

NEW  
FRENCH  
MANMAN READY  
HARDWARE LINE  
EXPANDS  
MARKET

# ASK

ASK COMPUTER SYSTEMS INC.

ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 1986

# MANMAN



Evolution of  
MRP-II and  
MANMAN

PAGE 7



W.B. Park





# Some factory management systems require that your company make a few alterations.



Putting in a factory management information system can be a devastating experience.

But there is one system that lets you gain control of your whole company. Without ripping apart your whole company.

MANMAN<sup>®</sup>, from ASK Computer Systems.

It's fully integrated.

So every time you implement a new function, you won't have to drastically alter the system. Or drastically alter your business to suit the system.

It's comprehensive.

So you won't have to start from scratch because the system couldn't cover all your needs.

MANMAN can cover a lot more than this ad can cover.

Its 18 integrated products let you easily control and coordinate all your Manufacturing Resource Planning.

All your inventory.

All your production management.

All your payroll. All your field service.

All told, hundreds of tasks throughout the company, all linked by an interactive information system.

All of which you can put in place at your own pace.

Because MANMAN's modular design lets you implement only those functions you really need. And adapt each function to your unique requirements, using the system's built-in "business policy variables."

So no matter how you go about your business, MANMAN can accommodate you.

Now. And 20 years from now.

Because we continually enhance the system. And expand it, with new products like Repetitive Manufacturing, Quality Management and Service Management. And support it, with a complete customer education program.

But then customers have been educating us for over 10 years. Helping us develop a more effective manufacturing management solution.

Call 800-4-FACTORY for details.

We'll show you how you can tie all the information in your factory together.

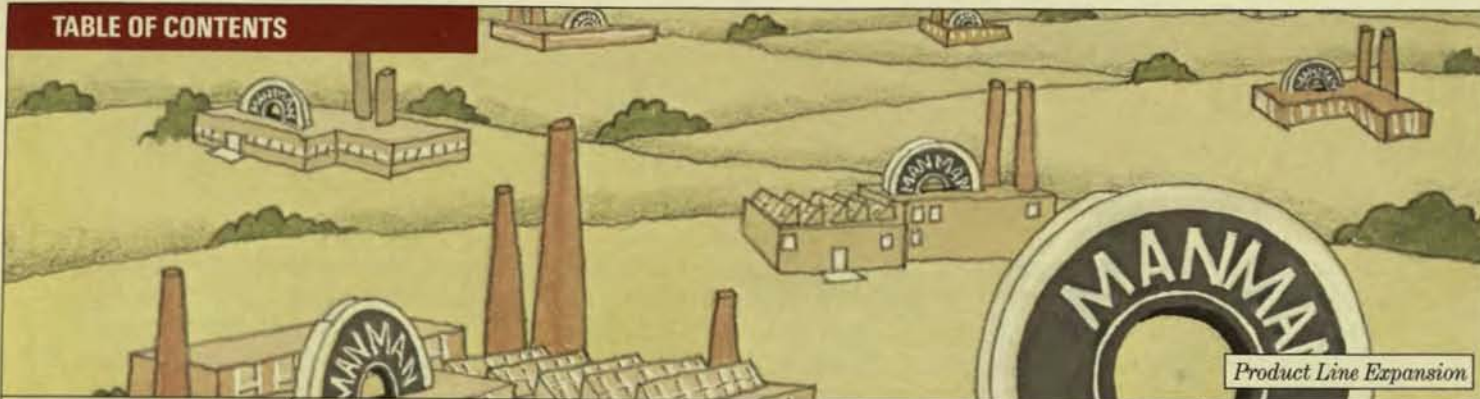
And still keep your factory together.

**ASK**

*Making  
factory management  
manageable.*



# TABLE OF CONTENTS



Product Line Expansion



The development of the MANMAN® Information System has closely followed the evolution of MRP-II, from the material requirements planning systems of yesterday to today's CIM technologies.

## THE YEAR IN REVIEW

<b>To Our Shareholders</b>	<b>2</b>
<b>Financial Highlights</b>	<b>3</b>

## CORPORATE NEWS

<b>ASK Announces Executive Promotions</b>	<b>4</b>
<b>Employee Programs Enrich Working Environment</b>	<b>5</b>
<b>Independent Consultants Program Introduced</b>	<b>5</b>
<b>Internal Training: A Company-Wide Focus</b>	<b>6</b>
University of Manufacturing at ASK	
Management Training	
Product Sales Training	

## PRODUCT LINE EXPANSION

<b>A History of MRP-II and the Evolution of MANMAN</b>	<b>7</b>
Martin Browne discusses MANMAN's beginnings and cites customer input as the No. 1 reason for the software's success	
<b>Customers Implement CIM Interfaces to MANMAN</b>	<b>9</b>
<b>New HP and DEC Computers Expand Market for MANMAN</b>	<b>10</b>
Digital Revamps VAX	
HP Announces New Architecture	
<b>A System for Excellence - MRP-II</b>	<b>11</b>

## SALES AND CUSTOMER SUPPORT

<b>ASK Emphasizes Importance of a Quality Sales Team</b>	<b>12</b>
Significant programs are developed to support sales force	
<b>Sales Management Styles Vary with Environment</b>	<b>13</b>
<b>Customer Support Focuses on Education</b>	<b>14</b>

<b>Fast-Growing Computer Firm Uses MANMAN from the Start</b>	<b>14</b>
<b>1986 MANMAN Conference Proves Valuable Learning Experience</b>	<b>16</b>

<b>Product Faires Educate Customers and Prospects</b>	<b>16</b>
---	-----------

## INTERNATIONAL

<b>International Version of MANMAN Launched in Europe</b>	<b>17</b>
<b>Multi-Currency Capability Announced</b>	<b>18</b>
MANMAN/CURRENCIES accommodates the needs of ASK customers involved in foreign trade	
<b>MANMAN Expands to Pacific Rim and Southeast Asia</b>	<b>18</b>

<b>Scicon MANMAN Conference a Success</b>	<b>18</b>
High attendance marked Scicon's second conference	

<b>Building Manufacturer Builds Future with MANMAN</b>	<b>19</b>
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## FINANCIAL DATA

<b>Management's Discussion and Analysis</b>	<b>22</b>
<b>Selected Financial Data</b>	<b>23</b>
<b>Consolidated Statement of Income</b>	<b>24</b>
<b>Consolidated Statement of Shareholders' Equity</b>	<b>24</b>
<b>Consolidated Balance Sheet</b>	<b>25</b>
<b>Consolidated Statement of Changes in Financial Position</b>	<b>26</b>
<b>Notes to Consolidated Financial Statements</b>	<b>27</b>
<b>Report of Certified Public Accountants</b>	<b>28</b>
<b>Corporate Directory</b>	<b>Inside Back Cover</b>

## Company Profile

ASK provides minicomputer-based management information systems for manufacturing companies. The Company's MANMAN Information System consists of eighteen integrated products for manufacturing, finance, marketing, decision support and human resource functions. MANMAN is available from ASK as a turnkey installation with minicomputers manufactured by the Hewlett-Packard Company and Digital Equipment Corporation. The system is also available through the ASKNET® remote processing service or on a licensed software-only basis.

In addition, ASK offers a full range of MANMAN services and support including education, software enhancements and technical assistance through its 38 offices in the U.S., Canada, Europe, Australia and Singapore.

ASK was incorporated in July 1974 and had its initial public offering on October 1, 1981.



## To Our Shareholders

Fiscal 1986 was a very important year for ASK. Despite difficult business conditions, we moved forward in several key areas. In addition to expanding our international operations, we introduced new products, established new sales and management development programs, strengthened our relationships with Hewlett-Packard Co. and Digital Equipment Corp., and continued to expand and diversify our customer base. We also maintained tight fiscal controls in all areas related to shorter-term levels of business.

Reduced capital spending among manufacturing companies resulted in lower revenues and earnings for fiscal 1986. We finished the year with revenues of \$76.0 million, 4% below the previous year. Net income for the year decreased 26% to \$5.9 million or \$.46 per share as compared with income of \$7.9 million or \$.65 per share for fiscal 1985. Revenues for the fourth quarter were the strongest ever with \$26.6 million compared with revenues of \$20.8 million for the same period a year ago. Net income for the fourth quarter of fiscal 1986 was \$1.9 million or \$.15 per share as compared with income of \$2.3 million or \$.18 per share for the same prior year period.

In fiscal 1986, the MANMAN system became more comprehensive and flexible than ever before. New computers from

HP and DEC gave ASK customers a wider range of capacity options with better price performance. We introduced five new software products for our VAX MANMAN System, more closely aligning the DEC and HP versions of our products. In addition to enhancing our current product line on HP and DEC, we continued our efforts to develop MANMAN for the IBM 43XX computer series. We believe that an IBM-based MANMAN solution will play a key role in further expanding ASK's long term position in the manufacturing information systems marketplace.

During the past fiscal year we strengthened our alliances with Hewlett-Packard Co. and Digital Equipment Corp. ASK was highlighted in HP's announcement of its new "Spectrum Program" series of computers. MANMAN software will be available on this new product line when hardware deliveries from Hewlett-Packard begin. We also announced a System Cooperative Marketing Partner (SCMP) agreement with Digital Equipment Corporation. The SCMP program enables ASK and DEC to participate in ongoing cooperative selling, marketing and technical exchange programs.

ASK began expanding its operations in Europe this year. In addition to establishing ASK Computer Systems S.A., the Company's first European subsidiary, we released a French version of MANMAN and began work on a German version. Europe is a large untapped market for MANMAN. We plan to serve our multinational American customers as well as foreign customers headquartered in the major countries. The international versions of MANMAN will be developed the same way as always: by listening closely to our customers.

ASK's sales team continued to be recognized as one of the most professional in the industry. After nearly doubling the size of our sales organization in fiscal 1985, we further expanded our training programs this year. The core of these programs was new product training classes

*President and CEO  
Ron Braniff and  
Chairman Sandra  
Kurtzig*





that will help our sales people do their jobs even more effectively. The classes include detailed information about MANMAN fundamentals, product advantages and customer concerns. They also cover topics such as the theory of quality control and repetitive manufacturing.

**U**nderstanding and serving customer needs remained a guiding principle at ASK during the past fiscal year. Our customer base continued to increase in diversity as it exceeded the 1000 mark. And with MANMAN now available on the complete Hewlett-Packard 3000 and Digital Equipment VAX product lines, we can serve manufacturers of almost any size.

Several important changes occurred in the management team in fiscal 1986. Both Robert Riopel and Kenneth Fox, officers in charge of Finance and Administration and Research and Development, respectively, left ASK to pursue other interests. We wish them well in their new endeavors. Leslie Wright, our controller for the past two years, was promoted to vice president, finance and chief financial officer. Martin Browne, who has been with ASK since 1974 and formerly vice president of software development, was promoted to vice

president of research and development. Both executives came to their positions well-prepared for their new responsibilities.

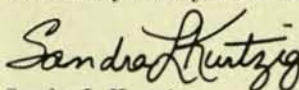
Our commitment to professional development reflects ASK's traditional commitment to its employees. During the year, the Company established two major professional development programs—The University of Manufacturing at ASK (UMA) and the ASK Management Seminar. Designed to teach the fundamentals of running a manufacturing company, UMA is a required class for all new ASK employees. By learning about real-world manufacturing problems, employees can better understand and respond to customer needs. The Management Seminar program focuses on ASK's beliefs and goals as well as interpersonal skills.

**P**rofessional development is only one of the ways that ASK demonstrates its interest in employee concerns. Since the Company's founding, we have strived to foster a work environment conducive to creative thinking, enthusiasm and success. Our corporate culture encourages employee input and we continually seek new ways to share information and ideas. Investing in people will always be a top

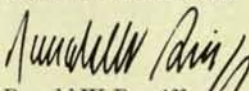
priority at ASK.

Today, manufacturing companies are faced with growing challenges as their markets become more competitive. These companies are modernizing their manufacturing processes and information systems to boost productivity, improve the quality of their products, and achieve a better understanding and control of their businesses. We believe these trends represent major opportunities for the continued growth and success of ASK.

Our challenge is to continue strengthening our leadership position in our current market by carefully selecting important new areas of opportunity for serving manufacturing companies and by managing our business well day to day. We believe we will meet this challenge successfully in the years ahead.



Sandra L. Kurtzig  
Chairman of the Board



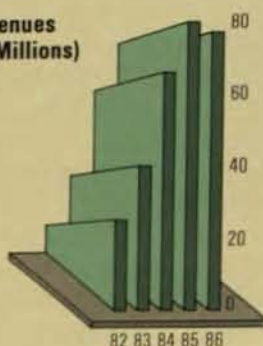
Ronald W. Braniff  
President and Chief Executive Officer

#### Financial Highlights

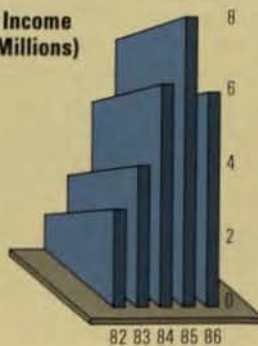
(In thousands, except earnings per share)

	1986	1985	1984	1983	1982
Year ended June 30:					
Net revenue	\$76,019	\$79,233	\$65,076	\$39,388	\$24,871
Net income	5,889	7,949	6,142	3,905	2,695
Earnings per share	.46	.65	.53	.35	.27
Weighted average shares outstanding	12,816	12,136	11,626	11,080	10,096
At June 30:					
Working capital	\$65,826	\$57,994	\$28,835	\$21,724	\$11,743
Total assets	96,689	83,223	51,985	38,902	20,803
Shareholders' equity	72,769	65,498	36,442	28,808	14,604

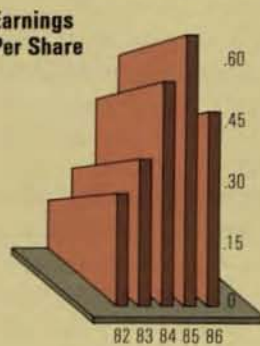
Revenues  
(In Millions)



Net Income  
(In Millions)



Earnings  
Per Share





## ASK Announces Executive Promotions

ASK Computer Systems announced four vice presidential promotions during fiscal 1986.

"A strong, creative and committed management team is essential to the success of any major company in the high technology world," states Ron Braniff, ASK's president and chief executive officer. "The four vice presidential promotions are indicative of ASK's continuing efforts to develop well-balanced leadership as the Company grows larger."

Each of the four people promoted has extensive experience at ASK and each has held key positions with the Company.

**M**artin R. Browne, formerly vice president, software development, was promoted to vice president, research and development. In his new position, Browne is responsible for all software development and systems support for ASK's Digital Equipment, Hewlett-Packard and IBM product lines.

Browne, a graduate of Stanford University, began his career with ASK in 1974 as the Company's first software engineer. Since 1977, he has been vice president, software development, responsible for ASK's manufacturing information systems development.

ASK also promoted Leslie E. Wright to vice president, finance and chief financial officer. Wright joined ASK as controller in 1984, after serving four years as manager of accounting at Trilogy Limited in Cupertino, California. Prior to that he held positions with Amdahl Corp. in Sunnyvale, California and Arthur Andersen & Co. in San Jose.

Wright believes that the new executives will maintain ASK's tradition of team spirit at the top. "We all work well together," he observes. "We share a common understanding about what ASK needs to do to continue its success."

In addition to the promotions of Browne and Wright, ASK expanded its executive team by adding a vice president of customer support. Named to the post was Lindsay MacDermid who previously served



Recently promoted executives are (from left to right) Lindsay MacDermid, Les Wright, Martin Browne and James Finnessey.

as director, national customer support. In his new position, MacDermid directs ASK's customer support activities in the U.S., Canada, Australia and Southeast Asia. He also continues to oversee the Company's ASKNET remote processing service.

MacDermid, who has 20 years experience in the computer systems and services industry, joined ASK in 1981 as director, computer services, and became director, national customer support in 1985. Prior to joining ASK, MacDermid held vice president-level positions with the Western Bradford Trust Co. of San Francisco and the Chase Manhattan Bank in New York.

"Our growing customer base and product line mean that we must pay more attention than ever to hiring, training and managing the support function," states Braniff. "The creation of an executive position in our support organization ensures that ASK customers will continue to enjoy responsive, high quality, professional support." He notes that the Company's support professionals work with ASK customers worldwide through ASK's local offices and eight education centers.

ASK also named James M. Finnessey to the newly-created position of vice president sales, eastern region. Finnessey manages the eastern region sales organization and is responsible for further developing ASK's sales activities in the northeastern United States and eastern Canada.

Finnessey joined ASK in 1979 as a sales representative. In January 1982 he became a marketing manager, and in November 1982 he was promoted to regional manager.

**P**rior to ASK, Finnessey was a manufacturing consultant for Sperry Univac Corporation in New York City. He has also served as a manufacturing sales consultant for Xerox Corporation and was regional vice president for Stattab Corporation in New York City.

"ASK has always had a reputation as a sales and marketing-oriented company that listens to its customers and meets their needs," states Braniff. "We count on our regional managers to play a key role in ASK as businesspeople as well as sales leaders. Jim's appointment as vice president is consistent with this philosophy." ■



## Employee Programs Enrich Working Environment

Maintaining an enthusiastic and productive working environment remains a high priority at ASK. Along with the "open door" policy that has always been a part of ASK's corporate culture, in fiscal 1986 several events were held and programs established to maintain an enjoyable working atmosphere.

One of the most important internal communications vehicles is the Company's internal newsletter. Published on a regular basis, the newsletter informs employees about the status of new products, how various departments function, how to effectively utilize the benefits program and new trends in the industry. The document also keeps employees up-to-date on news from the sales field, new employees and upcoming events.

Along with the employee newsletter, an internal merchandise program called ASKcessories was developed, due to employee interest in buying ASK sportswear and advertising specialties. High quality sportswear, emblazoned with the ASK logo, is available to employees for purchase.

The "Brown Bag Series"—a personal development program—was designed by the Human Resources Department. According to Training Representative Nancy Nadler, "The purpose of the program is to provide employee development

in non work-related areas. Sessions are held once a month during lunch hour at ASK's corporate headquarters and consist of informal presentations on topics chosen by ASK employees." Taught by outside professionals, these courses range from financial planning and time management to health care and nutrition.

Organized events are also part of ASK's emphasis on creating a positive working environment. In the spring of 1986, a foot and bicycle race was organized for all Los Altos employees. Runners and bikers raced from ASK to Zott's, a local "beer garden" ten kilometers from corporate headquarters. Participants in the "A to Z Run" ranged from software engineers and education instructors to top executives and customer support personnel. Senior Data Communications Analyst and Runner Shawn Murphy states, "It was great to see such an enthusiastic group of participants, and even better to run neck-in-neck with the president to the finish line." Prizes and certificates were given at the informal awards ceremony after the race.

One of the most "famous" employee events that began at the Company's formation is the Friday afternoon "Beer Bust." This traditional gathering gives employees a chance to informally interact with people that they do not work with on a daily basis. Often, special Beer Busts are held to promote the annual MANMAN Conference, celebrate a product release date or welcome field employees to ASK's corporate headquarters.

Also aimed at promoting internal camaraderie is ASK's Kick-Off Meeting held at the start of each fiscal year. All employees

are invited to attend the initial Kick-Off session, which includes an overview by executive management on the Company's goals and objectives for the upcoming year.

New employee development programs and special events are an ongoing process at ASK. President Ron Braniff states, "Our employees are our most important asset, as well as the key to our success. Maintaining a productive and satisfying work environment will always be a top priority." ■

## Independent Consultants Program Introduced

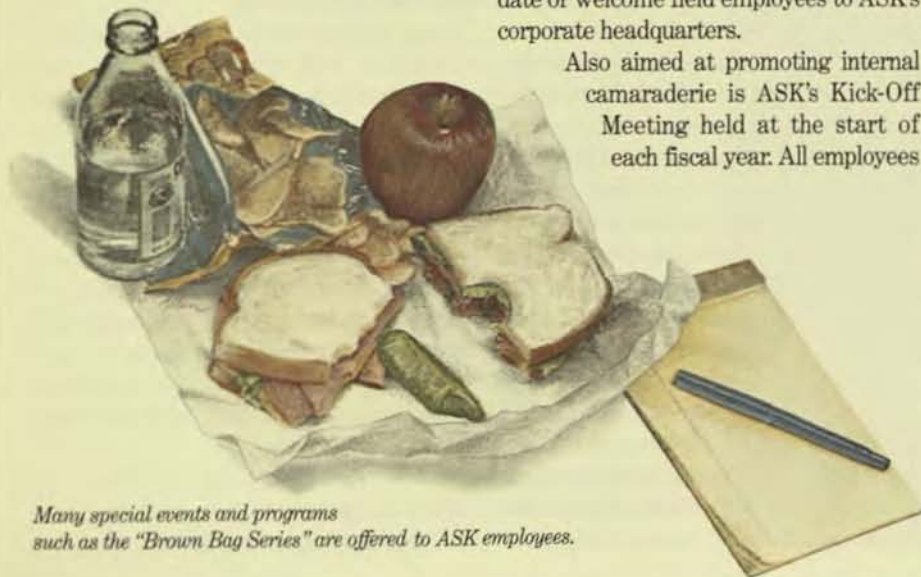


*A wealth of information on ASK and the MANMAN product line is available to program participants.*

ASK Computer Systems has developed a new service for consultants called the "ASK Independent Consultants Program" (ICP). This program is designed to provide current information about ASK and the MANMAN family of products to manufacturing industry professionals who specify and recommend the purchase of MRP-II systems.

Consultants are nominated for the program by ASK sales managers. Recommendations are based upon the extent of the individual's manufacturing expertise, and his or her in-depth knowledge of MRP-II systems.

ICP participants are supplied with a reference guide containing corporate, financial, product and promotional information about ASK. The guide includes product data sheets, selected pages from user manuals, and annual and quarterly



*Many special events and programs such as the "Brown Bag Series" are offered to ASK employees.*



reports. Also included are article reprints, background information on the Company and ASK management, and a subscription to NEWSMAN, ASK's customer newsletter.

Updates are sent on a quarterly basis, thus providing ICP participants with timely, current information.

**T**he program ensures that prospective customers who utilize the expertise of a consultant to research a manufacturing management system are supplied with accurate information about the products and services that ASK offers. ■

## Internal Training: A Company-Wide Focus

Internal training continues to be a company-wide focus at ASK. Whether they function in a managerial, administrative, technical or marketing capacity, employees are supplied with training programs in various areas.

### University of Manufacturing at ASK

As ASK continues to grow, it has become increasingly difficult to recruit employees already well-versed in manufacturing operations. Thus, during fiscal 1986, company management placed a high priority on implementing an internal training program focused on the "nuts and bolts" of manufacturing and designed as the cornerstone of ASK's functional area training programs.

As a result, The University of Manufacturing at ASK (UMA) was formed. According to Stephen McDonnell, ASK customer education manager, "UMA is designed to help employees better understand the people they serve. The goal is to teach them the challenges, opportunities and dynamics of a manufacturing environment."

Students who enroll in UMA learn about real-world problems in manufacturing, important terminology, how companies are organized and what their various responsibilities are. The forty-hour class, which is offered quarterly, lets employees see and experience the manufacturing environment from various perspectives.

"Probably the most valuable portion of the class is the manufacturing workshop,"

states Charles Myers, manufacturing consultant and one of the primary workshop designers. The class members are divided into teams or "companies." The team format helps to create the competitive environment present in a typical company. Although each team acts and reacts differently, each company must assemble the same product from a bill of material, react to engineering changes and deal with the same business challenges and opportunities that face actual manufacturing companies.

After attending UMA, all students, regardless of their area of responsibility, feel they are more effective in their jobs. Whether they are talking to prospective customers, working with existing customers or designing software, employees have a better feel for how a manufacturing company operates, and the importance of an MRP-II system. As software engineer Jeff Jorgenson explains, "After attending UMA, I now understand why ASK focuses so much attention on customers and their concerns." Customer Service Manager Kathy Yantz says, "I thought I knew what an MRP-II system provided, but only after experiencing the manufacturing workshop where everything was done manually did I truly understand the benefits of automation."

### Management Training

In addition to training employees on manufacturing operations and terminology, ASK is committed to developing quality managers to form the foundation for its continued growth. Many levels of management classes, aimed at strengthening this foundation, are offered at ASK.

**F**or example, one program focuses on team building and enhancing communication skills. Another focuses on self awareness and managing interpersonal relationships. Still another class deals with issues that are company specific, such as goal setting, interviewing skills, employee motivation and how to best utilize the different departments within the Company.

The goal of ASK's management training program is to help managers make the transition from individual contributors to being managers, as well as provide



*Software Engineers Ellen Lewis and Duke Otoshi order materials, kit parts, track inventory and ship finished goods while Marketing Specialist Chris Roon completes assemblies in the manufacturing workshop.*

guidance on the more procedural aspects of a manager's job.

### Product Sales Training

Along with technical and management education, ASK management has also placed a high priority on training its sales team. A program called Product Sales Training (PST) was introduced during the past fiscal year. The purpose of the comprehensive training program is to thoroughly educate all sales representatives and sales managers on ASK's product line enhancements, as well as on industry and customer concerns. Emphasis is also placed on understanding the challenges that manufacturing companies and MAN-MAN users face daily.

ASK has seen the success of its various training programs and is committed to improving this internal resource. ■



## A History of MRP-II and the Evolution of MANMAN

**ASK's Martin Browne discusses MANMAN's beginnings and cites customer input as the No. 1 reason for the software's success**

During the past 30 years, factory management techniques have evolved from cumbersome manual systems that control inventory to computerized information systems that run an entire company. This evolutionary period was fueled by two factors—the advent of computers and a new way of looking at manufacturing processes.

Traditional parts ordering systems focused on the past. When back-up supplies dropped, the materials manager would look at how many parts had been used and reorder that amount. It was assumed that the number of parts used in the past would also be used in the future. During the 1950s and early 1960s, that assumption was challenged by a new concept called Material Requirements Planning (MRP).

MRP determined inventory needs by focusing on the future. The new system recognized that parts requirements depend on the number of products that a manufacturer plans to build—a number sometimes subject to wild fluctuations. Because of the large amount of data involved, the new system also required number crunching most effectively performed by computers.

Parts on hand was the first aspect of manufacturing to be computerized. Batch systems—computers using punched cards—kept track of parts and simplified the lives of inventory control personnel.

After the inventory data was computerized, the purchasing department realized that it could use that information to determine how many parts to order. It was then only a short evolutionary leap for the purchasing department to add its own data to the computer system. Now the system knew how many parts were on hand and how many parts were on order. The next step was to add bills-of-material (BOM)—lists of what parts make

up particular products. By also entering forecasts and sales orders, the computer system could use the BOMs to determine how much of each part to make or replace the inventory of parts manufactured in-house.

Although MRP was a vast improvement over traditional parts ordering systems, a few problems remained. Was the company really selling the number of products that it forecast? Did the company have the facilities to build the orders? Were the critical resources available?

The solution was a new concept called Manufacturing Resource Planning (MRP-II). MRP-II approached production problems from a company-wide perspective. Computers analyzed corporate plans, sales objectives and financial data, and then translated that analysis into resource requirements.

The technology that evolved into the MRP-II system has grown increasingly sophisticated during the past ten years. Batch systems were replaced with on-line, interactive systems and minicomputers emerged as an alternative to mainframes. This meant that manufacturers could

*ASK was one of the first companies to develop and release an on-line, interactive computerized manufacturing management information system. A key player in the creation of that system was Martin Browne, who began as ASK's first software engineer and currently serves as vice president, research & development. In a recent interview, Browne talks about the evolution of MRP-II systems, his software development philosophy, how MANMAN began and where it's going.*







Customer input helps direct ASK software engineers in the development of MANMAN.

get more timely information at a much lower cost.

**A**s more of the manufacturing environment was computerized, more information became available and this led to the development of integrated systems. Integration means that data resides at one place in the system, but it's accessible by many different departments. Today's information system should fully integrate manufacturing functions with marketing and financial data, and contain enough information to run an entire company.

□ □ □

**Q:** How would you characterize the evolution of MANMAN?

**A:** The development of MANMAN was the direct result of trying to solve our customers' problems. We didn't create software and then go looking for problems that it could solve. Instead, we listened to our customers and developed software to meet their needs. That's the fundamental methodology that guides software development at ASK.

Our software has evolved along with our customer's growth. As they became more familiar with computers, their requirements became more sophisticated. We

responded by increasing the functionality of the MANMAN system.

**Q:** How has MANMAN changed over the years?

**A:** Probably the most important change is that MANMAN is now solving the problems of a broader range of manufacturers. The original system was developed for a specific type of customer—discrete manufacturers that assembled electronic products with a moderate labor content and a high material content. As MANMAN evolved we broadened the system to address the needs of many different types of manufacturing companies—job shops, heavy fabrication and heavy assembly.

**S**imultaneously, MANMAN evolved to address the needs of larger and larger companies. Part of this trend can be attributed to minicomputer performance improvements—one minicomputer can now support over 100 terminals instead of 20 terminals. However, the main reason is that we have steadily added features that make the MANMAN system attractive to large manufacturers. It's become popular with larger Fortune 1000 manufacturing companies while continuing to be a good fit for smaller ones.

**Q:** Does ASK still develop software as

a direct response to customer needs?

**A:** Yes, but we also take a greater leadership role in helping our customers define their needs. In the beginning, we operated in a reactive mode—our customers told us what they wanted and we developed it. Today, we take a more proactive role—we introduce many of our customers to state-of-the-art manufacturing techniques and anticipate their needs for software solutions.

For example, ASK is on the forefront of quality management technology. Our customers know they need to track quality but many of them aren't sure how to do it. So ASK developed a quality management software product that incorporates the latest theories and techniques. When we help our customers implement the software, they learn about the newest procedures in quality management. Another good example is repetitive manufacturing. Over the last several years many American manufacturers have moved toward a streamlined repetitive manufacturing environment as a step toward realizing the Just-In-Time (JIT) philosophy. This required conceptualizing some new ways of how a computer deals with this manufacturing process. ASK met that challenge by creating additional software functionality for repetitive manufacturers.

**Q:** How does ASK's repetitive product tie in with JIT?

**A:** JIT is a philosophy—it means that the whole company works as a team to



A Just-In-Time environment is achieved by ASK customers using MANMAN/REPETITIVE.



produce the highest quality product at the lowest cost. The name comes from the philosophy's careful coordination of the production process—each step occurs "just in time." Parts arrive from the vendor just in time to be used on the factory floor. Partially built products then arrive just in time at the next level of production and so on.

In contrast, repetitive is a manufacturing technique that lends itself naturally to JIT. The repetitive manufacturing environment is characterized by rapid, high volume production of a few products which usually have no configuration options. Any options that do exist are simple things added on after the product is built. Disk drives are a good example of repetitive products—products that are built with short lead times at rates in the hundreds or more per day range.

ASK's MANMAN system with its new

repetitive capabilities acknowledges that repetitive manufacturers don't use work orders. In addition, the system can handle repetitive operations on one part of the floor while handling non-repetitive operations such as prototyping in another area. It can tie in financial functions. It handles all the planning necessary for running a successful company.

**Q:** How do you learn about state-of-the-art factory technology? How does ASK spot the trends that enable it to take a leadership position?

**A:** ASK has a tremendous advantage in learning about cutting edge manufacturing systems technology—many of our customers are creating it. They develop and manufacture the automated devices and other products that will comprise the factory of the future. And they tell us what they're doing when we solicit their

ideas for new MANMAN features. In fact, over the years, we've become much more sophisticated in how we stay close to our customers. In the old days, we would call up a customer and ask what problems needed software solutions. Today we have a formal enhancement proposal process, formal user groups and a rigorous product planning cycle—all designed to give our customers maximum input into MANMAN's direction.

**Q:** What impact will ASK's international marketing strategy have on the development of MANMAN?

**A:** Today, many ASK customers find themselves in an increasingly global marketplace. In response, we now devote a portion of our development efforts to making our products useful in an international arena. These efforts have included the development of value added taxation and

## Customers Implement CIM Interfaces to MANMAN

ASK customers are among the most "well-connected" manufacturers in the United States—they've implemented computer integrated manufacturing (CIM) interfaces connecting MANMAN to automated devices on the factory floor.

As a maker of automated material handling equipment, Litton IAS, Florence, Kentucky, uses its own automated storage and retrieval systems (AS/RS) connected to MANMAN systems to manage its operations in several of its plants.

In order to eliminate duplicate data entry and reduce human error, Litton integrated the two systems. Working with ASK software developers, Litton engineers wrote a custom interface that enables the Digital Equipment Corporation PDP-11/60 minicomputer in the AS/RS to communicate with the HP 3000 minicomputer that drives the MANMAN system. "Now, the MANMAN system electronically tells the AS/RS what to pick and when to pick it," states John McDonald, Litton's manager of management information services. "And when the AS/RS operator enters a transaction, it's automatically sent to MANMAN."

A similar CIM application has been developed at the Power Products division of Computer Products Inc. in Pompano Beach, Florida. "MANMAN generates work orders which are then electronically scanned to load data into our AS/RS," explains Harvey Condiotte, the company's director of management information services. "It identifies the components needed, the quantity of each component and their location in the retriever." The carousel style retrieval system then

rotates to position each component needed for the work order in front of the person doing the kitting. "In effect, we're automatically updating the inventory maintained in the AS/RS with barcoding and MANMAN," states Condiotte. The company has also connected MANMAN to retrieval systems at facilities in Boston, Massachusetts and in Youghal, Ireland.

At Priam, Inc., MANMAN/QUALITY is inspiring CIM applications. The San Jose, California-based disk drive manufacturer is planning to connect its MANMAN system to robotic work stations and automatic test equipment. The goal is to integrate these "islands of automation" with ASK's QUALITY package.

"We will write an interface to feed quality data from the robotic stations into the MANMAN system," states Gordon Stoufer, Priam's director of management information services. "We will also connect MANMAN with our Litton stacker crane." The Litton stacker crane is an AS/RS that contains automatic test equipment. In addition to moving assemblies between work stations, the stacker performs a variety of tests on the disk drives.

"When the integration is completed, failure analysis from the test equipment will go directly into the MANMAN system," states Stoufer. He notes that Priam plans to use a local area network to get the computers in the Litton stacker and the MANMAN system to talk to each other. ■



multiple currency capabilities, as well as translations of MANMAN products into French (and soon into German). In the future we will build features into the software that make it easier to translate it into other foreign languages.

**Q:** How will CIM affect the evolution of MANMAN?

**A:** Our strategy for CIM is to make MANMAN capable of processing MRP-II-related information received from factory automation devices. As pieces of this information are sent to the MANMAN system, they will be converted and stored in a standard format in the MANMAN database. Information flowing out of the system will be put into a form easily adapted to the communication needs of other automated equipment. One of the ways we foresee MANMAN continuing to evolve is toward heavily automated environments because that's how many of our customers are evolving. ■

## New HP and DEC Computers Expand Market for MANMAN

A plethora of new products from Digital Equipment Corporation and Hewlett-Packard Company which were introduced during ASK's fiscal year 1986 have given MANMAN users more computing options on both the high and low ends than ever before.

### Digital Revamps VAX

**D**uring the past 18 months, Digital completely revamped its VAX family of products. On the low end, Digital introduced the MicroVAX-II, a powerful minicomputer that is smaller than a two-drawer filing cabinet. Completely compatible with higher-end VAX models, the MicroVAX-II runs MANMAN software without any modifications. ASK offers the MicroVAX-II and MANMAN as a complete

turnkey system called ASKMATE.™ Priced at approximately half the cost of ASK's previous low-end DEC-based turnkey offering on the VAX 11/750 minicomputer, the ASKMATE system can support up to 20 users.

"The MicroVAX-II is significant because it means that a DEC VAX-based MANMAN solution is now available for small manufacturing companies in the \$5 to \$10 million range," states David Sohm, ASK's vice president of marketing. It is ASK's second low-end offering for smaller manufacturing companies—in October 1984, ASK introduced its first ASKMATE system on the HP 3000 Series 37 minicomputer.

On the high-end, Digital expanded its VAX family of computers with the VAX 8650 and 8800. The 8650 provides increased throughput and better response time while supporting a larger number of MANMAN users. It offers up to six times the performance of the VAX 11/780. "The incorporation of VAX 8650s into a VAXcluster significantly increases the power and performance available in a single system," states Sohm. A VAXcluster is a group of VAX computers connected to form one large system.

**I**n the mid-range, Digital introduced the VAX 8200, 8300 and 8500. "These new models are also important additions to the VAX line for ASK," states Sohm. "They offer MANMAN users large system features for the price and size of a mid-range system. They represent a significant improvement in the hardware price/performance ratio."

### HP Announces New Architecture

1986 was also a banner year for Hewlett-Packard in the area of major product introductions. In an important February 25th announcement, HP introduced the first in a series of new, high-performance computers based on the principles of reduced-instruction-set-computing (RISC) design. This new HP Precision Architecture improves hardware performance by simplifying and reducing the instructions that tell a computer how to function.

The first computers using the new architecture are the HP 3000 Series 930 and 950. Code-named "The Spectrum Pro-



MANMAN runs in manufacturing companies of many types and sizes—from fast-growing start-ups to members of the Fortune 500.





Current releases of MANMAN are available on a wide range of new computers from HP and DEC.

gram" during their development, these new models offer system throughput up to three times greater than the current high-end Series 68. They are fully compatible with all earlier HP 3000 models and, according to Hewlett-Packard, they will be ready for shipment during the latter part of the 1986 calendar year.

According to Sohm, the new computer architecture of the 930 and 950 systems will offer MANMAN users major price and performance advantages over traditional designs. The new models retain the ease-of-use, flexibility and reliability of minicomputers while allowing mainframe-class performance. "The extension of the 3000 line into mainframe-class performance allows ASK to address the needs of larger HP-based MANMAN users," he states.

In addition to the Spectrum Program

computers, Hewlett-Packard introduced the HP 3000 Series 70 with immediate availability. "The Series 70 gives HP 3000/68-based MANMAN customers an immediate growth path while preparing for the 930s and 950s," states Sohm. "They can grow incrementally while preserving their investment in hardware, software and people." ■

## A System for Excellence - MRP-II

How does a prominent Fortune 100 manufacturer build a reputation for excellence? 3M has done this by providing excellent service to its customers—and to its own manufacturing units.

3M is a diversified \$8 billion company that manufactures and markets more than six thousand kinds of products and services for consumer, commercial, professional, institutional and industrial markets. One of the reasons for 3M's excellence is its prototype shop in St. Paul, Minnesota. The shop, which builds prototypes for other divisions within 3M, processes 800

to 1000 jobs a month ranging from building a part to assembling a product.

The MANMAN system has been implemented at the St. Paul prototype shop and at a 3M facility in Menomonie, Wisconsin. Today, both sites share a Hewlett-Packard 3000 Series 68 computer located in 3M Center.

According to John Mikesell, systems coordinator at Menomonie, the system has enabled 3M to cut inventory by 50% in Menomonie and raise inventory accuracy from an 80% to 98% rate. In St. Paul, inventory cuts were even greater—approximately 66%. On-time delivery rates also improved. In Menomonie, the on-time delivery rate for assemblies has jumped from 60% to 95% since system implementation. In St. Paul, the on-time delivery rate has climbed from 55% to about 95%.

In addition to reducing inventory and improving inventory accuracy and on-time delivery rates, the MANMAN system increased speed and efficiency. "We used to have a two to four day backlog in processing parts shipments," recalls Mike Graetz, quality manager for the St. Paul prototype shop. "Now it's two to four hours." More importantly, parts are easily located. "In the past, we would receive the part, place it in the job stock and wait for an expeditor to call," Graetz states. "Today, if a job is waiting, the part goes right to the job."

He also notes that the system enables the shop to provide an overnight turnaround service. "We promise if they have their work in by four o'clock in the afternoon, we'll have it out by eight o'clock in the morning," he states. "We couldn't do that without the system."

Mikesell agrees: "Speed is critical to our operations and the system has accelerated our response time. Job costing is a good example. It used to take two to three weeks to come up with an estimate because we had to wait for parts that weren't in inventory. Now we can do an estimate in a day."

Graetz sums up the system's success by stating, "Just a few years ago, our median throughput velocity was about 10 to 14 days. Today, with MANMAN, it's about four to five days." ■



David Sohm, Vice President of Marketing



## ASK Emphasizes Importance of a Quality Sales Team

Significant programs are developed to support sales force

ASK's success in the manufacturing marketplace is due to the continuing emphasis on recognizing and responding to customer needs. Not only are the technical, managerial, and executive staff committed to this philosophy, but the sales force is as well.

According to James Manion, ASK's vice president of sales and field support, "We are continually expanding the resources available to our sales representatives. ASK is committed to supporting and educating its representatives in order to maintain a top quality team." Manion continues, "Our sole focus on the manufacturing industry, coupled with the sales force's understanding of customer needs has made our sales team highly successful. This success is underlined by the fact that, since 1980, the MANMAN customer base has increased over 17-fold, from 60 customers nationwide, to more than 1000 customers worldwide." Manion mentions several factors that have helped to make ASK's sales force a leader in the industry:

### Sales Development Department

A Sales Development Department was established in fiscal 1986 with the sole

purpose of supporting and educating the ASK sales team. Various programs have been developed by this group, including an extensive sales training series called Product Sales Training. This program started due to the complexity of the manufacturing industry and the varied backgrounds of ASK sales representatives.

The Product Sales Training Program is divided into two parts: Product Sales Training I (PST-I) and Product Sales Training II (PST-II), both at ASK's corporate headquarters in Los Altos, California.

PST-I is geared toward the sales person who is new to ASK. These representatives attend a two week class within several months of their hire date. The objective of the class is to educate these employees on the four core products: MANMAN/MFG (Manufacturing Management), MANMAN/OMAR™ (Order Management, Accounts Receivable), MANMAN/AP (Accounts Payable) and MANMAN/GL (General Ledger). Sales Development Manager Janet Somers explains, "Although our new representatives have had extensive industry experience prior to joining ASK, PST-I strives to bring these new representatives up to speed on MANMAN implementations as quickly as possible."

Along with the features and benefits of the products, students learn about the two hardware alternatives that ASK offers its customers. One day is spent at both Hewlett-Packard Company and Digital Equipment Corporation discussing appropriate hardware solutions for manufacturing companies of various sizes. Sales representatives also have the opportunity to meet key employees in both companies.

The second portion of the training program, PST-II, is aimed at ASK's senior sales representatives and sales managers. The objective of this one-week class, held every six months, is to educate students on ASK's expanding product line, as well as the numerous enhancements to existing

*J. B. Shah, corporate MIS director at Xymetics, Inc. of Santa Clara, California. Xymetics utilizes the MANMAN system in nine of its operating units on three Hewlett-Packard computers connected to 240 terminals. Xymetics manufactures semiconductor test equipment and is a unit of Stamford, Connecticut-based General Signal. Xymetics is one of 14 General Signal units using MANMAN.*



*James Manion, Vice President of Sales and Field Support*



products available.

ASK's Product Sales Training is an ongoing process. Through this program, the sales team is kept abreast of new manufacturing technologies, the changing needs of manufacturing companies and the new MANMAN products and enhancements.

#### National Accounts Program

Along with the formation of the Sales Development Department and its Product Sales Training series, ASK expanded its national accounts program in 1986. ASK recognizes the importance of maintaining strong relationships with its larger customers, and is dedicated to providing top notch support to these divisions of Fortune 500 companies.

**C**oordinating and supporting ASK's national account program are National Accounts Manager Robert Donaldson (based in the Los Altos, California office)



*Over 1000 customers around the world use MANMAN to manage their manufacturing operations.*

and Manufacturing Consultant James Shepherd, who works out of the Company's Bedford, Massachusetts office. Donaldson and Shepherd focus on the special needs of large customers. According

to Donaldson, "The national account customer benefits from having a highly managed account team in terms of sales and support, as well as having one point of contact."

**I**n addition to Donaldson and Shepherd, Lindsay MacDermid, vice president of customer support, and ASK's regional technical managers assist in supporting national account customers.

Manion concludes, "The National Accounts Program, along with the team efforts of the marketing, R&D and technical groups within ASK, has been well received by ASK customers. Due to the positive feedback, management commitment and ASK's investment in creating a top quality sales team, it is evident that the National Accounts Program and the Sales Development Department programs will continue to expand." ■

## Sales Management Styles Vary with Environment

Members of the ASK sales team, although striving to reach the same goals, operate in different ways. Due to the demographics of the manufacturing marketplace, one sales manager may work his territory very differently from another.

Sales Manager Steve Maddox manages his sales representatives in a centralized environment. This group operates in a small geographic area that is densely populated with high technology manufacturing companies. All of these sales people work out of the same office based in Los Altos, California, near ASK's corporate headquarters.

Maddox is easily accessible to all sales representatives including the account representative. "The account representative focuses solely on selling additional MANMAN products to existing customers," Maddox explains. "The success of the additional software sales effort is due to the teamwork prevalent among all members of the sales staff"

Much of Maddox's time in the office is spent prospecting and demonstrating MANMAN to prospective customers. His group also works closely with the local technical support staff in dealing with prospective, as well as existing, customers.

Unlike the centralized sales environment of Maddox's Northern California office, Sales Manager Thomas Mackey



*Sales Manager Steve Maddox*



*Sales Manager Tom Mackey*

operates in a decentralized fashion. Mackey, based in Syosset, New York, manages sales offices in Westport, Connecticut; Parsippany, New Jersey and Lutherville, Maryland. Geographically, his territory is spread over five states including Southern New York, Central New Jersey, Connecticut, Maryland and Virginia.

Much of Mackey's time is spent making one-day trips to the Connecticut and New Jersey offices, and two or three-day trips to Maryland and Virginia. He often assists his sales representatives in making calls, whether they are an initial visit or a product presentation. Mackey also calls on current customers in his territory to ensure customer satisfaction. According to Mackey, "Sales

representatives work well in this environment. They are autonomous, self-motivated and technically self-reliant"

Although representatives in remote offices work independently of their managers and peers, there exists a special camaraderie unique to this kind of situation. Representatives are eager to share ideas with others, eager to participate in joint sales seminars and eager to coach new sales representatives.

Mackey concludes, "The successful management of numerous remote offices is evidence that "team effort" is a large part of ASK's sales philosophy." ■



## Customer Support Focuses on Education

ASK Computer Systems believes an educated customer is a more productive customer—that's why its Customer Support Department has expanded and restructured its operations during the past year.

"A growing customer base and a product line that has more than doubled over the past three years led to the reorganization," states Lindsay MacDermid, vice president of customer support. "By centralizing the management of our operations, we can provide better support for our customers on a nationwide basis."

Under the new structure, technical support personnel who formerly reported to regional managers now report to MacDermid, who is also responsible for the ASKNET remote processing service. "Our new organization allows us to maintain excellent support across the country," he explains. "Plus, we can deal more effectively with accounts that have installations in more than one region."

The Customer Support Department assists ASK customers in four main areas: system installation, telephone consulting, on-site consulting and education. Customer support personnel also work with local user groups to obtain feedback for new MANMAN features.

"One of the primary purposes of customer support is customer education," states MacDermid. "Even when we're solving problems through telephone or on-site

consulting, we are trying to educate our customers on the best ways to utilize their systems."

ASK technical consultants support eight education centers located throughout the United States. Customer Support Manager Kate Squyres manages six technical consultants in ASK's Orange, California office—one of the eight centers. Squyres explains, "Because technical consultants are experts in all MANMAN products, they are able to teach a full range of courses to ASK customers in the field." In addition to regular customer education courses, ASK offers self-paced training for the MANMAN/MFG and MANMAN/OMAR products. "These courses supplement classroom training by enabling individuals to study detailed sections of the system at their own pace," Squyres adds.

Now that the department has been reorganized, MacDermid has announced a new set of goals. "In order to continue excellent support for customers across the nation, we are centralizing training of support personnel, as well as encouraging more information exchange between these employees," he states.

To achieve these goals, he plans to institute a three phase training program for customer support personnel. The first phase for new technical consultants will consist of classes in presentation skills, telephone technique, basic systems and problem solving techniques. The second phase will provide detailed training in the four core MANMAN products. And the

third phase will train field technical consultants in sales techniques, implementation planning, factory financial controls and teaching skills.

"Each phase will be separated by a period of time in which technical consultants can gain experience and practice what they've learned," explains MacDermid. "The program is designed to help them better serve our customers."

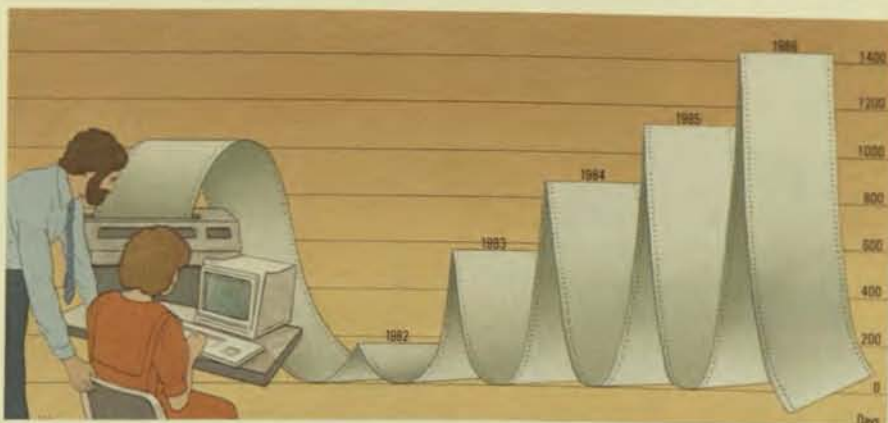
He also expects to improve customer service by increasing the support staff during fiscal 1987. "We will have more people helping more customers than ever before," he states. ASK customers will also have improved access to that help. "We plan to use more 800 numbers in regional offices to make it easier for users to call us," explains MacDermid. ASK currently provides 800 numbers at two of its technical centers.

"ASK's success is based on its reputation for being a customer-driven company," notes MacDermid. "Customer support will always be a top priority." ■

## Fast-Growing Computer Firm Uses MANMAN from the Start

How does a young, fast-growing start-up company make sure it survives into profitable adulthood? The answer, according to Sequent Computer Systems, Inc., is zero-defect products.

Sequent, located in Beaverton, Oregon, is a make-to-forecast, configure-to-order shop that produces the Balance 8000 and the Balance 21000 multi-processor mini-supercomputers. The company targets the Balance product line to end users and original equipment manufacturers specializing in military ADA development, computer aided design and engineering, simulation, transaction processing, database management and general purpose UNIX computing. Sequent's customer list reads like a who's who of multi-national companies with names such as General Electric, Hughes, Boeing, Siemens, Teradyne and AT&T. Sequent has over 100 installations worldwide.



The annual increase in customer education days reflects ASK's commitment to helping MANMAN users get the most from their system.



Quality is the company charter and the acid test is zero-defect products. To pass the acid test, the people at Sequent stick to the truism, "good people make good products." Quality people—experienced and talented managers who can wear several hats in a fast-growth manufacturing company—is the main ingredient for success. But even quality workers can be comparatively ineffective without quality information provided on a timely basis.

#### **Selection and Implementation**

In order to ensure that its people received the information they needed, Sequent's founders decided to implement a computerized information system. They required a system that could provide planning tools such as master production scheduling, material requirements planning and manufacturing resource planning. In addition, the information had to be available on-line, and real-time.

After an extensive search, Sequent chose the MANMAN Information System.

"MANMAN met all our criteria, was dependable and was easy to learn," explains Mike Moore, purchasing manager at Sequent. He also notes that Sequent was impressed by the stability that ASK projected over time. "Just looking at the resources that ASK can put into product development," says Moore, "versus what their competitors can do—makes going with ASK a good long-term decision."

Interestingly enough, Sequent chose ASK six to eight months before shipping its first product. "We wanted to create an efficient and well-managed company from the outset," recalls Moore. "In fact, we were bringing up MRP and doing dollarization and cost roll-ups on preliminary and engineering bills of material before we'd ever built anything in manufacturing."

Implementation was simple. MANMAN/MFG, OMAR, AP and GL were brought up on ASKNET—ASK's remote processing service bureau. This allowed Sequent to benefit from a computerized system without an initial capital investment. It took only four hours to bring up the purchasing module and only half a day to run the first MRP. After a year on ASKNET, Sequent brought the system in-house.

"One of the keys to a successful implementation is management involvement," says Bob Bechler, materials planning manager, "and that is really true at Sequent."

**M**anagement at Sequent starts each week by running an MRP for company-wide use. A task force (consisting of representatives from Sales, Marketing, Manufacturing and Accounting) then evaluates the MRP report in terms of the bottom line: can the company afford to build the scheduled number of computers? Once the group has accepted the forecasts, the company starts production for that week. Open Order reports from the MRP run are made available to vendors who pick them



*Corporate headquarters of Sequent Computer Systems in Beaverton, Oregon.*

up, evaluate them and make any necessary changes to their own production schedule.

In addition to the weekly MRP, Bechler runs one MRP on a daily basis. He concentrates on the resource and capacity impact of the computer-recommended production schedule for Sequent and for its vendors. He also uses the reports to monitor actual daily activity versus goals, as well as lot sizing strategies.

"No subsidiary systems are used to manage the company," states Bechler. "Everything comes out of the MANMAN system. We even put prototypes on the master schedule so they can drive the requirements from the very inception of their design. The way we run the system is as close to textbook as we can get—and the system allows us to do that."

#### **Results**

According to Bechler, the system has produced dramatic results in personnel productivity. For example, one person

is able to handle 2500 transactions per month at Sequent. The receiving clerks do not generate receiving paperwork to invoice merchandise because Accounts Payable pays the invoice as soon as the parts are logged into the computer. One person in Accounting processes the 800-1000 word invoices Sequent receives per month.

The staff is lean in other departments as well. There are no expeditors on the shop floor, and only three people in Purchasing, one in Material Planning, and four in Accounting, including managers. Each person is responsible for entering his or her own information into the system; Sequent therefore does not need a data entry department.

"Having a small staff is critical for a start-up," observes Bechler. "MANMAN allows us to keep our staff small by automatically producing things like purchase orders, invoices, checks and sales orders. It eliminates the need for us to hire people to manually generate such documents."

Bechler also credits the system with motivating people to maintain a high level of performance. "Each department is responsible for its own piece of the system," he explains. "We don't have an MIS staff to point fingers at if something goes wrong. This arrangement makes people do their job better because they're more accountable. Everything that our people need to do their work is under their complete control."

The system has also produced significant results in inventory control. "We still manage our inventory with only three people, even though sales more than doubled during the past year," states Bechler. His projection for the next 12 months is even more impressive: "We expect to only double that staff while increasing sales 600%." In addition to optimizing inventory levels, the system has enabled Sequent to achieve an inventory accuracy rate of 99%.

According to Bechler, Sequent's dramatic growth validates its choice of ASK and MANMAN. "The reason we chose ASK is it gave us a system that will grow with us over the next several years," he explains. "We can add products as the need arises."



He cites the MANMAN/BARSCAN™ bar-coding product as an example. "Last year we didn't have the volume to justify BARSCAN," he states. "But now that we've grown, we plan to add it later this year."

Bechler sums up the system's success by stating, "Since installing MANMAN, our inventory is low and the quality of our products and work environment is high. That translates into zero-defect products." ■

## 1986 MANMAN Conference Proves Valuable Learning Experience

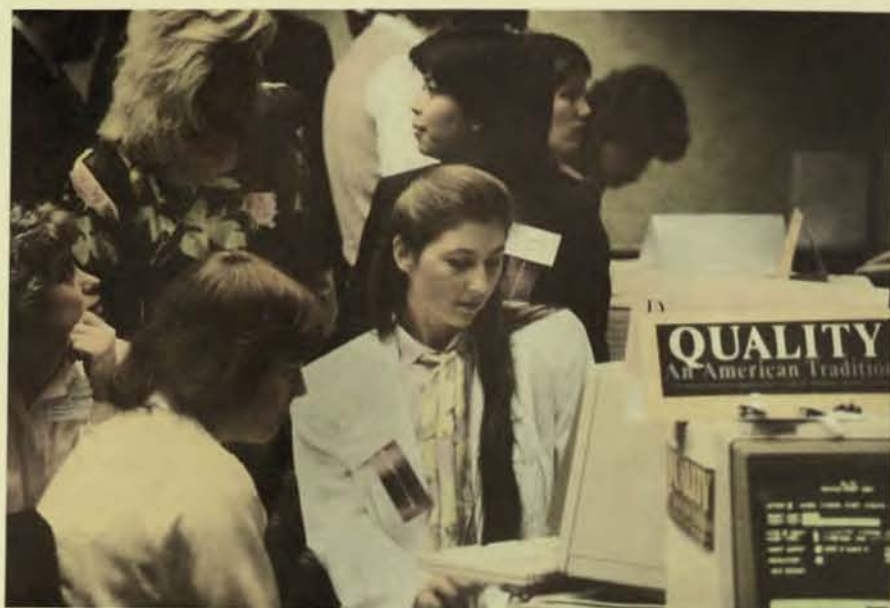
ASK's MANMAN Conference continues to be an important information exchange between MANMAN customers and ASK employees.

The annual conference brings MANMAN users and ASK personnel together to discuss all aspects of the MANMAN Information System. According to Kathy Fuller, ASK's conference manager, "Participants learn how to apply the tools provided by MANMAN to help run a more productive business." ASK's third annual MANMAN Conference was held in March at the Red Lion Inn in San Jose, California.

**T**his year the length of the conference was increased, more sessions were offered and the number of participating companies grew as well. In fact, the number of companies attending increased 34% over those attending last year's event.

Due to the positive feedback from the 1985 conference, the 1986 event was expanded from three to four days. A record high of 115 sessions covered a wide range of manufacturing, financial, marketing, systems and implementation topics, along with product release training. This was a 22% increase over the number of sessions held at the 1985 conference.

"We've provided a wide range of topics so that all types of MANMAN users benefit from attending the conference," Fuller explains. "The MANMAN Conference is a learning experience for all participants, whether you are an experienced customer



*Customers meet informally with ASK employees in the Questions and Ideas Room.*

eager to learn about new aspects of operating the system, or a new user concerned with the implementation process."

The presentations and panel discussions were led by ASK personnel, MANMAN users and industry consultants. Sessions ranged from MANMAN specifics such as "Implementing MANMAN/Manufacturing" to industry topics such as "How to Get Started with CIM."

New features at this year's conference included an exhibit provided by third-party suppliers. In addition, user group meetings were held, as well as numerous Common Interest Group discussions aimed at exchanging information on shared areas of interest.

**A**lso offered at the conference was the Question and Ideas Room. This room, staffed by ASK employees, was where customers could informally meet with members of ASK's software development teams, as well as systems and support personnel. Fuller states, "ASK's R&D team relies heavily on customer feedback when designing enhancements and products. The conference provides an excellent forum for this type of interaction."

ASK's goal is to make MANMAN the best tool for helping customers meet their needs in the manufacturing management arena. The MANMAN Conference once

again proved to be an effective vehicle in helping ASK to reach this goal. ■

## Product Faires Educate Customers and Prospects

Each fiscal year, ASK Computer Systems hosts numerous Product Faires to educate customers and prospective customers on the capabilities of the MANMAN Information System.

Begun in 1985, Product Faires provide MANMAN users with information on ASK's expanding product line. They also afford prospective customers the opportunity to meet not only ASK personnel, but seasoned MANMAN users as well. Information is exchanged on all aspects of manufacturing, as well as on individual ASK products as they relate to specific areas.

This year, 18 of these day-long seminars were held in hotels around the country—17 in the United States, and one in Toronto, Canada.

The format of the Faires consisted of formal presentations given by ASK sales and technical personnel.

Because the second series of Product Faires proved so successful in educating prospective and current customers about MANMAN, 20 Faires are planned for fiscal 1987. ■



## International Version of MANMAN Launched in Europe

Europe remained in the forefront of ASK's international marketing strategy during fiscal 1986. ASK Computer Systems S.A., headquartered in Paris, France, is the Company's first European subsidiary. ASK France was established in fiscal 1986 and has made significant progress in adapting MANMAN to the European manufacturing marketplace.

"Our goals are to expand our market internationally while providing better service to ASK customers already located in Europe," states director of European development Mark Ripma.

**A**SK France has moved rapidly to establish its presence in Europe. One of its most important accomplishments has been completing the French version of MANMAN (on Hewlett-Packard hardware).

The translation process began by isolating key words and translating American manufacturing terms such as "forward back scheduling" and "dummy employee number." Once this glossary was finalized, the manuals were translated. Isolated terms in the code that were translated in the glossary were automatically updated in the system. French customers were involved in this process from the beginning.

French enthusiasm for MANMAN was evident when ASK France held its first user group meeting last January—it was attended by every ASK customer in France. Discussions covered a wide range of topics and centered on the latest release of MANMAN. "Our French customers are very excited about the new release," states Ripma. "They are anxious to apply the new features to their manufacturing operations."

French MANMAN users manufacture everything from ski boots, lasers and circuit boards to steam shovels, toys and furnaces. ASK's current customers in France include Salomon, the world-renowned ski manufacturer, and Hachette, Inc., a well-known book publisher that produces the

magazine *Elle*.

ASK's expanding role in Europe means a larger staff for ASK France in the coming year. "We expect to add people in each of the sales, support and engineering roles," states Ripma. ASK also plans to open an office in Germany during fiscal 1987.

The translation of MANMAN software and manuals into German is already underway. "We're working with the localization company that helped us translate the

French version of MANMAN," states Ripma. The first MANMAN products to be translated into German will be MANMAN/MFG and MANMAN/OMAR.

Ripma believes that success in Europe will be achieved by following the strategy that has made ASK a leader in the United States. "We will build a reputation as a customer-driven company that focuses on the quality of our people, products and services." ■



Completed during fiscal 1986, the French version of MANMAN is ASK's first translation of the software into a foreign language.



## Multi-Currency Capability Announced

As part of its strategy to aggressively pursue international market opportunities, ASK announced an important new enhancement to its MANMAN system—MANMAN/CURRENCIES.

MANMAN/CURRENCIES, available on the HP 3000, is designed to accommodate the needs of ASK customers involved in foreign trade. CURRENCIES enables the MANMAN/MFG and MANMAN/AP system to support purchases from a foreign country where purchase orders, vouchers and cash disbursements must be denominated in a foreign currency. It also allows MANMAN's order management/accounts receivable (OMAR) system to support sales to a foreign country where sales orders, invoices and cash receipts must also be denominated in a foreign currency.

CURRENCIES gives MANMAN users visibility of their foreign currency transactions in either the foreign currency or the local currency. For example, a U.S. manufacturer that sells products in Germany could look at bookings in Deutsche Marks or the equivalent dollars.

"One of the significant aspects of CURRENCIES is that it eliminates the extensive manual efforts required to keep track of currency exchange variances," states Randy Hietter, ASK product mar-

*The new MANMAN/CURRENCIES enhancement enables customers to track and convert foreign currency purchases and sales into their own local currency.*



keting specialist. "Corporate treasurers will now have a better understanding of their currency exposure. This means they can better protect their companies from currency value fluctuations," he states.

CURRENCIES provides a foundation for ASK's drive to internationalize the MANMAN system. It joins the value added taxation (VAT), Canadian federal and provincial sales tax and Australian sales tax capabilities already available on HP 3000 and VAX-based MANMAN systems. ■

## MANMAN Expands to Pacific Rim and Southeast Asia

An important part of ASK's international marketing strategy has been to develop a sales and support organization in Southeast Asia and the Pacific Rim.

"During the past several years, many American companies have moved manufacturing operations to the Far East," states Ron Braniff, ASK's president and chief executive officer. "This trend makes the Pacific Rim a particularly good market for MANMAN products. We have a growing interest in serving both American and foreign companies in Southeast Asia and Australia."

ASK established its first Pacific Rim office in Australia in 1985. Today, Australian MANMAN customers range from manufacturers of water heaters and office furniture to kitchen cabinetry and mining equipment. They are located in Sydney, Melbourne and Perth—the major Australian industrial centers.

ASK has also opened a technical support office in Singapore to serve customers in Southeast Asia. "We currently have customers in Hong Kong, Singapore, Taiwan and Korea," observes Braniff. "The Singapore office will play an important role in providing top notch support to these manufacturers." He concludes, "As manufacturing increases throughout the Far East, ASK will be well-positioned to expand MANMAN around the Pacific Rim." ■

## Scicon MANMAN Conference a Success

High attendance marked Scicon Ltd's second annual MANMAN conference held at Woburn Abbey in Bedfordshire, England last May. Scicon is ASK's distributor in the United Kingdom.

"Attendance was up by 84% over last year," states Neil Anderson, Scicon's product marketing manager who coordinated the conference. "And over 70% of our customers attended the three day conference that included 45 sessions," he adds.

"I was particularly impressed by the large number of directors at the conference," states Eric Roberts, ASK product marketing manager. "They are the high-level decision-makers who have the authority to purchase a MANMAN system."

According to Anderson, "The presentations by ASK corporate officers were a highlight of the conference. Customers appreciated the opportunity to hear their views on the future of MANMAN and they enjoyed their forthright and direct response to questions."

Anderson explains that much of the conference's success flowed from the high level of user participation. "About one third of our customers served as session presenters or panelists," he states. "And response to their presentations was very enthusiastic"

Anderson attributes the increased user participation to familiarity with the event. "Last year's conference was new to everyone," he explains. "This year the users knew what to expect." Anderson observes that the spirit of a MANMAN conference is quite different from typical conferences. "In most conferences, you listen to someone read a presentation without any audience participation. It may be informative but not very exciting."

In contrast, Scicon's MANMAN conference encourages users to express their views. "Our conference produces a high level of communication between our users," Anderson explains. "It really functions as a three day user group meeting."

Scicon's third annual MANMAN conference is scheduled for the spring of 1987. ■



## Building Manufacturer Builds Future with MANMAN

It was the best of times and the worst of times. Tremendous growth brought tremendous problems. Short shipments, late deliveries, inventory discrepancies—these were the costs of a booming business at Arco Westeel Inc.

**A**WI is Canada's leading manufacturer of highway construction products and fabricated steel buildings. Based in Guelph, Ontario, the company's Building Systems Division engineers and manufactures building systems ranging from small factory entrance guardhouses to Boeing 747 aircraft hangars.

"In early 1980, we faced a growth spurt unparalleled in the history of our company," recalls Norman Hunter, AWI manager of planning. "At the time, inventory was controlled manually with a card system—and it just couldn't keep up." Although the company had a computer, it was used solely for accounting functions. "We simply lacked the tools to properly manage our inventories," states Hunter.

### Selection & Implementation

In order to meet its needs for growth and improved inventory control, AWI decided to find and implement an MRP-II system. A steering committee of top level managers was formed to carry out the search. "The committee wanted a fully integrated, interactive system that was flexible and easy to use. The entire search took a year and a half," Hunter recalls. After narrowing the choices to three top contenders, they picked the MANMAN system running on an HP 3000 Series minicomputer.

Despite purchasing a computer, AWI initially used ASKNET—ASK's remote processing service. "We kept using our manual system while using ASKNET to prepare for the in-house computer," Hunter explains. After about a year, AWI was ready to implement its in-house system.

A five-person implementation team guided AWI through its journey to MRP-II. Today the number of terminals spread throughout the different functional areas

of the company has expanded. "We started out with 12 terminals," recalls Hunter. "Two years later we had about 30. And the last time I counted we were up to 60."

### Training

One of the most important ingredients for success with an MRP-II system is a firm commitment to education. AWI made that commitment in a variety of ways. "The entire implementation team attended ASK classes, then developed in-house training programs tailored specifically for the various users in the company. We built the in-house courses around instruc-



*The Calgary Public Library in Calgary, Alberta is one of AWI's fabricated steel buildings.*

tional videotapes," explains Hunter. "Users were then turned loose on ASKNET to practice what they had learned."

### Results

**C**areful attention to system selection, implementation and training have yielded impressive results for AWI. "When we first purchased the system our inventories were running 120 days of sales," recalls Hunter. "Today they run about 60 days of sales and they're still declining." He attributes the reduction to the MANMAN system's ability to track parts. "Our division had a unique inventory problem because we sell products that are custom-designed and engineered," Hunter explains. "Our item master contains about 25,000 part numbers of which 90% are unique parts for specific sales orders. And we create about 20,000 new part numbers every six months. Prior to using the MRP-II system, we couldn't keep track of all those parts."

Hunter also attributes improved inventory control to better access to information. "When we used the manual system,

on-hand inventory figures were updated once a week," he recalls. "Today, with the MANMAN system, we have up-to-the-minute availability of inventory figures." The system also accelerated data entry for shipping and receiving information. "Materials that arrive on the receiving dock are now entered into the system within five hours," states Hunter. "In the old days it could take up to one week."

In addition to improving inventory control, the system has boosted employee productivity at AWI. Hunter cites the master scheduler as an example. "During the past 18 months, the system has enabled our scheduler to process about 35% more work," he states.

According to Hunter, AWI also uses the system to better coordinate part delivery schedules with its vendors. "Many of the special parts we purchase have exceptionally long lead times," he explains. "For example, special sheet metal screws can require a lead time of six months." He notes that such items are critical to AWI products—they're used to attach roofs to buildings. "Before MANMAN, if the special part wasn't available, we had to substitute a lower quality part or delay shipment," recalls Hunter. "Neither alternative proved popular with our customers." The MANMAN system eliminated that problem. "Now we give our vendors realistic timetables so they can deliver parts when we need them," states Hunter. "Our on-time delivery rate has improved immensely."

Now that the MANMAN system is on-line, Hunter says that further automation will be considered. "Our engineers do a lot of their work with CAD systems," he explains. "Eventually we will probably want to link them directly into the MANMAN system to allow an exchange of bills of material." He also projects a day when AWI's network of dealers may be electronically linked to the MRP-II system.

Hunter asserts that the key benefit provided by the system is the ability to plan. "Now if sales people say our bookings will increase by 25% in three months, we can respond with a realistic production plan," he states. MANMAN has given us the information we need to react quickly. ■



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**Results of Operations**

ASK experienced a decrease in net revenue of 4% in 1986 compared with increases of 22% and 65% for 1985 and 1984. Net income in 1986 was also below 1985 and 1984 levels. These decreases were due primarily to softness in the market for computer-based products and services as U.S. manufacturing firms continued to experience a decline in business and demonstrate a reduced level of capital spending. This slowdown has primarily affected systems revenues. The Company does not attribute the revenue decline to actions of its competitors, or the relative competitiveness of its products or company pricing actions. Revenue for the fourth quarter and second half were at record levels for the Company, although revenues and earnings for the year were lower than for fiscal 1985.

