

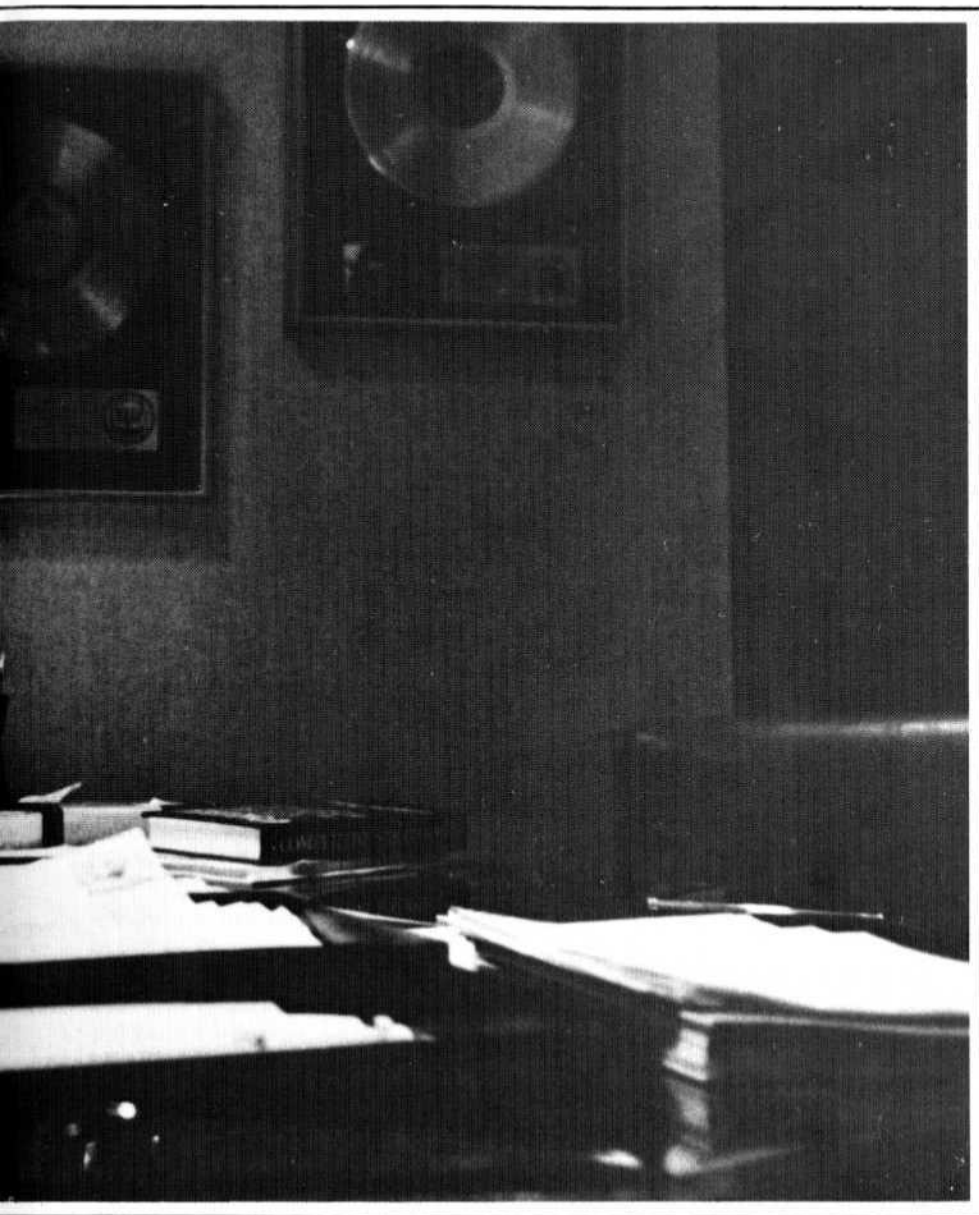
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Alan J. Hirschfield

Story of a Movie Mogul

By SHIRLEY DODSON COBB



Ken Croley

The telephones rang: soft, insistent, melodious. Two secretaries efficiently parried the steady flow of calls into the Twentieth Century-Fox executive suite. "Mr. Davis' office."

"Mr. Davis' office."

"Mr. Hirschfield's office."

