

From Bob Stein

June 24, 1982

Dear Alan:

Following is a summary of several phone conversations on the Britannica/World Book issue. It's a sticky situation but in the long run it may turn out to be a good thing if it forces us to sharpen our understanding of what we want to do and who we want to do it with.

Van Doren called on Tuesday morning rather agitated about the whole World Book (WB) question. Evidently what kicked off this latest round of concern was that Ray Markman of Britannica had met with Chris Bowman and was given the impression that discussions with WB had proceeded quite a long way toward a deal etc. On Wednesday there were to be two important meetings at EB relative to Atari - the bi-monthly meeting of the New Business Committee and a highly unusual luncheon hosted by Gwinn for Swanson, Van Doren and Sloan, ~~expressly to discuss Atari~~. Van Doren was hoping for some word from Atari before Wednesday indicating at least that nothing imminent was happening with WB and perhaps that the World Book deal was "on hold." I told Van Doren I would do what I could to get some word from Atari, if indeed it was deemed appropriate. In your absence I decided to call Ray Kassar's office to pass on the Van Doren phone call and request. Before calling Mr. Kassar I called Chris Bowman to familiarize myself with that end of the story. For your information, Chris explained the following:

The original contact with WB was through Jim Page, the Educational Sales Manager for HCD. Initial discussions centered on WB becoming a dealer/distributor of Atari hardware and software. WB would use its direct-to-the-home-and-school sales force. Additionally WB wanted to have an exclusive on some software so that they could find a way to distinguish themselves from everyone else selling Atari products, since given the high commission paid to door-to-door salesmen, WB's prices on the hardware wouldn't be all that competitive. Chris mentioned the MECC materials as a candidate for an exclusive of this type. In the long run WB is interested in co-developing software with Atari, although from what I could gather the products being considered are not really encyclopedic in nature, but fall more into the category of courseware. Chris met twice during recent weeks with the CEO and other top execs at WB and evidently they are very keen on the whole idea. A number of top-level WB people are coming out to Atari on June 25th to discuss a marketing test. Nothing has been signed to date.

I then spoke with Judy Singleton in Mr. Kassar's office. She had called Chris the day before and had gotten the whole WB story from him. I relayed the Van Doren call and said that if it were appropriate it would be good if Mr. Kassar could call Swanson to reassure him that nothing irrevocable had taken place with WB etc. I spoke with Judy later in the day and she said that Mr. Kassar did call Swanson, but unfortunately he was out to lunch at the time. When Swanson returned the call later, Kassar was out to lunch. [Oh those time zones; they'll get you every time!]

While the parallel discussions with WB and EB are slightly embarrassing, confusing and messy, everyone has been dealing in good faith and I see no reason why Atari shouldn't be able to work out whatever deal or deals it decides are in its interest. It's clear however that a lot of hard thinking is going to have to go on among several people from different departments at Atari before proper decisions can be arrived at. Our contribution should be a much sharper picture of the nature of the project we are proposing, including an assessment of the necessary characteristics to look for in potential partners. In light of this I must say here that recent events have raised my nagging doubts about the Britannica deal (alluded to in past memos) to a higher level. At the very least I want to play devil's advocate and put forth some serious questions about Britannica's participation.

In its broadest outline what we have been talking about relative to EB is the creation of a publishing company whose principal product will be an electronic "intelligent" encyclopedia performing both reference and educational functions. In addition to the encyclopedia this publishing company will produce a number of related products during the developmental period and beyond. Given the kind of investment we are going to make and the tremendous expertise we will have to bring to bear on the project I figure we have the opportunity to create one of the major publishing companies of the coming era.

Creating an electronic encyclopedia that will be useful for meaningful learning as well as reference will be quite different from the task of creating a traditional print encyclopedia. Once the article list is set, the main task of producing a print encyclopedia is to commission and then edit the articles, choose graphics etc. With the intelligent encyclopedia on the other hand, we are going to have to do a very complex job of figuring out how best to integrate and use various media. For each subject it will not be as simple as figuring out who should write which article, but how to employ all the media at your disposal--computer programs, still and motion pictures, text, sound--to accomplish a complex array of tasks.

Given that there is still much work to be done on the question of how to make the encyclopedia "intelligent," this company will of necessity be doing pioneering work on the creation of an electronically based pedagogy and the applications of artificial intelligence.

What does this brief description say about what sort of principal partner Atari should be looking for? Atari has some money (although perhaps not all the venture will require) and significant technical expertise. What Atari does not have at this time is any database (for the development of either short or long term products), or the array of people necessary to develop the methodology and design the content. Additionally there is the question of distribution since Atari currently has no mechanism for online delivery.

How Does EB Measure Up?

Recently I have had occasion to mention to various people the project we are contemplating - the electronic encyclopedia of the future to be developed jointly by Atari and EB (with a supporting role to be played by Lucasfilm). People go, "Ah! Wow! All the leaders in their respective fields. Sounds Great." The reality however, is that as discussions go on with EB it becomes less and less clear what role they would play in the actual creation of the new product. As I mentioned in the last memo, Van Doren contends that their first choice would be to receive a royalty in exchange for use of the Britannica name and existing databases. What's even more disturbing though is that even if there were to be a joint venture, it's not clear what Britannica could contribute beyond those two items (leaving aside here the potential value of their sales network). It is not readily apparent what strengths EB could bring to bear on the creation of an intelligent encyclopedia.

