

4-24-1962

Audio-Animatronics Planning and Information Manual

Economics Research Associates



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Carla

Walt gave me
credit (a thank
you letter) for

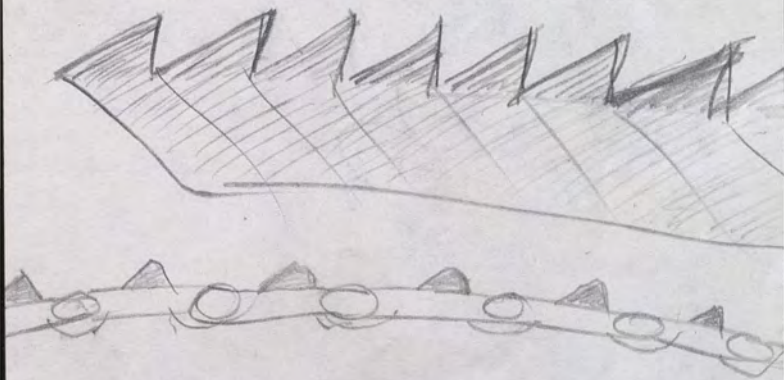
inventing the
name ~~Walt~~ "magweering"
Heel

Hand the Study
& Water
Finance Payout

~~② Options~~

③ Architectural Agreement

④ Amintations



AUDIO-ANIMATRONICS
PLANNING AND INFORMATION
MANUAL

Prepared for
WED ENTERPRISES, INC.

0619

Original Proof

File **16-26**



April 24, 1962

SERVICE TYPOGRAPHERS
Richmond 9-7691

Audio-Animatronics
(WED-DL)

- b. As props and dressing in a ride or exhibit.

(Example: Nature's Wonderland.)

2. NON-REVENUE PRODUCING ATTRACTIONS IN
DISNEYLAND.

- a. The use of Audio-Animatronics as a free show attraction on Main St. , etc.
- b. As a barker or announcer of attractions.
- c. Other uses of similar theatrical value.

3. INSTITUTIONAL EXHIBIT

- a. as the main attraction or exhibit.
- b. As props and dressing to the attraction.
- c. As an announcer or MC to the attraction.

Trade Protection

copyright - simply publish with copyright notice
 - to secure damages must be registered with

Service Mark - denotes a mark of quality in the service or product so marked
 - must be established by shipment in interstate commerce, then registered with the ~~Department~~ ^{U.S.} F.T.C.

^{or Trade Name}
Trade Mark denotes a company's symbol for all its products

~~Patent of ~~Foreign~~~~

~~Patents~~

Domestic - 3-6 mos for easy ones
6-12 mos is common

Foreign

- problem of jurisdiction
- European Common Market - may develop common patent system
- Patents in foreign countries generally must be perfected within one year of the date of issue of domestic patent
- costs (excluding legal fees):

Newell

Long Beach Patent Counsel

Fellwilder, Mattingly,
& Huntley

on A-A

Patents

Francis A. Ustick (Pet)

2 to 3 basic patents

of converting taped signals

to physical movements

no advance patents

Trade Mark & Service Name
need interstate commerce

Foreign Patents - one year
limit

Brackeuse Patent
^{English Patent}

overall concept of tape control

Individual Claims
Articulation

Eye Movement

(providing conflicting patents do not exist in that country).
However, application for the foreign patent must be within one year of the granting of the U.S. Patent in order to insure priority to the U.S. patent holder.

The principal problem to overcome in securing foreign patent protection is that of determining which jurisdiction to approach. 1.

For example,

patent protection in Germany may not help WED much in Sweden.

The objective in any foreign patent program will be to secure protection in those countries ^{where} ~~in which~~ WED may wish to sell or operate Audio-Animatronics shows.

Service Mark Protection

A service mark is a symbol (i.e. WED/A-A) which ^{indicates} a level of quality provided by a service or product which is so marked.

The principal requirement for establishing a ~~mark~~ service mark is that the products or service must be involved in interstate commerce. To provide complete domestic protection, the service mark should be registered with the U.S. Patent Office. Furthermore, domestic registration of ~~xxxxxx~~ a service mark is required by many foreign countries before protection will be afforded *in those countries.*

Trade Mark Protection

Opportunity for ~~the~~ trade mark protection of Audio-Animatronics is limited since a trade mark must apply to a particular product. Audio-Animatronics may never be standardized to the degree where trade mark protection is significant.

1 The choice of jurisdictions may become less difficult if the European Common Market countries agree to a common patent system.

Copyright Protection

Copyright protection can be secured by publishing the material in question with a copyright notice incorporated in the manner specified by law. However, to permit collection of ^{prior} damages the copyright must be registered.

Design Patent - check with Neal

Financial Aspects of Patent Applications

How much to file

How much to renew

Use of Name

A-A

Romero

1 to 2

Roger Broggs - Mechanical Shop

Walt works for Walt mostly; Dick Irvine 2-4

Waltel Rogers - close to Irvine

Design & Animation

~~Roy~~

Harvey Scillette - Drafting

~~#10~~

IRVINE

HENCH

→ Proj. Art Dir
Ford & E.
& Tiki

Bill
Markus

CLAUDE
COATES

MARC
DAVIS

DIC
GREEN

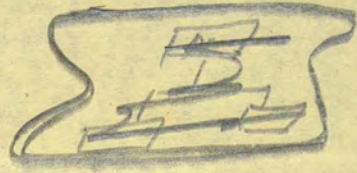
→ ART DIRECTOR

Harvey?

Harvey assigns drafts

Irvine - sketch pool
model maker

Control conference



Management Committee

Mickey

Neal

Dick

Chuck

John Hensch - Dir. of Design

Don Edgren - Budgeting & Scheduling - FORD

Ron White - " " " " - G.E.

Art Director i.e., Bill Martin
via Greene

DICK IRVINE & John Hensch

Ray & Mickey



Don Edgren



\$ 300 - 500 thousand 5%

Audio Animations

who to see

Chuck Romers knows the picture

Roger Brogus - Productions
Marshall Rogers

WED PRIME FUNCTIONS

1) A+E Services

- Disneyland
- Outside Clients
- WED Shows & Projects

2) Disneyland Operations

- Mornail
- Trains
- Audio - Animationics

3) Royalty & Investments

- Merchandise
- Theatrical
- Patents Royalties

4) Audio - Animationics

5) Ventures Evaluation & Implementation

Definitions - add the legal definition

VIP

Chinese Restaurant 201

Ford & G.E. - incent

VIP

Play up the role of WED in the
creation of A-A.

Security at wood shops

Section for Additions

UNIONS & Others

A/P Policy

2nd Lincoln Head - mention the
refinements

Wax Museum - Pirates of the Caribbean

Chart showing the variation
in total work charges

WDP

WED

Patent - big summary

~~Set~~ Set up as a planning

PURPOS

	FISCAL 1962				FISCAL 1963			
	Production Costs	WED A/A Revenue	Monthly	Cumulative	Production Cost	WED A/A Revenue	Monthly	Cumulative
April	150	-	150	150	150	10	140	715
May	150	-	150	300	100	15	85	800
June	100	-	100	400	100	30	70	870
July	25	15	10	410	100	⁴⁵ 245	(145)	725
Aug	10	15	(5)	405	100	⁴⁵ 245	(145)	580
Sept	10	10	0		100	³⁰ 230	(130)	450
Oct	10	10	0		100	¹⁵ 215	(115)	335
Nov	10	5	5	410	100	215	(115)	220
Dec	15	10	5	415	100	220	(120)	100
Jan	25	5	20	435	100	220	(120)	(20)
Feb	75	5	70	505	100	(220)	(120)	(140)
Mar	<u>75</u>	<u>5</u>	70	575				

80

Preliminary Audio-Animationics

Production Goals (value of production)

	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
January	-	75	150	200
February	-	75	150	200
March	-	75	100	200
April	125	100	100	
May	125	100	100	
June	100	100	100	
July	25	100	100	
Aug	50	125	125	
Sept	50	125	125	
Oct	50	125	125	
Nov	50	125	150	
Dec	75	125	150	
	<u>650</u>	<u>1,250</u>	<u>1,475</u>	<u>600</u>

Note - This is equivalent to 11 shows of the magnitude of the Teke Room Show.

Unions

Union Problems

- must have union to work with
Dimmyland sound people (IATSE)

- don't know the union problem at
New York -- need a reading VIP

traditional jurisdictional arrangement:

Exhibits	--	AFL - CIO
Shows	--	IATSE

Source: Dick Irwin

Possible
Divisional
Breakdown

Design

Pide Operations

Audio Animation

- R & D

- Operations

Fixed Revenue

Real Estate

ii. - periphery property control
Squaw Valley (lease expires August)
Rohn Springs } possible new deals
Mammoth }

Source Mitchell

Machinist Shop

March 61

	^{Weyler} X	Median	Quartil Range
Milling Machine Operator	2.54	2.465	2.36 - 2.74
Production Machinist ^{Journeyman}	2.86	2.81	2.68 - 3.08
Grinding Mach. Operat	2.77	2.75	2.72 - 2.93
Engine Lath. Oper	2.69	2.73	2.58 - 2.83
Drill Press Operator	2.20	2.31	1 - 3 2.14 - 2.44

Source → M & M Survey

2.5 - 2.14
50 -
75 -
100 -

WD Productions Machine Shop

For \$6.5

~~4.41~~
~~7.20~~
~~1.50~~
~~4.00~~

Labor

+ 17

+ 30% O/H

+ 7 1/2 Profit

chain

Rates

\$ 4.55 / Hour

\$ 6.00 / Hour

$$4.55 \times (1.17 \times 1.30 \times 1.075) = \underline{\underline{\$ 7.44}}$$

WEP crews used to
working with WDP

Source: Jim Thompson

Machine Shop Drafts

Machinery & Equipment & Supplies

NEW \$10,000 - \$15,000 per man

USED 40% \$6,000 - \$9,000 per man

Shop Space - Machine Area 120 sq ft per person
Usable factor 60%
Gross Area 200 sq ft per person
12 men 2400 sq ft
30 stations 4,000 sq ft

Office (shop) 100 - 200 sq ft

Engineering Office 100 - 200 sq ft / man
3 Engineer 300 sq ft - 600 sq ft

Standard Machine Shop Billing Practice

Time Only Direct Labor x 2 = Charge on
Cost Basis

NOTE - Harvey Costs Overhead = 90%

Two methods of stating work charges:

- 1) Purchase labor -- purchasing done by vendor
- 2) Time and materials -- fixed price

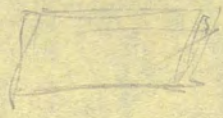
R & D work basis:

Purchase Labor -- Vendor buys materials & conveys -- "charges not to exceed" clause

Control -

- in big subcontract, vendor will establish a time audit man or group in the sub's shop
- in smaller operations, may use periodic audits.

