

MARKETPLACE

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PORTALS

By LEE GOMES

When Pundits Predict Tech's Future, It Is True They Can Draw a Crowd

A LOT OF PEOPLE will tell you that whenever a Silicon Valley luminary starts to describe a hot new technology trend, you should hide your wallet, because what you are about to get is a sales pitch disguised as prognostication. Whoever those people might be, none of them were in attendance last Tuesday night in a crowded San Jose, Calif., ballroom, when the Churchill Club, a local group that sponsors talks on tech topics, held a panel discussion about the top trends for the coming year.

It's a popular fall event: Four well-known Silicon Valley figures make predictions and then proceed to agree or disagree with each other. They conduct themselves as though appearing on a cable-TV sports talk show, with lots of "regular guy" banter and barbs. It's amusing and harmless, like the astrology column in the paper—great fun if you don't take it too seriously, and probably about as accurate.

Judging by the preponderance of coats and ties in the audience, most of the people listening weren't actually entrepreneurs, but rather various hangers-on from the service sector: marketers, consultants, accountants, PR people and, worst of all, journalists. The sort of people, in other words, who don't have the wherewithal to actually invent the future themselves, but who will dutifully show up to get their meal tickets punched when someone else does.

THE FIRST PANELIST up was John Doerr, a venture capitalist who is perhaps most famous for saying at the height of the great Nasdaq stock bubble that the Internet was "the largest legal creation of wealth" in human history. Perhaps Mr. Doerr meant to add "for those of us lucky enough to get out in time," but he never got around to actually saying that, and as a result, made it into the Reckless Optimist's Hall of Fame during his first year of eligibility.

Last week, Mr. Doerr disclosed that he is, once again, a Web bull. The Internet, he said, may actually have been "underhyped." There is now under way, he argued, "incredible innovation and systemic rethinking/reinvention in important Web services."

Actually, the question of whether something has or has not lived up to its potential is a favorite among the technical punditry, because no matter which side you take, you can't lose. You simply emphasize whichever part of the half-full, half-empty glass makes your point.

For example, there aren't many industries that have embraced the Internet more enthusiastically than airlines. But there are few industries in worse shape. Who does that vindicate: the tech triumphalists, who say the Web will conquer everything, or the digital skeptics, who say the Web's capacity for economic transformation has been exaggerated? Flip a coin.

The trends cited by the next two panelists—Roger McNamee and Esther Dyson, both technology investors—were somewhat at odds. Mr. McNamee predicted that there won't be another big, late-'90s-style wave of tech spending by businesses for at least five years. Ms. Dyson, though, predicted a big new business in bringing technology to the health industry, mostly for record keeping.

MY MONEY IS on Mr. McNamee, and not merely because this newspaper had a front-page article the very day of the panel arguing much the same point.

One of the not-so-secret Dirty Little Secrets of the tech world is that no one knows how to make this stuff work. When Hewlett-Packard, which is in the business of telling other companies how to computerize their operations, turned in a disappointing quarter in August, it placed much of the blame on a badly flubbed in-house effort to computerize its own operations. While I personally would have given Carly Fiorina style points for audacious comic irony, Wall Street thought otherwise.

Because of episodes like that, most businesses have long since stopped believing the tech world's promises of better living through data processing. So why would the health sector act otherwise? And isn't the never-ending stream of high technology dreamed up by medical entrepreneurs one of the reasons the U.S. spends so much on health care in the first place?

For his trend, Joe Schoendorf, another venture capitalist, did a riff on the theme of "China: Threat or Menace?" Mr. Schoendorf said the odds are good that the Next Big Thing, whatever it is, will come from China. While that country is currently best known for its low-cost manufacturing, Mr. Schoendorf said that any civilization that could invent the compass, gunpowder and paper probably still has a few other tricks up its sleeve. Especially since it now graduates more Ph.D.s than the U.S. does.

While Mr. Schoendorf was talking, you could feel the energy go out of the room. Who, after all, wants to be told they face a future of usurpation and irrelevance? Not this crowd!

There were other trends that evening: blogs, stem cells, consumer electronics and more. You can see the list yourself in the "Past Events" section at churchillclub.org.

