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An Interview with E. David Ellington, President of NetNoir, Inc.

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An Interview with E. David Ellington, President of NetNoir, Inc.

by Harold W. Horton, Jr.

Harold W. Horton: Mr. Ellington, sincere thanks for granting us the opportunity to conduct this interview with you on such a crucial issue and especially with reference to its relevance to communities of color.

Would you please begin by giving some background information on the original development of NetNoir, Inc.

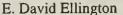
E. David Ellington: About two years ago I met my partner and co-founder, Malcolm CaSelle. He was working on his master's in computer science at Stanford University and I was still practicing entertainment law in Los Angeles. He mentioned some of the things he was working on in new media, which got my curiosity going; and eventually I presented him with the idea of developing a Black online service. At first he didn't think it was feasible because of all the infrastructure involvement and costs, but I eventually convinced him that there could be a whole new market that we should try to fill. So I drafted the first overview basically describing what my vision of what NetNoir would be and in the Summer of 1994 I submitted it to him and some other friends for feedback. Once we put together a business plan, we submitted it to America On-Line's "Green House Program," which was looking for new ideas and concepts. The "Green House Program" agreed to take a minority stake by giving some capital and providing distribution to a company that came up with interesting ideas.

NetNoir, Inc. is dedicated to digitizing, archiving, and distributing global Afrocentric content. NetNoir is the first vehicle to create elements of Afrocentric culture that appeal to a cross-section of people and help bring that culture into the next century. NetNoir, Inc. and its services are dedicated to providing a safe community where people can explore, exchange ideas, and learn about one another and technology.

HWH: We noticed that NetNoir's founders, all of whom are African American, have a wide array of professional experience. How has this wealth of talent and knowledge impacted the development of your company as well as your product?

EDE: Yes, we're very fortunate. The fact that I was a practicing lawyer I think has helped a great deal in terms







Harold W. Horton, Jr.

of negotiating and cutting deals. What's also been important is that fact that I came from an entertainment law background which allowed me to recognize this business opportunity. I knew that considering how much influence African culture has had and how popular it can be, whether it's in the area of music or sports, that there would definitely be some cross-over appeal.

The fact that Malcolm, the co-founder at NetNoir, has both an undergraduate and master's degree in computer science helped to develop our infrastructure because this is clearly a high-tech driven area. He had a brief stint in publishing, as well, but it was more his technology base which gave us a great source of support and skill set.

Greg Mays is a CPA and serves as vice president of finance and chief financial officer of NetNoir, Inc. He worked at Coopers and Lybrand for a while and received his MBA at Harvard. Having that kind of person on board to do our number crunching for us is, of course, strategic.

Lastly, Marcelino Ford-Livene is our vice president of business affairs. It was ideal to have someone who is a licensed attorney come in and handle some of those contracts for us, as well as negotiate them. Marcelino also serves as the head of personnel. We're very fortunate to pull together a great group of individuals. I know all of them personally, and assisted in bringing them together.

HWH: How is NetNoir, Inc. governed and what is the general operating cost? And if you care to, please mention some of your financial contributors.

EDE: NetNoir, Inc. is governed by the four key individuals mentioned above that helped to create this company.

America On-line has a minority stake in our company, which is less than 20%, and the rest is divided up among the founders. We also have another investor, located in New York City, that made a minority investment in our company. However, the single largest shareholders are Malcolm and myself.

HWH: Since the company's inception in January 1995, how would you assess your company's performance to date? Are company sales in line with initial projections?

EDE: We incorporated in January 1995 and launched the service on June 19, 1995, in celebration of Juneteenth, a historic day in Black American history. We are very excited that our performance has been outstanding. We are fortunate to be one of the more popular sites on America On-Line. Because we are a programming service based on a revenue model, we work to come up with content that will appeal to seven or eight different demographic groups. We haven't gotten all the programming that we want just yet, but we're well on our way. So yes, we are in line with our initial projections.