Their desks were only a few feet apart, snug amid the art deco furnishings. Overstuffed gray chairs, modernistic arc lights, the airy greenery of plants, and a fan-shaped sweep of hues — green, black, pink and gray — splashed opulently across the rug.

Suddenly, Hirschfield's secretary, phone in hand, looked toward her counterpart, fielding calls for Marvin Davis, the Denver-based oilman who bought Fox in 1981, and announced, "We're talking to each other."

"Don't put that in the article," she laughingly implored.

The scene, worthy of the entertainment industry, was one to be shared, for the public focus on Hollywood is close-up. Images of movie moguls, nubile starlets, wealth and world acclaim are tightly framed — and often blurred by magnification.

Inject into the action one New York-born, Oklahoma-reared, Wall Street-honed Alan J. Hirschfield, and a microcosm of the industry is created: business acumen sharing the marquee with artistic creativity.

* * *

He moved quickly through his office doorway to the gray chairs, where I waited with photographer Ken Croley, and extended his hand in welcome. "Shirley Ann, it's good to see you . . . Come on in."

The Alan Hirschfield remembered — easy smile and affable manner — seemed intact. Reassured, we entered a more spacious, decidedly more homey conference room with paneled walls and traditional furnishings in shades of brown and blue. Hirschfield settled his six-foot frame into one of a cluster of occasional chairs grouped around a glass-topped coffee table.

After an exchange of pleasantries about college days and shared friends, the conversation centered on Hirschfield: his impressive career, the costs of success, the David Begelman/Columbia Pictures board room struggle which had cost Hirschfield his post as that

When the opportunity came to interview Alan Hirschfield, board chairman and chief executive of Twentieth Century-Fox Film Corporation, I accepted eagerly. Alan had preceeded me through the Oklahoma City schools and on to the University of Oklahoma, where he received a bachelor's degree in business in 1957. With admiration I had watched his rise to leadership on the Norman campus, capped by inclusion in the '57 Sooner yearbook "Campus Personalities." His list of activities and accomplishments was impressive: Top 10 Junior Men, Top 10 Senior Men, Union Activities Board member, Regional Conference of College Unions president, 1956 "Sooner Scandals" director.

Prior to the interview, I studied Hirschfield's image on the yearbook page. Dressed in coat and tie, he looked directly at the camera, through ever-present ebony-rimmed glasses, confident and assured. Perhaps portending the future, he held a copy of the Wall Street Journal.

corporation's president and chief executive, his arrival at Twentieth Century-Fox, his forecasts for the industry, the heritage of his youthful years, the University experience and goals still ahead.

For Hirschfield, initial career ascendancy had come quickly. Following his graduation from the University of Oklahoma, he had earned a master's degree from Harvard Business School and was assimilated into the Wall Street scene.

"I started in New York," Hirschfield began, "mainly mergers and acquisitions for businesses, underwriting and a general range of investment banking."

From 1959 to 1967, he was associated with Allen and Company, investment bankers. Eventually, he rose to a vice presidency in the firm.

(The relationship between the company's founder, Charlie Allen, and Norman Hirschfield, Alan's father, dated from the late 1920s. The liaison extended to Charlie's nephew, Herbert Allen Jr., and the younger Hirschfield. The friendships and frictions would play a part in the Columbia board room fracas, expertly detailed in David McClintick's book, *Indecent Exposure*, which traces the Begelman forgery of actor Cliff Robertson's name on a \$10,000 check and the industry cataclysm which that act caused.)

"One of the areas I specialized in . . . was the entertainment industry," Hirschfield continued. His involvement included the merger of Warner Bros. and Seven Arts Productions. In 1970, following a brief stint with that organization, he became vice president and director of American Diversified Enterprises, Inc., a private investment company.

"In the spring of 1973, Allen and Company was approached to evaluate the viability of Columbia Pictures, which was in serious financial condition," Hirschfield said. Although not working directly for Allen and Company, he was asked to review the matter and give an opinion.

"As a result, I became drawn into the Columbia situation . . . I guess they were looking for volunteers," he quipped, "and there weren't very many."

When Hirschfield first attacked the crisis at Columbia Pictures, he view-

ed himself as a "financial consultant — not an executive."

"I'd never had more than one employee before I went to Columbia. I had to learn on the job how to be an executive — not the easiest of circumstances to do it," he added thoughtfully. "I didn't know quite what to do . . . I had to go out and buy a book on management — just in case."

