

## Chapter 6

### The Magnificent Seven Mirisch Companies: Competitive Strategy and Corporate

#### Authorship

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The Mirisch Company (and its corporate successors) was the most commercially and critically successful independent production company in Hollywood in the late 1950s and 1960s – winning the Best Picture Oscar three times between 1960 and 1967 and supplying United Artists with five of its ten most profitable films between 1957 and 1969. Founded in 1957, Mirisch produced 68 films for UA, before their relationship ended in 1974.<sup>1</sup> However, despite an excellent chapter in *United Artists: The Company That Changed the Film Industry* (Balio, 1987), complemented by Walter Mirisch's recent, anecdotal autobiography (Mirisch, 2008) there is still no book-length academic study of the company (but see the forthcoming Kerr, 2020). To supplement these sources, I draw here on trade papers, the United Artists and Walter M. Mirisch collections at the Wisconsin Center for Film and Theater Research and an interview with Walter Mirisch himself, conducted for *Nobody's Perfect* (BBC2 2001), a TV documentary I directed about the making of one Mirisch Company film, *Some Like It Hot* (Wilder, 1959).

In this chapter, I ask whether understanding how the seven Mirisch film companies (The Mirisch Company, The Mirisch Corporation, Mirisch Pictures, Mirisch Films, The Mirisch Production Company, Oakmont Films and Ashton Productions) operated can help explain why so many memorable UA films including *Man of the West* (Mann, 1958), *Some Like It Hot*, *The Magnificent Seven* (Sturges, 1960), *The Apartment* (Wilder, 1960), *West Side Story* (Wise and Robbins, 1961), *The Great Escape* (Sturges, 1963), *The Pink Panther* (Edwards,

1963), *In the Heat of the Night* (Jewison, 1967), *The Thomas Crown Affair* (Jewison, 1968) and *Fiddler on the Roof* (Jewison, 1971) were all Mirisch productions. (I use the term Mirisch when generalising about those seven companies but refer to specific companies by name when making more particular points.) Would expanding our knowledge of their competitive strategy and corporate working practices enable us to understand the characteristics such films have in common – and why – and distinguish them from other contemporaneous Hollywood productions and production companies?

To begin to answer those questions, I rely on Harvard Professor Michael E. Porter's hugely influential study, *Competitive Strategy: Techniques for Analyzing Industries and Competitors* (Porter 2004), whose approach Balio deploys in his second volume on United Artists (Balio 1987). To apply Porter's analysis beyond UA to Mirisch seems particularly appropriate, as Walter Mirisch himself attended Harvard Business School, before entering the film business, making him (one of) the first Hollywood producer(s) to study there. Of course, Mirisch was at Harvard long before Porter. He was taught by Robert McNamara, among others, in a course which included the techniques of so-called scientific management: cost accounting, control systems, management information, business statistics and decision science. Balio acknowledges Porter's influence on the first page of his introduction, noting that the latter's analysis is 'well suited to making sense out of a period of film industry history that underwent radical transformation as a result of changing audience tastes, federal anti-trust action, competition from television, and conglomerate takeovers' (Balio 1987: 4). And if it helps explain the actions of UA under Krim and Benjamin, it is equally pertinent to their most successful supplier, Mirisch.

Like Krim and Benjamin, whose own Hollywood apprenticeship was in the B movie factory Eagle Lion, the Mirisches first worked together at Monogram. Walter began there in 1945,

following a brief wartime stint practising his Harvard learning at the aeronautics corporation Lockheed, to which he applied after an inspiring recruitment talk about ‘people who, among other things, computed the probabilities of hitting targets and the amount of tonnage required to fall on a given target to yield a statistical probability of destroying it’ (Mirisch 2008: 18). His job involved ‘simplifying assembly line procedures’ (21). Similarly, at Monogram, Mirisch was asked: ‘How do we make this place work better? Do we have too many guards at the gate? Can we operate the editorial department differently? Should we move it off the lot? We were constantly attempting to determine whether we were operating in the most cost-effective way possible’ (25). He produced his first film for Monogram in 1947 and became Executive Producer and Head of Production in 1951; his step-brother, Harold, arrived from RKO Theatres in 1947 and Marvin joined them in 1952, by which time Monogram had become Allied Artists. Walter brought the idea of hitting targets, rationalising assembly line processes and minimizing staff numbers with him, first to Monogram and Allied Artists and later to Mirisch. In 1957, frustrated with the failure of AA’s strategy to produce a more ambitious and expensive portfolio of films, the brothers left to form their own company.

Applying Porter’s analysis to UA, Balio notes that Mirisch saw its independent rivals as ‘at a disadvantage from the start by not diversifying... (and)... devised a special brand of independent production’ (Balio 1987: 160). Porter identifies three key generic strategies for a new company in any industry – cost leadership (essentially low if not lowest-cost production), differentiation (competitive advantage through a distinctive product) and focus (targeting one or a small number of markets for either a cost leadership or differentiation strategy) (Porter 1985: 11-15). In what follows, I deploy Porter’s concepts to identify how Mirisch attempted to differentiate itself – and its products – from its rivals and to determine more precisely what distinguished its ‘special brand of independent production’. Following

Porter, this essay divides Mirisch's corporate career and competitive strategy as a UA supplier into three periods – entry, maturity and decline – which closely correspond with the three contractual periods of the relationship between Mirisch and United Artists. As most of the key elements that come to define a company are introduced during the Entry period and continue to exist in the other two periods this chapter will discuss the Entry period in more detail than Maturity and Decline.

