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AllOver Media

Amit Gupta
Amsum & Ash – TAB

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Jim Belardi
Athene Holding Ltd.

Joel Conner
Bellisio Foods, Inc.

Charles Kummeth
BioTechne

Joyce Brenny
Brenny Transportation, Inc.

Jerry Baack
Bridgewater Bank

Tom Goodmanson
Calabrio, Inc.

Ben Gray
Creative Apparel Concepts, Inc.

Jeff Gray
Creative Apparel Concepts, Inc.

Scott Gray
Creative Apparel Concepts, Inc.

Lisa David
eCapital Advisors

Chris Staley
Horizontal Integration

Jeremy Langevin
Horizontal Integration

Sabin Ephrem
Horizontal Integration

Jason Hammerberg
Hammer Made

Jennifer Smith
Innovative Office Solutions LLC

Joel Theisen
Lifesprk

Zachary Quinn
Love Your Melon

Curtis Steffen
MacQueen Equipment Group

Daniel Gage
MacQueen Equipment Group

Eric Dayton
North Corp

Bruce Zeilinger
NXC Imaging

Dale Nitschke
Ovative/group

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**SPECIAL SUPPLEMENT**

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<td>Taconite, timber and tourism have traditionally formed “the three Ts” of northeastern Minnesota’s economy. But now a fourth, technology, has taken root, and it’s driving the Iron Range economy into the future.</td>
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**COVER IMAGE**

Shutterstock
Working Happy
A ROBERT HALF SURVEY UNCOVERED THE SECRETS OF THE COUNTRY’S HAPPIEST EMPLOYEES

Most business owners and managers agree—employees are essential to the success of their companies. Hiring and retaining a talented staff is a critical part of winning in business. But many companies struggle to find employees who match their culture and needs, while others have a hard time holding on to them. And when a company’s team is in disarray or constant flux, it costs significant amounts of time and money. Read on to learn how companies can best hire the right people and keep them happy at work.

Q: What contributes to employees’ happiness in the workplace?
EH: In our mission to learn what makes employees happy, Robert Half surveyed more than 10,000 U.S. workers, and the results were enlightening. Rather than a high salary being the end-all be-all, our research revealed that what’s most important to employees is having a sense of pride in their organization. Being treated with fairness and respect at work ranked as the second most important ingredient to workplace happiness. Bottom line, being happy at work doesn’t mean every day is perfect or fun—it’s about feeling a deep sense of connection to one’s work and understanding how it affects the bottom line. It boils down to being consistently enthusiastic and interested in your work, while feeling appreciated for your contributions.

Q: Why should companies be concerned about their employees’ happiness?
EH: Losing talent costs companies time, money, morale, innovation, and institutional knowledge, for starters. One thing is clear—organizations can’t expect unhappy employees to stick around. According to our survey, nearly one-third of employees who felt no pride or sense of accomplishment with their company were likely to leave within a year. By taking a sincere interest in forming a strong company culture that supports the well-being of employees, organizations can effectively attract and retain the best talent—critical for building a successful business.

Q: How can businesses create this culture of happiness?
EH: Employers can foster happiness at work by promoting a more positive workplace culture. Some companies offer free lunch, a game room, or other freebies, but if employees don’t like the work or feel valued, these perks won’t make much of a difference. For existing employees, it’s important to instill and re-instill pride. Communicate the big picture to fuel pride in the organization. Remind them why your organization is a great place to work—don’t assume they know it. Leadership needs to convey the impact workers make on the organization, as well as the impact the organization is making in the greater economy. Recognize and appreciate employees for the work they do. Workers take their cues from people around them, especially the boss, so make sure you’re setting a strong example.

Q: What causes people to be unhappy at work?
EH: As we’ve found in our research, pride in one’s organization appears to correlate directly with employee happiness levels. Organizations with low levels of pride, accomplishment, fairness, and recognition yield an unhappy workforce. Employees generally don’t leave organizations, they leave leaders. A lack of opportunities, being treated unfairly, feeling undervalued, and not feeling empowered by leadership all have a significant negative impact on employee happiness.

Q: How can potential employees tell if they will be happy at a job?
EH: Candidates should determine whether they align with the company’s mission, vision, and values. Employers need to clearly define the open role, being honest and transparent about their expectations for the job. Give the candidate the opportunity to talk with other members of the team to get a better sense of the group and the corporate culture. Sometimes the most qualified person isn’t hired because the corporate culture fit is better with someone else. People who are happy at work enjoy the people they work with. They are more likely to collaborate and communicate, which leads to increased workplace happiness.

Q: What is it about smaller companies that make them happy workplaces for employees?
EH: When a company is small, there are fewer bureaucratic obstacles impeding the progress of employees, who can adapt quickly and make a difference. The impact of each person is larger, and there is more breadth within the scope of the job. As companies become larger, progress at an individual level slows because nearly every task requires varying levels of review and approval. While there are typically greater opportunities to climb the ladder, bigger companies can be more layered and complex.

Q: Are there differences between the generations when it comes to happiness in the workplace?
EH: Workers 55 and older are the happiest at work and the most interested in their jobs. They are confident and intentional with their careers and, as a bonus, retirement is just on the horizon. Generation X employees, ages 35–54, are the most stressed and least interested in their jobs. Millennials, ages 20–34, are working hard to get established in their careers, and they are driven by a sense of accomplishment.

Q: What else can companies do to keep employees happy?
EH: In addition to creating an organization employees can be proud of, creating a recognition program is essential to expressing gratitude for employee contributions. Recognition doesn’t have to be costly or a large endeavor—it can be something small like a team happy hour or acknowledgment during a meeting.

Giving workers a sense of empowerment is also key. It stems from having strong leaders in organizations who can say, “I’m going to let you run this, and I’ll take the back seat.” Keeping employees interested in their work by giving them more ownership over projects is a great way to foster engagement. Also, many employees are driven by making a difference. Employers can provide opportunities for employees to get involved in the community. These things all have a huge impact on workplace happiness for employees.

ELIZABETH HANG
Division Director
Robert Half Management Resources - HR Services

Elizabeth Hang works with job seekers and employers to provide skilled senior-level HR professionals on a project or interim basis.
Good DEEDs Gone Unnoticed
In hundreds of relatively small deals each year, this unit of government delivers big results.

It’s an organization you see mentioned in just about every story about a business relocating or expanding in Minnesota. It’s frequently cited for an assist, but never for scoring on its own. Yet collectively, the support it gives to hundreds of projects each year is a story in itself.

I’m talking here about Minnesota’s Department of Employment and Economic Development, which is perhaps best known for being the source of state labor statistics. About 80 percent of its budget goes to labor-related issues including workforce development, managing the state’s unemployment system, vocational rehabilitation services and disability determination services. These all help the economy, but the Business and Community Development (BCD) division, where the rest of the DEED budget goes, focuses directly on economic development—and it’s the agency’s crown jewel, getting the most out of the dollars it has to work with.

In 2016, BCD invested $139 million in 464 projects that created more than 7,000 new jobs and retained more than 14,000 existing positions. If the new jobs alone paid an average salary of $20 an hour, it amounts to $298.2 million in wages Minnesota would have otherwise gone without.

If the retained jobs, paying the same average wage, had gone away, Minnesota would have lost more than a half a billion dollars in annual wages. These state dollars also were leveraged to produce a total of $4.2 billion in overall business investments including building and expanding facilities.

There are many ways this benefits our economy; there’s the increase in property use and taxes, increased demand for transportation, local services and hospitality. But perhaps most significant of all are the jobs produced or maintained—and what they pay.

To figure that out with absolute certainty, one would need to look into more than two dozen funds or programs within BCD, as well as how it leverages other DEED programs. But my analysis of its largest, stalwart job-creation and -retaining tool—the Minnesota Investment Fund (MIF)—provides a good snapshot. Since 2011, BCD has provided $452 million in MIF loans to 88 projects that created nearly 8,000 jobs paying an average of $24 an hour.

There’s quite a disparity between the highest and lowest wages. On the high end, there’s Jack Link Snacks. An $850,000 MIF loan supported 85 new jobs that will pay a whopping average wage of $51.43 an hour—the highest supported by any MIF loan during this period. On the astonishingly low-paying side, there’s Hearthside Food Solutions of Lakeville ($450,000 for 36 jobs at an average $11.46 an hour).

But that comes with the territory. “As much as we’d love to have more high-paying jobs in various parts of the state, it doesn’t happen that easily,” says Kevin McKinnon, DEED’s deputy commissioner of economic development. “The number of jobs plays a role in the amount of the [state back-

ing] someone gets. But the wages and private investments are beyond our decisions.”

And other factors come into play beyond wage levels. Cirrus Industries of Duluth, for example, wanted to build a new facility at an airport and had several opportunities nationally. A MIF loan of $4 million helped land that expansion project here. However, the 150 jobs it supports are expected to pay an average hourly wage of only $12.69.

“They’re growing rapidly, we want them to continue to grow, and for that to occur in Minnesota,” McKinnon explains. As for the low wages, “once they get people into these opportunities, they move up with the skills pretty quickly,” and wages rise as a result.

Taking things a step further, I estimated how much MIF-related jobs generate in annual income tax proceeds, and compared this with how much was lent to get those jobs up and running. I found that since 2011, at least 16 of 88 MIF loans have helped create wages whose tax revenue provided the state with a return on investment of 100 percent on its loan within the first year; three loans yielded returns of three times the initial amount, one four times and one six times the loan amount within the first year. That one pertains to Tata America International of Bloomington, with a $232,000 loan to create 302 jobs paying an average of $32 an hour.

On the flip side, 10 projects will require two years’ worth of promised new-wage payments to produce income taxes that will equal their loan amounts; eight, three years; 10, five years; and 20, more than five years. The longest to generate an ROI is a loan to Action Manufacturing of Marshall ($215,349 to create five jobs paying an average $13 an hour).

Either way, these are new, reoccurring tax revenues generated not by cash outlays, but by loans! And DEED has a very strong record ensuring they’re repaid with the types of return rates mentioned above.

Meanwhile, the newer Job Creation Fund (started in January 2014 to provide grants) is beginning to show similarly solid ROI numbers. Only about 8 percent of the 74 projects it has funded supported jobs that will produce wages with income taxes equal the grant amount within a year. But 46 are expected to do so within five years. And again, these awards produce new tax revenues that will reoccur long after they reach the initial award amount.

I could go on, but suffice it to say, I spent several hours looking over BCD numbers, as well as other parts of DEED, and came away impressed. And there are two takeaways.

One is that, while it’s a rarity for me to say something like this, I encourage more taxpayer dollars to support this state government agency. Minnesota legislators considering cutting state funding can do so elsewhere perhaps, but it would be detrimental to do so here, especially when an increase could literally translate into more decent-paying jobs and tax revenues.

The second takeaway is that DEED’s excellent delivery on its promises, performance tracking, and tangible results in job creation and retention provide a refreshing example of how economic development entities can, and should, demonstrate returns on the time and dollars they spend.
Think Critically, Avoid Convenient Scapegoats

I appreciate the Editor’s Note you wrote and agree with you 100 percent (TCB, “What Happened to Listening?” April).

The frustrating thing is that so many people on both sides seem to want the lies to be true, maybe because the truth is so painful.

I worked in Ohio for several years during the decline of the auto “feeder” industry, as many components of vehicles were being outsourced to Mexico, Canada and China. When you’ve been working a job that has provided years of stable employment and good wages and suddenly that world explodes, it can be hard to face the reality that the world has changed.

When it’s hard to understand the realities of a global economy, global logistics, the varied cost of labor, environmental regulation, trade agreements, investor profit expectations and how all of those things swirl together to create a perfect storm that leads to losing your job, then it’s somehow easier to believe that your evil company sent your job to a child laborer making 15 cents a day, or the government “paid” your company through tax breaks to outsource your job. Sometimes it’s easier to believe that others conspired to hurt you than it is to believe you were simply in the wrong place at the wrong time.

The coal industry is a perfect example. Coal was going to be replaced eventually by natural gas just based on simple economics. T. Boone Pickens was harping on that fact all the way back in the 1980s. Promising to revive an industry that was inevitably doomed by multiple factors is disingenuous to the displaced workers, families and towns.

No one wants to have an honest conversation about it because if you believe that government regulation is bad, then it’s got to be the regulations that killed coal. It becomes the dominant point of your argument, and since economics is hard, why should I bring that into my thought process? Expecting the workers at ground zero to understand all the realities around them is unreasonable. They have an immediate problem of putting food on the table.

Having polarized political opinions is like being an alcoholic: The first step is to admit you have a problem. I wish that we were putting more effort into teaching critical thinking and open-mindedness. Frankly, it’s becoming a problem in business. When you sit down with a team to brainstorm a plan, it can devolve quickly into factions favoring different approaches—and then the process breaks down and the resulting arguments stop progress. Then management runs out of time and is forced to impose a decision. That can lead to one of two situations: employees complaining that they have a toxic work environment where co-workers don’t respect each other, or the employer is a dictatorial company where management just issues orders and directives without soliciting the workers’ opinions and advice. It becomes a circular problem in either case: “Well, when we ask your opinion you just argue with each other, so we make a decision and then you complain that we don’t listen to you!”

Jeff Haagenstad
The writer is CEO of Exogal LLC, based in Eagan.
A Path Back to Work
Firm helps women return to the corporate sector after they have kids.

When women leave careers for an extended period of parenting, some of them get stalled on corporate off-ramps. A Massachusetts-based company is expanding to the Twin Cities to help local women rejoin the work world in key business roles.

Known as reaCHIRE, Boston Scientific will be the company’s first local client. Boston Scientific will pay reaCHIRE to recruit and train women who have strong academic backgrounds and substantial business experience.

Addie Swartz, reaCHIRE CEO, founded the company in 2013 after she took time off to care for her daughter, who was injured in an accident. “I saw all these other women on the sidelines who wanted to go back to work and couldn’t because they had a break in their resumes,” Swartz tells TCB.

So she created a company that identifies qualified women who want to return to work, vets them, and provides short training sessions focused on business, technical and leadership skills so the women can retool.

As women age, studies show they are more likely to face age and sex discrimination, says Sarah Rand, a business professor at St. Catherine University. “An extended leave from the workforce can only exacerbate this problem,” she says.

The Twin Cities is the fifth U.S. city where reaCHIRE will be vetting candidates and conducting training.

Most of the reaCHIRE recruits are in their 30s and 40s and have graduate degrees and business experience, Swartz says.

“We manufacture medical devices. We work in a very dynamic and changing environment,” says Mary Beth Moynihan, Boston Scientific senior vice president. The company wants gender diversity, and Moynihan says that it successfully worked with reaCHIRE in the Boston area to find good job candidates who were ready to go back to work.

“It is an incredible talent pool of people that is hard for us to find, and [it is] hard for them to know where to go,” Moynihan says. She notes that reaCHIRE has demonstrated that it can find women with excellent experience. In the Twin Cities, Boston Scientific has asked reaCHIRE to help it fill roles such as marketing, finance and project management.

“Time out of the workplace often results in a loss of necessary skills and experience,” Rand says. She recommends women do some part-time work or nonprofit service to keep their resumes current, so they will be more marketable when they want to return to work full time. —Liz Fedor

Addie Swartz, reaCHIRE CEO

The workforce participation rate of women ages 25 to 54 has fallen since 2000.

Big News
Medtronic announced the sale of its medical supplies business to Cardinal Health of Dublin, Ohio, for $6.1 billion.

Valspar announced the divestment of its industrial wood coatings business to Axalta Coating Systems of Philadelphia for $420 million. The sale was part of Valspar’s preparations for merger with Cleveland-based Sherwin-Williams.

United Health Group announced 1Q17 profits of $2.17 billion, up 35 percent over the same period a year earlier. The jump was fueled by strong performance from its Optum division and a 12 percent jump in Medicare enrollees.
In 2008, as the mortgage crisis was in full swing, Tom Schroeder paid $60,000 for a house just around the corner from his own on Smith Street in St. Paul. The Faegre Baker Daniels lawyer had a hunch that the limestone building, which had been used as a private residence since 1947, was more than it seemed. “I love history and have a graduate degree in history and have always enjoyed studying and understanding the history of neighborhoods I’ve lived in,” Schroeder says, “and nobody had ever done the research on this place.” That initial curiosity was channeled into hundreds of hours of research at the Minnesota Historical Society. Among his discoveries: the residence originally operated as a saloon and was built in the fall of 1857, making it the oldest commercial structure in the Twin Cities. As homage to its past, Schroeder has spent the past eight years restoring the time capsule to its former glory—complete with steamboat chairs, period glassware and hand-pressed beer tokens—with the intention of reopening it this fall, once again as a public house. He’s even naming it Waldmann, a nod to the building’s original owner and barkeep, Anthony Waldmann.

The cost to reclaim the past, however, has gone well beyond what Schroeder paid for the property. “I couldn’t even begin to tally how much [the restoration] has cost,” he says. “The business plan may not look totally rational, but that’s what they call a sunk cost.” Still, labors of love aren’t uncommon in the restaurant industry, says local restaurateur Tim Niver of his own St. Paul-based passion projects: Mucci’s Italian and especially the small, out-of-the-way Strip Club, hardly a project built to drive turnover.