Minimum Down Time (Work backlog situation) 10-20%
R & D Down Time - 50-60%



Rogers

Dressing

A 2 days / Brief

Cylinders → ^{> 1,000,000}
~~30,000~~ pulses

Cleanliness VIP

Standard machine

WED Billing & Charging Factors

WED to Maryland:

Design: 200% of Direct Labor plus
EB (15%)

Maintenance: Direct Labor + EB (15%)
~~plus~~ times 1.20

WED to Ford

250% Direct Labor

WDP to WED on Ford

Direct Labor + EB (25%)
~~plus~~ times 1.35

~~Design Fabrication Audio Animation~~

~~Idea
Preliminary Design~~

Design

Prototype

Fabrication

Animation

Installation

Design

Idea

WED

Prelims

WED

Mechanical Feasibility

WED & BROGGIE

Finals ~~Models~~

WED

~~Plans~~

WED

Audio

Idea

WED

Story

WED or WDP

Sound Track

WDP

Prototypes

Engineering
Fabrication

Broggie

Electrical
Animation

Electrical

Model

Approval & Revisions

Dick Harris, Glen Wall

Fabrication & Assembly

In shop fabrication
Job Shop fabrication
Assembly

Proggie
Proggie coordination
Proggie

Installation

Proggie or local mill
Proggie technical
assistant

Audio Animatronics

Definitions

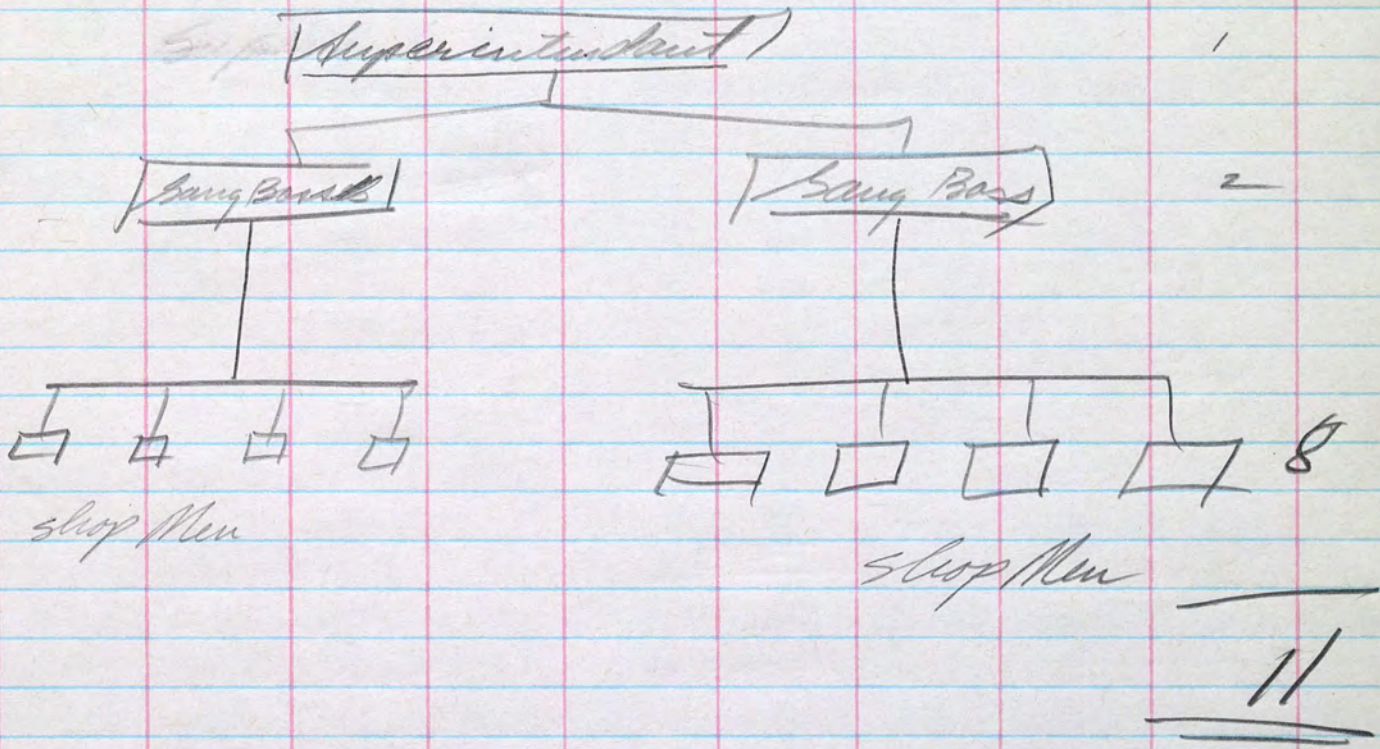
Audio Animatronics is a ~~new~~ term which applies to ~~the~~ animated replicas of living or imaginary beings which are controlled by means of electrical impulses, stored on film audiotracks, which in turn ~~actuate~~ electrical, hydraulic, or pneumatic actuators.

edit

WDP

Maximum stop

Audio Animation Group



Maximum Number who can
be applied to the A-A work

$$= 16.$$

Sub Out of production work

Unions

WDP

Machinists, Audio,
& Carpenters

IATSE

- International Association
of Theaters & Stage Employees

Electricians

IBEW

- International Brotherhood
of Electrical Workers

DISNEYLAND

Audio

IATSE

- see above

Electrical

IBEW

- see above

Machinists

I AM

- International Association
of Machinists

Carpenters

Carpenter's Union

what about New York?

Walter Rogers on
John Thur

Sketch

Co Ordination
w/ Rogge

Engineer

Tiki Room -

Machinists Shop - Prototyps

Studio

109

IATSE

International Assoc. of Theater & Stage Employ
including Machinists at WDP

IBEW

Park

IBEW

clutium

IATSE - sound

¹⁰⁹
IA Mach

- Machinists

- Carpenters

TIKI

- sound dept at the
park - plus a
bypass

Elephants

Adventurous
Technical Advisor

New York

who do we work with in New York

normally IATSE

who install & maintains

FE - Tommy Walker shows up /
Moose Pilot at RCA
Muri Hall

Stock stamps are used.

Bldg Trades or IATSE

Jungle Ride

pneumatic system -
mechanical timing

Under stop show

Terminator - rejoined

~~_____~~
this refers to the ~~taped~~ signal
Audio Animatronics - may only

{ Electrical impulses in
injection with audio

~~_____~~
One Super
Two gang Bosses

4 men under each

11 Pops

up to 16 Max

Babcock

Neil Taylor - stop man

Sound - works with Michel Rogers

no man in his shop

Electrical

George Fieldcamp
Lee Adams
Elect Engineer

Machine shop does no wiring

Paul Burton
one man has done the
work for the Electrical

TIKI →

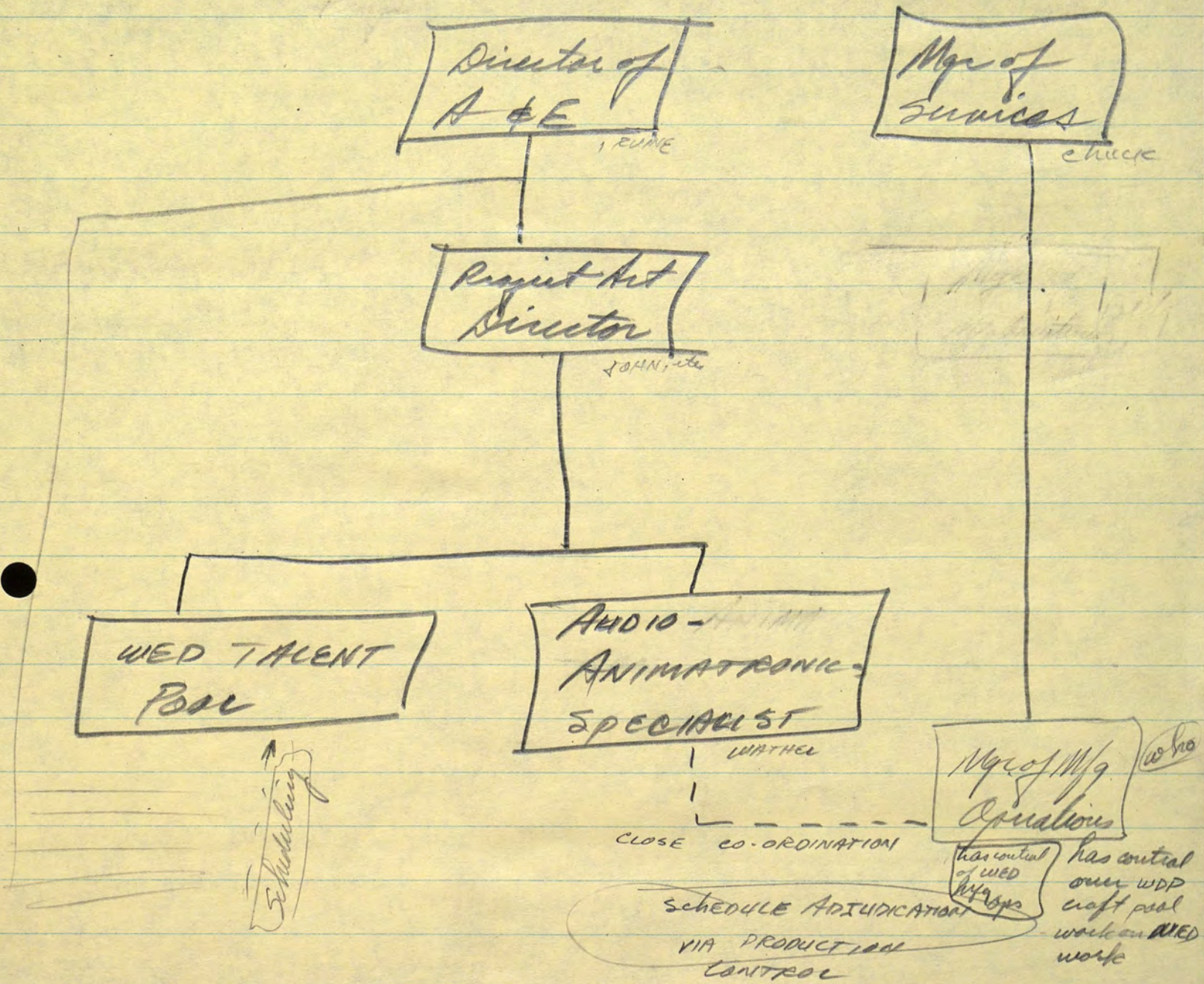
Sheet Metal - ^{Studio} Construction Shop