### **Entry**

In the first years of its operation (1957-1963) Mirisch prioritised a small number of strategies which not only helped to define the brand of the company but also ensured its entry into the industry and critical and commercial success extremely swiftly. These characteristics are effective organization, dual strategy, family business, quality and adaptation- and this section discusses them in that order.

By 1957 71% of major studio releases were independent productions (Mann 2008: 67). The Mirisch Company signed its first multi-picture deal with United Artists which agreed to finance a minimum of four pictures a year for three years beginning September 1<sup>st</sup> 1957 ('3 Mirisch Bros. ...' 1957: 7). These films were to be cross-collateralised with profits split 50/50 between the two companies. UA paid the overhead for the brothers' small offices at Goldwyn Studios and a weekly producer fee, divided equally between the brothers. Exactly two years later UA extended that contract from twelve films to twenty (Balio 1987: 165).

Of the 'barriers to entry' for any new company Porter suggests of economies of scale that 'The benefits of sharing are particularly potent if there are joint costs.... A common situation of joint costs occurs when business units can share intangible assets such as brand names and know-how. The cost of creating an intangible asset need only be borne once' (Porter

2004: 8-9). The seven film production companies Mirisch ran were all based at the same address and staffed by essentially the same core personnel. Some were cycle-specific, some region-specific, others period-specific, functioning for the duration of a particular contract with UA. All seven were explicit about their desire to develop co-production arrangements with other smaller independents and writer-director hyphenates. As *Variety* noted in 1958, 'Mirisch reported that with unlimited financing and distribution to offer—through UA—his company is concentrating on joint production ventures and already has lined up with five outside units, four headed by stars and one by Billy Wilder. In each case, separate companies will be formed, such as Ashton Productions, set up by the Mirisches and Gary Cooper for the Cooper starrer, "Man of the West"' ('Mirisch Freres' 1958: 3).

Economies of scale are virtually absent in industries which are 'intrinsically hard to mechanize or routinize' (Porter 2004:196). This is particularly true of the film industry, where every product is also a prototype. Mirisch attempted to minimize the one-off-ness implicit in the package unit mode pioneered by independent film production companies with the efficiencies, economies and rationalization that sequels, cycles, remakes and runaway productions afforded, while maximizing the 'difference' of the company's properties and the talent associated with them. Thus, the scientific management techniques that Walter Mirisch learned at Harvard and applied at Mirisch to their 'programme' pictures, were balanced by the creative freedom the company offered to 'name' directors for more ambitious, if often pre-tested, projects.

Porter suggests that 'Large size may be inconsistent with an image of exclusivity' and that often 'an artist ... wants to deal with a smaller, more personalized organization with a particular image or reputation' (Porter 2004: 199-203). Several of Mirisch's independent peers developed out of talent agencies and Mirisch shared many of their characteristics but

while some were co-founded by stars (Hecht-Lancaster is the best-known example), Mirisch was built on its relationships with directors. This was one of the ways in which it differentiated itself from its rivals. Rather than foregrounding their owner-stars or making stars of themselves as owners, Mirisch prioritized directors and literary properties.

Janet Staiger identified several strategies deployed by independent production companies using the package-unit system – differentiation on the basis of its innovations, story, stars and director; targeting specific demographics; runaway production; profit-sharing; and the rise of the hyphenate (Bordwell, Staiger, Thompson 1985: 332-334). Balio added a big picture strategy and blockbusters, differentiation from TV through Cinemascope and Panavision, as well as sex and violence and ‘adult’ themes, particularly in response to a shift in audience tastes beginning in 1967 (Balio 1987: 161-196) which resulted, at Mirisch, in a belated and somewhat half-hearted attempt to target the youth market.

Mirisch prided itself on being a small family business and was initially owned 96% by the brothers and 4% by key employees. Harold Mirisch was president, Marvin vice president and secretary-treasurer, and Walter was executive in charge of production (Balio, 1987: 166).

The rest of the staff comprised a production manager, a lawyer, the head of their television production unit, an in-house editor, a publicist, and two secretaries (Mirisch 2008: 89). An undated UA publicity release describes Mirisch’s aims as to

find the best filmmakers and provide them with the very best story material and most talented associates – enable the filmmaker to do the thing he most wants to do – concentrate completely on the films, on what appears on the screen and let a small, effective organization handle all the other complex matters that are part of making a movie, ranging from negotiating contracts and financing, to persuading actors to work under the Mirisch banner, to arranging pre-production logistics, and

perhaps most important, taking the completed film and supervising its merchandising on a coordinated world-wide basis (United Artists Press Release, no date; quoted in Balio, 1987: 161)

The trade papers were quick to detect differences between this new, slimmed down operation and the old, vertically integrated studios – a combination of what today we might describe as downsizing, outsourcing and casualization. As *Variety* reported, ‘the company will concentrate on low overhead while maintaining as high quality as possible ... Approximately 98% of all costs of a picture will be on the screen, rather than keeping expensive personnel, brick and mortar, while not in operation’ (‘Casting their own UA Horoscope’ 1958: 4). *Business Week* added: ‘They rent office space by the week and sound stages by the day. The overheads stay low’ (‘Fade out for Blockbuster Films’ 1962: 178).

Mirisch negotiated deals with established, studio era filmmakers like John Ford, Robert Wise, Anthony Mann, Billy Wilder and William Wyler and also hired proven, somewhat younger, directors like John Sturges, Norman Jewison, William Grauman and George Roy Hill. The contracts were generally for profit-sharing ‘joint production ventures’. Wilder’s first contract with the company called for two features for which he was to be paid a director’s fee of \$200,000 per film plus 17.5% of the gross after each film broke even (a figure which was set at about twice the negative cost). If a film grossed \$1 million above that, Wilder’s share rose to 20% (Balio 1987: 167-168). Those first two films turned out to be *Some Like It Hot* and *The Apartment*.