Columbia was foundering with debts of \$220 million and a net worth of \$8 million. "My initial reaction was to let it go bankrupt," Hirschfield admitted, "but I got into pieces of it, looked at the underlying assets and felt it had a chance. It was a risk, but I didn't have a lot to lose. Everyone expected it to fail anyway."

Within a few years, Hirschfield had moved Columbia from the abyss of bankruptcy to solvency, boasting \$150 million net worth/\$40 million debt. By selling off some assets, making some acquisitions, going to the

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outside for financing, bringing in some very talented people and putting in many long hours, Columbia was made a viable operation.

"The company not only survived, but it changed many of the ways that film companies traditionally finance themselves and do business," the 48-year-old executive explained.

Dubbed a "financial genius" by colleagues, Hirschfield had proved himself as skilled in his craft as any Hollywood wizard of words and images. He was developing his own formula for success.

Hirschfield's method for building, acquiring or reorganizing companies is "not to look at them as they exist, but to look at them in terms of how you would like them to exist ideally — structurally — and then deal with them financially to accomplish that. Don't be bound by the existence of any particular set of facts."

"If I have one ability, it's the ability to view a situation in a creative manner," he continued. "Wall Street was

a good training ground, because on Wall Street you basically live by your wits. You offer people nothing more than your brain power."

Innovative thinking and the formation of an able team to implement plans are essential to Hirschfield's business theories. "Getting the best people I can find, motivating them and giving them as much responsibility as necessary" are the linchpins of his success.

But the entertainment industry possesses a unique characteristic which can be both an asset and a liability: visibility. In Hirschfield's case, the same spotlight which had illuminated his deft handling of Columbia's financial turnaround played intensely on the company when the Begelman forgery occurred.

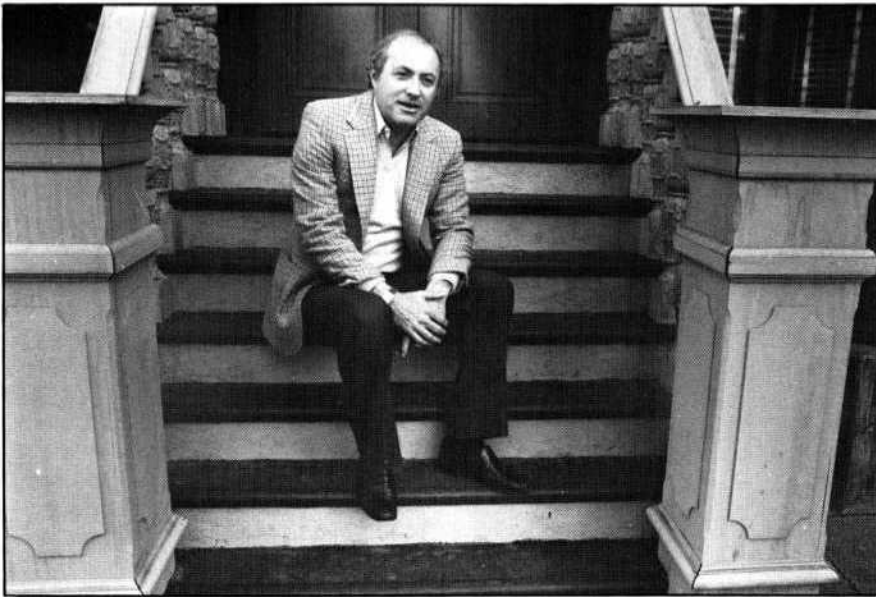
Media reports fanned public interest in the Begelman incident while Columbia's board room battles reverberated throughout the industry. Embroiled in the controversy were Herbert Allen Jr., who purchased control of Columbia Pictures in 1973; Hirschfield, brought in to head the company; Ray Stark, an influential producer; Begelman, Columbia studio head; Cliff Robertson and a "supporting cast" which included the Los Angeles Police Department, the F.B.I. and the Securities and Exchange Commission.

For Hirschfield, the conflict would center on whether to remove Begelman from the presidency of Columbia's motion picture and television divisions.

"If it had been U.S. Steel or Atlantic Richfield or any other of the Fortune 500 companies, it wouldn't have gotten one percent of the attention it received," Hirschfield noted. "Nor would there have been a question, beyond a shadow of a doubt, of what should have been done."

