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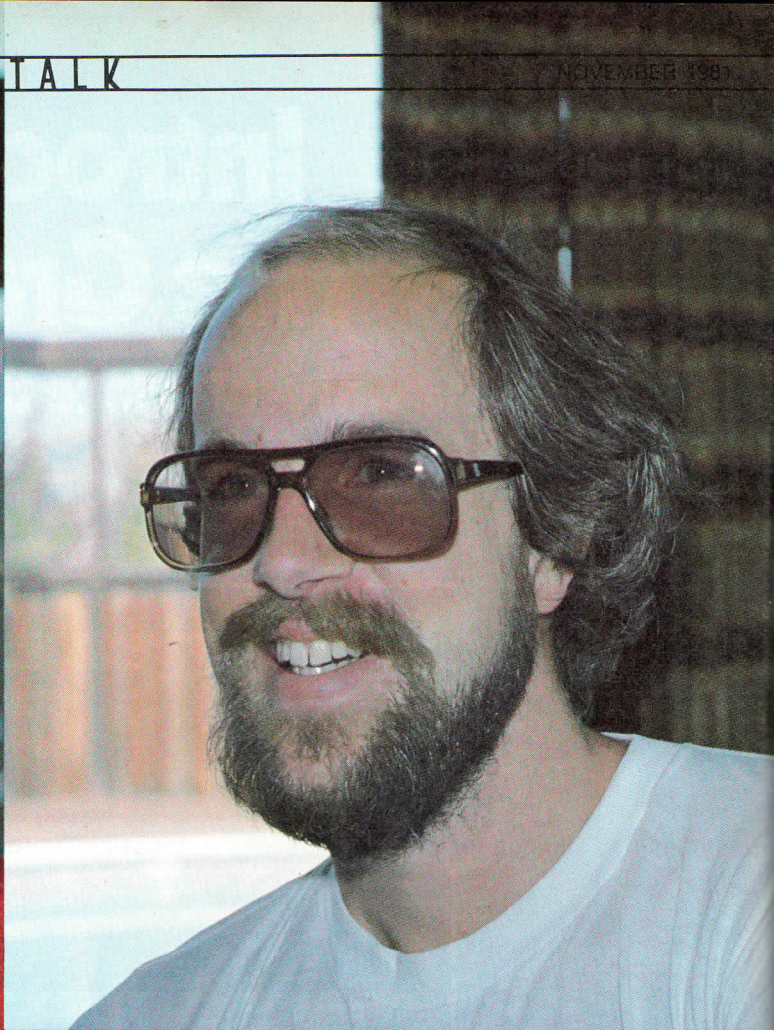
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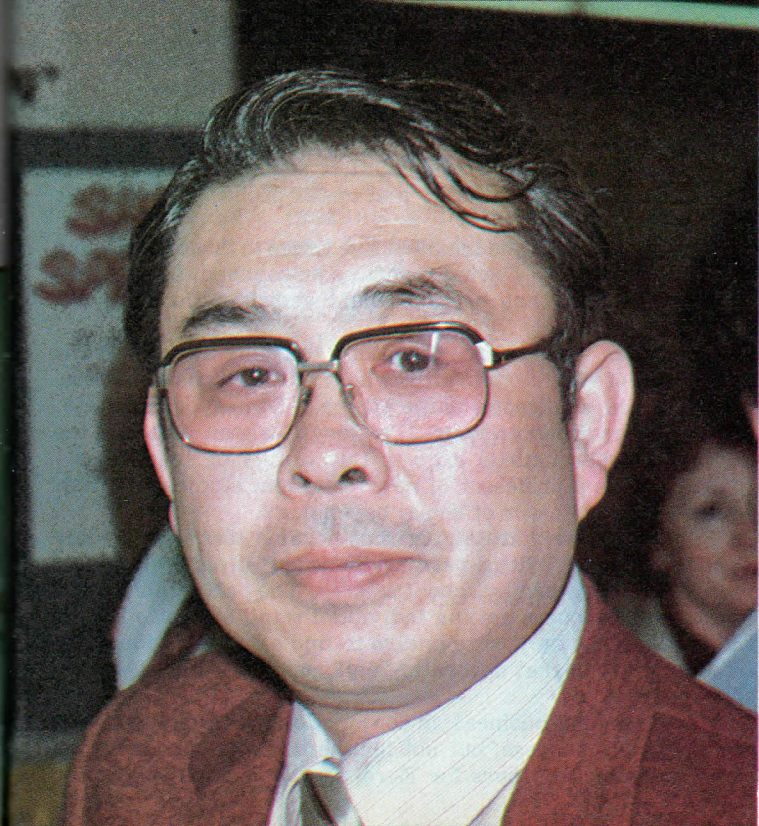
Saga and Star Craft Spell Success

Above, the Carlstons: Doug, Gary, and Cathy. Below, programmer Chris Jochumson, production manager Brian Eheler, who accompanied Broderbund from Oregon, and Minoru Nakazawa, president of Star Craft of Japan.





