

[Transcript] My First Million / SPECIAL: Walt Disney (Part 1)

All right.

Quick break to tell you about another podcast that we're interested in right now, HubSpot just launched a Shark Tank rewatch podcast called Another Bite.

Every week, the hosts relive the latest and greatest pitches from Shark Tank, from Squatty Potty to the Mench on a Bench to Ring Doorbell, and they break down why these pitches were winners or losers.

And each company's go-to-market strategy, branding, pricing, valuation, everything.

Basically all the things you want to know about how to survive the tank and scale your company on your own.

If you want to give it a listen, you can find another bite on whatever podcast app you listen to, like Apple or Spotify or whatever you're using right now.

All right.

Back to the show.

All right.

What's happening, everyone?

This is Sam Parr.

I'm typically the host of My First Million, but this is kind of special.

So I'm on a walk right now, where I live in Austin.

I'm walking around.

It's in the evening, and I'm listening to my favorite podcast.

It's called How to Take Over the World, and Ben, the host, talks about historical figures like Napoleon, Steve Jobs, people like that, Edison, just like people who innovate, whether it's business or military, and he tells their story, but from an angle of what I can learn about leading and kind of taking over the world or taking over an industry, and it's incredibly fascinating, and it's amazing.

I've listened to every episode, and Ben, I loved it so much, I actually asked Ben to join My First Million as our producer, and he is.

And I'm listening to this episode right now on Walt Disney, and it's so good.

I texted Ben.

I go, Ben, I'm recording an intro right now, and we're going to put this on the My First Million feed, because I think our audience is going to love it, so this is part one, and then throughout the feed, you'll see part two as well, but on Walt Disney, and you're going to learn about everything that Walt Disney did, and I'm at the part now where basically Ben talks about Walt and how he filed for bankruptcy a couple of times and went broke a couple of times before the age of 30, and yet he always had this like crazy optimistic outlook, and it's motivating.

It's awesome, but he was kind of not a loser because he was doing cool stuff, but like, he failed a ton when he was getting started, and it was inspiring to me, or it is inspiring to me, so check it out.

This is a special edition of My First Million, it's called How to Take Over the World with Walt Disney.

Ben Wilson is the host and a My First Million producer, and I just wanted to share it with you.

Check it out.

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Hello, and welcome to How to Take Over the World.

This is Ben Wilson.

I've got an exciting episode for you today.

We're talking about Walt Disney, and why Walt?

Well, there are a number of different angles that you can look at Walt from.

You can look at his success as an entrepreneur, as a guy who just founded one of the, I think, 50 largest companies in the world worth billions and billions of dollars.

You can look at him as a storyteller, as probably the greatest storyteller of the 20th century.

A lot of the stories that we live with now that are a part of mass culture come from the Disney Company, and come from things that he started and patterns that he set out, so you can look at him as a storyteller.

You can look at him as a rags to riches story.

He came from literally nowhere, grew up in Missouri, in the United States did not come from a wealthy family, someone who just took nothing and was able to establish one of the most iconic companies of all time.

You can look at Walt as an innovator, you can look at him as an artist.

He really is at the nexus of technology, art, business, and so no matter what you're looking for, I think you can see something in Walt Disney.

He's one of the great Americans of the 20th century, and he's got a great story, so I'm excited to dive into it.

But before we do, here is a brief word from our sponsors.

Have you ever heard the urban legend that Walt Disney was cryogenically frozen?

It's not true, but it was a pretty common urban legend, at least back when I was in elementary and middle school.

They would say that he was frozen with the hope that future advances in medical technology would allow him to be resuscitated and resurrected someday.

Well again, this never happened, but while Walt Disney never froze his body, you should be freezing yours.

And that's because cold exposure and cold baths specifically have been shown to have a number of positive health benefits.

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Once again, that is thecoldplunge.com and use my name as the code B-E-N-W-I-L-S-O-N

Walt Elias Disney was born in Chicago in 1901.

He had virtually no memories of Chicago as a little boy because when he was four years old, his father decided that Chicago was not particularly safe and the neighborhood that they were growing up in was not particularly good.

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In fact, the notorious gangster Al Capone was sort of a famous mafia man. He would later set up his headquarters in that same neighborhood that Walt was growing up in.

So that became too much for Walt's father, Elias.

And so there was an incident that pushed him over the edge. Two local boys killed a policeman in a robbery gone wrong.

So Walt was four years old and Elias Disney decides to move his family to Marceline, Missouri. Small frontier railroad town, 100 miles northeast of Kansas City.

Elias bought a small farm there and he worked hard and he worked his sons really hard. He had them help with all the household tasks.

The Disney's came from a long line of schemers and failed businessmen. It's actually remarkable to see how many failed schemes and businesses they had over multiple generations.