Begelman's initial suspension, Hirschfield's intention to fire him, the ensuing pressure by some Columbia board members to retain Begelman ended in board room dissension that made Hirschfield's position untenable. In less than a year, the tangled threads of loyalty, compassion, principle and power cost him his job at Columbia.

"Regardless of what I do subsequently, that Columbia/Begelman affair is always going to be my epithet,"



Hirschfield sits on the steps of a set in the "Hello, Dolly" section of the Twentieth Century-Fox lot next to the unimposing building where he offices.

Hirschfield mused, a slight expression of sadness and resignation surfacing momentarily. "A lot of people worked very hard to make that company successful. We were all very proud of the turnaround."

"It's tough," he added, "but I haven't done badly sticking by my principles."

In many ways, Hirschfield's Oklahoma heritage and the standards imparted by his parents, Norman and the late Betty Hirschfield, provided the foundation to withstand the tumult in his career. His character and concepts, molded in youth, seem steadfast.

"I think that growing up in the Southwest . . . in middle America . . . does make one a bit more open, a little less suspicious of people in general," Hirschfield said. "The values are somewhat more solid; the distractions are less than on either coast."

"I think that I'm more optimistic than pessimistic . . . that is attitudinally very helpful to me in coping with the job," he added. "Maybe I should have been a lot more suspicious and cynical than I was during the final days at Columbia . . . but if I had it to do again, I'd just as soon be thinking for better rather than for worse. Not scheming every day, to figure out how to get the better of somebody."

"You do the best you can," he concluded. "You've got to look at yourself

at the end of the day. The important thing to me has always been that I did the best job . . ."

Pausing, he continued, "There were good values imparted in my family . . . in the atmosphere existing in Oklahoma and in my home."

When other high school classmates were opting for Ivy League colleges, Hirschfield enrolled in the University of Oklahoma. "I wanted to be at the University; as it turned out, they were the formative years for me. I had a full life on campus, participated in a lot of extra curricular activities that were helpful and important in shaping me as a person."

For Hirschfield, the power and prestige of "movie mogul" seems an ill-fitting description. "I've never viewed myself as a powerful person," he remarked. "I've enjoyed the benefits of this position. Met people, been exposed to things, that growing up, I never would have imagined . . . to be friendly with ex-presidents, movie stars, a secretary of state. That's a kind of dividend of the job."

"So parts (of the career) have been a lot of fun, but in the end, I still cherish my privacy . . . my family unit . . . the kids and my wife."

Hirschfield's wife, Berte, and three children, Laura, 19; Marc, 17; and Scott, 14, initially did not leave their Scarsdale, New York, home when Hirschfield took the reins at Fox. Several months ago, they made the

transition, moving into a Beverly Hills home, but retaining the East Coast residence.

"The move was definitely hard on the children," Hirschfield said. "They were well-adjusted, successful, comfortable in their surroundings."

"So you pay a price," he admitted. "I felt the opportunity to work with Marvin Davis was a unique one. An extraordinarily successful man, he's an easy person to be with; he enjoys life to the fullest . . . Demanding and quick, he assimilates facts and information more readily than anyone I've ever known."

Millionaire Davis, in search of an investment, had tried unsuccessfully to purchase both the *Denver Post* and the Oakland A's baseball club before purchasing Fox for approximately \$700 million. The ownership change was in the tradition of the Hollywood studio's 58-year-history of acquisition and merger.

Twentieth Century-Fox Film Corporation emerged in 1935 from a business begun by William Fox in the industry's nickelodeon days. Fox, active in the New York garment trade, established a film distribution branch in 1912 (the Greater New York Film Rental Company) and in 1913, a production facility (Box Office Attractions). In 1915, he founded Fox Film Company and moved the headquarters from the East to Hollywood.

Westerns with Tom Mix and vamp pictures, featuring Theda Bara, proved successful. In the 1920s, the studio pioneered sound films. Reorganizations and executive suite changes flourished; in 1931, Fox himself lost power. Four years later, Fox Films merged with Twentieth Century Pictures, then headed by Darryl F. Zanuck and Joseph Schenck.

Stellar movies, such as "The Song of Bernadette," "The Snake Pit," "The Robe," "The Sound of Music," and "Star Wars," and legendary stars, including Shirley Temple, Betty Grable, Marilyn Monroe, Tyrone Power and Gregory Peck, were among Twentieth Century-Fox's stock of films and personalities. On the roster of directors were John Ford and Elia Kazan.

