

TwinCities BUSINESS

The

INTERVIEW ISSUE

**CANDID CONVERSATIONS WITH
28 OF MINNESOTA'S MOST DYNAMIC
BUSINESS AND POLICY LEADERS**

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DECEMBER 2013



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We sat down with 28 Minnesota leaders, chosen from business, politics, education, philanthropy and more, and asked them to get big picture with us. Their thoughts will likely be a strong indicator of the direction our state will take.

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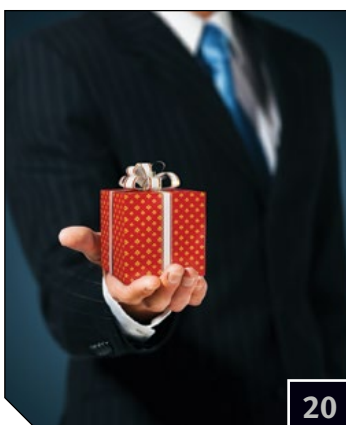
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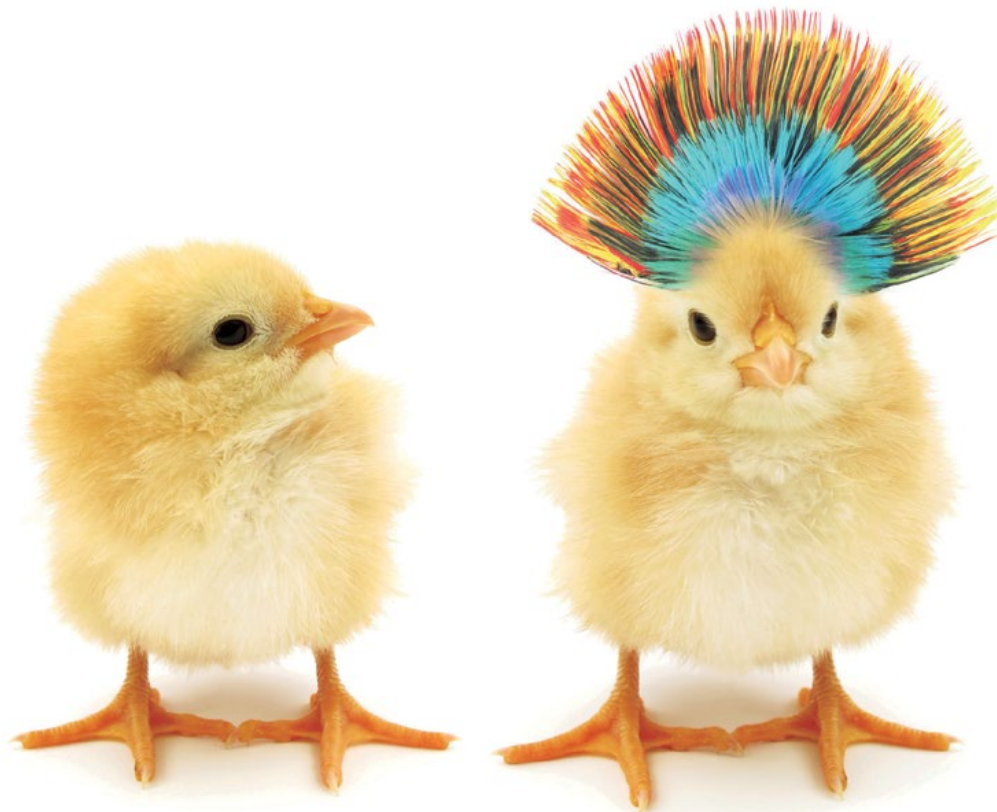
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HIGHLIGHTS

- ▶ Roundup of the most recent news on the homepage
- ▶ Ranked lists and directories of Minnesota companies
- ▶ Previous issues and *TCB's* digital editions

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letters

We welcome your comments. Please send your thoughts to letters@tcbmag.com. TCB reserves the right to edit submissions for length and clarity.

Discrimination Against Veterans Nothing New

At the end of World War II my father came to Minneapolis to interview for a professorship at the University of Minnesota. He had been honorably discharged as a scientist on the Manhattan Project. When he arrived in Minneapolis he went to get a room at a hotel in downtown Minneapolis wearing his U.S. Army technical sergeant uniform. The hotel informed him they only gave rooms to officers. Unfazed, my father later accepted the position at the University of Minnesota, where he worked for 50 years as a botany professor.

I think a big problem veterans have ["Untapped Talent," November] is that often people who never served in the military cannot relate to the experience of being a veteran, especially those who served in combat. I lived in Washington, D.C., for a number of years, where the attitudes toward veterans are much different than here in Minnesota.

David Frenkel
Edina

Employing Veterans and the Law

Two key steps to formulating a winning battle plan are identifying both the enemy and the key features of the battlefield. In the war against Minnesota's abysmally high veterans unemployment rate, Adam Wahlberg's article, "Untapped Talent," does just this. As a post-9/11 vet and someone who has very recently navigated the hiring obstacles of the civilian employment market, I salute him.

His analysis is dead on: My fellow veterans are mission oriented, thrive in team-based and leadership positions, and are comfortable in chaos.

As a local community, we still have a long ways to go, however. If businesses that express concerns such as fear of PTSD or poor culture fit aren't convinced by Wahlberg's myth-busting, they should be cautioned: In addition to those worries being largely false, acting on them may also be illegal.

The Uniformed Services Employment and Reemployment Rights Act (USERRA) is a federal law that protects veterans and service members in the civilian sector. "Untapped Talent" rightly highlights the many benefits a veteran can bring to a company. USERRA, on the other hand, mandates what businesses must do for veterans. The law holds that a person's past, present, or current service in the armed forces may not be used as a negative factor in a hiring or retention decision.

Educating your company on the legal aspect of veterans hiring need not be complicated. Expert volunteers at the Employer Support of the Guard and Reserve (ESGR) stand ready to help employers understand their obligations to employees currently serving in the guard and reserves, consulting companies such as Genesis10 have expanded departments dedicated to helping employers staff and solve business problems with veteran-driven solutions, and I am joined by a host of post-9/11 veterans in the legal profession who have a passion for promoting positive, results-oriented relationships between veterans and the private sector. Given these helpful resources, litigation is the last place an employer should learn about USERRA.

*Christopher J. Motz
veteran, U.S. Marines
attorney at Lindberg & McKin-
nis, Cambridge, Minnesota*

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NOMINATE TOP WOMEN Corporate Executives

In the spring of 2014, *Twin Cities Business* will profile Minnesota's top women corporate executives

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We're seeking nominations for women who hold leadership positions ranging from division director to chief counsel, CIO, COO and CEO, in companies with annual revenue of at least \$500 million.

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Please submit your online nomination by
January 10, 2014

TwinCities BUSINESS



editor's note

Turning the Tables

We figured it only fair that I get grilled as well.

This month we put 28 top leaders on the spot in our "Interview Issue." Senior Writer Burl Gilyard noted that under the circumstances, I should be interrogated as well. He cornered me recently to conduct the following impromptu interview for this month's Editor's Note.

"The Interview Issue": Is it true that you stole this idea from *Businessweek*?

[Coughs.] No comment.

How did you select interview subjects?

As a team we thought of people who are great leaders, not only in their organizations, but as influential people in their industries and our community. And how they're going to be even more relevant in 2014 and the years to come.

Is there anyone you wanted to interview, but couldn't get?

Yes. We wanted to get Stephen Hemsley from UnitedHealth Group. When you think about the significance of that company, not only nationally as the largest health insurance company, but because of the jobs it creates in the Twin Cities and how much it means to our economy, we still hope to someday hear from Mr. Hemsley in his own words in these pages.

When you hear the term "thought leader," do you lean in or run in the opposite direction?

Depends on who they are and what they're talking about.

What's your favorite national business magazine and why?

The *Economist*. It provides great perspective and context, incorporating intelligence and news from around the world, and is written with a voice that is fair, but colorful. It's just very well-written. I also like *Inc.* for how it talks about the people and personalities behind the numbers and performance.

What do you think business reporters miss when covering stories?

They miss personality, action, the energy, the angst, and the old line from

Wide World of Sports—"the thrill of victory and the agony of defeat"—that occurs every day in business. Also numbers and context and perspective: understanding what's really going on inside a business. Which is hard to do as a business writer because you're looking at it from the outside; there are a lot of complexities to consider. But it always comes back to the personalities and the people that really make business what it is.

You once ran your own business [*Profits Journal*]. What's the best business advice you ever received?

Don't do it. [Laughs.]

Do you regret ignoring this advice?

No. There was a lot of good advice and worthwhile experiences along the way. I think the best thing that people said and that I took away from it all was "Anybody can have a good idea. It's the execution that matters." I used to worry so much about having the right ideas, but really that taught me that [business] really is knowing how to execute extremely well.

What's your least favorite business cliché?

I think most people who use the word "disrupt" don't understand what it means.

The current recovery seems fairly muted. What do you hear when you talk to local business leaders?

Of course frustration, No. 1. No. 2, a bit of a learned helplessness with some. But overall the continued need to be even smarter, and to be even more MacGyver-like with what you have.

MacGyver?

MacGyver-like, man. How did he take the things he had in all those shows and [put them together so that] he would somehow come up with some brilliant solution to survive and come out of it smiling?

Businesses have to continue to reinvent themselves at a pace like we've never seen in our lifetime and may never see again; which are both



Companies should be MacGyver-like.

If you weren't editing this magazine, what would you be doing?

I don't know. I'm too busy doing this job to think about other possibilities.

Tom Petters recently said that he was guilty. Do you have any regrets about the interview that you did with him last year?

Nope. The interview was "the untold story of Tom Petters." We set it up very well, saying this was his view, his version of what happened. He also, in talking with me, never said he was innocent. And even in the story we didn't say he was claiming he was innocent.

In the age of the Internet, what do you see as the future of magazines?

Like "plastics" from *The Graduate*, the word today is "content." Whoever has really useful, unique content will find people wanting it and ways to monetize around it—oftentimes not using social media or the Internet to do so.

I think the next wave for us as publishers has to do with big data. We need to start thinking about how we can distribute unique, valuable content to people who really want it, using the same big data approaches that marketing companies are using. It would mean lower costs, more efficient delivery, happier clients.

In the current economy, what advice would you have for someone who's just graduating from college?

Stay home. . . . just kidding.

Be unique in a way that makes money and makes you happy. Too many people can sometimes go for things like a business degree, but how do you set yourself above and apart from the thousands of other people getting that business degree?

The days are gone where you can just follow your passion and then hope to find a job out there. You really have to think now, "How do I fit my passions with a career that pays?" **TCB**

good—because we're seeing some great work and great accomplishments—but it's also really taxing because we don't have much by way of revenue growth or additional earnings to play with.

So it comes back to that MacGyver-like situation: How do you make it work with what you have?

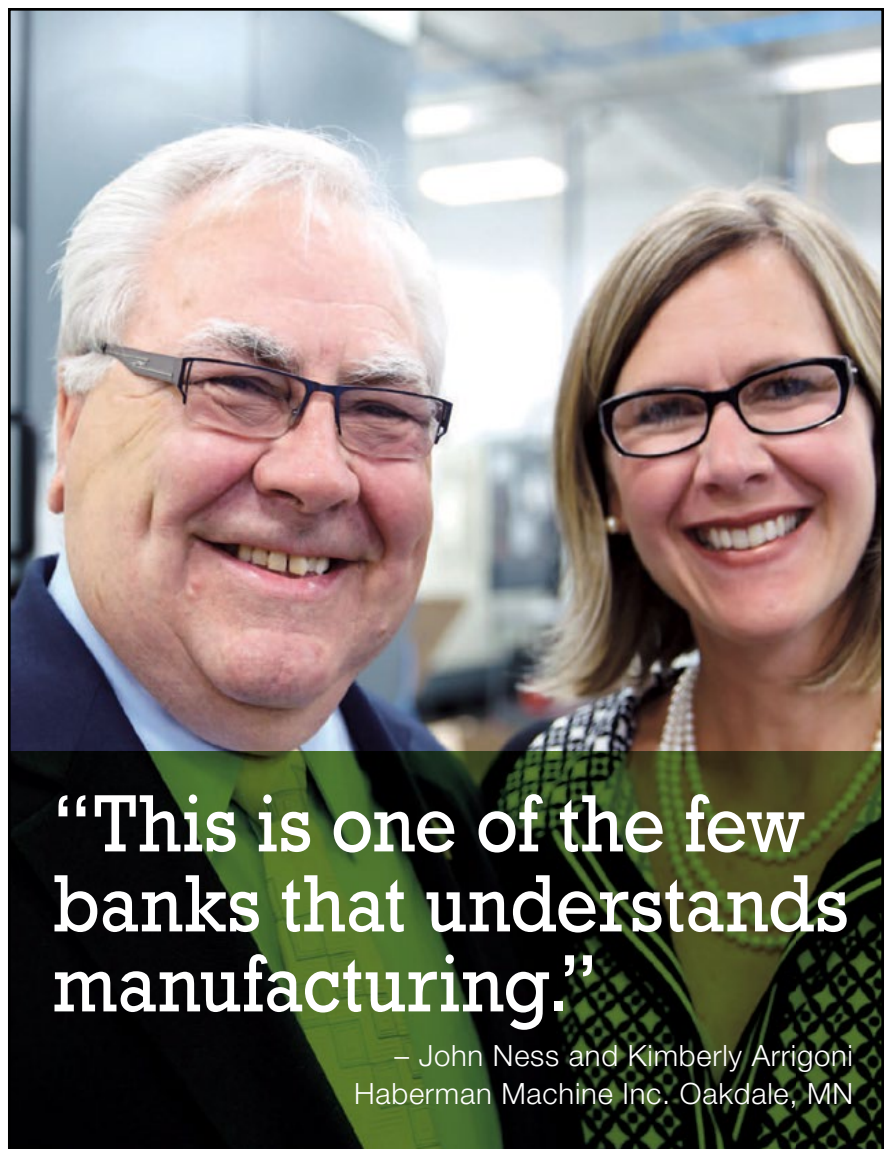
What's the biggest misperception that business leaders have about business journalists?

That they don't really care to understand things as much as I know business journalists do care to understand things.

I also don't think businesses realize that their legal counsel and their own stereotypes of journalists hinder what could be more effective relationships with the media in some instances. Some companies have great relationships with the media, but many others think that the best way to work with the media is to *not* work with the media. And that's just a lost opportunity for them.

You can see Minneapolis City Hall from your office window. What role should government play in the business community?

As little as possible.



"This is one of the few banks that understands manufacturing."

— John Ness and Kimberly Arrigoni
Haberman Machine Inc. Oakdale, MN

At Haberman Machine, business is a family affair. John and his children, including daughter and CFO Kimberly Arrigoni, all pitch in. John says, "We're a precision machining company. We make parts for a wide variety of other manufacturers." They work with Cindy Carlson, VP of Commercial Banking at Western Bank in St. Paul. "Cindy really gets it – the process of manufacturing. It's really refreshing."

At Western Bank, bankers like Cindy have a nuts-and-bolts understanding of how businesses work. John tells it best, "When I first bought this business, Western Bank was willing to work with me. Cindy knew the SBA loan process and really helped me through it – all the forms, all the regulations. We've been together now for 30 years."

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edited by Adam Platt

VACANT SITE PROMPTS BAR FIGHT

Which threatens southwest Minneapolis residents more: an abandoned gas station or a thriving business?



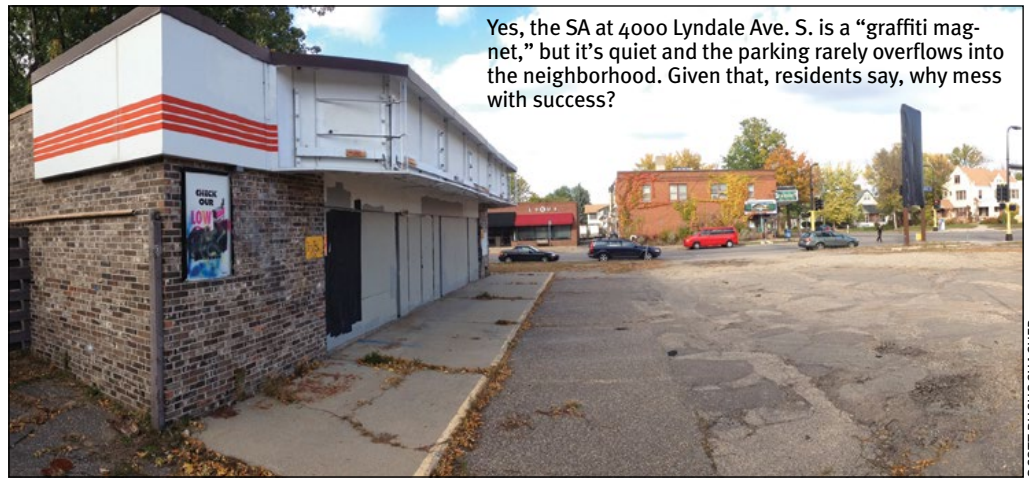
> Change may be good, but it's not always welcome. Redevelopment plans in south Minneapolis often rankle neighbors, even when the property in question is a boarded-up, years-vacant gas station.

The former 7-Eleven/SuperAmerica at 4000 Lyndale Ave. S. was shuttered in 2006 and sat empty throughout the recession. But when plans surfaced last spring to convert the eyesore into a neighborhood pub, some residents organized to raise concerns about parking and late-night hours.

The site is just 13 blocks south of a proposed Trader Joe's grocery store, which Minneapolis neighbors helped defeat in 2012. Due west, in Linden Hills, developer Mark Dwyer pared his condo plans after objections about his project's scale.

At the SA site, the upshot was that Paul Dzubnar, who owns the St. Paul-based Green Mill pizza chain and Crooked Pint Ale House in downtown Minneapolis, had to scale back his plans before moving forward.

"We're going to close a lot earlier during weekday nights. We shrank



Yes, the SA at 4000 Lyndale Ave. S. is a "graffiti magnet," but it's quiet and the parking rarely overflows into the neighborhood. Given that, residents say, why mess with success?

SCOTT BUCHSCHACHER

the size of the restaurant," says Dzubnar, who is also a partner in the Town Hall Brewery group. "It's taken a lot of time. It took a while to work with the neighbors."

Would neighbors have preferred that the corner lot remain empty?

Jinx Engstrom, who has lived in the area for more than 40 years, says that parking is already tight. "I just think it could be a smaller restaurant," she says, but acknowledges "I'd like to have something that looks better than a graffiti magnet."

Dzubnar paid \$305,000 in March to acquire the site from Speedway SuperAmerica LLC, which has another SA store on an opposite corner of the intersection. Minneapolis-based Smart Associates is designing the 100-seat project, which Dzubnar hopes to open around April 1. The Minneapolis Planning Commission approved Dzubnar's plans in mid-September.

While he envisioned another Crooked Pint Ale House, Dzubnar settled on a neighborhood pub concept with a name to match the neighborhood—Harriet's. Nothing objectionable there, he hopes. —*Burl Gilyard*

"I'd like to have something that looks better than a graffiti magnet."



RAISED BETS ON RAISED STAKES

Mystic Lake investment seems to be delivering anticipated gains for Canterbury.



> Minnesota's one and only thoroughbred racing track saw a record-breaking season this year due largely to a 2012 partnership with one of its competitors—Mystic Lake Casino. Canterbury Park made a deal with the Shakopee Mdewakanton Sioux Community for a purse enhancement and joint marketing agreement, which started to pay out in spades this season.

The arrangement bumps purses for Canterbury track horsemen by \$75 million over its 10-year term. This led to a record-setting \$12.5 million doled out in purse money this season, nearly doubling 2011 payouts, and about 27 percent more than 2012.

In exchange for the money, Canterbury built a huge Mystic Lake-sponsored electronic tote board. It also agreed to end its legislative quest to allow slot machines at the track. A trolley also runs between Mystic Lake and Canterbury during live racing days.

The intent of the purse augmentations is to attract premier trainers and jockeys—more money means better competition. For the first time since 1991, all of

Canterbury's 1,600 stalls were filled with racehorses.

As the quality and depth of racing has improved, the rate at which favorites won has dropped from 45 to 35 percent. "True fans are looking for competitive races—where the favorites aren't going to win every race," says Canterbury spokesman Jeff Maday. "And when favorites win less, betting goes up—because people are adding a second or third horse to their bets; there are just so many different combinations they can cover."

While daily average attendance was only 1 percent higher than last year, at 6,656, the daily amount wagered on live races was a record-setting \$546,532, up more than 20 percent from last year.

About 65 percent of bets were made out of state—\$24.4 million of the \$37.6 million season total. Off-track wagering, which includes dollars bet on televised Canterbury races from other tracks or bets made through Internet sites (not available in Minnesota), was up by 46 percent this season. —*Kevin Mahoney*



PLUG YOUR EARS (AND WE'LL PLUG OUR BRANDS)

A UnitedHealth Group subsidiary and 3M pulled off respective marketing coups amid all the noise.

► When Seattle Seahawks fans descended on CenturyLink Field for their home opener against the 49ers, their sights were set on more than a “W”—they aimed to break the Guinness world record for the loudest outdoor stadium.

Hi HealthInnovations (hHI), a UnitedHealth Group subsidiary that sells hearing aids directly to consumers, pounced on the opportunity to, um, plug its brand. It procured more than 10,000 earplugs and cleaned out the Seattle Costco’s 3,000 sugar-free Ricola throat lozenges, disseminating the products to screaming spectators.

The earplugs’ custom packaging displayed hHI’s logo, website, phone number, a promo code for hearing aid batteries, and the slogan “Make some noise, but protect your hearing.”

In all, hHI spent \$1,350 on earplugs and cough drops. The guerrilla marketing campaign was “a very cost-effective way to get our name out there,” says Will Shanley, UHG’s PR director, who conceived the initiative.

HHI, whose financials aren’t broken out from UHG’s \$8 billion OptumHealth division, saw a 32 percent bump in inquiries and appointments with the company’s area audiologists in the week following the initiative, says Shanley, who reports that many of those people purchased hearing aids.

HHI wasn’t alone. 3M donated a whopping 30,000 pairs to the cause, each bearing the company’s logo, pegged at a retail value of roughly \$15,000, according to Jason Jones of the company’s hearing division.

Seattle’s time in the spotlight, however, proved brief. Just four weeks later, the Kansas City Chiefs asked 3M to supply earplugs as its fans took a run at the recently established record. This time, 3M donated 36,000 pairs.

3M also encouraged fans to download its mobile app, which features a noise-level meter—and promotes 3M’s hearing-protection products. To illustrate the huge market for such products, Jones points out that employers spend roughly \$300 million annually on hearing-loss claims.

While presenting a prime PR opportunity, Shanley emphasizes that NFL fans’ record-shattering roars really are dangerous: “Anything over 100 decibels for as little as 15 minutes can cause hearing loss.” Seattle fans hit 136.6 decibels, eclipsing a record set by a soccer crowd in Turkey. Kansas City reached a deafening 137.5. —*Jake Anderson*



CenturyLink Field (top) in Seattle is reputed to be the NFL’s noisiest. UnitedHealth Group’s hHI division (above) deployed to make sure breaking a record broke no eardrums.

RAINMAKING REDEFINED

Minneapolis law firms start to use non-lawyer sales professionals to drum up work.



Law firms have always relied on well-connected partners to serve as rainmakers to bring in business. But more and more firms are hiring new business pros from non-attorney ranks to build their books of business.

“It’s very much like starting a company,” says Robert Gibson, director of business development at Fredrikson & Byron, a full-service firm that is among the largest in the state. “You do a 360 review and you look at opportunities and challenges and capabilities, and then you put together a strategic plan. It’s not about cold-calling. It’s about networks. It’s about establishing a brand.”

Gibson, who was in investment banking and wealth management before coming to Fredrikson, points to the firm’s private equity group. Not long ago it was a blip. But lately it’s been pulling in work from well-heeled East Coast equity funds such as Lindsay Goldberg and Audax, for which it did 35 transactions for last year.

Gibson figures he knows why. “High-quality practice of law, of course, but also the relationships we’ve built. It takes time, but it’s the best way to grow business.”

It’s the same songbook John Crouch has brought to Bowman and Brooke, a midsize Minneapolis firm that specializes in product liability defense. Like Gibson, he comes from a metrics background, with 15 years at Ernst & Young.

Crouch has been on the job for a year, and his mantra from day one has been to persuade members of practice areas to act as teams and integrate them into clients’ legal departments. He seeks to build out specialties that provide added value and invest in relationships and, again, treat each practice area as its own business.

“The thinking is this: The legal departments of our clients are being asked by their CEOs to become more deeply connected with the business units. They’re expected to have forecasts, budgets, costs, forecast exposure, risks, that kind of thing. So how can we help them?”

“There are a lot of law firms who think, ‘We’re the gods at doing this, we don’t need to change. We just need to talk louder in the megaphone,’” Crouch continues. “That just doesn’t work anymore.” —*Adam Wahlberg*

BIG NEWS

TARGET CENTER REVAMP A deal was finally reached for the facility’s \$97 million renovation to be completed by 2015. Costs will be roughly shared by the City of Minneapolis and the Timberwolves/Lynx, with a minor contribution by building operator AEG Inc.



{ COMPETITIVE EDGE }

COOKS OF CROCUS HILL

Competing via relationships instead of transactions.



► When Cooks of Crocus Hill founder Martha Kaemmer retired in 2007, longtime employees Karl Benson and Marie Dwyer assumed ownership of the kitchenware and cooking class institution. (Benson had held a stake since he came on board in the late 1990s.)

Within months, national kitchenware store Sur La Table opened a stone's throw from Cooks' 50th & France store. That stone has been firmly lodged in Cooks' shoe ever since. "The challenge is that they sell all the same products as us," says Benson. "Cooks is atypical in that we're not transactional in our relationship to retail and branding and business; we're very relationship-focused. That community

of food is our point of differentiation."

Community has always been a focus at Cooks, which offers cooking classes open to the public at all of its locations. Its partnership with HealthPartners' yumPower cooking classes was a natural extension. "The whole point of our wellness initiative is really just teaching people how to cook," says Benson, "and we're really good at that."

As the business development guru at Cooks, Benson says he's learned a lot through various expansions and subsequent contractions. A mid-2000s venture in Southdale failed as the center lost tenants and cachet during ownership transitions. Before that, Cooks licensed its brand as the

gateway to the housewares department at Marshall Field's top 15 stores, only to have Macy's terminate the contract after it acquired the stores from May Company. "We refer to that as our halcyon days of marketing and branding education," Benson says with a laugh. "Field's giveth and Macy's taketh away."

Now in its 40th year, Cooks is riding high. Following a new store opening in Stillwater last year, it was honored by the International Housewares Association when it won the 2012/2013 Global Innovators Award. Benson credits this success to that commitment to community, and continuing "the legacy Martha put into place." —Megan Wiley

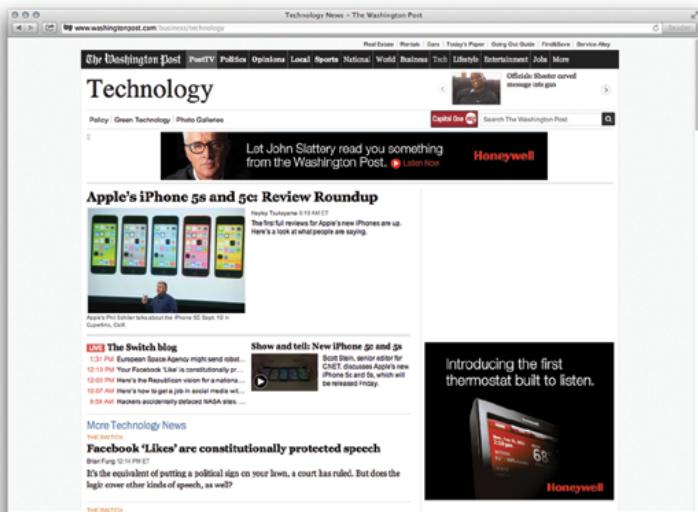
{ NUMBER CRUNCH }

ASSET MANAGEMENT FIRMS: PRIVATE VS. INSTITUTIONAL CLIENTS

We asked asset management firms about their portfolios. One surprise: Private client portfolio size came surprisingly close to institutional client portfolio size for many firms.



Company name	Institutional clients	Average portfolio, institutional clients in MN	Private clients	Average portfolio, private clients in MN
Cornerstone Capital Management Inc.	100%	\$150 million	0%	\$0
Marquette Asset Management Inc.	8%	\$7.2 million	92%	\$3.1 million
Minnesota Bank & Trust	25%	\$4.5 million	75%	\$2.5 million
Palisade Asset Management LLC	15%	\$3 million	85%	\$2.1 million
Punch & Associates Investment Management Inc.	35%	\$28.8 million	65%	\$1.4 million
Rocket Capital Management	5%	\$100,000	95%	\$100,000
SilverOak Wealth Management LLC	0%	\$0	100%	\$4 million
Sit Investment Associates Inc.	93%	\$83.8 million	7%	\$19 million
Speece Thorson Capital Group Inc.	52%	\$8 million	48%	\$2 million
Tealwood Asset Management	3%	\$1.2 million	97%	\$417,230
Wealth Enhancement Group LLC	3%	\$1.5 million	97%	\$354,973
Windsor Financial Group LLC	10%	\$10 million	90%	\$2 million



{ SELLING IT } by John Rash

THE STORY IS THE MESSAGE

John Slattery pitches Honeywell without ever mentioning its name.

> THE STRATEGY

It's not just crisp suits that have sharp lines in *Mad Men*. Just as starked are the separations between the creative and media disciplines. So it's notable that a *Mad Men* star, John Slattery (Roger Sterling), was featured in a clutter-cutting campaign that ran recently for Honeywell's new voice-activated thermostat.

The online creative, accessed by clicking a big banner ad on the websites of the *New York Times*, *Washington Post*, Mashable, or Gizmodo, features Slattery reading an actual tech-oriented story on each news service's site. While reading, Slattery takes a break to talk to the thermostat, which then automatically adjusts.