In addition to turnkey systems, the Company offers the use of its products through on-line remote processing. This service, called ASKNET, represented 12% of revenues in fiscal 1986 compared to 13% in fiscal 1985. ASKNET revenues decreased 17% in 1986 after increasing 12% in 1985. This decline was due to several large ASKNET users converting to turnkey systems and a number of customers discontinuing the service due to their own financial difficulties. The slowdown in the addition of new customers experienced in 1985 continued in 1986 but at a lower rate.

Gross margin as a percent of net revenue has increased from 49% in fiscal 1984 and 51% in 1985 to 52% in 1986. Software products and services, which have a higher gross margin than computer hardware, accounted for a progressively higher percentage of revenue in each year from 1984 to 1986. This increase was most prevalent in the software subscription revenues caused by the growing installed base. The composition of revenue, particularly the ratio of software to hardware, can vary from quarter to quarter causing fluctuations in the gross margin percentage. Such fluctuations did occur during the quarters of fiscal 1986 and 1985.

Product development expense increased 26% and 28% in fiscal years 1986 and 1985, respectively. These increases reflect the Company's continuing commitment to expand its product line and add new features and functions to its existing products. Selling, general and administrative expenses, increased 15% and 29% in fiscal 1986 and 1985, respectively. These increases were primarily due to continued growth in the field sales and service organization, and other administrative personnel necessary to support the Company's operations. In 1986 a portion of this increase is also attributable to the Company's expansion into Europe. The controlled growth of expenses in these areas despite weaker revenues was incurred to expand the Company's sales force and better position the Company for future growth.

Operating income as a percent of net revenue was 8%, 15% and 13% for 1986, 1985 and 1984, respectively. The decrease in fiscal 1986 was primarily the result of higher operating expense levels and lower systems revenues. Increase in the 1985 operating income percentage over 1984 was primarily a result of the cost associated with discontinued products in fiscal 1984.

Interest income increased 37% from 1985 to 1986 and 16% from 1984 to 1985. These increases reflect higher invested cash balances compared to prior years due to the additional \$20 million raised in the Company's February, 1985 public offering and cash generated from operations.

The effective tax rate fluctuated from 44% in fiscal 1984 to 46% in fiscal 1985 to 40% in fiscal 1986. The different effective tax rate from 1984 to 1985 reflects changes in the level of various tax credits available to the Company. The decrease for fiscal 1986 is due to a higher level of interest income from cash investments in tax-exempt issues as a percentage of pretax income, compared to the prior years.

**Financial Condition**

The Company's liquidity and capital resources position remains very strong. Working capital as of June 30, 1986, was \$65.8 million compared to \$58.0 million as of June 30, 1985. Working capital provided from operations was \$8.8 million for fiscal 1986. The major use of working capital was for capital additions. The increase in accounts receivable at the end of fiscal 1986 over 1985 is the result of significantly higher revenues in the fourth quarter of 1986 (\$26.6 million) compared to the fourth quarter of 1985 (\$20.8 million).

It is expected that in the foreseeable future the Company will have working capital needs to finance ongoing operations as well as investments in property, plant and equipment. These will be funded through cash generated from operations and existing cash and cash equivalent balances. The Company's capital resource commitments at June 30, 1986 consisted principally of leases for office space and approximately \$952,000 in mortgage indebtedness. In February 1986 the Company entered into a lease for a facility in Mountain View, California which would replace several existing facilities. The initial term of the lease is six years with five three-year option periods. The anticipated commencement of the lease is approximately November 1987.



**SELECTED FINANCIAL DATA**
**Five Year Summary**

(In thousands, except per share data)

	1986	1985	1984	1983	1982
Year ended June 30:					
Net revenue	\$76,019	\$79,233	\$65,076	\$39,388	\$24,871
Gross margin	39,396	40,247	31,853	20,389	12,234
Product development	8,358	6,649	5,199	3,422	2,229
Selling, general and administrative	24,658	21,404	16,656	11,759	6,317
Discontinued products	-	-	1,242	-	-
Operating income	6,380	12,194	8,757	5,208	3,688
Interest income	3,436	2,515	2,165	1,451	1,157
Income taxes	3,927	6,760	4,780	2,754	2,150
Net income	5,889	7,949	6,142	3,905	2,695
Earnings per share	.46	.65	.53	.35	.27
Dividends per share	-	-	-	-	-
Weighted average common and common equivalent shares outstanding	12,816	12,136	11,626	11,080	10,096
At June 30:					
Working capital	\$65,826	\$57,994	\$28,835	\$21,724	\$11,743
Total assets	96,689	83,223	51,985	38,902	20,803
Total long-term debt	951	965	979	1,004	21
Shareholders' equity	72,769	65,498	36,442	28,808	14,604

**Unaudited Quarterly Results**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Fiscal 1986:				
Net revenue	\$12,780	\$19,051	\$17,601	\$26,587
Gross margin	7,451	10,362	9,848	11,735
Operating income	366	2,168	1,397	2,449
Net income	694	1,839	1,371	1,985
Earnings per share	.05	.14	.11	.15
Weighted average shares outstanding	12,757	12,794	12,818	12,896
Fiscal 1985:				
Net revenue	\$18,003	\$21,282	\$19,187	\$20,761
Gross margin	8,731	10,284	9,530	11,702
Operating income	2,663	3,485	2,576	3,470
Net income	1,706	2,138	1,788	2,317
Earnings per share	.15	.18	.14	.18
Weighted average common and common equivalent shares outstanding	11,660	11,688	12,444	12,750



## CONSOLIDATED STATEMENT OF INCOME

	Year Ended June 30,		
	1986	1985	1984
Net revenue (Note 1)	\$76,018,548	\$79,233,122	\$65,076,361
Cost and expenses:			
Cost of revenue	36,622,995	38,986,255	33,223,110
Product development	8,358,257	6,649,334	5,198,852
Selling, general and administrative	24,656,996	21,403,290	16,655,650
Write-off of discontinued products (Note 8)	-	-	1,241,814
Total cost and expenses	69,638,248	67,038,879	56,319,426
Operating income	6,380,300	12,194,243	8,756,935
Interest income	3,435,555	2,514,506	2,165,189
Income before income taxes	9,815,855	14,708,749	10,922,124
Provision for income taxes (Note 3)	3,927,000	6,760,000	4,780,000
Net income	\$ 5,888,855	\$ 7,948,749	\$ 6,142,124
Earnings per share (Note 1)	\$ .46	\$ .65	\$ .53
Weighted average common and common equivalent shares outstanding	12,816,000	12,136,000	11,626,000

See accompanying notes.

## CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

	Common Stock		Retained Earnings	Notes Receivable	Cumulative Translation Adjustment	Total
	Shares	Amount				
Balance at June 30, 1983	11,580,710	\$19,763,078	\$ 9,468,070	\$ (423,494)	\$ -	\$28,807,654
Issuance of stock:						
Purchase of products (Note 8)	23,923	400,000	-	-	-	400,000
Stock option and stock purchase plans	106,963	899,283	-	-	-	899,283
Repurchase of restricted stock	(56,360)	(49,580)	-	49,580	-	-
Payment on notes receivable	-	-	-	192,911	-	192,911
Net income	-	-	6,142,124	-	-	6,142,124
Balance at June 30, 1984	11,655,236	21,012,781	15,610,194	(181,003)	-	36,441,972
Issuance of stock:						
Public offering, net	1,000,000	19,902,206	-	-	-	19,902,206
Stock option and stock purchase plans	123,859	1,144,092	-	-	-	1,144,092
Repurchase of restricted stock	(6,861)	(17,117)	-	17,117	-	-
Purchase of products (Note 8)	(15,845)	-	-	-	-	-
Payment on notes receivable	-	-	-	60,785	-	60,785
Net income	-	-	7,948,749	-	-	7,948,749
Balance at June 30, 1985	12,756,389	42,041,962	23,558,943	(103,101)	-	65,497,804
Issuance of stock-						
Stock option and stock purchase plans	148,414	1,267,683	-	-	-	1,267,683
Payment on notes receivable	-	-	-	103,101	-	103,101
Cumulative translation adjustment	-	-	-	-	11,108	11,108
Net income	-	-	5,888,855	-	-	5,888,855
Balance at June 30, 1986	12,904,803	\$43,309,645	\$29,447,798	\$ -	\$ 11,108	\$72,768,551

See accompanying notes.



**CONSOLIDATED BALANCE SHEET**

	June 30,	
	1986	1985
<b>Assets</b>		
Current assets:		
Cash and cash investments (Note 2)	\$63,639,991	\$54,162,795
Accounts receivable, less allowance for doubtful accounts of \$1,000,000 (\$900,000 in 1985)	22,033,044	18,464,986
Other	3,121,758	2,125,639
Total current assets	88,794,793	74,753,420
Capitalized software development costs, net (Note 1)	619,482	-
Property, plant and equipment, at cost (Notes 1 and 5):		
Land and buildings	2,910,000	2,910,000
Equipment	11,922,607	10,835,710
Leasehold improvements	1,767,731	1,625,127
	16,600,338	15,370,837
Less accumulated depreciation and amortization	9,325,530	6,901,721
Net property, plant and equipment	7,274,808	8,469,116
	<u>\$96,689,083</u>	<u>\$83,222,536</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$11,537,797	\$ 6,657,658
Accrued payroll and related items	2,749,261	2,362,913
Other accrued liabilities	2,215,345	1,728,598
Customer deposits	1,047,991	1,125,049
Income taxes payable (Note 3)	1,259,659	2,070,334
Deferred income taxes (Note 3)	4,159,000	2,815,000
Total current liabilities	22,969,053	16,759,552
Commitments and contingencies (Notes 4 and 7)		
Long-term debt (Note 5)	951,479	965,180
Shareholders' equity (Notes 6 and 8):		
Common stock, no par value; 40,000,000 shares authorized; 12,904,803 shares outstanding (12,756,389 in 1985)	43,309,645	42,041,962
Retained earnings	29,447,798	23,558,943
Cumulative translation adjustment	11,108	-
	72,768,551	65,600,905
Less notes receivable from shareholders	-	103,101
Total shareholders' equity	72,768,551	65,497,804
	<u>\$96,689,083</u>	<u>\$83,222,536</u>

See accompanying notes.



**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**

	Year Ended June 30,		
	1986	1985	1984
Sources of working capital:			
Working capital provided from operations:			
Net income	\$ 5,888,855	\$ 7,948,749	\$ 6,142,124
Charges to operations not requiring the current use of working capital:			
Depreciation and amortization	2,944,079	3,033,209	2,756,152
Loss on disposition of equipment	-	-	367,504
Total working capital provided from operations	8,832,934	10,981,958	9,265,780
Issuance of stock:			
Proceeds from public offering, net of expenses	-	19,902,206	-
Stock option and stock purchase plans, net of repurchases and payment on notes receivable	1,370,784	1,204,877	1,092,194
Purchase of products	-	-	400,000
Total sources of working capital	10,203,718	32,089,041	10,757,974
Applications of working capital:			
Capitalized software development costs	665,315	-	-
Additions to property, plant and equipment, net	1,703,938	2,916,714	3,621,762
Cumulative translation adjustment	(11,108)	-	-
Reduction of long-term debt	13,701	13,659	24,826
Increase in working capital	\$ 7,831,872	\$29,158,668	\$ 7,111,386
Changes in components of working capital:			
Increases (decreases) in current assets:			
Cash and cash investments	\$ 9,477,196	\$29,627,306	\$ 5,871,653
Accounts receivable	3,568,058	1,617,490	6,794,691
Other	996,119	109,258	(81,284)
Increases (decreases) in current liabilities:	14,041,373	31,354,054	12,585,060
Accounts payable	4,880,139	(734,725)	3,305,493
Accrued payroll and related items	386,348	741,475	378,913
Other accrued liabilities	486,747	419,131	853,045
Customer deposits	(77,058)	323,841	(159,178)
Income taxes payable	(810,675)	1,132,664	197,401
Deferred income taxes	1,344,000	313,000	898,000
Total changes in components of working capital	6,209,501	2,195,386	5,473,674
Increase in working capital	\$ 7,831,872	\$29,158,668	\$ 7,111,386

See accompanying notes.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

*Principles of consolidation:* The consolidated financial statements include the accounts of ASK Computer Systems Inc. and all of its wholly-owned subsidiaries, after elimination of intercompany accounts and transactions.

*Revenue recognition:* Revenue is generally recognized upon product shipment unless installation by the Company is required prior to customer acceptance, in which case the software revenue is recognized upon installation. Revenue from sublicense of the Company's software by licensees is recognized upon installation of the software.

Revenue from software subscription service, which includes updates to software products, is billed quarterly or annually, at which time revenue is recognized. Revenue from the on-line remote processing service (ASKNET) and customer education is recognized as the services are provided. Net revenue includes \$18,663,000, \$18,534,000 and \$14,312,000 in 1986, 1985 and 1984 respectively, from software subscription service, ASKNET, customer education and royalties, none of which accounted for more than 10% of net revenue in any year, except for ASKNET. ASKNET was 12%, 13% and 15% of net revenue and the associated gross margins were 66%, 63% and 60% in fiscal 1986, 1985 and 1984, respectively.

*Earnings per share:* Earnings per share is computed using the weighted average number of common shares outstanding during each period plus common stock equivalents (stock options) determined using the treasury stock method when the resulting calculation is dilutive. Such common stock equivalents were included in the computation for the third quarter of fiscal 1985.

*Investment tax credits:* Investment tax credits reduce federal income tax expense in the year in which the related assets are placed into service.

*Property, plant and equipment:* Equipment is depreciated principally by use of the sum-of-the-years' digits method over its estimated useful life (primarily five years). Buildings are depreciated by use of the straight-line method over twenty-five years. Leasehold improvements are amortized by use of the sum-of-the-years' digits method over the related lease term or their useful lives, whichever is shorter.

*Software development costs:* In 1986 the Company began capitalizing software development costs in accordance with Statement of Financial Accounting Standards No. 86. For the year ended June 30, 1986, the Company capitalized \$665,315 of software development costs, including \$405,315 of costs related to the translation and localization of its software and documentation for use in France and Germany. Such costs are amortized on a straight-line basis over the estimated useful life which ranges from one to three years or the ratio of current revenue to the total of current and anticipated future revenue, whichever is greater. Amortization of these costs totaled \$45,833 for 1986.

*Industry segment and geographic information:* The Company designs and produces application software products and markets them along with general purpose minicomputers as turnkey systems or on a time-sharing basis (ASKNET) to manufacturing companies. No customer accounted for more than 10% of total revenue in 1986, 1985 or 1984. Foreign revenue, which includes export sales and software licenses through licensees in foreign countries, was less than 10% of net revenue in each year.

### 2. Cash and Cash Investments

Substantially all cash and cash investments are represented by investments in tax-exempt issues of various state and local governments, which total \$58 million, and major bank certificates of deposit which total \$4 million. The exempt issues are carried at cost which approximates market.

### 3. Income Taxes

The provision for income taxes is comprised of:

	1986	1985	1984
Current:			
Federal	\$1,943,000	\$5,290,000	\$3,038,000
State	640,000	1,157,000	844,000
	<u>2,583,000</u>	<u>6,447,000</u>	<u>3,882,000</u>
Deferred:			
Federal	1,154,000	161,000	759,000
State	190,000	152,000	139,000
	<u>1,344,000</u>	<u>313,000</u>	<u>898,000</u>
	<u>\$3,927,000</u>	<u>\$6,760,000</u>	<u>\$4,780,000</u>

Deferred taxes are recorded to reflect timing differences in reporting revenue and expense for financial statements and income tax purposes. The source of these differences and the tax effect of each are as follows:

	1986	1985	1984
Deferred income resulting from timing of revenue recognition	\$1,246,000	\$ 894,000	\$1,219,000
Expenses accrued for books	34,000	(273,000)	(197,000)
DISC/FSC operations	(5,000)	(135,000)	50,000
Depreciation	69,000	(173,000)	(174,000)
	<u>\$1,344,000</u>	<u>\$ 313,000</u>	<u>\$ 898,000</u>

The Company's effective tax rate differs from the statutory U.S. federal income tax rate as follows:

	1986	1985	1984
Federal income tax statutory rate	46%	46%	46%
State taxes, net of federal income tax benefits	5	5	5
Tax exempt income	(15)	(5)	(3)
Tax credits	-	(2)	(4)
Disallowed tax benefits of foreign losses	2	1	-
Other	2	1	-
Effective tax rate	<u>40%</u>	<u>46%</u>	<u>44%</u>

### 4. Lease Commitments

The Company operates in owned, leased and rented facilities. Rent expense was \$2,354,000, \$1,729,000, and \$1,591,000 in 1986, 1985 and 1984, respectively. In February 1986 the Company entered into a lease for a facility in Mountain View, California which would replace several existing facilities. The anticipated commencement of the lease is approximately November 1987. Aggregate minimum annual lease commitments are \$2,415,000, \$2,604,000, \$4,198,000, \$3,855,000, \$3,891,000, and \$7,729,000, in 1987, 1988, 1989, 1990, 1991, and thereafter, respectively.

### 5. Long-Term Debt

Long-term debt is comprised primarily of 9½% mortgage notes payable. The mortgage notes are secured by land and buildings. Maturities on long-term debt for each of the five years subsequent to June 30, 1986 are \$15,000; \$16,000; \$18,000; \$20,000; and \$22,000 in 1987, 1988, 1989, 1990 and 1991, respectively.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 6. Common Stock

Information with respect to the stock option plans is summarized as follows:

	Available for Grant	Outstanding	Aggregate Price	Price Per Share
Balance at June 30, 1984	296,592	1,074,125	\$13,225,252	\$ 3.00-18.50
Increase in shares available	1,000,000	-	-	-
Options granted	(159,992)	159,992	2,655,200	15.50-18.50
Options exercised	-	(75,155)	(537,531)	3.00-18.00
Options cancelled	56,870	(108,130)	(1,447,359)	3.00-18.50
Balance at June 30, 1985	1,193,470	1,050,832	13,895,562	3.00-18.50
Options granted	(1,321,380)	1,321,380	14,754,453	8.88-13.00
Options exercised	-	(86,803)	(693,168)	3.00-18.00
Options cancelled	889,540	(1,039,880)	(14,123,055)	3.00-18.50
Balance at June 30, 1986	761,630	1,245,529	\$13,833,792	\$ 5.00-18.50

*Stock option plans:* The Company adopted stock option plans in 1974 and 1982 under which options for a total of 2,750,000 shares of common stock may be granted to key employees, except that cancellations under the 1974 plan are no longer added back to shares available for grant. Options granted under the plans are intended to qualify as incentive stock options, and grants greater than the regulatory limits on incentive options are issued as non-statutory options. Options are granted at no less than 100% of the fair market value on the date of grant. Options granted are generally exercisable over five years from the grant date. No charges have been made to income in connection with the plans.

In November 1985 the Company adopted a resolution allowing all holders of outstanding options to exchange higher-priced options for new nonstatutory options at \$10.50 per share, the fair market value on the date of the Board's action; 823,630 shares were exchanged.

As of June 30, 1986, options for 335,033 shares were exercisable. At June 30, 1986 there were 398 participants in the plans of approximately 455 employees eligible to participate.

*Key employee restricted stock purchase plan:* The Company has reserved 600,000 shares of the Company's common stock for issuance to certain officers, directors and key employees of the Company pursuant to a restricted stock purchase plan. The purchase price of shares sold pursuant to the plan has been the fair market value on the date of sale, as determined by the Board of Directors. At June 30, 1986, 461,055 shares of common stock had been issued under the plan, net of repurchases. Certain of the shares sold under the plan are subject to repurchase by the Company at the original sale price if the employee or director leaves the service of the Company within five years from the purchase date. The number of shares subject to the repurchase option is reduced ratably over the five year period.

*Employee stock purchase plan:* The Company has reserved 300,000 shares of its common stock for issuance to employees pursuant to an employee stock purchase plan. At June 30, 1986 211,808 shares of common stock had been issued under the plan.

*Notes receivable from shareholders:* The notes receivable from shareholders were from the sale by the Company of its common stock under its key employee restricted stock purchase plan. The notes bore interest at 8% and were paid in full during 1986.

### 7. Contingencies

Three purported class action complaints, alleging damages to persons who purchased Common Stock of the Company during the period February 28, 1985 through April 3, 1985, were filed in the United States District Court for the Northern District of California against the Company, its directors, certain of its officers and others.

On September 20, 1985 the court dismissed all three complaints in their entirety, and granted the plaintiffs leave to amend the

complaints. The plaintiffs filed an amended consolidated complaint. On April 25, 1986, the court dismissed parts of the amended consolidated complaint. The case is still in the preliminary stages, and no trial date has been set.

In the opinion of management the outcome of this litigation will not materially affect the Company's consolidated financial position or results of operations.

### 8. Write-off of Discontinued Products

In June 1984 the Company discontinued the sale of products which it acquired in an acquisition during the prior fiscal year and closed that subsidiary's facility.

In September 1983 the Company acquired the rights to certain products which the subsidiary was producing and selling under a royalty agreement with the author. The purchase price, which consisted of cash and shares of stock, was subsequently adjusted when the Company sold the rights to such products.

## REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Shareholders  
ASK Computer Systems Inc.

We have examined the accompanying consolidated balance sheets of ASK Computer Systems Inc. at June 30, 1986 and 1985, and the related consolidated statements of income, shareholders' equity and changes in financial position for each of the three years in the period ended June 30, 1986. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of ASK Computer Systems Inc. at June 30, 1986 and 1985, and the consolidated results of operations and changes in financial position for each of the three years in the period ended June 30, 1986, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

*Arthur Young & Company*

Arthur Young & Company  
Palo Alto, California  
July 28, 1986



**Board of Directors**

Sandra L. Kurtzig<sup>(2)</sup>  
Chairman of the Board of Directors  
ASK Computer Systems Inc.

Ronald W. Braniff<sup>(2)</sup>  
President and Chief Executive Officer  
ASK Computer Systems Inc.

Larry W. Sonsini<sup>(1)</sup>  
Member  
Wilson, Sonsini, Goodrich & Rosati  
(Law Firm)

Thomas I. Unterberg<sup>(1)</sup>  
Chairman and Senior Managing Director  
L. F. Rothschild, Unterberg, Towbin  
(Investment bankers)

<sup>(1)</sup> Member of Audit Committee  
<sup>(2)</sup> Member of Executive Compensation Committee

**Corporate Officers**

Ronald W. Braniff  
President and Chief Executive Officer

Martin R. Browne  
Vice President, Research and Development

James T. Manion  
Vice President, Sales and Field Support

David Sohm  
Vice President, Marketing

Larry W. Sonsini, Secretary  
Member  
Wilson, Sonsini, Goodrich & Rosati

Leslie E. Wright  
Vice President, Finance and Chief Financial Officer

**Vice Presidents**

Lindsay MacDermid  
Vice President, Customer Support

James M. Finnessey  
Vice President, Sales, Eastern Region

**Legal Counsel**

Wilson, Sonsini, Goodrich & Rosati  
Palo Alto, CA

**Independent Accountants**

Arthur Young & Company  
Palo Alto, CA

**Registrar and Transfer Agent**

The First National Bank of Boston  
Boston, MA

**Annual Meeting**

The annual meeting of shareholders of ASK Computer Systems Inc. will be held at 9:00 a.m. on Tuesday, October 14, 1986 at the Rickey's Hyatt Hotel, Palo Alto, CA. All ASK shareholders are encouraged to attend.

For additional copies of this annual report, contact the Corporate Communications Department, ASK Computer Systems Inc., 730 Distel Drive, Los Altos, CA 94022.

**Form 10-K**

A copy of the Company's Form 10-K, filed with the Securities and Exchange Commission, is available without charge upon written request to the Corporate Communications Department, ASK Computer Systems Inc., 730 Distel Drive, Los Altos, CA 94022.

**Market Price of Common Stock**

ASK Computer Systems Inc.'s common stock is traded in the NASDAQ National Market System under the symbol "ASKI." The high and low sales prices are as reported by the NASDAQ National Market System.

Fiscal 1986	High	Low
First quarter ended September 30	14	10¼
Second quarter ended December 31	13½	7%
Third quarter ended March 31	14½	10%
Fourth quarter ended June 30	14%	11
<hr/>		
Fiscal 1985		
First quarter ended September 30	20%	15%
Second quarter ended December 31	17%	14%
Third quarter ended March 31	25	16%
Fourth quarter ended June 30	22½	10½

The Company has not paid cash dividends on its common stock and does not plan to pay cash dividends to its shareholders in the near future. The Company presently intends to retain its earnings to finance further growth of its business.

As of July 31, 1986 the Company had approximately 3,500 shareholders.

MANMAN\* and ASKNET\* are registered trademarks of ASK Computer Systems Inc. BARSCAN™ OMAR™ and ASKMATE™ are trademarks of ASK Computer Systems Inc. DEC, VAX, MicroVAX and VAXcluster are trademarks of Digital Equipment Corporation. UNIX is a trademark of AT&T Bell Laboratories.



**ASK**

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Computer  
Systems Inc.

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California 94022

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Telex 297341  
Fax: (415) 962-1974



## MANMAN Released on Digital's VAX

ASK Computer Systems now provides its MANMAN Information System on Digital Equipment Corporation's VAX-11 minicomputer.

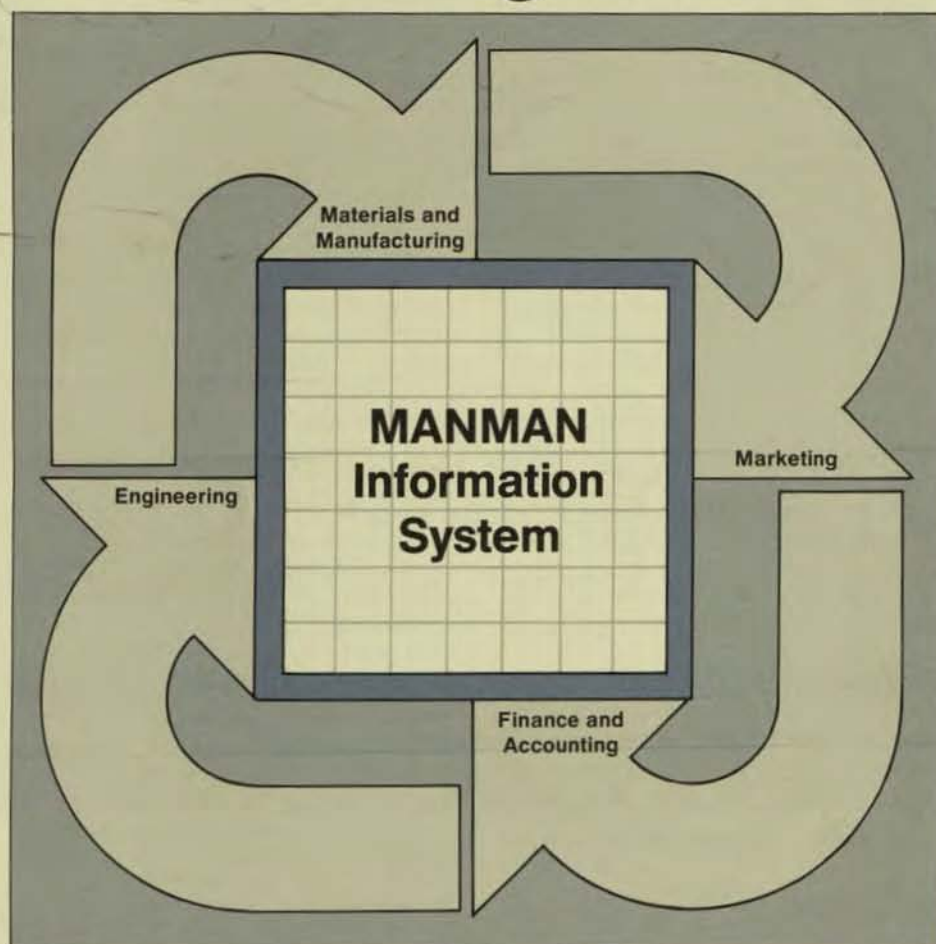
ASK is the leading independent systems supplier of complete management information systems to the manufacturing industry. Its customers are mostly medium sized manufacturing corporations and divisions of large corporations. Currently, about 50% of ASK's customers are divisions of Fortune 500 companies. Over 60% are manufacturers of either machinery, electronics, or instrumentation.

ASK has provided its systems to industry since 1974. Until the introduction of the VAX-11 based system, all installations had been based on Hewlett-Packard hardware.

### Design Based on Experience

"ASK has tremendous knowledge of the industry needs based on our experience with the HP products," says Ken Fox, ASK's vice president of research and development. "We are using that collective experience to design the VAX system. In essence," he explains, "we are taking a blank sheet of paper and designing an optimal system based on our knowledge of manufacturing and the VAX computer."

Characteristically, MANMAN products consist of video terminals located throughout manufacturing plants and connected to minicomputers. Information entered into these terminals enables plant managers to keep track of purchases, inventory, production scheduling, and other aspects of day-to-day operations. The secret of the MANMAN Information System's success has been attributed to its ease of use (operators need not be



familiar with computers) and its ability to make data immediately available for management. Under-scoring this latter point, Tom Lavey, chief operating officer and executive vice president, notes, "To make correct decisions, manufacturing managers must know how much stock they have at any one moment. For them, waiting for tomorrow's report to find out how many parts they have today would be like reading yesterday's newspaper."

### MANMAN is an Integrated Tool

The MANMAN Information System offers a number of manufacturing man-

agement products. These include: manufacturing management, order management and accounts receivable, service management, financial products to control fixed assets, accounts payable and payroll, and a general ledger product. An electronic spread sheet is also available for use with the general ledger system, and a report writer and graphics package can be used with all systems.

Currently, the MANMAN Manufacturing Management System is available

(continued on page 4)



## Digital's Perspective

By Bob Donaldson,  
*Senior Sales Representative,  
Digital Equipment Corporation*

As Digital Equipment Corporation's account manager for ASK, I'd like to give you some background information on Digital's corporate policies towards manufacturing customers, and the role of ASK in these policies.

The commercial OEM product group within Digital signed an OEM agreement with ASK on August 5, 1981. We installed a VAX-11/780 for ASK's software development project. The implementation of the MANMAN Information System began concurrently with the OEM agreement date in August, and uses the VAX-11 DBMS data base management software.

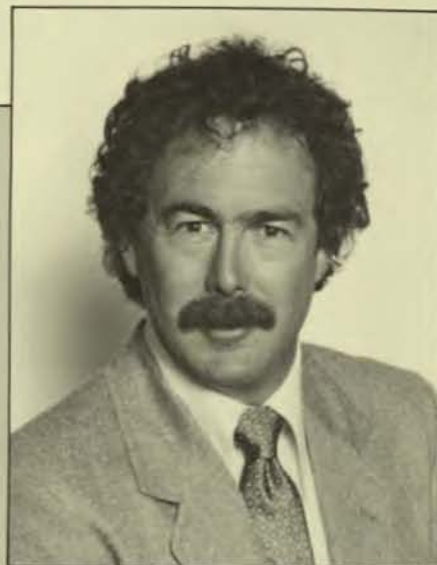
The manufacturing portion of MANMAN has been completed on VAX and is now a demonstratable product. With additional integrated financial modules to follow in the coming months, we are all looking forward to MANMAN on VAX being a comprehen-

sive and mature product by early fall 1983.

DEC recognizes ASK as a very promising OEM for our company. We at Digital realize that our sales force alone cannot possibly reach all the potential end-users throughout the U.S. If it were not for OEMs like ASK, DEC would not be the leading minicomputer supplier in the United States today. We rely heavily on OEMs to market our hardware products to the end-user for use with the various turnkey software applications.

Through the remainder of this fiscal year, which ends June 30, 1983, our own end-user sales efforts will focus on manufacturing distribution and control (MDC) applications. However, as of the new fiscal year, there will no longer be a specific Digital MDC product group. It is, therefore, very timely, as well as critical, for Digital to focus strongly on third-party solutions for the manufacturing industry.

Today, our field policies are devoted to



developing an effective working relationship between the Digital end-user sales force and the ASK end-user sales force. It is our mutual desire to work with one another in a compatible environment. Through the efforts of both companies we will be more effective in marketing DEC products.

We've already established a good working relationship with ASK. We look forward to establishing a successful base of MANMAN customers on VAX.

## MANMAN and VAX: A Winning Team

The first four companies to purchase ASK's MANMAN Manufacturing Management product on Digital's VAX-11 computer represent the diverse types of customers that can use the MANMAN Information System. The customers include an established telecommunications firm, a company just about to begin production of a new product, and a division of one of the largest manufacturers in the U.S.

As the first customers to receive the field release of the MANMAN/MFG product, these companies work closely with the ASK support staff to implement the new system. Custom-

ers give direct feedback to ASK product managers. All four firms had previously owned VAX computers, which they used mostly for engineering applications.

TCI, Inc., a telecommunications firm in Mountain View, CA., was the first ASK customer to implement MANMAN/MFG on the VAX. TCI has approximately 200 employees, and has operated in the manufacturing field for over 14 years. Their products include radio direction-finding equipment and broadcast equipment.

Before switching to MANMAN, TCI

had already tried an in-house batch processing system, a time-sharing system, and a system on one of their two VAX computers. They had looked at the MANMAN System before, but it was not then available on the VAX machine. When they started looking for a new system last summer, they took a close look at the new MANMAN/MFG product.

Beth Stearns, senior programmer/analyst at TCI, says, "Of all the products we looked at, MANMAN was technically much better, since it was

*(continued on page 3)*



## Winning Team

(continued from page 2)

written specifically for the VAX. Also, ASK's technical staff is very willing to help and answer questions. It is refreshing to work with such open people."

TCI operates mainly as a job shop, with many projects being built to order. "We have a lot of different parts and bills of material, so keeping on top of inventory is important," says Stearns. TCI plans to use about 15 terminals in two buildings on their site.

"We're very pleased with the product's implementation," says Stearns. "It's going very smoothly."

CXC Corporation, a telecommunications firm in Irvine, CA, is about one and a half years old. CXC has approximately 85 employees, and is about to begin producing a new PBX system for the transmission of voice and data. They are in the final stages of research and development, and have already begun to implement MANMAN/MFG. Says Gordon Drew, CXC's controller, "This is the right time to begin implementation. This way we won't have to convert later—we'll be coming right up on MANMAN."

"We wanted a canned system that would fit our needs with a minimum of modification," says Charles McBrayer, vice president of finance at CXC. "MANMAN fits that bill."

CXC is also currently using the MANMAN financial systems on the ASKNET Remote Processing Service. They plan to bring the MANMAN financial systems in-house on the VAX computer as soon as they are available in fall 1983. Says McBrayer, "One of the reasons we chose MANMAN was so that we could have a completely integrated manufacturing management and financial system." □

# Turnkey System Discounts Available

The list below describes some possible configurations of MANMAN products on Digital's VAX 750 and VAX 780 systems. Prices for configuration on the VAX 730 are also available. A list of ASK turnkey software prices is given. Special discounts are also available on the following MANMAN products prior to their release: Order Management/Accounts Receivable, Accounts Payable, General Ledger, and Fixed Assets.

### Software License Prices (Turnkey System)

MANMAN .....	60,000
Order Management/Accounts Receivable .....	25,000
Accounts Payable .....	12,500
General Ledger .....	12,500
Fixed Assets .....	8,000
	<u>118,000</u>

### 750 System for 16 Users

3 MB Memory	
456 MB Disk	
125 IPS—800/1600 BPI Tape	
8 I/O Ports	
Console Terminal	
VAX/VMS Operating System .....	140,000
400 LPM Line Printer .....	14,400
8 I/O Ports .....	3,995
8 VT 100 CRTs .....	12,760
8 VT 131 CRTs .....	13,560

1 MB Memory .....	7,000
Battery Backup .....	1,800
Fortran .....	8,700
FMS Forms Package .....	5,180
DBMS-32 .....	42,000
Total DEC hardware & software .....	<u>249,395</u>

ASK Software Products ..... 118,000

### Discounts

10% off DEC hardware and software .....	24,939.50
10% off ASK software .....	11,800.00
Net Price .....	<u>330,655.50</u>

### 780 System for 32 Users

4 MB Memory	
456 MB Disk	
8 Ports	
125 IPS—6250/1600 BPI Tape	
Console Terminal	
VAX/VMS Operating System .....	284,000
400 LPM Line Printer .....	14,400
24 I/O Ports .....	11,985
16 VT 100 CRTs .....	25,520
16 VT 131 CRTs .....	27,120
456 MB Disk .....	19,000
1 MB Memory .....	23,400
Battery Backup .....	1,800
Memory Cabinet .....	3,700
Fortran .....	8,700
FMS Forms Package .....	5,180
DBMS-32 .....	42,000
Total DEC hardware & software .....	<u>466,805</u>

ASK Software Products ..... 118,000

### Discounts

10% off DEC hardware and software .....	46,680.50
10% off ASK software .....	11,800.00
Net Price .....	<u>526,324.50</u>

### 780 System for 64 Users

4 MB Memory	
456 MB Disk	
8 Ports	
125 IPS—6250/1600 BPI Tape	
Console Terminal	
VAX/VMS Operating System .....	284,000
400 LPM Line Printer .....	14,400
56 I/O Ports .....	27,965
32 VT 100 CRTs .....	51,040
32 VT 131 CRTs .....	54,240
5 MB Memory .....	64,800
Battery Backup .....	1,800
(2) 456 MB Disks .....	38,000
Memory & Communication .....	19,040
Cabinets and Interface Boxes	
Fortran .....	8,700
FMS Forms Package .....	5,180
DBMS-32 .....	42,000
Total DEC hardware & software .....	<u>611,165</u>

ASK Software Products ..... 118,000

### Discounts

10% off DEC hardware and software .....	61,116.50
10% off ASK software .....	11,800.00
Net Price .....	<u>656,248.50</u>



## MANMAN on VAX

(continued from page 1)

on the VAX. This software provides controls for inventory management, bills of material, shop floor control, purchasing, cost accounting, material requirements planning, capacity requirements planning, master scheduling, and resource requirements planning.

The MANMAN General Ledger and Order Management/Accounts Receivable products will be available by early autumn, and will be followed by the other financial packages in the winter.

### Discounts are Available

"We're very enthusiastic about the new offering," says Elbridge Stuart, ASK's product marketing manager. "Customers who install manufacturing software on a VAX computer can take advantage of the three types of discounts we offer." First, ASK offers a discount on VAX hardware purchased for use with MANMAN products. "We can offer this discount because we are a volume buyer and we pass that discount on to our customers," says Stuart. Second, discounts are offered on ASK turnkey

software products. The third and newest type of discount is for VAX customers who buy MANMAN financial products before the official release date of fall 1983. (See page 3 for a pricing table.)

"We will be making quite an effort to meet the information needs of our VAX customers," Stuart says. "We have one customer who is currently using ASKNET (the ASK Remote Processing Service) in conjunction with the VAX. The MANMAN/MFG product is on the VAX, and the financials are on the ASKNET HP machines. As soon as the forthcoming VAX-based products are available, we will work with him to convert his data entirely to his in-house VAX system."

### VAX Hardware Can Vary

The specific systems running the MANMAN software are the VAX 11/780, VAX 11/750, and VAX 11/730. The differences between the machines are processor performance, their relative memory capacities, and the number of terminals and other peripheral equipment they can accommodate.

The VAX processors will use DEC's CODASYL data base manager, VAX/11 DBMS, which DEC introduced in early 1982. According to Fox, ASK

spent three to four months in evaluating available data base management systems before deciding on the DEC DBMS. "We tried several of the available data base management systems in-house and concluded that the DEC CODASYL system provides the best performance and most useful feature set. Moreover, it's written specifically for the VAX which makes it faster and more flexible for use in our system designs."

### Support Services Provided

Like the other MANMAN Information System products, the VAX products will be fully supported by technical service, and by software updates for subscribing customers. Full documentation through both an on-line help facility and user reference manuals will be available, as well as user training classes that are based specifically on the VAX applications. □



NEWSMAN is a publication of ASK Computer Systems, Inc., Los Altos, CA.

Editor—Miriam Kaminsky  
Designer—J. D. Cloer  
Assistant Designer—Mari Eckstein

For more information or additional copies of NEWSMAN contact: Stewart Florsheim, Director, Technical Communications.

Trademark notice: MANMAN is a registered trademark of ASK Computer Systems, Inc. VAX is a registered trademark of Digital Equipment Corporation.



### ASK HEADQUARTERS

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Los Altos, CA



outstanding people is our most important challenge for sustaining growth. We are pleased by our success in college recruiting. Over 65% of our offers to college graduates this year have been accepted. Although there continues to be a great deal of economic uncertainty, we feel ASK is well positioned to increase our market share and to continue to attract the best employees during these times.

We thank our employees, customers, and shareholders for their enthusiastic support.

Sincerely,



Sandra L. Kurtzig  
President

## ASK Computer Systems, Inc.

### Headquarters

730 Distel Drive  
Los Altos, CA 94022  
(415) 969-4442

### Eastern Region

Syosset, NY  
Westport, CT  
Bedford, MA  
Fort Lauderdale, FL  
King of Prussia, PA

### Midwest Region

Hinsdale, IL  
Fairlawn, OH  
Edina, MN  
Indianapolis, IN

### Northwest Region

Los Altos, CA  
Bellevue, WA

### Southwest Region

Orange, CA  
Los Angeles, CA  
Carlsbad, CA  
Richardson, TX  
Houston, TX

## The MANMAN<sup>®</sup> Information System

### Manufacturing Management

Bill of Materials/Engineering Design  
Inventory Control  
Work-in-Process/Shop Floor Control  
Purchasing  
Material Requirements Planning  
Capacity Requirements Planning  
Cost Accounting  
Master Scheduling/Resource Requirements Planning

### Order Management/Accounts Receivable

Sales Order Entry  
Invoicing  
Accounts Receivable  
Cash Receipts  
Sales Analysis

### Accounts Payable

Voucher Processing  
Accounts Payable  
Cash Disbursements

### General Ledger

Budgets  
Financial Statements  
General Ledger

### GRAFMAN

Integrated Business Graphics

### Fixed Assets

Asset Control and Tracking



ASK Computer Systems, Inc.  
730 Distel Drive, Los Altos, CA 94022  
(415) 969-4442

# ASK Computer Systems



3

Third Quarter Report  
For The Period Ended  
March 31, 1982



## TO OUR SHAREHOLDERS:

It is a pleasure to report another excellent quarter for ASK Computer Systems. Revenue increased 95% to \$6,000,000 and net income increased 87% to \$631,000 over the comparable quarter a year ago. Operating results for the first nine months of fiscal year 1982 showed consistent high growth. Compared with the first nine months of fiscal 1981, revenue increased 101% to \$16,008,000 and net income increased 70% to \$1,632,000.

During the quarter, we continued our sales force expansion. The additional sales and marketing expenses incurred had a planned impact on operating margins which were partially compensated by the interest income. ASK's direct sales force is now geographically well positioned throughout the United States.

ASKNET™, our on-line remote processing service, continues to grow rapidly. We extended the ASKNET telecommunications network into New York, Boston, and Seattle and we will soon expand the network further into Houston and Dallas.

Our new MANMAN® Fixed Assets software product, which we started delivering as planned in March, is off to a good start. Most new customers and many current customers are licensing this new product.

Recently, we were informed by INC. Magazine that we are the fastest growing public software company in the United States and the eighth fastest growing company of the more than 30,000 publicly held U.S. companies. The "Annual INC. 100 List" will be published in their May issue.

ASK's record of growth and position as the leading independent supplier of manufacturing management systems is attributable to the outstanding people who work at ASK. Our employees are dedicated and productive; the average revenue per employee approaches \$200,000. Attracting, developing, and retaining

### CONDENSED STATEMENT OF INCOME (Unaudited)

	Quarter ended March 31,		Nine mos. ended March 31,	
	1982	1981	1982	1981
	(Dollars in thousands)		(Dollars in thousands)	
Net revenue	\$6,000	\$3,073	\$16,008	\$7,973
Cost and expenses				
Cost of revenue	3,138	1,454	8,557	3,798
Product development	440	331	1,196	760
Selling, general and administrative	1,633	712	4,054	1,791
Total cost and expenses	5,211	2,497	13,807	6,349
Operating income	789	576	2,201	1,624
Interest income	379	36	790	119
Income before taxes	1,168	612	2,991	1,743
Provision for income taxes	537	275	1,359	783
Net income	\$ 631	\$ 337	\$ 1,632	\$ 960
Earnings per share	\$ .12	\$ .08	\$ .34	\$ .25
Weighted average shares outstanding	5,043	4,052	4,748	3,915

### CONDENSED BALANCE SHEET (Unaudited)

	March 31,	
	1982	1981
	(Dollars in thousands)	
<b>ASSETS</b>		
Cash and marketable securities	\$11,749	\$1,315
Accounts receivable	4,580	2,284
Prepaid income taxes	—	283
Total current assets	16,329	3,882
Net property and equipment	1,889	701
	<u>\$18,218</u>	<u>\$4,583</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable	\$ 1,637	\$1,114
Accrued liabilities	1,687	451
Customer deposits	267	318
Income taxes payable	598	—
Deferred income taxes	720	352
Total current liabilities	4,909	2,235
Common stock	9,433	259
Retained earnings	4,411	2,248
	<u>13,844</u>	<u>2,507</u>
Less notes receivable from shareholders	535	159
Total shareholders' equity	<u>13,309</u>	<u>2,348</u>
	<u>\$18,218</u>	<u>\$4,583</u>



During the quarter, we continued our emphasis on product development. We completed the initial field trial installation of our new Fixed Assets software product which incorporates the new accounting rules from Reagan's Economic Recovery Tax Act. We have several orders for this new product and we plan to begin deliveries in March. We also enhanced our ASKNET™ on-line remote processing service by beginning the implementation of our own telecommunication network in Los Angeles and Chicago.

With the current recession, we believe that manufacturing companies are highly motivated to implement our MANMAN® Information System to improve productivity and optimize inventory investments. For this reason, we expect the impact of the current recession on ASK to be minimal. The continued support of our customers, employees, and shareholders is deeply appreciated.

Sincerely,



Sandra L. Kurtzig  
President

## ASK Computer Systems, Inc.

### Headquarters

730 Distel Drive  
Los Altos, CA 94022  
(415) 969-4442

### Eastern Region

Syosset, NY  
Westport, CT  
Bedford, MA  
Fort Lauderdale, FL  
King of Prussia, PA

### Midwest Region

Hinsdale, IL  
Fairlawn, OH  
Edina, MN  
Indianapolis, IN

### Northwest Region

Los Altos, CA  
Bellevue, WA

### Southwest Region

Orange, CA  
Los Angeles, CA  
Carlsbad, CA  
Richardson, TX  
Houston, TX

## The MANMAN® Information System

### Manufacturing Management

Bill of Materials/Engineering Design  
Inventory Control  
Work-in-Process/Shop Floor Control  
Purchasing  
Material Requirements Planning  
Capacity Requirements Planning  
Cost Accounting  
Master Scheduling/Resource Requirements Planning

### Order Management/Accounts Receivable

Sales Order Entry  
Invoicing  
Accounts Receivable  
Cash Receipts  
Sales Analysis

### Accounts Payable

Voucher Processing  
Accounts Payable  
Cash Disbursements

### General Ledger

Budgets  
Financial Statements  
General Ledger

### GRAFMAN

Integrated Business Graphics


### Fixed Assets

Asset Control and Tracking



ASK Computer Systems, Inc.  
730 Distel Drive, Los Altos, CA 94022  
(415) 969-4442

# ASK Computer Systems



**Second Quarter Report  
For The Period Ended  
December 31, 1981**



## TO OUR SHAREHOLDERS:

Revenue and earnings were at record levels for the first six months ended December 31, 1981. Compared with the first half of fiscal 1981, revenues increased 104% to \$10,008,000 from \$4,900,000. Net income increased 61% to \$1,001,000 or \$.22 per share from \$623,000 or \$.16 per share. Earnings per share did not grow as fast as net income due to a 20% increase in weighted average shares over the prior year as a result of our initial public offering on October 1, 1981.

The second quarter was an excellent one for ASK. Revenue increased 92% to \$5,092,000 from \$2,653,000 in the second quarter of fiscal 1981. Net income increased 116% to \$516,000 or \$.10 per share, compared with \$239,000 or \$.06 per share for the same quarter last year, on a 30% increase in weighted average shares outstanding.

We were very pleased by the recent Computerworld (November 16, 1981) report which confirmed our position as the leading independent supplier of manufacturing management systems. During this general economic recession, our strong financial position puts us at an advantage to continue to increase our leading market share. We are aggressively expanding our sales and product development efforts, while carefully monitoring our discretionary expenditures.

To further our sales effort, we expanded our domestic direct sales and support organization by opening ASK offices in Los Angeles, Indianapolis, and Minneapolis. These are the last U.S. areas that have been serviced by independent distributors. In December, we began our first national advertising campaign in Business Week, Fortune, Datamation, and American Production and Inventory Control (APICS) magazines. Until we began this campaign, our major source of prospect leads and company recognition had been "word of mouth."

	Quarter ended December 31,		Six mos. ended December 31,	
	1981	1980	1981	1980
	(Dollars in thousands)		(Dollars in thousands)	
<b>CONDENSED STATEMENT OF INCOME (Unaudited)</b>				
Net revenue	\$5,092	\$2,653	\$10,008	\$4,900
Cost and expenses				
Cost of revenue	2,785	1,369	5,419	2,344
Product development	440	260	756	429
Selling, general and administrative	1,273	635	2,421	1,079
Total cost and expenses	4,498	2,264	8,596	3,852
Operating income	594	389	1,412	1,048
Interest income	362	44	411	83
Income before taxes	956	433	1,823	1,131
Provision for income taxes	440	194	822	508
Net income	\$ 516	\$ 239	\$ 1,001	\$ 623
Earnings per share	\$ .10	\$ .06	\$ .22	\$ .16
Weighted average shares outstanding	5,043	3,891	4,601	3,846

## CONDENSED BALANCE SHEET (Unaudited)

	December 31,	
	1981	1980
	(Dollars in thousands)	
<b>ASSETS</b>		
Cash and marketable securities	\$10,213	\$1,018
Accounts receivable	4,546	2,329
Prepaid income taxes	—	220
Total current assets	14,759	3,567
Net property and equipment	1,531	535
	<u>\$16,290</u>	<u>\$4,102</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable	\$ 1,025	\$1,010
Accrued liabilities	985	764
Customer deposits	473	111
Income taxes payable	445	—
Deferred income taxes	670	232
Total current liabilities	3,598	2,117
Common stock	9,446	74
Retained earnings	3,781	1,911
	13,227	1,985
Less notes receivable from shareholders	535	—
Total shareholders' equity	12,692	1,985
	<u>\$16,290</u>	<u>\$4,102</u>



**The MANMAN Information System**

MANMAN/MFG Manufacturing Management	MANMAN/PAYROLL Payroll
MANMAN/OMAR Order Management and Accounts Receivable	MANMAN/PLANMAN General Ledger Budgeting
MANMAN/AP Accounts Payable	MANMAN/SERVICEMAN Field Service
MANMAN/GL General Ledger	MANMAN/GRAFMAN Integrated Business Graphics
MANMAN/FA Fixed Assets	MANMAN/QUIZ Report Writer

**Corporate Office**

ASK Computer Systems, Inc.  
730 Distel Drive  
Los Altos, California 94022  
(415) 969-4442

EDVENTURE HOLDINGS INC.  
375 PARK AVENUE  
NEW YORK, NY 10152

ASK Computer Systems Inc.  
730 Distel Drive  
Los Altos, California 94022

*ASK Computer Systems Inc. First Quarter Report*

*For the Period Ended September 30, 1984*



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## To Our Shareholders

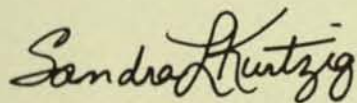
It is a pleasure to report another good quarter for ASK Computer Systems. Net income increased 72% to \$1,706,000 or \$.15 per share. Revenue increased 44% to \$18,003,000 as compared with \$12,460,000 for the same quarter last year.

ASK continues to solve manufacturing problems with state-of-the-art software solutions. Significant MANMAN enhancements released this quarter include two-level master scheduling, final assembly scheduling and options order entry. These enhancements allow manufacturers to design generic products and build to customer specifications.

The market for MANMAN products broadened dramatically in September with the announcement of Hewlett-Packard's newest minicomputer, the HP 3000 Series 37. The new computer, which is user installable, will be sold with MANMAN software as a complete manufacturing and financial management information system called ASKMATE and will cost under \$125,000. This means that an in-house MANMAN solution will become cost-effective for manufacturing companies and divisions of Fortune 500 companies with annual revenues in the 5 to 10 million dollar range. Most importantly, the same standard MANMAN software that we license with larger HP computer configurations will run without any modifications on the Series 37.

During the past quarter, we also expanded our product marketing efforts with two new programs. We began an aggressive telemarketing program designed to reach potential customers throughout the United States. In addition, we have scheduled a series of MANMAN product fairs in major cities across the nation. We believe these programs will attract many new customers to the growing family of MANMAN users.

We appreciate the continuing enthusiasm of our customers, employees and shareholders. Your support in the first quarter has created a firm foundation for a successful year.



Sandra L. Kurtzig  
Chairman and Chief Executive Officer

## Condensed Statement of Income (Unaudited)

(In thousands, except per share data)

	Quarter ended September 30,	
	1984	1983
Net revenue	\$18,003	\$12,460
Cost and expenses	9,272	6,739
Cost of revenue	1,420	1,116
Product development	4,648	3,286
Selling, general and administrative	15,340	11,141
Total cost and expenses	2,663	1,319
Operating income	496	432
Other income	3,159	1,751
Income before income taxes	1,453	760
Provision for income taxes	\$ 1,706	\$ 991
Net income	\$ .15	\$ .09
Earnings per share	11,660	11,583
Weighted average shares outstanding		

## Condensed Balance Sheet (Unaudited)

(In thousands)

	September 30,	
	1984	1983
<b>Assets</b>	\$24,955	\$18,776
Cash and short term investments	19,060	11,568
Accounts receivable	4,662	3,134
Other	48,677	33,478
Total current assets	8,744	8,416
Net property and equipment	57,421	\$41,894
<b>Liabilities and Shareholders' Equity</b>	\$ 7,914	\$ 4,887
Accounts payable	5,899	2,797
Accrued liabilities	1,247	1,546
Income taxes payable	3,111	1,273
Deferred income taxes	18,171	10,503
Total current liabilities	976	988
Long term debt	21,120	20,296
Common stock	17,316	10,459
Retained earnings	38,436	30,755
	162	352
Less notes receivable from shareholders	38,274	30,403
Total shareholders' equity	\$57,421	\$41,894



remote processing service to be a major business opportunity which we are aggressively pursuing. It also creates a prospect base from which to convert remote processing users to turnkey system purchasers.

In July, we concluded negotiations with both Hewlett-Packard and Digital Equipment Corporation and entered into long-term agreements for the purchase of computer hardware and peripheral equipment with volume purchase discounts.

Also in this quarter, we commenced development of MANMAN for use with Digital Equipment Corporation's newest family of VAX 32-bit computers and expect to be marketing this hardware in addition to our current Hewlett-Packard based system in 1982.

On October 1, 1981, we successfully completed our initial public offering of 885,000 shares of ASK Common Stock, netting ASK approximately \$9.1 million in equity funds. These funds will be used to finance the cost of additional equipment to expand our on-line remote processing service and for additional working capital and possible future product acquisitions.

Our objective is to remain the premier supplier of management information products to help manufacturing companies improve their productivity. I feel we are well positioned to continue to achieve this objective.

Thank you for your on-going support.

Sincerely,

*Sandra L. Kurtzig*

Sandra L. Kurtzig  
President

**ASK Headquarters**

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(206) 453-9211

**Southwest Region**

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(213) 641-9391

**California Office (San Diego)**

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Carlsbad, CA 92008  
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**Texas Office (Dallas)**

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(214) 235-5725

**Texas Office (Houston)**

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Houston, TX 77084  
(713) 780-8472

*K. Kaiser*  
*617 894-4341*  
*260 Scituate Rd*  
*Natick, MA*

# ASK Computer Systems

**First Quarter Report  
For The Period Ended  
September 30, 1981**



ASK Computer Systems, Inc.  
730 Distel Drive, Los Altos, CA 94022  
(415) 969-4442



## TO OUR SHAREHOLDERS:

I am pleased to issue our first shareholders report as a publicly traded company. Revenues more than doubled to \$4,916,000 for the first quarter of 1982 from \$2,247,000 for the same quarter last year. Net income increased 26% to \$485,000, or \$.12 per common share, from \$384,000 or \$.10 per share a year ago. Net income as a percentage of net revenue was at our goal of 10% as compared with an unusually high 17% in the prior year. The revenue increase was primarily a result of the continuing geographical expansion of our sales force. We currently have over 60 sales and customer support personnel in 15 direct domestic sales offices.

Bookings for turnkey systems continued strong during the quarter, and most of these bookings will be filled during the second quarter. The increase in bookings and revenues is primarily attributable to larger unit volumes, but also due to higher average selling prices resulting from the introduction of complimentary products to our MANMAN® Information System. For example, GRAFMAN™, our new integrated business graphics product, provides a wide range of pre-formatted graphs for displaying information maintained by the MANMAN Information System. With a simple selection from a graph menu, users can produce a number of complete pre-formatted color graphs for analyzing important trends in each functional area of the user's manufacturing plant. We believe ASK is the only company currently offering an on-line manufacturing management system with fully integrated, ready-to-use graphics capability.

Our new on-line remote processing service continues to grow rapidly. With this service, manufacturing companies can use our MANMAN products through telephone connection to our computer center without having to make the initial capital expenditure associated with the purchase of a complete turnkey system. We consider this on-line

### CONDENSED STATEMENT OF INCOME (Unaudited)

	Quarter ended September 30,	
	1981	1980
	(Dollars in thousands)	
Net revenue .....	\$4,916	\$2,247
Cost and expenses .....		
Cost of revenue .....	2,634	975
Product development .....	316	169
Selling, general and administrative .....	1,148	444
Total cost and expenses .....	4,098	1,588
Operating income .....	818	659
Interest income .....	49	39
Income before taxes .....	867	698
Provision for income taxes .....	382	314
Net income .....	<u>\$ 485</u>	<u>\$ 384</u>
Earnings per share .....	<u>\$ .12</u>	<u>\$ .10</u>
Weighted average shares outstanding .....	<u>4,159</u>	<u>3,800</u>

### CONDENSED BALANCE SHEET (Unaudited)

	September 30,	
	1981	1980
	(Dollars in thousands)	
<b>ASSETS</b>		
Cash and marketable securities .....	\$1,156	\$1,855
Accounts receivable .....	5,138	1,505
Total current assets .....	6,294	3,360
Net property and equipment .....	1,120	414
	<u>\$7,414</u>	<u>\$3,774</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts Payable .....	\$2,227	\$ 779
Accrued liabilities .....	500	409
Customer deposits .....	677	126
Income taxes payable .....	69	602
Deferred income taxes .....	540	148
Total current liabilities .....	4,013	2,064
Common stock .....	675	38
Retained earnings .....	3,265	1,672
Less notes receivable from shareholders .....	3,940	1,710
Total shareholders' equity .....	539	—
	<u>3,401</u>	<u>1,710</u>
	<u>\$7,414</u>	<u>\$3,774</u>



## To Our Shareholders

I am pleased to report that ASK had an excellent third quarter of fiscal 1983. Revenue increased 65 percent to \$9,903,000 from \$6,000,000 for the third quarter of fiscal 1982. Net income increased 48 percent to \$937,000 or \$.17 per share from \$631,000 or \$.12 per share. Net income as a percentage of revenue continued near our targeted 10 percent goal, though somewhat less due to a lower gross margin. As indicated in my report for the first quarter, the ratio of software to hardware in turnkey systems can fluctuate from quarter to quarter. The software ratio was lower than average this quarter, primarily due to larger hardware systems.

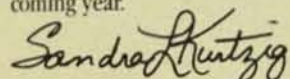
Revenue for the first nine months of fiscal 1983 increased 53 percent to \$24,413,000 from \$16,008,000 for the first nine months of last year. Net income increased 53 percent to \$2,501,000 or \$.48 per share as compared with \$1,632,000 or \$.34 per share for the same nine month period last year.

On March 17, 1983, ASK announced its intention to acquire Software Dimensions, a privately held Sacramento, California company which specializes in developing and marketing microcomputer-based business application software for Apple, CP/M-compatible and IBM personal computers. It is anticipated that the merger will be completed before the end of this fiscal year and that approximately 400,000 shares of ASK common stock will be issued in a "pooling of interest" transaction. As a result of this planned merger, ASK will be able to address the large market of small businesses with Software Dimensions' "Accounting Plus" software. It is estimated that the current market for small business accounting software is over \$1 billion.

A payroll product was introduced last month as the latest addition to ASK's MANMAN® product family. This product operates on both the HP3000 and DEC VAX minicomputers.

In addition, ASK completed the purchase of a building complex adjacent to its corporate headquarters. This facility will accommodate the company's planned growth for the next several years. The cost of the building complex was approximately \$3,000,000, including the assumption of a \$1,000,000 mortgage.

We are committed to maintaining our leadership position with innovative product development, comprehensive customer support, and aggressive marketing. We feel we are well positioned with an excellent team to maintain our growth trend into fiscal 1984, and expect to benefit from improvement in the general economic picture in the coming year.



Sandra L. Kurtzig, President

### Condensed Statement of Income (Unaudited)

(in thousands, except per share data)

	Quarter ended March 31,		Nine months ended March 31,	
	1983	1982	1983	1982
Net revenue	\$9,903	\$6,000	\$24,413	\$16,008
Cost and expenses				
Cost of revenue	5,454	3,138	12,382	8,557
Product development	777	440	2,024	1,196
Selling, general and administrative	2,422	1,633	6,779	4,054
Total cost and expenses	8,653	5,211	21,185	13,807
Operating income	1,250	789	3,228	2,201
Other income	365	379	1,131	790
Income before income taxes	1,615	1,168	4,359	2,991
Provision for income taxes	678	537	1,858	1,359
Net income	\$ 937	\$ 631	\$ 2,501	\$ 1,632
Earnings per share	\$ .17	\$ .12	\$ .48	\$ .34
Weighted average shares outstanding	5,552	5,043	5,232	4,748

### Condensed Balance Sheet (Unaudited)

(in thousands)

	March 31,	
	1983	1982
<b>Assets</b>		
Cash and short term investments	\$18,973	\$11,749
Accounts receivable	7,769	4,580
Other	1,309	—
Total current assets	28,051	16,329
Net property and equipment	6,817	1,889
	<u>\$34,868</u>	<u>\$18,218</u>
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 2,484	\$ 1,637
Accrued liabilities	2,284	1,687
Customer deposits	495	267
Income taxes payable	989	598
Deferred income taxes	920	720
Current portion of long term debt	11	—
Total current liabilities	7,183	4,909
Long term debt	994	—
Common stock	19,531	9,433
Retained earnings	7,618	4,411
	<u>27,149</u>	<u>13,844</u>
Less notes receivable from shareholders	458	535
Total shareholders' equity	26,691	13,309
	<u>\$34,868</u>	<u>\$18,218</u>



## The MANMAN Information Systems

### MANMAN/MFG

Inventory Control  
Bill of Materials/  
Engineering Design  
Work-in-Process  
Shop Floor Control  
Cost Accounting  
Purchasing  
Material Requirements  
Planning  
Capacity Requirements  
Planning  
Resource Requirements  
Planning  
Master Production  
Scheduling

### MANMAN/OMAR

Sales Order Entry  
Shipping/Invoicing  
Accounts Receivable  
Cash Receipts  
Sales Analysis

### MANMAN/OMAR PLUS

Sales Order Entry  
Shipping/Invoicing  
Accounts Receivable  
Cash Receipts  
Sales Analysis  
Inventory Control  
Purchasing  
Cost Accounting  
Master Production  
Scheduling

### MANMAN/AP

Voucher Processing  
Cash Disbursements  
Controls and Analysis

### MANMAN/GL

Financial Statements  
Journal Processing  
General Ledger and  
Budget Maintenance

### MANMAN/EA

Fixed Assets Tracking  
Expense Reporting  
Depreciation Processing

### MANMAN/PLANMAN

Financial Modeling

### MANMAN/ SERVICEMAN

Service Contract  
Maintenance  
Job Reporting

Material Requisitioning

### MANMAN/GRAFMAN

Integrated Business  
Graphics

### MANMAN/QUIZ

General Purpose  
Report Writer

## Locations

### Headquarters

730 Distel Drive  
Los Altos, California 94022  
(415) 969-4442

### Eastern Region

6800 Jericho Turnpike  
Suite 208W  
Syosset, New York 11791  
(516) 921-3660

Westport, Connecticut

Hockessin, Delaware

Fort Lauderdale, Florida

Dunwoody, Georgia

Bedford, Massachusetts

Columbia, Maryland

### Midwest Region

907 North Elm Street  
Hinsdale, Illinois 60521  
(312) 325-8816

Indianapolis, Indiana

Edina, Minnesota

### Northwest Region

730 Distel Drive  
Los Altos, California 94022  
(415) 969-4442

Denver, Colorado

Beaverton, Oregon

### Southwest Region

1940 West Orangewood Avenue  
Suite 202  
Orange, California 92668  
(714) 978-9161

Los Angeles, California

San Diego, California

Woodland Hills, California

Houston, Texas

Richardson, Texas

ASK Computer Systems Inc.  
Third Quarterly Report for the  
Period Ended March 31, 1983



ASK Computer Systems Inc.  
730 Distel Drive,  
Los Altos, California 94022  
(415) 969-4442

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# The MANMAN Information Systems

<b>MANMAN/MFG</b> Inventory Control Bill of Materials/ Engineering Design Work-in-Process Shop Floor Control Cost Accounting Purchasing Material Requirements Planning Capacity Requirements Planning Resource Requirements Planning Master Production Scheduling	<b>MANMAN/AP</b> Voucher Processing Cash Disbursements Controls and Analysis	<b>MANMAN/GL</b> Financial Statements Journal Processing General Ledger and Budget Maintenance	<b>MANMAN/FA</b> Fixed Assets Tracking Expense Reporting Depreciation Processing	<b>MANMAN/PLANMAN</b> Financial Modeling	<b>MANMAN/ SERVICEMAN</b> Service Contract Maintenance Job Reporting Material Requisitioning	<b>MANMAN/GRAMAN</b> Integrated Business Graphics	<b>MANMAN/QUITZ</b> General Purpose Report Writer	<b>MANMAN/OMAR PLUS</b> Sales Order Entry Shipping/Invoicing Accounts Receivable Cash Receipts Sales Analysis Inventory Control Purchasing Cost Accounting Master Production Scheduling
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## Locations

### Headquarters

730 Distel Drive  
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### Eastern Region

6800 Jericho Turnpike  
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Hoekessin, Delaware

Fort Lauderdale, Florida

Dunwoody, Georgia  
Bedford, Massachusetts  
Columbia, Maryland

### Midwest Region

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Indianapolis, Indiana  
Edina, Minnesota

### Northwest Region

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Denver, Colorado

Beverton, Oregon

### Southwest Region

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Los Angeles, California

San Diego, California  
Woodland Hills, California  
Houston, Texas  
Richardson, Texas

ASK Computer Systems Inc.  
First Quarterly Report for the  
Period Ended September 30, 1982



ASK Computer Systems Inc.  
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(415) 969-4442

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Printed in U.S.A.



## To Our Shareholders

It is a pleasure to report another good quarter for ASK Computer Systems. Revenue for the first quarter 1983 increased 32% to \$6,508,000 as compared with the same quarter last year. Net income increased 51% to \$731,000 or \$.15 per share. Earnings per share did not grow as fast as net income due to a 21% increase in average shares outstanding over the prior year as a result of our initial public offering a year ago.

Net income as a percentage of net revenue was 11.2%, which was higher than our targeted 10% due to a very favorable gross margin of 54% for the quarter. This high gross margin resulted from three factors and is not necessarily indicative of a continuing trend. The factors are a higher than usual ratio of software to hardware in turnkey systems, less add-on hardware purchases as a percentage of net revenue, and higher than usual foreign software license fees.

ASK continues to have no long or short term debt. We have over \$11,000,000 in cash and short term investments and our current ratio is a favorable 3.5.

Our excellent products, strong financial position, and aggressive sales efforts have put ASK in a good position to continue to increase our market share in spite of a difficult economic climate. We now have over 90 sales, marketing, education, and customer support personnel in 19 direct sales offices in the United States. We have expanded our customer training to include a series of ten courses.

During the quarter, we announced and started customer deliveries of our SERVICEMAN™ field service management product. This addition to our MANMAN® Information System provides contract maintenance and field service job reporting, costing, and service history. SERVICEMAN is targeted for companies that offer warranty repairs and regularly scheduled maintenance covered under service contracts.

I am very pleased to report that James Manion has been promoted to Vice President of Eastern Operations. Since 1978, Jim has been ASK's Eastern Region Sales Manager.

October 1, 1982 marks one year that ASK has been a public company. It has been a very good year for ASK. We thank our employees, customers, and shareholders for their enthusiastic and loyal support.

*Sandra L. Kurtzig*  
Sandra L. Kurtzig, President

### Condensed Statement of Income (Unaudited)

(In thousands, except per share data)

	Quarter ended September 30,	
	1982	1981
Net revenue	\$ 6,508	\$4,916
Cost and expenses		
Cost of revenue	2,977	2,634
Product development	544	316
Selling, general and administrative	2,076	1,148
Total cost and expenses	<u>5,597</u>	<u>4,098</u>
Operating income	911	818
Other income	390	49
Income before income taxes	<u>1,301</u>	<u>867</u>
Provision for income taxes	570	382
Net income	<u>\$ 731</u>	<u>\$ 485</u>
Earnings per share	<u>\$ .15</u>	<u>\$ .12</u>
Weighted average shares outstanding	<u>5,041</u>	<u>4,159</u>

### Condensed Balance Sheet (Unaudited)

(In thousands)

	September 30,	
	1982	1981
<b>Assets</b>		
Cash and short term investments	\$11,790	\$1,156
Accounts receivable	5,191	5,138
Total current assets	<u>16,981</u>	<u>6,294</u>
Net property and equipment	2,792	1,120
	<u>\$19,773</u>	<u>\$7,414</u>
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 1,419	\$2,227
Accrued liabilities	1,307	500
Customer deposits	436	677
Income taxes payable	837	69
Deferred income taxes	900	540
Total current liabilities	<u>4,899</u>	<u>4,013</u>
Common stock	9,506	675
Retained earnings	5,847	3,265
	<u>15,353</u>	<u>3,940</u>
Less notes receivable from shareholders	479	539
Total shareholders' equity	<u>14,874</u>	<u>3,401</u>
	<u>\$19,773</u>	<u>\$7,414</u>



ASK

ASK Comp.

