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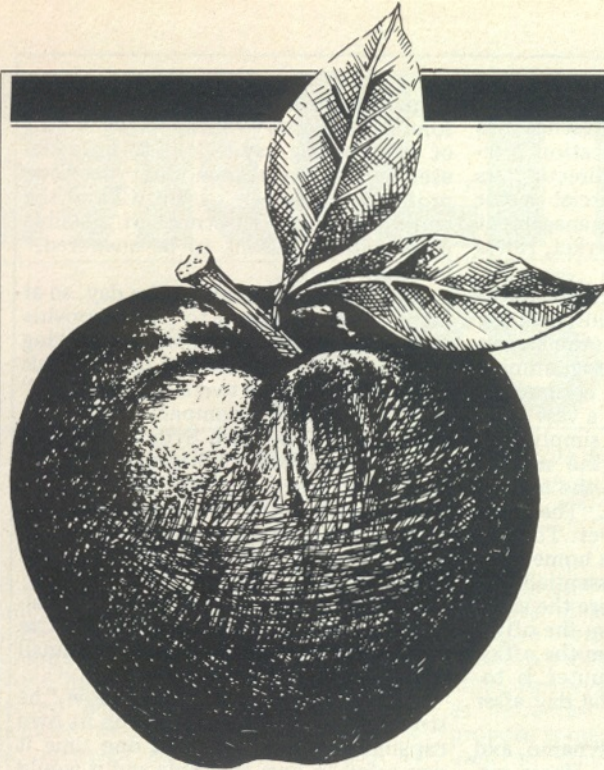
AUSTRALIA'S LEADING MICRO MAGAZINE



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RUDI HOESS

Totally committed to Apple's success



After four years' operation in Australia, Electronic Concepts (Elcon) Pty. Ltd. continues to defy the pundits who originally prophesied that within six months the venture would be all over and Rudi Hoess, owner and driving force behind the company, would be "decamped back to Asia."

Today, Elcon is the exclusive distributor of Apple computer and peripherals and soundly established as one of the leading marketers of micro computers. In its first year the company took orders for 100 Apples; in the second year this bumped up to 1,000 plus and in the third year over 1,500 more. The current base of Apples installed throughout Australia numbers over 4,000 — figures sufficient to convert the strongest sceptics in Elcon's early days.

Last year the company wrote \$2.1 million in the 6 months, June to December. It is budgeting to write \$4.5 million plus in its year to June 30, 1981.

Acknowledging Elcon's success to date, and its seeming bright future, Rudi Hoess says it happened because he made a total commitment, to his product and his market.

"The micro industry is very young, very dynamic and is going through a lot of cleansing as it progresses — a little like American culture," he said. "Products appear and disappear at great speed and to stay on top you have to make more than a total commitment. I invested a lot of money and a lot of effort in the belief that it was the right thing to do, and the right time to do it."

"Events have shown that I was right. Although some of those events we have made happen and have influenced, it has been a two-way process."

Part of the reason for maintaining his success Hoess attributes to "doing more than simply flogging a product!" "If you have a ready market then you can succeed that way. You can flog toasters or wall ovens, but not new technology — that you have to explain, justify, evaluate," he said.

Rudi Hoess' background has given him all the experience he needs to more than

adequately explain, justify and evaluate new technology.

Educated in Munich, he graduated in 1957 in Electrical Engineering with a special degree in Office Equipment. In 1958, he accepted an offer to join Business Equipment Pty. Ltd. as a specialist, Office Systems Director. In 1961 he moved to Olivetti Australia as Technical Instructor Systems Division, a position which involved temporary residence in the U.K. and Italy for further studies.

A man on the move, he went to S.C.M. (Smith-Corona-Marchant) in Singapore as Technical Manager Far East Asia in 1968, and then to Hong Kong in 1970 to join Wheelock Marden where he started a group of computer companies throughout Asia.

In 1971 he started Datanamics in Sydney, introducing key-to-disk keyboard systems. In 1973 he returned to the Far East, to Hong Kong and subsequently Manila as Director, Far East, for Computer Design Corporation, Los Angeles (Datanamics and Asian affiliates remained as distributors). The following year he moved to Los Angeles as Vice President of International Marketing Computer Design Corporation, and in 1975 returned to Hong Kong as Director Marketing and Product Development for Colex/Corvus, a company jointly begun in 1969 by Hoess and a Chinese interest which established the first calculator industry in Hong Kong.

