



# STUDY GUIDE

## WALT DISNEY: AMERICAN DREAMER

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**KEY TERMS:** original  
success

entrepreneur  
imagination

conviction  
ingenuity

**NOTE-TAKING COLUMN:** Complete this section during the video. Include definitions and key terms.

**CUE COLUMN:** Complete this section after the video.

What was Walt Disney's first success?

What made Walt Disney so successful?

How many animators did Mr. Disney have working for him within a decade of his first big success?

Why is America unique in producing so many 'originals?'

Why did ABC give Mr. Disney money to build the first theme park?

## DISCUSSION & REVIEW QUESTIONS:

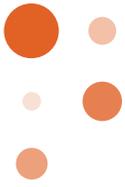
- Mr. Beck begins the video by stating, “I want to tell you about an American Original, a man who saw into the future and made it a reality.” What do you think Mr. Beck means by ‘American Original?’ What do you think it takes for someone to be able to ‘see into the future’ and to ‘make it a reality?’ Explain.
- Further along in the video, Mr. Beck points out that, “At first, Disney, like most entrepreneurs, did everything himself – writing, producing, directing, and animating. Animation is a painstaking, time-intensive task. In those early days, it would take hundreds, if not thousands, of separate drawings to create a moving cartoon. But hard work was never an issue for Disney. Living on baked beans, renting a one-room office for \$5 a month, he believed he was on to something—and no one could convince him otherwise.” What do you think contributed to Mr. Disney being so driven to work hard and to see his projects through to completion? How much do you think hard work, in relation to other traits, factors into success for entrepreneurs like Mr. Disney? Explain.
- Later in the video, Mr. Beck goes on to explain that Mr. Disney, “...had a new vision. He wanted to create a whole new kind of entertainment experience. Not a 2D world, but a 3D world. A theme park. Nobody had ever heard of such a thing. It existed only in Disney’s fertile imagination.” What do you think inspired Mr. Disney after having been so successful already? What do you think contributed to Mr. Disney’s imagination continuing to be so ‘fertile?’ Explain.
- Towards the end of the video, Mr. Beck points out that, “Men like Disney are rare, but far less so in America. Why? Because traditionally Americans, unlike other people in other cultures, don’t rely on government to get things done. And, ideally, the government doesn’t get in their way.” In what ways do people in other cultures rely on the government to ‘get things done?’ In what ways do governments in the U.S. sometimes ‘get in the way’ of some Americans who want to get things done? Explain.
- Mr. Beck concludes the video by further adding, “Americans rely, instead, on their own ingenuity. In America, the only limit to your ambition is your own imagination. If we want more American originals like Walt Disney, let’s hope we keep it that way.” Do you agree with Mr. Beck’s point about ambition only being limited by imagination? Why or why not? What does Mr. Beck mean by his last statement? Explain.

## EXTEND THE LEARNING:

### CASE STUDY: Walt Disney

INSTRUCTIONS: Read the article “Walt Disney: How Entertainment Became An Empire,” then answer the questions that follow.

- How much does the article list the Disney company being worth? What prompted Mr. Disney to leave for Hollywood? What was Mr. Disney’s reaction to learning that Universal Pictures had stolen most of his animators and had stolen the rights to his rabbit character? Why was “Steamboat Willy” such a huge hit? How much money did Walt Disney Productions make when it issued stocks? How did Mr. Disney generate enough revenue to build Disneyland? Which movie was the last that Walt Disney himself was involved in making? In terms of success, what did the company focus on after Walt and Roy passed away? How did the company go from ‘a moderately successful animation studio’ to ‘a complete entertainment experience?’
- What entrepreneurial and character traits does the article reveal about Mr. Disney in relation to his success? Considering that nothing like what Mr. Disney imagined had ever been created before, what do you think made Mr. Disney so convinced that his original projects would be successful? What lessons did Mr. Disney learn along the way, and how did he react to those lessons? What decisions did Mr. Disney make in order to set himself and his company up for long-term success? Do you think Mr. Disney could have been as successful in a country other than the U.S.? Why or why not?
- Does anything about Mr. Disney’s story inspire you? If not, why not? If so, what inspired you, and in what ways does it inspire you? If nothing else, what does Mr. Disney’s story reveal about defining success for one’s self? Explain.

