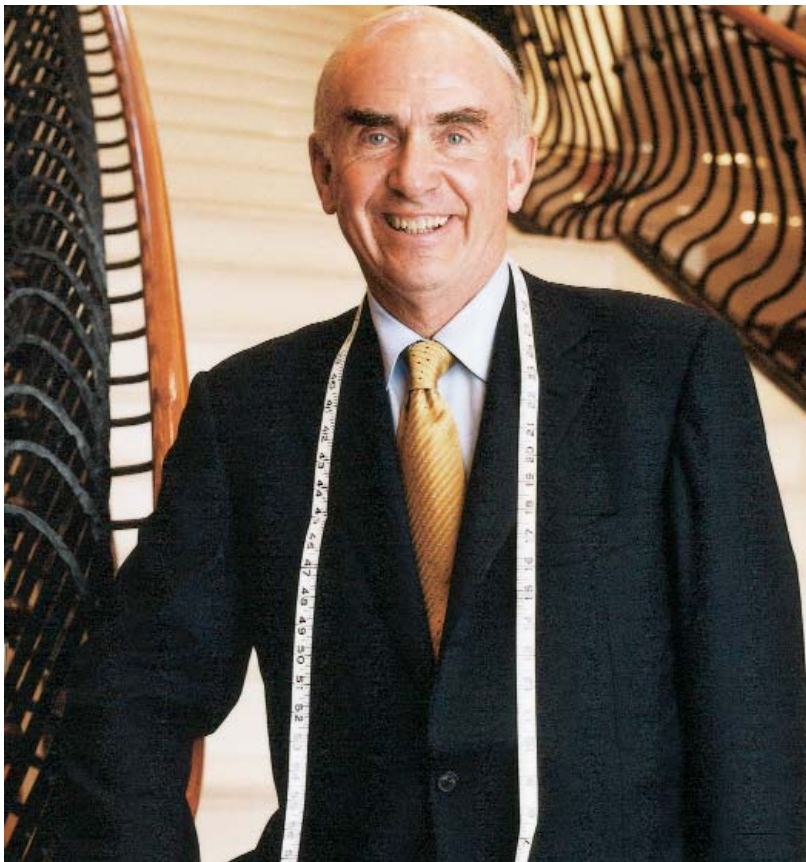


Lifetime Achievement Award

Jack Mitchell

As the Mitchells' culture of caring continues to yield extraordinary results, Jack keeps on hugging. By Karen Alberg Grossman



“My life in a box,” proclaims Jack Mitchell, as he slides a shoebox filled with papers across the table. “I’ve been up since 4 a.m. and just wanted you to see what I do. Here, a letter from a corporate CEO who wants to return a gift from his brother-in-law (who bought him the exact same shirt last year...); here, all the birthday and

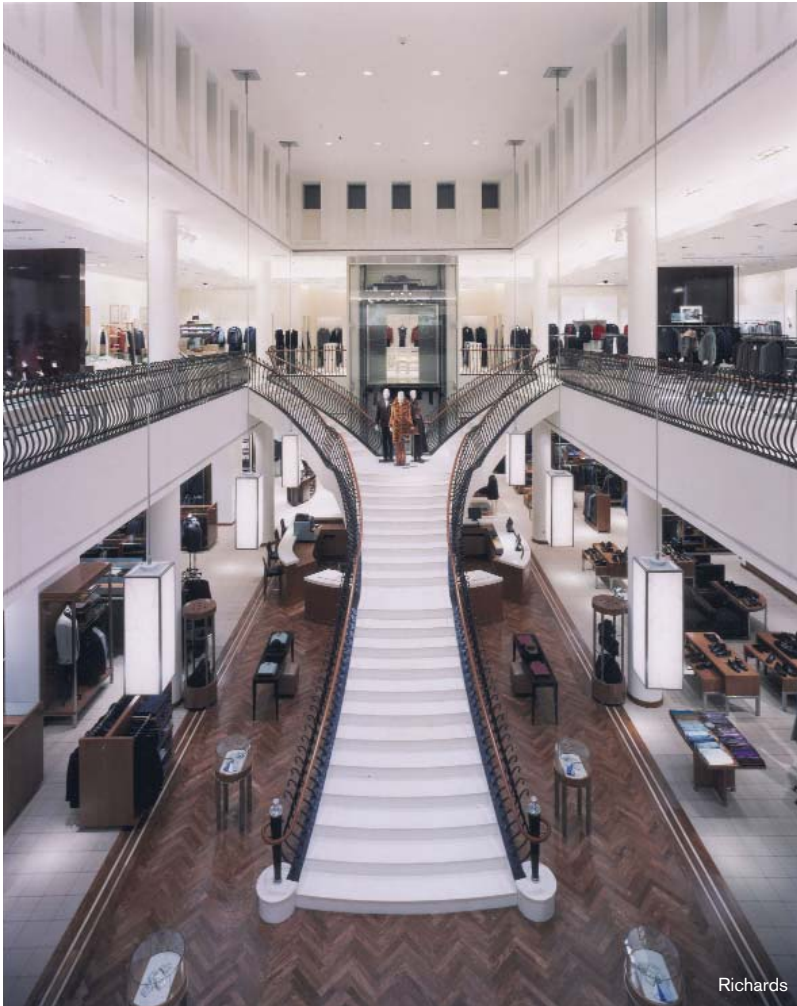
anniversary cards I’ve written to send employees by end-June. Here, a pile of thank you notes to customers who spend \$2,000 or more in the store; here, preliminary plans for a family safari; here, responses to numerous charity events...” The notes go on and on, each personal, each heartfelt, each a hug.