"All of this came out of an idea with a strategy of 'How do you make this stand out in a sea of other innovative tech products?'" says Chris Lange, founder and creative co-chair at the ad agency mono.

The goal was broader than just reaching the consumer target of adults 25 to 54, says Andrea Luhtanen, president of Haworth, which handled media negotiations. "We were trying to reach industry influencers to sell product, but also set the tone that Honeywell is a leader in technology and innovation."

>> THE CREATIVE

The same leading-edge outlook could be said about Haworth and mono.

The campaign, meant to highlight Honeywell's innovation, was an innovative collaboration in its own right between creative agency mono and Haworth, both based in Minneapolis.

"We feel so strongly that the magic happens when the creative and media sit at the same table together to bring these ideas to life," says Luhtanen. The spell is hard enough to cast when creative and media are housed together. It's even more unusual when it's done with different firms.

But Haworth, a firm of 135 employees (who also own the company) is used to outside collaboration, especially with clients like Target. This collaboration with mono needed to extend to media negotiations as well, because just as there are still often-distinct delineations between creative and media departments, the wall between advertising and editorial is also still in place.

A particular challenge was incorporating the actual news copy written by journalists at the news organizations where the ads appeared "because they needed to know how the integrity of their work would be represented," says Maggie Lunetta, associate media director at Haworth.

>>> THE BUY

Beyond online execution, print ads were purchased in the *New York Times* and *Washington Post*. Per client request, Haworth didn't reveal billings, but the campaign was modest and short: only four days in September. But that was enough for the press to take notice—and, ideally, draw attention to Honeywell and the home-building and remodeling industries.



BIG NEWS

EDEN PRAIRIE CENTER The 1.14 million-square-foot shopping center was sold to Dallas-based Cypress Equities.

JOB CUTS Target laid off 150 headquarters staff in a variety of departments, citing a restructuring to focus increasingly on online operations. . . . Wells Fargo parted company with 100 more mortgage operations employees, its fourth round of cuts in as many months.

INTO THIN AIR

The brave new world of e-cigarette retailing is booming.

➤ After smoking cigarettes for 30 years, Deb Morin was ready to stub out her addiction, burdened by the growing stigma attached to tobacco. Her turn to a less harmful alternative became a business with the rather street name of ECig Crib.

Opened in 2011, the “vape” shop in Coon Rapids was one of the first in Minnesota to sell electronic cigarettes. Powered by a rechargeable battery, the devices turn liquid containing varying amounts of nicotine into vapor.

You could call it a fad; the emergence of e-cigarettes has sparked the growth of roughly 25 such retailers in the state, most in the last year, says Chris Tholkes, spokeswoman for the Minnesota Department of Health.

Since e-cigarettes are not yet regulated, their risks are largely unknown. Pressure has been building for the Food and Drug Administration to regulate. Morin says she, for one, is “all for regulation . . . I welcome it” for the quality control it would force on the marketplace, as well as regulation’s tendency to push out shady operators.

Morin says quality control is what distinguishes the array of entrants in the category. Lesser operators “think it’s easy and quick money,” she says. Her hottest sellers are starter kits, which come equipped with supplies for two e-cigarettes. With a price tag of \$40 to \$70,



25
retailers
in Minnesota

Morin sells around \$3,000 worth of them per month. She says the business is profitable.

The market isn’t expected to vaporize anytime soon. Bloomberg estimates e-cig sales will top \$1 billion this year and surpass cigarette sales in the next couple of decades.

Morin now has three vape shops in the metro area (the Coon Rapids flagship, plus one each in south Minneapolis and Forest Lake). The majority of her clientele is 25 to 34 years old; she says she is offering smokers an alternative, not “marketing to younger people because it’s cool.”

Morin says her products meet state guidelines for nicotine content, and that she vets her Minnesota-based nicotine supplier as well. Minnesota is the only state to tax the devices (at about the same rate as cigarettes), and to require buyers be at least 18 years old.

Critics question the industry’s broader goals. “As I watch some of the ads, I feel like it’s an ad for a cigarette,” says the Department of Health’s Tholkes. “It feels like their intention is to normalize the use of tobacco again.” —*Raya Zimmerman*

= Market Leader Profile =

Lending Conditions Vary By Institution



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plugged In

the best opportunities for **networking** this month. by Raya Zimmerman

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

December

4

YPro: Annual Holiday Celebration

If you're a young business professional looking for a gathering to attend this holiday season, the St. Paul Chamber of Commerce's annual outing offers food, a cash bar, and music, with a short overview of the chamber's activity this year. At a manageable attendance of about 75, the celebration draws guests from the political, philanthropic, and, of course, business world involved in the economic development in St. Paul and the east metro area. Proceeds from the raffle and silent auction benefit the chamber's foundation.

5 p.m., \$20, Crowne Plaza St. Paul – Riverfront, 651-223-5000, saintpaulchamber.com



7



Jewish Family and Children's Service of Minneapolis' 25th Annual Benefit

With a resumé boasting stints at MTV and *The Tonight Show with Jay Leno*, stand-up comedian Elon Gold appears as the special guest at JFCS' fundraiser and networking event. Up to 1,100 are expected at this evening of cocktails, dinner, and a raffle (with prizes including a trip to New York and a MacBook Pro). Those 40 and under can attend their own pre-party to talk philanthropy, enjoy a complimentary cocktail and network. As a charter member of the local United Way, JFCS serves more than 16,000 people in the Twin Cities annually. Proceeds benefit the nonprofit's 40 programs, including career services, children's mentoring, and early childhood literacy program.

5:45 p.m., \$50 (ages 40 and under, \$150 includes dinner), \$125 (ages 40+, \$275 includes dinner), with group rates available. Hilton Minneapolis, 952-542-4878, jfcsmpls.org



11

The Minnesota Interactive Marketing Association Holiday Party

MIMA's holiday party is similar the group's monthly meetings, but with a festive air, attracting nearly 300 industry leaders from digital marketing, design, publishing, and web development. Relax with drinks and food, and connect in the high-energy atmosphere.

5:30 p.m., free for MIMA members, cost TBA for non-members, Guthrie Theater, 651-999-5345, mima.org

12

I AM MPLS

These aren't ordinary runway models. Local tattoo artists, writers, chefs, and entrepreneurs don designs from local boutiques in this variety show's fashion runway. Started by stylist and consultant Sarah Edwards, this annual event is a call-out to creative individuals to meet other artists from myriad industries, including culinary, advertising, fashion, music, and comedy. In its fourth year, I AM MPLS, an annual event of the I AM KINDNESS nonprofit, is promoting local brands, such as Len, Emma Berg, and Atmosphere. Catering courtesy of Barquette, Red Stag and Chowgirls is a highlight, along with stand-up comedy and live bands.

6 p.m., \$15 general admission, \$50 for VIP, Aria, Minneapolis, 612-669-0161, iammpls.com



EcoNetworking for Sustainable Solutions

Hosted by the Minnesota Landscape Arboretum, eco-innovators and sustainability chiefs across industries bring their expertise to the fore. This installment's topic in the business-to-business series is on digital/social media storytelling and includes a presentation by Wendy Meadley, who will discuss the Town and Country Club's use of bees, special kinds of turf and even chickens in its eco-friendly practices.

7:30-9:30 a.m., \$12, Minnesota Landscape Arboretum, 952-443-1422, arboretum.umn.edu



Holiday Classics

6-7

The Great Russian Nutcracker

The Moscow Ballet makes a grand leap to Minneapolis' Orpheum Theatre for a two-day debut, featuring award-winning dancers and hundreds of exquisite costumes. The company recruits local children in roughly 65 cities, so a local Twin Cities cast of youngsters will also make their debut.

Times vary, \$32-\$92, Orpheum Theatre, 800-982-2787, hennepintheatretrust.org

{Through December 29}

A Christmas Carol

Dickens' beloved story, directed by Joe Chvala in the Guthrie's beloved production, now in its 39th year. J.C. Cutler plays Ebenezer Scrooge again this year, appearing on the Guthrie's Wurtele thrust stage. Bah, humbug indeed.

Times vary, \$28-\$85, Guthrie Theater, Minneapolis, 612-377-2224, guthrietheater.or



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Curtain Up!

Take your clients out on the town with a performance at one of the Twin Cities' iconic theaters.

Theatre in the Round

► If your client is an Anglophile, take them to *Spider's Web* at the **Theatre in the Round**, an intimate, arena-style theater built in 1969 in collaboration with Ralph Rapson & Associates, designers of the original Guthrie Theater. In this vintage whodunit by Dame Agatha Christie, a young diplomat's wife discovers the body of a stranger in her drawing room, which she must dispose of before her husband comes home. After the play, settle your nerves at **Republic** with a pint of Hammerheart British Invasion English pale ale, brewed in Lino Lakes, and a platter of Fulton Blonde beer-

battered fish and chips. *Through Dec. 15, 245 Cedar Ave., Mpls., 612-333-2919 theatreintheround.com; Republic at Seven Corners, 221 Cedar Ave. S., 612-338-6146, republicmn.com*

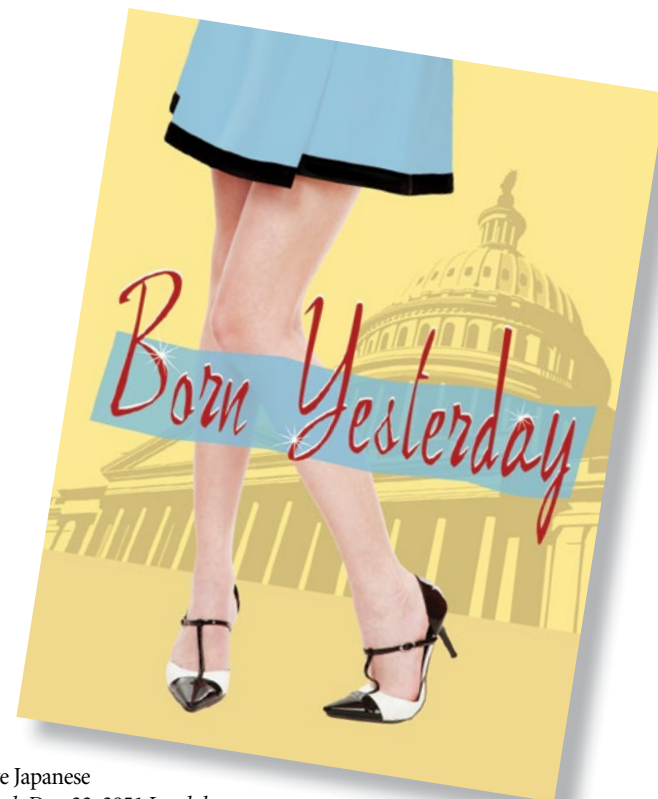
The Jungle Theater

► Show your clients the off-Broadway side of Minneapolis with an evening in Lyn-Lake, the neighborhood that never sleeps. Take in a performance of the Pulitzer Prize-winning *Driving Miss Daisy*, directed by the Jungle's legendary Artistic Director Bain Boehlke, who founded the theater in a storefront in 1991. After the show, stroll down the avenue to **Moto-I**, the first sake

brewery outside of Japan, where you can savor eight varieties brewed on-site and an array of tasty and inventive Japanese street food. *Through Dec. 22, 2951 Lyndale Ave. S., Mpls., 612-822-7063, jungletheater.com; Moto-I, 2940 Lyndale Ave. S., Mpls., 612-821-6262, moto-i.com*

Guthrie Theater

► For clients who believe that wit is the highest form of humor, *Born Yesterday* is a charming holiday treat. Written by



Clockwise from above: *Born Yesterday* through Jan. 5 at the Guthrie; the Danger Committee gets down to business at Brave New Workshop etc; a scene from Dame Agatha Christie's *Spider's Web* at Theatre in the Round; Mark Benninghofen stars in *Born Yesterday*.

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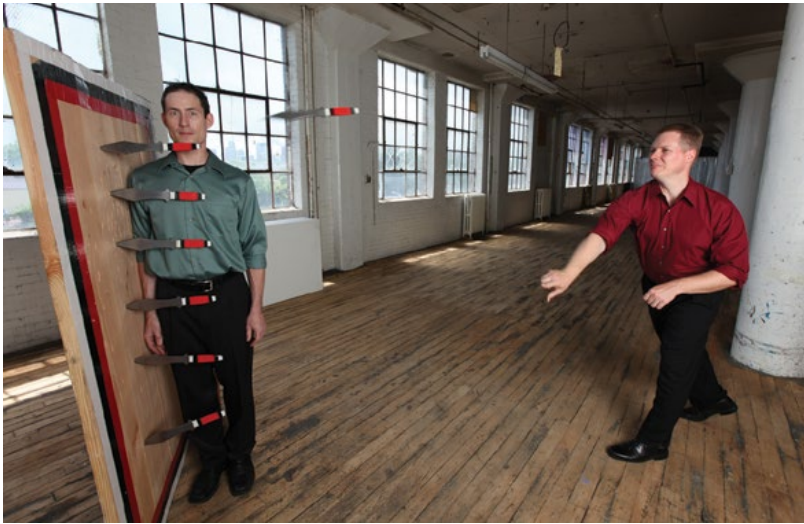
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Visit www.mnethicsaward.org for more details and the nomination form. The deadline for completed nominations is January 24, 2014. Award recipients will be recognized at an Awards Luncheon on May 14, 2014.



Thanks to *Twin Cities Business*, the 2014 MBEA print media sponsor.





Garson Kanin, author of *Adam's Rib* and other Tracy/Hepburn films, this classic comedy mixes money, politics, and romance with amusing results. The Guthrie's McGuire Proscenium Stage, which features a picture frame-style opening with a single vantage point, enhances the cinema-like experience. After the show, motor over to **Murray's** and channel the spirit of Old Hollywood with cocktails, chateaubriand, and chocolate angel food cake. *Through Jan. 5, 818 S. Second St.,*



Mpls., 612-377-2224, guthrietheater.org; **Murray's**, 26 S. Sixth St., Mpls., 612-339-0909, murraysrestaurant.com

Park Square Theatre

► Clients with a fondness for history (and beer) will relish an evening at the Historic Hamm Building in St. Paul, home to the Hamm's Brewery offices in the 1920s. Settle into your seats at Park Square Theatre to see *Words By... Ira Gershwin*. After the show, walk across the building to the **Great Waters Brewing Co.**, where the beers are brewed with water from the natural spring beneath the building, and local specialties include London broil marinated in Brown Trout ale, duck in maple brown sauce, wall-

eye, and wild rice burgers. *Through Dec. 29, 20 W. Seventh Place, St. Paul, 651-291-7005, parksquaretheatre.org; Great Waters Brewing Co., 426 St. Peter St., St. Paul, 651-224-2739, greatwatersbc.com*

Brave New Workshop ETC

► If your clients appreciate satire with a splash of sarcasm, take them to Brave New Workshop ETC. Just for the holidays, the Danger Committee, a comedy trio, performs *A Stocking Full of Awesome III: You'll Shoot Your Eye Out*, an evening of comedy, knife throwing, and juggling. After the show, walk around the corner and descend into **Hell's Kitchen** for a Three Amigos margarita made with roasted red pepper-infused tequila, a platter of St. Louis-style barbecue ribs, and live music. *Through Jan. 4, 824 Hennepin Ave., Mpls., 612-332-6620, bravenewworkshop.com; Hell's Kitchen, 80 S. Ninth St., Mpls., 612-332-4700, hellskitcheninc.com TCB*

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ARTS PICKS >

British Arrow Awards

They used to be called the British Advertising Awards—and, thankfully, that's what they still are in substance, or as substantial as a celebration of advertising can be. At any rate, English advertising is more fun than ours, because it isn't quite as intent on selling things as it is on making people laugh—or, in the case of those anti-drug PSAs, scaring kids to (avoid) death. *Dec. 8–Jan. 6, Walker Art Center, Mpls., 612-375-7600, walkerart.org*

Bill Frisell's Big Sur Quintet

If you had to describe California's rugged Big Sur coastline in music, what would it sound like? That's the assignment guitarist Bill Frisell got from the Monterey Jazz Festival in 2012, and the result is yet another impressive tableau of site-specific music that somehow captures the spirit and splendor of one of the most beautiful places on Earth. *Dec. 8, the Cedar, Mpls., 612-338-2674, thecedar.org*



TOP TICKETS >

The Wizard of Oz

According to those who have seen it, Andrew Lloyd Webber's stage adaptation of L. Frank Baum's *Wizard of Oz* is an artful and spectacular extension of the movie, with extra songs, dazzling special effects, and eyeballs full of Webber's trademark stagecraft. It's also got one thing the movie doesn't: Witches who sing. *Dec. 4–29, the Ordway, St. Paul, 651-224-4222, Ordway.org*

Jimmy Buffett and the Coral Reefer Band

Don't put the rum away yet: Just about the time the bottom is due to drop out on our favorite season, Mr. Margaritaville is coming along to remind us that there are places in the world where the weather is nicer, the girls are tan, and having a good time on the beach is a bona fide lifestyle. *Dec. 3, Xcel Energy Center, St. Paul, 651-726-8240, xcelenergycenter.com*



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DINING > DOUGHNUTS TO SNAILS

The Lynn on Bryant is another chef-driven Minneapolis neighborhood charmer.

By Adam Platt

> The Lynn is the pretty girl you just want to fall in love with. It's a restaurant that exudes cheer, its bright white interior blending bursts of color and intriguing found art (mostly glass telephone pole insulators) to create a singular allure. There's nothing derivative about the Lynn. Its menu is not large, but it is broad, attempting an all-things-to-all people vibe that its East Harriet neighbors surely can get their arms around.

The most apt recent comparison I can make is the Kenwood a few miles north, which doesn't attempt the Lynn's breadth, choosing to focus on a more limited array of dishes and food styles, to great acclaim. The Lynn offers more (including an enormous menu of takeaway-type gourmet fare), but not with the consistency of the Kenwood, and its hours have been shrinking, diminishing its value as a neighborhood resource.

The Lynn serves dinner five nights a week, its French-influenced menu an alluring beacon for southwest Minneapolis. Highlights include a gutsy and assertive fricassee of escargot over garlic and parsley purées, salt cod fritters, an excellent, perfectly cooked burger, and superb French fries.

More ambitious fare is either not well-conceived or executed with flaws. Rabbit two ways included savory leg meat and a dull saddle, served in a broth that diminished the dish rather than enlivening it. Chicken

leg jambonette came delightfully crisp, but quite tough, stuffed with a Basquaise sausage and served with a stellar cous cous; probably too much going on here. More often, blandness marred smart dishes, including chick-pea fries with salsa verde, a dull succotash that tasted as if it had been poached, and an austere mushroom fricassee that lacked any caramelization.

Brunch is the Lynn's bread and butter, though my experience there was no more consistent. Don't miss the apple cider doughnuts or house pâté with cornichons. But I found all of the kitchen's breakfast meats unappealing (the touted maple bacon steak was unpleasantly fatty), eggs arrived lukewarm, and the signature potato cake alongside lacked crispness or salt.

Service is friendly, if not always fully engaged, and the wine list is fresh and attractively priced. The bill is moderate, but prices are high enough to demand a greater degree of consistency and refinement.

The Lynn feels like a neighborhood bistro should, but my meals there indicate a restaurant in need of focusing. It could succeed by simplifying its offerings or upping its culinary game. Either direction would make it a thoroughly appealing package. **TCB**

The Lynn's gnocchi in Gruyère sauce; a friendly coffee counter smile.



KATHERINE HARRIS

WHAT works

Décor, friendly staff, simpler fare.

WHAT doesn't

Limited hours, too many unsuccessful dishes.

5003 Bryant Ave. S., Minneapolis
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President
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personal brand

BY Roshini Rajkumar

Giftspeak: Connecting the Dots for Gratitude

Good things can come in all kinds of packages if you keep these key elements in mind.

Just how confident are you about that birthday present you gave your brother or those holiday gifts you're planning for the sales team? I hope your recipient smiles with glee rather than secretly plots who gets it as a re-gift.

For all you last-minute holiday shoppers or folks charged with buying employees their year-end presents, there's a method to choosing the right gift. Take this opportunity to really mesh your own thoughtfulness with your knowledge of the recipient.

When we celebrated my company's fifth anniversary a few years ago, I had some VIPs to recognize with special gifts, but didn't have a lot of time. So I called on Hillary Feder of Hopkins-based Hillary's Gifts. She specializes in recognition and appreciation, and her lessons about meaningful, relevant, and practical gifts have stayed with me.

I'm combining Hillary's advice on best practices for gift-giving with my customary advice about how to best communicate your personal brand; taken together, it can help eliminate some holiday stress as you take care of business and personal year-end duties.

Group Gifts

If you're charged with buying the right gift for an entire team or even the entire company, there are a few key steps to getting it right. Make sure your gift connects to your organization's brand. Be thoughtful; food, for example, is always a good idea, but if you go with an edible gift, make sure the packaging is branded.

Feder says packaging takes you a long way, no matter what the gift. Even if you decide to do gift cards because the "perfect gift" is not leaping to mind, "it's not about how much you invest but how meaningful



the gift is to people who receive it and how you connect the dots when it comes to that meaning," she says. Great packaging can help get across your intent and thoughtfulness even more—for example, put a gift card in a sleeve of golf balls for the golfers in your office, or place a movie house gift certificate in a bucket of popcorn.

Individual Gifts

Audience analysis also plays into gift-giving for a solo receiver, whether that's your boss or a valued client (or even your significant other). One of my company's anniversary gifts was a red pashmina wrap to one of my clients known for her stylish scarves. My company's signature color is red and my signature branding item is a stylized microphone. Her name ended in an "a" so we had her first name embroidered on the pashmina, with the microphone as the tail on the "a" in her name.

On my own, I might not have known to combine branding and someone's name like this. Feder taught me that "anything with someone's name on it has a longer shelf life—in general, five years longer than gifts without the name."



Hillary Feder

Customized Wow Moments

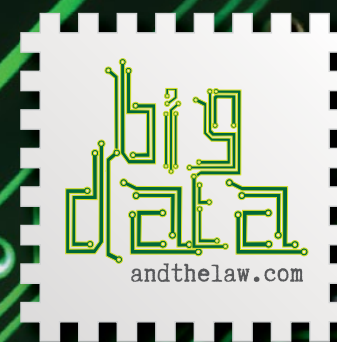
A final example of thoughtful gift-giving comes from one of Feder's clients. When Medtronic celebrated the 50th anniversary of the first external pacemaker, the company wanted to create a gift that really honored the recipients and had a brand message that would live into the future.

Feder assessed the audience and learned they were not only key opinion leaders in the company, but also physicians in the cardiac health area. The customized gift became a small replica of the pacemaker embedded in a light-reflecting prism of Lucite. Some might look at that and think "boring paperweight!" But to this group, it was a piece of art symbolizing their trailblazing product.

Classy Touches

When you give a gift that has a focused intent, customized to your recipient's personality and delivered with flair, you create a meaningful moment for both parties. Now won't that be a fulfilling way to wrap up the year?

Roshini Rajkumar (on Twitter at @RoshiniR and Facebook at facebook.com/RoshiniRajkumar) is a communication coach, host of News & Views on WCCO Radio, and author of Communicate That!



The business and legal ramifications of Big Data ... and a bit of shameless self-promotion.

Lindquist & Vennum Partner **Tim Keller** knows technology law—in particular information technology law. He assists clients with complex license transactions, “bet the farm” development deals, content issues (including data of all sizes), and the nuts and bolts of running a technology business.

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spotlight Back from the Brink

edited by Adam Wahlberg

NATIONAL CHOICE BAKERY'S SECOND ACT

Co-owners Michel Rouache and Shimon Harosh went through Chapter 11 proceedings—and emerged stronger.



Year Founded:

1990

Headquarters:

South St. Paul

Annual Revenue:

\$34 million

Employees:

350;

240 in Minnesota



Shimon Harosh, left, and Michel Rouache, are back to making dough.

Michel Rouache, CEO of National Choice Bakery, felt like someone had given him a swift, sharp shove.

Filing for bankruptcy will do that to you.

Rouache and co-owner Shimon Harosh have run National Choice Bakery, formerly Twin City Bagel, out of South St. Paul since 1990, for the most part with holes only in their product, not their business. The business came out of the gate strong, reporting first-year sales of approximately \$1 million. It now makes a wide variety of bagels for several grocery brands and has revenue that exceeds \$34 million. It employs nearly 350 people, with around 240 in Minnesota.

But in 2008 things got tricky. The brothers had taken out a \$12 million loan to expand operations in South Carolina. While Rouache and Harosh say the business, minus the depreciation, was always cash-flow positive, for short-term liquidity reasons they decided to file for Chapter 11 protection. This was in September 2011.

“The first thing we did was to notify our customers and employees of what was going on,” Rouache says. “We shared our financial records so everyone could see how we were doing. We’re fortunate because all of our customers—and we’re talking big, brand-name customers, national companies—stayed with us.”

“The main thing is the communication part.”

—Michel Rouache, CEO, National Choice Bakery, on surviving bankruptcy

The process forced the pair into an existential mind-set.

“At that moment, as a human, you have to ask if you still want to keep the operation and your vision alive,” says Rouache. He and Harosh had many heart-to-hearts and decided they did. And they had plenty of support out on the floor. “What was fascinating was seeing the people who came forward and said, ‘You know what, we’ll get through

this.’ We actually got even stronger.”

In the year they were in bankruptcy the two carefully examined their business. “We looked at everything, from operations to human resources. Every aspect. And things got even tighter than before. We were able to get each individual more focused and show more commitment to [their job],”

convinced that the company could survive.

“Shimon and Michel came to me and showed me projections, told me how they thought the business was going to work; all of that was the basis for the reorganization plan, and they performed admirably. They are very good businessmen, in my opinion,” Meyer says.

And it all had a happy ending, as they negotiated a settlement with their bank and paid all their creditors in full, which Meyer says doesn’t happen often. They’re with two new lenders and announced in September 2012 that they had

exited from bankruptcy. Revenue is healthy again and the brothers are optimistic about their financial outlook.

“The main thing is the communication part,” Rouache says. “Without that, you’re losing the path of information, people start questioning you, things can fall apart. But if people know you and know in real time what’s going on, then you can keep it together.” —Adam Wahlberg

Rouache says. “The advice that I would give to anybody is to just put everything on the table. If you don’t, people start to wonder, and then you are lost.”

“Transparency is really key,” Harosh adds.

That and having a good lawyer by your side. Harosh and Rouache brought in Mike Meyer of Ravich and Meyer in Minneapolis to negotiate terms with lenders. Meyer was

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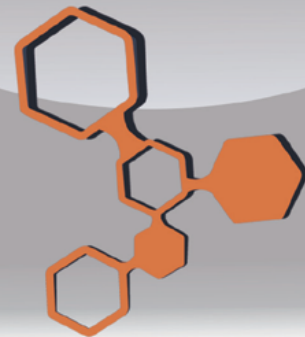
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FOLLOWING THE SIGNS

How Stewart-Taylor Printing saved its 143-year-old company by branching out into the sign business.



Bill and Jim Olson

A year can make a big difference—even for a business that's 143 years old.

Ever since the Olson family bought Stewart-Taylor Printing in 1975, the downtown Duluth printer had been humming along nicely. It was never a big business, but it was steady: By 2006 it was bringing in about \$3.2 million a year, with a clientele that included local and state government, St. Luke's Hospital, and numerous local businesses and nonprofits. It printed envelopes, brochures, and other standard products from its storefront facility on Superior Street.

Then the Great Recession hit. The Olsons had been through downturns before. But this one looked and felt different—as in much worse. Revenue dropped nearly 50 percent. And the company was forced to let go nearly half of its employees, most of whom had been with the company for years, even decades. As Bill Olson, who owns and runs Stewart-Taylor with his brother Jim, notes, “Our generation had never been through that before.”

And layoffs weren't enough. Stewart-Taylor had overhead costs that \$1.8 million in annual revenue wouldn't cover.

Another bad sign: Organizations were doing more of their own printing on digital printers, and putting more information online. And cut-rate online competitors, notably Vistaprint, could promise much cheaper prices than Stewart-Taylor could offer.

In short, if it were going to stay open for another couple of years, much less another couple of decades, Stewart-Taylor needed an additional line of work.

“A few years ago, when things were bad, I'd wake up at 4 in the morning,” Bill Olson recalls. “I'd get online and I'd just start looking at: What are we going to do, how

are we going to diversify?” The company had tried T-shirts and banners, among other possibilities. “None of these were going to take us forward,” he recalls. “They were just quick fixes.”

Then Olson stumbled on an online link describing a sign-franchise opportunity. Could this be the opportunity? After about a year of research, he realized: Who needs to be a franchise? “We had all of the pieces already here except for knowledge,” Olson says. Stewart-Taylor had the equipment, location, and customer base—what it needed was to learn about sign making and where to find sources of supply.

Then in early 2012, Olson was approached by Doug Smith, general manager of the Duluth branch of the Green Mill restaurant chain. Stewart-Taylor had done printing work for Smith; now Smith had a bigger job in mind: Could Stewart-Taylor print and install a vinyl wrap on the Green Mill's new 22-foot delivery truck? Olson had never done it before—and took the job. In June 2012, the wrap was completed, and Duluth Sign, a business unit of Stewart-Taylor, was born.

Smith was delighted with the truck, which now functions as a rolling billboard. “You get Bill and everyone he works with,” Smith says. “We sit down and brainstorm over lunch. He brings something to the table other than just doing the project. He brings ideas. And he's easily accessible. I can call him whenever.”

Though Duluth Sign specializes in large-format signage printed on soft materials, it has also installed digital display boards and other “hard” signs. All told, Duluth Sign brought in about \$200,000 in its first year of operation. That, along with a 22 percent increase in printing shop revenue, has Stewart-Taylor breathing much easier. In October, Bill Olson was planning to purchase additional signmaking equipment with the promise of increased sales.

“There are sign companies in Duluth that are trying to sell right now—big companies,” he says. “There are other companies that are so big that they're too busy to take care of the smaller stuff. That's our niche—smaller projects.” —Gene Rebeck



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SOFTWARE SURVIVOR

FPX, which produces software for complex price quotes, has looked like it would expire more than once, but is now thriving again.

