



Instilling the Culture of Disney

Guest was Doug Lipp

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Joe Dager: *Welcome everyone this is Joe Dager, the host of Business901 podcast. With me, today is Doug Lipp. Doug has led a storied career at Disney, primarily participating and leading the training programs and Disney University. His background also includes being an integral part of the development and opening of the Tokyo Disneyland. He has been consulting, writing and speaking the Disney Way for the past 20 years and recently published a new book called Disney U. Doug, I would like to welcome you and I am honored to talk to someone so closely associated with what has to be the most famous and most successful Customer Experience training program on the planet. So, thanks for participating.*

Doug Lipp: I love it. Yes, I had a wonderful run at Disney, and I love your lead in. Thank you for inviting me to Business901 and I am more than thrilled to chat with you and all of your listeners about some of the things that I've learned at Disney University and my career at Disney and from so many wonderful legends, some of whom worked directly with Walt and all of whom worked directly with my mentor, the man who started the Disney University, a groundbreaking leader by the name of Van France. So, thank you for inviting me.

Joe: *You're more than welcome and I would have to ask you, what has taken you so long to write a book?*

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Doug: Well, let's see. I'm 57 years of age, and I started it when I was 2 years old. So, it is about 55 years in the making. Yes. To do something right, it takes a while, doesn't it. You know what's interesting is, the reason I wrote this is precisely what you said is no one outside of some of the original Disney Leadership Team and some of the folks had retired now knew anything or know anything about this guy Van France. I learned so much from him and as did so many others. It took me several years, just to kind of put my thoughts together. To be honest with you, everyone that I interviewed for the book and these were men and women that I've worked with or who were many layers above me when I was in the company or they were colleagues or whomever. Everyone said: "Gosh it's about time somebody wrote about Van. Thank you for doing that." I realized that I was in the right place when I got those kinds of comment.

Joe: *What I'm amazed about Disney is the sustainability of it. Does sustainability go back to training?*

Doug: Yes, in fact, one of the things that really resonated with me in doing this research and in looking at the organization culture that Walt Disney and Van France and so many people created was it's about the culture that leads to the training that leads to the sustainability. You keep pulling back the layers of this onion and you start to see. What amazes me Joe is how many of my clients and my consulting business will say: "Well, gosh, you were head of the training team at Disney University, and if we have all those fancy characters and all the names and all the

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fame and legacy, we would have no problem getting people to our programs and doing what we teach them in class". Then I say: "No, that's not it at all." It is about capturing people's minds and hearts. It's much more than putting a fancy name on a building and calling it the so-and-so University or calling it training program or something. What I've come to realize even more after my Disney career, Joe, is that the culture of education and the value placed on education and learning in Disney are one of the precursors to the success of the Disney University and as you mentioned that sustainability.

Joe: *Was Van France kind of the toolsmith behind this?*

Doug: Yes, he was hired by Walt Disney and some other key players about 5-6 months before Disney opened around in 1955. In the first few years, the park did very well. As well know, in fact, it was ground breaking success model that no one had ever done before. Van, and his protégé Dick Nunis who rose to be one of the Board Members of the Disney Corporation and he was the Head of the Outdoor Recreation at Disney. The 2 of them started the original employee orientation program in 1955. It wasn't until about 1962 that Van actually proposed to Walt and the park operating committee, this concept for a more robust systematic training program called the Disney University. I think that would really resonate with your listeners who are very involved in Lean, quality control and PDCA cycles because really up until the University was started it was kind of ad hoc thrown together on-boarding process for new hires. That worked when the park was small and there was I guess a population of people that knew the business and it was

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small enough that you could transfer by oral tradition. But as it got more complex, as you and I know, then you start to lose some quality.

