Eric Miles

Eric Miles is the senior vice president and general manager of Sybase's Business Intelligence Division. At the time of this interview, Mr. Miles was senior vice president of Sybase's Product Operations team, where he was responsible for worldwide product development and delivering the company's first industry-specific integrated product sets – Studios – to the market.

Interview by John

On a recent visit to Sybase headquarters in Emeryville, California, I sat down and spoke with Eric Miles about the direction Sybase is going with reference to product integration and marketing focus.

PBDJ: Sybase's stock price hit an all-time low – under $5 last year – but has rebounded after showing profits for the last three quarters. Even with recent increases the stock value is still quite low. Does the apparent lack of confidence the market has in Sybase reflect how Sybase is actually doing?

Miles: Sybase has had a great deal of success with its enterprise data servers and the PowerBuilder development environment. We have an installed base of over 40,000 servers and 400,000 Power-Builder users. We see those two populations as the two cores for product evolution to increase our revenue.

The problem with the stock price is that the marketplace always wants to see something new. Just improving PowerBuilder and Adaptive Server Enterprise isn't seen as adding anything new, so our stock declines even though we're making great strides in the evolution of those tools. A question we must answer is how we're going to leverage those products into something new to enhance revenue growth. We've created a company strategy to take advantage of the market change driven by the evolution of the Internet and the Web. It used to be that communications were focused on companies and employees but now there is the ability for companies to relate directly to their customers via the Web. This change from employee-centric to customer-centric computing opens up a new market for providing tools which can deliver information directly to the customer. We're dedicated to providing enterprise development tools which will meet the needs for that new market.

Our focus is to create products and services in three evolving marketplaces around development and deployment of operational systems. The first product, SQL Anywhere Studio, for mobile computing and the occasionally connected client, creates data capabilities on devices which require footprints of less than 100 K (we've been successful down to 50 K). Our goal is provide tools with development and deployment capabilities on those devices.

The second, Warehouse Studio, provides a decision support environment which can extract data in a data mart and assist in improving operational efficiency. This infrastructure Studio enhances business efficiency on decision making without affecting operations.

The third, Enterprise Application Studio, creates an integrated Web-based application environment, an IDE, that allows you to go from two-tier client/server to *n*-tier–enabled from the Web. Our whole Enterprise Application Studio is oriented toward taking the strength in the tools capabilities we have – PowerBuilder for enterprise development and PowerJ for the new Java developers – and allowing those environments to support the evolution from client/server to *n*-tier. These tools now allow you to develop objects and deploy them using Sybase Enterprise Application Server (which includes both Jaguar CTS and PowerDynamo).

We've created these three studios around the existing enterprise data and the creation of the new marketplace for either mobile decision support or component-based development and deployment. We think we have an opportunity to leverage our significant installed bases of data management and development products because one of the significant bases – to go from two-tier to *n*-tier – is the PowerBuilder world. Additionally, we've created a Java development environment, PowerJ, which is attracting Java developers to create components with PowerJ and deploy them on our Enterprise Application Server.

PBDJ: You mentioned the 400,000 PowerBuilder-installed bases as a key target market for you. However, when Jaguar first came out it didn't provide native support for PowerBuilder objects. Is this a new vision or was it an oversight in the initial release of Jaguar?

Miles: It was just due to the development process, but in Enterprise Application Server 3.0 and PowerBuilder 7.0, due out in the first half of 1999, there's native support for PowerBuilder objects in EAServer. We're also one of the only environments which has an open environment with support for ActiveX, PB objects, JavaBeans, CORBA and so on.

PBDJ: While we're on the subject of open environments, what do you think of the federal judgment against Microsoft which forces them to remove their proprietary changes to their Java language and Java VM?
Miles: It's good for us because PowerJ is built on standard Java so PowerJ objects will be able to be deployed on MTS.

PBDJ: Do you see PB7 as being a leap over PB6.5 in that it's an integrated tool set?
Miles: That's the point, it's an integrated tool set. But the IDE isn't just development, it's development and deployment. There are significant enhancements to how objects are deployed to Enterprise Application Server, making it easier to use this technology. Our surveys indicate that nearly 90% of PowerBuilder users are evolving from two tier to *n* tier.

We've also integrated PowerSite into PowerJ and PowerBuilder. The functionality of PowerSite within these products will enable our customers to more easily do Web development.

