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*Section* 1

**THE CROWD-PLEASERS**

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# Pixar

## Move over, Disney

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ASK A TYPICAL PIXAR EMPLOYEE WHAT THEIR COMPANY'S greatest achievement has been over the past decade and the answer could well be “realistic fur”—more specifically, the luxuriant blue pelt that covered Sullivan, the hulking lead character in Pixar's 2001 hit feature, *Monsters Inc.* Getting the computer animation programs to make each hair wave about in a lifelike manner was apparently quite an achievement. But so too was giving each ant a different set of facial features in 1998's *A Bug's Life*. And another employee could well argue that the most difficult task of all was creating the underwater scenes in Pixar's 2003 hit, *Finding Nemo*: water is notoriously difficult to animate, particularly when it sloshes in and out of the mouth of a whale.

Pixar is the world leader in computer animation, a position it has held since its debut feature film, *Toy Story*, in 1995. But ask Ed Catmull, president of Pixar Animation Studios, the same question and he is likely to give you a completely different answer. Yes, Pixar is in many ways a technology company, forever seeking out more sophisticated effects. But technology alone does not make great movies. The studio's greatest achievement, according to Catmull, is telling great stories. The technology makes it happen, but it is the narrative and the characters that engage an audience. “Everything that we do on a film is driven by that story,” he has said.

Pixar's ability to combine the traditional elements of good filmmaking (character and plot) with technology that gives audiences a new view of the world (from a toy's or a bug's perspective) has proved a winning formula with audiences of every one of its releases to date.

The company came to world attention in 1995, but its story goes back to 1974 when Catmull, studying at a vocational school called the New York Institute of Technology, first loosely pulled together the team that would later become Pixar. Catmull, who grew up in Salt Lake City, had, as a child, dreamed of working for Disney, but wasn't artistically gifted and ended up in computers. In 1979 Catmull took a job as vice president of the computer division at George Lucas's Lucasfilm, where he hired former top Disney animator John Lasseter in 1984. In 1986, George Lucas decided to sell off that side of his business, so Apple's Steve Jobs stepped in to buy it for \$10 million and called the new company Pixar. (Today Jobs owns 51 percent of the company and is chairman and CEO, Catmull is president, and Lasseter is executive vice president, creative.)

In 1991, Jobs cut a deal with Disney to finance, market, and distribute Pixar's products, with Disney fronting most of the money in return for most of the profits. *Toy Story* opened in November 1995 and became the highest-grossing film of the year. On November 28, 1995, Jobs took Pixar public, raising \$140 million.

Then in February 1997 Pixar cut a new distribution deal with Disney that tied the two together for five more movies but with expenses and profits roughly split 50/50. Pixar then continued on its winning streak, releasing a string of hits including *Toy Story 2* and *Monsters Inc.*; 2003's *Finding Nemo* was the highest-grossing animated feature of the year. In early 2004, Pixar suggested that it would look around for a new partner when the Disney deal expired, much to Disney's dismay (by then Pixar's movies had earned some \$2.5 billion and seventeen Oscars; in late 2004 Pixar then released another hit, *The Incredibles*). Pixar's product has also proved incredibly profitable, in 2004 returning \$141 million income on a revenue of \$273 million.

So what is the secret formula that has taken an upstart to the top of its field? Just follow these simple rules:

First, nurture talent. Ed Catmull was once asked what he would prefer—a great idea, or great people? The answer, he said,

was obvious: great people, because if you gave a good idea to the wrong people, they would screw it up, but if you gave the wrong idea to the right people, they would fix it. His other mottos: Don't get complacent because your competitors copy you; they might do a better job of it. Hire based on potential rather than position. Hire people on an upward trajectory in their careers. Hire people who are better than you are.

Experiment (in moderation). Pixar still makes short films that will not make any money, but allow artists to try out new techniques that can then be used on commercial features.

Focus on the detail. Behind the engaging storylines and clever effects, much of Pixar's work is painstaking slog. One four-minute scene in *A Bug's Life* took fifteen staffers four months to produce.

Focus on the main goal, which, in Pixar's case, is producing entertaining movies—not just cutting-edge computer-generated images. “If you don't have a clear vision you can get lost in the technology,” says John Lasseter. “You can end up spending a lot of time and money and not achieve what you want.”

Encourage creativity and productivity. Physically, Pixar is like one of those companies you thought only existed in Silicon Valley at the peak of the dot-com bubble, only better. The 775 employees at Emeryville, California, don't just get foosball tables and Coca-Cola in the fridge: there is a swimming pool, a soccer field, a 250-seat cinema, a gym, and a proper sit-down restaurant. It is so big some employees get about on scooters and skateboards. More importantly, though, the building's designers (who included CEO Steve Jobs) placed kitchenettes, mail stations, and meeting rooms in spots that encouraged employees to bump into each other and exchange ideas—something impossible in less lavish workplaces.

Steve Jobs has said he can see Pixar becoming the next Disney. An audacious vision, but not completely unrealistic, with Pixar producing a string of hits while Disney's efforts have been less reliable of late. But could Pixar grow into a major corporation and still

have employees who ride around on skateboards? Can they maintain the culture that has incubated such creativity? There's a first time for everything.

## NOTES

**“Everything that we do...”** Interview by Dan Rather, *60 Minutes II*, CBS, 10.15.03.  
**“If you don’t have...”** Ross, Jonathan. “John Lasseter on John Lasseter.” *The Guardian*, 11.19.01.

## REFERENCES

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# Julie Aigner-Clark and Bill Clark, Baby Einstein

## Start 'em young

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**J**ULIE AIGNER-CLARK, THE MULTIMILLIONAIRE CREATOR OF THE Baby Einstein brand of videos, books, and other baby products, did not realize she was creating an international brand, a whole new product category, and a parenting phenomenon when she began making a homemade video for her baby daughter Aspen. She couldn't find anything in the stores suitable for her baby, so the former school teacher decided to produce one herself, turning her basement into a makeshift studio.

Aigner-Clark wanted to make a video that would introduce her daughter Aspen to music, art, literature, and poetry in a gentle, baby-friendly way. She created the Baby Einstein Language Nursery, a video that starred Aspen's favorite toys, nursery