

PIXAR

CASE STUDY HANDOUT

PIXAR'S CREATIVE CROSSROADS

Background

In 2015, Pixar Animation Studios found itself in a high-stakes dilemma over how to allocate resources between two films: *Inside Out* and *The Good Dinosaur*. Both films presented great opportunities, but for different reasons. While *Inside Out* was a deeply emotional film about a young girl's mind, *The Good Dinosaur* promised to push the boundaries of animation technology with breathtaking visuals and new rendering techniques.

However, Pixar's leadership couldn't give equal focus to both films due to limited resources, time constraints, and the risk of splitting their efforts, which could jeopardize both projects. The company had to decide which film would get priority – the technical innovation of *The Good Dinosaur* or the emotional storytelling of *Inside Out*.



The Conflict

Inside Out – The Emotional Gamble

Directed by Pete Docter, *Inside Out* was a major creative risk for Pixar. The film centered on the emotions of an 11-year-old girl named Riley and took audiences inside her mind, visualizing abstract concepts like Joy, Sadness, and Anger. It was the first time Pixar attempted to address such complex themes – emotional growth, mental health, and psychological development – in a family-friendly movie. If the concept didn't resonate with children and adults alike, it could **alienate audiences** and **fail** at the box office.

Docter knew the risks but believed in the project. Pixar had never tackled such **abstract, mature subject matter** before. Given the **high production budget of \$175 million**, failure could mean a significant financial blow to the studio. Furthermore, *Inside Out* didn't have the benefit of guaranteed mass appeal – it wasn't based on a popular franchise or a well-established character like many of Pixar's previous hits.



"We're not just making a movie; we're creating something that can connect with people on a deeper level. It's risky, but it's worth it if it means telling a story that people remember forever,"

Pete Docter, Chief Creative Officer of Pixar

Pete Docter's Team argued the opposite: Pixar's success had always come from its emotional storytelling. According to Docter, **"What makes Pixar films timeless isn't how they look, but how they make people feel."** His team believed that *Inside Out* could be a massive success because of its originality and emotional depth. While the story was risky, Pixar had a history of turning emotional risks into triumphs.

Films like **Up (2009)** and **Toy Story 3 (2010)** had resonated deeply with audiences, each grossing over **\$700 million** globally, largely due to their compelling stories

The Good Dinosaur – An Innovation Showpiece

Meanwhile, Kim White’s team was making huge strides in technical innovation for The Good Dinosaur. The film boasted new rendering techniques that allowed for hyper-realistic water simulations and natural environments, unlike anything seen in animation before. The film’s development cost **more than \$50 million in technology alone**, making it one of Pixar’s most ambitious visual projects.

The team argued that Pixar’s brand had been built, in part, on its ability to revolutionize animation technology.

Previous Pixar films like **Finding Nemo (2003)** and **Monsters, Inc. (2001)** had achieved tremendous success in part because of technical breakthroughs like realistic water effects and fur rendering. This technology was used again in **Moana (2016)**.

“What audiences expect from Pixar isn’t just great stories. They expect us to continue pushing the limits of animation.”

Kim White, Director of photography for lighting of Pixar



Why Couldn’t Pixar Do Both?

Pixar had to make a tough choice. Each film required extensive resources, time, and talent. The company’s unique production method involved constant feedback loops, idea testing, and iterative changes — meant each project needed constant attention.

On top of production costs, marketing was another concern. **Pixar typically spent between \$100 million and \$150 million on marketing per film.** Releasing two films in the same year would force the studio to split its marketing budget, risking audience confusion or overshadowing one project with the other. Pixar’s leadership understood that both films needed to succeed to maintain the company’s reputation and dominance in the animation industry.

Additional Information



Toy Story (1995): This was a monumental success for Pixar, grossing over \$370 million worldwide, partly because of its innovative use of 3D animation. It was proof that technical innovation could drive storytelling success



Up (2009): While technically impressive, Up was a narrative-driven triumph, grossing \$735 million worldwide, showing that storytelling could surpass technical achievements. Its emotional depth, particularly in the first ten minutes, was key to its success

Task

- **Kim White’s Team: Argue** in favor of prioritizing technical innovations in The Good Dinosaur.
- **Pete Docter’s Team:** Argue for focusing on the storytelling in Inside Out.
- **Pixar Leadership Team:** You will listen to both sides and ask questions to determine which project to prioritize. Ultimately, you will make a decision based on the arguments presented.

