

June 28, 1982

To Alan Kay from Bob Stein

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 to discuss "wither Britannica." 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" as far as Atari is concerned. 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 its salesmen, WB's prices on the hardware wouldn't be all that competitive. Chris mentioned the MECC material 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 courseware category. Chris met twice during recent weeks with the CEO and other top executives at WB and evidently they are very keen on the whole idea. A number of top-level WB people were due out at Atari on June 25th to discuss a marketing test. Nothing has been signed to date.

I then spoke with Judy Singleton in 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 in the afternoon, Kassar was out to lunch. (Oh those time zones; they'll get you every time!)

And finally, another call from Van Doren reporting on the Wednesday meetings. As he put it, EB "having seen that Atari is willing to deal with things on a non-exclusive basis" had decided to enter into an agreement with a third party (unnamed) to create courseware bearing the Britannica name. The courseware which will be produced by the third party and distributed by EB will be made available for all popular microcomputers. While Van Doren felt that this decision was partially in response to the Atari-World Book discussions, overall he sees it as a good thing. He feels that we are no longer under the gun to come up with an either/or solution to the World Book/EB question, at least as far as deals covering the distribution of Atari products. Frankly, I don't know whether he is right or not in saying that EB (ie. Swanson and Gwinn) wouldn't mind Atari making distribution deals with both EB and WB. I think we would have to talk to Swanson directly about that. Van Doren did add however that Swanson and Gwinn are still very excited and hopeful about making some kind of deal with Atari for development of the electronic encyclopedia. In fact, Van Doren said that if Atari were very upset about this pending arrangement with the third party software developer, if it were to lead us to be less interested in working with EB on the encyclopedia then we should call EB and register such concern - before Friday if possible since that is when the next meeting between EB and the courseware producers takes place. (It is likely that Van Doren was supposed to communicate this latest development to Atari through me, since he specifically said that it would be all right for it to get back to EB that he told us about it.)

While the parallel discussions with WB and EB are slightly embarrassing, messy and confusing, I don't think anything has happened yet which would prevent Atari from working out whatever deal or deals it decides are in its interests. However, the situation certainly coincides with nagging doubts on my part that we are not sufficiently clear on what our interests actually are in all this. Specifically we need a much sharper understanding of all the factors involved in what we want to do before we can decide exactly who we want to do it with and on what basis. At this point I think it's a mistake that we've tried to avoid doing an internal (ie. from Atari's point of view) analysis of the encyclopedia project. Because the initiative came from outside Atari (in effect from EB through me), we have tended to assume EB's participation as the principal partner and as a result we have failed to consider the project in a thoroughly all-sided manner. Had the idea for the project originated at Atari, presumably a report would have been prepared which described the nature of the product, how it would be produced, marketed and distributed,

the nature and structure of the business through which all this would happen, the strengths and weaknesses of potential partners and combinations of partners, and the precise role of the research group etc.

We need to consider in some detail, for example, how producing a multi-media electronic encyclopedia aimed at least as much if not more at learning rather than fact reference will differ from producing a traditional print encyclopedia. What are all the tasks involved; who can best do what? In this context we could start to ask some important questions about EB - the value of the EB name and of the existing database in terms of both short and long term products, and the potential contribution of EB's editorial department.

Also, I think we need to pay significant attention to the question of delivery and distribution and the potential role of WAMEX, TIES, even AT&T. We need that in the equation sooner rather than later. It might give us a broader picture of potential partners.

Since an earlier version of this memo (shown to Chris Jeffers) took a devil's advocate position, raising several questions about EB's participation, I want to emphasize that I am not attempting to lay a basis for an argument for WB over EB. In fact, the reason I decided to rewrite the memo was that given the current EB/WB brouhaha the original tended to make the terms of the discussion WB or EB when what I really wanted to do was to question the role to be played by any encyclopedia company. Independent of all the EB/WB stuff I had started to wonder whether, given the vast magnitude of the tasks involved, EB would actually end up being our major partner in this enterprise or would their role be secondary with the major partner being a communications company, another publishing company whose existing database might be more valuable in terms of the requirements of the long term objective or perhaps an educational institution.

At this point I would like to see us form a small group to study these questions and prepare a report. In addition to me and Steve Weyer (Dave McDonald?) I think it would be good to have someone who understands the various implications and ramifications from a business point of view.

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 Britannica report. Aimee and I 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. At our last meeting we discussed my idea about informal research and Aimee said that it is a valid line of research which if done properly can be of great value. 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 last week reading Adler's Paideia Proposal as well as all or significant parts of several Bruner titles - On Knowing, The Process of Education, and Towards a Theory of Instruction. With Adler, while I find his sense of the goals of education alright, I find his prescriptions naive. Frankly I think he is too nostalgic for the good old days. His solutions tend to require an even greater separation of school from the rest of society (where is going to get all those great teachers anyway) while I tend to think we need to go in the opposite direction, integrating school and education as much as possible into the rest of society. 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 and facilitated. 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 next time I am 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.)

The rest of this week I will be at the Videotex 82 conference in New York, to be followed up with meetings with Terry McCarty and others in the WAMEX and TIES operations.