

Goldman Sachs Talks

Bryan Lourd, co-chairman & CEO, CAA

Susie Scher, moderator

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Bryan Lourd: To hear the uptake of a breath and know that someone's not able to express what they want to express, it's caring about individuals and wanting to help them realize their dreams.

Susie Scher: Hi. Hi, everybody. Okay, good turnout. You get an A+. So listen, let's dive in, Bryan. I think you all know who Bryan is. He's co-chair of the entertainment and sports agency CAA. He's been at the center of Hollywood and media overall for almost three decades, having started in the mailroom of William Morris. He now helps lead one of the largest talent agencies in the world.

We're going to come back to that mailroom story. It really is true that Bryan and his co-chairs started in the mailroom. CAA under Bryan's leadership has extended its reach beyond just movies and television and into sports, publishing, and new digital and marketing venues. Bryan personally represents some of the biggest names in

entertainment, including George Clooney, Brad Pitt, Daniel Craig. He is praised as a faithful advisor to his clients and a trustworthy visionary partner. As one studio executive said about Bryan, he'll tell you to go to the hell so nicely that you'll ask for directions.

Bryan is an active philanthropist and advocate. He sits on the boards of the Clooney Foundation for Justice, Lincoln Center, and the American Film Institute, and CORE, Sean Penn's crisis response nonprofit. And as we celebrate Pride Month here at Goldman Sachs, we'll also talk to Bryan about issues of LGBTQ equity in Hollywood and beyond.

One quick story before we dig in because, since this is a Hollywood interview, I brought a prop. And this says everything about who Bryan is. Bryan and I met through another gay actually investor in media and entertainment who introduced us. Anyway, on that day, it was incredible. Just -- it was incredible for me; I don't know about Bryan. But fantastic bonding. But I got back down to my desk at Goldman Sachs, and this was on my desk. It's a handwritten note from Bryan recapping our meeting. That's who Bryan Lourd is. And you're going to see that today. So let's dig in.

Bryan Lourd: Inside the note it said, "You owe me half for lunch." I didn't want to appear to be just, like, some great mannered person.

Susie Scher: This is going on my wall. You grew up in New Iberia, Louisiana. And that's one of the first things we talked about when we met. A city of around 30,000 people that may be best known as the birthplace of Tabasco sauce. Tell us a little bit about your childhood there.

Bryan Lourd: It was a great dysfunctional childhood that we literally grew up on the bayou, a bayou called Bayou Tesch [sp?] It's Cajun country. And my mother and father were great. My mom's still alive. My dad died about ten years ago. But it was a super small town. Not very evolved in any kind of social or, you know, political issues, frankly.

They assumed that you would learn French inside your family, and yet no one spoke French in my family. And the town was very French-centric. It'd been founded by, you know, prisoners from Nova Scotia the Catholic Church had sent down. So it was a very sort of Huck Finn kind of existence. We lived in the bayou. We finished school. They'd cut your blue jeans off. They'd shave your head and give you a tetanus shot and sort of say, "Go."

And there was one movie theater. It was called the S&E. And they played two movies a year. One was *Gone with the Wind*. Not kidding. And the rest was -- the culture came from stories and from church and from family members. And I was really lucky in that I had great family members that told stories and taught me about story and what was possible. So it was idyllic. A lot of my friends are still there.

But it was a great way to grow up. It was really important that I escape, though, to be totally frank.

Susie Scher: So let's talk about the escape and the impetus to escape. Two movie theaters. So playing *Gone with the Wind*. How and when did you know you wanted to be in show business?

Bryan Lourd: I think I knew early on that there was this thing that people did through movies and television and frankly some touring plays, which is why my belief in our responsibility collectively to fund arts and art programs and art institutions is profound. And it came from the gift I got from those people that had done it before me.

Now, I was obsessed with movie stars and the power of film and what it did. Never did I believe that I would end up doing this or -- and I certainly didn't know how to get there. So the first opportunity was college, as we all had, you know, at that moment when you're 17 and people are saying, "What are you going to do?" And I secretly applied to USC because they'd advertised on television. And I didn't know it was a private school. And I didn't know it was in North Watts [sp?] in Los Angeles. And without telling my parents, I got accepted and broke the news to them.

So I applied and I got into school. And we drove cross-country in a, you know, bad white Cougar with a fake green top and got to USC to find out it was a private school and that I had no idea what I'd done. But the minute I got there, I knew I was -- I'd given myself permission to become myself.

Susie Scher: Let's talk about the next step in the journey. After college and time as a page at CBS, you worked in the mailroom of William Morris, a mailroom that has also employed people like your partner at CAA, Kevin Huvane, your agency's founder, Michael Ovitz, as well as

people like Barry Diller, David Geffen. Tell us about the magic of the mailroom.