FPX is an improbable survivor of the tech industry wars.

The software company was founded 30 years ago in the unlikely tech center of Mankato, 80 miles southwest of Minneapolis. Before the dot-com crash, the company was briefly a hot, publicly traded tech stock, when it was known as Firepond Inc. The company has been through a series of name changes, relocations, restructurings and near-death experiences.

Today the company is once again private and, in perhaps the most unexpected twist, growing anew. At the end of June, the company named Dave Batt, a Silicon Valley veteran of companies such as Microsoft and Oracle, as its new CEO.

"The software industry is volatile," Batt says. "The company is cleaned up. It's well funded. It's on a growth trajectory."

Batt won't disclose the company's revenue, but said that sales have increased 25 percent this year. The company has 87 employees.

A few years ago, the company did not seem so healthy. In early 2009, the struggling Firepond filed for Chapter 7 bankruptcy.

But instead of going through bankruptcy, Acclaim Financial Group LLC acquired Firepond and restructured it as FPX. At the time, the new owner announced plans to invest \$10 million to help fund growth.

"Acclaim Financial Group came in and rescued the asset rather than liquidating it," Batt says. He says that the company is now "cash-flow neutral" because it continues to invest in growth.

The company's software is tailored so clients can quickly quote prices for complex products and services. Batt says that the three

largest groups of customers are in the manufacturing, financial services, and high-tech industries. Clients include Daimler, the global automobile manufacturer.

"We help companies sell more smoothly," Batt says. "We invented this category."

FPX's headquarters are technically in Dallas, because that's Acclaim's headquarters. But only a handful of FPX employees work there in a call center. Two-thirds of the employees are in Minnesota, with offices in Bloomington and Mankato. CEO Batt and the executive team are based in Bloomington.

The company's founder, Jerry Johnson, is no longer connected to FPX; he now runs Superior Edge Inc., a Mankato-based firm he started that focuses on software for farmers. When he started what was then Clear With Computers in 1983, Johnson was using a Commodore 64 computer.

"I'm real proud of the company," Johnson says of what is now FPX. "It's gone through transitions, but it's alive and viable."

As Firepond, the company went public in February 2000; the stock briefly topped \$100 per share.

"Firepond did extremely well leading up to the dot-com crash," Batt says.

According to SEC filings, the company's revenue rocketed from \$29 million in fiscal 1998 to \$62 million in 2000. But by 2002, it had fallen back to \$21.6 million. Yet even during the tech zenith, the company was consistently losing money. In 2001, for example, the company reported revenue

of \$46.1 million, but a loss of \$70.3 million.

By late 2003, the company agreed to be sold for \$11.7 million to California-based Jaguar Technology Holdings. In 2006, the company went public as an over-the-counter stock after a reverse merger with a public shell company.

According to Firepond's last annual filing with the SEC, the company lost \$14.4 million on revenue of \$4.7 million for fiscal 2008, and lost \$23.3 million on revenue of \$4.6 million for fiscal 2007. The company had 40 employees at the end of August 2008.

Staffers include many like Dana Henriksen, FPX's vice president of solution engineering, who have stayed with the company through its ups and downs. Henriksen, who joined the company

18 years ago, works in the Mankato office.

"It was tough, really, for all of us," Henriksen says of times when the company was cutting jobs and scrambling to survive.

But Henriksen says that he's seen many of their former competitors disappear. He credits the hard-working employees and loyal customers with keeping the company afloat during lean times.

"We work with a lot of Fortune 100 companies," Henriksen says. "We had that in our back pocket to keep going."

—Burl Gilyard



"Acclaim Financial Group rescued the asset rather than liquidating it."

—Dave Batt, CEO

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INTERVIEW ISSUE

TCB goes one-on-one with 28 of the region's key CEOs, public policy power players, thought leaders, and Fortune 500 execs. The result: an unprecedented collection of candid commentary on the state of Minnesota business and our broader society.

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Jim Pohlad

Owner, Minnesota Twins

Best Book I've Read This Year:

All That Is by James Salter or *Canada* by Richard Ford

Red, White, or Beer? Rosé

Favorite Vacation Destination: Cabo

WSJ or NYT? NYT

Jim Pohlad is the Pohlad family member with day-to-day oversight over the Pohlads' investment in Major League Baseball. His involvement with the team dates to 1986, when his father Carl bought the Twins; it ramped up substantially in 2004, and his ascension became official after his father's death in 2009.

Explain to us your role in the management of the ball club, if you will.

› It's a review basis, really. Major decision-making, economic things, player contracts, and other major financial obligations. On a practical level, Dave [St. Peter, team president] and I interact with Terry [Ryan, team general manager].

ship history. It's been declining ever since, and if we don't improve it will decline next year.

So you're not losing your way to better returns.

› That's impossible, truly. But there's also no financial reward that offsets losing.

The team just completed its third 90-plus loss season, but ticket sales averaged more than 30,000 per game, salary commitments have fallen, the ballpark has many revenue streams. Does losing hurt the bottom line?

› Poor performance will always be out ahead of poor financial performance. 2010 was the best year in our owner-

Was this three-year slide inevitable after a decade of strong teams and playoff appearances? Is that the nature of the game?

› To answer simply, no. But it can be hard to avoid. There are all sorts of different models in the game. There are teams that are highly cyclical; take Pittsburgh. Then there are teams that win consistently— St. Louis, Atlanta.

Those are the role models. We'd rather not be cyclical and we're in the middle of an analysis of the differences between the organizations that are cyclical and those that are not.

Did ownership have a role in this down cycle?

› I was probably not pushing enough in the good years. We became self-satisfied. We took our eye off the ball.

Is it time to bring some new blood into your player development operation?

› The most efficient dollars you spend are spent on player development and scouting. So we should have the best people doing that. Who wouldn't want to work for Terry Ryan?

You've said Terry's job is secure and you can't imagine a circumstance when it wouldn't be. Why?

› I see the respect he gets in the industry. And finding talent is his specialty.

Some of the most successful small/medium-market MLB teams employ data and metrics in finding players, using it to verify or refute the subjective take of scouts. The Twins are perceived to be resistant. Fair?

› Data is valuable. There are organizations, the Twins were one, that were slow to [adopt] it. But when you all have the same data, it comes back to the human element.

And you believe you have the same data.

› We have to.

The Twins value loyalty and continuity to the point that the organization can seem insular. How do you break a cycle of losing when you only promote people steeped in the same ideas and culture?

› Well, in order to have the "Twins way" be successful, you have to have a methodology, but you also need players. We do embrace new perspectives. Loyalty and low turnover can inhibit that, I admit. We need to always be asking ourselves if we have the right mix of people, policies, and procedures to develop the right players.

And Ryan is open to that?

› We're pressing him on it. I'm not saying Terry isn't somewhat old-fashioned. He is. But he wants to win.

How have team economics trended at Target Field?

› Overall it's been incredibly positive, but attendance is down due to poor play and the lack of the novelty factor. But our team that creates the fan experience has really stepped up. We're constantly upgrading and we've built it from scratch. At the Metrodome we had very little control or responsibility for the fan experience.

There has been talk that the Houston Astros, who lost over 110 games, are quite profitable. Is baseball foolproof at this point, from a P&L standpoint?

› There's not one bit of truth that you can make money and lose consistently. Long-term losing destroys your brand. I don't believe you can make money and lose indefinitely.

Do you think luck plays a role?

› Clearly. [For example, whether] your players stay healthy.

How do you share your thoughts and opinions with St. Peter and Ryan?

› I talk to Dave a few times a week; Terry less so. The toughest thing for an owner is patience and avoidance of

“ I was probably not pushing enough in the good years. We became self-satisfied. We took our eye off the ball.”

meddling, thinking I know something more than Terry does. It's a temptation. I've got to keep saying to myself, "What are you thinking?"

How many games do you attend a year?

› I've never electively missed a game if I am in town.

How committed is the family to owning the Twins?

› Very. My nephew Joe Pohlad works for the team. We're in it for the long term and that next generation. And I'd add this team is 100 percent family-owned, which is very rare today. There are no investors or minority shareholders.

What about 2014? How do you fix this?

› We have a lot of prospects, but most aren't quite ready. We don't have a lot of trading inventory. We have to go into the marketplace. Terry knows that. I'm not encouraging him to wait.

—Adam Platt

Katie Sieben

Commissioner, Minnesota Department of Employment and Economic Development

DEED Commissioner Katie Sieben delves into the dogfight between the states for business startups and relocations. The upshot: You have to spend money to make jobs.

A recent report showed that statewide exports had ticked down a bit. Can you explain your strategy in that area?

› We obviously have limited resources to do that work, but we currently have an office in Shanghai, which was set up in 2005, and we now have an office in Dusseldorf, Germany, which will be our European headquarters. The trade office is currently analyzing data and will be soon announcing two other

locations. This was new legislation that passed this past session, being able to open up three offices in key foreign markets.

Can you tell us the two new locations?

› Not yet, but probably within the next six months.



“ When we look at manufacturing across the state, Minnesota’s workforce, based on the research we’ve done, is 30 percent more efficient and more productive than other workforces.”

return. A new program, the Minnesota Job Creation Fund, which will replace JOBZ, received \$24 million and that’s a pay-for-performance program. With that one we look at the number of jobs the company is looking to create, the wages of those jobs, we look at the level of private investment the company’s looking to make, and based on that criteria set a grant amount. But no money leaves the state until that private investment is made and those new jobs are here. Texas has a \$200 million fund. Michigan has a \$50 million fund. That’s the type of environment we’re competing in. We’re hoping that Minnesota is, with these new incentive programs, one of the states that site selectors are paying attention to.

How do we compare when it comes to workforce productivity?

› When we look at manufacturing across the state, Minnesota’s workforce, based on the research we’ve done, is 30 percent more efficient and more productive than other workforces. That’s a strength of ours.

What’s a concern you have going forward?

› When you look at the demographics of our state, baby boomers are going to retire and we’re going to need additional folks. We’re projected within a decade to have a worker shortage. That’s something we’re thinking about, and many of our public and private partners are focused on as well. How do we recruit talent, then how do we grow talent from within, and make sure workers are trained and ready to take on those jobs? It’s an area we need to stay focused on. —Adam Wahlberg

Best Book I’ve Read This Year: Most of my reading is newspapers and briefings

Red, White, or Beer? Red

Favorite Vacation Destination: Paris

WSJ or NYT? NYT

How much of a barrier is our high-tax reputation when you talk to companies about coming here?

› We are very clear in saying we’re not a low-cost state from a tax perspective but a very high-quality state, and that we have made key investments in our education system, both K-12 and higher education, key investments in economic development in the workforce. I believe that’s why we have the fifth-fastest GDP growth rate in the country.

How much does cold weather come up?

› It does come up from time to time. Often the perception is we’re just holed up in our houses and no one goes outside, which could impact the roads, delivery time, and transportation networks. When companies actually come and visit, we can show them that we have a very efficient transit system, we’re very efficient at clearing roads, and Minnesotans really have embraced cold weather. But I think we have more work to do in branding our state and showing that it is part of our lifestyle but not a negative.

How are we in competing with other states for relocations? Texas seems to be on a hot streak.

› It’s a very competitive environment for relocations, expansions. We are often put in a position where we are competing with at least one other state, sometimes three or four states, for a business deal. We had a very successful session this past year. Our Minnesota investment fund, which at the time had zero dollars in the bank, received a \$30 million appropriation. This is a program that for every dollar of public money spent has shown \$33 in private



“ I have seen instances where consumer brands follow data out the window, and they miss the connective emotion or need. ”

Best Book I've Read This Year:
The Social Animal by David Brooks
Red, White, or Beer?
Fulton Beer
Favorite Vacation Destination:
Rehoboth Beach, Delaware
WSJ or *NYT*? *NYT*, plus *WSJ* on Saturdays

entire cereal line—and it was not an easy task—to be whole grain. We're still the only company where all the cereals are whole grain. I believe today we are supplying, as a result, more than 20 percent of the whole grain consumed in America. . . . You've seen us bring down levels of sugar in a lot of our products.

With challenges to traditional brands, where do you see growth?

› Clearly we're growing internationally. That's a huge growth driver for us. What you're seeing internationally is a rise of a global middle class. . . . They want to recognize traditions, but they want more convenience. They're concerned about value and they want to explore, they're very curious. They want to taste foods of the world.

We have a dumpling brand in China that maybe will be a global dumpling brand. Old El Paso does well all over the world.

We have brands like Fiber One, which in my history with the company used to be a cereal with twigs, and is now literally a brand across categories. I think it represents the recognition of the importance of fiber, but fiber that tastes really good. I think the other big thing going on is you have 85 million Americans over the age of 50, and fiber is very important to them.

It seems that the disciplines of advertising, public relations, and marketing are blending together. How does that change your business?

› Largely that's because digital technology has made those things seem almost seamless, right? You can hear about an idea, you can search for it, Google it so to speak, and you can read about it in detail either from the perspective of a brand or from somebody talking about the brand and what it's doing. And while you're doing that you might get served a coupon to try the brand or some kind of incentive.

All these things are one click away, two clicks away, where in the past they

data allows you to be more predictive. Because the data is nothing but an accumulation of past behaviors, right?

Do you see any downsides?

› There's always the opportunity of being too left-brained and not enough right-brained. Because data by itself, it hints at motivations, it hints at emotional needs, but it doesn't tell you that. I have seen instances where consumer brands follow data out the window and they miss the connective emotion or need, right?

I think a lot of people would be surprised to find how data-intensive our world is today and probably how data-intensive it has always been. We are a company that launched Betty Crocker many, many years ago and we had recipe clubs and we had people sign up and collect points. We always operated from data.

With trends towards health-conscious diets, how does General Mills respond?

› Very actively and probably more actively than some people realize. . . . For instance, we literally changed our

Mark Addicks

Senior vice president and chief marketing officer, General Mills

Since joining General Mills in 1988, Addicks has been recognized as a national leader in the marketing industry. We dig into the role of big data in marketing, the preeminence of yogurt, and the limitations of metrics in marketing.

Totino's Pizza Rolls recently started a sponsorship deal with World Wrestling Entertainment (WWE). What does wrestling have to do with pizza rolls?

› We always start [with the] consumer first. And those consumers, what we usually call our brand champions—the people that love the brand, who really own the brand, who advocate for the brand, tell others about it—they find parts of wrestling remarkable. And so affiliating something with them makes a lot of sense. It's part of their lives already. There is always a rational connection back to the consumer.

Is Greek yogurt going to take over the world?

› There's a lot of Greek yogurt. . . . I don't think Greek will become the whole category, but it's going to be a part of it for a while. But I think the

thing that's fascinating about food, I've been doing this for 25 years at General Mills and some years before that, is you will see the markets continue to rapidly change.

Five years ago, seven years ago, we were talking about “no carbs” and the Atkins diet to the degree that we're talking about Greek yogurt today. And today we're not speaking about that as much.

What does “big data” mean for marketing?

› Big data is important only to the extent that it brings something big to a consumer, OK? Our perspective is if we just focus on big data, we'll lose the consumer. I think the real opportunity, with the right levels of privacy protected and the right permissions from consumers, is being more in service to consumers with what you offer. The

Lisa Goodman

Minneapolis City Councilmember

Lisa Goodman was elected to the council in 1997 and for much of her tenure has represented all or part of downtown Minneapolis. It adds up to unique public sector insight into the role of business and the business community.



Best Book I've Read

This Year:

Start-Up Nation by Dan Senor and Saul Singer

Red, White, or Beer?

White and sparkling

Favorite Vacation

Destination:

Tel Aviv

WSJ or NYT? NYT

were pretty distinctive in the world that I grew up in. I think from a marketing organization point of view, the tension is not losing the expertise of those functions, but orchestrating your consumer engagement so it has the best thinking of those functions.

What's the biggest marketing mistake you ever made?

› I've made this several times: not staying true to an idea. . . . I'm a guy who loves new products, I've done a lot of new products, but as you start to execute it there are people that start to say, "Well, we can't really make the flake that way" or "You know that little jiggle of icing you wanted on everything, that costs like \$2 million. So could we just give them a little coating of icing?"

You have to be very careful about being a listener and a leader who is innovative when you're confronted with a problem, but be careful to not walk away from what really drove the idea.

What's your least favorite business cliché?

› I hate people talking about generic terms; so "innovation" and typical things like that. Those kind of drive me crazy because we live in a world of specifics. What kind of innovation?

What's the best business advice you ever got?

› One was "Be humble and be a good listener." When it was given to me the word "listen" meant really "observe." A person I worked with said, "Watch people. Watch their body language. Watch their level of commitment."

Another really great piece of advice I got is "Be curious." You can't be a good marketer unless you're curious beyond what you're doing. That means be curious about all kinds of consumers, be empathetic.

Another one I love which I use a lot is "Find the irrational logic." The example of that is there are a lot of consumer behaviors that are fairly irrational: they don't make sense. But you're trying to find the logic underneath so you can be helpful.

In the case of our Rice Chex cereals we saw a little bit of a bump in consumption. And we said, "What are they doing?" All of a sudden Chex cereals is up." Well, it was the beginning of the gluten-free movement. —*Burl Gilyard*

“ A huge turn to the left is coming. And we're already pretty left. As someone who represents downtown and the business community, it's a concern of mine. ”

Describe your history on the council through the city's eyes.

› In my first term, Minneapolis didn't know who we were. We used big public subsidies to make us feel good (Block E), but that should happen in the private sector. In that four years the Legislature stopped the use of eminent domain for economic development and it began an internal conversation about whether we should do the private sector's job or instead be facilitating their role.

In my second term we saw an economic collapse, a shrinking tax base, and loss of local government aid. The mayor became budgeter-in-chief.

In my third term, with an improving tax base and some restoration of state aid, things are stabilizing.

We've just had an election. As far as the city is concerned, what are the next four years going to be about?

› I think the next four years will be about taking it to the next level, being more progressive, less inward-looking. We're looking to increase density in the city. Build a streetcar [line] without waiting for the Met Council. We need to find a way to better support the public schools—you need an educated workforce in a cold climate. We will have more people on the council with kids and who have lived in other cities.

And we need to find way to keep seniors from moving away, so we need more diverse housing choices to facilitate it.

If the handicappers are correct, the council is likely to turn left next year. Do you agree?

› A huge turn to the left is coming. And we're already pretty left. As someone who represents downtown and the business community, it's a

concern of mine. We have candidates who've only worked in the public sector, only worked in social justice. You may see people tempted to get involved in stuff government doesn't belong in. But [the business community] should have been involved in this election. [I heard from] labor, interest groups, the circus elephant opponents. But not a word from the Chamber, BOMA [Building Owners and Managers Association], DID [Downtown

Improvement District].

How the leftward shift will manifest itself, I don't really know. Hopefully my new colleagues will rise to the occasion.

What is going to happen on the density front? The city talks a good game, but is the zoning code actually changing?

› You're going to see changes because neighborhoods are going to need to focus on development. You're talking four stories [per building] where there is one.

And density accomplishes what?

› We all agree property taxes can't keep rising. People want services. As the city grows, the tax base grows and everyone pays less. And more people equal more shops, more restaurants, more culture.

Is the Nicollet streetcar [line] an economic development tool or is it social engineering for Central Avenue North?

› Well, that's not even correct. First of all, the first part built will be downtown and south.

Look, fixed rail creates development; buses don't, because developers want certainty. It's about short-term circulation, eliminating the need for a lot of car trips.

Is it a done deal?

› The question is who carries the torch for it after [Mayor] R.T. [Rybak] leaves office [in 2014]?

The City Council and mayor have no dominion over the public schools, yet they talk more and more about them. Why involve yourself rhetorically?

› Given what I learned when I spent time in Finland, it's clearer to me that the city has a role in seeing kids are ready to go to school. Through partnerships, and work with the private sector and nonprofits on early childhood development, that's how we can support the schools. It's the only thing I've seen that works.

Would Minneapolis work better with a weaker council and stronger mayor system?

› It would be my choice. Businesses don't run well by committee. It's not the best system. But there is something about a ward system that works. My constituents pay a lot of taxes, love the city, but don't get a lot in return. All they have is me if they want to be heard. —*Adam Platt*



Omar Ishrak

Chairman and CEO, Medtronic

Omar Ishrak was tapped as chairman and CEO in 2011, amid challenging times for Medtronic and the med-tech industry. Before that, he served as president and CEO of GE Healthcare Systems, a \$12 billion division of GE Healthcare. We delve into the increasing external pressures facing med-tech.

What is your sense of the health of the med-tech industry in Minnesota?

› I don't know if there's any large difference locally or nationally. I think locally there's a concentration of medical device technology companies. I don't see anything that should change that concentration level as opposed to other states or anything like that. . . . Minnesota remains an attractive location to do life sciences work of any form, whether it's technology or providing the care or extending research.

Now the med-tech device industry in general, though, has to recognize that unless we put a lot more effort into ensuring that the value of our innovation is understood and realized, we are in danger of becoming commoditized.

Do you see any chance that the medical device tax, which partly funds the Affordable Care Act, will be repealed? How much does that impact you?

› Of course it impacts us a lot. It impacts us to the tune of \$170 million or \$180 million a year. This clearly

has financial impact, as much on us as anybody else, because our sales are higher. But I look at it in the context of being realistic about it. This is law that has been passed. . . . Right now we have to pay that tax, whether we like it or not. And we have to still run our business and we still have to invest in it and we still have to return to our shareholders. All of that still exists and we have to manage through that.

I think the broader question of implementing effective health care policies in the U.S., which will drive better outcomes at lower cost, is still a journey in progress. I think there are elements of the Affordable Care Act which help that, but it's nowhere near complete. . . . I put [the] device tax or anything else in that context. It's part of a bigger equation.

In August you acquired Cardiocom, which makes remote patient-monitoring devices. What does this new line of business mean for you?

› I think it is very significant in the sense that it does two things. First, it's a different type of revenue stream than what we're used to. The pay-

ment mechanism is based on overall outcomes and the value that's created in generating that outcome. And it also accesses a broader scope of patients in a general disease area than what we've been used to. In heart failure, for example, the only patients we have access to are patients who have our devices. Through Cardiocom we get to access patients without our devices, but [who] still have heart failure.

The reason it's important in the future is because I think as a company, and as an industry, we will eventually have to be measured much more on overall outcomes as opposed to procedures or equipment by itself.

What about the creation of Medtronic Hospital Solutions? Is that similar?

› That's similar, but it does attack a different point in the care continuum. Hospital Solutions, at least at this stage, is focused around driving efficiencies within the hospital; while Cardiocom, for example, is really aimed at keeping people out of [the] hospital.

We hear a lot in business about "big data." What does it mean for Medtronic?

› I'll tell you what it means for us. In fact I'll tell you that that is critical to our future strategies. When I talked about economic value and understanding the value of the innovation

Best Book I've Read This Year:

The Creative Destruction of Medicine by Eric Topol

Red, White, or Beer? Pellegrino

Favorite Vacation Destination: Austria

WSJ or NYT? Both

and quantifying it, that's grounded by data.

You need data on patient results, on patient outcomes. And that's what big data means for us. . . . In our world "big data" is not a cliché or anything like that. It's a core competence that we have to develop and we have to understand, and have good relationships with others who have such data and build business models around.

I think one of the dangers of big data is that the availability of data also makes it possible for entities or institutions or individuals to take data out of context. And then the media is such that there's exposure to that opinion, grounded or not, in a very sensational fashion.

Do you ever feel like you're in the shadow of [former Medtronic CEO] Bill George?

› If anything, it's a good shadow. Because Bill George is, first of all, just personally as a mentor, I find him to be just invaluable. I meet with him fairly regularly, formally as well as informally. I deeply enjoy his company. I learn a lot every time I talk to him. Bill George is one of Medtronic's greatest assets in terms of what's he done. And I can only benefit from that.

The company announced 2,000 job cuts worldwide in May. How do you maintain corporate culture in that environment?

› The very essence of making tradeoffs means that investments have to shift. That inherently will result in job cuts somewhere at some point. As things are fast-changing, it will happen more frequently than not in some areas.

I think in this environment, certain values that one has have to be clear. Be transparent about why you're doing certain things and have good logic behind it. Be fair to the employees who have to move. Give them the best chance possible to have other opportunities within the company where investments are in fact being made. . . . Overall, we're adding more [employees] than we're taking away.

Given the size of this company, is it challenging to remain innovative?

› There are always challenges that a big company gets too inwardly focused. A company of this size always has to

Kevin Rhodes

Chief intellectual property counsel, 3M



Best Book I've Read This Year:

Tesla: Inventor of the Electrical Age
by W. Bernard Carlson

Red, White, or Beer?

Red

Favorite Vacation Destination:

London

WSJ or NYT?

NYT

“ We don't want to undermine the general enforceability of the patents to remedy acts by just a few bad actors. ”

“ Now the med-tech device industry in general has to recognize that unless we put a lot more effort into ensuring that the value of our innovation is understood and realized, we are in danger of becoming commoditized. ”

think about that and make sure that we don't get bound by too much process and bureaucracy. But at the same time, you cannot confuse that with a willingness to make tradeoffs. . . . We cannot afford small mistakes because it touches a lot of different areas of the company. So a certain process has to be put in place. We just have to be selective and constantly questioning ourselves as to whether the things that we put in place are meaningful and relevant or not.

—Burl Gilyard

The top lawyer at 3M digs into patent reform litigation, global innovation, and dishes about a magic fire-suppressing liquid.

How many intellectual property lawyers do you have in practice worldwide?

› We have about 220 intellectual property professionals around the world.

Goodness. Can you give us a sense of the depth of your global efforts?

› We have laboratory facilities in 30 different countries, and we have patents in 79 countries around the world to the tune of 40,000 patent assets.

That's quite an incubation process. How much does 3M sink into R&D in a given year?

› We had \$1.6 billion in research and development in the past year, and \$7.3 billion over the past five. And it's my role to help document, capture, protect, get legal protection in place, and utilize those inventions to help 3M grow and prosper.

You put in seven years advocating for a newly defined America Invents Act (AIA), which Congress passed in 2012 and which you believe should move patent applications more quickly through the Patent and Trademark Office (PTO). Is it working?

› The America Invents Act put the pieces in place to give the PTO the tools and the resources to issue higher-quality patents more promptly. PTO funds that users pay to have patent applications processed have been deemed to be subject to sequester by the Office of Management and Budget. The result is \$121 million in user fees will be sequestered and put into a fund that is unavailable for the PTO to use. The result is a slowdown in hiring qualified patent examiners, in training, in updating outmoded IT systems at the patent office. It's a real problem.

On average, how long does it take to get a patent through the system?

› The average length of time it takes to get a patent in the U.S. is 29½ months. The PTO has cut its backlog of pending patent applications, but there's still something like 600,000 that are still waiting to be examined.

Are patent systems fairly similar around the world?

› There are some common aspects but there are some real differences. If you're not skilled in navigating those different systems, you can end up with either no patent or substantially less than you would have been able to get otherwise. One of the main changes in AIA was to go to the first-inventor-to-file system and that was part of a broader effort to harmonize patent laws around the world. For a multinational corporation like 3M, we're firmly pushing for increased harmonization.

You testified before the House Judiciary Committee about patent abuse litigation.

Instead of calling for major reforms, you seemed to come out in support of a go-slow approach. Can you explain?

› There are some bad behaviors that have cropped up in terms of asserting patents, which need to be addressed. But in the bigger picture I think we have to be careful, as we have one of the strongest patent systems to protect the most innovative economy the world has ever seen. We don't want to undermine the general enforceability of the patents to remedy acts by just a few bad actors. That could have unintended consequences.

3M is identified with Post-its. What's the next 3M product that could have as deep an impact?

› We have a very interesting line of fluorinated liquids that are called Novec fluids that are used in a lot of applications. One is in firefighting in areas of high-value assets. If you have a server farm for computers and you need a sprinkler system in case there's a fire, you can't pour water on them, as that will ruin all the computers. Or if you have sensitive documents or something like that, you can't let them get wet if the sprinkler system goes off. So this fluid, which replaced earlier fluids that would contribute to global warming, is a very green technology in that it neither causes global warming nor depletes the ozone layer. You can put it in fire-suppression systems and it can spray all over a computer farm and not damage electronics. It's installed right now at the Alamo because if there's a fire you don't want water drenching all the historic building's documents. It's at the National Archives to protect the Constitution and the Declaration of Independence. In the Smithsonian Museum of Natural History there's a giant squid floating in this stuff because it preserves it perfectly. —Adam Wahlberg



Trista Harris

President, Minnesota Council on Foundations

Trista Harris became president of the Minnesota Council on Foundations in July. We discuss the changing role of nonprofits in the state.

You're from here?

› I grew up in south Minneapolis, went to college in Washington, D.C., to get out of the cold and thought I would never ever come back. But I missed the quality of life. You don't know how good it is until you leave. In D.C. our neighbors filled a pot hole with a mattress because they knew no one was ever going to fix it and it was ruining everybody's cars. I thought, "That would never ever happen in Minnesota, things would never get so bad." But that was commonplace in D.C., there was no expectation that the government was there to support you or that there was a community that everyone was responsible for. I missed that terribly.

Why do you think that's happened?

› My perspective is that we still have a Lake Wobegon idea of what Minnesota is, that we're all above average and amazing and wonderful. I just don't think that's the case any more. When you look at the statistics about our state, in many things we are the worst in the country, especially in racial disparities. I want Minnesota to be the sort of state that cares about kids from Lake Wobegon and kids from Lake Street.

The data show we have a racial generation gap and the younger generation has many more people of color. Maybe that's been an excuse to stop investing in community institutions, like schools, because they don't look like us anymore. We're forgetting that Minnesota is successful when we rely on each other. And "each other" looks different from what it used to. We need to bring back that ethic that we're all in this together, not just we're all in this together if you look like me.

Do you think we still have that?

› I think we are losing it, but I think we can get it back. It's clear that it's disappearing and it makes me sad.

“ It will become commonplace for foundations to be working with government, business, social entrepreneurs, and nonprofits to develop systematic change rather than mediating problems after they've happened.”