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BY ALLAN TOMMERVIK

One of the salient features that make the microcomputer industry such a pleasure is that most of the people who populate it are genuinely fine individuals.

This is not to say that one cannot find wonderful human beings among the populations of garment workers, automobile mechanics, insurance brokers, or head hunters. But any knowledgeable observer would concede that the incidence of truly thoughtful, considerate people is higher in the software publishing industry than in any other calling except perhaps the ministry.

Certainly nowhere in the industry are there Boss Tweeds or Machiavellis brokering power. Neither are there Borgias dispensing with their rivals permanently. Even lacking for the most part are the pettinesses and jealousies that accompany most rivalries even outside the business world.

No Buts About It. In most businesses, the comment that someone is a nice person is a left-handed compliment, almost always followed by "but . . ." and a long accounting of his limitations, real or imagined. Praise of an individual's character is almost universally damning in the normal business environment.

But descriptions of people working in the Apple world almost always include testimonials as to character and hardly ever carry any qualifiers as to talent.

There seems to be no cosmic sociological truth that would account for the attraction of a good people to this industry—certainly data processing in the mainframe sense has only its share of exceptional people and no more.

Yet a roll call of the men and women currently working in Appledom would turn up considerably more people who enhance the stature of the human species than any Vegas bookie would consider likely.

In fact, close scrutiny of the industry almost reveals an ongoing morality play in which the unscrupulous and the hustlers are weeded out and the good folks, tried and true, succeed beyond their expectations.

This is not to indicate the the microcomputer industry is populated with late twentieth century Jack Armstrongs. The age of innocence and naivete triumphing has passed. But nowhere is there an industry where so many of the principal players can be trusted to keep their word on a handshake deal.

These observations would have pertinence to almost any prior article in the Exec series. But they're most appropriate to accompany this profile of the people at Broderbund because, far more than any other successful software publisher today, the Carlstons of Broderbund have succeeded on the strength and virtue of their character.

The Law on Programming. Almost every other successful software publisher built from the foundation provided by one solid programmer. Personal Software succeeded on the strength of partner Peter Jennings's *Microchess*.

On-Line Systems had Ken Williams, Sirius Software had Nasir, California Pacific had Bill Budge, Southwestern Data Systems had Roger Wagner, Stoneware had Barney Stone, and Synergistic had Bob Clardy.

What Broderbund had was Doug Carlston. In the battle of peeks and pokes, JMPs and JSRs, hi-res graphics and animation, Broderbund came armed with a few Gotos and Gosubs. Talk about your long odds, Doug Carlston was Broderbund's premier programmer, and he not only didn't have an Apple—he started on a TRS-80—he was an attorney.

Mark Twain once defined an attorney as the man with his hands in someone else's pockets. Attorneys are the guys looking for those plush judgeships; they're not accustomed to any more adversity than losing a case taken on a contingency fee and expenses. And they certainly are not known for being conversant with binary and hexadecimal number systems. Any number system that's not functional for measuring fees and tallying golf scores is definitely foreign to your basic legal eagle.

From Red Sea to Lake Michigan via the Charles River.



Broderbunders at work overlooking San Rafael. Back row from the left: Brian Eheler, Cathy Carlston, Gary Carlston, Chris Jochumson, and Doug Carlston. Front row from left: John McWhorter, Marcia Castiglione, Kim Brown, and Michelle Keller.

Doug Carlston defied all these stereotypes. He took a leave of absence from Harvard after his sophomore year to work in Africa. As part of a volunteer Harvard organization, he taught mathematics and geography. That same high-minded volunteer group, sans Doug's help, erected the largest potato chip factory in Africa, enabling the Ethiopians to eschew their natural diet in favor of junk food.

Having been certified by Harvard's dons as having sufficiently deft hands to place in other folks' pockets, Doug joined one of the highest—if not one of the largest—law firms in North America, their offices being on the eighty-second and eighty-third floors of the Sears Tower in Chicago.

For two years he labored there, working on the knotty problem of Lake Michigan water rights. The waters of this lake are of exceptionally high quality, with the result that every governmental body within driving distance bids to get the water for their constituents. The requests for water were several million acre feet in excess of supply, causing several appointed Solomons, Doug among them, to toil for years determining who should have rightful claim to how much of that water.

