

An Interview with Lisa Henson - 2005

1. How does the Company's prolific history and – more specifically – Jim Henson's legacy influence the choices made about management and new production?

We have paid a lot of attention to taking care of Jim Henson's legacy and the company itself is the most concrete part of that legacy. This is the company that he ran, and if somebody else were to come in and be assigned to be the chairman of The Jim Henson Company and none of us were involved -well, I know it could happen, and we may all think it's a great idea in five or ten years, but right now I can't even imagine, because its been such a closely held company for all this time.

Yet we don't think of our job as just about history and the past. We try as hard as we can to make it about the new work here, and the responsibility sits comfortably on our shoulders that the new work is going to fit with the old work. We don't second guess ourselves or wonder if what we're doing works for The Jim Henson Company because we know that it does. Unconsciously, I think both Brian and I as well as our siblings have a very natural understand of what fits, what doesn't fit, what would have been exciting for Jim Henson if he were alive today. There isn't a lot of 'What would Jim do'? There is a balance between respecting where the company came from but understanding that it's moving forward.

And questions do come up sometimes. Like with computer animation. Why are the creators of the Muppets, The Jim Henson Company, switching partially from puppetry to animation? Are we just being trendy? The truth is that there is a historical interest in this area going all the way back to my father's specific articulation of his desire to puppeteer CG characters. And after years of research, he executed that vision in the MuppetVision 3*D movie at Disneyworld with the Waldo character. The puppeteered animation that we now do is really something that I believe he would have accomplished over time through his intense desire to produce in that medium. It was something he fully envisioned but the technology wasn't entirely there for it yet.

The company has continued to develop his idea, continued to plug away at it for visual effects, commercials and video games. And now finally we have the Henson Digital Performance System that can puppeteer CG characters in real time for television and film, for fully animated shows. But the theory of it was, I believe, completely articulated by Jim. He was so interested in what was still to come in terms of technology. I spent weeks talking to him about interactive technology - trying to produce interactive programs at a time when it could not be done. His vision of what the company should be doing was extremely modern and futuristic and we are now using the exact the technological capabilities right now that he wanted to have in 1989.

2. With the Company currently celebrating its 50 th year, what do you see in the future for The Jim Henson Company in the next 50 years, especially given the recent franchise sales?

I think that the creation of the Bear in the Big Blue House franchise is a good model of how something original that is not Muppets, that uses all the best of The Jim Henson Company's talent in development, in performance and in design, can take off pretty quickly. So our hope would be to not only work with the old franchises, but put a lot of our efforts into developing new franchises, like Frances, based on the Russell Hoban books. Since these books are so well-known, like Bread and Jam for Frances and Bedtime for Frances, we think she and her family are an incredible franchise for the future. It's a preschool property that Alex Rockwell is working on with Brian and a lot of familiar Henson faces are involved with it behind the scenes. What it looks like on the surface is animation, which is a whole different way for us to watch new characters. But it is our puppeteered animation and uses all puppeteer talent for voices and performance.

In development we're focusing on just two areas which are family entertainment and fantasy/sci-fi. But in all media and whether it be in puppetry, animation or live action, the focus will be on fun, innovative entertainment. People

have an expectation for The Jim Henson Company that it's going to provide entertainment for the whole family, and if even if its preschool, I think people kind of expect our work to play on two levels and be interesting to adults as well.

We are also putting emphasis on more development for older kids. We haven't had a major television series aimed at older kids for a long time, so we definitely intend to reach kids of all ages. And for older audiences our emphasis is on fantasy and on sci-fi. Whether it's the historic titles that we have like *The Dark Crystal* and *Labyrinth* or the more recent sci-fi hit *Farscape*, or the upcoming *MirrorMask*, we have fans and credibility in the areas of fantasy and sci-fi and we don't want to disappoint them. These titles feature complex, fantastical, interesting worlds and we're developing feature films, television shows, and all kinds of things in that area.

3. Can you comment on the company's current creative environment?

Well, for example, *MirrorMask's* screenplay is by graphic novelist Neil Gaiman. Every book that Neil has written has been optioned for film or television. *MirrorMask* is his first produced title so we believe that his fans will be both excited and gratified to see it. It was directed and ultimately handmade in the most incredible fashion by his illustrative partner Dave McKean. Neil and Dave are - like Brian Froud was at the time of *The Dark Crystal* and *Labyrinth* - talent from outside of our company whose work is very sympathetic with what The Jim Henson Company has been doing for years. There is a creative excitement about teaming up with these kinds of fantasy talents.

In the case of *MirrorMask*, Dave has succeeded in making an incredibly personal film that is completely unlike anything you've ever seen before. While he had a very modest budget to work with, he also had the advantage of working in an atmosphere of tremendous freedom and appreciation for his artistry. We set that up for him through our distribution deal with Sony in such a way that it could be a full flowering of his talent. And to do really good fantasy, people have got to be allowed to let loose. If you look back on *The Dark Crystal*, it's amazing that such a strange thing was ever allowed to be. At the time, someone believed in Jim Henson and he believed in Brian Froud and it was an extreme flowering of their imaginations. And I think we have an appreciation for that kind of thing and a desire to help people realize those visions.