(1)

sales

course at 7 educts.

8 diff ones

Service Man. fields etc;

contracts, job cost, reporting, etc.

shd be a good rev<sup>l</sup> this

year

typically acct w. 11

have 10-60 cots

~~so~~ VAX version out soon

using DEC's slow dbms

\$150k - 350k dep. f-key

Ask not flat b/c his summer

\$3 1/2 m revenue after 20% / mo



(2)

supply-constrained issuer

46k targets

16k  $\downarrow$ -key  $> \$5m$

30k Asknet  $< \$5m$

int'l mkt = another 50%

600 sites 350-400 cos

40 people 18 offices

2 users

c. 40 support po

\$3.5m on R&D this yr

VAX B in October

dist. DMAR+ (end of yr)

fin. modeling

PlanMan in B now



ASK

③

VisiCalc, Trend & Plot  
Interfaced into our  
System - download into  
APC. & can then upload

① we did it

② more idg -

---

news - \$22.8m

goal 10% after tax

3 goals

① profitably \$100m in 4 yrs  
10% a year

② exploit #1 point

③

economy - 1Q



sales cycle  $\uparrow$

1Q now - has had to be lower than 4Q

share prices  $\uparrow$  20% July 1

so 4Q was strong

DEC conversion?



## THE MANMAN INFORMATION SYSTEM

MANMAN/MFG  
Manufacturing  
Management

MANMAN/OMAR  
Order Management and  
Account Receivable

MANMAN/OMAR PLUS  
OMAR plus Finished Goods  
Inventory and Purchasing

MANMAN/AP  
Accounts Payable

MANMAN/GL  
General Ledger

MANMAN/FA  
Fixed Assets

MANMAN/PAYROLL  
Payroll

MANMAN/PLANMAN  
General Ledger Budgeting

MANMAN/SERVICEMAN  
Field Service

MANMAN/SERVICEMAN PLUS  
SERVICEMAN plus Finished Goods  
Inventory and Purchasing

MANMAN/GRAM  
Purchasing

MANMAN/GRAM PLUS  
Integrated Business  
Graphics

MANMAN/QUIZ  
Report Writer

## ACCOUNTING PLUS

### Micro-based Accounting Systems

General Ledger  
Accounts Receivable  
Accounts Payable

Sales Order Entry  
Purchase Order

Inventory Control  
Payroll

Point of Sale

Fixed Asset Accounting

Mailing List Management  
Labels Plus

## LOCATIONS

ASK Computer Systems Inc.  
730 Distel Drive  
Los Altos, California 94022  
(415) 969-4442

ASK Micro Inc.  
100 Blue Ravine Drive  
Folsom, California 95630  
(916) 722-8000

ASK Computer Systems Inc.  
730 Distel Drive  
Los Altos, California 94022

ESTHER DYSON  
ROSEN RESEARCH INC  
200 PARK AVENUE  
NEW YORK NY

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# 1

ASK COMPUTER SYSTEMS INC.

FIRST QUARTER REPORT  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 1983



## TO OUR SHAREHOLDERS

It is a pleasure to report another good quarter for ASK Computer Systems. Revenue increased 76% to \$12,460,000 as compared with \$7,095,000 for the same quarter last year. Net income increased 21% to \$991,000 or \$.09 per share.

Net income for the quarter as a percentage of revenue was 8%. This was lower than our targeted 10% due to (a) an unusually high ratio of hardware, which has a lower gross margin, to software revenue and (b) costs associated with ramping up operations at ASK Micro.

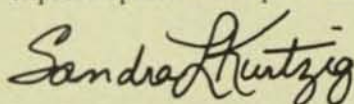
This quarter we delivered our first MANMAN® financial products for Digital Equipment Corporation's VAX minicomputers. As of September 30, we had sold 70 MANMAN products for the VAX, of which 11 were installed.

During the quarter, we significantly reorganized our recently-acquired subsidiary, ASK Micro Inc. (formerly Software Dimensions). ASK Micro offers broad opportunities in markets we could not previously address. In order to quickly take advantage of these opportunities, we are enhancing the subsidiary's sales channels, and refocusing marketing and R&D strategies. Tom Lavey, executive vice president, was also named president of ASK Micro, and Roger Bottarini was transferred and promoted to director of systems and programming.

In August, Robert Riopel was promoted to executive vice president of finance and administration of ASK.

October 1, 1983 marks two years that ASK has been a public company. During this time, our revenues have grown more than threefold. This quarter we announced a two-for-one stock split, payable as of September 2. We thank our shareholders and customers for their support, and especially thank our employees for their hard work and dedication. Our employees have made ASK the leader in its market and a great place to work.

One of ASK's proudest accomplishments is our ability to attract and keep good people. We continually strive to provide an environment at ASK in which all employees are treated with respect; and encouraged to try new ways of doing things, to express opinions and push their talents to the limit.



Sandra L. Kurtzig, President

### Condensed Statement of Income (Unaudited)

(in thousands, except per share data)

Net revenue	
Cost and expenses	
Cost of revenue	
Product development	
Selling, general and administrative	
Total cost and expenses	
Operating income	
Other income	
Income before income taxes	
Provision for income taxes	
Net income	
Earnings per share	
Weighted average shares outstanding	

Quarter ended	
September 30,	
1983	1982
\$12,460	\$ 7,095
6,739	3,100
1,116	634
3,286	2,355
11,141	6,089
1,319	1,006
432	398
1,751	1,404
760	582
\$ 991	\$ 822
\$ .09	\$ .08
11,583	10,531

### Condensed Balance Sheet (Unaudited)

(in thousands)

<b>Assets</b>	
Cash and short term investments	
Accounts receivable	
Other	
Total current assets	
Net property and equipment	
<b>Liabilities and Shareholders' Equity</b>	
Accounts payable	
Accrued liabilities	
Income taxes payable	
Deferred income taxes	
Total current liabilities	
Long term debt	
Common stock	
Retained earnings	
Less notes receivable from shareholders	
Total shareholders' equity	

September 30,	
1983	1982
\$18,776	\$12,075
11,568	5,034
3,134	510
33,478	17,619
8,416	3,109
\$41,894	\$20,728
\$ 4,887	\$ 1,517
2,797	1,848
1,546	1,016
1,273	883
10,503	5,264
988	12
20,296	9,545
10,459	6,385
30,755	15,930
352	478
30,403	15,452
\$41,894	\$20,728

1982 restated for an acquisition and two-for-one stock split.



## THE MANMAN INFORMATION SYSTEM

MANMAN/MFG  
Manufacturing  
Management

MANMAN/OMAR  
Order Management and  
Account Receivable

MANMAN/OMAR PLUS  
OMAR plus Finished Goods  
Inventory and Purchasing

MANMAN/AP  
Accounts Payable

MANMAN/GL  
General Ledger

MANMAN/FA  
Fixed Assets

MANMAN/PAYROLL  
Payroll

MANMAN/PLANMAN  
General Ledger Budgeting

MANMAN/SERVICEMAN  
Field Service

MANMAN/SERVICEMAN PLUS  
SERVICEMAN plus Finished  
Goods Inventory and  
Purchasing

MANMAN/GRAFMAN  
Integrated Business  
Graphics

MANMAN/QUIZ  
Report Writer

## ACCOUNTING PLUS

### Micro-based Accounting Systems

General Ledger  
Accounts Receivable  
Accounts Payable  
Sales Order Entry  
Purchase Order

Inventory Control  
Payroll  
Point of Sale  
Fixed Asset Accounting  
Mailing List Management  
Labels Plus

## LOCATIONS

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730 Distel Drive  
Los Altos, California 94022  
(415) 969-4442

ASK Micro Inc.  
100 Blue Ravine Road  
Folsom, California 95630  
(916) 722-8000



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ASK Computer Systems Inc.  
730 Distel Drive  
Los Altos, California 94022

ASK COMPUTER SYSTEMS INC.

SECOND QUARTER REPORT  
FOR THE PERIOD ENDED  
DECEMBER 31, 1983

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2



## TO OUR SHAREHOLDERS

I am pleased to report record high revenue and income for ASK's fiscal 1984 second quarter which ended December 31, 1983. Net income was \$1,906,000 or \$.16 per share, a 127% increase over fiscal 1983 second quarter income of \$641,000 or \$.08 per share. Revenue increased 75% to \$15,114,000 from \$8,654,000 in the same period last year.

Net income for the six months ended December 31, 1983 was \$2,897,000 or \$.25 per share, a 74% increase over income of \$1,663,000 or \$.16 per share for the same period a year ago. Revenue for the first half of fiscal 1984 increased 75% to \$27,574,000 compared to \$15,749,000 a year ago.

ASK places great emphasis on support and education of its customers. This quarter, we introduced our first in a series of self-paced educational courses for MANMAN® users. These courses were purchased and used by customers at their own expense to teach their employees how to use MANMAN. These self-paced courses supplement our intensive series of classes offered at our 7 training centers in the United States. This year, ASK will offer over 1000 classroom days of training.

ASKNET®, our on-line remote processing service, continues to grow rapidly. There are currently over 140 customers located throughout the United States who access ASKNET through network telecommunications nodes.

In November, the results of two Hewlett-Packard International Users' Group surveys were published which showed ASK's MANMAN as the #1 rated application software. Users rated ASK's MANMAN products the highest in every major category surveyed: features, ease of use, reliability, performance, support, and overall satisfaction. ASK was also rated as having the largest market share for manufacturing application software.

We appreciate the continuing support of our employees, customers, and shareholders. You've made us #1.

*Sandra Kurtzig*

Sandra L. Kurtzig, President

### Condensed Statement of Income (Unaudited)

(in thousands, except per share data)

	Quarter ended December 31,		Six months ended December 31,	
	1983	1982	1983	1982
Net revenue	\$15,114	\$ 8,654	\$27,574	\$15,749
Cost and expenses				
Cost of revenue	6,704	4,137	13,443	7,237
Product development	1,284	804	2,400	1,438
Selling, general and administrative	4,226	2,640	7,512	4,995
Total cost and expenses	12,214	7,581	23,355	13,670
Operating income	2,900	1,073	4,219	2,079
Interest income	467	379	899	777
Income before income taxes	3,367	1,452	5,118	2,856
Provision for income taxes	1,461	611	2,221	1,193
Net income	\$ 1,906	\$ 841	\$ 2,897	\$ 1,663
Earnings per share	\$ .16	\$ .08	\$ .25	\$ .16
Weighted average shares outstanding	11,620	10,658	11,601	10,595

### Condensed Balance Sheet (Unaudited)

(in thousands)

	December 31,	
	1983	1982
<b>Assets</b>		
Cash and short term investments	\$19,203	\$20,171
Accounts receivable	12,494	6,839
Other	1,171	1,134
Total current assets	32,868	28,144
Net property and equipment	9,212	4,537
Other assets	1,625	889
	\$43,705	\$33,570
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 4,584	\$ 3,350
Accrued liabilities	2,903	2,245
Income taxes payable	871	502
Deferred income taxes	1,800	910
Total current liabilities	10,158	7,007
Long term debt	985	211
Common stock	20,527	19,583
Retained earnings	12,365	7,227
	32,892	26,810
Less notes receivable from shareholders	330	458
Total shareholders' equity	32,562	26,352
	\$43,705	\$33,570



# The MANMAN Information Systems

## **MANMAN/MFG**

Inventory Control  
Bill of Materials/  
Engineering Design  
Work-in-Process

Shop Floor Control

Cost Accounting

Purchasing

Material Requirements  
Planning

Capacity Requirements  
Planning

Resource Requirements  
Planning

Master Production  
Scheduling

## **MANMAN/OMAR**

Sales Order Entry  
Shipping/Invoicing  
Accounts Receivable  
Cash Receipts  
Sales Analysis

## **MANMAN/OMAR PLUS**

Sales Order Entry  
Shipping/Invoicing  
Accounts Receivable  
Cash Receipts  
Sales Analysis  
Inventory Control  
Purchasing  
Cost Accounting  
Master Production  
Scheduling

## **MANMAN/AP**

Voucher Processing  
Cash Disbursements  
Controls and Analysis

## **MANMAN/GL**

Financial Statements  
Journal Processing  
General Ledger and  
Budget Maintenance

## **MANMAN/FA**

Fixed Assets Tracking  
Expense Reporting  
Depreciation Processing

## **MANMAN/PLANMAN**

Financial Modeling

## **MANMAN/ SERVICEMAN**

Service Contract  
Maintenance  
Job Reporting  
Material Requisitioning

## **MANMAN/GRAFMAN**

Integrated Business  
Graphics

## **MANMAN/QUIZ**

General Purpose  
Report Writer

## Locations

### **Headquarters**

730 Distel Drive  
Los Altos, California 94022  
(415) 969-4442

### **Eastern Region**

6800 Jericho Turnpike  
Suite 208W  
Syosset, New York 11791  
(516) 921-3660  
Westport, Connecticut  
Hockessin, Delaware  
Fort Lauderdale, Florida  
Dunwoody, Georgia  
Bedford, Massachusetts  
Columbia, Maryland

### **Midwest Region**

907 North Elm Street  
Hinsdale, Illinois 60521  
(312) 325-8816  
Indianapolis, Indiana  
Edina, Minnesota

### **Northwest Region**

730 Distel Drive  
Los Altos, California 94022  
(415) 969-4442  
Denver, Colorado  
Beaverton, Oregon

### **Southwest Region**

1940 West Oranewood Avenue  
Suite 202  
Orange, California 92668  
(714) 978-9161  
Los Angeles, California  
San Diego, California  
Woodland Hills, California  
Houston, Texas  
Richardson, Texas

ASK Computer Systems Inc.  
Second Quarterly Report for the  
Period Ended December 31, 1982



ASK Computer Systems Inc.  
730 Distel Drive,  
Los Altos, California 94022  
(415) 969-4442

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# 2



## To Our Shareholders

Revenue and income reached record levels during the second quarter of fiscal 1983. Revenue increased 57% to \$8,002,000 as compared with \$5,092,000 for the same quarter last year. Net income increased 61% to \$833,000 or \$.16 per share from \$516,000 or \$.10 per share.

Financial results for the first half of fiscal 1983 also were at record levels. Revenue grew to \$14,510,000 and net income to \$1,564,000 or \$.31 per share as compared with revenue of \$10,008,000 and income of \$1,001,000 or \$.22 per share for the first six months of fiscal 1982.

On December 21, we completed a public offering of 500,000 shares of common stock, netting ASK approximately \$10,000,000 in equity funds. As a result, we have more than \$19 million in cash and short-term investments, no long or short-term debt, and a current ratio of 4.2. Approximately \$2,500,000 of this cash will be used to purchase and improve additional facilities of approximately 32,000 square feet adjacent to our headquarters.

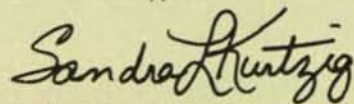
In addition, a portion of our cash-on-hand will be used to fund our new ASK MICROMAN products. These manufacturing and financial management application software products will be designed for use in conjunction with microcomputers. No revenue is expected from these products this fiscal year.

In November, we started customer deliveries of our MANMAN manufacturing product for use with Digital Equipment Corporation's VAX minicomputers. The rest of the MANMAN products will be released on the VAX during calendar year 1983. Most of the initial sales of MANMAN on DEC are expected to be "software-only sales" to companies that already own VAX hardware.

In October 1982, we acquired a paid-up license for payroll and human resource software packages that will interface with our MANMAN products. Marketing release for the payroll product is planned for February 1983.

I am very pleased to announce the promotion of Thomas Lavey to Executive Vice President and Chief Operating Officer. Since 1978, Tom has been Vice President of Marketing and Sales at ASK and has done an outstanding job of expanding our sales and marketing organization to over 100 people in 19 sales offices in the U.S. James Manion, previously Vice President of Eastern Operations, has been promoted to Vice President of Sales.

In spite of continual economic uncertainty, we are pleased with our first half results. We are optimistic that we can continue our growth with the hard work, dedication and enthusiasm we consistently receive from ASK employees, and with the support of our customers and shareholders.



Sandra L. Kurtzig, President

### Condensed Statement of Income (Unaudited)

(in thousands, except per share data)

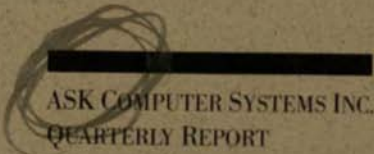
	Unaudited Three months ended		Six months ended	
	December 31, 1982	December 31, 1981	December 31, 1982	December 31, 1981
Net revenue	\$8,002	\$5,092	\$14,510	\$10,008
Cost and expenses				
Cost of revenue	3,785	2,785	6,928	5,419
Product development	1,410	1,110	1,247	756
Selling, general and administrative	2,273	1,273	4,357	2,421
Total cost and expenses	7,468	5,168	12,532	8,596
Operating income	534	(76)	1,978	1,412
Other income	262	262	766	411
Income before income taxes	796	186	2,744	1,823
Provision for income taxes	(232)	(100)	1,180	822
Net income	\$ 564	\$ 86	\$ 1,564	\$ 1,001
Earnings per share	\$ .10	\$ .02	\$ .31	\$ .22
Weighted average shares outstanding	5,043	5,043	5,072	4,601

### Condensed Balance Sheet (Unaudited)

(In thousands)

	December 31,	
	1982	1981
<b>Assets</b>		
Cash and short term investments	\$19,850	\$10,213
Accounts receivable	7,057	4,546
Other	1,440	—
Total current assets	28,347	14,759
Net property and equipment	4,169	1,531
	<u>\$32,516</u>	<u>\$16,290</u>
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 3,173	\$ 1,025
Accrued liabilities	1,547	985
Customer deposits	606	473
Income taxes payable	503	445
Deferred income taxes	920	670
Total current liabilities	6,749	3,598
Common stock	19,544	9,446
Retained earnings	6,681	3,781
	26,225	13,227
Less notes receivable from shareholders	458	535
Total shareholders' equity	25,767	12,692
	<u>\$32,516</u>	<u>\$16,290</u>





ASK COMPUTER SYSTEMS INC.  
QUARTERLY REPORT

FOR THE PERIOD ENDED  
MARCH 31, 1988

3



## TO OUR SHAREHOLDERS

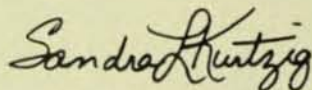
Revenues for the third quarter of fiscal 1988 were \$37,004,000. Net income was \$2,649,000 or \$.20 per share. These results compare with \$25,399,000 revenue and income of \$1,681,000 during the third quarter of fiscal 1987. We ended the quarter with working capital of \$35,408,000 and a current ratio of 1.9 to 1.

During the quarter, ASK participated in two important customer events—the semi-annual MAXCIM™ Users Group Spring Symposium and the annual MANMAN® Conference. The MAXCIM Symposium is a three-day program of presentations, panel discussions and question/answer sessions which enabled ASK to share ideas and information with 600 MAXCIM users. The MANMAN Conference held March 14-17 in San Jose, California, was attended by 1200 MANMAN users. The Conference featured over 100 sessions ranging from computer integrated manufacturing to measuring manufacturing performance to MANMAN product overviews. Our involvement in these events is an important part of our effort to maintain a current manufacturing market awareness as well as a close working relationship with our customers.

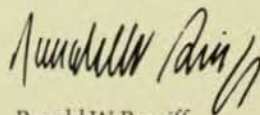
ASK also announced two agreements with Digital Equipment Corporation that will enable us to expand our presence in the large Manufacturing Information Systems and Computer Integrated Manufacturing (CIM) markets in the Far East and Japan. The Systems Cooperative Marketing Program (SCMP) agreement establishes ASK as a marketing partner with Digital in its Far East Region covering Hong Kong, Taiwan, the Philippines, Korea, Singapore, Malaysia, and Thailand. The

SCMP agreement helps both companies strengthen their market positions through cooperative selling, marketing, and technical exchange programs. Similar programs are already established for the U.S. and Canada. The second agreement appoints Digital's Japanese subsidiary, Nihon-Digital, as ASK's distributor for MANMAN Systems in Japan. In addition to translating MANMAN into Japanese and localizing ASK products for the Japanese market, Nihon-Digital will sell and support both the English and Japanese versions of MANMAN on Digital computer systems.

Our overall business performance during the quarter indicates that our sales and marketing programs addressing larger manufacturing companies, multi-national manufacturers, and our installed customer base continue to improve in their effectiveness. Also, business conditions in our markets, both within and outside the U.S., seem strong. We are continuing the expansion of our sales force to capitalize on new opportunities. However, we continue to keep our overall operating expenses under tight control.



Sandra L. Kurtzig  
Chairman of the Board



Ronald W. Braniff  
President and Chief Executive Officer

## CONDENSED CONSOLIDATED STATEMENT OF INCOME (Unaudited)

(In thousands, except per share data)

	Quarter Ended March 31,		Nine Months Ended March 31,	
	1988	1987	1988	1987
Net revenue	\$37,004	\$25,399	\$95,959	\$66,902
Cost and expenses				
Cost of revenue	17,867	13,228	44,597	32,538
Product development	3,055	2,044	8,675	6,156
Selling, general and administrative	12,764	8,467	34,841	22,449
Total cost and expenses	33,686	23,739	88,113	61,143
Operating income	3,318	1,660	7,846	5,759
Other income	466	985	1,844	2,894
Income before income taxes	3,784	2,645	9,690	8,653
Provision for income taxes	1,135	964	2,907	3,202
Net income	\$ 2,649	\$ 1,681	\$ 6,783	\$ 5,451
Earnings per share	\$ .20	\$ .13	\$ .52	\$ .42
Weighted average common and common equivalent shares outstanding	13,308	12,987	13,149	12,943

## CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited)

(In thousands)

	March 31,	
	1988	1987
<b>Assets</b>		
Cash and short-term investments	\$ 25,189	\$ 68,043
Accounts receivable, net	42,148	25,722
Other	6,237	3,941
Total current assets	73,574	97,706
Capitalized software development costs, net	1,134	1,167
Property and equipment, net	12,306	6,201
Goodwill and other long-term assets, net	40,838	1,929
	<u>\$127,852</u>	<u>\$107,003</u>
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 16,559	\$ 11,422
Accrued liabilities	12,094	7,239
Currently payable and deferred taxes	9,513	8,328
Total current liabilities	38,166	26,989
Long-term debt and obligations	2,081	939
Common stock	43,707	44,241
Retained earnings	44,232	34,899
Cumulative translation adjustment	(334)	(65)
Total shareholders' equity	87,605	79,075
	<u>\$127,852</u>	<u>\$107,003</u>



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SYSTEMS INC.

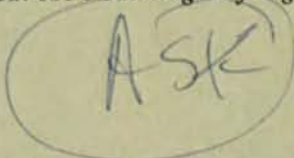
2440 W. EL CAMINO REAL  
MOUNTAIN VIEW  
CALIFORNIA 94040

(415) 969-4442  
TELEX 297341  
FAX: (415) 962-1974



## SANDRA KURTZIG

*In her second tour of duty at the software company she founded, the CEO of ASK Computer Systems puts her reputation as one of Silicon Valley's brightest stars on the line. This time, she must straighten out a troubled acquisition that she's banking on for growth in the '90s*



**W**hen Sandra L. Kurtzig's autobiography hits bookstores in May, it won't be the usual corporate saga. *CEO: Building a \$400 Million Company from the Ground Up* chronicles the remarkable story of how Kurtzig started ASK Computer Systems Inc. in a spare bedroom and built it into a major software company before leaving in 1985 to raise her two sons. In the last chapter, Kurtzig makes a dramatic 1989 return to rescue her corporate brainchild from a slump.

But *CEO* ends too soon. Last year, Kurtzig embarked on a bet-the-farm strategy that could make or break her second go-round at ASK. Her \$112 million acquisition, Ingres Corp., a database software maker drew her into a nasty proxy fight. Although Kurtzig, in the end, won the battle handily, the 44-year-old CEO now has to make the acquisition work. "The challenge is formidable," says Andrew Brosseau, an analyst at Cowen & Co. in Boston. "Her return will be judged on how well she pulls this off."

Ingres and ASK aren't an easy fit. ASK's manufacturing software business and Ingres' data-base business are distinctly different. What's more, Kurtzig will have to repair Ingres, which was losing money and suffering from poor marketing and financial controls in a cutthroat data-base market. Meanwhile, the recession is hurting demand for ASK's software, which helps manufacturers run inventory, accounting, purchasing, and other operations. Brosseau expects ASK to earn only 15¢ to 20¢ a share on \$330 million in revenue for this fiscal year ending June 30. That compares with 37¢ a share on \$208 million in sales the previous year.

After the takeover, Kurtzig immediately laid off 12% of the combined work force, which helped save \$15 million a year. Dumping Ingres' top management, she formed her own team of three exec-

utive vice-presidents to run the combined company. For now, she's keeping Ingres' headquarters in Alameda, across San Francisco Bay from her Silicon Valley headquarters, and she spends two days a week there. To encourage "bonding" between the two groups, the demanding but personable Kurtzig distributed T-shirts to Ingres employees that said: "ASK for Ingres." And she was tickled when an Ingres engineer showed up at the company Halloween bash in drag—dressed as Kurtzig.

Much of her success hinges on extracting marketing advantages from the Ingres deal. For example, she'll try to exploit new relationships with Hewlett-Packard Co. and General Motors' Electronic Data Systems, to which she sold

30% of ASK in order to finance the Ingres deal. The payoff will come mostly through EDS Computer Services, which puts together large networks of computers and software for the nation's largest corporations.

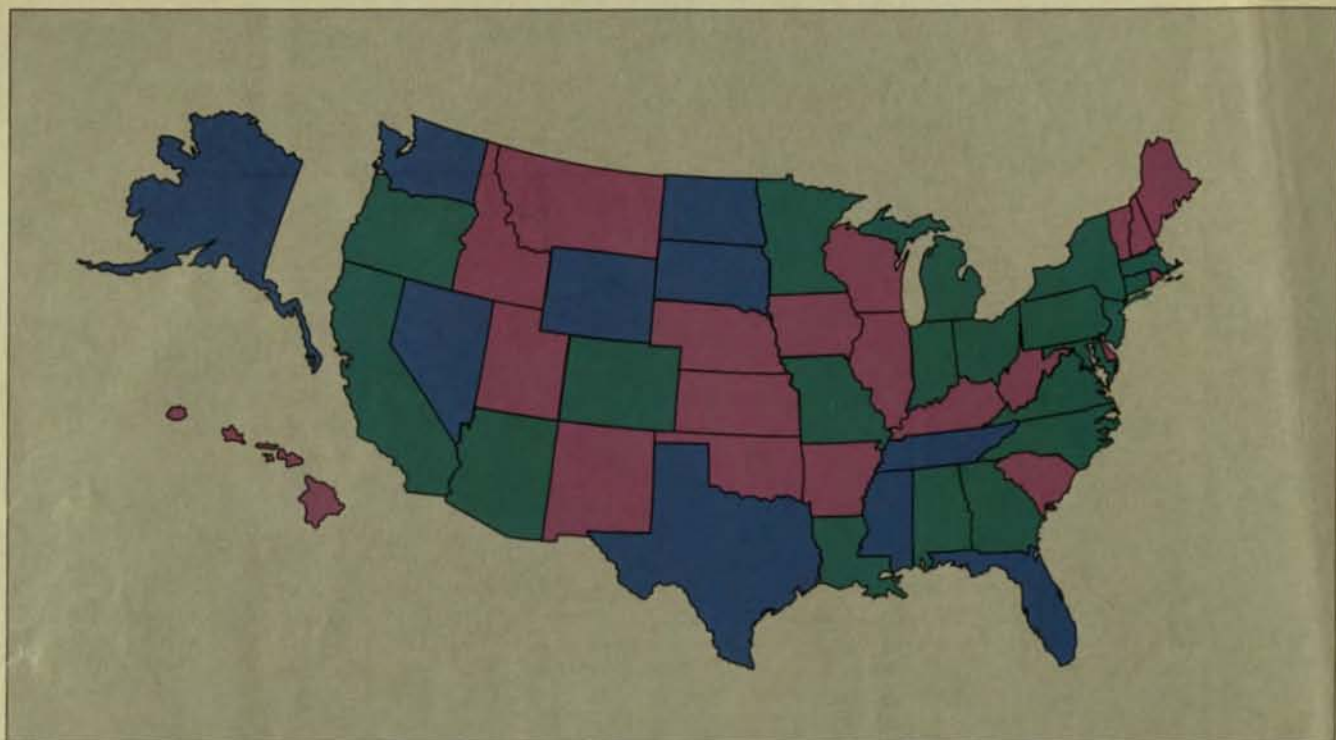
Kurtzig also needs to keep up with new technology. As computing shifts to software that can run on any brand of personal computer or workstation, ASK must rewrite virtually all its product. A new generation of ASK software, due out in the next few years, is based on Ingres' nonproprietary data-base technology. "Ingres is pivotal to our riding the wave of the '90s," Kurtzig declares. With any luck, she can write about it in a second installment of *CEO*.

*By Maria Shao in Mountain View, Calif.*





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# Special Equities

MARKETING DEPARTMENT  
Public Offering Fact Sheet



L.F. ROTHSCHILD, UNTERBERG, TOWBIN

65 WATER STREET, NEW YORK, NEW YORK 10041  
TELEPHONE 212-425-3300 CABLE: PROBATICA



## ASK COMPUTER SYSTEMS, INC.

1,350,000 SHARES  
COMMON STOCK

MANAGING UNDERWRITER

L.F. ROTHSCHILD, UNTERBERG, TOWBIN

### OFFERING INFORMATION

Price .....	\$10 to \$13 per share
Expected Offering Date .....	Late September
Shares to be Sold by:	
The Company .....	750,000
Selling Shareholders .....	600,000
Overallotment .....	135,000
Shares to be Outstanding:	
Minimum .....	4,908,326
Maximum .....	5,043,326
Dividend .....	None
Proposed NASDAQ Symbol .....	ASKI
Use of Proceeds .....	For working capital and computer equipment

### INTERNAL CONTACTS

Corporate Finance .....	Thomas I. Unterberg, Ext. 3302
.....	Alan Herzig, Ext. 3074
.....	Shelley Floyd, Ext. 3106
Research .....	Ray Bosso, Ext. 2523

### INVESTMENT CONCEPT

*Participation in a rapidly growing company whose computer systems help increase the productivity and profitability of manufacturing companies.*

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## THE COMPANY

ASK develops and markets computer systems consisting of proprietary software licensed in conjunction with purchased minicomputer hardware. The product is a complete system solution used in improving the productivity and financial management of manufacturing companies. ASK's system consists of four major software products, marketed under the trademark MANMAN, and a complementary integrated business graphics product. In addition to being available as part of a turnkey system, these software products may be licensed separately or used through ASK's on-line remote processing service. At present, there are roughly 400 ASK products licensed for use in 200 manufacturing companies in the U.S. and abroad.

## FINANCIAL SUMMARY

(000's)

	Years Ended June 30,				
	1977	1978	1979	1980	1981
Net revenue . . . . .	\$301	\$469	\$2,775	\$8,326	\$13,000
Net income (loss) . . . . .	28	(5)	237	995	1,491
Earnings per share . . . . .	\$.01	—	\$.06	\$.27	\$.38

## PRODUCT

ASK's software products, marketed under the MANMAN Trademark, are designed to improve productivity by supplying timely information for management of engineering, operations, marketing and financial areas of a manufacturing company.

All ASK's product applications are presented in a user-friendly, menu-oriented, question and answer format. The systems are easy to use and do not require data processing personnel for implementation. They take only two to four days to install.

ASK produces several application modules which may be licensed separately or as a complete package. They are:

- Manufacturing management
- Order management and accounts receivable
- Accounts payable
- General ledger
- Business graphics (marketed as GRAFMAN)

The functions performed are diverse, including: inventory control, production scheduling, materials planning, purchasing, sales order entry, sales analysis, accounts payable, and budgeting.

Typically, a manufacturing company will have between 10-60 video display terminals on-line and interacting at workstations throughout the plant, allowing all personnel to have easy and simultaneous access to the computer.

The ASK system can be licensed separately or as part of a turnkey system on the HP 3000 minicomputer. In fiscal 1982, ASK will also offer its software on the DEC VAX 32-bit computer.



ASK's software products license fees range from \$8,500 to \$50,000 and the complete turnkey system ranges from \$110,000 to \$300,000.

ASK also offers its software product through an on-line remote processing service. The service is useful as a marketing vehicle to attract customers for the complete turnkey system and is growing rapidly as an independent profit center.

## **MARKETS/CUSTOMERS**

ASK's systems are specifically targeted at companies that manufacture multipart products, as these systems are useful to manufacturing companies across a broad spectrum of industries. ASK sells to smaller, rapidly growing companies such as Tandon, NBI, Micropolis, and MICOM, as well as divisions of Fortune 500 Companies, such as G.M., FMC, Westinghouse, Hughes, Rockwell and Foxboro. ASK's remote processing customers include Seagate, Econics, Automatix, Convergent Technology, and Memorex.

## **PRODUCT DEVELOPMENT**

ASK's current product development effort is three-fold:

- to modify software to operate on a wider variety of hardware, such as the DEC VAX.
- to enhance and modify existing software and to develop complimentary products.
- to develop or acquire new products.

ASK recognizes that its product development accomplishments will be vital to its future. ASK's long-term objective is to spend approximately 9% of revenues on product development.

## **SALES POINTS**

*With high interest rates and operating costs, declining productivity and profitability are key problems of manufacturing companies today.*

- *ASKI "turnkey" systems increase productivity by allowing companies to minimize inventory and therefore reduce operating and carrying costs.*
- *ASKI addresses a multi-billion dollar market and is building a strong sales force to take advantage of this opportunity.*
- *ASKI's marketing strategy has been to offer a "turnkey" system that combines the company's proprietary software with hardware from Hewlett-Packard and beginning in 1982, Digital Equipment.*



## COMMONLY ASKED QUESTIONS

### **What is the payback for buyers of an ASK system?**

While payback varies from company to company, an ASK system generally pays for itself within one year. As an example, one client, whose sales increased 33% during the first year following purchase of an ASK system, (for reasons not attributable to ASK), reduced inventory by 38%, cut part shortages in half, and virtually eliminated late deliveries, while saving \$300,000 annually in the costs of recording and carrying inventory.

### **Who is ASK's competition?**

ASK offers a unique combination of quality hardware and software, with which few companies can directly compete. Their main competitors are usually hardware manufacturers such as IBM and Hewlett-Packard. Software companies such as COMSERV and NCA also offer products for this market.

### **How did manufacturing companies manage their business before ASK?**

Before ASK offered its comprehensive solution, companies had two alternatives. Some chose to keep cumbersome manual systems, entailing inefficient investments in inventory and personnel. Others attempted to computerize and purchased expensive custom systems. These systems often caused costly delays in development, installation and maintenance, as well as requiring a full-time systems engineer for on-going maintenance and enhancements.



## INFORMATION MEETINGS SCHEDULE

In conjunction with this offering, a series of information meetings have been scheduled for our sales representatives and institutional clients. Representing the company will be: Sandra L. Kurtzig, President; Thomas C. Lavey, Vice President—Marketing and Sales; and Robert J. Riopel, Vice President—Finance and Administration.

The schedule of information meetings is as follows:

### Europe

*Wednesday, September 9th*

GENEVA	12:00 p.m. Luncheon/Information Meeting Location to be arranged.
ZURICH	5:00 p.m. Information Meeting/with Cocktails to follow Baur au Lac 1 Talstrasse

*Thursday, September 10th*

PARIS	12:00 p.m. Luncheon/Information Meeting Location to be arranged.
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*Friday, September 11th*

LONDON	12:00 p.m. Luncheon/Information Meeting Barber Surgeons Hall Montwell Square
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*All Europe RSVPs to Lucille D'Alisa, ext. 2691*

### Domestic

*Monday, September 14th*

BOSTON	12:00 p.m. Luncheon/Information Meeting Locke Obers—Ober Room Three & Four Winter Place
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*RSVPs to Monika Corneille, ext. 112*



*Tuesday, September 15th*

NEW YORK

7:45 a.m. Breakfast/Information Meeting  
&  
12:00 p.m. Luncheon/Information Meeting  
Harmonie Club—Harmonie Room  
4 East 60th Street

4:00 p.m. Due Diligence Meeting  
&  
4:15 p.m. Information Meeting  
LFRUT—55 Water Street  
Main Conference Room—3rd Floor

*All NYC RSVPs to Yvonne Arroyo, ext. 2643/3307*

*Wednesday, September 16th*

MINNEAPOLIS

7:30 a.m. Breakfast/Information Meeting  
The Marquette Hotel—Sister Elizabeth Kenny Room  
710 Marquette Avenue

*RSVPs to Tony Scott, ext. 274*

CHICAGO

12:00 p.m. Luncheon/Information Meeting  
Metropolitan Club—Room 66-11  
Sears Tower

*RSVPs to Yvette La Frenere, ext. 338*

*Thursday, September 17th*

DENVER

12:00 p.m. Luncheon/Information Meeting  
University Club of Denver—President Room  
1673 Sherman Street

*RSVPs to Tony Scott, ext. 274*

*Friday, September 18th*

LOS ANGELES

8:00 a.m. Breakfast/Information Meeting  
The University Club—Long Beach Room  
640 West 6th Street

SAN FRANCISCO

12:30 p.m. Luncheon/Information Meeting  
The Bohemian Club—Red & Owl Rooms  
624 Taylor Street

*LA & SF RSVPs to Melissa Montgomery, ext. 8141*



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This summary is not an offer to sell nor a solicitation of an offer to buy an interest in this issue. An offer can only be made by the prospectus. This document is a summary only, and does not purport to be complete and is subject to change.

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# ASK COMPUTER SYSTEMS, INC.

## 1,350,000 SHARES COMMON STOCK

Of the shares offered hereby, the Underwriters are acquiring 750,000 shares from the Company and 600,000 shares from the Selling Shareholders. See "Principal and Selling Shareholders".

Prior to this offering there has been no public market for the Common Stock of the Company. See "Underwriting - Pricing of the Offering" with respect to the method of determining the initial public offering price.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts and Commissions (1)	Proceeds to Company (2)	Proceeds to Selling Shareholders (2)
Per Share .....	\$11.00	\$.77	\$10.23	\$10.23
Total (3)				
Minimum .....	\$14,850,000	\$1,039,500	\$7,672,500	\$6,138,000
Maximum .....	\$16,335,000	\$1,143,450	\$9,053,550	\$6,138,000

- (1) See "Underwriting".
- (2) Before deducting expenses payable by the Company estimated at \$256,000 (\$.34 per share assuming the over-allotment option is not exercised) and expenses payable by the Selling Shareholders estimated at \$13,000 (\$.02 per share).
- (3) The Company has granted the Underwriters an eight-day option to purchase up to 135,000 additional shares to cover over-allotments, if any. See "Underwriting". In the foregoing table, the minimum amounts assume that the option will not be exercised and the maximum amounts assume that the option will be exercised in full.

The shares of Common Stock are offered by the Underwriters subject to receipt and acceptance of such shares by them. The Underwriters reserve the right to reject any order in whole or in part. It is expected that delivery of the certificates for the shares will be made against payment therefor on or about October 8, 1981.

**L.F. ROTHSCHILD, UNTERBERG, TOWBIN**



Until December 30, 1981 (90 days after the date of this Prospectus), all dealers effecting transactions in the Common Stock, whether or not participating in this distribution, may be required to deliver a Prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a Prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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**TABLE OF CONTENTS**

	<u>Page</u>
Prospectus Summary .....	3
The Company .....	4
Use of Proceeds .....	4
Dividend Policy .....	5
Capitalization .....	5
Dilution .....	5
Selected Financial Information .....	6
Management's Discussion and Analysis of Financial Condition and Results of Operations .....	7
Business .....	10
Management .....	16
Principal and Selling Shareholders .....	20
Description of Common Stock .....	21
Underwriting .....	23
Legal Matters .....	25
Experts .....	25
Additional Information .....	25
Report of Certified Public Accountants .....	26
Consolidated Financial Statements .....	27

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No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Prospectus in connection with the offer made hereby. If given or made, such information or representation must not be relied upon as having been authorized by the Company, any Selling Shareholder or any Underwriter. This Prospectus does not constitute an offer of any securities other than the Common Stock to which it relates or an offer to any person in any jurisdiction where such an offer would be unlawful. Neither delivery of this Prospectus nor any sale made hereunder shall under any circumstances create an implication that information contained herein is correct as of any time subsequent to the date hereof.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.



## PROSPECTUS SUMMARY

This summary is qualified in its entirety by the more detailed information and consolidated financial statements appearing elsewhere in this Prospectus.

### The Company

ASK Computer Systems, Inc. designs, produces, and markets turnkey computer systems consisting of the Company's manufacturing and financial management proprietary software licensed in conjunction with purchased computer hardware. These systems are used in managing and increasing the productivity of manufacturing companies. The Company's comprehensive MANMAN® Information System encompasses four major software products and a complementary integrated business graphics product. In addition to being available as part of a turnkey system, these products may be licensed separately or used by the customer through the Company's on-line remote processing service. There are more than 400 of the Company's manufacturing and financial management software products licensed for use at approximately 200 manufacturing companies. The Company's products are marketed to end users in the United States primarily through its own direct sales and support staff operating out of 16 branch offices and in Europe through foreign distributors.

### The Offering

	<u>Minimum</u>	<u>Maximum(1)</u>
Shares to be sold by the Company .....	750,000	885,000
Shares to be sold by the Selling Shareholders .....	600,000	600,000
Shares to be outstanding after the offering .....	4,908,326	5,043,326
Use of Proceeds .....	For working capital and capital equipment	
NASDAQ symbol .....	ASKI	

### Selected Consolidated Financial Information (In thousands except per share data)

	Years Ended June 30,				
	1977	1978	1979	1980	1981
<b>Income Statement Data:</b>					
Net revenue .....	\$301	\$469	\$2,775	\$8,326	\$13,000
Income (loss) before income taxes .....	38	(5)	444	1,988	2,707
Net income (loss) .....	28	(5)	237	995	1,491
Earnings (loss) per share .....	\$.01	—	\$.06	\$.27	\$.38
Weighted average number of shares outstanding .....	3,750	3,750	3,750	3,751	3,965
				June 30, 1981	
	June 30, 1980	Actual		As Adjusted(2)	
<b>Balance Sheet Data:</b>					
Working capital .....	\$1,086	\$2,051		\$ 9,468	
Total assets .....	3,566	6,771		14,188	
Total debt .....	None	None		None	
Retained earnings .....	1,288	2,779		2,779	
Shareholders' equity .....	1,310	2,916		10,333	

(1) Assumes exercise in full of the Underwriters' over-allotment option.

(2) Adjusted to reflect use of proceeds by the Company, assuming no exercise of the Underwriters' over-allotment option. See "Use of Proceeds".



## THE COMPANY

ASK markets turnkey systems consisting of the Company's manufacturing and financial management proprietary software integrated with purchased computer hardware. These systems are used in improving the productivity of manufacturing companies by helping management to optimize inventory, reduce operating expense and improve customer service. The Company's complete manufacturing information system consists of four major products which are marketed under the registered trademark MANMAN®. These software products are used primarily on Hewlett-Packard Company's HP 3000 Series minicomputers and are licensed in conjunction with this equipment as a turnkey system or licensed separately to existing HP minicomputer users. In December 1980, ASK commenced offering its MANMAN Information System as an on-line remote processing service. The Company also provides various support services for its software products such as software enhancements, documentation updates, installation services, customer education, and technical support. In June 1981, the Company introduced its integrated business graphics product consisting of software developed by the Company and a purchased plotter and display terminal with auxiliary software. This product, marketed under the GRAFMAN™ name, allows MANMAN Information System data and reports to be displayed in graphic form. The Company presently has under development a turnkey system utilizing the MANMAN Information System in conjunction with Digital Equipment Corporation's newest generation VAX 32-bit computers, which ASK expects to be marketing in 1982 in addition to its HP 3000 based turnkey system.

ASK markets its products through its domestic direct sales force and through foreign distributors to a wide variety of end users, primarily manufacturing companies which assemble or fabricate multi-piece products. While the Company's software products range in price (license fees) from \$8,500 to \$50,000, a complete turnkey system typically ranges in selling price from \$125,000 to \$300,000. There are more than 400 MANMAN products licensed for use worldwide at approximately 200 manufacturing companies.

The Company was incorporated in California in 1974. At August 31, 1981, ASK had 104 employees. Sandra L. Kurtzig, the President and founder of the Company, will beneficially own approximately 63% of the Company's outstanding Common Stock after the offering made hereby. The Company's principal offices are located approximately 45 miles south of San Francisco at 730 Distel Drive, Los Altos, California 94022, and its telephone number at that location is (415) 969-4442. The Company's Standard Industrial Classification (SIC) Code is 7399. Unless the context otherwise indicates, all references in this Prospectus to "ASK" or the "Company" include ASK Computer Systems, Inc. and its subsidiaries.

## USE OF PROCEEDS

The purpose of the offering is to increase the Company's equity capital base to support the anticipated growth of its business. Of the net proceeds to the Company, estimated to be \$7,416,500 (or \$8,797,550 if the Underwriters' over-allotment option is exercised in full), approximately \$1,600,000 will be used during fiscal 1982 and 1983 to finance the cost of additional property and equipment to expand the Company's on-line remote processing service and facilities, and the balance will be used to provide additional working capital to finance anticipated higher levels of accounts receivable. In addition, a portion of such proceeds may be used for possible future acquisitions of companies or software products complementary to ASK's business; however, no such acquisitions are currently being negotiated, and there is no assurance that any such acquisitions will be made. Pending such uses, the net proceeds will be invested in short-term interest bearing securities.

The Company will not receive any proceeds from the sale of shares of Common Stock by the Selling Shareholders.



## DIVIDEND POLICY

The Company has not paid cash dividends on its Common Stock since inception, and its Board of Directors presently intends to reinvest the Company's earnings in its business. Accordingly, it is anticipated that no cash dividends will be paid to holders of Common Stock in the foreseeable future.

## CAPITALIZATION

The following table sets forth the capitalization of the Company at June 30, 1981, and as adjusted to give effect to the sale of 750,000 shares of Common Stock offered hereby for the account of the Company:

	<u>Outstanding</u>	<u>As Adjusted</u>
Total debt .....	None	None
Shareholders' equity:		
Common Stock, 20,000,000 shares authorized; 4,159,139 shares outstanding; 4,909,139 shares outstanding as adjusted(1) .....	\$ 676,748	\$ 8,093,248
Retained earnings .....	<u>2,778,806</u>	<u>2,778,806</u>
	\$3,455,554	\$10,872,054
Less notes receivable from shareholders(2) .....	539,283	539,283
	<u>\$2,916,271</u>	<u>\$10,332,771</u>

(1) Excludes 242,461 shares reserved for issuance pursuant to options granted under the Company's Employee Stock Option Plan, 150,000 shares reserved for issuance pursuant to the Company's Employee Stock Purchase Plan and 23,400 shares reserved for issuance pursuant to the Company's Restricted Stock Purchase Plan. See "Management—Employee Stock Option Plan—Restricted Stock Purchase Plan—Employee Stock Purchase Plan" and Note 3 of Notes to Consolidated Financial Statements.

(2) See Note 3 of Notes to Consolidated Financial Statements.

See "Business—Properties" and Note 4 of Notes to Consolidated Financial Statements for information concerning the obligations under leases.

## DILUTION

The net book value of the Company as of June 30, 1981 was \$2,916,271, or \$.70 per share. Without taking into account any changes in such net book value after that date, other than those resulting from the sale of the 750,000 shares of Common Stock offered by the Company hereby, the pro forma net book value of the Company at that date would have been \$10,332,771, or \$2.10 per share, representing an immediate increase in net book value of \$1.40 per share to present shareholders and an immediate dilution of \$8.90 per share to new investors. "Dilution" means the difference between the public offering price and the pro forma net book value per share after giving effect to the offering. The following table illustrates the resulting dilution with respect to the shares of Common Stock offered hereby:

Public offering price per share .....		\$11.00
Net book value per share before offering(1) .....	\$ .70	
Increase per share attributable to new investors .....	\$1.40	
Pro forma net book value per share after offering(1) .....		\$ 2.10
Dilution of book value per share to new investors .....		\$ 8.90

(1) Determined by dividing the number of shares of Common Stock outstanding into the net worth of the Company. Net worth consists of assets less liabilities.



The following table summarizes, as of June 30, 1981, the difference between the existing shareholders and the new investors with respect to the number of shares purchased from the Company, the total consideration paid and the average price per share paid, assuming no exercise of the Underwriters' over-allotment option:

	Shares Purchased	Percentage of Total Shares	Total Consideration Paid to Company	Percentage of Total Consideration Paid	Average Price Per Share
Existing shareholders:					
Shares being retained	3,559,139(1)	72.5%	\$ 579,120(2)	6.5%	\$ .16
Shares being sold	600,000(1)	12.2(3)	97,628(2)	1.1	.16
New investors	750,000(4)	15.3(3)	8,250,000	92.4	11.00
Total	<u>4,909,139</u>	<u>100.0%</u>	<u>\$8,926,748</u>	<u>100.0%</u>	

- (1) Of the 4,159,139 shares previously purchased by existing shareholders, 3,750,000 shares have been outstanding for more than five years.
- (2) Based on the average price paid to the Company for the 4,159,139 shares previously purchased by existing shareholders.
- (3) Upon completion of the offering, 27.5% of the Company's outstanding shares of Common Stock will be held by investors purchasing stock in the offering.
- (4) Excludes 600,000 shares to be purchased from the Selling Shareholders in the offering made hereby.

**SELECTED FINANCIAL INFORMATION**  
(In thousands except per share data)

The following table summarizes certain selected consolidated financial data and is qualified by the Consolidated Financial Statements included herein:

	Years Ended June 30,				
	1977	1978	1979	1980	1981
	(unaudited)				
<b>Operating Data:</b>					
Net revenue	\$301	\$469	\$2,775	\$8,326	\$13,000
Cost and expenses:					
Cost of revenue	66	105	1,560	4,619	6,617
Product development	124	164	335	438	1,125
Selling, general and administrative	74	209	466	1,446	2,722
Total cost and expenses	<u>264</u>	<u>478</u>	<u>2,361</u>	<u>6,503</u>	<u>10,464</u>
Operating income (loss)	37	(9)	414	1,823	2,536
Interest income	1	4	30	165	171
Income (loss) before income taxes	38	(5)	444	1,988	2,707
Provision for income taxes	10	—	207	993	1,216
Net income (loss)	<u>\$ 28</u>	<u>\$ (5)</u>	<u>\$ 237</u>	<u>\$ 995</u>	<u>\$ 1,491</u>
Earnings (loss) per share	<u>\$ .01</u>	<u>—</u>	<u>\$ .06</u>	<u>\$ .27</u>	<u>\$ .38</u>
Cash dividends per share	—	—	—	—	—
Weighted average number of shares outstanding	3,750	3,750	3,750	3,751	3,965
<b>Balance Sheet Data:</b>					
Working capital	\$ 43	\$ 61	\$ 281	\$1,086	\$ 2,051
Total assets	140	320	1,376	3,566	6,771
Long-term debt	—	—	—	—	—
Shareholders' equity	83	78	315	1,310	2,916



**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS**

The following table sets forth for the fiscal years indicated (i) the percent which the items in the Consolidated Statement of Income bear to net revenue and (ii) the percent increase of such items as compared to the prior fiscal year.

	Percent of Net Revenue Years Ended June 30,			Year to Year Percent Increase	
	1979	1980	1981	1980 vs. 1979	1981 vs. 1980
Net revenue .....	100.0%	100.0%	100.0%	200.0%	56.1%
Cost and expenses:					
Cost of revenue .....	56.2	55.5	50.9	196.2	43.2
Product development .....	12.1	5.2	8.7	30.7	157.2
Selling, general and administrative .....	16.8	17.4	20.9	210.2	88.2
Total cost and expenses .....	85.1	78.1	80.5	175.5	60.9
Operating income .....	14.9	21.9	19.5	340.2	39.1
Interest income .....	1.1	2.0	1.3	450.4	4.0
Income before income taxes .....	16.0	23.9	20.8	347.6	36.2
Provision for income taxes .....	7.5	11.9	9.3	379.7	22.5
Net income .....	<u>8.5%</u>	<u>12.0%</u>	<u>11.5%</u>	319.5	49.9

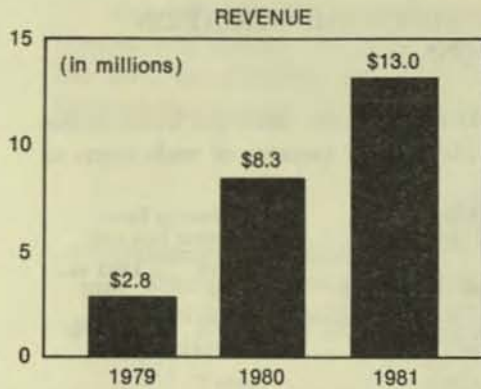
**Results of Operations**

ASK has experienced significant increases in net revenue and net income during each of its last three fiscal years, primarily due to increased market acceptance of the Company's products. Increases in net income have not been attributable in any significant respect to inflation, but have resulted primarily from a higher volume of sales.

ASK accounts for the sale of computer hardware at the time of its shipment by the manufacturer. Software revenue is accounted for upon software installation if performed by ASK, or upon shipment if not installed by the Company. The level of the Company's revenue, as well as the backlog at any particular time, is dependent to some extent on the hardware manufacturer's delivery schedule, which led to quarterly fluctuations in fiscal 1981 and may lead to fluctuations in the future.

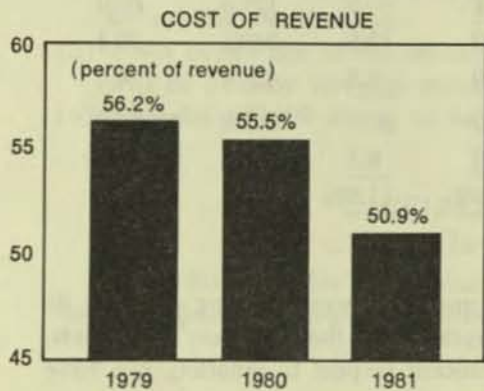
While the Company anticipates increases in net revenue and net income in the first quarter of fiscal 1982 as compared with the first quarter of fiscal 1981, it believes that the percentage increase in net income will be less than the percentage increase in net revenue. This reflects recent additions to its field sales and technical staff in anticipation of future growth and unusually low expenses in the first quarter of fiscal 1981 due to delays in hiring personnel. In addition, the first quarter of 1981 was favorably impacted by a non-recurring royalty from Sperry Corporation which had no significant associated costs. See "Business—Trademarks, Copyrights and Licenses".





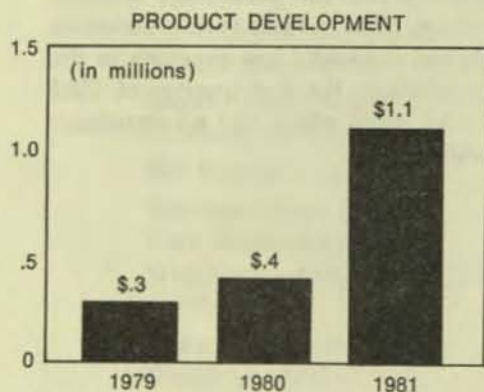
### Revenue

Revenue in fiscal 1980 and 1981 increased 200% and 56%, respectively, primarily as a result of the increased number of system sales, reflecting continuing geographical expansion and the addition of sales personnel to existing and new branch offices. Another factor in fiscal 1981 was an increase in license fees paid to the Company by its European distributors and by Sperry Corporation. The on-line remote processing service, introduced by the Company in December 1980, did not make a significant contribution to revenue in fiscal 1981, but revenue from this service is expected to increase substantially during fiscal 1982.



### Cost of Revenue

The Company's increased purchase volume of hardware from the original equipment manufacturer (primarily Hewlett-Packard) in fiscal 1981 allowed it to take advantage of larger volume discounts on computer hardware. In addition, the Company's introduction of new software products in fiscal 1980 and 1981 and the payment of license fees to the Company by its foreign distributors and by Sperry Corporation resulted in a higher ratio of software license fees to revenue from the sale of computer hardware than in prior years. Because of this product mix and higher hardware discounts, cost of revenue, although increasing in magnitude in fiscal 1980 by 196% over fiscal 1979, decreased as a percentage of revenue in fiscal 1980. While the actual cost of revenue in fiscal 1981 increased 43%, the cost of revenue decreased as a percentage of revenue.



### Product Development

Product development expenditures are expensed by the Company as incurred. Expenditures on product development in fiscal 1981 were \$1,125,411, up 157% over the fiscal 1980 level, and resulted in new product introductions (including GRAFMAN) and enhancements to existing products, as well as research on future products. Product development expenditures as a percentage of revenue were 8.7% in fiscal 1981.

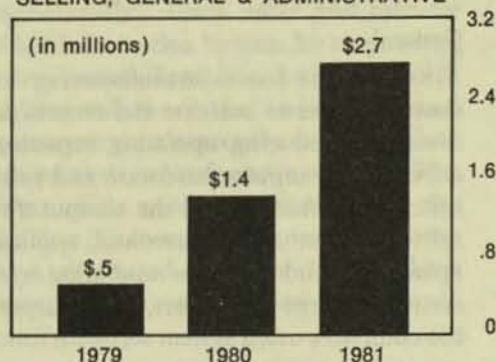
Product development expenditures were \$437,576 in fiscal 1980, representing an increase of 31% over the prior fiscal year but a decrease as a percentage of revenue from 12.1% in fiscal 1979 to 5.2% in fiscal 1980. Such decrease was due to the Company's 200% growth in revenue during fiscal 1980 without a proportionate increase in the product development staff.



### Selling, General and Administrative

Over the last two fiscal years, the Company has engaged in significant geographical expansion and addition of marketing and field technical support personnel, which was reflected in an increase to \$2,722,445 in marketing, sales, general and administrative expenses during fiscal 1981, up 88% over the prior year. In fiscal 1980, such expenditures increased to \$1,446,301, up 210% over fiscal 1979. Marketing, sales, general and administrative expenses rose as a percentage of net revenue in fiscal 1981 to 21% from 17% in fiscal 1980.

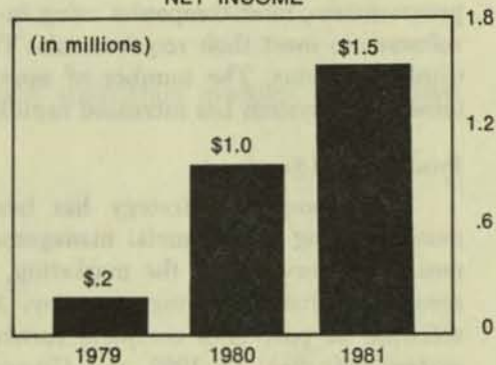
SELLING, GENERAL & ADMINISTRATIVE



### Income and Earnings Per Share

Pre-tax income increased 36% to \$2,706,677 in fiscal 1981. The pre-tax margin (pre-tax income as a percentage of revenue) was 21% in fiscal 1981 compared with 24% in fiscal 1980. The Company added personnel later than was planned in both fiscal years, which favorably impacted pre-tax margins. Provision for taxes on income increased 23% to \$1,216,000 in fiscal 1981, but the effective tax rate decreased from 50% to 45%, primarily as a result of increased investment tax credits and increased foreign income from the Company's DISC. As a result, net income increased 50% in 1981, which was greater than the percentage increase in pre-tax income. The percentage increase was not fully reflected in the percentage increase in 1981 earnings per share, which increased 41% from the prior year, because of the greater weighted average number of shares outstanding.

NET INCOME

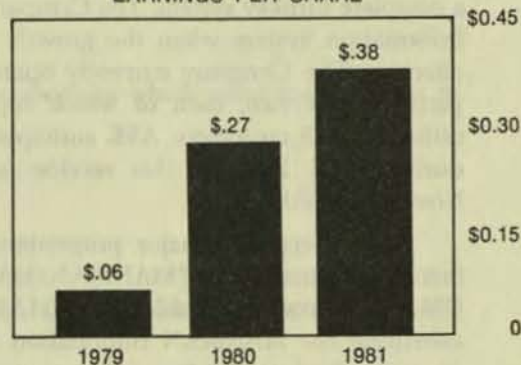


### Liquidity and Capital Resources

Liquidity to finance the Company's growth has been almost exclusively generated by cash flow from operations. The Company has retained all of its earnings for reinvestment in its business. It is expected that the Company's cash needs in the foreseeable future will be supplied by profits and by the proceeds to the Company from this offering.

The Company's capital resource commitments at June 30, 1981 consisted principally of its long-term lease on its headquarters facility at Los Altos, California.

EARNINGS PER SHARE





## BUSINESS

### General

Computer-based manufacturing and financial management information systems are used by manufacturers to increase the control and efficiency of their manufacturing operations by optimizing inventory, reducing operating expense, and improving customer service. A typical computer system consists of computer hardware and software. Computer software, in simplistic terms, consists of coded instructions that control the computer's internal operations. There are two general classes of computer software: system software and application software. System software controls the basic hardware operations and includes operating systems, computer language compilers, data base management systems, report generators, and diagnostic functions. Application software processes data stored in the computer using system software functions and produces reports for use in many diverse applications.

Computer-based manufacturing and financial systems have become more cost effective in recent years as a result of the declining costs of computer hardware, making equipment costs associated with an in-house computer system economically feasible for an increasing number of manufacturing companies. However, because the cost of developing custom application software has continued to rise due to increases in labor-intensive programming costs and shortages of experienced programmers, most companies using in-house computer systems cannot cost justify custom developed software to meet their requirements. These businesses form the primary markets for the Company's turnkey systems. The number of manufacturers using some form of computer-based management information system has increased rapidly in recent years.

### Products and Services

The Company's strategy has been to create a comprehensive, integrated line of standard manufacturing and financial management application software products designed to assist management in supervision of the marketing, engineering, materials and production control, and financial areas of a manufacturing company. ASK markets its MANMAN Information System application software as part of a complete turnkey computer system with HP 3000 computer hardware and system software. In 1982, the Company also plans to offer its MANMAN Information System with Digital Equipment Corporation's VAX computer hardware and system software. As a result, ASK's products will be available on two of the leading brands of computer hardware.

The Company commenced offering its MANMAN Information System as an on-line remote processing service in December 1980. This service is operated on HP 3000 Series minicomputers located at the Company's computer center at its main offices in Los Altos, California and may be accessed locally either through dedicated lines or through independent telecommunications networks. This service provides manufacturing companies the opportunity to utilize the Company's software without having to make the larger capital expenditure commitments associated with the purchase of a complete turnkey system. The Company's strategy is to convert these users to the turnkey MANMAN Information System when the growth of their manufacturing operations makes such a system cost effective. The Company currently operates two HP 3000 Series minicomputers for its on-line remote processing service, each of which supports 12 to 15 customers, and such capacity is being fully utilized by 28 customers. ASK anticipates adding up to five additional HP 3000 Series minicomputers during fiscal 1982 for this service, with the next machine expected to be fully operational in November 1981.

ASK offers four major proprietary manufacturing and financial management products: Manufacturing Management (MANMAN/MM), Order Management and Accounts Receivable (MANMAN/OMAR), Accounts Payable (MANMAN/AP) and General Ledger (MANMAN/GL). These products constitute the MANMAN Information System, which was designed and developed by the Company as a standard application software system integrated by common data bases.

The MANMAN Information System is an on-line interactive management information system which can be completely operational within a few days of installation. The system is designed for



use by non-technical personnel and is thus referred to as "user-friendly". Users enter and retrieve information from interactive terminals connected to the MANMAN Information System by responding to simple computer-generated inquiries in a question and answer format. Typically, a company will have between 10 and 60 video display terminals conveniently located in all the major functional areas of a manufacturing plant. These terminals allow numerous users to simultaneously access, update and report necessary information with which to better manage their manufacturing plant. The Company believes that the on-line and user-friendly characteristics of its system are distinct benefits because they allow quick access to information, responsiveness to changes in manufacturing operations and efficient use of personnel. In addition, the system utilizes a structured program design which provides customers with the flexibility to maintain and support their own modified versions of MANMAN products.

The four products comprising the MANMAN Information System are integrated by common data bases, eliminating the requirement to enter and store the same information several times, reducing the amount of disk storage needed as well as providing for efficient verification, updating and editing of information by the users at their work stations. While the MANMAN products can be used independently, an increasing percentage of customers are acquiring all four products as an integrated system.

#### *MANMAN/MM*

The Manufacturing Management product consists of eight application modules which assist management in performing the following functions:

- Inventory control
- Bill of materials/engineering design
- Work-in-process/shop floor control
- Purchasing
- Material requirements planning
- Capacity requirements planning
- Cost accounting
- Master production scheduling

#### *MANMAN/OMAR*

The Order Management and Accounts Receivable product consists of five application modules which assist management in performing the following functions:

- Sales order entry
- Invoicing
- Accounts receivable
- Cash receipts
- Sales analysis

#### *MANMAN/AP*

The Accounts Payable product consists of three application modules which assist management in performing the following functions:

- Voucher processing
- Accounts payable
- Cash disbursements

#### *MANMAN/GL*

The General Ledger product consists of three application modules which assist management in performing the following functions:

- General ledger
- Budgeting
- Financial statement preparation



In June 1981, the Company commenced offering its GRAFMAN integrated business graphics product which provides a wide range of pre-formatted graphs for displaying information maintained by the MANMAN Information System. With a simple selection from a graph menu, users can produce a number of complete, pre-formatted color graphs for analyzing important trends in each functional area of the user's manufacturing plant. For example, graphs showing projected inventory values, accounts receivable aging, scheduled shipments, actual versus budget expense trends, and projected work center capacity loads can be quickly graphed on the user's CRT or on an eight-color graphic plotter. The Company also offers a general purpose report writer and a general purpose payroll package, which it licenses from independent third party vendors.

ASK currently offers its products for use on HP 3000 Series minicomputers manufactured by Hewlett-Packard. ASK is currently Hewlett-Packard's largest purchaser of HP 3000 Series computer systems for resale. Such systems are purchased by the Company from Hewlett-Packard at a specified discount from list price under a long-term volume discount agreement. Under the new agreement entered into in July 1981, a part of the discount will be refunded to Hewlett-Packard if specified volume purchases are not made during the term of such agreement. Prior to this new contract, the Company negotiated the volume and discount terms annually. Hewlett-Packard is responsible for the installation and maintenance of its computer products while the Company is responsible for the installation and maintenance of its software products. In order to increase its market share, the Company entered into a similar long-term agreement with Digital Equipment Corporation in July 1981 to purchase computers at a specified volume purchase discount.

#### Marketing and Customers

The Company markets its products in the United States primarily through its own marketing organization and, to a minor extent, through independent distributors. As of August 31, 1981, the Company employed approximately 57 marketing, sales and technical support personnel, located in 16 direct sales offices throughout the United States, as compared with 13 such personnel at four sales offices as of June 30, 1980.

Sales of the Company's products in foreign countries are made solely by independent distributors. ASK licenses its software to its foreign distributors who in turn incorporate the software with purchased hardware into a complete system for sale. In England, ASK products have been marketed for three years by Scicon, a division of British Petroleum Co. Ltd., on an exclusive basis, and in France, Belgium and Switzerland by CISI, a large computer service company owned by the French government, on a non-exclusive basis. Foreign revenue (primarily in Europe) in fiscal 1980 and fiscal 1981 was \$56,750 and \$718,650, respectively. See Note 1 of Notes to Consolidated Financial Statements.

ASK provides its software products under a perpetual paid-up license agreement to be used on a specific serial numbered computer. Under license agreements with its customers, ASK software products cannot be sold or copied by its customers except for archival purposes or to replace worn copy.

In many system sales the customer finances the purchase through a third-party lessor. While the customer may finance its purchase from a third-party lessor, ASK always receives cash payment for its sales.

As of August 31, 1981 there were more than 400 installations of ASK products worldwide at approximately 200 manufacturing companies. ASK has installations throughout the United States and in Canada, Puerto Rico, Mexico, England, France and Sweden. ASK has a wide variety of customers, including manufacturing divisions of large companies in various industries as well as smaller emerging companies. No customer accounted for more than 6% of ASK's revenues during the 1981 fiscal year.



ASK's backlog of released orders increased to approximately \$4,063,000 at June 30, 1981, as compared with approximately \$1,100,000 at June 30, 1980, due primarily to an increase in the volume of incoming orders. Increases in backlog may also result from delays in shipment by the computer manufacturer, hence backlog data at any particular time may not be indicative of future revenue. In general, an order is entered into backlog only if a firm purchase order with a requested delivery date within six months and a down payment of 20% of the price has been received from the customer.

See "Trademarks, Copyrights and Licenses" for a description of ASK's marketing arrangements for a version of MANMAN/MM with Sperry Corporation.

#### **Software Enhancements, Customer Support and Training**

ASK offers its customers a variety of software installation, technical support, software subscription, user training and documentation services, which are performed either at ASK's offices or at the customer's site for a separate charge. In addition to sales personnel, most of ASK's sales offices are staffed with customer support personnel who assist users with installation and on-going support. System installation typically takes two to four days.

ASK passes through to its customers the computer hardware warranty offered by Hewlett-Packard and other equipment manufacturers. All minicomputer hardware installation, maintenance, repair and operating system software updates are provided under service contracts directly between the original equipment manufacturer and ASK customers.

ASK offers a software subscription service to its customers. This service is typically billed to the customer annually and includes reasonable telephone consulting regarding ASK software system features and procedures, software enhancements to maintain the customer's MANMAN product software to the latest standard release level being licensed by ASK (usually two updates per year), and documentation updates (to go with the updated software). Substantially all of ASK's customers purchase the software subscription service. In January 1981, the Company introduced a comprehensive customer education service covering a wide range of training courses in the use of the Company's products. This program consists of eight courses covering the features and functions of each of the Company's application products.