Elias's father, Keppel, had tried to drill for oil but failed to find any. And he set out for California in search of gold but gave up before he even got there and then settled for a farm in Kansas, which turned out to be very difficult to manage and unprofitable until the very end.

So Elias, Walt's father, grew up on the edge of poverty for his entire childhood. He himself would undertake a number of ventures during his lifetime, just like his father, and they would all end in failure just as his father's had.

And you kind of have two things happening at the same time here. Elias's determination to not follow his father's pattern of failure made him extremely diligent and hardworking.

But the fact that he failed despite all that hard work made him bitter and angry oftentimes. He was a very severe man.

He was very religious, was described in one book as quote, nearly humorless. He worked hard.

He believed in an old school approach to parenting that involved corporal punishment beating his children and he never showed outward affection towards them at all.

Now I should say, they can get exaggerated sometimes. He would punish his sons by hitting them with a switch or the wooden handle of his hammer or with his bare hands.

But Elias was not sending Walt to school with black eyes and broken ribs. So sometimes you'll hear Walt Disney's father beat him with a hammer, yes, with the handle of a hammer.

It's still not great, right?

But he's not like, you could kill someone with hitting him with a hammer, with the end of a hammer, but the handle, it's more of a spanking.

He was a severe disciplinarian, but I have not seen any indications that it was to the point of harming his children's health.

Nevertheless, it wasn't great.

And I've seen some say that Walt hated his father.

And I think that's actually true.

You read some of the things he said and you think, okay, this does sound like someone

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who maybe hated his father, but you read some of the other things he said and it sounds like he loved and admired his father.

So which is it?

And I think the answer is both.

Political relationships are often complicated and this one was more complicated than most.

You know, you can't distill it down to a single word.

Walt loved, hated, respected, resented, admired his dad all at the same time.

His relationship with his mother was much less complicated.

Walt's mother's name was Flora and she came from a long line of academics and school teachers. She came from a sort of upper middle class American family.

She herself was very bright and her boys would describe her as having a wonderful sense of humor.

She was loving and affectionate towards her children and was just an all around great mother.

She would even sometimes stick up to Elias for the boys and get him to not hit them when he was mad.

It was in large part due to the physical and emotional safety that Flora provided that Walt would remember Marceline as an idealic place to grow up, almost a utopia, a heaven on earth.

In fact, Roy Disney later did say, quote, it was just heaven for us city kids.

And Walt himself would say, everything connected with Marceline was a thrill for us after coming from crowded, smoky Chicago.

My favorite quote about Marceline actually comes from Walt's wife, who pointed out that it's kind of strange that it meant so much to him.

She said, quote, Marceline was the most important part of Walt's life.

He didn't live there very long.

He lived in Chicago and Kansas City much longer, but there was something about that farm that was very important to him.

So why was it so important to him?

Why was it such a great place to grow up?

Well, because the place was, well, like a Disney movie, which is not a coincidence.

First there was the nature.

There were all sorts of farms, gardens, and groves that provided fruits and vegetables.

There were streams and forests.

The place was teeming with little woodland creatures like foxes, rabbits, squirrels, opossums, and raccoons.

Walt loved playing with the farm animals, the pigs, the cows, the chickens.

He would sometimes ride the pigs when driving them into their pen.

He also loved fishing for catfish in the creek in the summer and skating on the little creek when it froze over in the winter.

There was a very strong sense of community in Marceline, both with the neighbors who would help each other mend fences.

And when it was time to harvest crops, you know, for a week they would all come sleep in the Disney's front yard and the women would stay and cook together and the men would

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go out with Elias and the boys and help them harvest their crops.

But there was also this sense of community with extended family who were always around. Aunts, uncles, and cousins, some of them lived very nearby and even those who didn't live right in Marceline would often come and visit and lodge with the Disney's for a week or two.

In Marceline you can see all these little hints and echoes of things that would come into Walt's art later in life.

So for example, as I mentioned, there's sort of the idyllic American countryside with all these little woodland creatures that would show up.

Another thing is his love of trains, as I mentioned, it was a stop on the railroad.

And Walt was fascinated by the train that would come through.

Trains to him represented a chance to travel someplace new and discover the world growing up in a small town.

They also represented technology in the future.

They represented adventure, they represented opportunity.

You know, eventually just like Thomas Edison, he would take a job on the train selling little treats to the passengers and making a little pocket money for himself.

And by the way, I do find that one of those funny coincidences that they both had that same job as boys selling treats on the train.

And you see that show up later in Disneyland and Disney World and many of his films and movies his love of trains and railroads.

Another thing where you can see some echoes is his love of his uncle Ed.

Uncle Ed was Walt's uncle, obviously, and he would take him on adventures.

They would play games, explore the natural world, flag down trains and even catch rides to neighboring towns.

