

Ashton-Tate's Esber Resigns Two Top Posts.

Loss-Plagued Software Firm May Be for Sale; Official Denies It's on the Block

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Edward J. Esber Jr. resigned yesterday as chairman and chief executive officer of Ashton-Tate Corp., and executives close to the once-dominant software company said it may be for sale. However, a company official denied it was on the block.

Ashton-Tate, which has reported sinking sales and four quarterly losses in a row, didn't immediately name a clear successor to 37-year-old Mr. Esber, who held the top spot for more than five years.

The company named Carmelo J. Santoro, 48, a board member and chief executive officer of Silicon Systems Ins, a Tustin, Calif., semiconductor company, to the position of chairman. It also named William P. Lyons, 45, who was previously vice president and general manager of Ashton-Tate's applications group, to the positions of chief operating officer and president.

People close to the company said Ashton-Tate retained PaineWebber Inc. to solicit offers, but it hasn't made any announcement that it is for sale. At least one serious buyer surfaced, but backed off this month when it decided that Ashton-Tate's price tag, reportedly \$300 million, was too high, according to individuals familiar with the talks.

Mr. Esber's departure may have changed any plans to sell Ashton-Tate. The company has a current market capitalization of about \$300 million. At \$300 million, though, Ashton-Tate might still be a good buy to certain software companies seeking to extend their product line. "Whoever buys Tate is buying the database market," said Nancy McSharry, an analyst at International Data Corp. Currently, Ashton-Tate holds an estimated 42% of the personal-computer database market, down sharply from almost 60% three years ago.

Mr. Lyons denied that Ashton-Tate is for sale, although a spokeswoman for the company confirmed that PaineWebber has been retained to "investigate proposals brought before it."

A 19-year veteran of International Business Machines Co., Mr. Lyons joined the company about two years ago. He said he was "delighted" to take the helm of Ashton-Tate and promised to improve the company's performance by introducing new products in "regular, predictable releases."

That could be tall order. Competitors have hired some of Ashton-Tate's best technical people, and customers are tired of seeing the company fail to meet promised deadlines for the completion of new products.

"When will Ashton-Tate ship a product that lives up to expectations? It has yet to prove they will," said Scott Smith, an analyst at Donaldson, Lufkin & Jenrette. "Talk is cheap here. They have to deliver."

Ashton-Tate's Esber Resigns as Chairman And Chief Executive

For years, Ashton-Tate dominated the business of selling database software to users of personal computers, but recently its position has slipped badly because it failed to keep pace with technical changes in its field. The company also faces continuing embarrassment from its inability to ship a long-delayed new version of its flagship dBASE product.

In recent months, Mr. Esber had suggested that Ashton-Tate had almost completed work on a long-delayed revision of its flagship product called dBASE. But industry sources now say that the company won't have the revision out by June, as Mr. Esber had hoped.

"I'd certainly say Ed Esber's resignation doesn't increase my confidence in the imminent shipment of [a new] dBASE," Mr. Smith said.

In an interview yesterday, Mr. Lyons said that Mr. Esber's resignation had nothing to do with finishing work on the new version of dBASE. He added that he was "very pleased with the progress we're making" on dBASE and noted that on April 19 the company sent its sixth test version of the new product to 2,000 potential customers. However, he declined to estimate when the company would ship the product.

Without a new version of dBASE, Ashton-Tate's sales have slumped. For the first quarter, the company reported a loss of \$1 million on sales of \$57 million. A year ago, it earned \$11.5 million on sales of \$89.8 million. For all of 1989, Ashton-Tate posted a net loss of \$28.6 million on sales of \$265.3 million.

Various software companies have benefited from Ashton-Tate's miscues, but analysts said the biggest winner long-term seems to be Oracle Corp., which built its business on sales of database software for minicomputers and is now going after personal computers, too.

Mr. Esber served as Ashton-Tate's chief executive for almost six years. Early in his tenure, the company grew rapidly, but an acquisition strategy aimed at easing the company's dependence on database sales was a failure, and the departure of key engineers made it difficult for the company to keep pace with technical advances in its core business.

Last year, sales tumbled when the company discovered excessive inventory of some products and announced that a new version of dBASE had fallen far behind schedule.

Mr. Esber will remain on Ashton-Tate's board. In an interview yesterday, he said he believed his decision to resign was "in the best interests of the company" and cited personal reasons for his departure, including the birth of a child last week.

Wall Street Journal

May 1, 1990