#### **Competition**

The computer software industry is highly competitive. The Company believes that the principal factors affecting competition are product performance and reliability; ease and speed of system installation; national direct marketing capability; customer support, training and documentation; comprehensiveness of product applications; on-going software enhancements; and the convenience, flexibility and ease of use of the application software to meet the customer's needs without significant customization. To date, price has been a less important competitive factor.

The Company competes with a number of large computer manufacturers, such as IBM, Hewlett-Packard and Sperry Corporation, which have financial, marketing, management and technical resources substantially greater than those of the Company. The Company may also be at a competitive disadvantage to the extent that it purchases computer systems and related peripheral equipment from these same computer manufacturers who provide competitive software products. In addition, Sperry Corporation has a license granted by the Company to market a version of the Company's MANMAN/MM product. See "Trademarks, Copyrights and Licenses". In providing its on-line remote processing service, the Company competes with a few firms which offer similar services, including Xerox Corporation. The Company intends to use a portion of the proceeds of this offering to enhance and expand its on-line remote processing service operations. See "Use of Proceeds". The Company faces competition from a variety of other independent firms, such as systems integrators



and specialized software companies, which range in size from large to small firms and in geographic coverage among national, regional and local operations.

### **Product Development**

The Company believes that its future success depends in part upon its ability to develop new and improved products and services and to expand its customer base by modifying its software to operate on a wider variety of computer systems. Accordingly, ASK is committed to the development and acquisition of new products and to the continued enhancement of its existing products and related user documentation. During the fiscal years 1979, 1980 and 1981, ASK expended \$334,678, \$437,576 and \$1,125,411, respectively, for product development activities. All product development costs are expensed as incurred. As of August 31, 1981 ASK employed approximately 36 persons in product development activities, principally in software product design, programming, technical documentation and communications, and product management. ASK customers have set up user groups to share ideas on the use of the Company's products and to make suggestions to ASK for improvements to existing products and development of new products.

### **Trademarks, Copyrights and Licenses**

ASK owns various trademarks, service marks and copyrights. It does not own any patents. ASK markets its products under the trademark "MANMAN" which is registered in the United States. The Company seeks to protect its proprietary software products by incorporating restrictions into its license agreements with respect to the use and confidentiality of its software.

In order to expand the market for its software products, in June 1979 ASK entered into a license agreement with the Sperry Univac Division of Sperry Corporation ("Sperry") pursuant to which the Company granted Sperry a then exclusive right to market the MANMAN Manufacturing Management product (MANMAN/MM) on Sperry minicomputers under the MANMAN trademark. In June 1981, the license became non-exclusive. Sperry's right to use the Company's MANMAN trademark terminates in June 1982, although their license to market the product continues. Under the agreement, Sperry pays royalties for each software package licensed by Sperry, whether or not the package is marketed under the Company's trademark. During fiscal year 1981, Sperry paid royalties of \$357,500 under this license, from which no material revenues are expected in fiscal year 1982, and \$315,000 for an unrelated product, for which no future royalties are expected.

ASK also markets two application software products under license agreements with third party vendors, the revenues of which are not significant.

### **Employees**

At August 31, 1981, ASK had 104 full-time employees, including 11 persons in finance and administration, 36 in product development, and 57 in marketing, sales and field technical support. ASK believes that its continued success will depend in part on its ability to continue to attract and retain highly skilled technical, marketing and management personnel who are in great demand.

The Company has never had a work stoppage and no employees are represented under collective bargaining arrangements. ASK considers its employee relations to be excellent.

### **Properties**

The Company leases approximately 16,000 square feet of office space for an annual rental of approximately \$232,000 in one location at Los Altos, California under a master lease expiring in 1990 which provides for an additional 12,000 square feet which will become available to ASK within two years. The Company's executive, marketing, engineering and product development activities, as well as the computer center for its on-line remote processing service are located at these offices.



In addition, the Company leases approximately 9,400 square feet of office space in the United States for sales and customer support offices under leases expiring from 1982 to 1985. The Company believes that its facilities are adequate for its immediate needs and that suitable additional space is available to accommodate further expansion of the Company's operations. See Note 4 of Notes to Consolidated Financial Statements.

The Company owns all of its data processing equipment, including seven HP 3000 computer systems, five of which are used for program development, customer demonstrations, and internal sales and accounting functions and two of which are used for the Company's on-line remote processing service operations. The Company intends to purchase additional computer equipment to accommodate the anticipated growth of its business, principally for its on-line remote processing service operations and program development, some of which will be financed with the proceeds from this offering. See "Use of Proceeds". All of the Company's computer equipment is in good repair, is well maintained and continues to operate satisfactorily.



## MANAGEMENT

### Executive Officers and Directors

The executive officers and directors of the Company and their ages are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Sandra L. Kurtzig .....	34	President and Director
Thomas C. Lavey .....	37	Vice President—Marketing and Sales
Kenneth A. Fox .....	37	Vice President—Research and Development
Martin R. Browne .....	31	Vice President—Software Development
Robert J. Riopel .....	39	Vice President—Finance and Administration
Craig W. Johnson*	34	Secretary and Director
Ronald W. Braniff*	45	Director
M. Kenneth Oshman*	41	Director
Thomas I. Unterberg*	50	Director

\* Member of Audit Committee.

All directors hold office until the next annual meeting of shareholders of the Company and until their successors have been elected and qualified. Officers serve at the discretion of the Board of Directors.

Mrs. Kurtzig is the founder of the Company and has been President and a director since its incorporation in 1974. She also served as Chief Financial Officer from 1974 to February 1981. Prior to founding the Company, she held various technical and marketing positions with General Electric Company, Information Business Systems Division, and with TRW Inc. Mrs. Kurtzig received a B.A. degree in mathematics and chemistry from the University of California at Los Angeles and an M.S. degree in aeronautical engineering from Stanford University.

Mr. Lavey joined the Company in May 1978 as Vice President, Marketing and Sales. From September 1976 through April 1978, he was product manager of manufacturing systems for ITEL Corporation, and from 1974 to September 1976 he served as Vice President of Manufacturing for Fulton Manufacturing Company, a division of Walter Kidde & Company, Inc. Mr. Lavey received a B.S. degree in mathematics and computer science from Pennsylvania State University and an M.B.A. from the University of Southern California.

Mr. Fox joined the Company in December 1980 as Vice President, Research and Development, following eleven years with Hewlett-Packard Company, most recently as Engineering Manager of the Data Systems Division. His prior experience at Hewlett-Packard included Section Manager for hardware and software development of the HP 1000 L Series computer and Production Engineering Manager for the Automatic Measurements Division. Mr. Fox holds a B.S. degree in engineering and applied physics from Harvard University and an M.S. degree in electrical engineering and computer science from the University of California at Berkeley.

Mr. Browne joined the Company in October 1974 in software development and in February 1977 became Vice President, Software Development. From 1972 to October 1974 he held various staff manufacturing support positions with Farinon Microwave, a microwave equipment manufacturer subsequently acquired by Harris Corporation. Mr. Browne received a B.S. degree in mathematics from Stanford University.

Mr. Riopel joined the Company in February 1981 as Vice President, Finance and Administration. From June 1979 to February 1981 he served as Vice President, Finance, for Advanced Electronics Design, Inc., and from October 1974 to June 1979 served as Vice-President, Director of Administration, for Reticon Corporation, a subsidiary of EG&G Inc. Prior to that time he served as audit man-



ager for Arthur Young & Company, certified public accountants. Mr. Riopel holds BSC/Accounting and M.B.A. degrees from the University of Santa Clara.

Mr. Johnson has served as Secretary and a director of the Company since June and July 1980, respectively. Mr. Johnson has been a practicing attorney since 1974 and is a member of the firm of Wilson, Sonsini, Goodrich & Rosati, legal counsel to the Company.

Mr. Braniff has served as a director of the Company since July 1980. Since July 1976, Mr. Braniff has been Group Vice President of Tymshare, Inc., an international computer information services and data communications services firm.

Dr. Oshman has served as a director of the Company since July 1980. Dr. Oshman, a co-founder of ROLM Corporation, a manufacturer of computer-controlled branch exchange telephone systems and general purpose computers intended for use in severe environments, has served as President and a director of ROLM since its organization in 1969.

Mr. Unterberg has served as a director of the Company since July 1980. He is Managing Senior Partner of the investment banking firm of L. F. Rothschild, Unterberg, Towbin, the Representative of the Underwriters, and has been with that firm or its predecessor since 1956. Mr. Unterberg is also a director of LIN Broadcasting Corporation, Scitex Corporation Ltd., and Thermo Electron Corporation. See "Underwriting".

#### Remuneration

The following table sets forth certain information as to each of the most highly compensated executive officers of the Company whose aggregate direct remuneration exceeded \$50,000, and as to all officers and directors as a group, during the fiscal year ended June 30, 1981.

Individuals or Persons in Group	Capacities in Which Served	Cash and Cash Equivalent Remuneration	
		Salaries and Bonuses(1)	Securities and Personal Benefits(2)
Sandra L. Kurtzig .....	President	\$ 99,815	\$11,111
Thomas C. Lavey .....	Vice President—Marketing and Sales	123,484	16,409
Martin R. Browne .....	Vice President—Software Development	53,035	3,350
All officers and directors as a group (9 persons)(3)(4) .....		330,066	55,319

(1) Includes commissions, cash bonuses and profit sharing in the aggregate amount of \$11,108 accrued in fiscal 1980 but paid in fiscal 1981 and \$19,805 accrued in fiscal 1981 and payable in fiscal 1982.

(2) Includes (i) the value of Company-owned or leased automobiles provided for business use and (ii) the difference between the rate of interest on promissory notes of certain officers and directors to the Company (8%) and the average prime rate of interest during the period outstanding.

(3) Excludes \$41,827 in legal fees paid to Wilson, Sonsini, Goodrich & Rosati, of which Craig W. Johnson, Secretary and a director of the Company, is a member.

(4) No directors' fees were paid in fiscal 1981. However, effective July 21, 1981, directors who are not employees or officers of the Company will receive \$500 for each Board meeting attended in addition to an annual retainer of \$2,000 per year. These directors may elect to convert their directors' fees quarterly into shares of Common Stock at the then fair market value.



## Employee Stock Option Plan

In December 1974, ASK adopted an Employee Stock Option Plan (the "Option Plan"), pursuant to which 375,000 shares of Common Stock were reserved for issuance upon the exercise of options granted to key employees, including officers, of the Company. The Option Plan is administered by the Board of Directors, which designates the optionees, exercise prices and dates of grant. The exercise price may not be less than 100% of the fair market value of the Common Stock on the date of grant. Options are nonassignable and may be exercised only by the employee while he or she is employed by ASK or one of its subsidiaries or within 30 days after termination of employment (except termination for misconduct) or by his or her estate within 12 months after his or her death (to the extent such option was exercisable on such date of death). Under the Option Plan the Company has certain rights to purchase shares intended to be sold by an optionee and to repurchase shares issued thereunder, all of which will terminate on the date of this Prospectus.

Options become exercisable in installments as approved by the Board of Directors, and may be exercised on a cumulative basis at any time before expiration. Options expire as determined by the Board of Directors, but in no case later than five years from date of grant. In order to afford to optionees the opportunity of obtaining certain federal tax benefits applicable to qualified stock options, the Board of Directors elected in January 1981 to accelerate the vesting of all outstanding options to make them fully exercisable prior to May 21, 1981, subject to a repurchase right by ASK at the exercise price upon termination of the optionee's employment to the extent such options would not have been vested on such termination date prior to such acceleration.

At July 31, 1981, options to purchase 40,925 shares were outstanding at exercise prices ranging from \$6.00 to \$10.00, options had been exercised with respect to 131,726 shares (net of repurchases) and 202,349 shares remained available for grant under the Option Plan.

The following table sets forth as to certain officers of the Company: (i) the number of shares of Common Stock subject to options granted during the period from the beginning of the Company's last fiscal year to July 31, 1981, (ii) the average per share exercise price thereof, (iii) the net value (market value less exercise price) realized during the period upon the exercise of options granted during the period or prior thereto, (iv) the number of shares of Common Stock subject to options outstanding as of the end of the period, and (v) the potential (unrealized) value of such outstanding options as of the end of the period (market value less exercise price).

	Thomas C. Lavey	Martin R. Browne	All Officers as a Group (3 Persons)
Granted—7/1/80 to 7/31/81:			
Number of shares subject to options .....	—	9,000	14,000
Average per share exercise price .....	\$ —	\$7.22	\$8.21
Exercised—7/1/80 to 7/31/81:			
Net value realized (market value(1) less exercise price)	54,000	3,000	57,000
	\$150,000	\$13,000	\$163,000
Outstanding at 7/31/81:			
Number of shares subject to options .....	—	6,000	11,000
Potential (unrealized) value (market value(1) less exercise price) .....	\$ —	\$ —	\$ —

(1) Based on the fair value of the Common Stock as determined by the Board of Directors.



### Restricted Stock Purchase Plan

In June 1980 the Board of Directors and shareholders of the Company reserved 300,000 shares of Common Stock for issuance to eligible employees (including officers and directors) of ASK pursuant to the Company's 1980 Restricted Stock Purchase Plan. A total of 276,600 shares of Common Stock had been issued pursuant to the plan at June 30, 1981. Of such shares, an aggregate of 60,000 were sold at a purchase price of \$1.67 per share to the Company's four non-employee directors in October 1980 and an aggregate of 163,500 shares were sold at a purchase price of \$1.67 per share to the following officers:

Name	Number of Shares	Date of Purchase	Aggregate Purchase Price(1)
Thomas C. Lavey .....	96,000	October 1980	\$160,000
Kenneth A. Fox .....	45,000	February 1981	75,000
Robert J. Riopel .....	22,500	February 1981	37,500

(1) All of these amounts were still outstanding at June 30, 1981, with the exception of \$8,517 which was repaid by Mr. Riopel prior to such date.

Payment was made for such shares by 8% promissory notes secured by the shares purchased and due five years from the dates thereof. The purchase agreements entered into under the Restricted Stock Purchase Plan provide the Company with a right to repurchase a portion of the shares sold thereunder upon termination of the purchaser's employment with the Company or membership on the Board of Directors within five years after the date of purchase. As of June 30, 1981, 53,825 of the shares sold under the plan to directors and officers were vested. The largest amount of indebtedness outstanding from officers and directors to the Company, all of which was under the above described notes, was \$372,500, of which \$338,983 was still outstanding at June 30, 1981. All loans to officers and directors have been approved by a majority of the disinterested and independent directors. The Company has adopted a policy not to make loans to officers, directors or employees in the future.

### Employee Stock Purchase Plan

The Company's 1981 Employee Stock Purchase Plan (the "Purchase Plan") was adopted by the Board of Directors and shareholders in July 1981. A total of 150,000 shares of Common Stock are reserved for issuance under the Purchase Plan. The Purchase Plan, which is intended to qualify under Section 423 of the Internal Revenue Code of 1954, as amended, is implemented by one offering during each six-month period and is administered by the Board of Directors or by a committee appointed by the Board. All employees are eligible to participate in the Purchase Plan on the first offering date after their employment. The Purchase Plan permits eligible employees to purchase Common Stock through payroll deductions (which may not exceed 10% of an employee's compensation) at the lower of 85% of the fair value of the Common Stock at the beginning or end of each six-month offering period. Employees may terminate their participation in the Purchase Plan at any time and their participation ends automatically upon termination of employment with the Company. To date, no shares have been offered or sold to employees pursuant to the Purchase Plan.

### Cash Profit Sharing Plan

The Board of Directors has adopted a cash profit sharing plan for fiscal 1982 under which distributions will be made by the Company to eligible employees in amounts up to an aggregate of 7% of pre-tax operating profit (prior to provision for federal income taxes). Distributions under the Plan will be made by the Company on a semi-annual basis within 30 days after the end of each six-month period and are allocated among eligible employees in the proportion that their base compensation for the six-month period bears to the aggregate of all base compensation of participating employees in that period. All full-time employees with a minimum of six months employment with the Company are eligible to participate in the plan but must be employed on the date of distribution in order to receive payment. For fiscal year 1981, approximately \$111,000 was paid under a similar plan.



### Management Bonus Plans

The Company has management bonus plans pursuant to which officers and other key employees may receive annual cash bonuses. Under these plans a target bonus is established for each participant. Payment of the bonus is based upon several factors, including the Company's achievement of specified sales and profit goals and upon the individual's achievement of established personal and departmental goals and objectives.

### PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth certain information, as of July 31, 1981, with respect to the beneficial ownership of the Company's Common Stock by the Selling Shareholders, by each shareholder known by the Company to be the beneficial owner of more than 5% of its outstanding Common Stock, by each director and by all officers and directors as a group:

Name or Identity of Group	Shares Beneficially Owned Prior to Offering		Shares to Be Sold	Shares to be Beneficially Owned After Offering (1)	
	Number	Percent		Number	Percent
Sandra L. Kurtzig 730 Distel Drive Los Altos, CA 94022	3,617,450(2)	87.0	546,550	3,070,900	62.6
Thomas C. Lavey	150,000(3)	3.6	36,000	114,000	2.3
Martin R. Browne	56,450	1.4	5,000	51,450	1.0
M. Kenneth Oshman	18,257(4)	0.4	—	18,257	0.4
Thomas I. Unterberg	15,750	0.4	—	15,750	0.3
Ronald W. Braniff	15,000	0.4	—	15,000	0.3
Craig W. Johnson	15,000	0.4	—	15,000	0.3
All officers and directors as a group (9 persons)	3,955,407	95.1	587,550	3,367,857	68.6
Selling Shareholders owning less than 1% of the Company's Common Stock (8 persons)	63,175	1.5	12,450	50,725	1.0

- (1) Assuming no exercise of the Underwriters' over-allotment option to purchase up to an aggregate of 135,000 shares from the Company.
- (2) Includes 103,200 shares held in irrevocable trusts and custodial accounts for the benefit of Mrs. Kurtzig's sons, as to which shares Mrs. Kurtzig disclaims any beneficial interest.
- (3) Includes 7,200 shares held in a custodial account for the benefit of Mr. Lavey's son, as to which shares Mr. Lavey disclaims any beneficial interest.
- (4) Includes 3,257 shares representing Dr. Oshman's interest in Page Mill Investment Company, a limited partnership, of which Dr. Oshman is a limited partner.

By virtue of her beneficial ownership of approximately 87% of the outstanding Common Stock (63% after the offering made hereby) and her position as the founder and President of the Company, Sandra L. Kurtzig may be deemed to be a "parent" of the Company within the meaning of the rules and regulations promulgated under the Securities Act of 1933, as amended. Based upon the number of shares to be outstanding upon completion of the offering made hereby, Mrs. Kurtzig will be able to elect a majority of the Board of Directors of the Company.



## DESCRIPTION OF COMMON STOCK

### Common Stock

The Company is authorized to issue 20,000,000 shares of Common Stock, no par value. The holders of the Common Stock are entitled to one vote for each share held of record on all matters to be voted on by shareholders, and, upon giving notice required by law, are entitled to cumulate their votes in elections of directors. The holders of Common Stock are entitled to receive such dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available therefor. See "Dividend Policy". Upon liquidation or dissolution of the Company, the holders of Common Stock are entitled to receive pro rata all assets remaining available for distribution to shareholders. The Common Stock has no preemptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such shares. All of the outstanding shares of Common Stock are fully paid and nonassessable, and the shares of Common Stock to be outstanding upon completion of this offering will be fully paid and nonassessable.

### Shares Eligible for Future Sale

Upon completion of the offering made hereby, the Company will have outstanding 4,908,326 shares of Common Stock, based upon shares outstanding at July 31, 1981 and assuming no exercise of the over-allotment option. Of these shares, the 1,350,000 shares sold in the offering made hereby (including 600,000 sold by Selling Shareholders) will be freely tradeable without restriction or registration under the Securities Act of 1933, as amended (the "Act"), and the remaining 3,558,326 shares held by existing shareholders are "restricted" shares.

Subject to the agreements described below and the limitations of Rule 144 under the Act, approximately 3,167,050 of the restricted shares will be eligible 90 days after the date of this Prospectus for sale in the open market in accordance with Rule 144. In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who has beneficially owned shares for at least two years, including persons who may be deemed "affiliates" of the Company as the term "affiliate" is defined under the Act, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of 1% of the then outstanding shares of the Company's Common Stock (approximately 49,083 shares immediately after completion of this offering) or the average weekly trading volume in the Company's Common Stock during the four calendar weeks preceding such sale. Sales under Rule 144 are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about the Company. However, a person (or persons whose shares are aggregated) who is not deemed an "affiliate" of the Company, and who has beneficially owned shares for at least three years, would be entitled to sell such shares under Rule 144 without regard to the volume limitations, manner of sale provisions or notice requirements. In addition, certain shareholders may be eligible to sell shares in the public market immediately following the offering in reliance upon Section 4(1) of the Act without regard to the restrictions imposed by Rule 144. The Company has no agreements with any shareholders to register their Common Stock under the Act.

All of the Selling Shareholders have agreed that they will not, without prior written consent of the Representative of the Underwriters, offer, sell or grant any option to purchase or otherwise dispose of any of the shares of the Company's Common Stock beneficially owned by them (an aggregate of 3,287,075 shares) for a period of 90 days after the date of this Prospectus.

The Company intends to file a registration statement under the Act as soon as practicable after the date of this Prospectus to register the 393,274 shares of Common Stock reserved under the 1981 Employee Stock Purchase Plan and the Employee Stock Option Plan. Shares issued upon exercise of options after the effective date of such registration statement generally will be available for sale in the open market.



Prior to the offering made hereby, there has been no public market for the Common Stock of the Company, and no precise predictions can be made of the effect, if any, that market sales of shares or the availability of shares for sale will have on the market price prevailing from time to time. Nevertheless, sales of substantial amounts of the Common Stock of the Company in the public market could adversely affect prevailing market prices.

#### **Transfer Agent and Registrar**

The First National Bank of Boston is the Transfer Agent and Registrar of the Company's Common Stock.

#### **Reports to Shareholders**

The Company will furnish its shareholders with annual reports containing audited financial statements as well as quarterly reports containing unaudited consolidated financial information for each of the first three quarters of each fiscal year.



## UNDERWRITING

In the Purchase Agreement, the Underwriters, represented by L. F. Rothschild, Unterberg, Towbin, have agreed severally, subject to the terms and conditions therein set forth, to purchase from the Company and the Selling Shareholders, and the Company and the Selling Shareholders have agreed to sell to them, the respective numbers of shares of Common Stock, totalling 1,350,000 shares, set forth below opposite their respective names. The Underwriters are committed to take and pay for all shares if any shares are taken.

The names of the several Underwriters and the respective numbers of shares to be purchased by each of them are:

<u>Names</u>	<u>Number of Shares to Be Purchased</u>
L. F. Rothschild, Unterberg, Towbin .....	270,450
Bache Halsey Stuart Shields Incorporated .....	23,000
The First Boston Corporation .....	23,000
Bear, Stearns & Co. ....	23,000
Blyth Eastman Paine Webber Incorporated .....	23,000
Dillon, Read & Co. Inc. ....	23,000
Donaldson, Lufkin & Jenrette Securities Corporation .....	23,000
Drexel Burnham Lambert Incorporated .....	23,000
Goldman, Sachs & Co. ....	23,000
E. F. Hutton & Company Inc. ....	23,000
Kidder, Peabody & Co. Incorporated .....	23,000
Lazard Freres & Co. ....	23,000
Lehman Brothers Kuhn Loeb Incorporated .....	23,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated .....	23,000
Salomon Brothers .....	23,000
Shearson/American Express Inc. ....	23,000
Smith Barney, Harris Upham & Co. Incorporated .....	23,000
Warburg Paribas Becker Incorporated .....	23,000
Wertheim & Co., Inc. ....	23,000
Dean Witter Reynolds Inc. ....	23,000
Alex. Brown & Sons .....	23,000
Hambrecht & Quist .....	23,000
F. Eberstadt & Co., Inc. ....	16,100
Moseley, Hallgarten, Estabrook & Weedon Inc. ....	16,100
New Court Securities Corporation .....	16,100
Oppenheimer & Co., Inc. ....	16,100
Piper, Jaffray & Hopwood Incorporated .....	16,100
Robertson, Colman, Stephens & Woodman .....	16,100
ABD Securities Corporation .....	9,300
Arnhold and S. Bleichroeder, Inc. ....	9,300
Basle Securities Corporation .....	9,300
Bateman Eichler, Hill Richards Incorporated .....	9,300
Sanford C. Bernstein & Co., Inc. ....	9,300
William Blair & Company .....	9,300
Blunt Ellis & Loewi Incorporated .....	9,300
Boettcher & Company .....	9,300
J. C. Bradford & Co., Incorporated .....	9,300
The Chicago Corporation .....	9,300
Crowell, Weedon & Co. ....	9,300
Dain Bosworth Incorporated .....	9,300
Eppler, Guerin & Turner, Inc. ....	9,300
Robert Fleming Incorporated .....	9,300
Foster & Marshall Inc. ....	9,300
Furman Selz Mager Dietz & Birney Incorporated .....	9,300
Gruntal & Co. ....	9,300
Josephthal & Co. Incorporated .....	9,300

*(Table continued on following page)*



(Table continued from preceding page)

Names	Number of Shares to Be Purchased
Kleinwort, Benson Incorporated	9,300
Ladenburg, Thalmann & Co. Inc.	9,300
Legg Mason Wood Walker, Incorporated	9,300
McDonald & Company	9,300
Montgomery Securities	9,300
Neuberger & Berman	9,300
Prescott, Ball & Turben	9,300
Rauscher Pierce Refsnes, Inc.	9,300
The Robinson-Humphrey Company, Inc.	9,300
Rotan Mosle Inc.	9,300
Stephens Inc.	9,300
Sutro & Co. Incorporated	9,300
Ultrafin International Corporation	9,300
Underwood, Neuhaus & Co. Incorporated	9,300
Wheat, First Securities, Inc.	9,300
Baker, Watts & Co.	5,850
Brean Murray, Foster Securities Inc.	5,850
A. T. Brod & Co.	5,850
Burgess & Leith Incorporated	5,850
Cowen & Co.	5,850
Craigie Incorporated	5,850
R. G. Dickinson & Co.	5,850
Faherty & Faherty Inc.	5,850
First Equity Corporation of Florida	5,850
First Investors Corporation	5,850
First Southwest Company	5,850
Haas Securities Corporation	5,850
Hamerslag, Kempner & Co.	5,850
Herzfeld & Stern	5,850
Howard, Weil, Labouisse, Friedrichs Incorporated	5,850
Laidlaw Adams & Peck Inc.	5,850
Moore & Schley, Cameron & Co.	5,850
Morgan, Keegan & Company, Inc.	5,850
Newhard, Cook & Co. Incorporated	5,850
Parker/Hunter Incorporated	5,850
Rooney, Pace Inc.	5,850
Rosenkrantz, Ehrenkrantz Lyon & Ross, Incorporated	5,850
Schneider, Bernet & Hickman, Inc.	5,850
Silberberg, Rosenthal & Co.	5,850
Stix & Co. Inc.	5,850
Wagenseller & Durst, Inc.	5,850
Wedbush, Noble, Cooke, Inc.	5,850
Young, Smith & Peacock, Inc.	5,850
Buckmaster & Moore	5,850
Credit Commercial de France	5,850
Hambros Bank Limited	5,850
Pictet International Ltd.	5,850
Pierson, Heldring & Pierson N.V.	5,850
Total	<u>1,350,000</u>

The Underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this Prospectus. The Underwriters may allow a concession not exceeding \$.40 per share to selected dealers who are members of the National Association of Securities Dealers, Inc. ("NASD") and to certain foreign dealers, and the Underwriters may allow, and such dealers may reallow, to members of the NASD and to certain foreign dealers a concession not exceeding \$.25 per share. After the initial public offering, the public offering price and concessions may be changed.



The Company has granted an option to the Underwriters, exercisable during the eight-day period after the date of this Prospectus, to purchase up to a maximum of 135,000 shares of Common Stock at the same price per share as the initial 1,350,000 shares. The Underwriters may exercise such option only to cover over-allotments in the sale of the shares that the Underwriters have agreed to purchase. To the extent that the Underwriters exercise such option, each of the Underwriters has a firm commitment, subject to certain conditions, to purchase the same percentage of the option shares as the number of shares to be purchased and offered by that Underwriter in the above table bears to 1,350,000.

The Company and the Selling Shareholders have agreed to indemnify the Underwriters against certain liabilities which may be incurred in connection with this offering, including certain liabilities under the Securities Act of 1933.

The Underwriters do not intend to confirm sales to any accounts over which they exercise discretionary authority.

Thomas I. Unterberg, Managing Senior Partner of L. F. Rothschild, Unterberg, Towbin, is a director of the Company and the beneficial owner of 15,750 shares of the Company's Common Stock.

### **Pricing of the Offering**

Prior to this offering, there has been no public market for the Common Stock of the Company. Consequently, the offering price has been determined by negotiation between the Company and the Representative of the Underwriters. Among the factors considered in such negotiations were prevailing market conditions, the price earnings ratios of publicly traded companies that the Company and the Representative believe to be somewhat comparable to the Company, estimates of the business potential and earning prospects of the Company and the present state of the Company's development. The offering price set forth on the cover page of this Prospectus should not, however, be considered an indication of the actual value of the Common Stock of the Company. Such price is subject to change as a result of market conditions and other factors.

### **LEGAL MATTERS**

The legality of the shares of Common Stock offered hereby will be passed upon for the Company by Wilson, Sonsini, Goodrich & Rosati, Professional Corporation, Two Palo Alto Square, Palo Alto, California 94304. Craig W. Johnson, a member of such firm, is Secretary and a director of the Company and owns 15,000 shares of the Company's Common Stock. Pillsbury, Madison & Sutro, San Francisco, California are acting as counsel for the Underwriters in connection with certain legal matters relating to the shares of Common Stock offered hereby.

### **EXPERTS**

The consolidated financial statements and related schedules of ASK Computer Systems, Inc. included in this Prospectus and elsewhere in the Registration Statement have been examined by Arthur Young & Company, certified public accountants, to the extent and for the periods indicated in their report with respect thereto, and are included herein in reliance upon such reports and upon the authority of such firm as experts in auditing and accounting.

### **ADDITIONAL INFORMATION**

The Company has filed with the Securities and Exchange Commission, Washington, D.C. 20549, a Registration Statement under the Securities Act of 1933, as amended, with respect to the Common Stock offered by this Prospectus. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto. For further information with respect to the Company and such Common Stock, reference is made to such Registration Statement, exhibits and schedules.



REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Shareholders  
ASK Computer Systems, Inc.

We have examined the accompanying consolidated balance sheets of ASK Computer Systems, Inc. at June 30, 1981 and June 30, 1980 and the related consolidated statements of income, shareholders' equity and changes in financial position for each of the three years in the period ended June 30, 1981. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of ASK Computer Systems, Inc. at June 30, 1981 and June 30, 1980 and the consolidated results of operations and changes in financial position for each of the three years in the period ended June 30, 1981 in conformity with generally accepted accounting principles applied on a consistent basis during the period after restatement for the change, with which we concur, in the method of accounting for revenue from the sale of computer hardware as described in Note 2.

ARTHUR YOUNG & COMPANY

San Jose, California  
July 31, 1981



ASK COMPUTER SYSTEMS, INC.

CONSOLIDATED STATEMENT OF INCOME

	Years Ended June 30,		
	1979	1980	1981
Net revenue (Notes 1 and 2) .....	\$2,774,719	\$8,326,261	\$13,000,053
Cost and expenses:			
Cost of revenue .....	1,559,682	4,619,313	6,616,633
Product development .....	334,678	437,576	1,125,411
Selling, general and administrative .....	466,176	1,446,301	2,722,445
Total cost and expenses .....	<u>2,360,536</u>	<u>6,503,190</u>	<u>10,464,489</u>
Operating income .....	414,183	1,823,071	2,535,564
Interest income .....	29,897	164,545	171,113
Income before income taxes .....	444,080	1,987,616	2,706,677
Provision for income taxes (Note 6) .....	207,000	993,000	1,216,000
Net income .....	<u>\$ 237,080</u>	<u>\$ 994,616</u>	<u>\$ 1,490,677</u>
Earnings per share (Note 1) .....	<u>\$ .06</u>	<u>\$ .27</u>	<u>\$ .38</u>
Weighted average number of shares outstanding .....	3,750,300	3,750,600	3,965,300

See accompanying notes.

2,774,719	8,326,261
2,360,536	6,503,190
414,183	1,823,071
29,897	164,545
444,080	1,987,616
207,000	993,000
237,080	994,616
3,750,300	3,750,600



ASK COMPUTER SYSTEMS, INC.  
 CONSOLIDATED BALANCE SHEET

ASSETS

	June 30,	
	1980	1981
Current assets:		
Cash .....	\$ 275,152	\$ 216,429
Marketable securities, at cost plus accrued interest, which approximates market .....	1,640,413	1,449,203
Accounts receivable, less allowance for doubtful accounts of \$100,000 (\$67,000 in 1980) (Notes 1 and 2) .....	1,426,595	3,952,467
Prepaid income taxes .....	—	287,331
Total current assets .....	3,342,160	5,905,430
Property and equipment (Note 1):		
Equipment .....	303,934	957,089
Leasehold improvements .....	—	122,711
	303,934	1,079,800
Less accumulated depreciation and amortization .....	80,035	214,147
Net property and equipment .....	223,899	865,653
	\$3,566,059	\$6,771,083

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable .....	\$ 738,301	\$2,407,726
Accrued liabilities .....	342,763	477,857
Customer deposits .....	136,785	429,229
Income taxes payable .....	1,027,267	—
Deferred income taxes (Note 6) .....	11,317	540,000
Total current liabilities .....	2,256,433	3,854,812
Commitments (Note 4)		
Shareholders' equity (Note 3):		
Common stock, no par value; 20,000,000 shares authorized; 4,159,139 shares outstanding (3,750,600 in 1980) .....	21,497	676,748
Retained earnings .....	1,288,129	2,778,806
	1,309,626	3,455,554
Less notes receivable from shareholders .....	—	539,283
Total shareholders' equity .....	1,309,626	2,916,271
	\$3,566,059	\$6,771,083

See accompanying notes.



**ASK COMPUTER SYSTEMS, INC.**

**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**

	Common Stock		Retained Earnings	Notes Receivable	Total
	Shares	Amount			
Balance at July 1, 1978 .....	3,750,000	\$ 21,297	\$ 56,433	\$ —	\$ 77,730
Issuance of common stock under stock option plan .....	600	200	—	—	200
Net income .....	—	—	237,080	—	237,080
Balance at June 30, 1979 .....	3,750,600	21,497	293,513	—	315,010
Net income .....	—	—	994,616	—	994,616
Balance at June 30, 1980 .....	3,750,600	21,497	1,288,129	—	1,309,626
Issuance of common stock under stock option plan .....	131,939	82,451	—	—	82,451
Issuance of common stock under restricted stock purchase plan ..	276,600	572,800	—	(572,800)	—
Payment on notes receivable .....	—	—	—	33,517	33,517
Net income .....	—	—	1,490,677	—	1,490,677
Balance at June 30, 1981 .....	<u>4,159,139</u>	<u>\$676,748</u>	<u>\$2,778,806</u>	<u>\$(539,283)</u>	<u>\$2,916,271</u>

See accompanying notes.



ASK COMPUTER SYSTEMS, INC.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Years Ended June 30,		
	1979	1980	1981
Sources of working capital:			
Working capital provided from operations:			
Net income .....	\$ 237,080	\$ 994,616	\$1,490,677
Charges to operations not requiring the current use of working capital—depreciation and amortization .....	14,445	44,795	134,112
Total working capital provided from operations ..	251,525	1,039,411	1,624,789
Issuance of common stock, net of increases in notes re- ceivable from shareholders .....	200	—	115,968
Total source of working capital .....	251,725	1,039,411	1,740,757
Application of working capital—additions to property and equipment .....	32,314	234,440	775,866
Increase in working capital .....	\$ 219,411	\$ 804,971	\$ 964,891
Changes in components of working capital:			
Increases (decreases) in current assets:			
Cash .....	\$ (69,289)	\$ 219,688	\$ (58,723)
Marketable securities .....	596,193	994,971	(191,210)
Accounts receivable .....	511,164	786,191	2,525,872
Prepaid income taxes .....	—	—	287,331
	1,038,068	2,000,850	2,563,270
Increases (decreases) in current liabilities:			
Note payable .....	49,418	(49,418)	—
Accounts payable .....	433,108	186,432	1,669,425
Accrued liabilities .....	81,966	223,239	135,094
Customer deposits .....	67,641	(14,836)	292,444
Income taxes payable .....	186,524	839,145	(1,027,267)
Deferred income taxes .....	—	11,317	528,683
	818,657	1,195,879	1,598,379
Increase in working capital .....	\$ 219,411	\$ 804,971	\$ 964,891

See accompanying notes.



## ASK COMPUTER SYSTEMS, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Summary of Significant Accounting Policies

*Principles of consolidation:* The consolidated financial statements include the accounts of ASK Computer Systems, Inc. and its wholly-owned Domestic International Sales Corporation (DISC) subsidiary, after elimination of inter-company accounts and transactions.

*Property and equipment:* Depreciation of equipment and furniture is provided principally by use of the straight-line method over their estimated useful lives (primarily five years). Leasehold improvements are amortized by use of the straight-line method over the lives of the related lease term or their useful lives, whichever is shorter. Maintenance and repairs are charged to expense as incurred.

*Revenue recognition:* Revenue from license fees on software, which generally consists of standard application software products, is recognized upon installation if installation is requested by the customer, or upon shipment if not so requested. The Company also receives license fees upon the sublicense of its software by licensees, and the revenue therefrom is also recognized upon installation of the software.

Revenue is recognized on the sale of computer hardware at the time of shipment.

Revenue from the Company's software subscription service, which includes updates to software products, is billed quarterly or annually, at which time revenue is recognized.

Revenue from the Company's on-line remote processing service, begun in December 1980, is recognized as the services are provided.

Net revenue includes \$122,850, \$320,377 and \$1,635,970 in 1979, 1980 and 1981, respectively, from software subscription service, on-line remote processing service and royalties, none of which accounted for more than 8% of net revenue in any year.

*Earnings per share:* Earnings per share are computed using the weighted average number of common shares outstanding during each period. Shares issuable upon the exercise of outstanding stock options are not included in the calculation because their effect is not material.

*Investment tax credits:* Investment tax credits are used to reduce federal income tax expense in the year the related assets are placed into service.

*Industry segment and geographic information:* The Company designs and produces application software products and markets them along with general purpose minicomputers to manufacturing companies. No customer accounted for more than 10% of revenue in 1979, 1980, or 1981. The Company licenses its software through licensees in foreign countries. These fees amounted to approximately 6% in 1981 and were not material in 1979 or 1980.

#### 2. Restatement of Revenue

Prior to fiscal 1981, the Company recognized revenue on both the sale of computer hardware and the license of software at the time the software was installed. In fiscal 1981 the Company began recognizing the hardware revenue and cost of revenue at the time of shipment when the risk of ownership passes to the customer. This change in accounting was made to be more consistent with general industry practices. In accordance with Accounting Principles Board Opinion No. 20, all prior fiscal periods were restated to reflect hardware revenue and cost of revenue at the time of shipment. The effects were to increase revenue and net income in 1979 by \$656,714 and \$86,844 (\$.02



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

per share), respectively, and to reduce revenue and net income in 1980 by \$534,893 and \$86,934 (\$.02 per share), respectively.

3. Common Stock

*Stock split:* In June 1981, the Company increased its authorized common shares from 7,500,000 to 20,000,000 and declared a three-for-two stock split. Numbers of common shares and per share amounts for all periods presented have been adjusted to reflect the effect of the stock split.

*Stock option plan:* In December 1974, the Board of Directors adopted a stock option plan under which options for a total of 375,000 shares of common stock may be granted to key employees. Options granted under the plan have been granted at no less than 100% of the fair market value on the date of grant, as determined by the Board of Directors. Options granted have been exercisable over varying periods, and expire no more than five years from the grant date. Proceeds of \$200 and \$82,451 in 1979 and 1981, respectively, under the plan have been credited to shareholders' equity; no charges have been made to income in connection with this plan.

Information with respect to stock options is summarized as follows:

	Available for Grant	Options Outstanding	Aggregate Price	Price Per Share
Balance at June 30, 1978	360,000	15,000	\$ 5,000	\$ .33
Options granted	(77,250)	77,250	28,000	\$ .33-\$ .50
Options exercised	—	(600)	(200)	\$ .33
Balance at June 30, 1979	282,750	91,650	32,800	\$ .33-\$ .50
Options granted	(26,250)	26,250	13,125	\$ .50
Balance at June 30, 1980	256,500	117,900	45,925	\$ .33-\$ .50
Options granted	(38,664)	38,664	115,251	\$1.67-\$6.00
Options exercised	—	(131,939)	(82,451)	\$ .33-\$1.67
Options cancelled	12,900	(12,900)	(8,375)	\$ .50-\$1.67
Balance at June 30, 1981	230,736	11,725	\$ 70,350	\$6.00

Options for 63,075 shares were exercisable at June 30, 1980; none were exercisable at June 30, 1981.

*Key employee restricted stock purchase plan:* In June 1980, the Board of Directors reserved 300,000 shares of the Company's common stock for issuance to certain officers, directors and key employees of the Company pursuant to a restricted stock purchase plan. The purchase price of shares sold pursuant to the plan has been the fair market value on the date of sale, as determined by the Board of Directors. At June 30, 1981, 276,600 shares of common stock had been issued under the plan. Certain of the shares sold under the plan are subject to repurchase by the Company at the original sale price if the employee or director leaves the service of the Company within five years from the purchase date. The number of shares subject to the repurchase option is reduced ratably over the five year period.

*Employee stock purchase plan:* In July 1981, the Board of Directors and the shareholders approved the reservation of 150,000 shares of the Company's common stock for issuance to employees pursuant to an employee stock purchase plan. To date, no shares have been offered or sold to employees under this plan.

*Notes receivable from shareholders:* The notes receivable from shareholders arose from the sale by the Company of its Common Stock under its key employee restricted stock purchase plan.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The notes are secured by a pledge of the shares issued, bear interest at 8%, and are payable on various dates through June 1986.

4. Lease Commitments

The Company operates in leased and rented facilities. Rent expense was \$28,000, \$51,000, and \$204,000 in 1979, 1980, and 1981, respectively. Aggregate minimum annual lease commitments are \$348,000, \$393,000, \$454,000, \$536,000, \$462,000, and \$2,275,000 in 1982, 1983, 1984, 1985, 1986, and 1987-1990, respectively.

5. Profit Sharing Plan

The Company adopted a profit sharing plan during fiscal 1981 under which the Board of Directors may set aside up to 7% of pre-tax profits for semi-annual distribution to employees. The provision for 1981 was \$111,000. The plan replaced an informal bonus plan, under which bonuses of \$41,000 and \$31,000 were provided in 1979 and 1980, respectively.

6. Income Taxes

The provision for income taxes comprises:

	<u>1979</u>	<u>1980</u>	<u>1981</u>
Current:			
Federal .....	\$167,000	\$792,683	\$ 553,317
State .....	40,000	189,000	134,000
	<u>207,000</u>	<u>981,683</u>	<u>687,317</u>
Deferred:			
Federal .....	—	11,317	448,683
State .....	—	—	80,000
	<u>—</u>	<u>11,317</u>	<u>528,683</u>
	<u>\$207,000</u>	<u>\$993,000</u>	<u>\$1,216,000</u>

Deferred taxes are recorded to reflect timing differences in reporting revenue and expense for financial statements and income tax purposes. The sources of these differences and the tax effect of each in 1981 are deferred profit on system sales treated as installment sales for tax purposes (\$463,000), DISC operations (\$22,683) and depreciation expense (\$43,000). In 1980 the effect due to DISC operations was \$11,317. As of June 30, 1981, the DISC had accumulated undistributed earnings of \$147,000 on which federal income taxes have not been provided. The Company intends to comply with all Internal Revenue Service requirements for the permanent deferral of taxes related to these earnings.

Investment tax credits amounted to \$1,220, \$15,254, and \$65,991 in 1979, 1980, and 1981, respectively.

The Company's effective tax rate differs from the statutory U.S. federal income tax rate as follows:

	<u>1979</u>	<u>1980</u>	<u>1981</u>
Federal income tax statutory rate .....	47%	46%	46%
Federal surtax exemption .....	(3%)	(1%)	(1%)
State taxes, net federal income tax benefits ...	5%	5%	4%
Income of DISC not subject to U.S. tax .....	—	—	(2%)
New jobs credit .....	(2%)	—	—
Investment tax credit .....	—	—	(2%)
Effective tax rate .....	<u>47%</u>	<u>50%</u>	<u>45%</u>



\$2k-6k/mo  
at \$6k, start to think of in house  
education

Maint = \$5-8k/yr;  
2 updates/yr, phone help,  
Newsmen,

500 installations, 250 cos.

ASKNET - revs ↑ 23%/mo.

Sales 30p yr ago  
65 now

1/2 of 80 insales, mktg & support

prod growth slow

40 custs, \$125k<sup>+</sup> mo in Jan

R&D

DEC MANMAN (VAF) wide year

↑ existing

new prods (NR = N# ready)

NR Service (field, inv, labor, spare parts) July

NR distr July  
data collection

QC

new fixed assets - ~~for~~ intro touch  
fin modeling

99% to R&D 1/2 new prods 1/2 enhancements

For 808 Asknet costs have b.d. \$-key

all direct in US  
in UK, Sci con  
in France, CISI

4 regions - fast  
Chicago (MW)  
No. Cal + Seattle  
So Cal W. City + H = Dallas

16 sales  
offices



# ASK COMPUTER SYSTEMS, INC.

COMMON STOCK  
1,350,000 SHARES

50% Ford, 1000 cos, (divs)

50% F1000 to be

expensed as much comm. eg. as ports.

PROSPECTUS

DEC → late this year

some bench marks met  
we selected dbms, we now  
doing the coding

introduce a little delayed

dbms-32 (DEC's) - wrab test site  
L.F. ROTHSCHILD, UNTERBERG, TOWBIN

software same \$ so on  
larger systems hardware component ↑

gr. margin ↓



FOR IMMEDIATE RELEASE

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ASK Public Relations  
(415) 335-5534

Stephanie Campbell  
Copithorne & Bellows  
(415) 541-0873

**ASK SHOWS INTEGRATED MANUFACTURING SYSTEMS AND  
APPLICATION DEVELOPMENT TOOLS AT AUTOFACT**

Visit ASK Computer Systems At Booth #1076

Chicago, -- November 12, 1991 -- ASK Computer Systems, an ASK Company, will demonstrate MANMAN, the company's integrated manufacturing information system, and INGRES application development tools from November 12-14 at AutoFact in booth #1076.

Included in the booth demonstration, ASK will show Release 8.1 of MANMAN/HP and Release 8.1 of MANMAN/VAX. For manufacturers in the automotive industry the company will demonstrate MANMAN/Automotive. For manufacturers in process industries, the company will demonstrate MANMAN/Process. In addition, Ingres, an ASK Company, will demonstrate INGRES/Windows4GL and INGRES/Vision.

(more)



The MANMAN information system is an integrated group of software modules that addresses the manufacturing, marketing, financial and management reporting needs of manufacturing companies. The modular system is designed to streamline manufacturing operations and help run businesses more efficiently. MANMAN is the most cost effective and feature rich MRP II solution available. It is used in over 3,000 manufacturing sites worldwide.

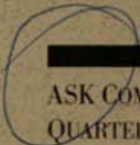
The INGRES Tools comprise a broad set of decision support and application development tools. INGRES/Windows4GL is the premier application development tool for systems using a graphical user interface. INGRES/Vision is an application generator for creating complex character-based systems.

In addition, demonstrations of MANMAN software will be conducted in the Hewlett-Packard Co. booth.

ASK Computer Systems, Inc. (The ASK Companies) is one of the 10 largest software companies worldwide, with annual revenues of approximately \$400 million. Its comprehensive product line includes the INGRES Intelligent Database, application development tools, and manufacturing and financial applications. There are more than 2,100 ASK employees worldwide. ASK is a publicly traded company; its common stock is traded on the NASDAQ national market system under the symbol "ASKI."

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ASK COMPUTER SYSTEMS INC.  
QUARTERLY REPORT

FOR THE PERIOD ENDED  
DECEMBER 31, 1987

2



## TO OUR SHAREHOLDERS

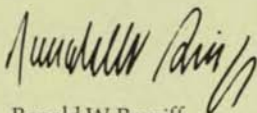
**R**evenues for the second quarter of fiscal 1988 were \$32,346,000. Net income was \$2,252,000 or \$.17 per share. These results compare with \$21,159,000 revenue and income of \$1,995,000 during the second quarter of fiscal 1987. We ended the quarter with working capital of \$31,916,000 and a current ratio of 2 to 1.

During the quarter we took two important steps in our strategy to address the needs of larger and multinational manufacturing companies. First, we released a new version of MANMAN® on Digital VAX computer systems. The VAX Release 6.0 addresses the needs of large, multi-site manufacturing companies, as well as the special needs of firms with foreign manufacturing business operations. Also, we began shipping our MANMAN systems on the new HP3000 Series 950. These new, powerful machines from Hewlett-Packard, as well as the larger VAX systems from Digital Equipment Corporation, enable us to address the needs of much larger manufacturing companies, thus expanding our opportunities in major markets around the world.

Operations outside the U.S. are becoming a more important factor in our overall performance. The ASK U.K. subsidiary, established one year ago, experienced exceptional growth in revenues and

operating profits. In addition, we opened a new sales office in Taiwan as part of our Southeast Asia sales unit headquartered in Singapore. The new office will strengthen ASK's presence in the Pacific Rim and enable us to better serve our customers.

Results for the quarter in terms of larger systems sales and installed base sales indicate ongoing improvement in our effectiveness in the manufacturing software and services market. Also, the level of activity within our sales force has grown and indicates that business conditions within the U.S. manufacturing sector continue to strengthen. While we remain optimistic about prospects for company growth, our current plans call for maintaining tight control over operating expenses during the balance of our fiscal year.



Ronald W. Braniff

President and Chief Executive Officer



CONDENSED CONSOLIDATED STATEMENT OF INCOME  
(Unaudited)

(In thousands except earnings per share)

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	1987	1986	1987	1986
Net revenue	\$32,346	\$21,159	\$58,955	\$41,503
Cost and expenses				
Cost of revenue	15,105	9,596	26,730	19,310
Product development	3,197	2,120	5,620	4,112
Selling, general and administrative	11,687	7,274	22,077	13,982
Total costs and expenses	29,989	18,990	54,427	37,404
Operating income	2,357	2,169	4,528	4,099
Other income	860	1,021	1,378	1,909
Income before income taxes	3,217	3,190	5,906	6,008
Provision for income taxes	965	1,195	1,772	2,238
Net income	\$ 2,252	\$ 1,995	\$ 4,134	\$ 3,770
Earnings per share	\$ .17	\$ .15	\$ .32	\$ .29
Weighted average shares outstanding	13,058	12,936	13,070	12,921

CONDENSED CONSOLIDATED BALANCE SHEET  
(Unaudited)

(In thousands)

	December 31,	
	1987	1986
<b>Assets</b>		
Cash and short-term investments	\$ 26,985	\$67,629
Accounts receivable, net	33,505	17,954
Other	4,533	2,544
Total current assets	65,023	88,127
Capitalized software development costs, net	1,439	1,012
Property and equipment, net	12,331	6,331
Goodwill and other long-term assets, net	41,520	1,869
	<u>\$120,313</u>	<u>\$97,339</u>
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 9,836	\$ 6,167
Accrued liabilities	14,662	7,117
Currently payable and deferred taxes	8,609	6,265
Total current liabilities	33,107	19,549
Long-term debt and obligations	2,214	943
Common stock	43,614	43,668
Retained earnings and cumulative translation adjustment	41,378	33,179
Total shareholders' equity	84,992	76,847
	<u>\$120,313</u>	<u>\$97,339</u>



**ASK**

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NEW YORK, NY

10152

ASK  
COMPUTER  
SYSTEMS INC.

2140 W. EL CAMINO REAL  
MOUNTAIN VIEW  
CALIFORNIA 94040

(415) 969-4442  
TELEX 297341  
FAX: (415) 962-1974



*3 reps started this week*

## ASK Offers Self-Paced Classes

Your MANMAN training can now begin the minute you turn on your terminal. The ASK Customer Education department has released the first in its series of self-paced classes.

The MANMAN/FA self-paced course is now available and the MANMAN/MFG course will be available in December. The self-paced MANMAN/MFG course will supplement, not replace, ASK's standard application training and will provide instruction for the end-user on several system modules. The MANMAN/FA course, which is the only class available on the Fixed Assets product, includes implementation and application training.

The MANMAN/MFG self-paced course is designed primarily for the end-user while the current application courses are directed towards the MANMAN project team, project leader, and top company management. Typically, a customer will send the project leader and project team members to the application course and one of them will assume responsibility for administering the self-paced course to end-users in the company.

### Self-Paced Classes are User Oriented

"The self-paced course allows the end-user to understand the issues in his or her own manufacturing environment," says Steve McDonnell, customer education instructor for MANMAN/MFG. "The student can directly relate the course material to on-the-job experiences."

In addition, the self-paced courses assist customers in the development of their own in-house education and training program. They also can be used to help train new employees on the system.



Working together to design the first ASK self-paced courses are: (left to right) Pamella Dean, customer education manager, Steve McDonnell and Carol Saunders, customer education instructors.

The MANMAN/MFG self-paced course is divided into several units, including master planning, purchasing, and product costing. Each unit is divided into topics which are progressively more detailed.

Managers can study the first topic in all units for a subject overview; project leaders can learn the first few topics in each unit for more detailed information, and end-users can learn all topics in the relevant units.

Another use of the course might be to "look over the fence" at another department's functions. This is useful because MANMAN is an on-line interactive system; the functions of one department frequently affect another department.

All self-paced courses will contain introductory material, including training on using a terminal, an overview of the

course, and workbook exercises.

### Fixed Assets Trains Users and Project Leaders

The fixed assets class contains a guide for the end-user as well as an implementation guide for project leaders or managers.

"After going through the Implementation Guide of the MANMAN/FA self-paced course, the project leader will have successfully prepared all data required for implementing MANMAN/FA," says Pamella Dean, customer education manager.

"The MANMAN/MFG and MANMAN/FA courses are very detailed and provide a lot of user interaction with the system. Rather than spoon feeding the information, the courses pose realistic problems for the user to solve," says McDonnell. □



## ASK PERSPECTIVES

**James Manion**  
Vice President,  
Sales



Fiscal 1983 was a great year for ASK—the best we've ever had. In spite of the poor economy, ASK's revenues increased 58%. Our outlook for 1984 is excellent.

We began the new fiscal year with the largest number of experienced sales people we've ever had: 101 sales and support people in 20 offices across the country. As we gain more customers over the next year, we will continue to increase the number of field support personnel in order to maintain our high level of service.

A major area of growth this year will be in product marketing. Product marketing managers provide customer feedback to R & D on new products and product enhancements, as well as conduct product seminars for prospective customers. We began fiscal 1983 with one product manager and recently added one for manufacturing and another for financial systems on the HP and DEC computers.

We are also hiring more manufacturing consultants in our four sales regions. These consultants help our customers understand how to best implement a manufacturing control support system.

Finally, I'd like to take this opportunity to thank all the people at ASK for their hard work and dedication. Without the team spirit, ASK would not be the company it is today. I'd also like to thank our customers for contributing to our company's success. They give us valuable feedback that keeps us ahead of the competition and serves as references for prospective customers.

## SERVICEMAN has New Features

The updated version of the MANMAN SERVICEMAN Field Service product was released in October. SERVICEMAN, a fully integrated system for manufacturers who maintain service contracts with their customers, has major enhancements to three of its four modules.

In the Service Contract Maintenance module, the bills of material and sub-assemblies for equipment requiring service now allow quality tracking and traceability of parts. The engineering change order (ECO) revision level tracks the location of all parts.

In the Job Reporting module, repair and return job reports now provide shipping and receiving information and part traceability. These reports will display all equipment sent in by customers for repair, including dates and site information.

Within the Service History and Statistics module, a mean time between service report has been added to track failure rate by equipment or equipment type. A mean time to repair report (MTTR) has also been added to analyze length of time required to repair an individual piece of equipment or equipment type. An engineer's response efficiency report has been added to analyze actual time elapsed from receipt of a call to the engineer's arrival to the job's completion.



*NEWSMAN is a publication of ASK Computer Systems, Inc., Los Altos, CA.*

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# VAX Product Line is Expanded

MANMAN/OMAR and MANMAN/AP, already released in their beta test version, join the growing number of integrated products now available on Digital Equipment Corporation's VAX-11 computer.

The newly released financial products interface with the updated VAX MANMAN/MFG product. MANMAN/GL, whose beta test version was released in July, has also been updated.

The full family of MANMAN products is being designed for the DEC VAX-11 line of computers and will become available throughout 1984.

VAX MANMAN/OMAR features sales order entry, shipping, invoicing, accounts receivable, cash receipts, and sales analysis.

The interface between the MANMAN/MFG and MANMAN/OMAR products provides:

- material requirements planning and master production scheduling that consider sales order demand.
- inventory counts that reflect quantities shipped.

VAX MANMAN/AP includes voucher processing, cash disbursements, and controls and analysis.

VAX MANMAN/GL features are financial statements, journal processing, and G/L and budget maintenance.

The first VAX-based MANMAN/OMAR class was recently taught on-site for beta customers. MANMAN/GL and

MANMAN/AP courses will be taught before the end of the year, and MANMAN/MFG classes are scheduled throughout the country on a regular basis.

VAX financial application customers will be able to use VAX on ASKNET, ASK's Remote Processing Service, in late fall. The first VAX MANMAN/MFG customer on ASKNET went on-line in early June.

ASK product and system managers took the VAX applications systems on the road during the summer, visiting all regional offices to train sales and support staff on use of the VAX MANMAN/MFG and MANMAN/GL products. Similar internal training will be offered for MANMAN/OMAR and MANMAN/AP. □

# ASKNET Reaches More Customers

ASK's Remote Processing Service, ASKNET, is linking manufacturing companies to their manufacturing management solutions.

Operating as a division of the Research and Development Department, ASKNET is a separate profit center—a business within a business. And, like the rest of ASK, business is booming.

ASKNET now has over 115 customers—33% more than in Spring 1982. ASKNET customers are now 20% of ASK's total customer base.

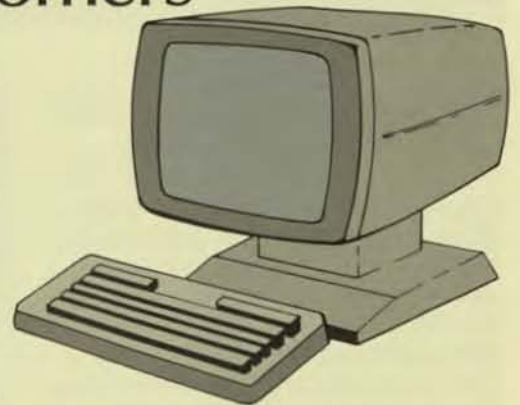
Not only has ASKNET's customer base grown, but ASKNET itself is growing. The computer room, which is four times larger than it was in 1981 when ASKNET first started operating, has been completely re-cabled to simplify installation and testing.

All of ASKNET's HP 3000/64 minicom-

puters will be upgraded to 3000/68's in the fall. This will increase capacity and improve customer response time without requiring additional space. Also, new telephone trunk lines have been added to Minneapolis, MN, and Melbourne, FL, to serve customers in these areas.

ASKNET gives its customers the benefits of complete manufacturing and financial management without having to maintain their own computer and data processing staff. Most use ASKNET as a precursor to buying an in-house system.

"Ninety-nine percent of our customers are planning to purchase a turnkey system sometime in the future," says Lindsay MacDermid, director of computer services. "ASKNET gives them an easy way to implement the MANMAN products without the capital expenditure or physical resources required for an in-house system."



Many firms also use ASKNET to train their employees to use the MANMAN products and set up their data bases before they actually install their own turnkey system.

The entire family of MANMAN products on the HP 3000 is available through ASKNET, as is MANMAN/MFG on the DEC VAX computer. Financial products on the VAX computer will be available through ASKNET late this year. □



# Marketing Responds to Users' Needs

Knowing what customers and potential customers need and discovering how ASK can meet those needs is the primary task of the Marketing Department. Under the direction of Mark Ripma, director of product marketing, the department focuses its attention on communicating with ASK's customers and with the marketplace to determine the most effective way to develop products.

The department has a wide variety of duties: customer education, product marketing, corporate communications, and customer service. Ripma also sets the policies and procedures for ASK's field service organization, which includes the technical support staff located in ASK sales offices throughout the country.

## Education Services Offers Comprehensive Classes

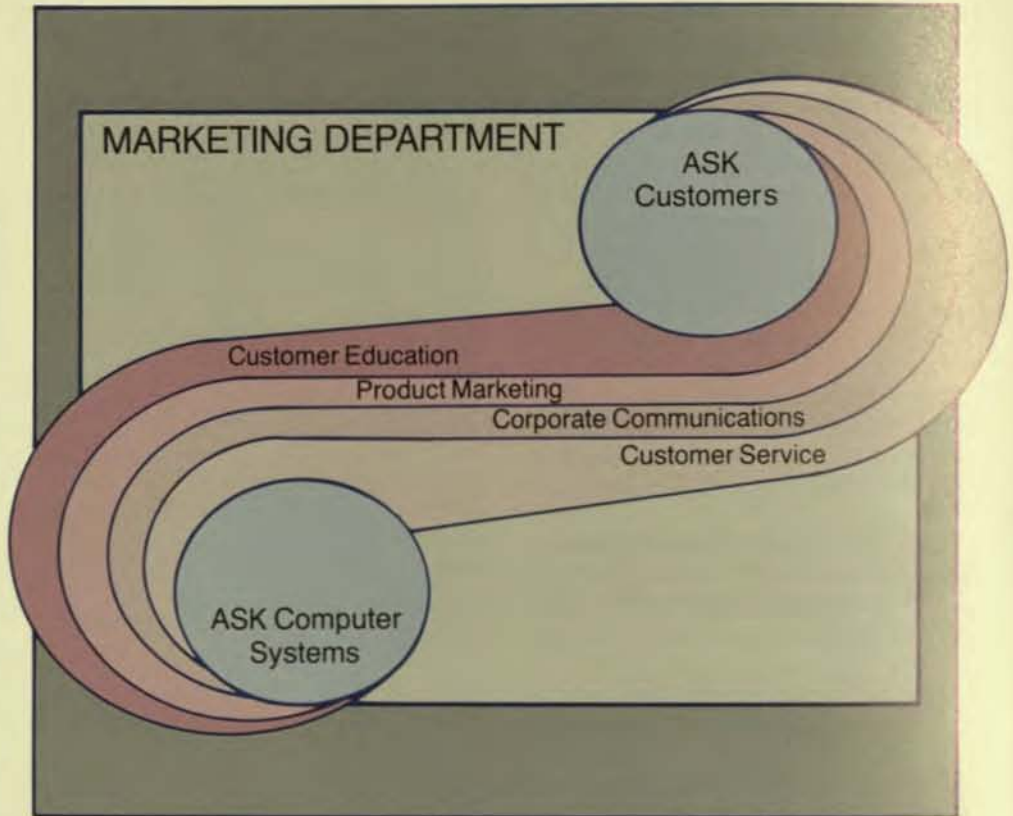
ASK Education Services, headed by Pam Dean, customer education manager, is responsible for developing and administering ASK's customer training program. ASK instructors teach customers, as well as ASK's technical support staff and manufacturing consultants, how to implement and use the MANMAN products.

The courses that are offered include classes on all of the ASK products, as well as the Management Perspective course, which provides an overview of all of the products, and an implementation planning class. Classes are held at the seven ASK regional education centers and at company sites.

## Product Marketing Provides Vital Link to R & D

Product marketing managers have recently been hired with expertise in manufacturing, financial, marketing, and system applications.

"The product marketing managers bridge marketing and R&D," says Liz Seckler, manufacturing product marketing manager. "We help product managers determine the direction



products should take from a marketing viewpoint, and help the sales team understand the technical aspects of the products."

An integral part of ASK's Marketing Department is Corporate Communications, which focuses on developing and maintaining ASK's public image. The responsibilities of the group include public relations, advertising, trade shows, internal communications, and the development of collateral literature. The group also administers ASK's sales contests.

"One of our primary jobs is to keep the ASK name out there by maintaining full public relations and advertising programs," says Joan Tharp, corporate communications manager.

## Customer Service Delivers the Goods

ASK's Customer Service Department

is responsible for coordinating software releases; they are also involved in organizing the installation of products with ASK's Order Administration Department. The group, headed by Nancy Picknell, customer service manager, maintains a software status report, which is a running log of any problems users find with ASK products.

Ripma has two top priorities for the Marketing Department. One is to develop a consistent "image" in ASK products, advertising, and materials. The other is to develop more effective product introductions, in particular, improved ASK product training.

"Our main goal is to deliver products that are responsive to the needs of our customers," says Ripma. "Each separate area of the department works together to meet that goal." □



## ASK SPOTLIGHT: Mark Ripma

Work with Mark Ripma, director of product marketing, and you'll get the impression you're conversing with ASK's renaissance man.

Ripma, age 31, has held four key positions since he began working at ASK in July 1977. He's been a software engineer, support manager, product manager, and field services director.

Ripma's invitation to join the company came from ASK President Sandra Kurtzig as he was finishing a Masters of engineering economics at Stanford University. Previously, he worked as a programmer and engineer for the Center for Naval Analyses and the General Services Administration in Washington, D.C. "I thought working at ASK would enable me to expand my horizons," says Ripma. "There were only seven of us at that time and we were

all involved in every aspect of the business."

In his first two years at ASK, Ripma became manager of technical services and then director of manufacturing management systems. In addition to his regular duties, he developed forms, policies and procedures, and system documentation.

He also developed a strong commitment to customers and customer support, and in 1980 he became director of field services. In that role, he worked closely with the field staff and started ASK's nationwide education program for new customers.

In his current position as director of product marketing, Ripma is responsible for marketing and product delivery. "This business is constantly



changing and so are our products," he says. "One of our greatest challenges is to keep our people well trained in the development, performance, and support of our products."

Ripma lives in Menlo Park with his wife, Mary, and their eight-month old daughter, Lee. They spend most of their leisure hours together at home or traveling.

## PLANMAN has New Capabilities

The MANMAN/PLANMAN budgeting product will have an important new enhancement this fall.

PLANMAN is a fast and accurate budgeting tool that provides an efficient method of creating and revising budgets in MANMAN/G/L. The product acts as an interface between the MANMAN/GL on the HP 3000 mini-computer, and a spreadsheet program operating on a microcomputer. Currently, the system uses the VisiCalc/125 spreadsheet program and the HP 125 microcomputer. This fall, PLANMAN will run on the HP 120 and 125, the HP 150, or IBM PC. It will oper-

ate with other spreadsheet programs, including VisiCalc and Lotus 1-2-3.

The updated PLANMAN product allows you to extract G/L data from any range of fiscal periods or account structures you indicate. The G/L file information is then transferred to the microcomputer, where it can be used for financial modeling, budgeting, or analyzing financial results.

"PLANMAN pays for itself in management time saved," says Barbara Matchett, product marketing manager for financial systems.

## Riopel Appointed Executive VP

Robert J. Riopel, ASK's vice president of finance and administration, has been appointed executive vice president and chief financial officer.

Riopel, 41, joined ASK in 1981 after serving for two years as vice president of finance for Advanced Electronics Design, Inc. Prior to that, he was vice president of administration for Reticon Corp., a subsidiary of EG&G Inc. Riopel received his BA in accounting and MBA from the University of Santa Clara.

Commenting on Riopel's promotion, ASK President Sandra Kurtzig said, "Bob has done an outstanding job of managing the financial and administrative operations of ASK over the last two years." □



# MANMAN Helps Growing Company

As a result of their phenomenal growth, Synchro-Start Products, Inc. a subsidiary of Knowles Electronics, decided to purchase a comprehensive manufacturing and financial system to run their business. Having outgrown the software they were originally using, the Skokie, IL manufacturer of diesel engine protection systems and mechanical speed switches began an intensive search for the right system.

During their search, Synchro-Start Products evaluated 21 software vendors. "We wanted a system with a proven reputation, and one that would keep up with our rapid growth," says Bayard Jones, Synchro-Start Product's manager of manufacturing systems. "The vendor that we selected had to have over 25 installations."

Synchro-Start's search resulted in selecting a range of ASK's products. The MANMAN/MFG, MANMAN/OMAR, and MANMAN/AP products were installed in July 1981. The MANMAN/GL and MANMAN/FA products were installed a few months later.

"We wanted a system that would integrate our manufacturing, financial, and marketing departments. The ASK products fit the bill. They were the best and least expensive," says Jones.

## Conversion to MANMAN is Fast

According to Jones, the conversion process was smooth and swift. "The department heads attended the ASK training classes, which enabled them to train the rest of the staff in-house. Within two months, all our master files were loaded and Payables and Purchasing were up and running. Within five months, we were entering orders and running MPS and MRP."

Synchro-Start is particularly pleased with the way MANMAN/MFG, MANMAN/OMAR and the financial products bring all their departments together. "MANMAN/MFG gives sales



MANMAN/MFG manages the production line at Synchro-Start Products, Inc.

the tools to knowledgeably participate in forecasting and planning," says Jones. "Every month, the finance, marketing, and manufacturing managers participate in the Master Production Schedule. With MANMAN/MFG, we have solid data to make educated decisions."

Statistically, the MANMAN Information System has significantly improved production at Synchro-Start Products. "Our work-in-process was cut in half," says Jones. "Our customer service level has increased from 65 to 95 percent. In other words, for every hundred orders booked, 95 will go out on time."

Synchro-Start has seen some dramatic cost savings due to MANMAN/MFG. "Our inventory was reduced by 40 percent and our inventory accuracy has increased from 70 to 98 percent," says Jones.

