

Bold North Business

NEVER MIND THE COLD WINTERS—MINNESOTA INNOVATORS ARE HEATING UP A NUMBER OF KEY SECTORS, INCLUDING RETAIL, FOOD AND HEALTH CARE. **BY JULIE KENDRICK**

► It's a common story that local employers have shared over the years: When you ask recruits to transfer to Minnesota, they might balk at first, worried about surviving wintertime in such a cold climate. But if you wait a few years after they've moved—then offer a chance to transfer out of Minnesota—the response is often “No thanks, I'm staying here.”

Because Minnesota is such a good place to call home, top talent is more than happy to stay in the North Star State—at one of its many Fortune 500 companies, large private companies or successful startups in agriculture, biosciences, food, health care, information technology or clean energy.

Here are three sectors in which Minnesota's culture of innovation is leading the way.

CLOCKWISE FROM FAR LEFT: Ecolab employees; Radisson Blu Minneapolis Downtown; Target Corporation; Boston Scientific's Rhythm Management division in Arden Hills.

Upgrading Customer Experiences

Minnesota's retail legacy is impressive: Edina, just south of Minneapolis, became home to the country's first modern indoor mall (Southdale Center) in the 1950s. With an estimated 40 million annual visitors, the 25-year-old Mall of America attracts global visitors with more than 500 stores as well as restaurants, hotels and even an indoor amusement park. There's no state tax on clothing purchases in Minnesota, so the legendary retail landmark encourages free-spending retail therapy. As a popular incubator for new store concepts from all over the world, MOA is the ultimate training ground for a state with serious retail cred.

Minnesota-based Target Corporation has been making waves in the retail industry since the company was called Dayton Dry Goods back in the early 20th century. The first Target store opened in Roseville, Minnesota, in 1962; Target is now the second-largest general merchandise retailer in the country and is leading the pace of change in the retail market—a job that demands continuous innovation.

“Guests are changing more rapidly than ever before, and we're making a significant investment in our business to modernize Target and deliver on what our guests love most about us,” says CEO Brian Cornell. “Today, Target stands out in the retail landscape because we sit at the intersection of style and essentials, stores and digital, experience and value, mass and specialty, ‘expect more’ and ‘pay less.’”

Cornell cites the retailer's legacy for breakthrough ideas, from giving access to previously out-of-reach designers such as Michael Graves and Missoni to introducing Cartwheel, a first-of-its-kind coupon app. There's also the launch of Target Restock, a next-day delivery service for household essentials, and the introduction of computer-generated imagery on target.com that enables a 360-degree shopping experience.

“We've committed to reimagining our store experience and opening new small-format stores; delivering products to our guests and our stores with increased speed, accuracy and reliability; enhancing our digital capabilities and offerings; and introducing more than 12 exclusive brands in 18 months,” Cornell says. “We're making significant progress in becoming an even better, more modern Target, offering a seamless, connected shopping experience for our guests in every channel.”

Another Minnesota-based company, eyebobs, has reimagined as well.

In 2001, eyebobs founder Julie Allison couldn't find a stylish pair of reading glasses, so

Innovator

JOHN KIDD

CEO and COO, Carlson Rezidor Hotel Group

Starting with the 1962 acquisition of the original Radisson in Minneapolis, the Carlson Rezidor Hotel Group now includes more than 1,440 hotels in operation and under development worldwide under seven brands. In 2016, Beijing-based HNA Tourism Group acquired the Carlson Rezidor portfolio. Carlson Rezidor remains headquartered in Minnesota; hospitality industry veteran John

Kidd became its top executive in 2017.

You've had a well-traveled life and career. How did you end up in Minnesota?

My parents were originally from Scotland. I was born in Wellington, New Zealand, and we lived in South Africa, Canada and the United States while [I was] growing up. Most recently, I've been in the Asia Pacific region for

the last 24 years. I was with Hilton Worldwide for 20 years, then joined HNA Hospitality Group at its head office in Beijing. While working in French Polynesia, I was tapped for the CEO and COO position for one of HNA's most recent acquisitions, Carlson Rezidor.

What's your take on your adopted home state?

I've fallen in love with Minnesota. One of the reasons why: Minneapolis is so familiar to me. It's so much like New Zealand, particularly Auckland. Like Auckland,

it is surrounded by water, and it has a clear, clean environment and really nice people.

