A History of DreamWorks/SKG

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THESIS ABSTRACT

This project is a comprehensive history of the DreamWorks entertainment company, which chronicles the corporation’s thirteen year existence from 1994 until the present of 2007. Focus is placed on the successes and failures which the company has experienced over the years in all of their divisions (interactive, television, music, live-action films and animated features), and examines how the company has grown from a struggling venture to one of the most prominent names in the entertainment industry. The purpose of this paper is to enlighten the public on the background of a relatively new and somewhat unknown company.
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During early July 2007, millions of moviegoers sat in the dark theaters, munching on popcorn, soda and overpriced candy, as they watched Autobots and Decepticons duke it out in director Michael Bay’s *Transformers*. According to Nielsen EDI, the $135 million dollar Steven Spielberg production not only became one of the summer’s most popular hits, but, more importantly, grossed $319 million domestically for DreamWorks Pictures/SKG, and its new parent company, Paramount. For most studios that would qualify as their biggest hit of the year, but not DreamWorks, which released, through its Animation unit, *CG Optimus Prime in Michael Bay’s Transformers* *Shrek the Third*, which, Nielsen EDI reported has taken in $321 million since its May 18th release date. Add in the rest of the studio’s top five 2007 productions (*Bee Movie* ($120 million), *Blades of Glory* ($118 million), and *Norbit* ($95 million)), and from just five releases DreamWorks has taken in nearly $1 billion dollars, in the U.S. alone. And this is all before totaling worldwide revenue. By comparison, parent company Paramount’s top five in-house productions have grossed just $166 million to date, according to Nielsen EDI. Talk about the kids pitching in for rent.
If one were to look at DreamWorks/SKG in 2007, you’d think the studio was an infallible giant which has consistently dominated the market place. But, on the contrary, prior to the company’s film division which began in 1997, the company was close to folding up shop in all of its divisions; music, film, television and interactive. This was definitely not something one would expect from a company that included among its founders, director Steven Spielberg: the most commercially successful director in the history of the motion picture industry. But hardships plagued the studio throughout its early years despite the fact that the three founders (Spielberg, Jeffery Katzenberg and David Geffen) had already been established media giants in their respective industries.

The Three Titans Unite

The company was officially created in the October of 1994, when Jeffery Katzenberg, a long time member of the Disney Animation Studio was sent into a forced resignation by company president Michael Eisner, according to Variety. Katzenberg was originally scheduled to become the vice-president of the studio upon the retirement of VP Frank Wells, who met an untimely death
when he was killed in a helicopter crash in the spring of that year. During the late 80s and early 90s, Katzenberg had been involved with the films that brought the studio to new heights, both creatively and commercially: *Who Framed Roger Rabbit* (1988), *The Little Mermaid* (1989), *Beauty and the Beast* (1991), *Aladdin* (1992) and *The Lion King* (1994), the latter which held the record for the highest grossing animated film of all time for nine years ($328 million). Based on these successes, it seemed certain that he would be a shoe-in for the position.

However, for reasons unspecified, Eisner refused to grant Katzenberg the position, and when the issue was pushed, he unexpectedly forced him to resign. Katzenberg was not ready to leave without a fight however, as he felt the studio owed him compensation, thus he decided to launch a lawsuit against the studio. Though the out-of-court legal settlement was never officially made public, *Variety* rumored the amount to be between $100-250 million; just a small amount of loose change. Backed with this money, Katzenberg decided that the time had come to finally begin the company which he had dreamed about for years. But he could not do it by himself, so he called in some old friends to pitch in.

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Though never the most respected of music producers, David Geffen had consistently been a driving force in the music industry since the 1970s. The criticism came not from the quality of the projects he worked on, but from the accusation that he focused more on profits and sales than the actual music. Nevertheless, he was known as a guiding force behind such legendary artists as The Eagles, Linda Ronstadt, Crosby, Stills & Nash and Joni Mitchell.
In 1980, he set up his own label of Geffen Records under the Warner Brothers conglomerate. The label was an immediate hit with one of the first albums produced being John Lennon & Yoko Ono’s classic *Double Fantasy*, which won the 1981 Grammy Award for Album of the Year. However, throughout the 1980s, the label received much criticism for Geffen’s money orientated approach, especially when he sued Neil Young in 1985 for not delivering strong album sales. *All Music Guide* called the action “the ultimate confirmation that Geffen, though he preaches about artistic freedom, cares little about his artists and is only concerned with revenue.”1 The critical blows hurt Geffen, but he was able to revive his career in the late 80s by signing hit makers such as Guns N’ Roses, Cher and Aerosmith who gave the label a profit of nearly $300 million. After his early 90s successes with Sonic Youth and Nirvana, he decided to join Jeffery Katzenberg on his venture with DreamWorks/SKG. Despite the enormous achievements of the two, more was needy to give the company a feeling of security.

The safety needed came from no less than Steven Spielberg himself, the man, who as director and/or producer has been responsible for some of the most successful motion pictures of all time. And 1993 had been a banner year for the director in more ways than one. For starters, he helmed the dinosaur filled summer hit *Jurassic Park*, which became the year’s top grossing film with $356 million, and the biggest worldwide grosser ever, with a shade under $1 billion. To follow up his summer hit, he also directed the year’s critical favorite, *Schindler’s*
List, which became the only film in history to win top honors from all the major
critics groups (NY Film Critics, L.A.
Film Critics, National Society,
Golden Globes) and all the guild
awards (Writers, Producers,
Directors). In addition the film won
seven Oscars, including Best
Director and Best Picture for
Spielberg himself. The Holocaust
drama grossed $94 million in the
U.S.; thus at this time Spielberg was
the king of both commerce AND art
in Hollywood.

Animation had always been an interest of Steven Spielberg, but, except for
the American Tail films (1986 and 1991) he never had much of an opportunity to
work in the medium. He and Katzenberg had worked extensively on 1998’s Who
Framed Roger Rabbit, and had remained good friends ever since. Thus when
Katzenberg offered the proposition to become a part of his new company,
Spielberg agreed because it allowed him the opportunity to dabble in different
fields and develop personal side projects.

All three men contributed $33 million to start the company, and, in
addition, Microsoft co-founder Paul Allen, pitched in $500 million, to aid in
jumpstarting the interactive division. On October 12th, 1994, the three
entertainment giants had started their new company and set out with big dreams to fulfill.
CHAPTER 1: INTERACTIVE GAMING

Early Interactive Adventures

As their first major venture as a start-up company, DreamWorks bravely marched into the already crowded, and constantly evolving, field of interactive entertainment. At the time, video games commonly did not sell well unless backed by names like “Nintendo” and “Sega,” thus Spielberg and Katzenberg wisely ventured into the slightly less competitive arena of PC gaming, and, more specifically, adventure games, which dominated the early 90s. The move seemed smart, since fellow director, and good pal, George Lucas had already found enormous success in the same field with his Lucas Arts company (founded in 1982), which produced such popular hits as Same & Max Hit the Road, Indiana Jones the Fate of Atlantis and, the favorite, Star Wars: Dark Forces. Though DreamWorks did not own established sensations like Indiana Jones or Star Wars to create games from, they attempted to transform other brand names into games.

In early 1996, hoping to capitalize on the success of the immensely popular “horror” book series, the company boldly released Goosebumps: Escape from Horrorland, an adventure game which, in truth, expanded upon an existing storyline from one of the books. However, timing seemed to be a damaging factor; the books had not faded in popularity by any means, but the demand for adventure games had leveled off. By the mid 90s, gamers were more drawn to 1st-
person shooters, such as ID Software’s *Doom* (1993), or strategy games, the biggest of all, Blizzard Entertainment’s *Warcraft II: The Tides of Darkness*, which was declared Game of the Year by nearly every single outlet. *Escape from Horrorland*, by comparison, seemed outdated and lacked appeal to older teens, causing it to become forgotten quickly. After a few other misfires in the adventure game genre, Spielberg embarked on an enormous multi-media venture which he hoped would turn things around for DreamWorks Interactive.

