

‘We plan to be *the* leading software company. Nobody plays to be No. 2 in their market.’

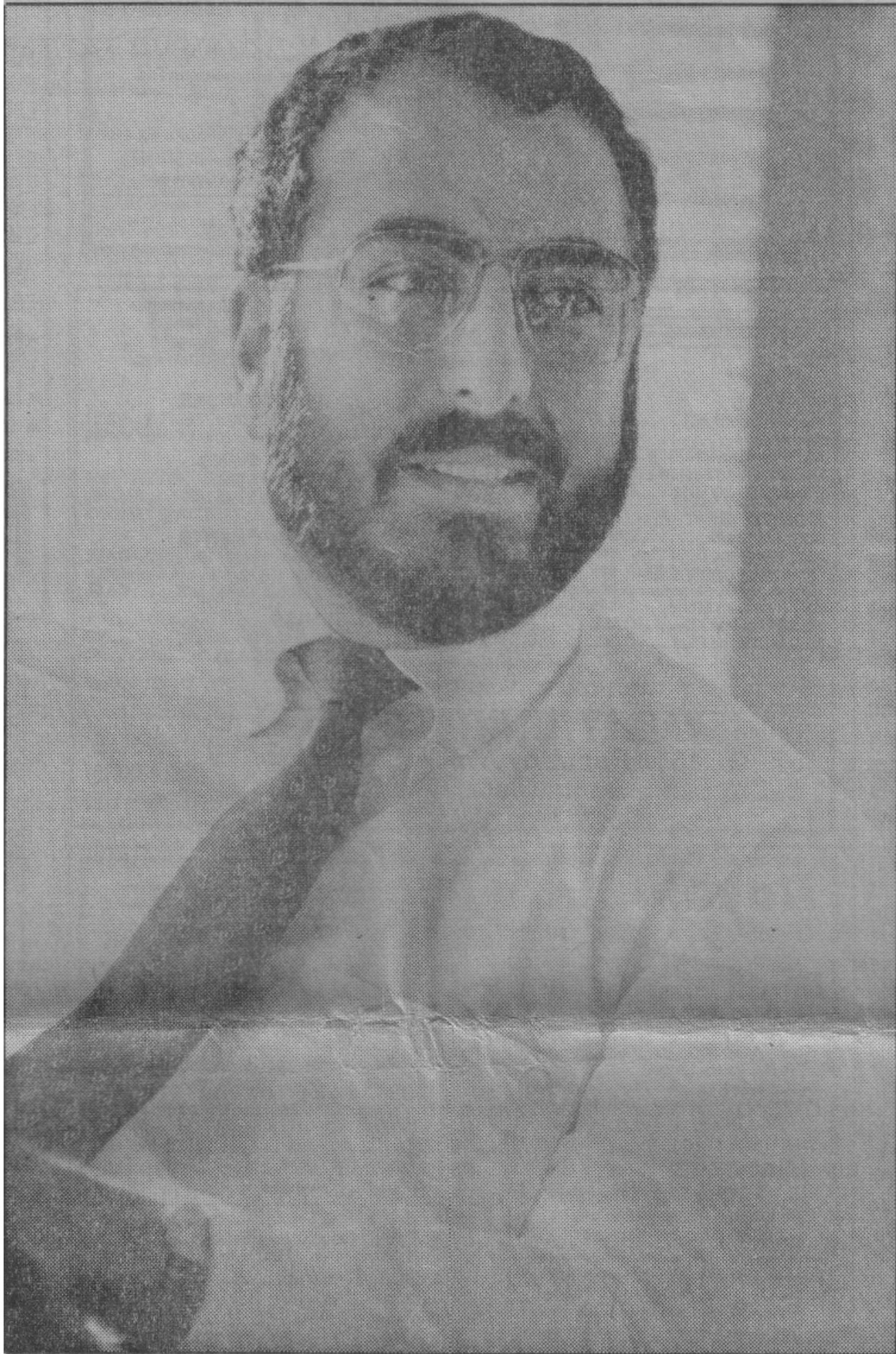
-----*Ed Esber, chief executive officer*

Ashton-Tate comes back

Ed Esber, chairman and chief executive of Ashton-Tate Corp. of Torrance, feels his company is often underestimated and predicts it will someday be the leading personal computer software company. He calls the personal computer "the greatest productivity tool of all time," and says there will be one in every home and on every desk.

Ashton-Tate, one of the "big three" in the personal computer software business, achieved success early with its dBase data-base program. Earlier this year, Ashton-Tate emerged from a two-year dearth of product announcements to enter the Macintosh software market with a new division based in Silicon Valley.

Esber, 36, has degrees in computer and electrical engineering and holds a master's of business administration. He was in the South Bay recently for an Ashton-Tate customer seminar and a meeting at Steve Jobs' Next Inc. Computing Editor Jim Bartimo interviewed him in his suite at the Red Lion Inn. Here is an edited version of their conversation:



Ashton-Tate Corp.

