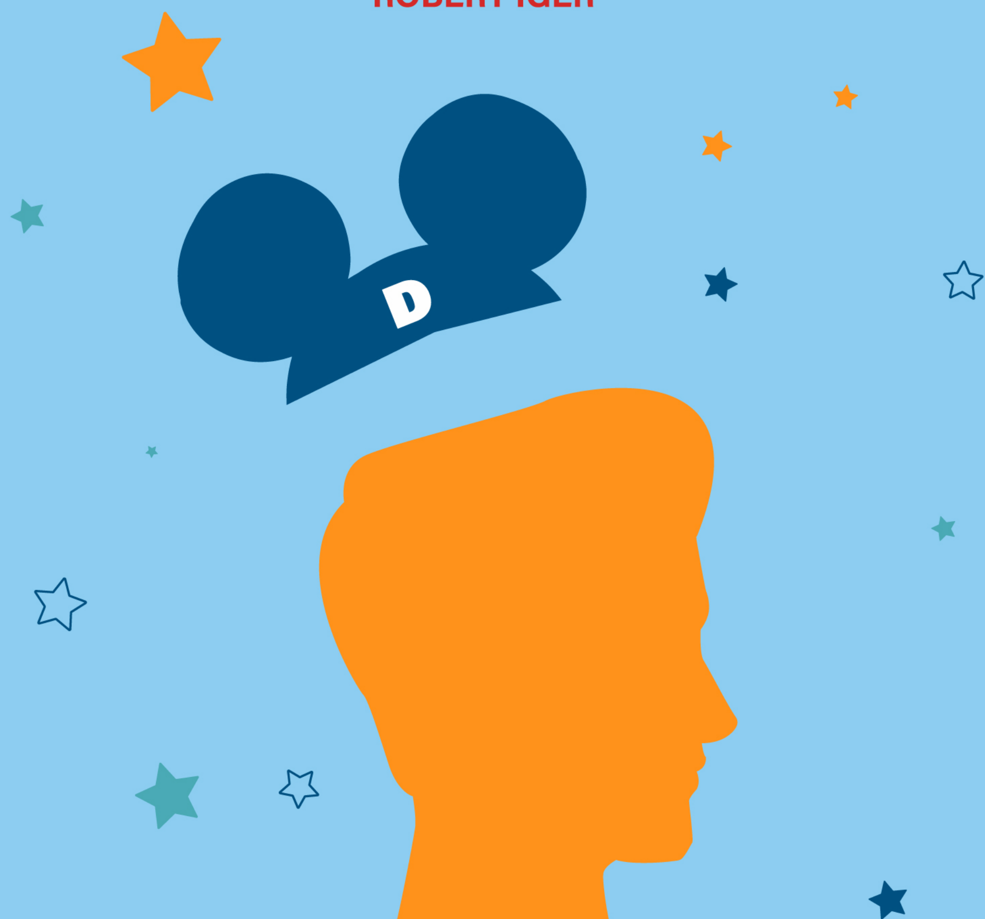
SUMMARY

THE RIDE OF A LIFETIME

ROBERT IGER



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Summary of The Ride of a Lifetime by Robert Iger

Written By Nicolas Stewart

Read the story of how Robert Iger went from a lowly production assistant at ABC to CEO of Disney

Introduction

Robert Iger was born the eldest son of a modest family in Long Island, New York. His mother was a caring and nurturing housewife, while his father was a well educated but hard to get along with WW2 veteran, then working in the advertising industry. Iger's often difficult relationship with his father, whom he would later learn was bipolar, is cited as one of the biggest influences on his later success.

His father, despite having graduated from the prestigious Wharton Business School was wracked with anxiety and convinced he was a failure, and it was a fear of falling victim to this feeling that Iger has since credited as a major motivation in his own life. Throughout The Ride of a Lifetime Iger recounts the lessons he learned from his parents, as well as his own attempts to convince his father that his triumphs were only accomplished with his father's aid.

A Lucky TV Break

In 1974 Robert Iger's uncle, Bob, was laying in a New York City hospital recovering from surgery. A hard enough endeavor on its own, he also had to spend several days listening to the low-level TV executive he shared a room with talk about what an up-and-coming corporate star he was. The roommate worked at the American Broadcasting Channel, one of 3 TV networks in the country at the time (along with NBC and CBS), and claimed to be a major player in the company.

Iger's uncle bought the executive's story hook, line, and sinker and asked if there might be an opening for his 23 year old nephew. It's unknown whether or not the executive actually expected anything to come of this request or not, but all the same he gave Bob his number and told him to have his nephew call him.