Birds are fabricated at Disneyland
Bird Washo

Japan → Toy Mfg. ?

Mattel - ?

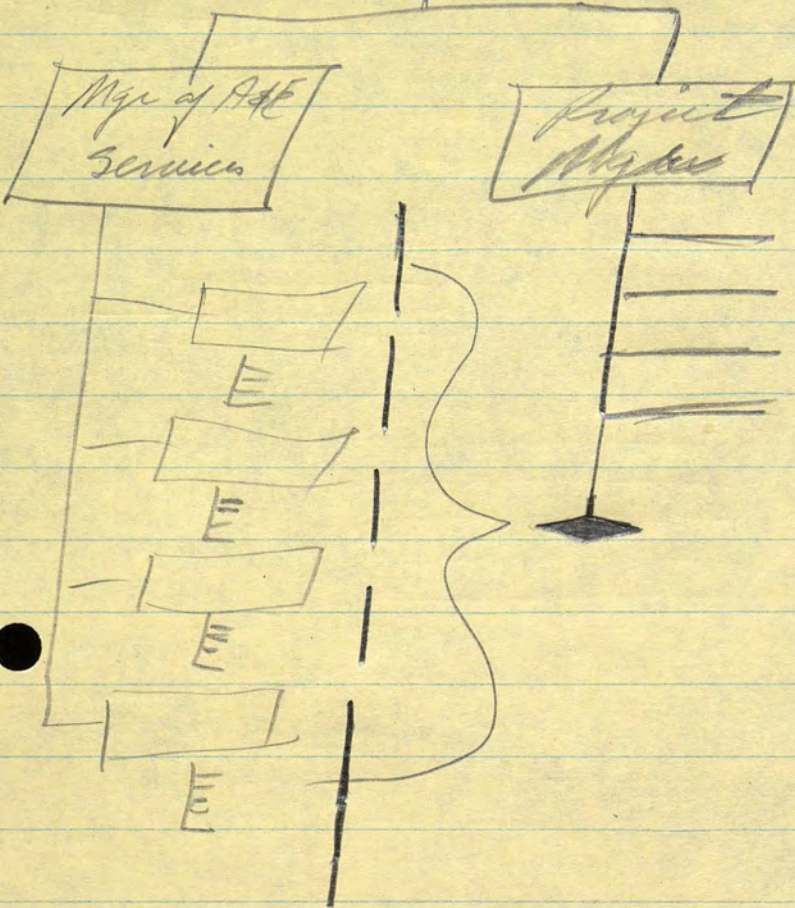
A-A Project Mgmt



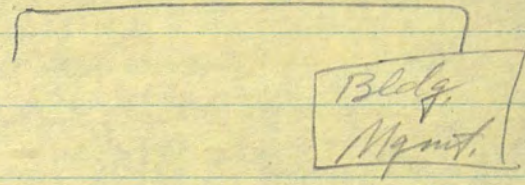
Sales Effort
Contract Negotiation
Theme Development
Music and Story
Audio
Engineering, Prototyping
& Specifications
Purchasing & Sub Contracting
Fabrication
Assemble Paint &
Coatings
Structural A & E
Mock-Ups
Final Programming
Test (Mock up & Component)
Ship
Installation
Test
Maintain