Having said that let's look at the two things that EB would definitely bring to the venture - their name and their database.

As we have discussed previously the Britannica name is valuable in two ways. Almost synonymous with the word encyclopedia, EB's name undoubtedly would have value in terms of sales. More important, however is its influence among scholars and the like who are honored to be contributors to such an august institution. Actually as far as the public goes I think it might be double-edged. EB has a great reputation for scholarliness but almost as great a reputation for being stodgy and difficult to use. And, when you get right down to it, I'm not sure we really want to name the product we are talking about after Britannica. After all the sun set on the British Empire some years ago, the Falkland Island Campaign notwithstanding. As far as the mobilizing of contributors

Britannica is not really giving us any more help than their name. Frankly I think we've been overestimating the importance of this use of the EB name, seeing it almost as a sine qua non. Look at it this way. We are contemplating an intellectual enterprise quite grand in scope. Is there any reason why we shouldn't be able to communicate a sense of this excitement throughout the intellectual community and on that basis recruit a first rate editorial board and then contributors. This is doubly true if we were to get as one of the partners an institution like Harvard or Stanford.

As for the existing EB database which includes EB, Compton's, The Syntopicon, and maybe the Merriam Webster dictionaries, an EB subsidiary. Again as we have discussed previously, I am not sure how well Compton's and EB could be adapted for use in a short term online product. Once we put them online, they lose their "furniture" value and they will have to stand on their own merits which may be uneven. Both Compton's and EB itself are quite far behind in their update program and I am afraid that the average person may not find the EB articles all that accessible. [World Book by comparison seems to be better liked by users and could be a better basis for a short term product]. Since we seem to be agreed that the content of the intelligent encyclopedia will have to be developed virtually from scratch, there is little value in the EB database to the long term product. In most cases EB doesn't even own the pictures in the encyclopedia, so they wouldn't even be bringing graphics we could use in a visual database.]

To sum it up, EB could be an initial advantage, providing great press ("Atari and EB to Create Encyclopedia of Future"), introductions to contributors, and to some extent a useable database. However in the long run, EB could end up being an albatross around our necks. Clearly, over time most of the money will be made from the intelligent encyclopedia we will be developing over the next 10+ years. We could end up paying EB a very healthy royalty on that product, even though they didn't contribute that much to it directly. Perhaps it is better to consider finding a principal partner who can deliver more of what we need than Britannica can.

It should be made clear here that I am not necessarily arguing for teaming up with WB over EB. In general much of what I said about EB probably goes for WB as well. If any general conclusion is drawn it should probably be that the principal partner probably shouldn't be an encyclopedia company at all, but rather a university or a communications company, or even a publishing company with a more useful database (in terms of the intelligent encyclopedia itself) - eg. Time-Life or CBS.

Finally, I think it's been a mistake to try to avoid doing an internal (ie. for Atari) in-depth analysis of the factors involved in this encyclopedia project. Partially this error is attributable to the fact that the initiative came from outside Atari, in effect from EB, and we have tended to take far too much as given. Let's stop here and go into the issue all-sidedly. If EB is the way to go let's prove it instead of assuming it. [Also I think we need to pay some attention to the question of delivery and distribution, the potential role of WAMEX, TIES, even AT&T. I think we need that in the equation sooner rather than later. It also might give us a broader picture of potential partners.]

More on the "Informal Research" Proposal (See memo June 16, 1982)

I had an interesting meeting with Aimee Dorr, Professor of Education at UCLA (formerly of the Annenberg School and Harvard). Aimee was one of the early advisers to the Children's Television Workshop and has recently been doing consulting work for Lucasfilm. We met last year while I was preparing the report for Britannica. We have continued having discussions and I am impressed by her ability to deal with complex issues complexly, that is without resorting to glib or facile answers. Aimee and I discussed my idea about informal research. She said that it is a valid line of research which if done right can be very valuable. Furthermore, she offered to play a role in conducting the research and knows a couple of good graduate students we could get. She said she would be willing to do the work through the university which means we wouldn't have to pay a high per diem rate. I thought this was a good idea before, but with Aimee's participation I think it's great. Give the word and I'll draw up a brief description and proposed budget.

Adler and Bruner

I spent some time this week reading Adler's Paideia Proposal as well as all or significant parts of several Bruner titles - On Knowing, The Process of Education, and Toward a Theory of Instruction.

With Adler, I find his sense of the goals of education all right but think his prescriptions are quite naive. I am particularly troubled by his failure to address the problem of how you get all the excellent teachers his concept requires into the schools. He seems to want to build up the school walls; my tendency is to want to tear them down, metaphorically speaking. Bruner's work I find very thought-provoking and I appreciate your suggesting it. He was definitely wrestling with a lot of the questions that seem to be at the forefront right now in terms of how people learn and how that learning can be motivated, facilitated etc. He was predicting a big role for television. I wonder how he sums that up now and what his thinking is on the role of computers. He's back at Harvard now after several years in England, so I will definitely plan to go talk with him when I am next in Cambridge. (It's curious but I actually got a masters degree at Harvard during the late 60's, $\frac{1}{2}$ in psychology and $\frac{1}{2}$ in education, and somehow never came in contact with his work. I'm still trying to figure that one out.)