Which is exactly what the young Iger did. The executive may not have been quite the hotshot he claimed to be, but good to his word he managed to get Iger a job as a production assistant. Whatever needed doing, whether arranging sets at 4 in the morning, running errands, or coordinating electricians and building contractors, Iger did it. For years he did whatever unglamourous work was available, whilst making the kingly sum of $150 a week.

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However the job wasn't without its benefits. In 1978 while working on a Frank Sinatra concert to be broadcast on ABC Iger made connections with a studio supervisor for ABC Sports, the most profitable division of the network.

Working for ABC Sports was like seeing a different world. His coworkers were friends with sports stars and actors, they wore designer suits, drove sports cars, and ate at expensive restaurants. Iger even took a transatlantic flight on a supersonic passenger jet, the Concorde, with individual tickets costing more than $7,000.

One of Iger's mentors at this time was sports broadcaster Roone Arledge, famous for having pioneered now ubiquitous technological staples like slow-motion instant replays and inverted angle cameras. Iger learned many important lessons from Arledge on how to survive in a cut-throat industry, not the least of which is to stay ahead of the curve and not be afraid to embrace new technology.

An Important Decision

By 1985 Iger had been working at ABC for more than a decade and now at the age of 34 he was promoted to Vice President of ABC Sports. His promotion occured during an immense period of change, a recurring theme in Iger's life, as ABC had just been purchased for $3.5 billion by Capital Cities Communications.

For most at ABC Sports this was not a welcomed change. Capital Cities Communications immediately made cuts to the lavish way they had become accustomed to being treated. No more expensive flights, no more booze fueled lunches, no more chauffeured cars.

For Iger though the biggest issue was that Dennis Swanson was brought in to be the head of his department. Swanson was an experienced executive, but he was also an outsider who had never worked for ABC. For Iger this was unacceptable, and he was fully intending to quit until ABC president Dan Burke told him that if he stayed his new position would be Senior VP of Programming.

Though he had trepidations, his decision to stay would prove to be one of the most important in his entire career, and despite his misgivings about an outsider being put in charge, Dennis Swanson quickly turned out to be an exceptional leader. Swanson was easy to get along with and likeable, and had the humility and experience to know when to respect the knowledge of those below him and delegate decision making. Indeed his only requirements were to remain under budget, beyond that Iger and his colleagues had autonomy to handle projects as they saw fit.

This suit Iger perfectly, and in 1988 he quickly proved his worth. During the Winter Olympics in Canada that year unseasonably warm weather melted much of the snow, cancelling dozens of events. With no events to broadcast Iger had to think quickly, and in a brilliant move had his team focus on human interest stories about the athletes. The most famous being about the

Jamaican bobsled team, for whom a movie was eventually made about. Not only did this avoid low ratings, they were actually higher than ever. And in return Iger was promoted to President of ABC's entertainment division.

Taking A Chance

As always, Iger's promotion came at a crucial time. ABC was losing badly in the ratings to NBC when the 1989-1990 season was starting, as well as dealing with the growing threat of cable television. Iger's first test was to choose the season's lineup, and to find a hit.

But this wasn't just a task to raise the network's ratings, it was a test of his leadership skills. He was a New York sports broadcasting executive, and as such he was met with immediate suspicion by the Hollywood directors and writers of ABC's entertainment division. But Iger had learned important lessons about humility and tenacity from his own former bosses, and he demonstrated both when he came across the pilot for a bizarre, genre bending, surrealist detective story about a murder in a small mountain town called Twin Peaks.

Made by cult film director David Lynch, Twin Peaks was not a typical primetime drama. In fact it wasn't a typical TV show period. It was strange, original, and at times confusing and ABC's creative directors warned Iger to pass on it. But Iger new ABC needed something to stay on the cutting edge and Twin Peaks debuted to massive ratings.

However ultimately it did prove to be too unique for the mainstream and ratings fell as the season went on. But the long term benefits paid off as Iger quickly found himself with calls from famous directors like Steven Spielberg and George Lucas. He now had a reputation as a TV executive that cared about creativity.

A Low Point

Iger's boldness didn't go unnoticed within ABC, and in September 1994, he was promoted to Chief Operating Officer or COO. It was a great achievement, but there wouldn't be time to rest on his laurels. Six months later, Disney's CEO, Michael Eisner, began inquiring if the corporation was for sale.

