Ashton-Tate at the Crossroads

As data base management becomes ever more strategic to software firms, what's Ashton-Tate's strategy for holding on to its turf?

Ashton-Tate is large, diversified, and firmly entrenched as one of the Big Three of PC software, behind Microsoft and Lotus. But it still seems embarked on a Dangerfield-like quest for respect.

Optimistic observers applaud the firm's hefty gains in first-quarter earnings, the fairly successful launches of RapidFile and Byline, and the overdue revamping of MultiMate. Skeptics grumble about the long overdue dBASE Mac and dBASE IV and a host of corporate defections.

All the while, Ashton-Tate is cooking up responses to OS/2 Extended Edition, a rash of dBASE clones, the Lotus-IBM partnership, and new pressure from firms like Oracle and Relational Technology. PC World Southwest Editor Ken Greenberg recently met with Ashton-Tate CEO Edward Esber, Jr., to check the level of water in the proverbial glass.

PCW: Whenever the next dBASE ships, it'll inhabit an environment in which at least two operating systems prevail.
Esber: We've articulated a strategy that IBM confirmed on April 2—low fork, which is DOS 3.xx, and high fork, OS/2. We'll bring out versions of dBASE for both worlds.

But there's pessimism about how fast OS/2 will take off. Some are saying that it won't really fly until the early nineties. My best guess is that OS/2 with the Presentation Manager will ship during the second quarter of 1988.

Nobody's terribly eager to jump on the OS/2 bandwagon, from either a hardware or a software standpoint. With the Extended Edition, you begin to walk down an IBM proprietary path. The industry simply fears that IBM will exercise too much control over its customers' choices.

PCW: What does this mean for Microsoft Windows?
Esber: Most companies have been on the sidelines, waiting to see what IBM will support. That's why you'll now see software vendors—including us—rallying around Presentation Manager, which is a convoluted version of *Windows*. To the extent that there's a third industry standard that follows *Windows 2.0*, we must support that as well.

PCW: With the data management component of OS/2 Extended Edition, is IBM just another competitor?

Esber: IBM doesn't have the marketing muscle and reputation at the low end that it does at the high end. While IBM is a competitor, the company has said only that it will offer a relational [Structured Query Language, or SQL] engine. We're viewing it more as an essential element of system software than as an application. With it, you've got room to build report generators, appli-cation generators, fourth-generation languages, a dBASE interface, a 1-2-3 interface—all kinds of things.

Chief executive Ed Esber plans to beat back serious new competition from IBM, Lotus, and other data base contenders.

PCW: Speaking of micro/mainframe bridges like SQL, what do you make of the Lotus-IBM alliance?

Esber: My first impression was that it's primarily a product announcement—1-2-3/M on the mainframe. I view the rest of it as smoke. The economics of 1-2-3/M will be dubious at best.

PCW: You've been in an acquisition mode; are you looking at alliances as well? Would you be just as happy teaming up with IBM?

Esber: We're constantly looking at both alliances and acquisitions. But long-term, true joint development and marketing agreements are harder to make work than acquisitions or mergers. Would I be happy with an IBM alliance? The right one, Am I working hard to get an alliance to announce? Absolutely not. We have a good relationship with IBM, and it's getting even better.

PC World View reports items of interest to computer enthusiasts and significant insights about industry trends and personalities. —Eric Bender