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## A Tough Guy Tries To Win His Gamble In Computer Game

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Lacking High-Tech Training,  
Porter Hurt Relies Mostly  
On Business Sense, Work

By ERIK LARSON

Staff Reporter of THE WALL STREET JOURNAL

SAN JOSE, Calif.—In his younger days, Porter Hurt rode with a motorcycle gang here. "Never did any of the really bad stuff," he says, his voice cured by Marlboro smoke. He doesn't count his bike rides through a YWCA and a crowded restaurant as bad stuff.

Now, he is trying to make his way through another crowd, the dozens of new computer makers. He wants his Actrix Computer Corp. to become one of the top five computer producers in the country, he says. Silicon Valley has heard that kind of talk before, of course. But even in the midst of the mavericks and bright techies that have given the valley its mystique, he stands out as a different kind of entrepreneur, a tough guy among the young, Porsche-driving, jogging crowd.

He never went to college. Never took an engineering course. For 10 years, the closest he got to the electronics business was hanging sheetrock in Silicon Valley homes. In 1968, with his wife both pregnant and unemployed, he started as a stockboy at an electronics distributor for \$450 a month and played "rocks"—dead serious poker—for food money. "When I went to that game, I took everything I owned," he says, smoke wafting up around a pair of pale blue eyes that dare you to start something. "That's why I look like I'm 60 years old instead of 42."

### Gambling Again

He's gambling again, this time on an industry that has begun to show a similar kind of wear. Already, it is rattling with the first tremblings of a shakeout. Mr. Hurt even helped nudge another would-be conqueror into bankruptcy proceedings. He was the first creditor to sue Osborne Computer Corp., which entered into Chapter 11 the next day.

There's just one problem: Mr. Hurt doesn't know much about computers. But he doesn't believe he has to. "I've got a lot of great musicians within this company, and I'm just the conductor. And a great conductor need not know how to play every instrument in his orchestra." He grins. "That's pretty good, huh? You'll remember that





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Porter Hurt is a short, packed man with a slightly rounded belly not attributable to beer; he doesn't drink. His hands are thick and red like kielbasa. He has a square pugnacious face that reddens with periodic bouts of coughing.

He got into electronics because when he looked around, he saw friends in the business who wore fancy clothes, drove nice cars and ate classy food. "Meanwhile, I was leaning against a two-by-four eating peanut-butter sandwiches," he says. He got the job with an electronics distributor, worked his way up to sales manager, then figured he could do the same kind of distribution work on his own.



He got ahead, *Porter Hurt* some say, on the strength of his huge ego and his tough-guy approach to business. But Sonia Colgan, a manager at a San Jose communications company who has known him for 15 years, says, "He's really a pussycat."

In any case, he's rich. He gets to work each morning in a 21½-foot Cadillac limousine and wears about \$15,000 worth of gold, including a ring with a diamond-littered surface so broad you could serve tea on it. "Porter's always been a jewelry freak," Mrs. Colgan says. "We've just watched the jewelry change in size."

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He made his fortune through real-estate speculation and the profits of two other companies he owns, which produce and test circuit boards for other companies. (Osborne Computer was responsible for about 80% of the sales and profits of those operations when it filed for protection against its creditors. As a result of Osborne's troubles Mr. Hurt has had to lay off about 300 employees from those companies.)

He bought 80% of Actrix—originally Access Matrix Corp.—in June 1982 for \$2.1 million that he raised from sales of real estate. But why computers? For one thing, he liked the Access concept—a portable computer with a printer, screen, keyboard and a device that lets the machine communicate with other computers by telephone, all in a single unit. It fills a niche, he says; people who don't want to shop for each piece of equipment will buy it. With such a niche, he says, a new computer company can survive.

But there's another reason. "I've always

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# A Tough Guy Tries Hard to Win His Gamble in the Computer Game

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been motivated by ego," he says. "I wanted to get into this business and build a successful company when everybody tells me it can't be done."

Indeed, small computer companies face a market roiled by stunning losses at several major computer makers and by the continuing upheaval from International Business Machines Corp.'s startlingly successful entry into the personal-computer field two years ago. Signs of serious trouble—losses and layoffs—have appeared at other new, small computer companies. And they became especially apparent at Osborne Computer, which filed under Chapter 11 while owing Porter Hurt's circuit company about \$4.5 million, according to Mr. Hurt's suit. Recently, the personal-computer business has been entered by other major, well-funded companies, such as Data General, Digital Equipment Corp. and Hewlett-Packard Co.—further threatening the little guys.