1946 - 5
18
16 yrs
24

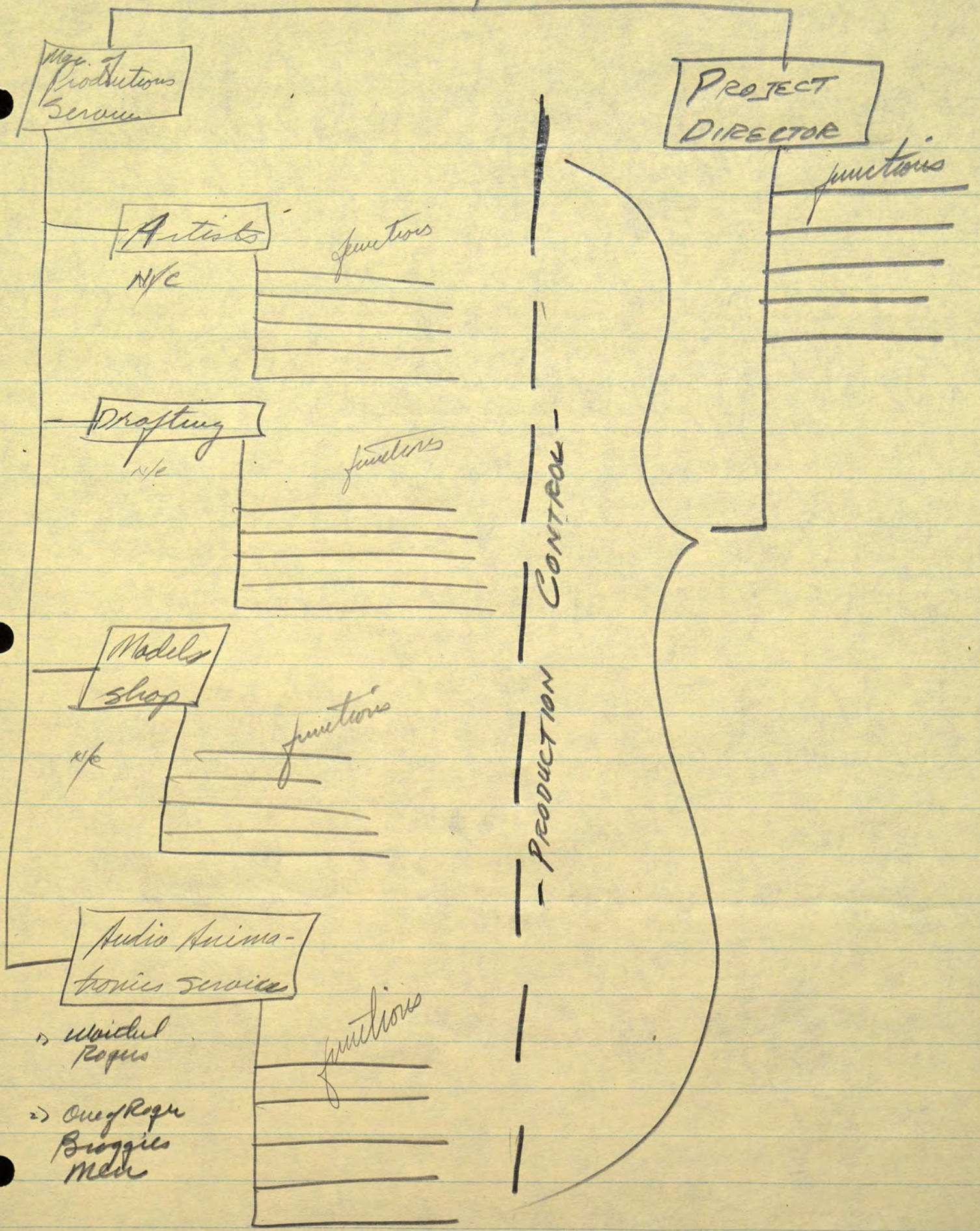
Dir. of A&E



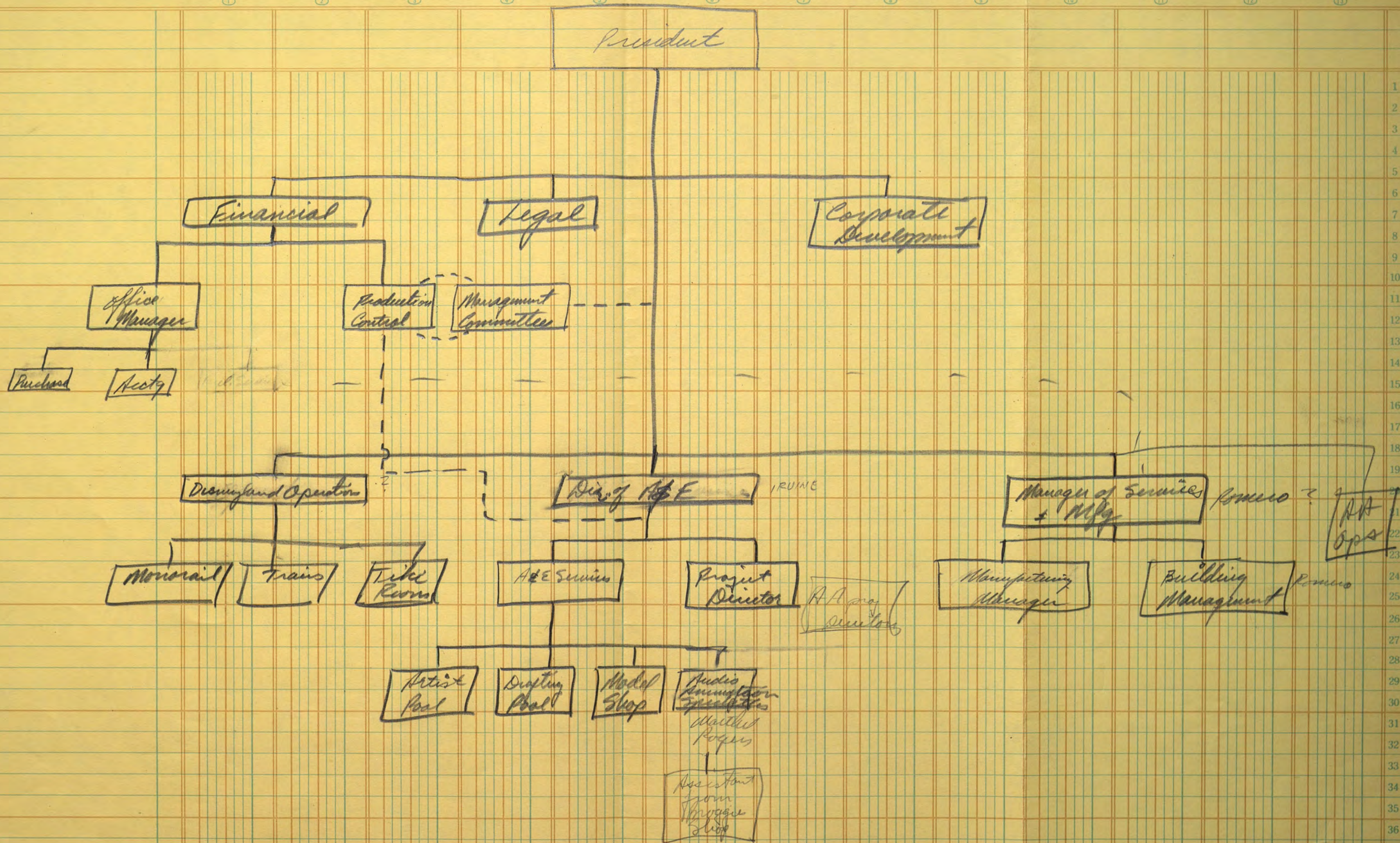
Mgr. of Services



P R O D U C T I O N
C O N T R O L

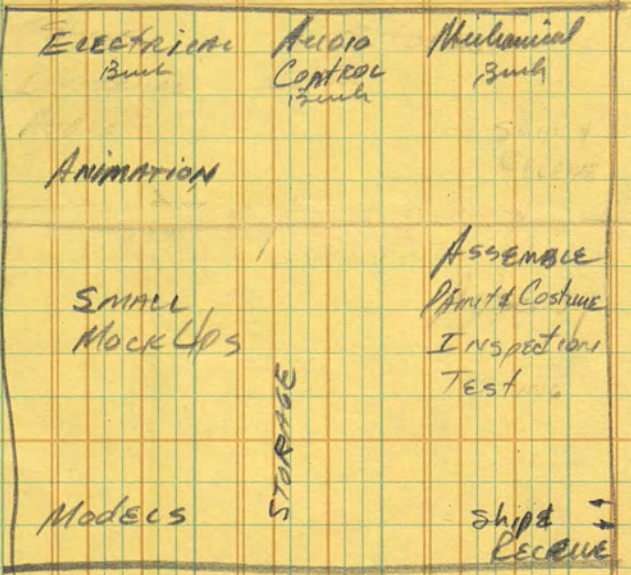


- 1) Michael Rogers
- 2) One of Roger Briggies Med



WED

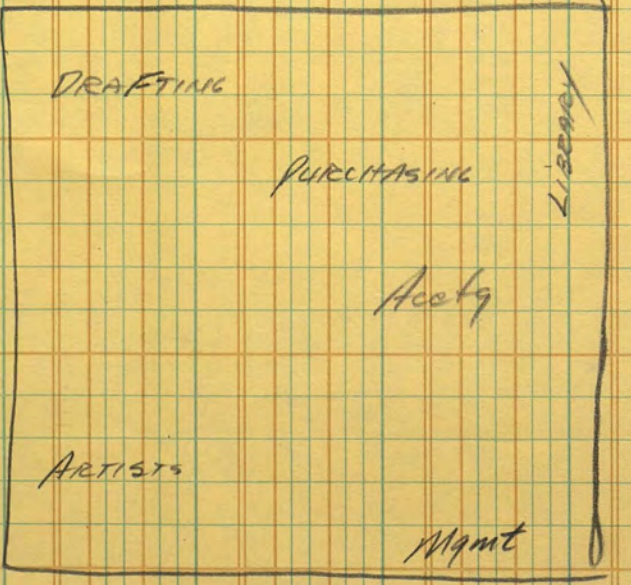
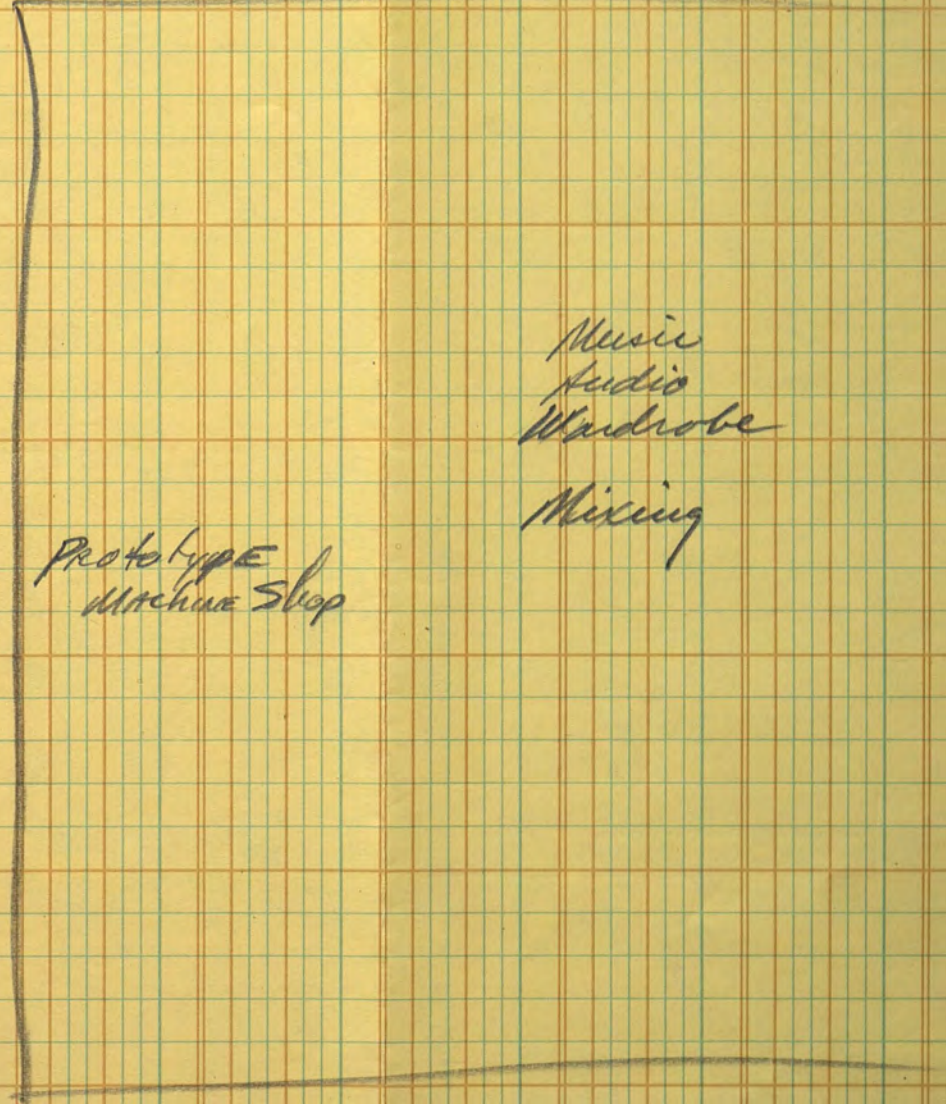
15,000



