

Borland layoffs

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operating savings of more than \$30 million and product restructuring savings of more than \$30 million.

"This is the beginning of our plan to grow Borland into a dynamic company," said Hubbard. "These steps are aimed at enabling Borland to be profitable in fiscal '98."

News of the restructuring cheered investors, who bid up the stock by 81¼ cents, or 13.3 percent, to \$6.93¼ a share in afternoon trading on the Nasdaq Stock Market.

Once the third largest software company in the world, Borland has suffered recurring losses in recent quarters and has been plagued by high turnover in key management positions.

From 1992 to 1995, the company lost more than \$240 million as it faced increasing competition from companies such as Microsoft, as well as price cutting.

The company has changed its focus to try to regain its former status, moving from desktop applications such as database managers and spreadsheets for personal computers to providing technology for Internet and corporate intranet users.

Founder Phillippe Kahn stepped down in January 1995 after the software company had gone through a

period of losses and layoffs.

Delbert W. Yocam, who joined Borland as CEO on Dec. 2, succeeded interim CEO Whitney Lynn, who is no longer with the company. Lynn, in turn, came in after Gary Wetsel resigned in July 1996 after the company posted a \$14.1 million loss for the quarter ending June 30, 1996.

In December, Borland posted losses of \$17.5 million for the third quarter. The company attributed the loss to a dearth of new products and slow sales.

More management changes were announced Thursday. Hobart Birmingham was named vice president and general counsel. Birmingham, who will report to Yocam, will be responsible for managing legal services for Borland's worldwide operations. Birmingham replaces Robert Kohn, who left the company in October.

Yocam, regarded as a turnaround artist for his role in returning Tektronix Inc. to profitability, said when he joined the company that he expected to put a turnaround strategy in place in the first quarter of fiscal 1998.

A high priority would be to strengthen Borland's management and operation, and launch three new products over the next three quarters, he said.

Analysts say Borland's key products, mostly programming tools used by software developers, have been hurt by the shift to the Java programming language created by Sun Microsystems Inc.

Borland will cut 30 percent of staff

Staff and wire reports

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SCOTTS VALLEY — Borland International Inc. said Thursday it would cut its work force by about 30 percent as part of a restructuring aimed at making the company profitable in the fiscal year beginning April 1.

The struggling software maker said the restructuring will involve "significant" reductions in operational expenses, the elimination of about 300 employees and contractors, and the implementation of new programs aimed at increasing revenues.

About 100 employees in Scotts Valley will be laid off, including temporary employees and contractors, said Borland spokeswoman Vallee Hubbard.

The layoffs echo those made in October, when 80 Scotts Valley employees were among the 125 worldwide to lose their jobs.

Most of the cuts will come from its domestic operations as Borland's international business continues to show "strong" results, the company said. Borland specifically pointed to its Boston office, which will be "downsized" and key technical personnel moved to its headquarters in Scotts Valley. Hubbard said "a small number" would be relocated to Scotts Valley.

After this restructuring, Borland will employ approximately 700 full-time equivalent employees worldwide. About 400 of those are in Scotts Valley, where the firm's administrative, financial, domestic sales and marketing, engineering and technical support operations are located.

In 1992, the company employed about 1,800 worldwide and 700 in Scotts Valley.

Borland said it will place a high priority on new product development and increase the technical support provided on its Web site. Borland said its research and development programs now are designed to deliver at least one "major" product release each quarter.

The first new product to be released this year is Borland C++ Builder. It is currently in manufacturing and is scheduled to be generally available early next month.

In addition, half the company's 200,000-square-foot, \$91 million corporate campus, located along Highway 17 in Scotts Valley, is for lease, said Hubbard. Borland now occupies about three-quarters of the huge campus, and can easily consolidate its operations, she said.

The restructuring is expected to produce annual

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