And there's no reason you folks at home shouldn't come up with your own trends. To paraphrase what Homer Simpson said about young people: "The future belongs to Silicon Valley's leaders—unless, of course, we stop them first."

Send comments to lee.gomes@wsj.com. Selected letters run Friday at WSJ.com/Portals.

Shock of the New MoMA

The Museum of Modern Art Reopens With Surprise Stars: Tiny Vases, Glittering Dung

By ALEXANDRA PEERS

New York

THE JURY is in. New York's Museum of Modern Art reopens to the public Saturday after a three-year renovation. The soaring new \$858 million headquarters by acclaimed Japanese architect Yoshio Taniguchi gives the museum 125,000 square feet of display space, nearly twice its previous incarnation. At a series of parties that begin tomorrow evening, the museum will unveil a re-installation that defines anew the most important art and artists of the past century or so. Some new stars are appointed. Others are noticeably missing.

Who made the cut—and who didn't—matters hugely to art historians, dealers, galleries and especially to collectors. The Modern's choices will have repercussions way beyond New York, notes Boston contemporary art collector David Slater, who bought Jim Dine, Christo and Andy Warhol early in their careers: "It's the blockbuster." In the past decade, the art market has been unusually volatile, and many collectors are looking for confirmation that they made the right bets. What the museum picks, says Mr. Slater's wife Barbara, who was painted by Warhol nearly three decades ago, "will be a reinforcement—or an education."

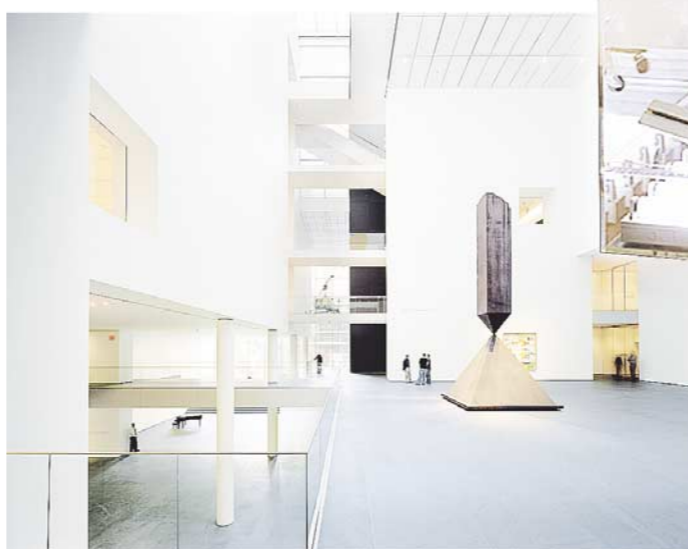
Much has changed in the art world since 1999 when the museum started packing up its collection for the move to small, temporary quarters in neighboring Queens. Since then, the century has turned, the Sept. 11 terrorist attacks changed tastes in art (more macabre, less pop) and some top curators have departed. The museum has been "collecting significantly for years, secretly," says Christopher Burge, chief auctioneer for Christie's International Auction House. While rumors often swept the art market that the Modern was buying a particular artist, most of that work never went on view in the temporary quarters. As the art world finds out who's in the galleries, there are artists whose prices will be "off like a shot," says Robert Goff, co-owner of Chelsea art gallery Goff + Rosenthal.

Since the Modern unveiled the galleries to its trustees and major donors on Nov. 8, word has leaked out about some stars that have joined MoMA's firmament, boosting prices accordingly. For example, Martin Kippenberger, a German conceptual artist whose works rarely made a ripple at auction previously, sold Thursday at Phillips de Pury auction house in New York for \$612,800, nearly triple what was expected.

Well aware of its potential influence on art history and art prices, officials at the Modern say that in some cases, their goal was to introduce the public to lesser-known artists who deserve attention. Among them, Charles LeDray, a New York sculptor who works in miniature. His piece, "Oasis," about obsession, is made up of more than 1,000 handmade porcelain vases, jugs and bowls in dollhouse scale in a vitrine. Jeff Koons, whose kitschy takes on consumerism are seen as descending from Pop Art, is also on display with vacuum cleaners encased in plastic.