“It’s hard to say why somebody makes a personal decision romantically,” he says. “There are the developer types that follow the dream and tell themselves ‘This’ll work out, this’ll work out, this’ll work out.’ I kind of like that risk-seeking idea, but in measured ways.” Nevertheless, unattainable ROI has done little to dampen Schroeder’s ardor to revive a rediscovered landmark. “If I were to be opening a normal taproom, this building would not be any different than any of the other of 28 or 36 taprooms in town. It wouldn’t be worth doing,” he says. “But I think the success of this place will be the fact that its history is its greatest asset on the balance sheet.”—Sam Schaust
STARTERS

Park Place
Dayton’s/Macy’s is gone, but the parking endures.

The only piece of downtown Minneapolis’s last department store still operating is its parking ramp. New York-based 601W Cos. paid $59 million for Macy’s in March, including some of the nine-story parking ramp, which seems poised to soldier on.

“The department store was a traffic generator. There has certainly been a decline in the volume of vehicles using the ramp,” says Jim Sanders, whose family, doing business as Columbus Corp., operates the ramp. He notes the ramp did not live and die with white sales and holiday shows: “When there’s an uptick in [office] vacancies, that has a real impact on us.”

Sanders’ grandfather Max pioneered the family business in the 1930s, operating a small parking garage on Seventh Street. In the 1950s, the Dayton family wanted parking and receiving docks. “The Dayton brothers negotiated this deal themselves,” says Sanders. The ramp was built in 1959. It includes three sub-basements for receiving and is now something of a period piece.

The ramp is owned by 601W, but the Sanders group owns a portion of the land under the building. 601W has a ground lease with Sanders’ group for its parcels. At the same time, Columbus leases the ramp from 601W and operates the ramp independently.

Sanders declines comment on the ramp’s revenue or his lease terms. He says that so far there have been no negotiations with Sanders’ group for its parcels. At the same time, Columbus has succeeded despite its Minnesota impact on us.”

“We do expect it will provide some ongoing revenue,” says Katter. “But I don’t think it’s going to be significant.”

By one measure, the downtown parking business is improving. The city of Minneapolis had revenue of $65.7 million in 2016 for its 28,158 parking ramp spaces, surface lots and metered street parking. That marked an increase of 7.6 percent. Spokeswoman Sarah McKenzie cited a number of factors including fewer available surface parking lots. —Burl Gilyard

Five o’ Clock Head
They come from far and wide to get their scalp inked in Burnsville.

GLI gained recognition in 2012 after it was featured on Good Morning America. “That’s when the model changed from mostly local customers to where people were calling from all over the world,” says Chihos.

One of the major draws for out-of-town customers is that GLI’s proprietary procedure is completed in one day, whereas other SMP venues break the procedure into sessions. “Most people don’t want to walk around with the impressions half-done,” says Chihos.

On average, the procedure costs between $3,500 and $4,500. Since most of its guests come from out of town, GLI also offers an all-inclusive package, which covers the procedure and transportation, lodging and meals. In the last year, GLI has doubled its sales and capacity, growing from 50 clients per month to 100. “Most SMP companies are small local shops that see one to two clients a month,” says Chihos.

In some respects, Chihos says GLI has succeeded despite its Minnesota location: “One of the greatest challenges for our out-of-town guests is they don’t want to travel here, especially in the winter.”

Thus, GLI added a Los Angeles location in September. Chihos plans to add three or four additional out-of-town locations by the end of the year, with a focus on large metro areas. —Kate LeRette
Bag Ban Imminent
Minneapolis plastic bag ban is now law, despite business objections. Will it work?

On June 1, Minneapolis’ new bag ordinance takes effect throughout the city, forbidding all retail establishments from providing single-use plastic bags to customers. Instead, shoppers are expected to either bring their own bag or pay at least 5 cents for a paper or store-provided reusable bag.

The ordinance, like hundreds of others throughout the U.S.—primarily in liberal-minded cities along the East and West coasts—is meant to reduce the number of plastic bags that end up in trees, streets and parks. When Minneapolitans do throw them away, they end up incinerated at the downtown garbage burner. City officials note that Minnesotans throw away more than 87,000 tons of plastic bags every year (though the city’s share is a fraction of that).

But will a ban limited to one community work? Minneapolis officials tout the results in Seattle, which implemented a ban in 2012. By the end of the year, the city’s director of solid waste planning and program management estimated it reduced plastic bag waste by at least 58 percent.

In 2006, the Scottish government studied the impacts of bag fees under several different scenarios. When plastic bags came with a fee but paper bags did not, the total amount of bag waste increased by 5,400 tons.

Minneapolis is the first city in the state to implement a bag ban, but it isn’t the only one that’s looked into the idea. St. Louis Park conducted a study in 2014 on the impacts of single-use bags. However, after 20 months of examining the issue, the City Council ultimately opted against any ban.

Mayor Jake Spano says he initially supported a bag ban, but his stance changed after learning that they don’t make a particularly large impact on waste and sustainability. “Plastic bags are a nuisance . . . [a ban] feels good, but it might not be the thing you should be focused on.”

Instead SLP implemented a “zero waste packaging ordinance” that requires food establishments to serve items in reusable, recyclable or compostable packaging.

Minneapolis’s success could hinge on enforcement, which is in limbo. The ordinance provides authority to several city departments but doesn’t spell it out a process. “There won’t be one person per se overseeing the ban,” says city spokeswoman Sarah McKenzie. —Andre Eggert
Fly by Night
Big, brassy musicals get all the attention, but it’s worth remembering that the form can tell smaller, more intimate stories too. The central character in *Fly by Night* is a sandwich-shop worker in love with two sisters at the same time, but the show itself is really about a web of relationships affected by the infamous Northeast blackout of 1965, which cut power for 13 hours to 30 million people on a cold November night—just long enough for folks to wonder if the power was ever going to come back on.

June 10-July 23, Jungle Theater, Mpls., 612-822-7063, jungletheater.com

Yo Yo Ma and Osmo Vänskä
It’s a shame that fame in the classical music world is doled out so disproportionately. But when you see Yo Yo Ma play in concert, it’s not hard to understand why he’s so popular. His passion for the music borders on dangerous abandon (most cello players don’t shred their bows this way), yet every stroke of his bow is suffused with musical intelligence. The combination is hypnotic, as anyone who gets to see him with the Minnesota Orchestra will learn.

June 13, Orchestra Hall, Mpls., 612-371-5600, minnesotaorchestra.org

The Moody Blues: 50th Anniversary Tour
When the Moody Blues released *Days of Future Passed* in 1967, who among them could have guessed they’d be singing “Nights in White Satin” and “Tuesday Afternoon” in venues around the world half a century later? Yet here they are (most of them, anyway), performing the album live, in its entirety, with a complete orchestra. And that’s just the second half of the show! Boomers who can’t get enough 1960s nostalgia can also check out King Crimson (June 26) at the State.

June 27, Orpheum Theatre, Mpls., 612-339-7007, hennepintheatretrust.org

Norah Jones
Norah Jones has been touring steadily in support of last year’s Day Breaks album, but lately she hasn’t even been playing the album’s title track, and has been mixing up her set lists to include all kinds of little gems, including a ratty cover of Leonard Cohen’s “Everybody Knows.” Day Breaks itself is a moody, piano-laced album reminiscent of her jazz-inflected early work—you know, the stuff that made her a household name. Opening act: The Candles.

June 3, Northrop Auditorium, Mpls., 612-624-2345, northrop.umn.edu

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For questions, contact nicki@acgmn.org or 612-590-1041

Attire: Business
Member Registration: $35 | Non Member: $75
Play It Forward
Bond with your clients or team at one of the region’s many workplace “play” centers.

On a spectacular Minnesota summer day, there’s every reason to forward your calls to voicemail, decline meeting requests and get out of the office with your favorite clients and colleagues. Should you need an additional incentive, workplace experts have concluded that play provides a host of mission-critical business benefits including increased trust, improved collaboration and enhanced teamwork. In the spirit of continuous improvement, we’ve compiled an array of fun and memorable experiences, with well-earned meals to follow.

Rock Climbing at Fort Snelling
■ Choose from the menu of “challenges by choice” at Base Camp (explorehbasecamp.org), including archery, rock climbing, high ropes and other Herculean tasks. Thoroughly exhausted and/or invigorated, head over to Shake Shack (shakeshack.com), the haute hamburger stand at MOA, eight minutes from Fort Snelling. Quench your thirst with locally brewed Lift Bridge beer and chow down on custom-grind cheeseburgers and crinkle-cut fries. Save room for a well-deserved Malt of America—thick, rich “concretes” blended with frozen vanilla custard, marshmallow and peanut butter sauces and cookie crumbles.

Segwaying on Summit
■ Meet your guide from Mobile Entertainment (humanonastick.com) at the St. Paul Curling Club, where a fleet of Gen2 Segways awaits. Fasten your helmets, find your balance and take off for a 7-mile tour of Cathedral Hill. Roll past F. Scott Fitzgerald’s houses, gangster hangouts, the James J. Hill House and other landmarks. Refuel and recharge at Revival (revivalfriedchicken.com) with a Southern-style repast of fried green tomatoes and fried chicken, washed down with sweet tea and Sunken City Saison from Insight Brewing in Minneapolis.

Kayaking on the Mississippi
■ Gather at Above the Falls Sports (abovethefallsports.com) in the North Loop, where you’ll pick up your kayaks and roll them to the river. Once your team is afloat, your guide will navigate and narrate, pointing out Nicollet Island, Boom Island, the Grain Belt Brewery and other iconic spots. Back on land, stroll around the corner to Black Sheep Pizza (blacksheeppizza.com) and order the Brancaia Tre Super Tuscan, the Farmers Market salad and an assortment of coal-fired pizzas including the must-have meatball, ricotta and garlic.

Cruising Around Minnehaha Park
■ Convene at Wheel Fun Rentals (wheelfunrentals.com) in the park and rent a fleet of low-slung choppers or vintage-style surreys. Cruise around and admire the bucolic fields, deep forests, craggy limestone bluffs and the 10,000-year-old, 53-foot Minnehaha Falls, immortalized in Longfellow’s Song of Hiawatha. Head over to Sea Salt Eatery (seasalteatery.wordpress.com) in the park’s vintage pavilion. Savor the delicious irony of Southern-style seafood in a landlocked Midwestern park, along with chilled chardonnay, calamari, clam fries, crab cakes, catfish po’boys and other specialties.

Go-Karting in Rochester
■ Start your nine horsepower engines at Skyline Raceway (skylineracewayrochester.com), 10 minutes south of Mayo Clinic, and challenge your clients on the quarter-mile asphalt track. Once a winner is declared, head back to downtown Rochester and join the locals at Canadian Honker Restaurant & Lounge (restaurant.canadianhonker.com). Order the signature Westby Creamery cheese curds and thick Honker Melt sandwiches, followed by generous slices of the justly famous Bunnies’ coconut cake and steaming cups of Minnesota-brewed McGarvey Coffee.
Entrepreneurship Breakfast
This event, part of the Common Good Breakfast Series, focuses on how businesses can foster an entrepreneurial spirit among employees. The speaker will be Carla Pavone, associate director of the Gary S. Holmes Center for Entrepreneurship at the Carlson School of Management. 7:30 a.m., $30, Hilton, Mpls., 888-781-3400, neuger.com

Small Business Series
This session, “The Loss of a Customer: How it Can Happen, the Cost and the Path to Prevention,” will address how to implement listening channels. Attendees also will learn about customer experience measurement programs. Jack Semler, president of Readex Research, will be the speaker. 7:30 a.m., $20 member, $30 non-member, Radisson Hotel, Roseville, 651-223-5000, saintpaulchamber.com

Global Minnesota Gala
This year’s fundraiser will explore Colombian culture and highlight U.S.-Colombia relations. The gala at a private home will feature Colombian cuisine and entertainment, and live and silent auctions. Funds raised by Global Minnesota go toward educational and cultural programs to help Minnesotans live, work and lead globally. 4:30 p.m., tickets start at $200, shuttles from Orono Schools, 612-625-1662, globalminnesota.org

Bloomington Annual Golf Classic
Enjoy a day of golfing and networking at the 44th annual tournament. The event will include a silent auction, lunch, dinner and an awards ceremony. The VIP package covers two drink tickets, three chances for two domestic continental airline tickets and a mulligan. 10:30 a.m., tickets start at $185, Minnesota Valley Country Club, Bloomington, 612-370-9100, minneapolischamber.org

St. Paul Chamber Foundation Luncheon
This annual event supports the work of the St. Paul Area Chamber of Commerce Charitable Foundation. The program will highlight the foundation’s support of Right Track and the Leadership Saint Paul program. Community leadership awards also will be presented. 11:30 a.m., starting at $75, Saint Paul Hotel, St. Paul, 651-223-5000, saintpaulchamber.com
Commercial Real Estate Forum

Join Twin Cities Business on June 28 at the Metropolitan Ballroom for a discussion about the local commercial real estate landscape. Four industry leaders will share why they are pursuing developments in places others passed up, what their greatest challenges are and their plans of action. Panelists are: Collin Barr, regional president, Ryan Cos.; Kelly Doran, principal and founder, Doran Cos.; Bill Katter, president and chief investment officer, United Properties; and Ravi Norman, CEO, Thor Construction.
Vaccine Could Block Opioid Effects

A vaccine could make a profound mark on what has turned into a huge market. In 2014, an estimated 2.5 million people were dependent on heroin and prescription opioid analgesics.

But anti-opioid vaccines are also a largely unexplored scientific area despite the severity of the problem. “Opiate addiction has always been there on the surface, and of course it’s been a problem for decades, but now it’s really in the spotlight because of the dramatic increase in deaths and overdoses,” says Pravetoni.

HCMC’s vaccine effort has been funded by the U.S. National Institute on Drug Abuse to the tune of more than $4.8 million over the course of 2015 and 2016. —Don Jacobson

The Bicycle Industry’s Impact

Biking isn’t just a fun way to get around Lake Calhoun or a cheap way to get to work—it’s an economic and health boon to the state.

According to a report by the University of Minnesota’s Center for Transportation Studies, Minnesota’s bike industry contributed $780 million in economic output in 2014, and helped support 5,500 jobs and over $200 million in labor-related income.

The largest contributor to the bicycle industry’s impact was the manufacturing and wholesale sector, with an economic contribution of $616 million. Retail sales of bikes and their related parts contributed $149 million, and nonprofits and advocacy groups added $14 million in economic output.

The study also found that metro-area bicycle commuting prevented 12 to 61 deaths, which provided $100 million to $500 million in savings. Additionally, workers who commuted by bike three times per week reduced their odds of metabolic syndrome by 46 percent, obesity by 32 percent and hypertension by 28 percent.

The findings from the U’s study will be used by MnDOT to determine future multimodal investments in the metro and throughout the state. The Twin Cities already has one of the highest bike commuting rates in the country—about 5 percent in Minneapolis and just over 2 percent in St. Paul. —André Eggert

New Company Aims to Reduce Drug Prices

A specialty pharmacy and mail services company created by Walgreens and Eagan-based Prime Therapeutics officially launched in April, going by the name AllianceRx Walgreens Prime.

As a joint company, the companies say their increased size will allow for better negotiating power with pharmaceutical companies, resulting in cheaper prescription drugs. In August, Prime CEO Jim DuCharme voiced hope that AllianceRx would help “apply the brakes to this runaway freight train of rising drug costs.”

DuCharme says many of Prime’s 22 million customers are seeing improvements. “The retail pharmacy network component of our alliance is yielding considerable savings for our plans and their members.”

AllianceRx will employ 3,000 workers—a mix of current Walgreens and Prime employees—at its Orlando, Fla. headquarters. Those workers will manage specialty pharmacy operations and several mail services that will allow for specialty medicines and other drugs to be mailed to a patient’s home; patients can also pick up prescriptions from any of Walgreens’ approximately 8,200 locations.

“Leveraging Walgreens’ pharmacy network and operational efficiencies, along with the pharmacy benefit management expertise of Prime, we have the resources to deliver better care coordination, patient outcomes, and exceptional care and service to patients and payers,” AllianceRx CEO Joel Wright said in a statement.

Full integration of the new company into Walgreens’ parent company, Walgreens Boots Alliance Inc., is expected to be complete by early next year. —Sam Schaast

HEALTH BEAT
THE LATEST DISCOVERIES FROM PROVIDERS, PRODUCT DEVELOPERS AND PAYERS. | EDITED BY KATE LERETTE
How the Other Half Lives
Top concerns expressed by health care executives reveal we’re all businesses under the skin.

You know that Mayo Clinic president and CEO Dr. John Noseworthy caught some flak after the Star Tribune reported in March that he told staff to “prioritize” patients with private health insurance over patients with Medicare or Medicaid coverage (trib.mn/2mZwpdh). Noseworthy clarified his statement, saying he regretted using the word “prioritize” and said he meant Mayo needed to increase its volume of commercially insured patients to help subsidize the care of patients whose health benefits from public programs don’t cover the cost of their health care services (mayoclinic.org/2nkKVU).

I met Noseworthy in 2012 and had a great conversation with him, despite the fact that I’m not a doctor nor was my father a doctor. We talked about industry trends and how Mayo plans to respond to them. I take the guy at his word.

