

Bob Iger, Disney CEO and hero for the second time?

Bob Iger, the legendary CEO of Disney, is making his comeback at the head of the company. Comforting for Wall Street, Hollywood and the fans, however, he arrives with a mountain of problems to manage. And no one can say if he will succeed in crossing the mountain that stands before him.

By Philippe Boulet-Gercour

On November 20, 2022, at the foot of the Disneyworld roller coaster, at Marvel Studios, or behind the cameras of ESPN, the clamor went up, unanimous: "Papa est de retour!" After passing the CEO baton less than two years ago to his successor Bob Chapek, Bob Iger was recalled to the helm of Mickey's empire, after a cataclysmic interlude: in one year, the stock fell by 60%. Goodbye Bob, hello Bob!

So here he is again, back on his feet, up at 4:15 in the morning, still in shape, tanned, smiling. If we asked chatGPT to imagine a Disney CEO, he would probably look like Robert Allen Iger. But who is he, exactly? And does he have a chance to pull off the comeback of a lifetime? The second question divides corporate America fiercely. Those close



Less than two years after hanging up the gloves, legendary Disney CEO Bob Iger returns to the helm of the entertainment giant, with a mountain of trouble to solve in a rapidly changing world.

to Iger and those who admire him have no doubt: he's the man for the job. "So his coming back is kind of like returning to Mount Rushmore, seeing your face chiseled in stone on the side of a mountain," notes Lloyd Greif, a prominent Los Angeles investment banker who knows the CEO well. "And until he makes some difficult decisions that could lead

to some painful cuts, he has the advantage of hitting the ground running with a loyal management team and an opportunity to rebuild the esprit de corps and morale. Bob's a comforting presence; it's like having the old captain return to once again put his hand on the tiller."

"He came back as a general, like Steve Jobs, Michael Dell

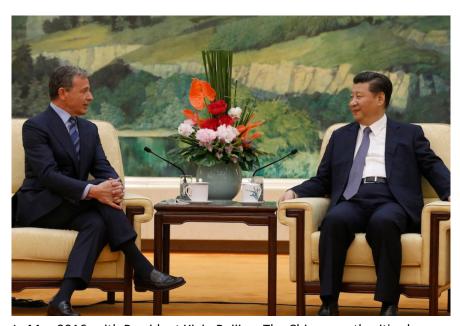


In 2001, with Michael Eisner (left), in Burbank (California). Four years later, the second will replace the first as the head of Disney, and will quadruple its capitalization in fifteen years.

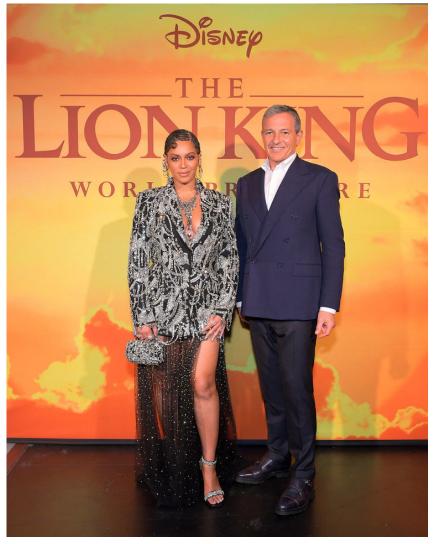
or Howard Schultz [head of Starbucks, Editor's note]," notes Jeffrey Sonnenfeld, a Yale University professor specializing in CEO leadership and corporate governance. "These are examples of where it has worked well. No one has more legitimacy, more authority, more power to change things in a big way than a general making a comeback, because no one around him is questioning whether or not he understands what made the company in question great."

Others are more skeptical. There are plenty of examples of failed CEO returns, from Jack Dorsey (Twitter) to Jerry Yang (Yahoo!) to Ken Lay (Enron). "Putting Iger back in

charge is a bit of a fantasy, based on nostalgia for a return to the golden age," says Paul Verna, an analyst at Insider Intelligence. "I don't think it will be easy to repeat the feat: the difficulties Disney faces are multiple, the streaming sector in particular, on which all the attention is now focused, is very fragmented and competitive." Activist investor Nelson Peltz, for his part, is not intimidated by the aura of "Daddy" Bob. Having amassed nearly \$1 billion in Disney stock, he is a vocal critic of past mistakes, demands a seat on the board and wants to see a new CEO named within two years. "Peltz is very persistent, and his activism flies in the face of the idea that the conquering hero Iger is back: suddenly there's someone raising a lot of grievances and getting attention," Verna notes.



In May 2016, with President Xi, in Beijing. The Chinese authorities have banned the broadcast of American productions in China for a prolonged period. In the three and a half years preceding February 7th, 2023, Black Panther: Wakanda Forever is the first Western film to be distributed there.



In July 2019, with Beyoncé, at the release of The Lion King in Hollywood. The boss, loved by the creative community, had convinced the artist to lend her voice to the lioness Nala.