15,000

2

PRODUCTIONS

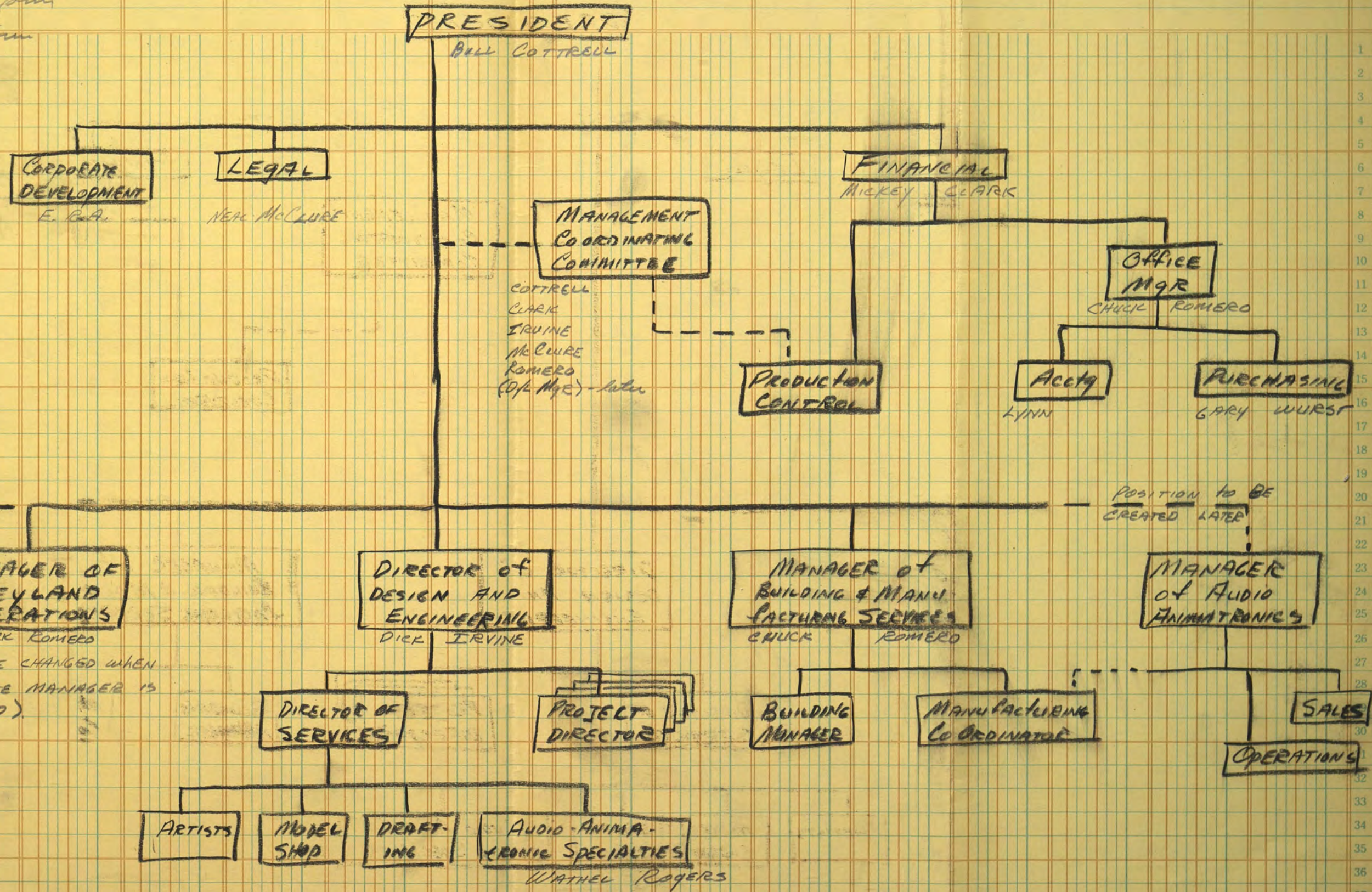


15,000

1

Maybe I should present two or three of these:

1. Present form
2. Immediate form
3. Essential Form



	1	2	3	4	5	6	7	8	9	10	11	12	13
	WED ENTERPRISES			WALT DISNEY PRODUCTIONS					WARDROBE	WALTHER ROGERS	WED BUSINESS SERVICES	DISNEY LAND	OUTSIDE SUB-CONTRACTOR
	ARTISTS	MODEL SHOP	DRAFTING	MUSIC DEPT	SOUND DEPT	MACHINE SHOP	OTHER WORKSHOPS	MODEL SHOP	WARDROBE DEPT	WARDROBE DEPT	BUSINESS SERVICES	DISNEY LAND	OUTSIDE SUB-CONTRACTOR

SKETCH & MODELS

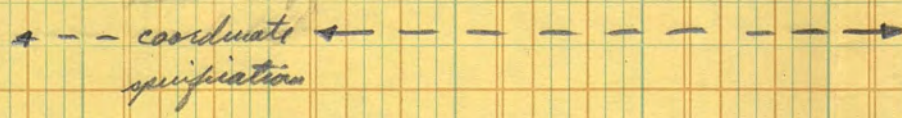
joint development of show themes

consulting on technical feasibility

ENGINEERING & PROTOTYPE CONSTRUCTION

Form prototypes

Mechanical prototypes



PURCHASE AND SUB CONTRACT

advise purchasing

advise purchasing

Place orders & let contracts (on advice)

FABRICATION

make short custom run custom fabrication parts

Long run specialty fabrication work

ASSEMBLE, PAINT, & COSTUME

Depends on space availability; use WDP personnel

Depends on space availability; use WDP personnel

costume supply assistance

MUSIC & AUDIO EFFECTS

Coordinate

Compose & Record & Perform

A & E, STRUCTURAL ELEMENTS

Sketches, plan and working drawings; models where required

MOCK-UP

Coordinate

Acids for Mock-up.

Studio Carpenter & Electrician

ACTIVS

PROGRAMMING
of Action

COORDINATE
& APPROVE

WAITHEE
REPORTS

Program
Action

TEST & INSTALL

(FUNCTION NOT PERFORMED TO DATE)

1
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3
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40

WED ENTERPRISES			PRODUCTIONS			DISNEY LAND	OTHER SUB CONTRACTORS
PRODUCTION A & E	SERVICES MANUFACTURING	BUSINESS SERVICES	MACHINE SHOP	OTHER SHOPS			

THEME DEVELOPMENT

development of

ENGINEERING, PROTO-TYPE CONSTRUCTION, & SPECIFICATIONS

PURCHASE & SUB-CONTRACT

FABRICATION

ASSEMBLE, PAINT & DRESS

MUSIC & AUDIO

STRUCTURAL A & E

MOCK UP

A/E

Subject
Story & Research
music

Imagining
Design
Arch / emp / drafting

Model { design
emp
working model - prototype

Story / music / sound

mfg. + prototype
prod.

50,000

Marc Davis
Walter Roberts
Blaine Gibson
etc.

↓
Designer &
Architectural
Engineer

Art Pat



Tiki Room

Depreciation - probably will have to

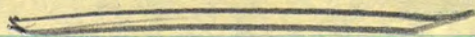
go to 5 year period

if the ^{figure} comes down in 3 years, but are set up for 5 years, may have a loss write-down.

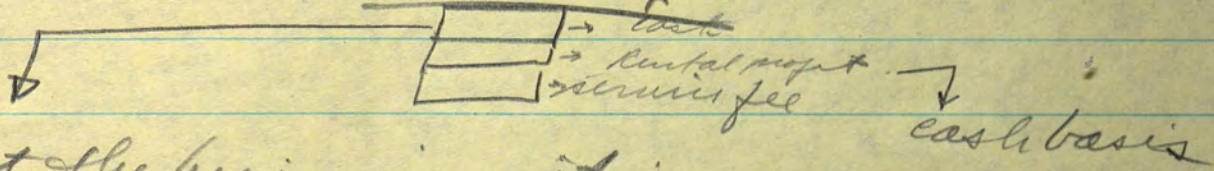
May gamble on a 3 year program.

3 years

Can not do like film revenues



P-W Pricing



if at the beginning, it is income for tax purpose

Taxable →

Accl Dep - st Lin Income

BE → definite figure of \$300,000
has been established

Ford → no figure established

If Ford & S.E. revenue is billed on a
current expenditure basis, it
will become revenue, whereas
the asset must be capitalized
and depreciated.

- Date of Depreciation commencing
- when do we get lease income

Re-use - Taxability of revenue

ie Tiki Room - options

Don Plunkett - P-W Tax Man

Bonus - non-deferrable to
recipients

Profit-sharing - may have to
reduce by non-operating
revenues

Stock Purchase - no change

deferred compensation

discretionary bonus without
periodic payout

4
21
21
21
21

500
415
85

BROBBIE

How many people in the ~~the~~
~~the~~ Machine Shop?

How many on the AA projects?

" " " " Tiki Room projects?

What part will the machine shop play
in the AA products? Will it
decline as parts become standardized?
#

Is actual~~ly~~ assembly done in the
machine shop?

~~What~~ How much of machine shop is
required for this work? What
about finding or setting up a
custom machine shop for this purpose?

In the present set up

who authorizes the work for you?

real McClure
on Patents



Patents

Insurance

owner's loss - to WED

Liability to

B.E. ^{\$ 300,000} will supply as much
R&D +

Construction B. E. Eric figure

Application 2 of
Dinosaur

FORD

WED owns & will
retire after show

Corporate story 2
Case Man

R&D no for

TIKI ROOM

tiki's
Flowers
Birds

Waithel Rogers

Tiki Project

John Neuch

Art Director

Tiki Dolls -

Mae Davis

Waithel coordinates:

Sound

Electrical

Machine Shop

Musée

Lincoln Head York Poladish Mech. Shop

2-3 more more

Body - was engineered by Roger Proggie & group

Blane Gibson - sculptor at WED

Acute Access → Yale Grace
WED at WOP

waited Rogus

Emerald City of Oz project

extension of the story book
side

— John Frankie

works with
Roger Bruggie

Existing Projects

Ford Project

Complete budgets are available for the various elements of the Ford Exhibit. Thus, the number of days and money for each trade is detailed out for the A-A segment of the show.

AUDIO-ANIMATRONICS

(WED-DL)

This agreement is now being drafted by Loyd Wright, Jr. to cover the use of audio-animatronic patents as used in Nature's Wonderland.

Patents are owned by WED and any improvements, etc., are to belong to WED.

Further licensed use of audio-animatronics in Disneyland will be defined in the contract.

The following basis for contract has been agreed to in principle by WDP/Disneyland and WED:

*Important
Audit Rules
& structure
Pruning leaves
2 Cyclo Sticks*

- A. That the license fee will either be based on an annual rental fee or,
- B. That the fee will be based on a percentage of the manufacturing costs.
- C. That the fee basis might vary depending upon the specific use in Disneyland. At this time the specific use seems to break down into the following three categories:

*Outline
① Application*

- 1. DISNEYLAND REVENUE PRODUCING RIDES OR ATTRACTIONS.
 - a. As the main attraction or exhibit.
(Example: Pirate Museum, Chinese Theatre Restaurant.)

Audio-Animatronics
(WED-DL)

- b. As props and dressing in a ride or exhibit.

(Example: Nature's Wonderland.)

2. NON-REVENUE PRODUCING ATTRACTIONS IN
DISNEYLAND.

- a. The use of Audio-Animatronics as a free show attraction on Main St. , etc.
- b. As a barker or announcer of attractions.
- c. Other uses of similar theatrical value.

