

It's the Story, Stupid

The boom in Vegas was our golden ticket. This thought propelled me up the Strip to meet with the city's political gatekeeper, Mayor Oscar Goodman. As chairman of Mandalay Entertainment Group, I was determined to ride the momentum that had turned Sin City family-friendly. So many new residents had been drawn to Las Vegas in the early 2000s that the construction crane was laughingly referred to as the city's official bird, and all this wholesome expansion virtually guaranteed the business home run that I was about to deliver for my company's professional baseball division.

Our proposition: to build the ultimate state-of-the-art ballpark in the entertainment capital of the world. Our agenda: to elevate our sports entertainment business onto the national stage. Our success hinged on my ability to persuade Las Vegas's chief politician to lead the campaign for a municipal bond to fund this multimillion-dollar civic project. But since this huge, iconic city currently had *no* quality professional stadium, let alone the kind of cutting-edge venue that was Mandalay's specialty, my proposal had to be a no-brainer for the mayor. Or so I thought.

Mandalay Baseball at the time owned five professional minor-league

franchises across the country, including Single-A, Double-A, and Triple-A teams, and our partners included basketball superstar Magic Johnson; Heisman Trophy–winner Archie Griffin; and Tom Hicks, owner of the Texas Rangers. There’s nothing minor about the business of the minor leagues, which attract more than 40 million fans each year, and our profits validated that. We had an established track record of attracting public money, winning local support, and building top-of-the-line stadiums. Recently we’d acquired the Las Vegas Triple-A franchise of the legendary LA Dodgers. Now we wanted to elevate this franchise by moving its location from Cashman Field, the outdated university ballpark where it currently played, and building the twenty-first-century world-class stadium that Las Vegas’s home team so richly deserved. As I arrived at the mayor’s headquarters, I thought, *OK, let’s play ball!*

Even though I was late, the mayor made me wait. Goodman was a shrewd wielder of power. The decor of his anteroom let you know you were dealing with somebody in show business—he showed you his business wherever you looked, from the replica of the iconic Las Vegas sign that read, WELCOME TO FABULOUS MAYOR GOODMAN’S OFFICE, to the glass display cases crammed with more awards and tchotchkes than I could count. There were photos of Goodman with everyone from President Bill Clinton to Michael Jackson and actors Tony Curtis and Steven Seagal. I even noticed a pair of Muhammad Ali’s boxing gloves.

Every detail of that office screamed, *Major League!* If only I’d paid attention.

Finally the mayor was ready for me. But before I could get a word out, he peppered me with talk about the movies I’d produced, executive produced, or supervised, especially the two—*Rain Man* and *Bugsy*—that were made in Vegas. He asked if I had any plans to make another film in his fair city. Then he quoted the box office numbers that had lifted *Batman* into the stratosphere. I took all this foreplay as proof that Goodman was the perfect audience for my perfect pitch.

I told him I’d come to deliver box office success for Vegas—this time

not through movies but through baseball. As proof, I reeled off the data that I was sure would mesmerize him: figures proving Mandalay kept design and construction costs down, quality up, and completion on schedule. Our most recent stadium, built for our Single-A Cincinnati Reds team in Dayton, Ohio, featured amenities such as upper-deck seating and luxury suites, making it unique among minor-league ballparks at the time.

I gestured toward the window view of cranes marching across the desert. "All those new hometown fans in Las Vegas deserve a legacy team and ballpark of their own."

The mayor considered this statement. Then he asked, "Can you deliver a major-league team here?"

Had someone dubbed the word "major" into his mouth? He'd stopped listening the instant I said "minor-league," but I was so caught up in my facts and figures that I thought he was just confused. "This is professional baseball, all major-league affiliates," I assured him. "You'll be able to ride on the back of the most storied team in pro history—the Los Angeles Dodgers."

He shook his head. "We're overdue for something really, really big."

"What I'm proposing is huge," I insisted. "In the years since our stadium opened in Dayton, we've sold out *every single game*. That's an unprecedented phenomenon. And we intend to surpass it here."

Goodman shot me a cold squint. "This ain't Dayton, kiddo."

Even though I met with the mayor several more times, bringing him to my home in Los Angeles and presenting him with several more decks of killer data, my efforts only proved that you never get a second chance to make a first impression. And I never even made it to first base with my "guaranteed" home run.