Joe: *Well, what I always found out is when I have grown a couple of small businesses. That first growth cycle usually goes pretty well because you have that core set of people that was really good. Okay, that is what made you successful. Then with that core set, you could handle the new group. It was when you grew into that next stage that you started to find some cracks.*

Doug: Well, that's exactly it, and that's what Van France, in fact, Van left the company for a couple of years to go out and do some consulting. When he returned to the Park, the park opened in 55 and Van came back in 61-time frame. He was gone for a couple of years, and he notice dramatically that as you describe, it was occurring. He went out and did some needed assessment. Start talking to cast members, found out what needed to be changed and then he started to promote this whole idea for the Disney University as a more structured training program.

Joe: *So, is the Disney way of process?*

Doug: It is absolutely a process. It is a mindset, really. The Disney Way, that philosophy is really found in the phrase the Walt Disney started and everybody in the Disney Organization knows and it is called "Plusing the Show." Walt would say: "We have to keep plusing our show. If we ever lose them, meaning the guests, it will take us 10 years to get them back." Constantly improving, not only the processes, but

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also the people. Naturally, what is the beauty of this sustainability, you mentioned earlier, is certainly the University is about the on-boarding of new hires and training of supervisors and the soft skills. Equally important is what they are teaching in the University is alive and well in the operation's side of the business. Both the operations people and the training people are singing from the same sheet of music, which is so unusual in so many organizations.

Joe: *You attribute a lot of Disney success to continuous improvement and in the Lean world we talk about the andon cord and building that culture of continuous improvement in everyone. Is Disney that way that they drive it down to the individual level or is it more structured than that?*

Doug: Well, I think it is a combination of things. If you look at some of the tenets of what Deming talked about, Juran talked, Ishikawa talked about, I speak fluent Japanese, so I've been involved in QC circles, in fact, when I was an intern in Disneyland, my proposal was to implement quality control's circles, QC's circles in the Company. When you think about the tenets of all this Hoshin Kanri using English pronunciation and Hoshin Kanri is knowing your direction. Really, Hoshin is direction and Kanri is management and the whole concept of Hoshin Kanri is knowing where you're going. When you've got a founder like Walt Disney who says: "Keep plusing the show." When you've got a man like Van France or man like Dick Nunis who said: "Education is not negotiable. It is something that has to be in place." It doesn't mean that you don't get rid of training programs that are not appropriate or effective, but it is an idea that to the front line person, all the

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way to the senior executive, everybody has to know what exceptional quality service looks like at Disney. What I see in a lot of organizations, whether you call it Lean, whether you call it total involvement or total TQC is all too often, I see front line employees going to orientation, executives not and there's this definite class system. I think that the fundamental that Disney lives to this day and certainly there are changes from the 50's to the 60's to now for what the organization is doing is that the direction that Hoshin Kanri is most definitely in place and every cast member, whether on a crew shift, they are the resort, they were one at the theme parks, knows why they are there and what they need to do for the guests. That kind of clarity is something that is lacking in a lot of organizations.

Joe: *The book is more of a history book or does it talk about the secret sauce of Disney?*

Doug: It absolutely talks about both because the secret sauce of Disney is based on the history and so that would underscore, Joe, is that it's part of the DNA of the organization, part of the fabric of the organization. It's really for the reader, whether that the reader is a team of 2 or 20,000; whether they are for profit or not for profit, it talks about creating an organizational culture. It is not your typical how-to book. It is really an assessment when you think about what is the culture of your organization and what needs to be altered in that culture to enable that clarity and that sustainability. It is not applying tools to a machine that is totally broken. That's part of that culture that we are talking about a few minutes

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ago.

Joe: *In your work, you try to pass on the Disney way to others? How tough is that?*

Doug: It is really tough because leadership often times does not show the commitment that they need. As an example, actually the man that wrote the foreword to Disney U, Jim Cora, who retired as the Chairman of Disney International, opened up Tokyo Disneyland, he opened up Disneyland Paris. He was my boss in Japan. He was tough son-of-a-gun, but also fair. He is an example of the kind of leader that knows both the training world and the operation world, and he gave me an interesting quote, he said that: "I never cut training if it affected our show." That is huge. He knew that the show was one of the most important part of our culture. He said: "Doug, what if I'm going to frontier land and the bales of hay that are stacked, around there, to make it look good and give ambience, what if they are weeds growing out of those bales of hay? Do I go after the training team and say, 'you need to train the maintenance crew and the custodial crew to trim weeds better.'" He said: 'No, this is not a training issue; I'm going after the operations that are being too chincey to buy new bales of hay. Those bales of hay should have been replaced months ago."