In his office at Disney headquarters in Burbank, Iger must be smiling as he listens to this praise and doubt. He's been there before. On March 12, 2005. On that day, Iger, then Disney's No. 2, still doesn't know if he will ll be named CEO to replace Michael Eisner. To kill time, he takes his two sons to a park for some football passes: William, the youngest, and Max, whom his father almost named Mickey for the love of the baseball player Mickey Mantle, before realizing that it would be weird now that he was working at Disney. Iger is admired, no doubt about it. Since starting at ABC in a menial job, the Brooklyn boy who grew up in a middle-class family in Oceanside, East of New York

City, has risen steadily through the ranks. Interpersonal skills, nerves of steel, impeccable skills... Yes, but, how to put it? Some people think he lacks a spark, a bit of magic. They nickname him "The Suit".

The rest is history. After his unanimous appointment by the board of directors on that March day in 2005, Iger would become one of the most famous CEOs of modern times. In 15 years of his reign, the group's stock market value increased fourfold, profits more than tripled, 70,000 new jobs were created, and 27 of the 50 biggest-grossing films in the history of cinema were produced. All this was punctuated by a flurry of acquisitions: Pixar (2006), Marvel (2009), Lucasfilm (2012), 21st Century Fox (2019) and a few others. Colossal deals, often considered imprudent at the time. For example, he was criticized for paying Marvel too much, while the superhero universe is now Disney's golden goose. And when Iger made Disney dive into streaming with Disney +, in late 2019, analysts underestimated its success, betting on 60 to 90 million subscribers worldwide by 2024. There are already 164 million of them.



On January 13, 2023, flanked by Steven Spielberg and James Cameron at the American Film Institute Awards in Los Angeles. His obsession with content has led him to pamper Hollywood...which returns the favor.

Throughout these years, Iger has practiced a management style that we must understand, today, if we want to gauge his chances of making a successful comeback. The first asset is the human qualities. You have to hear Prof. Sonnenfeld, who knows the great American bosses well, raving about him: "Bob Iger is an incredibly charismatic and brilliant leader, with a quiet confidence. He stands out in the showbiz world as someone who has a strong sense of purpose, but remarkably little ego and grandiosity." Iger, he goes on, is unparalleled in his empathy: "He doesn't see people as pawns on a chessboard, but as human beings. He understands what their interests are and

finds common ground without resorting to jargon, doublespeak or bravado, and without trying to force people's hands."

This is true of Disney fans, who play such an important

role. Len Testa, author of several books on theme parks and owner of the theme park web-TouringPlans.com, one of the first to call for Bob Chapek's dismissal: "When you listened to him comment on Disney's financial results, he didn't talk about people, he talked about return, almost as if he were looking at things from a purely accounting perspec-Iger, tive. Whereas even though shareholders are his number one priority, understands the fans, he talks to them and cares about their opinion. When Disney bought Star Wars, he said, 'It's very important for us that people who love Star Wars continue to



In 2015, with his wife, in Idaho. Willow Bay has been the dean of the USC Annenberg School for Communication and Journalism since 2017.

love it after we buy the franchise'. Same thing with Marvel."

Second quality: an obsession with content, which has led him to pamper Hollywood. "He's particularly loved by the creative community, because they know he's all about content," Lloyd Greif points out. "He wants to win Oscars and he wants to generate huge box office - telling creators, 'You know, if you're doing well, you'll share in the wealth'." Iger would never have brought the dispute with actress Scarlett Johansson to the public arena, as Chapek did. "It wasn't so much the dispute per se, no one knows what exactly was in the contract," says Len Testa. "The problem was that Bob Chapek was willing to take the fight to Scarlett Johansson for \$20 million, a negligible amount for Disney. If you're a young actress in Hollywood, you're thinking about doing an action movie and Disney comes to you, you'll look at how they treated Scarlett Johansson and say, 'Maybe I'll go work for Sony instead'."

Iger's third strength, which may be his most valuable now that he's back at the helm: a desire to innovate. It's even his favorite motto: "Innovate or die". When he decided to launch Disney+, he knew it would cannibalize and kill Disney's traditional forms of business. As he confided in his autobiography, "In essence, we were accelerating the disruption of our own business, and the short-term losses were going to be significant." Now back at the helm, he will have no hesitation in abandoning deadweight or investing in new distribution channels, such as video games.

One big stain remains on his otherwise immaculate resume: his succession. He blew it, choosing Chapek, a "second choice" after other, brighter lieutenants who ended up leaving the empire, tired of seeing Iger clinging to the top. Iger left office reluctantly, and he was not a happy retiree. "For a couple to enjoy retirement," notes Lloyd Greif, "it takes two, and Willow Bay, Bob's wife, is far from retired: she's the dean of USC's Annenberg School of Communication, which is a top-ranked school. She's doing an extraordinary job there and I don't think she was ready to give up her career. Bob, on the other hand, was not fond of idleness. So, yes, I think he looked longingly at being back in the saddle at Disney."

He's going to face a mountain of challenges, and no one can say whether he'll succeed or not. One thing for sure: despite all of Disney's problems, the brand remains incomparable, unique in the minds of Americans. The proof? Florida Republicans, who went after Disney for criticizing a state anti-gay law, are, quietly... Mickey fans. Randy Fine, the elected official who sponsored a bill penalizing the group, is addicted to Disney cruises and posted an image of himself (which he has since deleted) in front of Cinderella Castle. And where did Ron DeSantis, Donald Trump's potential rival in 2024 for the White House, get married? At Disney World!

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