Uncle Ed was considered by most people to be dimwitted and perhaps even mentally handicapped. Not so much so that he couldn't watch over Walt when he was a boy.

They would go off just the two of them and go on these adventures.

To Walt, though, he viewed him as just a kid that never grew up because he had this great enthusiasm Uncle Ed, this love of adventure.

And so you can see that echo in Peter Pan.

Walt viewed him as this Peter Pan-like figure, this person who would never grow up and maintain this sense of love, of adventure and enjoy and boyish enthusiasm.

Now the Disney farm in Marceline might have been idyllic, but it was not profitable.

The farm was already struggling when Elias came down with either typhoid or diphtheria, but he was unable to work in 1911.

So in 1911, when Walt was 9 years old, the Disney family left Marceline for Kansas City.

After moving to Kansas City, Elias made a living by purchasing a newspaper delivery route.

At this point Elias's two oldest boys, Herbert and Raymond, were already adults and had left home, but Walt and his older brother Roy were still around and Elias made them work the paper route for him.

The paper route would loom heavy in Walt's memory of his boyhood years in Kansas City.

And you can understand why he would have to wake up at 4.30 in the morning every single morning for six years to go deliver papers, even in the freezing winter.

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There are stories that Walt would tell about having to trudge through five foot tall snow drifts in order to deliver some of these papers.

And Elias was meticulous about that paper route and placed a heavy emphasis on making sure it was done right.

He would make Walt and his brother Roy place the papers inside the storm door of people's houses, even when they had to trudge through feet of fresh fallen snow.

So other people were not doing this.

Other people were just throwing the paper to the front porch, but the Disney boys had to do it right.

They had to go place the papers exactly so, exactly perfectly on people's doors.

At school, Walt was an indifferent student, not very good, as you can imagine for someone who was waking up at 4.30 in the morning as a boy.

He often slept through class, but even when he was awake, he was not much of a student.

He didn't really care about school.

He was always drawing and doodling rather than actually listening or studying when he was at school.

The other thing he was doing was performing.

Walt discovered a partner in crime in Kansas City at Benton Grammar School, a best friend named Walt Pfeiffer.

The two who dubbed themselves too bad Walters were always creating shows and stunts and jokes.

They had like a little vaudeville show that they did.

So Walt had an early streak as a performer.

He also had an early interest in entrepreneurship, at one point he put up a tent and set up his own circus for the neighborhood children, charging a dime for admission.

But when his mother found out that he was charging these kids, she made him refund everyone their money.

He was always trying to sell newspapers on the side and coming up with little schemes to make a little bit of money, but whenever his father Elias found out about these little side hustles, he would confiscate all of Walt's pocket money.

As he was getting older, Walt grew increasingly agitated with his dad's severe ways, harsh discipline, and this was especially true once Roy left and Walt was the only boy at home.

One day when he was 14 years old, Walt was helping his father work on the roof of their home and Walt failed to execute one of Elias's commands quickly enough, at least in his eyes.

And so this resulted in a tirade, Elias yells at Walt and says, go to the basement and I'm going to come downstairs soon to punish you, to hit you.

And Roy, who happened to be home visiting, pulled Walt aside on his way to the basement and said, don't take this anymore, you're bigger than him.

Don't let him do that to you.

And so when Elias came down to the basement, he grabbed the head of the hammer as usual and raised it to hit Walt with the shaft of his hammer and Walt grabbed his hand.

And so then Elias raises his other hand to hit Walt and Walt grabs that hand too.

And so he's holding both of his hands and they struggle for a little bit.

And that's when Elias realizes, wow, my son is bigger than me.

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I can't do this anymore.

I can't hit him anymore.

And Elias breaks down, bawling in front of Walt.

And after that, Elias never tried to hit him again.

In contrast to Elias, Walt's mother Flora really shines at this point in Walt's childhood.

All of these great people seem to have extraordinary mothers.

Edison's mother not only believed in him, but gave him the better part of his education as a boy.

Napoleon always considered his father something of a failure and believed that he got his intelligence and his drive from his mother.

I'd like to read a paragraph about Flora from a biography of Walt Disney by a guy named Neil Gavler.

Very good biography if you're going to read one, that's the one I recommend.

He says about Flora, quote, It was she who managed the money for Elias, made most of the children's clothes and sewed their quilts, cooked their meals and encouraged their reading, connived with the children and always exercised restraint and an even temper.

And it was Flora alone who could tease her husband and calm his raging storms, though she did so carefully without confronting or countermanding him.

Besides his mother, the other pillar of Walt's early life was his brother Roy, who I've mentioned already.

Walt wasn't close with his two oldest brothers, who were much older than him, but Roy, who was still eight years older than him, was always his protector and friend.

Walt regarded him as something of a surrogate father since he had such a troubled relationship with his actual father.