In 1994 Iger's tenacity was rewarded and he was promoted to Chief Operating Officer of ABC, and as before it came at a key turning point as Disney soon came calling with an offer to buy the company. Negotiation took two years but in 1996 Disney spent over $19 billion to acquire ABC and the companies merged.

With the deal came a new position for Iger, he was placed as the head of Disney's media division. It was a tumultuous time for Disney, the late 80s and early 90s had seen a string of massive successes like Aladdin, The Lion King, and innovative CGI films like Toy Story. But by the end of the 90s Disney was hurting from high budget box office disasters like Hercules. Acquiring ABC and its subsidiaries injected much needed revenue and the hope was creative mavericks like Iger could turn the direction of the company around.

However Iger soon discovered Disney was a completely different environment. Whereas ABC executives like Dennis Swanson and Dan Burke had given autonomy and creative carte blanche to their departments, Disney required strict oversight. No projects could be greenlit until they had been approved by the non-creative suits at the Strategic Planning department, and given the go ahead by CEO Michael Eisner.

Another obstacle was Eisner's new second in command Michael Ovitz. Ovitz had made his name as the founder of Creative Artists Agency (CAA), one of the top talent agencies in the industry. But Ovitz soon proved to be a pretty terrible boss, he was rude, lazy, and obstructive. Iger later said this was the most frustrating and stagnant time of his career, but he took it as a learner opportunity and pledged that when his time to lead came, he'd be precisely the kind of leader Ovitz wasn't.

A Rift With Pixar and a National Disaster

In September 1999, Eisner arranged a meeting with Iger. Frustrated by Disney's corporate structure, Iger was considering quitting. Now, he thought, he might be pushed before he got the chance to jump. Eisner had told Tom Murphy that he would never consider Iger as his successor. When he walked into the meeting, he was convinced he was about to be fired.

By the end of the decade Iger was just about ready to call it quits, and it seemed like the feeling was mutual as Eisner had expressed similar distaste. However as he was called into the CEO's office in 1999 Iger was surprised to discover he was being offered the position of COO, replacing Ovitz as second in command and being given a position on the company's board.

The timing couldn't have been more perilous as Eisner was entering a feud with Pixar CEO and founder Steve Jobs. Pixar had been responsible for some of Disney's largest hits such as Toy Story and Monsters Inc and by 2001 still had two more films to make in their five film deal with Disney.

However things weren't going well, the production of Toy Story 2 was well over budget and there were disagreements about whether it would get a theatrical release or go straight to DVD. Eisner was also trying to squeeze more films out of their five film deal by claiming that since Toy Story 2 was a sequel it didn't count towards the five film requirement.

Jobs disagreed and refused to be bossed around, eventually pledging to never work with Disney again. On top of everything else this coincided with the 9/11 World Trade Center attacks. Like many companies Disney faced a stock run as shareholders began selling off billions in shares in an attempt to recoup losses from the financial shockwaves of the attack. This combined with a global slump in tourism, and the failing deal with Pixar, meant Disney was beginning to panic.

Disney was in crisis and Eisner started panicking. That led to bad calls. Desperate to squeeze as much as possible out of Disney's deal with Pixar, he refused to compromise with Jobs. There was little the latter hated more than being bullied and, in early 2004, he publicly stated that he would never work with Disney again.

Eisner's continual bad decision making eventually lead to a vote of no confidence by Disney's shareholders, and the company began looking for his replacement.

A Bold Plan

It might seem like Iger was the obvious choice, afterall he was second in command. But when companies face a lack of confidence from their shareholders the usual decision from the board of directors is to bring someone from the outside in to run things in hopes that it would show shareholders their intent to change.

However Iger had no intentions to miss out on this job, and knowing this was ultimately a political coup he hired political consultant Scott Miller to help him plan his pitch for the position. Miller advised Iger that he needed to provide the board with a detailed plan to save the brand. Leave them with no uncertainties about how they should move forward and map out for them your path to success.

And so he presented the board with his plan. Put Disney's talent and resources towards creating and acquiring new brands and films, provide consumers with a reason to choose Disney over the literally dozens of other choices they had.

Start making inroads into the emerging markets in India and China. With combined populations of over 2 billion people they were potentially bigger markets than anywhere else on earth, and provided the opportunity to move in a new direction with content Disney wouldn't otherwise have the opportunity to create.

And finally, explore new products and technology. It was 2005, the future was obviously digital and Disney needed to stay relevant by taking advantage of mobile phones, online streaming, and new methods of distribution.

His pitch worked, and in 2005 Robert Iger was made CEO of Disney.