Osborne's collapse, he says, "really hurt the small computer manufacturers as far as credibility in the marketplace is concerned. I think all of us manufacturers are feeling the pain." And anticipation of IBM's next move—the fabled Peanut—has also hurt. "A lot of dealers may be waiting to see what IBM has, before they make inventory commitments," he says. "IBM's the whale. When it wiggles its tail, that's the way the waves go."

But Mr. Hurt thinks that he can tough it out with hard work and acute knowledge of what the pieces of his computers cost. "When you hang rock for 10 years, you know what it is to work," he says.

build a nice story around it."

The company went through about 60 names. Even "Fulcrum" was already in use. The company finally settled on Actrix Computer Corp., and Actrix for the machine.

Does his lack of knowledge ever get in the way? "It hasn't gotten in the way yet," says Mr. Nichols, the engineer.

## A Dangerous Delay

But hard work and having a niche may not be enough. The name change caused a dangerous delay of two to three months, in an industry where the typical product life cycle is about 18 months. "It left us absolutely dormant in the market place as far as advertising is concerned," Mr. Hurt says.

Slow sales during the sluggish summer sales period, as well as the lack of promotion, caused August sales to trail forecasts. "I am totally convinced that we have the best product on the market for the money," Mr. Hurt says. But later, over lunch, he

looks across the restaurant just bewildered it's not Actrix currently open. Mr. Hurt says. "It's a nice loss," he says, declining comment.

Lately, however, Mr. Hurt is optimistic despite sitting with well-known companies and Digital Equipment and Digital Equipment competitive pressure. The circuit board that make compatible—that is, lets the programs written for computer, without modification, be used on the change, is at last on the cago, where it's getting

"I assure you, when it comes, Actrix will still be Why? "Because I'm a winner."



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#### Gruff Manner

He is gruff and to the point. One morning, he stops by the office of Ralph Nichols, his vice president for engineering. They discuss firing a man.

"I hate like hell to fire a guy just after he comes back from vacation," Mr. Nichols says. "Can I give him four weeks' severance?"

"Hell no," growls Mr. Hurt. "He doesn't deserve it. Give him two weeks."

He isn't known for being a subtle negotiator, either.

At a meeting with a representative of Digital Research Inc., a major producer of computer programs, he looks over a letter proposing a deal on some important software. A cigarette fuming in his right hand, he comes to the payment terms. His eyebrows rise.

He sneers: "This is an asinine proposal."

"Porter!" gasps the software man.

Harry White, Mr. Hurt's vice president for marketing, explains: "He'll say, 'That's a stupid idea,' but he doesn't really think it's stupid. He wants you to defend it."

Mr. Hurt leaves nitty-gritty engineering and software decisions mostly to his engineers and marketing people. "He may question" engineering decisions, Mr. White says, "but he doesn't try to make them." Mr. White adds, "He's not the typical high-tech entrepreneur; he's more your general entrepreneur." And Donald Novak, the vice president for manufacturing, comments, "It's like why do you have the guy from Pepsi-Cola coming in to run Apple?" (Last April, Apple Computer Inc. hired John Sculley, the

Hurt asks.

Mr. White explains, and goes on to suggest a possible marketing line: "'You can move the world with a Fulcrum'—you can

tion, caused Al  
"I am totally  
best product on  
Mr. Hurt says





# Hard to Win Computer Game

siCo Inc. subsidiary's president and an marketing man, as its president and f executive.)

When Mr. Hurt doesn't understand some- g, he asks. Recently, the company found had to change its name. A Midwest com- er company already was using the name sss Computer Corp. In a meeting on new nes, Mr. White counts off some possible nes for the computer and the company. Bu like Laser Fulcrum and Olympia. " he I, I., "s. **12-7330**. \*\* Hong Kong, one of th Fulcrum, uh? What's that mean? " Mr. rt asks.

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looks across the restaurant and says, "I'm just bewildered it's not selling better."

Actrix currently operates at a deficit, Mr. Hurt says. "It's a nominal loss, but it's a loss," he says, declining to be more spe- cific.

Lately, however, Mr. Hurt has been feel- ing optimistic despite signs that even such well-known companies as Apple Computer and Digital Equipment are experiencing competitive pressure. The company has in- troduced several new products including a circuit board that makes the Actrix IBM- compatible—that is, lets it run about 60% of the programs written for the IBM personal computer, without modifications. And Ac- trix's television ad, held up by the name change, is at last on the air—initially in Chi- cago, where it's getting results, he says.

"I assure you, when the big shakeout oc- curs, Actrix will still be around," he says. Why? "Because I'm a winner . . . I'm a sur- vivor."

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