Joe: *How do you go about changing culture then? We all don't have a mouse to rely on or Cinderella's castle.*

Doug: You ask the leaders to take a look at their state of their business. Is it where you

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want it to go right now? I always ask leaders to look in the mirror. If there is a culture that is leading to success, you helped create that. If there is a culture of lack of trust or of risk adverse behavior, you helped create that. You have to own that and leaders have to go out and let their teams know what kind of culture they are going to have and they are going to support both in words and in actions. I think that's was lacking. You own these wonderful posters that say: "Our employees are our number 1 assets" or "Customers are number 1", but in reality when you interview and do need assessments with middle managers and frontline employees, the opposite is so true. They don't feel valued and customers feel ignored.

Joe: *Well, in the training that I've received from Disney, it was very much about storyboarding. Is it that way at the University?*

Doug: Well, I think when you're blue-skying something, you need this storyboard, you need this mind mapping, there are numbers of techniques that can help people get out of the linear thought process if that's limiting their creativity. But what I find even more important than the actual tactic or process of mind mapping is having a leadership team and it doesn't have to be at a C level, it could be supervisors, it could be managers that balance both ends of a creative spectrum. You've got the dreamers and you've got the doers. You've got the dreamers who were thinking of new stuff and they are always thinking outside of the box and at the other end of that continuums are the operations mindset. People who are saying: "Yes, that's a great idea but now we have to make it work in a factory."

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Now, we have to make it work at an operational level and we have to be able to sustain that." What I see in the team set really hit it out in the part, Joe, are the ones who have those dreamers and doers in place. It could be multiple people that represent that. The teams that don't survive are the ones that are heavily skewed either towards the dreamers or the doers and they don't have that balance or that creative tension that keeps you on a straight and narrow.

Joe: *I always remember that Walt Disney kind of fit someone in between them, to balance them. It was the realist wasn't it?*

Doug: Well, that's an interesting point. I interviewed Martin Sklar for Disney U and Marty, of course, is the retired Vice-Chair of Imagineering and he said working with Walt was an amazing opportunity in his career, 50 plus years at Disney. This is Marty's quote: "Walt Disney had one foot in the past and one foot in the future." So, remarkably he was able to kind of bridge that. Certainly with his brother Roy, who is more of a doer mindset, they had that wonderful balance. Once, Walt passed away, we kind of lost that creative spark and we spiraled and ultimately as you know, we almost lost the Company in 83 because of the lack of taking risks and staying ahead of the curve. We were well behind the S-curve on creativity and growth. So, generally, you do not find in one person the ability to be a dreamer and doer.

Joe: *What have you learned along the way now that you've stepped back from Disney. What are some of the positives and the negatives of Disney that now that you've*

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stepped back from it?

Doug: Well, one of the things that I learned especially when writing Disney U and revisiting my roots in the company and meeting with so many leaders that helped create this culture. One of the benefits of the Disney culture that Walt started was, learning and having fun go hand in hand. In fact, there's a great quote from Walt that says: "When the subject permits, we let fly with all the satire and gags at our command. Laughter is no enemy to learning." That's one of the things that I incorporated with a lot of my consulting is all look at curriculum and I will say, this is good stuff at a cognitive level at a knowledge level, but it is boring and nobody is going to remember it. The other thing that I realized Joe is the importance of that cultural DNA and what Walt and Van and Dick and so many of these founding executives created was the ability to say: "You know what, this is a lot more than slap on a coat of paint on a building that's run down. We're going to make sure that the foundation of that building is set in stone and then we will play with what color of paint we are going to put on it, metaphorically."