Best Book I've Read This Year:

The Other Wes Moore: One Name, Two Fates by Wes Moore

Red, White, or Beer?

Red

Favorite Vacation Destination:

Key West

WSJ or NYT? NYT



Best Book I've Read This Year:

Sonia Sotomayor's memoir, *My Beloved World*

Red, White, or Beer? Beer

Favorite Vacation Destination:

Leelanau Peninsula, Michigan

WSJ or NYT? NYT

Javier Morillo

President, Service Employees International Union, Local 26

Ominous. What will lead us out of it?

› There is a big movement actually. I'm really impressed with the Itasca Project, the way they came together and said it's important that we do something about the racial gap in education. It's a strong statement for business leaders to say, "This is a critical economic issue for us, we won't have the employment pipeline we're going to need if we don't do something about this."

What about a foundations advocacy organization attracted you?

› I'm fed by big change. I love it when you know that the philanthropy collaborative that you pulled together changed that one piece of the law and suddenly now there's going to be a lot more funding for after-school programs. If you can move the conversation a little bit, and you're at the right leverage point, you can create significant change across broad areas.

Explain the work MCF does.

› The Minnesota Council of Foundations has 170 members and they're giving three-quarters of a billion dollars per year. It's a larger scale of work, but it's the same sort of issue I've work on in my other jobs. How do you create change? How do you get people to coordinate efforts? How do you adjust

things along the way so that everybody is starting to face in the same direction? I think often there is a feeling about nonprofits in Minnesota that because we have so many of them—and it's a great problem to have—that the work feels very diffuse, like everyone is working in their own direction.

After the economy collapsed we started to see new kinds of collaboration. People were coming together because they didn't have as much money, so they needed to add value in a different way. It feels now like the sector is getting used to working together differently and moving forward in new ways.

After you've been president for five years, how will MCF be different?

› It will be commonplace for foundations to be working with government, business, social entrepreneurs, and nonprofits to develop systematic change rather than mediating problems after they've happened. We have a mature philanthropic sector in Minnesota; it isn't just about basic skills like how do you review grants. The conversation today is about how do you move strategy forward within your foundation and how do you move change throughout the community by working with others. That's the place that our members are at now.

—Sarah Lutman

“ We are in a crisis, and we think it's extremely important for people in the labor movement to not only acknowledge we are in a crisis but act like we are in a crisis. We can't do the same things we've been doing. ”

An academic-turned-labor-leader, Morillo represents 6,000 janitors and security officers in commercial real estate, and runs one of four SEIU locals in Minnesota. We examine the current long-term crisis in the union movement.

You and several members of Congress were recently arrested during a demonstration pushing for immigration reform legislation. What did you accomplish?

› Every day, immigrants in this country are facing a crisis, and the only way we're going to get legislation passed is for people in Washington to feel the crisis. So we have to escalate. There's a common wisdom that, because Congress is so dysfunctional and because of the shutdown, immigration could never get done. I actually am quite hopeful. What we're hearing from Republicans is that there will be a vote. That's the reason of an escalation, to say, "Those of us who've been fighting this fight have certainly not given up." And that's how you make things move in Washington, by not giving up even when everyone else says something is dead.

In 2012, union members accounted for 14 percent of Minnesota workers, down from 16 percent in 2011. Have you bucked that trend?

› Local 26 represents janitors and security officers in commercial office real estate. In our last contract negotiations we renegotiated for downtown security officers and added about 1,000 new members in suburban security. A year ago we had about 5,000 members, and we added 1,000 more.

How have you defied the trend?

› Nationally, we are now less than 7 percent of the private industry work force, union members. When you compare that to a time in the century when 35 or 40 percent of private sector workers were in unions, that is a dramatic fall. We are in a crisis, and we think it's extremely important for people in the labor movement to not only acknowledge we are in a crisis but act like we are in a crisis. We can't do the same things we've been doing.

Describe your day-to-day, and your management style.

› I negotiate contracts. I am the political face of the union. And the day-to-day of the local is we represent members, handle grievances. I think my biggest challenge along those lines is that if we are behaving like we are in a crisis, which I think we need to, that means paying attention to a lot of big-picture stuff while also keeping the trains running. What our members expect is representation, and we have to balance that and do the bigger work—the larger mission of reversing income inequality in the country for more than just our members.

How have high-profile disputes—Twin Cities orchestras, American Crystal Sugar—affected the environment for organized labor in Minnesota? Is there a need to influence public perception?

› I'd say yes, there definitely is. My first instinct is to try to look internally. What can we be doing differently? With, say, the orchestras, I think, "What could the union be doing differently to tell the story differently?"

What is incredibly important for us is that when we are in the newspaper for our contract negotiations, it has largely been stories of victories. It is very important for working people to have victories and to celebrate victories, and to fight on offense. That's the key thing that our driving mission is, to not be in the paper for a defensive fight. Not that the Crystal Sugar workers or the orchestra musicians could avoid it, they were put into a defensive position, but what we try to look for is something that is or will become a victory and gives people a different sense of what the union is about.

Instead of having unions seen as an obstacle to change or progress, to actually be the instigator of change and progress; on an issue like changing from night cleaning to day-shift cleaning, which saves lots of energy and money and could provide workers more family-friendly hours.

What are your largest challenges?

› We work in a subcontracting industry, and we are an entirely private sector union. We also organize in very low-wage industries, and when you look at the economy, jobs that were shed during the recession were largely middle-income jobs, and the jobs that have come back in the recovery have been low-wage jobs. What we are trying to figure out is what the country as a whole needs to figure out—we cannot have millions of people working jobs that are 40 hours but have you living in abject poverty.

—Adam Wahlberg

What we've done in Minnesota is to work differently with a broader set of community organizations—not unions—to put bigger demands on corporations like Target and U.S. Bank. Right now, there's a worker center organizing retail janitors who are non-union . . . when we win that campaign, those members will be joint members of Local 26 and the worker center. What we all need to be doing in the labor movement is thinking beyond traditional collective bargaining as the only path to worker empowerment.

One of the mistakes that the union movement has made is that, as the economy changed dramatically, unions did not adapt. We're organized along the exact same structure, the exact same kind of industrial unions and bureaucracies, everything that was established when the U.S. was an industrial power. And that is just illogical. We need to do what capitalism does, which is to adapt, to change.

Is Minnesota on the forefront of change, or are we lagging behind?

› I think we're on the forefront of that change.



Dave Kansas

Chief operating officer, American Public Media Group

Best Book I've Read This Year:

A Delicate Truth by John Le Carré

Red, White, or Beer? Red

Favorite Vacation Destination: Anywhere in Europe

WSJ or NYT? WSJ

After a rapid rise to high-echelon jobs at the *Wall Street Journal*, journalist and author Dave Kansas returned to his hometown of St. Paul in 2011 to become chief operating officer at Minnesota Public Radio's parent, American Public Media Group. We sat down with him to explore how public radio is faring in a difficult era for legacy media.

Back home again, after a storybook career at the *Journal*. Why leave all that excitement and national exposure?

»I've always loved Minnesota. I never changed my driver's license—just renewed it at my brother's address. I came back a lot, for the State Fair, family events, the holidays. I'd go to the Boundary Waters. I had season tickets for the Wild games. Monica and I got married in 2008 and we've had two children since then. It's really

nice to play with them in our backyard instead of having to walk to a concrete park seven blocks away.

Why take this job?

»I talked about several jobs here, but didn't want to come back just to come back. I wanted something really interesting and challenging. This job has that. It miraculously combined my background in business journalism with my love of music, particularly classical music. If I had written my own description for a job I'd like, I would've had a hard time coming up

with something more attractive.

What do you do?

»It's very eclectic. I'm responsible for all content and, I joke, everything from Bemidji to the BBC—from making sure the transmitter towers work to our business program, *Marketplace*, to hosting the Mormon Tabernacle Choir.

Nationally, the three biggest players in public radio are PRI International/WGBH in Boston, NPR, and APMG/MPR. How are you different?

»We all create and distribute programming, but we're alone in owning and operating many stations—50 in the Upper Midwest, Idaho, California, and Florida.

What surprised you about the job?

»The biggest surprise was the need to make decisions quickly. Also, I didn't expect the opportunity to distribute BBC World Service programming, which came up shortly after I arrived. Another organization (PRI) had done that for years.

How has the Twin Cities changed since you left?

»More economic disparities. We're trying to ease that with strong reporting, supporting school music programs, and bringing together the many people working on this problem.

Where did you go to school here?

»High school at St. Paul Academy, a year at Macalester. Both had strong academic standards. I was quarterback for both schools' football teams. That

“When I came (to APMG) in 2011, public radio was still relatively cocooned from the turmoil. Since then, an enormous amount of disruption has hit.”

taught me leadership and how to deal with the intense disruption that would later hit journalism.

How did you get established in the Big Apple?

›In 1987, I transferred to Columbia University. I got a job answering phones at NBC Radio Network News. Later I covered high school and college sports for *New York Newsday*. After I got my undergrad degree, in history, I went to California to find a job as a singer. After two months, I came back to *Newsday*.

When did you begin moving up at the *Journal*?

›In 1991 I got on there as a proof-reader. My big break came in 1993, when the editors moved me to the spot news desk. A year later, they asked me to write the *Journal's* daily stock market wrap-up. It was a bit like sports—opening and closing bells, lots of numbers. I really got into it. In 1996, I covered markets and finance in Tokyo for seven weeks.

Yet in 1996, you left for *TheStreet.com*, Jim Cramer's risky Internet startup. Why?

›Friends called me crazy, but by 1997, after two editors were fired, I became editor-in-chief. We got great scoops. In 1999, we went public.

Then the stock shot up to 60 and the *New York Times* reported that “Mr. Kansas, who says he has a hole in the toe of his right loafer,” held shares worth \$9.1 million. Right?

›Yes, but eventually it fell below \$1. I was able to sell in 2002-'03, most of it for \$3-\$4. I left in 2001. Then I went to Spain and ran with the bulls.

Last July, APMG sold its for-profit lifestyle magazine publisher, Greenspring Media Group, which was losing money. Why sell?

›To focus more on our core—radio and digital/mobile. We have very minimal for-profit operations left now, and no formal print anymore.

Over the last 20 years, public radio's audience has increased a lot, but hasn't it tailed off lately?

›When you think about the proliferation of other media, holding the line or increasing slightly is good. We serve from 950,000 to 1 million Minnesotans weekly. Overall, our audience share has increased modestly over the last 12 months. We're seeing more challenges in programming that isn't time-sensitive.

What led you to restructure and lay people off?

›We needed to get out in front of the disruption hitting media, strategically and in what we do every day. Revenue growth has been more sluggish since 2008 than in the mid-'00s, largely because of the weak economy, but when I came in 2011 public radio was still relatively cocooned from the turmoil. Since then, an enormous amount of disruption has hit radio. Digital, and digital mobile, are extremely important to our future, but the intensity of the disruption was a little bit surprising. I feel well-suited to deal with this issue.

What's happening with mobile?

›About a fourth of our site's users are coming in via mobile devices now, up 55 percent from a year ago.

What's radio's biggest strength?

›Providing live, local, and time-sensitive information. Ever since the advent of the eight-track tape 40-some years ago, broadcast radio has faced competition from cassettes, CDs, satellite radio. Time and time again, people demonstrate they want that live, local broadcast experience. They may access it in different ways in the future... but they want to know what's happening in their community.

Are you interested in new stations?

›We're not actively looking. We wouldn't rule it out, but the bar has gotten higher since I got here.

Anything else?

›I have much better shoes than I did in 1999, thanks to my wife.

—Dave Beal



Scott Crump

Chairman and chief innovation officer, Stratasys

Best Book I've Read This

Year:

1421: The Year China Discovered the World by Gavin Menzies

Red, White, or Beer?

Chardonnay or Sam Adams

Favorite Vacation

Destination:

Galapagos Islands

WSJ or *NYT*? *WSJ*

3D printing is clearly the next big thing. Stratasys' Scott Crump sat down to discuss the value of mergers and 3D printing's limitless trajectory.

Stratasys had two mergers in the past year, one with Objet and the other with MakerBot. Let's take one at a time. Why the Objet deal?

›For the cross-selling synergy. Objet invented the PolyJet, which uses a liquid photopolymer technology. [PolyJet uses a technology to jet layers of liquid photopolymer onto a build tray and cures them with UV light.] So by combining our companies, the sales team can now sell not only the whole range from CAD [computer-aided design] but also into these new direct digital manufacturing applications.

It was a deal that, combined, made you a \$3 billion company. How long did that take to pull off?

›Ten years ago we tried and were really close, but it didn't happen. Seven years ago we tried it again. I decided since we were unsuccessful before, we'd at least distribute Objet's product since we needed bulk; we had built up a huge dealer network but didn't have enough

product. You pay for it because you're building up a competitor. But we distributed them exclusively in the U.S. and were able to see this interesting synergy.

That worked for three or four years but eventually we had enough product to sell, and you get a lower margin if you're distributing, so we had to stop that. We decided to make one more [push], our third round on the acquisition, failed again, and finally said, "Ah, forget it." But roughly two years ago, the chairman said, "Would you like to merge companies?" And after three times I thought probably not [laughs]. But he's a very persuasive guy.

What was the most challenging thing about the merger?

► Figuring out the structure. We were trying to do a merger of equals. We spent three months asking, "What does that structure look like? What's the board look like?" We had big debates. You also have to communicate with boards and shareholders. You have to work hard with the boards because they're always trying to be logical [for] today, with little about the future. But the deal is really not about this year or last year, it's about the next three or four years.

What were the business reasons that convinced you to pull the trigger?

► There are some really easy rules of thumb in terms of revenue, net revenue, gross profit, and then all the way down to taxation. Taxation is different in terms of the two countries [United States and Israel]. We have a very high tax rate in the U.S., and I'm proud to pay taxes, and we pay 37 percent, and we continue to pay that. Competing with Objet, at the time they had 10 percent (in Israel). Think about that. They have a three-times advantage to reinvest the cash that doesn't go to the government. But now instead of paying as a combined company 37 percent, which we do at Stratasys, it's now 19 percent. Guess what? We can show more earnings, we can reinvest. I would guess next year we will be

“ I also have a vision of expanding into metals. We have patent positions and some R&D. So it's not a huge leap of faith to say we take the plastics that we've done extremely well in and move into metals.”

spending \$45 million or \$50 million in R&D, where before it was \$11 million.

Now take us through the MakerBot merger. That gets you into the hobbyist space, yes?

► It does. We had built our business targeting the commercial and industrial space. What MakerBot was able to do was drive into the home hobbyist community. When you're in the industrial space and you're talking to a company like GE, you have some pretty high-bar performance requirements. It's pretty interesting actually. They talk in terms of Six Sigma, they don't talk about, "Well, good enough." But if you go to home hobbyists and you have a low enough price, "good enough" works. It's been a good lesson for the company, that there are different needs. To me it's fascinating to be able to sell from \$1,000 [price point], profitably, because we're selling that through an Internet channel, which we now have through MakerBot, all the way up to \$600,000 for the top-end industrial machine.

Where is your company heading?

► There's no technical reason why you can't print electronics. There's a financial question as to whether you can make a business in doing that today, but if you take it over the next 10 years or 20 years I think many products in low volume will be push-button [printed]. As we increase the speeds we will be into that C-to-C [customer-to-customer] market and in the low end of the injection-molding market—low end being 1,000 parts at a time, with no tool; you just press a button and you get the parts out.

I also have a vision of expanding into metals. We have patent positions and some R&D. So it's not a huge leap of faith to say we take the plastics that we've done extremely well in and move into metals. Like in a 3D printer. But it will take some time. —Adam Wahlberg



Doug Baker

Chairman and CEO, Ecolab

Best Book I've Read This Year:

The River of Doubt: Theodore Roosevelt's Darkest Journey
by Candice Millard

Red, White, or Beer? Red

Favorite Vacation Destination: Any ski resort

WSJ or NYT? WSJ



“ The danger in all companies as they get bigger is that management likes to take decisions with them—you add layers and start taking the decision-making too far away from where an understanding of what’s happening remains. ”

Baker became president and CEO in 2004, and chairman in 2006. Since 2011, he has led the company’s merger with Nalco and later, Champion Technologies—transactions that doubled the company’s size to \$12 billion in sales and 44,000 employees. We spoke with him about the challenges of integrating Ecolab’s recent acquisitions.

How are you doing with managing all of the growth through the recent acquisitions?

›Growth always brings a new set of challenges. But there is a balancing [effect] here where in certain parts of our operation, the size has made life, frankly, less volatile, easier to manage, easier to attract talent—particularly in smaller countries where we’ve doubled our size.

With 44,000 employees, how do you still get a sense for what’s going on on the front line?

›In terms of keeping close, we’ve reorganized. The danger in all companies as they get bigger is that management likes to take decisions with them—you add layers and start taking the decision-making too far away from where an understanding of what’s happening remains. [At Ecolab], we’re being quite thoughtful about that and making sure

that we maintain our business-unit integrity so that the decisions are still made at the business-unit level.

Tell us a little about Europe and what some of your challenges have been there.

›Well, Europe for us—and this is true for many companies—is our lowest-margin region. In January of 2011 we announced a restructuring [with a focus on moving] from roughly 3 percent margin—like three cents on every dollar to more like 13 cents. We had a business that was really a culmination of 33 individual entities: 33 back-offices, ERP systems, payables . . . and we weren’t getting any of the scale to run some parts of this on a pan-European basis. So we’ve invested in the systems and we announced that it involved some [job losses]. We’re on the path. In the first three years, we’re up from roughly 3 percent to 6 percent.

But isn’t this below what you were hoping to do within that period?

›Yes, but it’s not significantly below. We thought that we would see a faster uptake in the first two years. But we also didn’t predict the European [financial] crisis. Almost everybody else is upside down—they’re making less money in Europe today, not more. We feel pretty good about what we’ve done there.

What are your greatest challenges as you look into 2014, and how are you taking that on?

›I would say it is knitting together a new company. We never expected it to only be a two-year journey. So we’re partway through. So far, so good. So it’s making sure you don’t get bored with the journey and you take your eye off before it’s complete. The part that takes the longest in completing mergers is knitting together the culture.

And then there’s fighting the natural tendency that integrations create, which is to become inwardly focused. Our conversations or celebrations are really externally focused celebrations. Did we sell a new customer? Are we rolling

out new innovations? Are we succeeding in reaching our share goals and the other targets that we have externally? It’s continuing to push external focus and get the reward systems right.

What is in Ecolab’s long-term plan?

›Well, I have a great business here. We’re in businesses we like. We’re in geographies we like. We have great R&D capabilities driving innovation. There are great avenues for organic growth across the business platform and there’s great opportunity in terms of doing more traditional-sized acquisitions—call it 50 [million] to 500 million bucks. So a lot of it is operating the business to its full potential. And it’s all happening today. It’s just somewhat masked, if you will. Everybody likes to talk about the sexy integration work and the synergies. It’s understandable. And it’s the stuff that could derail you. But underneath, this is the stuff that drives the company.

—Dale Kurschner

For more from Doug Baker, go to bit.ly/16sLeWO

Incoming and departing Cargill CEOs

Minnetonka-based Cargill, the nation's largest privately held company, has had only eight chief executives since its founding in 1865. It will get its ninth December 1, when David MacLennan succeeds Greg Page.

The two men have contrasting backgrounds. MacLennan, 54, nicknamed "DMac," was born in Boston and grew up in Chicago and the Twin Cities. He has a bachelor's degree in English from Amherst College and an MBA in finance from the University of Chicago. His father, Ev, was a 40-year Cargill veteran who rose to become the company's human resources director before retiring in 1997.

Page, 62, is from Bottineau, North Dakota, 10 miles south of the Canadian border. He has a bachelor's degree in economics from the University of North Dakota. His father was a farm equipment dealer. Could any place be more rural than Bottineau? "Maybe 12 miles west of there," Page quips.

Both men worked their way to the top in an era when Cargill, long seen as reclusive, became more transparent. But its shares still aren't traded publicly—a point widely seen as a competitive advantage since it helps the company focus on a long-term vision instead of subject to Wall Street pressure for short-term profits. Family shareholders have also accepted a relatively low dividend rate, which has strengthened Cargill's balance sheet and fueled expansion.

Page, who becomes executive chairman, has been CEO since 2007. MacLennan was named president and chief operating officer in 2011.

How big is Cargill?

Greg Page: About 5,800 employees in Minnesota, nearly 50,000 in the U.S., and about 140,000 employees overall, in 65 countries. Seventy business units. Annual sales of \$136.7 billion.

Are sales a meaningful way to think about Cargill's growth?

GP Not really. We tend to think of ourselves in volume. This year, we'll almost certainly handle more crops in North America than last year, but our revenue from selling them will be down. Once in a while, DMac or I will be stumped by board members when they ask what our sales were last quarter. Our capacity to grow is best measured by our earnings before interest, taxes, and depreciation—\$5.64 billion in fiscal 2013 vs. \$4.07 billion in 2012, and a high of \$6.51 billion in 2008.

Cargill seems less 'reclusive' than it once was. What's your take on that?

David MacLennan: When I first started here in 1991, my first day on the job, somebody pulled me aside and said "The worst thing you can ever do is get your name in the paper or your face on TV. Never show up in the media." Now we're in the media regularly. Part of it is the transformation in the media. Then we had mostly a few television networks and the dailies. Now look at how that's changed. There's

more demand for information, more people wanting to know who you are and what you're doing. We take that responsibility very seriously. We have a director of social media now.

How new is that?

DM Three years. I remember when we were hiring for that, I thought, "OK. We're really coming into the modern age. We're going to have a director of social media." Cargill has roughly 170 people in corporate affairs today vs. about 45 in 1991. It's the way of the world.

GP We didn't even have a boardroom well into the 1980s. When I went on the board, we met in a conference room over in the quality department.

Tell me about your careers.

GP I joined Cargill in 1974, and eventually got into our nutrition and poultry processing businesses in Asia. Then I came back to the U.S. in meat processing. David and I first crossed paths in 1998, when I got involved in our financial markets business.

Why leave the CEO job two years before mandatory retirement?

GP Planning, timing. We started talking about this early last year. The type of transition we would make, and the timing for executing it, were well laid-out.



Greg Page

Best Book I've Read This Year:

Simpler: The Future of Government by Cass Sunstein

Red, White, or Beer? Iced tea

Favorite Vacation Destination: Jackson Hole

WSJ or NYT? Both

DM I started out in Chicago as a runner and phone clerk at the Chicago Board of Trade's futures exchange, then got into risk management at a small company in Chicago. I was there for nine years. Then I joined Cargill's financial markets group. In 2000, I went to Piper Jaffray.

Why did you leave Cargill?

DM I felt that if I was going to advance my career I should work for a financial company. Cargill changed a lot over the year I left. I was invited back in 2002. The company had really transformed itself, and today it moves talent into different areas, regardless of what you had always done there.

What's the biggest challenge facing the company?

DM Continuing on the growth path we're on. The bigger you get, the bigger your investments need to be. It's the law of large numbers. When you think about the countries that lack either an agricultural infrastructure or food security, it's a tremendous opportunity for us. Doing business in so many different countries, government intervention, social and political volatility—those will continue to be challenges.

Do you have a Cargill news service?

DM I'd call my email system the Cargill news service—24 hours. You get up and you're like, "Wow, look what happened overnight." The Cargill world never sleeps. Every Monday, we get a report on Venezuela. Once a



“ I remember when we were hiring for a director of social media, I thought, ‘OK. We’re really coming into the modern age. We’re going to have a director of social media.’ ”

David MacLennan

David MacLennan

Best Book I’ve Read This Year:

The Emperors of Chocolate: Inside the Secret World of Hershey and Mars by Joel Glenn Brenner

Red, White, or Beer? Caymus cabernet sauvignon

Favorite Vacation Destination: Deer Valley, Utah

WSJ or NYT? Both

month, I get a report on India. Every 10 days, I talk to our guy in Argentina. The information flow from inside the Cargill walls is very efficient.

What was the biggest surprise during your tenure as CEO?

GP The degree of the volatility in global financial markets. We had layoffs in the fall of 2008 and again in 2011. We’re a cyclical company.

DM 2008 was severe because the financial markets business was a really big part of Cargill’s portfolio then. We let go of about a third of our financial markets business. It took about a year to work it through, and we went through a restructuring. It wasn’t just about Cargill. The whole world was on edge.

What’s most relevant right now about Cargill’s food business?

GP The world has never been further from famine. We have so much trouble getting that message across. The world is producing enough food to prevent malnourishment for all but 1 percent of the population—assuming the food is appropriately distributed and people have the capacity to purchase it. Last year, you could find the word “famine” appearing often in the media. That doesn’t help the quality of the discussion, or of the public policy that flows out of it. Many stories about the U.S. drought last year led to the perception that the world grew less food in 2012 than in 2011. It didn’t.

Why not?

GP Because of the freedom to trade, to move grain from one country to another, the southern and northern hemispheres shared enough to make

up for disruptions in weather. During the last decade, well over a billion people gained the capacity to improve the quality of their diets. Ensuring that all people have access to safe, nutritious, and affordable food is a challenge Cargill feels called on to address.

Cargill employs a lot of people in this country. Should millions of unauthorized workers in the U.S. be given a pathway to citizenship?

GP We didn’t weigh in on citizenship. We did on legalization. Who gets to vote is a broader decision, and not our issue.

Can you cite an example of how legalization rules didn’t work out well for Cargill?

GP We had an employee with us for 16 years. He worked his way up to supervise close to 500 people. Then federal officials told us the Social Security number he was using was not his own. The

government forbade him from working for us. So he went from a good job and benefits to being a day laborer. There should be a way to legalize people who have paid taxes, short of deportation—a pathway to legalization. These people play a crucial role, particularly in the food and agricultural industry.

You’ve been to the White House. Have you given the president your views?

GP Yes. I told him the story I just shared with you. He was sympathetic.

What’s an aspect of the company that might surprise some people?

GP We have about 1,800 people in research, in disciplines ranging from helping restaurants with menu alternatives to working on sodium reduction. Most of our work involves photosynthesis.

Can you cite any outstanding breakthrough?

GP No, but that’s not to say we haven’t done some big things. At every board meeting, we feature two innovations that have been out in the marketplace for at least a year, generating earnings of \$1.5 million to \$2 million a year. We dramatically improved the performance of our lactic acid business. We were significantly involved in developing [Taco Bell’s Doritos] Locos Taco shell. As the world moves away from PCBs, we are its largest supplier of bio-renewable transformer fuels.

Why did Cargill get out of the fertilizer business?

DM It’s not something we would have chosen to do, in a neutral world. Our largest shareholder, Margaret Cargill, passed away. The trustees of her estate wanted to monetize her shares, so we came up with the idea of splitting off a new company, Mosaic, to satisfy her needs. That de-leveraged our balance sheet because it created more equity and we had valued the investment on the books at a really low cost.

Will Cargill ever go public?

DM The family is very committed to keeping Cargill private.

Greg, what’s your most important take-away from your tenure as CEO?

GP The longer you do the job, the more you realize how much you think you know for sure is no longer correct.

—Dave Beal

John Noseworthy

President and CEO, Mayo Clinic

Since becoming its president in 2009, Noseworthy has led the Mayo Clinic through the recession and implemented several growth initiatives, in large part by engaging, energizing, and being transparent with his employees. Among other things, we examine the Destination Medical Center initiative, which could to change the face of Rochester for good.

Mayo's margins improved quite a bit in 2010 and 2011, then dropped in 2012 as it invested in growth initiatives. How did 2013 go, and how is Mayo tracking with its plans?

›We were on plan last year. We're on plan this year [2013]. Our staff is doing a fantastic job responding to the external pressures, which are huge in health care and are going to get more severe going forward. There are going to be tremendous downward pressures on reimbursement in health care, and those are just starting to kick in with the aging population and the Affordable Care Act, likely the permanence of the sequester, at least for a while, and the consolidation in the payer community between insurance companies, private for-profit and not-for-profit groups coming together. So this is going to be a very dynamic situation.

We've seen this coming now for a number of years, and so Mayo basically has been planning for 2020, if you will: How are we going to have the most trusted and yet affordable, highest-quality health care system? So this isn't a reaction to the Affordable Care Act. We're very pleased with the changes our staff is all making to increase the efficiency of our practice, so all our patients get all the care they need, when they need, in the right place; and that our safety, our quality, our efficiency, our patient satisfaction and, really, the value of our care continues to go up.

How did the ACA affect this process?

›Well, the ACA is going to be paid for in large part by reducing reimbursement of hospitals and doctors in general. The amount of that is difficult to predict but it's, as I mentioned on *Squawk Box* the other day in New York, it's going to be on the order of 10 percent, 20 percent, or more going forward, which is an enormous hit to any business.

So what we said to our staff is we need to change not who we are, but how we do our work to make sure that we do drive our efficiencies. The speed at which this is coming is really quite striking. So a year ago, we had 45 to 50 town hall meetings around all the campuses of Mayo, talking to staff about the need to accelerate the pace of change so that we can secure their jobs and secure the future of Mayo Clinic. Our staff has been phenomenal, as they always are. That's allowed us to be on plan this year in a very tough year. Next year will be tough again, and the year after that, depending on where this goes.

What have been some of the efficiency improvements?

›People's work at Mayo Clinic is changing. Some of them were hired to do X, and if that's no longer a top priority of the organization, we may have them work over here on another project rather than doing a layoff. And that's hard for people. It's hard to [go from doing] X, but now I'm doing Y. But they prefer that to layoffs, and they're loyal to us.

I think the more we spoke with them, the more we worked with them, the more they realized that this is the right

thing to do for the patients. And then, of course, we put together engineers, process improvement tools, and all of those things that a lot of folks used to make this happen, and then we share best practices around the organization. So if we improve the efficiency, safety, and the patient satisfaction, and reduce the infection and readmission rates for a complex colorectal surgery [for example], we share that with the entire organization. And we say, "OK, so what about GYN surgery? What about cancer surgery? What about this? How can we rapidly diffuse that across the organization?"