4. In 2004, The Walt Disney Company purchased the Muppet and Bear in the Big Blue House brands from Henson, a decision that surprised some fans. Why did The Jim Henson Company sell these rights and how does this relationship work now?

We sold the Muppets to Disney because we all had wanted to make the sale back in 1989 when Jim Henson was alive. It was such a dream of our father's to have the Muppets live at Disneyworld and Disneyland. They took such very good care of their own characters, and they actually have a sense of quality control around them, that they're not just soaking every nickel from each franchise in a short term way, but creating characters that live on, and on and on.

Some children might not know where Tinkerbell comes from. And probably not where Mickey Mouse comes from, but they know the characters. So that seemed like the right kind of a future for our characters. That they would stand alone; immortalized personalities that could be used in any kind of medium and they wouldn't be tied to the success or failure of distribution rights of *The Muppet Show*, or *The Muppet Movie*, but that they could continue on in the public's eye.

In terms of why it was a sale, we have enjoyed on and off over the years doing business with Disney. Some of our most successful movies were done with Disney: *Muppets Treasure Island* and *Muppet Christmas Carol*, as well as television with *Muppets Tonight* and *Dinosaurs*. Every experience that we had production-wise with the Disney Company was always positive... and yet it always did feel that the Disney Company worked harder for its own characters. And as congenial as the production relationships were, Disney's own characters are ultimately their main priority.

So we always had that dream that they could come together. And it seemed like they never could because of the failed transaction in 1990, and then again another attempt to buy the characters in after that. There were also discussions between Walt Disney and EMTV, the German owners, and at every point it seemed like in spite of our best intentions - mutually - to make this transaction happen, it wasn't going to happen. So it became the 'holy grail' of our business transactions. And finally it did work out last year.

Now we have a producing deal with Disney for the Muppets and we just finished Muppets Wizard of Oz which I think, as our first production, represents a very strong collaboration with ABC, and Disney. They had been quite interested in the property before the acquisition of the Muppets so it gave us a bit of a head start. We were able to move into production on it very quickly after the acquisition because essentially the movie was completely developed. One of the things we hope to do in the early period of production with Disney is provide them with some initial concepts for future films, TV series and reality television ideas. We see ourselves as kick-starting the Muppets at Disney.

For our company, even now that we have sold the Muppets to Disney, Muppet production will still be a priority for us because there is a lot that we have to offer in terms of production and also our consulting on other aspects of the Muppet business. We're more than included in the process, we're really working with the Muppets Holding Company on the production side of things.

5. Let's back up a bit. In 1999, why did the Henson family sell the company to EMTV and then later buy it back?

Well I think that my father always had a medieval notion that all of his children would be apprenticed to different parts of the business and take it over as a group and run it as a group while each worked in a different area. Brian was schooled in all the technology as well as puppeteering and directing. Cheryl worked in several areas but most of the time was encouraged to take a leadership role in the workshops and puppet building. And I was methodically taught everything there is to know about producing and development and so on with John and Heather. I think that he did want us to run the company together, at the same time he wanted to sell the company to Disney. And I think that it was, in a funny way, a conflicted notion which we've played out quite accurately.

In 1999, The Jim Henson Company was a fairly large company that had distribution, licensing, and publishing departments. We were doing our own distribution and we had also made a few acquisitions. We were in the process of getting bigger. We had bought half of an international cable channel and an American channel called Odyssey, which is now the Hallmark Channel. We were at a crossroads where we had to decide if the company was going to get bigger and continue acquisitions and perhaps take on more of our own distribution and financing and grow into a major Hollywood company or instead become a smaller production company again- which it had been not so very long ago. We felt at that time that we would prefer for it not to be in our hands to take it on the big track. And in selling it to EMTV we felt we were making the choice of making the company bigger by aligning with a foreign entity, which seemed very well financed. Since they were also leaving management in place here it seemed like a combination between a sale of a company and a merger, because the management was all still here and intact. We felt that we were going to access their financing for television as well as their output deals, along with their German television block. That was taking the route of going bigger. What happened with EMTV is well known and has been reported on in many places. As a result of their financial situation, they had to sell The Jim Henson Company to raise money for their debt and in that environment they weren't necessarily negotiating from the strongest place as a seller for the company.

We were on the sidelines of the sale, although actually still in our offices here at Henson, but ownership-wise, we were on the sidelines watching various buyers come through. As this went on, several buyers almost bought the company and we (the family) would have been satisfied with the outcome because they were fairly major organizations, important and well-rounded organizations, but the transactions didn't happen. So at a certain point we thought, this is going into a very uncertain territory. There were rumors of various buyers, but the buyers were not major Hollywood studios. We felt that we could just buy it back in that case and it would be a good business transaction as well as the right thing to do.

After we bought the company back we pursued making it smaller even more seriously because the medium size didn't work. It was an awkward size. In today's Hollywood environment most of the entertainment is produced by a large studio owned by another conglomerate, or a very small independent company. At this point we've opted to become a smaller supplier/production company, and we're really happy with the choice.