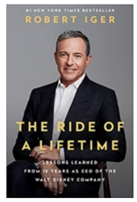
Pathway to Success



The Ride of a Lifetime

Lessons Learned from 15 Years as CEO of the Walt Disney Company

BY Robert Iger · Random House © 2019 · 272 PAGES

THE KEY LESSONS

Humble Beginnings
$150 per week at ABC.

Learn from Your Bosses
Roone Arledge, Tom Murphy, Dan Burke, and Michael Eisner.

The Pixar Deal
Gaining Steve Jobs' trust.

Acquiring Marvel, Lucasfilm, and Fox
Build relationships and then be transparent about the deal.

Masterclass Highlights and Barnes & Noble Edition
Understand what your brand is and be true to it.

"There was a six-month waiting period between my appointment and Michael's exit from Disney. I had plenty to focus on running the company day to day, but I was looking forward taking a breather and spending some time gathering my thoughts after the long succession process. I figured the clock on my 'first 100 days' would start when Michael walked out the door, and until then I could fly somewhat under the radar and be patient and methodical in my plans. I couldn't have been more wrong."
~ Bob Iger from *The Ride of a Lifetime*

In an *Executive Highlight* of *Magic Journey* by Imagineer Kevin Rafferty, I profiled how Walt Disney Imagineering comes up with its ideas for theme parks, cruise ships, and resorts. In this *Executive Highlight,* I'll show you how the executive side of the Walt Disney Company makes the strategic decisions that become the foundation of all those creative projects at the company. *The Ride of a Lifetime* by Disney C.E.O. Bob Iger takes you behind-the-scenes of many of the most monumental moments in the company's recent history. If you can sum Iger's philosophy in one phrase, it's "Embrace disruption." After a successful run by Michael Eisner, Iger took charge of the company during a time of massive technological and cultural change. In order to manage this challenge, he decided the company needed to focus on three priorities: 1) Create high-quality branded entertainment; 2) Embrace technology, and 3) Become a truly global company. Most of the book charts how he implemented this strategy over a 15 year period as C.E.O. Think about that: it took Iger essentially 15 years to accomplish the goals he set for himself when he stepped into running Disney. Amazing! In an age where so many publicly traded companies worry about short-term profits, Iger has managed toward what financial management experts say a company should do: Increase the intrinsic value of the company over the long run. Some of his decisions in pursuing these 3 priorities hurt the stock in the short run due to his transparency in notifying key stakeholders where problems existed in the company. But this "management by headlines," as he calls it, demonstrates his sincere belief in an initiative, and over the course of time his track record has helped him gain the credibility to make the tough calls other chief executives might not make.

If you've enjoyed other books chronicling how business leaders handle change, crises, and opportunities, you're going to enjoy this one too. It's rare that a sitting C.E.O. of a publicly traded company shares the detailed stories found in this book. I think Iger is possibly providing a management guide for future leaders of the company, just as Kevin Rafferty did for future Imagineers with his book. But I think it's also possible that this behind-the-scenes memoir is to give the public a sense of the way Disney operates so that we can feel confident the company will continue strong after Iger steps into retirement.

"To this day, I wake nearly every morning at four-fifteen, though now I do it for selfish reasons: to have time to think and read and exercise before the demands of the day take over."
- Bob Iger

If you've always wondered how a multi-billion dollar acquisition happens, or how a person ascends to the role of C.E.O. of a Fortune 500 company, you'll find out in this book. It's packed with details from first-hand experience in meetings with business luminaries like Steve Jobs and Rupert Murdoch that you rarely find in a popular business book. I encourage you to read the book, so you can enjoy the in-depth background stories of how Iger succeeded by moving Disney into the digital age as the world's leading media company. Now I'll share with you some of the Key Lessons I took away from the book.