What are your plans for Carlson Rezidor?

Carlson Rezidor has an amazing history, and under our new owner we are taking steps to transform our organization to better serve our business now and into the future. Our holistic five-year plan is updating operations and asset management, brands and products, commercial and IT areas, talent and culture. Our vision is to become one of the top three hotel companies in



the world.

What's distinctive about your newest brand, Radisson Red?

Originally, it was conceived as a brand for millennials. But that's wrong—because there's a millennial in all

of us. It's more about socializing, the efficiency of the space, the use of technology. We want to offer a strong food and beverage experience and a relaxed, convivial atmosphere. It's trendy, fun, efficient and vibrant. —G.R.

she designed her own. Along the way, she started a company targeted to—as the company's brilliant tag line says—“the irreverent and slightly jaded.”

After establishing dominance in the luxury reading-glasses market through sales at premium retailers and online, the company is making a move to be a player in prescription eyewear, too. With a focused and fashionable eye on the \$27 billion annual market for eyewear, eyebobs has opened a retail lab boutique in its Minneapolis-based headquarters building and will be opening a second location at Mall of America this spring. An eventual expansion to 100 stores nationwide is in the works.

CEO Michael Magerman says the numbers support the move to brick-and-mortar: “Ninety-seven percent of prescription eyewear shoppers want to purchase their glasses in a store,” he says. True to the brand's cheeky persona, the boutiques will offer an experiential journey for customers that includes a “seat at the bar” for consultations with opticians/stylists, take-home Instamatic photos of new looks and even opportunities to shoot stylin' footage in onsite video booths.

“It's the difference between a basic log-flume ride and the Pirates of the Caribbean [ride],”

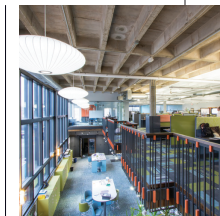
Magerman says of the experience upgrade. “We're offering consumers an exciting and stylish experience.”

“Medical Alley”

Ranked as the third-best state for quality of health care by *U.S. News & World Report*, Minnesota is home to Mayo Clinic in Rochester, nationally ranked No. 1 hospital overall and No. 1 in more specialties than any other hospital. Largely centered around Mayo, the Rochester area is the future location of Destination Medical Center. This 20-year, \$5.6 billion public-private economic development initiative—the largest in Minnesota's history—will transform Rochester into a “global destination for health and wellness,” according to its leadership.

Mayo is just one of the state's health care leaders. Medical device company Boston Scientific, headquartered in Marlborough, Massachusetts, has three campuses in Minnesota: Maple Grove, Arden Hills and Minnetonka. Its 7,000 skilled manufacturing, research and development and divisional management employees and consultants within the state work in the fields of cardiovascular, digestive, respiratory, neurological, urological and pelvic health.

“We're dedicated to collaborating with health



eyebobs headquarters

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Innovator

JULIE GUGGEMOS

Senior vice president of product design and development, Target Corporation

The inspiration for a new product may come from anywhere, says Target Corporation's Julie Guggemos. She leads a team of design experts that includes technical designers and engineers, fashion designers, global trend spotters and a landscape architect.

Your team has

designed the uniforms for the 10,000 volunteers who will be participating in Super Bowl LII. What was your inspiration for that project?

We took our design cues from the event logo, which was inspired by the crystal-blue waters of our lakes and the deep violet of our northern

lights. We considered variables such as safety requirements, weather and what activities volunteers might be doing. We made sure to include lots of pockets for maps, cellphones and other things they'll need to be carrying. Throughout, we wanted to communicate our pride in the "Bold North."

What was the final result?

We developed a bright-blue unisex jacket system that includes an

outer shell and a lightweight puffer jacket, both adjustable to fit many body types. The volunteer uniform also includes a long-sleeve polo shirt, scarf and boot socks. I predict we'll have the best-dressed volunteers in Super Bowl history.

Where do you find inspiration?

From everywhere on the planet! My team and I travel the world looking for new ideas, and we might find them at a

vintage store in Tokyo, on the runways in Paris or walking along the street in New York. Our most important muses are our Target guests,

who share opinions during home visits, trips to our Minneapolis headquarters or through a proprietary app called Studio Connect. — J. K.



care professionals to develop a broad portfolio of meaningful innovations that improve outcomes, reduce costs, increase efficiencies and—most importantly—help more people in more places around the world live longer, healthier lives," says Mike Mahoney, chairman and CEO. "Our operations in Minnesota are situated at the heart of one of the strongest medical technology clusters in the world, allowing us to leverage a highly educated workforce and collaborate with leading hospitals and medical centers to continuously improve patient needs."

