IFORMATION SYSTEMS:

ling growth in database

GLOBE PHOTO / MATT BLACK

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Charlie Bachman likes to tell people that he was always a lazy programmer who didn't like doing things the old hard way."

A recognized pioneer in the field of database management systems, in the early 1980s Bachman wanted to apply artificial intelligence technology to database design. The idea was to develop programs that could analyze the complex company-wide database systems of Fortune 1000 companies, find their problems, and automatically generate new database systems by asking questions in plain English.

Unable to find support at Cullinet Software Inc., where he was working at the time, Bachman set out on his own in April 1983 and started his own company, Bachman Information Systems of Burlington. The company has grown explosively, pulled into the black in 1990, and since it went public last November, has seen both sales and expenses in- crease. It opened at $17 a share and jumped to $37 in January. Friday it closed at 10½.
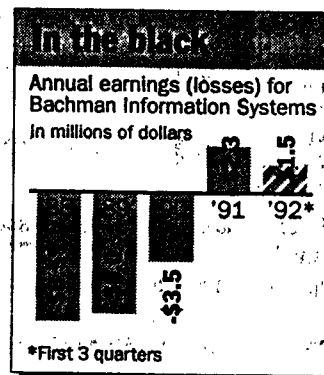
In June 1988 Bachman shipped its first pro- ducts, the Data Analyst and the Database Admin- istrator. They were well received. Although Bach- man's programs run on personal computers, they are closely tied to IBM mainframe computers.

The close ties with IBM paid off: In 1989 IBM purchased a 10 percent equity stake in Bachman for $4 million. Although the investment "bought them some time" for the company, says Andy Ma- hon, an analyst with New Science Associates, the real payoff was to show the world that IBM had picked Bachman "as one of our chosen." Since, Bachman has grown to a company of 350 employ- ees.

In the black

Annual earnings (losses) for Bachman Information Systems In millions of dollars

'91 '92*

*First 3 quarters

SOURCE: The company

"Last year Bachman took off in terms of sales," says Mahon. "They were at $13 million. By the time they went public [last November], their revenues were in excess of $30 million." Bachman's challenge now, says Mahon, will be to manage its growth. While Bachman's third-quarter revenues for fiscal 1992, for the quarter ending March 31, increased from $8.3 million to $12.5 million, net income dropped from $856,000 to $586,000 in the same quarter.

"I like the company," says Jim Mendelson, an analyst with Morgan Stanley & Co. "I'm disappointed by their March quarter – it came in below my estimate – but I think that they have strong technology." Bachman now has 750 customers, including companies like Cigna, Citibank and Fidelity. The company's two largest clients, by far, are IBM and AT&T, who use the system to develop their internal database applications.

In April the company announced its Shared Work Manager program, which allows multiple database analysts to work concurrently on a large problem. Programs like the Work Manager are guaranteed revenue mak- ers, says Mahon, because sales to companies that have already purchased some of Bachman's programs are virtually guaranteed.

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