HUMBLE BEGINNINGS

So, what was the first job the C.E.O. of Disney had at ABC when he entered the entertainment business (after a short stint as a weatherman and reporter at a tiny cable station in Ithaca, New York)? Studio supervisor. It sounds like an important management position, doesn't it? Here's how Iger describes the job:

"The position paid $150 per week and was about as low as you could go on the ABC ladder. There were a half dozen of us who did all manner of menial labor, on game shows and soap operas and talk shows and news shows and made-for-tv specials—basically anything produced at ABC's sprawling Manhattan studios. …"

"The job description was pretty simple: Show up whenever they needed me, for whatever task. Often that meant being at a studio at 4:30 a.m. for 'lighting calls.'… It was the opposite of glamourous, but I learned the ins and outs of all of those shows. I spoke the lingo. I got to know people who made a TV show work. Maybe most important, I learned to tolerate the demanding hours and the extreme workload of television production, and that work ethic has stayed with me ever since."
~ Bob Iger from *The Ride of a Lifetime*

"Ask the questions you need to ask, admit without apology what you don't understand, and do the work to learn what you need to learn as quickly as you can."

- Bob Iger

Iger's beginnings didn't foretell any great rise to power or fame. He grew up in a modest middle-class household. His father was a decent person, but suffered from depression which affected his professional career and moods at home. Iger even cites this challenging environment as a source of empathy he developed in considering the impact his actions and words have on others. Also, in that first job at ABC, he experienced harassment in a hostile work environment established by his boss at the time. He was able to transfer out of the unit to a similar position in the ABC sports division, which set the path for his quick rise through the ranks of the television world. Iger believes that if it hadn't been for the bad situation he was in in his first job, he might not have ended up in the one that provided him his future mentors who went on to guide his career. His work ethic, persistence, and coachability were his strengths in finding his way through the political and erratic world of the entertainment industry.

LEARN FROM YOUR BOSSES

Working at ABC Sports gave Iger an education in entertainment production by Roone Arledge, a maverick television innovator. What he lived was television history in the making. Everything Roone Arledge touched was treated as if it was the most important assignment in the world. And everything that was important in the sporting world received Roone Arledge's attention. Iger later considered this a blessing, even though the work schedule, demands, and travel could be tough sometimes. But he had an inkling of what he was getting himself into when he moved into ABC Sports. In his previous job as a studio supervisor, he had seen Arledge produce a Frank Sinatra t.v. special for the ABC network. As he recalled the Sinatra show:

"I did my small tasks and watched as it all came down and went back up, to no small amount of swearing and moaning from the crew. There was no denying that the show that aired less than twenty-four hours later was of a different order than the one that had been rehearsed. I didn't understand how he did it, but I'd later learn that this was classic Roone, absolutely unwilling to accept 'good enough,' and completely comfortable pushing right up against an unmovable deadline (and exhausting a lot of people along the way) to make it great."
--Bob Iger from *The Ride of a Lifetime*

At ABC Sports, Iger had an up-close look at how to build an entertainment unit into a world class brand—experience that would come in handy when managing the legendary Disney brand. Arledge was famous for bringing new technologies and techniques into sports coverage, such as reverse-angle cameras, slow-motion replays, and airing events live via satellite; for hiring the best on screen talent, such as Jim McKay, Howard Cosell, Keith Jackson, Frank Gifford, Don Meredith, Chris Schenkel, Bob Beattie, and Jackie Stewart; and for bringing in storytelling and the human side into athletics coverage. Arledge essentially created the modern form of sports entertainment, and during his time running ABC Sports, it was one of the most prestigious brands in television. Anywhere there was top athletic events going on, ABC Sports was there. *Monday Night Football, Wide World of Sports,* college football, major golf tournaments, boxing championships, *The Superstars* series, the Olympics. All over the world, Arledge and his team were capturing the events in compelling ways that went beyond the event itself. Although Iger wouldn't be at Disney for a while, he was already learning how to make top notch entertainment from Arledge. And much like Disney, it came down to great storytelling achieved by being attentive to the little details that made a difference in the product. As Iger describes Arledge's work philosophy:

"No detail was too small for Roone. Perfection was the result of getting all the little things right. On countless occasions, just as I'd witnessed at the Sinatra event, he would rip up an entire program before it aired and demand the team rework the whole thing, even if it meant working until dawn in an editing room. … His mantra was simple: 'Do what you need to do to make it better.' Of all the things I learned from Roone, this is what shaped me the most. When I talk about this particular quality of leadership, I refer to it as 'the relentless pursuit of perfection.' In practice that means a lot of things, and it's hard to define. It's a mindset, really, more than a specific set of rules. It's not, at least as I have internalized it, about perfectionism at all costs (something Roone wasn't especially concerned about). Instead, it's about creating an environment in which you refuse to accept mediocrity. You instinctively push back against the urge to say *There's not enough time,* or *I don't have the energy,* or *This requires a difficult conversation I don't want to have,* or any of the other many ways we can convince ourselves that 'good enough' is good enough."

