y Tuncer Deniz

"THE WILD RIDE IS OVER," one headline read. "APPLE POSTS $69 MILLION LOSS," screamed another. The cover of BusinessWeek cried out, "THE FALL OF AN AMERICAN ICON." I read'em all. Time, Newsweek, BusinessWeek, The Wall Street Journal, you name it, I read them. Article after article, they all told the same story, Apple is in trouble, big trouble. And if something isn't done soon, it could mean the end for the Macintosh.

Sounds serious, but is it?

As I mentioned in last month's DOOM and GLOOM article, Apple does have problems. Okay, it has massive problems. But hey, does that mean the company will wilt away and die? Nah, can't be true. After all, it has 20 million loyal customers (and growing). It still has a slight advantage over Windows 95. And it still has some great products like the Power Macintosh, QuickTime, QuickDraw 3D, etc.

But hold on a sec....what's with all these doom sayers? Could they somehow be right? Is the Mac eventually going to die? Why is it that Mac heads like myself are in constant denial over Apple's demise? Why is it that we always proudly say, "Oh, the Mac will always be with us, it'll never disappear." Well, I'll go out on a limb right now and say that if things don't change at Apple soon, the Mac WILL disappear. Well, not totally, but I do think that if Apple doesn't do something to turn the ship around, it will eventually lose the war against Windows.

We've heard from the press, we've heard from the customers. How about the Mac developers and publishers. What do they think? I decided to ask some people who have a vested interest in the well being of the Mac, the Mac game developer, what they thought about Apple's current problems, how it has impacted their business, and how Apple can turn the ship around.

What are your impressions of the current problems facing Apple?

The recent downturn took me by surprise, since Spindler laid off -- how many? 2500? -- employees about a year and a half ago, which gave me the impression that Apple was

leaner and less susceptible to actually posting losses due to margin pressure.

However, I'm not very worried about Apple's long-term prospects. They've struggled back from despair before. Apple still sells over a million Macs a quarter, and we're all the most fanatical customers anywhere. The LA Times called us something like "the most loyal customer base in the history of American capitalism."

Even if Apple were to be purchased, I would assume that the purchaser would really tiptoe around R&D. It's the basis of the company and anybody can see that R&D is the place you *don't* want to cut. I really, really do not want them to start firing Copland engineers.

I think the difference this time around is the incredibly negative vibes from the press. I remember some losses & layoffs at Apple, but I don't remember the press ever being this relentlessly negative about Apple. However, even the hurricane of bad news isn't going to make Mac customers switch over to Wintel machines. If anything, it will scare off the "fence sitters" that Apple has been saying are the next big market for Apple to conquer. That battle is going to be tougher now.

Bill Dugan
Macintosh High Priest
MacPlay

Apple's has two major problems:
A) Their PR (Public Relations) sucks. I have no idea how they managed to propagate the "Apple is doomed!" mentality after their biggest quarter ever (both in dollars and number of computers sold), but it demonstrates a definite lack of competence somewhere.

B) They no longer love their engineers. There was a time when everyone wanted to work for Apple, and the lucky few who did were the envy of Silicon Valley. In the past 5 years talented engineers have left in droves after being ignored by the massive corporate bureaucracy that has infected Apple.

Joe Williams
President, Delta Tao Software, Inc.

Apple has PR problem. If they were any other company, they would be praised.

Apple has had record sales in the last year, they have new technologies coming out which are far ahead of any other platform (OpenDoc, QuickTime VR, QuickDraw 3D, etc.).

Perception is sometimes more important than reality. Apple needs to spend some money to change the perception that they are in bad shape. They are not.

Howard Shere
President
Green Dragon Creations, Inc.

I think it is a sign of how popular and important Apple computer has become in the computer industry. Before, when they screwed up, no one cared as much. You have to give

them credit for their consistency though - they're management has always sucked...

Alexander Seropian
President
Bungie Software

2) How will Apple's current problems impact your company in the Mac game market (any changes planned, dropping out, etc)?

We have full confidence in the Macintosh market and its continued strength. We are currently preparing to bring our total count of Mac products from 3 to 6 within the next few months (and probably to at least 8 by the end of the year).

Erik Potter
Technical Representative
CH Products

No changes- I don't have a large R&D budget to worry about like some of the big name houses that are spending millions on projects that cannot make money by selling less than 50,000 units. Over the years I have seen many companies who are new to the Mac who believe they can sell in this market. However, their success has not been based on the current or lower levels of the Macs sold but on numbers mark by marketing hype. The investors are not very patient because the return on investment is not there. When Apple catches cold these companies catch pneumonia and some die. I have seen it in the entertainment and business products. This is not just an Apple problem. It is endemic to the software/hardware business.

C&G simply looks for good product to publish from authors who have created fun and entertaining products that have general appeal but all have the major ingredient- great game play. Their products are not Multimedia "showboats" with little or no game play. Many game companies give a product only 6 months to make money. Our products will make money over 12-18 months period. We are a little more patient. We believe at times less is more.

Over the long term my company will continue to publish products and others will collapse because their business model cannot survive a downturn. Look at all the companies banking on 3DO and other game platforms which have died. We have some experience from the Atari 2600 days which we remember what it was like when the bottom fell out. This is why C&G also publish business software to withstand the valleys of business downturns.

Terry Kunysz
President
Casady & Greene

No immediate changes from Reality Bytes, since we receive outstanding support from our Mac audience. As long as customers are interested in our products and as long as our partnership with Apple flourishes in exploiting new consumer technologies, like 3D acceleration hardware, then we will continue to push the cutting edge for the Mac audience.