If you don’t know Jack Mitchell, you might question his sincerity: How can he genuinely care about all

his employees, all his customers, all his vendors? The answer is simple: Jack and his brother Bill must have inherited a “caring” gene from each of their parents. Their mom Norma used to write thank you notes for thank you notes. When asked why, she’d reply that it gave her pleasure to do so. Norma was also the one to schlep the coffeepot into their newly-opened Westport, Conn., store each morning only to schlep it back home each night, all to make customers feel welcome. She’d also read to the kids in the store, not just to let their parents shop but mostly because she liked to.

It had often been observed that Ed Mitchell (who founded the store in 1958 at age 53 because he was tired of commuting and wanted to be closer to his family) would quietly offer financial assistance to employees who found themselves in trouble. The note-writing tradition was also Ed’s doing. “The chairman of GE once came into the store and handed me a list of names, telling me to write these people personal notes; he’d told them about my store...” Ed told MR in an interview when he was 95 years old. In that same interview, he shared his secret for longevity. “I learned it from my doctor who told me that there’s little I can do about the aging process and its accompanying aches and pains so I might as well accept it with dignity...”

If the Mitchells’ culture of caring



“We’ve been very conservative in all our major moves.”

the Mitchell’s many accomplishments, the most impressive is surely the talent and harmony among their third generation family management. “We’re a case study at Harvard these days,” Jack confides, “in both the MBA program and the family business program. I go up there two to three times a year.”

Describing the job of each third generation member, he points out that these roles have evolved without the help of an organizational chart: “Russ (co-president) is the analytical big-picture thinker: he’s very bright but also caring, compassionate and emotional. Bob (co-president) is the ‘face’ of Mitchells/Richards/Marshs and the ‘blocking and tackling’ guy. He has an amazing feel for product, and he’s the best seller in the store. (He started working at Mitchells at age 14; once at a Bally trunk show, he sold 25 pairs of shoes and the guy from Bally tried to hire him, not realizing his age...)

“I gave up thinking of Todd and Andrew as twins ages ago! Andrew has excelled in the fashion/mar-

is hereditary, so too is a certain sense of humility: clearly Jack Mitchell is not all that comfortable with a Lifetime Achievement award, nor with the title of “visionary” that he recently received with retail icons like Stanley Marcus. “I’ve built a business, I’ve written two books, I’ve probably shown some leadership. But to put me in the same league as Stanley Marcus, I’m humbled...” he confides.

He describes himself as proud, and lucky. “I’m fortunate to have been blessed with extraordinary parents, an amazing brother, a fabulous wife (of 46 years), terrific sons and nephews, great daughter-in-laws (and partner-in-law), and seven wonderful grandchildren. And to be in relatively good health at 68 years old. (I might feel 50, but I know

when I was born...).”

Among Jack’s numerous noteworthy achievements: his 2003 book, *Hug Your Customers*, became (to his surprise) an overnight Business Week bestseller and launched a whole new literary career for him. (Editors note: After reading his follow-up book, *Hug Your People*, to be published this spring, I’m convinced he’s got another best-seller on his hands!) When asked about his priorities these days, Jack listed first, his family and his health; second, business; and third, his book tour adventures. “I’m really having fun with it,” he confides.