A major portion of Synchro-Start Product's business involves stocking sub-assemblies and assembling to customer order. "We forecast and do modeling using planning bills and we master production schedule sub-assemblies," says Jones. "With the shop floor control information from MANMAN/MFG, we can easily control numerous sub-contracting operations on our parts."

Jones explains that Synchro-Start Product's major customers choose to carry no inventory. "Because of this, we have been pressed for shorter and shorter lead times. MANMAN/MFG has enabled us to respond easily to this pressure," claims Jones.

As president of the ASK Midwest Users Group, Jones highly recommends ASK's products and service. "ASK's customer service is great. The tech support group is prompt and knowledgeable." □





## Bits and Bytes

### Users Group Meets

The ASK national users group will meet for a wine and cheese party on Nov. 2 in New Orleans, LA. The party will be held in conjunction with the national American Production and Inventory Control Society, Inc. (APICS) meeting. At the party, current users will be able to meet informally with potential MANMAN users.

Members of ASK users groups have received their first issue of the users newsletter. The quarterly newsletter is designed to encourage greater participation and an effective exchange of information, according to Eric Roberts, chairman of the group. For more information about the newsletter or users group activities, call Roberts at (404) 476-4895.

### Regional Groups are Growing

Regional ASK users groups are being formed across the country.

ASK now has two users groups in the Eastern region, one each in the Midwest, Northwest, and Southwest regions, and three users groups in the Los Angeles area.

The regional users groups meet to exchange information and implementation ideas. Meetings can have a ques-

tion and answer format or address a particular subject decided on by the members.

The newly-formed Mid Atlantic Users Group consists of representatives from 13 companies located from New York to Virginia. Another new group was formed in the Los Angeles Basin area of California.

The ASK South Central Users Group has become very active, and holds monthly board of directors meetings in the Houston, TX area. Also very active are the San Fernando Valley users group in California and the Eastern Region group, which has over 100 members from various companies.

### Marketing Managers Appointed

Several key management positions have been filled in the new product marketing department of ASK.

Lizbeth Seckler has become product marketing manager for manufacturing applications. Seckler was formerly product manager for manufacturing applications in the R & D department.

Barbara Matchett, formerly a systems engineer with Hewlett-Packard in New York, has joined ASK as prod-

uct marketing manager for financial applications.

Elbridge Stuart, a product marketing manager for the past year, will specialize in hardware systems and software performance products.

In their new marketing positions, Seckler, Matchett, and Stuart will be responsible for all marketing efforts of products in their application areas, including competitive analysis, sales training, product planning, and pricing. ASK plans to add more marketing specialists to the department in the next year.

### MANMAN at Home at ASK

No one can accuse ASK of not practicing what it preaches since ASK uses almost all of the MANMAN Information System products in-house.

Another of the MANMAN/MFG modules was implemented recently for in-house use. ASK's rapid growth has made it cost effective for the company to acquire its own warehouse. In the warehouse, the MANMAN/MFG inventory control module is now used to manage all ASK user manuals, manual binders, sales literature, computer terminals, printers, and modems.

NEWSMAN is designed to keep you informed about developments at ASK and in the ASK Family of Products. You can let ASK's Technical Communications Department know about any special interests you have by answering the following questions. We welcome any comments regarding the current issue.

Suggestions or comments on NEWSMAN: \_\_\_\_\_

Please send me more information on the MANMAN Information System.

Please add me to the NEWSMAN mailing list.

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

Send responses to: Technical Communications Dept., ASK Computer Systems, Inc., 730 Distel Drive, Los Altos, CA 94022



## ASK Classes are Scheduled

The MANMAN Educational Service is currently under way at all of the seven ASK training centers. On-site classes are also available. Contact Kelly Newcomb at ASK, Los Altos, for reservations and information at 415/969-4442.

### MANMAN/MFG

#### \$875 Per Person (5 Days)

November 14-18	Los Altos, CA
November 14-18	Torrance, CA
November 28-December 2	Bedford, MA
November 28-December 2	Hinsdale, IL
December 5-9	Los Altos, CA
December 5-9	Hinsdale, IL
December 12-16	Orange, CA
December 12-16*	Houston, TX
January 9-13	Los Altos, CA
January 16-20	Houston, TX
January 16-20	Syosset, NY
January 16-20*	Bedford, MA
January 23-27*	Torrance, CA
January 30-February 3	Torrance, CA
January 30-February 3	Hinsdale, IL
January 30-February 3*	Los Altos, CA

\*Indicates a DEC VAX class

### MANMAN/OMAR

#### \$525 Per Person (3 Days)

November 7-9	Bedford, MA
November 7-9	Los Altos, CA
November 14-16	Orange, CA
December 7-9	Syosset, NY
December 12-14	Hinsdale, IL
December 19-21	Los Altos, CA
January 1-11	Torrance, CA
January 9-11*	Bedford, MA
January 16-18*	Los Altos, CA
January 23-25*	Hinsdale, IL
January 23-25	Los Altos, CA
January 23-25	Houston, TX
January 23-25	Bedford, MA

\*Indicates a DEC VAX class

### MANMAN/AP

#### \$175 Per Person (1 Day)

November 10	Bedford, MA
November 10	Los Altos, CA

November 17	Orange, CA
December 12	Los Altos, CA
December 15	Hinsdale, IL
January 12	Torrance, CA
January 13*	Bedford, MA
January 19*	Los Altos, CA
January 26*	Hinsdale, IL
January 26	Los Altos, CA
January 26	Houston, TX
January 26	Bedford, MA

\*Indicates a DEC VAX class

### MANMAN/GL

#### \$175 Per Person (1 Day)

November 11	Bedford, MA
November 11	Los Altos, CA
November 18	Orange, CA
December 13	Los Altos, CA
December 16	Hinsdale, IL
January 12*	Bedford, MA
January 13	Torrance, CA
January 20*	Los Altos, CA
January 27*	Hinsdale, IL
January 27	Los Altos, CA
January 27	Houston, TX
January 27	Bedford, MA

\*Indicates a DEC VAX class

### SYSTEM MANAGER

#### \$350 Per Person (2 Days)

October 31-November 1*	Los Altos, CA
November 1-2	Bedford, MA
November 15-16*	Houston, TX
November 21-22*	Bedford, MA
November 28-29	Torrance, CA
December 5-6	Houston, TX
January 2-3	Hinsdale, IL
January 9-10	Syosset, NY
January 17-18*	Hinsdale, IL
January 30-31	Orange, CA

\*Indicates a DEC VAX class

### MANMAN/QUIZ or MANMAN/DATATRIEVE

#### \$175 Per Person (1 Day)

October 31	Bedford, MA
November 2*	Los Altos, CA
November 17*	Houston, TX
November 21	Syosset, NY

November 23*	Bedford, MA
November 30	Torrance, CA
November 30	Los Altos, CA
December 7	Houston, TX
January 4	Hinsdale, IL
January 11	Syosset, NY
January 19*	Hinsdale, IL

\*Indicates a DEC VAX class

### ASKNET

#### \$175 Per Person (1 Day)

November 3	Bedford, MA
December 1	Torrance, CA
December 8	Houston, TX
January 5	Hinsdale, IL
January 12	Syosset, NY

### MANAGEMENT PERSPECTIVE

#### \$175 Per Person (1 Day)

November 8	Torrance, CA
November 14	Syosset, NY
November 15	Bedford, MA
November 17	Hinsdale, IL
November 28	Los Altos, CA
November 30	Houston, TX
January 24	Orange, CA

### MATERIAL REQUIREMENTS PLANNING

#### \$525 Per Person (3 Days)

December 14-16	Los Altos, CA
January 4-6	Torrance, CA
January 4-6	Bedford, MA
January 10-12	Hinsdale, IL

### IMPLEMENTATION

#### \$175 Per Person (1 Day)

November 9	Torrance, CA
November 15	Syosset, NY
November 16	Bedford, MA
November 18	Hinsdale, IL
November 29	Los Altos, CA
December 1	Houston, TX
January 25	Orange, CA

### INVENTORY MANAGEMENT

#### \$175 Per Person (1 Day)

January 3	Torrance, CA
-----------	--------------

### SERVICEMAN

#### \$350 Per Person (2 Days)

November 17-18	Bedford, MA
----------------	-------------

### FORTTRAN

#### \$875 Per Person (5 Days)

November 28-December 2	Syosset, NY
------------------------	-------------



ASK Computer Systems Inc.  
730 Distel Drive  
Los Altos, CA 94022 (415) 969-4442

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Los Altos, CA 94022  
(415) 969-4442

### NORTHWEST REGION

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Los Altos, CA 94022  
(415) 969-4442

### EASTERN REGION

6800 Jericho Turnpike  
Syosset, NY 11791  
(516) 921-3660

### MIDWEST REGION

907 North Elm St.  
Hinsdale, IL 60521  
(312) 325-8816

### SOUTHWEST REGION

1940 West Orangewood Ave.  
Orange, CA 92668  
(714) 978-9161

### FOREIGN REPRESENTATIVES

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Telex 23293

### CISI

35 Boulevard Brune  
75014 Paris, France  
Telex 260710



**The MANMAN Information System**

MANMAN/MFG Manufacturing Management	MANMAN/PAYROLL Payroll
MANMAN/OMAR Order Management and Accounts Receivable	MANMAN/PLANMAN General Ledger Budgeting
MANMAN/AP Accounts Payable	MANMAN/SERVICEMAN Field Service
MANMAN/GL General Ledger	MANMAN/GRAFMAN Integrated Business Graphics
MANMAN/FA Fixed Assets	MANMAN/QUIZ Report Writer

**Corporate Office**

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ASK Computer Systems Inc.  
730 Distel Drive  
Los Altos, California 94022

*ASK Computer System Inc. Third Quarter Report*

*For the Period Ended March 31, 1985*

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## To Our Shareholders

Revenue for the nine months ended March 31, 1985 increased 30% to \$58,472,000 compared to \$45,135,000 a year ago. Net income for the nine months was \$5,632,000 or \$.47 per share, a 21% increase over income of \$4,655,000 or \$.40 per share for the same period a year ago.

Revenue for the three months ended March 31, 1985 increased 9% to \$19,187,000 as compared with \$17,561,000 for the same quarter last year. Net income of \$1,788,000 or \$.14 per share for the third quarter was essentially flat with the prior year comparable quarter.

The third quarter results were less than anticipated, and were due primarily to unforeseen delays in booking and shipping new orders in the last month of the quarter. The lower results were not due to cancelled orders. We are beginning the fourth quarter with the sense that demand for ASK products and services remains strong in our marketplace.

During February ASK completed a public stock offering for one million shares from the Company and 600,000 shares from selling shareholders. The offering increased our cash reserves by \$20.5 million.

Several major developments occurred in the third quarter which will add to our future success. We announced ASK's intention to become an IBM Value Added Reseller. We are currently beginning development of a MANMAN® product for the IBM 4300 line of computers. First customer delivery of our IBM product is expected in calendar year 1987.

In February, Hewlett-Packard Company signed a letter of intent to become an exclusive distributor of the HP version of MANMAN in certain Western European countries. The proposed agreement is for HP to provide the sales and marketing of MANMAN, and for ASK to provide product installation, support and training. The agreement should be finalized during the fourth quarter.

Several new products were announced this quarter. Two of these new products were introduced for the HP 3000—MANMAN/BARSCAN and MANMAN/HUMAN RESOURCES. MANMAN/BARSCAN enables users of MANMAN to quickly and accurately enter data on the shop floor. MANMAN/HUMAN RESOURCES is a powerful management tool that manages a manufacturing company's entire human resource function. Specific features include applicant tracking, performance evaluations and benefits administration. In addition to the new HP-version products, four products—MANMAN/SERVICEMAN, PLANMAN/MFG, PLANMAN/GL, and MANMAN/PAYROLL—were announced for the DEC VAX. More new products will be introduced this June in the areas of repetitive manufacturing, decision support and project accounting.

We thank our employees for their dedication and hard work, and our shareholders for their ongoing support. We look forward to the fourth quarter with the expectation of completing another fine year.

*Sandra Kurtzig*

Sandra L. Kurtzig  
Chairman and Chief Executive Officer

## Condensed Statement of Income (Unaudited)

(In thousands, except per share data)	Quarter ended March 31,		Nine Months ended March 31,	
	1985	1984	1985	1984
Net revenue	\$19,187	\$17,561	\$58,472	\$45,135
Cost and expenses				
Cost of revenue	9,657	9,300	29,927	22,743
Product development	1,725	1,437	4,654	3,837
Selling, general and administrative	5,229	4,255	15,167	11,767
Total cost and expenses	16,611	14,992	49,748	38,347
Operating income	2,576	2,569	8,724	6,788
Interest income	735	516	1,706	1,415
Income before income taxes	3,311	3,085	10,430	8,203
Provision for income taxes	1,523	1,327	4,798	3,548
Net income	\$ 1,788	\$ 1,758	\$ 5,632	\$ 4,655
Earnings per share	\$ .14	\$ .15	\$ .47	\$ .40
Weighted average common and common equivalent shares outstanding	12,444	11,630	11,937	11,611

## Condensed Balance Sheet (Unaudited)

(In thousands)	March 31,	
	1985	1984
<b>Assets</b>		
Cash and short term investments	\$50,795	\$21,414
Accounts receivable	17,787	13,939
Other	2,053	2,327
Total current assets	70,635	37,680
Net property and equipment	8,780	9,267
	\$79,415	\$46,947
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 6,546	\$ 5,635
Accrued liabilities	4,143	2,879
Income taxes payable	2,330	1,093
Deferred income taxes	2,107	1,980
Total current liabilities	15,126	11,587
Long term debt	969	982
Common stock	42,187	20,579
Retained earnings	21,242	14,123
	63,429	34,702
Less notes receivable from shareholders	109	324
Total shareholders' equity	63,320	34,378
	\$79,415	\$46,947



## COMPUTER SOFTWARE AND SERVICES

ASK COMPUTER SYSTEMS  
(ASKI-19 1/2)

Misleading First Quarter Results  
Not Indicative of Unfavorable  
Full Year Results

Jan Kaplan  
212/480-7155

October 12, 1983

Rating:	BUY ACORN	Shares Outstanding:	11,581,000
52-Week Range:	11-21	Dividend:	- Yield: -
EPS*1982A:	\$0.27	P/E 1982A:	72.2
1983A:	\$0.35	1983A:	55.7
1984E:	\$0.55	1984E:	35.4
Projected 5-year growth rate:	40%	Operating return on tangible assets:	18.2%
Market Proxy ROR <sup>1</sup> :	11.8%	Total Debt/Equity:	9.1%
Company ROR <sup>1</sup> :	28.6	Return on Equity:	30.4%
Market Cycle Beta	1.22	Reinvestment Rate:	30.4%

\*June fiscal year.

#### POINT OF VIEW

Results for 1Q:84 of \$0.09 versus \$0.08 earned in the comparable period last year were lower than our estimate of \$0.12, but were in line with our revenue goals of \$12-13 million. The chief reason first quarter results did not match our expectations, we believe, may be attributed to the lateness in delivering software for four turnkey systems sold (2 HP and 2 DEC) which were shipped late from the equipment manufacturers. The additional revenue from the sale of software carries with it a higher gross margin; hence, it would have added at least another \$0.02 a share to earnings and about \$0.5 million to sales.

Nonetheless, we remain optimistic about the business outlook for ASKI in fiscal 1984 and 1985. The company has the highest backlog visibility ever for 2Q:84, beginning the quarter with 95% of revenue already in place. Accordingly, we feel there is a high probability of reaching our estimate of \$0.12-\$0.13 assuming revenue of around \$14 million. Our full year estimate remains \$0.50-\$0.55 on revenue of \$60 million. The shares are rated BUY (A).

#### Analysis

Balance Sheet figures reflect above average growth in payables, receivables and other assets. The growth in payables is a result of the higher percentage of hardware in the mix of

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current business. Growth in other assets primarily reflects the purchase of certain software licenses such as the DEC DBMS and the payroll package. ASK Micro also purchased a large royalty arrangement. Property, plant and equipment has risen well above year ago levels due to the purchase of a \$3 million building complex for expansion of facilities and also because of the additional \$2 million of hardware purchased to supplement the growth of ASKNET.

Profit and loss statement numbers show an increase in R&D because of the broad enhancement effort occurring this fiscal year and also reflect the continued work on the conversion of ASK software for the DEC hardware.

Margin deterioration, as discussed earlier, is a consequence of the unusually heavy mix of hardware with lower margins than the software sold in 1Q:84. We look for margin improvement in 2Q:84 in the ensuing quarters and towards the company's objective of a 10% aftertax return which we judge to be achievable.

#### Other Comments

- The company plans to formally release the MANMAN financial products for the DEC hardware November with only three products (ServiceMan, Payroll and Fixed Assets) remaining for the spring.
- To date, the company has 13 of the 18 DEC turnkey systems on order scheduled for delivery in the second quarter. The company has installed seven thus far.
- The seasonal summer lag evident in first quarter numbers was also accentuated by slower-than-normal product royalty and license fees from foreign distributors.
- ASK Micro Inc. should have manufacturing software modules compatible with personal computers using the MS-DOS operating system (like IMB's PC) available by the end of fiscal 1984.
- During the quarter ASKNET added 15 customers for a total of 125 on-line users.

Last Research Abstract on ASK Computer Systems: 8/3/83

This report was prepared from data believed reliable but not guaranteed by us, without further verification or investigation and does not purport to be complete. It is not to be considered as an offer to sell or a solicitation of an offer to buy the securities of the companies covered by this report. Opinions expressed are subject to change without notice. Drexel Burnham Lambert Incorporated, or one or more of its officers, may have a position in the securities discussed herein and Drexel Burnham Lambert Incorporated will be pleased to furnish specific information in this regard at any time upon request. Drexel Burnham Lambert Incorporated may act as principal for its own account or as agent for another person, in connection with the sale or purchase of any security which is the subject of this report.



RAYMOND J. BOSSO, Ext. 2523

November 11, 1983  
 RATING: SPECIAL EQUITIES

**ASK COMPUTER:**  
 Update and Review

Symbol, Exchange:	ASKI, OTC	06/30 Yr.	EPS	P/E Ratios
Price (11/10/83):	17 1/2 bid	1985P	\$0.70-\$0.75	24.0X
52-Week Range:	21-10	1984E	0.50- 0.53	33.7
Ind. Dividend:	None	1983A	0.35	
Yield:	None			
Book Value (06/83):	\$2.49	Oct. Trading Vol. (000):	1,601	
Return on Avg. Equity:	18%	Shares Outstanding: (000):	11,581	

All data adjusted for 2-for-1 split in September 1983.

### INVESTMENT VIEWPOINT

Ask is a rapidly growing company in the packaged software industry, with particular emphasis on selling to high growth manufacturers-- independent companies or divisions of Fortune 1000 companies. The company has continued to leverage its product position by adding new modules and, more recently, making the product available on the widely installed DEC VAX line of super minicomputers. A new group of smaller manufacturers should be attracted by ASK Micro's packages (IBM, Apple etc.) geared to smaller businesses. Management has established and adhered to a disciplined, orderly growth plan and achieved it while continuing to spend aggressively for new product development and marketing expansion, despite difficult recent economic conditions. We believe that this positions the company favorably, enabling it to take advantage of the vast growth opportunities which exist in the manufacturing sector. While the current price/earnings multiple is high, we do not view it as excessive relative to ASK's growth prospects. We believe that appreciation in line with an aggressive 40%-50% annual growth objective will afford substantial capital gains.

T-43, 46

WITHIN THE PAST THREE YEARS, L.F. ROTHSCHILD, UNTERBERG, TOWBIN HAS ACTED AS MANAGER OR CO-MANAGER FOR OFFERINGS OF SECURITIES OF ASK COMPUTER AND A PRINCIPAL OF THE FIRM IS A DIRECTOR OF ASK COMPUTER. L.F. ROTHSCHILD, UNTERBERG, TOWBIN MAINTAINS A TRADING MARKET IN THE SHARES.



Financial and Stock Market History  
(Per Share)

<u>Year</u>	<u>Earnings</u>	<u>Div.</u>	<u>Year-end Bk. Val.</u>	<u>Avg. ROE</u>	<u>Payout Ratio</u>	<u>Price Range</u>	<u>P/E Range</u>
1983	\$0.35	None	\$2.49	18%	NA	20-11 1/4	57-32
1982	0.27	None	1.39	31	NA	13 3/8-5 3/4	50-21
1981	0.19	None	0.35	72	NA	8 3/8-5 1/2	44-29
1980	0.13	None	0.18		NA	NA	NA
1979	0.03	None	--	--	--	--	--

Capitalization (06/30/83)

Long-Term Debt	\$ -0-	-0-%
Common Equity*	<u>28,808,000</u>	<u>100.0</u>
Total	<u>\$28,808,000</u>	<u>100.0%</u>

\* Represented by 11,581,000 shares outstanding, 32% controlled by insiders, and 475,000 shares provided for options and conversions.

Table of Contents

	<u>Page</u>
INVESTMENT VIEWPOINT	1
SERVICES	3
PRODUCT/MARKETING	3
RECENT RESULTS AND OUTLOOK	6



## SERVICES

ASK provides manufacturing and financial turnkey systems incorporating its proprietary manufacturing management (MANMAN) software, packaging it with Hewlett-Packard and, more recently, Digital Equipment's VAX Series minicomputers. The systems are designed to solve the manufacturing control needs of companies covering a broad industry spectrum, but with particular emphasis on rapidly growing companies and divisions of larger Fortune 500 clients. The company has about 1,800 product installations at more than 500 manufacturing facilities. Installations typically have 10-60 video terminals accessing MANMAN. ASK provides its software products under a perpetual paid-up license agreement for use only on a specific numbered computer. In addition to outright software licenses (sales), ASK offers on-line remote processing access to its MANMAN software family. This offering, called ASKNET, permits smaller companies to utilize its systems and allows potential customers to conduct a "hands on" trial while earning monthly credits against future purchase. The company now has about 130 ASKNET customers and has 11 systems dedicated to this service. In fiscal 1983, ASKNET accounted for \$4.7 million in revenues, and this could double in fiscal 1984. ASK's systems provide for a payback that is normally less than one year.

There are 20 direct sales and support offices throughout the U.S. including 7 with on site customer education facilities. Foreign sales, which accounted for 2% of 1983 business, are handled by independent distributors in England, France, Belgium, Italy, Spain, and Switzerland and by Digital Equipment Corp. in Finland. The company duplicates its programs on computer tape and delivers them to the customer with either Hewlett-Packard or Digital Equipment hardware. At present, almost all current business is implemented on HP Systems. Management believes that DEC will reach 50% of the total in the second half of fiscal 1985. To date, the company has sold 17 DEC based systems calling for 70 MANMAN software modules of which 11 have been installed on 8 systems. ASK is responsible for installation and maintenance of its software, with HP and DEC warranting and servicing the hardware.

## PRODUCT/MARKETING

ASK's turnkey manufacturing and financial systems are designed to increase productivity and control. An important aspect of these systems is the level of modular integration and expansion that is achievable due to the common data base orientation of the MANMAN line. A customer can start with a smaller configuration of the full system and upgrade both software and hardware as dictated by the need or level of sophistication. Twelve software products currently comprise the MANMAN Information System and each contains from three to eight application modules. The company has continually expanded its product line to encompass more of the user's application needs. In



this regard, current development activities are focusing on modules for quality control and shop floor data collection. The current line is as shown in Table 1.

Table 1

MANMAN INFORMATION SYSTEM PRODUCTS

MANMAN/MFG Manufacturing Management	MANMAN/PLANMAN™ Budgeting
MANMAN/OMAR Order Management and Accounts Receivable	MANMAN/PAYROLL Payroll
MANMAN/OMAR PLUS OMAR plus Finished Goods Inventory and Purchasing	MANMAN/SERVICEMAN™ Field Service
MANMAN/AP Accounts Payable	MANMAN/SERVICEMAN PLUS SERVICEMAN plus Finished Goods Inventory and Purchasing
MANMAN/GL General Ledger	MANMAN/GRAFMAN™ Business Graphics
MANMAN/FA Fixed Assets	MANMAN/QUIZ* Report Generator

*Source: Company Prospectus*

ASK's average system including hardware has recently approximated \$300,000, up from less than \$200,000 18 months ago. To a major extent, the increase has resulted from more modules being available from ASK coincident with more powerful CPU's and disk drives, enabling the company to focus on larger potential customers. Relatedly, three software modules are the average for the company's total installed base but recently, new customers have taken five to six modules on average with their initial installation. To date, Hewlett-Packard's 3000 Series minis have been used exclusively and ASK has become HP's largest OEM customer. In addition to systems and ASKNET sales, revenue is derived from annual software maintenance contracts. About 85%-90% of customers subscribe to this service, at an annual cost approximating 9.5% of the original license fee. This provides ASK with highly profitable repeat business while insuring that the user acquires the latest version of the system. Subscribers typically receive two updated versions of the appropriate software packages each year. To date, half of the business has come from divisions of Fortune 500 companies and the balance from rapidly growing or emerging growth companies with challenging manufacturing control requirements. Examples in the former category are Rockwell International, Litton Industries, General Motors and Westinghouse and in the latter, Tandon



Corporation, Seagate Technology and Micropolis in the mini-disk memory area and other high technology firms such as Convergent Technologies and MICOM.

ASK's marketing is directed at individual plant production managers, a strategy which coincides with the distributed data processing trends that have been at work throughout the EDP field for the past five to seven years. The primary reasons that even companies with large in-house data processing staffs and resources turn to a specialist such as ASK are the ever increasing cost of maintaining system updates and a belief that the expenses of developing custom systems can be as much as ten times the license fee to an independent. Some estimates indicate that maintenance of existing systems consumes as much as 60% of total in-house EDP budgets.

Of the 46,000 discrete manufacturing sites in the U.S., about 16,000 generate production in excess of \$5 million a year. It is these customers to whom ASK aims its systems products. Smaller sites are being provided access to ASK's products via an on-line remote time sharing system (ASKNET) which is considered attractive to locations in the \$2-\$5 million a year size range. ASKNET billings per customer average about \$4,000-\$5,000 per month, and the company currently services over 120 users. It is believed that usage of between \$7,000-\$10,000 per month should result in conversion to a full ASK system. In order to attract those manufacturers with annual production of less than \$2 million, ASK recently acquired privately owned Software Dimensions as the basis for forming ASK Micro Inc. Distribution and dealer relationships were already in place but ASK is placing high priority on enhancing them as well as funding R&D to incorporate a broader applications mix with the line.

Overall, the sales cycle has historically consumed about five man days, spread over a two to five-month period. Installation generally takes place three to four months after an order is received and is accomplished in two to four days.

Table 2 on page 6 presents LFRUT's estimates of ASK's revenues from various sources. Turnkey Systems & Add-Ons represent bundled hardware/software sales of new and expansion of existing systems; ASKNET's timesharing of in-house systems; software maintenance fees are payments from existing users for access to software updates and includes other ASK support; royalties represent fees from distributors; and ASK Micro is comprised of software sales to smaller manufacturers implemented on micro computers, a business which was acquired by ASK in fiscal 1983.



Table 2  
ESTIMATED REVENUE COMPONENTS FOR JUNE FISCAL YEARS  
(dollars in millions)

	<u>1982</u>	<u>1983</u>	<u>1984E</u>
Turnkey Systems & Add-Ons	\$19.00	\$28.00	\$43.00
ASKNET	1.60	4.80	8.00
Royalties	0.40	0.60	0.70
ASK Micro	2.10	3.10	5.00
Software Maintenance & Other	1.70	2.90	4.30
Total Revenues*	<u>\$24.80</u>	<u>\$39.40</u>	<u>\$61.00</u>

RECENT RESULTS AND OUTLOOK

Table 3 below highlights ASK's operations for the first fiscal quarter of 1984 along with prior year figures for comparison. Analysis of these results provides an unusually good insight into the short-term influence of revenue mix on ASK's gross profit margins. In the most recent quarter, the software and royalty content of revenues was well below a year ago when this business was running well ahead of plan. The results for the first quarter of 1984 were further depressed by losses in the ASK Micro operations where development and marketing spending has been aggressive. In subsequent quarters, a more favorable revenue mix is expected to result in a full-year gross margin of slightly over 50%. In this regard, three hardware shipments during the first quarter were made late by HWP and DEC which resulted in a carryover to the current quarter of approximately \$450,000 of high-margin software revenues. In part, this contributed to the fact that the company entered the second quarter of fiscal 1984 with about 95% of planned quarterly revenues already in backlog--the highest such relationship in its history.

Table 3  
FIRST QUARTER RESULTS  
(dollars in thousands, except per share)

	<u>First Quarter Ended September 30,</u>			
	<u>1983</u>	<u>%</u>	<u>1982</u>	<u>%</u>
Revenues	\$12,460	100.0%	\$7,095	100.0%
Cost of Revenues	6,739	54.1	3,100	43.7
Development	1,116	9.0	634	8.9
SG&A	3,286	26.4	2,355	33.2
Operating Income	\$ 1,319	10.6%	\$1,006	14.2%
Interest Income	432	3.5	398	5.6
Pretax Income	\$ 1,751	14.1%	\$1,404	19.8%
Taxes (Rate)	760	(43.4)	582	(41.5)
Net Income	\$ 991	8.0%	\$ 822	11.6%
Earnings Per Share	\$0.09		\$0.08	
Average Shares (000)	11,583		10,531	



ASK has consistently achieved its long-term profitability target of 10% after tax and, as indicated in the P&L estimates for fiscal 1984 (in Table 6), we anticipate close to that performance for the full year. This is despite the slow start, a 2 percentage point increase in the tax rate, and a lower relative contribution from interest income. This largely reflects an expected increase in sales/marketing productivity resulting in SG&A consuming only about 28% of the 1984 revenue dollar compared with 30% in fiscal 1983. ASK spent aggressively for marketing/sales personnel and facility expansion during the recent recession and is in a highly favorable position to leverage these outlays in the current period of recovery.

As indicated in the accompanying balance sheet (Table 4), the company's financial condition is excellent. Our quarterly fiscal 1984 estimates along with fiscal 1983 comparisons are provided in Table 5.

Table 4  
SUMMARY BALANCE SHEET  
(dollars in thousands)

	06/30/83	09/30/83
Cash and Securities	\$18,664	\$18,776
Accounts Receivables	10,053	11,568
Other	2,098	3,134
Total Current Assets	\$30,814	\$33,478
Property and Equipment-Net	8,088	8,416
Total Assets	\$38,902	\$41,894
Accounts Payable	4,087	4,887
Accrued Liabilities & Other	1,699	1,700
Income Taxes	2,344	2,819
Customer Deposits	960	1,097
Total Current Liabilities	\$ 9,090	\$10,503
Long-Term Debt	1,004	988
Common Stock	19,763	20,296
Retained Earnings	9,468	10,459
Less: Shareholder Notes Rec'ble	(423)	(352)
Total Equity	\$38,902	\$41,894

Table 5  
FISCAL 1984E BY QUARTER

	June Fiscal Years			
	Fiscal 1983A		Fiscal 1984E	
	Revenues	EPS	Revenues	EPS
First Quarter	\$ 7,095	\$0.08	\$12,460	\$0.09
Second Quarter	8,654	0.08	14,500	0.12
Third Quarter	10,980	0.09	16,500	0.14
Fourth Quarter	12,659	0.10	17,540	0.17
Total	\$39,388	\$0.35	\$61,000	\$0.52



Table 6  
PROFIT AND LOSS  
(dollars in thousands, except per share)

	<u>1982A</u>	<u>1983A</u>	<u>1984E</u>
Net Revenue	\$24,871	\$39,388	\$61,000
Cost and Expenses:			
Cost of Revenue	12,637	18,998	29,700
Product Development	2,229	3,423	5,300
Selling, General and Administrative	6,317	11,759	17,000
Total Cost and Expenses	<u>\$21,183</u>	<u>\$34,180</u>	<u>\$52,000</u>
Operating Income	3,688	5,208	9,000
Other Income, Net	1,157	1,451	1,600
Income Before Income Taxes	<u>\$ 4,844</u>	<u>\$ 6,659</u>	<u>\$10,600</u>
Provision for Income Taxes	2,150	2,754	4,600
Net Income	<u>\$ 2,695</u>	<u>\$ 3,905</u>	<u>\$ 6,000</u>
Earnings Per Share	\$0.27	\$0.35	\$0.52
Average Shares (mil.)	10.10	11.08	11.58

Note: Totals may not add due to rounding.

\* \* \* \* \*

RATIO ANALYSIS

Net Revenue	100.0%	100.0%	100.0%
Cost and Expenses:			
Cost of Revenue	50.8	48.2	48.7
Product Development	9.0	8.7	8.7
Selling, General and Administrative	<u>25.4</u>	<u>29.9</u>	<u>27.8</u>
Operating Income	14.8	13.2	14.8
Other Income, Net	4.7	3.7	2.6
Income Before Income Taxes	<u>19.5</u>	<u>16.9</u>	<u>17.4</u>
Tax Rate	<u>44.4</u>	<u>41.4</u>	<u>43.4</u>
Net Income	<u>10.8</u>	<u>9.9</u>	<u>9.8</u>

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST



**The MANMAN Information System**

MANMAN/MFG Manufacturing Management	MANMAN/PAYROLL Payroll
MANMAN/OMAR Order Management and Accounts Receivable	MANMAN/PLANMAN General Ledger Budgeting
MANMAN/AP Accounts Payable	MANMAN/SERVICEMAN Field Service
MANMAN/GL General Ledger	MANMAN/GRAFMAN Integrated Business Graphics
MANMAN/FA Fixed Assets	MANMAN/QUIZ Report Writer

**Corporate Office**

ASK Computer Systems, Inc.  
730 Distel Drive  
Los Altos, California 94022  
(415) 969-4442



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ASK Computer Systems Inc.  
730 Distel Drive  
Los Altos, California 94022

*ASK Computer Systems Inc. First Quarter Report*

*For the Period Ended September 30, 1984*

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Permit No. 662



## To Our Shareholders

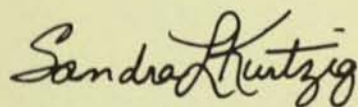
It is a pleasure to report another good quarter for ASK Computer Systems. Net income increased 72% to \$1,706,000 or \$.15 per share. Revenue increased 44% to \$18,003,000 as compared with \$12,460,000 for the same quarter last year.

ASK continues to solve manufacturing problems with state-of-the-art software solutions. Significant MANMAN enhancements released this quarter include two-level master scheduling, final assembly scheduling and options order entry. These enhancements allow manufacturers to design generic products and build to customer specifications.

The market for MANMAN products broadened dramatically in September with the announcement of Hewlett-Packard's newest minicomputer, the HP 3000 Series 37. The new computer, which is user installable, will be sold with MANMAN software as a complete manufacturing and financial management information system called ASKMATE and will cost under \$125,000. This means that an in-house MANMAN solution will become cost-effective for manufacturing companies and divisions of Fortune 500 companies with annual revenues in the 5 to 10 million dollar range. Most importantly, the same standard MANMAN software that we license with larger HP computer configurations will run without any modifications on the Series 37.

During the past quarter, we also expanded our product marketing efforts with two new programs. We began an aggressive telemarketing program designed to reach potential customers throughout the United States. In addition, we have scheduled a series of MANMAN product fairs in major cities across the nation. We believe these programs will attract many new customers to the growing family of MANMAN users.

We appreciate the continuing enthusiasm of our customers, employees and shareholders. Your support in the first quarter has created a firm foundation for a successful year.



Sandra L. Kurtzig  
Chairman and Chief Executive Officer

## Condensed Statement of Income (Unaudited)

(In thousands, except per share data)

	Quarter ended September 30,	
	1984	1983
Net revenue	\$18,003	\$12,460
Cost and expenses		
Cost of revenue	9,272	6,739
Product development	1,420	1,116
Selling, general and administrative	4,648	3,286
Total cost and expenses	15,340	11,141
Operating income	2,663	1,319
Other income	496	432
Income before income taxes	3,159	1,751
Provision for income taxes	1,453	760
Net income	\$ 1,706	\$ 991
Earnings per share	\$ .15	\$ .09
Weighted average shares outstanding	11,660	11,583

## Condensed Balance Sheet (Unaudited)

	September 30,	
	1984	1983
(In thousands)		
<b>Assets</b>		
Cash and short term investments	\$24,955	\$18,776
Accounts receivable	19,060	11,568
Other	4,662	3,134
Total current assets	48,677	33,478
Net property and equipment	8,744	8,416
	\$57,421	\$41,894
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 7,914	\$ 4,887
Accrued liabilities	5,899	2,797
Income taxes payable	1,247	1,546
Deferred income taxes	3,111	1,273
Total current liabilities	18,171	10,503
Long term debt	976	988
Common stock	21,120	20,296
Retained earnings	17,316	10,459
	38,436	30,755
Less notes receivable from shareholders	162	352
Total shareholders' equity	38,274	30,403
	\$57,421	\$41,894



**The MANMAN Information System**

MANMAN/MFG Manufacturing Management	MANMAN/PAYROLL Payroll
MANMAN/OMAR Order Management and Accounts Receivable	MANMAN/PLANMAN General Ledger Budgeting
MANMAN/AP Accounts Payable	MANMAN/SERVICEMAN Field Service
MANMAN/GL General Ledger	MANMAN/GRAFMAN Integrated Business Graphics
MANMAN/FA Fixed Assets	MANMAN/QUIZ Report Writer

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ASK Computer Systems Inc.  
730 Distel Drive  
Los Altos, California 94022

*ASK Computer Systems Inc. Second Quarter Report*

*For the Period Ended December 31, 1984*

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## To Our Shareholders

It is a pleasure to report strong earnings and revenues for the first half of fiscal 1985. Net income for the six months ended December 31, 1984 was \$3,844,000 or \$.33 per share, a 33% increase over income of \$2,897,000 or \$.25 per share for the same period a year ago. Revenue for the first half of fiscal 1985 increased 42% to \$39,285,000 compared to \$27,574,000 a year ago.

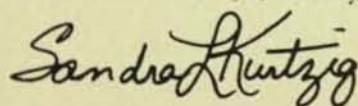
Net income for the three months ended December 31, 1984 was \$2,138,000 or \$.18 per share, a 12% increase over fiscal 1984 second quarter income of \$1,906,000 or \$.16 per share. Revenue increased 41% to \$21,282,000 from \$15,114,000 in the same period last year.

Marketing continues to grow in importance along with the breadth of our product line. Accordingly, we have added the position of vice president of marketing to our management team. David Sohm has joined ASK in this capacity. David will broaden our management team and help us to develop a wide range of marketing programs over the coming months. Prior to joining ASK, David was a division marketing manager with the Hewlett-Packard Company's Manufacturing Productivity Division, where he was responsible for all marketing programs relating to Hewlett-Packard's manufacturing software product line.

During the second quarter, we moved to strengthen our sales programs directed at major manufacturing corporations by creating the position of national accounts manager. This position coordinates the sales and marketing of MANMAN® to large, multi-divisional companies. Robert Donaldson, formerly of Digital Equipment Corporation, assumed the position in October, and reports to James Manion, Vice President of Sales.

We are continuing to find very strong interest in our new ASKMATE™ system. Introduced during the first quarter of this year, ASKMATE consists of MANMAN software running on Hewlett-Packard Company's HP 3000 Series 37 minicomputer. ASKMATE is specifically priced and packaged for manufacturing companies under \$10 million in sales. The initial order rate for ASKMATE has been excellent, and we are shipping systems as fast as we can get them from Hewlett-Packard.

The loyal support of our customers and employees continues to make ASK the leading independent supplier of manufacturing management software. We appreciate that support. It will be a key factor in helping us achieve our goals for the second half of fiscal 1985 and beyond.



Sandra L. Kurtzig  
Chairman and Chief Executive Officer

## Condensed Statement of Income (Unaudited)

(In thousands, except per share data)

	Quarter ended		Six Months ended	
	December 31, 1984	1983	December 31, 1984	1983
Net revenue	\$21,282	\$15,114	\$39,285	\$27,574
Cost and expenses				
Cost of revenue	11,006	6,704	20,270	13,443
Product development	1,534	1,284	2,929	2,400
Selling, general and administrative	5,249	4,226	9,938	7,512
Total cost and expenses	17,789	12,214	33,137	23,355
Operating income	3,493	2,900	6,148	4,219
Other income	467	467	971	899
Income before income taxes	3,960	3,367	7,119	5,118
Provision for income taxes	1,822	1,461	3,275	2,221
Net income	\$ 2,138	\$ 1,906	\$ 3,844	\$ 2,897
Earnings per share	\$ .18	\$ .16	\$ .33	\$ .25
Weighted average shares outstanding	11,688	11,620	11,681	11,601

## Condensed Balance Sheet (Unaudited)

(In thousands)

	December 31,	
	1984	1983
<b>Assets</b>		
Cash and short-term investments	\$24,290	\$19,203
Accounts receivable	18,925	12,494
Other	2,189	2,796
Total current assets	45,404	34,493
Net property and equipment	8,969	9,212
	\$54,373	\$43,705
<b>Liabilities and Shareholders' Equity</b>		
Accounts payable	\$ 4,374	\$ 4,584
Accrued liabilities	3,963	2,903
Income taxes payable	1,924	871
Deferred income taxes	2,593	1,800
Total current liabilities	12,854	10,158
Long-term debt	972	985
Common stock	21,225	20,527
Retained earnings	19,454	12,365
	40,679	32,892
Less notes receivable from shareholders	132	330
Total shareholders' equity	40,547	32,562
	\$54,373	\$43,705



ASK

COMPUTER

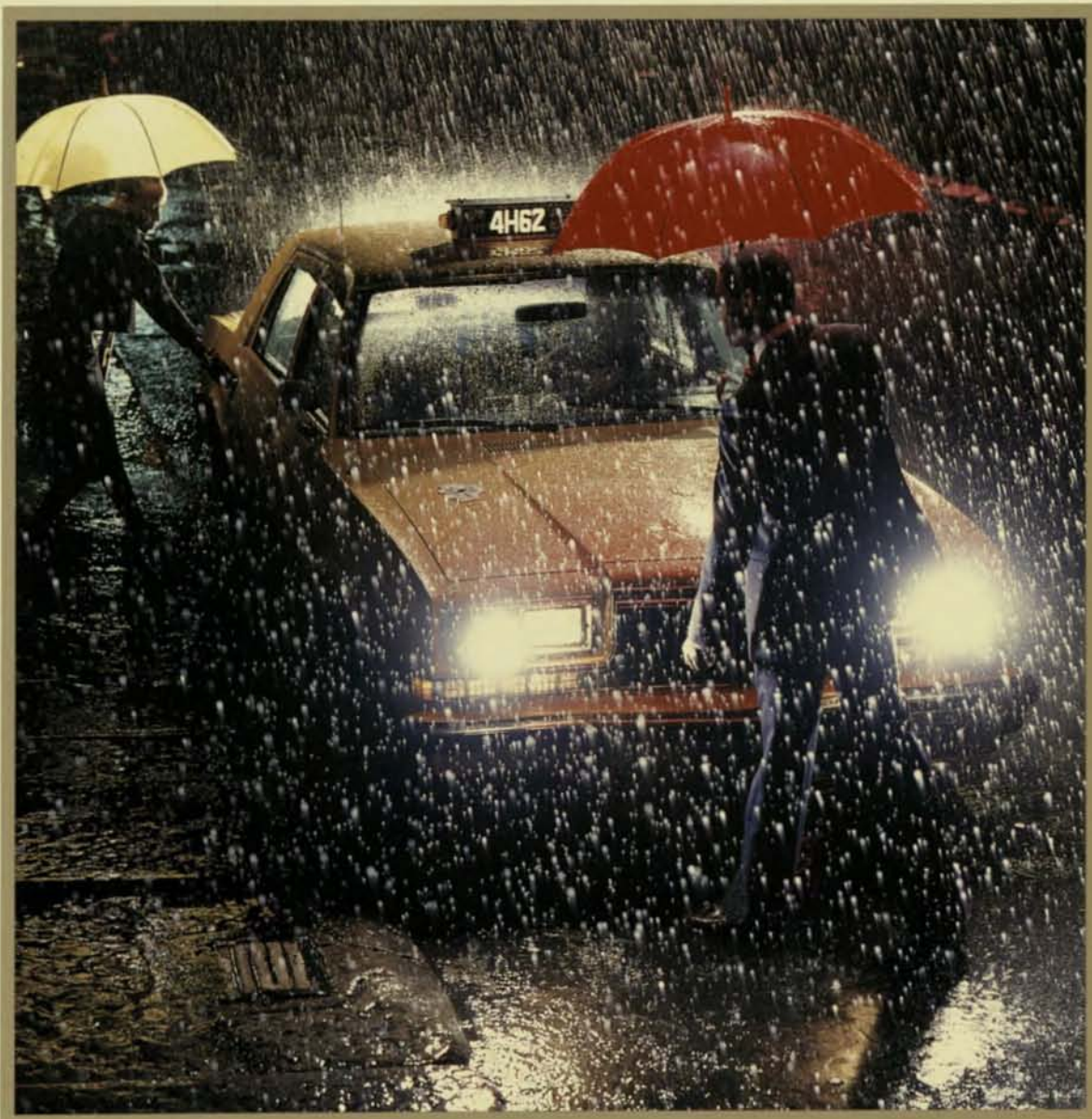
SYSTEMS

INC.

ANNUAL

REPORT

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"AUTOMAKER DEMANDS FOR JUST-IN-TIME DELIVERY PUT PRESSURE ON BOTH OUR PLANT SCHEDULING PROCESS AND OUR OLD COMPUTER SYSTEM. MANMAN GAVE US THE TOOL WE NEEDED."

BOB SHOLLENBERGER, CONTROLLER

As automakers move toward Just-in-Time (JIT) inventories, their suppliers must carry on in their footsteps—or carry the automakers' inventory. Improved plant scheduling is essential because without it, automotive suppliers face economic extinction. ■ GTE Lighting Special Products, one of four divisions of GTE's Electrical Products Group, understands the pressures. A well-known manufacturer of Sylvania headlamps for the automotive industry, the company's customers include General Motors, Ford, and Chrysler, as well as Japanese and European automakers. GTE's automotive lighting operations consist of plants in Seymour, Indiana and Hillsboro, New Hampshire. ■ Ten years ago, GTE started the Seymour plant as an outgrowth of the Hillsboro factory. As a start-up, the plant managed its operations manually and then upgraded to a personal computer. Increased sales followed. But soon the personal computer had outlasted its usefulness. The plant needed a more advanced system to help manage its growing volume of business. ■ A solution came in the form of MANMAN running on a Hewlett-Packard Series 3000 Model 42 minicomputer. ■ By automating manual functions, MANMAN has enabled the Seymour plant to produce information quickly and efficiently. MANMAN/OMAR™ (order management/accounts receivable) has reduced the ship-to-bill interval by at least one day. MANMAN/AP™ (accounts payable) has reduced end-of-month accrual report production time from one day to three hours. And current projections show that MANMAN/AP will ultimately result in a 10% reduction in effort by the accounts payable department. In addition, MANMAN will enable the plant to reduce inventories through improved scheduling. ■ Most important, MANMAN will allow the Seymour plant to create direct computer links with its customers—an essential step for the electronic transmission of advance shipping notices now required by automakers. ■ In order to build on the improvements already achieved, the company plans to implement MANMAN in its Hillsboro facility. By sharing a common database with the Seymour plant, marketing personnel at Hillsboro will be able to instantly access sales order information. Communications between the two facilities will be simplified. ■ With MANMAN, GTE is meeting the challenge of adapting to automaker requirements.



COMPANY PROFILE

**A**SK Computer Systems Inc. develops, markets and supports management information systems for manufacturing companies. The Company's MANMAN® Information System consists of nineteen integrated products for manufacturing, finance, marketing, customer service, decision support and human resource functions. MANMAN is available from ASK as a turnkey solution with minicomputers manufactured by Hewlett-Packard Company and Digital Equipment Corporation. The system is also available through the ASKNET® remote processing service or on a licensed software-only basis. In addition to MANMAN, ASK offers the MAXCIM™ Information System on minicomputers from Digital. ■ Along with comprehensive software, ASK provides a full range of services and support including education, software enhancements, technical support and implementation consulting through its 45 offices in the U.S., Canada, Europe, Australia, Singapore and Taiwan. ■ ASK was incorporated in July 1974 and had its initial public offering on October 1, 1981.

FINANCIAL HIGHLIGHTS

(In thousands, except earnings per share)	1988	1987	1986	1985	1984
<b>Year ended June 30:</b>					
Net revenue	\$142,414	\$ 98,305	\$76,019	\$79,233	\$65,076
Net income	10,795	8,001	5,889	7,949	6,142
Earnings per share	.82	.62	.46	.65	.53
Weighted average common and common equivalent shares outstanding	13,230	12,969	12,816	12,136	11,626
<b>At June 30:</b>					
Working capital	\$ 41,975	\$ 73,620	\$65,164	\$57,077	\$28,080
Total assets	143,354	119,862	96,689	83,223	51,985
Shareholders' equity	91,375	82,040	72,769	65,498	36,442

**Revenues** (In Millions)

84	65.1
85	79.2
86	76.0
87	98.3
88	142.4

**Net Income** (In Millions)

84	6.1
85	7.9
86	5.9
87	8.0
88	10.8

**Earnings Per Share**

84	.53
85	.65
86	.46
87	.62
88	.82



**F**iscal 1988 was a year of exciting progress and growth for ASK. We established important sales momentum in international markets, emerged as a leader serving multinational manufacturing companies, expanded our cooperative marketing relationships with Digital Equipment Corporation and Hewlett-Packard Company, broadened our customer support programs and acquired a major competitor. We also achieved record revenues and profits. ■ Revenue for fiscal 1988 increased 45% to \$142.4 million from \$98.3 million in fiscal 1987. Net income increased 35% to \$10.8 million or \$.82 per share as compared with \$8 million or \$.62 per share in fiscal 1987. ■ The manufacturing industry in North America and Europe is undergoing a resurgence that offers excellent growth potential for ASK. Faced with stiff competition, manufacturers are seeking less costly, more effective ways to compete in the global marketplace. As a result, two trends have emerged. First, manufacturers are expanding their operations around the world in order to be closer to their customers. Second, they are integrating and upgrading their information systems. We believe that these trends are creating important new opportunities for ASK products and services. More than ever manufacturers are looking for standard software systems, cost effective computer systems technology and a strong, proven software and services vendor that can provide worldwide support. ASK is well-positioned to capitalize on these opportunities. ■ Continued expansion of ASK's operations in Europe and the Far East improved our ability to attract and serve multinational firms. Our United Kingdom office completed its first full year under ASK ownership with exceptional growth in revenues and a large number of new customers. ASK French and German offices began building sales and service teams to address their respective markets. A new sales office in Taiwan and additional staff in Singapore expanded ASK's coverage of the Asia-Pacific market. Our business base in the Pacific Rim was also strengthened by the completion of several new agreements with Digital. These agreements establish ASK as a marketing and sales partner with Digital in Hong Kong, Taiwan, the Philippines, Korea, Singapore, Malaysia, Indonesia, Thailand and Australia. Also, the agreements provide for Digital's subsidiaries to translate and distribute MANMAN systems in Japan and the People's Republic of China. ■ New hardware from HP and Digital also expanded ASK's ability to reach a wider range of manufacturers around the world. Both companies began delivering new, more powerful machines that provide attractive upgrade paths for ASK users and enhance our opportunities to win new customers. ■ Excellence in customer service is an ASK hallmark and an ongoing priority for the Company. During the year we completed the transition from local telephone technical support to two modern, well-equipped response centers which serve North America. Together with our response center in London, they enable ASK to provide more



effective, consistent expert support to all our customers. Our customer service effort was also extended to serve the growing number of MANMAN customers now implementing Computer Integrated Manufacturing (CIM) programs. Our new ASK Assistance™ consulting organization is helping these companies develop implementation plans which make more effective use of their MANMAN and MAXCIM systems in a CIM environment. ■ Our share of the manufacturing information systems marketplace increased substantially in fiscal 1988 with the acquisition of NCA Corporation of Santa Clara, California. NCA develops and markets manufacturing software on



SANDRA L. KURTZIG,  
CHAIRMAN OF THE BOARD  
AND RONALD W. BRANIFF,  
PRESIDENT AND CHIEF  
EXECUTIVE OFFICER.

Digital computers. In addition to strengthening our overall competitive position and broadening ASK's customer base, the acquisition brought a group of highly talented people to ASK. ■ Our 700 employees now serve more than 2,000 manufacturing companies of all types and sizes. They range from small and medium sized firms to high growth companies that have recently entered the *Fortune 500* to very large, multinational corporations. Located in every major market in the world, these firms use MANMAN and MAXCIM in discrete, repetitive and process manufacturing environments. Their diverse businesses and activities provide ASK with a broad range of experience in every aspect of manufacturing. ■ Looking ahead, we believe that ASK is well-prepared to maintain its position as a world leader in the manufacturing information systems market. Our advanced software systems coupled with modern computer technology enable us to take advantage of growing demand for manufacturing productivity improvement. In addition, our worldwide comprehensive support services clearly distinguish us from our competition. Most important, our total focus on manufacturing companies communicates our commitment to understanding and meeting their needs around the globe. ■ We wish to thank our customers and shareholders for their continuing support. We also want to express our appreciation to our employees for their outstanding performance and dedication to the Company's success. We look forward to another year of growth and achievement for ASK.

Sandra L. Kurtzig

Chairman of the Board

Ronald W. Braniff

President and Chief Executive Officer



**A**lthough every manufacturing business is unique, every manufacturer faces common business problems. Inventories must be controlled. Productivity must be improved. Information must be exchanged. Customers must be satisfied. Competing successfully in today's global market requires careful planning and utilization of every company resource. ■ That's where ASK comes in. ASK software and services give manufacturers a competitive edge by helping to solve their manufacturing management problems. ASK customers range from start-ups to some of the largest corporations in the world. They build everything from semiconductors and electronic equipment to automobile parts, machine tools and paper cups. Yet ASK provides solutions for all of them—with comprehensive standard software. ■ The secret lies in flexibility. ASK modularized software products can be configured to handle the unique requirements of a broad range of manufacturing environments. Customers simply choose a configuration that meets their specific needs. Continuous development of new products and improvements to existing products gives ASK customers an ever-increasing set of options. In addition, ASK alliances with leading automation vendors enable customers to link ASK products with computer systems such as automotive release systems, computer aided design systems and bar code data collection systems. ■ Flexible products are just one example of ASK's commitment to providing manufacturers with specific solutions to their specific problems. An outstanding corps of customer service and support personnel is another example. Trained to help manufacturers utilize ASK products in unique business environments, these experts offer on-site consulting and implementation assistance. In addition, they provide telephone support from three customer response centers around the world. ■ As worldwide demand for service and support continues to grow, ASK is expanding its presence around the globe. The Company now services customers through subsidiaries in France, Germany, Australia, Singapore and the United Kingdom, as well as sales and service operations in Canada, Taiwan and Switzerland. Meeting the complex needs of multinational companies is a key part of ASK's international strategy.



TECHNICAL CONSULTANTS  
AT ASK RESPONSE CENTERS  
IN THE U.S. AND U.K.  
PROVIDE IMMEDIATE  
ANSWERS TO CUSTOMER  
QUESTIONS.



ON THE INSIDE FRONT COVER AND ON THE FOLLOWING

PAGES, PROFILES OF SEVEN CUSTOMERS ILLUSTRATE HOW

ASK'S SOLUTIONS MEET A WIDE RANGE OF MANUFAC-

TURERS' REQUIREMENTS.



An aging patchwork of information systems had become too cumbersome and costly for Spectra-Physics, Inc. to support. Computer systems vendors were unreliable and people from different divisions within Spectra-Physics couldn't exchange information efficiently—a major concern for a company with operations around the world. ■ Based in San Jose, California, Spectra-Physics develops and manufactures lasers for scientific, industrial and commercial applications as well as analytical instruments and laboratory automation products. A subsidiary of CIBA-GEIGY Corporation, Spectra-Physics has eight divisions located throughout the U.S., as well as twelve sales and service subsidiaries in Europe, Canada and the Pacific Basin. More than half of the company's \$300 million in annual revenues result from overseas sales. ■ By 1984, the hodge-podge of homegrown and commercial software systems was no longer acceptable. Data from growing worldwide operations was not readily available to managers in various sites, and was often unreliable and difficult to consolidate. Timely information existed only as an unattainable goal. ■ In order to remedy the situation, the company decided to standardize on a single set of hardware and software products. It chose MANMAN running on Hewlett-Packard Company minicomputers. Today Spectra-Physics uses MANMAN products in all of its domestic divisions, as well as its subsidiaries in the U.K., The Netherlands, West Germany, France and, in the future, Japan. ■ MANMAN has increasingly enabled the company to obtain reliable information quickly from its subsidiaries around the world. Sales orders, shipments and backlog data consolidated on a worldwide basis now allow Spectra-Physics to instantly monitor its overall business picture and plan production realistically. ■ MANMAN has also produced improvements at individual Spectra-Physics domestic sites. In Dayton, Ohio, the company's Construction and Agricultural Division used MANMAN to become a Class A manufacturer. Inventory accuracy increased from 50% to 98% so that physical inventories, which had been taken four times a year, were discontinued. And thousands of hours of overtime were eliminated while production increased. ■ MANMAN has also helped Spectra-Physics achieve significant cost savings in labor avoidance. Since implementing the system, the company has increased annual revenues from \$170 million to \$300 million while maintaining a stable headcount within its manufacturing operations. MANMAN provides accurate information for worldwide operations in an easily accessible form.

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"MANMAN GIVES US A COMMON PLATFORM FOR TYING TOGETHER OUR OPERATIONS AROUND THE WORLD. IT PROVIDES MANAGEMENT WITH COHERENT AND CONSISTENT INFORMATION ABOUT ACTIVITIES THAT SPAN SEVERAL CULTURES, TIME ZONES AND CONTINENTS."



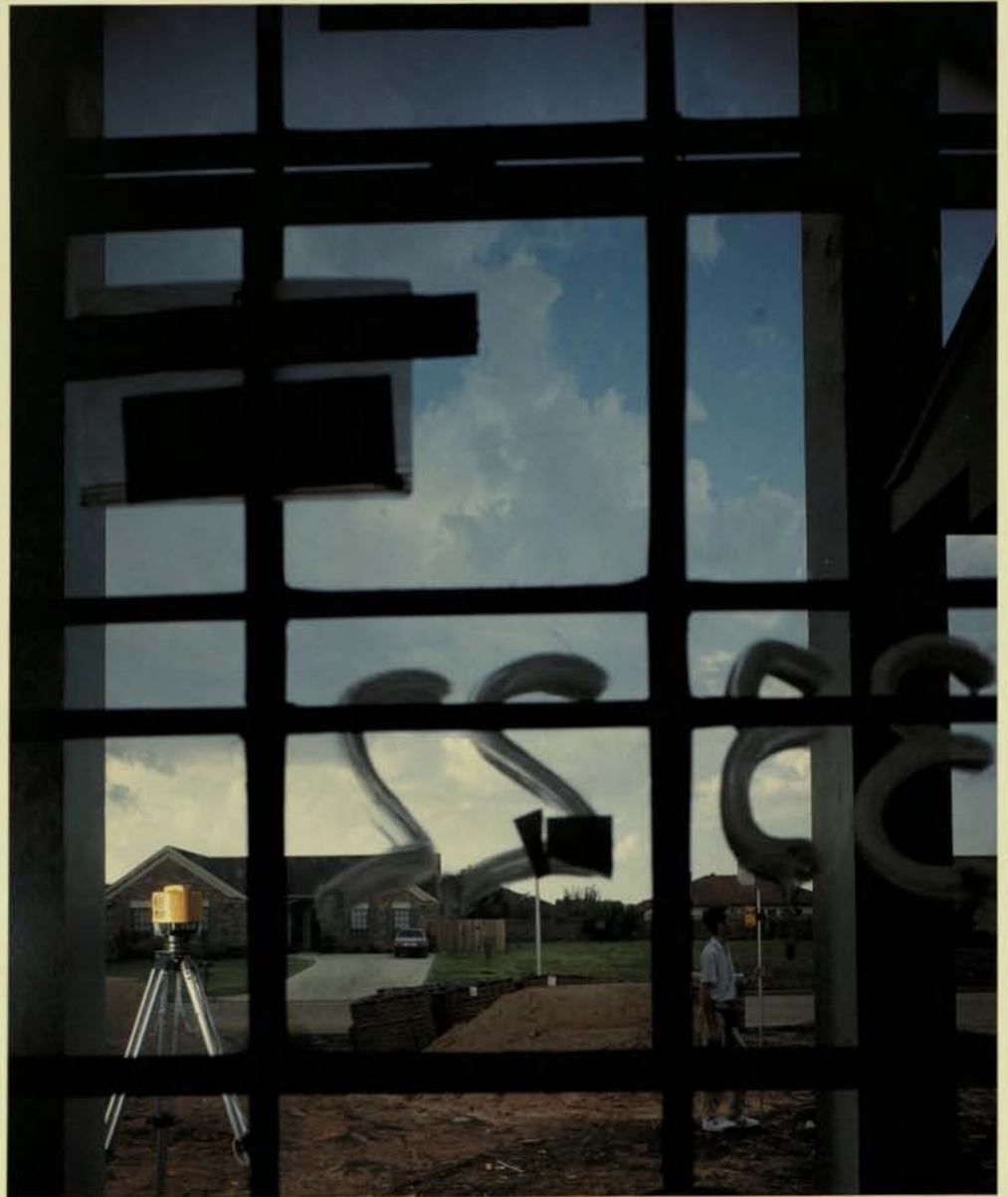
RON KLYN

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CORPORATE SYSTEMS

MANAGER

CONTRACTORS USE SPECTRA-PHYSICS LASERS TO  
MEASURE FOUNDATION ELEVATIONS AT NEW HOME  
CONSTRUCTION SITES.





JOHN GARDNER

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D.P. MANAGER

CHILDREN AS WELL AS ADULTS USE NOTEBOOKS CONTAIN-  
ING METAL RING BINDER MECHANISMS MANUFACTURED  
BY BENSONS INTERNATIONAL SYSTEMS, LIMITED.





The company had expanded rapidly over recent years to become the dominant supplier in its industry when a shifting global economy and competition from the Orient threatened its development impetus. Now more than ever, it needed to cut costs and improve productivity—but its old computer system just couldn't handle the job. ■ That was the situation at Bensons International Systems, Limited—the world's no. 1 supplier of metal three ring binder mechanisms. Headquartered in Gloucestershire, England, Bensons has factories in

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"IN THE HIGHLY COMPETITIVE WORLD OF BINDER MECHANISM MANUFACTURING, MANMAN GIVES US THE CONTROL WE NEED TO STAY ONE STEP AHEAD OF THE COMPETITION."

the United Kingdom, Singapore, Malaysia and Australia, as well as distribution subsidiaries in Canada, France, The Netherlands, Italy, and the United States. It is a subsidiary of the Swedish multinational Esselte. ■ Already operating in an

industry where tight margins are the norm, Bensons pondered ways to meet the Oriental price competition. Reductions in manufacturing costs were imperative. Yet an obsolete computer system seemed ill-equipped to meet the challenge. The solution lay in a fully integrated system with superior planning capabilities—MANMAN running on a Hewlett-Packard Series 3000 Model 42 minicomputer. ■ A major factor in Bensons' choice was MANMAN's repetitive manufacturing functionality. As a high volume manufacturer with 650 standard products and extremely short lead times, Bensons operates in a "workorderless" environment. Its United Kingdom facility alone produces over one and one-quarter million finished products per week. The company could not operate with any system that did not possess repetitive manufacturing functionality. ■ MANMAN was implemented to lower costs and it did. In addition to reducing raw material and component inventories, MANMAN helped Bensons reduce direct labor costs on the shop floor. The key was improved planning. The old system didn't do capacity requirements planning—an area where MANMAN provided a tremendous improvement. ■ The system also enabled Bensons to react quickly to customer and marketplace demands. Since implementing MANMAN, the company's accuracy of delivery promises rate has increased to 98%. In order to further strengthen its competitive position, Bensons is currently considering MANMAN for its Singapore plant. ■ The only thing more difficult than achieving success is maintaining it. With MANMAN, Bensons remains no. 1 in the binder mechanism industry—and is lengthening its lead.



**R**isdon Corporation is one of the world's leading manufacturers of cosmetic and toiletry containers. In keeping with its strategic plan of strengthening its position as a world class manufacturer, the company installed an MRP-II system. ■ Headquartered in Naugatuck, Connecticut, Risdon has eight divisions manufacturing a wide variety of containers for both the cosmetic and toiletry industries. Risdon products range from lipstick tubes, mascara and compact cases for Revlon, Elizabeth Arden, Max Factor, Noxell and Avon, to deodorant sticks for Procter & Gamble. ■ Six of Risdon's divisions, including one in Canada, use MANMAN to manage their operations. MANMAN's flexibility allows each location to develop its own database so it can function autonomously, running reports specific to its product line or special needs. All the divisions run MANMAN from a Hewlett-Packard Series 3000 Model 70 minicomputer, located at Risdon's corporate headquarters. ■ Risdon operates in a high volume,

varied lead time environment. Cosmetic company orders, often as high as two million items, can require anywhere from weeks to months to manufacture. In order to handle the workload, Risdon uses

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"ASK'S REPETITIVE MANUFACTURING PRODUCT ENABLES US TO OPERATE SUCCESSFULLY IN A HIGH VOLUME, SHORT LEAD TIME ENVIRONMENT. WE USE MANMAN TO MANAGE THE FACTORIES IN SIX OF OUR DIVISIONS."

MANMAN/REPETITIVE," ASK's repetitive manufacturing management product. MANMAN/REPETITIVE accommodates Risdon's high volume, low inventory, fast-paced production requirements. ■ Since implementing MANMAN, Risdon has improved on-time deliveries by 26%, reduced its inventory by 15%, and increased shop delivery performance. The improvement in on-time deliveries has not gone unnoticed by Risdon's customers. Several have officially recognized various Risdon divisions for being excellent suppliers—a designation which reflects quality, as well as timely deliveries. ■ MANMAN has also helped improve on-time delivery of materials to Risdon, an important consideration for repetitive manufacturers. By enabling Risdon to plan and schedule production more effectively, MANMAN enables the company to give its suppliers more accurate projections of its needs. As a result, on-time deliveries from vendors have improved by 30%. ■ By providing Risdon with a solid foundation for managing its operations, MANMAN is helping the company achieve its goal of becoming a world class manufacturer.



RISDON CORPORATION'S COSMETIC CONTAINERS  
RANGE FROM LIPSTICK TUBES TO COMPACT CASES AND  
ARE FAMILIAR TO WOMEN EVERYWHERE.

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CHUCK SANDERSON

CORPORATE DIRECTOR OF  
INFORMATION SERVICES







COMPACT DISCS MADE BY PHILIPS AND DU PONT  
OPTICAL COMPANY MAKE THE MUSIC SEEM LIKE IT'S  
"RIGHT THERE."

TED BISHOP

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MIS MANAGER

PDO, KINGS MOUNTAIN



**B**ringing a song successfully to market requires more than top notch vocalists and musicians; today it also requires compact disc replicators. And when a song is a hit, record companies want a lot of compact discs—now. ■ Philips and Du Pont Optical Company (PDO) is a leading supplier of compact discs (CD's) to the music industry's largest record companies. A joint venture established by N.V. Philips and E.I. Du Pont, the company is headquartered in Nieuwegein, The Netherlands. PDO's U.S. operations include facilities in Wilmington, Delaware and Kings Mountain, North Carolina. The company uses a manufacturing process that combines the stamping and molding of traditional manufacturing with the reflective coatings and clean rooms of high technology manufacturing. PDO prides itself on producing top quality products. In the music business, time is of the essence. PDO customers typically require a ten-to-fifteen day turnaround time. When the popularity of a specific disc skyrockets, PDO's factory must meet demand in as little as two days. Flexibility is essential. The company must be able to adjust production schedules on a moment's notice. ■ From the time of its founding, PDO recognized that an MRP-II system was indispensable if its manufacturing operations were to hit the top of the charts. The system selected had to be on-line and real-time in order to respond rapidly to changing customer demand. MANMAN filled the bill. ■ MANMAN's comprehensive software coupled with Digital Equipment Corporation's extensive systems network capability enables PDO to use a VAX™ 8700 computer (located in an E.I. Du Pont plant in Raleigh, North Carolina) to run ASK products in several locations. The MANMAN order management and manufacturing products are used at PDO's Kings Mountain plant and the accounting and order management products are used at its facility in Wilmington. MANMAN's flexibility allows PDO's two locations to keep separate databases, yet merge data when appropriate. ■ During the first year of MANMAN use, the company's finished goods and materials inventory accuracy rate jumped from 50% to 95%. The system has also enabled the company to instantly access the information it needs to meet customer demand. With the help of MANMAN, PDO easily accommodates the very smallest orders

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"FLEXIBILITY IS CRITICAL FOR MANUFACTURERS IN THE MUSIC INDUSTRY. MANMAN LETS US RAPIDLY ADJUST OUR PRODUCTION SCHEDULES SUBJECT TO UNFORESEEABLE CHANGES IN CUSTOMER DEMAND."

and the very largest—very quickly. ■ MANMAN has proved so successful in helping PDO replicate compact discs in the United States that the company recently purchased the French version of MANMAN for its factory in Louviers, France.



GARDINER DUTTON

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CHAIRMAN OF THE BOARD

A VARIETY OF POPULAR GARDEN EQUIPMENT SUCH AS  
GAS-POWERED LEAF BLOWERS ARE MANUFACTURED BY  
INERTIA DYNAMICS CORPORATION.





Contact: Glynnis Sears  
ASK Computer Systems  
(415) 748-2803

Kamini Ramani  
Copithorne & Bellows  
(415) 541-0873

## FOR IMMEDIATE RELEASE

### **ASK COMPUTER SYSTEMS INTRODUCES INGRES FOR A/UX 2.0; Macintosh Users Now Have Access to Advanced Database Server Capabilities**

ALAMEDA, Calif., March 25, 1991 -- ASK Computer Systems, Inc.'s Ingres Products Division today introduced INGRES for A/UX 2.0, a complete relational database management system (RDBMS) that brings advanced database server capabilities to Apple Computer's Macintosh systems. INGRES for A/UX 2.0 includes the INGRES RDBMS, INGRES 4GL application development tools, and SQL access software and will work with A/UX 2.0, Apple Computer's Unix operating system.

