



▲ ESTIMATED PERCENT OF CONNECTIONS

Fewer PCs and terminals will have hard-wired connections, while more will be connected through LANs and PBXs, according to Dataquest Inc. of San Jose, California. The percentage of unconnected PCs will also shrink.

"But the more we looked into it, the less attractive it became," he said.

Property Co., the main reason for the success of the Metropolitan Plaza, in

Nestar Says Firm's Acquisition To Improve LAN and PBX Links

DSC Looking to Data Communications

By Laurie Flynn

MOUNTAIN VIEW, CA — The recent acquisition of network vendor Nestar Corp. by digital switch manufacturer DSC Communications Corp. will lead to improved links between the two technologies, according to the president of Nestar.

"The LAN industry is headed in the direction of telecommunications," said Charles Hart, president of Nestar. "With our expertise in data communications, we bring a lot to the table."

DSC Communications Corp. of Plano, Texas, acquired the network equipment firm several weeks ago for an undisclosed amount. It supplies digital switching equipment to the telephone industry, while another recent acquisition of DSC, Granger Associates, also supplies voice-related equipment to the industry, including the Regional Bell Operating Companies (RBOCs). DSC's revenues are in excess of \$300 million, said Hart. The company is publicly held.

Hart said a possible application of the combined technology of the two companies would be to tie a file server to a PBX, and then have it communicate with other networks in remote sites or to a remote mainframe.

"People have been talking about combining LANs and PBXs for years," said Hart. "That approach, which was being led by the voice PBX people, is now being led by the LAN people."

The acquisition came as no surprise to industry analysts. "DSC has long-range plans to offer data communications products," said Brad Baldwin, an analyst with Dataquest Inc., in San Jose, California. "With this particular acquisition, that's what they're trying to do. It provides DSC with a low-risk entry into the data communications industry."

The acquisition will also help Nestar overcome sales objections, said Baldwin. "There are some people who object to going with smaller companies." He added that DSC's involvement in the Bell operating companies may provide Nestar with new opportunities. "The RBOCs have been looking for local area network business opportunities."

Nestar will be a wholly owned subsidiary of DSC, and Hart will remain the president of the company, according to Baldwin. "It's nice to have the clout that a large corporation has, with the entrepreneurial spirit of a small company," he added.

because of its computerized lighting, climate control, and security system.

The built-in services also create problems. Some firms, said Jones Lang Wootton, don't wish to share services with other tenants because they're concerned about data security. Other firms already own networks or prefer the features of another network rather than the one included with the building.

The report noted, though, that sharing a system offers benefits. Tenants can save 30 percent a year through not having to buy their own PBXs, for example.

The American Comm Center Corp. of Newport Beach, California, plans to build seven smart buildings in California over the next year, according to Frederick Ellsworth, company president. These buildings will be geared to the one- or two-person companies that have the most to gain from sharing services.

Each building will feature an AT&T 3B2/400 supermicrocomputer and a System 75 digital PBX the tenants will share, Ellsworth said. In addition, each office will include an AT&T Personal Terminal 510D that will allow tenants to dictate reports, retrieve messages, and edit letters from the single terminal.

According to Ellsworth, offices in the company's buildings will rent for less than individual offices because secretarial services are shared. A "one man — one secretary" office, including salaries and equipment, costs \$2,800 a month, he said, while an American Comm Center office will cost \$1,100 to \$1,200 a month.

Executive suite buildings, designed for small businesses, can cost 30 percent more than an American Comm Center office and don't provide services, Ellsworth said. According to his firm's research, 51 percent of tenants in such buildings would move to a smart building, he said.

11/24/86

Informware 11/24/86