It was the most anticipated movie of summer 1997: Universal’s *The Lost World: Jurassic Park*, which Spielberg himself directed. Following a recent trend of popular blockbusters, Spielberg pushed the team at DreamWorks Interactive to create a dynamic, 1st-person action game, which would be released for both PC and the new PlayStation game consul. The company had hyped the game for months in press releases which promised that “unprecedented access to the film's production as well as dazzling new ‘Morf-x’ technology, has resulted in the most detailed and realistic animation ever...the skin of the dinosaurs appears to stretch as they walk, run, jump, slash, tear and bite!”\(^2\) However, the game was not released until November, after the film had left a sour taste in the mouths of moviegoers, who were not pleased with the sequel, and, therefore, not eager to play a game based on it. Reviews were not very positive either, *GameSpot* gave it a mediocre 5.6 rating, describing it as “one of those annoying, difficult platform games that makes you feel like cheating every time you die.”\(^3\) Though PlayStation released the game as a “Greatest Hits Special Edition” the following year, it was far from a fan favorite.
A Hit & a Miss before the Towel

Finally, after nearly four years of unsuccessful games, Spielberg hit the bullseye when delved into his WWII interests again (following 1998’s *Saving Private Ryan*) to produce *Medal of Honor* (still shot below), which went on to spawn an entire series. The game, which tells the story of OSS Lieutenant Jimmy Patterson’s fight against the Nazis, became an immediate hit with both gamers and critics as *All Game Guide* raved that “the game engine, story, graphics and sound are so realistic that the addiction won't let you go for a second!” *IGN* later ranked the game number 21 on their list of “The Top 25 Games of All Time” for the first PlayStation console. Later games in the popular series have included *Underground* (2000), *Rising Sun* (2003) and *Pacific Assault* (2004).

While *Medal of Honor* sky rocketed, their next risky venture did not fare so well. The idea was to utilize a story by horror/fantasy writer Clive Barker, author of *The Damnation Game* (1986) and *Sacrament* (1996), to create 1st-
person shooter action-horror PC game titled *Clive Barker’s Undying*, which was co-produced with EA Games. Upon its spring 2001 release, the game received nearly unanimous critical praise, particularly *GameSpy*’s Aaron Butler hailed it as “a game definitely worth buying. Good story, good level design, and great graphics all make for one hell of a ride.” Unfortunately the game was greeted with poor sales from the gaming community, as the 1920s horror tale did not have wide appeal outside of the horror crowd. By the year’s end, the game won *GameSpot*’s award for “The Best Game No One Played.” It was a large, expensive blow to both companies, though Clive Barker (who also voiced the game’s protagonist) himself told *GameSpot* was not surprised by the game’s disappointing performance.

Following the misfire of *Clive Barker’s Undying*, DreamWorks agreed to merge with EA Games Los Angeles in late 2001, therefore ceasing to exist as separate company but still allowing their crew to produce games. Since the merge, the ex-DreamWorks interactive team has produced such EA games as the continuing *Medal of Honor* series, which most recently included 2007’s *Medal of Honor: Airborne*, and the *Lord of the Rings: Battle for Middle Earth* series (2004-2006). As a whole, the Interactive division was DreamWorks’s least successful branch, and understandably to first close up their independent shop.
CHAPTER 2: TELEVISION

Broadcasting into Your Home

Though Steven Spielberg had gotten his big break in Hollywood directing the 1971 made-for-TV action-thriller *Duel* starring Dennis Weaver, his new company of DreamWorks could not experience the same quick jump start. Spielberg hoped that DreamWorks Television would add some new life, energy and ideas to television, which was heavily reliant on formulaic family sitcoms and police & medical dramas. But as fellow film director David Lynch found in 1990 with “Twin Peaks,” being different and unusual is guaranteed to generate buzz, but not high ratings. To quote, Tom Brooks, co-author of *The Complete Directory to Prime Time Network and Cable TV Shows, 1946-Present*, “People will watch the show long enough to say ‘what the hell?!’ then reach for their remotes and change the channel.” Among the first misfires was “High Incidents”, which premiered on ABC on March 4th, 1996, in hopes of appealing to the same audience that tuned into “NYPD Blue” and “Law & Order” every week. According to a press release by Spielberg, he was inspired by NBC’s 1968-1975 series “Adam-12”, but hoped to make the L.A.-suburb crime show, which featured early work from actor Cole Hauser, more violent and brutal to reflect real-life L.A. law enforcement. Ratings started out okay, but Nielsen EDI reported
the show being continually being crushed by NBC’s “Friends”, which shared the same Thursday 8 pm timeslot. Or, as Tom Brooks mused, “Perhaps there were just too many cops patrolling the relatively quiet streets of El Camino, California.” By the end of the second season in May 1997, ABC had pulled the plug on the show due to ratings, and it never aired again.

In the fall of 1996, Spielberg tried to launch two new sitcoms, which could not have achieved more drastically different fates with viewers. Despite the starpower of Emmy-winner Ted Danson and Oscar-winner Mary Steenburgen, “Ink”, a comedy about newspaper journalists at fictitious New York Sun, which was inspired, Spielberg told TV Guide, by His Girl Friday (1940). It could not hold its own on CBS’s Sunday line-up upon its October 21 premiere and was cancelled at the end of the season. Even before it’s premiered, Tom Brooks observed that “problems with the series pilot and the original producers prompted CBS to bring ‘Murphy Brown’ producer Diane English to take over the reins in August, less than a month before it was scheduled to premiere.”

ABC, however, received great success from DreamWorks with the critically acclaimed Michael J. Fox political sitcom “Spin City,” which became a fixture in its 9:30 timeslot on the Tuesday night. Tom Brooks proclaimed that “this topical comedy lampooned the politically cynical ‘90s, much as Michael J. Fox’s earlier hit, ‘Family Ties’, so accurately reflected the materialistic ‘80s.” The show, which centered on the happenings of Deputy Mayor Mike Flaherty (Fox) and life in Mayor Randall Winston’s (the hilarious Barry Bostwick) office,
received great critical praise, especially for Fox’s performance, and solid viewership each week. The show had given DreamWorks Television a badly needed hit, but fate eventually intervened.

In late 1998, Michael J. Fox announced in *The Hollywood Reporter* that he had been diagnosed with Parkinson’s disease, and would be leaving the show after the 1999-2000 Season to pursue spend time with his family and raise money for Parkinson’s research. That season saw the introduction of Caitlin (played by Heather Locklear) to (1) help incorporate Fox’s upcoming departure into the show and (2) to add some commercial appeal to future seasons. On May 23, 2000, the final Michael J. Fox episode aired. It featured Fox’s character quitting the Mayor’s office after a mafia scandal, marking a heartbreaking farewell. The following September, Fox received the Emmy for Best Actor in a Comedy Series for his work during the 1999-2000 season.

When “Spin City” returned in the fall of 2000, Charlie Sheen was added to the cast as new Deputy Mayor Charlie Crawford, in hopes that the combination of
Sheen and Locklear would be enough sustain viewers. However, Nielsen ratings reported that viewer-ship had tumbled since Fox’s departure, leading ABC to cancel the show after the April 30th, 2002 season six finale. Sadly, Michael J. Fox’s medical health had the unfortunate side-effect of killing DreamWorks Television’s most successful series.

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Teenage Rejection

While “Spin City” was striking the right chords with older adults, Spielberg decided to target the crucial audience of teenagers and young adults with a new spin on teen favorites. Throughout the nineties, high school based dramedies had a been enormously popular among young people, particularly FOX’s “Beverly Hills 90210” and “Party of Five,” but the shows were often criticized for being unrealistic and inaccurate (the teenagers were played by actors in their late 20s). However, DreamWorks Television hoped to change all of that on September 25, 1999 with the premiere of “Freaks and Geeks,”: a show in which creators Judd Apatow and Seth Rogan hoped to explore the joys and pains of everyday high school life in early 1980s Michigan. The NBC show, though praised by critics for strong doses of humor and top-notch writing, failed to connect with the young adult audience, namely due to the WB’s hit supernatural satire, “Buffy the Vampire Slayer”, which was already established as a teen favorite during the 8 pm Monday slot, according to Nielsen EDI. Further
complicating the matter, was the fact that show had no recognizable stars to spark interest either, though Linda Cardinelli and James Franco would go on to find success as Velma in the *Scooby-Doo* movies and Harry Osborn in the *Spider-Man* trilogy, respectively. Due to low ratings, the show was cancelled after only 12 episodes, but a fan-led campaign encouraged NBC to broadcast the three unaired episodes in early July 2000. The show may have won an Emmy (for Outstanding Casting), but NBC decided to completely axe the show from it’s line up, and *TV Guide* concluded that “the series may have been too painfully realistic, as it failed to find anything beyond a cult audience.”7 Though a blow for both DreamWorks Television and creators Seth Rogan and Judd Apatow, they were down but not out.