Being mentored by a legend at a young age is one of the best steps a person can take to getting on a fast track to career success. Take, for instance, Iger's appreciation for attention to detail and excellence that has become a part of his daily practice because of Roone Arledge:

"Decades after I stopped working for Roone, I watched a documentary, *Jiro Dreams of Sushi,* about a master sushi chef from Tokyo named Jiro Ono, whose restaurant has three Michelin stars and is one of the most sought-after reservations in the world. In the film, he's in his late eighties and still trying to perfect his art. He is described by some as being the living embodiment of the Japanese word *shokunin,* which is 'the endless pursuit of perfection for some greater good.' I fell in love with Jiro when I watched it and became fascinated by the concept of *shokunin.* … I loved the documentary so much that I showed excerpts of it to 250 executives at a Disney retreat. I wanted them to understand better, through Jiro, what I meant when I talked about 'the relentless pursuit of perfection.' This is what it looks like to take immense personal pride in the work you create, and to have both the instinct toward perfection and the work ethic to follow through on that instinct."

At the age of thirty-four, another big opportunity was coming his way. Capital Cities Communications (Cap Cities), a little known TV and radio station company, purchased the bigger ABC organization in March 1985. It was a shock to the star talent and leaders of ABC. Tom Murphy and Dan Burke, the owners of Cap Cities, were no-nonsense businessmen who reigned in some of the extravagance and perks ABC Sports enjoyed as the hotshots of the network. Arledge's limitless budget on sports production was also monitored more closely. Arledge believed that the spending paid off in the long run, and he may have been right. ABC Sports was a marquee brand indeed, but Murphy and Burke were looking for increasing the value of the entire network. As such, they gave Arledge an ultimatum to choose which part of ABC he wanted to manage (he was also in charge of ABC News at the time too). Arledge chose the news division, and as a result leadership changes occurred inside ABC Sports. With Arledge now out of the unit, Iger worked his way up quickly into taking over the top position. But this was only another step to even better things at Cap Cities/ABC. Murphy and Burke liked Iger's steadiness, decision-making, and work ethic, and had bigger positions in mind for him.

Iger eventually headed up ABC Entertainment and was responsible for some breakthrough programming that got the attention of people outside of the television world. For example, he greenlighted David Lynch's *Twin Peaks, NYPD Blue,* and *The Young Indiana Jones Chronicles* (with George Lucas), among others. He learned how to read and give notes on scripts, as well as how to manage the business side of an entertainment company. The lessons he learned from Murphy and Burke's mentorship of his fast trajectory at Cap Cities/ABC are still part of his decision-making process at Disney. For example, he keeps the following note in his desk that Burke gave to him many years before:

"Avoid getting into the business of manufacturing trombone oil. You may become the greatest trombone-oil manufacturer in the world, but in the end, the world only consumes a few quarts of trombone oil a year!" As Iger explains what the note means to him: "He was telling me not to invest in projects that would sap the resources of my company and me and not give much back. It was such a positive way to impart that wisdom, though, and I still have that piece of paper in my desk, occasionally pulling it out when I talk to Disney executives about what projects to pursue and where to put their energy."

Iger was on his way to one day becoming CEO of the entire Cap Cities/ABC company, and then another lifechanging event happened to him: Disney became interested in buying Cap Cities/ABC. Surprisingly, Iger was a little bummed out about the idea, since it meant he wouldn't be at the head of a company but rather working for someone else again. In this case, it would be Michael Eisner and The Walt Disney Company. In 1995, Disney did indeed acquire Cap Cities/ABC as a way of expanding its television and greater media presence. Eisner was the mastermind of expansion and brand synergy at Disney, and ABC (and ESPN which was also owned by Cap Cities) seemed like a good fit. What's refreshing about Iger's memoir is that he's honest about his aspirations to move up in his career while doing a good job at what he's been asked to do. When Disney bought Cap Cities/ABC, Iger considered his own path to becoming Disney CEO, what was good for the Cap Cities/ABC people, and the company he was moving into. He's honest about wanting to one day run Disney, just as he was about to do with ABC. To make the deal official, he accepts a five-year deal to run the media division of Disney, while educating Disney on the new assets it has acquired. He credits Eisner for making a bold purchase that led to significant profits and growth for Disney over the years. The book does a splendid job sharing the intricacies of the deals and decisions that were made during this momentous event in Disney history. And as it played out for Iger, conceding some power early in his days at Disney put him in good position as events played out less smoothly for Eisner over the years.