HWH: NetNoir, Inc. has created two divisions (NetNoir New Media Consulting and NetNoir Online) to deliver its services. Can you discuss the role of these divisions and the primary services they provide to consumers? Are you planning to expand your services?

EDE: NetNoir Media services is our consulting arm where we help people to digitize and archive; these are the first two components of the corporate parent's mission. Digitizing means we help convert information content into digital form. The second part is archiving, which means creating a database, not just any database, but a navigable one. For example, someone who wants to pull up all the written articles about Muhammad Ali from 1964 to 1968, can put in the request and, all of a sudden, six articles pop up; this is a navigable database. We are in that business clearly because of Malcolm's expertise. We're able to develop some data management tools and organize them for people who need those services.

The final component which is distribution, is done by NetNoir Online. This is an area on America On-Line, as well as the World Wide Web (WWW). We have our own Web site at (http://www.netnoir.com). The site on America On-Line will allow one to basically provide information in cyberspace. It's kind of like a turn key solution because many times third party content providers haven't digitized their stuff or archived it; and once they do all that they want to figure out is what to do next. Well, you can distribute it, now that it's in a digital format, through NetNoir Online. Also, you can develop your own Web site and distribute it.

Each one of those services are provided to the public and both are going to be expanded. For the expansion of NetNoir Online we're going to be launching brand new Web sites with all the bells and whistles, which will take place in February 1996. On the NetNoir New Media Services side, expansion will take place in terms of more consulting and Web site design, as well as helping people to manage their own content as we get into the next information revolution.

HWH: You have referred to NetNoir as a "cross-over" company that is striving to market services to anyone from different walks of life that has an interest in Afrocentric culture. Can you elaborate on how NetNoir is marketing this concept to consumers?

EDE: We develop programming and present our content in such a way that it has a cross-over appeal. We're not just targeting African Americans for several reasons: 1) NetNoir OnLine is global in scope to include Afro Caribbean, Afro Latin, Afro European, Continent African, as well as African American cultures in its services; and. 2) We encourage people of different backgrounds to come in as long as someone shares an interest or is intrigued by Afrocentric culture. They're more than welcome to participate in NetNoir OnLine. Clearly, with so few people of African descent on line throughout the world, there is no business model that would support a service that was completely targeted to African Americans. At least we don't believe there is a business model that exists at this point. But we're also encouraging those people not of African descent who are interested. I firmly believe that the business model of the twenty-first century is about inclusion and not exclusion. So, if that is the company's mission and part of its goal, then clearly we have to do that. For example, we have a host of different writers of European descent, Asian descent, and Latin descent, who want to write about Afrocentric content. And we encourage them to do that. That's not always the case in other publications or other kinds of services. That's how we try to achieve our cross-over nature.

HWH: At the present moment who are NetNoir's primary consumers? What services are they requesting?

EDE: NetNoir's primary consumers are people of African descent (60%-65%) and about a third are other ethnic or racial groups. In terms of gender, it's my understanding, that seventy percent are male and thirty percent female.

The most popular area is the music department. That channel has created a lot of activity. Of course, Carl Lewis, who writes for us in our sports department, has a very popular column. In the areas of education we offer popular classes online. Our business seminars are usually hosted by famous people providing their services for free. Actually it's been going pretty well for all of our departments, the same with business.

HWH: While the consumer online industry has exploded in the United States, the U.S. Department of Commerce reports that in 1994, only 11.1% of Black households had computers compared to 28.6% for white households. What are the ramifications for the African American community?

EDE: This statistic doesn't interest me at all for the very fact that 99% of white America is not on line either. This is the beginning of an industry. In about a year, this industry has really gotten hot. So clearly, this has not been a priority for most people on earth. Whether or not Blacks have computers in their homes, at this point, really doesn't concern me. We're creating a brand name and we're first to market it and that's more important to us for the long term. This is not a service that we're building; it's a company. Therefore, we plan to stay around for a

while. Most people are not on line which explains why we built a cross-over service.

