Michael Miles

CEOs turn to Mike Miles for advice on topics of every kind, from advertising slogans to management changes.

Last year, Morgan Stanley Dean Witter CEO Philip Purcell requested Miles’ advice on a new company slogan. Miles, a director, had suggested that the old slogan—“Move your money, get well connected”—could stand an overhaul. As Miles dryly sums it up: “I don’t know why, as a potential client, the idea that I can move my money is all that enticing.” During the development of the new ads, Purcell invited Miles to meetings where advertisers presented new ideas for potential publicity themes. Finally Morgan Stanley, with Miles’ advice, adopted the current slogan. “One client at a time”—similar to the slogan from Dean Witter Discover, which had merged with Morgan Stanley in 1997. “I was a great fan of that old theme,” says Miles.

CEOs turn to Mike Miles because they trust his judgment. “He has a very powerful intellect and is extremely objective,” Purcell says. “Mike is all about business. He has no personal agenda whatsoever,” adds Alan Lacy, chairman, president and CEO of Sears, Roebuck, where Miles is also a director. Lacy values Miles because he can boil down information to simple, clear summaries. “His brain is remarkable,” states Lacy. “My sense is, here’s a guy who in his ad agency days was able to distill lots of points into a crisp, clear message.” Miles spent the 1960s working at Leo Burnett, a Chicago advertising agency.

AOL Time Warner CEO Dick Parsons also frequently calls on Miles for advice. Miles “can say something that other people are saying, but... Mike says it in a way that you can hear it more clearly,” he says. During the recent management shakeup announced in July 2002—in which COO Robert Pittman resigned amid disappointing earnings on the AOL side—Parsons says he steadily sought input from Miles.

Miles “looks beyond the short-term implications of an issue and moves the discussion in a more strategic direction,” says Ed Brennan. He’s retired Sears CEO and a fellow Morgan Stanley board member.

Don Carty, chairman and CEO of AMR Corp., knows Miles from several boards. Miles is often the first to look at strategic decisions “from the customer’s point of view,” Carty states. Miles advocated increasing coach legroom in the aircraft of AMR subsidiary American Airlines. The changeover has paid off, Carty says: “Our consumer feedback on this one has been a home run.” Miles’ career hasn’t always been a smooth ride. He resigned as chairman and CEO of Philip Morris in 1994, having joined three years earlier as

Born
June 22, 1939; Chicago, Ill. (but raised in Washington, D.C.)

Education
B.S., Northwestern University

Career History

Family
Wife, Pamela; two sons, five grandchildren

Home
Summers in Lake Forest, Ill.; winters in Florida; much of the spring and fall in New York City

Favorite Books
History books, especially British naval history books. Likes the historical novels of Patrick O’Brien, which deal with the British navy in the early 19th century

Favorite Music
Classical; country and Western

Current Boards
an outsider and a non-smoker. He left under pressure from a tradition-bound board that included the previous CEO. The directors reportedly perceived Miles as less than unswervingly pro-smoking. He had even ended publication of the Philip Morris Magazine in 1992, a periodic touting the joys of smoking.

The experience didn’t dim Miles’ star. He joined several boards after leaving the tobacco giant, some might say too many. Miles says that while he’s received media criticism for having too many directorships, he can easily handle the eight he has. He figures that his boards meet 46 times a year in total. If he allows a day for each meeting, another day to prepare for each one, and double that to allow for time spent keeping up with business generally, that makes 184 days’ work per year.

“It’s not as though I don’t have time to play golf,” he quips.

Miles’ colleagues don’t seem to think he’s spread too thinly. They describe him as attentive and involved, both on the full board and in committees. On at least two boards, Miles has helped to develop unusual new pay-for-performance plans. These plans reward executives not only for good earnings or stock prices, but also for achievement of non-income business milestones.

As a member of the Sears compensation committee, Miles proposed and helped implement such a plan last year, Lacy says. The plan has focused the company on goals rather than just financial outcomes, as typical plans do, Lacy says. “Mike caused us to make sure we get these various initiatives done, and done well.”

The plan awards executive bonuses based on progress in about 15 key business objectives this year. They seem to be able to cut through all that and speak in a way both sides understand... is Mike. He’s got lots of old or traditional corporate experience, but he’s firmly planted in the newer world. He’s on the board of Dell, and has worked with some tech funds. He gets both worlds.”

Miles tends to wield his influence behind the scenes, colleagues add. There’s a lot of discussion by phone between board meetings. Often Miles will sit quietly at a meeting while he jots down some notes. Then he’ll pass them to the CEO at the end.

“At the end of any board meeting, I have a stack of pieces of paper with things he’s written down to me,” Lacy says. The stack might contain half a dozen notes. “Later we’ll talk about it on the phone. I find that very helpful.”

“He can say something that other people are saying, but... Mike says it in a way that you can hear it more clearly.”

—Dick Parsons, CEO, AOL Time Warner

Mike Miles with his wife, Pamela, at a dinner.