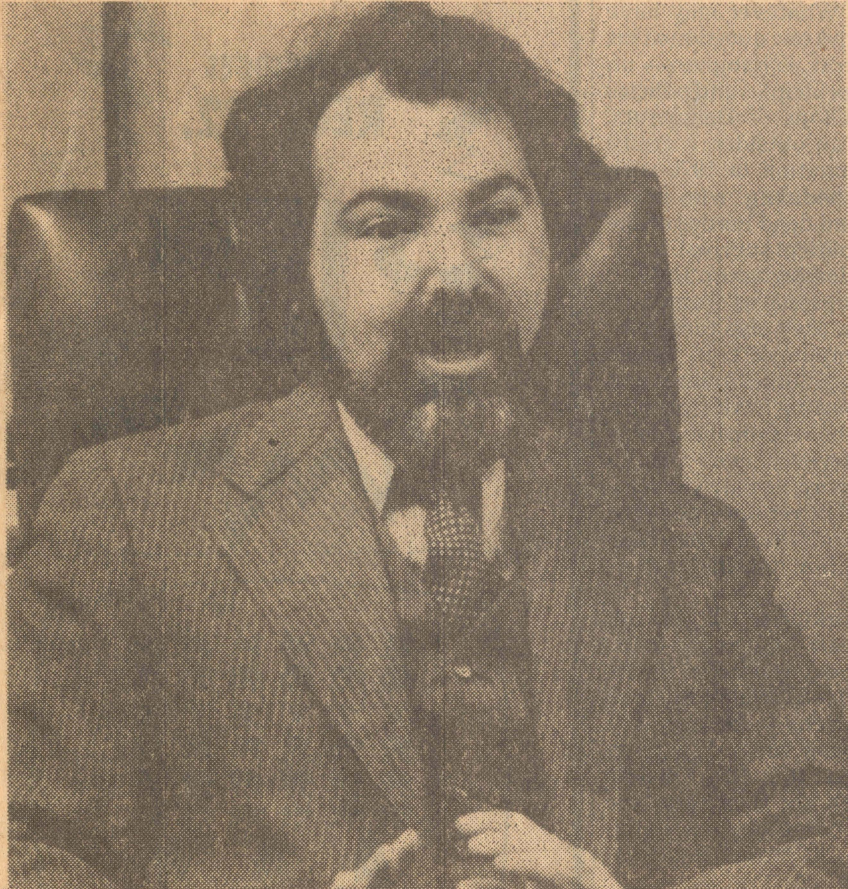


Nestar's 'formula' marketing proving successful



Times Tribune photo by Laurie Robison

Nestar Systems Inc. President Harry Saal, who founded the Palo Alto firm with three other men who had also worked for large computer companies, says Nestar now has about 25 employees and is "growing exponentially."

By Jim Leeke
Times Tribune staff

PALO ALTO — In less than two years, Nestar Systems Inc. has grown from a start-up operation into a thriving company with international connections by following one of the informal rules of Silicon Valley: If a product is successful, double its capabilities.

In the best tradition of area electronics companies, Nestar was started in a garage by Harry Saal, now president, and three other men. It first produced the Cluster/One, a network for connecting microcomputers — the so-called "personal computers."

Nestar's original system could hold as many as 15 microcomputers and was designed for use primarily in schools and colleges. Each microcomputer was linked to a small central program library and operated independently. Students might learn a different foreign language on each, for instance.

The system could contain Apple computers, Commodore's PETs and Tandy's TRS-80s, or combinations of the three. Cluster/One was successful, but Nestar learned that schools wanted even more capacity. Naturally, it doubled the number of computers to 30.

Nestar is privately held, and Saal does not release sales figures. But the company has moved twice since the garage days, now has offices on Sherman Avenue, and will move into another building near Embarcadero and the Bayshore Freeway in November.

Early this year the company devel-

oped and began shipping the Model A, in which as many as 65 computers — Apple II models only — are connected not only to the library, but to each other as well. One computer serves as a central processor, while the others are interacting stations that can be located 1,000 feet away.

The new system can be used in a variety of applications, including educational, office and business use. "The power you can get today in microcomputers in the Apple class is more than sufficient for about any application," Saal said.

In addition to Saal, a former university computer science instructor and IBM software designer, Nestar was founded by Leonard Shustek, Nicholas Fortis and James Hinds, who also had worked for large computer companies. Nestar now has about 25 employees, and is "growing exponentially," Saal said.

Although the company has not sought financing from venture capitalists, it early this month announced that Zynar Ltd. of London had acquired a minority interest. Under agreement, Saal said, Zynar will market Nestar products in 17 European countries, jointly develop microcomputer products, software and systems, using very large scale integrated circuit (VLSI) technologies and make a "very healthy cash infusion into Nestar."

Nestar primarily is involved in the design, prototyping, implementation and procurement of its products. Much of the actual production is done by other companies around the Bay Area.

President Carter imposed export re-

ren less sharply, declining from \$167.9 million to \$129.3 million.

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