As Wilder put it: ‘All the Mirisch Company asks me is the name of the picture, a vague outline of the story and who’s going to be in it. The rest is up to me. You can’t get any more freedom than that’ (Wilder quoted in Wood 1970: 179). Rather than merely freeing the

filmmaker from business chores, companies like Mirisch played a crucial role in shaping, 'packaging' and (despite Wilder's 'Producer' credit) producing or co-producing, the films that carried their logo. Creative freedom was thus not only what Mirisch offered Wilder, but also what UA offered Mirisch. That this was a dependent independence, a relative autonomy, does not diminish its significance.

Porter stresses the importance of cohesiveness in any new business, asking 'How much unanimity is there among management?' (Porter 2004: 52), and noting that family businesses can be inherently cohesive. As a family business, the intimacy of Mirisch was always a key factor; unlike the siblings who founded Warner Bros., which swiftly became a major corporation, Mirisch was a comparatively small-scale operation, where everyone knew everyone else and the brothers could be involved in every film they made, as there were rarely more than a handful of productions at any time. Walter Mirisch remembers their offices being 'small enough to be intimate and for people to know most of the people on the lot' and that he, Wilder and co-writer I. A. L. Diamond 'lunched nearly every day together, we dropped in on each other, we talked about all the decisions that needed to be made.' The creative freedom Mirisch offered filmmakers was based on 'the personal relationships that we had with the particular directors that we worked with... freedom is also based on trust and on mutual respect' (Interview with the author, for *Nobody's Perfect*, BBC2 2001).

Alongside the core staff and those directors who made multiple films for the company – including Wilder, Sturges, Jewison and Blake Edwards – many others worked repeatedly for them. Lynn Stalmaster cast 25 Mirisch features and three TV series for them; Allen K. Wood was Production Manager on 39 successive Mirisch films and associate producer on another; Robert Boyle was Art Director on seven; Emile LaVigne did the make up and Sam Gordon was props master on fourteen each; Robert Relyea was associate producer on seven and worked on two

more; Lewis Rachmil produced nine Mirisch films; Richard Heermance edited five Mirisch films and ran their TV arm, working as associate producer on one TV series, *Wichita Town* (NBC 1959-60), and editor on another, *Peter Loves Mary* (NBC 1960-61); Ferris Webster edited eight Mirisch films and the TV series, *Rat Patrol* (ABC 1966-68); Ralph E. Winters edited twelve Mirisch films; and Hal Ashby was editor or assistant editor on five, associate producer on one more and, finally, director on another. So many familiar faces, in such a comparatively small company, contributed to the sense that this was indeed a family business.

In an article for the *Journal of the Screen Producers Guild*, 'Make Way for Tomorrow?', Mirisch made the company's two-pronged strategy explicit. He diagnosed an industry in which 'there is still great inefficiency in production' but observed: 'Picture making has become less and less a production line operation of skilled mechanics, and more and more a custom design of highly artistic creators' ('Make Way for Tomorrow', 1960: 21). This tension between balancing assembly line 'efficiencies' with individual 'artistry' came to characterise the dual strands of the Mirisch strategy – which proved a strength in their first decade but was becoming an obstacle by the late 1960s. It was by applying the simplified assembly lines of so-called 'scientific management' to the company's programme pictures, whilst relaxing creative controls on its more ambitious productions, that Mirisch's dual strategy came into focus.<sup>2</sup>

In the same article for the *Journal of the Screen Producers Guild*, Walter Mirisch admitted: 'We are all faced by the prospect of renewed television competition as the flood of post '48 films finds its way to the T.V. screens of the world. As producers, all we can do to meet this competition is to dedicate ourselves to continually higher standards of quality and showmanship' ('Make Way for Tomorrow?' 1960: 23). He suggested that this might involve what he called 'new forms' but also new content: 'Many of our pictures today attempt to

reflect reality in life – serious pictures, if you will. Pictures which provide a depth and treatment in character and direction which may not be possible on television’ (23-24).

In one of only a handful of references to the film industry, Porter salutes the role of two Paramount executives in the 1970s, who brought TV initiatives into cinema, including ‘pre-selling of films, releasing films simultaneously in large numbers of theaters, and so on’ (Porter 2004: 60). More than a decade earlier, the Mirisches brought their background at Monogram and Allied Artists – and Harold Mirisch’s exhibition expertise – to bear on their own marketing, and whilst not distributors themselves, were centrally involved in the decision to give *The Magnificent Seven* a saturation release – a decade and a half before either *Jaws* (Spielberg, 1975) at Universal or Porter’s example, Paramount - were celebrated for pioneering precisely the same strategy.

Similarly, Porter notes that ‘movie companies have boosted demand by advertising movies on television’ (Porter 2004: 178) – another strategy deployed by Mirisch the previous decade. *The Magnificent Seven* was the beneficiary of a major TV spot advertising campaign. ‘This is the first time that saturation technique had been used for a picture of the scope of “Magnificent Seven”. Mass bookings in key theatres surrounding each of the selected exchange cities will be backed by heavy television and radio campaign and hefty general ballyhoo on local level’ (‘UA’s \$2,700,000 *Seven* ...’ 1960: 4).