What Noseworthy told his staff and what he said in his statement isn’t anything new to people who know health care. It’s called cost-shifting. It’s charging more to privately insured patients and using that profit to cover the loss on publicly insured patients and still drop money to the bottom line.

The bigger point—and one we’ve made many times in this column—is health care is a business just like any other business. Cost-shifting is a business tactic used by Mayo and every hospital and doctor that treats Medicare or Medicaid patients. It’s a business tactic used by every type of business in every industry—push products and services with higher profit margins to cover products and services with lower profit margins. Tortilla chips may be two-for-one this week but avocados are triple the price, especially during Super Bowl week. You really should buy the smartphone with more memory.

Two recent surveys of health care executives reveal just how similar their concerns are to the concerns of business executives everywhere.

The first is a survey of 383 hospital CEOs conducted by the American College of Healthcare Executives (bit.ly/2oK1DDF). The ACHE asked the CEOs to rank their 10 most pressing concerns. The top two concerns were “financial challenges” and “government mandates.” You can substitute words like “oil,” “banking,” “transportation,” “telecommunications” or “food industry” for the word “hospital” and get the same result. Other common concerns in the top 10 include personnel shortages, patient (read “customers”) satisfaction, technology and re-organizations (see chart).

The second is a survey of 63 health system executives conducted by Premier, a Charlotte, N.C.-based health care group-purchasing organization (bit.ly/2oMZLiV). Premier asked the executives what their priorities were, given the industry uncertainty created by the political climate in Washington. Four of the top five priorities could apply to a commercial real estate business: managing costs, mining data for actionable business insights, engaging and satisfying customers, and differentiating themselves in the market based on cost and quality. Only one—population health management—was specific to health care.

The lesson for your company is this: When you’re dealing with hospitals, health systems, doctors, drug companies, device manufacturers, health insurers or health care suppliers or vendors, remember they’re a business just like yours. Speak to them in the language of business. They will understand.

David Burda (twitter.com/@davidrburda, dburda@msp-c.com) is editorial director, health care strategies, for MSP-C, where he serves as the chief health care content strategist and health care subject matter expert.

I’ve never shed a tear for an insurance company. Life, auto, workers’ comp, health, liability, reinsurance—somehow, some way, most insurers do pretty well for themselves no matter how dire the underwriting experience. I’m still waiting for the dividends from my whole life insurance policy to cover my monthly premiums. The broker said it would take seven years. It’s been 25.

That’s why when I saw this headline on a press release—“Local health insurers report operating losses over $880 million”—I didn’t reach for a tissue. It was from the Minnesota Council of Health Plans, which represents seven health insurers in the state. The MCHP said health insurers here posted a collective $887 million operating loss in 2016 on premium revenues of about $25.9 billion (prn.to/2ncks57). That follows a $158.5 million operating loss in 2015 and a $229.4 operating profit in 2014.

Insurance is a cyclical business. Health plans certainly will come back, and they’ll likely come back on premiums charged to employers. (To learn more about cost-shifting, see above.) Most of the loss last year, according to the MCHP, came from state health insurance programs and health plans sold to individuals. Employer-sponsored group coverage was “steady.” Try to hold your pen that way when you’re signing your premium checks next year.
Strategic Planning Possibilities and Pitfalls
Without careful planning for the imagined changes, the best-laid plans will fail.

In my consulting projects I spend a fair amount of time helping people with planning—for a specific program’s development or creating an overarching strategy at the organizational level. I often notice two things:

- People are reluctant to plan ways to stop doing anything. When planning what to do, most people are in their comfort zone. Planning what not to do? Not so much.

- People often decide that their organizations need to change and evolve. But while they think clearly and purposefully about the changes needed, planning the change itself, how the evolution will occur, is conceptually hard. “Thinking makes it so” is a frequently encountered change-management strategy. Yet we know that change is difficult and requires sustained effort.

In a for-profit business, it’s easier to figure out what not to do, and change is a constant imperative. That’s not to say it’s easy. There are financial disciplines around the calculation. If your margins are so low you can’t sleep, or you have new competitors who are eating your lunch, or you just aren’t turning a profit with specific products or services, a good manager will cut her losses, reconfigure and re-invent.

For nonprofit organizations, the return on investment is less easily analyzed. There frequently are important constituents ready to advocate for the continuation of every program and service. For example, a major donor may support a particular program. If the program ends, the donor may be unwilling to shift contributions to something else. Or an important constituency may be served, and may have nowhere else in the community to find the services you want to end. Changes may affect a devoted employee.

Finally, sometimes ending a program or service is extremely complicated because of cascading consequences for staff, facilities and budgets. In the nonprofit sector’s consensus decision-making model, developing plans to end a major activity can be a minefield that challenges the navigational skills of the most experienced leaders.

So what to do? Here are a few practices that I’ve seen clients use effectively.

Want to strengthen and develop your programs? Ask the people doing the work.

Staff working on the front lines often have the best ideas for changing organizational practices creatively and effectively. They know how they spend their time, they know which of their tasks are antiquated or inefficient, and they often are quietly musing about “if I ran this place” and are the source of breakthrough ideas. Unfortunately, these are the very staff that often are left out of the planning process, especially in large organizations.

It can feel risky for a junior staff person to speak up and challenge management thinking. But these are the very ideas needed to move forward. Talk to these folks and draw them in. As a benefit of creating an open and inclusive planning process, employees will feel more ownership and engagement in the work, and are more likely to stick around if they think their perspectives are important and their ideas enacted.

Want fresh thinking? Include people who know little about your line of work, but a lot about getting things done.

Board members or volunteer advisors—who care about a nonprofit’s community impact but come from entirely different sectors—can be a wonderful source of imaginative thinking. Simply by asking basic questions about how work gets done, experienced managers from other fields can trigger reexamination and innovation.

For example, board members who work in for-profits often have access to software platforms and technology tools that support work-process efficiencies. I’ve seen nonprofit workers agog when a board member describes how relatively low-cost technology can assist with cumbersome and tedious tasks. Customer service, customer experience and customer relationship management tools are all under-supported in the nonprofit sector, whereas for-profits are innovating in these areas.

A strong board-staff planning committee with several outside perspectives can be the catalytic “secret sauce” that nonprofit leaders need to bring new thinking to their organizations, figure out what not to do, and advance their organizations.

And don’t forget to plan for change.

Just as program development requires a significant investment in thinking about the route from concept to delivery, so does planning for organizational changes, small or large. Change takes time, and it often requires cash. Certainly it requires a well-conceived set of talking points and communications strategies—ones that successful leaders will repeat and embody for months and even years.

John Kotter’s landmark book, Leading Change, details an eight-stage process for creating and sustaining major change. Summarized in a single page and then carefully detailed in what is essentially a management workbook, Kotter’s guide centers on the communication strategies necessary for effective change management. Included in his analysis of the most common errors in change management: “undercommunicating the vision by a factor of 10 (or even 100 or even 1,000).”

Planning for change requires teamwork, time, wits and energy. Every strategic plan should include the plan for how the change will be initiated, communicated, understood, enacted and sustained. Does your organization’s plan have these elements? If not, enjoy the process of building in the ways you and the people in your organization will make the change happen. You’ll be glad you did. tcbmag

Sarah Lutman is a St. Paul-based independent consultant and writer for clients in the cultural, media and philanthropic sectors.
Building an Ecosystem for the Next Generation

When I was growing up, my father, a senior civil servant in India, was transferred from city to city every few years. One of the first things he would do when we arrived at our new government bungalow was plant a few fruit trees. “Why do we do that? We always leave before they bear any fruit,” I asked one day. He asked, “Well, you remember the papaya we had for breakfast this morning?” I nodded, and he continued, “That was because someone before us had planted that tree.”

In my present-day home of Minnesota, we are justifiably proud of our economic position in the country. Among other strengths, we have a balanced set of industries fueling an economy that is not dependent on any one sector. And our unemployment rate hovers around 3 percent—the envy of many other states. We are, in essence, eating fruits as a result of seeds planted between the end of World War II and roughly 1980.

Unfortunately, lately we have not been planting many seeds for new trees to grow. The last Fortune 500 company to be born in Minnesota was in the 1970s. According to Kauffman Foundation research, Minnesota is No. 47 in new venture starts—we are behind Mississippi! While the overall number of new starts have been in decline for the past six years throughout the country (with a minor uptick last year), we in Minnesota slipped three more slots since last year.

Meanwhile, all things that are born will die. Nationally, the average age of a corporation has declined from 61 years in 1958 to 18 years now. At our current churn rate, 75 percent of the S&P 500 will be replaced by 2027. True to form, many of our larger corporations are showing the telltale signs of age: laying people off, agreeing to be acquired, moving headquarters elsewhere, etc. They will soon no longer be able to continue holding up this state’s healthy economy by themselves.

The first step of the 12-step process is to admit that one has a problem. Fortunately, there are several people who are willing to admit that we do have a problem, and willing to help plant new seeds to replace these fruit-laden trees when they become barren in a decade or two. Thoughtful academic institutions, foundations, support organizations, service providers and individuals within businesses can help us not only keep Minnesota strong, but make it even better. If so, we can turn an impending crisis few know about into something the majority never needs to face.

One such ambitious project has broken ground in Elliot Park for the 14,000-square-foot FINnovation Lab slated to open in downtown Minneapolis by December 2017, just in time for the national attention coming this way due to the Super Bowl. The Lab, in cooperation with Impact Hub Minneapolis-St. Paul, will support mission-driven change makers in growing their businesses, with the aim of creating living-wage jobs and positive social impact in the region.

Besides co-working space, the project will provide business support systems for for-profit and nonprofit organizations to allow for rapid growth and flexible working relationships. Services will be tailored in partnerships with experts in business leadership and social innovation. It plans to have access to cost-effective financing and will serve a mix of organizations, from inexperienced, idea-stage founders to established businesses—all with a benefit to the greater good in their model or mission. A mix of business models, sectors, industries, needs and stages of maturity among the members will stimulate cross-pollination within a diverse group.

There are several other programs like this. Some support taking an idea to the point of starting a business, such as the 100 Launches program. Others, such as Rocket Network (my organization), support those ideas that have survived the birthing process and are dealing with the inevitable growing pains that come thereafter.

All we can be sure of today is that with access to large meeting areas for networking and speaking events, we will have a gathering space for like-minded people, organizations and businesses to meet and forge the beginning of an ecosystem.

Not knowing exactly how it will play out is the essence of entrepreneurship. Yes, some of us may not be able to enjoy the fruit of this tree, but we enjoyed the one from previous plantings and we owe this to the next generation.

Rajiv Tandon is an entrepreneur, educator and mentor. He facilitates peer groups for CEOs of fast-growing companies in Minnesota, and as executive fellow at the Schulze School of Entrepreneurship, University of St. Thomas, he runs the Rocket Network (rtandon@stthomas.edu).

Rajiv Tandon

By Rajiv Tandon
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Minnesota’s small railroads are in a perilous state, putting the businesses and small towns that rely on them in jeopardy.

by Adam Platt
Morton, Minnesota, is a railroad town.

It has been since 1884, when the Minneapolis & St. Louis Railway crossed the Minnesota River on a mile-long timber trestle on its way to South Dakota. Morton was founded because of the railroad, and has thrived and struggled alongside it for well over a century.

Morton was a railroad town in 1960, when the Chicago & North Western swallowed up the M&StL, and it was still a railroad town—moving corn and soybeans from area farms—when the North Western discarded the line in 1983, part of a wave of abandonments of Midwestern agricultural lines as more and more commerce was taken up by the rapid expansion of the nation’s over-the-road trucking industry. A succession of owners followed, and the line’s condition became so bad the trains stopped in 2000.

Morton exists because the railroad stopped there and the line’s decline both mirrored and accelerated Morton’s, which has lost half its population since the C&NW left town. Because small towns rely on agriculture, and ag needs rail to ship profitably, letting the line die was not an acceptable solution. In 2002, the rural southern Minnesota counties that were home to the line came together to buy it and start it up again as the Minnesota Prairie Line. Much of the track remains in tough shape.

On a sunny spring day in Morton, dozens of garter snakes sun themselves on the rails. There will be no train this day, but if there were, the snakes would have plenty of warning: The top speed is 7 miles per hour because of the line’s condition. Some of the rails have inch-long gaps; all are stamped 1912 or 1913, the year they were forged in Midwestern steel mills.

And every year when the state inspects that mile-long timber trestle across the Minnesota at Morton, county and railroad officials hold their breath. They fear the day is coming when Morton ceases to be a railroad town for good.
“Businesses don’t ship by rail because they like it. They do it because it’s the only economical alternative.” —Mark Wegner, president/CEO, Twin Cities & Western RR

Deferred Maintenance

When people think of a railroad, most think of the BNSF or Union Pacific, national behemoths, speeding 125-car trains on smooth welded rails to or from coastal ports, conveying grain to Asia or consumer goods to Amazon or Target.

Most lines had received little maintenance for decades, as the railroads that built them struggled against their unfavorable economics. “The Milwaukee Road and Rock Island went bankrupt trying to keep up with the maintenance on these lines,” explains Richard Kedzior, the freight railroad program manager for Wisconsin DOT. Tracks and ties and bridges, mostly built before 1920, showed their age.

Traditional debt financing was out of the question. “Banks will not lend because the growth curve is too long,” explains Dave Fellon, owner and president of Progressive Rail Inc., a short line with operations in six states.

So the short lines muddled along. Some thrived, some failed, but what they had in common was an inability to generate the capital to return their lines to a state of good repair. “The revenue we generate pays our operating costs,” says the Prairie Line’s Beard, “but it can’t pay our capital costs.”

The Minnesota Commercial’s endangered line from St. Paul to Hugo is typical (see “Tied Up in Hugo,” page 21). According to Gohmann, last year the line generated barely $10,500 in income for the Minnesota Commercial on revenue of $779,000, a paltry 1.3 percent return. Were it to take advantage of a 10-year no-interest loan from the state of Minnesota, borrowing $1.3 million to bring the line to a state of good repair would require annual pay-
Tied Up in Hugo
Rotting ties could drive major employers to relocate out of town.

The Minnesota Commercial is what’s known as a “terminal short-line,” providing connections between railroads in a major metro area. Its line from St. Paul to Hugo is a remnant of the Northern Pacific’s old main line to Duluth, now a bike trail north of Hugo. According to owner John Gohmann, the bridges and abutments on the line are 100 years old, while the ties predate his railroad’s lease of the line in 1990 and are beyond their usable life.

Unlike the Minnesota Prairie Line [see “A Railroad Town,” page 22], which owns its track, Gohmann leases the Hugo line from BNSF, which does not believe it can economically operate it. The Commercial is forbidden by lease to borrow against the line, says Gohmann. This means state or federal loan/tax credit programs are no help.

Because Gohmann is eager to be transparent in his quest for public funding, he explains the Hugo Line generated barely $10,500 in income for the Commercial last year on revenue of $779,000, a paltry 1.3 percent return. Even if the railroad could borrow against the line, it’s not clear that any bank would make the million-plus loan, or that the railroad could pay it back out of income, he says.

“This is our last year of operations to Hugo unless these ties are replaced,” says railroad COO Wayne Hall. Yet the line serves an industrial park there whose tenants were attracted with an inducement of rail access, according to city manager Bryan Bear.

“We are in agreement,” says Bear, “that trains could tip over due to the state of the railbed. I’m actually surprised their ‘ask’ is as modest as it is. A million is doing this very economically.”

Conversely, loss of the line will have devastating effects for employers along it, they say:

In Oakdale, Polar Plastics Inc. produces plastic sheeting and wrap from pellets shipped in from the Gulf Coast. It pays employees more than $15 an hour; has 30 employees with more than 25 years of seniority, provides health insurance and paid vacation.

Owner Andy Ave’Lallemant lacks a direct rail spur and has to truck plastic pellets a mile or so through the suburbs from the Commercial. If the Hugo Line went away and Polar had to truck its pellets from a distant railhead, it would be unprofitable.

“Raw materials are 73 percent of my overhead,” Ave’Lallemant explains. “I take 6 to 8 cents a pound penalty shipping by truck. That shipping penalty is my margin.”

He sees few options. “I can’t relocate locally. It’s too costly.”

In Hugo, JL Schwieters Building Supply Inc. sells and engineers building materials for large construction projects. It is one of the 10 largest employers in the county, employs 500 workers, pays north of $15 an hour and some senior factory employees earn more than $60,000 a year. It brings its raw materials into Hugo by rail and came to its industrial park in 1999.

“If we lose rail we incur a million extra per year in shipping cost,” explains owner John Schwieters. “It is hard to find locations on rail. We went all the way to Rochester looking for viable sites before we came here.”

Loadmaster Lubricants LLC manufactures specialty lubricants that are shipped all over the world. It employs 30 in Hugo, and is growing by double-digit percentages. Owner Rick Stewart anticipates 24/7 shifts of 75 to 100 employees with current growth plans. The blunt Alabaman notes he has paid “millions in local taxes” over the past decade.

Stewart says he is “waiting to add onto our building until rail issue is settled. . . . We can do this anywhere. We’re here because of rail access. Without it freight costs increase by a factor of five. Freight is [already] a double-digit percentage of overhead.” Without rail, “we would relocate the business wherever it best suited us.” He scoffs at the suggestion of a state loan program that requires him to contribute to the railroad’s repairs. “Why would I invest in something I don’t own or control?” he asks.