Iger gives credit to Eisner for growing Disney into the media giant it is today, but he also notes that after Disney President Frank Wells died in a helicopter crash in 1994, Eisner started to lose some of his magic touch. Wells was a wonderful business counterpart who balanced out Eisner's creative enthusiasm. Wells appreciated and supported creative risks, but he ensured they were the right ones for the company. Eisner and Wells had great respect for each other, and they were a great team at the right time for Disney to grow. However, after Wells' death, Eisner started turning more to a division unit inside the company called Strategic Planning, or Strat Planning as it was known inside Disney. Housing a small army of MBAs who relied on extensive analysis and forecasting models, Eisner relied on this unit to play the role of Wells. As a result, Strat Planning gained power over the business divisions, not allowing unit chiefs to make decisions in an efficient or growth-oriented way. Frustration in the ranks began to grow and many of the creative investments like Wells approved dried up. Eisner was no longer as connected to people in the ranks as he relied more on Strat Planning, who buffered him from his unit chiefs. Most noticeable though was that Disney Animation—the heart of the company—was struggling, as its storytelling and character development wasn't living up to its legendary reputation. The company became a place of internal strife and politics. Iger was loyal to Eisner through this period, but he was also aware that if Eisner stepped down, he might be able to ascend to the top position. The rest of the first half of the book shares the ongoing trials and tribulations that led to Eisner's exit and Iger's selection as C.E.O.

Once he got the opportunity to become Disney's C.E.O., he had to provide his vision for where he would take the company. The rest of the book shares in-depth stories about acquisitions, global strategies, and technology gambles to grow the company, but it's important to know how he got there. Whether you run a Fortune 500 company or are in an entry-level management position, the first half of *The Ride of a Lifetime* shares valuable lessons for patiently attending to the demands of today while keeping an eye on tomorrow. In the following sections, I'll share some of the inside stories Iger tells about how he made decisions of where to take Disney in the 21st Century and the deals that would make that possible.

THE PIXAR DEAL

So what was Iger's first steps as C.E.O. of Disney? Setting a vision of where he wanted to take the company. And what was that vision? He wanted Disney to become the most admired company in the world, and he ascertained that relentlessly pursuing 3 priorities would get Disney there: 1) Creating high-quality branded content (which the company struggled achieving over Eisner's last decade at the company); Embracing technology and disruption (Iger wanted Disney to be a technology company as much as an entertainment company); and 3) Expanding the company's global presence (Disney did not have a coherent global strategy under Eisner and was missing huge opportunities in growing markets). Achieving these three priorities would attain his ultimate vision for Disney to become the most admired company in the world.

And the first place to start in turning around the company and reaching that vision was to address the one area of Disney that used to be its pride and joy but was now experiencing an embarrassing streak of underperformance: Disney Animation. As he explains:

"I pointed out to the board that 'as Animation goes, so goes the company.' In so many respects, Disney Animation was the brand. It was the that fuel powered many of our other businesses, including consumer products, television, and theme parks, and over the last ten years, the brand had suffered a lot. The company was much smaller then, before Pixar, Marvel, and Lucasfilm were acquired, so the pressure on Animation to perform, not only on behalf of the brand but to enhance almost all of our businesses, was far more intense. 'I feel enormous pressure to figure this out,' I said. I knew that shareholders and analysts were not going to give me a grace period, and the first thing they would judge me on was my ability to turn Disney Animation around. 'The drum is already beating loudly for me to solve this problem.'"

