

An interview with Esther Dyson

Interview by Alistair Craven



Esther Dyson is editor-at-large at CNET Networks, where she is responsible for its monthly newsletter, Release 1.0, and its PC Forum, the high-tech market's leading annual executive conference.

As editor-at-large, she also contributes insight and content to CNET Networks' other properties. She sold her business, EDventure Holdings, to CNET Networks in early 2004. Previously, she had co-owned EDventure and written/edited Release 1.0 since 1983.

At Release 1.0 and in her private investment activities, Dyson focuses on emerging technologies, emerging companies and emerging markets. Among the topics she has covered for Release 1.0 recently are social software and social networks, registries of people and things, the Internet, the transformation of e-mail to "meta-mail," identity management, and the use of "consumer" Internet services such as Yahoo!, eBay and Google by small businesses.

A lot of your work concentrates on “emerging technologies, emerging companies and emerging markets.” Can you explain what this work entails?

Esther Dyson:

I write about these things, and I invest in the ones that want investment of the amounts that I can afford, and where I think my money will make a difference and provide a return to me. What that entails is trying to understand and assess people as much as strategies, markets and technologies.

You sold your business, EDventure Holdings, to CNET Networks in early 2004. Previously, you had co-owned EDventure since 1983. How difficult was it for you to “sell up and move on”, so to speak?

Esther Dyson:

Aside from the mechanics of getting the deal done, it was not that emotionally difficult, though in fact I have not yet moved on. I have a three-year contract to continue my life essentially as before, but under CNET ownership. That enables (I hope!) me to add value to CNET, while they support our expansion to a larger market.

You recently wrote about the transformation of e-mail to “meta-mail.” What do you mean by this transformation?

Esther Dyson:

It means the use of mail as a sort of central place within which a user manages most of his tasks, while at the same time making mail more “transactional” – so that, for example, you can negotiate an appointment or a review cycle by using special-purpose messages that are interpreted as actions rather than as blobs of text. I hope that’s clear! Basically, it means mail that accomplishes work rather than simply delivers words.

Your influential quarterly report Release 1.0 has covered the converging worlds of technology, communications and the Internet for more than 25 years. What first inspired you to work in this area?

Esther Dyson:

I pretty much fell into it. I was working at *Forbes Magazine* covering a broad range of businesses. The ones in high-tech seemed the most interesting and the people seemed the smartest. So when I moved to Wall Street as an analyst, I covered tech companies for five years before joining the company that I bought and renamed EDventure Holdings in 1983. At the time, it was called Rosen Research and had been founded by Ben Rosen, who was chairman of Lotus and Compaq. Those two roles constituted a conflict of interest for him in trying to cover the IT marketplace. Unfortunately I have not yet been successful enough to have a similarly large conflict!

Your 1997 book Release 2.0 looked at computing and the Internet and how these elements were

set to profoundly change our business and social lives in a “fully wired” world. Have the past eight years unfolded as you expected and predicted?

Esther Dyson:

More or less. People have been less active in protecting their own privacy than I expected, but mostly I still feel pretty happy with what I said then.

Indeed, a particularly well-hyped aspect of e-business at present is privacy in digital environments. What is your take on the overall privacy issue?

Esther Dyson:

Privacy is a challenging issue. For starters, I don't know what privacy is. I do know, however, how to give users a choice about what they disclose. The problem is, sometimes it's confusing to decide what to disclose to whom, so a good system design has sensible, visible defaults that are easy to change.

Right now, of course, most systems default to allow cookies, and users have little idea what is going on. The default is probably sensible, but it is not visible, which means that consumers who do hear about cookies are now beginning to assume something is wrong. So, we have people who are both uninformed and a little paranoid about what they don't understand. That's not a good situation, for the public or for the marketers who use cookies.

Yet even as privacy advocates are upset about cookies, many users – especially younger ones – seem to be much more interested in self-expression than in privacy. It may be because most of them are still essentially nonpublic people – of interest only to their peers. They don't yet have careers or reputations to protect, and they aren't yet thinking about the impact of their words five or ten years from now.

It may be that the greater disclosure among young people today leads to a society that is less hypocritical and more forgiving, with a moral statute of limitations for most behaviour.

What I do know is that neither the privacy advocates nor the aggressive marketers who want to know all about me – let alone the government that thinks my life should be an open book – can speak for me. I want to make my own decisions about what I disclose, knowing all the while that I cannot control what others say about me.

In one of your columns you stated that the history of IT has been a “slow war of liberation – a struggle toward independence for users as well as for professionals.” Can you explain what you mean by this?

Esther Dyson:

I don't recall, but I imagine I was talking about users' increasing ability (with better tools) to manage their information for themselves.

“I think much of the real innovation in the next few years will come from business models, many of them IT-based, and many focused on empowering (or perhaps 'liberating') individuals.”

Harvard Business Review author Nicholas Carr recently caused a storm of publicity with his outspoken views on IT. Carr claims that IT has become a commodity – necessary for competitiveness, but insufficient for advantage. What do you make of this?

Esther Dyson:

I think it's a bit of a tempest in a teapot. Of course commodity IT is a commodity, but people who figure out how to use it more effectively than their competitors will have an advantage until their competitors figure it out. Of course, the ability to figure it out depends on creative people excited about their work and their mission (not IT), so to that extent Carr is correct. But you certainly can't conclude from this that you should ignore IT, stop investing in it or stop trying to use it more effectively.

However, I think much of the real innovation in the next few years will come from business models, many of them IT-based, and many focused on empowering (or perhaps “liberating”) individuals. What do I mean? I mean services such as Sidestep that let a user state his travel needs and then find the best deals for him. Or Rootmarkets, which will let a user share in the revenues generated by marketing data about her online activities. Or DemandID, which lets users vote on which musicians they want to hear in their city, and then passes that information along to artists and concert promoters.

At a recent conference in New York City you addressed delegates on why companies need to work together to make e-mail sender authentication technology a key component of blocking spam and phishing attacks. Can you briefly explain these attacks and why they are a growing threat to businesses?

Esther Dyson:

Phishing is the practice of luring people to fake websites where they are induced to turn over valuable personal information (such as credit card numbers). The challenge for the companies whose websites are spoofed is that they can't be there to protect their customers. But of course there are ways to fight this – in addition to simply educating consumers to be more careful - and that is happening. Users can download tools that flag deceptive sites, but of course new kinds of attacks are being developed. This is a continuing war, and it won't end. The attacks and counterattacks will simply evolve.

Technology companies have come and gone in large numbers over the last decade. Of those that have made a lasting impact, which organization do you most admire, and why?

Esther Dyson:

I'm specifically not picking Google, because they are on everyone's top X list these days. I am really impressed with what Yahoo! has achieved lately. They are building a personalized environment for each of their users, and understanding that that means not only my data and my alerts and my news, but also that of my friends. Of all the large companies, they have the best understanding of the context of their users' lives.

Finally, if you had to pull out three key lessons for today's IT industry managers to heed, what would they be?

Esther Dyson:

- Always make new mistakes (not old ones), and learn from them!
- Remember that IT serves people, and not the other way around.
- Take pleasure in what you do, or find something else to do. □