NBC may have given up after low ratings, but FOX gave the company and creators a second chance in September 2001 with “Undeclared,” a similarly themed show about college freshman at the fictional University of North Eastern California. The major differences between the two shows were that “Undeclared” was set in the present day, and focused more on comedy with it’s half-hour running time (compared to “Freaks” one hour). Unfortunetly the results were exactly the same: critics drenched the show with praise, including *Entertainment Weekly*’s rave that “Apatow and his writers (who include Rogen) put original spins on the college-dorm comedy,”8 but young viewers were not watching, despite having the popular “That ‘70s Show” as a lead-in. Big name guest stars, including Will Ferrell, Adam Sandler and Ben Stiller, popped up in hopes of
producing better ratings, to little avail. The show was cancelled by mid-March 2002.

Asked about the show’s failure, Apatow told *The Los Angeles Times*; “one reason for the dearth of college shows is that it's difficult to be honest about campus life on network or basic cable. It's hard to portray truthfully. The truth is, kids are high, drunk and having sex. No matter what you do, you're fudging it.” Apatow and Rogan never ventured into television again, but found tremendous success in the mid-2000s with the theatrical comedy blockbusters *The 40-Year-Old Virgin, Knocked Up* and *Superbad*. Over at DreamWorks Television, the studio abandoned network teen comedies, and found a gold mine of triumphs with cable mini-series for adults.

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**Mini-Series Yield Not-so-mini Success**

In 1998, Steven Spielberg received universal praise (and five Oscars) for his WWII drama *Saving Private Ryan*, and now he hoped to tell a different WWII tale with the help of HBO and executive producer, and *Ryan* star, Tom Hanks. The name was “Band of Brothers:” a mini-series about the happenings of a group of American soldiers known as the Easy Company. Despite the names involved, the ten-part mini-series was a risky roll of the dice considering its (1) enormous $125 million budget, (2) narrow HBO viewer ship and (3) lack of sizable draws among the cast members. Lead actors Damien Lewis, Donnie Wahlberg and Ron Livingston were recognizable names, but not quite on the Hollywood A-list.
“Part One” premiered on Sunday, September 9th, 2001 to rave reviews, most notably from The Hollywood Reporter’s Barry Garron, who proclaimed, “It is doubtful that any war movie on the large or small screen has captured the varied experiences of ordinary soldiers better than ‘Band of Brothers’.” When the tragic events of September 11 occurred, the producers were on the edge of their seats because either (A) viewers would be turned off by the violent war content (which could be seen on the daily news), or (B) the show would connect with the patriotic mood which the country was experiencing. Fortunately for DreamWorks Television, choice (B) happened, and the mini-series became a quite sizable hit (by HBO standards) and connected with a large patriotic audience. To cap things off, DreamWorks reaped much kudos for the mini-series, including both a Golden Globe and Emmy for Best Mini-Series or Television Movie. Following this success, DreamWorks embarked on a new, highly successful television format.
The next challenge came in proving that “Band of Brothers” was no fluke, and Steven Spielberg ventured out accomplish that with his next mini-series, “Taken.” The director, who had always had interest in extraterrestrial life, and had Close Encounters of the Third Kind and E.T. under his belt, crafted the mini-series to tell connected story of three families who encounter alien visitors over the course of five decades. Also, by broadcasting on the Sci-Fi Channel (versus HBO), Spielberg hoped to attract an even larger audience on basic cable. Though reviews were not as positive as “Brothers” (USA Today complained that “Where E.T. offered wonder, War of the Worlds offered adventure and Invasion of the Body Snatchers offered horror, all “Taken” can offer is a stew of borrowed sci-fi sagas.”[1]), the series connected with the target audience of sci-fi fans upon its December 2002 start, and received solid praise for eight-year-old Dakota Fanning’s performance. The studio failed to reap the Golden Globe again in January 2003 (losing out to The Gathering Storm), but they took home the Emmy the following September, cementing themselves as top name the world of mini-series and made-for-TV movies.

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DreamWorks Television’s Big Folly

Ever since FOX introduced the world to “The Simpsons” in December 1989, animated primetime comedies had been the riskiest of all comedy endeavors, as FOX, with “The Simpsons”, “King of the Hill” and “Family Guy” had an iron lock on the genre which no else could touch. But in the fall of 2004,
DreamWorks, fueled by the success of the *Shrek* movies, was certain they had the key with “Father of the Pride” on NBC.

The show, which centered on the exploits of two white tigers in Siegfried & Roy’s Las Vegas show, was the first all CGI-primetime cartoon ever. Due to the technology involved, each episode cost $1.6 million and took nearly nine months to produce, according to *Variety*. With voice talent that included John Goodman, Cheryl Hines and Carl Reiner, NBC and DreamWorks clearly had high hopes for the series. From the start though, reviews were very negative with much criticism focusing on the toon’s timid humor and blatant plugs for NBC and DreamWorks properties.

*An still shot from the $1.6M per episode “Father of the Pride”* (one episode featured Matt Lauer, another had Donkey from *Shrek*). Nielsen EDI showed that viewers were leaving in droves to other alternatives, leading NBC to put show on hiatus beginning in early November. By late December, after Jeffery Katzenberg announced the cancellation, NBC aired three of the five unaired episodes, an act *USA Today*’s Robert Bianco interpreted as meaning, “you're actually being invited to take part in an end-of-the-year ritual known as ‘burning off the episodes’.”

In every single way, “Father of the Pride” became an expensive failure for DreamWorks, NBC and everyone involved.
The negative press of “Pride” also had the misfortune of overshadowing DreamWorks newfound method of success: co-financing shows with other outlets. The two most notable hits were FX’s NYC-set fire-fighter drama, “Rescue Me” and NBC’s casino based drama “Las Vegas”, which were co-financed with Sony Pictures Television and NBC Studios, respectively. The former has, according to Nielsen EDI, become the #8 rated cable series of all time. The concept paralleled DreamWorks’s film division, which embarked on joint productions to lower costs and establish a better safety net. However, by late 2005, the DreamWorks merge with Paramount (discussed in greater detail later on) included the television division as well, thus amalgamating DreamWorks Television with CBS, which Paramount has ownership rights to. As with the film branch, though, the DreamWorks’ name and logo is still used during the broadcasts of shows produced at DreamWorks Studios.
CHAPTER 3: RECORDED MUSIC

Marking a New Label

While the newly formed DreamWorks’ television division was struggling to start up, David Geffen decided it was time to give his DreamWorks Records label a full launch. His confidence in the new label was so strong that he went as far as to turn control of Geffen Records over to Warner Bros. Having recently revived his career with alternative acts such as Sonic Youth, XTC and Nirvana, Geffen set out to fill the label with numerous alternative artists who broke from popular trends and made unconventional music. This seemed to be a smart move, considering the recent 1995 success that Geffen had with producing Weezer’s Blue Album, which was hailed by Rolling Stone as “an undeniably fun power-pop album.” He hoped to soak in the popularity of such acts as Beck, Green Day and Garbage; all groups who were currently dominating music charts and video networks.

The first artist signed though, was rock singer Rufus Wainwright in early 1996, however, for reasons unknown, his debut album was not released until May 1998. Not only did his music defy popular rock trends, but Wainwright was also completely open about his homosexuality, which many listeners felt made his music seem even more abnormal. Though well respected by critics (All Music
Guide called him “a superb songwriter, with a knack for elegantly rolling piano melodies and poignantly romantic lyrics”\(^\text{14}\), he never sold the millions of records which DreamWorks had hoped for. His self-titled debut failed to even reach Gold status of selling at least 500,000 copies.

Other artists signed included Randy Newman, who was known for his songwriting, but not for selling albums, hard-rock group Buckcherry, alternative acts the EELS and Morphine, ex-BLACKstreet member David Hollister, traditional rocker John Fogerty, Puerto Rican rapper Tru Life and George Michael, who had seen his popularity gradually decline since his debut album, *Faith*, won the Album of the Year Grammy in 1988. Of all the artists signed, the most unusual, and possibly least commercial, may have been Forest for the Trees, a rap group whose 1997 debut (left) was described by *Entertainment Weekly*’s Dan Browne: “With its bong-watered, headphone-ready mélange of distorted vocals, hip-hop beats, space-cadet lyrics, and sampled effects, the album is a spiritual cousin to Beck's debut, *Mellow Gold*.”\(^\text{15}\) While hip-hop was ever-expanding in variety by the late ’90s, the bands’ self-described “experimental psychedelic trip-hop” was far too unusual for the American public. And that was the case with just about all of the artists on the
label: there were either (A) too unusual for the mainstream, or (B) too generic sounding to garner attention. Though John Fogerty’s *Blue Moon Swamp* won the 1997 Grammy for Best Rock Album, the label had very little to celebrate.