Doug and Life among the Lobsters. If this sounds reasonably mundane, perhaps even boring, you've been far too isolated from the real world where the basic necessities of life are contemplated. There is no more controversial area of American society than the question of water rights, and attorneys skilled in adjudicating the various claims have their futures well ensured.

So Doug Carlston threw over what appeared to be a certain future when he took up what he terms "boondock" law, meaning that he went to a small rural area and set up private practice.

This small rural area happened to be in Maine, and to grasp the concept of small as it pertains to this and similar spots throughout rural America you should understand that the headstones in the cemetery outnumber the living inhabitants.

It is an article of faith that population centers consisting of all of two hundred people are notoriously lacking in intellectually stimulating social events, such as plays, concerts, and the like.

So it came to pass that Doug Carlston hied himself off to the big city and purchased a TRS-80 with which to while away the hours.

Gary and the Swedish National Champion Women's Basketball Team. Meanwhile, younger brother Gary, also a former inmate of Harvard, was following an even more obscure path to a software publishing career.

Gary Carlston matriculated to the Cambridge site with the idea of studying architecture but found that not a possibility. Lacking a further definition of a desirable course of study, he opened the subject to several of his classmates, who recommended an arcane sociological subject matter that was also unavailable to him.

But in pursuing this line of action, he came across the Scandinavian studies section. Being Swedish by heritage, and having access to a department head after several terms of being taught by teaching assistants and under profs, this academic niche seemed a natural.

After graduation, he traveled five times to Sweden, staying a total of five years. During that time he coached the women's basketball team that became the Swedish national champions.

His return to the States found him teaching Swedish at the University of Washington, after which he took a position in Eugene, Oregon, as director of the March of Dimes for that state.

Almost an Entrepreneur. It's Gary Carlston who had the nascent entrepreneurial urge in this family of academics—their father is a professor of new testament studies and their brother is a professor of social psychology.

But Gary's early attempts at business success always managed to fall short. With a partner, he imported safety reflector materials to be worn by schoolchildren. The partnership had a modicum of success getting individual retail stores to handle the product, but they were unable to find a single national distributor who felt that decorating children like bicycles was up their alley.

Gary's second business, in conjunction with Doug, actually became a big success, but not for them. Doug conceived the idea of conducting tours for Europeans and Japanese in the

United States. Gary lined up common carriers, tied down tour and lodging reservations and was about ready to begin taking in tickets when they were stymied by the fact that United States citizens must get approval from the Interstate Commerce Commission before commencing such activities. All their money had gone into the other preparations, so they couldn't afford the cost of applying to the ICC for permission.

A British company, not needing ICC approval because they weren't United States nationals, picked up the advertising concept and itinerary and made the venture a significant success.

Cathy and the World of High Fashion. In the meantime, sister Cathy Carlston had graduated from the University of Massachusetts and headed for Gotham. She got a job at Lord and Taylor, where she worked herself up to being a buyer.

Unlike her brothers, who started at or near the top and worked their way down—Doug from a big-time law firm to a small Maine practice and Gary from coaching the Swedish national women's basketball champions to peddling safety reflector material—Cathy had followed the traditional route and achieved early a most prestigious position.

Lord and Taylor is not Nieman Marcus, but neither is it your local ready-to-wear store. And the position of buyer for an influential New York store carries with it a certain ability to affect styles and fashions throughout the country.

So in late 1979, prior to the formation of Broderbund, Doug was ensconced in Maine toying with his TRS-80, Gary was hyping walkathons for the Oregon March of Dimes Foundation, and Cathy was in the mainstream of New York fashion.

But Doug was taking the steps that would change all of this on a permanent basis. He was developing the *Galactic Saga*, originally a trilogy of strategy games with a political and philosophical base.

The Extraordinary Effects of Financial Success. When he had the programs under reasonable control, he submitted

copies to Scott Adams at Adventure International and to TSE Softside. A short time later, he received a \$300 royalty check from Adventure International. With that as an impetus, he renewed importuning brother Gary to join him in forming a software publishing company.

Gary had been firm in rejecting that idea earlier, his past business experiences not lending credence to the thought that entrepreneurship could be lucrative. But in the face of Doug's success at actually making money on software, his resistance crumbled.

Maine to Oregon, or vice versa, being a tad too far to commute on a daily basis, it became essential that one of the brothers relocate. It was Doug; he decided to join Gary in Eugene.