Bryan Lourd: It was an amazing thing, and it still is. We at CAA now, we vastly improved upon it and committed to it as an education beginning for the people that work in our company. It was great. It was everything that you've heard about it, where you get the job and it's very competitive to get the job. You don't make any money whatsoever, but you're exposed to every person in the company that is making deals and that is actually trying to put things together, be they concert tours, now sporting events, film, television, books, the whole thing.

And it was a great start for me. I was 21 years old, and my mother had said that if I didn't have a job by the time I graduated I had to come home. And so it was a job that I got as a result of reading an article in the *New Yorker* about a fantastic legendary agent named Sam Cohn [sp?], who was at ICM, which is interesting, the full circle of all of it.

This was an article that I flew through and I read again immediately. And it was -- they followed Sam for a week,

and it just demonstrated all the different things that an agent did if you were working at the level that he was. And it felt like a graduate school program to me.

And I applied to William Morris from my CBS job. And it took me nine months to get the job, and I finally got the job and I started in the mailroom.

Susie Scher: You moved from CAA to William Morris in 1988, solidifying a partnership with your friends and colleagues, Kevin Huvane and Richard Lovett. And, you know, I wish you all could see the three of them together because it really is magic. They finish each other's sentences and yet they complement each other.

You have been leading the business together, you know, as chair since 1995. That's a long time. Talk to me a bit about the relationship you've developed over the past 28 years and how you keep the triumvirate in good shape over all of those years.

Bryan Lourd: We were really lucky in that we met each other at a point in our lives and our careers where things weren't formed. And we knew we had common

interests. And more importantly, common values about what we wanted our lives to look like and what we wanted them to be and who we wanted to be around.

And it's not easy remaining friends or getting to the end in any situation in life. And the older I get, the more I respect the people that do it well with integrity and with honesty. But this partnership got formed, and it was, you know, sort of there was a narrative created early. And we were called the Young Turks. And none of us knew what the hell that was. And then when you find out what it really was, it was, like, marauding killers from, you know, Turkey that were overthrowing governments. And we, with Jay Maloney and David O'Connor and a guy named Michael Wimer, started to socialize and work all the time together.

So we literally would have all-day meetings on Saturdays after work, plotting what we were going to do for our clients and for the rest of the company, to be prepared for Monday. And on Friday nights, we'd have a party at this restaurant called Muse, where we'd invite the people that we wanted to sign or the clients that we were, you know, trying to, you know, help further their careers. And it became this organic thing.

When we took over the company, there were 275 people and there are 3,400 now. And it's just grown into a kind of management structure that's unique in the business world as I've come to find, where it's definitely the three of us on one hand. But there are, you know, 25 and then 65 people behind us that could take over the company and with very little trouble I think improve it. So.

Susie Scher: Let's dig in a little bit to the culture of CAA. I know that it's one that's in around respecting and caring about others. That's necessarily what you think of when you think about the entertainment business or Hollywood. How does that play out in the day-to-day?

Bryan Lourd: Well, it's a -- we -- it's that great thing that you can steal the best things from the people that came before you and reject the things that you know or you experienced that weren't good for you. And for a lot of you here that are, you know, in the beginning or the middle of your careers or even in the end of your careers, you know that's true. When someone says, "What was the worst part about the last two years?" you think about something someone did or something a system did that didn't help

you be better. And so we tried to build a company that -- and it was a blind ambition in the beginning -- that could hold everyone's interests so that any 21 year old that started there would never have to leave. That there would be something somewhere in the building or some group of people in the building that could help them either continue to learn or to pivot into a different part of the business. It's a super entrepreneurial day. There was very little oversight from management.

And so it was that common interest that these guys and I shared and now, you know, many women and men share with us, too, that I think made the place work. And it allowed us to get to the scale that we've gotten to.

Susie Scher: I want to come back to the state of the entertainment industry because I just want to pick your brain about --

Bryan Lourd: Because it'll change in the next 10 seconds.

Susie Scher: Yeah, it'll change in the next 10 seconds, exactly.

Bryan Lourd: Might as well be as current as possible.

Susie Scher: And I want to talk about the writers' strike and streaming. But it is Pride Month and one of the things that we really connected on in our first chat was sort of this, you know, this coming out and being out in an industry, both of us in industries that weren't always friendly to LGBTQ people. You were, you know, very famously in a relationship with Carrie Fisher. That relationship ended in 1994 when you realized you were gay. You were already a high-profile name in Hollywood when being out was not anything like it is today. Could you talk, tell these folks the story you told me about being out those first few years, what it was like for you personally and professionally?