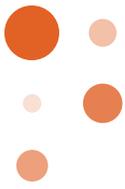


# QUIZ

## WALT DISNEY: AMERICAN DREAMER

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- 1. Walt Disney arrived in Hollywood in 1923 with a well-established business that he was relocating from Missouri to California.**
  - a. True
  - b. False
  
- 2. How long did it take Walt Disney to transform his one-person operation into a major studio employing a thousand animators?**
  - a. Within one year.
  - b. Within a decade.
  - c. Within fifty years.
  - d. Within a century.
  
- 3. What was Walt Disney's first full-length animated feature film?**
  - a. Fantasia
  - b. Dumbo
  - c. Snow White and the Seven Dwarfs
  - d. Bambi
  
- 4. Which television network agreed to giving Walt Disney the money to build Disneyland in exchange for a live-action TV show?**
  - a. NBC
  - b. CBS
  - c. ABC
  - d. None of the above.
  
- 5. In America, the only limit to your ambition is \_\_\_\_\_.**
  - a. your class
  - b. your own imagination
  - c. your race
  - d. a college degree



# QUIZ - ANSWER KEY

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<https://www.investopedia.com/articles/financial-theory/11/walt-disney-entertainment-to-empire.asp>

# Walt Disney: How Entertainment Became An Empire

By Andrew Beattie | Updated July 17, 2017 — 3:04 PM EDT

**Walt Disney** (NYSE: DIS) is one of the most powerful companies, in one of the most powerful sectors of any economy: entertainment. Before it became a \$164 billion dollar company, with interests spanning the globe, Disney was more closely associated with the vision of the man after whom it was named. It was this vision that laid the groundwork for the company to become the media giant it is today. In this article we'll look at the rise of Walt Disney, both the man and the company, and the lessons found there for entrepreneurs today.

## Setting Forth, Again and Again

Like many creative talents, Walt Disney started his career working for others. In 1919, Walt was back from driving for the American Ambulance Corps in World War I, and looking for work as an artist. He found it at Pesmen-Rubin Commercial Art Studio, where he met and befriended Ubbe Iwerks. Iwerks proved to be one of the most talented animators in the world and a key to Walt's later success.

At the start of 1920 Walt and Iwerks were both out of a job, so they tried to open up their own studio. This first business promptly failed and the pair left for paying work, doing animation at Film Ad Co., where they worked on the advertising shorts that were shown before the features. Before too long, they were working together on side projects that grew into Laugh-O-Grams, a series of comedic shorts. Walt and Iwerks set forth together again and turned Laugh-O-Grams into a business. However, once again, the venture ended belly-up in 1923, after which, Walt left for Hollywood.

## The Brothers Disney

Perhaps Walt's least appreciated skill was convincing others to buy into his vision. In Hollywood without Iwerks, Walt convinced his brother Roy to help him start Disney Brothers Studio, later renamed Walt Disney Studio. Sure enough, Walt soon had Iwerks convinced to come back to work with him, as well.

## Learning Hard Lessons

Walt Disney Studio was no more profitable than the previous incarnations, but it was staying afloat. The company was doing work for Universal Pictures, creating a character called Oswald the Lucky Rabbit. In 1928, Walt and Roy had the unpleasant surprise of finding out that all of their animators, with the exception of Iwerks, had been hired away by one of the people he was dealing with at Universal. To add salt to the wound, the rights to Oswald belonged to Universal.

The experience embittered Walt and made him swear to only work for himself. Walt began looking to deliver his films directly to distributors, but he needed a new character.

## The Mouse

There is some controversy over where Mickey Mouse came from; theories range from a wastepaper basket in Kansas to Iwerks flipping through animal photos and sketching. However he originated, Mickey Mouse represents the start of Disney as we now know it.

