Ashton-Tate

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Ashton-Tate (**Ashton-Tate Corporation**) is a former <u>US</u> based <u>software</u> company best known for developing the popular <u>dBASE</u> <u>database application</u>. The company was bought by <u>Borland</u> in September <u>1991</u>, which no longer sells any of their products.

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dBASE

What would become Ashton-Tate was originally founded by George Tate and Hal Lashlee as **Software Plus**, a small mail-order software distributer in the era of magazine software shops. In 1980 they received a phone call from a user of a new database program called **Vulcan**, who suggested they look into selling the product. The author, <u>C. Wayne Ratliff</u>, had already tired of supporting the product for no real profit, and was considering simply ending sales. Tate and Lashlee offered to take over sales and marketing under a new company. Apparently Lashlee preferred his name not to be used, so the fictitious name Ashton was created, and Ashton-Tate was born. (According to employees, the company later had a parrot named Ashton.) Vulcan turned out to have potential trademark issues, so it was renamed as **dBASE II** and put on the market at \$695. The company was soon able to hire Ratliff full time.

Despite being marketed as a <u>relational database</u>, dBASE did not meet the criteria defined by the relational model's inventor, Dr. <u>Edgar F. Codd</u>. Nevertheless, for its time, dBASE was extremely advanced. It was one of the first multi-file products that ran on a

microcomputer, and its programming enviornment allowed it to be used to build custom applications for almost any role. Although microcomputers had limited memory and storage at the time, dBASE nevertheless allowed a huge number of small-to-medium sized tasks to be automated.

dBASE originally ran on <u>CP/M</u>, a popular business <u>operating system</u> that dominated the late 1970s computer market. But the introduction of the <u>IBM PC</u> in 1982 changed things dramatically. Within a year sales had climbed into the millions, and they were able to raise an <u>IPO</u> the next year. The company's headquarters moved to a building on Jefferson Boulevard in <u>Culver City</u>, and finally to a brand new building in <u>Torrance</u>. Development was spread throughout the <u>Los Angeles</u> area, although dBASE work was centered at their <u>Glendale</u> offices.

By 1985 Ashton-Tate was taking in \$100 million a year in sales, the vast majority of it dBASE or related utilities. It was one of the "big three" software companies who had weathered the early 1980s shakeout, considered an equal of <u>Microsoft</u> and <u>Lotus</u> <u>Development</u>.

The Esber years

George Tate died of a heart attack at the age of 40 in 1985. David Cole took over briefly, but after he left for Ziff-Davis, Ed Esber Jr. became CEO> David Cole hired Ed Esber because he was the marketing expert that launched VisiCalc, the first spreadsheet. Esber built the first distribution channels for personal computer software. VisiCalc is credited for sparking the personal computer revolution and was the first commercially successful personal computer software package. He had a BS Computer Engineering from Case Western Reserve University, a MS Electrical Engineering from Syracuse University and an MBA from Harvard Business School. He had worked at IBM, Texas Instruments and VisiCorp. As a result of his leadership Ashton Tate grew from abut \$40M to over \$300M. Ashton Tate eventually became one of the three largest personal computer software companies--viewed in the same class as Microsoft and Lotus. During his seven year tenure Ashton Tate had its most prosperous years and a few of its most controversial.

Esber installed professional management techniques, recruited a new management team and built a strong product marketing department. Product Marketing included Mike Stone (former McKinsey consultant and later an expert legal witness for Microsoft) and Eric Kim (later EVP Worldwide Sales and Marketing for Samsung and then Intel).