"By shipping the first database server for the Macintosh, ASK continues to fulfill its mission to lead the evolution to client-server computing," said Eric Carlson, executive vice president of product operations for ASK. "INGRES for A/UX 2.0 is the first RDBMS to take advantage of the multitasking and multiple windowing features of the A/UX operating system. Macintosh users now have the same RDBMS capabilities enjoyed by INGRES users on other Unix-based systems, and most importantly, they have it today."

INGRES for A/UX is targeted toward existing INGRES customers who would like to use the Macintosh as a multi-user SQL database server. MIS managers, including Apple customers in corporations, universities, federal government agencies and military installations, will also benefit from the product as they downsize database servers to the Macintosh. The product is also aimed at Macintosh database consultants and VARS who require a powerful SQL RDBMS to build business applications.

(more)



Used as a departmental server, INGRES for A/UX 2.0 builds upon the multiserver architecture of the INGRES RDBMS to allow up to 18 users simultaneous access to large volumes of data. Macintosh client applications developed with software such as GQL, Hypercard, Omnis5, 4th Dimension and Excel can simultaneously access data using Apple's DAL (Data Access Language). Automatic query optimization is provided by the statistics-based INGRES Query Optimizer, ensuring efficient execution of requests for data. INGRES portability and scalability allows the database server and applications to be moved from Macintoshes to larger machines when more power is needed.

INGRES for A/UX 2.0 may also be used as a multi-user INGRES application server or as a development system for INGRES applications and databases that reside on VAX/VMS or Unix systems.

INGRES for A/UX 2.0 is available immediately from the Ingres Products Division for \$3,995. One license is required for each A/UX 2.0 system. Minimum hardware and software requirements for the product include a Macintosh II family computer with hard disk, A/UX 2.0 or later operating system, Macintosh OS 6.0.4, 12 MB RAM, 160 MB storage and INGRES software.

ASK Computer Systems (NASDAQ/NMS: ASKI) is one of the 10 largest worldwide software firms with revenue approaching \$400 million. Its comprehensive software product line includes the INGRES Intelligent Database, application development tools, and a wide variety of commercial and information management applications. There are more than 2,100 ASK employees worldwide in 91 locations.

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**M**anaging growth is an important objective for any company. But when a company's annual revenues grow from \$23 million to \$70 million in just four years, managing growth is not only important, it is crucial for the company's long-term survival. ■ Rapid growth is a familiar phenomenon at Inertia Dynamics Corporation (IDC). Located in Chandler, Arizona, the company manufactures a variety of gas-powered lawn trimmers

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"FOUR YEARS AGO OUR REVENUES WERE \$23 MILLION AND TODAY THEY ARE \$70 MILLION. MAXCIM HAS GIVEN US THE TOOLS WE NEED FOR BUILDING EFFECTIVE CONTROLS AND SUCCESSFULLY MANAGING OUR GROWTH."

and leaf blowers for customers such as K-Mart, J.C. Penney and Home Depot. IDC was named one of the fastest growing public companies in the United States by *Business Week* magazine in 1986 and 1987. (The company was taken private in October 1987.) ■ IDC had always used a manual system to keep track of its sales, inventory and financials. However, a new approach was dictated by changes in the company's business. Specifically, IDC planned to expand its traditional reseller customer base by directly marketing its own products. This would mean a quantum increase in sales orders, accounts receivable, and work orders, as well as more complex build schedules. In anticipation of projected growth, the company decided to install an MRP-II system in June 1984. The decision proved prophetic. During the past four years, IDC has tripled in size. ■ In order to gain greater control over its day-to-day business operations, IDC purchased MAXCIM running on a Digital Equipment Corporation VAX 750 minicomputer. The company later upgraded to the VAX 8530 which it uses today. ■ Once the system was up and running, it produced some spectacular results, particularly in the area of inventory control. IDC now reports a 96-97% accuracy rate on its parts count and a 97-98% location accuracy. Even more important, MAXCIM has helped the company save millions of dollars by holding inventory down to manageable levels. Without the system, IDC would have had to purchase at least 20% more inventory to manage the same level of business. ■ The system has also enabled the company to process a tremendous volume of information with a minimum of manpower. By eliminating much of the paperwork required by the old manual system, MAXCIM has allowed IDC to grow without adding a lot of new staff. By eliminating the need to hire many new personnel, the company saved an estimated 30% in clerical salary costs. ■ As IDC continues to grow, ASK will continue to provide manufacturing management solutions that meet its needs.



**M**anufacturing is a tough business under the best of circumstances. But it's really tough when you manufacture products subject to strict government regulations. ■ Gen-Probe, Inc. knows about tough regulations. As a leading biotechnology company, Gen-Probe develops products on the leading edge of medical technology. The San Diego, California-based company manufactures medical test kits subject to clearance by the United States Food & Drug Administration. The kits are used in hospital laboratories for in-vitro diagnostic testing of a variety of infectious diseases. ■ In order to comply with federal regulations, Gen-Probe must be able to track the lot numbers of key raw materials used in the production process. It must also be able to track finished goods, which is why lot traceability was high on the criteria list when the company selected a manufacturing management information system. ■ The MANMAN Information System helps Gen-Probe meet its federal obligations, as well as manage its manufacturing operations effectively. A particularly important part of the system is MANMAN/TRACKER.™ An integrated lot tracking system, TRACKER provides comprehensive traceability of a lot's parts from initial receipt through manufacturing to final shipment of the finished product. ■ Gen-Probe has used MANMAN through every phase of the company's growth. Initially, when Gen-Probe consisted of 20 employees, the company used MANMAN on ASKNET—ASK's remote processing service. Two years later, Gen-Probe brought the system in-house on a Digital Equipment Corporation MicroVAX™II minicomputer. Today the company is publicly held, employs 140 people and plans an aggressive growth path. ■ Gen-Probe's move from timesharing to an in-house system is typical of smaller, high growth companies. By starting out on timesharing, companies such as Gen-Probe gain an integrated manufacturing solution without the expense of a capital investment. As these companies grow, they can easily upgrade their computing capabilities. ASK meets their needs with a wide range of hardware options that offer a smooth migration path.

■ As Gen-Probe grows, ASK will meet its changing needs with the proper mix of products and services. With the help of MANMAN, Gen-Probe will continue to create, manufacture and deliver safe, reliable products to its customers around the world.

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"MANUFACTURING MEDICAL PRODUCTS REQUIRES COMPLIANCE WITH STRICT FEDERAL REGULATIONS. BY QUICKLY PINPOINTING THE LOCATION OF MATERIALS ANYWHERE IN THE MANUFACTURING PROCESS, MANMAN HELPS US TO MEET GOVERNMENT REQUIREMENTS."





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DAVID McCARTY

VICE PRESIDENT  
OF OPERATIONS

GEN-PROBE, INC.'S MEDICAL TEST KITS ARE USED  
IN HOSPITAL LABORATORIES TO DETECT NUMEROUS  
INFECTIOUS DISEASES.



**Results of Operations**

ASK's net revenue increased 45% in 1988 and 29% in 1987 compared with a 4% decrease in 1986. Net income rose 35% and 36% in fiscal 1988 and 1987 respectively after a 26% decline in 1986. The increases in net revenue and net income have resulted from a higher volume of sales and service domestically and reflect the Company's expansion in international markets and the fiscal 1988 acquisition of NCA Corporation. NCA Corporation was acquired by ASK in August 1987 and recorded using the purchase method of accounting. Fiscal 1988 results include ten and one-half months of operations related to NCA. The decreases in fiscal 1986 were attributed to a general softness in the market for computer-based products and services as U.S. manufacturing firms experienced a decline in business resulting in a reduced level of capital spending. This slowdown primarily affected systems revenues.

In addition to turnkey systems, the Company provides related services including software subscription service which includes updates to software products, on-line remote processing (ASKNET), education and consulting. These services represented 24%, 21% and 25% of revenues in fiscal 1988, 1987 and 1986 respectively.

Gross margin as a percent of net revenue was 52% in fiscal 1988 compared with 51% in 1987 and 52% in 1986. Software products and services, which have a higher gross margin than computer hardware, accounted for a slightly higher percentage of revenue in 1988 and 1986 than in 1987. The composition of revenue, particularly the ratio of software to hardware, can vary from quarter to quarter causing fluctuations in the gross margin percentage.

Product development expense in fiscal 1988 increased 43% after decreasing 1% in 1987 and increasing 26% in fiscal 1986. The 1988 increase is due primarily to the August 1987 acquisition of NCA Corporation, to the internal allocation of additional resources and to general increases in salaries, facilities and other expenses. The flat level of spending on product development in 1987 over 1986 was planned by the Company to bring the level of expenditures back to a range of approximately 8% of net revenue as was the case in 1985 compared with 11% in fiscal 1986. Selling, general and administrative expenses increased 52% and 33% in fiscal 1988 and 1987, respectively. These increases were primarily due to the Company's continued international expansion, the growth of the domestic field sales and service organizations and other administrative personnel necessary to support the Company's operations. The increases in 1988 include personnel added as a result of the acquisition of NCA Corporation and increased facilities costs.

Operating income as a percent of net revenue was 9%, 9% and 8% for 1988, 1987 and 1986 respectively. The operating income percentage was unchanged in 1988 from 1987. The slightly higher gross margin percentage in 1988 was offset by somewhat higher increases in product development and selling, general and administrative expenses. The increase in 1987 operating income over 1986 was the result of higher revenues.

Interest and other income decreased 34% from 1987 to 1988 after increasing 11% from 1986 to 1987. The decrease in fiscal 1988 reflects the lower level of invested cash subsequent to the acquisition of NCA Corporation in August 1987, which was partially offset by foreign exchange gains. The increase in fiscal 1987 over 1986 was the result of higher invested cash balances.

The effective tax rate was 30%, 36%, and 40% in 1988, 1987 and 1986, respectively. The decrease in fiscal 1988 reflects the effect on the Company of tax rate changes resulting from the Tax Reform Act of 1986. The decrease for fiscal 1987 reflects changes in various tax credits available to the Company. In December 1987, the Financial Accounting Standards Board issued Statement No. 96, "Accounting for Income Taxes," which establishes a new method of accounting for income taxes. The Company intends to adopt the standard for fiscal 1989 beginning with the quarter ending September 30, 1988 without restatement of prior years.

**Financial Condition**

The Company's liquidity and capital resources position remains very strong. Working capital as of June 30, 1988, was \$42.0 million compared to \$73.6 million as of June 30, 1987. The decrease of \$31.6 million resulted primarily from the cash purchase of NCA Corporation for \$43.5 million offset by working capital provided from operations which was \$17.5 million for fiscal 1988. Other major uses of working capital were for capital additions, repurchase of common stock and capitalized software development costs. The increase in accounts receivable at the end of fiscal 1988 over 1987 was the result of significantly higher revenues in the fourth quarter of 1988 (\$46.5 million) compared to the fourth quarter of 1987 (\$31.4 million).

It is expected that in the foreseeable future the Company will have working capital needs to finance ongoing operations as well as investments in property, plant and equipment. These will be funded through cash generated from operations and existing cash and short-term investments. At June 30, 1988 the Company had total mortgage debt of \$1.5 million outstanding on four facilities. In addition, the Company had capital lease liabilities outstanding in the amount of \$.7 million and other long-term obligations of \$1.0 million.



(In thousands, except per share data)	1988	1987	1986	1985	1984
<b>Five Year Summary</b>					
Year ended June 30:					
Net revenue	\$142,414	\$ 98,305	\$76,019	\$79,233	\$65,076
Gross margin	74,571	49,775	39,396	40,247	31,854
Product development	11,876	8,288	8,358	6,649	5,199
Selling, general and administrative	49,816	32,778	24,658	21,404	16,656
Discontinued products	—	—	—	—	1,242
Operating income	12,879	8,709	6,380	12,194	8,757
Interest and other income, net	2,543	3,825	3,436	2,515	2,165
Income taxes	4,627	4,533	3,927	6,760	4,780
Net income	10,795	8,001	5,889	7,949	6,142
Earnings per share	.82	.62	.46	.65	.53
Dividends per share	—	—	—	—	—
Weighted average common and common equivalent shares outstanding	13,230	12,969	12,816	12,136	11,626
At June 30:					
Working capital	\$ 41,975	\$ 73,620	\$65,164	\$57,077	\$28,080
Total assets	143,354	119,862	96,689	83,223	51,985
Total long-term debt and obligations	2,088	935	951	965	979
Shareholders' equity	91,375	82,040	72,769	65,498	36,442
<b>Unaudited Quarterly Results</b>					
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Fiscal 1988:					
Net revenue		\$26,609	\$32,346	\$37,004	\$46,455
Gross margin		14,984	17,241	19,137	23,209
Operating income		2,171	2,357	3,318	5,033
Net income		1,882	2,252	2,649	4,012
Earnings per share		.14	.17	.20	.30
Weighted average common and common equivalent shares outstanding		13,081	13,058	13,308	13,473
Fiscal 1987:					
Net revenue		\$20,344	\$21,159	\$25,399	\$31,403
Gross margin		10,630	11,563	12,171	15,411
Operating income		1,930	2,169	1,660	2,950
Net income		1,775	1,995	1,681	2,550
Earnings per share		.14	.15	.13	.20
Weighted average common and common equivalent shares outstanding		12,907	12,936	12,987	13,046

\*See Note 2 to Consolidated Financial Statements concerning Acquisitions.



(In thousands, except per share data)

Year Ended June 30,	1988	1987	1986
Net revenue (Note 1)	\$142,414	\$98,305	\$76,019
Cost and expenses:			
Cost of revenue	67,843	48,530	36,623
Product development	11,876	8,288	8,358
Selling, general and administrative	49,816	32,778	24,658
Total cost and expenses	<u>129,535</u>	<u>89,596</u>	<u>69,639</u>
Operating income	12,879	8,709	6,380
Interest and other income, net	<u>2,543</u>	<u>3,825</u>	<u>3,436</u>
Income before income taxes	15,422	12,534	9,816
Provision for income taxes (Note 4)	<u>4,627</u>	<u>4,533</u>	<u>3,927</u>
Net income	<u>\$ 10,795</u>	<u>\$ 8,001</u>	<u>\$ 5,889</u>
Earnings per share (Note 1)	<u>\$ .82</u>	<u>\$ .62</u>	<u>\$ .46</u>
Weighted average common and common equivalent shares outstanding	<u>13,230</u>	<u>12,969</u>	<u>12,816</u>

See accompanying notes.



## CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(In thousands, except shares)	Common Stock		Retained Earnings	Cumulative Translation Adjustment	Notes Receivable	Total
	Shares	Amount				
Balance at June 30, 1985	12,756,389	\$42,042	\$23,559	\$ —	\$(103)	\$65,498
Issuance of stock pursuant to stock option and stock purchase plans	148,414	1,268	—	—	—	1,268
Payment on notes receivable	—	—	—	—	103	103
Cumulative translation adjustment	—	—	—	11	—	11
Net income	—	—	5,889	—	—	5,889
Balance at June 30, 1986	12,904,803	43,310	29,448	11	—	72,769
Issuance of stock pursuant to stock option and stock purchase plans	155,184	1,337	—	—	—	1,337
Cumulative translation adjustment	—	—	—	(67)	—	(67)
Net income	—	—	8,001	—	—	8,001
Balance at June 30, 1987	13,059,987	44,647	37,449	(56)	—	82,040
Issuance of stock pursuant to stock option and stock purchase plans	90,666	979	—	—	—	979
Repurchase of common stock	(224,000)	(1,552)	—	—	—	(1,552)
Cumulative translation adjustment	—	—	—	(887)	—	(887)
Net income	—	—	10,795	—	—	10,795
Balance at June 30, 1988	<u>12,926,653</u>	<u>\$44,074</u>	<u>\$48,244</u>	<u>\$(943)</u>	<u>\$ —</u>	<u>\$91,375</u>

See accompanying notes.



(In thousands, except shares)

At June 30,	1988	1987
<b>Assets</b>		
Current assets:		
Cash and short-term investments (Note 3)	\$ 35,245	\$ 70,185
Accounts receivable, less allowance for doubtful accounts of \$1,833 (\$1,253 in 1987)	49,628	33,033
Inventory	5,670	5,572
Other	1,323	1,717
Total current assets	91,866	110,507
Capitalized software development costs, net (Note 1)	1,309	1,096
Property, plant and equipment, at cost (Note 7):		
Land and buildings	3,977	2,910
Equipment	19,520	13,122
Leasehold improvements	2,678	1,823
	26,175	17,855
Less accumulated depreciation and amortization	14,421	11,383
Net property, plant and equipment	11,754	6,472
Other long-term assets, net	2,851	1,787
Goodwill, net of accumulated amortization (Note 2)	35,574	—
	<u>\$143,354</u>	<u>\$119,862</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Current portion of long-term debt (Note 7)	\$ 1,205	\$ 16
Accounts payable	22,589	15,200
Accrued payroll and related items	5,598	3,727
Other accrued liabilities	6,071	5,126
Customer deposits	4,059	3,317
Income taxes payable (Note 4)	1,888	2,808
Deferred income taxes (Note 4)	8,481	6,693
Total current liabilities	49,891	36,887
Long-term debt and obligations (Note 7)	2,088	935
Commitments and contingencies (Notes 5, 6 and 9)		
Shareholders' equity (Note 8):		
Common stock, no par value: 40,000,000 shares authorized; 12,926,653 shares outstanding (13,059,987 in 1987)	44,074	44,647
Retained earnings	48,244	37,449
Cumulative translation adjustment	(943)	(56)
Total shareholders' equity	91,375	82,040
	<u>\$143,354</u>	<u>\$119,862</u>

See accompanying notes.



(In thousands)			
Year Ended June 30,	1988	1987	1986
Sources of working capital:			
Working capital provided from operations:			
Net income	\$ 10,795	\$ 8,001	\$ 5,889
Charges to operations not requiring the current use of working capital:			
Depreciation and amortization	<u>6,744</u>	<u>2,977</u>	<u>3,372</u>
Total working capital provided from operations	17,539	10,978	9,261
Issuance of stock pursuant to stock option and stock purchase plans, including payment on notes receivable	<u>979</u>	<u>1,337</u>	<u>1,371</u>
Total sources of working capital	18,518	12,315	10,632
Applications of working capital:			
Acquisition of NCA Corporation exclusive of working capital components:			
Capitalized software development costs acquired	177	—	—
Property acquired	3,183	—	—
Other long-term assets acquired	1,948	—	—
Goodwill	37,221	—	—
Long-term debt and obligations assumed	(1,506)	—	—
Capitalized software development costs	1,115	777	665
Additions to property, plant and equipment, net	5,480	1,637	1,704
Additions (reductions) in other long-term assets	(247)	1,363	174
Cumulative translation adjustment	887	67	(11)
Reduction in long-term debt and obligations	353	16	14
Repurchase of common stock	<u>1,552</u>	<u>—</u>	<u>—</u>
Total applications of working capital	50,163	3,860	2,546
(Decrease) increase in working capital	<u><u>\$ (31,645)</u></u>	<u><u>\$ 8,455</u></u>	<u><u>\$ 8,086</u></u>
Changes in components of working capital:			
Increases (decreases) in current assets:			
Cash and short-term investments	\$ (34,940)	\$ 6,545	\$ 9,477
Accounts receivable	16,595	11,000	3,568
Inventory	98	3,648	1,288
Other	<u>(394)</u>	<u>1,180</u>	<u>(38)</u>
	(18,641)	22,373	14,295
Increases (decreases) in current liabilities:			
Current portion of long-term debt	1,189	1	1
Accounts payable	7,389	3,662	4,880
Accrued payroll and related items	1,871	978	386
Other accrued liabilities	945	2,925	486
Customer deposits	742	2,269	(77)
Income taxes payable	(920)	1,549	(811)
Deferred income taxes	<u>1,788</u>	<u>2,534</u>	<u>1,344</u>
	13,004	13,918	6,209
(Decrease) increase in working capital	<u><u>\$ (31,645)</u></u>	<u><u>\$ 8,455</u></u>	<u><u>\$ 8,086</u></u>

See accompanying notes.



**1. Summary of Significant Accounting Policies**

**Principles of consolidation:** The consolidated financial statements include the accounts of ASK Computer Systems Inc. and all of its wholly-owned subsidiaries, after elimination of intercompany accounts and transactions.

**Revenue recognition:** Revenue is generally recognized upon product shipment unless installation by the Company is required prior to customer acceptance, in which case the software revenue is recognized upon installation.

Revenue from software subscription service, which includes updates to software products, is billed quarterly or annually, at which time revenue is recognized. Revenue from the on-line remote processing service (ASKNET) and customer education is recognized as the services are provided. Net revenue includes \$34,072,000, \$20,776,000 and \$18,663,000 in 1988, 1987 and 1986 respectively, from software subscription service, ASKNET, customer education and royalties, none of which accounted for more than 10% of net revenue in any year, except for software subscription service in 1988 and 1987, and ASKNET in 1986. Software subscription was 13% and 10% of net revenue in fiscal 1988 and 1987, respectively. ASKNET was 12% of net revenue and the associated gross margin was 66% in fiscal 1986.

**Foreign currency translation:** Gains and losses resulting from foreign currency translation are accumulated as a separate component of shareholders' equity. Gains and losses resulting from foreign currency transactions are included in the statement of income for each of the three years presented. Foreign exchange gains were \$954,000 in fiscal 1988.

**Earnings per share:** Earnings per share is computed using the weighted average number of common shares outstanding during each period plus common stock equivalents (stock options), determined using the treasury stock method, when the resulting calculation is dilutive.

**Inventories:** Inventories consist of purchased computers and computer peripheral equipment for resale to customers in conjunction with the license of software. Inventories are stated at the lower of standard cost (which approximates first-in, first-out) or market.

**Property, plant and equipment:** Equipment is depreciated principally by use of the sum-of-the-years' digits method over its estimated useful life (primarily five years). Furniture and fixtures are depreciated by use of the straight-line method over their estimated useful lives (primarily six years). Buildings are depreciated by use of the straight-line method over twenty-five years. Leasehold improvements are amortized by use of the sum-of-the-years' digits method over the related lease term or their useful lives, whichever is shorter.

**Software development costs:** The Company capitalizes software development costs in accordance

with Statement of Financial Accounting Standards No. 86. Such costs are amortized on a straight-line basis over the estimated useful life which ranges from one to three years or the ratio of current revenue to the total of current and anticipated future revenue, whichever is greater.

The capitalization and amortization of software development costs for the years ended June 30, 1988 and 1987 follow:

(in thousands)	1988	1987
Balance, beginning of period	\$1,096	\$ 619
Software development costs capitalized	1,292	777
Amortization of capitalized costs	<u>1,079</u>	<u>300</u>
Balance, end of period	<u>\$1,309</u>	<u>\$1,096</u>

Current year additions include \$177,000 of capitalized software development costs related to the acquisition of NCA Corporation.

**2. Acquisitions of Companies**

In August 1987, ASK Acquisition Corporation, a wholly-owned subsidiary of ASK, purchased for \$43,477,000 in cash, NCA Corporation, headquartered in Santa Clara, California. NCA Corporation develops, markets and supports MAXCIM, a manufacturing resource planning (MRP-II) system. The acquisition was treated as a "purchase" (effective August 19, 1987), and, accordingly, the purchase price for NCA shares and convertible subordinated debentures has been allocated to the assets and liabilities of NCA based on their approximate fair values. The difference between the cost of acquisition of NCA and fair value of the net assets acquired is accounted for as goodwill in the amount of \$37,221,000, which is being amortized over twenty years. Amortization of goodwill for the year ended June 30, 1988 was \$1,647,000. Had ASK and NCA combined as of the beginning of fiscal 1988, unaudited pro forma combined revenues, net income and earnings per share for the year ended June 30, 1988 would have been \$143,123,000, \$8,320,000 and \$.63, respectively. Similarly, had the companies combined as of the beginning of fiscal 1987, unaudited pro forma combined revenues, net income and earnings per share for the year ended June 30, 1987 would have been \$123,347,000, \$3,323,000 and \$.26, respectively. The unaudited pro forma financial information is not necessarily indicative of the actual results that would have occurred had the acquisition of NCA been completed as of the beginning of either fiscal 1987 or fiscal 1988.

In December 1986, ASK purchased, for \$2,360,000 in cash, the software distribution operation in the United Kingdom for its MANMAN products. The related results of operations for the United Kingdom did not have a material effect on ASK's consolidated revenues and earnings in fiscal 1987.



**3. Cash and Short-term Investments**

Cash and short-term investments are represented primarily by investments in tax exempt issues of various state and local governments, which total \$24,537,000, and major bank certificates of deposits, which total \$2,855,000, as of June 30, 1988. The short-term investments are carried at cost which approximates market. Remaining cash balances of \$7,853,000 were held in operating accounts at June 30, 1988.

**4. Income Taxes**

The provision for income taxes comprises:

(in thousands)	1988	1987	1986
Current:			
Federal	\$1,693	\$ 974	\$1,943
State	751	685	640
Foreign	395	340	—
	<u>2,839</u>	<u>1,999</u>	<u>2,583</u>
Deferred:			
Federal	1,032	2,156	1,154
State	756	378	190
	<u>1,788</u>	<u>2,534</u>	<u>1,344</u>
	<u>\$4,627</u>	<u>\$4,533</u>	<u>\$3,927</u>

Deferred taxes are recorded to reflect timing differences in reporting revenue and expense for financial statements and income tax purposes. The sources of these differences and the tax effect of each are as follows:

(in thousands)	1988	1987	1986
Deferred income resulting from timing of revenue recognition	\$2,266	\$1,857	\$1,246
Expenses accrued for books	(433)	239	34
DISC/FSC operations	(5)	(5)	(5)
Undistributed earnings of foreign subsidiaries	—	243	—
Depreciation	(40)	200	69
	<u>\$1,788</u>	<u>\$2,534</u>	<u>\$1,344</u>

The Company's effective tax rate differs from the statutory U.S. federal income tax rate as follows:

	1988	1987	1986
Federal income tax statutory rate	34%	46%	46%
State taxes, net of federal income tax benefits	6	5	5
Tax exempt income	(3)	(12)	(15)
Tax credits	(4)	(7)	—
Disallowed tax benefit of foreign losses	2	4	2
Goodwill amortization	5	—	—
Benefit of federal tax rate reduction on previously established deferred taxes (gross change method)	(10)	—	—
Other	—	—	2
Effective tax rate	<u>30%</u>	<u>36%</u>	<u>40%</u>

In December 1987, the Financial Accounting Standards Board issued Statement No. 96, "Accounting for Income Taxes," which establishes a new method of accounting for income taxes. The Company is required to adopt the statement in its fiscal year ending June 30, 1990, although early adoption is allowed.

The Company has analyzed the impact of the new pronouncement and intends to adopt the standard in the year ending June 30, 1989. The change in accounting required by this statement does not have a material effect on shareholders' equity at June 30, 1988.

**5. Lease Commitments**

The Company operates in owned, leased and rented facilities. Rent expense was \$5,835,000, \$3,807,000 and \$2,554,000 in fiscal 1988, 1987 and 1986, respectively. Aggregate minimum annual operating lease commitments are \$6,474,000, \$5,660,000, \$4,680,000, \$3,857,000, \$3,479,000 and \$1,601,000 in 1989, 1990, 1991, 1992, 1993, and thereafter, respectively.

**6. Credit Agreement**

In January 1988, the Company entered into a \$10,000,000 unsecured revolving credit facility with a major bank. The primary purpose of this agreement is to enable the Company to enter into foreign exchange contracts covering specific foreign currency positions and to cover overdraft situations in operating cash accounts. This agreement bears interest on any borrowings at the bank's reference rate. During fiscal 1988 there were no borrowings under the agreement. This credit facility is available through October 31, 1988. Commitment fees under the agreement are not material. Certain financial covenants and restrictions are included in the loan agreement. At June 30, 1988, the Company was in compliance with all such covenants of this agreement.



**7. Long-Term Debt and Obligations**

Long-term debt and obligations consist of the following:

(in thousands) June 30,	1988	1987
9.5%-14% facility mortgages	\$1,548	\$951
Other obligations	1,034	—
Capitalized lease obligations	711	—
	<u>3,293</u>	<u>951</u>
Less: Current portion	<u>1,205</u>	<u>16</u>
Non-current portion	<u>\$2,088</u>	<u>\$935</u>

Facility mortgages are payable in equal monthly installments totalling \$16,000 over terms of 15 to 35 years. The mortgages have call provisions which allow the lender, at its option, to require payment in full of the principal then owing at specified call dates as follows: 1996—\$156,000; and 1997—\$85,000. The mortgages prohibit secondary financing and are secured by land and buildings having a net book

value of \$3,561,000 at June 30, 1988.

One facility mortgage provides for the interest rate to be adjusted to prime plus three percent (but in no case less than 12.75%) on November 1, 1988 and 1993, with the principal balance of approximately \$248,000 due November 1, 1998.

Aggregate maturities of the facility mortgages during the next five years are \$25,000, \$29,000, \$32,000, \$35,000, \$39,000 and \$1,388,000 in 1989, 1990, 1991, 1992, 1993 and thereafter, respectively.

The current portion of long-term debt includes the total principal outstanding on mortgages for three facilities held for sale at June 30, 1988.

Capital lease obligation maturities including principal and interest are \$621,000, \$168,000 and \$13,000 in 1989, 1990, and 1991, respectively.

Other obligations consist primarily of the non-current rent liability on the Company's headquarters facility. The liability arises from current rent payments being less than current rent expense recorded on a straight-line basis over the lease term.

**8. Common Stock**

Employee stock option plans: The Company adopted stock option plans in 1974 and 1982 under which options for a total of 3,750,000 shares of common stock may be granted to key employees, except that cancellations under the 1974 plan are no longer added back to shares available for grant. During fiscal 1988, 1,000,000 additional shares (which are included above) were reserved for issuance under the 1982 plan. Options granted under the plans are intended to qualify as incentive stock options, and grants greater than the regulatory limits on incentive options are issued as nonstatutory options. Options are granted at no less than 100% of the fair market value on the date of grant. Options granted are generally exercisable over five years from the grant date. No charges have been made to income in connection with the plans.

Director stock option plan: In 1988, the Company adopted a stock option plan under which options for a total of 150,000 shares of common stock may be granted to non-employee directors of the Company. Options granted under this plan are issued as nonstatutory options at a price equal to the fair market value on the date of grant. Options are generally exercisable over five years from the grant date. No charges have been made to income in connection with this plan.

Information with respect to the stock option plans is summarized as follows:

	Available for Grant	Outstanding	Aggregate Price	Price Per Share
Balance at June 30, 1986	873,110	1,245,529	\$13,833,792	\$5.00-18.50
Options granted	(406,280)	406,280	4,554,692	9.75-14.50
Options exercised	—	(92,657)	(780,832)	5.00-15.58
Options cancelled or expired	126,727	(131,135)	(1,563,225)	5.00-18.50
Balance at June 30, 1987	593,557	1,428,017	16,044,427	8.08-18.50
Shares reserved	1,150,000	—	—	—
Options granted	(1,844,218)	1,844,218	14,348,541	6.75-13.38
Options exercised	—	(37,302)	(399,817)	4.54-13.50
Options cancelled or expired	1,513,594	(1,575,764)	(17,824,864)	6.07-18.50
Balance at June 30, 1988	<u>1,412,933</u>	<u>1,659,169</u>	<u>\$12,168,287</u>	\$6.19-18.50

In October 1987, the Company adopted a resolution allowing all holders of outstanding options to exchange higher-priced options for new nonstatutory options at \$6.75 per share, the fair market value based on the closing price of the Company's Common Stock on the NASDAQ National Market System on October 27, 1987. Options covering a total of 1,353,405 shares were exchanged pursuant to this offer and are reflected in grants and cancellations in the table above.

As of June 30, 1988, options for 40,884 shares were exercisable. At June 30, 1988 there were 575 participants in the plans of approximately 668 employees eligible to participate.



Employee stock purchase plan: The Company has reserved 500,000 shares of its common stock for issuance to employees pursuant to an employee stock purchase plan. At June 30, 1988 327,699 shares of common stock had been issued under the plan.

Key employee restricted stock purchase plan: The Company has reserved 600,000 shares of the Company's stock for issuance to certain officers, directors and key employees of the Company pursuant to a restricted purchase plan. At June 30, 1987, 461,055 shares of common stock had been issued under the plan, net of repurchases. The Company does not expect to issue any further shares under this plan.

#### 9. Contingencies

Three purported class action complaints, alleging damages to persons who purchased common stock of the Company during the period February 28, 1985 through April 3, 1985, were filed in the United

States District Court for the Northern District of California against the Company, its directors, certain of its officers and others.

On September 20, 1985 the court dismissed all three complaints in their entirety, and granted the plaintiffs leave to amend the complaints. The plaintiffs filed an amended consolidated complaint. On April 25, 1986, the court dismissed parts of the amended consolidated complaint. On December 29, 1986, the court issued an order granting summary judgment against certain claims asserted by the plaintiffs in the amended consolidated complaint, and certifying certain other claims for class action treatment. Subsequently, one of the three original plaintiffs voluntarily dismissed all of its claims. No trial date has been set.

In this opinion of management the outcome of this litigation will not materially affect the Company's consolidated financial position or results of operations.

#### 10. Industry Segment and Geographic Information

The Company, which operates in a single industry segment, designs and produces application software products and markets them along with general purpose minicomputers as turnkey systems or on a time-sharing basis (ASKNET) to manufacturing companies. No customer accounted for more than 10% of total revenue in 1988, 1987 or 1986.

Information regarding geographic areas at June 30, 1988, 1987 and 1986 and for the years then ended is as follows:

(in thousands)	North America	Europe	Other	Eliminations	Total
Year ended June 30, 1988:					
Sales to unaffiliated customers	\$124,353	\$13,467	\$ 4,594	\$ —	\$142,414
Intercompany transfers	1,014	—	—	(1,014)	—
Net revenue	\$125,367	\$13,467	\$ 4,594	\$ (1,014)	\$142,414
Operating income (loss)	\$ 12,266	\$ (665)	\$ 1,278	\$ —	\$ 12,879
Identifiable assets	\$141,072	\$11,037	\$ 4,497	\$ (13,252)	\$143,354
Liabilities	\$ 48,339	\$ 8,936	\$ 3,960	\$ (9,256)	\$ 51,979
Year ended June 30, 1987:					
Sales to unaffiliated customers	\$ 89,877	\$ 6,114	\$ 2,314	\$ —	\$ 98,305
Intercompany transfers	271	—	—	(271)	—
Net revenue	\$ 90,148	\$ 6,114	\$ 2,314	\$ (271)	\$ 98,305
Operating income (loss)	\$ 7,978	\$ (471)	\$ 1,202	\$ —	\$ 8,709
Identifiable assets	\$115,648	\$ 6,504	\$ 2,560	\$ (4,850)	\$119,862
Liabilities	\$ 34,636	\$ 7,112	\$ 1,211	\$ (5,137)	\$ 37,822
Year ended June 30, 1986:					
Sales to unaffiliated customers	\$ 75,372	\$ 96	\$ 551	\$ —	\$ 76,019
Intercompany transfers	—	—	—	—	—
Net revenue	\$ 75,372	\$ 96	\$ 551	\$ —	\$ 76,019
Operating income (loss)	\$ 5,960	\$ (313)	\$ 733	\$ —	\$ 6,380
Identifiable assets	\$ 97,011	\$ 296	\$ 378	\$ (996)	\$ 96,689
Liabilities	\$ 23,777	\$ 573	\$ 532	\$ (962)	\$ 23,920

U.S. export sales were not material during fiscal 1988, 1987, or 1986.



The Board of Directors and Shareholders  
ASK Computer Systems Inc.

We have examined the accompanying consolidated balance sheets of ASK Computer Systems Inc. at June 30, 1988 and 1987, and the related consolidated statements of income, shareholders' equity and changes in financial position for each of the three years in the period ended June 30, 1988. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of ASK Computer Systems Inc. at June 30, 1988 and 1987 and the consolidated results of operations and changes in financial position for each of the three years in the period ended June 30, 1988, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

*Arthur Young & Company*

Arthur Young & Company  
Palo Alto, California  
July 27, 1988



**Board of Directors**

- Sandra L. Kurtzig<sup>(2)</sup>  
Chairman of the Board of Directors  
ASK Computer Systems Inc.
- Ronald W. Braniff  
President and Chief Executive Officer  
ASK Computer Systems Inc.
- Thomas J. O'Rourke<sup>(1)</sup>  
President  
O'Rourke Investment Corp.  
(Venture capital investments)
- Larry W. Sonsini<sup>(2)</sup>  
Partner  
Wilson, Sonsini, Goodrich & Rosati, P.C.  
(Law Firm)
- Kenneth R. Stephanz<sup>(1)(2)</sup>  
Chairman and Chief Executive Officer  
The Stephanz Group, Inc.  
(Management consultants)
- Thomas I. Unterberg<sup>(1)</sup>  
Managing Director  
Shearson, Lehman Brothers Inc.  
(Investment bankers)

<sup>(1)</sup>Member of Audit Committee<sup>(2)</sup>Member of Executive Compensation Committee**Executive Officers**

- Sandra L. Kurtzig  
Chairman of the Board of Directors
- Ronald W. Braniff  
President and Chief Executive Officer
- Martin R. Browne  
Vice President, Research and Development
- Rodney B. Murray  
Vice President, Field Operations
- David Sohm  
Vice President, Marketing and Business  
Development
- Leslie E. Wright  
Vice President, Finance, Chief Financial Officer  
and Assistant Secretary
- Larry W. Sonsini, Secretary  
Partner  
Wilson, Sonsini, Goodrich & Rosati, P.C.

**Vice Presidents**

- Donald E. Klaiss  
Vice President, MAXCIM Operations
- Lindsay MacDermid  
Vice President, Customer Support

**Legal Counsel**

- Wilson, Sonsini, Goodrich & Rosati, P.C.  
Palo Alto, CA

**Certified Public Accountants**

- Arthur Young & Company  
Palo Alto, CA

**Registrar and Transfer Agent**

- The First National Bank of Boston  
Boston, MA

**Annual Meeting**

The annual meeting of shareholders of ASK Computer Systems Inc. will be held at 9:00 a.m. on October 18, 1988 at the Company's headquarters located at 2440 W. El Camino Real, Mountain View, CA 94039-7640. All ASK shareholders are encouraged to attend.

For additional copies of this annual report, contact the Corporate Communications Department, ASK Computer Systems Inc., 2440 W. El Camino Real, P.O. Box 7640, Mountain View, CA 94039-7640.

**Form 10-K**

A copy of the Company's Form 10-K, filed with the Securities and Exchange Commission, is available without charge upon written request to the Corporate Communications Department, ASK Computer Systems Inc., 2440 W. El Camino Real, P.O. Box 7640, Mountain View, CA 94039-7640.

**Market Price of Common Stock**

ASK Computer Systems Inc.'s common stock is traded in the NASDAQ National Market System under the symbol "ASKI." The high and low sales prices are as reported by the NASDAQ National Market System.

	High	Low
Fiscal 1988		
First quarter ended September 30	15½	12¼
Second quarter ended December 31	14	6¼
Third quarter ended March 31	15	6⅞
Fourth quarter ended June 30	15½	11⅞
Fiscal 1987		
First quarter ended September 30	12⅞	9
Second quarter ended December 31	13½	10½
Third quarter ended March 31	17	10¼
Fourth quarter ended June 30	15⅞	11¼

The Company has not paid cash dividends on its common stock and does not plan to pay cash dividends to its shareholders in the near future. The Company presently intends to retain its earnings to finance further growth of its business.

As of July 31, 1988 the Company had 968 shareholders of record.

ASK, MANMAN and ASKNET are registered trademarks of ASK Computer Systems Inc. MANMAN/REPETITIVE, MANMAN/OMAR, MANMAN/AP, MANMAN/TRACKER and ASK Assistance are trademarks of ASK Computer Systems Inc. MAXCIM is a trademark of NCA Corporation. VAX and MicroVAX are trademarks of Digital Equipment Corporation.



**ASK**

ASK  
COMPUTER  
SYSTEMS INC.

2440 W. EL CAMINO REAL  
P.O. BOX 7640  
MOUNTAIN VIEW  
CALIFORNIA 94039-7640

(415) 969-4442  
TELEX 297341  
FAX: (415) 962-1974



A. O. SMITH CORPORATION  
Data Systems Division  
P. O. Box 09500  
Milwaukee, WI 53209  
414/449-2900

NAME: MDS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: PL/1  
EVALUATED: NO  
COMMENTS: 370/148 or larger, service bureau or sale

ASK Computer

AMERICAN BUSINESS COMPUTER  
16000 W. Nine Mile Road  
Suite 418  
Southfield, MI 48075  
313/569-1040

NAME: ABC Manufacturing Management  
COMPUTER: IBM SYSTEM/34, IBM 5120, IBM 23  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

AMERICAN SOFTWARE  
443 East Paces Ferry Road  
Atlanta, GA 30305  
404/261-4381

NAME: Manufacturing Management System  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS, IBM SYSTEM/3  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Converting to Burroughs 6800

ANACOMP CORPORATION  
ESCOM Division  
12838 Southeast 40th Place  
Bellevue, WA 98006  
206/641-4990

NAME: MMC  
COMPUTER: PRIME, MICRODATA, ULTIMATE  
ADDS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254



APPLIED CYBERNETICS  
224 Camino del Cerro  
Los Gatos, CA 95030  
408/356-7296  
NAME: JSCS/3000  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

APPLIED INFORMATION DEVELOPMENT, INC.  
823 Commerce Drive  
Oak Brook, IL 60521  
312/654-3030  
NAME: AID-Manufacturing Control System  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

APPLIED MANAGEMENT SYSTEMS  
5821 Park Road  
Suite 204  
Charlotte, VA 28209  
704/554-8720  
NAME: MRP SYSTEM II  
COMPUTER: PRIME, HP-3000  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Applied Management Systems is an agent of MRP Software  
International.

ARISTA MANUFACTURING SYSTEMS  
7830 Silas Creek Parkway Extension  
Winston-Salem, NC 27106  
919/725-8504  
NAME:  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS: Arista is a division of Xerox Computer Services.

Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254



ARISTA MANUFACTURING SYSTEMS  
7830 Silas Creek Parkway Extension  
Winston-Salem, NC 27106  
919/715-8504  
NAME: HP 3000 Version  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS: Arista is a division of Xerox Computer Services.

ARTHUR ANDERSEN AND COMPANY  
69 West Washington Street  
Chicago, IL 60602  
312/580-0033  
NAME: MAC PAC COBOL  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS:

ARTHUR ANDERSEN AND COMPANY  
69 West Washington Street  
Chicago, IL 60602  
312/580-0033  
NAME: MAC PAC RPG  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS, UNIVAC 90 SERIES  
ICL, IBM SYSTEM/34, IBM SYSTEM/38, IBM SYSTEM/3  
BURROUGHS, HONEYWELL LEVEL 62, DEC PDP/VAX 11  
DATA GENERAL  
LANGUAGE: RPG II  
EVALUATED: YES  
COMMENTS: The conversion to the System/38 is currently in process.

ARTHUR ANDERSEN AND COMPANY  
69 West Washington Street  
Chicago, IL 60602  
312/580-0033  
NAME: MAC PAC-HP  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: PENDING  
COMMENTS: MAC PAC HP is a version of MAC PAC COBOL. Companies review-  
in MAC PAC HP should purchase the MAC PAC COBOL evaluation.

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ASK COMPUTER SYSTEMS, INC.  
730 Distel Drive  
Los Altos, CA 94022  
415/969-4442  
NAME: MANMAN  
COMPUTER: UNIVAC V77, HP-3000  
LANGUAGE: FORTRAN  
EVALUATED: YES  
COMMENTS: Service bureau or sale.

AUTOMATED QUILL, INC.  
3501 South Corona  
Top Floor  
Englewood, CO 80110  
303/761-2722  
NAME: MIN-MIZ MANUFACTURING  
COMPUTER: DATA GENERAL  
LANGUAGE: FORTRAN  
EVALUATED: NO  
COMMENTS:

AUTOMATIC DATA PROCESSING  
405 Route 3  
Clifton, NJ 07015  
201/472-1000  
NAME: ADP  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS: Service bureau only.

BOEING COMPUTER SERVICES  
P. O. Box 24346  
Seattle, WA 98124  
206/575-5172  
NAME: PMS  
COMPUTER: HP-3000  
LANGUAGE: FORTRAN  
EVALUATED: NO  
COMMENTS:

BRISTOL INFORMATION SYSTEMS, INC.  
84 North Main Street  
Fall River, MA 02722  
617/679-1051



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NAME: BIS Manufacturing Package  
COMPUTER: DATAPOINT  
LANGUAGE: Databus  
EVALUATED: NO  
COMMENTS: Sold as modules.

BUDGET COMPUTER SYSTEMS  
7283 Engineer Road  
Suite H  
San Diego, CA 92111  
714/560-7344  
NAME: The Manufacturer  
COMPUTER: MICRODATA, ULTIMATE, ADDS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

BURROUGHS CORPORATION  
Burroughs Place  
Detroit, MI 48232  
313/972-7000  
NAME: PCS II  
COMPUTER: BURROUGHS  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Evaluation discontinued 5/21/81.

BURROUGHS CORPORATION  
Burroughs Place  
Detroit, MI 48232  
313/972-1300  
NAME: PCS III  
COMPUTER: BURROUGHS  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

BUSINESS CONTROLS CORPORATION  
507 Boulevard  
Elmwood Park, NJ 07407  
201/791-7661  
NAME: Mfg./Inv./Materials Control System  
COMPUTER: DEC PDP/VAX 11



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LANGUAGE: FORTRAN  
EVALUATED: NO  
COMMENTS: PDP 11 only. Has other modules.

CINCOM SYSTEMS INCORPORATED  
2300 Montana Avenue  
Cincinnati, OH 45211  
513/662-2300  
NAME: MRPS

COMPUTER: IBM/370 COMPATIBLE COMPUTERS, UNIVAC 90 SERIES  
IBM SYSTEM/3, NCR MAINFRAMES

LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Conversions to IBM System/34, DEC PDP 11,  
VAX/780 in progress

COMPUMAX  
P. O. Box 1139  
Palo Alto, CA 94302  
415/854-6700  
NAME: Compumax  
COMPUTER: CP/M BASED MICROS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

COMPUTER COVENANT CORPORATION  
790 Farmington Avenue  
Farmington, CT 06032  
203/677-6563  
NAME: Integrated Manufacturing System  
COMPUTER: DEC PDP/VAX 11  
LANGUAGE: DIBOL  
EVALUATED: NO  
COMMENTS:

COMPUTER METHODS INC.  
9401 W. Beloit Road  
Milwaukee, WI 53227  
414/327-4471  
NAME: PROFIT  
COMPUTER: BASIC FOUR

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LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

COMPUTER SOLUTIONS, INC.  
950 Watertown Street  
Newton, MA 02165  
617/332-1300  
NAME: FM/3000  
COMPUTER: HP-3000  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

COMPUTER TECHNOLOGY, INC.  
11101 Northeast 8th Street  
Suite 238  
Bellevue, WA 98004  
206/625-9765  
NAME: Manufacturing Control System  
COMPUTER: WANG VS  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

COMSERV CORPORATION  
1385 Mendota Heights  
Mendota Heights, MN 55120  
612/452-7770  
NAME: Advanced MAPS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS, PRIME, HP-3000  
WANG  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS: Currently there are two evaluations: Advanced MAPS for  
IBM 370 compatible computers, AMAPS/3000 for minis.

CULLINANE DATABASE SYSTEMS, INC.  
400 Blue Hill Drive  
Westwood, MA 02090  
617/329-7700  
NAME: PIOS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS, DATA GENERAL  
HONEYWELL LEVEL 66

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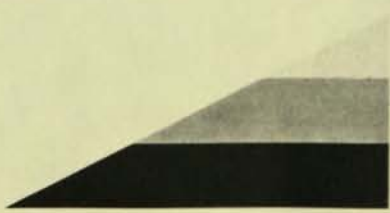
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Cullinane is an agent of Rath and Strong.

DeBUGGE COMPUTER SERVICES  
77 Brant Avenue  
Clarke, NJ 07066  
201/382-8745  
NAME: PRO III  
COMPUTER: HONEYWELL LEVEL 6, DEC PDP/VAX 11, MICRODATA  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

DATA GENERAL  
4400 Computer Drive  
Westboro, MA 01580  
617/366-8911  
NAME: MANAP  
COMPUTER: DATA GENERAL  
LANGUAGE:  
EVALUATED: NO  
COMMENTS: Eclipse series.

DATA SYSTEMS FOR INDUSTRY  
3450 East Spring Street  
Long Beach, CA 90806  
213/595-8741  
NAME: MAP  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: One version of this package uses MM/3000 from Hewlett-Packard.

DATA 3 SYSTEMS, INC.  
P. O. Box 441  
Santa Rosa, CA 94502  
707/528-6560  
NAME: MRPS 34/38  
COMPUTER: IBM SYSTEM/34, IBM SYSTEM/38  
LANGUAGE: RPG II  
RPG III  
EVALUATED: NO  
COMMENTS:



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DBSI INFORMATION SYSTEMS, INC.  
Twelve Oaks Center, Suite 1013  
15500 Wayzata Blvd.  
Wayzata, MN 55391  
612/475-3144  
NAME: Close Loop Manufacturing System  
COMPUTER: TI 990/10, TI 990/12  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

DIGITAL BUSINESS SYSTEMS, INC.  
95 Main Street  
Reading, MA 01867  
617/942-0220  
NAME:  
COMPUTER: DATA GENERAL  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

DIGITAL EQUIPMENT CORPORATION  
129 Parker Street  
Maynard, MA 01754  
617/897-5111  
NAME: UFM  
COMPUTER: DEC PDP/VAX 11  
LANGUAGE:  
EVALUATED: NO  
COMMENTS: Marketed through license with Interactive Information  
Systems; the software is the same as IMCS.

EDS COMPUSOURSE  
1212 East Arapaho Road  
Richardson, TX 75081  
214/934-5887  
NAME:  
COMPUTER: DATA GENERAL  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS: Sold in modules  
Uses RDDS or DOS operating systems

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ENGINEERED PRODUCTS  
P. O. Box 6767  
Greenville, SC 29606  
803/967-7951  
NAME: EP/3000  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

FAR WEST DATA SYSTEMS  
17841 Fitch  
Irvine, CA 92714  
714/556-4585  
NAME: MAC PAC-HP  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS: Same as Arthur Andersen - MAC PAC-COBOL

FORMATION, INC.  
823 East Gate Drive  
Mt. Laurel, NJ 08054  
609/234-5020  
NAME: FORMAN  
COMPUTER: FORMATION 4000 MINIS  
LANGUAGE: BPL  
EVALUATED: NO  
COMMENTS: Formation 4000 minis are software compatible with IBM 370's.  
Transaction driven on-line system.

FULCRUM COMPUTER GROUP  
5711 Six Forks Road  
Raleigh, NC 27609  
919/848-0001  
NAME: GRIP  
COMPUTER: GRI COMPUTERS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

GENERAL ELECTRIC MIMS SYSTEMS, INC.  
One New England Executive Park  
Burlington, MA 01803  
617/273-4111



Manufacturing Software  
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NAME: MIMS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: PL/I  
EVALUATED: YES  
COMMENTS: Service Bureau or sale.

GLOBAL COMPUTER SYSTEMS  
3176 Pullman Street  
Suite 104  
Costa Mesa, CA 92626  
714/754-0292  
NAME: MFG  
COMPUTER: MICRODATA, ULTIMATE  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

GULL RESOURCE MANAGEMENT SYSTEMS  
100 Parkway Drive South  
Hauppauge, NY 11787  
516/435-0600  
NAME: MMC  
COMPUTER: PRIME, MICRODATA, ULTIMATE  
          ADDS MENTOR  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

HERBERT FRIEDMAN AND ASSOCIATES, INC.  
106 Wilmot Road  
Deerfield, IL 60015  
312/948-7180  
NAME: CRISP  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS, IBM SYSTEM/38  
          IBM SYSTEM/3  
LANGUAGE: RPG II  
          RPG III  
EVALUATED: NO  
COMMENTS:

HEWLETT-PACKARD  
19447 Pruneridge Avenue  
Cupertino, CA 95014  
408/725-8111

Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
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NAME: MATERIALS MANAGEMENT/3000  
COMPUTER: HP-3000  
LANGUAGE: SPL  
          COBOL  
EVALUATED: YES  
COMMENTS:

HONEYWELL INFORMATION SYSTEMS  
P. O. Box 6000  
Phoenix, AZ 85005  
602/866-6000  
NAME: HMS  
COMPUTER: HONEYWELL LEVEL 6, HONEYWELL LEVEL 66  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS:

HONEYWELL INFORMATION SYSTEMS  
P. O. Box 6000  
Phoenix, AZ 85005  
602/866-6000  
NAME: IMS/66  
COMPUTER: HONEYWELL LEVEL 66  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS:

HONEYWELL INFORMATION SYSTEMS  
200 Smith Street  
Waltham, MA 02154  
617/895-6000  
NAME: IMS 2000 EXTENDED  
COMPUTER: HONEYWELL LEVEL 62, HONEYWELL LEVEL 64  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS:

HONEYWELL INFORMATION SYSTEMS  
200 Smith Street  
Waltham, MA 02154  
617/895-6000  
NAME: IMS/64  
COMPUTER: HONEYWELL LEVEL 64



LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS:

IBM  
DATA PROCESSING DIVISION  
1133 Westchester Avenue  
White Plains, NY 10604  
914/696-1900  
NAME: COPICS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: ASSEMBLER  
COBOL  
EVALUATED: YES  
COMMENTS:

IBM  
DATA PROCESSING DIVISION  
1133 Westchester Avenue  
White Plains, NY 10604  
914/696-1900  
NAME: PICS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: ASSEMBLER  
COBOL  
RPG  
EVALUATED: YES  
COMMENTS:

IBM  
GENERAL SYSTEMS DIVISION  
5575 D Glenridge Drive NE  
Atlanta, GA 30301  
404/238-2000  
NAME: IPICS  
COMPUTER: IBM SYSTEM/3  
LANGUAGE: RPG  
EVALUATED: YES  
COMMENTS:

IBM  
GENERAL SYSTEMS DIVISION  
5575 D Glenridge Drive NE  
Atlanta, GA 30301  
404/238-2000

Manufacturing Software  
Systems, Inc.  
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NAME: MAPICS  
COMPUTER: IBM SYSTEM/34, IBM SYSTEM/38  
LANGUAGE: RPG II  
RPG III  
EVALUATED: YES  
COMMENTS:

ICL, INCORPORATED  
197 Highway 18  
East Brunswick, NJ 08816  
201/246-3400  
NAME: OMAC  
COMPUTER: ICL  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

INFORMATICS, INCORPORATED  
701 Lee Street  
Suite 500  
Des Plaines, IL 60016  
312/298-9300  
NAME: Production IV  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

INFORMATION MANAGEMENT TECHNOLOGIES, INC.  
180 North Michigan Avenue  
Chicago, IL 60601  
312/372-4222  
NAME: MACS  
COMPUTER: WANG 2200VS  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

INFORMATION PROCESSING DIRECTIONS, INC.  
666 Dundee Road  
Suite 203  
Northbrook, IL 60062  
312/291-0800



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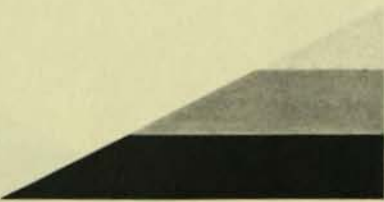
NAME: Production & Inventory Mgmt. System  
COMPUTER: DATA GENERAL  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Any CS series Data General under ICOS.

INTERACTIVE APPLICATION, INC.  
2316 Walsh Avenue  
Santa Clara, CA 95051  
408/727-8161  
NAME: MCS  
COMPUTER: HP-3000  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS: Service bureau only.

INTERACTIVE INFORMATION SYSTEMS  
10 Knollcrest Drive  
Cincinnati, OH 45237  
513/761-0132  
NAME: IMCS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS, DEC PDP/VAX 11  
LANGUAGE: BASIC  
COBOL  
ASSEMBLER  
EVALUATED: NO  
COMMENTS:

INTERACTIVE MANAGEMENT SYSTEMS, INC.  
375 Concord Avenue  
Belmont, MA 02178  
617/864-9200  
NAME:  
COMPUTER: DEC PDP/VAX 11  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS: PDP 11 uses RSTS. VAX uses DMS. Also a Service Bureau.

INTERACTIVE, INC.  
9787 Aero Drive  
Suite A  
San Diego, CA 92123  
714/560-8525



Manufacturing Software  
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NAME: Infoflo  
COMPUTER: PRIME, MICRODATA, ULTIMATE  
          ADDS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:


INTERACTIVE, INC.  
9787 Aero Drive  
Suite A  
San Diego, CA 92123  
714/560-8525

NAME: Mfg Inventory/Production Mgmt System  
COMPUTER: PERTEC PCC 2000  
LANGUAGE:  
EVALUATED: NO  
COMMENTS: Complete name: Manufacturers Inventory/Production Manager  
          System.

INTERTEC DIVERSIFIED SYSTEMS  
2625 Park Blvd  
Palo Alto, CA 94306  
415/326-8900  
NAME: MAP/3000  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

JACOBSEN AND ASSOCIATES, INC.  
10229 Lower Azusa Road  
Temple City, CA 91780  
213/575-7504  
NAME:  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS, DATA GENERAL  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Service bureau or sale.

MCCULLOUGH & ASSOCIATES  
P. O. Box 434  
Excelsior Springs, MO 64024  
816/637-8638



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NAME: IMPAC  
COMPUTER: ALPHA MICROCOMPUTERS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS: Will quote on conversion to COBOL and other computers.

MANAGEMENT SCIENCES  
4321 West College Avenue  
Appleton, WI 54911  
414/739-3616  
NAME: UNIVATION/PACS  
COMPUTER: TI DS 990 MODEL 8  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

MANAGEMENT TECHNOLOGY, INCORPORATED  
A4562 64th Street  
Holland, MI 49423  
616/335-5821  
NAME: MIPS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS, BURROUGHS  
HONEYWELL LEVEL 62, HONEYWELL LEVEL 64  
HONEYWELL LEVEL 66  
LANGUAGE: FORTRAN  
EVALUATED: NO  
COMMENTS: Also 32 bit minicomputers like Perkin-Elmer

MANDALA INFORMATION SYSTEMS  
84 Montezuma  
San Francisco, CA 94110  
408/988-8311  
NAME: MADIC  
COMPUTER: PRIME, MICRODATA, ULTIMATE  
ADDS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS: Service bureau or sale.

MANDATE CORPORATION  
300 East Ohio Building  
1717 East Ninth Street  
Cleveland, OH 44114  
216/861-8100

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NAME: Mandate Management System  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Service bureau or sale. The system has also been converted  
to computers using TOTAL for data base management.

MANUFACTURERS RESOURCES & PLANNING, INC.  
1430-M South Village Way  
Santa Ana, CA 92705  
714/972-2000  
NAME: MAN-FACT II  
COMPUTER: PRIME, MICRODATA, ULTIMATE  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

MANUFACTURING RESOURCES MANAGEMENT  
Suite 106  
10721 West Capitol Drive  
Milwaukee, WI 53222  
414/462-3500  
NAME: PACS  
COMPUTER: IBM SYSTEM/34, IBM SYSTEM/38, IBM SYSTEM/3  
WANG VS  
LANGUAGE: RPG II  
RPG III  
EVALUATED: NO  
COMMENTS:

MARTIN MARIETTA DATA SYSTEMS  
300 East Joppa Road  
Baltimore, MD 21204  
301/321-5744  
NAME: MAS M  
COMPUTER: DEC PDP/VAX 11  
LANGUAGE:  
EVALUATED: NO  
COMMENTS:

MARTIN MARIETTA DATA SYSTEMS  
6303 Ivy Lane  
Greenbelt, MD 20770  
301/982-6500



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NAME: MAS E  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS:

MARTIN MARIETTA DATA SYSTEMS

6303 Ivy Lane  
Greenbelt, MD 20770  
301/982-6500

NAME: MAS H  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS:

MARTIN MARIETTA DATA SYSTEMS

6303 Ivy Lane  
Greenbelt, MD 20770  
301/982-6500

NAME: MAS I  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS, UNIVAC 90 SERIES  
ICL, HP-3000, HONEYWELL LEVEL 66  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS: Service bureau or sale.

MARTIN MARIETTA DATA SYSTEMS

6303 Ivy Lane  
Greenbelt, MD 20770  
301/982-6500

NAME: MAS II  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

METASYSTEMS, INC.

3645 Warrensville Center Road  
Cleveland, OH 44122  
216/561-9111

NAME: IMPACS  
COMPUTER: DATAPOINT

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LANGUAGE: Databus  
EVALUATED: NO  
COMMENTS:

MICRO MANUFACTURING SYSTEMS  
1670 Norma Road  
Columbus, OH 43229  
614/885-0738  
NAME: MCS2  
COMPUTER: TRS 80, CPM BASED MICROS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

MID-AMERICA COMPUTER CORPORATION  
Mid America Drive  
Thorndale at York Drive  
Bensenville, IL 60106  
312/595-4100  
NAME: MACE  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: COBOL  
ASSEMBLER  
EVALUATED: NO  
COMMENTS:

MIDEC, INC.  
267 Kappa Drive  
Pittsburgh, PA 15238  
412/963-6011  
NAME: Midec Manufacturing System  
COMPUTER: HP-3000, TANDEM  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: HP Version is in BASIC.

MINI DATA SYSTEMS  
2041 Rosecrans Avenue  
El Segundo, CA 90245  
213/640-0404  
NAME: TOPIC  
COMPUTER: TI 990



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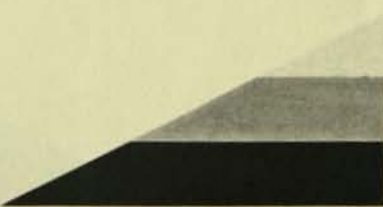
LANGUAGE: RPG II  
EVALUATED: NO  
COMMENTS:

MINI-COMPUTER BUSINESS APPLICATIONS  
2441 Honolulu Avenue  
Montrose, CA 91020  
213/957-2900  
NAME: MCBA'S MANUFACTURING SYSTEM  
COMPUTER: DEC PDP/VAX 11  
LANGUAGE: DIBOL  
EVALUATED: NO  
COMMENTS: No VAX.

MRP SOFTWARE INTERNATIONAL  
A Subsidiary of Software International  
331 Montvale Avenue  
Woburn, MA 01801  
617/938-0901  
NAME: MRP SYSTEM 1  
COMPUTER: PRIME, MICRODATA  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS: Also marketed through agents

MRP SOFTWARE INTERNATIONAL  
A Subsidiary of Software International  
331 Montvale Avenue  
Woburn, MA 01801  
617/938-0901  
NAME: MRP SYSTEM 2  
COMPUTER: PRIME, HP-3000  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Also marketed through agents.

MRP SOFTWARE INTERNATIONAL  
A Subsidiary of Software International  
331 Montvale Avenue  
Woburn, MA 01801  
617/938-0901  
NAME: MRP SYSTEM 3  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS



Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254

LANGUAGE: ASSEMBLER  
          COBOL  
EVALUATED: YES  
COMMENTS:

NATIONAL BUSINESS DATA SYSTEMS, INC.  
450 North Syndicate  
Saint Paul, MN 55104  
612/647-0143  
NAME: QMRP  
COMPUTER: QUANTEL  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

NCA CORPORATION  
388 Dakmead Parkway  
Sunnyvale, CA 94086  
408/245-7990  
NAME: MS-11  
COMPUTER: DEC PDP/VAX 11  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

NCR CORPORATION  
1700 North Patterson Boulevard  
Dayton, OH 45479  
513/445-5000  
NAME: IMCS 2  
COMPUTER: NCR MINIS  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

NCR CORPORATION  
1700 North Patterson Boulevard  
Dayton, OH 45479  
513/445-5000  
NAME: MISSION  
COMPUTER: NCR MAINFRAMES  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

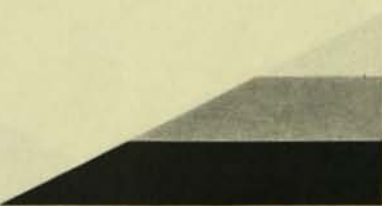


NORTHEAST DATA SYSTEMS  
20 "A" Street  
Burlington, MA 01803  
617/273-2920  
NAME: MMC  
COMPUTER: PRIME, MICRODATA, ULTIMATE  
          ADDS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

OPTIMUM SYSTEMS, INC.  
2801 Northwestern Parkway  
Santa Clara, CA 95051  
408/987-4444  
NAME: MICS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Service Bureau or Purchase

PARTHENON SYSTEMS, LTD.  
25 Just Road  
Fairfield, NJ 07006  
201/575-7516  
NAME: The Parthenon MRP System  
COMPUTER: DATA GENERAL, BASIC FOUR, REXON  
LANGUAGE: BASIC  
          COBOL  
EVALUATED: NO  
COMMENTS:

PRAXA  
26 Springdale Road  
Cherry Hill, NJ 08034  
609/424-3600  
NAME:  
COMPUTER: DEC PDP/VAX 11  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS: Praxa is a division of Xerox Computer Services.




Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254

PROFESSIONAL COMPUTER RESOURCES, INC.  
2021 Midwest Road  
Oak Brook, IL 60521  
312/932-2200  
NAME: RMS/34  
COMPUTER: IBM SYSTEM/34  
LANGUAGE: RPG II  
EVALUATED: NO  
COMMENTS:

QANTEL  
4142 Point Eden Way  
Hayward, CA 94545  
415/887-7777  
NAME: QMRP  
COMPUTER: QANTEL  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

R.A.I.R. INCORPORATED  
465 Castro Street  
Mountain View, CA 94041  
415/964-0413  
NAME: Micro MRP  
COMPUTER: HP-2000, ONYX, & OTHER MICROS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS: Service bureau.

RATH AND STRONG  
4835 LBJ Freeway  
Suite 300  
Dallas, TX 75234  
800/527-5915  
NAME: PIDS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS, DATA GENERAL  
HONEYWELL LEVEL 66  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:



Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254



REMOTE BUSINESS SERVICES, INC.

9 Bettswood Drive  
Norwalk, CN 06851  
203/853-1270

NAME:

COMPUTER: DEC PDP/VAX 11

LANGUAGE: DIBOL

EVALUATED: NO

COMMENTS: Service bureau or sale.

ROBERT F. WILLIAMS ASSOCIATES

626 Al-Hil Drive  
San Luis Obispo, CA 93401  
805/544-5749

NAME: IMP

COMPUTER: DATA GENERAL, NOVA LOOKALIKES

LANGUAGE: BASIC

EVALUATED: NO

COMMENTS:

SBC (THE SERVICE BUREAU COMPANY)

500 West Putnam Avenue  
Greenwich, CT 06830  
203/622-2000

NAME: MFG/PLUS

COMPUTER: IBM/370 COMPATIBLE COMPUTERS

LANGUAGE: COBOL

ASSEMBLER

EVALUATED: YES

COMMENTS: Same as Software International 370 compatible software.

SCIENTIFIC COMPUTERS INC.

10101 Bren Road East  
Minnetonka, MN 55343  
612/933-4200

NAME: PFIRM2

COMPUTER: IBM/370 COMPATIBLE COMPUTERS

LANGUAGE: BAL

EVALUATED: NO

COMMENTS: Service bureau only.

SESA

888 Worcester Road  
Wellesley, MA 02181  
617/431-1492

Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254

NAME: SESAP  
COMPUTER: PRIME, MICRODATA, ULTIMATE  
ADD5  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

SOFTWARE MANAGEMENT SYSTEMS  
1642 South Parker Road  
Denver, CO 80231  
303/752-1550  
NAME: MMC  
COMPUTER: PRIME, MICRODATA, ULTIMATE  
ADD5  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

SOFTWARE MANAGEMENT SYSTEMS  
1642 South Parker Road  
Denver, CO 80231  
303/752-1550  
NAME: MMS  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

SPERRY UNIVAC  
P. O. Box 500  
Blue Bell, PA 19422  
215/542-4011  
NAME: MANMAN  
COMPUTER: UNIVAC V77  
LANGUAGE: FORTRAN  
EVALUATED: YES  
COMMENTS: Same as ASK MANMAN.

SPERRY UNIVAC  
P. O. Box 500  
Blue Bell, PA 19422  
215/542-4011

Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254



NAME: UNIS/80  
COMPUTER: UNIVAC 80 SERIES, UNIVAC 90 SERIES  
LANGUAGE: COBOL  
EVALUATED: PENDING  
COMMENTS: Contact MSS for status of evaluation.

SPERRY UNIVAC  
P.O. Box 500  
Blue Bell, PA 19422  
215/542-4011  
NAME: UNIS/1100  
COMPUTER: UNIVAC 1100  
LANGUAGE: COBOL  
EVALUATED: YES  
COMMENTS:

SPERRY UNIVAC  
P.O. Box 500  
Blue Bell, PA 19422  
215/542-4011  
NAME: UNIS/90  
COMPUTER: UNIVAC 90 SERIES  
LANGUAGE: ASSEMBLER  
COBOL  
EVALUATED: YES  
COMMENTS:

STSC, INC.  
462 Boylston Street  
Boston, MA 02116  
617/267-6864  
NAME: CMCS  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE: APL  
EVALUATED: NO  
COMMENTS: Service Bureau, Formerly SCIENTIFIC TIME SHARING CORP. INC.

SYMBOLICS, INC.  
10125 West Sixth Avenue  
Suite 102  
Lakewood, CO 80215  
303/232-4262

Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254


NAME: RTMM/250  
COMPUTER: HP-250  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

SYSTEMATION, INC.  
Two Commerce Park Square  
23200 Chagrin Boulevard  
Cleveland, OH 44122  
216/464-8616  
NAME: MMC  
COMPUTER: PRIME, MICRODATA, ULTIMATE  
ADDS  
LANGUAGE: BASIC  
EVALUATED: NO  
COMMENTS:

SYSTEMATION, INC.  
Two Commerce Park Square  
23200 Chagrin Boulevard  
Cleveland, OH 44122  
216/464-8616  
NAME: MMS  
COMPUTER: HP-3000  
LANGUAGE: COBOL  
EVALUATED: NO  
COMMENTS:

SYSTEMS MANAGEMENT, INCORPORATED  
10400 Higgins Road  
Rosemont, IL 60018  
312/298-3840  
NAME: MCS  
COMPUTER: PRIME, MICRODATA, ULTIMATE  
ADDS  
LANGUAGE: RPL  
COBOL  
EVALUATED: NO  
COMMENTS:

THE ULTIMATE CORPORATION  
77 Brant Avenue  
Clark, NJ 07066  
201/388-8800



Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254



NAME:

COMPUTER: ULTIMATE

LANGUAGE: RPL

EVALUATED: NO

COMMENTS: ULTIMATE markets this package as an agent of SMI (Systems Management Incorporated).