Following a takeover of Colex/Corvus by Stelux Manufacturing Company, he returned to Australia in 1976 to form Electronic Concepts Pty. Ltd. Since then, Computerland has been formed as a franchise operator to promote the retailing of small computers and associated peripherals. Franchise agreements for Apple are already signed up in Melbourne, Perth, Adelaide, Brisbane and Canberra. In Sydney, one Computerland outlet operates in the city and over the March/April period stores will be opened at Bondi and Chatswood, both supported by huge advertising campaigns, something the company has shied away from in the past.

In the early years, most of Elcon's publicity was generated personally by Hoess, giving his competitors and industry observers another reason for proclaiming the company's imminent doom. They commented that he spent "too much time talking and too little selling."

However, the personal publicity did nothing to hinder the company's growth, and, as Hoess explained, at that time his marketing methods did not require advertising, promotional or public relations campaigns.

"We had six Apple outlets," he said, "so obviously the sales exposure of Apple was rather limited. We could control the market that way and essentially not bastardise it. We were not selling Apples as a gimmick and did not wish to over expose them. We could give value to the market, allow it to develop soundly and as acceptance grew, we would with it. Now with our Computerland outlets and 33 dealers throughout the country, we can seek traditional sales exposure. We deliberately didn't get involved until our visibility was established."

"This sort of outlook didn't endear us to a number of computer stores," Hoess admits. "They were basically makeshift dealers without the commitment I consider essential, but wanted some of the action. We were not going to partake in 'passing events' like these."

When Hoess returned to Australia in 1976 he came back with the knowledge "that micro computer technology would and could be advanced further here with the application of expertise and commitment." He saw an opening and wanted to develop it. He also chose Australia because his children are Australian and he wanted them to grow up in Australia, and because he felt he had departed with negative thoughts regarding technological progress here.

"Not to be too defamatory about our politicians," he said wryly, "I left in a mood feeling that the country was not doing what it should be doing, and that we were being held back. I returned feeling I had left behind a lot of IOU's — from me and to me. So I came back

to pay and be paid.

"I was fortunate in that I had credibility from my previous experience here with Datanamics, when key-to-disk systems were a new product in Australia. I pioneered this new technology, so coming back to form Elcon, something new again, was not a first time for me. And I had done it reasonably well the first time."

Hoess' decision to go after the education market with Apple, was he said, "a very conscious choice." In the early stages he decided to seek a readily available market and later to expand into new territories.

"The product cannot be a flash in the pan," he said, "and by making our initial move into the education market we were making a long-term investment. We generated awareness at the right level by taking it into schools; we had a product to suit the environments; and we have created a long-term awareness of our company in the minds of a huge potential market."

"We aimed to give computer power to the user in a friendly, indirect fashion. You cannot market a little black box and the Apple identity was ideally appropriate for the education, university market. It's a new technology, which cannot be scaled down simply because the computer is smaller and this area was just

right for us to introduce micros."

Now that an ongoing presence has been established in the education market, Elcon is increasingly directing its efforts towards the commercial sector and particularly the middle management area, the decision-makers market, Hoess said.

The need today, he believes, is to offer decision making capabilities to the end user to enable him to evaluate his data, to provide 'what if' programming facilities, word processing, communications — facilities to provide a vast number of solutions, achieved simply and cost effectively. "This is the market where we see the potential, the market we are encouraging," he said. "The home market doesn't exist here yet. There is no data base available to the home user. I see the home market as essentially an executive tool situation, where the executive will move his work from the office to home. It will develop from the office computer. The home computer is tomorrow's market, or even the day after tomorrow's market."

Renowned as a working dynamo, and a self-confessed workaholic, Hoess rationalises his working hours simply. "We are frequently projecting ourselves into areas often without precedent, doing things which have not been done before. This cannot be done any other way than

by personal exchange of ideas and therefore it is necessary for me to spend 80% of my working day talking to potential users in a variety of situations — teachers, professors, members of the ICI's of the world, a whole spectrum of possible users with questions to be answered," he said.

"I am doing this during the day, so at night I must put pen to paper, provide specific answers, documentation, making a commitment and not just talking. This I will often do until two in the morning."

This month the company moves premises from downtown Sydney to Artarmon, to consolidate in urgently required additional space. As well as expanded warehouse facilities, Hoess aims to set up a dispersed 30-station Apple communication network, including eight Apples for a classroom for users.

In the future Hoess sees Apple becoming stronger and more competitive than most word processors and small business systems.

"It's a no-nonsense situation now," he stresses. "Apple needs to live on its own capabilities," he said. "At one time it was a fad to own an Apple and it would even be bought sight unseen. Now it has to stand on its own — capabilities, performance and technical support are what count."

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