Joe: *Well, you also are very active on the speaking circuit. I'm inquisitive what started you down on that direction?*

Doug: I'll tell you what, I saw a guy, to be honest with you, a guy speaking about Disney who was not a Disney guy. This is years ago and his content was either widely available that anybody could read or it was completely inaccurate and I thought: "You know what; I could do a better job than this guy." My wife said: "Why don't

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you do it?" I put together a proposal for one of the largest speaking bureaus in the Country. Sent them a tape and they liked it and that was kind of the beginning. The lesson that I referred to in a lot of my presentations in my private consulting are extensions of what I write about in Disney U. I have an active blog on my website and I tweet a lot as you do and we all do. There are a lot of ways to share the information and occasionally, I'll do seminars that are open to industry or it might be an industry of healthcare professionals. But I haven't done a purely public seminar in about 5 years.

Joe: *You've also written several other books, I believe.*

Doug: I wrote a book based on my passion on cross-cultural teamwork. I wrote a book called "The Changing Face of Today's Customer" about 8 years ago and in that, I talked about the globe is shrinking and the question is, is your business expanding? Even in the United States, even if you do not have an international footprint, international has come to you. You've got more multi-national, multi-cultural employees as well as customers and the opportunities are tremendous for people to tap into the needs of linguistic or cultural minority customers and employees. Give them what they need or want and build your business exponentially.

Joe: *In Lean, when people tried to instill Lean in their practice, the argument always comes back that it is a cultural thing and leadership fails. You sound like that's the way you believe. You've got to change the culture and leadership has to buy into*

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it. How do you go about changing the culture? That seems like a long drawn out process?

Doug: It is and, unfortunately, in most cases, I don't see change in culture occurring until an organization is brought to its knees. Most of us individually don't like to change unless we are forced to do it and why would an organization be any different? That is the biggest challenge that I see in my consulting work. The only thing that I can do, Joe, is to lay out what I see as a consequence for the leadership team if they don't enact some change, whether it's Lean, whether it is whatever it is. Absolutely, the cultural change or the maintenance of culture, always, always, always starts at the top and whatever they are saying or doing is magnified as it goes through organizational hierarchy. If the leadership isn't willing to constantly monitor this and live and breathe what they're talking about, then whatever the initiative is going to be, whatever the change is going to be, will not have legs and will not be sustainable.

Joe: *Is that what basically makes Disney different?*

Doug: I think so. I think so, because again, the idea, for example, something is simple as education, as I mentioned earlier, Jim Cora's that I'm not going to eliminate training if it affects the show. Walt Disney created his own training school for animators because what was being taught in art school back in the 30s wasn't appropriate. He brought in luminary speaker's visionaries such as Frank Lloyd Wright into the Disney studio to give a presentation to his animators. You can see

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that for decades, the value of education is there. In fact, one of the things that Van France highlighted and I speak, especially about in Disney U, are the four circumstances or the four values that he feels are the essence of the Disney culture. He talks about innovate. Being willing to take risks and think outside of the box. Innovate is huge and then you have to have organizational leadership support. Innovate, unabashed leadership support. So, for example, in Disney, Dick Cook was up until a couple of years ago, the Chairman of Disney's studios, he would come in and participate in training programs, training classes at Disney University, because he, himself, saw the value of that as a monorail operator early in his career. You've got innovate, you've got support, you've got the concept of educating, and I've already talked about that and the concept of entertainment that I've already talked about. You've got innovate, support, educate and entertain. Van France said if it weren't for these 4 circumstances, all being in place, the Disney University would not have survived.

Joe: *When we go back to the sustainability through these leadership changes that even happened at Disney, is that 4 ingredients of culture that has been instilled throughout the organization has made it very difficult to change it to the worse, could I say it that way?*

Doug: Well, with change in leadership with evolution, there are changes in an organization and certainly, the product line-up of Disney today is much different than it was when Walt is alive. Certainly, there were the management changes that occurred after 1983-1984 when Michael Eisner and Frank Wells came on

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board. In fact, Michael Eisner was one of the endorsers of my book, Disney U, and he talks about the importance of leaders supporting the training program. But, getting back to some of the basic roots of Van France and his call at Disney University, he said, here's another quote that I love from Van. He said: "I was convinced that managers and owners could come and go, but Walt's dream would last forever." If you have a strong organizational culture, the changing of the guard won't necessarily affect it that much. Now, certainly, any executive can come in and try to append an organizational culture and in some cases, it is important to do so, to kick them out of their doldrums. A strong organizational culture will transcend changes in leadership.