Turning Fortunes Around

In 2005 Disney's newest theme park Disneyland Hong Kong opened, and during the celebratory parade Iger noticed something troubling. While there were floats of Pixar characters like Woody and Nemo, and of earlier Disney films like Aladdin and The Little Mermaid, there were none representing any Disney film from the last 10 years.

The message was obvious, Disney Animation was floundering. The foundation of the company had been losing hundreds of millions of dollars and Iger knew he only had one option, repair their relationship with Pixar.

Iger called Steve Jobs and tried to make amends. Eisner was out, he informed him, it was a new day and he hoped they could make a new mutually beneficial deal. Jobs was unconvinced, he held grudges and the best he offered was the sequel rights to their previous collaborations and 10% of Pixar's stock.

Iger countered with a proposal to buy the entire company. This was going to be a hard sell, Pixar was worth at least $6 billion and Jobs was the majority shareholder. The Board of Directors were convinced he would never sell.

But Iger knew what kind of man Jobs was, a maverick like himself, and knew how to appeal to him. He called Jobs and offered up a radical plan, to buy out Pixar for $6 billion, and to give it's creative heads Jon Lasseter and Ed Catmull total creative freedom. In exchange Disney would acquire all rights to the Pixar brand, its Intellectual Property, Technology, and creative output.

Jobs was intrigued, and by early 2006 agreed to sell. The gamble paid off as Disney-Pixar quickly produced smash hits like The Incredibles, the Toy Story sequels, and Ratatouille. All commercial as well as critical successes.

A Creative and Financial Coup

Buying Pixar was just the first step in Iger's plan to revive Disney, his next would be his most daring and most successful.

Marvel Entertainment was a legendary institution in the world of comic books, and to Iger seemed like a gold mine of brands, characters, and stories that could fit in perfectly with Disney's movies, toys, and theme parks. The only issue was that it's majority shareholder, Ike Perlmutter, was even more stubborn than Steve Jobs.

But, ironically, it was Jobs himself who helped sell the deal. Given the good relationship he had formed after the Pixar deal Jobs agreed to call Perlmutter himself and attest to Iger's quality. It worked and in 2009, for a price tag of $4 billion Disney acquired Marvel Entertainment.

Knowing what we know now it might be surprising to learn that this wasn't scene as a brilliant move initially, after all the most famous Marvel properties, such as Spider-man, the Fantastic Four, and X-Men, were already owned by other companies.

But Iger hadn't gone in blind, he saw a long term opportunity to build the literally dozens of other characters Marvel owned into media sensations, and to tap into the fanatically loyal comic book nerd audience. And from 2009 to 2019 Disney produced twenty Marvel movies, half a dozen Netflix TV shows, and billions of dollars in merchandise. Characters like Iron Man, Captain America, and Black Panther soon became as big, if not bigger, than those they hadn't acquired.

Disney even managed to buy back the rights to Spider-Man and the X-Men, and Black Panther was heralded as a cultural achievement, the first ever superhero blockbuster to star a black superhero.

The Future

Iger entered the 2010's with numerous history making moves, not the least of which was buying the legendary Star Wars franchise. But he knew the future lay in more than just movie brands, it required technological innovation.

By 2016 it was clear that streaming services were the way forward. Pioneers like Netflix showed that consumers weren't interested in cable or brick and mortar theaters, and the trend had been followed by companies like Apple and Amazon.

So to keep up with this trend Disney bought a 1/3rd stake in BAMTech Media, a company that had started out as a baseball streaming service and had gone on to build platforms and provide distribution for companies like HBO and Riot Games.

In 2018 BamTech built a streaming platform Disney's subsidiary ESPN and by 2019 Disney will release its own Disney focused streaming service Disney+. Another huge gamble, Disney+ required Disney to pull hundreds of millions of dollars worth of TV shows and movies from Netflix and Amazon Prime. But not done there, in 2019 Disney bought 20th Century Fox for over $50 billion dollars.

While these were immense risks, Iger has shown that his gambles tended to pay off.

Final summary

Robert Iger's career has been marked by chances and risk taking. Entering the TV industry after a chance encounter with an ABC executive he helped put their sports and entertainment divisions on the map. After joining Disney and surviving its worst downturn he managed to move his way up the ladder to the position of CEO in 2005. His tenure as CEO involved tenacious moves, acquiring Marvel, Star War, and Fox, as well as leading the way in innovations like Disney's streaming service. Bold choices that have cemented Disney once again as a media giant.