Also, ever since Garth Brooks burst onto the scene in April 1989 with his *Nona*-platinum self-titled debut, country had become a very profitable mainstream genre. Never one to miss a money-making venture, David Geffen set up an arm of DreamWorks Records titled DreamWorks Nashville. Just as with the main label, most artists signed, such as Jessica Andrews, Emerson Drive, Jimmy Wayne, Hot Apple Pie and Scotty Emerick delivered disappointing sales figures. A lone bright spot, and DreamWorks first music success, came when the Nashville arm singed Toby Keith in 1999. An artist who had been building up his credentials since the mid-90s, his 1999 album, *How Do You Like Me Now?!* (above), became his biggest seller yet, peaking at number 9 on the Billboard Country Album Chart, and dominating country radio with the title track. Keith has since been a non-stop favorite with critics. *All Music Guide’s* Stephen Thomas Erlewine once exclaimed that “there has been no other country artist as risky, rich, or consistent as Toby Keith this decade.”

DreamWorks may have found some late 90s success by goin’ country, but the year 2000 brought much needed success to the main label as well.
Twentieth Century Brings Hit Tunes

It was an unusual success, considering that the group was not original by any means and didn’t have much publicity, but hard rock group Papa Roach became DreamWorks Records first non-country success in the April of 2000. Their debut album *Infest* (below), with its revolting cover art, was not exactly embraced by critics. For example, *All Music Guide* concluded that “Papa Roach doesn't really distinguish itself from the pack in terms of sound, but they do stand out in terms of capability and consistency”\(^{17}\) while *Rolling Stone* felt the “lyrics [have] words that walk a thin line between deep and dumb.”\(^{18}\) Reviews aside, the album peaked at a surprisingly high number 5 on Billboard 200 Album Chart, and the songs “Infest”, “Last Resort” and “Broken Home” became rock hits on both radio and MTV. To the dismay of some, the group earned two Grammy nominations in February 2001, including Best New Artist (a rare feat for a hard rock group), though they lost to country newcomer Shelby Lynne. The Best Music Video – Short Form award (for “Broken Home”) went to the Foo Fighters’ “Learn To Fly.” Awards and critical acclaim lacking, DreamWorks Records finally had a mainstream success in 2000, but 2001 would be the year when their two most successful artists both debuted.
After the teen-pop boom of 1999 and 2000, which flooded the market with Britney Spears and Britney-clones like Christina Aguilera, Jessica Simpson and Mandy Moore, the public and music industry were both craving a new female pop sound. The answer came in the form of Nelly Furtado, a Canadian born singer who quietly released her debut album, *Whoa Nelly!*, in October 2000. Backed with critical praise, including a promising “A” grade from *Entertainment Weekly*, Nelly slowly began to garner attention, despite the fact that her album never exceeded number 24 on the Billboard 200 Album chart. The public and critics seemed to respond to the “folk-pop tinged with bossa nova and backed by a production designed for TLC”\(^{19}\) as *All Music Guide* put it. Fueled by what *Rolling Stone* called an “ornithologically themed pop hit”\(^{20}\) (“I’m Like a Bird”), *Whoa Nelly!*, gradually went double Platinum, and, just to prove she was no one-hit-wonder, delivered a second Top 10 hit with “Turn Off The Light.” Furtado had demonstrated that large promotional campaign was not necessary for sales; quality music will sell itself.

DreamWorks Records’ second big 2001 success was given a considerably stronger marketing push, as the label had high hopes for L.A. rockers Lifehouse. Although many found the band to be pedestrian and derivative of similar groups like Matchbox 20 and the Goo Goo Dolls, lead singer Jason Wade was recognized for his song writing, with *All Music Guide*’s Liana Jonas hailed him as “a lyrical wunderkind, [who writes] words generally reserved for his older counterparts.”\(^{21}\) Those lyrics about emotional searching resonated with listeners, particularly on the lead single “Hanging by a Moment” with lines like “I’m living for the only
thing I know/I’m running and not quite sure where to go/I don’t know what I’m diving into/Just hanging by a moment here with you.” By summer the song had peaked at an incredibly high number 2 on Billboard’s Hot 100 Singles Chart, and pushed their LP, No Name Face (left), to double Platinum status as well.

Geffen also found how to utilize controversy to generate press as well when the label signed indie rockers Jimmy Eat World. Their first studio album, released in July 2001 under the title Bleed American, received negative backlash for its title and title track after the events of September 11. Geffen, along with the group, compromised and re-titled the album to the somewhat mundane Jimmy Eat World, but refused to remove the song “Bleed American.” The controversy seemed to pay off as the album spawned a number 2 hit with “The Middle,” and went Platinum, though Lifehouse and Nelly still overshadowed them on the charts. In addition, never one to miss out on a multi-media venture, David Geffen found success with soundtracks to numerous DreamWorks films such as American Beauty (1999), Almost Famous (2000) and Shrek (2001), all of which scored Grammy nods for Best Compilation Soundtrack.

By the end of 2001, both of DreamWorks Records break-out acts had received some top honors. Nelly Furtado took home a Grammy Award for Best Female Pop Vocal Performance (“I’m Like a Bird”) and also received
nominations for Best Pop Vocal Album, Best New Artist, Song of The Year (“I’m Like a Bird”), though she faced heavy competition from fellow female newcomer Alicia Keys. Lifehouse did not receive any awards, but “Hanging by a Moment” topped the Billboard Year-End Charts as the #1 Single of 2001 topping singles by Janet Jackson, Destiny’s Child and Jennifer Lopez. Unfortunately, DreamWorks Records had hit their peak and began a tumbling freefall.

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Sophomore Slump Blues

Delivering a hit album is a tough battle, but as DreamWorks Records found out, following with a second hit album is even more challenging. By September 2002, Lifehouse’s released their new single “Spin” off their sophomore set, Stanley Climbfall, and found another hit. But, for reasons unspecified, the album had its release date pushed back to May 2003; thus by the time the album came out “Spin” had already faded from the charts, and no other singles emerged to spark interest in the album, which critics rated as a retread of their debut, though Entertainment Weekly’s Josh Tyrangiel described Jason Wade as using a “Vedderesque baritone to dress the usual word salad of sadness, alienation, and overcoming sadness and alienation.”22 The album failed to reach even Gold status which was a far cry from two million copies of No Name Face.

Even more inept in the sophomore slump was Nelly Furtado’s Folklore, which spawned no hits and weak sales. Much of the failure was contributed the dark artistic tones that Furtado drenched the album with, which, while well-
received, did not have much appeal for casual listeners, as the singles “Powerless (Say What You Will)” and “Try” did not even reach the Billboard Hot 100. Stephen Thomas Erlewine, of All Music Guide, reluctantly concluded that “this modern-day singer/songwriter is smart and ambitious yet doesn’t quite have a handle on those very qualities.”

Things worsened when the label’s big project of 2003, the BLACKstreet re-union album Level II (right), caused little interest, as the Teddy Riley-led group had faded from popularity since the Grammy-winning “No Diggity” in 1997. The album did nothing but confirm, as 1999’s lackluster Finally suggested, that the R&B quartet’s popularity had passed them by. Attention was so low that All Music Guide did not even publish a review of the album. A mild success came from The All-American Rejects, a punk pop band, whose self-titled debut yielded the Top 10 hit “Swing Swing,” an MTV VMA nomination for Best New Artist and achieved Gold sale status; though it was not enough to make the year anything other than a disappointment.

Despite the continued success of Toby Keith on the Nashville branch, David Geffen waved the white flag on DreamWorks Records and ended his eight-
year project by selling the label to the Universal Music Group. The deal was made public when *Variety* announced its completion on December 2, 2003. Many of the artists, such as Nelly Furtado, Lifehouse and Papa Roach migrated to Geffen Records, which Geffen resumed full control over again, while others, such as AFI (Interscope) went to other labels. Ironically Lifehouse and Nelly Furtado saw notable comebacks with their third albums, *Lifehouse* (2005) and *Loose* (2006), respectively. By January 29, 2006, the Nashville branch of the label was completely dissolved (Toby Keith set up his own label, Show Dog Nashville), thus closing DreamWorks Records forever.
The dark clouds which had been looming over DreamWorks for nearly three years were turning into devastating thunderstorms, as the interactive, television and music divisions had seen disappointing reception from the public. Music and games were not selling, and the TV shows were tanking in the ratings. The founders were ready to declare their new company a failed dream. But that all changed in the September of 1997, when the studio found much needed success from their film unit.