Joe: *I think that's great and I think if we go back to the book and read the history of Disney, it shows how that happened because I would hate to try to be a leader and try to change the existing culture there. I don't think it happened.*

Doug: Well, you know, it is interesting because, frankly, when Eisner and Wells came on board in 84, they had the kind of kick the company back a bit. It had gone through a period of time where there wasn't enough risks taking. It had gone to the point where some people that had been amazing stars early in their careers, were just kind of hanging out. What Eisner and Wells brought back to the Company was the sense of urgency and intensity that quite frankly Walt Disney had because he was a taskmaster. In fact, one of the guys that I interviewed for Disney U, one of my former bosses talked about Walt riding on the jungle cruise and getting very upset because the skippers on the jungle cruise were acting

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nonchalant. They've driven these boats multiple times during the summer season and weren't getting excited when the hippos would jump out of the water and spray the guests. The guests are all excited, and they are "Whoopie! Whoopie! Whoopie!" But the cast members, who were driving the boats, are kind of yawning and saying: "Yawn, seen that a thousand times." That's when Walt said: "We've invested millions of dollars in the hardware but now you guys and you gals, you can dash that in a heartbeat if you're not showing the proper enthusiasm." I think that enthusiasm is what Eisner and Wells brought back in 84 when they started with the company as outsiders who needed to re-invigorate the organization.

Joe: *You've expressed my favorite line in the book, the one sub-title is "The Attractions don't Breakdown and Snow White Never has A Bad Day."*

Doug: Yeah, that kind of captures it all, doesn't it?

Joe: *Yes, it sure does. It sure does. Doug is there anything you'd like to add in this conversation or even plug, I'm a marketing guy, I don't mind.*

Doug: Well, I think that I'd like to plug quite frankly, yes. There is world class museum in San Francisco that any Disney fan should try to visit, and it's called the Walt Disney's Family Museum and it started 2 years ago by Walt's daughter, Diane and by her husband Ron Miller who was the CEO of the Company when I was there. He left when Michael Eisner came on board. My wife and I spent 2 days doing

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through that museum. It's amazing. It's full of world class displays, and I have to say Joe, one display that stuck in my mind the most that resonates with me and it's all about the cultural stuff that we've been talking about is a beautiful little cartoon Walt Disney drew when he was a high school newspaper editor. So, this is back in 1917 time frame, and it's got a beautiful, whimsical cartoon of a man. Most important is above that is a little quote and it says: "Develop your sense of humor and eventually, it will develop you." Develop your sense of humor and eventually, it will develop you and isn't that the essence of the work hard and play hard. That was started by a man who was a high school student at that time, and it's gone through how many decades of changes to still have this world class organization where, yes, you work you backside off but you had fun at the same time.

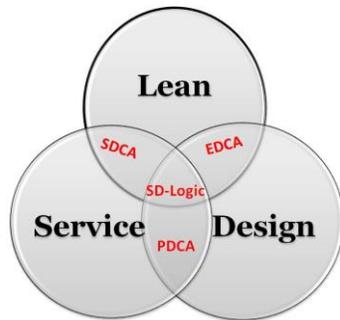
Joe: *Why I would like to thank you very much, your book is available, of course, on Amazon and all the regular outlets. It's a McGraw-Hill publication, and the name of it is Disney U. So, I would like to thank you very much Doug.*

Doug: Joe, thanks very much for your time and the questions you ask. It's a real pleasure.

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Joe Dager is president of Business901, a firm specializing in bringing the continuous improvement process to the sales and marketing arena. He takes his process thinking of over thirty years in marketing within a wide variety of industries and applies it through Lean Marketing and Lean Service Design.

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