Interestingly, you know, Walt was the only dreamer in the family.

Everything else was practical minded and kind of sober, and that included Roy, he didn't have an imagination like Walt either, but he respected Walt's creative streak and would help and encourage him all their lives, while also kind of grounding him and bringing some practical sense to the relationship.

Walt had a fascination with cartooning from the very earliest childhood, something that his father did not find practical.

In Kansas City, the fascination turned into an obsession, though.

He was simply always drawing, he took Saturday courses at the Kansas City Art Institute, and also signed up for correspondence courses, and those were like the original online courses, they were distance education courses that came in the mail.

Despite this effort, Walt was never an exceptional cartoonist.

He wasn't a naturally gifted drawer, but through extensive practice and sheer determination, he did make himself a decent cartoonist, he wasn't bad.

In 1917, Elias moved his family back to Chicago, where Walt attended high school.

He was the cartoonist for the school paper, mostly drawing patriotic cartoons about World War I.

He continued to be obsessed with drawing, and continued to be a poor student.

He even occasionally skipped school to go to the Chicago Art Institute, or hang around the offices of the Chicago Tribune.

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They had moved to Chicago because Elias was interested in a business called the Ozel Factory, which produced jellies.

The business was doing poorly, so Elias decided to become personally involved.

Walt worked at the factory one summer, though he did eventually grow tired of it, and quit to work as a substitute mail carrier.

One side note about that is that we almost never got Walt Disney, because he was almost killed in a terrorist attack.

Mailbomb injured 30 and killed four in his post office, including a man who worked just two desks away from Walt, and Walt was very nearly blown up, he had debris on him.

It's not certain who carried out the attack, though most likely it was done by an organized crime gang, or perhaps some radical anarchists or radical socialists.

For his senior year, Walt decided not to return to high school.

He tried forging his birth certificate to join the army to fight in World War I, but he was caught and rejected.

Eventually he was able to forge some papers and join the Red Cross to be an ambulance driver, but by the time he got to France, with the Red Cross, the war had already ended.

He spent his time in France doing menial labor, and in just about every spare moment when he was not working, he was doodling and drawing.

He even got his work published in the Army newspaper.

In one of those funny coincidences of history, Walt happened to be stationed in the same ambulance corps as Ray Kroc.

Ray would end up being the famous CEO of McDonald's who led the fast food chain to become one of the largest companies in the world.

And according to one book I read, although I didn't see this repeated anywhere else, so take this with a grain of salt, but apparently Ray remembered that he and the fellas in the corps thought Walt was a little bit strange, because when they had an open opportunity, and they had a spare moment, they would go into French towns and try and pick up French girls, and Walt would never come.

He would stay behind and just draw and draw and draw, and so they all thought Walt was kind of funny because he was drawing all the time while he was in France.

And that is, you know, I don't know whether that particular story is true, but it is true that Walt was almost compulsive in how much he was drawing at this point in his life.

In 1919, Walt returned to the United States.

His father had secured a job for him paying \$25 a week at the Ozel factory, which was a pretty good rate, and Elias was flabbergasted when Walt told him that he was instead holding out for a job as an artist.

Walt later said, quote, he never understood me.

He thought I was a black sheep.

This nonsense of drawing pictures, he said, Walter, you're going to make a career of that, are you?

All right, a quick message from our sponsor.

You know, I was thinking about the shortest day of the year earlier, and while we technically had the same amount of time as every other day of the year, the lack of daylight makes it feel so much shorter, which is exactly the same kind of feeling as working with disconnected

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tools.

Our work days, the same length as always.

But before you know it, we spent three hours just fixing something that was supposed to be automated.

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Learn how HubSpot can help you grow your business at [HubSpot.com](https://www.hubspot.com).

But Walt did eventually get a job as an artist.

His brother, Roy, recommended him to acquaintances for an opportunity to apprentice with an illustration

advertising company called Pezman Rubin Commercial Art Company.

Walt was just thrilled to gain full-time employment as an artist at the age of only 17.

But unfortunately, he's laid off a short time later when the art studio went through a financial rough patch.

But it wasn't for poor performance.

His associates from those days remembered Walt as a pretty good artist and an extremely hard worker who did things quickly and did them well.

The most important thing to come out of the job for Walt is that he made a notable good friend, a very gifted cartoonist by the name of Ub Iwerks.

After being laid off, Ub and Walt decided to start their own company and they had some initial success.

They were selling basic illustrations to Kansas City-based companies, and they were a very good partnership.

Ub was an incredibly gifted artist, possessing the kind of artistic talent that Walt could only dream of.

But he was shy and socially awkward, whereas Walt, on the other hand, was a decent artist, but charming, extroverted, and a natural salesman.