The film was *The Peacemaker*, and it was a risky venture. The plot, about nuclear terrorism, was not the most original, and the stars, Nicole Kidman and George Clooney, though they had been involved in past hits, notably *Batman Forever* (1995) and TV’s “ER”, respectively, were not known to draw big box office crowds at the time. The film also launched in the month of September, which is traditionally seen as the weakest month at the box office because, Gitesh Pandya of Box Office Guru says, “People shift their attention to other distractions like a new school year, a new television season, and the return of football.” Against all odds, though, the film opened at number one the weekend of September 26-28, 1997 with a $12.3 million take, which, at the time, was a strong opening. The top spot opening was no easy task either, as the action-thriller faced
intense competition from the family drama *Soul Food* and popular comedy *In & Out*. Jim Tharp, DreamWorks distribution head, stated, in a press release, that “the opening gross exceeded the studio's expectations. Given the number of high-grossing films in the market”\(^{25}\), he said that “it opened very well, and theaters were very happy with its performance, and that it played strongly with both males and females over 25.”\(^{25}\) The $50 million film went on to reach a domestic gross of $41 million, according to Nielsen EDI, which though not spectacular, were solid numbers for a fall release. None-the-less, the company finally had a success on their hands, proving to all that the three men had not embarked on a doomed mission. However, there still more challenges ahead for the new film studio.

In the December of that year, Steven Spielberg utilized his new film company to create an expensive personal project which was designed to become 1997’s critical darling. Just like 1993’s *Schindler’s List, Amistad*, which tells the story of an 1839 slave ship mutiny, and the subsequent trial of the slaves, followed on the heels of a dinosaur filled summer blockbuster (*The Lost World: Jurassic Park*) from the director. Though the film opened well in narrow release with a powerful $4.6 million from just 322 theaters, it did not hold up well in the weeks that followed. Much of the frustrating gross was attributed to competition of bigger films aiming for the same audience; *Good Will Hunting, As Good As It Gets*, and a tiny, little movie called *Titanic*. Also, the dark and depressing storyline pushed moviegoers away; Spielberg himself even stated in an interview that his own kids walked out of the film because he “wouldn't ever show them the
middle passage and didn't let them see the very beginning, and they were bored by
the legal stuff. [So] they left."26

Even during the awards derby, the film did not fare well. It received only one major honor, when the Broadcast Films Critics awarded Anthony Hopkins Best Supporting Actor (for his portrayal of ex-President John Quincy Adams). In the end, the film hit the *Titanic*- iceberg for kudos, and the $44 million gross did not justify the production cost. Some holiday success came from the family film *Mouse Hunt*, but the flop on *Amistad* still lingered heavily over everyone’s head.

The Flip Side of the Coin

In the summer of 1998, the DreamWorks saw the reverse of the holiday season performance, as their family film stumbled, but their acclaimed drama found enormous success in all sectors. First, the live action/animated “family”
film *Small Soldiers* stumbled to domestic gross of just $53 million, which was far lower than most analysts had expected. Families may have been turned away by the film’s levels of violence, of which Roger Ebert observed “[the movie’s] rated PG-13, but if the characters were human, the movie would be a “hard R,” just for the scene where characters get run over and chewed up by a lawn mower.” 27

DreamWorks had not fully established itself as the creators of family entertainment at this point, thus the Disney-approved *Mulan* seemed to be a better choice for children.

Two weeks later though on July 26th, the earlier failure was all but erased when *Saving Private Ryan* assaulted the North American box office with a powerful $30.6 million gross, leading to four long weeks in the pole position. The violent, WWII battle film was backed by nearly unanimous critical praise, as it scored 94 percent approval on RottenTomatoes.com’s Tomatometer, with most critics calling it the film to beat at the Oscars. The combined starmpower of Tom Hanks and Steven Spielberg mixed in with terrific word of mouth from moviegoers helped the film become the biggest hit of 1998 with $216M, meaning it out grossed both *Godzilla* and *Armageddon*, which Gitesh Pandya deemed as “the two tentpole pictures that would destroy all competition in their path.” 28
A portion of the amazing domestic gross also came from a February 1999 re-release, due to a renewed interest because of the awards season. The film however wound up facing serious competition from *Shakespeare in Love*: a comedic dram about the Bard from awards hungry Miramax. By February, the race was neck and neck between the two non-major studio releases, leading to the classic battle: the pen versus the sword. Both won Best Picture at the Golden Globes, for Drama and Comedy/Musical, respectively, but Oscar only has one top prize. The two faced a tight race on March 21 Oscar night, with *Shakespeare* having an edge with seven victories over *Ryan*’s five. Though Spielberg took home Best Director, it was *Shakespeare in Love* that won the coveted Best Picture. Still, five Oscars for a studio’s sixth release ever, isn’t bad at all. Miramax may have beat DreamWorks in 1998, but sweet revenge would come the following year.

*D-Day commences in Saving Private Ryan; 1998’s top-grossing film.*
The last year of the twentieth century had been a good, if not fantastic, year for DreamWorks, as *The Haunting* earned them the dubious honor of having the biggest opening weekend ($33 million), reported Nielsen EDI, for a film to not reach $100 million in grosses. The company’s real story however, came from the controversial suburban drama *American Beauty*, starring Kevin Spacey and Annette Benning, from first time director Sam Mendes. Though released in September, the film had achieved prominent buzz in mid-July, when *New York Times* critic Bernard Weinraub wrote a column declaring it “the most talked about film of the moment” and Spielberg himself, in a press release, called the film “one of the best he'd seen in years and [stated] that Bening was moved to tears at an early screening of the film.”

All this sparked an enormous amount of public interest and gossip to build throughout the summer, making the film the must see movie of the Fall. As with *Ryan*, critical praise was glowing across the board with the *New York Post* calling it a “flat-out masterpiece” and *The San Francisco Chronicle* hailing it as “a dazzling tale of loneliness, desire and the hollowness of conformity.”

*Kevin Spacey indulges in his fantasies in American Beauty.*
Moviegoers were flocking to theaters in droves all fall and winter (re-release a la 
*Saving Private Ryan*) to discover the buzz of America’s critical favorite. This lead
to a stellar gross of $130 million, despite the fact that it never collected more than
$10 million on any weekend. Meanwhile, Miramax hoped to repeat their 1998
Oscar victory and unveiled the abortion drama *The Cider House Rules* as their top
contender. But this time it was DreamWorks that came out the undisputed victor,
winning five Oscars for Cinematography, Original Screenplay, Actor (Spacey),
Director (Mendes) and, tops of all, Best Picture. It took only a little over two
years of existence for the studio to achieve the Best Picture Oscar. Quite an
impressive feat indeed. As good as 1999 was to the studio, life was going to get
even better in the 21st century.

Swinging on a Velvet Rope

2000 A.D. brought
DreamWorks their biggest
year yet, as both a company
and movie studio. The studio
started the summer movie
season with bang, as
*Gladiator* opened with an
amazing $34.8 million in

*Russell Crowe launched the Summer 2000 box office with Gladiator* early May, according
to final estimates from Nielsen EDI, leading to a $186 million domestic gross; a striking number, considering the three hour running time and R rating. Reviews were generally favorable, though not as loving as they were with *Ryan* and *Beauty*. James Berardinelli of *Reelviews* called the movie “filmmaking on a grand scale”\(^3\)\(^2\), but Roger Ebert said that it “employs depression as a substitute for personality, and believes that if the characters are bitter and morose enough, we won't notice how dull they are.”\(^3\)\(^3\) The studio insisted, however, that it was intended as a summer blockbuster and nothing more. And blockbuster it was, as it became the fourth highest grossing film of the year.

*Gladiator* was not the studio’s prestige picture of the year because that picture was deemed to be Cameron Crowe’s rock music saga, *Almost Famous*. The studio desperately hoped to repeat the Oscar victory from the previous year, and in fact, followed the same release pattern of *American Beauty*: generate buzz throughout the summer months, premiere the film at the Toronto Film Festival, and conduct a gradually widening release throughout late September and early October. A challenge occurred on the initial opening weekend, however,
as the 2000 Summer Olympics (in Sydney) combined with weak movie titles drove the North American box office to its lowest levels in nearly four years. The top ten films, on the weekend of September 15-17, grossed just $34.8 million, and no film collected more than $6 million, according to Box Office Guru’s Gitesh Pandya. All the negative box office news overshadowed the phenomenal debut of *Almost Famous* which averaged $17,669 per theater from just 131 theaters. DreamWorks’ Jim Tharp contributed much of the success to director Crowe’s devoted fan following and the glowing critical reviews, including five star ratings (highest rating) from *the Los Angeles Times, the New York Times* and *Rolling Stone*.

