

Atari Products Company Future

The document itself begins on the next page.

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Original backup tapes owned by Dutchman2000, obtained by Atarimania.

Documentary research and PDF layout by Laurent Delsarte.

Note that these backup tapes contain A LOT of information spread out in many folders, meaning it will take time to process the important bits.

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Comments:

Two documents on the very same topic were found together:

BKUP-1983-08-01-MEMO-0002A-D and BKUP-1983-08-29-MEMO-0003A-E.

Both authors attempted to answer the same set of standardized questions about the company's future: a vision, new territories to explore and how to get there fast.

Although some sections are very similar (copy/paste), it's interesting to note that some answers differ slightly, particularly on the subject of Atari's competitors.

It's also sad to note that:

- Both note that Atari's current position is unstable, and is on the verge of collapse if the company doesn't react very quickly with a completely reoriented core business,
- With decades of hindsight, we're forced to conclude that their predictions about the future are right: an information society, with commercial companies offering connected services. A business model based on centralized IT services, and not just on physical objects for sale (home computers and consoles).

Obvious spelling mistakes and typos have been corrected.

Additions by Laurent Delsarte are indicated by [[and]].

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Atari Products Company Future

From: Joe Miller [[== Joe Miller (Joseph B. Miller III)]]
To: Carl Goy [[== Carl Goy]]
Date: 1983-08-01

1. What business are you in?

Currently, we are in the business of producing a family of low-cost, microprocessor-based computing devices and accessories aimed at the mass market. Virtually all of our current and short-term product offerings are based on technology developed by Atari in 1978-79.

2. What business do you want to be in?

Atari belongs in the information business. Specifically, providing electronic devices for the manipulation of information, aimed at the mass market. This not only subsumes the manipulation of computer-generated information for the purposes of entertainment (our business now), but also includes providing real information services to consumers, the kind they just can't do without.

There have been numerous attempts and proposals to develop Atari's expertise in this direction: Atari Central, Project E.D., T.I.E.S., and AtariTel are a few that come to mind. With the exception of AtariTel, management has declined to take a closer look at these businesses.

As recent history has painfully established, Atari must immediately stop chasing the past. We need to establish a niche of our own, a new specialization. If we can act quickly enough, WCI¹/Atari is uniquely positioned to become a serious competitor to the IBM's and AT&T's who will dominate the information business.

3. What do you need to do well in order to be successful in this business?

Very simple: immediate corporate response to get into the market. Immediate! And, of course, we need to reestablish the basic procedures for successfully running any company: tools to do the job, communication, long-range planning, participation in planning, stability, commitment from management, accountability, and trust.

1 [[Warner Communications Inc. (WCI)]]

4. What is your comparative advantage in this business? How defensible/sustainable is this comparative advantage?

Currently, our advantage is the Atari name and some good people. Needless to say, the name is rapidly losing the glamour it once had, but, more importantly, as the company continues without focus and direction, the good people don't have much reason to stay. Atari is losing this advantage, fast.

If we are to take a leadership position in the information business, we must take advantage of the unique synergies and expertise afforded by other WCI² units.

5. Who is your most serious competitor?

In order of seriousness:

- Ourselves.
As long as we persist in this crisis-management, reactive model of operation we will never fully utilize the resources and talent within the organization. It is time we turned the corner, slow down, and refocus our energies into generative activities. (I, for one, don't think the world is going to stop is Atari skips a CES show every now and then.)
- The Japanese.
How long will they keep licensing their creative efforts before they use their considerable expertise at producing consumer electronics to dominate this market as they have done to other markets in the past?
- In the not-too-distant future, IBM and AT&T.
They seem to really know how to make a profit. They understand the information business.

6. How will this business evolve over time?

Someday, most every home will subscribe to an information service. It sure would be nice to be the company providing that information service. It would even be nice to have a small share of that business. Given Atari's current thrust, we'll be lucky to get a portion of the entertainment subset of that business.

2 [[Warner Communications Inc. (WCI)]]