The Actual Outcome – What Happened?!

Pixar ultimately decided to **prioritize Inside Out** due to its potential for emotional connection and its relative production stability compared to The Good Dinosaur, which had undergone significant delays. **Inside Out grossed \$850 million worldwide**, becoming one of **Pixar’s most successful films**. It also won the **Academy Award for Best Animated Feature**, proving that audiences were drawn to its emotional depth and originality

The Good Dinosaur, on the other hand, was plagued by production delays and changes in leadership, resulting in a delayed release from its **original 2013 date to 2015**. Despite its technological advancements (especially in water simulation and landscape rendering), the film struggled to connect with audiences and **earned only \$332 million globally, making it Pixar’s lowest-grossing film at the time**.

This real-world example shows how Pixar balanced creative risk-taking with the practical need to maintain its reputation and financial success. It also highlights the challenges of competing priorities within an organization and the importance of strategic decision-making.



CONNECTION TO THE MODULE

Key conflict resolution themes to highlight:

- **Competing Strategy Consequences:** In the module, we learned that a "competing" style often results in one side’s priorities being ignored. In this case, the exclusive focus on technology during the development of The Good Dinosaur led to storytelling falling behind, contributing to the film’s underperformance.
- **Compromise and Collaboration:** Encourage students to reflect on how Pixar might have struck a better balance earlier. Could allocating more resources to fix The Good Dinosaur’s narrative issues while maintaining some of its technological ambitions have led to more success?
- In The Good Dinosaur, the lack of collaboration led to delays and story issues deep into production, which harmed the film’s final product. A collaborative conflict resolution strategy, focusing on integrating both technological innovation and strong narrative from the start, may have prevented these issues.



DEBRIEF QUESTIONS

- What lessons can be learned from the way The Good Dinosaur’s production was handled, and how can they apply to conflict resolution in other areas of life?
- Do you think prioritizing Inside Out was the right call, given the eventual success of the film? What would you have done if you were in Pixar’s leadership?



PERSONALIZATION OPTION

Ask students to write a 250-word reflection on the following prompt:

- *Think about a time when you had to choose between two important priorities. How did you make your decision?*

NOTES



CASE FACT

Pixar spent \$200 million on The Good Dinosaur, but only earned \$123 million domestically

Assessment + Rubric

INSTRUCTIONS

When facilitating this Pixar case study debate, the teacher's role is crucial in guiding students toward a deeper understanding of the concepts involved, ensuring thoughtful participation, and pushing them to critically analyze the decision-making process.

Criteria	Expert	Proficient	Developing
Understanding of Conflict	Demonstrates deep understanding of the trade-offs and consequences.	Shows good understanding, but lacks depth in exploring both sides.	Limited understanding, few points on risks/rewards.
Debate Participation	Actively participates with strong evidence and critical analysis of both films.	Participates with some evidence but lacks depth.	Minimal participation, few supported arguments.
Reflection Quality	Insightful reflection connecting personal experience with conflict resolution.	Reflection shows some thought but lacks depth.	Basic reflection without strong connection to the case.

TIPS ON FACILITATION

- Listen for depth, not just facts:** Encourage students to not just regurgitate facts from the case study, but also to interpret what those facts mean. For example, how did the production delays of *The Good Dinosaur* affect Pixar's decision-making? Ask them to consider the "why" behind the numbers.
- Prompt with "what if" scenarios:** If a student is sticking to one side too rigidly, ask them to consider the other perspective with a "what if" question. "What if Pixar had taken the opposite route and prioritized technology—what could have been the risks or benefits of that?"
- Encourage using quantitative data:** During the debate and reflection, students should be encouraged to reference specific numbers and metrics to back up their points. This will deepen their critical analysis. For example, have them consider why *Inside Out*'s success at \$850 million was so significant compared to *The Good Dinosaur*'s \$332 million.
- Use open-ended questions:** To push students into deeper thought, ask open-ended questions that don't have a clear right or wrong answer. "In your opinion, is there ever a time when prioritizing technology over storytelling is the right choice? Why or why not?"
- Monitor group dynamics:** Observe how students interact within their groups. Are they listening to each other? Are they building on each other's ideas? Guide them to collaborate by encouraging quieter students to speak up or challenging dominant students to invite input from their peers.