

# Future Strategy

The document itself begins on the next page.

## Document source:

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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# Future Strategy

From: Rick Nordin [[== Richard K. (Hud) Nordin]]

To: Joe Miller [[== Joe Miller (Joseph B. Miller III)]]

Date: 1983-08-29

## 1. What business are you in?

The toy business. Specifically, microprocessor-based electronic entertainment devices and accessories aimed at the mass market.

## 2. What business do you want to be in?

The information business. Specifically, electronic devices for the manipulation of information, aimed at the mass market. This subsumes the manipulation of computer-generated information for the purpose of entertainment.

I see our current business to be very much a fad. Nothing else can explain our market situation. It's essential to move from our present base into providing real information services to consumers, the kind they just can't do without. Atari Central comes to mind, but it may be too late to fend off the companies who were smart enough to have already begun work in this area.

Well, that's the business I, personally, want to be in, but I don't think Atari can cut it, now. I believe Atari blew its chance, and its only hope now is to find a niche, a specialization, within this business where they won't be trod upon by the IBM's and AT&T's who will dominate the market. Perhaps Atari can use its experience in the toy business to get a small share of the entertainment portion of the information business. Perhaps.

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

Immediate action to get into the market. Immediate!

Tools to do the job. Stability. Communication. Long-range planning. Participation in planning. Commitment from management. Trust.

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

The Atari name and some good people. The name is already starting to be tarnished. Since good products do not seem to be being planned, the good people don't have much reason to stay. Atari is losing it, fast.

## 5. Who is your most serious competitor?

- Currently, Coleco.  
They seem to know how to make a profit.
- 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?
- For the 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?

Which business? Current, my preference, or Atari's best hope? Some day, 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 just get a share of that business. Atari will be lucky to get a portion of the entertainment subset of that business.