HWH: What can be done by public schools, higher education institutions, businesses, community organizations, churches, etc. to ensure that the African American community has proper access to fully participate in this technological revolution? Is NetNoir pursuing any special strategies to reach out to the African American community?

EDE: NetNoir supports a concept, we call, the cultural imperative. The cultural imperative is where we believe that we are creating the software which will help drive the purchase of hardware. This means people who haven't traditionally been online may be motivated to actually go out and purchase a PC (with a modem) and want to get online because of this thing called NetNoir they've heard about. So we are developing and negotiating with different organizations. We know there was a grant submitted by a group representing Howard University's School of Divinity to the National Telecommunications Information Administration (NIA). About thirty churches around the country, with the largest congregations, are part of Howard University's network of churches that have been turning out preachers for many, many years. This grant would put computers in the basements of community centers and churches to allow seniors and young people the ability to surf the Web, as well as any online service. So, they're looking to NetNoir to be the software that will motivate them and be used as a teaching tool to expose folks to what goes on the Web through our Web site, like the one on America On-Line.

HWH: Your venture with NetNoir, Inc. has brought much needed attention to the fact that the information superhighway with its vast and seemingly endless volume of libraries and databases has a deficient supply of resources pertaining to African American culture. What can the industry do to foster more diversity on the information superhighway?

EDE: I don't think we can rely on the industry. It's like kind of relying on affirmative action. I think it's clear that affirmative action is on its way out much to my chagrin. I really want Black folks to not be dependent on government services at all and to be completely private-oriented, like other ethnic groups in this country. America On-Line did not invest in NetNoir because they thought it was a philanthropic idea. They liked our business plan, they saw a potential market, they saw the market share that they could get, and the value of investing in a Black company.

I see us, people of African descent, actually getting motivated and pulling capital together and financing different projects. I think there are entities out there that may be able to step to the Ford Foundation, the Rockefeller Foundation, or the Chrysler Foundation for funding. This makes good educational sense since so much is going on in terms of educational institutions having access to the Internet and the Web. So, I don't see this industry, the private side of this industry, doing anything. I do see the public side, in terms of philanthropic organizations, coming up with some grant money for certain entities, especially educational institutions.

HWH: How will the African American community benefit with a more diverse information superhighway? How will this benefit others in society?

EDE: I think the more important thing is for the latter part of your question: How will this benefit others. I mean clearly we're in a position now, to tell our point of view and our interpretation of events, historical events, as well as our interpretation of current and future events, instead of going through some kind of a filter created by other people. I think that's phenomenal. I think that's why the Internet represents such a threat to a host of "powers that be." That's why it's really quite interesting. There are huge entities that want to see this medium blow up and then there are others that want this medium to go away. And I think ultimately this medium is going to win because it's so free wheeling; and then there will be a full blown information revolution.

The issue is who's going to get it? How will people know that your side exists with your perception or your point of view? So you have to develop strategic relationships so people can send people to you. Otherwise it's like screaming in the middle of the forest. There's no one there to hear you; so are you really screaming? There's going to be more and more sites out there and people trafficking those sites and I think, clearly, showing this alternative, will enhance society a lot better. People will be able to make a more informed decision especially about policy issues that are much bigger and important. So now, all of a sudden, these little incremental arguments pop up and those incremental arguments can then be able to persuade policy that's going to affect us all.

E. David Ellington is co-founder and president of NetNoir, Inc. in San Francisco, CA.

Harold W. Horton, Jr. is assistant dean for academic affairs and registrar at Franklin University, where he also serves as an adjunct professor in the political science department.

Harold W. Horton, Sr. contributed to this interview. He is the associate director of The Trotter Institute and director of Program to Encourage Minority Students to Enter the Teaching Profession. Dr. Horton also teaches in the doctorate program of the Graduate College of Education at UMass Boston.