Though the music drama pulled in solid numbers during the first few weeks, the grosses slowed down considerably as it steadily expanded into more theaters. The final domestic gross was just $32 million, which did not compare to the film’s $60 million plus budget. Overseas, sales were understandably weak as well because of, what Gitesh Pandya called “a very American subject matter.”

Quickly, executives at DreamWorks panicked: they wanted to reap Oscar victory again and their thoroughbred horse had lost momentum half-way through. Following a cue from Universal Pictures, who themselves had stumbled with *Billy Elliot*, they too saddled up their blockbuster from the first half of the year and hoped to race it into the winner’s circle.

While Universal raced what Tom O’Neill, author of *The Ultimate Awards Guide*, dubbed as a “cleavage-filled legal thriller”, *Erin Brockovich*, DreamWorks turned *Gladiator* into an awards contender; comparing it to great
epics like *Ben-Hur* (1959) and *Spartacus* (1962). This was a bold move considering how most critical awards tend to have short term memory and ignore movies released earlier in the year. But campaigning vigorously was what DreamWorks did. In fact they campaigned so much that they wound up getting fined by the Academy of Motion Picture Arts and Sciences, for, according to *Variety*, utilizing a picture of an Oscar on the ads for *Gladiator*’s DVD release, which was against Academy policy. The studio was forced to pay a $25,000 fine to the Academy and was docked 20 of their tickets to the 73rd Oscar Ceremony.

Despite the negative press of the fine, DreamWorks plowed through the awards season in fine style once again, including taking home both Best Pictures at the Golden Globes: Drama for *Gladiator* and Comedy/Musical for *Almost Famous*. The victory for *Famous* was considered a huge shocker since Miramax’s *Chocolat* had been seen as the film to beat in the category. By the time the Oscars rolled around, though, *Gladiator* faced two strong foes in the race for the gold: martial arts actioner *Crouching Tiger, Hidden Dragon* and drug war drama *Traffic*. The night of March 25, 2001 was a nail biter as all three films remained in tight competition. For the second year in a row though, DreamWorks took home five statues including Sound, Visual Effects, Costume Design, Best Actor (Russell Crowe) and Best Picture. Both *Crouching Tiger* and *Traffic* were close behind with quadruple victories each. Though Roger Ebert declared *Gladiator*’s victory “the biggest mistake in Academy history”36, it was another demonstration that the DreamWorks studio meant serious business.
The Sky’s The Limit

In addition to delivering their second consecutive Best Picture victory, the year 2000 also saw DreamWorks most financially successful year yet, as for the first time, the studio finished the year among the top five grossing studios, even beating out more established ones like Sony and Fox. In addition to the success of *Gladiator*, the studio also reaped hits in the forms of *The Road to El Dorado*, *Road Trip*, *Chicken Run* and the leggy hit, *What Lies Beneath*, which spent an amazing 11 weeks in the top ten. A rare accomplishment in this age of big openings and rapid drop offs. The year also kicked off a new tradition at DreamWorks, that of Haley Joel Osment, Spielberg and Jude Law on the set of *A.I.* making joint productions with other studios to split costs (and therefore, share some profits).

Joint productions quickly became a solid safety net as the studio could soak in the high grosses of hits, such as *Gladiator* (with Universal) and *Road to Perdition* (Fox), but on the flip side, they were not as damaged by misfires, like *Almost Famous* (Sony/Columbia) and Spielberg’s own *A.I. Artificial Intelligence* (Warner Bros.). In, 2001, the studio co-produced Ron Howard’s *A Beautiful Mind*...
with Universal, and technically won their third consecutive Best Picture Oscar. Plus, the film grossed nearly $170 million, becoming one of the highest grossing films to never reach number one. The company’s other branches may have stumbled or fallen apart, but the movie division had more than made up for it.

Despite all of their success, DreamWorks only released a few films every year, and really put a lot of hope on those pictures. Sometimes they would pay off like the 2002 hits, Minority Report (with Fox), The Ring and Catch Me If You Can, the first and last which were directed by Spielberg himself. Other times would deliver commercial and/or critical disappointments The Mexican (2001), which angered many because stars Brad Pitt and Julia Roberts were only on screen together for about one-third of the running time, and Dr. Seuss’ The Cat in The Hat (with Universal in 2003), described by the New York Times’ A.O. Scott as “a vulgar, uninspired lump of poisoned eye candy that Universal has the temerity to call Dr. Seuss' The Cat in the Hat.”

37 It was 2004 however that became the high point for DreamWorks.

The Spielberg-headed studio marched into the fifth year of the twenty-first century with a small slate of nine wide releases, but wound up being the fourth highest grossing studio of the year, taking $926 million, according to Nielsen EDI. To be fair, nearly two-thirds of the gross came from the CGI toons Shrek 2 and Shark Tale, both of which will be discussed in greater detail later on. Live action hits included Will Ferrell in Anchorman: the Legend of Ron Burgundy, Tom Cruise in Collateral and Tom Hanks & Catherine Zeta-Jones in The
Terminal, even if the latter was expected to be bigger considering the talent involved. The studio’s other four release were commercial flops that were panned by critics, with one of them, Envy starring Ben Stiller and Jack Black, described by Richard Roeper as “one of the worst ‘comedies’ ever made.” By comparison, future parent company Paramount grossed just $624 million, or about one-third less than DreamWorks. Without a doubt, the year was DreamWorks pinnacle as a solo, separate studio and raised their own bar to heights which they could only dream of retaining in 2005.

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Crashing Back Down to Earth

Steven Spielberg, Jeffery Katzenberg, Jim Tharp and everyone at the studio would have loved nothing more than repeat 2004’s financial success, but the studio did not have the firepower to reach that level again. The studio began the year on strong notes, with horror sequel The Ring Two and CGI-toon Madagascar. The former brought in a solid $74 million, though it was well below the original’s $129 million and not well liked by moviegoers, while the later became the year’s top animated film with $189 million; neither was a critical favorite.

The big bomb however came in the form of Michael Bay’s cloning sci-fi action film The Island. The director was known for delivering wildly successful summer hits, such as Armageddon (1998), Pearl Harbor (2001) and Bad Boys II (2003), and DreamWorks was certain he could deliver the goods, even without
producer Jerry Bruckheimer on board. Upon opening the weekend July 22nd-24th, Nielsen EDI reported disastrous results of just $12.4 million, or less than half of what most industry analysts were predicting. Gitesh Pandya noted on the poor performance that “the film lacked any major stars known for pulling in paying audiences and the story was not unique and interesting enough to energize moviegoers. Plus [it] followed a string of hit films this summer so demand for yet another effects-driven adventure pic was not too high. Reviews were not very positive either”\textsuperscript{39}. Domestically the film grossed just $36 million which was less than a quarter of its $125 million budget. The action title vanished quickly and become the first blotch on Michael Bay’s track record.

It was not the worst flop in history, but was big blow for DreamWorks’ most expensive movie of the year. The studio’s other 2005 releases, such as \textit{Just Like Heaven, Dreamer} and \textit{Red Eye} had solid, if not spectacular, box office returns, though Jim Tharp told \textit{USA Today} that “it is much easier to watch the returns on something like \textit{Red Eye} compared to \textit{The Island}. There’s much less at stake.”\textsuperscript{40} Unfortunately, the studio’s 2005 awards contenders, \textit{Munich} (with Universal) and \textit{Match Point}, were not strong box office performers and only
received a small handful of awards nominations, though *Munich* earned an Oscar nod for Best Picture. After a wondrous 2004, and a so-so 2005, the eight-year-old studio received an offer that was too good refuse.