Mirisch thus seems to have continually operated on (at least) two fronts, aiming about two thirds of its output at the top of the market (through a calculated combination of major stars and established directors with bestsellers, Broadway shows and occasional remakes) and the remainder at low budget, formulaic films, often produced in series, whose earnings depended on double bills and early sale to television. This strategy continued throughout

Mirisch's association with UA, with at least twenty 'programmers' produced over that seventeen-year period, many of them so-called 'runaway productions', designed to exploit Britain's Eady Levy or other foreign subsidies and to recoup much of their costs at the international box office.

Thus, among the company's first nine films, *Fort Massacre* (Newman, 1958), *Cast a Long Shadow* (Carr, 1959), *Man in the Net* (Curtiz, 1959) and *Gunfight at Dodge City* (Newman, 1959) are no more than 'programmers'. *Gunfight at Dodge City* was described as 'a competent Western of the kind the Mirisches used to turn out for Allied Artists and are now releasing via United Artists. ... It's frankly a programme picture and it fits the bill' ('Gunfight at Dodge City' 1959: 3). By contrast, during that same three-year period, Mirisch also produced *Man of the West*, *The Horse Soldiers* (Ford, 1959), *Some Like It Hot*, *The Apartment* and *The Magnificent Seven*. Three 'auteurs' and, arguably, four or even five canonical classics – though, surprisingly, perhaps, both *Some Like It Hot* and *The Magnificent Seven* were remakes. This combination of differentiated A films with minimally distinct Bs, or programmers, proved characteristic of Mirisch (and may have been a residue of the brothers' formative production experience at Monogram and Allied Artists). The former type of pictures created the company's reputation, won awards and were occasionally big box office hits, but the latter were undoubtedly underrated contributors both to their return on investment (including sales to TV) and the satisfaction of their contractual obligations to UA.

According to Porter, 'Companies develop perceptions of themselves or images of themselves and their relative capabilities ("we are the quality leader") which are reflected in the implicit assumptions that form the basis of their strategies' (Porter 2004: 247). As Walter Mirisch put it, 'Our company's aim is to become preeminent as *the* quality independent film-maker' ('Mirisch Brothers: Oscar Monopolists...' 1962: 10). This 'quality strategy' paid off in the

short term but eventually left them adrift as audience appetites shifted dramatically during the 1960s. One symptom of this is that exactly half of their UA output, 34 of their 68 films, were set in the past. Another is the eschewal of genres associated with exploitation cinema and the B market they wished to leave behind.

As Walter Mirisch put it in his autobiography, they wanted 'to produce a program of films of consequence' (Mirisch 2006: 85). Their first few films were Westerns, but 'Due to the oversaturation of television Westerns in the 1950s and 1960s, I felt strongly that we had to do more adult subjects for the genre' (91). Mirisch avoided genres like horror and science fiction, with their B movie and exploitation cinema associations (while a rival independent enterprise like AIP specialized in such films) and instead attempted to position itself as a prestige producer. In this respect, Mirisch output remained in such traditional, middlebrow, mainstream and masculine-leaning genres as westerns, war movies and epics and family (and female-skewed) melodramas, musicals and comedies. Indeed, of their 68 films for UA, 35 were war movies, westerns or comedies.

Nevertheless, Mirisch continued to produce what were widely perceived as comparatively unambitious, standardised, 'B' movies, albeit under other corporate names. This risked Porter's diagnosis of being 'stuck in the middle' (Porter 2004: 41) between cost leadership and differentiation, by pursuing a dual strategy - producing two types of films, some aiming to be the best, others to be the cheapest on the market. Porter notes how 'an effective strategy for achieving above average results can be to specialize on a tightly constrained group of products (which can) allow the enhancement of product differentiation with the customer as a result of the specialist's perceived expertise and image in the particular product area' (208). Indeed, differentiation necessitates 'creating something that is perceived industry-wide as being unique' and 'provides insulation against competitive rivalry

because of brand loyalty' (37-38). The brand here is simultaneously Mirisch itself as a guarantor to UA, the banks and the independent exhibitors, but perhaps more importantly, the property being adapted, which was also a recognizable 'brand' in its own right. Furthermore, special prices could be charged for tickets for roadshow releases of prestige adaptations like *West Side Story*, *Hawaii* (Hill, 1966) and *Fiddler on the Roof* (Balio 1987: 208-10).

Mirisch's reliance on adaptation as a quality strategy distinguished its 'constrained group of products', a distinction which was achieved by relating those adaptations to another group of already pre-tested texts (novels, plays, musicals and other films). Indeed, of their 68 films for UA, 19 were adaptations of novels, 5 were based on works of non-fiction, 12 adapted stage plays or musicals, 10 were series films (*The Magnificent Seven*, *The Pink Panther* and *In the Heat of the Night* between them spawned another seven Mirisch sequels, not to mention spin-off TV series and award-winning animation) and 4 more were remakes of other films. Some two thirds of its output for UA, then, were adaptations and of those a significant number piggy-backed on the original's prestige and reputation as well as its market-proven risk aversion. In the early years, Mirisch married this risk aversion with risqué content, particularly with Wilder, but later this aspect of their work began to disappear as more middlebrow, mainstream projects were alternated with directorially indulgent projects like *The Party* (Edwards, 1968) and *Gaily Gaily* (Jewison, 1969), which failed to garner audiences or awards.

For Porter, another barrier to entry can be 'proprietary product technology' (Porter 2004: 16). But while proprietary technology is not necessarily pertinent to an independent producer, Mirisch did exhibit a proprietary approach, through its reliance on pre-tested talent and texts. Key to this strategy is the concept of 'reputational capital' – the acquisition

of reputable literary properties from page and stage and the contracting of reputable, established, filmmakers to make them into films.<sup>3</sup> The latter signings helped launch the company, with such auteurs as Ford, Mann, Wilder and Wyler loudly announced, but none of their subsequent hirings proved quite as critically or commercially viable – or visible – though Jewison came closest. Meanwhile, the brothers continued to snap up stage and book rights.