3. INSTITUTIONAL EXHIBIT

- a. as the main attraction or exhibit.
- b. As props and dressing to the attraction.
- c. As an announcer or MC to the attraction.

Non Disneyland.

WED ENTERPRISES, INC.

The company is currently in the process of developing "audio-animatronic" figures. These figures will represent animal, reptile or human forms and will be completely animated electronically; in addition, they will be capable of producing the sounds normally produced by the forms they represent. The basic use for such figures lies in the fields of exhibition and advertising. The company is currently working on figures to be used by Ford Motor Company and General Electric Company in exhibitions at the upcoming New York World's Fair.

The company plans to retain all proprietary rights to the figures; they will only be leased to prospective exhibitors under a lease-service contract. The income to the company from these lease-service agreements will be:

- (1) An amount equal to the "manufacturing costs"; manufacturing costs to include direct costs of labor and materials plus an appropriate portion of overhead and research costs,
- (2) Annual rentals to be based on a percentage of manufacturing costs, and
- (3) Fees for service and maintenance of the figures during the life of the lease; the basis for such service fees has not yet been established.

Mr. Pate met with Mr. Clark, Treasurer of the company, on March 22, 1961 to discuss the method of accounting to be used for (a) revenues, (b) manufacturing costs, and (c) research and development costs relating to the figures. The discussion of the various items is briefly summarized below:

(a) Revenues - The company is currently on a cash basis of accounting. Revenues will be recorded as received. Tentative plans are to require the lessee to reimburse the company for "manufacturing costs" at the time the lease is executed. Mr. Clark was informed that it might be to the company's advantage tax-wise to have this reimbursement pro-rated over the life of the lease.

(b) Manufacturing costs - Inasmuch as the figures are to be leased and not sold, these costs should be capitalized and subjected to annual depreciation. The useful life of the assets to be used for depreciation should generally conform to the life of the lease. In this respect, Mr. Clark was reminded that to take advantage of accelerated depreciation for tax purposes the assets would have to have a useful life of at least three years.

(c) Research and development costs - These costs are currently charged to expense as incurred. It was decided to continue this practice rather than capitalize the costs as part of manufacturing costs. Recovery from the lessee can be accomplished by wording the lease agreements to provide for an estimated portion of any research or development costs.

Mr. Clark informed us that the form and content of the lease-service agreements had not yet been finalized. He stated that the points discussed above would be considered in the final agreements.

Los Angeles
April 13, 1961

need the following

Rates for each man involved
A proposed plan for estimating, budgeting
and controlling charges

STEP 1 -- Prelim. Estimates :

-- must be in terms of the
scope of the study --
what kinds of
resources to be required.

Step 2 -- Formal Budget

Step 3 -- Control ~~reporting~~
mechanism

This must be coordinated
with management plan

INTERIM REPORT

I. Know the background of A-A and its history of development.

- Michel Rogers

- Roger Broggie

II. Know who's doing what in A-A at this time

III. we know about several limiting factors on our possible moves:

i.e. - availability of skilled & experienced talent

7

* animators

* sound

* machine shop, etc.

*

- unions (IATSE)

IV. Present thinking is along the lines that:

(A) Design Function is similar in nature to any of WED's design

junctions and should therefore remain the same

(B) Engineering and Prototyping construction is a new function ~~which must~~ ~~be~~ for WEO which must include the following ~~sub~~ groups:

- machine shop
- audio
- electrical
- animation
- etc.

(C) Manufacturing - may all be subcontract

(D) Assembly

(E) Maintenance & ^{repatriation}

(F) Lease, Administration

~~is involved with~~

-

V In addition →

I have information coming
to me on leasing arrangements

by: Pitney-Bowes
AMF Brunswick
Excells Corp. (Milk ^{Bottle})
Executive Leasing
U.S. Leasing Corp.

Sid Art -

Areas left to check out:

The role of display houses
Maintenance affiliate arrangement
for out-of-city shows
Legal -- more clarification
when Neal McClure returns.

Prototype { *Sculpture Clay Plaster Fiberglass Resin*
Non-Mechanical { *Painting Molding Texturing Costumes*
& Props
Mechanical { *Machine Shop (joints) & Mech Eng*
Automation Powering (Hydr or Electric)
Controls by Tape, Automation, August 30, 1961
Film here Action Composite
Voice & Action Track, Casting, Supt, etc.

State of the art.

Mr. William Cottrell
 President
 WED Enterprises, Inc.
 800 Sonora Avenue
 Glendale 1, California

Dear Bill:

You've asked us to undertake a study on planning the launching of Audio-Animatronics as a self-sufficient divisional venture within WED Enterprises. Working in collaboration with your legal, financial, design and model shop staff, we would develop a specific plan of action containing the following elements:

1. A review and evaluation of the status of product development.
2. A review and evaluation of patent and royalty position and the rights of ownership.
3. Development of the plan for manufacturing the product, including recommended organization and a projection of required facilities.
4. A recommendation for a sales program treating suggested policy on leasing, pricing and sales organization.
5. Projection of financial requirements for the next three years.

Product Applications

C. Maintenance Program.

We estimate that the work outlined in this statement will require four to six man weeks of effort. We would contemplate presentation of this material in a looseleaf planning notebook.

Very best regards,

H. A. Price
 Harrison A. Price

HAP:b

Roger Brown
Neil Taylor
Bob Cook
W. J. ...
Mention Titles

Audio Animatronics

① Not only expression of the state of the art but need a rundown on

(a) current deals

Ford

GE

Haunted House

Bedroom

Etc

IRVINE

Roger Bridge (Head)

1 in proposal

(b) Other Possible Applications

(c) Money Spent to date?

② Present Organization - Who does what

info? R&D	Roger Bridge ✓		Sculpture (Clay figures, glass, reinforced plaster)
	Herb Taylor	Non Mech	Painting - Makeup
	Electronic Bob Cook	Fixer	Taxidermy Costumes glue on
	Head Irvine		Props - email Keri
Anatomical Engineering	Marc Davis		Mechanical Shops (joints) + Engineering
Model	Bill Martin Vic Green		Animation Powering (Hydraulic + electronic + electronic)
Anatomical Dermatological	Bob Sevell	Mech animal	Controls (Toys - electronic)
Animation	Winkel Rogers		Filming live Action - Composite Voice + Action Trick, Castings
Models	Ken Gibson	sound shop	Script

(2) This must be known to do 3 in proposal.

3 in progress

③ Manufacturing Requirements in space,
people.

Problem is that spread out
& confused.

Conflicts between WDP & central
facility & need for coordination.

Subing vs. Air ship Operations
Production & Cost Control?

VIP

2 in Progress

④ Legal Situation (? importance now ^{Should} Audit)

Foreign Patents
(Neil McClue)

Copyright & Patent & legal Status
Ownership of Rights &
Intercompany Relationships

⑤ Sale Plan (4 in Proposal)
(See Cyclomatic Report)
(AME low) Pitney Bowes
Tax Aspects (Sales Tax?)
Leasing vs Sale (Term)
Pricing
How to Sell
Retention of Ownership

Residual of the
lease

Trade Name?

don't limit to a single
device

Patent

Divisional Approach to
Pattern of Thought

who's doing what?

Product Status
Patent

Marketing

Contract Terms

Taxation

lease income

Income at termination of
lease i.e. Ford
exhibit

How to class to Disney land

WED & P/L 7

VIP →

They have proposed a solution.

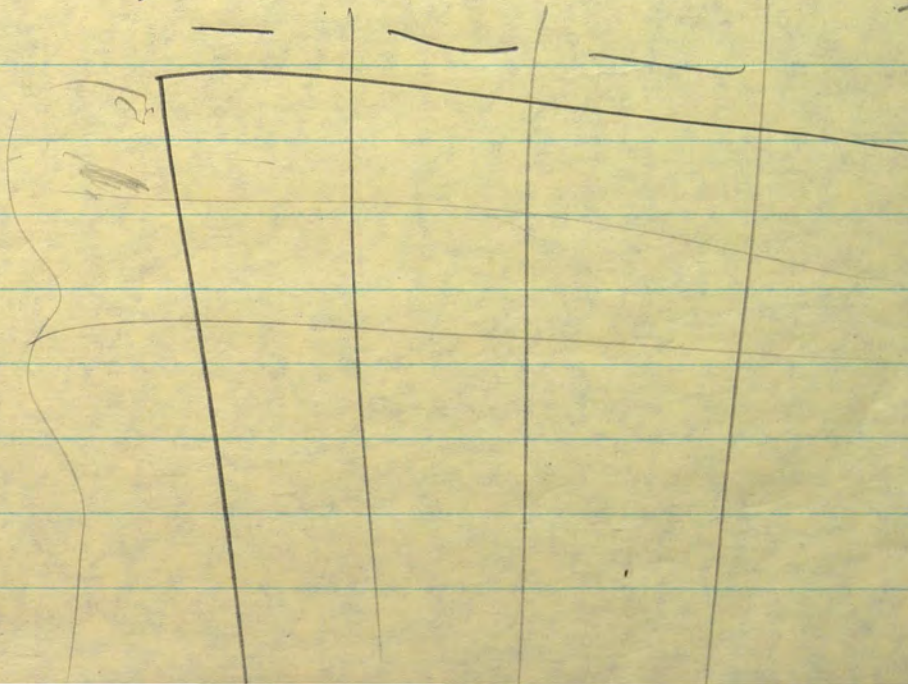
Checklist to accompany the sectionalized manual

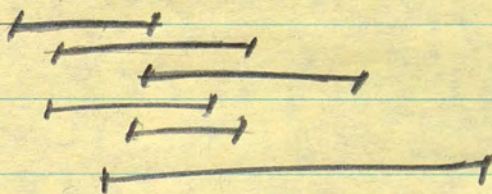
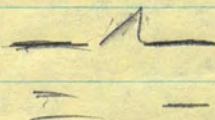
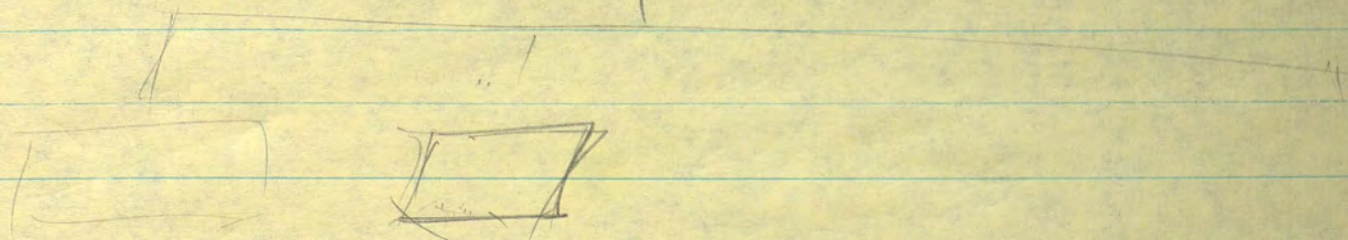
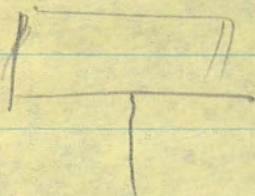
Unions? can we design

→ for "plug-in" operation

~~Maintenance~~

what about franchise installation arrangements.