All was not tea and crumpets for the Carlstons forevermore, however. Those early TRS-80 programs were rife with bugs. Doug was making almost daily updates to the master disks to clean up the programs, but the various publishers were slow to switch from already packaged product to the newer versions.

From that experience came the determination never again to release software before it had been completely checked out. Writing and publishing bug-free software is no piece of cake as Doug Carlston can attest—the fourth episode in the *Galactic Saga* series was six months late hitting the marketplace.

The brothers were in full gear in time for the 1980 West Coast Computer Faire. They took a microbooth to display their three TRS-80 programs in the *Saga* series, as well as a lo-res *Tank Command* written by their brother Don.

The Computer Faire has been a launching pad for several companies; Apple itself can trace its first successful marketing steps to this show. But for all the various values that the Faire provides for both consumer and businessman, Doug Carlston believes that the microbooth may be the most important innovation of show sponsor Jim Warren.

The microbooth provides inexpensive access to a large number of end users, giving a fledgling company a chance to test the marketplace acceptability of its products.

Microbooth Led to the Stars. Having a presence at the Computer Faire also validates a company in the eyes of the rest of the trade, and it's here that participation in the Faire in 1980 made the biggest contribution to the future of Broderbund.

It was at that Faire that Broderbund made the Star Craft connection that would eventually vault them into the first line of software publishers.

Star Craft is a Japanese firm headed by Minoru Nakazawa that includes custom programming for larger systems among its business activities. The American microcomputers had made some inroads in Japan, and Nakazawa sensed that the micros presented additional programming opportunities.

There were not sufficient numbers of the machines in Japan to warrant any full-fledged business effort, so Nakazawa turned his attention to the American market, using the concentration of software publishing companies at the Faire to simplify his screening process.

Sold on Company, Product Unseen. Although he was unable to see samples of Broderbund product at the Faire, there was something about the Carlstons that prompted Nakazawa to pursue further a business relationship.

That something that Nakazawa saw was character, which brings us full circle to the beginning of this article.

Nakazawa's original impression was reinforced by viewing Doug's *Galactic Saga* series. Although that series experienced modest success in the American marketplace, it was never a success of top bestseller proportions.

But Nakazawa saw in it elements that apparently touch the Japanese psyche more directly. His feeling was roughly analogous to reading a book and knowing that the author is a person you would enjoy and value knowing.

Nakazawa's perception has been ratified by the greeting *Galactic Saga* has received in Japan, where the programs rival Bill Budge's packages as the most popular items for the Apple.

So it was that the Star Craft-Broderbund connection came

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to pass, not because Doug Carlston was a better programmer than Nasir or Ken Williams, and not because the Carlstons were better businessmen than Dan Fylstra of Personal Software, but because Nakazawa perceived in them qualities of character that he valued in people with whom he partnered.

The *Softalk* Bestseller columns have since recounted how Star Craft's *Apple Galaxian*, now called *Alien Rain*, surpassed *VisiCalc* at Christmas last year to become the hottest selling software for the Apple, breaking what had previously looked like *VisiCalc*'s permanent possession of the top spot.

Snoggle, *Alien Typhoon*, and *Apple Panic* followed, each finding bestselling acceptance among Apple owners.

But it wasn't all that simple.

A Taste of Lean Times. Their first Computer Faire was in April 1980, and by July of that year the Carlston brothers had exhausted the seed money they had extracted from various relatives and prospects looked dim.

The *Galactic Saga* had been translated to the Apple, but Broderbund's phone was not exactly overtaxed handling orders. At the behest of friends, Gary visited in the Bay Area for a weekend; and while there he managed the first sales that generated some impetus for the company. July became the first month for which the company showed a profit.

The Carlstons credit the support of several retail stores for getting them through this lean period. Included among them are Computerland of Nashua, New Hampshire; Computerland of Cleveland, Ohio; The Program Store, Washington, D.C.; Data Domain of Schaumburg, Illinois; Computerland of Downers Grove, Illinois; and Computerland of South King County, Washington.

During this time, they were handling their own sales because they had not yet reasoned out a pricing policy that could include distributors. One reason for their inability to give distributors a price break was that they were selling some of their Star Craft product at a loss.

It wasn't intended that way, but by the time they paid duty on finished product coming into the United States, the duty plus the payment to Star Craft exceeded by one dollar the price they were charging the retail stores. Distributors showed no desire to share that negative margin.

Nevertheless, Broderbund was making steady progress that augured well. Then came *Apple Galaxian*. They showed the program in prerelease form at a Boston computer show in November and knew they had a big hit on their hands—even though the advance copy had the enemy dropping umbrellas instead of missiles at the player's cannons.

