Richard Parsons

As a director, Dick Parsons is masterful at finding solutions.

Whether as an attorney turned director for the family behind Estee Lauder, or as a director and executive overseeing landmark mergers at Citigroup and AOL Time Warner—Parsons has made significant contributions.

A former counsel to then New York Governor Nelson Rockefeller, Parsons has a way of deftly sorting through the minutiae of muddy situations. Combine this with his charitable nature, and seemingly innate sense of how various businesses tick, and his Outstanding Director designation becomes clear.

"I couldn't speak more highly of Dick," says Geoff Bible, CEO of Phillip Morris, where Parsons was a director. "He has a great political sense, he's very personable and he's a fantastic businessman."

In a nod to Parsons' multifaceted competence, he was recently named co-chair of the president’s new Social Security Commission. Also co-chaired by former Sen. Daniel Patrick Moynihan, the commission is expected to produce a report later this fall. The appointment isn't Parsons' only government experience, however. After working with Rockefeller, he was a senior White House aide under President Gerald Ford.

But some of his most outstanding work was as a family lawyer to the Lauder family. "My mother, Estee Lauder, trusted Dick very much," says Ronald Lauder, a company director and chairman of Estee Lauder International. "She knew he understood all the facts and what could be done with the business."

Parsons' knowledge of the company and the financial markets in general helped guide Estee Lauder through perhaps its biggest transition. He convinced the Lauder's to take the company public. While reluctant at first, the family is happy with the decision, Lauder attests.

Over the past few decades, the growing number of Lauder family members wanted different things from the company and their careers, says Lauder. "Some family members were hesitant to go public. It was a very critical point for us. There were many unknowns."

But Lauder says the family trusted Parsons' advice. "He explained all the different aspects of going public and what it would mean to each family member's situation."

One of the challenges of keeping the firm private, says Parsons, was attempting to acquire liquidity for family members in a fair manner. "The benefit of going public was that individual family members could make their own wealth management decisions."

Not surprisingly, Parsons has transi-
tioned to an excellent Lauder
director. "The decisions a director
has to make are very much about the
facts, understanding the people and
what has to be done," says Lauder.
"Dick not only knows the history
of the company but all the people
who've been involved. That's rare
for a director."

As a Phillip Morris director, Parsons
has been equally influential. He
helped guide the corporation
coupled a time of changing societal
attitudes toward smoking. As a member
of the company's public affairs
and social responsibility committee,
Parsons is "always sensible," says
Phillip Morris's Bible.

"He has a good understanding of
what makes society tick and he knows
that no company can survive unless
it is in sync with society," observes
Bible. Parsons devoted the same en-
gry toward helping the company reach
its diversity targets and goals, he adds.

Morris executive, audit, compensa-
tion, public affairs and social respon-
sibility committees. "That's a pretty
full agenda. There were only two or
three board members who had that
many at once," says Bible.

Parsons says his law background
has been a real help in certain
boardroom situations, including
company mergers. He was a Citicorp
director during its combination with
Traveller's, and he was president of
Time Warner when it joined AOL.

His training helped him think of
ways to knit the new boards together.
"I think what lawyers are trained to
do is problem solve." He acknowled-
ges, however, that boardroom and
top executive duties don't always
come naturally to attorneys. "I think
the reason why many lawyers don't
make the transition to management
is they are too focused on detail
and are not necessarily good
deleagators."

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—Geoff Bible, CEO, Phillip Morris

Parsons not only has good business
sense—he's also an especially hard
worker. "First of all, to be a good
director, you need to show up at
meetings," says Bible. "Dick's great
in that regard." Parsons' multiple
committee memberships are testi-
mony to his hands-on involvement.

At one time, he was on the Phillip
Delegating authority is nothing new
to Parsons. Prior to his Time Warner
presidency (1995-2000), he was chair-
man and CEO of Dime Bancorp,
one of the country's largest thrifts.

Before that, he was managing partner
of the New York law firm Patterson,
Belknap, Webb & Tyler.

As a director, Parsons says one of his
greatest challenges was when he was
with Fannie Mae. During the 1980s,
the government-sponsored organiza-
tion served as one of the few talent
incubators for the growing mortgage-
backed securities industry.

Late in the decade, the industry
exploded on the Street. Parsons notes
that a lot of Wall Street firms "would
come along and steal our guys."
Chairman of the compensation com-
mittee, Parsons had to continually
hone the company's incentive and
reward system.

Parsons also devotes considerable
time to charitable causes. He's
chairman of the Upper Manhattan
Empowerment Zone Development
Corporation. He's also been known
to help out his wife, who is on the
board of Big Brothers/Big Sisters.

Indeed, Parsons is frequently asked
to attend charity events, as well as to
rally the participation of others. He
does so tirelessly in New York City
and elsewhere. But he doesn't enjoy
the spotlight for its own sake. Says
one director: "He's a person who's
always able to put politics to one side
and do what he thinks is right."