THOMAS, LAGUBAN & ASSOCIATES

P. O. Box 523

Barrington, IL 60010

312/381-3200

NAME: E-PICS

COMPUTER: IBM/370 COMPATIBLE COMPUTERS

LANGUAGE: COBOL

EVALUATED: NO

COMMENTS: All COBOL version of the system.

THOMAS, LAGUBAN & ASSOCIATES

P. O. Box 523

Barrington, IL 60010

312/381-3200

NAME: E-PICS

COMPUTER: IBM SYSTEM/34, IBM SYSTEM/38, IBM SYSTEM/3

LANGUAGE: RPG

EVALUATED: NO

COMMENTS: RPG version of the system.

TYMSHARE

Corporation Offices

20705 Valley Green Drive

Cupertino, CA 95014

408/446-6000

NAME: MANUFACTS

LANGUAGE:

EVALUATED: NO

COMMENTS: Service Bureau

XEROX COMPUTER SERVICES

5310 Beethoven Street

Los Angeles, CA 90066

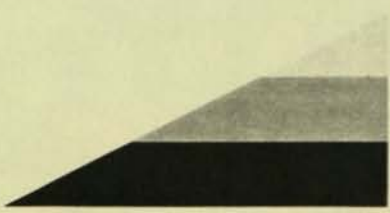
213/306-4000

NAME: IAS

Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254

LANGUAGE: BCC  
EVALUATED: NO  
COMMENTS: Service Bureau. Software evaluation discontinued.

XEROX COMPUTER SERVICES  
5310 Beethoven Street  
Los Angeles, CA 90066  
213/306-4000  
NAME: XMP  
COMPUTER: IBM/370 COMPATIBLE COMPUTERS  
LANGUAGE:  
EVALUATED: NO  
COMMENTS: Service Bureau or Sale.



Manufacturing Software  
Systems, Inc.  
P. O. Box 278  
Williston, Vermont 05495  
802 878-5254





SANDRA KURTZIG

President

July 15, 1982

Ms. Esther Dyson  
Vice President  
Oppenheimer & Co., Inc.  
One New York Plaza  
New York City, N.Y. 10004

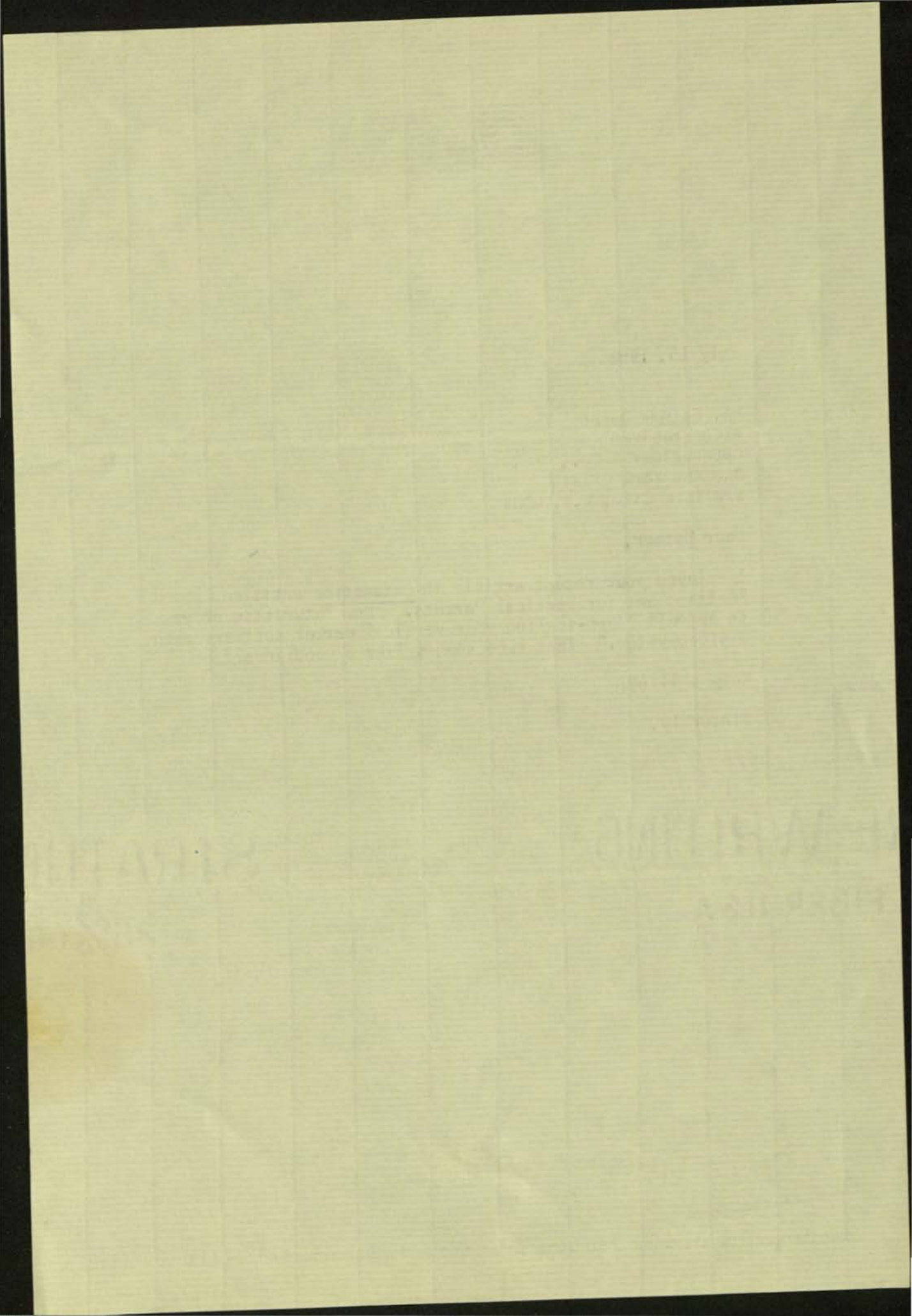
Dear Esther,

I enjoyed your recent article in Datamation entitled "Getting Set for Vertical Markets." How futuristic of you to suggest "down-scaling your vertical market software onto a microsystem." That sure sounds like a good idea??

Keep smiling!

Sincerely,

*Sandy*





cost → turkey after \$6k/mo  
Xerox is only real comp.

AM Int'l spends \$50-60k/mo w/RRX

Xerox DS - \$60m/yr

be careful not to dilute resources  
will look at DEC . . . .

ASK  
Computer  
Oct. 18, 1981

QC  
all new prod's complementary  
AP & sales only  
AP  
GC  
Mullin  
Griffiths  
} forward bus

16,000 mfr. plants  
\$5.50m  
\$2.5m  
addns 10%  
recurring 70%  
80% SL

35% East

Calif NW → Seattle, Denver (smallest)  
Cal. SW, Texas (Houston, Dallas) 1/4

Midwest

data collection  
w/inputs  
mfr-distrib'n

fixed asset  
in December  
HP/25  
Interface  
QC  
svc. mgt  
w/in 6 mos

R&D 1/3 on updates/enhanc,  
2/3 new prod's

2 releases/yr  
March & December

20% upfront  
& bonded

60 smen, mktg. support  
1-1 sales/support  
24 smen  
36 by June  
90 tasks after 6 mos.  
13 a year ago

svc bus  
rec'd as billed  
after month

backlog only after 20%  
down payment

h/ware rev. rec'd when shipped  
installs' ware rev. after about 2-5 wks

slware sub rec'd when billed for  
year (is prepaid annually)  
related costs rec'd as incurred



QUESTIONNAIRE

We need your help!

The growing popularity of the Monterey Conference has meant that each year we have had to turn away a growing number of people wanting to attend. This is not necessarily bad as long as the organizations and individuals who should be at the Conference are able to attend. However, we want to evaluate our policies to make sure the conference is serving the AEA companies and the financial community in the best possible way.

Listed below are some of the suggestions we have received concerning this conference, which is for public companies only. We would like to learn what you think is the best course of action.

- 1. Keep the conference in Monterey and limit attendance to no more than the number attending this year.
- 2. Move the conference to a larger hotel in Northern California, which would possibly mean a move to San Francisco and a change in format.
- 3. Schedule two conferences a year, one in October and one in the spring, which would enable us to accommodate more companies and more people in the financial community.
- 4. Schedule two conferences, again one in the fall in Monterey and with the second in the spring on the east coast.
- 5. Extend the conference to a full week and schedule half of the companies in during the first 2+ days and the other half in the latter part of the week. This would mean that registrants would perhaps have to stay the full week. A possible variation would involve grouping of companies from various segments of the industry so that analysts could come and go depending on their special interest.

Please indicate your first and second choices from the above, and comment further on these or other ideas on the back. Thank you for your thoughts.

*Do both 1 & 5*

*Esther Dizon*

NAME

*Oppenheimer*

COMPANY



quota \$1.1m = \$50k/yr

East Coast - 25%

o good disc from DEC.

also got 5% more from HP

1/3 mostly for distrs

discrete mfrs

1/2 divs of Fort-500

1/2 high tech

size of mfr op'n

\$5-50m/plant

NBI has 2

35 cuts for rcs

(its iscomm, CPUS

Ty mnet - linked to Telnet via  
airfile

Orange City, Chicago,  
Boston

this was done  
if end of  
all committed

CT, Seagate \$13m →  
lost yr minor

\$1300/port/mo  
fully loaded system = 22 ports

Cost = \$100k/machine

\$30k/machine/mo  
add

||  
1 mach

## ASK Computer

Braniff mktg

T-Unit fin

Oshman - growth

Craig Johnson - law

built around  
Image

use Seed on DEC  
Code 92  
(too complex)

has exp. generator option

one dp per sec

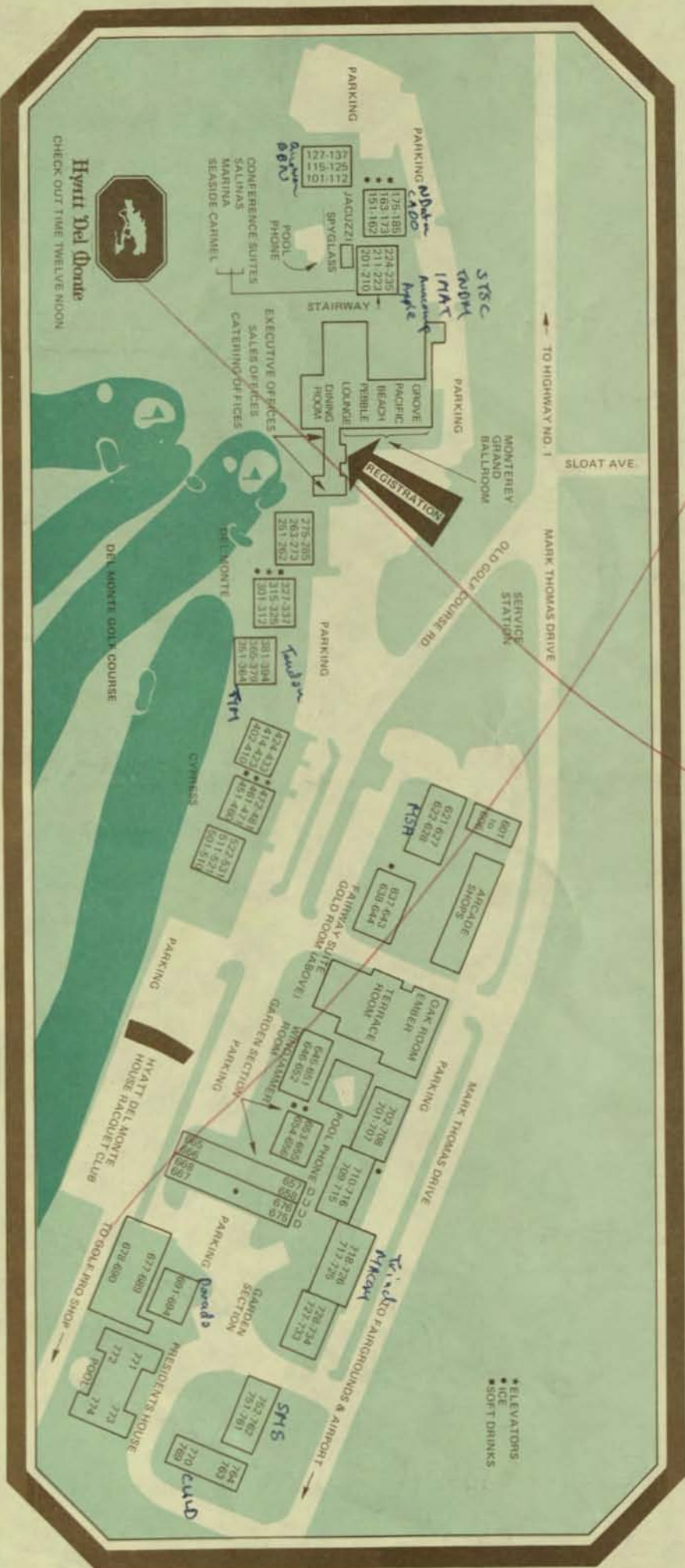
menu-oriented

graphics also

query language

# Hyatt Del Monte

MONTEREY, CALIFORNIA







SANDRA KURTZIG

President

October 23, 1981

Ms. Esther Dyson  
Vice President  
Oppenheimer & Company  
1 New York Plaza  
New York, NY 10004

Dear Esther,

It was a pleasure seeing you again at the AEA Monterey Conference. I certainly enjoyed our dinner. Thank you very much.

I hope that I've answered your questions and have given you more of a feeling for our company. Please do not hesitate to call me or Bob Riopel, our Vice President of Finance, if you have any other questions.

Thank you very much for your interest in ASK. I look forward to seeing you soon.

Sincerely,

A handwritten signature in cursive script that reads "Sandra".



October 21, 1981

Ms. Esther Dyson  
Oppenheimer Management Corporation  
One New York Plaza  
New York, NY 10004

Dear Ms. Dyson:

I have finally recovered from the information meetings, global travel, and seemingly endless string of meals which are all required when bringing a company public. I am sure that listening to presentations can be as exhausting as giving them -- and while I hope our meetings were interesting and informative, I would like to thank you very much for your participation in our sessions and your interest in ASK.

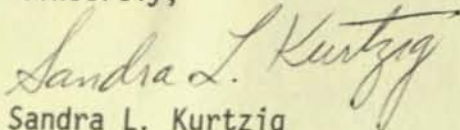
One of my most pleasant surprises on our recent tour was the number of you who offered names of prospective users for our MANMAN Information System. We have repeatedly found that sales leads provided by the financial community prove to be excellent prospects, and often quickly become ASK customers. This certainly is a benefit to us, but it often benefits you as well by insuring that your friends (and investments) in manufacturing firms have a greater chance for success and improved productivity.

We would like to take full advantage of your excellent contacts within the manufacturing industry by offering a program we call "GIVE ASK THE BUSINESS". All you have to do to participate is fill out the enclosed "GIVE ASK THE BUSINESS" card and return it to us. We'll do the rest!

I am completely serious about "GIVE ASK THE BUSINESS". Your knowledge of quality, growing manufacturing companies is a mutually beneficial resource which we appreciate very much.

Thank you once more for your interest in ASK. We are all looking forward to an extremely exciting first year as a publicly held company.

Sincerely,

  
Sandra L. Kurtzig

Sandra L. Kurtzig  
President

SLK/lrr

Enclosure



# GIVE ASK THE BUSINESS

ASK customers range from new start-ups to divisions of the world's largest manufacturing companies. They manufacture a spectrum of products ranging from automotive components to telecommunications equipment, and are used in applications on the land, sea and air. If you know of manufacturing firms who could benefit from our MANMAN<sup>®</sup> Manufacturing and Financial Management System, please GIVE ASK THE BUSINESS by filling out this prospect company reply card.

Your Name \_\_\_\_\_ Company \_\_\_\_\_ Phone # \_\_\_\_\_

1. Manufacturing Company/ Division Name \_\_\_\_\_

Person to Contact \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ Phone # \_\_\_\_\_

Product Manufactured \_\_\_\_\_

# of Employees:       Less than 100                       101-1000                       1001-10,000                       More than 10,000  
Annual Revenues:       Less than \$5M                       \$5M - \$50M                       \$50M - \$300M                       More than \$300M

2. Manufacturing Company/ Division Name \_\_\_\_\_

Person to Contact \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_ Phone # \_\_\_\_\_

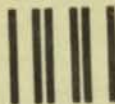
Product Manufactured \_\_\_\_\_

# of Employees:       Less than 100                       101-1000                       1001-10,000                       More than 10,000  
Annual Revenues:       Less than \$5M                       \$5M - \$50M                       \$50M - \$300M                       More than \$300M

Name \_\_\_\_\_

Address \_\_\_\_\_

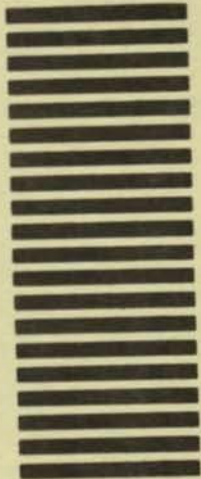
Phone \_\_\_\_\_



NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES

**BUSINESS REPLY MAIL**  
FIRST CLASS      PERMIT NO. 662      LOS ALTOS, CA 94022

POSTAGE WILL BE PAID BY ADDRESSEE



**ASK COMPUTER SYSTEMS, INC.**

730 Distel Drive  
Los Altos, CA 94022



## RATING: SPECIAL EQUITIES

## ASK COMPUTER SYSTEMS:

## THIRD QUARTER UPDATE/REVIEW

Symbol, Exchange:	ASKI, OTC	06/30 Yr.	EPS	P/E Ratios
Price (04/20/83):	35 bid	1984P	\$0.95-\$1.05	35.0X
52-Week Range:	36-13	1983E	0.68	51.5
Ind. Dividend:	None	1982A	0.48	
Yield:	None			
Book Value (12/82):	\$4.64	March Trading Vol. (000):		295
Return on Avg. Equity:	27.4%	Shares Outstanding (000):		5,551

## INVESTMENT VIEWPOINT

ASK is a rapidly growing company in the packaged software industry, with particular emphasis on high growth manufacturers--independent companies or divisions of Fortune 1000 companies. The company has continued to leverage its product position by adding new modules and, more recently, making the product available on the pervasive DEC VAX line of super minicomputers. Management has established and adhered to a disciplined, orderly growth pattern and achieved it while continuing to spend aggressively for new product development as well as significant marketing expansion. We believe that this positions the company favorably, enabling it to take advantage of the vast growth opportunities which exist in the manufacturing sector. While the current price/earnings multiple is high, we believe that stock appreciation in line with an aggressive 50% growth objective provides the basis for significant long-term capital gains.

THIRD QUARTER REVIEW

The accompanying table highlights ASK's recently reported third quarter along with nine-month results and comparative fiscal 1982 data. During the third quarter gross profit margins declined significantly from both the prior quarter and the year-ago period. This reflected a shift in mix to a higher content of pure hardware sales than was experienced in the earlier quarters. This activity included a large number of high-end Hewlett-Packard configurations as well as one DEC/VAX system. Incidentally, we understand that ASK installed five or six MANMAN DEC/VAX software systems during the quarter. The company did business with 34 new customers during the third quarter and its total customer base now numbers approximately 400, including 90 ASKNET users. This remote access service accounted

T-43, 46



for 13% of third quarter revenues and about 12% of business for the first nine months. The company has nine ASKNET systems in its network and upgraded three of these systems during the most recent quarter.

THIRD QUARTER AND NINE-MONTH RESULTS  
(dollars in millions, except per share)

<u>Third Quarter</u>	<u>March 31, 1983</u>		<u>March 31, 1982</u>		<u>% Change</u>
Revenues	\$9,903	100.0%	\$6,000	100.0%	+65%
Cost of Revenues	5,454	55.1	3,138	52.3	+74
R&D	777	7.8	440	7.3	+77
SG&A	2,422	24.5	1,633	27.2	+48
Operating Income	\$1,250	12.6%	\$ 789	13.2%	+58%
Other Income - Net	365	3.7	379	6.3	(4)
Pretax Income	\$1,615	16.3%	\$1,168	19.5%	+38%
Taxes (Rate)	678	(42.0)	537	(46.0)	+26
Net Income	\$ 937	9.5%	\$ 631	10.5%	+49%
Earnings Per Share	\$0.17		\$0.12		+42
Avg. Shares (mil.)	5,552		5,043		+10
<u>Nine-Month</u>					
Revenues	\$24,413	100.0%	\$16,008	100.0%	+53%
Cost of Revenues	12,382	50.7	8,557	53.5	+45
R&D	2,024	8.3	1,196	7.5	+69
SG&A	6,779	27.8	4,054	25.3	+67
Operating Income	\$ 3,228	13.2%	\$ 2,201	13.7%	+47%
Other Income - Net	1,131	4.6	790	4.9	+43
Pretax Income	\$ 4,359	17.9%	\$ 2,991	18.7%	+46%
Taxes (Rate)	1,858	(42.6)	1,359	(45.4)	+37
Net Income	\$ 2,501	10.2%	\$ 1,632	10.2%	+53%
Earnings Per Share	\$0.48		\$0.34		+41
Avg. Shares (mil.)	5,555		4,748		+17

Other income remained relatively flat compared with both the third quarter of 1982 as well as the second quarter of 1983, despite the fact that the company's cash balances increased due to a December 1982 public offering. This is because, in addition to lower interest rates, the company purchased a building for future expansion which is now occupied by other tenants. These "real estate" activities are expected to continue to generate small losses over the two-year period after which ASK will become the sole occupant. In addition, management recognized some capital losses on its portfolio of floating rate preferred issues in the most recent quarter.

In the fourth quarter it appears that expense growth trends in R&D and SG&A combined could moderate somewhat, leading to margin enhancements from these areas. This, coupled with a more normal mix of revenues and some pick-up in interest income factors, should enable the company to earn at least \$0.20 per share in the fourth quarter of fiscal 1983 and achieve full year results approaching \$0.70 per share.



**L.F. ROTHSCHILD, UNTERBERG, TOWBIN**55 WATER STREET, NEW YORK, NEW YORK 10041  
TELEPHONE 212-425-3300 CABLE: PROBATECA**ANNOUNCES INTENT TO ACQUIRE SOFTWARE DIMENSIONS INC.**

During the quarter ASK signed a letter of intent calling for the issuance of approximately 400,000 ASK shares to acquire Software Dimensions Inc., a privately held software company. This company is a developer of micro computer-based business applications software for Apple and CP/M compatible personal computers. Over the past twelve months, Software Dimensions' revenues approximated \$3 million, resulting in net income of \$400,000.

This acquisition, if consummated, seems to be very consistent with ASK management's long-term goals. In fact, in 1982, the company indicated that it had earmarked spending of \$2.5 million over a two-year period to develop micro-based software products. The intent is to provide MANMAN-like capabilities on stand-alone small business computers and enable the company to extend its market reach to those manufacturers doing less than \$3 million in annual production. The existing profitability of the acquired company is in excess of ASK's long-term goal of 10% after taxes. We believe the acquisition will be additive to ASK's earnings following consummation but that the company will use the higher margins of the business to further development activities as well as to continue expansion of the marketing organization. On balance, we view this acquisition as a positive development for the company.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST

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*WITHIN THE PAST THREE YEARS, L.F. ROTHSCHILD, UNTERBERG, TOWBIN HAS ACTED AS MANAGER OR CO-MANAGER FOR OFFERINGS OF SECURITIES OF ASK COMPUTER SYSTEMS AND THE FIRM MAINTAINS A TRADING MARKET IN THESE SHARES. A PRINCIPAL OF L.F. ROTHSCHILD, UNTERBERG, TOWBIN IS A DIRECTOR OF ASK COMPUTER SYSTEMS.*

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This memorandum is prepared for your personal use and for information purposes only and it does not constitute a solicitation, or an offer, to buy or sell any security. Offerings of securities subject to registration requirements of the Federal Securities Act of 1933 are made only by the Prospectus, copies of which will be supplied upon request. We may from time to time have a long or short position in and buy and sell some of the securities referred to herein. The information and statistics in this memorandum are based upon sources which we believe to be reliable, but have not been independently verified by us. The information, comments, and opinions, if any, are not intended to be, and should not be, relied upon as complete.

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# NEWS

ASK COMPUTER SYSTEMS, INC. • 730 DISTEL DRIVE • LOS ALTOS, CALIFORNIA 94022 • (415) 969-4442

FOR IMMEDIATE RELEASE  
March 16, 1983

CONTACT:  
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Corporate Communications Manager

## ASK COMPUTER SYSTEMS ANNOUNCES MERGER

LOS ALTOS, CA--ASK Computer Systems Inc. announced today that it has signed a letter of intent to acquire Software Dimensions, Inc., a privately-held corporation.

It is anticipated that approximately 400,000 shares of ASK common stock will be issued in the transaction. The merger is subject to the execution of definitive agreements and the obtaining of appropriate approvals.

Software Dimensions is a leading developer of microcomputer-based business application software for Apple and CP/M-compatible personal computers. Its "Accounting Plus" software is the best selling accounting package for CP/M-based machines, with more than 20,000 copies sold since the company's founding two years ago. Later this month, Software Dimensions is expected to announce a version of Accounting Plus for IBM personal computers. Software Dimensions' revenues for the past twelve months approached \$3 million with net income of about \$400,000.

ASK is the leading independent supplier of manufacturing and financial software systems for manufacturing companies. Its minicomputer-based management information system is known as MANMAN®. ASK is the eighth fastest-growing public company in the nation.



*ASK's first micro package uses VisiCalc*

## ASK Offers Budgeting Product

ASK released the latest addition to its family of integrated manufacturing management tools — the PLANMAN Budgeting System.

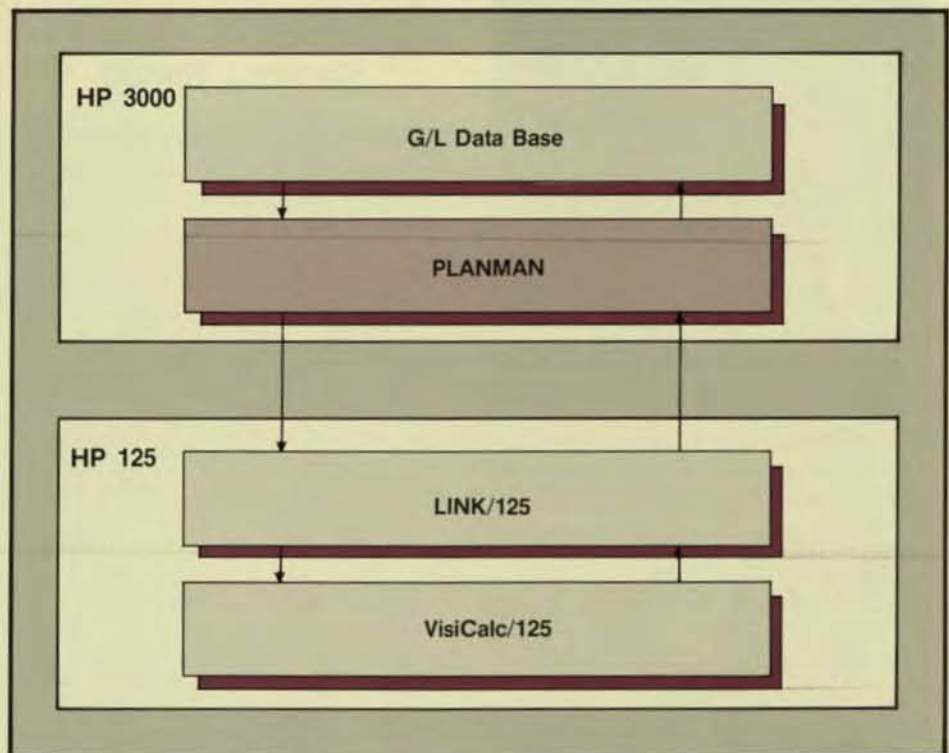
Operating in conjunction with the MANMAN General Ledger System, PLANMAN is a fast and accurate budgeting tool. It provides an efficient method of creating and revising budgets that is important for tactical planning.

PLANMAN lets you manipulate your G/L budget information using the VisiCalc/125 program and the HP 125 microcomputer.

PLANMAN acts as an interface between MANMAN/GL on the HP 3000, and the VisiCalc/125 program on the HP 125 computer. It creates a file containing the specified G/L budget account information from the G/L System. This file is then loaded into the HP 125, where VisiCalc/125 is used to create budget data. PLANMAN then reloads this revised data back into the G/L System data base.

The system is designed for use by anyone responsible for the creation and maintenance of budgets. Only one person need actually access and update the G/L System data base for all your departments, which provides security over changes to the data base. The system is password and lockword protected.

Information can be extracted from the G/L System data base in different formats, such as the whole account structure, single accounts, or a block of accounts. Data can be arranged sequentially, by division or department, or by natural account structure for convenient manipulation.



Also, separate parts of the G/L account structure can be put into individual files for use by various budgeting groups.

MANMAN customers can get PLANMAN as an add-on system for \$2,500. If the PLANMAN software is purchased with either the HP 125 or HP 120 microcomputer, the cost is \$1,000.

Once the line item account information has been entered and relationships between accounts established, budgets can be easily recalculated and modified as many times as necessary. If changes are made in a preliminary budget, all data based on the changed value is automatically recalculated. All account information numbers are automatically verified

before they are returned to the G/L System data base.

"We expect PLANMAN to be a useful tool for all of our customers," says Elbridge Stuart, ASK's product marketing manager. "It's flexible enough to meet the budgeting needs of all companies." ■

Introducing:

**MANMAN Products  
on Digital's VAX-11**

See page 6





## ASK PERSPECTIVES

Sandra L. Kurtzig,  
*president*

Thanks to our loyal customers and enthusiastic and hard working employees, ASK has had another excellent year. Revenue for calendar year 1982 was \$27,271,000 and net income was \$2,901,000 or \$.57 per share.

We are committed to maintaining our position as market leaders by continuing to emphasize product development and customer support. As proof of this commitment, we invest over half of our R & D budget in enhancements to current products and the remaining funds are invested in new project development.

During the past year, we substantially enhanced our MANMAN products and expanded our Information System to include: Fixed Assets, SERVICEMAN Field Service Management, PLANMAN, OMAR PLUS, and PAYROLL.

Another major accomplishment for ASK this year was the delivery of our first MANMAN/MFG product on Digital Equipment Corporation's VAX series of 32-bit superminis. MANMAN operates on the VAX in native mode and is built around DEC's new data management system, DBMS-32. With this DEC implementation, MANMAN is now available on the two most popular mini-computers in the market.

During 1982, we also expanded our ASKNET remote processing service and continued building a national telecommunications network that is now installed in Los Angeles, Orange (CA), Boston, New York, Chicago, Houston, and Dallas. A node will soon be installed in Minneapolis.

Our customer support network now has 20 field support offices nationwide, with over 100 people in direct sales, technical support, marketing, and education.

Our customer training program has expanded to include a series of 10 courses offered at seven ASK regional training centers throughout the country, or on-site at the customer's facilities.

As intelligent microcomputer work stations become more powerful and cost effective, we are studying ways to use this technology in our MANMAN Information System. Our first microcomputer product, PLANMAN, allows users to download information from the MANMAN data base to an HP-125 personal computer. With VisiCalc, the user can create budgets and then use PLANMAN to load the new budget back into the MANMAN data base.

We are looking forward to another year as exciting as the one just completed. We are dedicated to providing the latest technology in software, hardware, and manufacturing techniques to our customers.

## Payroll Product is Available

The newly released MANMAN/PAYROLL product is a flexible, user-defined payroll system that meets the needs of most manufacturing companies, regardless of size.

MANMAN/PAYROLL operates on either the HP 3000 or the VAX-11, as a stand-alone system that allows users to define an unlimited amount of pay types and deductions. These items can be linked and calculated in an unlimited number of ways.

The MANMAN/PAYROLL Product provides system defined fields for standard information, such as employee name and address. All other information is user-defined. This allows flexibility that is especially useful in a manufacturing environment that depends on various union contracts; when a condition of the contract changes, the payroll is automatically recalculated.

The product is table-driven; if a change is made to the user-defined deduction table, for example, the deduction rates of all the employees on the table are changed.

"As an illustration of how easy and flexible the system is, you only need one transaction to transfer an employee

*(Continued on page 4)*



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## Lavey Assumes New Duties

Tom Lavey joined ASK when the company had 10 employees, two products, and no other salesperson. Four and a half years later, Lavey has been named chief operating officer of ASK, which now employs about 200 people, and markets and supports 14 products.

As the newly appointed chief operating officer, Lavey is in charge of the daily operations of ASK. He supervises the growth of a company that has more than doubled in size over the last year and a half, and is expected to triple by 1986. He also oversees the development, marketing, and support of ASK's expanding product line.

"We want to continue growing profitably in a carefully planned and directed manner," says Lavey. "We also want to continue providing a challenging and enjoyable work environment for the employees. My responsibility is to make sure that both of these goals are successfully achieved."

As a result of the company's growth, Lavey anticipates hiring more product marketing managers to supervise the promotion of ASK's products. They

will also act as a link between R&D and the outside world by directing feedback from the customers, the prospective buyers, the field support and sales people, to the R&D staff. "This is the best way of making sure that our customers get what they want," says Lavey.

With the appointment of Lavey, Sandra Kurtzig, president and founder of ASK, will now devote herself to the company's long term strategic planning. "Our strong financial condition and leading marketshare position within our industry presents us with some outstanding growth opportunities," says Kurtzig. "These management changes will help us take advantage of them." The company's long term plans include developing manufacturing and financial management packages using microcomputers for smaller manufacturers.

"We have a whole decade of valuable experience in manufacturing management to bring to bear on our line of products for micros," says Lavey. "This is why it makes sense for ASK to develop and market them."



*Tom Lavey is ASK's chief operating officer.*

Lavey's broad background in computers and manufacturing makes him a valuable asset to ASK. Besides having a degree in Mathematics and Computer Science and an MBA, Lavey has worked as a programmer, a systems analyst, a financial analyst, and has run a manufacturing plant as a controller and a vice president.

Lavey believes the people at ASK deserve all the credit for his and the company's success. "If we are at the top today," says Lavey, "it's because of our hard working employees." ■

## ASK has Record Second Quarter

ASK reported record revenue and earnings for the second quarter of the 1983 fiscal year ended December 31, 1982. Revenue increased 57% to \$8,002,000 and net income increased 61% to \$833,000 or \$.16 per share compared with the same quarter last year. Net income as a percentage of net revenue was 10.4%.

Performance for the second quarter indicates ASK's continued growth despite weak economic conditions. Sandra Kurtzig, president of ASK, attributed the gains to excellent

products, a strong financial position, and aggressive sales efforts. ASK now has over 90 sales, marketing, education, and support personnel in 19 direct sales offices in the United States.

### **Second Offering Completed**

ASK completed a second public offering of its common stock on December 14, 1982, which netted the company approximately \$10 million. This increased the total number of shares outstanding to approximately 5.5 million.

Of the 1,250,000 shares offered, 500,000 were sold by the company, and 750,000 shares were sold by a shareholder. L. F. Rothschild, Unterberg, Towbin managed the underwriting.

ASK will use the proceeds of this offering for working capital and to finance facilities, capital equipment commitments, and software development. ■



R&D Perspectives:

## The Future of MANMAN

By Kenneth A. Fox  
*vice president,  
research and development*

I'd like to share with you our future plans for the MANMAN Information System. Our business strategy is to offer MANMAN products on both the HP 3000 and DEC VAX minicomputers.

Since we write extensively about the VAX on the following pages, let me address the HP 3000. Our partnership with HP serves both companies well for many reasons. As you know, ASK has built its business and reputation by becoming the leading supplier of manufacturing management systems on the HP 3000. HP provides reliable hardware, quality service and software, and a well-known commitment to new product development.

Our commitment to HP is reflected in our software achievements of the past years. Last year alone, we introduced major new capabilities to the MANMAN System including: SERVICEMAN, PLANMAN, OMAR PLUS, and PAYROLL.

As one of HP's largest OEMs, we have had the opportunity to preview HP's new products and plans for the 3000 hardware and software. This preview has further strengthened our enthusiasm for MANMAN products on the HP. We plan to take full advantage of many exciting HP enhancements.

Now let me address the MANMAN System itself. The following are some of the enhancements and new capabilities we have planned for the MANMAN System on the HP 3000 and DEC VAX computers:

- Full serial number and lot tracking
- Multiple plant installations
- Repetitive manufacturing
- Quality control
- Project accounting
- More flexible master scheduling
- Data collection
- Integrated decision support tools
- Purchase requisitions

We are committed to keeping the MANMAN products on the HP 3000 and DEC VAX the "state of the art" for many years to come.



Our on-going policy is to provide enhancements to existing modules, at no charge, to customers with software subscriptions. As new products are developed, they will be offered at introductory prices for a limited time.

I hope I have given you some insight into our future goals for the MANMAN products. Throughout the coming year, NEWSMAN will keep you informed of our progress. We look forward to a rewarding year as we progress towards these goals. ■

## Payroll

*(Continued from page 2)*

from one division to another," says Bernard Weisberg, software engineer. "With other payroll systems, that can be a complex procedure."

Unlike most payroll products, MANMAN/PAYROLL is designed to minimize the number of hardcopy reports required, and maximize the use of on-screen inquiries. In this way, printed reports need only be used for extensive review, while on-line inquiries allow for quick checking of a particular item.

"It's going to be tough to break payroll people away from their report papers," says Weisberg, "But it's certainly going to make things easier."

MANMAN/PAYROLL consists of four conceptual modules: Employee Data, Pay Calculation, Deductions, and Taxes. The Pay Calculation module allows you to pay employees automatically or by time card, and can process any combination of pay frequencies in the same payroll run. Pay can be issued by checks or direct deposit. Checks can be reconciled and a complete employee earnings history is maintained. The module also handles worker's compensation, calculates shift premiums, and overtime.

The Deductions module can calculate an unlimited number of deductions at a fixed rate, percentage, or rate multiplied by hours. Deduction tables are used to maintain common deduction formulas.

The Taxes module produces W2 forms and calculates federal, state, and local taxes. It also handles tax-sheltered earnings and deductions. An optional tax maintenance service is available.

Scheduled enhancements to the product include the addition of a human resources package that will share the payroll data base. ■



## Inventory Control for Marketing Tools

ASK has released a special repackaged version of the MANMAN Manufacturing Management System that provides inventory management capabilities for companies that have distribution or field service management functions.

The special version of MANMAN, called the Inventory Management System, operates in conjunction with either the MANMAN Order Management/Accounts Receivable (OMAR) or MANMAN SERVICEMAN systems.

The Inventory Management System contains four modules from MANMAN/MFG that allow either MANMAN/OMAR or MANMAN/SERVICEMAN to stand alone as a complete management system. The modules are: Inventory Control, Purchasing, Cost Accounting, and Master Production Scheduling.

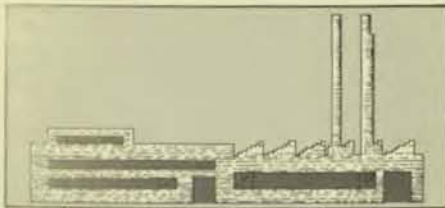
"Customers can now buy order management or field service capabilities without the total cost of MANMAN/MFG," says Elbridge Stuart, product marketing manager at ASK. "They no longer have to pay for modules they don't use."

When used with MANMAN/OMAR ("OMAR PLUS"), these four MANMAN/MFG modules provide inventory management to companies that either manufacture and distribute their products or solely distribute products. When used in conjunction with MANMAN/SERVICEMAN ("SERVICEMAN PLUS"), the four modules provide inventory management for companies that have field service requirements.

As a result of the integration of the OMAR and Inventory Management products, OMAR PLUS allows greater

control of stock. Items shipped are automatically decremented from inventory. OMAR PLUS also handles inventory allocations and reallocations, depending on order priorities. The Master Scheduling module keeps track of sales orders and forecasts so reports can accurately reflect products to be purchased.

MANMAN/SERVICEMAN is designed for companies that provide direct field service or third party maintenance on manufactured products. The system provides a complete field service job reporting and contract maintenance system. SERVICEMAN PLUS contains automatic interfaces for part number validation, inventory location information, and part availability. It also provides automatic backordering of unfilled material requisitions and costing information. ■



In only one year, the ASK Remote Processing Service, ASKNET, has tripled in size. It now services 90 customers throughout the country.

"We have customers in practically every corner of the United States," says Lindsay MacDermid, ASK's director of computer services. ASKNET's private communications network has dedicated lines operating from Boston, New York, Chicago, Dallas, Houston, Los Angeles, and Orange County. A Minneapolis line will be installed within a few months.

Rapid expansion is evident at ASKNET headquarters in Los Altos. "In the last year, we've added seven computers and enlarged the computer room three times," says MacDermid.

## ASKNET Growth Continues

"We are staffed around the clock, seven days a week, except for Friday and Saturday nights." The ASKNET staff has tripled to meet the needs of the increasing number of customers.

Currently, ASKNET offers a full range of MANMAN products on the HP 3000. The new MANMAN Manufacturing Management System on the Digital Equipment Corporation's VAX-11 computer will also be available to ASKNET customers. (For more details about the VAX project, please see page 6.)

ASKNET is particularly attractive to small companies in the early stages of their growth because it does not require the resource commitment needed for an in-house turnkey system. Turnkey system users often use ASKNET as well to train their personnel and set up their data bases before the in-house system arrives.

"Most of our customers begin with one or two ports and add more as they grow," says MacDermid. "Once they have six or seven ports, it usually becomes cost effective for them to go in-house."

ASKNET users for the VAX and HP systems are provided with complete support and regular program updates. Through hands-on experience, customers get a thorough understanding of the MANMAN products' capabilities. ASKNET customers learn just how easy the systems are to use.

"ASKNET gives us the chance to become familiar with the systems while we decide whether or not to go in-house," says Paul Conard, cost accounting manager at Altos Computer, San Jose, CA. "The systems are easy to use and the documentation is very clear." ■



# ASK Releases MANMAN On Digital's VAX-11

ASK now offers users a choice of hardware for its MANMAN Information System.

In January, MANMAN Manufacturing Management System software became available for use on Digital Equipment Corporation's VAX-11 line of computers. The full family of MANMAN products is being designed for the computer, and will become available in stages over the next

several months. Ken Fox, ASK's vice president of research and development, targets Spring 1984 for full availability of software on the VAX computer.

## Decision Will Expand Market

"Our motivation for seeking a second machine," says Fox, "rests squarely on business, not technical concerns. Simply stated, we want to

broaden the potential market for the MANMAN products."

Concerning DEC, he notes, "We chose DEC equipment because it is state of the art technology and because of DEC's service organization, its customer base, and the positive attitude the company holds toward OEMs. The VAX computer was the obvious choice.

"We looked at many of the superminis and feel confident that the HP 3000 and the VAX-11 are the leading machines. Having the MANMAN products available on the two leading superminis puts ASK in an excellent position to serve a very substantial part of the manufacturing sector."

Fox says there are no plans to adapt the MANMAN products to any other computer. "What we do have plans for, however, is to complete our MANMAN financial and marketing applications on the VAX on schedule.

"We are in the excellent position of having experience in how manufacturing information systems should function today, and where they are heading," says Fox. "Our R&D management team is already laying the groundwork for many new capabilities. We will implement these capabilities on the HP 3000 and the VAX."

## Programming is Ongoing

Howard Klein, the MANMAN-VAX project leader, began organizing the VAX effort in mid-1981.

Speaking for his team of software engineers, Klein says, "We received our VAX 11/780 in September 1981. By March 1982, we began coding the MANMAN/MFG product. We are now well under way with the coding of the financial packages and the design of the Order Management and Accounts Receivable products.

"Internally, there are large differences between the VAX and HP machines," Klein notes, "but the user will see little, if any, difference in the operation of the programs. I would compare the differences in the HP and VAX MANMAN/MFG product to the difference in automobiles. To the driver, there is little difference between a Ferrari or a Porsche, but to the mechanic there are tremendous differences. It is just the same in our case, MANMAN users will feel equally as comfortable on either computer. The only person for whom the differences are significant is the system manager."

The VAX processors will use DEC's CODASYL data base manager, DBMS-32, which DEC introduced in early 1982. According to Fox, ASK spent three to four months evaluating available data base management systems before deciding on the DEC DBMS. "We tried several of the available data base management systems in-house and concluded that the DEC CODASYL system provides the best performance and most useful feature set," Fox says. "Moreover, it's written specifically for the VAX, which makes it faster and more flexible for use in our system designs."

## New Features are Offered

There are several new features being introduced in the VAX MANMAN/MFG product. These features, which are also slated for incorporation into MANMAN/MFG on the HP system, include the following:

- Multi location and lot ability — allows parts to be designated as single or multiple inventory location/lots.
- Two units of measure — parts and supplies may be purchased using one unit of measure and stored and consumed using another measure. System maintained conversion factors automatically keep track of units of measure and quantities involved.



ASK and TCI Inc., a telecommunications firm in Mountain View, CA., joined forces to implement the first MANMAN System on Digital's VAX-11 computer. From left to right, Fred Dorweiler, production control supervisor, and Beth Stearns, programmer/analyst at TCI, look over a MANMAN/MFG report with ASK's Howard Klein, VAX product manager, and Roger Bottarini, director of special products.

- Routings — master (standard) routings can be maintained and alternate operations on routings allowed.
- Work-In-Progress — capability to associate work orders with specific projects or sales orders.

## Discounts are Available

"We're very enthusiastic about the new offering," says Elbridge Stuart, ASK's product marketing manager. He notes, "Customers who install manufacturing software on a VAX computer can take advantage of the three types of discounts we offer." First, ASK offers a discount on VAX hardware purchased for use with MANMAN products. "We can offer this discount because we are a volume buyer and we pass that discount on to our customers," says Stuart. Second, discounts are offered on ASK software products. The third and newest type of discount available is for VAX customers who buy MANMAN financial products before the official release date of fall 1983.

"We will be making quite an effort to meet the information needs of our VAX

customers" Stuart says. "We have one customer who is currently using ASKNET (the ASK Remote Processing Service) in conjunction with his VAX. His MANMAN/MFG product is in his VAX, and his financials are on the ASKNET HP machines. As soon as the forthcoming VAX-based products are available, we will work with him to convert his data entirely to his in-house system."

## CAD/CAM Users are Anticipated

Fox notes "Manufacturers using computer aided design (CAD) and computer aided manufacturing (CAM) are one sector of the manufacturing market we think the VAX-based products will particularly interest. VAX is the most widely used computer for these applications. Moreover, many CAD/CAM users are beginning to express an interest in integrating their operations with manufacturing resource planning (MRP) software such as MANMAN offers. Currently, the term CAM implies control of manufacturing equipment. But I think in the future, the definition of 'CAM' will be expanded to include the standard use of manufacturing information systems as well." ■

## Documentation and Classes are Developed

Documentation and user training for VAX products will include an on-line help facility, functionally oriented reference manuals, and education courses for learning the systems.

Sylvia Onalfo-Wybrant, manager of MANMAN-VAX documentation, notes, "For the VAX systems, every prompt will be documented on-line. We feel this will be particularly important to ASKNET customers. On-line documentation is possible because of the structure of the VAX operating system."

Information will be available at the command level. For each command documented, information will be provided on the applications, special considerations (called qualifications), and each prompt. On-screen examples will be provided for list commands.

Printed documentation will also be provided. The user reference manuals will give command-by-command documentation organized by departmental function. For example, two of the nine functional applications for the VAX MANMAN/MFG documentation will be material planning and shop floor control.

Regarding documentation for the MANMAN-VAX products, Onalfo-Wybrant says, "We expect to maintain the same high quality as our HP system manuals. The new format is based on our experience with the HP manuals, and interviews with long-term MANMAN users, new users, and ASK user groups."

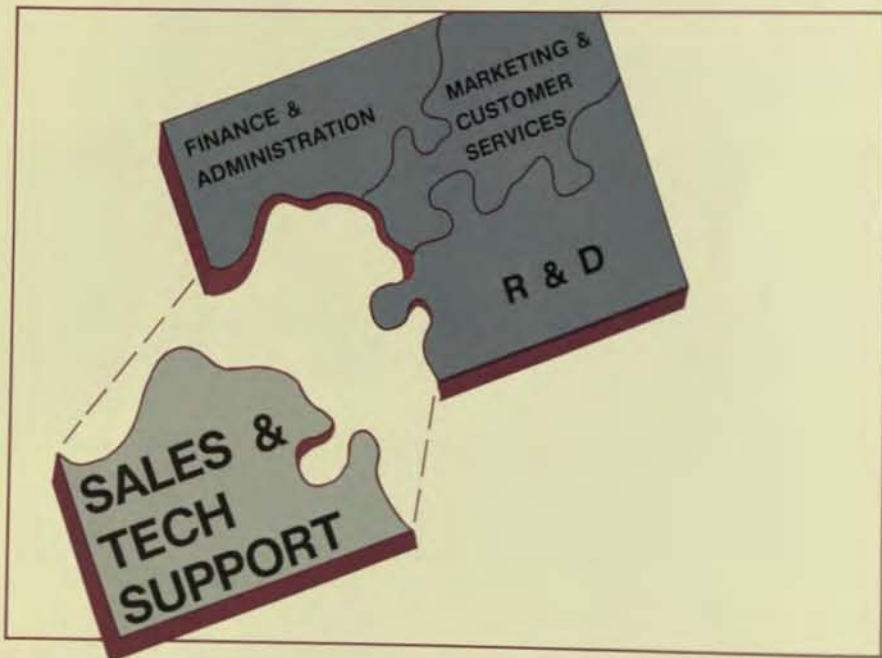
Mark Ripma, ASK director of field services, is developing separate courses for the VAX products which will follow the lines of the courses taught for the MANMAN products on the HP 3000. The plan is to rely primarily on classroom instruction; however, the possibility of some self-paced training is being considered.

Ripma notes, "We do not need to completely redo the current HP classes. The similarities between the MANMAN-HP and the MANMAN-VAX products will be such that development of new classes should be fairly painless. In fact, the system manager's course will be the only course which will be dramatically different in its content.

"Our Management Perspective and MANMAN Implementation courses, which are scheduled for release in the next few months," he added, "will also apply to both systems."



# Sales Team has a Winning Style



To say that ASK has a successful sales force is an understatement. In the last quarter alone, revenues increased by 57% compared to the same quarter last year, reflecting the work of this aggressive, busy department.

A secret to the success of the ASK sales force is their desire to see that the system and the customer are truly compatible. "Our sales approach is honest and upfront," says Jim Manion, ASK's vice president of sales. "We know MANMAN can't be all things to all people."

Tom Harris, regional manager for the Northwest Sales Region, agrees, adding, "Our approach is to show the customer how MANMAN can aid him with his particular manufacturing needs. We don't present it as a product; we present it as a solution, a tool."

The sales reps have an excellent knowledge of the product. "We expect every rep to be able to do a demo of the entire system," says Harris. Sales reps currently learn

about the MANMAN products through special orientation classes, and bring with them years of related experience when they join ASK.

ASK sales reps have another advantage. "Our financial stability is very reassuring to our customers because they know we'll be around years from now to stand behind our products," says Harris. "Also, our secure financial base assures them that we will continue putting a large portion of our revenues into research and development, which ultimately benefits all our customers."

The Sales Department is divided into four regions. The Eastern Region includes the northeast and southeast regions of the country. Its headquarters are in Syosset, NY. The Midwest Region is based in Hinsdale, IL, a suburb of Chicago. The Southwest Region stretches from California to Texas, and has its headquarters in Orange, CA. The Northwest Region, which includes Northern California and the Pacific Northwest, is based at ASK headquarters in Los Altos.

Each region has a regional headquarters in addition to sales offices in other locations within the region. Each has a regional manager, who reports to the vice president of sales at ASK headquarters in Los Altos.

The regional offices and the sales reps are allowed to work in their own style, based on the needs of their customers, according to Manion. The main office in Los Altos serves to oversee and coordinate the various offices.

Other departments within ASK work closely with the sales force. This is particularly true of the marketing group, which comprises Field Services, Corporate Communications, Product Marketing, and Technical Support. Field Services, which includes Customer Service and Education Services, provides a critical link between the customer and ASK. Education Services provides a comprehensive series of courses on implementation and application of the MANMAN products, along with seminars on special topics. Customer Service coordinates software subscriptions, the release of software and documentation updates, and any discrepancies between the documentation and the product.

The Technical Support group provides on-site and telephone consulting for customers who have questions about the implementation and use of ASK products. Corporate Communications and Product Marketing provide the sales force with marketing and pricing information and literature.

Like the rest of ASK, the Sales Department is not resting on its past achievements, but is aggressively moving ahead. The Los Altos office will soon be moving to its site across the street from corporate headquarters, in addition to acquiring its own computer. ■



## ASK SPOTLIGHT: Jim Manion

Jim Manion, ASK's newly appointed vice president of sales, is not worried about adjusting to the life style when he moves from New York to California this spring. Manion, ASK's former vice president of the eastern region, leaves Syosset, NY, to join the ASK staff at the corporate headquarters in Los Altos, CA.

"My family moved between southern California and New York nearly every two years while I was growing up," Manion says. "I can go to either New York or Los Angeles and see people I went to high school with." Manion was born in New York, and estimates he moved nearly 26 times before he was 22 years old.

Manion, 36, studied at C.W. Post College in Brookville, New York, where he received a B.S. in Marketing. In 1972, after college, he started work in the New York area as a marketing representative for

Burroughs Corp. He was there for two years before moving to Xerox Corp. in the same capacity. Two years later, he became a branch manager for Intel Corp. His supervisor at Intel was Tom Lavey, who is now ASK's chief operating officer. When Lavey became vice president of sales and marketing for ASK in 1978, he remembered Manion's record, and asked him to join ASK. Manion started as ASK's first New York marketing representative in 1978.

"I was ASK's first full-time employee outside California," Manion recalls. "When I started, we had only three or four customers in the eastern region. Now the region has more than 100 customers, seven sales offices, and 27 employees."

Manion's wife, Julie, and their two daughters, Kimberly, aged seven, and Nicole, aged four, currently live in the New York area. They



plan to join Manion in California after the girls finish their school year. Until then, Manion will be scouting the area for a house.

When asked about his spare time activities, Manion just chuckles and points to his desk brimming with papers and reports. "I don't really have that much spare time." ■

## MANMAN Thrives in Midwest

Business is booming at ASK's windy city office. The midwest region, with headquarters in Hinsdale, IL, a suburb of Chicago, now handles over 55 customers.

Among the customers are: Litton Industries in Florence, KY, automatic conveyor system manufacturers; Norlake, Inc. in Hudson, WI, a commercial refrigerator unit manufacturer; Goulds Inc.-Getty Division in Racine, WI, makers of electric motors; and Collins-Rockwell International, Avionics Division in Cedar Rapids, IA.

Rolscreen Co., the world's largest manufacturer of Cadillac windows, uses MANMAN products in their one million square foot Iowa plant. (The plant is so large they use shuttle buses to get around, and the aisles have street names.)

Robbins & Meyers in Ohio uses the MANMAN Manufacturing Management System in three of its divisions, and Mark Controls Corp. uses MANMAN products in all five of its valve system manufacturing divisions in the midwest and southwest.

The Chicago office opened in October 1979 with Paul Caffrey and Bob Stosz, now regional manager and regional technical manager, respectively. The two worked together previously for an early MANMAN user. There, they selected the MANMAN Manufacturing Management System, helped install it and get it running before coming to ASK to open the midwest regional office. For the first eight months, Caffrey and Stosz formed the entire fulltime staff of the midwest regional office.

Then, ASK's midwest region, like all of ASK, began to grow.

"The first two installations in the midwest region were sold from the east coast, even before we had an office or any salespeople," says Michelle Stenzel, marketing manager. "Today, we have over 55 installations and about 10 ASKNET customers. We also have an education center, and about 14 people working in the regional headquarters office alone."

In addition to the office in Chicago, the midwest region has two other offices; one in Indianapolis, IN, and the other in Edina, MN. The Indianapolis office opened in late 1981, and the Edina office opened in January 1982. ■



# ASK and NPS: A Striking Team



*This machine produces a component of a valve used in oil production on the north shore of Alaska.*

National Production System (NPS) had a record sales increase of over 200% from 1979 to 1981. A manufacturer of production and drilling equipment for the petroleum industry, NPS decided their existing manufacturing management system could not meet these increased demands. After thorough discussions with an outside consultant, NPS decided the best way to cope with future growth was to automate its manufacturing management process.

NPS, a unit of National Supply and a division of ARMCO, Inc., assigned a five man steering committee, headed by Darryl Makepeace, superintendent of materials management, to look at various manufacturing management systems. Each person in the committee represented a different department within the company, assuring that each particular department's needs would be addressed. After a few months of thorough search and analysis, the committee decided that ASK's MANMAN Information System would best suit their purposes.

"Our selection criteria were simple," says Makepeace. "We wanted a system that would be user-friendly, could be used at all levels within our facility, would grow as our needs grow, and would give us ongoing hardware and software support. ASK met all of these conditions."

NPS licensed a range of MANMAN products including: Manufacturing Management, Order Management and Accounts Receivable, Accounts Payable, General Ledger, and the Integrated Business Graphics System.

### **MANMAN is Implemented**

"Because of good planning and a lot of emphasis on education," says Makepeace, "we had minimal problems implementing the systems. ASK's Education Services were instrumental in achieving this. The classes encouraged us to learn by actually using the product and helped us get over the fear of the unknown. Furthermore, the classes brought us in contact with other people in similar situations with whom we

shared, and continue to share, all kinds of useful tips."

After completing ASK's classes, the implementation team began training the other employees at the plant. "We were well aware that MANMAN could not help us by itself," says Makepeace. "We had to use it properly. That's why we started training everyone in the company. They had to understand not only MANMAN and the basic concepts of MRP, but also realize the importance of cooperating with other departments and entering accurate and up-to-date information."

### **MANMAN Shows Results**

When asked about the results of using the MANMAN products, Makepeace claims, "They are dramatic. We now have up-to-date information on our active as well as inactive inventory. We virtually eliminated all obsolete raw material. We identified all slow moving materials. We can respond rapidly to order input changes resulting from economic fluctuations in the oil industry. We identified all surpluses and now avoid putting more on the shelf by mistake. In short, MANMAN allows us to do our job right the first time. It gives us a total visibility that helps us control our manufacturing process and plan for the future."

Makepeace has a word of warning for those companies without automated manufacturing management systems. "In today's world, if you don't automate, your competitors will."

Makepeace was full of praise for ASK and its employees. "The company is personable and friendly, and the people are very dynamic and experienced. The technical support group, for instance, is not only knowledgeable, but also more than willing to help. One of the things I most like about ASK is that they really care about you. You make a suggestion and they listen." ■



# ASK News Bits and Bytes

## New Offices Opened

ASK has added three new sales and service offices to its network of 16 offices throughout the United States, while doubling the size of its corporate headquarters in Los Altos, CA.

The new ASK office in Woodland Hills, CA, increases service to the growing customer base in the Los Angeles area. There are also new offices in Englewood, CO, and Columbia, MD.

Not to be outdone, ASK corporate headquarters has added 30,000 square feet of space with the purchase of an office building directly opposite the one it now occupies. After remodeling, the building will become the new home of the Northwest Regional Sales Division.

ASK corporate headquarters now consists of two 30,000 square foot buildings, complete with atriums, a customer training center, lunchroom, and a jacuzzi and lockers.

## ASK Offers Discounts

As one of the largest OEMs for Hewlett-Packard hardware, ASK provides a 10% discount on most HP equipment purchased for use with the MANMAN Information System. ASK also offers discounts on Digital Equipment Corp. hardware purchased for use with MANMAN products. These discounts apply to new and existing customers.

In addition to the hardware discount, customers are eligible to receive various discounts on ASK software products.

"In today's complex business world, an investment in computer hardware and software is quickly paid back," says Tom Harris, ASK's northwest regional sales manager. "The discounts we offer make buying a manufacturing system or adding hardware to an existing system a cost effective proposition. Rather

than pay list price for add-on equipment, most customers prefer to purchase through ASK."

For further details on the discounts available on ASK products, contact your local ASK sales office.

## Talking About Manuals

ASK's Technical Communications Dept. has started an on-going dialogue with MANMAN product users to keep up-to-date with customers' documentation needs.

"We have been hearing nothing but praise about our manuals for the past two years," says Stewart Florsheim, ASK's director of technical communications. "We decided to get off our laurels and speak to users so we could find out, not only what is right with the manuals, but ways in which we could enhance them."

Members of ASK's Technical Communications Department visited local user sites and conducted telephone interviews. Companies contacted include Megatest Corp., Santa Clara, CA; Lexel Corp., Palo Alto, CA; Convergent Technologies, Santa Clara, CA; and Source Technology, Mukilteo, WA.

Suggested enhancements to the existing manuals include organizing the manuals functionally, instead of by command; adding more examples and flow charts; and including indexes to all of the manuals.

The customer interface will proceed on a continual basis. If any user is interested in participating, contact Stewart Florsheim or Sylvia Onalfo-Wybrant, manager, technical communications, at ASK headquarters in Los Altos.

## Users' Group Meets

The ASK National Users' Group will elect officers at their meeting in Montreal, Canada, during the week of April 25-29, 1983.

The meeting is being held in conjunction with the HP 3000 International Users' Group annual North American Conference.

In addition to electing officers, ASK users will discuss forming various special interest groups, and the distribution of the new users' swap tape.

For more information about the meeting or the users' group, call Mike Clark at Powell Industries, Houston, TX, at (713) 944-6900.

NEWSMAN is designed to keep you informed about developments at ASK and in the ASK Family of Products. You can let ASK's Technical Communications Department know about any special interests you have by answering the following questions. We welcome any comments regarding the current issue.

Suggestions or comments on NEWSMAN: \_\_\_\_\_

\_\_\_\_\_

- Please send me more information on the MANMAN Information System.  
 Please add me to the NEWSMAN mailing list.

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

Send responses to: Technical Communications Dept.  
 ASK Computer Systems, Inc., 730 Distel Drive, Los Altos, CA 94022



## ASK Classes are Scheduled

The MANMAN Educational Services is currently underway at all of the seven ASK training centers. On-site classes are also available. Contact Kelly Newcomb at ASK, Los Altos, for reservations and information at 415/969-4442.

### MANAGEMENT PERSPECTIVE

\$150 Per Person (1 Day)

April 20	Syosset, NY
May 4	Orange, CA
May 11	Houston, TX
May 11	Los Altos, CA
May 25	Hinsdale, IL
June 1	Bedford, MA

### MATERIAL REQUIREMENTS PLANNING

\$450 Per Person (3 Days)

March 7-9	Torrance, CA
March 15-17	Los Altos, CA
April 12-14	Syosset, NY
April 19-21	Los Altos, CA
May 3-5	Torrance, CA
May 16-18	Bedford, MA
May 24-26	Houston, TX
June 7-9	Orange, CA
June 14-16	Hinsdale, IL
June 14-16	Los Altos, CA

### INVENTORY MANAGEMENT for

OMAR PLUS Customers Only

\$165 Per Person (1 Day)

March 18	Los Altos, CA
April 15	Syosset, NY
May 6	Torrance, CA
May 19	Bedford, MA
May 27	Houston, TX
June 10	Orange, CA
June 17	Hinsdale, IL
June 17	Los Altos, CA

### MANMAN/MFG

\$900 Per Person (5 Days)

March 7-11	Hinsdale, IL
May 21-25	Bedford, MA
March 21-25	Los Altos, CA
March 28-April 1	Torrance, CA
April 11-15	Orange, CA
April 18-22	Bedford, MA

April 25-29

May 2-6  
May 2-6  
May 9-13  
May 16-20  
May 23-27  
June 20-24  
June 20-24  
June 27-July 1  
June 27-July 1

### MANMAN/OMAR

\$525 Per Person (3 Days)

March 7-9  
March 22-24  
April 11-13  
April 18-20  
May 9-11  
May 9-11  
June 6-8  
June 13-15

### MANMAN/SERVICEMAN

\$165 Per Person (1 Day)

March 10  
April 1  
May 12  
June 16

### MANMAN/AP

\$165 Per Person (1 Day)

March 8  
March 14  
March 17  
April 5  
April 26  
May 17  
May 17  
May 23  
May 25  
June 6  
June 9  
June 15

### MANMAN/GL

\$165 Per Person (1 Day)

March 9  
March 15  
March 18  
April 6

Los Altos, CA  
Hinsdale, IL  
Houston, TX  
Syosset, NY  
Torrance, CA  
Los Altos, CA  
Houston, TX  
Orange, CA  
Bedford, MA  
Los Altos, CA

Los Altos, CA  
Syosset, NY  
Los Altos, CA  
Houston, TX  
Hinsdale, IL  
Orange, CA  
Torrance, CA  
Bedford, MA

Los Altos, CA  
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Los Altos, CA  
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Orange, CA  
Syosset, NY  
Bedford, MA  
Houston, TX  
Hinsdale, IL  
Torrance, CA

Orange, CA  
Hinsdale, IL  
Houston, TX  
Los Altos, CA

April 27  
May 18  
May 18  
May 24  
May 26  
June 7  
June 10  
June 16

### MANMAN/FA

Fixed Assets will soon be available as a self-paced course. Call Pamela Dean in Los Altos for more information.

### SYSTEM MANAGER

\$330 Per Person (2 Days)

March 8-9  
March 28-29  
April 4-5  
April 11-12  
April 18-19  
May 9-10  
May 16-17  
May 17-18  
June 6-7  
June 13-14

### MANMAN/QUIZ

March 2  
March 7  
March 30  
April 6  
April 13  
April 20  
May 11  
May 16  
May 18  
June 8  
June 10  
June 15

### ASKNET

\$150 Per Person (1 Day)

March 3  
March 31  
April 21  
May 12  
May 19  
June 9  
June 9  
June 16

Bedford, MA  
Los Altos, CA  
Orange, CA  
Syosset, NY  
Bedford, MA  
Houston, TX  
Hinsdale, IL  
Torrance, CA

Syosset, NY  
Los Altos, CA  
Orange, CA  
Bedford, MA  
Hinsdale, IL  
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Torrance, CA  
Los Altos, CA  
Hinsdale, IL  
Torrance, CA  
Houston, TX  
Bedford, MA  
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Los Altos, CA 94022  
(415) 969-4442

### EASTERN REGION

6800 Jericho Turnpike  
Syosset, NY 11791  
(516) 921-3660

### MIDWEST REGION

907 North Elm St.  
Hinsdale, IL 60521  
(312) 325-8816

### SOUTHWEST REGION

1940 West Orangewood Ave.  
Orange, CA 92668  
(714) 978-9161

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75014 Paris, France  
Telex 260710

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200 PARK AVENUE

NEW YORK NY

10166

# Background



**Computer Solutions**

ASK Computers

COMPUTER SOLUTIONS, INC.  
COMPANY BACKGROUND

Computer Solutions, Inc. (CSI), headquartered in Newton, Massachusetts, is the only software developer to create integrated systems that address the varied and complex demands of high-technology manufacturers. Its software, designed for the Hewlett-Packard 3000 family of minicomputers, is powerful, easy-to-use and unique in its ability to provide the comprehensive accounting, manufacturing, and marketing controls needed to maintain management productivity in an environment of rapid growth.

CSI was founded in 1974 to develop custom-programmed manufacturing systems and provide related timesharing services. In 1981, after more than six years of development, it introduced its current package of productivity software combined with HP hardware for high-technology manufacturers, FM/3000™.

FM/3000 combines HP 3000 minicomputers with CSI-developed manufacturing, accounting and marketing application software. Customers can purchase fully configured

(more)



systems for in-house use or opt at first to utilize the same software under a timesharing arrangement with CSI.

CSI now has customers located in New England, New York, and Canada, including Kloss Video, Boston Acoustics, Marietta Packaging, Dynalogic, Termiflex, and Lion Precision. Privately held, it had 1982 revenues of approximately \$1 million and projects an annual growth rate of nearly 100 percent, due to a rapidly escalating demand for its products.

The company is now in the process of concluding venture capital arrangements to sustain the marketing and geographical expansion necessary to support anticipated annual revenues of \$20 million by 1986.

#### FM/3000

FM/3000 has three modules for controlling financial, manufacturing, and marketing tasks. These can be implemented as an integrated system, or customers can select one, two or all three stand-alone modules. As stand-alone systems, customers can manage discrete areas of their business, while full integration permits consolidated management and coordination of information throughout the corporation.

The financial package includes Accounts Receivable, Accounts Payable, General Ledger, and Sales Order Processing capabilities. The manufacturing control package includes Inventory Management, Purchase Order Control, Costing, and Material Requirements Planning (MRP).

(more)

The marketing package, called SalesPower!, is the only marketing management system that can be integrated with manufacturing and financial controls. It provides an improved sales data management structure for prospective customer information, sales campaigns, and lead and quote activity. SalesPower! also automates mailing list and telemarketing operations and generates custom sales reports.

Prices start at \$20,000 for individual FM/3000 modules, and the company offers proportional savings as the system is expanded. Currently, CSI's customers range from startups to large corporations, including a major division of a Fortune 500 company.

Because it is menu-driven, FM/3000 is easy to use. Such proprietary features as BROWSE™, Help, and Write Your Own Report, provide users with in-house data-processing capabilities requiring no costly data-processing personnel.

Easy-to-read screen formatting, extensive programmed error checking, and full documentation of both FM/3000 and the HP 3000 family add to the system's ease-of-use. Because FM/3000 is a set of standardized applications software packages, the system can be up and running in weeks, not months. Yet FM/3000's hundreds of "software switches" provide the flexibility to adapt the system to the unique requirements of any company.

(more)



CSI provides customers hands-on training in the use of FM/3000 at its training center in Newton, as well as both printed and on-line documentation and a toll-free telephone line for phone-in service consultation. The software contains built-in diagnostics that display error messages on the screen alerting a user when to call CSI. FM/3000 also contains utility programs that test data integrity and consistency on a regular basis.