Disney Animation needed to be fixed fast, but how would he do that? It would take years to rebuild that unit. However, there was one company that was already doing what he wanted Disney to accomplish: Pixar! If Disney bought Pixar, it would improve their branded content, up their technology game, and expand their global attraction. However, buying Pixar would mean mending fences with Steve Jobs, who had a strained relationship with Michael Eisner and, as a result, with Disney too. Disney and Pixar had a production agreement for a string of animated films, but Jobs was unhappy with the arrangement. He thought Pixar was the key source of value creation in the partnership and not Disney, and, as such, Jobs wanted a new contract that reflected that or he would distribute the future Pixar films without Disney. Iger was honest about that situation and realized that Jobs may have a point. Regardless, Disney Animation was broken, Pixar was soaring, and Iger needed Jobs to come back into the picture and help correct the situation—and the easiest way to do that would be by purchasing Pixar. This begged a big question: Would Jobs be willing to part with the company he built with Ed Catmull and John Lasseter, two creative and technical geniuses. Here's Iger's explanation for going after Pixar:

"People sometimes shy away from taking big swings because they assess the odds and build a case against trying something before they even take the first step. One of the things I've always instinctively felt—and something that was greatly reinforced working for people like Roone and Michael—is that long shots aren't usually as long as they seem. Roone and Michael both believed in their own power and in the ability of their organizations to make things happen—that with enough energy and thoughtfulness and commitment, even the boldest ideas could be executed. I tried to adopt that mindset in my ensuing conversations with Steve."

The middle part of the book covers Iger's steps in putting together the deal with Jobs. One step that I found particularly interesting was Iger's description of how they considered the pros and cons of a possible deal. Iger remembers:

"Steve said he loved whiteboard exercises, where an entire vision—all the thoughts and designs and calculations—could be drawn out, at the whim of whoever held the felt pen. Not unexpectedly, Steve was the holder of the pen, and I sensed he was quite used to assuming that role. He stood with marker in hand and scrawled PROS on one side and CONS on the other. 'You start,' he said. 'Got any pros?' I was too nervous to launch in, so I ceded the first serve to him. 'Okay,' he said. 'Well, I've got some cons.' He wrote with gusto: "Disney's culture will destroy Pixar!' …He went on, writing his cons in full sentences across the board. 'Fixing Disney Animation will take too long and will burn John and Ed out in the process.' 'There's too much ill will and the healing will take years.' 'Wall Street will hate it.' … It seemed pointless for me to add to his list, so we moved to the pros. I went first and said, 'Disney will be saved by Pixar and we'll all live happily ever after.' Steve smiled but didn't write it down. 'What do you mean?' he asked. I said, 'Turning Animation around will totally change the perception of Disney and shift our fortunes. Plus, John and Ed will have a much larger canvas to paint on.' Two hours later, the pros were meager and the cons were abundant, even if a few of them, in my estimation, were quite petty. I felt dispirited, but I should have expected this. 'Well,' I said. 'It was a nice idea. But I don't see how we do this.' 'A few solid pros are more powerful than dozens of cons,' Steve said. 'So what should we do next?' Another lesson: Steve was great at weighing all sides of an issue and not allowing negatives to drown out positives, particularly for things he wanted to accomplish. It was a powerful quality of his."

I found this story particularly compelling because it shines a light on one reason Jobs was such a legendary innovator. What we see here in this recollection is an executive using a high level of applied creativity and complex problem solving skills. Take for instance the PROS and CONS list on the whiteboard. Jobs is engaging in divergent thinking. Everything that's said goes up on the whiteboard…and, they're written in full sentences. They're not short bullet points. What's the power of full sentences? Well, a full sentence states more clearly what the person really means with little misinterpretation. Notice how "Disney's culture" is a much weaker statement than "Disney's culture will kill Pixar!"? Or how about "Wall Street" versus "Wall Street will hate it." That's good fact finding. Capture all the ideas (or facts/beliefs) in full sentences without judging their merit. Then once all the facts are on the board, decide what's most important—which is called "convergent thinking." It's important to take note that you don't make a decision based on the one with the most reasons, but rather after everything is captured, you pick the most RELEVANT and IMPORTANT statements that affect the success of a decision. In this case, Jobs said the pros (even though fewer) were so strong they outweighed the cons. Another interesting problem solving skill Jobs displayed is called "clarification" when he asked, "What do you mean?" to Iger's statement that "Disney will be saved by Pixar and we'll all live happily after." Iger's clarification of that statement was "Turning Animation around will totally change the perception of Disney and shift our fortunes. Plus, John and Ed will have a much larger canvas to paint on." And there it is—that's the main reason the deal made sense for both parties—all attained by non-judgmental capturing of facts about the outcomes of the deal, convergent selection of the most important insights, and clarification about what those main ideas meant. If Jobs used this line of thinking while rebuilding Apple or growing Pixar, I'm not surprised he had the success he did during the last decade of his life. For all his reputation as a maverick, behind the scenes it appears he was a very deliberative listener and thinker…and someone Iger learned a lot from in the process.