When Davis took over, he acquired the studio facilities on 63 acres in Century City, Aspen and Pebble Beach resort properties, a soft drink

bottling company, three television stations and 104 movie theaters in Australia and New Zealand. Today the company's entertainment output stands at 15 to 20 films annually for theaters and television production which places Fox in the forefront of that market as well.

In the Hollywood game of "movie mogul moves," Hirschfield had joined Fox as vice chairman and chief operating officer in the fall of 1979, after the departure of Alan Ladd Jr. and others involved in the "Star Wars" phenomenon. Not long after Fox was sold to Davis, long-time board chairman and chief executive officer Dennis C. Stanfill resigned. Davis promoted Hirschfield.

With Davis' backing, Hirschfield plans to propel Fox into the position of industry leader. His game plan includes films to be shown both in theaters — and in homes. While he feels that movie theatres always will be a focal point for films, Hirschfield believes that the next 10 years will see first-run films in a variety of markets.

"There's no question that the theater is going to be in the home, in one form or another, and we have to position ourselves to produce for that marketplace, as well as for the theatrical marketplace," he noted. "Certain movies will be made for theater; certain movies will be made for cable, pay cable, free cable . . . It's going to open a lot of options to the software producer that don't exist today."

Programming will be directed to segmented audiences — opera, ballet, country and western fans, and the over-40 age group, allowing the film industry to market their products for specific consumers.

"By and large, every business has to start with 'Who is the customer?' and 'What does he want?' — particularly the service businesses," Hirschfield explained. "Motion pictures today succeed or fail based on a 'program' of motion pictures . . . not the success or the failure of any one picture.

"At Columbia, our philosophy was to go to bat as often as we could," he continued. "That's what we're trying to do today at Fox as well. And we're also working on the new practical technology . . . such as diskette or home video."



Hirschfield fan Ron Cochran pauses in the famous Fox commissary, once frequented by movieland's legends.

Theater audiences want "action, adventure, comedy and escape . . . not moral issues, or social issues, or the message kind of movies," Hirschfield claimed.

**"Mr. Hirschfield?"
Cochran said. "He really
cares about people."**

"If you look at people in Los Angeles and New York, and listen to the critics, you'd think the movie business is one business. But in between the mountains, it is a totally different reality. We shouldn't make movies that satisfy critics; we should make movies that satisfy audiences."

Not only must audiences be satisfied, but also enough of their numbers must be drawn into theaters to pay for the film's production and marketing costs, an investment averaging \$18 to \$20 million per movie. Hirschfield noted that box office dollars from more than 12 million customers are required for a successful film.

With 75 percent of audiences fall-

ing between 14 and 29 or 30 years of age, and a core 40 percent in the 14- to 24-year-old bracket, "Our thinking has to be geared to the under-30 market in terms of entertainment," Hirschfield explained. Once a film is "validated" as an important or classic film, the spectrum expands.

"The Verdict" initially appealed to an "above average" age, while "Star Wars" and "Tootsie" cut across all segments. "But it's a tough business to generalize," he admitted, "because on paper 'On Golden Pond' would have been a film you wouldn't make — because it's about old people. In the end, of course, it's not a film about old people; it's about life and the celebration of life and the young person who brings old people together."

To improve Twentieth Century-Fox's odds, a new production unit co-headed by John Davis, Marvin's son, is gearing up to turn out low budget films costing \$5 million or less. The movies will be aimed toward the 12- to 25-year-old market and will allow first-time producers, directors and actors a show business entrée at affordable costs.

The respect which Hirschfield commands has earned him the Brandeis University Distinguished Community Service Award; a Cancer Research Institute scholarship in his name; important posts in numerous organizations, including directorship of the Motion Picture Association of America and of the Film Society of Lincoln Center. Yet for all the honors he receives, all the power and prestige of the film industry at his disposal, he retains a homespun, human quality.

Perhaps the more meaningful testimony on Alan Hirschfield comes from the admiration of the less professionally and politically powerful who are proud to know him, people like Fox studio guard Ron Cochran. Recalling the procession of executives who have crossed his path during his 17 years at Fox, Cochran pays Hirschfield his highest compliment.

"Mr. Hirschfield? He really cares about people," Cochran said. "He always stops when he sees me, calls me by name, talks for a few minutes."

No cameras to record the scene. No points to be won in a board room.

That's the same Alan Hirschfield I remember. 