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To: Board of Directors, Executive Staff, Regional Managers

From: Bill Thomasmeyer (BT)

Date: February 17, 1984

Subject: New Corporate Backgrounder

Enclosed, please find the new version of our Corporate Backgrounder as prepared by our public relations agency. We are having additional copies printed for your use and will let you know when they are available.

cc: Laurie Klatt

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ROSS SYSTEMS

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ROSS SYSTEMS INC.

Corporate Backgrounder

February 1984

Ross Systems Inc.
1860 Embarcadero Rd.
Palo Alto, Calif. 94303
415/856-1100

INTRODUCTION

Company History	Page 3
The Products	Page 6
Product Strategy	Page 9
Financial	Page 10
Management	Page 11
Location	Page 13

COMPANY HISTORY

Ross Systems is a pacesetter in the development and marketing of integrated financial management software. Its MAPSTM family of FINANCIAL SOFTWARE SOLUTIONS provides premium interactive software and distributed computing capabilities for financial accounting, planning and modeling. These software products can be licensed or accessed via ROSS/NET, their worldwide timesharing network.

Founded in 1972 in Palo Alto, California as a consulting firm, Ross has developed into a national developer and marketer of packaged software. Historical strengths in proprietary financial decision support products have been combined with complementary packaged financial accounting applications to create today's integrated product offering. Ross Systems' financial management systems are available for Digital Equipment Corporation (DEC) minicomputers and microcomputers.

Ross Systems' software runs on DEC's lines of PDP-11 minicomputers and VAX minicomputers as well as the Professional 350 microcomputer. These software packages are designed for firms ranging in revenue size from \$20 million to \$200 million.

In the early 1970s, founder Ken Ross observed that his consulting clients were not being adequately served by existing inefficient software programs. Hence, in 1974, Ross and his staff developed a financial model for a large leasing company that operated on the computers of a large timesharing service. Designed to guide users through a 'what if' scenario that pointed toward the most advantageous business decisions, the software

program was a forerunner of the company's present generalized modeling package.

By 1975, smaller, more powerful and less costly minicomputers offered a realistic alternative to the large mainframe computers being used at that time by timesharing companies. Realizing that these new computers were well-suited for specialized interactive Management, Accounting and Planning Software (MAPSTM) programs, Ross Systems developed its first product, a financial modeling and reporting software package called MAPS/MODELTM. MAPS/MODEL originally was implemented for timesharing use on DEC computers.

A second proprietary software package called MAPS/DBTM was developed in 1978. MAPS/DB is a flexible database management and retrieval system for use in developing a variety of applications. This software expanded Ross' capabilities into general accounting, capital budgeting, funds tracking and other financial applications. In 1981, MAPS/MODELTM and MAPS/DB were made available to the end user in packaged form for in-house use on DEC's equipment.

In May of 1982, Ross Systems announced MAPS/PROTM, a variant of the MAPS/MODEL financial modeling and reporting language, for DEC's Professional 350 microcomputer. Ross was one of 22 software producers selected by DEC to provide software for this powerful business workstation. Ross' minicomputer and microcomputer software, together with DEC hardware, is one of the first truly distributed financial planning and reporting systems available.

Distributed processing has been talked about for the last few years, but rudimentary communications among machines have limited its usefulness. However, because the DEC Professional line uses the same communications and file protocols as VAX computers, files may be transferred directly and easily without translations between micro and mini host computers. Applications such as multi-divisional budgeting and consolidations are greatly facilitated by this distributed capability. Financial data and models can be stored and controlled in a central database but downloaded to a micro for departmental analysis and planning. The results can then be uploaded back to the central database for consolidation into regional or divisional results.

In July of 1983, Ross introduced MAPS/GLTM, a comprehensive general ledger package that provides the power of mainframe systems in a minicomputer environment. MAPS/GL features fully interactive general ledger functions, a flexible chart of accounts, a financial database and ad-hoc inquiry capabilities. It is integrated with MAPS/MODEL to give the user full financial modeling capabilities with data from the general ledger. This linkage of MAPS/GL and MAPS/MODEL is the backbone for the MAPS package of integrated financial management software.