Gohmann fears a loss of rail service would send some of the Hugo Line’s shippers into St. Croix County, Wisconsin, where the Union Pacific is soliciting business.

The salient contrast with rural short lines is that most of the Hugo line’s shippers are located for logistical convenience. It’s a marriage that is easily disrupted. “If they were to relocate they might go to Hudson,” notes state Rep. Matt Dean (R-Dellwood). “They can move. But a grain elevator in Rock County can’t move.”

As for Hugo, it watches and waits. “We don’t fully understand the consequences of abandonment,” says Bear, “but we know it entails the risk of business relocation. We’ve verified the need. The uncomfortable question is public policy.”
A Railroad Town
Morton, Minnesota’s economy sits in suspended animation, awaiting its railroad’s fate.

Morton sits on a vein of rock, and the town is adorned with an abundance of granite signage, while older buildings boast outsized granite architectural details and trim. Today Morton is home to several small industrial businesses, a bar, and a couple retail and service businesses. Its downtown feels forlorn, its beautiful art moderne school abandoned and vandalized.

In the 1970s, when the Chicago & North Western was still operating its line going to the Twin Cities, Morton had 800 residents. “We had a hotel, Main Street was full,” says city clerk/administrator Shirley Dove. “Since then we’ve seen the schools consolidate, farms consolidate—the county has probably lost half its farms.” Morton has lost half its population.

Morton was lucky to retain its grain elevator, which stopped shipping by rail when the track fell into disuse between 2000 and 2002. Though the trains have returned in the form of the county-owned Minnesota Prairie Line, the elevator must be redesigned to use them, and owner Harvest Land Co-op will not make the investment until the railroad’s future is stabilized.

Though the railroad was upgraded east of roughly its midpoint at Winthrop, the western portion remains in dire shape. “The bridge [at Morton] was built in 1912. It needs a $15 million rebuild. It’s so expensive because it’s a mile long,” says Julie Rath, administrator for the Minnesota Valley Regional Railway Authority.

“It can’t take [conventional] 286,000-pound railcars, so we are shipping cars not full,” Rath continues. “We ship at night because it’s less likely the rails will have expanded.”

There is a bill before the Legislature to forgive over $4 million in state loans dating to the counties’ takeover of the railroad in 2002, because it cannot generate sufficient revenue to pay them back. “Revenue streams were hoped to be sufficient to pay back loans in 15 years,” says Mark Wegner, president/CEO of the Twin Cities & Western Railroad, which operates the Prairie Line under contract to the county rail authority, “but they are not.”

The state has been its own worst enemy. Last year the Legislature, at the behest of utility companies, changed a law that required utilities to pay rent to railroads for crossing their track. The rent was replaced by a one-time $1,200 payment. “$1,200 used to be our application fee,” Rath notes. She says the rail authority received $160,000 in annual rent from utilities. “It’s our operating budget.”

So a difficult situation on the railroad is now acute, which is why the Legislature is considering forgiving its loan, says Rep. Paul Th尔kelson (R-Hansa), who represents Morton and chairs the House transportation finance committee.

Small businesses, critical mass
The University of Minnesota has been following the Minnesota Prairie Line since it was purchased by the counties. Its most recent economic impact study covers Morton’s rail investments of $130,000. The economics don’t pencil out.

So at the Capitol this spring, the short lines are engineer’s cap in hand, saying their physical plant is worn out and they are nearing the end of the line.

One track
The obvious question is why the state should consider a taxpayer investment in railroad infrastructure when other shipping modes exist. The simple answer is certain types of businesses can only ship by rail—and adjacent states are making investments to preserve their rail network and woo businesses (see sidebar).

“Businesses don’t ship by rail because they like it,” says Wegner. “They do it because it’s the only economically alternative.”

Most of the industries served by short line rails use skilled labor and pay generous wages with good benefits. “We can have better jobs with rail,” says Fellon. “These are not service industry salaries.”

Extrapolating data from economic impact studies of the Minnesota Prairie Line and TC&W conducted in 2013-14, short line railroads provide essential transportation for businesses that generate $4.70 billion in annual state commerce—11,403 jobs and $553 million in wages. The railroads’ direct economic impact comes to $41.26 million annually; they employ roughly 275 people and pay annual wages of roughly $19 million.

Still—despite this economic motivation and an absence of opposition—there has been little action. Individual short-line railroads and communities have been petitioning the legislature for decades, and a consortium of short lines has showed up at the Capitol for the last three legislative sessions, but no program or fund has been established. “Minnesota is fairly anti-rail in my opinion,” says Fellon. “I look at their actions, not their words, and I don’t see the activity or the interest.”

State of indifference
Though one-time bonding funds and occasional federal tax-credit programs have given short lines and shippers help, the state’s primary assistance vehicle is the Minnesota Rail Service Improvement program (MRSI), which dates to 1976 and provides low- or no-interest loans for shippers and railroads. The program has been little used, railroads say, because of a variety of strictures that railroads, shippers or communities cannot meet.

MVRRA’s Julie Rath is dismissive, noting MRSI’s capital improvement fund’s limits are comically low. “Today, all $200,000 buys you a switch,” Wegner says using tax credits would require 28 years to get the TC&W mainline to a good state of repair.

Wegner’s line needs $17 million over the next five years to replace 60-year-old tracks. “I probably can’t borrow $17 million,” Wegner notes, “but if I did, what if then there are two or three drought years? My revenues crater and I can’t cover my debt service.” The state’s willingness to fund the more urgent needs of the Prairie Line and Hugo Line will be a harbinger of TC&W’s chances of state assistance.

Minnesota has a rail plan defining the rail network and identifying needs and goals to meet the state’s economic interest. It speaks covetously of a dedicated funding source for rail improvement. Neighboring states have put their money where their policy is. Wisconsin, Iowa and South Dakota were devastated by railroad abandonments in the late 1970s and early ’80s. The situation was so dire that they took ownership of hundreds of miles of track and funded the renewal of hundreds more.

Since 1980 Wisconsin has acquired 977 miles of railroad, issued $275 million in grants and $130 million in loans. The state currently funds $10 million to $15 million annually in rail investments, and the program has
been self-sustaining since 2007. The state’s goal is to get 95 percent of state railroad track to Class II status, meaning 25 mph track.

“The original grant program was $2 million per year, but by the late 1980s we realized that it was putting Band-Aids on,” says Wisconsin’s freight railroad program manager Richard Kedzior. “We had to experience many years of failures to learn we needed to put real money into it.”

“I wish Minnesota had Wisconsin’s vision back when the Milwaukee Road started talking about abandoning all its lines in southern Minnesota,” says MVRRA’s Beard. “We had to experience many years of failures to learn we needed to put real money into it.”

The approval of the freight program is currently only proposing a one-time $2 million short line allocation, even though MnDOT’s state rail plan estimates the cost to bring state short lines to modern standards is over a billion dollars.

An initial proposal from Rep. Matt Dean (R-Delwood), whose district includes the Hugo line, was for $4 million per biennium. “From a policy standpoint, the economic viability of rural Minnesota is a big deal,” says Dean. “It’s not a great deal of cost to maintain rails already in place.”

“There is a public-private interest,” agrees Sen. Roger Chamberlain (R-Lino Lakes), who also represents Hugo. “We should try to fix it. The difficulty is finding a way to finance.”

Despite this, and the apparent bipartisan support for the goal, attempts to create funding streams like Iowa’s or Wisconsin’s have repeatedly been caught up in legislative politics and gridlock. A contributing factor may be Gov. Mark Dayton’s level of interest. His office has mostly prioritized grade crossing and oil train safety measures and is currently only proposing a one-time $2 million short line allocation, even though MnDOT’s state rail plan estimates the cost to bring state short lines to modern standards is over a billion dollars.

The railroad themselves are asking for a lot less than that, and say only some of the funds are urgent. “Understand, though,” says Wegner, “what we’re asking for would not bring the [Minnesota Prairie Line] to a good state of repair, just closer.”

That the need is in mostly GOP districts would seem to enhance the short lines’ chances this session, but it also runs into the inherent conservatism of the GOP caucus. “Anything that is new spending is a big deal,” notes Dean, who has announced his candidacy for Governor in 2018. “If we’re going to decide to do it, it’s because we believe there is no private sector solution.”

Public or private good?

Rail advocates are quick to point out that the state and feds subsidize other modes. “We pay to maintain our trackage and pay property taxes on it,” says Gohmann. “But who maintains the roads [for trucks] and waterways [for barges]? Taxpayers do.”

Even supporters are skeptics, though. “Railroads are still private businesses,” says Chamberlain, “and they are looking for the cheapest way out, just like the state.”

As a result, the issue risks getting muddled into the larger debate about infrastructure and who will pay. “Freight rates are set to double, according to the GAO,” says Progressive Rail’s Fellon. “If we can’t resolve this now, how will we ever handle it?”

Adam Platt is TCB’s executive editor.
He had only been in his new job as president of the Federal Reserve Bank of Minneapolis for roughly six weeks when Neel Kashkari fired his first shot across the bow of Wall Street. In a February 2016 speech at the Brookings Institution in Washington, D.C., Kashkari charged that the nation’s largest banks remained “too big to fail,” and as such, they could pose a risk for future taxpayer bailouts.

A moderator on the panel expressed surprise: “It’s not what one expects from a Goldman Sachs Republican.”

Kashkari, 43, is not one for doing what people expect. He began by following in his father’s footsteps, earning bachelor’s and master’s degrees in mechanical engineering, and started his career as an aerospace engineer from 1998 to 2000. But he found that he wanted to learn about business and was wary that going for an engineering doctorate would consign him to a career in research. Instead, he earned an MBA from the Wharton School of Business in 2002 and landed at Goldman Sachs in California as an investment banker.

The job turned out to be fortuitous. Hank Paulson, then CEO at Goldman, was later named Treasury Secretary. Kashkari barely knew the man, but he called Paulson, pitching himself and his interest in public service. Paulson was impressed and brought him to Washington in 2006, initially as an advisor on housing issues.

In September 2008, venerated Wall Street financial firm Lehman Brothers filed for bankruptcy, and the aftershocks pushed the U.S. economy into the financial crisis. As the economy spiraled, Paulson tapped Kashkari—then only six years out of Wharton—to oversee the Troubled Asset Relief Program (TARP), a plan for the federal government to spend $700 billion to buy up bad loans and other distressed assets from banks. The goal was to stave off a broader economic collapse. Critics derided...
Continued from 24
TARP as a bailout program for big banks and Wall Street; the program had support from both Republicans and Democrats, but also had critics from both parties.

As the economic crisis deepened, media coverage intensified. Kashkari became a symbol of TARP, which led to nicknames such as “the $700 billion man” and “TARP bailout czar.” At the time Kashkari was only 35 years old. Why was he thrown into the eye of the storm? He had won the confidence of Paulson.

“We had other people who were senior and more experienced,” Paulson later said. “But I didn’t see anyone else on my team who was willing to step up and be accountable and take the responsibility.”

Kashkari left D.C. in May 2009, after seven months overseeing TARP, serving under both George W. Bush and Barack Obama. He later joined California-based investment advisory firm Pimco. He started mulling a run for governor of California in late 2012, after Mitt Romney lost to Obama. He spent a year testing his ideas with potential donors and average citizens. He was a fiscal conservative but a social moderate who wanted to build a bigger, more inclusive tent for Republicans. Few political observers thought that any candidate stood a chance against incumbent California Gov. Jerry Brown, which likely scared off other contenders. But Kashkari went ahead and came in second in the state’s general primary, which pitted him against Brown in the general election. Media coverage of the campaign often described Kashkari as relentlessly upbeat. But in the end, he lost to Brown by nearly 20 points.

When he was tapped to lead the Minneapolis Fed, members of its board of directors cited his combination of private and public sector experience and said that his leadership skills set him apart from other candidates. Between Goldman and Pimco, his resume at the time included about eight years of private financial industry experience.

Looking back on the financial system collapse, he says he believes that the government had no choice but to step in to stabilize the financial system. But today he’s concerned that financial reforms did not go far enough to prevent another financial system meltdown that could be averted only through more taxpayer-funded bailouts. Last year, Kashkari released the “Minneapolis Plan,” which increases capital requirements for the biggest banks, which he argues would reduce the need for those banks to tap government money during a crisis. At the same time, the plan calls for reducing regulations on community banks “which are not systemically risky for the U.S. economy.”

In early April, he blasted JPMorgan & Chase Co. CEO Jamie Dimon in a stinging rebuttal to Dimon’s letter to shareholders. Dimon argued that banks were carrying “too much capital,” contending that capital requirements were restricting the volume of loans that could be made. Kashkari didn’t buy it.

“Mr. Dimon argues that the current capital standards are restraining lending and impairing economic growth, yet he also points out that JPMorgan bought back $26 billion in stock over the past five years,” wrote Kashkari. “If JPMorgan really had demand for additional loans from creditworthy borrowers, why did it turn those customers away and instead choose to buy back its stock?”

Meanwhile, banks are not the only thing Kashkari thinks about. In January he announced the creation of the Opportunity and Inclusive Growth Institute, a research initiative to tackle the issue of wide racial economic disparities in Minnesota and the region.

“I know that monetary policy can’t solve disparities—you can’t target monetary policy on certain communities or certain groups,” says Kashkari. “But if we can do the research to help analyze the sources of these disparities, come up with potential solutions and then put those out to the public for other policymakers to consider, I think that’s an appropriate contribution for us to make.”

What Is ‘Too Big to Fail?’
“Too big to fail” refers to the concept that some banks and other companies are so large that the failure of those firms would damage and destabilize the larger economy. In the interests of protecting the greater financial system, the government steps in to provide financial assistance. During the financial crisis of the late 2000s, the federal government provided assistance to banks, insurance companies and automakers.

Q “Too big to fail”—do you feel like anyone is listening to you?
I do. After every FOMC [Federal Open Market Committee] meeting I go up to Capitol Hill and meet with members of Congress from our region, but also [with] leadership—both sides of the aisle, House and Senate—and they are paying attention. I think they are getting the message that the biggest banks are still “too big to fail.” I feel like one of our biggest responsibilities is to speak up if we see risks.

Q As a candidate, President Trump made comments that suggested he shared your concerns about the largest banks. Do you have any sense of where the administration stands on that issue?
I’m not sure. During the campaign, he did talk about the biggest banks. … We’ve heard different messages coming out of the administration: on one hand wanting to relax regulations; on the other hand still wanting to address “too big to fail.” We think the plan that we’ve put forward can do both. You can really address the risks imposed by the biggest banks and at the same time you can relax regulations on small banks.

Q You recently noted that you thought stock, housing and commercial real estate prices may be somewhat elevated. Do you have any concerns on the horizon about where those prices are?
Our concern is not so much to stop prices from going up or to keep them from falling, but we do care about the potential for a correction to trigger financial instability. If you think about the tech bubble, when the tech bubble burst it didn’t have the potential of destroying the U.S. economy or plunging us into a depression. … There’s a lot more debt under the real estate market than there is under the stock market. That’s why the housing bubble bursting was so damaging to the financial system and the U.S. economy. We look at these asset prices and then we try to understand what the likely consequences are going to be on the U.S. economy if there is a correction. We’re not particularly concerned right now that it’s going to lead to any kind of economic instability.
On employers who say they can’t find enough qualified talent:
“They can’t find people at today’s wages. So I always say, ‘OK, great. Have you raised wages?’ ‘No.’ ‘Well, talk to me when you’ve raised wages.’”

Q At the Fed’s March meeting, you cast the lone dissenting vote against raising interest rates. Why?
We have our dual mandate: stable prices and maximum employment. . . . Core inflation continues to come up short: Right now, it’s around 1.8 percent rather than 2 percent. That doesn’t sound like a big difference, but it’s been consistently below [expectations] and so we’re not yet at our inflation target.

On the job front, if you look at the Fed’s history over the last few decades, the Fed has repeatedly thought, ‘We have reached maximum employment,’ only to find out more people wanted to work. As the economy got stronger, more people entered the labor force. My view was, on both fronts, since inflation is not showing any concerning signs yet, let’s see if the job market continues strengthening without inflation picking up [before raising rates further].

Q The labor participation rate remains historically low. Is that something you track?
It absolutely is. We know that it’s been trending down because of the aging society and demographics, but even if you look at working-age labor force participation, it’s considerably lower than it was in 2005 or 2006. That also suggests that there’s still slack in the labor market.

Q Companies say, “We can’t find anyone to hire. We can’t find good people.”
I hear this too, all around, when I travel. They can’t find people at today’s wages. So I always say, “OK, great. Have you raised wages?” ‘No.’ ‘Well, talk to me when you’ve raised wages.’

Q Surveys say people’s confidence in the economy has increased, but the economic data doesn’t show a similar uptick. What do you make of the disconnect?
If you look at right after the election there was a boost not just in the stock market, there was a boost in the bond market. Inflation expectations ticked up just a little bit, suggesting maybe we’re getting out of this low-return, low-rate environment that we’ve been in since the financial crisis. The markets were in part betting on legislation coming out of Congress, either tax reform or health care reform or regulatory reform.

