

# Ashton-Tate builds framework for renewed growth

By Kevin Maney USA TODAY

CULVER CITY, Calif. — A year ago, all was glum here at software maker Ashton-Tate's headquarters. Some say even corporate mascot Ashton the parrot wasn't talking.

Now, Ashton's again blurting "Framework! Framework!" Some Wall Street analysts are chirping "Buy! Buy!" And Chief Executive Edward Esber is celebrating an earnings increase to 25 cents a share in the quarter ended April 30, up from 2 cents a share a year earlier.

A few other morale boosters:

- The company is set to buy Multi-mate International Corp. of East Hartford, Conn. More corporations have bought Multimate's Professional Word Processor than any other writing software.
- Esber, 33, named CEO last November, is getting credit for moving 5-year-old Ashton-Tate from its loose-knit, entrepreneurial origins to a well-managed company with a strong strategy.
- After two years in a one-story, narrow-hailed enclave, headquarters will move in October to a modern building in nearby Torrance. Since it's been here, Ashton-Tate has grown from 50 employees to 550.

A year ago, confusion and uncertainty pervaded the No. 3 publisher of personal computer software.

For starters, says William Shat-tuck, analyst for Montgomery Securities, "They went through three CEOs in six months or less." Co-founder George Tate died in August 1984 at age 40. Flamboyant David Cole moved up to replace him, then left in October to join Ziff Corp. Then came Esber.

During those same months, the company was introducing Framework, a business program that does everything but the dishes (word processing, spreadsheets, graphics, data base, communications). Though Framework got better reviews, a similar program from Lotus Development Corp., Symphony, outsold it by as much as 10-to-1 early on. Earnings also were being scraped by the launch costs of dBase III -- successor to dBase II, the data base management program that put Ashton-Tate on the map in 1980.

Finally, the microcomputer hardware market started slowing.

"There were a lot of issues outstanding," says Joseph Kapka, analyst for Bateman Eichler, Hill Richards Inc. "But now, dBase III is a success, Framework is catching up

(some say its sales now trail Symphony by 2-to-1), it's clear that the microsoftware market is growing 30% to 40% a year and management now has proved itself."

For the future, Esber stresses two "Ms": Management, Multimate.

He's instituted budgeting, and just pulled together a five-year plan. "A year ago if somebody said a software company had a five-year plan, I'd roll on the floor laughing," he says.

Multimate is essential to that plan. Of the three main categories of software, Ashton-Tate is strong in two — data bases and spreadsheets. It has no word-processing program.

"If we made it ourselves, it would have cost a couple million (dollars) to develop and five times that to launch. We decided it was easier to buy," Esber says.

All in all, the company should earn \$1.20 a share this year, says Kapka, compared with 70 cents last year. He calls it a good buy, noting the stock sells at about 10 times this year's expected earnings (the over-the-counter stock closed unchanged Friday at \$12-1/4).

The outlook: Esber should have no trouble keeping Ashton in crackers.

**Company spotlight: Ashton-Tate**



The No. 3 publisher of personal-computer software has been growing at a fast pace, although an increase in shares outstanding has limited per-share gains.

Year ended Jan. 31	Sales (millions)	Net earnings or loss*	Earnings or loss per share*	Avg. shares outstanding
1982	\$3.7	-\$175,000	-\$0.03	7,000,000
1983	\$18.1	\$1.1 million	\$0.15	7,000,000
1984	\$43.0	\$5.3 million	\$0.68	7,791,000
1985	\$82.3	\$6.5 million	\$0.70	9,290,000

Source: Ashton-Tate

\* excluding extraordinary items  
Data shown is historical, not pro forma.

# How software wizards work

By Kevin Maney USA TODAY

*Ashton-Tate, the USA's No. 3 personal computer software producer, is expected to announce healthy second-quarter earnings early this Week. The rebound from dismal results a year ago mostly has been built on the company's two main products: Framework, a program that combines word processing, data base, spreadsheet, graphics and communication functions; and dBase III, the successor to dBase II, the best-selling data base management software.*

*Wayne Ratliff, 38, started developing dBase II 10 years ago, first calling it Vulcan, and headed the writing of dBase III. Ratliff is now chief scientist at Ashton-Tate.*

*Robert Carr, 29, developed Framework as president of the software-writing firm Forefront Inc. Ashton-Tate bought Forefront earlier this year, keeping Carr on as president of the unit.*

*Ratliff and Carr recently discussed the art and science of software writing with USA TODAY's **Kevin Maney**.*

## **Q: Programming seems so mysterious. How would you describe it?**

**Ratliff:** A computer can only do very simple things, but very fast. A programmer just combines simple things to do complex things. It's like knitting — you make a sock by doing large numbers of simple actions. You build a program up like layers of a cake, and the frosting is all the user sees.

## **Q: Is programming creative or technical?**

**Carr:** I think the popular image of the creative, whimsical programmer is overblown. There's a lot of good engineering needed. Creativity is important, especially in the early stages. But today you've got to have people with good technical abilities that can put in a good performance each and every day. They need good engineering horse sense.

## **Q: Do you two work the same way?**

**Ratliff:** I tend to plot one step further on the course and meander a lot in between, not setting an ultimate goal. It's very much step-by-step.

**Carr:** I do it differently. I rewrote Framework several times. We made a living prototype, then perfected it. Our best ideas invariably occurred through interacting with the prototype.

## **Q: How many does it take to create a complex program?**

**Ratliff:** If you're in schedule trouble on a project, the worst thing you can do is put more people on it. The only way you can work quickly is with small groups— four, five, six people. Add one to six and you get 30.

**Carr:** The more people, the more information you have to share. There has to be a sequence that works together. If you're digging a ditch, you get twice as much done with twice as many people. Not so in programming.

**Q: You both developed programs essentially on your own. Can innovative software come from a big company like Ashton-Tate?**

**Carr:** One reason. Forefront was attracted to Ashton-Tate was its decentralized development. We're up in Sunnyvale, 400 miles away, and it's better that way.

**Ratliff:** It's important that sales and marketing are far away. Our development lab is 45 minutes away. Sales runs on time cycles of a day or a week. In development, a month is small. Two years is big.

**Q: How did you get started writing software?**

**Ratliff:** I was interested in cars, actually. I took a FORTRAN course in college and stole time on the University of Colorado computer to make car designs. But I got more interested in programming than the car. Working on a car, you get grease under your fingernails and skinned knuckles. And something else I thought was neat: With programming, if you need a part, you don't have to go to a shop and buy it — you just create it

**Carr:** In college, I was wondering what career I wanted. I decided I wanted to write, but I thought it would be more practical to go into tech writing. So I took a computer science course and found that I'd rather write programs than write about programs.

**Q: How did you end up writing dBase and Framework?**

**Ratliff:** In 1975, I was working on a sophisticated football pool, Three to four weeks into the season, my entire den was covered with papers with football stats. I tried to put them on a computer I had built myself, then thought that if I could do that, I'd have an extremely flexible program, because I'd have to be able to change my mind all the time. From there I went off on the tangent that led me into Vulcan. I never did put the football pool on the computer.

**Carr:** Framework was a whim in some ways. It was just something I always wanted as a software user. So I went to work on it.

**Q: How do you spend your day?**

**Carr:** I spend a lot of time on the phone. I used to program with three people before Framework. Then I had 20 people and had to do more management-type stuff. Now ... I have more time for development.

**Ratliff:** I'm on the phone all day, too. People come to me for answers, deals, advice. I used to spend two days a week at home programming.

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