*Daily Variety*, reporting their signing of a second multi-film deal with UA, noted: ‘Mirisch program is interesting in that, despite its two biggest successes — “Some Like It Hot” and “The Apartment” — being originals for the screen, all of the 14 projects will be based on bestsellers or hit stage plays’ (‘Presold Material’, 1960: 1). (*Some Like It Hot* was actually a remake.) Porter warns: ‘Differentiation creates a barrier to entry by forcing entrants to spend heavily to overcome existing customer loyalties’ (Porter 2004: 9). But Mirisch spent heavily precisely to co-opt existing customer loyalties – acquiring proprietary properties from other narrative forms, including bestsellers, Broadway plays and even earlier films.

What is most striking about Mirisch’s strategy of privileging adaptation is that it ran increasingly counter to industry trends. In 1961 *Variety* reported: ‘Despite current attention on big-money purchases of legit properties or bestsellers, film companies have reported a general surge toward material written directly for the screen. A total of 88 vehicles with no previous basis are in various stages of preparation, production/or awaiting release by major studios’ (‘Return to Original Scripts...’ 1961: 5 and 20). But Mirisch remained undeterred. As *Variety* confirmed the following year, ‘The Mirii [sic] record for adult transfer of the written word to the screen will remain intact in “Toys in The Attic”, confirms Walter M. ...Mirisch also stressed that about 98% of all literary properties bought had either been or were being made, which further hopped up company’s economy’ (‘Just for Variety’ 1962: 2). This first

contract period saw Mirisch acquiring more high profile properties than subsequently, though *Hawaii* was only finally made in the second period.

Adaptation was not the only avenue to quality for Mirisch. The company made a number of forays into the post-war prestige cycle, one aspect of which was the social problem film.

Cagle argues that independents could use social relevance or realism as a passport to prestige and box office. For Cagle, 'social problem films were a central catalyst in the industry's shift in approach to "serious" filmmaking' (Cagle 2016: 16). To achieve that shift, on *The Apartment*, *The Children's Hour* (Wyler, 1961), *Town Without Pity* (Reinhardt, 1961) and *Two for the Seesaw* (Wise, 1962) – all 'medium budget art films' in social realist, 'artistic' black and white (Mann 2008: 121 and 124) – Mirisch worked with directors like Wyler, Wilder, Petrie and Sturges and writers like Hellman, Schnee and Wilder again, all with a pedigree in social problem prestige pictures. Mirisch even married its adaptations of middlebrow bestsellers with 'issues' such as adultery, impotence and alcoholism in *By Love Possessed* (Sturges, 1961), and nymphomania in *A Rage to Live* (Grauman, 1965).

By the early 1960s, Mirisch had clearly arrived. In 1960 *The Apartment* won five Oscars including Best Picture, Best Director and Best Original Screenplay. The following year, *West Side Story* won 10 Oscars, including Best Picture and Best Director, becoming the second biggest US box office attraction of the year. By 1963, three of UA's top four box office hits ever were Mirisch productions ("West Side" – The Lead "Story"...'1963: 18).

### **Maturity**

The Mirisches signed another deal for twenty films on December 1<sup>st</sup> 1963 (Balio 1987: 180).

The Mirisch Company and its first twenty films were acquired by UA, while a new firm, the Mirisch Corporation, was set up to replace it. After flirting with a deal with Paramount, the

Mirisches signed an extension on the deal on 1 September 1964, contracting them to produce a total of 48 films for UA, in three groups – one of twenty, the other two of fourteen each (those final 28 films were produced from 1968 on) (ibid.). In this period of its business (1963-1968), which Porter calls maturity, Mirisch introduced two additional strategies to maintain its position in the industry. These two strategies he calls substitution and globalisation.

Porter defines 'substitutes' as 'products that can perform the same function as the product of the industry' (Porter 2004: 23). For Hollywood in the 1960s, the primary substitute was television. The Mirisches were well aware of the threat/opportunity posed by the networks – they made series for them and sold movies to them, but at the same time ensured that their major productions were as unlike TV as possible. The Mirisch attitude to TV, as a medium where the assembly lines of studio era B movie filmmaking could still operate, differentiated the company's small screen output from all but its programmers for big screen double bills, which were often the first to be sold to the networks, having the shortest cinematic shelf-life. Other potential entertainment 'substitutes' for cinema – the theatre, publishing, music – became the raw material for such differentiation themselves, via adaptation.

Most Mirisch films of this period were in Panavision or similar wide screen processes and several contained 'adult' themes – adultery, prostitution, racism, the cold war, the Holocaust. *Kiss Me, Stupid* (Wilder, 1964) was condemned by the Catholic Legion of Decency. Meanwhile *Hawaii*, the Mirisch's first 'blockbuster' at 189 minutes, contained shots of bare-breasted islanders. The 'difference' from mid-sixties small screen fare could not have been clearer. (On the other hand, their sequels are evidence of the application of a TV logic to Mirisch film production.)