In addition to its actual products, one of Ross Systems' important distinctions is its high-quality service. Ross Systems is committed to providing customers with full service geared to the complete implementation of financial software solutions, as opposed to those firms that suggest solutions, but leave the implementation to the client or a third party.

Ross Systems employs a staff of 100 and occupies three buildings to accommodate its corporate, research and development, and marketing offices, as well as its timesharing computers. The corporate headquarters are located in Palo Alto, Calif. Six district offices, handling sales, client support and consulting, are located in Palo Alto, New York, San Francisco, Los Angeles, Dallas and Boston.

THE PRODUCTS

MAPS/GL is a comprehensive general ledger/financial management system that can be integrated with MAPS/MODEL decision support on the DEC VAX series of minicomputers. MAPS/GL includes advanced features such as a highly flexible chart of accounts, a powerful, user-friendly report writer, extensive audit trails, three levels of security, and capabilities for custom allocations and complex consolidations. It can be tailored to a company's individual needs to control accounting structures, organizational roll-ups and reporting specifications. Price: \$22,500 to \$30,000.

MAPS/MODEL is a packaged financial modeling tool which permits users to build decision support models such as budgets, financial statements, and other reports that employ tabular reporting formats to present and analyze data. It combines ease of use with the power of advanced modeling languages and offers virtually the same speed, features and capacity as languages offered by large timesharing companies, but at a greatly reduced

cost. Price: \$20,000 to \$30,000.

MAPS/DB is a data management tool used in developing applications that require the maintenance and retrieval of transaction data. It is used for general accounting systems, personnel records and budgeting. Users can define and create files, and add, change and delete records. A "modify" capability enables users to change file definitions and a query capability allows them to prepare ad-hoc reports. MAPS/DB's report and transaction program generators aid in building flexible applications. Price: \$20,000 to \$30,000.

MAPS/GRAPH is an integrated software tool ideal for presenting financial data. It can be used to prepare comprehensive graphics for formal presentations, including line and bar charts representing financial time series and budget variances. Graphed data can be interactively stored or entered in a MAPS/MODEL modeling database or in a MAPS/GL accounting database or in an ASCII file. Price: \$3,000 to \$5,000.

MAPS/PRO Modeling is the version of MAPS/MODEL for use on DEC's Professional 350 microcomputer, containing virtually the full set of MAPS/MODEL commands and capabilities. MAPS/PRO allows financial managers to work independently or interact with associates and with a host computer in a distributed processing environment. Through compatible file formats and a built-in financial database subsystem, MAPS/PRO facilitates the movement

of models and financial data between a host computer and a microcomputer, allowing companies to build and maintain large-scale, shared databases of financial models and information.

Price: \$1,250.

MAPS/PRO GRAPHICS is the version of MAPS/GRAPH for use on DEC's Professional 350 microcomputer. It contains MAPS/GRAPH commands and capabilities and can be used to prepare comprehensive graphics for formal presentations. Graphs can be displayed on the Pro monitor or plotted on an attached hard copy plotter.

Price: \$250.

MAPS/ISOTM is a comprehensive employee stock option software applications package that manages and tracks all employee stock option plan information. This accounting and tracking system meets all current legislative requirements for incentive stock options (ISO) and provides complete information for public, tax and internal reporting of stock option programs.

Ross software is available as an integrated system, separately as packages, or on ROSS/NET, the company's timesharing system. Discounts are available for the purchase of the same product on multiple CPUs and more than one MAPS software product.

PRODUCT STRATEGY

A major trend in the computer industry has been the increase in the power of microcomputer systems, which in turn has led to the development and availability of more sophisticated software applications. These powerful microcomputers also are lower-priced compared to systems with equivalent computing power that were available during the late 1970s. Lower prices have created expanded markets and a variety of demands from users. In addition, there has been a significant migration from large, batch processing mainframe computers to small interactive computer systems. Recognizing this trend, users now can enjoy the benefits of microcomputing in multi-user environments without sacrificing software sophistication.