So between the two of them, they had exceptional art skills and exceptional sales skills, and so they had some success.

But they were kids, you know, they were 17 years old.

So when they saw a job ad for a position as a cartoonist with the Kansas City Slide Company, Ub suggested that Walt should go take the job to provide some steady financial footing for them, and Ub would try to keep the company afloat by himself.

Well, as I said, Ub was not much of a businessman, although he was a great cartoonist, so he wasn't able to hold down the company on his own, and so after not very long, they shuttered the company and Ub joined Walt at the Kansas City Slide Company.

This was their first foray into moving pictures, and Walt was thrilled about it.

He would say years later, quote, the trick of making things move on film is what got me.

Another quote from Gabler, the biographer, he said, quote, Walt Disney seldom dabbled. Everyone who knew him remarked on his intensity.

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When something intrigued him, he focused himself entirely as if it were the only thing that mattered.

And that thing now that he was focused on was animation.

And so he was thrilled to be with the Slide Company getting an education in animation.

Not only was he getting an education from the Slide Company, but when he couldn't learn there, he was educating himself.

Walt set up a studio in his parent's garage.

They had recently returned from Chicago after the Ozel Company failed, and so he went to their garage and set up some cameras and some animation equipment and was able to experiment there with different animation techniques.

And he was, like I said, obsessed.

Roy said, quote, when he'd come home and long after everybody else was in bed, Walt was out there still pattering away, working away, experimenting, trying this and that, drawing and so on.

So he was spending real late nights just figuring out this new technology of animation.

You have to remember that animated cartoons, motion picture cartoons, are very, very new at this point.

This is an industry that isn't even 20 years old.

And so it was the Wild West.

You know, there was no college degree that you could get for animation.

You just had to experiment and talk to the people who were doing it and figure it out.

At the Slide Company, they were using a technique using cut out cartoons, which was the standard animation method, but Walt starts to become interested in a new technology called cell animation.

It used overlapping layers of illustrations on celluloid sheets to quickly create elaborate hand-drawn cartoons so that, you know, you didn't have to draw the same thing over and over again.

You would keep some layers the same for the background or static characters that didn't move while repeatedly redrawing only those portions of the scene that moved.

And over time, Walt became not only interested in cell animation, but in his usual way, obsessed.

He was determined that this was the future and he needed to learn how to do it.

He's experimenting with it in his garage, talking to more experienced animators, attending classes at the Art Institute, and taking out books from the library to read about this new technique.

He began using cell technique to produce cartoons to run in the biggest theater in Kansas City called the Newman Theater.

In a pattern that would be a recurring theme throughout Disney's career, their cartoon stories often found new life from old fables and fairy tales, and they also tended to give life to inanimate objects.

So one of his first cartoons that he does on his very own is this plant that sort of comes to life and just jumps around a little bit.

It's actually interesting to me that it's so reminiscent of Pixar when they start the first thing they do is animate this little lamp.

And this little plant, this little flower that Walt animates is kind of similar to the

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Pixar lamp.

All of these animations that he's doing are very simple one to two minute short animations that ran in front of feature length films at movie theaters.

They became known as Newman Laughagrams, and the company was later named Laughagram Studios

by Walt.

The cartoons were a commercial failure, but they were a creative success.

They made Walt a mini celebrity in Kansas City, and he soon discovered that he loved the attention.

He loved, you know, he was a natural showman.

He was a natural performer.

He lived for the response of the crowd, and people were really responding to his cartoons.

They were popular, and they made people laugh.

Walt soon started dreaming of making longer cartoons, seven minutes rather than two minute clips that he had been making.

And at this point, Walt is really hustling.

He's renting a little shack just up the hill from his day job, which had changed its name to the Kansas City Film Ad Company, and they weren't interested in trying or funding Walt's curiosity in cell animation technology.

So Walt was able to work there at the Kansas City Film Ad Company during the day, and then just walk 18 steps up to his own little studio, and after hours he would try his cell animation stuff, and they didn't care that he was experimenting with the stuff and taking side projects.

He was also able to persuade up and coming animators to come draw for him for free.

He didn't have any money to give them, so he wasn't paying them, but they could learn cell animation.

He was always gifted at getting people to buy in to a larger vision, and that was certainly working in his favor here.

So he's got this free labor.

Eventually Walt decided to go all in on his new venture, persuaded up to join him once more and built it out into a full-fledged studio.

Walt's brothers had recently moved out of Kansas City, and so Walt turned Laughagram Studios into a sort of surrogate family.

Most of them were young and unmarried, they spent long hours working together.

The schedule that most of them worked was from 9am until about midnight, and they were experimenting,

playing pranks, working, just having fun.

A friend visited and asked Walt about his new studio, and he asked if they were making good money, and Walt responded frankly, no, but we're having fun.

And that was maybe underselling it.