Esber's relationship with Wayne Ratliff (author of dBASE) was tumultuous. On one early discussion, Esber was apparently trying to explain how the company was a team, and Ratliff was "no more important than the janitors." Ratliff was not amused as he thought he was much more important than that. Several years later he would leave the company because his escalating compensation demands were not met. As a result of several unsuccessful commercial attempts on his own and despite the ups and downs of their relationship, Wayne Ratliff, would later approach Ed Esber about rejoining Ashton Tate.

dBASE was a complex product, and a thriving third-party industry sprung up to support it. A number of products were introduced to improve certain aspects of dBASE, both programming and day-to-day operations. As Ashton-Tate announced newer versions of dBASE, they would often decide to include some of the functionality provided by the third-parties as features of the base system. Predictably, sales of the third-party version would instantly stop, whether or not the new version of dBASE actually included that feature. After a number of such vapourware annoucements, the third-party developers started becoming upset.

One particularily important addition to the lineup of third-party add-ons was the eventual release of dBASE <u>compilers</u>, which would take a dBASE project and compile it into a stand-alone runnable program. This not only made the resulting project easy to distribute to end user, but it did not require dBASE to be installed on that machine. These compilers essentially ended sales of Ashton-Tate's own solution to this problem, a \$395 permachine "runtime" copy of dBASE.

The most successful release of dBASE and the engine of its rapid growth during the Esber years was the release of dBASE III and dBASE III Plus. These products were the result of the new product management Esber brought to Ashton Tate.

Esber was upset with the companies that cloned dBase products, but was always supportive of the 3rd party developers who he viewed as an important part of the dBASE ecosystem. He felt that every product that cloners sold was money that Ashton-Tate should have been making instead and that Ashton Tate shareholders had financed. Starting with minor actions, he eventually went to great lengths to stop them with cease-and-desist letters and threats of legal action. At one point he even stood up at a conference and threated to sue anyone who made a dBASE clone, stating "Make my day!" at an industry conference. This sparked great debates about the ownership of computer languages and self serving chants of "innovation not litigation". These issues have not really been resolved to this day.

As a result of this continued conflict, the spurned third-party community slowly moved some of their small business customers away from dBASE. Fortunately for Ashton Tate, large corporations were standardizing on dBASE. Ashton Tate Chairman Ed Esber and Microsoft chairman Bill Gates announced an unprecedented relationship, announcing SQL Server to the world in New York. This relationship ushered in the client-server era and was an important step in Ashton Tate's efforts to tie into corporate databases and mainframes. From a business perspective this had little direct effect on the company, at least in the short term. dBASE continued to sell well, and the company eventually peaked at \$350 million a year in sales. During this period, Esber hired some of the most brilliant database engineers in the industry including Dr. Moshe Zloof from IBM and Michael Benson.

Other PC products

Through the mid-80s Esber increasingly looked to diversify the company's holdings, and purchased a number of products to roll into the Ashton-Tate lineup. With few exceptions these experiments were failures.

MultiMate

MultiMate was a <u>word processor</u> package created to copy the basic operation of a <u>Wang</u> dedicated word processor workstation on the PC. In the early 1980s many companies used MultiMate to replace these expensive systems with PCs, MultiMate offering them an easy migration path. Although it wasn't clear at the time, this migration was largely complete by the time Ashton-Tate bought the company in 1985. Sales had plateaued, although they were still fairly impressive at the time.

What was originally a deliberate attempt to copy the Wang's system now made the product seem hopelessly outdated, and it would require a major upgrade to remain useful. It soon became clear that Ashton-Tate was not really interested in upgrading the product, and starved the developers of resources. By 1987 the product was essentially dead.

ChartMaster

This pattern repeated itself almost exactly with their next purchase in 1986, **ChartMaster**. ChartMaster was a simple but effective business charting program that relied on various <u>spreadsheet</u> programs being so poor at charting that people would gladly pay them to improve on them. By the time Ashton-Tate purchased the company it was clear that newer generations of spreadsheet programs would improve their charting abilities to the point where ChartMaster wouldn't really be needed, but the company was also working on a new drawing package that was more interesting in the long run.

After the purchase was completed it became clear that the drawing product was abysmal. Although it was released as **Draw Applause** it never sold well. ChartMaster might have been rescued with an upgrade, but as with MultiMate the company didn't seem interested in funding one. By 1987 the product was essentially dead.