This failure haunted me. How had I managed so decisively to turn our winning odds to a loss in Vegas? The metrics certainly weren't to blame. Not long after striking out with Goodman, a car dealer out of Detroit named Derek Stevens attended a game at Cashman Field and was excited by exactly the same vision we'd had, that of building Las

Vegas a professional ballpark. Good luck! We sold him our Las Vegas Triple-A franchise for a then record price, making a handsome profit for Mandalay. But my business goal had been to turn Vegas into the engine that would lift our company to the next level. The economic windfall was little consolation. I'd lost the game I came to play.

Failure, however, is an inevitable cul de sac on the road to success. As we began crafting a new strategy, one of my Mandalay colleagues remarked, "We'll have to change our story."

And that's when the lightbulb turned on: *Ahha! You forgot to tell a story, stupid!*

I'd thrown a powerful barrage of raw facts at Goodman—data, statistics, records, forecasts—but I didn't organize them in any way to engage his *emotions*. No wonder he hadn't swung at my offering!

"Stupid" was right. I'm in the entertainment business! If anybody should know the strategic difference between a data dump and a winning story, I should. I'd produced dozens of films and television programs. Before starting Mandalay, I'd been studio chief at Columbia Pictures, co-chairman of Casablanca Record and Filmworks, CEO of Polygram Pictures, and chairman and CEO of Sony Pictures Entertainment. My core business was telling stories to move people! Furthermore, as a full professor in the UCLA School of Theater, Film and Television, I'd taught just about every possible aspect of this business to graduate students of film, business, and law, and the number one lesson was to distinguish a data dump from a well-told story. How many times had I pounded into them all the things that stories are *not*? Stories are *not* lists, decks, PowerPoints, flip charts, lectures, pleas, instructions, regulations, manifestos, calculations, lesson plans, threats, statistics, evidence, orders, or raw facts. While virtually every form of human communication can *contain* stories, most conversations and speeches are not, in and of themselves, stories.

What's the essential difference? Non-stories may provide information, but stories have a unique power to move people's hearts, minds, feet, and wallets in the story teller's intended direction. Come to think of it, if it hadn't been for the *story* I told to move my listeners in Dayton, I

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wouldn't even have had all those metrics to prove Mandalay's process to Goodman!

Initially, Dayton had seemed as much of a long shot as Vegas had seemed a sure bet. Ohio's media had suggested that the rundown city center was an irredeemable blight on the landscape and not worth a dime of investment. Few of Dayton's officials thought suburban fans would venture downtown after dark, and the urban dwellers supposedly couldn't afford the luxury of a ball game. Besides, the press insinuated, those two cultures would never mix. But we shaped the perfect story to turn those attitudes around.

We told them the core tale of *Field of Dreams*, in which Kevin Costner's character, Ray Kinsella, was perceived as out of his mind for building a ballpark in the middle of a cornfield. Instantly, I had their attention. Then I ignited their imagination by portraying our new stadium as the catalyst for a rebirth of the city's center. "If we build it," I told them, "they will come."

Our story had even the naysayers believing that our stadium really might bring commerce back into the downtown area. Together we really could create the kind of wholesome family entertainment experience that was Mandalay's specialty. And if we succeeded, this would give the city a unique new story and brand.

We told the same story—that we were building a real-life Field of Dreams—to persuade Magic Johnson and Archie Griffin to invest in the project. Then we kept telling the story together until Dayton's civic leaders sponsored a municipal bond just like the one I'd needed in Vegas.

It would have taken a totally different story, of course, to drive home our Vegas proposition to Oscar Goodman. Although I failed to realize it at the time, Vegas was beginning to shift its brand from a family-friendly city, for which family-friendly baseball was a perfect fit, to "what happens in Vegas stays in Vegas." So even if I'd realized my story could be a game-changer, I'd have had to tell Goodman a tale that delivered the majors with an R rating! Sadly, I never told him *any* story, let alone the right one! Of all people, I should have known better, and yet I still defaulted

to the standard operating procedure of American business, relying solely on talking points and financial models. The numbers were so good, how could Mayor Goodman fail to be wowed?

He didn't fail. I did—several times over. I failed to grasp my audience's interests. I failed to listen to my audience. And I failed to tell him a story. How could I have been so clueless?