Jack acknowledges he’s able to do this only because he and Bill passed the torch (and the equity) to their sons several years back. In fact, of all

Founded: Mitchells in 1958, Richards in ‘47, Marshs in ‘26
Size: Mitchells, 35,000 sq. ft.; Richards, 27,000 sq. ft.; Marshs, 15,000 sq. ft.
Sales volume: \$90+ million (industry estimates)
of employees: 287
of million dollar sellers: about 45
Men’s vs. women’s: 40/60 at Mitchells; 60/40 at Richards
Fastest growing category: fine jewelry
Menswear breakdown: 53% clothing, 18% furnishings/accessories, 23% sportswear, 6% shoes
Claims to fame: Extraordinary in-store events (James Brown, Aretha Franklin). Family harmony in a third generation business.

keting part of the business; Todd is more like me: not a fashion plate, outgoing and outspoken. (Andrew's been trying to get Todd to wear flatfront pants; Todd's been trying to get Andrew to wear socks...)

"My nephew Scott has become Mr. Greenwich: so personable and intuitive like his dad. Chris is quieter but also intu-

"Our acquisition strategy? We are committed to growth."

itive and a natural leader. Tyler just joined us after a stint working at Harry Rosen."

A bold and controversial move that the Mitchells have recently implemented involves eliminating sales commissions in all three stores. (Richards was already using a combination of salary, incentives and personal goals). "It's working out

great!" says Jack. "First of all, it more closely parallels our culture to pay on relationships rather than transactions. And second, it strengthens camaraderie among associates and creates a more cohesive team." (Editor's note: In his second book, Jack discusses this topic more extensively. Apparently, the final decision to drop commissions at Mitchells was done in a way that involved associates and managers in the process, including numerous meetings, an in-depth PowerPoint presentation prior to the change and Q&A meetings after the first pay period. Bottom line, everyone felt included, fairly compensated and part of the team.)

Of course, team spirit and recognition go just so far and taking away commissions is clearly not easy. Says Jack in his book, "If the money and the fringe benefits are not commensurate with job performance, and then some, in the context

INTERESTING FACTS ON JACK MITCHELL

- Grew up with a learning disability and was told he should be a shop teacher.
- Received his undergraduate degree at Wesleyan.
- Received a masters degree in Chinese history, culture and language from UC Berkeley.
- Spent six years doing biology research at The Northeast Institute for Medical Research.
- Originally did not want to come into the family business but reluctantly accepted his father's offer when it was agreed he could launch a women's business.
- Has no particular interest in fashion.
- Attributes his empathetic nature to the fact that his feelings are easily hurt.
- His first book, *Hug Your Customers*, is in its ninth printing at more than 138,405 hardcover copies.
- Has no plans to retire.

of the local market and living standards in the community, then associates feel ‘used’... I believe all associates should feel that they have the opportunity to earn more if they hit their goals and the stores hit their goals, and if they’re constantly raising the bar and becoming better.” He goes on to discuss various incentives (discretionary bonuses, short-term contests, perks) that have inspired Mitchells/Richards/Marshs associates to become the most productive in the industry. (There are more than 40 \$1 million dollar + sellers, numerous \$2 million + sellers and two \$3 million + sellers!)

To relax, Jack plays tennis 2-3 times a week, takes family time on Block Island and once a year heads off to majestic wilderness locales with a group organized by Arthur Levitt, former chair of the S.E.C. “It’s an incredible experience: we have professional guides and facilitators; just sitting around a campfire with these

amazing guys, talking family or politics or wartime experiences, is truly life-enhancing. (The rule is: what you say on the river, stays on the river...)”

What does he lose sleep over? “How to balance it all, how to maintain my ‘boyish’ enthusiasm, how to include non-family

senior management in more things, how to spend the last 20 percent of my life. But one thing’s for certain: it won’t be retirement! At age 98, my dad was coming into the store regularly to connect with associates and customers. I plan on doing the same thing.” ■

BILL MITCHELL: THE SOUL OF THE STORE

There’s no way Jack Mitchell could accept a Lifetime Achievement Award without sharing it with Bill, his older brother, business partner and best friend. And while Jack has always been the highly visible, ever enthusiastic “outside” guy, Bill is the one who keeps it all together behind the scenes. And as Jack has said, “While I’m a very straight arrow, predictable and overly analytical, Bill is conceptual and highly intuitive. He effortlessly makes people feel terrific; he is the heart and soul of the business.”

Bill came into the business to work with his parents in 1965, right out of college, and it’s the only job he’s ever known. He defines his role as a kind of Maitre D: “My job is to make people feel special, which is natural for me since I’ve always been a people person.” His late father Ed Mitchell loved to talk about his son’s generosity: “Bill will give anyone anything at any time. He is the most generous person I know.”

These days, Bill spends as much time as ever on the selling floor, always embracing his philosophy that the nicer you are, the better business gets. “When I eventually hit my dirt condo, I just want new management to understand that if you give people a top-rate experience, they’ll come back.”