

he start of this year's Major League Baseball season has brought back memories of the first time I went to a game. It was a mid summer's day in Boston, and a slight breeze was blowing from left field to right. There was hardly a cloud in the sky and Fenway Park was filled with the sound of boisterous fans and the sweet aroma of hot dogs and peanuts. The Red Sox were playing host to a daytime doubleheader with the Angels from California.

It was an unforgettable experience for an eight-year-old boy.

I don't recall who won the twin games, but I do remember the excitement in the stands and on the field. In later years I've had the opportunity to attend games in other major league ballparks but Fenway Park remains my favorite place to watch what America once called its national pastime.

My first trip to Fenway Park was in the era before designated hitters, modern stadiums, high-tech scoreboards, and inter-league play. There were no nine-figure salary contracts or multi-thousand dollar season ticket prices. A day at the ballpark was more of a leisure activity than a financial investment for a family of four. Baseball once reigned supreme as our nation's favorite sport. Today, Major League Baseball struggles to compete with the National Basketball Association and the National Football League for a share of the hearts and minds of sports fans.

This year I have the opportunity to see the start of a new baseball season through the eyes of my six-year-old son. He's never heard of Carl Yastremski, Roberto Clemente, or Nolan Ryan. But he has heard of the Los Angeles Dodgers, the Boston Red Sox, the New York Yankees, and the Atlanta Braves. The season that started in April is the "big league" baseball of my son's childhood, not mine. He might wonder why it took so many years for Wrigley Field to get lights or laugh at the fact that people worked behind the manual scoreboards of yesteryear and posted scoring information by hand. In order to remain competitive Major League Baseball has had to adapt the way it does things to the perspective of a new generation. The children who grow up playing virtual games on computers have a different outlook on things than those of us who can remember black-and-white TV.

The title of this column was intended as a euphemism rather than a reiteration of an umpire's proclamation at the start of every baseball game. Major League Baseball has had to "play ball" in order to maintain relevance in an ever-changing world. Although only a few of the basic rules have changed, the baseball games of my son's childhood are different than the games of my childhood. Today's game is played at a faster pace because officials have worked for years to speed up the game. The advent of high-tech scoreboards and instant replays has changed the "ballpark experience." Inter-league plays means that teams that otherwise might have faced one another only once a generation in post-season, World

Series play will meet each other during the regular season. This singular and controversial change is intended to enthuse fans, sell more tickets and increase TV ratings. Regular season, inter-league play was almost unthinkable to the baseball fans of prior generations.

In general, today's players are in better shape and are better trained than the men who played the game when I was a boy. Today's players are more apt to be recruited from colleges and universities than to slowly emerge from a franchise farm system. Free agency and the ability of players to frequently switch teams have meant an end to the great baseball dynasties of old. In order to survive, Major League Baseball has adapted to the fast-paced, complex and transient society in which we live today.

My own memories of Major League Baseball are now filtered through many years of life's experiences and are beholden to the perspective of a young boy. They are snippets, bytes and outtakes from a different place in time. Baseball's efforts to adapt to a changing world cannot be held in abeyance by the whims and recollections of previous generations.

There are few things that the need to remain competitive doesn't change. Major League Baseball's efforts to remain popular and Apple Computer's desire to remain a viable, independent entity have altered the way both organizations approach the marketplace.

My kids have heard of Apple Computer, IBM, Dell, and Gateway. They've also heard of Steve Jobs. But they are no more familiar with Steve Wozniak and his pivotal role in the development of the personal computer than they are with the names of the exceptional baseball players of their father's generation. In their world what happened years ago no longer matters. What does matter is that their computer can play multimedia CD-ROMs and access the Internet. In order to remain relevant to a new generation of computer users Apple Computer has had to adapt its products to meet their needs.

I remember the day I sat behind the keyboard of my first Macintosh. It had a 9-inch black-and-white monitor, a single floppy drive, and was slower than molasses on a cold January morning. Still, in its time the original Macintosh was a revolutionary product that was introduced to an otherwise evolutionary world. It wowed the senses and inspired one's imagination.