They were having a really great time, and Walt was very bad with money.

Laughagram Studios soon ended up in financial trouble, and on the very urge of bankruptcy.

In these dire straits, Disney tried throwing a Hail Mary.

He wanted to produce a longer film, rather than the 1-2 minute clips that they had been making, he wanted to try a 7-minute film that would combine live-action filmography with

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animation.

It was called Alice's Wonderland, and was of course inspired by Lewis Carroll's famous novel.

It was about a real little girl who enters a magical fantasy world of animation.

And this little cartoon actually bears no resemblance to Alice in Wonderland, the famous movie that Disney would later produce.

This is a different thing, and it only used the Lewis Carroll story as inspiration, but was a different thing.

However, the company was falling apart around him, as Walt tried to finish this project of Alice's Wonderland.

Animators were leaving left and right, they were evicted from their offices, and even Ub quit in the end.

So the film was finished, eventually, but only because Walt did the vast majority of the animation himself.

And so, this combination of live-action and animation, it was something that people had done before, but this was a little different.

Mostly what people had done was mostly live-action, with a little cartoon in that live-action. Instead, what this was, was mostly cartoon with one live-action character playing in that cartoon, if that makes sense.

So this was very leading edge and very cool.

Walt was, more than anything, a forward thinker, he was almost Edisonian, or Steve Jobsian, in his love of showing the world something groundbreaking, something new.

But he's still working out how to make it profitable, or even cost efficient.

And Alice's Wonderland is not finishing time to save the company, which goes completely belly up.

And you know, I said Walt was bad with money, but at this point, it's not because he's an extravagant spender, at the time, he really wants to finish this film, so he's real thin, he's eating nothing but canned beans, he had been evicted from his home, was sleeping in a studio, he was showering once a week at the train station.

I mean, Walt is really just trying to slum it, just trying to scrape by in order to finish this animation.

His problem was at this point, not that he was a profligate spender, it was that he wasn't making enough money.

Kansas City just wasn't a big enough market to support the cost that went into making an animation of this length and complexity.

And at this point, he didn't have the connections to get distribution outside of Kansas City.

Despite this company failing, Walt is in pretty good spirits, he had a cheery and optimistic disposition in general, and was rarely thrown into a bad mood by setbacks.

Walt would later say, quote, I had no recollection of ever being unhappy in my life.

I was happy all the time, I was excited, I was doing things.

And look, I mean, that's, that's kind of an exaggeration, to be honest.

He also said another time that, quote, he was crushed and heartbroken at this first bankruptcy, which is understandable for someone who, you know, he's 21 years old, and he just declared bankruptcy, his, his company just failed.

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But it is true that he did have this, this remarkably buoyant personality. Things might get him down for a little bit, but after like a day, he tended to pop right back up and be his normal cheery, optimistic self. Walt soon decided that what he needed was a change of scenery. And so he was debating between New York and Los Angeles. And he eventually decided on the latter, mostly because his brother Roy had moved to Los Angeles to recover from tuberculosis. The problem was Walt was so flat broke, he didn't even have the money for a train ticket out to Los Angeles to start over again. So he bought a camera on loan and went door to door to the wealthiest neighborhoods in Kansas City, offering to make films of people's children. So it's just like kind of the most down and dirty side hustle that he could think of. And doing this is a smart approach in just a matter of a week or two. He was able to scrape together enough money to pay for the camera that he had bought and then buy a train ticket out to LA. When Walt bought that train ticket out of Kansas City, the bitterness of his failures was far from his mind. He said, quote, he felt free and happy as if he were lit up inside by incandescent lights. You know, I think many of us have had that feeling of starting over and of opportunity in front of us. And that's what he was feeling as he took the train to LA. And that's, you know, one of my main takeaways from his life is just that unconquerable optimism. It really was, I mean, it could be illogical at times, anyone else would think, you know, you have no reason to be optimistic right now. But it was his superpower, his belief that everything would work out no matter what. Having been recently burned by the animation industry, Walt considered going into the live action film industry. These were the days before Hollywood's golden age, but Los Angeles was quickly becoming a center of film production. And the center for animation, on the other hand, was all the way out in New York. So it wasn't necessarily a natural fit to go out to LA in order to start an animation studio. But fate sort of intervened at this point because while he was in Los Angeles, Walt was able to come up with a distribution deal for Alice's Wonderland with a New York based distributor named Margaret Winkler. And with that, Walt teamed up with his brother Roy to form the Disney Brothers cartoon studio, which would go on to become the Walt Disney Company, and this was formed in 1923. The company initially started out by completing more episodes of Alice's Adventure in Wonderland, which experienced some popular success. So he hires his old friend, Ub, to come work for him as well. And at the time, he also hires multiple other ink artists, including an ink artist named Lillian Bounds. Over time, Walt takes a liking to Lillian and finds that she likes him back. And they end up getting married in 1925.