Mirisch's strategy of sweating its cinematic assets, monetising its narrative arcs and characters, saw it initiating a series of sequels to *The Pink Panther* (the first of which was released in 1964), *The Magnificent Seven* (the first of three sequels appeared in 1966), two separate adaptations of different sections of James Michener's bestseller - *Hawaii* was followed by *The Hawaiians*, (Gries, 1970). *In the Heat of the Night* spawned two sequels, while animated film and TV series were spun off from *The Pink Panther*. *The Pink Phink* (Freleng and Pratt, 1964) won an Oscar as Best Animated Short. *Hawaii* was the number one box office attraction of the year in 1966 (Bordwell 2006: 200). In 1967 *In the Heat of the Night* won 5 Oscars, including both Best Picture and Best Adapted Screenplay. Mirisch also proved a reliable earner for UA until the late 1960s. *West Side Story* was UA's 4<sup>th</sup> biggest box office hit of the decade, *Hawaii* 8<sup>th</sup>, *Irma La Douce* (Wilder, 1963) 9<sup>th</sup>, *In the Heat of the Night* 11<sup>th</sup> and *The Russians are Coming, The Russians Are Coming* (Jewison, 1966) 12<sup>th</sup> (Bordwell, 2006: 191-204).

Porter notes that 'mobility of production' could be a significant contributor to a company's success in its maturity, as 'the firm moves its crew from country to country to build projects' (Porter 2004: 281) and that mobile production can also facilitate a company's competitive strategy on the global market. Three fundamental factors led Hollywood independents, like Mirisch, to consider shooting movies abroad, therefore embracing globalisation. First, it was often considerably cheaper than filming in Hollywood. Second, it allowed American filmmakers to take advantage of generous foreign subsidies and legal loopholes surrounding 'co-production' deals. Third, it gave producers potential access to so-called 'frozen funds', foreign revenues earned in local currency by US distributors that often could not be withdrawn because of restrictive regulations. While such funds could not be removed, film

rushes could. American distributors, like United Artists, could thus finance independent producers to make films using their own blocked currency and then exhibit them worldwide.

Aware of the inflation of film production costs in the US and the increasing impact of international box office takings on the profitability of American productions, Mirisch began producing more of its films abroad. Having identified 'inefficiency in production' in Hollywood ('Make Way for Tomorrow?' 1960: 21) and the appeal of foreign subsidies like the Eady Levy (22) Walter Mirisch concluded: 'American films must continue to fill the screens of the world...America must continue to be the center of the world's film making industry' (24). Meanwhile Harold Mirisch argued: 'There are pictures which should be made overseas. The standard by which these pictures can be identified is simply this: If it is not made overseas, is it therefore impossible to make this picture?' ('Pros and Cons re Runaway' 1960: 11).

The first of Mirisch's second group of twenty films was *633 Squadron* (Grauman, 1964) which subsequently spawned a cycle of six 'British' WW2 films, all also subsidised with support from Britain's Eady Levy (Mirisch 2008: 204). In fact, eleven of these twenty films were shot outside the US. Of the 68 films Mirisch produced for UA, 31 were produced entirely or largely outside the US, as was the first season of its most successful TV series, *Rat Patrol* (made in Spain). Mirisch produced three films in Mexico, four in Spain, four in Germany, nine in the UK, two in Italy, one in Ireland, one in Switzerland, one in Yugoslavia, one in France, one in Canada and another in Israel, as well as several in multiple international locations. This strategy caused conflict with the unions but the push factor of wage inflation at home, combined with the pull factor of lower salaries, national subsidies and allowances abroad, proved irresistible.

## Decline

The final period of Mirisch's exclusive relationship with UA (1968-74) saw *Fiddler on the Roof* winning 3 Oscars and becoming the 'most profitable UA release up to that time' (Balio 1987: 143). However, *The Thomas Crown Affair* and *Fiddler* were Mirisch's last successes for UA, critically or commercially. Porter defines this period of any business as decline, often characterised by an inability to decide between cost leadership and differentiation. Mirisch continued to attempt to balance low cost production (for its 'Programme pictures', the final entries in the *Magnificent Seven* franchise, a pair of unsuccessful *In the Heat of the Night* spin-offs and a six film WW2 cycle) with bigger budgeted 'quality films' which were in retreat, with only a few prestige adaptations (*Fiddler*, *The Hawaiians* and *Gaily Gaily*, the latter pair even more unsuccessful than the first was successful) – indeed fewer adaptations of any kind.

Porter refers to the strategy of 'harvesting' for companies in decline and the threats and opportunities posed by demographics – both of management and consumers, market shifts, and the disadvantages of family businesses at a time of rapid change (Porter 2004: 269-270). In the face of an industry-wide recession, Mirisch deployed what Porter refers to as a 'harvest strategy' which involves 'taking advantage of whatever residual strengths the business has in order to raise prices or reap benefits of past goodwill' (269). *Fiddler on the Roof* was its final roadshow film, with limited engagements, pre-booking and high ticket prices. Otherwise, this period saw their final six sequels - *Inspector Clouseau* (Yorkin, 1968), *Guns of the Magnificent Seven* (Wendkos, 1968), *They Call Me MISTER Tibbs* (Douglas, 1970), *The Hawaiians*, *The Organization* (Medford, 1971) and *The Magnificent Seven Ride* (McCowan, 1973). But Mirisch, through its contract with UA, lost the IP of the *Pink Panther* franchise after the first three films, while an *In the Heat of the Night* TV series was produced by a rival company.

In 1968 United Artists acquired the Mirisch Corporation's back catalogue (Balio 1987: 191) while the Mirisches formed the Mirisch Production Company, credited with fourteen films, Mirisch Films and Oakmont, which between them oversaw a number of 'British' films, including the WW2 cycle. That cycle of six films was specifically designed so that they 'would all comply with the Eady Plan requirements, would all be made in the \$1 million cost bracket, and would all have a military theme... each of the films had a recognizable American personality in the lead... and they all had American directors' (Mirisch 2008: 204).