My experience is that the markets are lousy at predicting political outcomes. So I ignored the market’s response and said until we have more evidence from Congress or the administration on what they’re likely to enact, there’s no point changing my economic forecast.

Q How did racial economic disparities rise to the top of your list?
The biggest surprise to me about Minnesota and the region is the extent of racial and economic disparities. Given how much we have going for us in this region, that just struck me as surprising. As I started asking economists here at the bank and around the Federal Reserve system, “Can you explain these disparities? What are the root causes of these disparities? How do we address it?” it surprised me how little we really understood about it.

Q Has anyone questioned if the Fed can have an impact here?
To the extent we’ve heard any criticism it’s been, ‘Hey, this is outside of the Fed’s mandate.’ My pushback to that is Congress has given us a mandate of maximum employment; maximum employment means everybody who wants to work is able to work.

This is going to be a long-term initiative. We’re not going to have quote-unquote an “answer” in a year. We’re just going to get going and do the work so that we can analyze it and see where the research leads us….This is just where we’re starting.

Q Do you see challenging people as part of your role?
I pick my spots. I try to figure out, does this draw attention, but I think that does harm by adding noise and confusion to markets.

“Too big to fail” is one where the more attention we can draw to the issue, the more we can educate the public and Congress about the issue, the more likely we are going to address the issue and make a difference on that issue. I’m very thoughtful about which issues I want to raise attention to, and then if I do want to raise attention, let’s be creative to try to do it.

Q Have you ever met President Trump?
I met the president for 10 minutes when I was running for office.

Q What did you talk about?
I was seeking contributions.

Q Did he make any contributions?
He did not.

Q Do you see other sectors of the economy that raise any concerns?
Trade is another one that I talk to our economists about a lot. The traditional approach to thinking about free trade has been “Free trade is good, free trade is good, we will unilaterally free-trade even if our trading partners are not free-trading.” Because our hope is that they’ll wake up eventually that it’s in their interest to pursue free trade.

I think what President Trump is asking is, “Isn’t there something else we could be doing?” When you ask the experts, they’ll say—“Oh no, if you do anything less than free-trading, it’s a trade war.” I think that’s a false choice—unilateral free trade or a trade war. I think we, as a country, have to figure out: Is there some reasonable middle ground that’s neither a trade war nor universal free trade? I don’t think we have the answer to that yet.

Q You said of the oil crisis, “None of the smart people saw it coming.” How does that guide your view of the economic outlook?
It’s the lesson that even when we’re on alert, we’re still going to miss things. Coming out of the financial crisis everybody was and still is on high alert looking for economic shocks. And yet oil went from $140 [per barrel] to $30 and nobody saw it coming. That’s a huge economic shock. The lesson is we have to keep on alert, remain vigilant, but assume we’re going to miss it. Assuming we’re going to miss it, what can we do to make sure the system is strong enough to withstand the shock that we ultimately do miss? That’s why it’s so important that we make sure that the biggest banks have enough capital so that when a big shock comes—that we miss—it doesn’t bring down the system and it doesn’t require taxpayer bailouts.

Burl Gilyard is senior writer for TCB.
How will millennial managers—as well as the rest of the workplace—react to the first wave of Gen Z entering the workforce this summer?

By Allison Kaplan

Last summer, for the first time ever, Optum Technologies, a division of the Eden Prairie-based health services giant Optum, brought in high school interns. It was a big change for a company that had previously focused its recruiting efforts on college graduates. “That’s way too late in the game for the current generation,” says Patrick Keran, Optum Technologies senior director of innovation research and development. “They’re coming in better prepared today.”

Move over, millennials—there’s a new generation hitting the workforce. The leading edge of Generation Z, born between 1995 and 2012, graduated from college this spring. Analysts say they are independent, pragmatic and fiercely competitive. They’re entering college with focus not seen in previous generations, and coming out with tons of opportunity, as the corporate world prepares for a wave of baby boomer retirements. That has many industries—from health care to accounting—becoming more aggressive about recruitment, and more willing to accommodate the demands of a generation that has grown up with a smartphone in their hands.

“The cost of education is so high now that the word is out: If you don’t know what you’re going to do, take time off,” says Beth Kieffer Leonard, managing partner for Minneapolis-based accounting firm Lurie LLP. There are currently more CPAs retiring than joining the profession, she says, and that has Lurie thinking hard about how to attract members of Gen Z and retain them. “They know they’re going to have jobs in accounting. The question is how do you [attract them earlier]?”

Big corporations, particularly in traditional fields such as accounting and insurance, are feeling the pressure to appeal to Gen Z. “We really need to tell them we’re not just a stodgy health insurance company,” Keran says.
According to studies, Gen Z has an eight-second attention span.

“We need to show them how we’re trying to be game-changers, and we need young people like them to do it.”

When Optum brought in high school interns last summer, managers balked. But when it came to technology and data analytics, Keran says, “there wasn’t a lot of difference between the high school students and our college interns.”

“These kids have multiple social media accounts. They know how to do so many things on their phones. They’re coming in well armed and tooled—more so than people already in the workplace,” Keran says. “We’re steeped in health care. We’ve been doing this stuff for years. We need to engage Generation Z and say, ‘You guys bring new tools, the excitement—help us combine these two.’”

Optum expects to hire 1,500 students out of college this year—800 interns and 700 full-time employees. Next year, it could be 2,000.

“The good news for these employers: Generation Z craves stability,” says Jim Kwapick, district president for professional staffing firm Robert Half in the Twin Cities. “They saw their parents scrambling for work; they understand the cost of college today. You might think Gen Z would be enamored with startups. Be careful what you assume.”

**THE ANTI-MILLENNIALS**

There’s been a tendency to label anyone under 30 as “millennial.” After all, there are a lot of them: 75.4 million Americans born between 1980 and 1994, according to the Pew Research Center, which makes millennials the largest living generation in the U.S. Gen Z isn’t far behind, at nearly 73 million, but they’ve come of age more quietly—favoring Snapchat’s vanishing photos over Instagram’s public posts—as their parents have drilled into them the dangers of oversharing on social media. Meanwhile, millennials—half of whom are now parents themselves, according to Time magazine—have been more talked about than any generation before. At the office, they wanted open spaces and constant collaboration. They sought meaning over money. And now those idealists are going to be managing a generation of realists.

“Millennials want to change the world at any cost. Gen Z wants that, but also wants to make sure they’re getting ahead in their careers—money and meaning,” says Twin Cities-based generations expert David Stillman. Ironically, the nuances hit Stillman when he stepped away from his work helping companies bridge generation gaps. After two best-selling books on the topic and 20 years on the speaking circuit, he set those boomer/Gen X/millennial conflicts aside and took a job as U.S. strategist for WE Day, a program that encourages youth to take social action.

“I was meeting with potential sponsors and program partners, and they’d talk about teenagers, referring to them as millennials. I realized there was a disconnect in how they were perceiving this generation. My gut, and observing my own kids at home, told me there’s going to be another shift.”

To confirm his instincts, Stillman teamed up with the Institute for Corporate Productivity to pilot one of the first national studies on Gen Z workplace attitudes. Among the findings: They’d rather work independently, they’re interested in creating their own job descriptions and they’re not afraid to try different things—even simultaneously. They are picky about working for digitally sophisticated companies, and prioritize organizations with social values that align with their own.

Now Stillman is back on the speaking circuit, as companies from Land O’Lakes to 3M prepare for the next wave of workers. This time, he’s bringing a reinforcement: his Gen Z son Jonah Stillman, who just graduated from Minnetonka High School. In his junior year, Jonah participated in Minnetonka’s Vantage advanced professional studies program and many of his classmates helped conduct research that made it into the father-and-son duo’s new book, *Gen Z @ Work: How the Next Generation Is Transforming the Workplace.*

“We haven’t seen this level of [competitiveness] (among contemporaries) since the baby boomers,” David Stillman says.

Millennials were brought up by baby boomers, who taught them that if we all work together we can all be winners. Gen Z is largely a product of skeptical Gen Xers who know that 401(k) accounts don’t always grow, jobs often get cut, and there are always winners and losers, with no extra points for “participation.”

“Our parents taught us that in the real world, you might win and you might lose,” says 17-year-old Jonah. “We’re willing to fight for a job and to challenge the way things are being done.”

**ATTENTION DEFICIT: COLLEGE NOT REQUIRED**

Despite its success with high school interns, Optum is pressing pause this summer to retool its pilot program for Gen Z. There was too much lecturing, Optum’s Keran says, too much sitting. According to studies, Gen Z has an eight-second attention span. Constant connectivity has made them “fearful of missing out” (that’s FOMO, for you old-timers), which means they might try to juggle many pursuits at once. They’re skeptical of the value of schooling/training—why spend time on theory and lectures when you can just watch an instructional video on YouTube?

“We have to think about the way they consume things,” says U.S. Bank executive vice president Jeannie Fichtel, who is charged with enterprise education. “Small bites, lots of variety. More discussion. There’s going to be
Gen Z.
Born 1995 to 2012, they grew up with screens—in their cars, homes and hands—since they can remember. They are the first generation that doesn’t know life without Internet connectivity. They have come of age during the worst economic downturn since the Depression—they’ve seen their parents lose jobs and college costs skyrocket, which has made them pragmatic and focused on success.

Millennials.
Born 1980 to 1994, their childhood was marked by terrorism at home: 9/11, the Oklahoma City bombing, the Columbine school shooting. But they also had helicopter parents to make them feel secure and hopeful. Globalization was exploding, which made them feel responsible for global issues and to hold companies to the same standards. They are tech savvy and collaborative.

Gen X.
Born 1965 to 1979, these adults grew up in a time of disillusionment, with the Challenger disaster, rising divorce rates, the Iran hostage crisis, the first cases of AIDS, and corporate greed epidemics of the ’80s. They were accused of being slackers, but their skepticism came to be seen in a more positive light. They’re known for being independent, entrepreneurial and comfortable with change.

Baby boomers.
Born 1946 to 1964, they grew up in a post-war era of growth and prosperity, which made them idealistic and optimistic. Growing up with television in its infancy exposed them to the world and made it seem as if anything were possible.

Seven Key Traits of Generation Z

From Gen Z @ Work
by David Stillman and Jonah Stillman

[1] Phigital. Gen Z is the first generation born into a world where every physical phenomenon (people and places) has a digital equivalent. For Gen Z, the real world and the virtual world naturally overlap.

[2] Hyper-Custom. Gen Z has always worked hard at identifying and customizing their own brand for the world to know. From job titles to career paths, the pressure to customize is turned up.

[3] Realistic. Growing up post-9/11 as well as living through a severe recession, creates a pragmatic mindset. Colleges and universities were the first to struggle with Gen Z’s pragmatism, and the workplace is next. With idealistic millennials as their immediate managers, the potential for disputes with Gen Z is huge.

[4] FOMO. Gen Z suffers from a preoccupation with fear of missing out. That means they stay on top of trends and competition. But it makes them anxious about professional advancement. Seventy-five percent of Gen Z would be interested in a job with multiple roles.

[5] Weconomists. From Uber to Airbnb, Gen Z has only known a world with a sharing economy. They will push the workplace to leverage the collective in new and cost-effective ways. Gen Z will leverage the power of “we” in their role as philanthropists. Ninety-three percent of Gen Z says that a company’s impact on society affects their decision to work there.

[6] DIY. Gen Z is a do-it-yourself generation. Having grown up with YouTube tutorials, Gen Z believes they can do just about anything themselves. On top of that, they have been encouraged by their independent Gen X parents not to follow traditional paths. Seventy-one percent of Gen Z said they believe the phrase “if you want it done right, then do it yourself.”

[7] Driven. With parents who drilled into them that participation is a bogus award and that there are winners and losers, it’s no wonder that Gen Z is one driven generation. Pressure will be on for companies to convince Gen Z that they are the winning team. Seventy-two percent of Gen Z said they are competitive with people doing the same job.
Yes to a “side hustle”
Working a second job is something full-time employees used to describe as “moonlighting” and tried to keep under wraps. Gen Z doesn’t see the conflict with doing other work on the side.

No to non-competes
Gen Z expects flexibility from a full-time employer to do more than one thing. “If it doesn’t compete directly,” generational consultant David Stillman says their attitude is “Nothing to worry about.”

No to phone bans
Management still views a smartphone as a distraction. But taking it away from Gen Z “is like cutting off an arm,” Stillman says. “Don’t assume they’re distracted in a meeting—they might be taking notes or doing research. They do everything on their phones.”

CULTURAL CHANGE: THEY WANT IT NOW
Five years ago, recruitment specialist Jeff Boodie noticed an uptick in job candidates coming to his web-based employment platform through mobile. “That was revolutionary,” Boodie says. “I thought, who is this next group? They’re not millennials.”

That led to his new venture, JobSnap, a smartphone app that bills itself as the “hiring voice of Generation Z.” Designed for first-time job seekers with little or no work experience, JobSnap lets users upload a 30-second video to showcase their personality. That’s second nature to Gen Zers, who’ve grown up on camera. JobSnap has been described as the Tinder of job hiring because both candidates and employers have the option to swipe right or left. When both do the same, they get matched. JobSnap is currently being used by 250 Los Angeles-based companies—primarily in hospitality industries. Boodie plans to expand nationally this year.

But it’s not just hiring processes that need to change. Companies that celebrate individuality are going to have an easier time working with Gen Z, Stillman says, pointing to NxtBook Media, a digital publishing company in Lancaster, Penn., where employees create their own job titles. One of the sales reps is the Duke of Solutions. A designer calls himself the Digital DaVinci. The human resources director is Master of Smooth Operations. If that sounds gimmicky, Chief Inspiration Officer Michael Biggerstaff has an explanation. “Most people come to a job and are told, ‘This is who you are.’ It doesn’t really mean a whole lot,” Biggerstaff says. “One of the things we do is give employees an opportunity to get into the job and figure out what it is. The worst part is the stress of coming up with something cool.”

Baby boomers at NxtBook have come around to the idea of naming their own job, though many tend to call it their “fun” title, while using a standard description outside the office. But millennials get into it, Biggerstaff says, and the current Gen Z interns love the idea.

On-the-job feedback must evolve as well, human resources executives say, to keep up with a generation that measures moments in “likes” or “tweets.”

THE NEW CULTURE CLASHES AT WORK
Three workplace issues Gen Z sees differently.

1. Yes to a “side hustle”
Working a second job is something full-time employees used to describe as “moonlighting” and tried to keep under wraps. Gen Z doesn’t see the conflict with doing other work on the side.

2. No to non-competes
Gen Z expects flexibility from a full-time employer to do more than one thing. “If it doesn’t compete directly,” generational consultant David Stillman says their attitude is “Nothing to worry about.”

3. No to phone bans
Management still views a smartphone as a distraction. But taking it away from Gen Z “is like cutting off an arm,” Stillman says. “Don’t assume they’re distracted in a meeting—they might be taking notes or doing research. They do everything on their phones.”

The worst part is the stress of coming up with something cool.”

“Baby boomers at NxtBook have come around to the idea of naming their own job, though many tend to call it their “fun” title, while using a standard description outside the office. But millennials get into it, Biggerstaff says, and the current Gen Z interns love the idea.”

On-the-job feedback must evolve as well, human resources executives say, to keep up with a generation that measures moments in “likes” or “tweets.”

TWIN CITIES BUSINESS tcbmag.com JUNE 2017
AND VANTAGE MINNETONKA HIGH

The school’s unique offerings put Gen Z teens in business settings.

Caribou Coffee was trying to figure out how to turn teens into loyal customers. Instead of spending thousands with a marketing firm for help, they turned to the peer group itself: students in Minnetonka High School’s Vantage advanced professional studies program. Vantage conducted market research for Caribou. It helped Aspire Beverages name its next drink. Analytics collected by its students saved Best Buy an estimated $1 million, according to Vantage directors.

“This is a generation that is questioning a college degree and feeling pressure to get experience at a younger age. What they’re doing at Vantage shows them a deeper connection between what they’re learning and how it applies,” says generational expert David Stillman, a member of the Vantage business advisory board. Stillman’s son Jonah participated in Vantage last year.

Vantage students didn’t just shadow executives at Fortune 500 companies including Cargill and General Mills; they actually work for them. “That’s one of our requirements,” says Vantage chairwoman Melissa Olson. “We want the projects to provide value to both client and student. Kids today really need to see why. Why am I learning this? How does it make the world a better place? We need to change the way we’re delivering education.”

High schools throughout Minnesota and nationwide are responding with professional apprenticeship programs, and many of them are looking to Vantage as their guide. At least 20 school districts from Minnesota and Wisconsin have visited Vantage in the past two years, Olson says. What sets the Minnetonka program apart from many is its academic rigor. Vantage students take microeconomics, environmental science and other AP and IB courses. A course in global food sustainability is being added next year, driven by industry demand. “It’s a growing need for many of the companies we work with,” Olson says.

Vantage started out four years ago with 35 students; it will have 200 in the fall. A strong GPA is not a requirement for admission. “It’s responsibility,” Olson says. “A lot of students that don’t do well in regular high school do well here—it’s a different type of learning.”

and communicates in instant messages. Suddenly an annual performance review seems arcane.