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The marriage was a happy one.

Lillian was a very steady and constant companion for Walt, and they raised three children together. So you would think that we're set from here, right?

Walt has his main team.

He has himself, his brother Roy, his buddy Ub, who is this savant, brilliant animator.

They founded the Walt Disney Company, and the stuff that they're producing is doing fairly well.

They've moved beyond the original Alice's Wonderland films and are producing other original works as well.

But it's not quite smooth sailing from there.

Trouble would arise when Margaret Winkler, their distributor, got married and turned over most of her work to her husband, Charles Mintz.

And Mintz and Disney did not get along.

They butted heads over a lot of different issues, including the future of the company and what type of animations they should make, and most of all, over money and how much Walt and his company were entitled to.

At a time when Walt's short animations were doing better than ever, Walt wanted to get paid more and get paid faster.

And in fact, there was more money coming in, and he and Mintz were able to come to an agreement over the money, but the real sticking point was that Mintz kept critiquing Walt's work and making more and more suggestions.

Walt thought that he was the true creative genius behind the animations, and Mintz thought that the work was kind of shoddy, and that he knew more about how to produce great animations even though he wasn't himself an animator.

And that might seem ridiculous to us in hindsight, but it is true that Mintz thought that it was his show business savvy and his notes on Walt's animations that were the keys to their success.

They were eventually able to come to a deal, both in terms of how they would handle their business going forward, who would get more creative freedom, but also in terms of money.

But this new deal did put even more financial stress on Walt, who was trying to expand his studio and bring in more animators to make the animations even better.

But now, instead of having more money to produce his animations, he would have just a little bit less.

He started to push his staff harder and harder, and the air of fun and adventure that had started with the Disney Company was replaced with stress, kind of laborious hard work, and tension.

Due to this tension, three animators decided to leave and start their own studio.

And for a little bit, things seem shaky, you know, okay, animators are leaving, we have a little bit less money, is this thing even going to make it?

But this all seems to blow over when Walt comes up with a new series, a completely animated cartoon about a character named Oswald the Lucky Rabbit.

Oswald was immediately a hit, and other animators regarded him as the gold standard.

Other cartoon characters at the time tended to just be excuses for gags, you know, a lot of them were cartoon animals, but they didn't have a personality necessarily that continued

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from cartoon to cartoon, whereas Oswald did have a real personality that carried from animation to animation, and had different attributes that you could point to and he's a character that you can kind of get to know.

The animations are so successful that he's able to strong arm mints into paying him more. The staff at Disney Studios increases to 22 employees, Walt builds a new home, and things are generally going really well for him in his life.

But just as things are finally going great for Walt, in 1928 he faces the greatest catastrophe that he's faced yet.

Disney went out to New York to negotiate another new deal with Mints.

With Oswald doing so well, he thought he had great leverage to negotiate more money.

Mints saw it completely differently.

It was Mints who had negotiated the national distribution deal with Universal Studios, so he was the reason that people were seeing Oswald.

It was Mints who actually owned Oswald because of some smart drawing up of contracts, so he owned the intellectual property.

It was Disney's animators who were actually drawing Oswald.

Disney himself had stopped being an active animator a short time previously.

So in Mints' eyes, he's looking at this and saying, okay, I'm doing the distribution.

Walt's cartoonists are doing the actual drawing.

Walt himself is just a middleman.

He's a subcontractor.

And so Mints went around Disney and negotiated employment deals directly with some of Disney's animators.

Disney couldn't believe it.

When he hears this, he says, no way, and he calls to see if it's true and it's true.

They had negotiated contracts with Mints himself, essentially cutting Disney out of his own animation.

Mints was stealing Oswald essentially from Disney as the way that Walt saw it.

And so Walt, he goes out to New York to renegotiate a new deal with Mints and to get more money because Oswald, the lucky rabbit, is doing so well.

Instead what he finds is that there's a trap laid for him.

He essentially gets ambushed and not only does he not get a new deal, but he essentially gets his character and his company and his employees stolen out from under him.

And Mints is kind of a jerk to him.

He treats him rudely and basically treats him like he's a nobody.

And so by the time that Walt took the train back to New York, he was essentially at ground zero again.

No cartoon character, no deal, no employees, essentially no company.

And like I said, he had a buoyant personality, but that can only go so far and the failure really did get to him.

His wife Lillian said that he was, quote, like a roaring lion when he first got on that train.

He fumed about his treacherous crew, these, these ungrateful animators and also about Mints and how he'd betrayed him and ambushed him.

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But he also let it motivate him.

He wasn't just going on tirades.

He starts sketching and immediately he's thinking, okay, I need to come up with a new character to replace Oswald so that Mints can't have the last laugh.