I wondered . . . Could the reason be that I'd aimed for Goodman's head and wallet instead of his heart? In the movie business this would be strategic suicide. Miss the audience's heart as a filmmaker, and the only wallet that gets hit will be your own. That's because the heart is *always* the first target in story telling. But my Vegas strikeout suggested that this rule went beyond show business. What if reaching the audience's heart was critical to winning in *every* business?

COULD TELLING TO WIN BE YOUR GAME-CHANGER?

In my life I've experienced tremendous success across diverse ventures and industries, but I've also had a boatload of professional tip-overs, economic mishaps, managerial disasters, and creative flops. I've backed products that left my bank account empty and my garage full of unsold inventory. I've started music companies that were off-tune and bought the Las Vegas Thunder, a pro hockey team that then went on to a five-year profit-losing streak with an audience that didn't give a puck. My movies weren't all boffo, either. Folks tried to walk out on *The Bonfire of the Vanities* even when it was shown on planes, and I certainly had my ups and downs at Sony. These losses were financially and emotionally painful—and often highly public. And my many successes only made the failures that much more confounding. For years I wondered, was I ruled by dumb luck? Or was there a game-changer that would enlarge my target, sharpen my trajectory, accelerate my momentum, and shorten the distance to my goal? Wouldn't it be terrific if this game-changer also increased the joy of

the enterprise? If somebody invented a technology that accomplished all this, they'd make a fortune!

After my loss in Vegas, it occurred to me that everybody in business shares one universal problem: To succeed, you have to persuade others to support your vision, dream, or cause. Whether you want to motivate your executives, organize your shareholders, shape your media, engage your customers, win over investors, or land a job, you have to deliver a clarion call that will get your listeners' attention, emotionalize your goal as theirs, and move them to act in your favor. You have to reach their hearts as well as their minds—and this is just what story telling does!

What if purposeful story telling was the game-changer I'd been looking for all along?

I'd taught for more than thirty years that stories teach, model, unite, and motivate by transporting audiences emotionally. Many of my films, including *Rain Man*, *Gorillas in the Mist*, and *Midnight Express*, delivered purposeful calls to action that went far beyond entertainment. Because audience members were emotionally moved by each film's central message, they passed that message on to others by telling and retelling the story of their own experience of the film. And that word of mouth moved millions more as the story traveled orally around the globe. Each of these retellings extended the reach and impact of the original story, but each new teller also turned that story into something new and different by adding his or her own emotion to it—proof that you don't have to be a professional to tell a moving story. Anyone can do it, and everyone does do it!

I got more and more excited as I began to see telling to win as the secret sauce for success. You don't need a special degree to tell the story of your company, brand, or offering and make it a powerful call to action. You don't need money or privilege. This really is a vital skill that's freely available to anyone! Moreover, telling stories is a source of joy as well as success. It's like a guilty pleasure that's also lucrative. What could be better?

But if this was so, how could I possibly have failed to see the strategic importance of telling to win before in my career? Or had I? Was it

possible I'd benefited from this art without even realizing it? Suddenly I felt as if lightning had struck.

IT WAS THE EARLY 1990s. I'd been named CEO of Sony's then-recent acquisition, Columbia Pictures Entertainment. This multibillion-dollar global media conglomerate was a later incarnation of Columbia Pictures, where I'd served as studio chief twenty years earlier, so at first this new job felt like a homecoming. But it wasn't long before I realized the company had lost its center.

For years before Sony came along, Columbia had been in the going-out-of-business business, with all divisions greased and oiled for sale to the highest bidder. Although the biggest revenue generator in the film industry at the time was video, Columbia and TriStar's video distribution had been sold to RCA, which was then acquired by General Electric before my arrival. The loss of that asset was a drag on company morale and productivity. And there was no unified direction or vision connecting the various surviving divisions. The assets of Sony's acquisition included two film studios (TriStar and Columbia Pictures), global television operations, and the Loews theater circuit. Its executives were spread among rental facilities from coast to coast, with the studio's production and management teams occupying the once-great but now dilapidated MGM lot. The lion on the sign at an adjacent building MGM still owned seemed to be pondering our future.

Not only were our new Japanese owners 7,000 miles and a major culture gap away, but recent history had shown that any time a foreign corporation such as Sony bought an American entertainment enterprise, the For Sale sign was bound to go up again before long. With our revenues in free fall, many of Columbia's veteran executives had taken their profits as shareholders from the sale to Sony and were now looking for more robust opportunities elsewhere. Since Columbia was no longer public, we couldn't even offer stock to incentivize them to stay. My only prayer of

succeeding was to find some other, more creative way to persuade *both* Sony and the disparate, disgruntled but talented band of executives I'd inherited to unite and play for the future. But how?