Bryan Lourd: For me, the beginning was difficult in that you have all these preconceived ideas about what people are going to think about you and if they're going to allow you to do your job, if they're going to, you know, allow you to have a kid or other children. And I was really lucky in that I was just old enough and I was just dumb enough to be confident enough to think I'd figure it out and

that I had really good friends.

But it was, you know, it was difficult. And I had all the things that are bad cliched things where this gossip columnist in the *Post* outed me and did it to hurt me and to benefit her friends. And the irony is that she was a closeted gay woman. And it was that thing that it's -- you might feel the same way. It's difficult to reconcile why someone experiencing what you're experiencing would try to hurt you or beat you.

I think that's changed a lot, but I think generationally it's the progress that goes both with individuals and with groups of people that we all have to live for. And it's with women issues. It's with Black issues. It's with Brown issues. It's with trans issues. It's gay issues. It's with any sort of discrimination in terms of pay. You have to play the long game, and you have to be the example that doesn't rest on it or use it as your excuse or your "get out of jail free" card. You have to dismiss it and throw it away but always keep in mind that people's stories are complicated.

Susie Scher: You're so, you know, famous really and successful, but sometimes -- and I know this for myself --

to kind of get to where you get to, you kind of put all those hard times in a box. You sort of have to because if you sit there and think about how hard it was, you know, when you first came out and there were people that you thought were your friends that blackballed you, you know, if you think about it too much, you can't just, like, live your day-to-day. You know, inclusion and diversity -- yeah?

Bryan Lourd: I had it super easy on one hand, though, because I had, like, famous people who loved me that were, like, with me. And I had this group of friends that didn't care because they knew that I was good at my job and that I was not, you know, I was a fighter. So the other people that don't have the access or don't get lucky or that have parents that don't know what to do with them or towns that have laws against their lives are what our collective fight has to be about.

Susie Scher: So in terms of fighting the fight, at CAA you started a network and a series of events called Amplify, which works to unleash change for communities of color in media, sports, and entertainment. What's on the agenda? And what are you excited to be talking about at Amplify?

Bryan Lourd: I can't take a lot of credit for it, but I'm associated with it obviously. But it's an amazing conference that all us old white guys were going to these conferences and there were no -- very few women, very few Black or Brown people, very few gay people. And Richard Lovett, to his credit, had this -- who's a white Jew from Milwaukee, straight, had this idea that we should start a conference that was primarily for Black and Brown people.

And so it wasn't to be, you know, sort of, like, to talk about the obvious challenges but to celebrate the people that were leaders and in leadership positions in the companies that do exist and to create a networking event that they could actually meet each other and pull each other up. And it's just mind blowing, like, what happens and what happens on stage. So it's really exciting.

Susie Scher: Let's go back to the industry because you know so much and you have, you know, you have such a unique window. It's in the middle of some massive changes and, you know, you joked, "Wait a minute and it'll change," but, you know, from streaming to consolidation to artificial intelligence, let's dig into these themes a little bit. Let's start with the corporate landscape. We've already

seen a number of acquisitions like Disney-Fox, Discovery-Warner Brothers. What's your take on the forces playing out in the industry right now? And do you expect the consolidation to continue?

Bryan Lourd: I think that the -- obviously the consolidation that's occurred has changed things dramatically. Technology even more so. The pandemic accelerated behavior in terms of what consumers like and don't like. I think that the companies that existed before and the size they were were poorly managed, to be totally frank. And these companies are two, three, four, five times bigger now, and they're being managed with the same management structure and the same management theory that existed 25 years ago. And I think that the difficulty that we're all seeing in where these things are or aren't is based on ideas that people had about streaming being a complete solve. And what streaming did was misalign the people that make the things that you sell, artists, from the revenue center.

And until that realignment occurs, which it will, it's going to be chaotic. So I think that there are challenges all around in terms of how to measure value and how to

actually incentivize people in multiple businesses, not just entertainment, to work and the fear of AI and being replaced by AI and all of that. They're the challenges of the decade.

Susie Scher: So you just got to my next two questions, so I'll ask you them separately.

Bryan Lourd: I'll save you the time. That's how we efficiently do this.

Susie Scher: I know. I mean, you're so efficient that, you know, you're answering them before I ask them. There are just so many platforms now, right? Do you think there's enough audience to sustain all these players? Or will we see people fall away? Will we see consolidation?

Bryan Lourd: I do think there's enough audience. I think that, you know, in their most simple terms -- and it's self-serving because I'm here representing, you know, 2,500 artists and writers and directors -- when a good story gets told, we all find it. When a good album gets made, we get to it. And I think the audience is absolutely there.

