

## Think Like an Iconoclast: The Principles of Walt Disney's Success



**ONCE NAMED** as one of the top-20 'Builders and Titans' of the 20th century by *Time Magazine*, **Walt Disney** (1901-1966) was a visionary with staying power who dedicated his life to the pursuit of entertaining and educating the public. Disney assumed many roles

over his 45-year career: cartoonist, filmmaker, technological innovator, TV celebrity, Hollywood studio mogul, and real-estate tycoon. While his story is one of entrepreneurial success, success never came easily to him.

More than once, Disney drove his company to the brink of bankruptcy in pursuit of technological innovation and product perfection. Among bankers and competitors, he earned a reputation for being reckless, difficult and irresponsible. Part of this came from his unique view of risk and return, which defied the short-term outlook of his investors. Throughout his difficulties, he had confidence in his own abilities and those of his staff to achieve the desired results where others saw only disaster.

Disney's persona combined nostalgia for small-town American values with faith in the potential of modern science and technology to transform our lives. He was a cheerleader for hard work, rugged individualism, optimism, dream fulfillment, and the greatness of America. His success can be attributed to several key business principles.

### 1. Know What You Value and Why

Walt and his older brother Roy started the **Disney Brothers Cartoon Studio** together in Hollywood, California in 1923 with a core set of conservative middle-American moral principles that included honesty, truth, respect for others, fellowship and optimism, and a belief in the heroic capabilities of humankind. They continually integrated their company's operating culture into this moral framework, which was informally codified as 'The Disney Way'.

Disney always believed it was a mistake to compromise core business values to increase profits. His longer-term, more integrated approach to measuring the profitability of value creation put him in conflict with others – including, at times, his own brother – who measured returns within shorter time periods.

One corollary of his longer-term perspective was his unique understanding of the relationship between quality and economic value. Disney believed that people valued quality, could recognize it, and would reward businesses that were able to produce to higher standards. His appreciation that business success is achieved by profitably delivering value to customers was not unlike the later formulation of 'the marketing concept' by management theorists **Peter Drucker** and **Theodore Levitt**. In order to 'give the customer what he wants', Disney relied to a considerable degree on product testing and research, both formal and informal, by observing the reactions of his film audience and Disneyland guests.

When Roy Disney became chairman of the board following his brother's death in 1966, he was asked to comment on the secret of the company's success. He answered: "It's no secret. We've always tried to manage by our values because when you know what your values are, decision-making is easier."

## 2. Demonstrate the Courage of Leadership

By striving to live by a set of moral values consistent with the pursuit of his own rational self-interest, Disney was able to act with confidence and assurance, and was perceived by others as a man of high personal integrity – an important component of leadership. He was often asked about leadership in press interviews. "Leadership implies a strong belief in something," he noted. "It may be a cause, an institution, a political or business operation in which a man takes active direction by virtue of his faith and self-assurance. And, of course, leadership means a group, large or small, which is willing to entrust such authority to a man – or a woman – in judgment, wisdom, personal appeal and proven competence."

He also spoke of courage as an integral part of leadership: "Courage is the main quality of leadership, in my opinion. Usually it implies some risk – especially in new undertakings. Courage to initiate something and to keep it going – pioneering and adventurous spirit to blaze new ways, often, in our land of opportunity."

## 3. Don't Compromise Quality

Disney was a perfectionist who believed that high standards were both achievable and an indication of moral virtue. Operating to the highest standards was good for business because it promoted the creation of long-term economic value.

To cite just one example, after portions of *Snow White and the Seven Dwarfs* had been completed, one of the film's animators created a special walk for Dopey that put the character out of step with the other dwarfs. Upon realizing that this is exactly how Dopey should be animated, Disney had each scene with the character re-animated, even though the picture was already running over its projected budget.

Owing to setbacks such as this, many expected the film, the first-ever animated full-length feature cartoon, to be a failure. Instead, *Snow White* became the top-grossing picture in history upon its debut in December, 1937. The success of the film helped Disney promote the discipline of building a high-performance business culture that would contribute to his company's future triumphs.

## 4. Money Is Always A Means, Never An End

For Disney, profit was primarily a means to achieving bigger and more meaningful ambitions. "All I know about money is that I have to have it to do things," he stated. "I regard it merely as a medium for financing new ideas. I neither wish nor intend to amass a personal fortune. Money – or, rather the lack of it to carry out my ideas – may worry me, but it does not excite me. Ideas excite me."

His investment in Disneyland expressed his investment philosophy: it cost \$17 million to open in 1955, far in excess of the original estimate of \$1.7 million. Each year, Walt and his brother continued to pour the profits back into the development, seeing it as money well spent. By the time Walt died, the Disneyland theme park represented a total investment of over \$126 million.