Fifteen years after the introduction of the original Macintosh I now realize my recollection of its early days and our collective view of "what could have been" is based as much upon myth as reality. Until recently Macintosh computers were much more expensive than their PC counterparts. One can argue that the extended useful life of the Mac more than offsets the difference in initial purchase price. I've made this argument and I believe its true. But I don't believe the Mac OS would ever have been the number one operating system in the world even if Apple had licensed the OS to third parties. The lack of superior networking support made the Mac a difficult sell in the enterprise market. Further, Apple's decision to manufacturer Mac peripherals in direct competition with third-party vendors alienated many would-be business partners. These factors did more to hinder the platform's acceptance than Apple's refusal to license the OS.

In order for Apple Computer to survive it's had to address these fundamental issues. Apple's decision to adopt more PC parts and its decision to embrace USB as the new standard for consumer-level peripherals have gone a long way toward reducing the cost of Macs for families and small businesses. At great cost to its revenue base, Apple has wisely chosen to stop manufacturing many peripherals. The products contribute little to Apple's bottom line and they siphon off development dollars that are needed in areas critical to Apple's success. This is one of the reasons Apple is able to report higher profits on lower gross sales.

The release of Mac OS X Server will solve Apple's networking problems by providing administrators with a modern server solution. The forthcoming release of Mac OS X Consumer will make it easier for developers to create Mac-compatible applications. Software companies can either write applications for the Mac OS Blue Box, which will ensure backward compatibility with legacy hardware, or prepare applications taking full advantage of Mac OS X features, by writing applications that support the more modern Yellow Box.

For nostalgia's sake, I'd love to go back in time and watch Ty Cobb round the bases or Dizzy Dean throw a ball. But I have no illusions that I wouldn't be just a little disappointed. Star players of yesterday were superb in their day but I don't know if the great players of old could compete favorably in the game of today. I'm more interested in watching Roger Clemens turn up the heat or Sammy Sosa battle it out at the plate.

The same holds true of the original Macintosh. It was a breakthrough product in its day. But it would be of little use in designing a Web site or creating a modern database. Today's Macs are better designed than they were years ago, and the new products will help Apple Computer compete in a more demanding marketplace. All things considered, I'm happy Apple Computer has chosen to "play ball!"

In ATPM 5.01 I provided readers with my list of ten predictions for 1999. I'd like to take a moment and look at one of my predictions from that issue.

Apple Computer will announce its fifth consecutive profitable quarter for the calendar quarter ending December 31, 1998 (its first fiscal quarter of 1999). And, for the first time since 1995, Apple Computer will announce significant quarterly year-over-year revenue gains. Apple will also announce record shipments of Macs and a pronounced increase in the Mac's PC market share.

Indeed, Apple did report its fifth consecutive quarterly profit. In April, Apple also reported its sixth consecutive quarterly profit and significant year-over-year gains in revenue for the period ending March 27, 1999.

Since its return to profitability in the fourth calendar quarter of 1997, Apple Computer's earnings per share have benefited from reduced tax rates due to the large losses incurred in 1996 and 1997. The net result of these tax benefits has been a significant reduction in the company's tax expense and a corresponding increase in earnings per share.

The company's reduced tax expense will not last forever. In order to sustain earnings growth, Apple Computer will need to increase unit shipments and maintain a healthy margin on products sold. This will not be easy. It's one of the reasons Apple has instituted strict inventory and asset controls.

In my view, Apple's next big test is how well it can increase unit shipments over the next few calendar quarters. The iMac was introduced in the third calendar quarter of 1998. The level of year-over-year gains in unit shipments and revenue during the final two quarters of calendar year 1999 will be a prime indicator of the company's future success. That success will depend on products other than the popular iMac. By the fourth calendar quarter of 1999, I expect Apple to have its full product strategy in place. At that time the company's future prospects can be more accurately determined.

I look forward to being there with you.

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