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The Paramount Umbrella

In December 2005, the talks had begun; Paramount Pictures, which had been struggling over the past four years, offered to buy up DreamWorks/SKG. After their mediocre returns in 2005, DreamWorks was ready to seriously consider joining with Paramount for financial protection. On February 1, 2006, the *Hollywood Reporter* reported that the Paramount had completed the acquisition in a deal worth $1.6 billion. The deal specified that the DreamWorks name would still be used, especially in their Animation unit, and that the company’s studios would still function the same as before. On March 17, 2006, *She’s the Man*, a modern update of Shakespeare’s *Twelfth Night* starring Amanda Bynes, became the first DreamWorks film released by under the umbrella of parent company Paramount. Eight of Paramount’s ten biggest hits since the merger were produced by the DreamWorks studio, including Summer 2007’s *Transformers*, which became the third largest hit ever for both Paramount (after *Forrest Gump* and *Titanic*) and DreamWorks (after the two *Shrek* sequels) with $319 million,
according to Nielsen EDI. Ten years after their first film release, DreamWorks may be under a different name, but is still a strong force to be reckoned with in Hollywood’s movie industry.
CHAPTER 5: ANIMATED FEATURES

The Animation War Begins

Ever since they unveiled *Snow White & the Seven Dwarfs* to the world in 1937, which was hailed by Soviet director Sergei Eisenstein as “the greatest film ever made”\(^{41}\), Walt Disney Studios had a monopoly on the animated feature market. Try as they might, other studios just could not compete with the Disney brand name and animating techniques. Even when Don Bluth left Disney in 1979 to set up his own studios, his films which included *The Secret of NIHM* (1982), *An American Tail* (1986) and *The Land Before Time* (1988), were hits with the target audience of children, but could not hold a candle to the Disney name. However, Jeffery Katzenberg, who, like Bluth was an ex-Disney animator, finally gave Disney a run for its money it 1998 when DreamWorks/SKG kicked off its new animation unit with a risky venture.

The film was computer generated *Antz*, and it was opening only two months apart from the similarly themed Disney/Pixar collaboration *A Bug’s Life*, which followed *Toy Story*: the film that invented the 3-D animated look. When Katzenberg heard of Disney’s planned Thanksgiving launch, he pushed the newly founded DreamWorks Animation team to complete the film ahead of schedule. The October 2nd release date was chosen because it allowed the film to open before every other holiday family film, and nearly two months before *A Bug’s Life*. The earlier release date was crucial, because traditionally, when two similar
movies opened close to one another, “the first one to reach the consumer ends up
grossing more,” says Gitesh Pandya. When *Antz* opened the weekend of October
2-4, 1998, it not only opened well, but shattered the October opening
weekend record with a stellar
gross of $17.2 million, according
to final Nielsen EDI figures. In
addition, critics praised the
animated entry as highly as
Disney’s best work. The film
scored a 97 percent approval on
RottenTomatoes.com’s critic
scale, with the late Gene Siskel
lauding it as “distinctive [and]
delightful” and *The Chicago
Tribune*’s Mark Caro describing it as “a well-written, witty tale, expertly
executed”. Featuring the voices of Woody Allen, Sharon Stone, Gene Hackman
and Christopher Walken, the film faced no family competition for the entire
month of October and grossed a sensational $97 million. Though *A Bug’s Life*
wound up being the bigger hit, grossing 60 percent more than *Antz*, DreamWorks
Animation still established their studio as a threat to Disney.

DreamWorks only achieved greater animation success with another risky
film: the Christmas release *The Prince of Egypt*, which tells of Moses’ march to
the Red Sea. The film was a difficult sell because it contained little humor for
an animated film and hoped to appeal more so to adults as well as children. The
film opened in mid-December with a mild $14.5 million, but held up well
throughout the holiday season, and eventually grossed $101 million, becoming the
highest grossing non-Disney animated film of all time. Critical reception was also
spectacular, with Roger Ebert exclaiming that “If de Mille had seen this film he
would have gone back to the drawing board!”45 In addition, the movie won an
Oscar for Best Original Song (“When You Believe”): an award commonly
claimed by animated films in the Disney canon. With a computer animated hit, a
blockbuster and an Oscar credited to DreamWorks Animation; Disney had strong
reason to be worried.

The twentieth century saw DreamWorks Animation sky-rocket with two
beloved, critically acclaimed hits. In June 2000, the studio unleashed Chicken Run
from Nick Park and Peter Lord, the British duo behind the Oscar-winning
“Wallace & Gromit” shorts, and $42 million film opened like gang busters with
$17.5 million (not unlike the opening of Antz), and unanimous critical praise. The
film went on to take about $106 million into its chicken coup, which more than
doubled its $42 million budget. In some ways, this made it more successful than
Disney’s much more expensive Dinosaur which opened earlier in the summer, as
it exceeded all expectations, while the prehistoric film fell below projected
grosses. Gitesh Pandya attributed much of Chicken Run’s success to “humor that
connected with older audiences”46, and stellar word-of-mouth from audiences.
The film then capped off the successful run with a Golden Globe nomination for
Best Musical/Comedy Picture, only to lose to studio stable mate, *Almost Famous*. For all that success, things only got bigger in 2001 with a higher grossing, even more acclaimed summer hit.

In 2001, DreamWorks was only involved with seven wide releases, thus each one had to perform exceptionally well with moviegoers. And the studio could not have asked for a better success story than *Shrek*. Based on a 1990 fairy tale picture book by William Steig, the film had been in production so long, *The Hollywood Reporter*’s Kirk Honeycutt stated, that the late Chris Farley was in talks of voicing the title character, and the film was to be a hand-drawn feature. However, early buzz eradicated all the production delay news because Jeffery Katzenberg had been pushing the production team to break the limits of computer animation. In fact, it was only the fifth computer animated film ever made. Along with *The Mummy Returns* and *Pearl Harbor* the pic scared off competition in May 2001, as only five wide releases opened during the entire month. *A Knight’s Tale* and *Angel Eyes* were the other two.

Reviews were outstanding at the May 18, 2001 release date, with John Anderson of *Newsday* declaring it “the kind of movie that will entertain everyone of every age and probably for ages to come” and Roger Ebert observing that “the movie is an astonishing visual delight, with animation techniques that seem lifelike and fantastical, both at once. No animated being has ever moved, breathed or had its skin crawl quite as convincingly as Shrek” Ebert also felt that the villain, Lord Farquad, was an intentional dig at Katzenberg’s
former Disney boss, Michael Eisner. Just like *Antz* and *Chicken Run*, the humor was sophisticated enough to appeal to adults and kids alike, thus allowing the film to reach the largest possible audience, and generate amazing word of mouth, so amazing that the film’s second weekend box office did not even dip at all from its $42 million opening, according to Nielsen EDI. *Shrek* held up well week after week, always posting the smallest decline in the top ten, and becoming the first animated film to top a summer box office, with a $267 million domestic haul.

By the time awards season rolled around in December, the film, which was already a break-out hit on DVD, received numerous accolades, including Best Animated Film from the Broadcast Film Critics, L.A. Film Critics Circle and the National Board of Review. Though it lost the Best Musical/Comedy Picture to Baz Luhrmann’s *Moulin Rouge!*, it was still widely considered a shoe-in for a Best Picture Oscar nomination. Only once had an animated film scored a Best Picture nomination: 1991’s *Beauty and the Beast*. Tom O’Neil, author of *The Ultimate Movie Awards Guide*, observed that “animated films do not fare well because it is actors who compose the largest block of Academy voters.” But this
time *Shrek* was seen as having a much greater chance of winning both the nomination *and* award. The Academy of Motion Picture Arts & Sciences, however, prevented that by creating a new category: Best Animated Feature. Now no animated film could ever score a Best Picture nod again.

Regulated to the Best Animated Feature category, *Shrek* snatched the trophy with ease (literally, the producers integrated that animated ogre into the show!), beating out Disney/Pixar’s *Monsters, Inc.* and Paramount’s *Jimmy Neutron: Boy Genius*. The film also scored a nomination for Best Adapted Screenplay, but lost to Best Picture winner, *A Beautiful Mind*. Regardless, DreamWorks had beaten out Disney for the first Best Animated Feature award, and did so with only its fifth animated feature ever.

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**A Mega-flop & a Mega-smash**

In the summer of 2003, DreamWorks Animation delivered its first major misfire, a misfire indeed. The studio, which only had nine releases for the year (including co-productions) had bet heavily on *Sinbad: Legend of the Seven Seas* as their big ticket for the summer season, and much of the year. The $60 million hand-drawn film (left), which featured the voices of Brad Pitt, Joseph Fiennes, Michelle Pfeiffer and Catherine Zeta-Jones, opened on Independence Day Weekend. DreamWorks realized that
they had made an enormous miscalculation, as Nielsen EDI reported a weekend take of $6.9 million from over 3,000 theaters. By comparison, Disney/Pixar’s *Finding Nemo*, which was in its sixth weekend, posted stronger numbers with an $11 million take. The choice to open head-to-head with mega-sequels *Terminator 3: Rise of the Machines* and *Legally Blonde 2: Red, White & Blonde* did not help. Neither did the continually declining demand for 2-D animated movies. Gitesh Pandya said that “the film follow[ed] other animated adventure pics like *Treasure Planet* and *Titan A.E.* that have failed at the box office, putting another nail in the coffin of traditional animation.”