As the power of microcomputers increases, the decision support and accounting packages that accompany hardware systems will become increasingly more powerful in terms of functionality and flexibility. Ross Systems, a forerunner in financial management software development, understands this trend. The company plans to develop future financial management products to complement this new breed of microcomputers: the multi-user supermicros. Ross Systems' knowledge of financial software requirements and highly interactive computing environments provides the company with a competitive edge over other financial management software producers.

Today, Ross Systems is expanding its MAPS family of products to offer a single, comprehensive source of integrated financial

management software. This combination of powerful decision support tools with comprehensive financial accounting packages and extensive support provides financial managers with premium financial software solutions.

Ross Systems designs flexible software products for non-programming executives. Users, rather than being limited to programmed transactions, can define their own variables, run their own applications systems and create their own reports through user-friendly menus and system flexibility. Ross Systems also is committed to providing complete product and service support by working with customers through the sales cycle to the point of implementation.

FINANCIAL

Ross Systems Inc., a privately held company, reported revenues for the fiscal year ending June 30, 1983 of \$8.6 million. Revenues have grown 55 percent annually for the past five years.

In November 1981, Ross Systems obtained \$1 million in venture capital for product development and expansion of timesharing facilities. Ross Systems is one of the first software companies to obtain venture capital financing. The participating firms were Welsh, Carson, Anderson and Stowe of New York, and Hambrecht and Quist of San Francisco.

The Ross Systems board of directors includes Kenneth Ross, president and chairman of the board, Michael Novak, co-founder,

Bruce K. Anderson and Dennis Paboojian. Anderson is a founding general partner of Welsh, Carson, Anderson & Stowe, one of the largest privately owned venture capital partnerships in the world, with total venture capital funds of \$65 million and investments focused on technology. Prior to Welsh, Anderson was with IBM, Blair & Co., and ADP (Automatic Data Processing). Paboojian is vice president and general manager of the San-Jose based Mil-Spec Computer Division of Rolm Corporation.

MANAGEMENT

In the emerging field of integrated financial management software, where vendors are devoted to solving broad financial and business problems, a balanced mix of computer experience and applications knowledge is required. Ross Systems has developed a strong management team with broad industry experience in software packaging and development, finance, data processing, turnkey installations and consulting.

Kenneth Ross, founder and president, has 14 years of experience in the industry. He held finance and data processing positions at Raychem Corporation and at Arcata National before founding Ross Systems in 1972. Ross holds a B.S. in industrial management from the Massachusetts Institute of Technology and an M.B.A. from Stanford University.

Karol Hines is executive vice president with chief responsibility

for managing the company's software research and development. Previously with IBM and Friden/Singer as a programmer and systems analyst, she has a B.S. in mathematics from the University of Massachusetts.

John Benedict is vice president of computer services with responsibility for the company's data processing center. Previously, he was an applications consultant with Tymshare and a financial analyst with the Bank of America. He has a B.A. in business administration from the University of Oregon.

Dick Giordanella is vice president of sales and heads a newly expanded sales department. He also was with Ross Systems' New York district office as vice president, Eastern region. Previously, he was branch manager with National CSS and a sales representative with Tymshare. He has a B.S. in engineering from Rutgers University.

Bruce Nakao is vice president of finance, and is the corporate treasurer with responsibility for the company's accounting, legal and personnel activities. Previously, he was vice president of finance for Dividend Industries and group vice president for Itel. He has a B.A. in business and economics from Washington University and an M.B.A. from Stanford University.

Charles Riddle is vice president of business development for the company's long-range strategic marketing plans. He joined Ross

Systems from the Boston Consulting Group where he was a marketing consultant. Prior to that, Riddle managed the development of applications software for Bell & Associates and Pacific Gas & Electric Co. He has a B.S. in chemistry from the University of California at Davis and an M.B.A. from Stanford University.

Bill Thomasmeyer is vice president of marketing. He is responsible for the company's product marketing and marketing communications programs. His previous positions with Ross Systems include director of software sales and consulting manager. He joined Ross from Online Systems, where he was a programmer/analyst. He received his B.S. in computer science from the University of San Francisco.

Ross Systems Inc. is located at 1860 Embarcadero Rd., Palo Alto, Calif., 94303. Telephone: 415/856-1100.

RSP-79