This was the question consuming me when I was summoned to the phone late one afternoon from a financial PowerPoint presentation in the bowels of the historic Thalberg Building (named, of course, for Irving Thalberg, the hugely successful MGM studio chief of the 1920s and '30s). These were pre-cell phone days, and the nearest telephone was in a basement storage room, but since the call was from my Japanese colleagues, I settled in for the duration. Unable to concentrate on the halting Japanese-English discussion, I was flipping distractedly through some framed movie stills stacked against the wall when suddenly a photograph of Peter O'Toole in a flowing white robe caught my attention. I recognized the image from one of Columbia Pictures' most cherished films, *Lawrence of Arabia*. In the scene, Lawrence was pondering an eerily familiar challenge: *How do you unite a disparate group to fight for their future when none believe they can or should work together?*

O'Toole's character, T. E. Lawrence, was a British military officer and expert in Arab affairs during the early 1900s, when Britain's rival, the Turkish Ottoman Empire, ruled Arabia. Lawrence realized that the only way to expel the Turks from the region was by uniting the Arab tribes against them. But the tribes all had different values, beliefs, and rules. And Lawrence, as the representative of another foreign empire, was considered suspect. The Brits in Arabia at the time were the equivalent of the Japanese in Culver City—tolerated but hardly understood. Nevertheless, Lawrence believed that if he could convince the tribes of their own power to achieve the impossible by acting together, they would unite as one. His epiphany: "*Aqaba!*"

Aqaba, the heavily fortified port city at the tip of the Arabian Peninsula, was protected on the north by the seemingly impassable Nefud Desert. Certain that they could never be attacked from the desert side, the Turks had fixed all their gun emplacements to face the Red Sea. But Lawrence's plan was to do the impossible: march across the desert to

surprise the Turks from the rear. “I’ll do it if you will,” he challenged the tribal leaders.

And they did. By charging Aqaba’s undefended back, they crushed the Turks and shared the gold and glory. The story of that miracle was then told and retold across Arabia and around the world, turning an obscure battle into an immortal legend. This magical tale of accomplishing the impossible became the catalyst for a new world order.

Could this be the answer I was searching for? I quickly concluded my phone call and screened the whole film. Yes! This story might be perfect to inspire the people of this company to reclaim its storied heritage and profitability.

I began by telling the Aqaba story to our employees at our huge annual Christmas party. I showed them that seminal picture of Lawrence and gave Lucite-framed copies of the photograph to selected executives as a reminder of our mission.

“This is who we are,” I told them. “We’re a disparate group of businesses but we’re one tribe. We need to believe we can make the impossible possible.”

As Columbia’s new mantra, the story of Aqaba traveled virally among the employees. It helped reverse the organization’s mind-set, reshape attitudes, and frame our collective state of the heart. Lawrence’s story prompted our tribe to envision an integrated future that would engage Japanese resources and prevent their retreat.

Now I had to spur my audience to action, aligning hearts with feet and wallets. Story was the call to action, the game-changer, but this was just the beginning. We had to take this story and run with it—*on to Aqaba!*

Our first order of business was to establish a base of operations as tangibly significant as Aqaba had been for Lawrence’s tribes. In keeping with Sony’s mission to build a state-of-the-art entertainment and technology empire, we invested \$100 million to convert and expand our dilapidated Culver City lot into a cutting-edge headquarters that would showcase Sony’s full technological prowess and accommodate our entire tribe at a single location.

Then we raised the flag of unity. We bought that adjacent building, took down its leering MGM lion, and replaced it with Sony's insignia. This announced to all comers that Columbia and Sony were one. And since Sony's highly protective Japanese board never would include us under their globally renowned brand unless they considered us part of *their* tribe, the display of this logo also secured our new owners' commitment to our employees. The executive exodus reversed. Soon we'd persuaded Sony to rename the company Sony Pictures Entertainment. We bought back the video library from Jack Welch's GE and placed the Sony trademark as a unifying imprimatur on each video—and everything else we owned or produced. And by integrating Sony's cutting-edge SDDS sound and IMAX systems into gleaming new multiplexes in New York City, Chicago, and San Francisco, we gave our fading Loews exhibition circuit a radically successful makeover as Sony Theaters.