What would you say one or two of the best achievements have been?

›Investing the time, energy, and resources in our staff, and demonstrating to them what needs to happen, then letting their creativity go and harnessing that going forward is unquestionably our best investment. We're seeing higher-quality care, fewer complications, fewer readmissions, fewer infections, fewer errors, and all those things. That's going to be tremendously helpful to our patients and also reduce the cost of care. Every quality initiative that we have completed—and we've published more than 400 of these in the last eight years—has actually also saved costs both for patients and to Mayo Clinic. Improving quality doesn't cost money. It saves money. It gets patients back to work faster, and all of that is good for the economy, good for the patients.

Mayo seems to be doing well. You have low turnover and high commitment. So what was behind the "Destination Medical Center" initiative?

›Right now we are a destination medical center in Rochester, as you know. We have patients from 135 countries last year that came here, as well as [from] 50 states. There are very few places that have that kind of a track

record. But we will want to grow pretty aggressively once we get in a position to do so.

Yet hasn't Mayo already been growing at a good pace as is?

›It has been growing at a good pace and the net growth continues, although we're slowing down just a little bit now as we get our arms around the efficiency issues to be successful going forward. But what is it going to look like in 20 years?

And that's when we realized, heck, we're going to put \$5 billion into this community; three and a half [billion] of our own, two [billion] or two and a half [billion] from private investors. How is this small, wonderful community going to support that? Candidly, there isn't enough of a tax base in a city of 100,000 or 150,000 to support those kinds of services to bring in and support the retail, hospitality, entertainment, education, and lifestyle activities that we envision. So, it's a perfect time to plan this [larger-scale destination center].

It isn't saying, "OK, we're going to do a \$5 billion project within five years"?

›We've planned at five- and 20-year increments for the last century, of how Mayo's going to grow in the community. This is really an extension of what we've done in the last decade. Looking out over 20 years, does Minnesota want us to grow Mayo Clinic in this community in relationship to the rest of the state? And the state suggests we do. We are the No. 1 private employer in the state. As we grow, it will be good for the cities, community, and state. So it is a very nice partnership.

—Dale Kurschner

For more from John Noseworthy, go to bit.ly/Hwu5mm

“Improving quality doesn't cost money. It saves money.

It gets patients back to work faster, and all that's good for the economy, good for the patients. ”



Best Book I've Read This Year:

The Cartographer of No Man's Land
by P.S. Duffy

Red or White, or Beer?

Red with meat, white with fish

Favorite Vacation Destination:

Bay of Fundy, New Brunswick, Canada
WSJ or *NYT*?

Read and enjoy them both.

They complement each other.



Bernadeia Johnson

Superintendent, Minneapolis Public Schools

Bernadeia Johnson became superintendent of Minneapolis's schools in 2010 following a period of high turnover in the position. She leads a district with some of the state's best and worst performing schools and has embarked on a challenging agenda to quickly address the achievement gap.

The watchword of your tenure is likely to be "shift." Explain what it means to the layperson.

› Shift is about ending top-down and asking: How do we support schools? How do we engage the community to think about what schools need? How do we foster innovation and creativity at the school level? Are there barriers we're creating? It's about autonomy with accountability. Incremental changes were not satisfying. The district had to change.

It sounds empowering and liberating. In practice it's probably a bear, huh?

› Systems are hard to change. We have to think differently. Like when the school year began with the record heat. We told our department heads to go to the schools with Popsicles and ice and see how you can help. It's a different mindset than going with a list of instructions.

We're also figuring out how we sit down with a school community and get

them to think about what accountability means. Ownership drives motivation, but outcomes are key, too.

The school board has vacillated between aggressive and timid over the years.

What's its role in this?

› We're adding a new type of school (partnership schools) management. Five to ten schools initially. Changes in working conditions in these schools will need to be negotiated with the MFT (Minneapolis Federation of Teachers) [union]. The board will do that.

Is the MFT a partner in this or an obstacle?

› Lynn [Nordgren, union leader], is interested in supporting it, but we have yet to get to it in contract negotiations. The union will have to give up some of its control.

By and large, seniority still governs which teachers teach in which classrooms, right?

› To a great extent yes. Shift means

that schools should have the ability to pick whatever teacher is needed for the learning environment. Right now we have to interview 10 Minneapolis teachers before we can interview an outside candidate. When we started the year we had 20 unfilled positions [because of rules like this].

The MFT gained these prerogatives during a period of relative placidity in public education. Are they relevant today?

› The rules need to be updated. I see why unions exist. There were abuses that needed addressing . . .

But we're through the looking glass now, aren't we? You have an ineffective teacher and you can't really address it without two years of hearings and peer counseling, right?

› At one school they cut the band program because it was the easiest way to deal with an ineffective teacher.

The MFT have argued they are accountable to principals, but many of your principals are not capable leaders and mentors and they behave capriciously.

› It's not where we want it, but we are creating a principal's academy modeled

Best Book I've Read This Year:

The Immortal Life of Henrietta Lacks by Rebecca Skloot

Red, White, or Beer? **White**

Favorite Vacation Destination: **Mazatlan**

WSJ or NYT? **NYT**

after a successful program in New York City. Corporate support from Cargill, Medtronic, General Mills, among others, has helped us get there.

One of the MFT's most reasonable arguments is that teachers cannot undo the damage done to kids through poverty, unstable homes, and the sundry other problems students bring to school.

› I don't disagree with that. But schools can be a stabilizing force. We can't make things out of our control excuses for failure. These are such big societal problems that if we do, we might as well close our doors. I can't negotiate a contract where every kid has a stable home and feels safe. But I don't believe the schools can do it alone, no.

One of Shift's premises is that you need the right teacher for the right classroom environment. Is there evidence that teachers with specialized skill sets are more effective in reaching troubled kids?

› We're going to find out. Think of it this way: Our schools are passive recipients of education graduates. Shame on us. We need to partner better with education institutions to get what we need.

Which is what?

› Diversity. Cultural competence. Mindset. People who believe in their ability to make change.

Let's talk for a minute about your other district, the district of high-performing, overcrowded schools in southwest Minneapolis. The part of MPS that gets little attention and whose parents feel vaguely ignored (speaking as one of them).

› I don't disagree with you. Southwest High School has been the No. 1 ranked high school in the state for several years and I sensed that we were almost ashamed of it, to have such success [and so many failing schools] in the same system. But we have to recognize these schools and be proud of what they do.

“ Southwest High School has been the No. 1 ranked high school in the state for several years and I sensed that we were almost ashamed of it, to have such success [and so many failing schools] in the same system. ”

There's not a lot in common between your challenged schools and your academically thriving schools, is there?

›No. It's like we have three different districts, north, southeast, and southwest. They have different needs and we have to provide resources based on school needs.

How do you take those successes and replicate them for the families that can't get into overcommitted schools like Southwest or Armatage Montessori or Barton Open?

›You don't do it by moving their leaders to other schools, which some people suggest. I thought about asking Bill Smith (Southwest principal) to take over Washburn, but when you have a great leader in a school you have to know when to leave well enough alone. It comes down to getting the right teachers and principals.

Are you trying to build on these successes or is all the focus on the North Side?

›We need more space in southwest Minneapolis. We want more students everywhere.

Mayor Rybak sent his kids to private school and early in his tenure was silent about the public schools. In recent years he's become an advocate. How did that come about?

›I think he understands that so goes MPS, so goes Minneapolis.

What do you need from the next mayor?

›The mayor has a platform to talk more about education and the challenges, using his or her influence to leverage resources.

What can the broader community do for MPS?

›They are doing a lot already. We've come a long way. We've had growth of organizations like AchieveMpls that are changing the landscape and narrative. There is a lot more philanthropy and funds coming in.

How can smaller and medium-sized businesses partner with MPS—businesses without philanthropy departments?

›We're looking for graduation coaches to mentor kids through the high school process. Our StepUp program needs 2000 summer jobs. It gets kids familiar with going to a job, motivates them to see themselves with a career. They work in a law office and end up in law school. We need cash donations for field trips, to reward and recognize teachers. We need volunteers to read in schools.

—Adam Platt

(To contribute or volunteer, contact Robin Cousins at 612-668-3880 or volunteerMPS@mpls.k12.mn.us.)

{3 University Leaders}



Eric Kaler

President, University of Minnesota

Best Book I've Read This Year:

Swim with the Sharks Without Being Eaten Alive by Harvey Mackay

Red, White, or Beer? Red

Favorite Vacation Destination: Cape Town, South Africa

WSJ or NYT? NYT

University of Minnesota President Eric Kaler is looking for strategies to simultaneously tame administrative costs and catapult the university to national prominence in teaching and research.

How does the rapidly changing economy affect how the University of Minnesota educates its students?

›When I talk to business leaders, they tell me they need students who can communicate well, can work in teams, and are aware of diverse cultures. That is exactly at the core of the liberal arts education that all of our majors get.

So when you tee up choosing a major that is interesting to a student, layer in a liberal arts general education and a foreign language skill, you wind up with a student who is well-prepared to contribute to the economy.

What about internships?

›We really stress a broad range of out-of-classroom activities. About two-thirds of our students engage in undergraduate research, study abroad, or have an internship.

Now that you are in the third year of your presidency and engaged in a strategic planning process, what type of change do you expect to lead?

›I have great ambition for the University of Minnesota. I think ambition is a word we need to use more frequently. This is a great institution. It's an institution whose actual products—whether they are research, teaching, education, or outreach—far exceed their reputation.

So that gives us a huge opportunity to move in what I hope will be a transformational way, to sharpen our delivery of education, to enable greater learning by our students as they are here, to expand our research portfolio, to address the problems not only in Minnesota, but of the world.

Ambition is a word a lot of Minnesotans shy away from.

›It's a very non-Minnesotan word. There is a Minnesota culture, so our ability to talk about the good things we do is sometimes a little lacking. I don't have that problem. I think we do great things and I think more people should know about them.

But more important is the substance of moving us forward, to delivering better outcomes in our classrooms, to having a research enterprise that is already the eighth-largest public research university in the country to be even better. We need to deliver on discoveries, to deliver on cures, to grow our health-care enterprise and our medical school quality.

“ We need to deliver on discoveries, to deliver on cures, to grow our health-care enterprise and our medical school quality. ”

Would better classroom outcomes translate into a higher percentage of students completing degrees in four years?

›Absolutely. Right now people are very worried about the cost of higher education, and they should be. Students are leaving now with more debt than they should have. So part of that is being efficient as a student and moving to complete a degree in a timely way. We're very proud of our four-year graduation rate, which is now 58 percent. We have ambition to drive that well above 60 percent. And that's important.

The news media and politicians have been scrutinizing administrative costs at the U. What have you accomplished to address this issue?

›We've taken \$32 million of recurring costs out and another \$2 million of one-time costs. I think people are welcoming the conversation about how we can do what we do more efficiently and more effectively. I'm eager to deliver on that.

At the September regents' meeting you pledged to cut a total of \$90 million over the next six years. Is that in addition to the \$32 million?

›That's right.

With such a large number of business and management schools in the United States, how is the Carlson School faring in this competitive environment?

›Our location is an enormous plus. Minnesota is home to 18 or 19 Fortune 500 companies. That provides a rich environment for our students to be in when they graduate and when they come back for an MBA after working for a couple of years. Our applications to the full-time MBA program are up 13 percent. The placement rate for Carlson MBA graduates is above 90 percent. That's remarkable.

How do you see online course offerings affecting how you educate students?

›We've been offering online classes since the 1990s. In terms of how it changes undergraduate education, I think you'll see an evolution away from large lectures into situations in which students watch a lecture at their convenience and in their pajamas. And then they'll come to class and the faculty member will work with students and coach them. She'll be assembling teams and students will work together. But I don't think brick-and-mortar institutions like the University of Minnesota are going to go away anytime soon. —Liz Fedor

{3 University Leaders}



“ Right now you can show up at one of our colleges in August to begin your college-level work and learn for the very first time that you are not college-ready. That’s insane. ”

Steven Rosenstone

Chancellor, Minnesota State Colleges and Universities

MnSCU Chancellor Steven Rosenstone is focused on being more attentive and accountable to the needs of business while dealing with a large number of students who need remedial help. We asked him what he’s doing about it.

You’ve said that a well-educated workforce is Minnesota’s competitive advantage, yet you are grappling with a student pipeline problem.

›We have only three-quarters of Minnesota freshmen graduating from high school in four years, and less than 50 percent of students of color in Minnesota graduating from high school in four years. Secondly, we have a problem when around 12 percent of our university students and 40 percent of our [community and technical] college students need some kind of remedial work before they can begin college-level work.

Best Book I’ve Read This Year:
Fearless Leadership by Loretta Malandro

Red, White, or Beer?
Red. But I’m a cheap date, any of them will work.

Favorite Vacation Destination:
Madrid

WSJ or NYT? I like both.

How are you addressing it?

›It’s about getting more students better prepared to begin college-level work when they arrive at one of our institutions. A big step we took last year was in collaboration with [state education] Commissioner Brenda Cassellius, with help from the Legislature, to change the assessment that’s given in the high schools. There will be an assessment that will be normed to college preparedness. So students, parents, schools, teachers, for the very first time will learn: Is [this person] on track to do college-level work?

If you are not on track, we want to start moving all of that remedial education back into high school so that students graduate from high school ready to go. If you are on track and college-ready, we want more access to college-level courses while you are still in high school. Finally, let’s take everything we are learning about future workforce needs and help each student develop an academic plan that aligns not just with their passions and interests, but where the high-demand, high-growth jobs are going to be in Minnesota.

You will not be retested when you get to one of our institutions. We are working collaboratively, so there is one test. Right now you can show up at one of our colleges in August to begin your

college-level work and learn for the very first time that you are not college-ready. That’s insane.

MnSCU undertook an ambitious series of listening sessions. Based on what you heard, what are you doing to help align the MnSCU system more closely to the needs of Minnesota employers?

›First off, colleges and universities across the state are revising their curriculums and portfolio of academic programs to better address the occupation-specific and technical skills that are needed by employers. Where we identified shortages, we’ve expanded programs; where we are oversupplying, we are starting to trim back programs to make sure that we are responding to what we heard.

Do you have some specifics?

›We are also going to be dramatically updating a lot of our equipment to ensure that graduates are trained in the latest technologies so they are prepared when they leave our colleges and universities to go right into the workplace. We heard loud and clear about the need for more hands-on experience. We’re still pushing hard to boost the number of internships. A very big part of what we’re doing to move this forward is under the umbrella of the Itasca Project, where we are working with all sectors of higher education and business partners to build a sustainable system. [This will allow us] to better understand what the future needs are going to be for the

workforce so we can do a better job of aligning our academic programs with those needs.

The racial achievement gap in education and employment has been discussed for years in Minnesota. What has to occur to gain traction on this issue?

›At our community and technical colleges, the achievement gap when students enter the door is about 19 percentage points between white students and students of color. That’s measured by what percentage of students need remedial education.

How do you address this deficit at MnSCU?

›The most important thing that we need to do is to recognize that the kind of education that students need is not the same for every student. We’ve made millions of dollars of investments in programs to not just provide access for diverse communities, but to help ensure their success. So we’ve set ambitious goals for eliminating the gap by 2023.

The strategies here are to push on academic preparedness, make sure that students have financial support to be focusing on their studies and stay in school, and to identify the best practices and multiply them. For us this is not just a matter of doing the right thing, it’s core to delivering the workforce that Minnesota needs. —Liz Fedor

{3 University Leaders}

Best Book I've Read This Year: *Creating Innovators* by Tony Wagner

Red, White, or Beer? Red

Favorite Vacation Destination: Any place I haven't been

WSJ or NYT? Read both, prefer NYT on weekends.

Julie Sullivan

President, University of St. Thomas

In light of skyrocketing prices for private education, Julie Sullivan, the first woman to lead the University of St. Thomas, is searching for ways to ensure student access to her campuses.

The St. Thomas mission statement focuses on educating students to be morally responsible leaders who advance the common good. Some might argue that in today's world, promoting personal financial gain is a higher aim.

›One interpretation of the common good is that we live in a world where every person has hope and opportunity, every person has access to education, health care, and employment. So certainly personal financial gain can be a part of that common good. In fact, often the way you make sustainable change in communities is when that change is based on an economic model.

The competition for jobs in today's marketplace is intense, and parents and students are concerned. How does this reality affect UST's offerings?

›Even in tough economic times, our students have been quite successful in gaining employment. Statistics show that approximately 95 percent of our graduates are either employed or in graduate school within six months after graduation.

We understand that there isn't any discipline today that you can have sufficient knowledge that you can rely on for the rest of your career. So we want to create a foundation of knowledge, but then we want to create life-long learners and we want to create people who are curious, creative, adaptable, who are going to be able to keep gaining knowledge and skills as their jobs and their careers change.

How are you connecting students to employers?

›We are working hard to help students get internships, which often lead to jobs. We help students have opportunities to work on real-world projects that are going to get them exposure in front of employers.

For example, we have the senior design project in engineering. It's a year-long project, and students do it in groups of five. They work on a real project for a real company and they present it to that company.

Even if it's not student Y who gets exposure in front of some large employer, that employer experiences a group of our students doing a certain project for his or her company. They are going to realize the skill sets that we have at St. Thomas

“ My worry in the big picture is the ability of our country to provide economic opportunity and job growth, so that it's feasible for people to be able to pay [off loans to attend St. Thomas]. If it's not, then what's going to be the country's funding model for private education? ”

and they are going to seek out our graduates.

In the corporate world and politics, women are underrepresented in leadership. As the first woman to lead St. Thomas, what are your thoughts about ways to increase the proportion of women in leadership roles?

› One of the things that is important for young women today is to give them the confidence that they can do it, to help them envision themselves in those positions. You'll often find that what you believe you can do is often what you do.

How did you gain the confidence you needed to rise within higher education?

›It goes back to childhood days when I had a very influential role model in my grandmother. She was a single woman and a very, very successful entrepreneur. I spent a lot of time with my grandmother because she was lonely and I was her one granddaughter. She started telling me from the time that I was 5 years old that “You can do anything that you want to do.” And it just never occurred to me that I couldn't.

What type of business was she involved in?

›She was the largest school bus contractor in one of the largest counties in Florida. She owned 60 school buses and did bus routes for public and private schools. It was very nontraditional.

The sticker price is \$44,249 for an undergraduate to attend St. Thomas during 2013-14 (including room and board). Once you subtract the average financial aid award, an on-campus student would still pay \$15,836 for one year at St. Thomas.

How are you addressing student access and debt loads?

›We want any qualified student, of whatever their economic means, to be able to come here. We often can go a pretty long way in meeting their tuition needs, whether we meet it halfway or three-quarters. Occasionally, we can meet all of it. Unfortunately, we are not at the point yet to have an endowment that we can satisfy 100 percent of economic need for every family. It's certainly a priority to continue to grow our endowment.

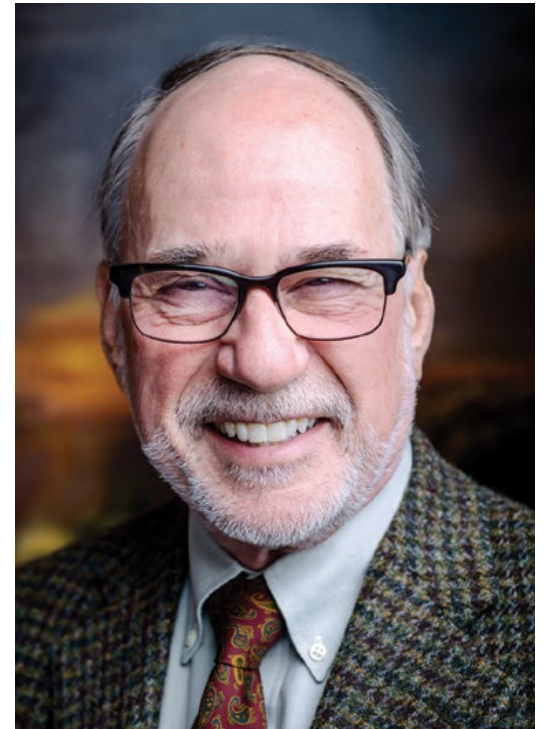
What about debt loads?

›My worry in the big picture is the ability of our country to provide economic opportunity and job growth, so that it's feasible for people to be able to pay [off loans to attend St. Thomas]. If it's not, then what's going to be the country's funding model for private education? We're not going to educate everybody in our country just through public education. —Liz Fedor

Vance Opperman

**President and CEO, Key Investment;
CEO and general counsel, MSP Communications**

Regarded by many as the ultimate influencer, Opperman has made noteworthy careers in business, investing, law, and politics, and served in leadership roles on many boards of directors. He became an influential lawyer before serving as president of West Publishing, which he grew and eventually sold to Thomson Reuters. He leads Key Investment (Key owns MSP Communications, which publishes *Twin Cities Business*) and serves on the boards of TCF Financial Corp., Thomson Reuters, Blue Cross and Blue Shield of Minnesota, and the American Civil Liberties Union of Minnesota. He also has been an active, behind-the-scenes leader in Democratic political campaigns in Minnesota and Washington, D.C., since the 1960s.



What are your thoughts about doing business in Minnesota today?

›If you have businesses that [require] a skilled workforce and high degrees of education, or you're involved in something that fits the nature of our business climate—high tech, information technology, obviously medical devices—if you're in those areas, this is an excellent place to do business. And there are plenty of opportunities. But no one place is the best place to do all kinds of businesses.

Is the state's tax climate becoming onerous? Are we stigmatizing and harassing the affluent?

›Are high taxes driving business out of the state? No. Businesses—of the kind I was indicating [above] with high-skilled workforces—stay, expand, or are attracted to Minnesota by a number of different factors, of which taxes are very low on the list. . . . The places that have extremely low taxes

aren't places that people generally like to go, for a variety of reasons. So on a macro sense, I don't think the tax climate is a deciding factor in the kinds of businesses that will do well here.

Most people I know are very willing to pay even more taxes if it goes for things that they think are justified, such as better higher education, K-through-12 education, and things that go to make our society more productive. I don't know a lot of people that suddenly woke up yesterday and discovered that Minnesota was a high-tax state. They've known that for 30 years, or they wouldn't be here.

However, the constant rhetoric attacking rich people, people that aren't morally [willing] to pay their fair share, I resent. I resent the idea the government can determine their morals instead of mine. And I

frankly think the constant effort to harass people of wealth has a secondary but negative effect. When people make their first big hit, their first big capital gain, you want them to stay here. You want them to fund the orchestra, to fund foundations. You want them to continue to contribute to our society, to start venture capital, to invest in new businesses. And if you chase those people out because they think they're not wanted, or if you chase those people out or you don't attract people who are mobile, you will have a decline in many of the amenities we've just been talking about.

Where do you think the health care is headed as an industry in Minnesota?

›I chair the board of Blue Cross Blue Shield and any comments I make here, unless I say otherwise, are my own personal ones.

I think health care is a very exciting area. It's a terrific area for Minnesota. We have tremendous assets for health care,

Best Book I've Read This Year:
The Big Short by Michael Lewis
Red, White, or Beer?
Neither, don't drink
Favorite Vacation Destination:
London
WSJ or NYT? WSJ

health care delivery, for the medical-device community, all the way through things like HSAs and new financial models in the delivery of health care. We are, if not the leader, very close to it. This is a growth industry, and we are in the sweet spot of innovation and many years of proven excellence and experience. Properly handled and properly funded by private enterprise, this is an area that should keep Minnesota a very vibrant economic center.

How is it going to change? The Affordable Care Act clearly will get refined, but it's clearly here to stay. With the growth of the exchanges and more people and more money going through the exchanges, you'll attract nontraditional insurance entities. And that increased competition will do what I think competition does in the free market, which is to reduce cost and increase quality. There are a lot of kinks in that system. You can't just start this from scratch and expect it to be perfect. But I think over two or three years, you're going to see that as maybe the biggest driver of higher quality and lower costs for health care.

“ Minnesota has tremendous assets for health care, health care delivery, for the medical device community, all the way through things like HSAs and new financial models in the delivery of health care. Properly handled and properly funded by private enterprise, this is an area that should keep Minnesota a very vibrant economic center. ”

Eric Elliott

President and CEO, Prime Therapeutics



Since Eric Elliott took the helm of Prime Therapeutics, an Eagan-based manager of pharmacy benefits that is collectively owned by 13 Blue Cross and Blue Shield plans, the company has been on a hiring spree and he's been tasked with keeping his fast-moving ship on course.

Why is the ACLU important to you and how are things trending in our society when it comes to personal liberties?

›One of the reasons I belong and have been active in the ACLU is because we're the only organization that speaks up for the Constitution. We sue the government. That's pretty much what the ACLU does, on behalf, obviously, of the first 10 amendments.

It's important that you stand up for the individual. Much of the impact of the growth of our entitlement society—caused by the growth of senior citizens and the programs that support them—is a never-ending, ever-enlarging growth in government. And I think you have to push back against that in areas of individual freedom. The group that has done that longer and more successfully than any other is the ACLU.

The ACLU's work is often unappreciated by a large segment of the population. Why?

›The founding fathers, when they wrote the Constitution, weren't writing for the masses. It is an anti-democratic series of amendments. "Congress shall pass no law..." And so you are, in that situation, almost by definition, always standing up for unpopular causes or unpopular people. After all, if you are in a popular movement or you're a popular cause or you're in the majority, you probably don't need any protection. Your numbers are your protection. And the founding fathers knew that.

And by the way, that is why this country is a source of innovation in the world. Over 30 percent of all intellectual property in the world is generated in the United States, with 5 percent of the world's population. Why is that? Because we have individuals. We have people that understand individualism, stand up for themselves, and are allowed to do so. And there's a direct connection.

—Dale Kurschner

For more from Vance Opperman go to bit.ly/Hwu41K

When did you join Prime, and how was the company different then?

›I joined Prime in 2010, and at that point the company was about 1,800 people. We are now just around 3,000 employees and we've grown the business in terms of adding more health plan clients. We have Blue Cross Blue Shield of Alabama, North Carolina, New Jersey—each one bringing around a million and a half new members to our organization.

We've also won some major employers, where instead of going through the health plan, we have several we have gone direct to.

Do you anticipate sustaining your rapid growth?

›We do. Whether it's the exact same rate, I'm not sure.

What do you look for in new employees?

›Fundamentally, you look for an expertise or for the type of specialist talent we need. But beyond that, you're really looking for a couple things: No. 1 is people who want to be here, people who understand the growth and it's something of interest to them. The biggest thing we can do is make sure our people want to be here.

Let's say you just hired me as a direct report. What do I need to know about your leadership style? What makes you tick?

›[As] a leader who, instead of hearing [suggestions for change] as "How do I shut that down because it's mak-

ing me look bad?" sees it as "How do we make our business better?" A big word for me is "completeness." When we're looking at a challenge, let's make sure we're not just dealing with what's on the surface, but we understand what's underneath that, what drives that.

What would you peg as your greatest failure, and what did you learn from it?

›As an organization grows, there's a need to make sure you're making the right investments to sustain the growth. I think early on, we made the right decisions around accelerating our investments in the core technology and foundational work, but now seeing how much growth we've taken on and how much potential [there is], could I have foreseen that and potentially accelerated that investment beyond even what we already did? (We increased it by 150 percent in the first two years.)

If I had predicted the Affordable Care Act with more certainty, could I have seen additional investments we could have made to put us in a better position today than we are? At the same time, had we made an even more accelerated investment than we did, and the growth didn't come through, we'd be sitting with a very cost-heavy business, not well-positioned.

What's your greatest challenge in the coming years?

›There's probably three. The first one: specialty medications, which are significantly more expensive than traditional medications, but on the

Best Book I've Read This Year:

The ONE Thing

by Gary Keller and Jay Papasan

Red, White, or Beer? Red or beer

Favorite Vacation Destination:

The Caribbean

WSJ or NYT? WSJ

other hand, they're significantly more impactful.

The second is the individual exchanges that go into effect January 1 and will ramp up as employers decide to opt out of employer coverage. The challenge for us is to make sure that we are exceptional at understanding how many of those individuals will become Prime customers through our health plans, because we can't underestimate and fall short on service expectations.

The third is how do we ensure that we continue to have the fundamentals we want while the business continues to grow—keeping employee engagement high, keeping the right people engaged the right way, making the right investments so that growth is not just sustainable from an opportunity standpoint, but [we] service it well, execute on the promises that we make to individuals and employers.

—Jake Anderson

“ A big word for me is ‘completeness.’ When we’re looking at a challenge, let’s make sure we’re not just dealing with what’s on the surface, but we understand what’s underneath that, what drives that. ”

“ All my ideas come out of frustration. Digital Cyclone came from receiving hundreds of emails with very specific weather questions for a specific place at a specific time. I thought, why can't we leverage the Internet to personalize weather? ”

Best Book I've Read This Year:

This Town by Mark Leibovich

Red, White, or Beer?

Summit on tap

Favorite Vacation Destination:

Seaside, Florida

WSJ or NYT?

NYT, but I subscribe to both.



Paul Douglas

Meteorologist, Founder of Media Logic Group

Paul Douglas worked in television for 30 years (locally at KARE and WCCO-TV), all while creating business ventures that advanced his TV career and his business life post-local TV weather.

If you weren't entrepreneurially minded, what would you be doing now?

›I'd probably still be in TV and be quite happy. My problem is I couldn't leave well enough alone. I was frustrated by the graphics I was using, so I created a company to produce better ones. It took off from there . . .

So where do you see the roots of your entrepreneurialism?

›I paid my way through Penn State by providing a network of radio stations with forecasts. I would call into TV stations and brief their non-meteorologists. That led to a fill-in gig in 1979.

You were ousted from WCCO five years ago; the reasoning was you were making too much money for the new reality of TV news. Would you have taken a pay cut?

›I was never given that option. I was told we were going over a cliff and [CBS] needed to reduce overhead.

Do a lot of your peers have a similar story?

›A lot of 50-somethings in TV weather are in a similar situation. Many are getting out and going into advertising or marketing. But a lot are unemployed.

Why, given your success as a serial entrepreneur, did you keep returning to TV?