Q Why does Ashton-Tate buy so many companies and products rather than develop software and talent in-house the way Microsoft and Lotus do?

A First off, the acquisition strategy was a major part of our plan from 1984 to 1986. Although we just bought Ann-Arbor Softworks and its line of Macintosh software, we have also been focusing on hiring good technology talent to continue to enhance the products in-house.

There's a misconception about acquiring products. This isn't like the cereal business where you buy the brand and you don't have to do much but put a new toy in the box to entice kids to ask their mom to buy it. When you buy a product, you must update and enhance that product every 12 to 18 months. In a sense, the act of acquiring a product only precipitates strong internal development later.

Nobody in this business has a lock on all the creative talent and the minds that can conceive good quality software products. We have a reputation for not having "not invented here" syndrome. We're also very flexible in dealing with outside groups and have a reputation for designing win-win deals.

Q Ashton-Tate takes a lot of shots from other companies about not having good technology. How do you respond to that criticism?

A We have been consistently underestimated. All we can do is run the business the way we know how for the long term and show the kind of financial success we've shown. Eventually the doomsayers will go away ... well, maybe they won't go away, they'll just wait for another opportunity to take a shot at us.

When you're a highly visible company in a highly visible industry, people like to create temporary winners and temporary losers. Things change, and it's important to remain nimble and quick.

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Q You've also received some criticism because the new version of dBase, dBase IV, is late. Why is it late?

A We've announced that it will be out sometime between July 1 and Sept. 30, so it may not actually be late. The program is done, but we're checking it for bugs. You've got to realize that the program is 416,000 lines of code, which is more than double the number of lines in the previous version. No program in the history of the software industry has ever been shipped without bugs, but we've got to make sure that there will be no bugs that destroy data or cause other damage.

Q Why has Ashton-Tate decided to pursue the Macintosh software market so aggressively?

A We perceive a lot of opportunity in the Macintosh market. We believe our FullWrite Professional is going to be the leading word processor. All our products are designed as the second generation of Macintosh products. They're all part of the presentation environment we all live in. It's understood you don't do a spreadsheet just to have it on the screen, you usually want to give a presentation and embody it someplace.

Q Why did you decide to put the Macintosh division in Los Gatos?

A We made a conscious decision to invest in our remote development centers, and Apple is located in Silicon Valley. A lot of the talent around the Macintosh is around Silicon Valley. We wanted to establish a larger beachhead.

Q How do you view Silicon Valley?

A Well, I lived here for 3 1/2 years, and I have a lot of respect and affinity for Silicon Valley. It is unique unto itself, and there is a lot of activity, vibrancy and energy here.

Q Will there be more software companies like Borland, companies that came out of nowhere to become major players in the business?

A I would hardly characterize Borland as coming out of nowhere. They're 4 or 5 years old. Ashton-Tate is 7 years old. It's still a question in my mind of the ability of Borland to be a major player. Tier one still exists — Lotus, Ashton-Tate and Microsoft — and no one has broken it yet.

Q Why have you placed such a high priority on making your software work with minicomputer and main-frame computer software?

A For a long time, the personal computer was a stand-alone tool. You derived a lot of productivity gains by its sitting on your desk letting you do word processing or list management.

We're entering a new era now where the personal computer has the power to become part of the corporate network. Connections to minicomputer and mainframe computers are very important in data bases because most of the data is at the mainframe.

Q Mainframe computer companies have often failed in that same promise to provide an all-in-one work station for word processing, data base, electronic mail and other office duties. How are you going to succeed where they've failed?

A The personal computer industry is different from the mini and mainframe computer industries.

The personal computer business sprang from the user. The mini and mainframe worlds dealt with programmers and MIS (management information systems) people and senior management of corporations.

I think we have an edge because we've designed software from an end-user perspective, understanding their needs. The minicomputer and mainframe computer served a different audience.

Q Who's managing personal computers in corporations now? Isn't it computer and MIS people?

A Well, it's a combination of people. It can range from an MIS manager who got on top of the personal computer wave early, as opposed to viewing it as a threat. It can be personal computer coordinators. There's a vast spectrum of people.

Q Do you see a time when personal computers will be a part of everyone's lives?

A I'm as much a personal computer bigot as the next guy. There will be one on every desk and one in every home — at least one. I can see it with my children. They are not threatened by personal computers.

If you'd asked people about TVs 20 or 30 years, only a few people in that industry felt there would be one in every home.

Q You've said the personal computer is the greatest productivity tool of all time. How will that tool change the people side of business?

A People in the business always worry that technology may decrease the interaction between people that is required to make businesses successful. If anything, the personal computer has freed up people to better communicate with other people.

Q What kind of computer do you use at your desk?

A I have both a Mac II and an IBM compatible — it's a Compaq.

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