Framework

Their most successful attempt at a breakout was with **Framework**. Framework, like dBASE before it, was the brainchild of a single author, Robert Carr, who felt that integrated applications offered huge benefits over a selection of separate apps doing the same thing. In 1983 he had a runnable demo of his product, and showed it to Ashton-Tate who immediately signed a deal to support development in exchange for marketing rights.

Framework was a <u>DOS</u>-based office suite that combined a <u>word processor</u>, <u>spreadsheet</u>, mini-<u>database application</u> and an <u>outliner</u>. Although DOS based, Framework sported a

full <u>GUI</u> based on character graphics (similar to Borland's <u>OWL</u>) that was functional if not as pretty as the Mac.

Framework eventually got locked into an industry battle, primarily with <u>Lotus</u> <u>Symphony</u>, and later with <u>Microsoft Works</u>. The market was never large to begin with, as most customers chose to purchase the "full" versions of applications even if they never used the extra functionality. When Borland eventually purchased Ashton-Tate then sold Framework to **Selections & Functions**, who continue to sell it today.

Mac products

When Apple was introducing the <u>Macintosh</u> in the early 1980s, Ashton-Tate was one of the "big three" software companies who Apple was desperate to have support their new platform. Ashton-Tate professed an interest in becoming a major player in the new market.

As early as the winter of 1984, only a few months after the Mac's introduction, the company purchased a small Mac database developer and moved them to their Glendale development center to work on what would later be known as <u>dBASE Mac</u>. Soon after this, in early 1985, they agreed to fund development of a <u>spreadsheet</u> program being developed by <u>Randy Wigginton</u>, former project lead of <u>MacWrite</u>. Years later they added a "high-end" <u>word processor</u> from <u>Ann Arbor Softworks</u>, who were in the midst of a rather public debacle while trying to release <u>FullWrite Professional</u> which was now almost a year late.

Ashton Tate Chairman Ed Esber and Apple Computer chairman John Sculley jointly announced Ashton Tate's family of Mac products in Palo Alto. dBASE Mac finally shipped in September 1987, but it was dBASE in name only. Users were dismayed to learn that in order to interact with their major investment in dBASE on the PC, their applications would have to be re-written from scratch. Adding to their frustration was the fact that it crashed a lot and was extremely slow. Given that the program was really a completely new Mac-only system, it had to compete with other Mac-only database systems like 4th Dimension, Helix and FileMaker.

FullWrite and Full Impact were released in 1988. Both were liked by reviewers and had leading edge features. FullWrite was an outstanding product, while Full Impact had the bad luck of being timed just after a major new release of <u>Microsoft Excel</u> and the release of <u>Informix Wingz</u>.

All three products were excellent at their core, but were really not viewed as a family, the products needed to link together more cleanly. Releases of Microsoft Word and Excel soon closed some of the feature gaps, and as the MacOS changed the products became increasingly difficult to run. Microsoft embarked on a campaign in earnest to discredit and kill Ashton Tates products. At one point exaggerating the system requiredments for FullWrite and going so far as to delete Ashton Tate software from Mac dealers demonstration computers.

The entire Ashton-Tate Mac experience is a textbook example of the difficulty of integrating acquired companies and products. Throughout the development cycle Ashton-Tate management would alternately decide the Mac was the "next big thing" and put their full support behind the products, but with the financial difficulties brought on by the problems with dBASE IV only limited resources were committed to the Mac team. This caused delays to all of the products and handed the market to Microsoft Office.