“Managing creativity is an art, not a science. When giving notes, be mindful of how much of themselves the person you’re speaking to has poured into the project and how much is at stake for them.”

- Bob Iger

Once Jobs and Iger decided to move forward with the next steps in a deal, Jobs thought it would be a good idea for Iger to visit Pixar to see what it’s all about. He also wanted Iger to meet with Catmull and Lasseter to build a relationship with them. Jobs wasn’t going to do a deal if his top two leaders didn’t like the idea of being a part of Disney. So Iger showed up at Pixar alone without an executive entourage and took a tour of the company. Iger shares how it went:

“If I had to name the ten best days I’ve ever had on the job, that first visit to the Pixar campus would be high on the list. John and Ed welcomed me warmly and explained that I would spend the first half of the day meeting every director, and they would show me elements of the films they were working on—rough cuts of scenes, storyboards, concept art, original scores, and cast lists. Then I would see their new ‘technology pipeline’ and get a sense of how the tech side and the creative side worked together. John was up first. He showed me a virtually finished cut of *Cars,* and I sat there in the theater mesmerized by the quality of the animation and by how far the technology had advanced since their last release. … I then spent a few hours with Ed Catmull and the engineers on the tech side, who described in detail the technological platform that served the whole creative enterprise. I saw firsthand what John described when he’d welcomed me into the building that morning. He said the animators and directors were constantly challenging the engineers to give them the tools with which they could fulfill their creative dreams—to make Paris *feel* like Paris, for instance. And Ed and his team on the engineering side were always building tools on their own, which they then brought to the artists to inspire them to think in ways they hadn’t before. ‘Look at how we can make snow, water, or mist!’ Ed showed me the most sophisticated animation tools ever invented, technological ingenuity that enabled creativity at its highest form. This yin and yang was the soul of Pixar. Everything flowed from it.”

“I have only nine people reporting to me, and that’s even fewer than I used to have. As a company grows, so does the need to delegate.”

--Bog Iger

This passage blew me away when I read it. Think about it. Here’s the C.E.O. of Walt FREAKING Disney, and he’s in awe of the creativity and work environment of another company. I mean he’s got Walt Disney Imagineering, Disney Animation, and ESPN at his fingertips, and he’s responding to Pixar like someone riding Soarin’ Over the World for the first time. There’s a great lesson here for all of us. Chances are if you’re reading this *Executive Highlight* or Iger’s book *The Ride of a Lifetime,* you’re a fan of the Walt Disney Company. And as a fan, maybe you’ve always fantasized about working there. I know I do. But if you approach your work in a creative and novel way, you can make your own mark on the world. Steve Jobs often did this, by starting Apple, NEXT Computers, and Pixar. And Walt Disney was in fact one of Steve Jobs’ heroes, which I think is one reason maybe he did the deal. What better validation or reward than to be acquired by your hero’s company and become its biggest stockholder? So if you love Disney, live that dream by making your own work creative and interesting and others will take notice. (And for that reason, I’m going to make the next book I review *Creativity, Inc.* by Ed Catmull. I want to see how he built a company that even a Disney C.E.O. would aspire to be like.)