Reviews were quite mixed as well, with Roger Ebert describing it as “rich [with] images and ideas” but with the *Los Angeles Times*’ Kenneth Turan gripping that “there's little here that isn't overly familiar and formulaic, nothing that's even in the same arena with the eye candy of those vivid adventures.” The expensive production disappeared soon afterwards, leading to a domestic gross of just $26 million, and an enormous headache for Jeffery Katzenberg and everyone at DreamWorks, as the film was their only major summer release. However, the following year brought the exact opposite, as the studio saw its biggest hit ever, live action or animated.

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With three years of buzz building behind it, and the May 19 release date planned over a year in advance, according to *The Hollywood Reporter*, *Shrek 2*, the sequel to 2001’s animated smash, was scheduled to dominate the summer box office. Right from its unheralded 4,000 theater plus distribution, the animated
sequel dominated the market place taking in $108 million over the traditional opening weekend, which stood as the biggest opening ever for an animated film, and the second biggest opening of all time (after Spider-Man’s $114 million from two years earlier). The studio also seized the opportunity to unveil its new DreamWorks Animation logo (left). The film, just like its predecessor, was an immediate hit with all audiences, as Gitesh Pandya noted that “family audiences made up 60 percent of the crowd meaning the film played broadly to teens and adults too.”52 Plus, to many people’s surprise as well, critical reception of the film was just as good, if not better, than the first, with Richard Roeper calling it “that rare adventure follow-up that doesn’t let you down”53 and the late Joel Siegel calling the film “a piece of genius [that] you’ll love.”54 The film grossed more in its first two days than Sinbad did in its entire theatrical run the previous summer. Despite heavy competition from films such as The Day after Tomorrow and Harry Potter and the Prisoner of Azkaban, the animated pic became 2004’s biggest hit with $436 million - the highest grossing film ever for the studio and (in nominal dollars) the third biggest grosser of all time. With all the revenue spawned from the green-ogre film, everyone connected with DreamWorks was clearly seeing a lot of green.
In addition to setting the mainstream animation industry ablaze, DreamWorks also set up Go Fish as a venue for independent animation, which struck out with 2003’s *Millennium Actress* but reaped success from the anime sequel *Ghost in the Shell 2: Innocence* in September 2004. It spawned its own television series on the Cartoon Network.

Trailer with *Shrek 2* all summer long, and therefore seen by most of the world, was the preview for *Shark Tale*, DreamWorks’ Fall 2004 animated offering. The underwater, CGI comedy followed a dismal September box office, and utilized the starpower of Will Smith to bring in massive $47.6 million dollar opening. Just like *Antz* from 1998, the month of October had no other competition for the family audience, thus allowing it to dominate the marketplace, and spend three weeks in the pole position. Critical reviews, however, were not very positive, and (at the time) the film’s 34 percent approval rating on RottenTomatoes.com represented the lowest rating ever for a computer animated film. Some defended the film, such as Jack Mathews of *New York Daily News* calling it “the first must-see family movie of the fall”\(^5\), but most reviewers agreed with *Rolling Stone*’s Peter Travers’ that it was “stale, like
something you wrap in yesterday's newspaper.”

Many complained when the $162 million grossing film scored an Oscar nomination for Best Animated Feature (along side *The Incredibles* and *Shrek 2*). It was a nod which caused Roger Ebert to gripe “The ringer [in the category] is *Shark Tale*, which has no business being nominated over the brilliant and original *The Polar Express*.” Although it had two nominations for the award, DreamWorks lost out to the Disney/Pixar favorite, *The Incredibles* (sweet revenge since the original *Shrek* beat *Monsters, Inc.* three years earlier). *Shrek 2* also scored a nomination for Best Original Song, for the Counting Crows’ “Accidentally in Love”, but lost, surprisingly, to “Al Otro Lado Del Río” from *The Motorcycle Diaries*. Regardless, the two CG toons helped give DreamWorks their best year ever, with (as stated earlier) a shade under $1 billion dollars.

The Final Lap before Paramount

In 2005, the studio’s final year before merging with Paramount Pictures, DreamWorks reaped a second award for Best Animated Feature, with *Wallace & Gromit: The Curse of the Were-Rabbit*. The claymation film opened at number one in early October, and was a favorite with film critics across the board, drawing reviews Gitesh Pandya called “among the best of any film released this year” including a rare five star rating from *The New York Times*. The film was not blockbuster, but grossed a very respectable $56 million, according to final
figures from Nielsen EDI. On March 3, 2006’s Oscar night, the film won the top animation prize, beating out two other well-received, non-computer generated, non-Disney toons: the anime title *Howl’s Moving Castle* and fellow claymation pic *Tim Burton’s Corpse Bride*. It was a quite decent comeback from their double loss the previous year.

![DreamWorks Pictures 2006 merging with Paramount meant that the Animation division was merging as well, but the animated films would only be distributed by Paramount, and would feature only the DreamWorks Animation logo during the opening credits. Though they are not always the favorite among critics for animated films, DreamWorks Animation has none-the-less been able to utilize voice-over starpower, savvy marketing and masterful animation to create a successful animation studio which demonstrates that the Disney name is not necessary for an animated blockbuster.]

*Sewer dwelling rodents in November 2006’s Flushed Away*
CHAPTER 6: 2008 AND BEYOND

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Looking Towards the Future

It’s hard to believe that in just fourteen years, DreamWorks/SKG went from a struggling start-up company to a major multi-media entertainment force. Following the golden rule that big risks yield big rewards, Steven Spielberg, Jeffery Katzenberg and David Geffen took great leaps and found some enormous successes, but also gigantic disappointments. Success can instantaneously follow distress, and vice-versa.

The studio won big with the animated comedy *Bee Movie* in November 2007, a movie which voice-talent/writer Jerry Seinfeld had pitched to DreamWorks by accident when he mentioned, during lunch with Steven Spielberg, that he thought “it would be funny to make a movie about bees, and call it a B-movie.”\(^{59}\) This passing suggestion about nothing, in typical Seinfeldian fashion, eventually led Jeffery Katzenberg to green light a $150 million animated comedy. So far its been big hit (which should wind
up with approximately $130 million in the end), and could erase the deficit caused by October’s Ben Stiller comedy *The Heartbreak Kid*, which took in less than half its $60+ million budget. DreamWorks bets on joke pitch, and reap a big hit; they play it safe on Ben Stiller comedy, and receive a flop.

The next few years are filled with gambles that could help or damage both Paramount and DreamWorks. One gamble is Spielberg’s *Lincoln* with Liam Neeson as the 16th President; historical films have erratic box office behavior, just ask Oliver Stone (the man behind both *JFK* and *Alexander*). The animated sequel *Madagascar: the Crate Escape* may seem like an automatic hit with its brand name, but “sequelitis” has plagued many films recently, and killed franchises such as *Charlie’s Angels*, *Tomb Raider* and *XXX*. DreamWorks Television has the fantasy TV mini-series, “The Talisman”, an expensive project that could swing either way. No matter what, the public determines, with their dollars and TV remotes, which projects are hits and flops, and all the studio can do is bet carefully. Taking chances is the only way to ever reach success. And DreamWorks/SKG has set out to be a leading supplier of cutting edge entertainment.
Footnotes

INTRODUCTION
The Three Titans Unite

CHAPTER 1: INTERACTIVE GAMING
Early Interactive Adventures
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CHAPTER 2: TELEVISION
Broadcasting into Your Home

Teenage Rejection

Mini-series Yield Not-so-mini Success

DreamWorks Television’s Big Folly

CHAPTER 3: RECORDED MUSIC
Marking a New Label

Twentieth Century Brings Hit Tunes

Sophomore Slump Blues

CHAPTER 4: MOTION PICTURES

The Savior of Film Arrives

The Flip Side of the Coin

Swinging on a Velvet Rope

**The Sky’s the Limit**


**Crashing Back Down to Earth**


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**CHAPTER 5: ANIMATED FEATURES**

**The Animation War Begins**


**A Mega-flop & a Mega-Smash**


**The Final Lap Before Paramount**
CHAPTER 6: 2008 AND BEYOND
Looking Towards the Future


Photos appear courtesy of Amazon.com, the Internet Movie Database and All Music Guide.