Walt assembled a new team to work with Iwerks on this new character. The first two films were not hits, but the third, "Steamboat Willie," was a huge success. It was also the finest early example of a film that synchronized sound and animation.

Being on the cutting edge of animation technology became par for the course, as the company pushed the boundaries of animation. The next decades, including the Great Depression, saw Disney create the first color cartoons, as well as the first animated feature length film, "Snow White and The Seven Dwarfs."

### **The IPO**

The costs of these groundbreaking films were so high, and the margins so low, that a poor box office could still sink the studio. Walt and Roy started 1940 with great films, but a lot of debt. From 1923 to 1938, the Disney Brothers partnership was actually split into four companies that were successful in varying degrees, before being absorbed into one in 1938.

The company name that lived on was Walt Disney Productions and, on April 2, 1940, Walt Disney Studios issued 155,000 shares of 6% convertible preferred stock. This issue was in the over-the-counter market and raised around \$3.5 million for the company.

The brothers soon found themselves back in debt, however, as the box offices continued to be slack for films that we now consider masterpieces, namely "Bambi," "Fantasia" and "Cinderella." This isn't to say they weren't successful, they were just very expensive to make.

Instead of slowing down, Walt looked to do more. The brothers set up their own distribution company, Buena Vista, and began producing high-margin nature documentaries. Walt also began to have visions of the ultimate amusement park, but it was a gamble his company couldn't afford.

### **Disneyland**

In order to create the "happiest place on earth," a lot of financial maneuvering needed to take place, and Walt made it happen. Even after funding a private company, using a loan from his own life insurance, Walt needed much more capital. He had himself to offer, but he was clever about it. Walt set up another private company that owned the merchandising rights to his name. Incidentally, Walt Disney Productions paid \$46.2 million in shares to buy the company back, in 1981.

He then offered to create a TV series for a TV network that would invest in Disneyland; **ABC** jumped at the chance. Walt had his funding and ABC had one hour every Sunday that turned into a cultural phenomenon, watched by millions. Originally named Disneyland, but wearing different titles over the years, the show ran for 29 seasons.

In 1955, Disneyland finally opened and became a huge success. Over the next five years, Walt Disney Productions purchased Disneyland by buying Walt's private company. Over these same five years, the gross income at Walt Disney Productions grew from \$6 million to over \$70 million.

Merchandising, branding and expansion were all coming together for Walt Disney Productions. Sadly, though, it was destined to go on without one of its founders, as Walt died in 1966. His last feature, "Mary Poppins," was the top earning film in 1965. His brother Roy took over.

### **Beyond Walt and Roy**

After the death of Walt and his brother Roy, Disney struggled. The company was listed in 1957, and despite its past successes and several profitable theme parks, the rise in its stock price was nominal.

In the 1980s, the company was thought to be so undervalued in terms of brand assets, which included the film catalog and the theme parks, that hostile takeover artists began circling. The company fended off the takeovers and began to focus on profiting from its vast brand equity.

From the 1980s to the 1990s, the stock grew in leaps and bounds, making Disney the largest entertainment empire in the world. The company has continued to prosper, helped in no small part by the foundation that Walt and Roy laid for the company.

### **The Bottom Line**

Financial history is full of outsized personalities and towering figures. Many of the richest men in history got there by building empires of fur, oil, steel, rails and, yes, software. All of these are tangible products with a simple formula: keep the costs down and sell more. Disney, the man and the company, were birds of a different feather.

Only by constantly innovating and pushing the boundaries of not just animation, but what Disney was as a business, did the company go from a moderately successful animation studio, to a complete entertainment experience, with theme parks, merchandising, cruise ships and on and on.

Walt Disney famously said "if you can dream it, you can do it." The story of his life and the creation of his company reminds us that once you dream it, you must continually re-dream and re-imagine it, to succeed. (For additional reading, check out: *Wall Street History: Antitrust, OPEC And Disney*.)