Simultaneously, they were able to construct a distributor policy that attracted Softsel. With Softsel's support, Broderbund got off a demo copy of *Apple Galaxian* to every retail store, starting a deluge of orders that caused the company's volume to nearly sextuple in one month.

Character Has Its Own Rewards. Broderbund's operation gained in profitability when Nakazawa decided to entrust the disk masters of Star Craft's programs to the Carlstons. This show of faith enabled the company to avoid the per piece duty on product by manufacturing the finished software in the United States.

The addition of Star Craft's *Snoggle* gave Broderbund a powerful one-two punch in the Apple marketplace, and it

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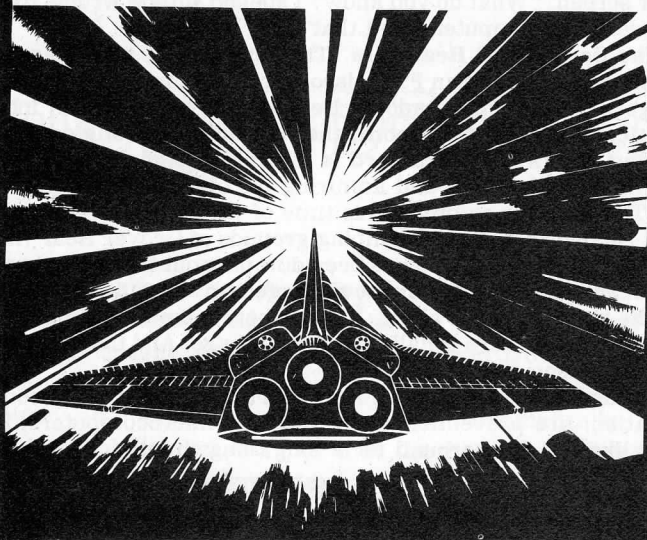
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seemed that the company's place as a major publisher of entertainment software was secure.

That magnitude of growth caused the brothers to look around for someone to share in the business management. Sister Cathy came to mind, and they broached the subject to her.

Cathy had found that concomitant with the glamor of being a New York buyer came the tons of paperwork that preceded and followed every decision. She also had come to the conclusion that Manhattan was not where she wanted to spend the rest of her life.

So when her brothers importuned her, she responded with the warning that if they weren't serious, they'd better drop the subject because she just might take them up on it.

When they persisted in other conversations, Cathy, who didn't know a RAM chip from a disk drive, decided she'd better investigate what her brothers were up to. She dropped in to the Computer Factory in New York and came away impressed with the energy of the microcomputer industry. Whereupon she joined up, coming on board just in time for this year's Computer Faire.

A Sister's Place in Broderbund. She's applied her learned skills in such diverse areas as advertising, fair and exposition participation, and accounting. These were potential problem areas for a former attorney and a former basketball coach, but her savoir-faire in coping with these arcane areas has enabled the company's growth to continue apace.

Because of Broderbund's entertainment orientation, it was with some bemusement that the industry observed Gary Carlston's announcement that the company would be releasing a payroll package. Even he admits that there was no compelling reason, other than the quality of Hal Faulkner's package, for Broderbund to get involved in the business area.

But Faulkner had a well tested payroll program; and even though it was not a part of an integrated accounting package, its virtues commanded Gary's attention. *Payroll* made its debut at the Computer Faire and has since proved to Gary that Broderbund can find a niche in the business market. Meanwhile, Faulkner is putting the finishing touches on a general ledger package to serve as an accompaniment to *Payroll*.

The major emphasis remains on entertainment software, however, with several new packages in development simultaneously now that the company has added Chris Jochumson to the staff. *Space Quarks* is his first published effort for the company.

And Now for Some Programmers. . . . Jochumson is a genuine, 24-carat assembly language programmer who now works in conjunction with Doug Carlston. Doug develops the concepts for the software and Jochumson implements them. Jochumson is presently juggling three program concepts that may see the marketplace before Christmas.

Broderbund has also broadened its publishing base by acquiring product from Marc Goodman and Olaf Lubeck, both authors of successful Apple software for other publishers.

This new spate of activity caused the Carlstons to re-evaluate their Oregon location. Deciding they were somewhat removed from the center of the action by being so far from Silicon Gulch, and recognizing that their Star Craft connection was more conveniently served from a major city, they began casting about for new headquarters in the San Francisco Bay area.

They're now ensconced in a hilltop home in San Rafael that overlooks one of the last buildings ever designed by Frank Lloyd Wright—the Marin County Civic Center.

From that site, the Broderbunds continue to disprove Leo Durocher's baseball maxim that nice guys finish last. ■