pro-vide Ashton-Tate's chief with the "opportunity to sell new software."

—Robert H. Blissmer

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Service Program Solves, Creates Problems

As with many successful companies, rapid growth sometimes strains the resources of Ashton-Tate. The company has tripled in size in the last three years alone, according to **Richard A. DiGiovanni**, vice president of management information systems and acting general manager of the Systems, Service, and Information Division, the support and service arm of Ashton-Tate.

"Until August 1986, Ashton-Tate had been providing a basic level of service for anyone who bought our products, and that service was very poor," says DiGiovanni. "It was impossible for us to provide a good level of support for free to our 2 million users. So we created the services division and started charging for support. We focused our program on two types of customers; individuals and corporations. The corporate support program focuses on developing a relationship with the people in a corporation who provide support internally."

One such corporate customer, **Kevin Walters**, microcomputer analyst for the Detroit area's largest advertising agency and long-time MultiMate user, has 130 copies of MultiMate Advantage installed. "I can see why they as a corporation want to charge for support," says Walters. "Support can be abused, and should not be a substitute for reading the manuals."

But Walters also believes strongly that software companies have an obligation to support their customers, and feels that the $4,000 quote for an annual corporate support program that he was offered was a very steep fee to charge for a company such as his that basically handles its own support in house.

Walters believes that he could use more support from Ashton-Tate and says that he would probably be forced to buy the lower priced $150-per-year-per-product professional support plan offered by the vendor.

Although Ashton-Tate currently does not have on-site customer support, a group of corporate representatives that includes field system engineers is currently being created. "We must develop a closer relationship with the corporations we serve," says DiGiovanni. "Our goal is to do a better job of helping corporations with a solution in-stead of selling them a product.

"Our representatives will be proactive: They will find out where potential problems might be occurring instead of waiting for the phone call," adds DiGiovanni. "The reps will also be able to tailor a custom program for a specific corporation. This does not mean that we will get into the applications development or consulting business, but tailoring so-lutions could include contract programming,
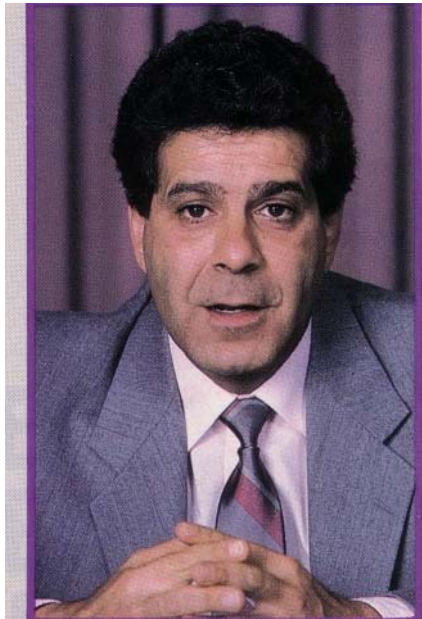
DiGiovanni: Ashton-Tate must develop closer ties with the companies it serves

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