Those attributes have earned Minnesota the nickname Medical Alley, with more than 700 medical manufacturers operating in the state. UnitedHealth Group, a leader in health benefits and services, has a strong presence in the state, as do HealthPartners, Allina Health and Fairview Health Services in the Twin Cities, and Duluth-based Essentia Health, which has been an advocate for improvements in rural health care access in the state.

Since its founding in Center City (about 40 miles northeast of the Twin Cities) in 1949, the Hazelden Betty Ford Foundation has been a center of excellence in the treatment of addiction. The nonprofit organization has alcohol and drug treatment facilities in 17 locations nationwide. And in the wake of the opioid addiction crisis, it's been an increasingly sought-after source of expertise, for those suffering from addiction, their families and the health care and business communities.

"We're hearing from employers who are

struggling with the economic toll addiction is having on their health care costs," says Bob Poznanovich, executive director of business development at Hazelden Betty Ford Foundation. "They want to create healthier workforces and lower their costs, and they're aware that effective treatment can make a difference."

Known for its evidence-based treatment programs, the foundation is a leader in a number of innovative addiction treatment solutions. Among those is Comprehensive Opioid Response with the Twelve Steps, a three-day leadership training for health care providers who want to implement the "field's most innovative approach to treating heroin and opioid addiction," as Poznanovich describes it. COR-12 helps health care leadership and clinical teams learn to integrate the use of medications with other evidence-based therapies, such as Twelve Step facilitation, in order to provide the most effective individualized services to patients.

The Hazelden Betty Ford Patient Care Network, a framework for clinical collaboration that allows access to tools, resources and consultation, was launched this year, with Avera Health system of South Dakota as the first member. "The network takes the best of what we do and who we are and shares it with like-minded organizations," Poznanovich says.

Foodcentric Community

Minnesota is home to many of the brands you see on grocery store visits, including General Mills and Hormel Foods—maker of Skippy,

“WE HAVE CHANGING DEMOGRAPHICS—AN INCREASE IN PEOPLE OF COLOR THROUGHOUT THE STATE. HOW DO WE MAKE SURE THAT OUR EDUCATION AND TRAINING SYSTEM IS PROVIDING THEM THE SKILLS THAT MATCH THE NEEDS OF OUR EMPLOYERS?”

— SHAWNTERA HARDY,
COMMISSIONER,
MINNESOTA DEPARTMENT
OF EMPLOYMENT AND
ECONOMIC DEVELOPMENT

Spam and many other brands.

Thanks to a rich agricultural history and a thriving financial climate, you'll also find a number of powerhouses who play behind-the-scenes roles in the food sector, such as Cargill, a commodities trader, purchaser and distributor that's the largest privately held corporation in the United States.

But Minnesota is more than just the nation's mainstream breadbasket. It's also a thriving center of innovation that's driving the way our food is grown, produced and served.

Several brands have made the leap from Minnesota startup to grocery store shelves, including Angie's Boomchickapop popcorn products (currently being acquired by Conagra) and 2 Gingers Whiskey—the brainchild of Irish immigrant Kieran Folliard, who is also the driving force behind The Food Building, an event venue and food production hub in trendy Northeast Minneapolis.

If you've got a favorite health-conscious brand, it just might have been incubated in Minnesota, likely at one of the state's popular farmers markets.

The Barnstable family began selling Seven Sundays muesli at one of those stalls, and their brand is now on retail shelves nationwide. Other



Downtown
Minneapolis rooftop
designed by RSP
Architects.

Minnesota-produced healthy favorites include WholeMe, which sells grain-free clusters in flavors such as lemon berry chia.

With a food-startup climate this robust and this ingrained in the community, it's not surprising that Casey Webber, along with his aunt, Ellen Redmond, was able to cofound a Minnesota purveyor of “conscious indulgences” with his Hunkola granola bite and Heavenly Hunk cookie products, both of which are gluten-free, vegan and non-GMO.

“Consumers want straightforward, real, honest food, and they appreciate and trust knowing about the people behind the brand,” Webber says. ▼

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