›It was a safety net. It was a way to guarantee security. And a lot of my TV income I put into these businesses.

Did your notoriety give you a leg up?

›In a way, perhaps, but there were long stretches without a paycheck. I took out a second mortgage on my home. . .

How did you channel your energies after leaving TV?

›I was depressed for a year or two. I decided I was done with TV weather, that it was time to figure out a different way forward.

So then how do you go about creating a business?

›All my ideas come out of frustration. Digital Cyclone came from receiving hundreds of emails with very specific weather questions for a specific place at a specific time. I thought, why can't we leverage the Internet to personalize weather?

What about investors? Did anyone get hurt?

›People have never lost money investing with me. But there was dilution of ownership. At one point Digital Cyclone went from 55 employees to four.

Do you like raising capital?

›It's one of my least favorite things, but after Earthwatch I had people approaching me. I avoid anyone looking for a quick turnaround. It's never a straight line.

What are you most excited about now?

›Singular Logic. After watching my sixth Cialis commercial in an NFL game I wondered why we can't choose our advertising like we choose content. We have patents pending. It could be very big, but it's the biggest wild card in our portfolio.

Any baseline wisdom you'd share with budding entrepreneurs?

›You need a business plan, but they are worth the paper they are printed on. Whether you're able to get from where you thought you had to go to where you need to be is entirely dependent on whether you have great people. None of my businesses ended up where I imagined they'd go, and without great people I'd have never gotten there. —Adam Platt

PAUL DOUGLAS' STARTUP VENTURES

Total Weather (1978-88)

› Provided forecasts to radio stations, construction companies.

EMPLOYEES: 3

INVESTMENT: minimal

RETURN: Return: "I gave it to one of the employees."

Earthwatch (1989-97)

› Marketed a 3D weather graphics package for television. First use was by news networks demonstrating military attacks on Iraq. "It was not a great business model. We were selling \$25K-30K software packages—but they required expensive dedicated hardware. At least one TV station in most markets wanted a unique look, but that was the limit. And it created a lot of friction for me at KARE."

EMPLOYEES: 20

INVESTMENT: \$500,000

RETURN: Sold to Kavouras Inc. for \$2 million to \$3 million ("Biggest investor doubled his money.")

Digital Cyclone (1998-2007)

› Used a proprietary computer model to generate location-specific forecasts for broad array of consumer and business uses. Licensed to TV stations as MyCast for websites. "We found we couldn't improve on the Weather Service's forecasts and we came to market as the tech bubble burst." Shifted gears to wireless, created a weather app, "got to 85 percent gross margins. . . The model worked and it scaled, but I got paranoid about Apple and Google and we sold."

EMPLOYEES: 55

INVESTMENT: \$10 million raised (103 investors total)

RETURN: Sold to Garmin Inc. for \$45 million

Media Logic (2008-present)

› Holding company for subsidiary businesses Ham Weather (subscription-based business providing graphics and tools to build websites and forecasts); Alerts Broadcaster (subscription service that briefs corporate clients about upcoming weather hazards and risk mitigation); Smart Energy (provides forecast models so businesses can better manage energy use); Singular Logic (technology that lets consumers choose ads they view over Internet and mobile). Weather Nation is a separate company with Denver-based partners providing weather content for local TV stations' digital sub-channels (revenue model is ad-based).

EMPLOYEES: 40+

INVESTMENT: \$5 million

{3 Minnesota Bankers}



Mark Cummins

President and CEO, Minnesota Credit Union Network

Best Book I've Read This Year:

Rise to Greatness: Abraham Lincoln and America's

Most Perilous Year by David Von Drehle

Red, White, or Beer? Beer in summer, red in winter

Favorite Vacation Destination: Wherever our kids are

WSJ or *NYT*? *WSJ*

Mark Cummins' organization represents the more than 130 credit unions in Minnesota, which range in size from roughly \$300,000 in assets to \$3.6 billion.

Do your members' interests always align?

›I've never been in a room with a group of people where things aligned all the way across the board. We have folks that are passionate about what they do, and they don't always agree, and I think that's healthy. But do they work together overall? Absolutely.

What would you peg as the main misconception about credit unions?

›That we are [not] a very sophisticated industry. What we provide to our members is a sophisticated list of financial services. People think of credit unions as being inconvenient, because we don't advertise the same way, we don't have a national footprint, from an institutional basis, that allows us to, like a Wells Fargo or a Wal-Mart, hit the airwaves or have branches on every street corner. But we have a huge ATM network that members of credit unions can use service-charge-free, all across the country. We uniquely have what are called shared branches, where if your credit union participates, you can go to branches all over the country and use deposit services.

The other part I think people don't understand is that we have a Federal Deposit Insurance-equivalent of what banking has. We're very safe. We're conservatively managed and we take good care of people.

What of the accusation that tax exemptions put credit unions at an unfair advantage?

›That's just inter-institutional propaganda, frankly. Credit unions do have a corporate income tax exemption, but that's the only one. And that income tax exemption is there because we are not-for-profit financial cooperatives. Because of that too, we pay a big price, because of the limitations that places on our business model. Our members are continually asking us to do more for them on the business side, and we have limitations as to what we can do, the amount of business lending we can do.

A National Credit Union Administration official called 2012 a "pivotal year" for the industry, as credit unions nationwide added more than 2 million members. Did Minnesota see similar growth?

›Absolutely—in fact, we grew at a faster pace when you look at members and deposits. This is still part of the "Bank Transfer Day" phenomenon, which was

not a credit union-led thing but which brought forward the alternative that credit unions provide and made folks more aware.

I think the people that are choosing credit unions are doing it largely on a values-based decision—that the values that are espoused by the credit union align with the values they're looking for. We still have to have a strong business case, because we have the fiduciary responsibility to manage a business for the benefit of all the members. But when your focus is how do you maximize the benefit to your membership versus the benefit to your ownership group, that's a fundamental difference in the approach to how you treat people. It doesn't make either one wrong, it's just a different perspective. And that's a perspective that more and more people see as aligning with their own personal viewpoints.

What keeps you up at night?

›We're getting buried under regulation. When you're looking at a group of small institutions like we have, those smallest players—whether it's credit unions or banks—the regulatory burden is crushing. In essence, that scale that you need to have to deal with the regulatory burden benefits those that were the worst players that caused the biggest problems.

The smaller folks who were in tune with their [customers] are paying the price, because they just don't have the scale and staffing to deal with the blizzard of regulations we're buried under. It's a huge issue, and it's one that's difficult because you have to comply and you want to comply—it's not about that. It's that the actual cost of doing it is overwhelming. —*Jake Anderson*

“ When your focus is how do you maximize the benefit to your membership versus the benefit to your ownership group, that's a fundamental difference in the approach to how you treat people. ”

{3 Minnesota Bankers}

Jeanne Crain

President and CEO, Bremer Bank Twin Cities region

Best Book I've Read This Year: *And the Mountains Echoed* by Khaled Hosseini

Red, White, or Beer? Red

Favorite Vacation Destination: Rome

WSJ or NYT? Both

Jeanne Crain oversees St. Paul-based Bremer's Twin Cities operation, Minnesota's largest commercial bank, with \$2.7 billion in assets, 321 employees, and 27 branches. She was appointed to her role in 2012 after serving as president of M&I/BMO Harris's Minnesota region. She explores the current state of the banking industry with us.

What did you do prior to banking?

›My father had his own jewelry/card/gift store in a couple small towns in central North Dakota, and both my parents were involved. My parents had eight children, so we were the hired help, so to speak. I learned the commitment it took to be attentive to customers, to be smart about running your business, to take some risk, to understand the constant requirements to be engaged.

The banking industry has been driven by consolidation and acquisition for some time now. How has that affected you?

›I've been through a number of acquisitions in this industry by virtue of who I've worked for. In fact, I've been with nine different organizations and through five acquisitions; incredibly valuable lessons in terms of getting a sense of how you can be part of one single industry but understand that the culture within an organization can

drive a very different strategy, business model, client experience, employee experience. There's so much tied to who you are as a company that drives your success.

Describe your management style.

›I'm more participative than not. I look for input from the team; I look for ideas to come from the team. I want my team to feel engaged in the process, to feel ownership. That being said, I'm a fairly decisive leader, so I know when I need to make decisions and move the business forward.

What differentiates Bremer?

›We are absolutely a business bank. We have directed our resources, our investments, our assets, which are our people, to have expertise and experience in order to work and develop that client base. This is very much a commodity

industry. It is so hard to distinguish yourself by virtue of the money you lend or the deposits that you design. Our key differentiator absolutely comes through our people.

What attributes do you look for in a borrower?

›A strong management team is absolutely critical. It doesn't prevent a business from having a challenging environment—that's a natural part of any business' existence. But having a team that we know well that has experience to work through that, that understands that the bank is their partner, that has good communication—we roll up our sleeves in those times. Our goal is always to stick with a customer through good times and bad, where we can have an open dialogue.

Any bank today is looking for a business that has a good understanding of where they're headed, what they hope to accomplish, understanding the ingredients it takes to be competitive, the risks in their industry.

What's the greatest challenge you're facing?

›There's a fairly significant regulatory burden that all banks are feeling. We're planning for that. We're not afraid of it. It's burdensome in that it's more costly, the compliance regime is intense.

Our challenge is to make sure that we have strategically focused on where we can find growth opportunities. We're not nearly the size we think we can be. We have to be smart about making investments. We have great capital to deploy, but we want to be thoughtful

about how we deploy that capital.

We're not going to try to be everything to everyone. We want to focus our growth opportunities on the business audience that we can really provide a great experience to.

Recent data suggests a slowing of profits at many Minnesota banks. How do you expect to continue growing?

›The last 30 months we've had increased growth every month. It is one of our biggest challenges to understand how you keep that going.

We feel we have every opportunity to continue that growth. That said, there's been a long-term, protracted low-interest-rate environment, and that has eroded our margins. And that's challenging for banks. In many respects, we still make our money the old-fashioned way: We lend it out and we fund it by the deposits we collect; you can only go so low on those deposits in terms of what you're paying. And you have a competitive marketplace that keeps you honest and focused to be competitive to find business opportunities when you're lending money out.

We have looked and continue to look at other types of revenue drivers—whether that's our fee-for-services businesses like insurance, investments, trusts, those are great opportunities for us.

What mark do you hope to leave on Bremer?

›I hope I can drive continued growth for this organization by leveraging all the tools we have to work with. I love the variety of customers we have. I love seeing our bankers thrive and develop relationships with clients. I love the tools and, frankly, the difference we can make in our communities by virtue of how we can help businesses thrive.

—Jake Anderson

“ Any bank today is looking for a business that has a good understanding of where they're headed, what they hope to accomplish, understanding the ingredients it takes to be competitive, the risks in their industry. ”



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{3 Minnesota Bankers}



Joe Witt

President and CEO, Minnesota Bankers Association

Best Book I've Read This Year: *The Greatest Game Ever Played* by Mark Frost

Red, White, or Beer? **Beer**

Favorite Vacation Destination: **Jamaica**

WSJ or NYT? **WSJ**

A Shakopee native with a law degree from William Mitchell, Joe Witt's organization represents 95 percent of Minnesota banks, from small community banks to giants like U.S. Bank. He discusses how he provides a voice for Minnesota's banks, which are encountering seismic industry changes.

MBA applauded certain aspects of financial reform and criticized others. What's the most productive piece, and what did you find most detrimental?

›The stated purpose of [the Dodd-Frank act] was to rein in Wall Street abuses and to prevent future bail-outs of financial institutions. The

closer that provisions of that law were to those purposes, the more we liked it. Things that had nothing to do with the crisis and were just micro-managing the good players in the marketplace, that's the stuff we had major problems with.

A lot of people say, "Well, if they were

“ Banking is probably the only industry that has two competitors that are so incredibly tax-advantaged, and that puts a lot of pressure on banks as they try to compete. ”

doing it right in the first place, why do you care about the additional regulation?” We care because it adds tons of cost. [Banks] have to hire more people internally; their audit costs go up; bank examiners spend more time with them, so their costs of regulation go up. Our question is, “If you have all those additional costs, what are the additional benefits?”

The other major challenge is that our two biggest competitors have really big advantages over us, especially tax advantages. Credit unions are huge competitors and are income-tax-exempt. The other competitor that has huge advantages is the Farm Credit System—they are a government-sponsored enterprise and have huge tax, regulatory, and funding advantages. Banking is probably the only industry that has two competitors that are so incredibly tax-advantaged, and that puts a lot of pressure on banks as they try to compete.

In Minnesota, how can smaller banks remain competitive?

›Back in 2000, we had over 500 charters in the state of Minnesota, and now we’re down to about 360. So there has been a lot of consolidation, and that has been one of the responses to these headwinds. On the other hand, the banks that are in it for the long haul—the ones that are making moves to grow during this time—are committed to their business and they’re making the most of these challenging times.

The banking industry has always been very resilient. We have always responded to different challenges, and I think it’s a testament to the owners and the managers of these financial institutions competing even though they have these additional challenges.

How will Minnesota’s banking industry differ in five years?

›I think a lot of the basics will still be in place. Banking will still be one of the cornerstone businesses in our communities and still be one of the top drivers of economic growth and development.

One change we’re seeing is in payment systems. It used to be that banks had a 100 percent lock on the payment system between credit cards and bank accounts. You needed banks as a financial intermediary when you went to the store. You wrote a check or you used cash that you withdrew out of your account. Now there are lots of different payment options [such as] PayPal and stored-value cards issued by Wal-Mart. How that’s changed, and how the marketplace and the government deals with it through regulation, will be interesting to watch over the next five to 10 years. —*Jake Anderson*



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{2 Public Policy Wonks}



Best Book I've Read This Year:
The Warmth of Other Suns: The Epic Story of America's Great Migration
by Isabel Wilkerson
Red, White, or Beer? **Red**
Favorite Vacation Destination:
The Kona Coast of the
Big Island of Hawaii
WSJ or NYT? **WSJ**

Mitch Pearlstein

Founder and president, Center of the American Experiment

Longtime economic and cultural policy advocate Mitch Pearlstein expounds on stabilizing our economy through stabilizing our culture—and the region's need to fight against becoming average.

You grew up in Queens, New York, and moved here in the early 1970s. What to you makes the region distinctive?

»When I moved here the Twin Cities was one of the most distinctive places in the United States—singular, like New Orleans, Salt Lake City. I really enjoyed the Scandinavian flavorings. This was a special place. It was safer than other places. It wasn't as crazy as other places. And it had [Gov.] Wendy [Anderson on *Time* magazine's cover] and the fish. But I would argue that over time it has regressed to the mean, and if you want to be literary, in both senses of the term.

How so?

»By every measure you can think of—high school graduation rates, crime,

childbirth out of wedlock—people are still doing better here than just about every other place, but the average between the average and the Twin Cities is shrinking. We're now a more traditional metropolitan area with a traditional bunch of problems.

Which one seems most urgent to you?

»Education. If you're looking for an escape from a bad situation, if you're looking for a means of working your way up, what's more powerful in this society? And the fact of the matter is lots of kids are doing dreadfully.

What are your prescriptions?

»There are enormous [numbers] of kids out there who have holes in their heart where their father or mother should be. What kind of education would really work for many of them—

not all of them, but many of them? I would argue it's a religious education. The kind of education you get in a private/parochial school. I am driven more than most school choice advocates by what it can do in a spiritual way for kids.

Is cost a barrier?

»No, no. There are over 400 private schools in the state, and there are only a few [super-expensive schools] like Blake, Breck, and St. Paul Academy. The overwhelming majority of these schools are far less expensive. Now, there are hundreds of ways to design a voucher program and it seems to me one could design one that would help parents send kids to various private schools, particularly at the elementary level. If you do it right it would save the state money.

Minnesota has traditionally been innovative in terms of educational reform, but we have a real issue with the minority achievement gap.

»Yes. We were the very first state in 1985 to have post-secondary education options. Very first state to have open enrollment. Very first state to have charters. Very first state to have tax credits for certain educational expenses. On those four occasions we led the country. We used to be the locomotive in the train leading the nation when it comes to school choice. We're now some place near the caboose, unfortunately.

We do need more early childhood education. We need it because 70 percent of African American kids are born outside of marriage, and 84 percent of African American babies in Hennepin County are born out of wedlock. We're going to get it because politically it's just an overwhelmingly powerful idea right now. I'm not saying it shouldn't be. But I don't think we're going to see the great advances from it that some people are suggesting.

Why?

»I'm just not as optimistic as others. I think others overestimate the value and long-term profit there will be when it comes to early childhood education.

What should we be doing to get results?

»Preserving the family. We need to make men more marriageable. Boys often become men that women don't want to marry, and for very good reason. Absent a fundamental change in family life in this city, meaning far fewer kids growing up in broken homes, do I think there is any educational policy that will make a sufficient dent? Absolutely not.

Back to your statement about regressing to the mean. Has the region become more mean-spirited?

»Well, there are more people being killed, assaulted, and that's mean, that's not pleasant. But very much on the plus side, this place is so much more civil than so many other places in the country. There's just no other place like the Twin Cities.

—Adam Wahlberg

{2 Public Policy Wonks}

“ Vast swaths of people of people under the median income of \$60,000 are losing ground. Those of us at the top or near the top have to understand that we rise and fall on their success in the long run. ”

Dane Smith

President, Growth and Justice

Journalist-turned-public policy advocate Dane Smith discusses how inequality and underinvestment threaten the region's competitiveness.

“ I would argue that over time the Twin Cities have regressed to the mean, and if you want to be literary, in both senses of the term. ”

What is the most urgent policy crisis facing Minnesota?

›Income inequality, which is a clear and present danger to our state. When you look at the economy, 1 percent are making out like bandits. The top 10 percent to 20 percent, which is where all the opinion leaders are, are doing OK. Vast swaths of people of people under the median income of \$60,000 are losing ground. Those of us at the top or near the top have to understand that we rise and fall on their success in the long run.

What should Minnesota be doing?

›Investing in education is the key. The state used to pick up two-thirds of the cost of higher ed; now it's only a third. It's a big reason why students are in debt and the college attainment level is stagnant. People like Tom Stinson, our state economist [from 1987 to 2013], say that investment in education and research is the best bet; public investment in education and research, and early childhood education. Our human capital is always going to be our strong suit, and we have to invest in it. We can't depend on balmy weather to lure people here.

What about our status as a high-tax state? Do we have a climate where private investment can flourish?

›Well, there's always that viewpoint that Minnesota is hostile to individualism. But it's not true. The price of government of

Minnesota, even with the revenue increases of the last year, is still considerably lower than it was under progressive Republican governor Arne Carlson. [The] price of government is actually the best measurement of the actual size [of the] role of government, where the numerator is total public dollars—state, local, and federal, all together—over a denominator of total personal incomes. It's really the effective tax rate in our state, and in that measure we're not that high.

You mentioned education. Clearly we have a crisis in terms of the achievement gap for minority students.

›It is a crisis. This at a time when the percentage of students from communities of color who qualify for the student lunch program, is spiking upward. We need to fully fund the early childhood program. We had a good [legislative] session, but our investment needs to be three or four times what we put into it, at least another \$150 [million] to \$200 million a year. Then we need to tend to young people every step of the way, with mentorships, tutorship programs, special help, individualized instruction. Teacher quality has to be improved. All of the above.

So more spending?

›It isn't spending, it's an investment. These families are vulnerable, they need real help. And we need to invest in them. I just can't emphasize that enough. It's investment, not spending.

OK, an investment. But the revenue has to come from somewhere.

›Yes, we are going to need more revenue and we are going to have to spend money if we want a more equitable society, and that doesn't just mean education but things like transit. The Twin Cities used to be known for its first-class transit system. We need a strong bonding bill with construction projects to come out of the next session. We need a public infrastructure that our baseball team and football team can be proud of.

—Adam Wahlberg

Best Book I've Read This Year:

The New Jim Crow: Mass Incarceration in the Age of Colorblindness by Michelle Alexander

Red, White, or Beer? O'Doul's non-alcoholic beer

Favorite Vacation Destination: Alaska (grew up in Anchorage)

WSJ or NYT? NYT



Ed Lotterman

Economist

Best Book I've Read This Year: *George F. Kennan: An American Life* by John Lewis Gaddis

Red, White, or Beer? Summit Pale Ale

Favorite Vacation Destination: Barbados or Switzerland

WSJ or NYT? *Financial Times*, *O Globo* (Rio de Janeiro daily)

In an age where much of what passes for journalism has become a 24-hour noise machine, economist Ed Lotterman continues to roll out meticulously argued bi-weekly "Real World Economics" columns—now numbering more than 1,450 since 1999—for the *St. Paul Pioneer Press*. He has skipped only five since he was diagnosed with neck cancer in 2012 and spent seven months of recovery on a feeding tube.

What's special about your column?

›I try to convey a basic knowledge of economics. I want to explain, jargon-free, economic concepts or policy questions to an intelligent lay audience. It's an extension of my teaching. I've taught more than 110 classes—a little over half of them in introductory economics—to college students at 10 different schools in the Twin Cities area. Most of my students take my course because it's required. The fun is capturing their interest, and having them leave enjoying it and thinking this is a discipline that will help them understand life better.

Occasionally, your columns get intensely personal. Why?

›I think there's value for readers in honesty and specificity. I wrote one this year speculating on whether—given

that our 211-acre farm in Murray County is worth half a million dollars more than it was eight years ago—it's time to sell. I have mentioned the value of my house. Why beat around the bush? Things like that are public record. I've never said what our taxable or gross income is, but I have said my wife and I fall in about the 90th percentile. When I was first diagnosed with cancer, I wrote an entire column on how an economist reacts to cancer.

What column stirred up the biggest buzz?

›I had one on Medicare, laying out how average Medicare recipients are getting up to three times the actuarial value of what they paid in. I got a lot of angry emails.

Which way do you lean, politically?

›I think of myself as a centrist independent, but I vote for Democrats over Re-

publicans four to one or more. But when I pick out who I admire, I have as many Republicans on the list as Democrats.

Name a couple of the dumbest economic policies you've seen enacted or proposed by politicians?

›How we have funded medical programs with taxes on medicine or medical devices. These taxes get passed along to users of medicine or the devices. If we need such programs, we should pay for them with general tax revenues, which are much less regressive. Another bad idea is that we could arbitrarily limit federal outlays to 18 percent of GDP without cutting Social Security or Medicare to people currently getting it—this, even as huge numbers of baby boomers are retiring. In the 1980s, under Reagan, we were spending 21 percent of GDP and had large deficits. Unforeseen events—wars, recessions, flu epidemics—mean we have to spend more.

Do we need to get smarter about economics?

›Generally, Americans are pretty illiterate about economics. Surveys show that many people think foreign aid is about 30 percent of the federal budget—it's 1 percent. A lot of people think we could get huge savings if we just cut back on federal employees or their salaries, but the really big money is in defense/security, health spending, and Social Security. If we understood economics better, there would be less room for demagoguery.

How have your experiences helped you with your column?

›It's helped to see other economic systems. I was in Brazil at age 18, with the [U.S.] Army, when that country was booming, and Peru in 1981-82 when its economy was struggling. I watched the transition. —Dave Beal

“ If we understood economics better, there would be less room for demagoguery. ”

Sara Gavin

President, Weber Shandwick North America

Sara Gavin co-founded Mona Meyer McGrath & Gavin 23 years ago, and as its president led its continued development to become Weber Shandwick's most successful North American location. We discuss her September promotion, which further positions her as one of the country's top experts in public relations.

How are things changing for your industry?

›Public relations has always been a discipline that has been about building trust, building relationships, creating transparency, reaching third parties, and so on. That foundation is

pertinent to what has been enormous change [in who can communicate to a mass audience]. Literally every one of us is a publisher, right? And a human being couldn't possibly ingest all the information that's available to them now. So the challenge for our industry

and our clients is to humanize themselves, and there are more ways to do it because there are more channels and interesting ways to build content. But there's also the opportunity to make all of this information more relevant, more valuable, and more meaningful to the stakeholders they care about, whether it's their employees and colleagues, whether it's customers, whether it's policy makers.

Given that others in PR/marketing also are out to humanize content and make it more relevant, might the outcome be simply a new caliber of noise for people to have to filter?

›That's the point, though. There is so much information and news and content surrounding us. I think it

requires a higher order of skills. [As a PR practitioner] you have to be more thoughtful. You have to be more aware of the landscape. You have to be more proficient in the tools. And you have to, in a sense, get comfortable with immediacy. Moving quickly, understanding how that story is playing out in real time. Creating opportunities to build content; it may even be in real time.

In many ways, the challenges are even more profound because of that new reality, but there is a lot of ingenuity and a lot of invention and a lot of innovation going into figuring it out. And when you do, all those sensibili-



Best Book I've Read This Year:
The Warmth of Other Suns: The Epic Story of America's Great Migration
 by Isabel Wilkerson
 Red, White, or Beer?
 Deep, full-bodied red
 Favorite Vacation Destination:
 Amsterdam
 WSJ or NYT? Both, but NYT first

“ The challenge for our industry and our clients is to humanize themselves, and there are more ways to do it because there are more channels and interesting ways to build content. There's also the opportunity to make all of this information more relevant, more valuable, and more meaningful. ”

ties that we bring about content and understanding what works and what resonates, [sometimes] informed by research, often informed now by analytics . . . the deep understanding of the audience, what's relevant—all of those skills need to be brought to bear.

Is there a good example that you can think of that really hits on what you just talked about?

›So we've been doing work for a number of years for the U.S. Army [recruiting], an institution with a powerful story to tell. One of the innovations that, together with the client, we instituted was a major operation to let soldiers tell their own stories through video, through blogging, through online commentary, and so on. Simply to talk about what they did, why they joined, what their work was like, where they lived, what it was like to move their family, all of their expressions about their work. That was not only important as a way to really authentically tell

the story, but it began to use all of these social channels, to enable that story to be told in a very first-person way.

With your recent promotion, how have your responsibilities changed? And what does this mean for the company, and for you?

›Well, for years, I've been president of the Minneapolis office of Weber Shandwick, which, as you know, we founded as Mona Meyer McGrath & Gavin many years ago. So I've had the great joy of both owning my own firm and then running an operation in a global system. Now my job is to really take responsibility for and look after 23 offices in North America. The responsibility is moving that system forward.

How are you going to do that?

›The real challenge is to continue to unlock all of the richness that's there in terms of talent . . . and deploy it for clients. And, frankly, deploying it for our people, to give them opportunities, because one of the reasons to work here includes the opportunity to draw on all that knowledge, to work with colleagues around the country, around the world, to work in teams that may be composed of subject matter experts and digital experts and visual experts and so on.

Aren't you already doing this, though?

›Yes.

What's your greatest challenge today?

›One challenge is each of our 23 offices has its own culture that reflects its market, its team, and the clients it serves. We need to nurture the great vibes that reflect an office, and at the same time pull together from all of the offices their expertise, passion, and knowledge on behalf of clients.

—Dale Kurschner

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Financing Growth



IN 2014, MINNESOTA FIRMS WILL OFFER THE FULL RANGE OF FINANCING OPTIONS AND SERVICES FOR BUSINESSES

ASSET-BASED LENDING FIRMS

Beacon Financial, AC

1710 N Douglas Dr., Ste. 110
Golden Valley, MN 55422
763-512-0400
beaconfinancial.net

Contact: Don Zalk (vice president)

Focus: Equipment leasing, purchase order, and accounts receivable financing

Commonwealth Capital, LLC

P.O. Box 957
Lakeville, MN 55044
952-469-4460
commonwealthmn.com

Contact: Ben Van Zee (president)

Focus: Accounts-receivable financing and invoice factoring for growing and unbankable businesses. Small businesses with needs from \$10,000 to \$500,000, with an emphasis on trucking, construction, commercial facility services/janitorial, temporary staffing companies, and manufacturers

Creekridge Capital, LLC

7808 Creekridge Cir.
Edina, MN 55439
952-826-7868
creekridgecapital.com

Contact: Jeff Cowan (co-CEO)

Focus: Equipment and software leasing with special expertise in health care and technology

Data Sales Company

3450 W Burnsville Pkwy.
Burnsville, MN 55337
952-890-8838
datasales.com

Contact: Peter Friedenfeld (lease program manager); Dan Gannon (lease program manager)

Focus: IT equipment leases for emerging-growth through Fortune 1000 companies; lease lines of \$100,000 and up for PCs, servers, printers, and networking and data center equipment

North Mill Capital

5354 Parkdale Dr., Ste. 100
St. Louis Park, MN 55416

952-545-1600
northmillcapital.com

Contact: Kristin Erickson (senior vice president)
Focus: Asset-based lending and factoring

Riviera Finance, LLC

3470 Washington Dr.,
Ste. 206
Eagan, MN 55122
651-454-8116
rivierafinance.com

Contact: Connie Reiser (national business development specialist); Jason Smith (business development manager)

Focus: Accounts receivable financing/factoring and management services

Spectrum Commercial

Services Company
8011 34th Ave. S, Ste. 205
Bloomington, MN 55425
952-876-8222
spectrumcommercial.com

Contact: Brian Van Nevel (co-CEO)

Focus: Asset-based lending and accounts receivable

financing for firms unable to secure bank financing due to losses, rapid growth, startup status, or restructuring; from \$250,000 to \$6 million

TCl Business Capital, Inc.