This was unequivocally a return to low budget filmmaking, Porter's cost leadership strategy. *Variety's* reviewers relegated *Submarine X-1* (Graham, 1968) to the 'supporting half of a double bill' ('Submarine X-1' 1969); *Mosquito Squadron* (Sagal, 1969) was 'For double bills' ('Mosquito Squadron' 1969); and *The Last Escape* (Grauman, 1970) was 'Slated for double-bill programs' ('The Last Escape' 1970). *Mosquito Squadron* was even promoted as a sequel to *633 Squadron*. These films recycled footage - the former even reused the air raid from the latter - as well as character tropes and narrative arcs and all were sold swiftly to television. Perhaps the most flagrant example of such 'harvesting', however, was *Massacre Harbor* (Peyser, 1968) which simply assembled three episodes of *Rat Patrol* (which had itself reused footage from Mirisch's *The Great Escape*) as a stand-alone feature, eliminating opening and closing episode credits and pre-title recaps while eschewing any additional sequences.

When Harold Mirisch died in 1968 the company still had 28 films to deliver on its contract with UA. Harold is often credited as the most talented of the brothers, without whom Walter and Marvin struggled. But the late sixties proved problematic for Mirisch for far less personal reasons. In 1967 UA was bought by Transamerica while Krim and Benjamin, with whom the Mirisches had nurtured longstanding relationships, decided to retire from day-to-

day management. In 1968 a new ratings system replaced the Production Code Administration and Mirisch entered an era of screen permissiveness around sex, violence and drugs with none of which they ever seemed comfortable. Furthermore, the entire film industry was in recession in 1969-71. Porter notes that 'product innovation can improve an industry's circumstances' (Porter 2004: 169) but Mirisch signally failed to innovate in this period, with the exceptions of *The Landlord* (Ashby, 1970), *Gaily Gaily* and *The Party* – none of which worked at the box office and only the first of which, to this viewer, deserves and rewards critical re-evaluation.

Porter notes that 'there seems to be a tendency for firms in difficulty to flip back and forth over time among the generic strategies...such an approach is almost always doomed to failure.' (Porter 2004: 42) He identifies three contributory factors for corporate failure: 'Technological Substitution', discussed above; 'Demographics': 'shrinkage in the size of customer group that purchases the product' (which could be potentially offset by changes in the ages of the talent group making and/or the customer group purchasing the product); and 'Shifts in Needs' (which he defines as sociological or other factors resulting in changing tastes) (258-9).

Discussing demographic change, Porter notes: 'products catering to the 25-35 year-old age group are currently enjoying the effects of a post-World War II baby boom' (165). This change in the demographics of the market seems to have been virtually ignored by Mirisch until perhaps it was too late, and anyway, the brothers were out of synch – and sympathy – with the times. In 1970, *Daily Variety* reported that Walter

Mirisch was a bit skeptical about what he referred to as "the new rules of picture making. We're not supposed to use any stars. Make only cheap pictures. Don't talk to anyone over 20, and get rid of all the studios. There's certainly much truth in

them, but a lot of the present problems have developed from a terrible amount of mismanagement. We've tried to make the films of general satisfaction that did the job and covered the table. Those films tended to bleach out. Audiences have become more and more fragmented, and, of course, the young audience is the easiest to reach. But I'm still interested in the stay-at-homes. For Mr. Nixon, they are the silent majority. For us, they are the stay-at-home majority. We think 'Fiddler' has that immense worldwide appeal to reach them.'" ('Just for Variety' 1970: 11)

*Fiddler* was, indeed, a major hit, but such successes were both vanishingly rare and yet increasingly vital to the economic logic of the system – the days of relying on a range of more or less profitable productions were over and the era of the blockbuster had arrived. Whilst the Mirisches had made 'big pictures' in the past – notably *West Side Story* and *Hawaii* – they were never really central to their strategy, particularly once UA reined in Mirisch's budgets and productivity. There was another potential strategy, a renewed focus on more 'adult' material, challenging film censors and exceeding the permissible standards, verbal and visual, of the small screen. But Walter Mirisch was adamant: 'The public is fed up with X and R films. The business has been built up by moviegoers who don't go to theatres to hear four-letter words' ('Just for Variety' 1970: 2). For the time being, however, that business seemed to have run its course, bar one or two 'must-see' blockbuster family films every year. 1968 was, in many senses, the end of the family audience (though Mirisch was slow to notice the youth audience – and distinctly unsuccessful at addressing it – *The Landlord*, *Halls of Anger* (Bogart, 1970), and worse *The First Time* (Neilson, 1969), *Some Kind of a Nut* (Kanin, 1969), featuring Dick Van Dyke as a rebellious youth(!) and *The Spikes Gang* (Fleischer, 1974), with its calculated reunion of *American Graffiti's* (Lucas, 1973) stars all failed at the box office. Mirisch blithely continued to target those who were no longer

regular cinemagoers, with films in familiar male and/or older audience genres which no longer tempted those who were.

In 1970, whilst the likes of Robert Evans (then 40) and Peter Bart (then 38) were running Paramount, the Mirisch brothers were a decade or even two older - aged 49 (Walter), and 52 (Marvin). (Harold, had he lived, would have been 63.) Porter asks: 'Are there patterns in the places from which outsiders are hired into the company as an indication of the direction the company might be taking?' (Porter 2004: 52). At Mirisch, none of the producer-director hyphenates they hired – like Wilder, Sturges, Jewison, Edwards and Hill - were among the 'younger' demographic in the industry hierarchy. Indeed, while the movie brat/film school directors were in their late twenties and thirties, Mirisch directors were all in their forties, fifties and sixties. None of Mirisch's directors were film school graduates; most were war veterans, and all of them had served long apprenticeship in the film and television industries before becoming directors. The only 'Movie Brat' director to work for the Mirisches, indeed their only first-time director, Hal Ashby, was not only the oldest of that entire group, but also the only one to have worked in the industry for well over a decade before getting his break. As well as hiring the 'wrong' directors, they worked in the 'wrong' genres for the Movie Brats, eschewing 'disreputable' and sensational forms like horror, science fiction and youth exploitation pictures, associated with B movies. The Mirisch 'corporate culture' was no longer in alignment with the culture of the cinema-going audience, nor indeed with much of the cinema that appealed to it.