Audio Animatronics

A Division

Design -

schedule

commitment

Contract Policy - ^{- Royd Wright} retention of
ownership is a policy issue.

Taxation - the impact of retention
of ownership

Marketing & Sales

Legal

Audio - Animatronics - Trade Name
vs. Patent Position

How is WED organized?

Divisional Manager? probably

Ford

scheduling - ^{Roy} McElain

works with Micky &
Dick

Maclure shops for joint work
or subcontract

1/3 by Productions
Arrow Development parallel
maintenance in Disneyland?

Display Companies - similar business

Disney name for prestige & show ^{only} it

Ford & G.E. contracts - may be

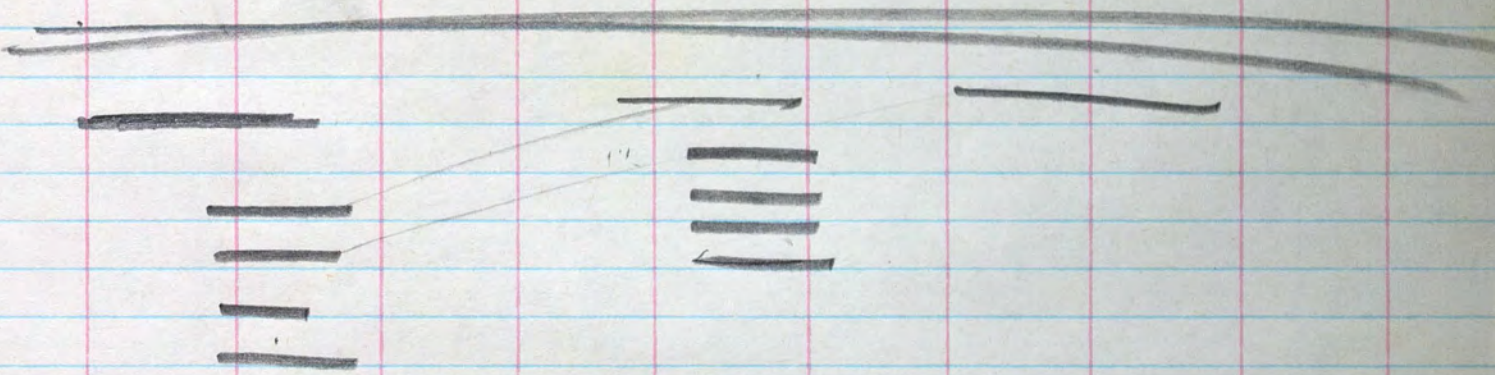
able to use an outside shop.

Machine Shop →

Brogie & ~~sons~~?

Design
Legal Patent
Manufacturing
Sales Marketing
Finance

SERVICE



Marketing

Application

present { Disneyland
World's Fairs

stuffer
↓

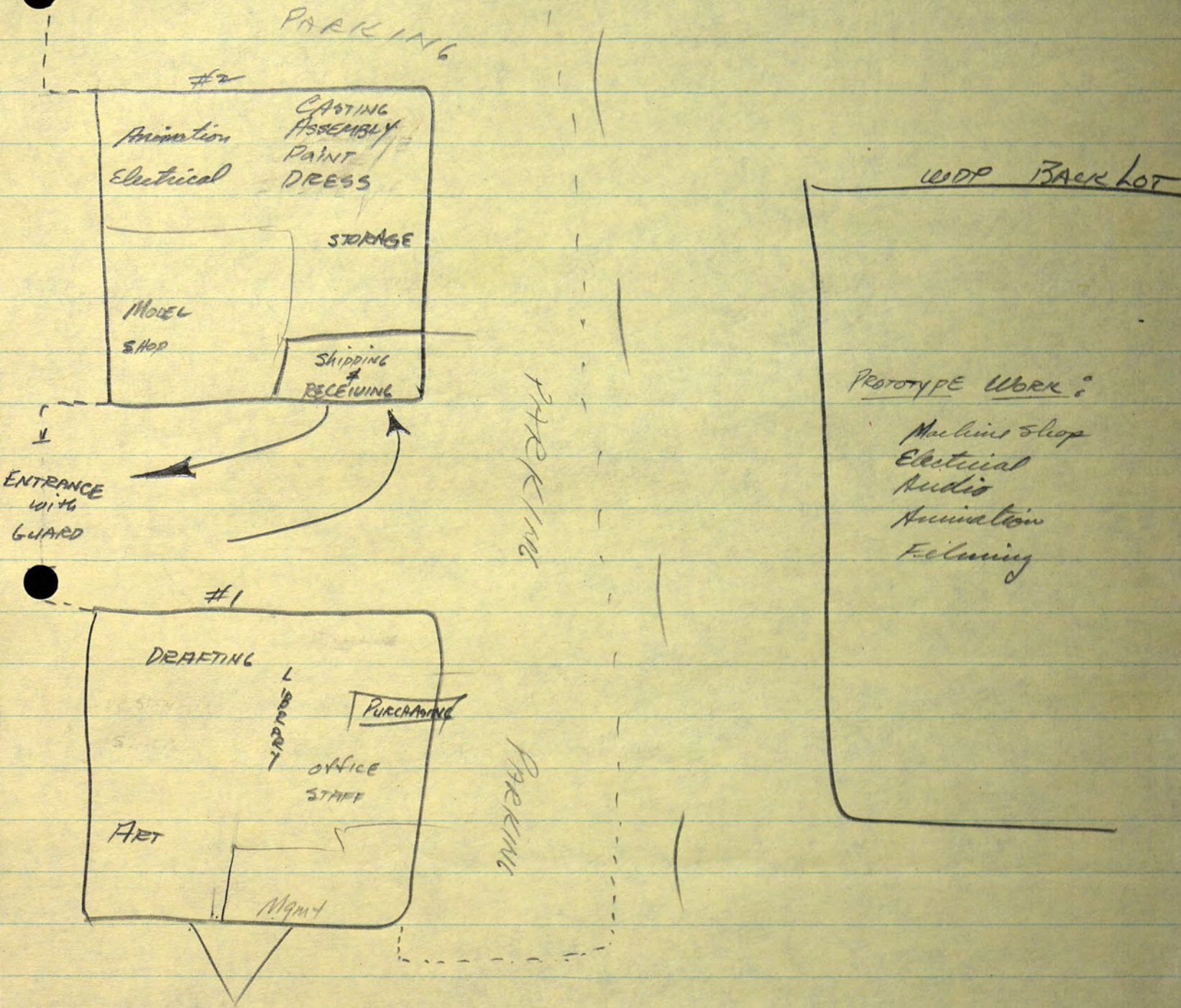
potential { Department store
Restaurants
Trade shows