Mission Health, the largest employer in western North Carolina, scrapped its annual employee reviews last year in favor of weekly digital check-ins in which employees are asked eight quick questions, including what they loved, what they loathed, and what they need from their team leader.

“We find our young people in particular want instant feedback,” says Taylor Foss, senior vice president of organizational transformation at Mission Health. “If they have a problem, they don’t want to wait a year to discuss it.”

The weekly check-ins get a big thumbs-up from employees. Foss says Mission’s employee engagement scores are up 83 percent. “What’s great about it is the instant information for both team members and leaders. We want to create a conversation culture.”

In Minneapolis, Lurie is doing something similar. A new software tool rolled out by the firm in October makes it easy for managers to offer instant feedback. “We’re hoping it will be used for both positive and constructive or redirectional notes,” says Tammy Dehne, director of human capital. The constant communication flow that young people want can feel burdensome to managers who’ve gotten along for years on annual reviews, so Dehne hopes the new platform provides a good compromise. “Our leadership has embraced it as something we need to do for the future.”

It’s the sort of change that Lurie hopes will be good for morale and productivity throughout the organization—not just for its newest entry-level employees.

“We’ve joked for years that you’ve got to be ready for millennials to email the president of the company and expect invitations to the most important meetings,” says U.S. Bank’s Fitchel. “The funny part is, we see the same thing with Generation Z.”

For every company actively preparing for Generation Z, there are many more that don’t see them as all that different than new hires from decades past.

“Once you’re in an organization, I care about your engagement, not your age,” says Carol Grannis, an organizational development expert. After years of consulting for Anytime Fitness, she’s going in-house this fall as their first chief human resources officer. As is the trend, however, she’s decided to call herself “chief self-esteem builder.” She says her biggest concern for new hires is interpersonal skills, and extra training may need to be aimed at Gen Z. But overall, Anytime Fitness will continue to focus on engagement and help employees lead a full life, which, in turn, makes them happier at work.

“The research on engagement shows that the reason why people love their job is very similar across generations,” Grannis says. “We all want to feel valued. We all want to have purpose in our lives. We’re learning from each other.”

Stillman insists that the generations are not apples and oranges. He emphasizes the differences in hopes of helping companies make adjustments before collisions occur. “I’m not saying you have to start all over. Many things are working, and it’s not all about catering to Generation Z,” Stillman says. “But we do take our generational personality with us, and by being open to gaps and identifying areas where you’re going to struggle, recruitment goes up, and so does retention.”

Allison Kaplan covers retail for MplsStPaul Magazine and is a regular TCB contributor.
IS YOUR BRAND WANDERING THROUGH THE DARKNESS?

I started my career at an electronics big box retailer, writing product signage and price tags for vacuums. Day in, day out, I boiled down features and benefits to a few short sentences and a handful of bullets. That was 20 years ago, but it taught me an unforgettable lesson: what’s merely True about your product (especially a product in a category riddled with parity) isn’t enough to stand out. You need a Truth. Your Truth.

TRUE VS. TRUTH
What’s the difference between True and Truth? Features and benefits are True. But, a Truth is something more powerful. Something deeper. In fact, the best Truths are a mixture of human truth, popular opinion and a reputation earned over time.

Back to vacuums. Dyson’s differentiator is rooted in cyclonic vortex separation. But, because that sounds scary and dangerous, the marketing department came up with something a little slicker—they claimed that Dyson “Perfected Suction.” Puffery? Perhaps. But, it worked. Dyson’s technology was better enough and the claim was true enough to command a premium price point and propel Mr. James Dyson to billionaire status.

Think about your product and category. Be honest. Is your thing really, truly better than your closest competitor’s thing? If the answer is yes, you can stop here, because you work at Apple. Everybody else should keep reading.

HOW YOU EXPRESS YOUR BRAND’S TRUTH IS AS IMPORTANT AS THE TRUTH ITSELF.
Let’s talk about advertising. Even if you’ve already identified something unique about your product or service, and you’ve already got something you think is a “Truth,” the wrong execution of that Truth can accidentally sell the category—not your product. For example, picture the last TV spot you saw with a sports car tearing across the salt flats of Utah. Do you remember the brand of that car? If you can’t (and you probably can’t) that ad was merely selling the idea of driving a fast car—not buying and owning a particular brand of fast car. This is unfortunate. Don’t do that.

Conversely, think about Snickers and Jack Link’s Beef Jerky. Both brands have a product that solves an age-old human predicament: when you’re hungry, you don’t act like yourself. The sugar says, “you’re not you when you’re hungry,” while the meat is making light of “hangry moments.” Same Truth, very different executions. Google it.

Ignoring your Truth is worse than not having one.
Some brands and categories have a look and feel, or maybe even a reputation so firmly cemented in people’s minds, it’s almost impossible to change. Take JCPenney, for example. For decades, the company was addicted to discounts and coupons. So addicted, in fact, it literally ran out of doors to bust. products to BOGO and weekends to “Sunday! Sunday! Sunday!” When that happened, there seemed to be only one thing left to do: go cold turkey. No more sales. No more coupons. And then they remodeled the stores and killed some legacy owned brands, to attract younger, fashion-forward consumers. It was a valiant effort, but it failed miserably for one simple reason: over decades of promotional erosion, JCPenney’s Truth had become rooted in its sales, coupons, and “mom jeans.” Hindsight is 20/20, but it’s clear now that cold turkey was too much, too fast. The business bottomed out and sales were reintroduced, only to find itself (like many other brick and mortar retailers) staring down the barrel of the loaded cannon called Amazon.com.

THE CURE FOR COMMON MARKETING HOPELESSNESS.
To cut through the noise and untangle the stubborn, jaded consumer mind, you could try to yell louder than the competition with high-impact media and fingers crossed. But, if you don’t have that kind of time and money, there is hope—a silver bullet, waiting for you to pull the trigger. What is it? Creativity. Creativity will always be your most powerful unfair advantage. Especially when it’s fueled by curiosity, unleashed with courage and rooted in Truth.

ANDY THIEMAN
Executive Creative Director
Yamamoto
TRENDING | LAW

Trump’s Legal Shadow

President Trump’s campaign focused on disrupting the status quo. Now attorneys say it’s unclear how far Trump will go to overhaul immigration, labor and environmental laws that affect Minnesota businesses.
By Gene Rebeck

When businessman and political neophyte Donald Trump won an upset presidential race, many business people cheered cautiously. The new president’s early appointments and executive orders indicated lighter regulatory burdens to come in the realms of work rules and the environment, which many businesses sought. Since the election, business confidence nationally and statewide has soared.

Yet a great deal remains unclear. Some of the most significant actions affecting businesses are likely to take place at the state and local levels, according to Minnesota attorneys with business-oriented practices. A case in point: proposals for minimum wage increases, sick leave expansion and other work rules in Minneapolis and St. Paul. At the same time, simply enacting new regulations at the federal level doesn’t mean that those changes will happen instantaneously.

The short-term outlook

In short, many issues are in play and could be unresolved for months and years. So what should businesses expect for laws and regulations on employment, the environment, immigration, data privacy and intellectual property? Several Twin Cities attorneys whose work focuses on business law weighed in on how to handle the uncertainty.
Many attorneys are advising their business clients that there’s still a great deal that hasn’t changed since the election—and much will remain unchanged.

While much business-related legislation is in flux, “much more continues to be settled,” says Ryan Mick, a partner in the labor and employment practice with Minneapolis-based Dorsey & Whitney LLP. Mick works on the business side of employment law, with a wide-ranging client base that includes Fortune 500s and smaller companies. Federal statutes regarding anti-discrimination protections, disability accommodation requirements and family medical leave remain in place. Even in the context of wage and hour regulations, much more remains the same than may be subject to change, Mick adds.

“The Trump administration is going to have very little, if anything, to do—and then, only indirectly—with what happens at the state level,” Mick notes. “All employers are subject to state and local regulation and laws as well. That’s a major reason why employers shouldn’t get ahead of themselves thinking that there’s going to be this great sea change in terms of their obligations as employers toward their employees.”

But while much remains the same at the federal level, Mick acknowledges that some regulatory issues are fluid. For instance, in the summer of 2016, the Obama administration issued a final rule that increased the salary basis requirement for most overtime exemptions under federal law from $23,660 to $47,476. Many employers adjusted, either increasing salaries or reclassifying certain employees. Then in November, a federal judge in Texas issued a nationwide preliminary injunction against the new rule. When Trump was elected, there was a general belief, Mick says, “that this new overtime rule was going to go away.”

Overtime rule uncertainty

Now, he adds, the speculation in the labor law world is that it won’t go away. “The current thinking is that it’s not going to go up to $47,000, but it’s also not going to go back to $23,000—it’s going to be somewhere in the middle,” Mick says. Alexander Acosta, Trump’s Secretary of Labor, seemed to suggest in mid-March that there could be a smaller upward adjustment in the minimum salary basis requirement to account for inflation.

Another element of federal workforce regulation that is changing is at the National Labor Relations Board. “Under the Obama administration, the inability to fully staff the National Labor Relations Board was frustrating to both the labor and the management sides,” says Rebecca Bernhard, a partner in Dorsey & Whitney’s labor and employment practice. “I’m encouraged that President Trump named an acting chair of that board.”

With Republican board member Philip Miscimarra in charge, the National Labor Relations Board will most likely take a more employer-friendly approach. Labor board enforcement under the Obama administration was “pretty keen,” Bernhard says, “because President Obama couldn’t really get Congress to partner with him to pass reform in the labor, employment and immigration areas. So he tried to push—that’s call it—his employee/worker-friendly agenda through enforcement.” She expects many of those changes to be reversed, or at least stayed.

While Bernhard’s business clients are heartened by this possibility, a great many of those companies are far less encouraged by a heightened enforcement of immigration law. For large companies seeking specialized talent in engineering, IT and other high-skill fields, the uncertainties around travel restrictions and possible bans are causing major worries.

Anxiety over immigration

“Employers are much more anxious and concerned about both attracting and retaining needed talent,” says Piyumi Samarasure, a partner in the Minneapolis office of Constangy, Brooks, Smith & Prophete LLP, an Atlanta-based national firm focused on employment and labor law. Her firm’s clients include multinationals, such as U.S. companies with global footprints. These businesses want talent from top colleges and schools—including citizens and foreign nationals. They want to deploy that talent to any location worldwide to stay competitive in the global marketplace.

This isn’t to say that business leaders weren’t concerned about immigration issues before President Trump was elected.
Many prior challenges revolved around the H-1B, a temporary visa for highly educated people in specialty occupations. Only 85,000 new H-1Bs are available each fiscal year. Last year, nearly 233,000 applications, or petitions, were filed by employers on behalf of foreign nationals. The new administration has eliminated some of the administrative processing “that at least made applying for that visa a little easier,” says Dorsey’s Bernhard.

That’s just one of the issues facing companies seeking to attract and retain foreign talent. “The challenges now seem heightened because of the uncertainty and what changes might be implemented,” Samaratunga says. Her clients also have had trouble and delays trying to move employees who are natives of countries that “had nothing to do with the travel ban.”

Samaratunga says that her clients “are not companies who are looking to hire foreign nationals at temp jobs. They are hiring foreign nationals because there aren’t sufficient numbers of individuals in the U.S. who have the skill sets many companies are looking for, or they don’t have the kind of expertise that they need.” Hiring foreign nationals requires a great deal of work, expense and legal obligations.

On April 18, President Trump signed an executive order in Wisconsin called “Buy American and Hire American.” Based on a goal of blocking immigration fraud and abuse, Trump’s order directs multiple federal agencies to draft new rules. The administration seeks to target H-1B visas to the most-skilled or highest-paid individuals. The administration has been critical of the large number of technology workers hired with H-1B visas, because it contends that it hurts the wages of American workers.

Tech company obstacles

Immigration uncertainty is having a big impact on Minnesota technology companies, says Chris Larus, a partner at Robins Kaplan LLP and chair of the firm’s Minneapolis intellectual property (IP) and technology litigation group. "It’s very hard for technology companies to get the highly skilled, advanced-degree researchers that they’re likely to need to move their businesses forward or to compete on an international scale," he says.

Besides being able to hire foreign talent, tech companies also are concerned about protecting patents. “In the past several congressional sessions, there have been attempts to change or modify the patent laws in ways that would generally weaken patent protection and make it more challenging to enforce patents,” says Larus, who primarily represents technology companies seeking to protect their IP, including patents, trademarks and trade secrets. This is a very complex issue, “and not one that lines up with a normal Democrat-Republican or big business-small business distinction,” he says.

Most notably, Larus says, “there’s an interplay between companies that want strong patent rights and companies that want to avoid what they perceive to be harassment from patent trolls or companies that claim to hold a certain patent.”

U.S. Rep. Bob Goodlatte (R-Va.), chairman of the House Judiciary Committee, proposed legislation earlier this year intended to reduce “frivolous lawsuits” against smaller businesses over patent violations. Goodlatte’s bill “was actually proposing some terms that would have substantive impact on the ability of innovative American companies to enforce their intellectual property rights,” Larus says.
Today’s CIOs and CTOs are expected to be proactive, strategic, creative and visionary—all while updating their companies’ IT infrastructure to meet the demands of business and technological evolution. In this fast-paced environment, the question increasingly becomes one of, “What will we need in the future?”

2017 PANELISTS

Jackie Hartman
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Jack Link’s

Anudeep Parhar
CIO
Entrust Datacard

Lisa Schlosser
VP/CTO
FindLaw, Thomson Reuters

Matthew Werder
CTO
Hennepin County Medical Center

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Panel Discussion
3:00 pm
Networking Cocktail
4:30 pm
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property,” Larus says. Still, he notes that patent reform doesn’t seem to be a top priority of the Trump administration.

Fights over data protection

While patent protection might not be a front-burner issue, data protection certainly is. In April, Trump signed a congressional resolution of disapproval regarding the FCC’s broadband consumer privacy regulations, which required internet service providers (ISPs) to obtain affirmative opt-in consent from consumers to use and share sensitive information, among other things. While that federal-level action attracted plenty of attention, “my eye is really on the state attorneys general,” says Melissa Krasnow, a Minneapolis-based partner with Palo Alto, Calif.-based firm VLP Law Group.

Krasnow, whose business and technology-oriented practice includes domestic and cross-border privacy and data security, notes that there are a number of state and federal laws that govern privacy. Since Trump’s inauguration, a number of state attorneys general “have been enforcing privacy and data security,” notably those in New York and California, she says.

Like nearly all states, Minnesota requires businesses to contact customers if they suffer a data breach. Over half of these states require businesses to notify the state’s attorney general as well (Minnesota isn’t one of them). But Minnesota companies that conduct business digitally also will have to determine whether other states’ regulations also apply to them.

For example, California has strict laws on data privacy and security on websites and mobile applications. If you want to do business in California, you have to have policies that meet the state’s stricter regulations.

Environmental litigation

Rules involving environmental protection are expected to change significantly as Scott Pruitt takes charge as the new U.S. Environmental Protection Agency administrator. The attorney general in Oklahoma before heading the EPA, Pruitt litigated against a number of the federal agency’s rules, particularly over the Clean Power Plan. But how much change will occur?

Delmar Ehrich, who leads the environmental practice group at Faegre Baker Daniels in Minneapolis, describes his client base as companies that are manufacturers or in the energy field. They have environmental regulations that they have to comply with and they have permits to obtain.

Many existing environmental programs operate under the auspices of overarching federal laws, such as the Clean Air and Clean Water acts. But businesses typically obtain their air quality permits from state governments, which have rules and restrictions of their own.

“There was a lot of litigation over EPA rules during the last administration,” Ehrich notes. “As those rules change, there’s likely also to be litigation. Interested parties, such as trade associations and environmental groups, are likely to continue litigating in federal court.” Ehrich also expects there will be fewer enforcement resources at EPA, which will mean that the states will take on bigger roles. More citizen lawsuits are expected over environmental regulations.

Minnesota might become more important in environmental regulation, so Ehrich stresses that businesses maintain contact with state regulators and stay in compliance with existing rules. “If a company is planning additional investments down the line, it’s appropriate to let state regulators know about those plans, too,” he adds.

With so many potential changes in business laws and regulations, Ehrich has some general advice to businesses that is quite simple: “Stick to your knitting,” he says.

Things may well change, but it’s not clear how. He advises businesses to focus on complying with state and federal regulations as they’re currently written. Even if those regulations change significantly at the federal level, those changes may well be challenged in court. State regulations might change along with them—perhaps becoming lighter, perhaps more restrictive.

That wait-and-see approach can apply to whatever regulatory environment a business operates in. Attorneys recommend that clients monitor the situations and make no assumptions. As Dorsey’s Mick says, “Don’t get ahead of yourself and make significant changes by assuming that your regulatory burdens are going to be lightened.”

Gene Rebeck is a Duluth-based freelance journalist who writes monthly for Twin Cities Business.
COMPANIES TO WATCH

At the midpoint of 2017, they’re at key stages, including new product launches and rapid growth.

By Burl Gilyard

What puts a company on your radar?

Identifying companies to keep an eye on is an inexact science. For this article, Twin Cities Business considered a variety of factors. In some cases, we looked for companies growing at a rapid pace. At the same time, we also tracked businesses that have recently raised significant new financing.