## **Conclusion**

Mann identifies what she calls 'New Hollywood' emerging in a transitional period in which 'an independent producer assembled a "creative team"' (Mann 2008: 243). One curious characteristic of Mirisch productions is how often such an assembly is part of the narrative -

*The Magnificent Seven* and its sequels, (Kerr, in Broughton 2019) and *The Great Escape* - or the hiring of staff is an inciting incident in their plots (from its first UA project, *Man of the West*, in which the hero's task is to hire a schoolteacher, to its last, *Mr Majestyk* [Fleischer, 1974] in which the hiring of unionised melon pickers provokes the protagonist's conflict with the mob). Similarly, Mann discusses 'Two Emergent Cinemas: Art and Blockbuster' (Mann 2008: 121-144) but Mirisch's distinctiveness was its combination of one emergent cinema (the American art film) and one residual one (the programmer), with only a handful of blockbusters.

Mann identifies self-referentiality and reflexivity as characteristic of several independent productions, but in addition to Wilder's *The Apartment* which she discusses in detail and *Some Like it Hot* (Kerr 2011) such characteristics are commonplace in Mirisch films, from *The Landlord's* opening shot (showing the director, Hal Ashby) to the closing sequence of *Gaily*, *Gaily* (revealing the crew and set), from the first scene of *The Party* (an interrupted 'take' from a would-be Indian epic) to the final one of *Fitzwilly* (Mann, 1967) (when the Dictionary compiled by the hero's eccentric employer, Miss Vicky, is sold for a screenplay). Even the WW2 cycle explicitly foregrounds the work of their naval and air 'crews', the rehearsals, equipment and costs required for their missions, and even watching 'rushes' of tests.<sup>4</sup>

Having begun as a small family business with a handful of full time staff, by 1969 the company had three vice presidents, (including for Business Affairs and Advertising and Publicity), assistant VPs, assistant treasurers, and assistant secretaries. With the death of Harold Mirisch, Marvin became CEO, while Walter became President and Executive Head of Production. If the family business had been a force for cohesiveness a decade earlier, it was now an obstacle to change. As Porter suggests, 'the old informality and personal friendships

may be hard to maintain' (Porter 2004: 252) and notes that this may be particularly true of family businesses (253). The business was changing – and so were the films themselves.

The transformation of Hollywood in the decade and a half from the late fifties to the mid-seventies is echoed in the transformation of an independent production company from what had been a small family business into a corporation. UA itself was now owned by Transamerica, an insurance company of the kind satirized in *The Apartment*. It is ironic, to say the least, that a company that was satirising corporations (including film corporations, with a pointed reference to 'the big five' in the opening narration of *The Apartment*) at the beginning of the decade had become one itself by the end of it.

Transamerica's acquisition of UA led to cutbacks and Mirisch was forced to reduce staff, overheads and its relationships with name directors. But Mirisch had demonstrated to UA that directors were key to critical and commercial success, while its own indulgence of some 'auteurs' pales in comparison with the *Heaven's Gate* (Cimino, 1980) fiasco which destroyed UA. The Mirisch back catalogue dramatically enhanced the value of UA's film library, when the latter was finally sold to MGM. Both at the box office and industry awards ceremonies, Mirisch films performed proportionally better than their peers, cementing UA's reputation as a distributor.

However, like UA, Mirisch failed to nurture any of the film school directors. Mirisch re-popularised sequels a decade before they became known as franchises, was an early adopter of remakes, particularly of international films, pioneered cinematic cycles, routinised runaway production and was an innovator in saturation release and spot advertising. But as a *family* business it proved, perhaps predictably, unresponsive to the decline of the *family* audience and unable or unwilling to cater to teenagers. The brothers

eschewed what they saw as the exploitation genres which they hoped to have left behind, but which were to fuel the success of *Jaws* and *Star Wars* (Lucas, 1977) and the Movie Brats who made them. Nevertheless, Mirisch's dual strategy remains something of a missing link, both in business terms and cinematically, between the end of the studio system and the blockbuster franchise films and idiosyncratic Indiewood movies which characterise two aspects of Hollywood today. But in the age of *Easy Rider* (Hopper, 1969), its dual competitive strategies simply ran out of road.

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## Notes

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<sup>1</sup> Both Mirisch and Balio give a total of 67. Mirisch omits *Massacre Harbor*; Balio omits *Guns of the Magnificent Seven*.

<sup>2</sup> Mirisch published several articles about management in industrial journals whilst at Lockheed, laying out some of his strategies for applying scientific management precepts to business.

<sup>3</sup> I take the term 'reputational capital' from Drake (2012). Drake applies it to a director. My intention here is to reapply it to a production company for which reputation is equally if not more important than for an individual filmmaker.

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<sup>4</sup> *The Thousand Plane Raid* (1969) in particular recalls the Lockheed recruitment talk Mirisch heard at Harvard and those who ‘computed the probabilities of hitting targets and the amount of tonnage required to fall on a given target to yield a statistical probability of destroying it.’