I don't know that we're going to have to pay the amount of money that these places are charging for the lack of consistency and the quality of what they're delivering. And so to me, it always gets back to who's picking what we see? Who's in charge of your company that's a creative person that recognizes a good idea and has the wherewithal to know that they need to have a business team around them in order to get to profitability and to get to, you know, a business offering, both for the consumer and for the investor, that makes sense?

And pieces are missing now in every one of the companies, and they've overvalued the business idea of what the company should look like and undervalued the creative executives that are in charge that have successfully gotten them to a place where there's a brand that they want to buy.

Susie Scher: But you've talked about the artists. You've talked about the creative executives. For you, at the end of the day, you run this incredibly important business, but you're a client person. And I want to talk about that for a minute. So talk a little bit about your clients, what they mean to you, you know, what's your magic and your

special sauce to do that?

Bryan Lourd: Well, it's not “I love our clients” or “I love my clients.” I love the conversation I get to have with people that are creators and to help navigate how to get their idea to reality and to help them monetize that idea. That's my job. That's our job.

The ability to attract clients to our company is so much more than about me or any individual. It's about a completely different system and culture than has ever existed in the representation business, in any company. It's team based. We've invested in all the different areas that require expertise in a room from marketing to financing to, you know, the political dynamics around something to the actually how to build a budget and how to get to, you know, the right sort of scale of something.

I don't want to say it's easy, but we've got a great company that serves clients really well when we're doing it well. And we've got some clients that have been with us for 40 years. Tom Cruise. You know, the guy at the top of his game could choose anyone and he chooses this group of people, which we're grateful for. So it's fun.

Susie Scher: I love the way you answered the question, though, because you didn't answer what makes you a great client person because you're such a team player. You never even used the word "I" even though, you know, Tom Cruise has been your client --

Bryan Lourd: Well, I guess what makes me a great client person is I am so dysfunctional that I have a kind of sensitivity and ability that I bet many of you have, to hear the uptake of a breath and know that someone's not able to express what they want to express and therefore it's my job to sensitively help them. And it's caring about individuals and wanting to help them realize their dreams. And it's kind of, you know, I guess corny to say that, but that's -- it's necessary.

Susie Scher: I love corny. We're in the middle of a writers strike, which has brought a lot of entertainment production to a halt. What's your quick take on that issue?

Bryan Lourd: No quick take. It's very difficult and I support the Writers Guild in their fight against the

companies. The difficulties of being in an industry where the three major guilds' contracts expire within a 6-month period of time, which is what the situation is that we're in, so the DGA just completed their deal and they're waiting for avocation. SAG is negotiating now, which is the Screen Actors Guild, which are all the actors. And the WGA began first and weren't able to reach a deal with the companies. It's really difficult.

And I would just say with this opportunity that we would all encourage the companies to get back to the table and negotiate. They're very real issues that the guilds are facing, not just in terms of the money, which who'd have ever thought that the money part would be the easiest part, but the future in regards to the effect technology continues to have on our clients and their members.

But I'm optimistic that it will get solved. I just hope it's solved sooner rather than later.

Susie Scher: Yeah. Last question. Best advice you've ever received.

Bryan Lourd: Grandfather advice. Get there first,

leave last. And I took him literally. Still kind of do. So I'm in the office at 7:15 every morning. My mother handed me this index card getting out of the car in [UNINTEL] going from 6th grade to 7th grade. And on one side it said, "If you want to be someone, be yourself," which I had no idea what that meant. I was, like, this is ridiculous information. And then it's like, she's so dumb. I mean, who else am I going to be? Little did I know I was totally lying about who I was, and I was never going to be anyone until I figured out how to be myself. So it was really great advice.

And then the other side, it said, "Be sure to make a good first impression because you always meet people twice." And the number of times someone has helped me that I met before when they were in a different capacity or it was just a, you know, meeting that had nothing to do with anything and then you get the random call saying, you know?

Who comes to mind is there is this amazing woman named Cynthia Pett [sp?] And she was a secretary at William Morris and I was in the mailroom and I was delivering mail and the whole thing. And five years later, I'm a baby agent, and she's gone on to become a manager. And she called

and she said, "I want you to come see this movie. There's this guy named Brad Pitt in it that I think you might want to sign." And I went to see *Thelma & Louise* with Kevin and there Brad was. And there we were.

But because we'd been friends in the right way and, you know, that we'd been nice to each other, it helped. And so I just I like the advice.

Susie Scher: Well, this is not my first impression of you, but for many of these folks, this is their first impression and you've made an incredible --

Bryan Lourd: Ah, please.

Susie Scher: It's been so great to be here with you.

Bryan Lourd: It's nice to be here. Thank you all for listening. I appreciate it.

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