

**Dean's Executive Leadership Series - 2009-2010**

**Transcript of Presentation with Jim Gianopulos, Co-chair and CEO of Fox Filmed Entertainment – Part 1**

**About DELS:** The Dean's Executive Leadership Series at the [Graziadio School of Business and Management](#) features in-depth audio or video interviews with today's top business practitioners and thought leaders. [Listen or subscribe](#) to the podcasts to hear their views and insight on the current challenges and opportunities facing the business community.

#### Start ####

**Man 1:** The Graziadio School of Business and Management at Pepperdine University proudly presents the Dean's Executive Leadership Series. This podcast invites top business practitioners and thought leaders to share their view on the real world of business.

**Dean Linda Livingstone:** It's really a pleasure to welcome you to Fox Studios. And we have just a really special program planned for you tonight. I want to make a few announcements and update you on a couple of things going on in the school before we get to the main event, which will be very exciting for everyone that's here tonight.

First, I would like to, once again, thank Farmers Insurance Group for sponsoring the Dean's Executive Leadership Series, which they have done for three years, now. And we have Rakesh Mishra, Vice President of Product Research and Development, who's with us representing Farmers. So thank you so much. We also have helping sponsor and host tonight, the Katsakos family. And you all may not know them. Chris Katsakos is an alum of ours. And he and his family are very close friends of the Gianopulos'. And they are helping host tonight as well. And as part of that they are sponsoring an internship for an entertainment student at Pepperdine this summer, in honor of Jim Gianopulos. So we're going to call it the Jim Gianopulos Internship. So the Katsakos' could not be here and they regret that. But wanted to do that because of their close friendship and appreciation for Jim being here and doing this for us this evening.

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Just a couple of updates on some things going on in the school. We do have graduation on Saturday. How many people in the audience are graduating on Saturday? Are there any? I know there's a couple, who should be home studying for finals, probably, rather than being here. But it's such a great event. This is the right place to be. But we actually have an entertainment theme going this week because Ann Sweeney, who is Co-Chair of Disney Media Networks and President of Disney/ABC Television, is being recognized Saturday. And will be our speaker at graduation. So you can hear more about the entertainment industry then. It will be a wonderful day on campus in Malibu.

A couple of really wonderful recognitions for our school in recent weeks. We had a faculty member, Augus Harjoto, who is one of our finance faculty members, fairly new to the school. He was recently recognized with the Moskowitz Prize for socially responsible investing. And this is an award-- a global award that recognizes outstanding quantitative research in the field of socially responsible investing. It is given by the Haas School at Berkeley. And so we're just really proud of Professor Harjoto. And I think it really shows the quality of work our faculty are doing. And Professor Harjoto is actually-- as well-- if any of you have had him in class, an amazing teacher in the classroom as well. So we're just really proud of our faculty. And he just really represents the best in what we're doing. And that combination of really quality research and excellence in the classroom as well.

The other recognition recently that we're very, very proud of: We had a group of four of our students from our fulltime MBA program travel to Baylor University in Texas and participated in their Ethics Case Competition. And I don't know if any of the students who were on that team are here tonight or not. But they won that competition. And we've won it two of the three years that the competition has been running. And some of the other schools that were there are Wake Forest and Notre Dame, Illinois, Iowa, Baylor of course. So we're really proud of that group of students and the way they represented us there. And particularly in an area of ethics that is so close to our hearts and so close to our mission at Pepperdine.

Our next Dean's Executive Leadership Series will be after the first of the year. We have a little bit of a break until March 2 when we will be in Orange County, going south. And we'll have John Coyne, President and CEO of Western Digital with us in Irvine. And then, we will head to the north end of our Southern California Region to Malibu on March 11 with Leslie Margolin, who is President and General Manager of Anthem Blue Cross of California. So put those on your calendar, and be sure and join us for those events after the first of the year.

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Right now, I want to get to the main event for our program, and introduce you Jim Gianopulos. He is the Co-Chairman and CEO of Fox Filmed Entertainment. And he has acquired a wealth of knowledge about the media and entertainment industry during his early career as an attorney. And since then, he's skillfully applied his expertise to become one of the most powerful people in Hollywood. In fact, in 2007 one of the trade publications named him and his Co-Chair, Tom Rothman, as the two most powerful people in Hollywood. They run one of the largest and most profitable studios in Hollywood. And he has more than 25 years of applied experience in the entertainment industry, over 15 years being employed at Fox Entertainment in a variety of capacities. And he can certainly look back on a multitude of blockbuster movies, including *Titanic*, *Star Wars Trilogy*, *Slum Dog Millionaire*. My daughter, of course, loved *The Devil Wears Prada*. So a wide array of movies in many genres, but very, very successful. And so it is really my pleasure to introduce to you tonight Jim Gianopulos.