Audio-Animation

ELEMENTS

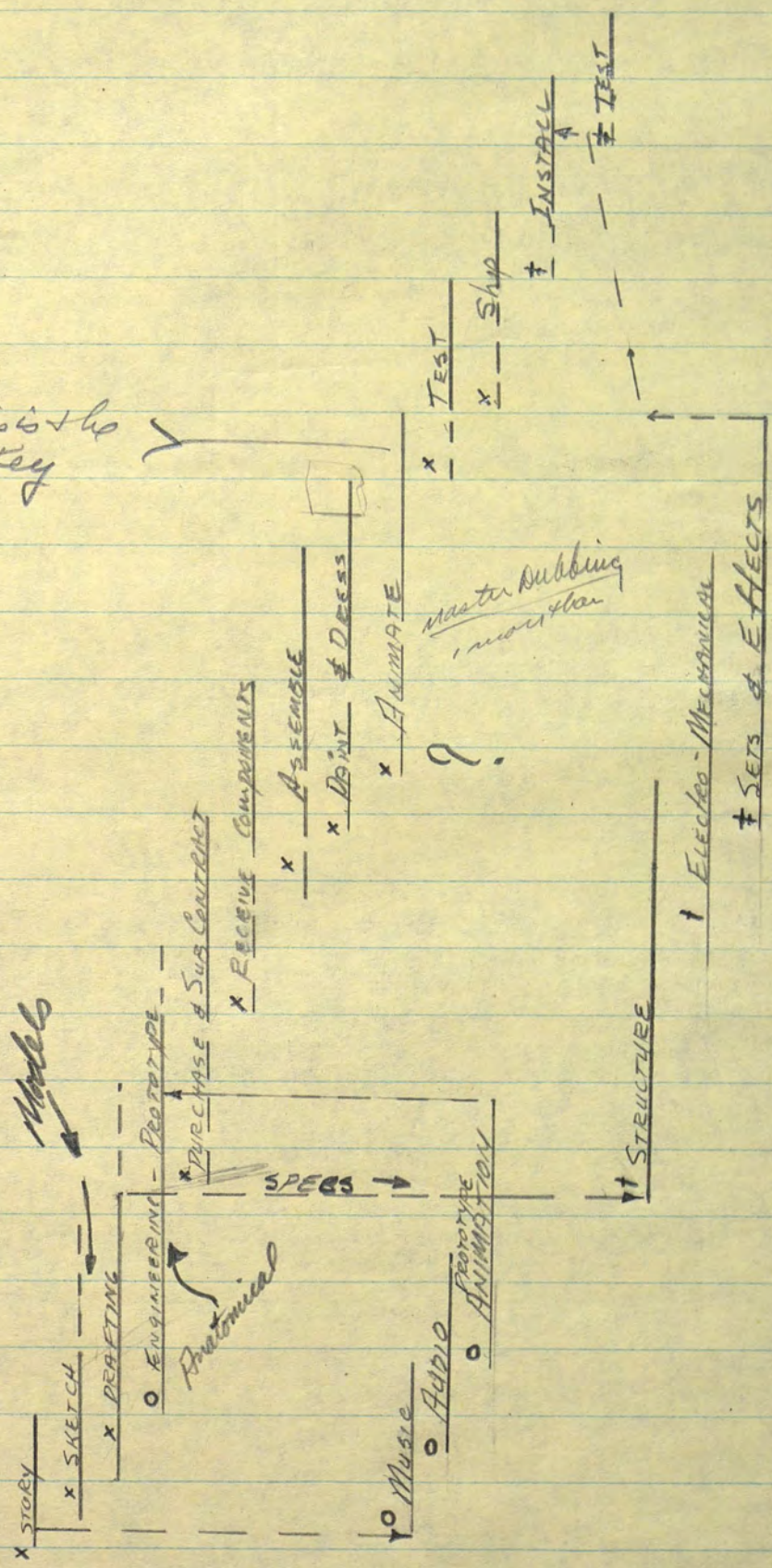
- I. Sales Program
- II. Design & Manufacturing
 - A. Art. Work
 - B. Models
Electro-
 - C. Mechanical
 - D. Anatomical
 - E. Audio
- III. Installation & Service
 - A. Shipping
 - B. Installation
 - C. Operation — VIP
 - D. Service
- IV. Financial & Legal
 - A. Leasing Terms
 - B. Contract during lease
 - C. Patent & Trademark
~~Patent~~ Protection
 - D. Taxability

Plant Layout



SEQUENCING OF AUDIO
ANIMATRONICS FUNCTIONS

this is the key



LEGEND

- x WED Shop
- o WDP Shop
- † WED FIELD SUPERVISION
- † CONTRACT CONSTRUCTION

TIKI ROOM

Roger Broggie Estimals -

for Birds, etc.

\$ 59,000

75
HBO

10

2,000,000

How would I handle:

April } 40 days	} Machine shop for prototype
May } 11 = of 40 mandays	

Factors:

Available skills

Wage rates

union memberships

union ties in

~~World's Fair~~

World's Fair

Ford 60 days

GE 40 "

Haunted House

Since the commitments are uncertain, I would not try to operate my own machine shop -- let WOP do the job

ms

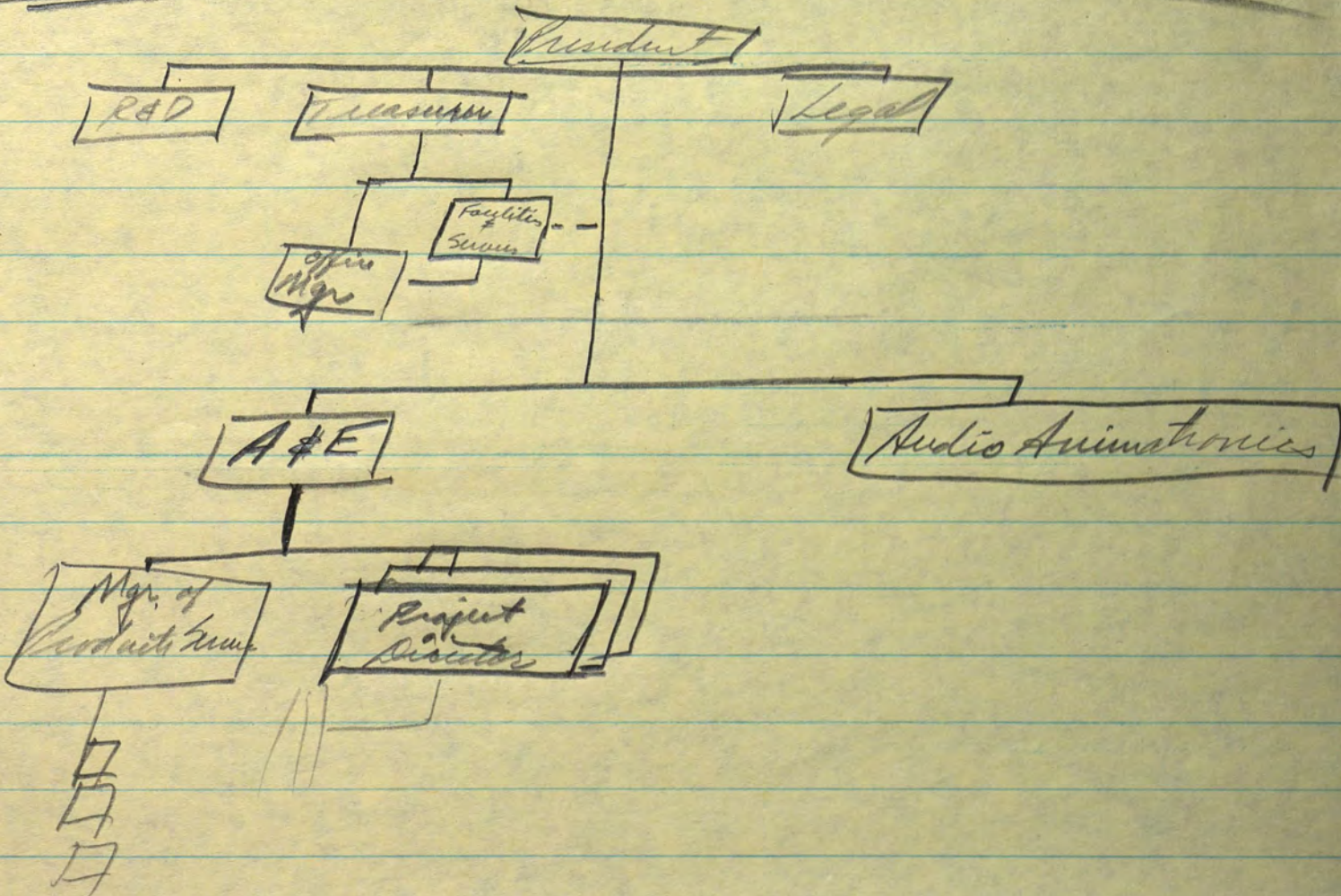
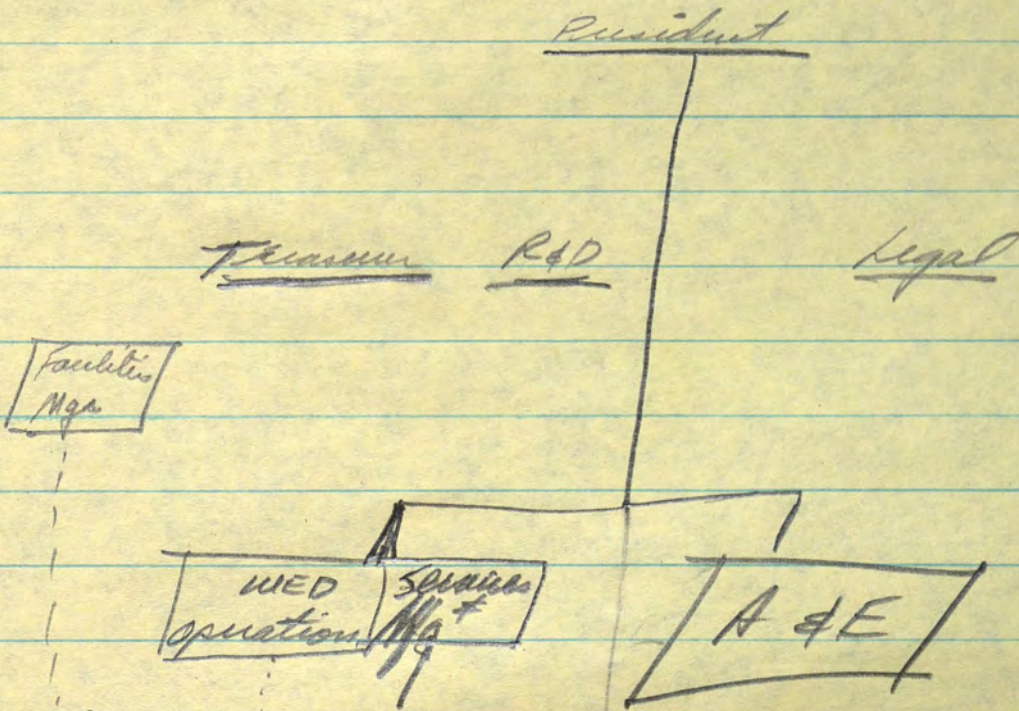
Lease Arrangements

IBM - Tool Equipment

AMF - Bowling Equipment

Sid Art - Machinery Leasing

Exec. Car Leasing - Automobiles



CONFIDENTIAL

August 30, 1961

Mr. William Cottrell
President
WED Enterprises, Inc.
800 Sonoma Avenue
Glendale 1, California

Dear Bill:

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Very best regards,

HARRY
HARRISON A. PRICE

HAP:b

Audio-Automatronics

Royalty fee

1. DL — % of mfg. costs
2. Industry. Royalty use
3. Industry in DL - Royalty use

Use

1. Limited use defined by agreement
2. DL assigns to user any improvements
3. Ownership reverts to WRD.
4. Control of film usage. (motion picture - TV.)
5. Royalty on the show.

GE
PARK
ETC