12270 Nicollet Ave. S
Burnsville, MN 55337
952-656-3400
tcibizcap.com

Contact: Kraig Gunwall (senior vice president, business development)

Focus: Invoice factoring, accounts receivable financing, asset-based lending

MEZZANINE DEBT FINANCIERS

Convergent Capital

505 N Hwy. 169, Ste. 245
Minneapolis, MN 55441
763-432-4080
cvcap.com

Contact: Keith Bares (managing partner and co-founder); John Mason (managing partner and co-founder)

Focus: Growth and transition debt financing for established companies that require capital for expansion, MBOs, M&A, or recapitalizations

Creekridge Capital, LLC

7808 Creekridge Cir.
Edina, MN 55439
952-826-7868
creekridgecapital.com

Contact: Jeff Cowan (co-CEO)

Focus: Equipment and software leasing with special expertise in health care and technology

GMB Mezzanine Capital, LP

50 S 6th St., Ste. 1460
Minneapolis, MN 55402
612-243-4404
gmbmezz.com

Contact: Cully Olmanson (managing partner); Michael McHugh (managing partner)

Focus: Primarily lower-midmarket companies with annual revenue between \$20 million and \$150 million; target investment size ranging from \$3 million to \$13 million

Marquette Capital

Partners, Inc.
60 S 6th St., Ste. 3510
Minneapolis, MN 55402
612-661-3990
marquettcapitalpartners.com

Contact: Thomas Jenkins (president and CEO); Gregory Dames (senior managing director)

Focus: Private capital for mature companies seeking financing for growth and expansion, acquisitions, LBOs, MBOs, and family successions

Medallion Capital, Inc.

3000 W County Road 42,
Ste. 301
Burnsville, MN 55337
952-831-2025
medallioncapital.com

Contact: Mike Mahoney (vice president)

Focus: Senior subordinated or mezzanine debt with typical investments between \$2 million and \$5 million

Northstar Capital, LLC

45 S 7th St., Ste. 2310
Minneapolis, MN 55402
612-371-5700
northstarcapital.com

Contact: Scott Becker (managing partner); Doug Mark (managing partner); Charles Schroeder (managing partner)

Focus: Service, food, and light manufacturing companies with \$10 million to \$150 million in revenue; typical investments of \$4 million to \$20 million

Norwest Mezzanine Partners

80 S 8th St., Ste. 3600
Minneapolis, MN 55402
612-215-1600
nmp.com

Contact: John Hogan (partner); Carter Balfour (partner)

Focus: Providing up to \$50 million of mezzanine debt and equity investments to middle-market companies; invests in partnership with private equity sponsors

Spell Capital Partners, LLC

222 S 9th St., Ste. 2880
Minneapolis, MN 55402
612-371-9650
spellcapital.com

Contact: Andrew Leonard (managing director); Mark McDonald (managing director); Andrea Nelson (managing director)

Focus: Provides mezzanine financing to lower middle-market companies, targeting businesses with \$2 million to \$15 million of EBITDA; investments generally range from \$3 million to \$10 million, sometimes larger through co-investment partners

PRIVATE EQUITY FIRMS

Brass Ring Capital, Inc.

301 Carlson Pkwy., Ste. 265
Minnetonka, MN 55305
952-473-2710
brassringcapital.com

Contact: David Raffel (managing director)

Focus: Buyouts and recapitalization of small, profitable Midwestern firms with \$5 million to \$50 million in revenue and more than five years of operating history in the business services and manufacturing sectors. Typical equity of \$1 million to \$5 million, with preference given to management continuity

TOP 15 SBA LENDERS in MINNESOTA

These financial institutions made the highest-value loans through the Small Business Administration (SBA) during fiscal year 2013 in Minnesota.

1. Wells Fargo SBA Lending

1455 W Lake St., Ste. 306
Minneapolis, MN 55408
612-316-2402
wellsfargo.com/sba

SBA loan value for fiscal

2013: \$56,281,700

SBA loans for

fiscal 2013: 142

2. Minnesota Business Finance Corporation

616 Roosevelt Road, Ste. 200
St. Cloud, MN 56301
320-258-5000
mbfc.org

SBA loan value for fiscal

2013: \$55,035,000

SBA loans for

fiscal 2013: 90

3. Twin Cities—Metro Certified Development Company

3495 Vadnais Center Dr.
Vadnais Heights, MN 55110
651-481-8081
504lending.com

SBA loan value for fiscal

2013: \$47,355,000

SBA loans for

fiscal 2013: 95

4. Bremer Bank, National Association

445 Minnesota St., Ste. 2100
St. Paul, MN 55101
800-908-2265
bremer.com

SBA loan value for fiscal

2013: \$44,960,300

SBA loans for

fiscal 2013: 85

5. U.S. Bank, National Association

3305 Plymouth Blvd.
Plymouth, MN 55447
763-509-3734
usbank.com

SBA loan value for

fiscal 2013: \$28,034,800

SBA loans for fiscal 2013:

188

6. Venture Bank

6210 Wayzata Blvd.
Golden Valley, MN 55146
763-398-3333
venturebankonline.com

SBA loan value for fiscal

2013: \$21,668,600

SBA loans for fiscal 2013: 44

7. Spedco

3900 Northwoods Dr.,
Ste. 225
Arden Hills, MN 55112
651-631-4900
spedco.com

SBA loan value for fiscal

2013: \$18,815,000

SBA loans for

fiscal 2013: 37

8. Prairieland Economic Development Corporation

1 Prairie Dr.
Slayton, MN 56172
507-836-6656
prairielandedc.com

SBA loan value for fiscal

2013: \$13,279,000

SBA loans for fiscal 2013: 23

9. Central Minnesota Development Company

1885 Station Pkwy. NW
Andover, MN 55304
763-784-3337
cmdcbusinessloans.com

SBA loan value for fiscal

2013: \$11,770,000

SBA loans for

fiscal 2013: 24

10. Sunrise Banks, National Association

200 University Ave. W
St. Paul, MN 55103
651-265-5600
sunrisebanks.com

SBA loan value for fiscal

2013: \$11,682,200

SBA loans for

fiscal 2013: 30

11. Stearns Bank, National Association

4191 2nd St. S
St. Cloud, MN 56301
320-253-6607
stearnsbank.com

SBA loan value for fiscal

2013: \$10,929,600

SBA loans for

fiscal 2013: 23

12. 21st Century Bank

9380 Central Ave. NE
Blaine, MN 55434
763-767-2178
21stcenturybank.com

SBA loan value for fiscal

2013: \$9,515,700

SBA loans for

fiscal 2013: 36

13. Woodlands National Bank

424 Main St., P.O. Box B
Onamia, MN 56359
320-532-4142
woodlandsnationalbank.com

SBA loan value for fiscal

2013: \$9,363,900

SBA loans for

fiscal 2013: 22

14. Platinum Bank

7667 10th St. N
Oakdale, MN 55128
651-332-5200
platinumbankmn.com

SBA loan value for fiscal

2013: \$8,976,000

SBA loans for

fiscal 2013: 16

15. Anchor Bank, National Association

1570 Concordia Ave.
St. Paul, MN 55104
651-747-2931
anchorlink.com

SBA loan value for fiscal

2013: \$8,499,700

SBA loans for

fiscal 2013: 22

Goldner Hawn Johnson & Morrison

90 S 7th St., Ste. 3700
Minneapolis, MN 55402
612-338-5912
ghjm.com

Contact: Van Zandt Hawn (managing partner)

Focus: Controlling-interest equity placements for middle-market companies; will consider minority positions for growth capital and recapitalization

Granite Equity Partners

122 12th Ave. N.
St. Cloud, MN 56303
320-251-1800
graniteequity.com

Contact: Art Monaghan (partner); Pat Edeburn (partner)

Focus: Buyouts, recapitalizations, and expansions of Minnesota companies with at least \$10 million in revenue

Hillcrest Capital Partners, LLLP

225 S 6th St., Ste. 2660
Minneapolis, MN 55402
612-333-9922
hillcrestcp.com

Contact: Jeff Turner (managing partner)

Focus: Acquiring smaller middle-market companies based in the Midwest

LFE Capital

60 S 6th St., Ste. 2320
Minneapolis, MN 55402
612-752-1809
lfeccapital.com

Contact: Leslie Frecon (CEO and chairman)

Focus: Revenue-generating small and middle-market companies in need of buyout or expansion capital in the business services, health, and consumer sectors, with special focus on women-owned or women-led businesses and companies serving female markets

Meaningful Capital Partners III, LP

1221 Nicollet Mall, Ste. 750
Minneapolis, MN 55403
612-384-7753

Contact: Bruce Mallory (managing general partner)

Focus: Invests in proven businesses, particularly in manufacturing, distribution, technology, and service industries, in need of capital and management assistance

Mill City Capital

50 S 6th St., Ste. 1390
Minneapolis, MN 55402
612-238-9500
millcitycapital.com

Contact: Darren Acheson (managing director)

Focus: Established companies in the Midwest valued between \$50 million and \$150 million

North Central Equity, LLC

60 S 6th St., Ste. 2535
Minneapolis, MN 55402
612-465-0260
ncequity.net

Contact: Elam Baer (CEO)

Focus: Purchasing profitable businesses or turnaround

situations priced between \$2 million and \$6 million; special focus on manufacturing and B2B distribution

North Sky Capital

33 S 6th St., Ste. 4646
Minneapolis, MN 55402
612-435-7150
northskycapital.com

Contact: Scott Barrington (managing director and CEO); Gretchen Postula (head of investor relations)

Focus: Investments in clean growth and clean energy infrastructure companies

Northwest Equity Partners

80 S 8th St., Ste. 3600
Minneapolis, MN 55402
612-215-1600
nep.com

Contact: Tim DeVries (managing general partner)

Focus: \$30 million to \$150 million equity investments for growing, profitable middle-market companies in agriculture, applied technology, business services, consumer products and services, distribution, diversified industrials, and health care

Oxbow Industries, LLC

500 W Highway 96, Ste. 200
St. Paul, MN 55126
651-489-3131
oxbowindustries.com

Contact: Loren Unterseher (managing director); Dean DeBuhr (senior managing director); Thomas Pesek (managing director); Brandon

Page (associate)

Focus: Diversified holding company that seeks to invest with management in leading middle-market companies

Proprietors Capital Holdings, LLC

3212 Rice St.
St. Paul, MN 55126
651-492-2458

proprietorscapitalholdings.com

Contact: Scott Evert (president)

Focus: Small existing businesses with a chance to grow

ShoreView Industries, LLC

222 S 9th St., Ste. 3130
Minneapolis, MN 55402
612-436-4286
shoreviewindustries.com

Contact: Brett Habstritt (partner)

Focus: Invests in established companies with operations in North America across a wide range of industries; structures a variety of acquisition, recapitalization, and build-up transactions, typically in businesses with revenues between \$20 million and \$300 million

SightLine Partners

8500 Normandale Lake Blvd., Ste 1070
Bloomington, MN 55437
952-641-0300
sightlinepartners.com

Contact: Buzz Benson (managing director); Maureen Harder (managing director and CFO); Joe Biller (managing director);

Jenny Melville (vice president, controller); Scott Ward (managing director)

Focus: Manages \$300 million and invests in emerging growth companies in medical technologies; investments from \$2 million to \$6 million; total company financing needs should range from \$2 million to \$75 million

Spell Capital Partners, LLC

222 S 9th St., Ste. 2880
Minneapolis, MN 55402
612-371-9650

spellcapital.com

Contact: Andrew Leonard (managing director); Mark McDonald (managing director); Andrea Nelson (managing director)

Focus: Private equity buyout firm that seeks manufacturing and distribution companies with established revenues of \$10 million; makes equity investments between \$3 million and \$20 million

Stone Arch Capital, LLC

800 Nicollet Mall, Ste. 1150
Minneapolis, MN 55402
612-317-2980
stonearchcapital.com

Contact: Sarah Richens (office manager)

Focus: Lower middle-market buyout fund focused on Midwest businesses with revenues between \$20 million and \$150 million; seeks majority control with management and co-investment
Tonka Bay Equity Partners, LLC

301 Carlson Pkwy., Ste. 325
Minnetonka, MN 55305
952-345-2030

tonkabayequity.com

Contact: Cary Musech (managing principal); Peter Kooman (managing principal)

Focus: Buyouts of manufacturing, distribution, and service businesses

Whitecliff Capital Partners

7400 Metro Blvd., Ste. 309
Edina, MN 55439
612-373-2000
whitecliff.com

Contact: William Brown (managing director)

Focus: Manufacturing, service, and distribution businesses with experienced management teams; preference for Midwestern companies

PRIVATE INVESTMENT BANKS**Aethlon Capital, LLC**

225 S 6th St., Ste. 1790
Minneapolis, MN 55402
612-338-0934
aethlon.com

Contact: Sima Griffith (managing principal)

Focus: Equity capital raising for public and private companies with \$10 million to \$200 million in revenue; representing business owners on the sale or recapitalization of their companies; equity and debt financings from a network of capital sources, corporate partners, and value-added investors

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Alliance Capital Corporation
80 S 8th St., Ste. 900
Minneapolis, MN 55402
612-455-4557
allcapcorp.com
Contact: James Derks (managing director)
Focus: M&A advisory; capital raising

Allison-Williams Company
90 S 7th St., Ste. 3850
Minneapolis, MN 55402
612-333-3475
allisonwilliams.com
Contact: Robert Tengdin (chairman of the board); Cedric Long (vice president)
Focus: Debt and equity capital, corporate finance, secondary private placement trading, structured deals, and mortgage and other loan trading

BlackTorch Capital
23505 Smithtown Road,
Ste. 110
Excelsior, MN 55331
952-236-4417
blacktorchcapital.com
Contact: Anthony Pence (managing director)
Focus: M&A advisory for middle-market companies; private placements of debt and equity of \$5 million or more

Cherry Tree Companies
301 Carlson Pkwy., Ste. 103
Minnetonka, MN 55305
952-893-9012

cherrytree.com
Contact: Tony Christianson (managing partner); Gordon Stofer (managing partner)
Focus: M&A, private placements, valuations, advisory services

Faelon Partners, Ltd.
4979 Olson Memorial Hwy.,
Ste. 101
Golden Valley, MN 55422
763-231-4200
faelon.com
Contact: Thomas Lyons (president)
Focus: Buy- and sell-side M&A advisors; consulting, valuation, and recapitalization services

Greene Holcomb Fisher
90 S 7th St., Ste. 5400
Minneapolis, MN 55402
612-904-5700
ghf.net
Contact: Hunt Greene (managing director); Joe Lavelly (managing director)
Focus: M&A, private placements

Gunflint Capital
5108 W 74th St., P.O. Box
390463
Edina, MN 55439
612-859-3961
gunflintcapital.com
Contact: Bill Cavanagh (managing partner); Peter Neumeier (SVP, business development)

Focus: Sell-side M&A, divestitures, LBOs, recaps, growth capital, and business exits for private companies with EBITDA between \$1 million and \$5 million

Houlihan Lokey
225 S 6th St., Ste. 4950
Minneapolis, MN 55402
612-338-2910
hl.com
Contact: Scott Richardson (managing director); Jonathan Cleveland (managing director)
Focus: M&A, equity and corporate finance, financial advisory services, financial restructuring

Imperial Capital
60 S 6th St., Ste. 3720
Minneapolis, MN 55402
612-692-6900
imperialcapital.com
Contact: Jim D'Aquila (managing director)
Focus: Institutional sales and trading; investment banking advisory, capital markets, and restructuring services; institutional research

Lazard Middle Market
225 S 6th St., Ste. 4600
Minneapolis, MN 55402
612-339-0500
lazardmm.com
Contact: Michael McFadden (co-CEO)
Focus: M&A, restructuring, capital raising

Lingate Financial Group
7575 Golden Valley Rd., Ste.
100
Golden Valley, MN 55427
763-546-8201
lingate.com
Contact: Mike Hannon (managing principal)
Focus: M&A, business transitions

The M&A Group, LLC
80 S 8th St., Ste. 3565
Minneapolis, MN 55402
612-375-1190
m-a-group.com
Contact: Jon Freeland (partner)
Focus: M&A and financial advisory services to lower and middle-market companies

Madeira Partners, LLC (formerly Lurie Besikof Lapidus Private Investment Banking, LLC)
2501 Wayzata Blvd.
Minneapolis, MN 55405
612-381-8879
madeirapartners.com
Contact: Justin Besikof (president); Jake Fishman (associate)
Focus: Middle-market investment banking services; representing companies for sale and structuring business acquisitions

Manchester Companies, Inc.
80 S 8th St., Ste. 4535
Minneapolis, MN 55402
612-338-4722
manchestercpanies.com

Contact: Mark Sheffert (CEO)
Focus: Raising equity, subordinated and senior debt, and acquisition capital for later-stage venture, emerging growth, turnaround, and middle-market companies; also offers management consulting, MBOs, private placement, and going-private transactions

The Oak Ridge Financial Services Group, Inc.
701 Xenia Ave. S, Ste. 100
Golden Valley, MN 55416
763-923-2200
oakridgefinancial.com
Contact: Thomas Niemiec (managing director); Randy Hines (senior managing director)
Focus: Private client and investment banking services, including private equity offerings, M&A, divestitures, restructuring, debt financing, and public offerings

Orion Financial Corporation
8500 Normandale Lake Blvd.,
Ste. 920
Bloomington, MN 55437
952-767-7123
orionfinancial.com
Contact: Joe Kimmel (principal); Al Geiwitz (principal)
Focus: Boutique firm that acts as an agent in the sale of businesses and in financings; also invests its own capital

Prestwick Partners, LLC
212 3rd Ave. N, Ste. 535
Minneapolis, MN 55401
612-339-6114
prestwickpartners.net
Contact: Fritz Richards (cofounder); Ingo Schulz (cofounder)
Focus: Represents middle-market sellers, including privately owned business, private equity and corporate divestitures, and small-cap public companies

Quazar Capital Corporation
3535 Plymouth Blvd., Ste. 210
Plymouth, MN 55447
763-550-9000
quazarcapital.com
Contact: Bruce Behm (president)
Focus: M&A services including sell-side advisory, business planning and exit planning, growth planning and buy-side advisory, and financing and debt placement

Quetico Partners
800 LaSalle Ave., Ste. 1900
Minneapolis, MN 55402
612-259-4990
queticopartners.com
Contact: William Sharpe (managing director); Gary O'Brien (managing director)
Focus: M&A, private placements



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SealedBid

5151 Edina Industrial Blvd., Ste. 140
Edina, MN 55439
952-893-0232
sealedbid.com

Contact: Gerald Clark (managing officer)

Focus: Assists lower mid-market companies, ranging from \$2 million to more than \$50 million in revenues, in sell-side or buy-side M&A; offers research and valuation, succession and exit planning, and accelerated sales

Sunbelt Mergers and Acquisitions Group

3212 Rice St.
St. Paul, MN 55126
855-595-3212
sunbeltmidwest.com,
sunbelt-business-advisors.com

Contact: Chris Jones (executive vice president)

Focus: M&A advisor focusing on the sale of privately held businesses with revenues of up to \$100 million

Teneca, LLC

5200 Willson Road, Ste. 203
Edina, MN 55424
952-345-0306
teneca.com

Contact: Katherine Versells (partner); Roger Jones (partner); Mary Merrill (managing director)

Focus: M&A, private capital, and

other financial advisory services

TripleTree

3600 Minnesota Dr., Ste. 200
Edina, MN 55435
952-253-5300
triple-tree.com

Contact: Kevin Green (founding managing director); Dave Henderson (founding managing director)

Focus: M&A, principal investing, strategic advisory

SECURITIES FIRMS

Craig-Hallum Capital Group, LLC

222 S 9th St., Ste. 350
Minneapolis, MN 55402
612-334-6300
craig-hallum.com

Contact: Rick Hartfiel (director of investment banking)

Focus: Equity research and investment banking for institutional customers, and full investment banking and M&A services for corporate clients

Devenir, LLC

7701 France Ave. S, Ste. 670
Minneapolis, MN 55435
952-345-0300
devenir.com

Contact: Eric Remjeske (president)

Focus: Corporate services: health savings accounts (HSA), wealth management

Dorn & Co., Inc.

601 Carlson Pkwy., Ste. 1050
Minnetonka, MN 55305
952-449-3019
dornco.com

Contact: Matthew Dorn (senior vice president)

Focus: Full-service securities broker dealer that provides financial advice and investment solutions to individuals, corporations, endowments and foundations

Dougherty & Company, LLC

90 S 7th St., Ste. 4300
Minneapolis, MN 55402
612-376-4000
doughertymarkets.com

Contact: Gerald Kraut (president and CEO)

Focus: Investment banking, research, and investment professionals and traders for smaller, overlooked markets

Emergent Financial Group

3600 American Blvd. W, Ste. 670
Bloomington, MN 55431
952-829-1212
emergentfinancial.com

Contact: Peter Voldness (CEO)

Focus: Early-stage health care companies

Feltl and Company

800 LaSalle Ave., Ste. 2100
Minneapolis, MN 55402
612-492-8800
feltl.com

Contact: John Feltl (CEO)

Focus: Corporate financing, equity research, institutional sales and trading, and individual investment services

Northland Securities, Inc.

45 S 7th St., Ste. 2000
Minneapolis, MN 55402
612-851-5900
northlandsecurities.com

Contact: Mark Beese (executive vice president, public finance); Jeff Peterson (director of investment banking)

Focus: Full-service investment banking and institutional securities firm serving the needs of corporations, institutional investors, government agencies, nonprofits, and high-net worth individuals

Piper Jaffray & Company

800 Nicollet Mall, Ste. 800
Minneapolis, MN 55402
612-303-6000
piperjaffray.com

Focus: Middle-market investment bank and asset management firm serving corporations, nonprofits, and public entities

Questar Capital Corporation

5701 Golden Hills Dr.
Golden Valley, MN 55416
888-446-5872
questarcapital.com

Contact: Kevin Bachmann (president); Alex Barned (chief distribution officer)

Focus: Independent broker-

dealer with full menu of financial services, stocks, bonds, annuities, and mutual funds

RBC Capital Markets

60 S 6th St.
Minneapolis, MN 55402
612-371-2711
rbccm.com

Focus: Portfolio of products and services including public offerings; convertible, senior, and subordinated debentures; private placements; M&A advisory; and corporate lending

Robert W. Baird & Company

7650 Edinborough Way,
Ste. 300
Edina, MN 55435
952-857-5500
bairdonline.com

Focus: Investment banking, asset management, private equity, research

Stifel Nicolaus

60 S 6th St., Ste. 3000
Minneapolis, MN 55402
800-955-9093
stifel.com

Contact: James Sher (senior vice president and branch manager)

Focus: Brokerage and investment bank providing securities brokerage, trading, investment advisory to investors, money managers, businesses, and municipalities

Woodbury Financial Services

7755 3rd St. N
Oakdale, MN 55128
800-800-2638
woodburyfinancial.com

Contact: Patrick McEvoy (president and CEO)

Focus: Serves independent-contractor registered representatives across the nation in meeting the financial needs of their clients

VENTURE CAPITALISTS

► Early Stage

Brightstone Venture Capital

530 N. 3rd St.
Minneapolis, MN 55401
612-232-5839
brightstonevc.com

Contact: David Dalvey (partner)

Focus: Start-up to late-stage technology, life-sciences, oil and gas companies for investments of \$1 million to \$5 million

Coordinate Capital, LLC

Minneapolis, MN
612-217-2331
coordinatecapital.com

Contact: Andrew Pulkrabek (advisor)

Focus: Seed and early stage biotechnology and life science investments

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www.midwestfinancialsearch.com

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paul.bees@midwestfinancialsearch.com

MARY M. LYDON
mary.lydon@midwestfinancialsearch.com

Crawford Capital Corporation
125 Main St. SE, Ste. 270
Minneapolis, MN 55414
612-676-1436
crawcap.com

Contact: Paul Crawford (CEO)

Focus: Assists early stage technology companies, especially 4G mobile communications and cloud-based SaaS services

Key Investment

225 S 6th St., Ste. 5200
Minneapolis, MN 55402
612-333-6700

Contact: Vance Opperman (president and CEO)

Focus: Investment in information technology and biomedical technology startups

Lemhi Ventures, LLC

315 E. Lake St., Ste. 304
Wayzata, MN 55391
952-908-9680

lemhiventures.com

Contact: Jodi Hubler (managing director)

Focus: Investments in companies with disruptive-change business models in health care services

RAIN Source Capital

P.O. Box 2289
Minneapolis, MN 55402
651-632-2140

rainsourcecapital.com

Contact: Steve Mercil (CEO)

Focus: Network of 23 angel investor RAIN funds and two

venture funds focusing on early-stage technology and manufacturing companies, and later-stage growth companies

Sherpa Partners

5775 Wayzata Blvd., Ste. 955
St. Louis Park, MN 55416
952-942-1072

sherpapartners.com

Contact: McKenzie Lewis

(partner); Steve Pederson (partner); Rick Brimacombe (partner)

Focus: Early-stage technology fund in harvest mode; past investments were in IT services, and life sciences firms

Split Rock Partners

10400 Viking Dr., Ste. 550
Minneapolis, MN 55344
952-995-7474

splitrock.com

Contact: Steve Schwen (chief financial officer)

Focus: Seeks emerging opportunities in health care (primarily medical devices, software, and Internet services); investments range between \$1 million and \$25 million

Square One Ventures, LLC

700 S 2nd St., Ste. 70
Minneapolis, MN 55401
612-333-0002

smaby.com

Contact: Gary Smaby (principal)

Focus: Conception-stage venture capital with focus on forming, funding, and advising early stage IT startups.

StarTec Investments, LLC

333 S 7th St., Ste. 1110
Minneapolis, MN 55402
952-883-3210

startecinv.com

Contact: Joy Lindsay (president)

Focus: Actively investing in Midwest-based, early-stage technology companies, with initial and follow-on investments from \$100,000 to \$500,000; prefers to invest in companies that have a proprietary product with market validation

Technology Venture Partners, LLC

8500 Normandale Lake Blvd., Ste. 2170
Bloomington, MN 55437
952-646-3000

ttp.com

Contact: Bryson Hollimon (managing general partner)

Focus: Early- to mid-stage networking, communications, Internet, and infrastructure companies; investments of \$2 million to \$10 million over the life of the investment

Vesbridge Partners

601 Carlson Pkwy., Ste. 1160
Minnetonka, MN 55305
952-995-7499

vesbridge.com

Contact: Jeff Hinck (senior managing director)

Focus: Early-stage opportunities in IT and networking, primarily in Minneapolis and Boston; makes initial investments of \$500,000 to \$5 million, or \$3 million to \$8 million over the life of the company

Later Stage

Affinity Capital Management

901 Marquette Ave., Ste. 2820
Minneapolis, MN 55402

612-252-9900
affinitycapitalmanagement.com

Contact: B. Kristine Johnson (president and general partner); Edson Spencer (founder, chairman, and general partner)

Focus: Medical device, biotech tools, and health care service technology sectors, across all stages

Coral Group

60 S 6th St., Ste. 2210
Minneapolis, MN 55402
612-335-8666

coralgrp.com

Contact: Chris Smith (managing director)

Focus: Investments in technology-driven companies in the communications, information technology/

enterprise software, and rich digital media sectors

InvestAmerica NW, LLC

801 Nicollet Mall, Ste 1700W
Minneapolis, MN 55402
651-632-2140

investamericaventuregroup.com

Contact: Steve Mercil (manager)

Focus: Venture capital/private equity fund investing in middle-market and later-stage businesses with \$5 million or more in annual sales.

Milestone Growth Fund, Inc.

527 Marquette Ave., Ste. 1915
Minneapolis, MN 55402
612-338-0090

milestonegrowth.com

Contact: Richard Venegar (president and CEO); Judy Romlin (executive vice president)

Focus: Minority-owned businesses in early and expansion stages (at least one year in business) with proven track records; average investment ranges from \$200,000 to \$500,000

Oak Investment Partners

90 S 7th St., Ste. 3890
Minneapolis, MN 55402
612-339-9322

oakvc.com

Contact: Jerry Gallagher (general partner)

Focus: High-growth opportuni-

ties in broadband Internet and wireless communications, information technology and software outsourced services, new media, financial services technology, health care information, clean energy, and retail

Thomas McNerney & Partners

60 S 6th St., Ste. 3620
Minneapolis, MN 55402
612-465-8660

tm-partners.com

Contact: Pete McNerney (senior adviser)

Focus: Typically acts as lead financier in the pharmaceutical, medical device, biotechnology, and diagnostic sectors; new investments between \$5 million and \$40 million; open to all stages

Wellspring Corporation

1201 N Birch Lake Blvd.
White Bear Lake, MN 55110
651-233-1948

No website

Contact: John Madgett (CEO)
Focus: Manufacturing businesses in the continental United States and Asia; typically looking for deals valued at more than \$1 million

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The Inside and Outside Games

DRC's John Bandy, CIO, takes on the tough issues—far beyond internal technology.

By Jack Gordon

Ask most chief information officers about their biggest challenges and top priorities, and you likely will hear about in-house technology issues such as upgrading the IT architecture or leveraging cloud computing to free up piles of money in IT budgets.

Not John Bandy. As CIO of Data Recognition Corporation, headquartered in Maple Grove, Bandy's hands-on concerns have at least as much to do with DRC's markets and its customers' problems as with back-office IT work that keeps any modern corporation running smoothly.

DRC administers tests and surveys—both paper-based and online—for clients in business, government, and public education. The company helps design, manage, and score ownership surveys for Subaru and guest-satisfaction surveys for Hilton Hotels, among other corporate clients. For clients in the U.S. Department of Defense, it surveys active-duty military personnel on a variety of issues. On behalf of state education departments, DRC administers statewide tests for K–12 students from Alaska to Pennsylvania, with online assessments as part of the package in seven states. (The company currently is not involved in statewide testing in Minnesota.)

Bandy's IT group doesn't simply work behind the scenes to support DRC employees who make the business go. His troops are in the thick of the action. Take the education division, now DRC's largest. "We're a full-service assessment company," Bandy says. "We do all of the test design, all of the [test] item construction, all of the form construction, all the manufacturing of paper products and paper booklets, all the processing of online test administration." In addition, DRC hosts all of the servers, including web servers and database servers needed for students to log in.

DRC has a large number of subject-area experts, with content specialists in subjects such as reading, language arts, science, and math. Many of these experts are former classroom teachers. The content experts work with counterparts in state agencies and teachers to develop tests according to the standards that each state determines.

In his IT group, Bandy says, "we write software that supports the test-development folks. But we also do all of the reporting suites that are used by customers. We build the portals that they sign into. We work hand in hand with our internal folks—the psychometric, test development, marketing, and program management folks—to make sure we're meeting all the requirements of the program. We put all that together, and then we work with the operations folks to get the deliverables out the door."