**Jim Gianopulos:** What a nice introduction. Thank you so much. I thought I would dazzle you with a bunch of charts and arrows, but I have an alternative. And I thought because Pepperdine is on the cutting edge of business and education that you might enjoy being on the cutting edge of something that-- wood is very convenient to knock. Because we don't want to ever take any-- leave anything too much to chance. But on December 18 there's a little movie that we're going to release in about 160 countries around the world. Some of this has been seen, but it is now at the stage-- Jim Cameron turned over *Avatar* the other day, on Monday, which was the end of a wonderful and long and great journey. But I think it would be best for you to experience it and to show it to you. And then, use it as a basis and as a starting point for questions. And also, for an analysis of the various aspects of the industry and the creative process that it evinces. Because, you know, if a picture is worth a thousand words, you're about to see billions of words. And I think you'll enjoy it.

Just a little introduction to the film and I think one of the things that characterizes it and makes it truly unique. I've known Jim a long time, actually about 15 years. And he had developed this idea many, many years ago. It was a scriptment, I guess you would call it. It was an extended story of what has now become *Avatar*. But the basis of the story was there. The idea is that there is a distant planet, a moon on a distant planet, on which there is very valuable material. In particular, in this case, unobtainium, as he's called it. And so the earth is mining this mineral up there.

And in order to interact with the local native population, these aliens on this distant planet, they've developed an avatar program, which allows them to create beings that in every respect are equivalent to the local native alien population. And the way that's done is that there is a-- and a lot of this-- and of course, this is James Cameron. So everything is actually well-thought-out and pseudo-scientific, but actually, with a basis in science. The idea is that these beings are created out of human DNA mixed with

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a local native DNA. And a being is created that is essentially, as I said, the equivalent of a native being, humanoid. And a neurolink is created so that as you'll see in a moment, the participant in the program is actually the mental consciousness of that person is projected into this body. And for all intents and purposes, it is that person.

The protagonist, a young Australian actor, brilliant young actor named Sam Worthington, plays a Marine who had been badly hurt, badly injured, and is handicapped. He lost the use of his legs. And he's approached, as you'll see in the first scene, by a group of government operatives who were involved in this avatar program. Because his twin brother, who was a PhD and involved in the program, was tragically killed just shortly before the film begins. And he was the only one now with the right DNA for this advanced being. So he's chosen, taken to this planet, and the story begins. The rest, I think, is pretty self-explanatory.

He comes to understand this culture, interact in particular, with a young woman. And in the end, becomes very concerned about the damage that's being done to the civilization and this culture and the nature of it, and comes to resist it. And so, you know, there's a huge epic battle, which we'll get a little taste of right at the end of these sequence of scenes. These are fully contained scenes, so this not really designed-- these are plucked out of the movie and various parts of the movie and designed to show you a couple of things. First, to tell you the story, introduce you to the characters and give you a sense of what the narrative is. Because it's a really powerful and very emotional, at times, story. And it's also a great spectacle. It's also designed to give you some insight into the nature of the technical and technological achievement that Jim has created.

Because apart from the fact that it is the most advanced form of 3D that's been done to date, the facial and performance capture that this film represents-- for those of you who've seen films like *Polar Express* or *Beowulf* or films of that nature-- where there is an effort to create a human face in a CG, in a computer-generated process, it's very, very difficult to do. And the reason for that is that-- pretty fundamental. It's that as infants, we imprint on our parents faces. We live an entire life watching and observing how people's facial muscles move, how their eyes move. How they interact when they're speaking or when they're expressing themselves. And subconsciously, there's an understanding of what's real and when something's not quite right. And so one of the great advances that Jim was able to create, and one of the reasons that he said for many years, "I'll make this movie when the technology is ready," is the ability to capture-- in performance capture these actors performing. And the way that they are conveying emotion, conveying nuance and meaning in their facial expressions. And in effect, for all intents and purposes, being real people to the audience.