In other cases, we focused on firms launching new products or those that have been part of a notable merger or transition. We examined companies both large and small. We considered public and private companies.

The common thread? The businesses here are all at key turning points for the companies, including some that are making changes to meet a challenging market.
The Great Recession was underway when Dale Nitschke founded Ovative/group, a digital marketing agency, in 2009. Before starting the new company, Nitschke spent eight years as the president of Target.com. Nitschke’s instincts were on the money; today the company is growing at a strong clip. For 2016, Ovative had revenue of $15.2 million, a 53 percent increase from 2015. The company’s growth arc has been strong; in 2012, revenue stood at $3.4 million. Greg Engen, Ovative’s senior vice president for business development, says the company is expecting to double its revenue over the next three years. Ovative earned a spot on the 2016 Inc. 5000 list, a national index of the fastest-growing private companies in the U.S.

Ovative uses data and analytics to help clients track and improve their digital marketing efforts. Clients include local companies such as General Mills and Select Comfort. Engen says that referrals from existing clients have been a major component of the company’s growth.

“What we do well is help companies understand their digital marketing impact on the enterprise,” Engen says. For example, a customer might have clicked on promotional emails and studied product details online, but ultimately walked into a store to make a purchase. Engen says that Ovative has the tools to take a big-picture look at the effect of digital marketing, including offline results.

Ovative is focused on working with larger companies. While about 50 percent of its revenue is drawn from the retail industry, Engen says that the company works with a mix of clients, including San Antonio-based Rackspace, which manages cloud computing for businesses.

Ovative is based in the North Loop district of downtown Minneapolis, which has been a draw for many tech and creative companies. The company plans to move to larger space in a proposed North Loop building to accommodate its expansion. The state’s Department of Employment and Economic Development will provide a $605,000 grant from its Job Creation Fund if Ovative meets investment and job-creation criteria. The deal was announced in December; Ovative had about 80 employees at the time and has pledged to add 100 high-paying jobs over the next three years.

The company’s North Loop address has proven to be a strong recruitment tool. “It’s an attractive place for people to come to work down here,” Engen says. “We are trying to attract a lot of younger talent.”

Eagan-based Hydra-Flex Inc. was founded in 2002, and it has been on a growth tear. In 2016 it landed on the Inc. 5000 list of fast-growing companies for the third year in a row. Hydra-Flex makes injectors, nozzles and equipment to dispense water or chemicals. The company’s products were first used for washing vehicles. Growth is being driven through serving new indus-
tries (hydro-excavation, industrial cleaning) and expanding its existing business. For 2016 the company saw revenue of $12.1 million, a 27 percent increase from the previous year.

**CPM Cos.**

In recent years, Minneapolis-based CPM Cos. has been one of the busiest developers in the Twin Cities, having built more than 2,000 apartments primarily in Uptown in Minneapolis and near the University of Minnesota campus. Now it is expanding to new markets (apartments in Rochester) and new product types (hotels, including a boutique project in Stillwater). CPM also is a minority partner in a proposed office project in Minneapolis’ North Loop.

**Prime Therapeutics**

While UnitedHealth Group and Medtronic are Minnesota’s largest health care industry players, Eagan-based Prime Therapeutics has quietly emerged as a prominent industry force. Already one of the largest pharmacy benefit managers in the U.S., Prime Therapeutics completed its transaction with pharmacy giant Walgreens in April to create a new company, AllianceRx Walgreens Prime. It will handle specialty and mail-order medications. Despite its scale, Prime still landed a position on the 2016 Inc. 5000 list, ranking at number 3,023 based on a three-year growth rate of 113 percent. The company’s revenue for 2016 was $4.7 billion.

**Capital Infusion**

The founders of Minneapolis-based Bright Health were flying under the radar with their new company. But in April 2016, the news hit that the startup had raised $80 million in Series A financing, which ranks among the largest funding rounds for any Minnesota company in recent years. People began to ask: “Who are these guys?”

The trio of co-founders has deep experience in the health care industry. CEO Bob Sheehy once held the same title with UnitedHealthcare. President Kyle Rolfing was co-founder and CEO of Definity Health and RedBrick Health. Chief medical officer Tom Valdivia was the former chief health consumer officer for Definity Health.

Bright Health is providing a new health plan for the individual market. It launched this year in Colorado, where it partnered with provider Centura Health to offer its health plan.

“Our model is really to partner with one health care system in the market,” says Rolfing. More than 11,000 people signed up for the new offering in Colorado.

The current health insurance system caters to employers, Rolfing says. Instead, Bright Health is focused on the consumer. Rolling says Bright Health is now gearing up to launch health plans in other states. As the health care market shifts, more health providers are getting into the health insurance business.

“Our discussions around the country with health systems have been very positive,” he says. “Now it’s really a matter of being able to scale this model.”
TRENDING | COMPANIES TO WATCH

MedNet Solutions Inc.

6 At the end of 2016, Minnetonka-based MedNet Solutions Inc. announced $16.5 million in new financing. The company’s iMedNet, a software technology platform, helps clients manage clinical research data. While the business does not disclose its annual revenue, iMedNet sales were up more than 40 percent in 2016. The company will deploy its new financing for product enhancements and increasing sales, particularly in international markets.

Inspire Medical Systems Inc.

7 Inspire Medical Systems Inc. started in July 2007 when the business was spun off from med-tech giant Medtronic. The Maple Grove-based company makes an implantable medical device to treat obstructive sleep apnea. Inspire had big news in November: It landed $37.5 million in Series F financing and announced the addition of Minnesota business leader Marilyn Carlson Nelson to its board. The company posted sales of $16 million in 2016, double its 2015 total. Patients currently need prior authorization to pay for the alternative treatment. The company’s focus is now turning to reimbursement coverage with insurance companies. Inspire Medical was ranked 33rd nationally on the 2016 Inc. 5000 list, the highest ranking for any Minnesota company.

Tactile Systems Technology Inc.

8 In late July 2016, Minneapolis-based Tactile Systems Technology Inc. pulled off a rare feat for modern Minnesota companies: an initial public offering. Tactile makes at-home therapy devices to treat conditions such as lymphedema and venous ulcers. The newly public company posted $84.5 million of revenue for 2016—marking a 34 percent increase—and net income of $2.9 million. The company is forecasting revenue in the range of $101 million to $103 million for 2017. Investors appear bullish: Tactile went public at $10 per share. At the end of the first quarter of 2017, it closed at $18.95 per share.

Recent Merger or Acquisition

Tennant Co.

9 Golden Valley-based Tennant Co. is one of the oldest businesses in the state. Its humble beginnings can be traced to 1870, when George Tennant opened a woodworking shop in northeast Minneapolis. What began as a one-man enterprise is now a global business focused on making a range of floor-cleaning equipment. The company reported revenue of $808.6 million for 2016. The company has seen revenue declines for both 2015 and 2016, but it’s...
not standing still. In the last year, the business has made three key acquisitions. In September, Tennant acquired longtime Mexico distributor Dofesa Barrido Mecanizado. That transaction was in line with the company’s strategic goal to expand in select global markets. In late July, Tennant acquired the floor coatings business of Chicago-based Crawford Laboratories Inc., owner of the Florock Polymer Flooring brand.

In early April it completed its $353 million deal to buy IPC Group, a commercial cleaning machine company based in Italy. The deal marks the largest acquisition in the company’s 147-year history.

In the wake of the IPC acquisition, Tennant is now forecasting 2017 annual revenue of $960 million to $990 million, putting the company on track to top $1 billion in sales.

The company’s first-quarter 2017 results, which did not include IPC, were encouraging. Tennant reported record revenue of $191.1 million for the quarter, an increase of 6.2 percent.

**Bio-Techne Corp.**

When Minneapolis-based Bio-Techne Corp. bought California-based Advanced Cell Diagnostics for $250 million in August, it marked the company’s ninth acquisition in three years. But it’s also the company’s first venture into genomics. The life science company produces proteins for research and clinical diagnostics. Acquisitions are helping to drive steady growth: Revenue hit $499 million in fiscal 2016, up 59 percent since 2012.

**Bailiwick**

Founded in 1995, Chaska-based IT services company Bailiwick has grown steadily over the years. In early March the company announced a partnership agreement with Minneapolis-based Norwest Equity Partners. NEP characterized it as a “significant investment.” The private company reported record revenue and earnings for 2016 and has averaged growth of 20.5 percent over the past three years. NEP’s backing bolsters Bailiwick’s long-term growth plans.

**UnitedHealth Group Inc.**

Minnesota companies don’t get much bigger than Minnetonka-based UnitedHealth Group Inc., which ranked sixth on last year’s Fortune 500 list. But the company is still finding areas to grow. In March it closed a $2.5 billion deal to buy Illinois-based Surgical Care Affiliates Inc., an outpatient surgery chain. The move deepens UHG’s business as a health care provider and signals one avenue for future growth.

**New Product Launch**

**OneOme LLC**

“One personalized medicine” is an emerging health care trend. The concept is that patients with the same symptoms should not all necessarily get the same treatment; each patient’s treatment would be specifically tailored. Minneapolis-based OneOme LLC sees itself as part of the personalized medicine movement.

“There’s nothing more personal than being able to understand your genotype,” says Paul Owen, CEO of OneOme.

OneOme’s RightMed product is software that, combined with DNA analysis, produces a report to help avoid or minimize adverse drug reactions for patients. The test, which costs $249, covers more than 340 prescription medications. The test’s results classify drugs into three categories for the specific patient: red (use with great caution), yellow (use with caution) and green (use as directed).

OneOme’s technology is licensed from Rochester-based Mayo Clinic. The company raised $5.25 million in new financing in the fall of 2016.
Owen says that RightMed was ready for commercial use last year when some providers began beta-testing the product. RightMed was officially commercially launched in January.

“The feedback has been really, really good,” Owen says, adding that RightMed could help “poly-pharmacy” patients, who take a long list of medications. OneOme’s test also analyzes drug-to-drug reactions and could help patients stop taking drugs that they don’t actually need. “It’s pretty daunting as to how many people are on multiple medications,” Owen says.

While OneOme is ramping up its sales effort, both in the U.S. and internationally, Owen says that the company would ultimately like to see RightMed test results become part of patients’ electronic medical records.

“We’re still continuing to do internal development,” he says. “We’re constantly looking at the science to see what’s new, what’s changing.”

Envirolastech
Turning trash into durable building products? That’s the business model for Rochester-based Envirolastech. The company’s process converts glass, plastics and ash into a proprietary thermoplastic, a green alternative to traditional building materials. The company expects business to start ramping up with the completion of its new $3 million factory in St. Charles in southern Minnesota.

Calyxt Inc.
Will a New Brighton company help create the next generation of healthy food? Calyxt Inc. is developing reduced trans fat soybean oil, lower saturated fat canola oil, gluten-reduced wheat and a better potato. The agriculture industry is taking notice. As the company prepares its first commercial launch, former Cargill executive Manoj Sahoo has joined Calyxt as its chief commercial officer.

Stemonix
After taking the grand prize in the 2016 Minnesota Cup business competition, Minneapolis-based Stemonix now has a higher profile. CEO and co-founder Ping Yeh started the company after his own battle with cancer. Stemonix makes stem cells with the goal of finding cures for some of the most challenging diseases. The company already has several customers in the pharmaceutical industry.

Business Strategy Reset

Polaris Industries Inc.
A series of recent product recalls has been an ongoing challenge for Medina-based Polaris Industries Inc., maker of snowmobiles, ATVs and motorcycles. For 2016, revenue was down 4.3 percent to $4.5 billion, and net income plummeted 53 percent to $213 million.

As it faces a tough market, the company is taking a series of steps to recalibrate its business. In response to recall issues, Polaris is making vehicle design changes, but also boosting its investment in research and development. “We’re increasing our R&D,” says Richard Edwards, Polaris spokesman, with a goal “to accelerate new product introductions and to beef up our quality.”

At the same time, the company is expanding into new markets, signaled by its November deal to buy California-based Transamerican Auto Parts for $665 million. The company says such deals bring them into “adjacent markets,” related
businesses that put Polaris into new industry categories. The Transamerican acquisition was the largest ever for Polaris.

“We’re trying to diversify the portfolio both geographically and by product,” Edwards says.

Polaris also is pulling the plug on its Victory motorcycle brand; the company’s losses on Victory top $100 million since launching the product. The company has had more luck with the Indian motorcycle brand, which it acquired in 2011 and relaunched in 2013.

“We’ve had a lot of success with the Indian motorcycle brand,” Edwards says. “It was obvious that Indian was where we needed to spend our money.”

In late April, Polaris topped expectations with its first-quarter 2017 results. Revenue was up 17 percent to $1.15 billion, bolstered by the addition of Transamerican sales. A quarterly net loss of $2.9 million was due to charges related to winding down the Victory brand and integrating Transamerican. But the company’s adjusted net income of $48.3 million topped its results from the first quarter of 2016, an encouraging sign for company watchers.

Cardiovascular Systems Inc.

18 Change came unexpectedly for New Brighton-based Cardiovascular Systems Inc.

Longtime CEO David Martin took a medical leave in late 2015 and later died of cancer. In August 2016, the company named Scott Ward, a Medtronic veteran, as its new CEO. (Ward had been interim CEO since November 2015.) For fiscal 2016 the publicly traded company, which makes devices to treat vascular and coronary disease, posted revenue of $178.2 million, but a net loss of $56 million. Under Ward the company has been taking steps to shore up its financial position—cutting some jobs, completing a sale-leaseback deal for its headquarters—but also looking to international markets for the first time. The company has approval to start sales in Japan. Ward’s work is netting benefits: In January the company announced results for its second quarter of fiscal 2017, which included its first-ever quarterly profit.

General Mills Inc.

19 Golden Valley-based General Mills Inc. reported its seventh consecutive quarter of declining sales in March. The company’s challenge? Finding a path to growth in a challenging market for “Big Food.” The company is banking heavily on organic and “natural” brands such as Annie’s, which it acquired in 2014, and healthier versions of existing brands. But it’s still waiting to see healthy growth.

Best Buy Co. Inc.

20 Brick-and-mortar retailers everywhere are battling the “Amazonization” of people’s shopping habits. While overall sales have been flat, Richfield-based Best Buy Co. Inc. is seeing solid growth with its online sales. For its fiscal 2017 ending in January; Best Buy reported domestic online revenue of $4.8 billion, an increase of 20.8 percent over the prior fiscal year. Online sales accounted for 13.4 percent of the company’s domestic revenue for the fiscal year.

Burl Gilyard is TCB’s senior writer.
Outdoor Business Venues

Whether you’re planning a board reception, a company celebration or a team retreat this summer, here are 20 unique venues with distinctive outdoor spaces, beautiful views, event planning services and other amenities.

By Melinda Nelson

It’s been more than a century since American author Henry James proclaimed his preference for summer, declaring, “Summer afternoon—summer afternoon; to me those have always been the two most beautiful words in the English language.” To us, James’s words still ring true, especially given the beauty—and brevity—of summer in Minnesota.