#### Marketing

Computer Solutions' primary market is high-technology manufacturers, particularly companies involved in the manufacture of electrical and electronic machinery, measurement and instrumentation devices, computers and related equipment, and aircraft equipment. CSI is the only software vendor to have targeted this market.

In targeting such a clearly defined market, CSI is able to understand it thoroughly, stay abreast of changes, and provide a product that meets its unique and constantly evolving needs. CSI has found that high technology manufacturers have certain traits in common: they grow rapidly, they need to track parts and inventory closely, and they must respond to changes quickly and often. CSI has developed a line of software aimed at solving the most critical problems facing managers in such an environment.

(more)

CSI maintains a data base of all companies in high-technology manufacturing, and regularly reaches the top managers of those companies through direct mailings, telemarketing, seminars, technical articles, trade shows and advertising. The company's research indicates that over the next five years about 11,000 such companies will acquire a computer system for manufacturing control. Its goal is to have each of those companies consider the CSI system before making its purchasing decision.

#### Management

Computer Solutions founder and President Mitchell E. Kertzman has 15 years' experience in the minicomputer software industry. He has developed and supported computer applications in timesharing environments, and as an experienced systems analyst and designer, has produced large-scale manufacturing, accounting and data base systems and the major modules of the PM/3000 applications package.

Kertzman attended Brandeis University, and is a member of the Massachusetts High Technology Council and the American Electronics Association.

David P. DeWan, Executive Vice President, joined CSI in 1980. He has 18 years' experience in management, finance, and system design, and prior to joining CSI, spent four years as senior consultant and manager of financial operations for

(more)



Resource Planning Associates, an international management consulting firm. Under DeWan's supervision, CSI designed and programmed its timesharing service and the complete FM/3000 package.

DeWan also founded Contact Computer Corporation, a nationwide computer services supplier, and is author of two books written for the American Management Association: Managing Corporate Cash and Planning and Control for Managers. DeWan received his BS from the Massachusetts Institute of Technology and his MBA from Harvard Business School.

Mark E. Atkins joined the company in March 1983 as Vice President of Marketing. Previously, Atkins was employed by Honeywell Information Systems as National Sales Manager for Datanetwork. He also spent four years with Control Data Corporation, and has been a financial consultant and controller of the Polaroid Credit Union. Atkins received a BA from the University of Massachusetts and an MBA from Babson College.

# # #

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For further information contact: David Copithorne  
Rich Moore  
Miller Communications  
(617) 536-0470



## ASK Adds Micro Company

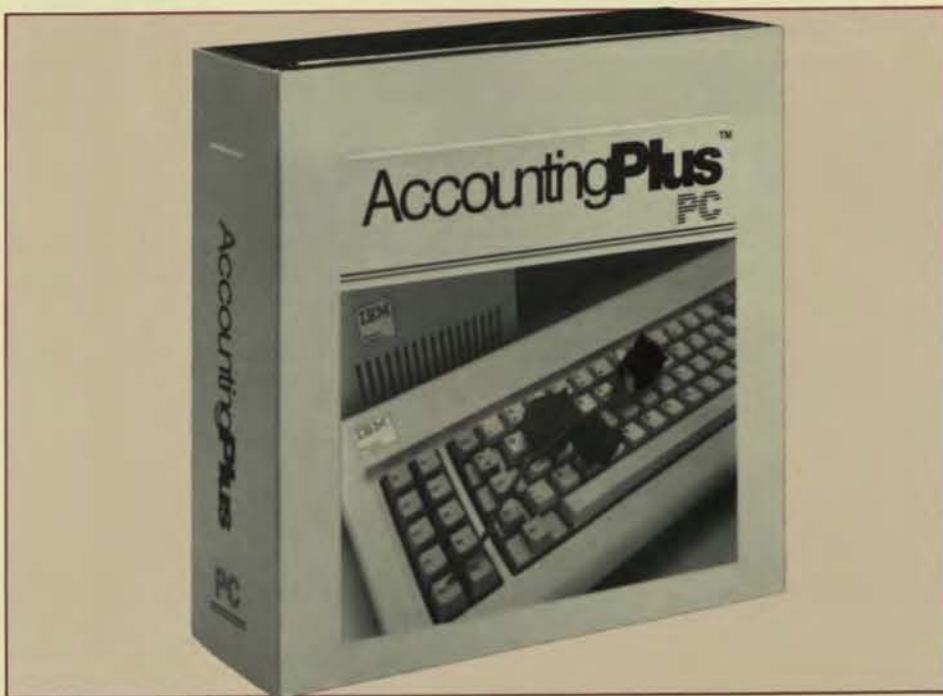
ASK Computer Systems Inc., has completed the merger by acquisition of Software Dimensions, Inc. (SDI), of Folsom, CA, a producer of microcomputer-based accounting software. The merger expands ASK's product line of minicomputer-based manufacturing management software into the microcomputer small business market. The company will be known as ASK Micro Inc., an ASK Computer Systems company.

ASK's new company is a major producer of accounting software packages for IBM, Apple, and CPM-based microcomputers. The company's well-known Accounting Plus product line contains general ledger, accounts payable, accounts receivable, payroll, sales order processing, purchasing, and inventory control for small business management and point of sale accounting for retailers.

"ASK wanted to tap the growing market of small businesses that will soon use management information systems," says Tom Lavey, ASK's chief operating officer. "ASK has the business applications expertise as well as the customer education programs and documentation to guarantee successful customer use of our management systems. It's logical for us to extend our expertise into the area of small business applications."

Lavey believes the merger assures ASK of a strong market position, and guarantees the company's ability to take full advantage of future technological advancements in the computer industry.

"As computer technology progresses, the traditional market of the microcomputer will overlap and integrate with the market of the minicomputer,"



says Lavey. "ASK will have expertise in both these types of systems."

The merger is a natural expansion, according to Lavey. "We think the two companies are very much alike. ASK's reputation is based on reliable, user-friendly products. SDI is known for high-quality, comprehensive software. Both companies share the same priorities and operating philosophy."

As a result of the merger, ASK now offers business information systems for the full range of business sizes: ASK microsystems for small businesses; the ASK Remote Processing Service (ASKNET) for growing companies that will eventually bring the MANMAN system in-house, or for companies that choose not to bring a computer

in-house; and the minicomputer-based MANMAN Information System for manufacturing management of larger companies.

ASK will continue to market the Accounting Plus product line to a variety of small businesses, including: retailers, wholesalers, service companies, and manufacturers. ASK plans to maintain a two-pronged marketing approach, according to Lavey. First, the Accounting Plus product line will be sold through distributors to retail dealers. Second, ASK will try to initiate new OEM contracts with selected microcomputer manufacturers; the computer manufacturer will then resell the software through their own channels.

"Our goal is simple," said Lavey. "We want to span the marketplace." □



## ASK PERSPECTIVES



### **Martin Browne, Vice President, Software Development**

Now that another fiscal year has been completed, it seems appropriate to again thank our customers for their support and enthusiasm for MANMAN products and ASK. As our company grows, we continue to recognize that new software capabilities must be designed primarily in response to the needs of our customers. Based on this premise, the software development group of ASK is committed to ensuring that customer input is the primary source for new product development. Let me describe some of the ways that our users contribute to product development.

First, ASK encourages suggestions on software enhancements via our enhancement request forms. Each suggestion received is formally logged into a data base and then the enhancement request is given to the appropriate application product manager. These enhancement requests are reviewed on a regular basis and are included in new product plans whenever feasible.

A second valuable source of input comes from meetings with individual customers and prospects. An important part of the software engineer's job is to meet with company representatives to discuss their individual needs. Ideally, standard enhancements are created to meet these needs which also benefit the entire user community.

The ASK sponsored workshops are also helpful in determining the requirements for product development. For example, while developing the manufacturing cost accounting system, we held seminars in each of our regional offices and invited anyone interested in contributing ideas or learning about our product development. The cost accounting module was a direct result of these seminars.

Finally, the ASK users groups provide a valuable forum for the exchange of ideas between customers and the software development group. Over 50% of the current ASK users belong to one of the seven regional users groups. Software engineers, product managers, and I actively participate in many of the users groups primarily to discuss future product plans. In addition, these user groups can consolidate many of the user requirements within a specific region.

One of our company goals is to remain the most reputable supplier of on-line manufacturing and financial management systems. Our customers are always an important source of ideas, and their satisfaction speaks as our best reference.

## Payroll Product is Enhanced

The newly released MANMAN/PAYROLL product already has an impressive list of upcoming enhancements.

Enhancements scheduled for a fall release include the addition of an optional level of password security. This will allow the system manager to assign a password to each individual payroll function while also having password control of the overall system.

Also scheduled for completion in the fall is the automatic interface between MANMAN/PAYROLL and MANMAN/GL. This will allow users to post payroll expenses directly to the G/L product expense accounts.

By the beginning of 1984, the product will interface with MANMAN/MFG's Work-In-Process module. The payroll product will use MANMAN/MFG's information to process accounts, calculate pay, and pay employees.

Also scheduled for the beginning of next year is the human resources product, that will share the same data base as the payroll product. This module will provide personnel, skills, and benefit reporting, applicant tracking, and salary administration.

Already installed at user sites, the payroll product is a flexible, user-defined payroll system that operates on either the HP 3000 or VAX-11. □



*NEWSMAN* is a publication of ASK Computer Systems, Inc., Los Altos, CA.

Editor—Miriam Kaminsky  
Graphics Coordinator—J.D. Cloer  
Designer—Mari Eckstein

For more information or additional copies of *NEWSMAN* contact Stewart Florsheim, director, technical communications.

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# Financial Products Available on VAX

The new MANMAN/MFG product on the VAX-11 computer now has integrated financial products.

ASK released its VAX-based MANMAN/GL product in July, and plans the release of MANMAN/PAYROLL and beta tests for MANMAN/OMAR and MANMAN/AP by September.

MANMAN/MFG became available for use on Digital Equipment Corporation's VAX-11 line of computers in January. Since then, ASK has installed 15 VAX-based systems at customer sites across the country.

The full family of MANMAN products is being designed for the VAX computer. The target date for availability of the complete software system is Spring 1984.

"We're moving into a new phase with the VAX products," notes Ken Fox, ASK's vice president of research and development. "Our goal is to work closely with the installed customers to look for ways to improve perfor-

mance. Our first update of the MANMAN/MFG product on the VAX in September will reflect our customer feedback. We're also continuing to work on the integration of the financial products into the manufacturing product."

## Support Offered for VAX Products

This summer, ASK product managers and project leaders are visiting regional offices to train sales and support staff on use of the new products.

Educational Services has already taught a number of classes on the VAX MANMAN/MFG product. Mark Ripma, ASK's director of product marketing, notes that the VAX classes parallel the HP classes in format. The first VAX MANMAN/GL class is scheduled for August 18 in Los Altos, CA.

## VAX Products Available on ASKNET

The first customer to use VAX MANMAN/MFG on ASKNET, ASK's Remote

Processing Service, went on-line in early June. "We expect to see more VAX customers join over the summer and significant growth in customers in the fall when the VAX financial systems become available," says Lindsay MacDermid, director of computer services. "Within a year, we anticipate at least 20 percent of all ASKNET customers will be using the VAX. Like all our HP customers, VAX customers can use ASKNET to provide a full range of manufacturing management services until it becomes cost effective to have an in-house system."

## VAX Products Reach Europe

Through a recently completed agreement, DEC Finland will be the authorized distributor of MANMAN systems on the VAX in Finland. The other foreign distributors for MANMAN products are Scicon in England, which distributes MANMAN on the HP and VAX systems, and CISI in France, which distributes MANMAN on the HP system. □

# ASK Focuses on Product Areas

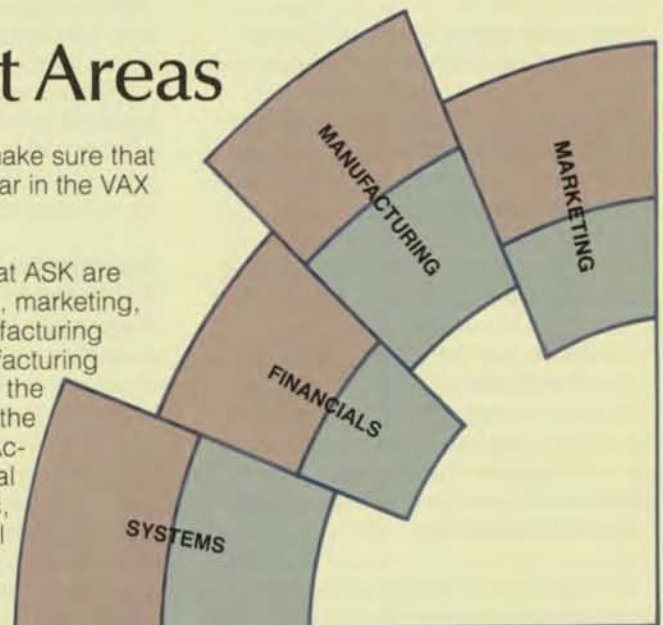
ASK continues to strengthen its organization along product lines. Organizational enhancements have been made in the Research and Development and Marketing departments that encourage concentration on particular product areas.

"This is a solidification rather than a reorganization," says Ken Fox, ASK's vice president of research and development. "We have always had engineers and writers working on particular products. However, with the development of the VAX products, we decided to strengthen our organization along the product area

lines so that we could make sure that the same features appear in the VAX and HP products."

The four product areas at ASK are manufacturing, financial, marketing, and systems. The manufacturing area includes the Manufacturing Management product; the financial area includes the Accounts Receivable, Accounts Payable, General Ledger, Fixed Assets, PLANMAN, and Payroll products; the marketing

(continued on page 5)





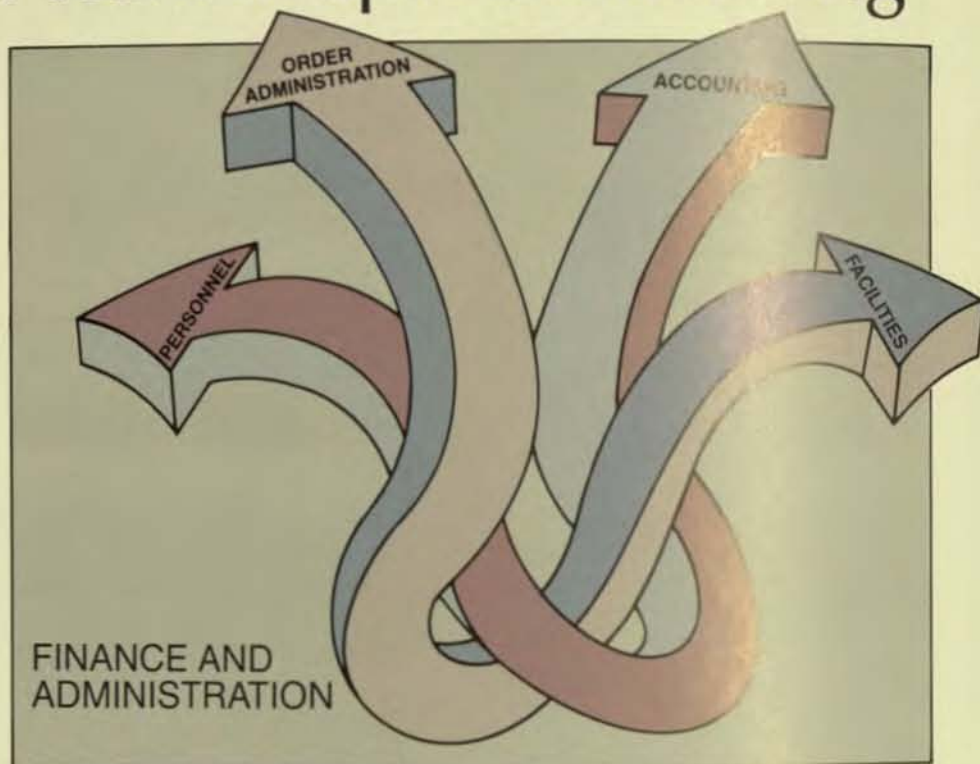
# Administration Team Keeps ASK Running

ASK's dedication to quality service is nowhere more apparent than in the Finance and Administration Department. Under the direction of Bob Riopel, vice president of finance and administration, in-house operations from accounting to shipping and receiving are performed, all with the same customer orientation that is found throughout ASK.

This department performs a wide variety of tasks. Controller Frank Hotta directs the financial operations, including internal and external reporting, accounting, budgeting, tax, credit and collection, and the treasury function. The personnel duties, including employee education, are performed by Personnel Manager Ann Prenatt. Customer orders, from ASKNET customer leasing of hardware to supplying documentation materials, are all processed through the order administration department, headed by Ellyn Williams. Libby Larsen orchestrates facilities, which includes coordinating the frequent rearranging of office space. It is a complex set of diverse operations, requiring careful management to keep the entire company functioning efficiently.

An integral part of this well-run department is the MANMAN Information System, which helps keep track of the growing company's affairs. "We use our own products," says Riopel. "And in so doing, we perform an ongoing re-evaluation of the automation and updating of our system." In-house use of the MANMAN products helps provide quality service to ASK customers in two ways: first, by using MANMAN, the company uses an excellent software system; second, through increased employee familiarity with the system, ASK is able to improve the product and make the system more efficient and useful for everyone.

"We use the financial packages as well as MANMAN/MFG, all of which have helped to increase our accu-



racy and efficiency, including improved customer billing," explains Frank Hotta.

For a financial administrator, the MANMAN products provide other significant benefits. Hotta explains, "What I like best about our system is that it provides readily available and up-to-date information: at any point, you can see the current status of an account as well as its history. This greatly enhances our ability to respond to the needs of customers as well as internal management.

### Creative Environment is Maintained

Personnel Manager Ann Prenatt is concerned about ASK's most valuable resources: the staff. "We have talented people here," Prenatt says, "and my job involves continuing to provide opportunities for them." Toward that end, Ann has found opportunities for increasing ASK employee skills, including classes in-house and at local college campuses. Supervisorial expertise is enhanced by participation in the Ar-

thur Young series of management training seminars. "They put on seminars specifically designed for ASK and similar companies," she notes. "They design the classes to help us learn how to best deal with the kinds of management issues we run into in this kind of company."

Prenatt's overall perspective is that a work environment can either nurture or discourage productivity and imagination—both essential qualities for a software company—but the balance must be skillfully maintained. "The company has to determine parameters for employees, just as we determine parameters for customers. We want to provide enough structure while still allowing ourselves to be flexible and creative."

Riopel summarizes the ASK philosophy while identifying that belief with his own department: "You can link our success to two basic principles," he says. "First, a sound product that does what it is designed to do; second, quality service that is maintained at a high level." □



## ASK SPOTLIGHT: Bob Riopel

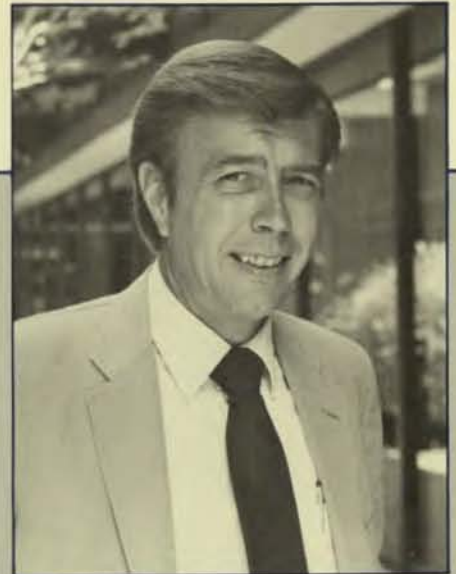
Like many ASK employees, Bob Riopel, vice president of finance and administration, has found himself doing things at ASK he has never done before.

Riopel came to ASK well prepared to handle the financial chores, of course. He holds a bachelor's and master's degrees in business administration from the University of Santa Clara. Seven years experience with Advanced Electronics Design in Sunnyvale, CA, and Reticon, now a subsidiary of EG&G, Inc., combined with seven years prior experience in public accounting, make him a respected and well-known financial manager in the industry and the Silicon Valley area.

"The interesting difference between

my previous experience and my work at ASK is that here, I'm involved in more aspects of the business," says Riopel. His prior experience in evaluating and installing systems contributes directly to his planning duties, which include evaluation of ASK's product plans, pricing, and marketing programs.

The added exposure to the other aspects of the business has been rewarding for Riopel. "It's the first time I've been involved in sales on any level," he says. "The sales team seems to like to have me meet with customers, and I think it's great." The sales staff benefits from Riopel's extensive knowledge of ASK product applications, his contacts throughout the business, and his ability to introduce the system's usefulness.



*Bob Riopel is ASK's vice president of finance and administration.*

"I'm always eager to tell the ASK story," says Riopel. "We're always looking for creative solutions to reducing costs and improving quality, and I enjoy playing an active role in that process."

## Product Areas

(continued from page 3)

area includes the Order Management, SERVICEMAN Field Service, and Integrated Business Graphics products; and the systems area includes projects that are not application specific, such as performance, programming standards, and systems interfaces.

The Software Development and Technical Communications departments in Research and Development have gone through a few structural changes. Software Development, which has always been organized into the four product areas, has been subdivided into special groups within each area. The manufacturing management area has been divided into Production Control, Master Planning

and Engineering, and Material Control. The financial area has been divided into Payroll; Fixed Assets; Decision Support Systems, which includes PLANMAN; and Accounting Systems, which consists of the Accounts Receivable, Accounts Payable, and General Ledger products.

The Technical Communications Department, which produces the user reference manuals and other technical publications, has been realigned into the four product areas. Writers work on specific system manuals within each area.

### Product Marketing Managers Hired

The product marketing area of the Marketing Department is being developed and organized into the four product areas. Product marketing

managers have been hired with expertise in manufacturing, financial, marketing, and system applications.

The responsibilities of the product marketing managers include market research, competitive analysis, pricing, introduction of new products, and sales support. They will also be involved in product design and in educating ASK's field organization.

"We need to concentrate on all aspects of the product, from research and development to education, as well as on the product's role in the marketplace," says Mark Ripma, ASK's newly appointed director of product marketing. "Aligning Research and Development and Marketing along product area lines will encourage an important team effort between the two departments." □



## MANMAN Helps Increase Production

At the Audichron Company in Atlanta, GA, MANMAN/MFG was first put to the test only a few months after installation. Audichron, the nation's largest manufacturer of telephone announcement equipment, needed to build 600 systems in 6 months. They previously had produced about 25 systems per month.

Audichron met their schedule, but Charles Myers, director of manufacturing, believes that without MANMAN/MFG, such a dramatic increase in production would have been impossible.

Audichron originally used another computerized MRP system to manufacture their telephone time, weather service, and special service announcement equipment. "That system was a disaster," says Myers. "It was too complicated to be used by most of our employees and it was very expensive. It cost, per month, more than four times what the vendor said it would cost. To top it off, we never once ran the MRP."

### Audichron Switches to MANMAN

Myers, author of *Installing A Manufacturing MRP System*, proposed that they get rid of the existing system. He led an intensive three-month search for a workable system which resulted in choosing MANMAN/MFG.

Audichron found that MANMAN/MFG was the friendliest and most complete system on the market. "Since MANMAN/MFG was designed from the manufacturing point of view, it really addressed our manufacturing needs," says Myers.

"By the time MANMAN/MFG arrived, everybody was really enthusiastic," says Myers. "Our data was in order and we were all set to go. We ran our first MRP report after being up only one month."

When asked how MANMAN/MFG has



MANMAN/MFG now manages the thousands of parts used to assemble Audichron Company's telephone announcement equipment.

changed Audichron's manufacturing environment, Myers replied, "It took us from the dark ages into the twentieth century. Since we now know where we are at any given time, we can make educated decisions. We can respond quickly to inquiries."

Myers recalls the arduous hours he spent with the manual system originally used at Audichron. "We have about 6,000 part numbers, 3,000 bills of material, and over 500 top level assemblies. I would spend hours exploding each bill of material by hand. With MANMAN/MFG, we now easily maintain close control of inventory."

### MANMAN Links Marketing and Manufacturing

Myers feels that MANMAN/MFG provides the necessary link that is often missing between marketing and manufacturing. "With MANMAN/MFG, marketing knows what the factory has the capability to build. Marketing now controls what we build and when we build it.

"It's difficult to quantify the benefits of MANMAN/MFG, because processing at computer speed has really turned our company around," claims Myers. "In the long term, MANMAN/MFG has given our people the ability to make intelligent decisions based on good data."

Audichron has installed a range of MANMAN products including: Order Management and Accounts Receivable, SERVICEMAN, Accounts Payable, and General Ledger. "Adding the financials was the logical off-shoot," says Myers. "It's convenient to have marketing, finance, and manufacturing running off the same system. It saves a lot of time."

Myers praises ASK's products and its people. "ASK's tech support crew is the best around. They know the answers to our questions right away." When asked why he prefers MANMAN/MFG to other MRP systems, Myers says, "because it is the only system that really works." □



## ASK NEWS *Bits and Bytes*

### Customer Survey Completed

Information gathered from the first ASK user survey provided ASK with a detailed picture of the work environment at ASK customer sites. Approximately 130 ASK users participated in the survey.

"The more we understand about our customer's manufacturing environment, the more effectively we can design our systems," says Mark Ripma, ASK's director of product marketing.

In addition to learning how customers use MANMAN, ASK will be able to evaluate customer satisfaction with ASK customer support services, MANMAN products, and education products.

### ASK Keeps Growing

Yet another office has been added to the ASK sales and service network across the country; the 21st office in the chain was opened this spring in Cincinnati, OH.

Meanwhile, the ASK office in Boston, MA is increasing its sales and technical support staff. The increase in staff is accompanied by the addition of a second floor of office space and the construction of a larger customer training center.

In Florida, the ASK office has moved to Melbourne; this change makes the office more accessible to a greater number of ASK customers in the Florida area.

At ASK corporate headquarters in Los Altos, CA, the remodeling of the new office complex continues. The complex has doubled the available office space at ASK headquarters.

### Users' Group Elects Officers

The ASK National Users Group elected officers at the spring meeting in Montreal, Canada.

SIGASK (Special Interest Group ASK) is the ASK national users group that acts as the umbrella organization for the various local ASK users groups. The SIGASK meeting was held in conjunction with the HP 3000 International Users Group Conference.

The officers elected were: Eric Roberts, chairman, Audichron Company, Atlanta, GA; and J. Merle Ehst, user interface coordinator, Alpha Industries, Woburn, MA.

Eric Roberts, the newly elected chairman says he hopes to encourage greater participation by users and an effective exchange of information. To

that end, Roberts plans to publish the first issue of a quarterly users newsletter in August.

SIGASK coordinates the ASK Users Contributed Software Library, which includes enhanced reports, utilities, and other useful information. The latest tape was mailed together with the May 1983 software release by ASK.

For more information about SIGASK, call Roberts at (404) 455-4895.

### ASK Stays in Shape

Lunchtime athletics are more popular than ever at ASK corporate headquarters in Los Altos, CA.

Many employees use the lunch hour to jog, taking routes through the tree-lined streets of the neighborhood. Some take their running seriously; ASK has several marathoners, half-marathoners, and a not-too-serious group of 10 employees who ran in San Francisco's "Bay-to-Breakers" race. ("It was a 7.6 mile party," said one ASK runner.)

Other employees use a local athletic area to play basketball, tennis, or to swim. Some play softball with the ASK softball team, now playing its third consecutive season.

NEWSMAN is designed to keep you informed about developments at ASK and in the ASK Family of Products. You can let ASK's Technical Communications Department know about any special interests you have by answering the following questions. We welcome any comments regarding the current issue.

Suggestions or comments on NEWSMAN: \_\_\_\_\_

- Please send me more information on the MANMAN Information System.
- Please add me to the NEWSMAN mailing list.

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

Send responses to: Technical Communications Dept., ASK Computer Systems, Inc., 730 Distel Drive, Los Altos, CA 94022



## ASK Classes are Scheduled

The MANMAN Educational Services is currently under way at all of the seven ASK training centers. On-site classes are also available. Contact Kelly Newcomb at ASK, Los Altos, for reservations and information at 415/969-4442.

### MANAGEMENT PERSPECTIVE \$175 Per Person (1 Day)

August 3	Torrance, CA
August 9	Bedford, MA
August 17	Houston, TX
August 24	Hinsdale, IL
August 29	Los Altos, CA
September 13	Orange, CA
September 14	Syosset, NY
October 13	Los Altos, CA

### MATERIAL REQUIREMENTS PLANNING \$525 Per Person (3 Days)

September 7-9	Bedford, MA
September 7-9	Los Altos, CA
October 10-12	Syosset, NY
October 17-19	Torrance, CA

### INVENTORY MANAGEMENT for OMAR PLUS and SERVICEMAN PLUS Customers Only

#### \$175 Per Person (1 Day)

September 6	Los Altos, CA
September 6	Bedford, MA
October 21	Torrance, CA

### MANMAN/MFG \$875 Per Person (5 Days)

August 8-12	Los Altos, CA
August 15-19	Orange, CA
August 15-19	Hinsdale, IL
August 15-19	Syosset, NY
August 22-26*	Los Altos, CA
August 29-September 2*	Torrance, CA
August 29-September 2	Houston, TX
September 12-16	Los Altos, CA
September 12-16*	Hinsdale, IL
September 12-16	Bedford, MA
September 19-23	Torrance, CA
September 26-30*	Los Altos, CA
October 3-7*	Bedford, MA
October 10-14	Orange, CA

October 10-14	Hinsdale, IL
October 17-21	Los Altos, CA
October 17-21	Bedford, MA
October 24-28	Syosset, NY

\*Indicates a DEC VAX class.

### MANMAN/OMAR \$525 Per Person (3 Days)

August 8-10	Hinsdale, IL
August 15-17	Los Altos, CA
August 22-24	Orange, CA
August 29-31	Bedford, MA
September 19-21	Los Altos, CA
September 19-21	Houston, TX
September 19-21	Hinsdale, IL
September 19-21	Syosset, NY
October 10-12	Los Altos, CA
October 10-12	Torrance, CA
October 10-12	Bedford, MA

### MANMAN/SERVICEMAN \$175 Per Person (1 Day)

August 18	Los Altos, CA
September 15	Orange, CA
September 23	Bedford, MA
September 29	Hinsdale, IL

### MANMAN/AP \$175 Per Person (1 Day)

August 11	Hinsdale, IL
August 25	Orange, CA
September 1	Bedford, MA
September 22	Los Altos, CA
September 22	Houston, TX
September 22	Hinsdale, IL
September 22	Syosset, NY
October 13	Torrance, CA
October 13	Bedford, MA

### MANMAN/GL \$175 Per Person (1 Day)

August 12	Hinsdale, IL
August 19*	Los Altos, CA
August 26	Orange, CA
September 2	Bedford, MA
September 14*	Orange, CA
September 22*	Bedford, MA
September 23	Los Altos, CA
September 23	Houston, TX

September 23	Hinsdale, IL
September 23	Syosset, NY
September 28*	Hinsdale, IL
October 14	Houston, TX
October 14	Bedford, MA

\*Indicates a DEC VAX class.

### MANMAN/FA

Fixed Assets is available as a self-paced course. Call Pamela Dean in Los Altos for more information.

### SYSTEM MANAGER \$350 Per Person (2 Days)

August 1-2	Houston, TX
August 8-9	Torrance, CA
August 22-23	Bedford, MA
August 31-September 1	Los Altos, CA
October 3-4	Los Altos, CA
October 3-4	Houston, TX
October 3-4	Hinsdale, IL
October 3-4	Syosset, NY
October 17-18	Orange, CA

### MANMAN/QUIZ \$175 Per Person (1 Day)

August 3	Houston, TX
August 3	Hinsdale, IL
August 10	Torrance, CA
August 10	Syosset, NY
August 24	Bedford, MA
August 30	Los Altos, CA
September 27	Hinsdale, IL
October 5	Los Altos, CA
October 5	Houston, TX
October 5	Syosset, NY
October 19	Orange, CA
October 25	Bedford, MA

### ASKNET \$175 Per Person (1 Day)

August 4	Houston, TX
August 11	Torrance, CA
August 25	Bedford, MA
October 5	Hinsdale, IL
October 6	Houston, TX
October 6	Syosset, NY
October 7	Los Altos, CA
October 20	Orange, CA

### IMPLEMENTATION PLANNING \$175 Per Person (1 Day)

October 5	Orange, CA
October 14	Los Altos, CA



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Los Altos, CA 94022 (415) 969-4442

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Telex 260710



ASK COMPUTER SYSTEMS (ASKI - \$20)

June FY	Fourth Quarter			Fiscal Year		
	F1982	F1983	% Change	F1982	F1983	% Change
	(\$ in millions except per share data)					
Revenues	\$ 7.3	\$12.7	74	\$24.9	\$39.4	58
Pretax Income	1.3	2.0	54	4.8	6.7	40
Pretax Margin	17.8%	15.7%	-12	19.5%	16.9%	-13
Tax Rate	44.1%	42.8%	-3	44.4%	41.4%	-7
Net Income	\$ 0.7	\$ 1.2	71	\$ 2.7	\$ 3.9	45
Per Share	\$0.07	\$0.10	43	\$0.27	\$0.35	30
Shares Out (MM)	10.5	11.6	10	10.1	11.1	10

A recent visit with management confirmed the strength of current operations while it raised some strategic issues. Revenues for the year ended June 30, 1983 were \$39.4 million, up 58% from \$24.9 million a year ago. Net income, which included \$1.5 million of pretax interest income, rose 45% to \$3.9 million or \$0.35 per share on 11.1 million shares outstanding. Pretax margins declined to 16.9% from 19.5% a year ago largely as a result of more sales of lower margin turnkey systems. The ASKNET service bureau revenue base grew to \$5 million and is currently running at a \$7 million annual rate. The year-end results also included \$3.1 million of revenues and \$135,000 of net income from recently acquired Software Dimensions Inc. F1984 projections are currently at the \$60 million revenue level with earnings per share of \$0.50-0.55.

In contrast to the buoyant fundamental outlook for F1984, questions are raised regarding personnel vacancies within senior operating and marketing management positions. Senior level management departures at Software Dimensions have necessitated shifting the Company's chief operating officer over to this area. In light of what is an unusual mix of strong fundamentals combined with some uncertainty regarding the preceding management question and related strategic issues, we feel the stock remains fairly valued at current levels.

Fiscal 1983 revenue growth was impressive considering the poor economic conditions existing earlier in the fiscal year. Sales force headcount and related productivity provide a close correlation to gross revenues. Of the 43 salespeople at fiscal year-end 1983, 35 were eligible for quota while 21 actually hit the \$1.4 million target (i.e., 100% quota). For the year ended June 1984 the sales headcount is expected to approach 60 with quotas being raised to a \$1.6 million level.

In the fourth fiscal quarter, several DEC VAX-based turnkey systems were shipped bringing the total to 15. A majority of VAX-related software modules are expected to be completed as scheduled this fall. The introduction of the VAX class machine greatly increases the Company's served available market while potentially improves its profitability levels. Due to differences in the DEC sales organization's philosophy, a lower percentage of systems will be sold as turnkey systems, as opposed to the Company's historical experience with Hewlett-Packard computers. Since DEC aggressively competes for the hardware sale, the Company will likely see more software-only sales resulting in increased margins. In F1983 a significant portion of product



development spending was channeled into the conversion of the product to the VAX machine. At a relatively low 8-9% of revenues, product development expenses are unable to support significant new product activity until the DEC conversion tails off later in F1984. For the time being, the Company is not pursuing any further hardware relationships. Although a few software conversion projects are underway at various supermini vendors, none is being done with the Company's full support. The areas of focus for new product development will be software to support shop floor data entry, distribution management, and quality control. With over \$18 million in cash, the Company is not adverse to purchasing these product additions to the portfolio but is likely to develop them internally.

The F1984 estimate assumes 140 systems sold, 30 of which will be DEC-based. The ASKNET service bureau currently has 110 customers and is operating at an annualized run rate of \$7 million. It is expected to contribute \$8-9 million in revenues for the current fiscal year. Current projections for Software Dimensions put revenues at \$6 million with marginal profit contribution for the full fiscal year.

Software Dimensions is a producer of microcomputer-based accounting software. It has been renamed ASK Micro Inc., and operates as a separate division. It generated \$3.1 million in revenues in fiscal 1983 from selling accounting packages for use on IBM, Apple, and micros using the CP/M operating system. Due to the recent departure of the founder, the division is now under the direct control of ASK's COO Tom Lavey. Operating priorities in F1984 are to bolster the marketing effort while eliminating less profitable product offerings. The division will maintain its current distribution strategy using a combination of distribution/retail and OEM channels. At this point it is unclear to us as to where this operation strategically fits within ASK's basic business. While micro-based accounting software addresses a large market of six million small businesses, it is unclear how well this market can be reached given the limited nature of the existing channels of distribution. Since the product represents a large complex commitment, competition centers around the issue of support. Distribution is moving toward the value-added retailer and system integrator, which are channels that require a large investment in education, training, and follow-on support.

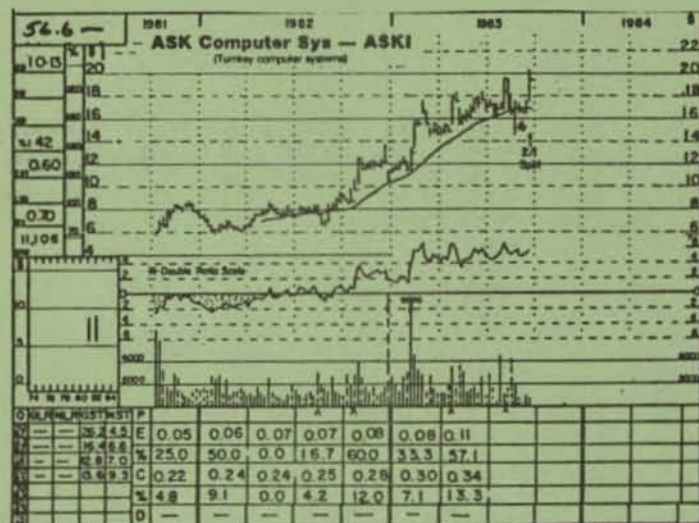
ASK recognizes the strategic importance of offering an integrated workstation product as part of the manufacturing process. The Company's initial efforts in this direction are embodied in its PLANMAN software product which allows distributed micros to access and manipulate information within its host files. Management feels future products in this area are more easily developed from the existing technology base at ASK Micro. In addition to this exchange of micro technology, the Company intends to develop a micro-based derivative of its turnkey manufacturing system. The product, which would also target ASK Micro's small business accounting market, would not be sold by the current sales force. There is a significant question as to how such a product could be marketed outside of a direct sales channel, and this would seem to represent a conflict in distribution channels. As a complicated solution-oriented sale, it seems to require the support of a direct sales effort. However, with an average price that is likely to be too low to support direct marketing expenses, the product will be distributed through retail channels. This product channel combination could prove to be difficult to master given the embryonic stage of the small business manufacturing software marketplace. ASK



Micro's long-term profit contribution remains unclear in the absence of further strategy clarification. In its current status it is likely to participate in the growth of the industry while not materially impacting ASK's overall growth rate. However, concern exists over the high degree of already limited senior management resources presently being devoted towards this area.

CARTER W. DUNLAP  
SY KAUFMAN  
October 4, 1983





Source: The Mansfield Stock Chart Service

ASK COMPUTER SYSTEMS (\$19.625)

The outlook for Ask, the leading vendor of manufacturing management systems, appears healthier than ever. The economy is strong, the competition has faltered, and the company is now squarely in the personal computer (PC) software marketplace with its acquisition of Software Dimensions (SD), now renamed Ask Micro. Management reports that Ask's backlog entering F1Q84 (FY ends June) was at an historic high, with 70% of the quarter's new business target signed and awaiting shipment as of July 1. For F83, Ask generated revenues of \$39.4 million, up 58%, and EPS of \$0.35, a 30% gain. The margin decline resulted from increased selling and support expenses, as well as the pooling of SD. Sandra Kurtzig has resumed control of daily operations, and Tom Lavey, chief operating officer, will now assume full responsibility for Ask Micro, while also retaining control of overall corporate marketing/sales.

ASK COMPUTER SYSTEMS Five-Year Projections  
(\$ in Millions)

	F83A	F84E	% Change	F85E	% Change	Possible 5-Year	
						CGR	F86E
Revenues (\$)	39.4	63.0	59.9%	95.0	50.8%	50%	299.2
Pretax Margins (%)	17.0	16.0		16.0			16.0
Tax Rate (%)	40.0	43.0		43.0			43.0
Shs. Out. (Mill.)	11.1	11.2		11.5			13.0
EPS (\$/share)	0.35	0.50	42.9%	0.75	50.0%	43%	2.10

Fiscal Year Ends June

Lavey, one of the prime architects of Ask's sales force, has replaced the founder and president of SD in order to build a marketing thrust within the new subsidiary. Although Ask Micro boasts one of the top-selling PC small business accounting packages, Accounting Plus, its sales, packaging and promotional efforts, as well as profit margins, are well below Ask's standards. Lavey will try to position Ask Micro at the high end of the PC marketplace, targeting potential users who are willing to pay a premium price for premium product and service. Ask Micro has already rewritten Accounting Plus in the "C" language as the first step toward the introduction of a multiuser, Unix-based system. With four salesmen hired to date, the company has made the initial move toward establishing a direct sales force aimed at dealers and distributors. The company targets 15 salesmen by fiscal year end. Ask Micro hopes to differentiate its



## *Dillon Read Technology*

ASK COMPUTER SYSTEMS Investment Recommendation		
	Long Term (Over 12 mos)	Short Term (Less Than 6 mos)
Recommendation	Buy	Hold
Confidence Factor	Medium	

product and win retail shelf space by stressing its support and service capabilities for both dealers and their customers. The Ask relationship will serve Ask Micro well here, as Ask has established an excellent reputation for building products and selling them to first-time computer users. Ask Micro, for example, will be able to offer training classes at Ask's seven regional education centers.

Ask Micro's premium strategy seems to run opposite to the clear trend toward declining prices in the PC software marketplace. For example, whereas Commodore plans to introduce business-accounting software for its 64 computer priced below \$60 per module, Accounting Plus is currently priced at \$600 per module. Peachtree, the subsidiary of Management Science America (MSA), has taken great pains to drive production costs down in preparation for price wars and has elected to stay out of the multiuser end of the market for fear of profitability pressures. Ask Micro must be careful not to build a cost base so high that it is strangled if prices must be slashed.

ASK COMPUTER SYSTEMS Quarterly Projection  
F84 Ending June  
(\$ in Millions)

	F1QE	F2QE	F3QE	F4QE	F84 TOTAL
Revenues (\$)	11.0	13.0	18.0	21.0	63.0
% Change	55.0%	49.0%	64.0%	65.0%	60.0%
Pretax Margins (%)	20.0	17.0	14.0	14.0	16.0
EPS (\$/share)	0.11	0.11	0.13	0.15	0.50
% Change	38.0%	38.0%	43.0%	50.0%	43.0%

Given the strength of its base business, Ask is now in an ideal position to gamble in the PC world. If its strategy is successful, the company will have a well-cultivated dealer network which can serve as the launching ground for additional products, most likely aimed at vertical markets. As other major PC software vendors have shied away from vertical markets (due to the high cost of sales and support), Ask could vault into a leadership position. We have raised our F84 revenue estimate from \$55 million to \$63 million, primarily reflecting the acquisition, and look for EPS in the \$0.50-\$0.55 range. Ask remains our favorite long-term stock in the manufacturing software marketplace.

(Scott Smith -- 9/19/83)





## News Release

Contact: Rick Lawler  
Media Relations Manager  
Systems Plus, Inc.  
(415) 969-7047

FOR IMMEDIATE RELEASE

### Systems Plus to Handle Computerland Account

Palo Alto, California -- A three-way agreement between Systems Plus, Inc., Ask Micro, Inc. and Computerland, Inc. has been reached, giving Systems Plus exclusive distribution of all Accounting Plus software to Computerland's 650 outlets nationwide.

Ask Micro, Inc. of Folsom, California became the publisher of Accounting Plus when they acquired the authoring group, Software Dimensions in July of last year. The Accounting Plus product line is marketed directly to dealers and through a number of distributors and OEMs.

Accounting Plus is a completely integrated accounting system designed for medium to large companies. Versions are available on CP/M, MP/M, MS-DOS, PC-DOS and Apple. With an installed base of over 10,000, Accounting Plus continues to be one of the most successful accounting packages on the market.

Computerland will also be stocking BOOKS! The Electric Ledger and Lead Manager, both published by Systems Plus, Inc.

MORE

BOOKS! is winning praise all over the country for its innovative approach to the automation of accounting and record keeping, by recreating the familiar bookkeeping environment on the computer screen. BOOKS! reportedly received the highest marks possible in the rating sheet prepared by Computerland's evaluation committee.

Lead Manager is a sales management and lead tracking package for those who need to control large numbers of contacts. The package uses various select and sort options to give sales people, account managers, volunteers and others instant access to information on their contacts and leads. Through the use of tables, the program can be customized to meet each user's needs.

Systems Plus is an international publisher of business and professional software. The company is located at 1120 San Antonio Road, Palo Alto, CA 94303. Phone (415) 969-7047.

###



## ASK COMPUTER SYSTEMS\*

Current Price	52 Week Range	Ticker Symbol	Fiscal Year	Earnings Per Share			Calendar P/E	
				F1983	F1984E	F1985E	1984E	1985E
\$16	\$21-13	ASKI	June	\$0.35	\$0.55	\$0.80	25.0x	17.8x

June FY	Third Quarter			Nine Months		
	F1984	F1983	% Change	F1984	F1983	% Change
	(\$ in millions except per share data)					
Revenues	\$17.6	\$11.0	60	\$45.1	\$26.7	69
Pretax Income	3.1	1.8	73	8.2	4.6	77
Pretax Margin	17.6%	16.3%	8	18.2%	17.4%	5
Tax Rate	43.0%	39.1%	10	43.3%	40.7%	6
Net Income	\$ 1.8	\$ 1.1	62	\$ 4.7	\$ 2.8	69
Earnings Per Share	\$0.15	\$0.09	67	\$0.40	\$0.25	60
Shares (MM)	11.6	11.6	—	11.6	10.9	6

Quarterly results were measurably higher than our earlier projections although fully consistent with Company expectations. Revenue growth thus far through fiscal 1984 is 70% over the comparable period one year ago and directly reflects the buoyant conditions within the manufacturing industry and ASK's prominent role as a software and turnkey systems vendor to this market. Gross margins continued to oscillate around the 50% level and were 47% in the reported quarter reflecting some volume discounts. Operating margins came in at the 15% level and were only minimally influenced by the ongoing losses within the ASK Micro business. Net income exceeded the Company's goal of 10% of revenues with earnings per share \$0.01 higher than our earlier projection.

The Company's systems business continued to be quite strong with about 35 systems shipped during the quarter which represented about 65% of revenues. Of this total, about 20% of the systems went out on the DEC VAX with the balance on Hewlett-Packard machines. Earlier DEC availability problems appear to have been resolved. ASKNET revenues in the quarter of about \$2.5 million showed some sequential growth although they are expected to level off as a percentage of sales as customers are eventually converted to turnkey systems.

ASK Micro's quarterly revenues continued to be flat at about \$0.5 million. The Company has instituted a number of personnel changes within this area while trimming expenses over the last four months. While management continues to express optimism regarding this operation, it must be viewed as a disappointment to date and clearly detracts from the more favorable fundamentals to be found within the Company's base market. Efforts are underway to redirect ASK Micro's product thrust to develop a product to be positioned beneath MANMAN and targeted at companies or divisions with revenues in a \$5-15 million range. Product availability is projected in early calendar 1985. In the interim, ASK Micro represents a \$2-3 million potential write-off which equates to \$0.10-0.15 in earnings per share.



The Company's direct sales force is undergoing significant expansion with a current head-count of 45-47 which is projected to be at 60 at the end of calendar 1984 and reach 85 by the end of fiscal 1985. It appears that ASK is attempting to dramatically increase its market share over the next 18 months in concert with reaching the \$100 million annualized revenue level. We are certainly impressed with the Company's penetration of emerging high technology firms, which was amply demonstrated to us recently as a consequence of visits to a number of small, privately-held companies.

ASK is a rather dichotomous company in the sense that its underlying fundamentals continue to be so favorable and yet are mitigated by the ASK Micro situation and what may prove to be an overzealous commitment to rapid growth through fiscal 1985. We have raised our fiscal 1984 projections by about \$3 million to a \$63-66 million range with earnings per share remaining in a \$0.53-0.57 range. In fiscal 1983, the Company reported \$39.4 million in revenues and \$0.35 per share. Similarly, fiscal 1985 projections have been raised by \$5-10 million to a \$90-100 million range with earnings per share increased by \$0.10-0.15 to a \$0.75-0.90 range. We expect earnings per share for the next two quarters to be flat with the last two quarters in a \$0.15-0.17 range before breaking to the upside. This expected short-term performance, in conjunction with the previous reservations, suggest that the stock continues to be fairly valued at present levels.

SY KAUFMAN  
April 30, 1984

\* \* \* \* \*



**ASK COMPUTER SYSTEMS, INC.**

Current Price	52 Week Range	Ticker Symbol	Fiscal Year	Earnings Per Share			Calendar P/E	
				F1983	F1984	F1985E	1984E	1985E
\$18	\$21-13	ASKI	June	\$0.35	\$0.53	\$0.76	28.6x	20.0x

June FY	Fourth Quarter			Fiscal Year		
	F1984	F1983	% Change	F1984	F1983	% Change
	(\$ in millions except per share data)					
Revenues	\$19.9	\$12.7	58	\$65.1	\$39.4	65
Operating Income	2.0	1.7	15	8.8	5.2	68
Operating Margin	9.9%	13.6%	(27)	13.5%	13.2%	2
Pretax Income	\$ 2.7	\$ 2.0	35	\$10.9	\$ 6.7	64
Pretax Margin	13.6%	15.9%	(15)	16.8%	16.9%	(1)
Tax Rate	45.3%	42.8%	6	43.8%	41.4%	6
Net Income	\$ 1.5	\$ 1.2	29	\$ 6.1	\$ 3.9	57
Per Share	\$0.13	\$0.10	30	\$0.53	\$0.35	51
Shares (MM)	11.7	11.6	1	11.7	11.1	5

Quarterly revenues were modestly higher than projections and reflect the strong ongoing demand within the manufacturing sector for ASK's software and turnkey systems. The reported quarter was a record for the Company in all respects, i.e., bookings and shipments. Management reports this strength overlapping into the current quarter which has traditionally been seasonally soft. Gross margins were 47% in the quarter and reflected about \$0.5 million in write-offs related to the ASK Micro business closure. The Company is now free of any future ASK Micro financial liabilities. Gross margins would have been in the 50% range without the negative impact of ASK Micro. Operating margins were in the 10% range but should now recover to intrinsic levels of 13-14%. Reported earnings per share were \$0.03 greater than projections resulting from our earlier assumption that the Company would not recover any money from the ASK Micro discontinuance, which was not the case.

System shipments in the quarter were in excess of 40 turnkey units, only about 10% of which were DEC VAX machines. However, VAX-related software revenues were approximately 30% of total software revenues realized in the reported quarter. It continues to be important for the Company to increase its VAX mix in turnkey system sales as well as in stand-alone software modules. Although we believe that the HP 3000 family does not currently suffer a price/performance disadvantage with regard to VAX, the latter's market popularity and use by competing firms demands that ASK increase its market profile as a VAX value-added vendor. Management continues to "study" the issues surrounding the use of an IBM computer platform.

Fiscal 1985 represents another major year of challenges for the Company; certainly in both the sales and new product areas. Quota sales personnel staffing increased 50% in fiscal 1984 to a 45 level with 70-75 personnel budgeted by the end of fiscal 1985. At least three new product modules are also planned for release in the current fiscal year.



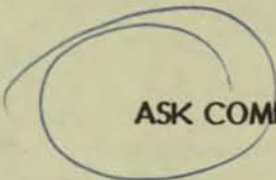
All of the preceding must be orchestrated against what is believed to be a \$100 million revenue target in fiscal 1985. Certainly the Company would appear to have the product portfolio (assuming that VAX-related sales productivity improves) and market fundamentals at the present time to achieve this end. The challenge, of course, will be to manage the growth. In that regard, we were delighted to have management relieve itself of the ASK Micro burden. We continue with fiscal 1985 revenue projections of \$90-100 million and earnings per share of \$0.70-0.80. This equates to about a \$0.90 calendar 1985 EPS estimate which accords the Company a premium multiple in today's market. On that basis, we regard the stock as fully priced to all but long-term accounts.

<u>June FY</u>	Fiscal 1985				<u>Year</u>
	<u>Q1E</u>	<u>Q2E</u>	<u>Q3E</u>	<u>Q4E</u>	
	(\$ in millions except per share data)				
Revenues	\$19.5	\$22.0	\$24.0	\$26.0	\$91.5
Operating Income	2.7	3.1	3.3	3.6	12.7
Operating Margin	13.9%	13.9%	13.9%	13.9%	13.9%
Pretax Income	\$ 3.5	\$ 3.8	\$ 4.1	\$ 4.4	\$15.7
Pretax Margin	17.7%	17.3%	17.0%	16.8%	17.2%
Tax Rate	41.2%	43.5%	44.2%	43.5%	43.2%
Net Income	\$ 2.0	\$ 2.2	\$ 2.3	\$ 2.5	\$ 8.9
Earnings Per Share vs. F1984	\$0.17 0.09	\$0.18 0.16	\$0.19 0.15	\$0.21 0.13	\$0.76 0.53

SY KAUFMAN  
August 15, 1984

\* \* \* \* \*




**ASK COMPUTER SYSTEMS, INC.**

Current Price	52 Week Range	Ticker Symbol	Fiscal Year	Earnings Per Share			Calendar P/E	
				F1983	F1984	F1985E	1984E	1985E
\$15-1/2	\$20-13	ASKI	June	\$0.35	\$0.53	\$0.75	25.4x	17.2x

June FY	First Quarter		
	F1985	F1984	% Change
Revenues	\$18.0	\$12.5	44
Operating Income	2.7	1.3	102
Operating Margin	14.8%	10.6%	40
Pretax Income	\$ 3.2	\$ 1.8	80
Pretax Margin	17.6%	14.1%	24
Tax Rate	46.0%	43.4%	6
Net Income	\$ 1.7	\$ 1.0	72
Per Share	0.15	0.09	67
Shares (MM)	11.7	11.6	—

Quarterly revenues were about \$1 million below earlier projections which resulted from two factors. These included an unexpected and nonrecurring loss in sales productivity during the quarter related to ASK's annual sales meeting, coupled with delays on the part of Hewlett-Packard (HP) in shipping fully-configured systems to customers. The latter problem relates to HP not shipping all required system peripherals (terminals and disk drives primarily) in a timely fashion so as to be recognized in the quarter. Gross margins came in at 48.5% or 1.5 percentage points higher than the immediately prior quarter which was depressed by the \$0.5 million ASK Micro write-off. Operating margins in the quarter recovered to intrinsic levels and were at 14.8%. The Company's cash-equivalent position remained static at about \$25 million and contributed about \$0.5 million in other income. ASK's tax rate was measurably higher than earlier projected, reflecting a more conservative posture by financial management. The combined revenue shortfall and higher tax rate resulted in earnings per share being \$0.02 below earlier projections.

System shipments in the quarter were about 40 units of which about 20% were on the DEC VAX machine. This represents a measurable improvement from the immediately prior quarter when four or five DEC systems were in the shipments mix. Management remains optimistic of improving this mix through the year although VAX-configured systems exhibit a 20% price premium to similar HP 3000 systems. It is important to note the recent introduction of the HP Model 37 system which ASK is using to configure an entry level system called ASKMATE. This product will sell in the \$125,000 range, support 10-15 users, and exhibit attractive gross margins due to the heavy weighting of software in the product's composition. Shipments for ASKMATE are scheduled to begin in December 1984.

The Company appears to be a prime beneficiary of the current domestic capital spending boom with no short-term likelihood that these fundamentals will change. Accordingly, we continue with fiscal 1985 revenue and EPS projections of \$90-100 million and \$0.70-0.80, respectively. This equates to about a \$0.90 calendar 1985 EPS estimate which accords the Company about an industry average multiple in today's software market. We

are somewhat annoyed by the Company's execution during the quarter but not to the extent that we are willing to turn our back on the favorable fundamentals. Consequently, we now believe that the stock is relatively attractively priced and may be purchased by aggressive accounts.

<u>June FY</u>	<u>Fiscal 1985</u>				<u>Year</u>
	<u>Q1A</u>	<u>Q2E</u>	<u>Q3E</u>	<u>Q4E</u>	
	(\$ in millions except per share data)				
Revenues	\$18.0	\$22.0	\$24.0	\$26.0	\$90.0
Operating Income	2.7	3.1	3.3	3.6	12.7
Operating Margin	14.8%	13.9%	13.9%	13.9%	14.1%
Pretax Income	\$ 3.2	\$ 3.8	\$ 4.1	\$ 4.4	\$15.4
Pretax Margin	17.6%	17.3%	17.0%	16.8%	17.1%
Tax Rate	46.0%	43.5%	44.2%	43.5%	44.2%
Net Income	\$ 1.7	\$ 2.2	\$ 2.3	\$ 2.5	\$ 8.6
Earnings Per Share	\$0.15	\$0.18	\$0.19	\$0.21	\$0.73
vs. F1984	0.09	0.16	0.15	0.13	0.53

SY KAUFMAN  
BRIAN MUTERT  
October 15, 1984

\* \* \* \* \*





June 8, 1984

Esther Dyson  
Ed-Ventures  
375 Park Ave.  
New York, NY 10152

Dear Mr. Dyson:

ASK Computer Systems is closing its microcomputer software subsidiary, ASK Micro, and we are selling at a closed auction one-time paid-up licenses to our Accounting Plus® products. You are invited to participate in this precedent-setting auction. All bids must be submitted to Arthur Young & Company, certified public accountants, by 5:00 PM, June 27, 1984 on the enclosed bid registration form.

Accounting Plus has ranked on the top ten list of best selling accounting software packages for the last 17 months, as reported monthly by Computer Merchandising magazine. In the most recent month's report, Accounting Plus ranked fourth. Over 50,000 Accounting Plus packages are now in use. The software runs on IBM and IBM-compatible, on Apple II and IIe, and on CP/M-based personal computers. All Accounting Plus products have years of development behind them, are flexible, comprehensive, and have outstanding documentation.

Ten Accounting Plus products are available for bid: Accounts Receivable, Accounts Payable, General Ledger, Payroll, Inventory Control, Sales Order, Purchase Order, Point of Sale, Fixed Asset Accounting, and Mailing List Manager. Companies may bid individual product lines, individual products within product lines, or all product lines and they have the choice of bidding on non-exclusive one-time paid-up licenses, or one-time paid-up exclusive licenses.

The auction will be by sealed bids to be opened at 5:00 PM, June 27, 1984. A full deposit cashier's check or stand-by letter of credit backing your bid must accompany all bids. Bids should be submitted to Arthur Young & Company, 55 Almaden Blvd., San Jose, CA 95113. All bids and bidders will be kept confidential. ASK reserves the right to reject or accept any bid.

Exclusive rights to any of the products will be sold where the highest exclusive bid is greater than the sum of all non-exclusive bids for that particular product line.

A minimum bid of \$50,000 per package of Accounting Plus products for IBM and IBM-compatible computers will be required and a minimum bid of \$10,000 per package of Accounting Plus products for CP/M-based computers will be required.

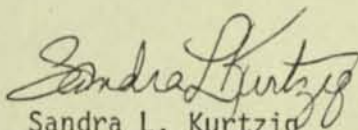
Successful bidders will receive the source code, full use of user and training documentation, and all available sales and promotional literature for the products as well as the unlimited one-time paid-up licenses.

We are closing ASK Micro because the strong demand and huge market for our minicomputer-based manufacturing software products and indicated that our management resources be focused in that area.

We opted for this unusual form of divestiture rather than an outright sale after being approached by a number of larger retailers who want to private label the products and by hardware vendors who want to incorporate the product into their lines or do promotions with the software to sell more hardware. This unique auction procedure will give computer hardware manufacturers, retailers, distributors, and others the opportunity to purchase exclusive or non-exclusive licenses to any or all of the Accounting Plus software products.

We look forward to receiving your bid.

Sincerely,



Sandra L. Kurtzig  
Chairman and CEO

SLK:bam  
Enclosures



# BEST SELLERS

This Month	Last Month	Mos. On Chart	Accounting	Systems								
				AP	CP/M	DEC	IBM	MS DOS	TI	TRS	OTHER	
1	1	4	<b>DOLLARS AND SENSE—Monogram</b> This is an advanced accounting program designed with the novice in mind. It does more than just keep the checking account straight; it can set up budgets on 120 different accounts, and checks, and remind you when bills are due. Beginners will like the simple instructions, samples, and on-screen prompts. More advanced users will key on the speed and power of the program.	•			•					•
2	2	17	<b>HOME ACCOUNTANT—Continental</b> A complete home financial management program. Program includes checkbook balancing, budgeting, printing of checks, a personal general ledger and a net worth statement. Full high resolution graphing of all assets and liabilities. Maintains a history of all transactions.	•	•		•	•	•	•	•	•
3	3	17	<b>GENERAL ACCOUNTING—BPI</b> Standalone general ledger program that is easily integrated into manufacturer's complete business accounting software.	•	•	•	•		•	•		
4	9	17	<b>ACCOUNTING PLUS—ASK Micro</b> An integrated eight-module accounting package. Provides password protection at the program level, assembly language file handler, an enhanced general ledger that includes prior year and budget comparisons, and expanded decimal capabilities.	•	•	•	•	•				
5	4	2	<b>ACCOUNTS RECEIVABLE—BPI</b> A computerized receivables program for the small business. Produces aged trial balances, a list of overdue accounts, a report of delinquent accounts, and cash collections reports. Also prints monthly customer statements, and overdue notices. The system can accommodate as many as 900 monthly transactions for up to 500 customers.	•	•	•	•	•	•	•	•	•
6	6	11	<b>EASYBUSINESS SYSTEMS—IUS</b> Part of the 'Easy' series of IUS software. This accounting program features modular packages for all basic accounting functions.				•	•	•			•
7	7	14	<b>STATE OF THE ART—State of the Art</b> Transportable accounting software written in Pascal. Supports a large number of computers. Offers modules in general ledger, accounts payable, accounts receivable, and budgeting and reporting.	•		•	•	•	•			•
8	8	17	<b>PEACHTREE ACCOUNTING—Peachtree</b> Integrated series of accounting modules, all interactive with each other. Includes general ledger, accounts payable, accounts receivable.		•	•	•	•	•	•		
9	5	14	<b>HARDISK ACCOUNTING SERIES—Great Plains</b> Designed for small business management and accounting, comes with operations manual that includes step by step instructions and cross-reference screen displays. A total of five modules are available in the series.	•			•	•				
10	—	—	<b>REALWORLD—MBSI</b> Program offers the following six business applications packages for microcomputers: accounts receivable, order entry/inventory control, sales analysis, accounts payable, general ledger, and payroll.	•	•	•	•	•	•	•	•	•

AP—Apple, CP/M—Control Program for Microcomputers, DEC—Digital Equipment Corp., IBM—International Business Machines PC DOS, MS DOS—Microsoft Disk Operating System, TI—Texas Instruments, TRS—Tandy Radio Shack, OTHER—All Other Systems  
Best-selling software programs across the country based on retail sales volume as surveyed by Eastman Publishing.

## COMPUTER MERCHANDISING

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SAN JOSE, CALIFORNIA 95115



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**BID REGISTRATION FORM**

	<u>Non-Exclusive License</u>		<u>Exclusive License</u>
	<u>Minimum Bid</u>	<u>Bid</u>	<u>Bid</u>
<u>Accounting Plus® IBM OR IBM Compatible PC DOS/MS DOS</u>			
General Ledger	\$50,000	_____	_____
Accounts Payable	\$50,000	_____	_____
Accounts Receivable	\$50,000	_____	_____
Payroll	\$50,000	_____	_____
Inventory Control	\$50,000	_____	_____
Sales Order	\$50,000	_____	_____
Purchase Order	\$50,000	_____	_____
Point of Sale	\$50,000	_____	_____
Fixed Asset Accounting	\$50,000	_____	_____
Mailing List Manager	\$25,000	_____	_____
 Total Product Line		_____	_____

	<u>Version Bidding For*</u>	<u>Non-Exclusive License</u>		<u>Exclusive License</u>
		<u>Minimum Bid</u> (For each version)	<u>Bid</u> (For each version)	<u>Bid</u> (For each version)
<u>Accounting Plus® CP/M Based</u>				
General Ledger	_____	\$10,000	_____	_____
Accounts Payable	_____	\$10,000	_____	_____
Accounts Receivable	_____	\$10,000	_____	_____
Payroll	_____	\$10,000	_____	_____
Inventory Control	_____	\$10,000	_____	_____
Sales Order	_____	\$10,000	_____	_____
Purchase Order	_____	\$10,000	_____	_____
Point of Sale	_____	\$10,000	_____	_____
Fixed Asset Accounting	_____	\$10,000	_____	_____
Mailing List Manager	_____	\$ 5,000	_____	_____
 Total Product Line	_____		_____	_____

\*Available Versions: CB80™, CBASIC™, CBASIC/86™, and CB86™

BID FOR ALL ABOVE ACCOUNTING PLUS™ PRODUCT LINES  
(IBM AND ALL CP/M VERSIONS)

\_\_\_\_\_



TERMS AND CONDITIONS OF THE AUCTION

1. Stand-by letter of credit or cashier's check for full amount of bid must accompany all bids.
2. ASK Micro Inc. (ASK) reserves the right to accept or reject any bids. In the event of a dispute concerning any bid or bids, the decision of ASK shall be final.
3. All bids are for one-time fully paid-up unlimited copy licenses.
4. If the sum of all non-exclusive acceptable bids for a product line exceeds the highest acceptable exclusive bid, then the non-exclusive bidders will be awarded the products. Otherwise the highest acceptable exclusive bidder will get the only license. (There is no limit on the number of non-exclusive bids that can be accepted by ASK.)
5. **DISCLAIMER OF ALL INDEMNIFICATIONS AND WARRANTIES:** ASK MAKES NO PROMISES OR WARRANTIES, EITHER EXPRESSED OR IMPLIED, WITH RESPECT TO THE QUALITY, PERFORMANCE, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY AND ALL OF THE PRODUCTS BEING AUCTIONED. THE PRODUCTS ARE LICENSED "AS IS" AND THE BUYER RECOGNIZES THAT THE PRODUCTS ARE COMPLEX AND UNDERSTANDS THAT ASK HAS NO LIABILITY. THE ENTIRE RISK AS TO THE QUALITY AND PERFORMANCE OF THE PRODUCTS ARE WITH THE BUYER. SHOULD THE PROGRAM PROVE DEFECTIVE, THE BUYER ASSUMES THE ENTIRE COST OF ALL NECESSARY SERVICING, REPAIR, OR CORRECTION. IN NO EVENT WILL ASK BE LIABLE FOR DIRECT, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY DEFECT IN THE PRODUCTS EVEN IF ASK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
6. All software product sales will include source code listings and other available internal documentation, including training and sales documentation and literature.
7. Successful bidders will be notified on June 28, 1984. (The names of successful bidders will not be publicly announced by ASK, although the bidding company may make their own announcement.)

I have read and accept the above Terms and Conditions of Sale. I understand that ASK reserves the right to reject any and all bids.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_



## MINIMUM EQUIPMENT REQUIREMENTS

### IBM, IBM XT™ or IBM Compatibles (PC-DOS/MS-DOS):

Two floppy drives 600K each or hard disk  
96K RAM  
132 column printer

### CB80™

Two floppy drives 600K each or hard disk  
56K RAM (CP/M®)  
48K RAM (MP/M™ as a single-user system)  
132 column printer

### CBASIC®

Two floppy drives 320K each or hard disk  
56K RAM (CP/M)  
48K RAM (MP/M as a single-user system)  
132 column printer

### CBASIC/86™

Two floppy drives 320K each or hard disk  
128K RAM  
132 column printer

### CB86™

Two floppy drives 650K each or hard disk  
128K RAM  
132 column printer

Accounting Plus is a registered trademark of ASK Micro Inc.  
CP/M and CBASIC are registered trademarks of Digital Research.  
CBASIC/86, MP/M, CB80, and CB86 are trademarks of Digital Research.  
MC-DOS is a trademark of Microsoft Corporation.  
IBM PC and IBM XT are trademarks of IBM.



# NEWS

ASK COMPUTER SYSTEMS, INC. • 730 DISTEL DRIVE • LOS ALTOS, CALIFORNIA 94022 • (415) 969-4442

TO BUSINESS WIRE EDITORS  
Eastern and Western Circuit  
All California

Contact: Allison Hartmann  
Public Relations Manager

June 5, 1984  
FOR RELEASE AT 3:00 PM PST

## ASK AUCTIONS SOFTWARE

Los Altos, Calif. - In a precedent-setting action, ASK Computer Systems Inc. announced that it will conduct a sealed bid auction of its Accounting Plus® microcomputer software products on June 27, 1984.

Accounting Plus has ranked on the top ten list of best selling accounting software packages for the last 17 months, as reported monthly by Computer Merchandising magazine. In the most recent month's report, Accounting Plus ranked fourth. Over 50,000 Accounting Plus packages are now in use. The software runs on IBM and IBM-compatible, on Apple II and IIe, and on CP/M-based personal computers. Accounting Plus was marketed by ASK Micro Inc., a subsidiary of ASK Computer Systems Inc., which was originally known as Software Dimensions before its acquisition by ASK in June 1983.

ASK opted for this unusual form of divestiture rather than an outright sale when it decided on June 5, 1984 to close its ASK Micro subsidiary. ASK Micro represented less than 4% of ASK's total business.

According to Sandra L. Kurtzig, chairman and chief executive officer, "The strong demand and large market for our minicomputer-based manufacturing software products indicated that our management resources be focused in that area."

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Successful bidders will receive the source code, full use of user and training documentation, and all available sales and promotional literature for the products as well as the unlimited one-time paid-up licenses.

ASK Computer Systems Inc. develops management information systems for manufacturing companies and has more than 650 MANMAN® manufacturing installations worldwide.

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