PBDJ: There are currently over one hundred Web development tools available. It sounds like your vision is that the market will settle on those products that provide enterprise-wide development features. Mitchell Kertzman said many times that in software wars there's no third place, meaning some tools rise above the rest and the field narrows until there are only a few tools battling for first place. Eventually all other tools go away until there are only two tools left. Obviously Microsoft has the upper hand because of their worldwide customer base and distribution system. What is it about your tools and marketing that ensures that Sybase will be in one of the top two places in this race?
Miles: Well, the only true test is the number of users. We think we have a significant opportunity because of the functional evolution we're providing to our current PowerBuilder customer base. A question to be answered is how many customers will we end up getting to move from two-tier to *n*-tier component-based application development. Obviously we're the primary player in that marketplace. Can we attract non-PowerBuilder users to our tools? By using our open environment, developers are able to use whatever objects are available in the future. Also, we give developers the option of developing in the language of their choice, whether it's PowerBuilder or Java. With the leading RAD tool, PowerBuilder; an award-winning Java and Web development environ-

ment, PowerJ; and a highly-scalable and flexible application server, Enterprise Application Server, the answer is Yes.

PBDJ: It seems that in the last few years Sybase hasn't done a good job of marketing. They've had a vision but were unable to communicate that vision. Much of Powersoft's early success was due to their fabulous marketing engine, as well as having a top product that was at least equal to, if not better than, their competition's. Is Sybase changing what they're doing with marketing? Are you going to have a marketing blitz to tell the world, "This is the tool you need to do your job," or is Sybase going to remain quiet and hope people find out on their own?
Miles: You'll see Sybase becoming much more aggressive with our marketing. We're also going to be relying very heavily on our partners to help us get this message out. Our approach is that we're going to be establishing distribution partners. In order to be successful in mobile computing, enterprise development and business data, we have to go outside our own channel to increase market penetration. Our marketing approach will be in conjunction with the additional channels we sign up. Our hope is that we can establish distribution relationships in which we'll be more successful than we've been in direct sales.

PBDJ: You talk about development and deployment for mobile computing and small devices like PDAs, Palm Pilots, etc. Are you also going to develop front-end tools – like PowerBuilder – to be used on those small products or will you just focus on capturing the database market on those devices?
Miles: There will be a development environment for the small devices. However, we think that for the small environment it'll be more PowerJ-centric than PowerBuilder-centric, so you might see something like that in the future.

PBDJ: Linux fervor is very high right now. Are you going to add Linux support to your database products and development tool products?
Miles: We distribute Adaptive Server Anywhere and Adaptive Server Enterprise for Linux free through Caldera Systems and Red Hat Software. We started that several months ago and the response has been phenomenal. We did this to test the market and the opportunity looks fantastic. We haven't yet decided how we'll follow up with what we've done so far. If what has happened holds up, then it would be wise for us to be proactive with Linux.

PBDJ: Do you have a timeline for making decisions about that platform?
Miles: I think that over the next six months we'll know more about what the industry will do with Linux.

PBDJ: Back on the integrated tool bundles known as PowerBuilder and PowerJ. Sybase previously

built Object Cycle and created a market for it, but then decided to discontinue the product. Is that a sign that you're moving away from distinct products and will focus on bundled enterprise application tools, or will Sybase continue to develop standalone tools?
Miles: Sybase will continue to develop standalone tools such as PowerBuilder; however, we realize that our customers need complete solutions. Therefore, a big part of our strategy will be on bundled solutions. As for Object Cycle, we'll be phasing this product out over a period of time. It will be replaced with a much more functional and productive tool.

PBDJ: Power++ is a good tool but now it's on hold. Do you see the C++ market as not being a viable market?
Miles: Most customers we talked to indicated that they were moving past C++ and going to Java. We can't do everything, so, based on the preferences of our customers, we decided to focus more of our R&D dollars on Java and not on C++. However, we have a reasonably large installed base with Power++ which we want to continue to support. So while we won't continue to make major enhancements to the product, we'll maintain the product and continue to support it.

PBDJ: You mention that you can't do everything. Is that one of the problems Sybase has had? Have they been trying to address too many potential markets and now you're narrowing your focus?
Miles: As you may know, in order to more effectively focus our efforts Sybase formed four divisions: Enterprise Solutions, Internet Applications, Business Intelligence and Mobile Computing. Our trend is to do the total solution R&D rather than the point product R&D. This allows us to make quality improvements to our products, and it improves productivity so our customers can easily use the tools together.

PBDJ: It looks like PowerBuilder 7.0 will be released in late March or early April. That's earlier than it was originally announced. Are you proud of the fact that your development teams are completing their tasks earlier than expected?
Miles: We are still committed to delivering PowerBuilder 7.0 in the first half of 1999. The R&D organizations had a phenomenal 1998. We started out the year with over one hundred point products and we've narrowed it down to four Studios while improving the technology in almost every feature area. To the enterprise servers we added row-level locking and significant performance increases. In the application server space there's been a significant evolution of Enterprise Application Server, PowerJ and PowerBuilder. In the other two Studios we've also had significant functional enhancements. By focusing our R&D teams on fewer products, we've made them more productive. I'm very proud of what we've done. ◆