FullWrite was later sold off by Borland in 1994 to an enterprising 3rd party, Akimbo Systems, but by that time Microsoft Word had taken over the entire market and they too eventually gave up on it. dBASE Mac was sold off in 1990 and re-released as **nuBASE**, but it was no more successful and was gone within a year. Full Impact simply disappeared.

dBASE IV: Decline and fall

Ashton-Tate had been promising a new version of the core dBASE product line starting around 1986. The new version was going to be more powerful, faster, easier to create databases with, and would include a compiler. dBASE IV was finally introduced in late 1988, it was both slow and very buggy. Bugs are not at all that surprising in a major product update, something that would normally be fixed with a "dot-one" release before too much damage was done.

But dBASE IV did not include a compiler, although the announcement that it would had already destroyed the livelihood of the various compiler authors. When the press talked to developers, instead of statements like "well it shows promise, but needs a little work," some heard things like "dBASE IV is a horrible, horrible system, and I'll never use another one of their products".

Ashton-Tate immediately started work on dBASE IV 1.1. For all those developers who made their livelihood writing dBASE applications on DOS, the bugs severly impacted their livelihood.

Many customers took this as an opportunity to try out one of the legions of dBASE clones that had appeared recently, notably <u>FoxBase</u> and <u>Clipper</u>, which turned out to have been better all along. Sales of dBASE declined.

Esber had earlier threatened a group of dBASE users who were attempting to define a standard dBASE file format. With this standard, anyone could create a dBASE compatible system, something Esber simply wouldn't allow. But as soon as they were issued the cease-and-desist, they simply changed their effort to create a "new" standard known as "xBase".

Esber had previously decided to sue one of the clone companies involved, then known as Fox Software. By the time the case worked its way to court in 1990, <u>Fox Software</u> had released <u>FoxPro</u> and was busy increasing market share. If the court case was successful,

Ashton-Tate could stop FoxPro and use the precedent to stop the other clones as well, allowing dBASE to regain a footing.

These hopes came to an end when the case was thrown out of court erroneously. During the initial proceedings it was learned that dBASE's file format and language had possible roots at JPL, where Ratliff had been working when he first created Vulcan. The federal judge in the case eventually reversed himself and decided to hear the case that Ashton Tate owned the language. Eventually as part of the merger with Borland the justice department, in order to approve the merger, required Borland to give up the right to claim dBase as a proprietary language.

Sale to Borland

Esber had been trying to merge the company for years. Including merger discussions with Lotus in 1985 and 1989, in 1990 he proposed a merger with Borland. A merger with Lotus in 1985 would have created an application powerhouse, one that would probably have been wildly successful. Other merger discussions that Ashton Tate's stragically inept board rejected or reached an impasse included Cullinet, Computer Associates, Informix, Symantec and Microsoft. During the first discussions the board backed out and dismissed Esber thinking him crazy to entertain a merger with Borland and replaced him with Bill Lyons. Bill Lyons had been hired to run the non-dBASE business and here to for was unsuccessul.

After giving the board a merger package including individual bonuses of \$250K and giving the management team repriced options and "golden parachutes", the board and Lyons reinitiated discussions with Borland at a substantially reduced price and reduced joint oversight.

Wall Street liked the deal and Borland stock would reach new highs shortly before and after the merger. Many considered the \$440 million in stock they paid to be too much, but Borland would later remake itself around one of Esber's acquisitions, InterBase. Unfortunately, Philip Kahn just wanted to buyout a competitor and retire the dBASE product and proved not capable of integrating a \$300M company and managing the combined company. In a somewhat ironic twist of fate, the inclusion of dBASE into Borland's empire led to friction with its own database group. (Withering competition from Microsoft with its 1992 release of Microsoft Access was also a major factor.)

Notes

An early print advertisement featured a fictional character named Joe Ashton - soon, callers to Ashton-Tate tech support trying to get better service sometimes claimed they were personal friends of Joe Ashton. Later, for a time, a large parrot named Ashton was kept in a cage near the front door of the company in order to easily answer where the name came from.

Products

- <u>dBASE</u>
- Framework integrated word processor, outliner and spreadsheet application.
- <u>InterBase</u> purchased from *Groton Database Systems*
- MultiMate DOS-based word processor

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