Chris Ofili, who generated a firestorm of controversy at the Brooklyn Museum of Art in 1999 with his painting of a dung-dusted Madonna, is also on view with another portrait, this one sans Mary, but still with the dung, coated with glitter so it catches the light. Photographer Cindy Sherman takes pride of place across from a 1970s Jasper Johns.

Overall, the new Modern shows an expanded commitment to more women artists, more international artists and more minimal-



Cindy Sherman's Untitled Film Still #7; Jeff Koons's New Shelton Wet/Dry Doubledecker; new MoMA space

On (and Off) the Walls

A look at which artists' works will be on display—and which will not—when MoMA reopens later this week.

- IN**
- **Jeff Koons:** His 1980s statements on consumerism and kitsch made the grade.
- **Cindy Sherman:** This female photographer is shown not only in the photography gallery, but with fine art, next to Jasper Johns.
- **Felix Gonzalez-Torres:** This Cuban-born artist's simple works are descended from minimalism, a movement which earned a lot of gallery space.
- **Peter Doig:** MoMA purchased a painting less than two years old just for the opening.
- **Richard Hamilton:** This English contemporary of Warhol's gets credit as a co-inventor of Pop Art.
- OUT**
- **Maurizio Cattelan:** Italian artist, collected by publisher Peter Brant and Christie's auction house owner Francois Pinault. Cattelan's works sold for millions last week.
- **Keith Haring:** Graffiti artist, known for outlines of radiant babies and barking dogs.
- **Damien Hirst:** A superstar of British art; here, his work hangs near an escalator, not in the contemporary art galleries.
- **Julian Schnabel:** Poster boy for big, brash 1980s art.
- **Takashi Murakami:** Prices have more than tripled in the past five years for this Japanese-born, former UCLA art professor who does Neo-Pop based on Japanese anime films.

Source: the museum

ism and video art, along with a stronger mandate to buy more new works. The Modern feels so strongly about some young artists that it took the unusual step of featuring almost freshly painted works; a painting by British painter Peter Doig is less than two years old.

Other artists get the shaft—literally. A polka-dot painting by British art superstar Damien Hirst, known for his sculptures of dissected sharks and

medical paraphernalia, is hung by a stairwell.

For art made after 1970, the curators are hedging their bets: works will rotate every nine months. That said, the curators concede that who made the cut for the first show is a matter of intense scrutiny. Brash 1980s star Julian Schnabel, for example, is missing from the inaugural exhibition even though new

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'Polar Express' Loses Steam At Box Office

By MERISSA MARR

WITH THE TEPID DEBUT of its heavily hyped holiday movie "The Polar Express," Time Warner Inc.'s Warner Bros. faces every studio's nightmare: the expensive "event" movie that doesn't become an event.

"The Polar Express" sold an estimated \$23.5 million of tickets in North America, a poor start for a movie that cost \$170 million to make and \$125 million to distribute and market world-wide. With a slew of family fare gushing into theaters, Warner Bros. faces an uphill fight to save itself from losing millions of dollars on the Christmas movie, unless it dramatically picks up at the box office over the holidays.

The only silver lining: the studio earlier this year offloaded half the project's production and marketing costs to Steve Bing, a multi-millionaire real-estate heir who was eager to make a big splash in Hollywood. The enormous investment Mr. Bing has on the line is among the largest ever invested in a single film by an individual, and he faces big personal losses if "Polar Express" doesn't get back on the rails.

A comeback could be difficult. The tale of a boy's journey to the North Pole to meet Santa Claus, "The Polar Express" already is suffering the consequences of brutal competition from Pixar Animation Studios' "The Incredibles," which trounced its rival with an estimated \$51 million of domestic ticket sales in its second weekend of release. This coming weekend, "Polar Express" faces heavy competition from Paramount Pictures' "The SpongeBob SquarePants Movie," which like "Polar Express" is aimed at very young children.

Warner Bros. says it is too early to judge the success of its movie; the real test will be Thanksgiving, Christmas and the DVD release next year. "The jury is still out," said Warner Bros. President Alan Horn. "I won't tell you it isn't a risky movie but we're counting on it being a perennial."

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Tom Hanks

Web Publishers Move Toward Standardizing Ad-Viewership Data

By CARL BIALIK

WEB PUBLISHERS are finally getting their numbers straight.