That really distinguishes us from our entertainment competitors, especially the ones that

you alluded to in your cover note. Apple's strategy recently has been to solicit titles to be "ported" to the Mac while also evangelizing for more and more native support. This is quite different from focusing on embracing titles which natively exploit the competitive advantages of their systems. If I have one hope, it is that Apple will remain steadfastly focused on gaining their entertainment audience the most innovative and entertaining titles delivered originally for their systems, as opposed to a legacy of DOS titles.

Jon Chait
Reality Bytes

Dropping out? With a company name like MacPlay? What are we going to do, start making jungle gyms for McDonalds? No, we're as committed to the Mac as always. The only thing that would drive us away from the Mac would be if everybody suddenly stopped buying Mac games.

Bill Dugan
Macintosh High Priest
MacPlay

We're going to plan on supporting the Mac for games we're starting on now. We expect these games will be released in late 1997. Since we've already done a Mac title, doing concurrent (with the PC) Mac development does not add much development expense.

If the Mac market shrinks substantially before we're near release, it's possible we would suspend development, but we're planning for the Mac market to remain viable. We certainly hope it does.

Mike Kulas
Parallax Software

We had great success with LINKS PRO on the Mac . We are preparing to release the Mac version of "Under A Killing Moon" in the next few months. After that, we had planned on doing the sequel "The Pandora Directive" as well as our new golf game LINKS LS. With Apple's current problems we may move a little more cautiously on these future projects.

David Curtin
Development Manager
Access Software, Inc.

It has had no impact on current games under development. We have not discontinued the development of any MAC products. We are considering developing MAC versions of several games scheduled for release in 1997. Apple's ability to address its problems will affect our decisions about putting future titles on the Macintosh platform.

Rand Bleimeister
Sr.VP, Sales and Marketing
Virgin Interactive Entertainment

In your opinion, what does Apple need to do to turn the ship around?

Apple should fire every non-engineer who makes more than $100,000. Let some people who use computers and like them run the company. Macintosh was built on love, not profits.

Joe Williams
President, Delta Tao Software, Inc.

Apple is a dream come true for many of us. But with media hype for Intel and Microsoft everywhere, the Apple message of innovation, ease of use, and overall coolness is severely muffled. Its also very discouraging to be waiting for products that don't seem to be forthcoming, with Copeland being the most important of these. Developers and customers need to know that Apple's word can be relied upon. For me, Apple has stumbled, but they are by no means out of the race.

Keith Zabalaoui
President
Atomic Games, Inc.

Apple needs to be more aggressive in it's PR. They need to take the attitude of old: we're Macintosh, we're better. We do everything the competition does, but, we do it better, and, we can do stuff no other platform can do. It costs less. It does more. Buy Macintosh, or, suffer from making the WRONG decision. By creating products like the DOS compatibility card, and, porting QuickTime to Windows, Apple is giving the other platform credibility. Reading the disks and file formats of the other platforms is a good thing. Make it easy to move your work to the Mac, 'cause the Mac is where you want to do your work.

Their attitude is to focus on cross platform when that should not be their focus. They need to focus on creating great Macintosh technology (which they are doing) and getting it into the hands of developers who can create great products for the Mac.

In the game market, their focus has been to get large companies to port their successful titles to the Mac. This is great, but, they need to expend more energy helping companies create new and original titles for the Mac. Then, they need to convince those companies to spend their time creating a second game for the Mac instead of porting the game to the PC.

Howard Shere
President
Green Dragon Creations, Inc.

Fire the idiot in charge. Do better, more aggressive advertising. No more whipmy ads. Their ads should tell the world what we already know "Macs are better and in the long run cheaper than PC's"

Brian Greenstone
President
Pangea Software

Replace Spindler, concentrate on the desktop publishing and home markets. Drop costly eye sores like the Newton and e-world, concentrate on a cohesive marketing message to the marketplace. Keep the innovativeness but be market savvy. Its not enough to create "cool" technologies. You have to sell them.

Paul Baldwin
Sales and Macintosh Marketing Director
Domark Software, Inc.

Well, as an expert in turning around companies that sell 3 billion dollars worth of computers a year, I would say that leadership is everything, and hopefully Apple will prove to be in good hands with Mr. Amelio, and I wish him every blessing in his coming endeavors.

Bill Dugan
Macintosh High Priest
MacPlay

The general feeling among Mac game developers is that the current problems Apple is facing is temporary and that it won't largely impact their business. The stalwarts who have been publishing on the Mac for years expect to keep on publishing Mac titles in the near future. The problem lies on the "fence sitters" or those companies who have recently entered the Mac game market or are thinking about it. There's no doubt that the negative vibes surrounding Apple will have an impact on these new comers. Some will come in, while others will take a wait and see approach.

In the last few months I've been hearing some rumblings from here and there that Mac developers are dropping out of the Mac market. And a few that were thinking about publishing on the Mac suddenly have cold feet. This could be a major problem and Mac games growth in the market could slow down over the next month if the support isn't there. It's obvious to me (and I hope to those running Apple) that now more than ever, Apple needs to evangilize new developers and support the existing ones. At this point, the media is doing a great job of driving these developers away. It's time for Apple to get back on the ball.

Apple needs to go on the offensive by doing a better job of marketing its products (whoever approved the, "My Mac is an alarm clock" TV commercial needs to be fired immediately), spreading the word about why the Mac is so great, and changing its sissy attitude. Maybe then it came win some battles here and there. And just maybe, 10 or 20 years down the road, it can win the war over Windows.