In discussing the attributes that made Walt Disney a successful entrepreneur, **Ward Kimball**, one of his colleagues, observed: "If you want to know the real secret of Disney's success, it's that he never tried to make money. He was really more concerned with the end result than the money. If it made money, fine. He felt that if you put your heart into a project and if you were a perfectionist, people would automatically like it."

## 5. Exceed Customer Expectations

Disney was always looking for opportunities to dazzle through technical innovation. If synchronized sound was a possibility, silent movies weren't good enough; if colour film was available, black and white was below standard. He was driven to innovation by his boredom of repetition, his curiosity about new technology, and his romantic belief that scientific advances could be used to better humankind. For Disney, the only real constraints faced by humankind were the laws of nature and the limits of our imaginations.

When it came to building Disneyland, he was unusually customer-driven by the standards of the time. "With everything I do, I keep a practical eye toward its appeal to the public," he said. He required his artists and designers to observe guests as they moved through the park and seek out opportunities for improvement. Disney designer and author **John Hench** stated that "To design most effectively for our guests, we learned that we had to observe them up close, waiting in lines with them, going on rides with them, eating with them. Walt insisted on this. Going out into the park taught us how guests were being treated and how they responded to sensory information, what worked and what didn't. We got an idea of what was going on in their minds."

## 6. Minds Create Value, So Treat Them With Respect

From the time Disney started his first animation business, he set out to create a family atmosphere for those who worked for him. As the business grew, he quickly recognized his shortcomings as an animator, and drew upon the ideas and cooperation of his staff to achieve his goals. He often stated “there is no corner on brains,” meaning that each individual has the potential for creative thinking and for the development of breakthrough ideas. Disney, who saw his own role as leader and coach, was known to solicit ideas from everyone from bankers to restaurant waiting staff.

In his acceptance speech for the Showman of the World Award in 1966, Disney paid tribute to his 3,000 employees, many of whom had been with the company for over 30 years. “They take pride in the organization which they helped to build. Only through the talent, labour and the dedication of this staff could any Disney project get off the ground.” He added, “You can dream, create, design and build the most wonderful place in the world, but it requires people to make the dream a reality.”

## 7. Let Creativity Work For You

Disney developed specific processes to capture creative ideas and transform them into things of value. “There was much more to his success than a blind faith in intuition,” writes author and art curator **Christopher Finch**. “He knew that for intuition to mean anything it had to be implemented, and that this demanded a combination of stringent analysis and sheer hard work, backed up by the practical talents of the artists with whom he surrounded himself.”

Disney understood that freewheeling creativity without imposed structure has little value; discipline is required to convert creativity into business value. All of his projects started with economic research. If the findings were favourable, “Disney proceeded with planning, which could take months or years. Sketches and models were prepared and carefully analyzed. Everything was mapped out before Disney would signal the go-ahead,” writes **Bob Thomas** in *Building a Company*.

Disney formed his own company in 1952, WED Enterprises, to explore the concept of a new kind of amusement park that eventually became Disneyland. With the help of one of his artists, he produced a sketch of the park. As the concept progressed, WED was charged with all aspects of creating the final product, every square foot of which was engineered to appeal to the senses. In the end, Disney converted an orange grove south of Los Angeles into what became

known as ‘the happiest place on earth’. It was a premise of Disney’s that every aspect of a Disney park – like every frame of his films – should make a contribution to the overall story. Disney strove for total integration of ideas and execution.

## 8. Think Deeply and From All Directions

Disney often spoke in interviews about how much time he spent developing his ideas. Often he would reflect on them for years, building, refining, adapting, sharing them with others, incorporating input, and eventually realizing his audacious goals.

Disney dreamed about the future, and then planned how to connect his vision with reality in a practical manner. At the same time he was inspiring his artists, ‘Imagineers’ and executives to create the future, he was negotiating with business partners, industry leaders, and governments to clear the path to achieving his goals. To be effective, Disney had to consider the impact of his work from many perspectives.

Long-term success in business requires the ability to understand the value drivers of multiple constituent groups from multiple points of view. Disney used a number of concrete methodologies, including sketches, ‘storyboards’ and three-dimensional mock-ups, to develop a critical understanding of his ideas. He stated, “When we consider a new project, we really study it – not just the surface idea, but everything about it.”

## In closing

For over four decades, Walt Disney delivered products that fired the imaginations of his audience and filled them with optimism about the future. While he did not always see eye to eye with his investors and bankers, he was fortunate to have a business partner who shared his core values and believed in his dreams.

In a century filled with the horror of two World Wars, Disney represented a countervailing force of joy and optimism. His work demonstrates that business and technology can be aimed at fulfilling shared desires, dreams and values. In the end, Disney took it upon himself to assume a leadership role, as ‘uncle’ to the world, and the world was – and still is – a better place for it. **R**

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