Addressing marketers' lingering concerns about the Internet that may have kept ad dollars away, Web sites are agreeing to standardize the reporting of ad-viewership numbers, also known as impressions, and for the first time agreeing to have the numbers audited.

The Internet is one of the few places where advertisers have relied on publishers to tell them how widely ads are distributed, without third-party confirmation. "Marketers have specifically told me in the past that they are very cautious about buying online advertising because of these issues," says Greg Stuart, president of the Interactive Advertising Bureau, a New York trade group that led the standardization effort. The IAB is expected to announce the new standardized methods as soon as this week. (The Wall Street Journal Online is a member of the IAB.)

The lack of standard, audited numbers has hobbled online executives' efforts to gain ground for the Internet as an advertising medium, even as TV, magazines and newspapers are awash in controversy and scandals arising from their measurement techniques. TV stations report audiences in the millions by extrapolating from small samples of hand-

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In Business Ranking, Some Icons Lose Luster

By RONALD ALSOP

ASK MICHAEL KITCHENS what comes to mind when he hears the name Walt Disney Co., and it won't be Mickey Mouse or Disney World. What he thinks of first: "Michael Eisner and overblown salaries."

Mr. Kitchens, a telecommunications manager in Acworth, Ga., says his warm childhood memories of Disney's classic movies have been eclipsed by the company's recent management turmoil and exorbitant executive compensation, most notably former president Michael Ovitz's \$140 million severance package.

"When I grew up, Disney was on a pedestal in my mind, pristine and untouchable," Mr. Kitchens says. "Now, it's all about greed and ridiculous salaries. Next thing you know they'll lay off Mickey and Goofy to further enrich the executives."

Such sentiments helped knock Disney out of the top 10 in the sixth annual Reputation Quotient study conducted by Harris Interactive Inc., a market-research company in Rochester, N.Y., and the Reputation Institute, a research organization based in New York City. Disney fell to 16th place in the reputation ranking from fourth in 2003, as respondents repeatedly berated it for losing its magic. "There's no soul behind the company anymore," complained survey respondent Trudi Lee Feichtenbeiner-Franson, a mental-health special-

Best and Worst

U.S. consumers rank big companies' reputations:

At the top			At the bottom		
RANK	'04	'03	RANK	'04	'03
1	1	1	51	46	Sprint
2	8	3M	52	-	Tyco International
3	3	Coca-Cola	53	55	Martha Stewart
4	9	Procter & Gamble	54	53	Bridgestone/Firestone
5	2	United Parcel Service	55	-	Alticor
6	5	Microsoft	56	-	Adelphia Commun.
7	13	Sony	57	56	Kmart
8	7	FedEx	58	50	Halliburton
9	6	General Mills	59	59	MCI
10	11	Honda	60	60	Enron

Note: Tyco International; Alticor and Adelphia Communications weren't on the 2003 list.

Source: Harris Interactive and the Reputation Institute

ist in Salt Lake City.

In response to such comments, Disney issued a statement saying that it remains "focused on being the world's leader in quality family entertainment for which our guests and customers around the world give the company top marks. That satisfaction has translated to a tremendous uptick in financial performance for shareholders over the past few years."

Many other companies were the targets of similar criticism from survey respondents, disgusted by super-size executive compensation, shabby treatment of employees, and American jobs lost to outsourcing. As the public remains disenchanted with the world's largest, most prominent companies, the focus of their ire is shifting from the notorious accounting scandals of the past three years to workplace and compensation concerns that hit closer to home. This year, 68% of survey respondents graded the reputation of U.S. business as "not good" or "terrible," compared with 74% in 2003.

Europeans are less critical. In the United Kingdom and Germany, for instance, similar studies found that 42% and 49% of people give the corporate world an overall negative reputation rating. Of course, Europeans have witnessed fewer corporate scandals and controversies than Americans in the past few years. Indeed, persistent memories of the fraudulent activities at En-

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INSIDE

Advertising

CNN Kids Around

anchors tout its

Web site in

humorous ads

as it faces

pressure to

have more of a personality. B7

Media & Marketing

Unlikely Peers

Vivendi licenses songs to a

peer-to-peer venture founded by

Napster's Shawn Fanning. B7

Technology & Health

Faster and Free

Sun updates its Solaris software and

adds a free version. B6

Classifieds B4,5