“Excellence and fairness don’t have to be mutually exclusive. Strive for perfection but always be aware of the pitfalls of caring only about the product and never the people.”
- Bob Iger

Now that Iger was won over by Jobs, Catmull, and Lasseter and vice versa, it was time to get the approval from the Disney board of directors. This wasn’t going to be easy. Pixar hadn’t made a lot of films yet and the acquisition price was quite high for Disney at the time. Iger shares the story behind their pitch to getting that approval:

“The challenge before me now was convincing our board. I realized my best shot was for them to meet and hear from Steve and John and Ed directly. No one could sell this better than the three of them. So, on a weekend in January 2006, we all convened in a Goldman Sachs conference room in L.A. Several members of the board were still opposed to a deal, but the moment Steve, John, and Ed started talking, everyone in the room was transfixed. They had no notes, no decks, no visual aids. They just talked—about Pixar’s philosophy and how they worked, about what we were dreaming of doing together, and about who they were as people. John spoke with passion about his lifelong love of Disney and his desire to return Disney Animation to its former glory. Ed gave a cerebral, fascinating dissertation about where technology was heading and what might be possible for both Disney and Pixar. As for Steve, it’s hard to imagine a better salesman for something this ambitious. He talked about where Disney had been and what it needed to do to radically change course. He talked about me and the bond that we’d formed already—with the iTunes deal, but also in the ongoing discussions about preserving Pixar’s culture—and his desire to work together to make this crazy idea a success. For the first time, watching him speak, I felt optimistic that it might happen.”

I love that approach to pitching: “***They had no notes, no decks, no visual aids. They just talked—about Pixar’s philosophy and how they worked, about what we were dreaming of doing together, and about who they were as people.”*** A good pitch should be clear and authentic, focusing on the reasons why it’s worthwhile for a deal to happen. We have to do our due diligence, of course, and back it up with facts as needed, but we also have to talk directly to the best interests of the people we’re trying to win over. In the end, everyone wins when it’s a good deal for both sides: management, the creative team, the customers, the shareholders, the employees, and the brand as a whole. Ultimately, convincing the other party that they will be better off for the deal in the long run is the goal of a pitch…that they can’t afford *not* to do the deal…that they’ll one day look back and regret their decision if they don’t work with you…that they could have been better off than they are now. It’s playing on what behavioral economists call “loss aversion,” or the fear of losing something you value or want; i.e., the fear of losing what could have been. And when it’s a tough decision, the people side has to be addressed to complement the analytical side. It has to be seen as a partnership that makes both sides better off.

In the rest of the book, we see Iger broker deals in a similar way with George Lucas, Ike Perlmutter, and Rupert Murdoch—all while meeting his 3 key priorities for Disney. We’ll learn how he first builds relationships with the company owners, broaches the idea of an acquisition when the timing is right, works with that owner to reach a fair valuation of their company, and then addresses the issues that each company must be comfortable with in finalizing the deal. We’ll see that each deal is different, and it comes down to the relationships between the people at

"You can't be admired by your shareholders and customers until you're admired by your own people. So I tried to take steps to build admiration within Disney of the company. That's a really important thing. The most important thing."

\- Bob Iger

the top. For the deals to even be considered, the top decision makers start with something as elemental as "Do I like this person? Do I trust them? Do I want them to be a part of my world in the future?"

ACQUIRING MARVEL, LUCASFILM, AND FOX

The Pixar deal was the first really big decision Iger made as C.E.O. The success of that deal also helped him in brokering three other large acquisitions: Marvel, Lucasfilm, and 21st Century Fox, which required the approval of three very different and iconic owners. Ike Perlmutter is a reserved, private, and cost-conscious old-school businessman who owned the largest treasure chest of action heroes, George Lucas is a creative legend who created the most beloved movie characters of the 20th Century, and Rupert Murdoch is a powerful billionaire who changed the face of news and global t.v. Each one had different things they cared about in the deal, and Iger had to listen carefully and craft deals that met those concerns. However, what all three owners appreciated about Iger was his openness and consideration in the process. Iger sums up his book with advice for how to build this type of trust that can make deals happen or quickly disappear if it's not there. For example, with the Pixar deal still in recent memory, George Lucas wanted the same type of agreement for Lucasfilm. He wasn't going to get it, but Iger knew that acquiring Lucasfilm would be good for George Lucas and Disney in the long run. Here's how he approached Lucas about doing that:

"In George's mind, Lucasfilm was as valuable as Pixar, but even from our relatively uninformed analysis they weren't. They might be someday, but it would take years to get it there, and we'd still have to make great films. I didn't want to offend him, but I didn't want to lead him on, either. The worst thing you can do when entering into a negotiation is to suggest or promise something because you know the other person wants to hear it, only to have to reverse course later. You have to be clear about where you stand from the beginning. I knew if I misled George, simply to begin the bargaining process, or to keep the conversation going, it would ultimately backfire on me. So I said right away, 'There's no way this is a Pixar deal, George.' And I explained why, recalling my visit to Pixar early on, and the richness of creativity that I discovered. … Typically the price we pay for assets doesn't vary much from what we believe the value to be in the first place. It's often possible to start low and hope to pay far less than what you're valuing an asset at, but in the process you risk alienating the person you're negotiating with. 'I don't mess around when it comes to these things,' I told George. We would quickly arrive at a number that we believed his company was worth—and one that I believed I could sell to the board, to our shareholders, and to Wall Street—and whatever that number was, I said, 'I'm not going to come in low and negotiate toward the middle. I'm going to do it the way I did it with Steve.'"

And therein lies perhaps Iger's greatest asset in deal making—the other parties trusted what was he was telling them. That's the type of person these company owners felt comfortable entrusting their life's work to. If Iger wanted the deal to happen, he didn't beat around the bush. He believed being straightforward about the numbers and the reasons he was interested in their companies would make the deals happen quicker, more smoothly, and in a respectful way to the other parties involved.

If you're curious about the latest developments at the company with Disney+, Iger also shares the story of how he decided to buy a controlling stake in a streaming service company to catch up to (and he believes eventually pass) Netflix and Amazon in the industry. So from his earliest days as a studio supervisor to his latest multi-billion dollar gamble, this book covers Iger's entire career and thinking during pivotal times in his jobs. Again, it's a rare insight into the life of a C.E.O. while that person is still in command. I highly encourage you to read the book.

MASTERCLASS HIGHLIGHTS AND BARNES & NOBLE EDITION

As an addendum, it's also worth noting that Iger is busy providing his lessons in other venues besides his book. For example, in the Barnes & Noble special edition of the book, there's a short interview with him where he provides answers to follow-up questions for readers. I found the following answer very revealing about how he manages:

"It doesn't really start with a reporting structure. It starts with you articulating what is most important: What's our focus, what are the priorities of this company? And making sure that everyone understands that. So before you even start thinking about structure, you make sure that everybody, all the way down the line, knows exactly how they should be spending their time. That gives you the comfort that everybody is at least working on the same thing, and moving toward the same goals. That's essential. You need to have incredible clarity about your priorities but also about what people's responsibilities are, so that everyone in key positions knows what they're supposed to be working on. No blurred lines. That creates accountability. So it's more about directing people and making sure they have a clear sense of purpose."

"Every day you show up for work, you need to have one foot in the present and one foot in the future. It's a balance."

- Bob Iger

Additionally, Iger was an instructor in the MasterClass online series on business strategy and leadership. It was an excellent overview of many of the points he made in the book. But he also expands in more depth on some of his approaches to business. The one theme he emphasized throughout the series was about brand integrity. He explains in depth how you need to know what your brand stands for and ensure all your actions are consistent with that. A company needs to provide value to its customers in a way that always delivers on the brand promise it makes. The MasterClass is a great video complement to this book.

If you liked this M2M Executive Highlight, you'll probably like:

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ABOUT THE AUTHOR OF "THE RIDE OF A LIFETIME"

Robert Iger

Robert (Bob) Iger is chairman and CEO of The Walt Disney Company. He previously served as president and CEO, beginning in October 2005, and was president and COO from 2000 to 2005. Iger began his career at ABC in 1974, and as chairman of the ABC Group he oversaw the broadcast television network and station group, managed the cable television properties, and guided the merger between Capital Cities/ABC, Inc., and The Walt Disney Company. Iger officially joined the Disney senior management team in 1996 as chairman of the Disney-owned ABC Group and in 1999 was given the additional responsibility of president, Walt Disney International. In that role, Iger expanded Disney's presence outside of the United States, establishing the blueprint for the company's international growth today.

ABOUT THE AUTHOR OF THIS *EXECUTIVE HIGHLIGHT*

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Mike Goldsby is a professor, author, university executive, and consultant whose research, teaching, and talks focus on complex problem solving, design, innovation, and leadership. His personal mission is to inspire others to pursue their opportunities, to become more self-sufficient in solving problems, and to increase their personal productivity.