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In terms of 3D, there's a poster I meant to show. I should've showed you guys while we were there for a brief moment. There's a poster in my office for a movie called *Bwana Devil*, which Jim actually gave me for my birthday. And it was made the same year I was born. And I'm not shy about it—it was 1952. That movie came out in 1952. It was in 3D, the first 3D movie. And the technology for 3D has been around for a long time, but not this technology. One of the things I think audience is starting to understand is how different and how unique this 3D technology is from what we have seen in the past. And it's different in a lot of ways. It's different because it is digital. It's different because it is much more precise. But it's also different because, in contrast to the preexisting 3D, which relied on blue and red-- I think you probably all remember those little cardboard things that slid down your nose-- this is a polarized system. And in particular with digital, what used to happen is you would have essentially two images, two projectors, displaying the two images on the screen.

In essence, digital 3D now is, because the precision of a digital projector is so great, film is 24 frames per second. That's how it runs through the little sprocket holes runs through a projector. Digitally, what is essentially happening in the images you're seeing is the projector is told to display 48 images per second. But one a left eye, and one a right eye. The glasses you wear allow your eye to see only one of those two images. And so it's a composite of those images in a way that's really an advanced form of it. Now, in terms of what 3D is, and you'll see it and experience it, I think, in a moment, Jim has been one of the big proponents-- Cameron-- of 3D cinema for some time now. And there's one very fundamental-- you know, like, many very bright people, he has this great way of speaking to, you know, normal idiots like me, in a way that it becomes very obvious. He said, "Well, we see in 3D. We experience the world around us in 3D. Why would watch movies in 2D?" Because it's, like, we see the world in color, so why would we-- I mean, sometimes, black and white has, you know, a certain expressiveness. And creatively, people can use black and white and do great photography and great filmmaking. But we see the world in color. Why would we watch it in black and white?"

And so those are the fundamentals of what he's trying to capture-- and he's not alone, he's just a little ahead of the pack-- in advancing the 3D technology, and in particular, in the form that you're about to see it. In addition, the contrast with prior 3D technology in film is that it used to be the gimmick that kept a movie franchise alive a little longer past it's sell-by date. Which was, you know, the monster comes. The return of the monster. And then, the monster in 3D. And it was just trying to eke out that last-- and the effect of the 3D was oh, the monsters thing reaches out. Well, you'll see a couple of brief instances-- because Jim actually said, "You know, the whole beauty of 3D and the value of it is not to have things poke out at the audience. Because that's an old trick." He said, "It's to take the audience and bring them into the world of the film." And so he said, "You know, I put a couple of those, you know, reach out tricks, just so they knew that I knew how to do it." He said, "But I didn't waste a lot of time on that. This is about bringing you into the movie."

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So again, what you'll see is Jake and his recruitment into the avatar program, his first encounter with his avatar. The first link when he becomes-- and his consciousness is embodied now in this new alien body form. A first encounter with one of the beasts. And by the way, one of the things that you should be aware of and keep in mind as you watch this film, there's this amazing-- and you're just going to get a little peek at an incredible world that's been created, which is a very exaggerated, completely original rainforest-like environment on this planet. But including things like mountains that hang upside down, suspended in the air, because they're magnetic. Or waterfalls, which are 1,000 feet high, or trees that are several thousand feet high and beasts that are completely original. When we first started talking about this movie, we went over to Jim's offices and it was like a situation room, but it was a creative think tank, in which the entire walls of the room, and floor to ceiling, were covered with images of flora and fauna, real world flora and fauna. So a lizard that's a very unique coloring or has a unique, sort of, head or skull structure, plants, flowers, different animals, panthers. All of which were the inspiration for the artists who created what are completely original beings throughout this film.

In addition, the flora, the environment, the rainforest environment, is entirely-- every blade of grass that you will see was made in a computer. Inspired by these images of real world and there are many exotic plants from all over the world and so forth. Inspired by the real natural world we live in, but completely created in a virtual manner in a computer. Jim was originally, I think, going to go to Honduras. And there was some talk about going to some of the jungle areas of Australia, and to find these various habitats. And he realized that he would have to make so many changes from what the natural habitat was to what his vision was. And he said, "You know, at a certain point, I said to hell with it. I'll just build the whole thing." And that's what he did. So without going on anymore I think it's time for you to get a little peek at *Avatar*. And then, we can talk about that and anything else that you want to talk about. Okay.

####End ####