In other words, he says, DRC's information systems group "is not just focused on internal IS, like the ERP [enterprise resource planning] systems or the inventory systems. We do all of that, but we do the company's actual products, as well."

Direct involvement in the money-making parts of the business means that Bandy gets out of the building more often than many CIOs, meeting routinely with DRC's clients and prospective clients. And it means something else: "One thing I really love about being the CIO of DRC," he says, "is that I am at the table with all product decisions, with all business decisions. I give input into what I think is a good idea or not such a good idea."

Bandy sat down recently to talk with *Twin Cities Business* about the joys and challenges of his role as a client-facing CIO.



Tell us a little about your background.

John Bandy: I'm 51. I graduated from the University of Iowa in 1984 with a bachelor's degree in computer science. I started right out of school in a programming job as a software developer at National Computer Systems in Iowa City. I began working in educational assessment, writing software, doing scoring routines and reporting routines. It was similar to the services we offer today at DRC, only with much older technology.

Then I worked for Johnson Controls in Milwaukee. And before coming to DRC I was with [dairy cooperative] Foremost Farms in Baraboo, Wis.

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BANDY BY THE NUMBERS

2005

Came to DRC.

2010

Became chief information officer.

250

Number of IT staff: About 250 full-time, plus 80 contractors.

685*

Number of users supported employees, plus up to 4,000 seasonal contractors in 15 locations nationwide.

* DRC's IT group also writes software, manages websites, and provides testing and survey support for more than 3 million U.S. K-12 students, and numerous government and corporate clients.

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You came to DRC in 2005. Did you start as CIO?

JB: No, I started here as a director of application development. Then I moved to senior director, then to vice president, then to CIO. I've been CIO since 2010.

Explain what DRC does. And let's leave educational testing for last.

JB: We have three primary areas of business. One is the survey business, which is where the company started in 1978. When we do online surveys, our IT group hosts and manages all the websites and databases, and we provide the necessary infrastructure.

Some of your survey customers are corporations, including Hilton Hotels, Subaru, and Trane. Others are state and federal government agencies. Can you name a few?

JB: Probably the biggest federal survey customer we have right now is [an arm of] the U.S. Defense Department. We survey active-duty military personnel on a whole variety of topics. They might be in Afghanistan, for instance. We also survey people who just came back from active duty and [survey] spouses at home. The military is interested in a whole range of things that our troops and their families are facing.

That data, as you can imagine, is highly confidential. We have very strict security protocols we have to follow. It's

a significant IT challenge, making sure the data is very robustly protected.

You've got soldiers in Afghanistan completing online surveys on, what, laptop computers?

JB: Often on some kind of portable device, yes. The military is very sophisticated with technology deployments.

And when you talk about security for these surveys, you mean stuff like heavy encryption?

JB: Actually, everything we do is encrypted everywhere. Even student information. Test questions and student responses are all encrypted on the wire and encrypted in transit. Security is an end-to-end thing with us. But for military purposes it goes much further.

The military imposes requirements on how devices are managed. You can't use USB drives. You can't "remote into" systems. You have to have the appropriate levels of firewalls. The patching always has to be current. Configurations have to be according to military specifications in terms of how hardened the servers and databases are. We have annual audits where a third-party company comes in and more or less attacks our system [to see if it can be hacked].

OK, so the survey business sounds pretty simple until you scratch the surface. DRC

IN PRAISE OF THE NONLINEAR CAREER PATH

"I started in this field [in the 1980s] as a programmer. Then I switched into technology and got into the whole infrastructure side of things. Then I switched back into more of a project management role. Then I switched back into applications.

"A lot of times you'll see a chief information officer who has had a pretty linear career path. Mine wasn't so linear. It was kind of all around the space of [information technology]. I think that's helped me to be successful, because I can speak firsthand from some of those experiences—even if some of it may be getting a little bit dated as I get older.

"For instance, infrastructure reports up to me. A lot of CIOs never had to deal firsthand with infrastructure—networks and routers and servers. I was doing that in my early career. That's something I'm proud of. I think it has helped me to be more well-rounded in my job." —John Bandy



also has a document business. Is that essentially a printing operation?

JB: Yes, our second primary area is the document division. We produce paper documents with offset presses and high-speed digital scanners. Almost half the space in [DRC's Maple Grove headquarters facility] is devoted to printing. We consume a lot of the documents internally for our survey business and our education business, but we also have outside clients. For instance, we work under a contract with the Internal Revenue Service to print all of the W-2s and 1099 forms for active U.S. military personnel.

Your third and largest line of business is in educational testing. The tests you're concerned with are statewide standardized proficiency tests for K-12 education—are those "What should an eighth-grader know" kind of tests?

JB: Yes, we're talking about those high-stakes tests that can determine whether a kid advances to the next grade or graduates from high school. Our clients in the education sector are state [departments of education]. We handle every aspect of testing, [including] psychometric analysis that makes sure all the test designs are valid, and all the score results are valid, and items all are testing the way they were designed to. Our information systems group is in the middle of providing products that are consumed by our state customers as well as by all the internal groups that support the testing process.

So in surveys and education, especially, your IT group functions as a central part of DRC's core business?

JB: Exactly. If anything requires software,

we do the product development. For customers, including state clients, we develop software for them, we host the software for them, we provide infrastructure. That's all usually part of the contract.

And when the tests come back, we read the marks automatically via our large bank of scanners. We can do over 3 million sheets a day, just to give you an order of magnitude. We take it all through an editing process to make sure everything was done exactly as it was supposed to be. Then we apply scoring routines, crunch all that data, and start the process of putting results back on the website or printed on printed paper to deliver back to school systems.

Is your group responsible for all of DRC's traditional internal IT functions, as well?

JB: Yes. Internally, we do the telecom system plus all the traditional IT stuff. The whole technology group reports up through me. So it's all the routers, networks, wide area networks, local area networks, telecom, telephony, videoconferencing, cell phones, mobile devices—the whole nine yards of stuff to keep this company running.

In addition to that, we have significant infrastructure for our online testing and online survey components. Last year, we tested over 3 million kids online in the spring processing window.

The spring processing window?

JB: Our main business is education assessment, and the majority of assessments are administered in the spring, prior to school closing [for summer]. So from March to the end of May, that's when our peak season is. We have a large temporary workforce that covers us in two areas. We have scoring folks who

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come in and help us score what we call constructed responses. If you take an assessment and it has a written response, a human reads that and applies scoring criteria. Those people work in seven scoring centers around the country. So that's a large seasonal workforce that we have to support with IT services, including high security requirements to ensure that the content of tests isn't disclosed inappropriately. We need a very robust, bulletproof system to support those large numbers of temporary workers.

Then there's materials handling. Imagine getting all those test booklets out the door, then receiving them back in. So we have a large materials handling temporary workforce as well. We peak at about 4,000 people.

How is the IT function organized? Who does what?

JB: We have three primary groups that do application development. One is focused on outside projects, delivering things to outside customers. They build software, create and maintain websites, maintain databases, and things like that. We process a phenomenal amount of data.

Then another application development group is primarily focused on internal systems. They deal with our inventory management systems, our material-handling systems, our imaging systems—things that aren't used directly by the customer but are used in the education-delivery process. The third group focuses more on core DRC functions—accounting, human resources, and other functions that we use to run our biz.

Aside from application development, I have a group focused on security compliance and another group focused on architecture and technology. Then the last one is kind of the operational delivery group. When reports need to be produced, or data has to be prepopulated into a website, for instance, that falls to our internal IS operational group.

Do you use any hardware or software tools that are specific to your industry?

JB: Industry-specific? Not really. We use the latest technologies that Microsoft has to offer. We use the latest technologies available in the open-source community—Java and Grails and Groovy. In the database world we use an open-source tool called MongoDB. It's a NoSQL type of technology. We also use the traditional SQL server from Microsoft.

Where software is concerned, our challenges are coming more from the customer side. We have a lot more exposure now to the need to develop

applications for a whole diversity of tablets—the iPads, the Androids, the Chromebooks.

As in “We want students in our state to be able to take tests on an iPad”?

JB: Correct. That's where we're developing new applications. We have an iPad version of our test engine that's going into pilot testing. It's like, “We have an app for that.”

If I ask about the biggest challenges you face as your company's CIO, I get the feeling I won't hear about internal IT issues, will I?

JB: We have to deal with the same IT issues as anyone else—the “bring your own device” kinds of topics, and “I want the latest version of Windows or Mac.” But that's not what causes me to lose sleep.

My biggest challenge, right now, today, involves the IT implications of the national argument about how we're going to measure our kids. Every time a new platform is released—a new iPad or a new Android—and a school district wants to use that, we have to make a decision about whether we are going to support that. And if we do, what's the timeline for us to get it out the door?

From your point of view, does the question boil down to: Will it cost DRC so much to support this new platform that you'll never get your money back from the investment?

JB: Right. And do we believe that this platform is going to stick? For instance, clearly the iPad will be around and tablets in general will be around for the foreseeable future. But you don't want to make a large investment for something that might go away.

Such as?

JB: One technology we did support, and still do support, was netbooks. They came on the horizon quickly and then disappeared almost as quickly because iPads and Chromebooks just kind of pushed them aside.

We're to the point now of supporting the Android platform, but it took us a bit more study to get there because there are so many varieties. When you look at the iPad platform, there's only one, it's from Apple, and it's very tightly controlled. But if you have two Androids, one a Samsung and the other a Motorola, they can behave very differently. We have to be very sure that no kid gets an unfair advantage or disadvantage because of the device they happen to use to take a test. **TCB**



Power of the Sun

Will solar energy production shine a light on the Iron Range?

“Go ahead—walk on it,”

says Gary Cerkenik, senior vice president for Silicon Energy. Cerkenik, Erin Shea, who handles Silicon Energy’s inside sales and support, and a tall journalist step up onto a solar energy panel that Silicon Energy manufactures in the Iron Range town of Mountain Iron. It supports them all easily. Cerkenik pounds the point home by jumping up and down on the 4-by-4-foot glass panel. Not so much as a scratch.

Silicon Energy’s product is a BMW among solar panels. Each panel comprises an array of high-efficiency multicrystalline-silicon solar cells encased in tempered glass. There are no loose wires—the wiring is housed in compartments on either side of the panel. It’s attractive enough to be made into carports and glass awnings. What’s more, it has a 30-year power output warranty.

In short, it’s a high-quality product. But might it be too high-quality? Is there really a market for a U.S.-produced, union-made product that costs notably more than the Chinese-made solar modules that dominate the world market?

Silicon Energy still sees an opportunity—with public help. The Marysville, Washington-based company opened its second plant in 2011 in Mountain Iron, with the powerful support of Range legislators and a \$1.5 million loan from the Iron Range Resources and Rehabilitation Board (IRRRB). After a cloudy start—the plant had to restructure its IRRRB payment schedule—Silicon Energy’s Mountain Iron facility now employs 16 and will install 2 megawatts worth of panels by year’s end. (Two megawatts can power 350 to 500 homes.) If the Mountain Iron plant reaches its full capacity—three shifts instead of one—it could employ about 60, according to Silicon Energy President Gary Shaver.

Energy Boost

Starting January 1, the Minnesota solar energy business is slated to get a big boost. State legislation passed in May requires large state utilities to derive 1.5 percent of their electricity from solar. In addition, rebate programs have been updated. The legislation requires Xcel Energy, which had planned to phase out Solar Rewards at the end of this year, to maintain the solar-rebate program until 2018.

What’s more, certain large state solar projects are required to buy panels from Minnesota manufacturers. Two panel producers are expected to benefit. One is TenKsolar, based in Bloomington; the other is Silicon Energy.

These are the kinds of boosts Silicon Energy needs to stay in business. “With commodity products, people are focused only on the short term,” argues Shaver. “They’re looking only at the first cost and assuming that these products will last.” The company is therefore “looking at those market niches that can accept this level of high quality.”

That is how Silicon Energy could compete. “A smaller domestic manufacturer of modules can have a [successful] business model if they try to target a more niche part of the solar market, which could be small rooftops or residential installation in the state, where there’s incentive for local manufacturing,” says Finley Coleville, vice president of NPD DisplaySearch, a global market research and consulting firm for the solar industry. At First Solar and Sunpower, the dominant U.S.-based solar companies, “the vast majority of their manufacturing is in southeast Asia,” Coleville says. Coleville estimates that made-in-the-U.S. manufacturers make up less than 5 percent of the global market.

Some might see solar as a boondoggle requiring state utility customers and government agencies to subsidize an industry that can’t support itself. Shaver says “there will be a time” when solar won’t need such support: “Just about everything that’s ener-



A pergola installation on a Twin Cities-area home shows how Silicon Energy solar modules can serve two purposes: energy source and architectural element.



The Silicon Energy installation at Olcott Park in Virginia, Minnesota, doubles as a picnic-area shelter.



This community center in Crystal employs a traditional flat-roof configuration.

PHOTOS: SILICON ENERGY

gy-related right now is receiving some kind of incentive, and some of them are very large.” Until all energy sources operate on a level playing field in terms of how the cost of generation is determined, he says, “we’re going to need support and incentives.”

Incentive Effect

Cerkenik says that the big challenge the Mountain Iron plant faced early after opening was the “stop and start” of state incentives programs. “Our sales and production, therefore, have been up and down, up and down, since 2011,” he says. With utility incentive programs set for many years, “we’re looking forward to a more sustainable annual growth in the marketplace,” he says. “We think we’ll survive quite nicely when it’s more stable.”

Will the investment in solar energy pay off for Minnesota? Someone will need to

crunch the numbers in a year or two. One way that solar could shine is its lower cost of distribution. “The state is going through a process of putting a dollar figure on [solar energy],” Cerkenik says.

On balance, it’s too early to rain on Silicon Energy’s parade. It’s a clean business, providing clean energy, and it fits in with the efforts of the Iron Range to diversify into energy production. (There’s a biomass plant in Hibbing already up and running.) And the Range certainly needs the kind of jobs that a successful energy manufacturer can produce.

So consider this a test: to see whether solar power is truly ready to step into the light, and can finally withstand the economic elements. **TCB**

Gene Rebeck is TCB’s northern Minnesota correspondent.



Are Contests Worth It?

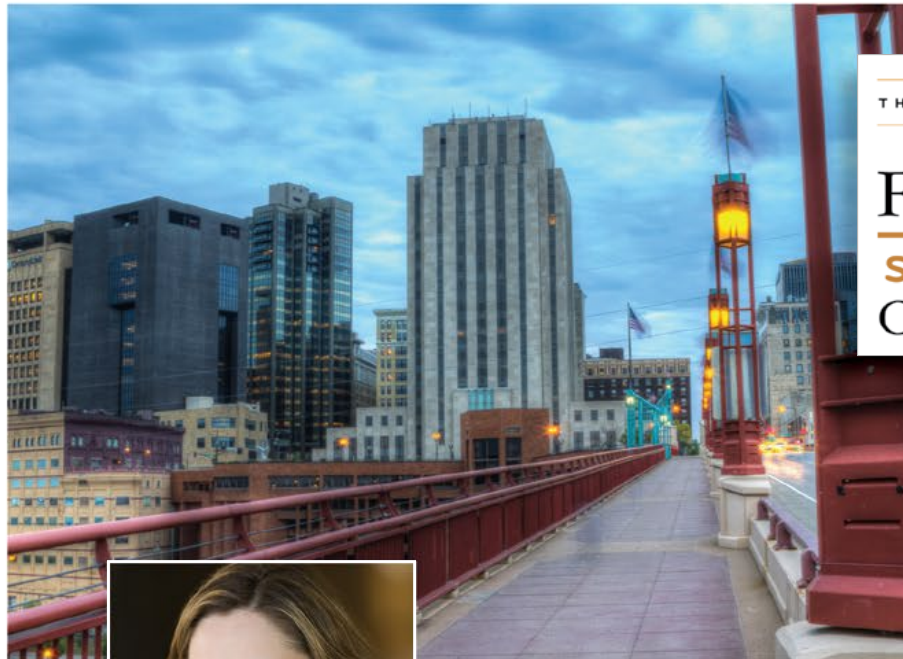
Grantmakers use open competitions to identify new ideas and reach new people.

It would have been hard to miss the publicity surrounding the recent Minnesota Idea Open's Forever Saint Paul challenge, a competition developed by the Saint Paul Foundation to award \$1 million to the best idea for making St. Paul great. It was the fourth in the Open's annual series of "challenges" that have asked citizens to propose projects around a specific theme like clean water, preventing obesity, and working across faiths and cultures. Submissions are aggregated on the Open's website, where citizens can review them and vote their preferences and passions. This year more than 900 ideas were proposed and more than 16,000 people voted on the three finalists' ideas.

For better or worse, the work of professional philanthropy is rarely noisy with public debate. But just as Forever Saint Paul was unfolding, so was a vigorous dialogue about whether contests are effective tools for philanthropic strategy. The debate seems healthy and helpful. Here's how it shaped up.

In July, the John S. and James L. Knight Foundation published *Why Contests Improve Philanthropy: Six Lessons on Designing Public Prizes for Impact*. The report, authored by Mayur Patel, the foundation's vice president for strategy and assessment, draws lessons from the dozen or so open contests Knight has run or funded. As the leading proponent of the competition movement in philanthropy, Knight has granted more than \$75 million since 2007 using some form of a competition mechanism. Among the most visible is the Knight News Challenge, which is working to accelerate innovation in the rapidly changing news media by "funding breakthrough ideas in news and information." The News Challenge has awarded more than \$30 million to 97 winners since 2007, with more than 12,000 contest submissions. Knight's work also has spurred others like the Robert Wood Johnson Foundation, XPrize Foundation, and Case Foundation.

Knight's contest report details the ways that competitions have helped the foundation bring in new blood and new ideas, spot



Naomi Pesky

emerging trends, and change philanthropy's routine. Contests have helped introduce the foundation to people they would not otherwise have met, "refreshing the networks working on the causes a foundation cares about." Nearly half of the submissions to the Knight Arts Challenge in its first four years were not tax-exempt nonprofits, and when surveyed, entrants said they "would not have applied for a traditional grant because they didn't think they would be welcome." By stepping back from individual contest submissions, grantmakers can see new patterns and trends at large. Emerging trends like data journalism and use of mobile apps were seen early across News Challenge submissions/

Knight also reports that the 20 percent or so of its grantmaking allocated to contests has resulted in major changes in its more traditional grantmaking, from practical steps like shortening application forms to bigger cultural changes like creating a "safe zone" for risk-taking and experimentation.

In August, Kevin Starr, managing director of the Mulago Foundation, responded to the Knight report with an article "Dump the Prizes," published in *Stanford Social Innovation Review*. While he said the Knight report was thoughtful, his point was that contests waste huge amounts of time (25,000 entries and only 400 winners), and overemphasize innovation while side-stepping implementation concerns and capacities. He thinks contests are a distraction from what he defines as the social sector's central problem: It does not function "as a real market for impact, where smart funders channel the majority of resources toward those best able to create change."

This fall has seen numerous back-and-forths among Knight staff, Starr, and many others, making for lively, sometimes contentious, reading on blogs, Twitter, and in news organizations covering nonprofits. Contest advocates see open competitions as a way to democratize philanthropy, encourage new ideas, and build relationships with people

and organizations otherwise uncomfortable with the standard grantmaking process (submitting detailed written proposals for lengthy analysis by foundation staffers). Skeptics doubt that contests truly advance issues or initiatives that wouldn't happen otherwise, and that in the meantime they waste applicants' time, cause organizations to stray "off mission" to try to get the money, and seem to serve as much of a publicity vehicle for the sponsor as for the prize winners.

Forever Saint Paul's million-dollar prize went to Tracy Sides, who plans to take over a vacant four-story building near downtown to create an "urban oasis" offering a food hub and nature-themed event center. Naomi Pesky, vice president for marketing and communications at the Saint Paul Foundation, says that "when you ask people, great ideas emerge that would not emerge otherwise." A report on

the challenge will be made public soon, helping us understand not only what kinds of ideas were submitted, but also what the foundation learned in the process. The sort of public debate and openness to discussion that

contests encourage is perhaps the best news of all for private philanthropy. Its inner workings are gradually opening up in healthy and interesting new ways. **TCB**

"When you ask people, great ideas emerge that would not emerge otherwise."

—Naomi Pesky, the Saint Paul Foundation

Sarah Lutman is a St. Paul-based independent consultant and writer for clients in the cultural, media, and philanthropic sectors.



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“Your customers dream of a happier and better life. Don't move products. Enrich lives.”

—Steve Jobs

When I was in graduate school several years ago, the leading business thinkers of the day taught that managers of service businesses often slipped up because they had grown up in the era of manufacturing and continued to think in terms of “product” when they were leading a service organization. The upshot: Wrong focus = off-target strategy = poor results.

This time of year, most organizations are in the heat of strategy planning. Hours of careful thought and discussion are going into setting priorities and making decisions about investments and budgets. But those who don't evaluate the assumptions on which these plans are grounded will start 2014 with a poorly designed plan.

Apple: World's Best Brand

Steve Jobs understood the importance of strategic focus. He didn't think of Apple as a product-based company or even a technology-based company; his vision for Apple was to provide a service “enriching lives.”

According to Interbrand, Apple is now the world's best global brand, based on a formula that calculates the value of brands from a combination of financial performance, influence on consumer choice, ability to charge premium prices, and deliver profits. (Coca-Cola had been in the No. 1 spot since 2000, when the organization started its annual survey.)

If I had to put Apple into a category, I'm not sure which label I'd use: Product designer? Music distributor? Software developer? Computer manufacturer? Leader of a brand tribe? Creator of an experience? Or all of the above and then some? Follow Apple's evolution from the first Apple I on April Fool's Day in 1976 to today's global brand, and you see the evolution we are experiencing from a product-based society to

a complex service-based society.

Question: *Are your strategies grounded in product designs or technologies that could be easily copied, bypassed, or reverse-engineered? Challenge your assumptions and evolve into focusing on your organization's unique knowledge base, capabilities, or other service-related strengths that create value for customers.*

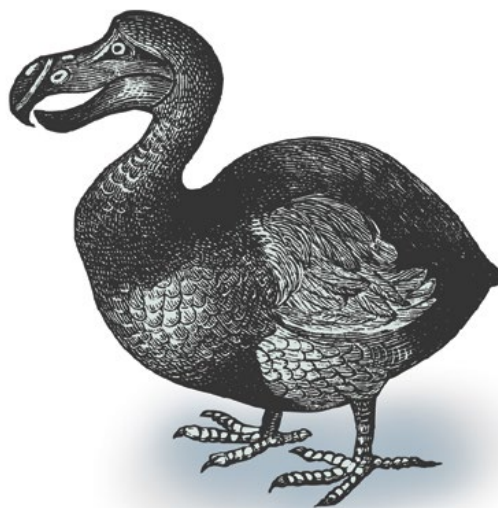
BlackBerry's Product-Focused Demise

According to Darwin's theory of evolution by natural selection, given enough time, species will change and adapt to their environment in order to survive, and those that don't adapt will go extinct. Consider the recent decline of Research in Motion and the events that led up to it. RIM came on the scene in 1999 with the introduction of a two-way pager and followed in 2003 with its first smartphone with email capabilities, the BlackBerry. RIM ultimately gained significant industry market share by offering email services to non-BlackBerry devices through its proprietary connect services.

In 2008, RIM launched the Storm, its first touchscreen, keyboardless device. It was an initial hit, and RIM stock reached almost \$150 per share.

But RIM had a convoluted management structure, with co-CEOs that included the company's founder, Mike Lazaridis. As touchscreen smartphones were being introduced, he insisted that the company stick to keyboard devices, which had been popular in the corporate market, and to not compete in the commoditizing consumer market against touchscreen competitors like Apple's iPhone.

Ultimately he and co-CEO Jim Balsillie divided over strategy and brought their



Dodo bird

fight into the boardroom. A new president was elected who decided to pursue the consumer market with a touchscreen product, but by that time RIM was woefully behind, with an inferior product.

The *Globe and Mail*, Canada's national newspaper, recently interviewed an executive with BlackBerry (the company's new name), who said, “We believed we knew better what customers needed long-term than they did.” Because executives focused on products and their functionality instead of what would enrich the lives of customers, company stock has fallen to about \$8 per share as of this writing. The company has put itself up for sale at a fraction of its previous value. According to industry pundits, BlackBerry is in the process of going extinct.

Question: *Is your strategic thinking keeping up with evolution? Consider whether you are attempting to predict the future and adapting, or if you are assuming that what worked in the past will guarantee success in the future. Traditional industry boundaries are becoming less rigid—invisible in some cases—and you must adapt to survive.*

Vision with a Purpose

I'm enthusiastic about what's next, as we evolve into a society where the lines between product-based or service-based organizations begin to blur. Where are we headed? Some business thought leaders

are saying that consumers are starting to look to business, not government, to create positive change on social issues. (And since I'm writing this column during the federal government shutdown, I'd have to agree.)

Evolution is evident here too, from “cause marketing,” when businesses tout donations to a good cause, to “corporate social

responsibility marketing” when businesses proclaim their high ethical standards to leaders involved in defined social projects. Some examples are United By Blue, an apparel and clothing company that removes one pound of trash from oceans and waterways for every product it sells, and Toms, a shoe company that uses profits to donate shoes and eyeglasses to children in need around the world.

With the influence of social media, businesses are being held accountable to do more than simply donate to a good cause. Consumers are more conscious of social issues and aware of the impact of their consumption. Even ever-popular Apple has been criticized for its use of Chinese sweatshops and poor handling of hazardous waste in its supply chain. The evolution is causing business to adapt from a strict product-based or service-based focus to being purpose-based.

Question: *Does your strategy support a deeper purpose that contributes to society? The evolution of business means it's time to deeply challenge your organization's impact on social and environmental issues. TCB*

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The Uncola Unsession

**To: Mitch Pearlstein
President
Center of the American
Experiment**

**Sean Kershaw
Executive Director
Citizens League**

Dear Mitch and Sean,

1967 is one of my favorite years, best remembered as the “summer of love” in San Francisco. The culture and pop music scene featured releases from the Beatles (*Sgt. Pepper’s Lonely Hearts Club Band*), Small Faces, the Doors, Jefferson Airplane, Pink Floyd, the Byrds, the Rolling Stones, and Procol Harum, to mention a few. To dwell on these names a bit is to bring back fond memories that none of us want to share with our children.

But to Gov. Mark Dayton, age 20 at the time, it was the year that the 7-Up Company launched the “Uncola” campaign. And citing that as inspiration, Gov. Dayton has suggested what we earnestly hope will become a biannual event: an Unsession of the Legislature. The basic idea is to devote a legislative session to repealing or deleting various parts of our statutory and regulatory thicket that stand in the way of effective governance. The Center of the American Experiment (americanexperiment.org) and the Citizens League (citizensleague.org) are two organizations that frequently look at Minnesota state government. So both organizations are policy shops that should not let this opportunity go unused.

To pick up the challenge of uncoupling Minnesota from unnecessary laws and regulations, Gov. Dayton has already circulated a letter to state employees (the people who work the closest to the thicket) soliciting suggestions to be introduced during the upcoming Unsession of our Legislature. He also established Unsession suggestion boxes at the State Fair. Additionally, the governor’s Unsession suggestion website (mn.gov/governor/unsession) was set up (not to be confused with the MNsure Exchange website, which went live October 1).

These efforts have already resulted in a large number of suggestions. Matt Swenson, Gov. Dayton’s press secretary, recently noted that handwritten suggestions from the State Fair totaled more than 200. Ideas



Gov. Mark Dayton is urging the Minnesota Senate (above) and the House to use 2014 to repeal some state laws.

SENATE MEDIA SERVICES

from state employees have topped 860, and 520 have emerged from the public at large. Ideas are still flowing; both of your organizations, the Citizens League and the Center of the American Experiment, should start working on this immediately.

But to get in on the act, we also have some suggestions for the Unsession. Let’s start with taxation. If the state repealed its entire tax code and the regulatory morass that accompanies that code, a large part of the government thicket would disappear. Because the state needfully requires revenue, this entire government apparatus could be replaced by a simple percentage of the amount each individual and corporation pays to the federal government. That percentage could be calculated so this suggestion would be revenue-neutral.

Many of the political subdivisions of the state reflect 19th century concerns and political bargains. A cursory review of joint power agreements, home-rule charter regulations, and overlapping political subdivision jurisdictional issues will reveal a large amount of political encrustation that should be pared away. The Unsession is the place to start this process.

The two biggest expenditures of state government are education and health care in

all of their various forms. The Unsession of the Legislature is not for the purpose of making policy changes in these highly sensitive areas. However, such a session should certainly look at the ways in which revenue is distributed and shared among local taxing and spending authorities and the state government. In particular, trying to understand local aid formulas, welfare reimbursement at the county level, and other “sharing” arrangements has generated a huge quagmire of unnecessary regulation and administrative process. Again, not to make a policy change, the Legislature could easily rationalize these payments and boil them down in each instance to a block grant for the receiving political subdivision. Transparency and accountability would be the happy consequence of this Unsession accomplishment.

The Unsession should also look at simplifying governance of the metropolitan area. It is rife with conflicting sports authorities’ jurisdictions, city boundaries, county agency overlap, and a host of special interest fiefdoms. The Twin Cities metropolitan area is another way to say government inefficiency is opaque to the taxpayers. The Unsession could start the process of reducing and eliminating many of these overlapping governmental units.

When a citizen applies for any registration, from a driver’s license to voter registration, this should include fishing, hunting, or other license submissions—one-stop registration!

Readers of this column are not shy about emailing us, either. If you’ve ever had a thought about how government could be more efficient, or at least more accountable, this is your opportunity to suggest ideas for the Unsession. You can send them to the government website, or if you send them here (edit@tcbmag.com), we will make sure they get forwarded.

Gov. Dayton’s suggestion has already brought one totally unexpected and happy result; we can all look forward to the next Unsession of the Legislature!

Sincerely yours,

**Vance K. Opperman
A Fan of the Unsession**

Vance K. Opperman (vopperman@keyinvestment.com) is owner and CEO of MSP Communications, which publishes Twin Cities Business.



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