

Ashton-Tate Helm Steady

By MARSHA JOHNSTON FISHER

NEW YORK—Key Software industry observers support the Ashton-Tate management view that chairman and chief executive officer David Cole's surprise resignation last week will not make any perceptible change in the company's modus operandi.

His resignation, which also affects his seat on the board of directors, commenced Monday. He starts with his new unannounced company today.

The general consensus among analysts, including Ashton-Tate's underwriter, is that, while the resignation was a disappointment, Edward Esber, president and chief operating officer, has a less entrepreneurial management style that may be more suited to Ashton-Tate at this stage in its growth.

No Shifts Seen In Ashton-Tate Chief's Quitting

Cole and Esber both contended that recent company restructuring will make it easy to fill the void Cole left.

"It's not a surprise to me," Esber said. "David's been talking for several months about pursuing other opportunities. Let's just say that when I entered the organization (in March, as a consultant), I knew that, at some point, David was planning to phase out. He did a fine job in helping build a management team so that it's safe for him to leave without a major impact on the corporation."

Ruthann Quindlen, a software analyst for Alex. Brown & Sons Inc., underwriter of Ashton-Tate's public stock offering, said, "We think it's positive for the company that Ed Esber's president. We think he's quite good. He'll probably be fairly cost-conscious, which is something, from an analyst's point of view. They need to improve their (profit) margins. When you become a public company, and have to meet quarterly projections, there's a certain (management) style and we think he's (Esber) suited to that."

Quindlen said Esber's experience in the software industry was such that any marketing difficulties would "obviously not be a problem. He not only has experience in the industry but has been with Ashton-Tate for a while as well," she added.

Quindlen said she felt Esber to be a good candidate for election to the chief executive officer slot,

Santoro Interim Exec

Carmelo Santoro, 42, president, CEO and chairman of Tustin, Calif.-based Silicon Systems Inc., a manufacturer of integrated circuits, has taken over as board chairman on an interim basis.

"Ed Esber and Cole are good at the same thing—marketing strategy—and they both have the same experience in the microsoftware industry, so this (the resignation) doesn't necessarily mean anything will happen (to negatively impact the company)," said Curt Monash, vice president at Paine Webber.

"He (Cole) had a very high industry visibility, specifically with ADAPSO (Association of Data Processing Service Organizations) and in a lot of other different areas, to forward various concerns, but had minimal involvement in the day-to-day operations of the company," said Kim Evans, a software analyst for Dataquest Inc., a San Jose, Calif., industry research firm. "We believe that the breadth of management at Ashton-Tate is sufficient to keep his leaving from having a significant impact on the company.

"For example, if you look at the stock market, it's a bellwether, she said, "There has been some deterioration in the (Ashton-Tate) stock but it hasn't nose-dived."

Cole Explains

"There's a couple of things to remember, from Ashton-Tate's standpoint with my departure," Cole said. "First, my departure will have no effect on day-to-day operations. In fact, for the past year or so, much of my time has been dedicated to long-range business issues. Responsibility for the planning and taking of related action for long-term business issues is shared by other senior executives," Cole said.

"We've reorganized, too, in the last four or five months into a divisional structure; second and third quarter, beginning of the third quarter," Cole added. "So the divisional structure has allowed them (other management) to take more local control over different business segments—international, software products."

Barely a month after taking over as chairman, upon George Tate's death, Cole announced he would take a "key executive post" with an East Coast firm outside the software industry. Though he was unable to divulge the name of the company, due to a mutual non-disclosure agreement, he said it was a household name and had approached him over a year ago.

"I've been approached by several organizations over the last year or so," he said. "From venture capital firms looking for new ways to market their products, to Fortune 100 firms looking for someone to head up a division, to start-up firms. But I was surprised at the imagination of this group's approach; imagination, resilience and flexibility."



Major Growth During Tenure

Since Cole joined Ashton-Tate in February 1982, the firm has grown from a small, private enterprise to a public corporation that ranks among the nation's three leading independent microcomputer software firms.

Esber called Cole "a deal-maker. David is further, away, in the spectrum from entrepreneur to professional manager, from entrepreneur than most founders, but closer to

that (entrepreneur) than professional manager," he added. Esber was also quoted last week as saying that Cole's style was "more appropriate to the history of the company as opposed to the future of the company."

Cole owns 7 percent of the company, or 661,800 shares, according to a company spokesman. The spokesman also said that Cole will retain control of his stock and will hold all the rights and privileges of other stockholders.

Dave Sturtevant, director of communications for ADAPSO, and a second New York financial analyst expressed surprise that, despite owning such a large percentage of Ashton-Tate stock, Cole made the decision to move on.

"He still owns a substantial piece of that company. I can't think of another chairman who owns such a piece (of a company) who just sort of disappeared in the middle," Sturtevant said.

"They're (the company) trying to create foundation for the Framework product, but it seems to have gotten off to a slow start," said the analyst, who preferred to remain anonymous. "It seems a strange time for someone to leave, especially a shareholder."

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