With the tribe now pulling together, our studios began to accomplish the impossible, releasing a string of hits that included *Philadelphia*, *Sleepless in Seattle*, *Terminator 2*, *Groundhog Day*, *A Few Good Men*, *A League of Their Own*, *Boyz n the Hood*, and *Awakenings*. Columbia and TriStar's films received more than one hundred Oscar nominations, the highest four-year total for a studio in film history at that time, and in 1991 earned an industry best domestic box office market share.

The net result of all these changes is that, while Sony's rival Matsushita controlled our Hollywood competitor Universal Pictures for only five years before pulling out, Sony has stayed the course. Though I left in 1995, having faced both success and failure, Sony Pictures Entertainment today has morphed into an American company with its world headquarters still in New York City and a non-Japanese CEO, Howard Stringer. It generates annual sales of more than \$7 billion, and its motion picture library of more than 3,500 films continues to grow.

As we made our incredible journey, I would check in regularly with the executives who'd come together to achieve our Aqaba-like victory. There in their offices, among the pictures of their families, sat the photo of O'Toole as Lawrence of Arabia. There was no doubt that this story

shaped the direction of our company. How? By moving every member of our tribe to *feel*—and therefore believe—that by pulling together we all could gain in security, opportunity, achievement, and pride.

I REALIZED IN RETROSPECT that my experience at Sony demonstrated that the face-to-face telling of the right story in the right room at the right time and in the right way can galvanize listeners to action and reset the teller's success trajectory. That should have made me an apostle for the art of purposeful story telling twenty years ago! Yet throughout the first two acts of my career I'd generally succumbed to our culture's dominant assumption that hard business decisions are governed exclusively by numbers, tactics, concepts, raw data—"hard stuff." Only now, in my third act—as I considered Aqaba in light of the role that purposeful oral story telling had played in Dayton, and in Vegas by its absence—had I gained the perspective to become a believer.

Still, I needed more evidence than these few experiences. Had my friends and colleagues also found telling to win to be a game-changer? Was this tool of person-to-person story telling equally powerful across all industries? Were there perils to beware of? My mission was not to conduct a scientific study or write a linear account of my career. My interest was in discovery, not chronology. But I did want to see if the evidence supported my view of the power of oral story. And I wanted to decode the seminal elements of this power. Then other business professionals could benefit in their Acts I and II from what I was only learning in Act III.

I began by traveling backward and forward in time, searching for other stories I'd told in the course of my own career, and scrutinizing the reasons and ways they had or hadn't worked to leverage success. I also reviewed the stories that others had told to instruct, persuade, or motivate me. How and why had they been effective? What had given these stories their power? What could I learn from these recollections?

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I was stunned to discover how clearly I still remembered these stories, in some cases after forty or more years! The precise dates and circumstantial details may have blurred in my memory, but the stories themselves remain resonant, clear, and actionable. That alone is a tribute to telling to win!

Next I turned to other business leaders—especially those *outside* the entertainment business—to find out how my epiphany resonated with them. My personal and professional network spans a wide variety of industries and academic fields, and includes many of the most successful people in America. So I began, like a detective, engaging friends and colleagues in conversation about the stories they'd personally told—or personally been told by others—that influenced their careers. I listened to their tales, asked what they thought had made these tellings resonant and actionable, and informally gathered their insights. I also hosted a series of conclaves at which experts in psychology, narrative medicine, and organizational story telling shared their research and perspectives. I invited these and other experts to my UCLA classes to speak to the following questions: Was purposeful story telling a vital success tool that many in business mistakenly ignored? If so, what were the keys to telling to win, and how were they best employed? Where exactly did the desire to tell and listen to stories come from anyway? And could telling to win help anyone to succeed, or did it take special talent?

If the answers to these questions showed I was right about the strategic power of oral narrative, then this game-changer was bound to make business a lot more fun, interesting, and rewarding—and a whole lot less painful. But there was one burning question that needed to be answered before any of the others . . . What exactly *is* a story?

aHHa!

- Move your listeners' hearts, and their feet and wallet will follow.
- Data dumps are not stories—dump them, don't tell them!
- Story isn't the icing on the cake, it *is* the cake.
- Don't leave home without it . . . your story, that is.