

URL: <https://stvp.stanford.edu/clips/testing-the-waters>

Ed Catmull, president and co-founder of Pixar Animation Studios, describes to Stanford Prof. Bob Sutton how the late Steve Jobs would enter into talks with other companies about selling Pixar as a tactic to determine its market worth. Jobs co-founded Pixar and was its chief executive officer.



## Transcript

It was a very unusual time.. First of all we were losing a lot of money, and so by the time we had done with this, Steve was \$54 million in the hole.. So that puts us in an unusual circumstance because you.... logically we're.... This was before Steve Jobs was really rich.. This was a substantial portion of his net worth at that time, as I understand it.. Yes, I think the biography said he was worth \$100 million at the time which I don't think was true, I think it was probably double that.. He never said, but \$54 million is a significant chunk.. So it was very difficult for him, and so he would sell but what he would do when he would sell to Microsoft, he would ask for this number which was outrageously high, and they came back with a really big number but it wasn't the number he asked for.. So I am thinking well okay it's over with, I know it's too big of a hole for Steve so they will compromise in the middle..

But Steve wouldn't compromise, and this happened three times.. So I finally realized, he's actually not trying to sell this, he was trying to validate whether or not we're worth something.. And as soon as somebody says we're worth something he's not going to let them have us..