I can show that it was actually my creative genius.

I might not have been the one who always drew Oswald, but I thought up Oswald and he was my character.

So Disney's got nothing, but he does have this sketch pad and he's sketching out all these new characters, all these ideas for new characters.

And he comes up with a story, a story of a little mouse who inspired by Charles Lindberg builds himself a plane in order to impress a lady mouse.

Walt's wife loved the story, but she hated the name.

He had named him Mortimer Mouse.

Well, Walt asked her, what do you think about the name Mickey?

I'm going to leave the story off there.

Obviously, this is a pivotal turning point in Walt Disney's career, but I'll save that for part two.

But for now, let's take a look at a few of the things that made Walt successful.

The first was his unshakable optimism.

It's true that Walt could get down and depressed when bad things happened, as anyone would.

And he could also have a temper, not just down and depressed, but he could fire off and he could yell and he could get mad.

But in either case, he always bounced back extremely quickly and generally kept an extremely optimistic attitude and believed that things would work out no matter what.

This was important because if you've been keeping track, he basically hit rock bottom and had to start over three different times.

He was also extremely charming and a great salesman.

Charm is one of those things that is very difficult to define.

It's difficult to express how one develops charm.

But I found one note on how he was charming and I found it really interesting.

He gave the impression that he took a deep personal interest in whoever he was speaking with.

People said that when they spoke to Walt, it felt like he turned his entire attention toward them and was really intensely focused on them as a person.

And I found it interesting because charming people are always described that way, that they lock their entire focus on you when they talk to you.

I've heard people describe that same phenomenon when talking about Steve Jobs, Napoleon, Donald Trump, Bill Clinton, and even Saddam Hussein.

It's very mixed company, but every single one of them was a very charming person and Walt had that same superpower of turning his focus on you like a laser and thereby charming you.

Some part of that is innate, but it seems that Walt also worked at it.

He developed it.

And I know, you know, it's funny, Steve Jobs had this thing that he would do that he stared

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at people and people would talk about this.

It was like kind of creepy, but always got your attention that Steve Jobs would stare at you and like not blink.

And Walt had the same habit of locking on to people and when he was like focused on them, he would stare directly at them.

And so again, there's not too many hacks that you can get out of how to take over the world. Most of these things are sort of generalized strategies, but I do think that's one little hack you can take away that you can try.

If you are trying to influence someone, charm them, focus on them, try just doing the Steve Jobs stare, just really intently stare.

And it does tend to, at the very least, break up the normal flow of conversation and get them to really focus on what you're saying and become interested in the conversation and where you're trying to take them.

Speaking of focus, Walt had this incredible ability to concentrate all of his energy on one task or one skill at a time, whether he was learning the basics of cartooning or learning the ins and outs of cell animation, Walt's ability to obsess was one of his greatest strengths. One last thing I wanted to mention is I was talking with someone the other day, someone successful in the world of finance, and this guy mentioned that he was interested in starting his own thing.

But I talked to him a second time a couple weeks later and he had decided against it.

He didn't want to start his own company.

His thinking was that he's already comfortable, he's made good money, and he wants to keep making more good money.

And there's definitely some luck that goes into being really, really successful at the top level and starting your own venture.

And he was talking about some of the other people who'd been successful starting their own funds.

And he basically said that, you know, these people, they put it all on black a few times, so to speak, and they happened to get lucky.

And they got lucky a few times and they were able to build off of that.

And he was afraid that if he didn't have that same luck a few times, he could potentially lose a lot of what he had already built.

So kind of a classic risk reward and this desire to not lose everything that you've built, which I understand.

But when I was reading Walt Disney's story and hearing about how he bottomed out multiple times, it just made me realize that if you want to reach the top, you have to be comfortable with the fact that not only could you hit rock bottom, but you probably will at some point, you're probably going to have to go through that before you get to the top.

Steve Jobs got fired from Apple, Napoleon got exiled to Elba, Edison had to watch his entire company literally burned down in front of him.

Even Putin, you know, his, his mayor that he was working for, Sobchak lost reelection and he lost everything, his political career was destroyed, he hit rock bottom.

So it's a very common thing.

So keep that in mind that you can't necessarily count on never going through that.

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But what you have to keep in mind is that it's okay.

If you fall flat on your face, if you lose everything, if you've got to start over, you're in the company of the great ones, they all have gone through that.

And you can always start over.

And at least you're in the arena.

You are competing with the chance to become the greatest.

And if you want to play it safe all the time, if you don't want to risk it all, that's fine.

A lot of people should make that decision, but you're probably not going to have a chance to be the greatest of all time.

All right, that's it for this week's episode, tune in next week to hear how Walt takes over the world of not only animation, but media and imagination.

Until then, thanks for listening.