To make the most of this precious season, we’ve gathered a selection of distinctive hotels, resorts and other venues ripe for summer business entertaining. From Pier B, Duluth’s newest waterfront resort, to Four Daughters Vineyard & Winery in southern Minnesota, with iconic Grandview Lodge, Cragun’s and Madden’s in between, each of these venues offer beautiful beaches, verandas, patios or other outdoor spaces for memorable company picnics, high-energy team-building activities, unique board meetings and other corporate outings.
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2017: a golf odyssey
TRENDING | MEETINGS & EVENTS

Hotels, Restaurants & Event Centers

Le Méridien Chambers, Minneapolis

If your out-of-town partners have only flown over the Twin Cities, invite them to touch down for a fabulous confab at Le Méridien Chambers in downtown Minneapolis. Named Best Hotel in Minnesota by Travel & Leisure and one of the 10 Best Art Hotels in the U.S. by USA Today, this intimate boutique hotel features a variety of meeting spaces including Art Rooms, the Boardroom and the Rooftop Lounge, a sophisticated space with floor-to-ceiling windows and a private balcony. Treat your guests to luxurious suites overlooking the glittering Hennepin Theatre District and then gather in the stylish urban courtyard for cocktails and dinner. The next day, take a tour of the hotel’s contemporary art gallery before heading over to the Walker Art Center to see the colorful collages of Minnesota-based Native American artist Frank Big Bear. Bonus: Present your guests’ hotel key cards for complimentary admission. 901 Hennepin Ave., Minneapolis, 612-767-6900, lemeridien-chambers.com

The Liffey, St. Paul

If your team could benefit from a new perspective and a wee bit of fun, move your weekly staff meeting to the Liffey, the Irish pub on the rooftop of the Holiday Inn St. Paul Downtown. Save the Kennedy Lounge, a cozy private room lined with plush banquettes, for fall and winter meetings and head outside to the Liffey’s legendary patio. Take a large table and order pints of Guinness, Finnegan’s Amber Ale, and Strongbow Hard Cider all around. As you wait for the drinks to be pulled, admire the views of Xcel Energy Center, the Minnesota State Capitol and other St. Paul landmarks. Debate the merits of the appetizer line-up and reach consensus on the pot roast sliders with caramelized onions and horseradish cream, sriracha pork sliders with ginger apple slaw, crispy calamari, pub pretzels with sharp cheddar cheese sauce and spicy mustard, and sweet-potato fries with maple aioli. The Liffey, 175 W. Seventh St., St. Paul, 651-556-1420, theliffey.com

This downtown Minneapolis hotel was named the Best Hotel in Minnesota by Travel & Leisure.
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7. TPC Twin Cities
www.tpc.com/tpc-twin-cities
8. Victory Links Golf Course
victorylinks.nscsports.org
9. Rum River Hills Golf Club
www.rumriverhills.com
Meetings & Events

Rudy’s Redeye Grill, White Bear Lake

When the agenda calls for an equal balance of business and pleasure, take your team out to Rudy’s Redeye Grill in White Bear Lake, the charming resort town featured in Mark Twain’s 1874 Life on the Mississippi. Located in the White Bear Country Inn, Rudy’s offers seven banquet and conference rooms with A/V, smartboard capabilities, video conferencing and event planning services. After successfully completing the business portion of your agenda, move the meeting to Rudy’s rooftop patio, an expansive space with colorful flowers, seating for 70, a bar and a lounge with a fireplace. Reward your team with pints of Jack Pine Savage or summertinis made with pink grapefruit vodka and an endless procession of Rudy’s famous appetizers, including jumbo onion rings, buffalo wings, bull bites, coconut shrimp, tuna taki, Szechuan salmon and New Orleans shrimp. 4940 Highway 61 N, White Bear Lake, 651-653-6718, rudysredeye.com

Nicollet Island Inn, Minneapolis

If you’re entertaining a group of first-time visitors to Minneapolis, welcome them with a reception at the Nicollet Island Inn. Nestled under the Hennepin Bridge, the 48-acre Nicollet Island is the only inhabited island on the Mississippi River. One of Minneapolis’s most distinctive urban neighborhoods, the island is home to nearly two dozen Victorian-era homes, the Nicollet Island Pavilion, DeLaSalle High School, and the 23-room Nicollet Island Inn, in an 1893 building that once housed the Island Sash and Door Co. Greet your guests in the cozy lobby, then gather ’round the 150-year-old bar for cocktails before moving out to the patio for dinner. Take in panoramic views of the mighty Mississippi and downtown Minneapolis as you enjoy Champagne, oysters Rockefeller and lobster bruschetta, followed by walleye with wild-rice pilaf, a house specialty. Linger over chocolate mousse and cognac as the sun sets behind the skyline. 95 Merriam St., 612-331-1800, Minneapolis, nicolletislandinn.com

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If you want to create an event with the warmth and intimacy of a retreat but without the long drive up north, take your guests to Tria, the destination bar/restaurant/event center in North Oaks, about 15 miles north of downtown Minneapolis and 15 minutes west of White Bear Lake. Tria offers a variety of meeting spaces, including the Patio, an inviting outdoor area with canvas umbrellas and seating for up to 80 guests. For an intimate dinner al fresco, a smaller patio seats up to 24 people. Greet your guests with a choice of refreshing Lemon Drop martinis or tangy cosmopolitans, followed by the signature North Oaks buffet of carved beef tenderloin with béarnaise, salmon with lime gastrique, chicken chardonnay, parmesan leek potatoes, and other specialties accompanied by award-winning wines from Tria’s cellars. 5959 Centerville Road, North Oaks, 651-426-9222, triarestaurant.com
Cragun’s Resort & Hotel on Gull Lake, Brainerd

When business objectives call for fresh thinking and a change of direction, take your team out of the office and head up to Cragun’s Resort & Hotel. Founded in 1940, this classic resort serves up an ideal mix of Up North hospitality and comprehensive conference planning services for groups of all sizes. After everyone bunks up in cozy lakefront cabins, gather for a barbecue dinner on the beach followed by karaoke in the Bear Trap Lounge. The next day, fuel up with a hearty pancake breakfast on the Sun Deck overlooking the lake, followed by a productive blue-sky planning session in the Paul Bunyan Meeting Center. Spend the afternoon fishing for walleye, biking and hiking on the trails, or golfing on the Cragun’s Legacy Golf Course, then reconvene for a celebratory walleye feast in the Lakeside Dining Room. 11000 Craguns Drive, Brainerd, 218-825-2700, craguns.com

Breezy Point Resort, Breezy Point

If it’s your turn to host the annual board meeting, show the out-of-towners how it’s done with a retreat at Breezy Point Resort on Pelican Lake. Established in the 1920s by millionaire publisher Wilfred Hamilton Fawcett, this iconic resort was the Montecito of Minnesota, playing host to Clark Gable, Carole Lombard and other Hollywood A-listers. Book the 11-bedroom Fawcett House, a log mansion handcrafted of Norway pine and listed on the National Register of Historic Places. Start with breakfast in the Observatory and then take a meeting in the Governor’s Room, with a break for lunch on the Marina Deck. Before dinner, cruise the crystal-clear waters of Pelican Lake on the Breezy Bell, an authentic paddle wheel boat. The next day, continue the conversation at Deacon’s Lodge, the par-72 championship course designed by Arnold Palmer and named after his father, Deacon. Breezy Point Lodge, 8252 Breezy Point Drive, Breezy Point, 800-432-3777, breezy-pointresort.com

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866-386-5263
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Grand View Lodge, Nisswa

If your company’s organizational chart has rapidly expanded to include multiple offices, telecommuters and part-timers, it’s time to convene the entire team at Grand View Lodge on Gull Lake. Established in 1916, this historic resort features luxurious suites in the main lodge, spacious cabins, cottages, townhomes and villas, as well as 25,000 square feet of meeting space, a business center, conference planning services and other amenities. Kick off the retreat with a beachfront happy hour and a hearty Minnesota buffet dinner with wild rice soup, tater tot hot dish and other specialties. The next morning, head over to Camp Lake Hubert, a Grand View sister property, for breakfast and a memorable day of rock climbing, raft building, kickball, geocaching, scavenger hunting and other activities, followed by hamburgers, brats and veggie burgers ‘round the campfire—and s’mores, of course. 23521 Nokomis Ave., Nisswa, 218-963-2234, grandviewlodge.com

Golden Valley Country Club, Golden Valley

If the spirit of competition runs high among your teams, raise the stakes with a private golf tournament at Golden Valley Country Club. Founded in 1914, the club features a scenic and challenging par 73 course designed by A.W. Tillinghast, one of golf’s best-known architects, and a contemporary clubhouse with floor-to-ceiling windows, 10,000 square feet of meeting space and expert event planning services. Customizable golf outings include tournament scoring, motorized golf carts, merchandise credits at the pro shop, bag drop and other amenities. Kick off the afternoon with a picnic lunch before warming up on the rolling terrain of the driving range. After the tournament, gather in the clubhouse ballroom for a Champagne toast, followed by a buffet feast of fresh salads, Scottish salmon, grilled chickens, roasted vegetables and homemade desserts. 7001 Golden Valley Road, Golden Valley, 763-732-4100, gvgcc.com

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Madden's on Gull Lake, Brainerd

If your team is well on its way to exceeding 2017 performance goals, reward members—and up the ante—with a company retreat at Madden’s. Situated on 1,000 acres of prized Gull Lake shoreline, this classic resort is well-equipped for corporate getaways with 42,000 square feet of meeting space, a choice of rustic cabins, luxurious houses, villas and spacious guest rooms, and an array of high-energy team-building contests. Choose from Survivor on Gull Island, Madden Olympics, Amazing Race, Iron Chef and other competitions, or create your own decathlon with tennis, croquet, lawn bowling, volleyball, water skiing, wakeboarding, canoeing, kayaking, trap shooting, horseback riding, mountain biking and golf on four legendary courses. After a long day of competition in the invigorating north woods air, treat your team to a lavish barbecue dinner on the beach, followed by dancing to live music in the O’Madden Pub. 11266 Pine Beach Peninsula, Brainerd, 218-829-2811, maddens.com

Pier B Resort, Duluth

If your West Coast clients have never seen outstate Minnesota, pick them up at the MSP airport and head up to Duluth, nicknamed “the San Francisco of the Midwest” for its hilly topography. In less time than it takes to get from the Golden Gate Bridge to Lake Tahoe, you’ll be at Pier B Resort, Duluth’s newest waterfront hotel. Once everyone’s admired the views from their luxurious suites, stroll along the pier and watch ships loaded with iron ore navigating the harbor, and then repair to the resort’s private outdoor deck for drinks and dinner. The next day, convene in the Pilot House Boardroom for a breakfast meeting with views of the historic Aerial Lift Bridge. After lunch on the patio, head over to Canal Park for a tour of the William A. Irvin, the flagship of U.S. Steel’s Great Lakes fleet, followed by happy hour at one of Duluth’s many craft breweries. 800 W. Railroad St., Duluth, 218-481-8888, pierbresort.com

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If your guest list includes serious golfers, impress them with an invitation to TPC Twin Cities, Minnesota's only PGA Tour property and host of the annual PGA Champions 3M Championship in August. Located in Blaine, an easy 25-minute drive from downtown Minneapolis and downtown St. Paul, the club offers an array of outdoor spaces for business receptions, board meetings and teambuilding events. In addition to the par 72, 7,164-yard golf course designed by Arnold Palmer and Minnesota native Tom Lehman, corporate events can be held on the open-air veranda, the lush green lawns or at the 20-acre practice facility and the driving range. If a Minnesota summer thunderstorm scotches your plans, head over to the 31,000-square-foot lodge-style clubhouse and reconvene over drinks on the patio and a private dinner in the tartan-clad Saint Andrews room overlooking the beautifully landscaped grounds. 11444 Tournament Players Parkway, Blaine, 763-795-0800, tpc.com/twincities

TRENDING | MEETINGS & EVENTS

Town & Country Club, St. Paul

If your clients have played St. Andrews, the legendary birthplace of golf, and Muirfield, home of the world’s oldest golf club, give them another “first” with a day on the links at Town & Country Club, where the first round of golf in Minnesota was played in 1893. Meet your guests in the landmark clubhouse designed by Cass Gilbert, architect of the Minnesota State Capitol building and many of St. Paul’s legendary mansions, and enjoy a breakfast of eggs Benedict and warm caramel rolls in the President’s Room overlooking the putting green. Properly fortified, challenge your clients on the fast, demanding greens and tight, rolling fairways of the par 72 “shot-makers course.” Afterward, celebrate the winning foursome with drinks on the patio and a private dinner in the tartan-clad Saint Andrews room overlooking the beautifully landscaped grounds. 300 Mississippi River Blvd. N., St. Paul, 651-646-7121, tcc-club.com

TPC Twin Cities, Blaine

If your guest list includes serious golfers, impress them with an invitation to TPC Twin Cities, Minnesota’s only PGA Tour property and host of the annual PGA Champions 3M Championship in August. Located in Blaine, an easy 25-minute drive from downtown Minneapolis and downtown St. Paul, the club offers an array of outdoor spaces for business receptions, board meetings and teambuilding events. In addition to the par 72, 7,164-yard golf course designed by Arnold Palmer and Minnesota native Tom Lehman, corporate events can be held on the open-air veranda, the lush green lawns or at the 20-acre practice facility and the driving range. If a Minnesota summer thunderstorm scotches your plans, head over to the 31,000-square-foot lodge-style clubhouse and reconvene over drinks in the cozy Northwoods Den, followed by dinner in the elegant Minnesota Room. 11444 Tournament Players Parkway, Blaine, 763-795-0800, tpc.com/twincities
Distinctive Venues

Four Daughters Vineyard & Winery, Spring Valley

If you’ve been challenged to switch up the annual company summer outing, Four Daughters Vineyard & Winery offers a welcome change of ambiance, agenda and scenery. Situated in Spring Valley, an easy, two-hour drive from Minneapolis or 30 minutes from Rochester, this family-owned enterprise is the largest winery and cidery in the state, with numerous honors to its credit, including official wine provider for the 2016 Sundance Film Festival. The winery includes a variety of contemporary, light-filled meeting spaces including the Cocktail Room with a two-level patio and the Barrel Room, with glass garage doors that open onto an expansive patio overlooking the vineyard. After a tour of the vineyards, gather your team for a wine-blending class and a multi-course gourmet meal paired with Loon Juice hard cider and a flight of award-winning Four Daughters wines. 78757 State Highway 16, Spring Valley, 507-346-7300, fourdaughtersvineyard.com

Glensheen, Duluth

When your guest list includes A-listers, luminaries and other VIPs, engrave the invitation with Glensheen—Minnesota’s most famous mansion—as the destination. Designed by Minnesota state architect Clarence Johnson for the Congdons of iron mining fame in the early 1900s, the 39-room Jacobean-style home is nestled on a 12-acre estate overlooking Lake Superior, 10 minutes north of downtown Duluth. Dazzle your guests with a private tour of the mansion and then convene for cocktails on the three-tiered Juliet Balcony and Terrace with views of the landscaped formal garden and the lake. Move to the lush Carriage House Lawn for dinner and dancing under a tent, then return to the house for postprandial drinks and billiards in the Amusement Room. Extend the evening with an after-party bonfire on Glensheen’s private beach with the historic Aerial Lift Bridge sparkling like a diamond bracelet over the Duluth Ship Canal. 3300 London Road, Duluth, 218-726-8910, glensheen.org
If your team always goes the extra mile, reward members with a relaxing and restorative day in nature at the award-winning Minnesota Landscape Arboretum. Recently named Best Botanical Garden in the USA Today 10 Best Readers’ Choice Awards, the 1,200-acre arboretum beat out the New York Botanical Garden for top honors. Begin the day with breakfast on the Snyder Terrace with views of woodlands and wetlands, followed by a shinrin yoku (Japanese for “forest bathing”) mindfulness experience. After a picnic lunch overlooking Lake Minnewashta, enjoy a private tram tour of the legendary gardens, woods and prairies, and an interpretive walking tour of the Harrison Sculpture Garden. Conclude the retreat with a wine tasting featuring wines made with Frontenac, Marquette, La Crescent and other cold-hardy grape cultivars developed by the University of Minnesota. 3675 Arboretum Drive, Chaska, 952-443-1400, arboretum.umn.edu

If you and your colleagues have been spending too much time in cubicles, conference rooms and cafeterias, issue a calendar invite to escape to an island for a day. Conveniently located on the Mississippi River near downtown St. Paul, the Raspberry Island and Harriet Island regional parks are ideal for company picnics and other outdoor gatherings. Raspberry Island, St. Paul’s last true island, is beneath the Wabasha Street Bridge and connected to the mainland by the Raspberry Island bridge. The 2-acre island is a tranquil setting for the Minnesota Boat Club, a rowing club that does double-duty as an event venue with two outdoor verandas. South of Raspberry Island, Harriet Island is home to the Clarence W. Wigington Pavilion, a 5,000-square-foot event facility listed on the National Register of Historic Places. Raspberry Island Regional Park, 2 Wabasha St., St. Paul, 651-292-7010, stpaul.gov; Minnesota Boat Club, 612-253-0255, mintahoe.com; Harriet Island Regional Park, 200 Dr. Justus Ohage Blvd., St. Paul, 651-292-7010, stpaul.gov

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When an esteemed colleague deserves to be recognized for decades of dedication and service, book a celebration at Summit Manor, an elegant turn-of-the-century mansion on Summit Avenue, one of the best-preserved Victorian boulevards in the U.S. The house was designed by Minnesota state architect Clarence Johnston for Charles Schuneman, owner of Schuneman’s, a St. Paul department store that eventually became Dayton’s. After cocktails and Swedish meatballs and other signature appetizers in the parlor, serve a buffet dinner of roast beef au jus, pork tenderloin with apple-raisin chutney, vegetable lasagna and other entrées with a selection of salads, relishes and dinner rolls. Invite your guests to dine outdoors on the lawn as fireflies—and the spirits of F. Scott and Zelda Fitzgerald—dance among the trees in the dusky evening air. 275 Summit Ave., St. Paul, 651-387-3283, summitmanor.com
If your colleagues are craft beer enthusiasts, reinvent your company picnic at Surly Brewing Co., the brewery that helped repeal a Prohibition-era law that prevented breweries from being in the taproom business and created a fascinating case study on the power of vision, passion and follow-through. To join “Surly Nation,” as its fan base is known, take over Scheid Hall, an event space with a balcony overlooking the always-packed beer garden. Treat the team to 20 different kinds of beer on tap, including Cynic Belgian-style pale ale, Furious IPA, Hell lager and other signature Surly brews, followed by a classic picnic feast of ribs, brisket and smoked pork accompanied by honey buttered cornbread, potato salad, baked beans, coleslaw and grits. If anybody’s got room for dessert, go whole hog with peanut butter pie and ice cream floats made with—what else but—Surly Coffee Bender.

520 Malcolm Ave. SE, Minneapolis, 763-999-4040, surlybrewing.com
For an easy crowd-pleasing summer outing, treat your team to a relaxing afternoon on the Big Water, aka Lake Minnetonka. Caravan out to Excelsior, the historic yet hip village on the south shore of the lake, and park on the aptly named Lake Street adjacent to the Commons. Meet your crew at the Port of Excelsior at the nexus of Water Street and the water, where your two-level, 60-foot cruiser awaits at the dock. Once aboard, enjoy cocktails, wine, beer and champagne paired with chilled jumbo shrimp, citrus-glazed chicken skewers, antipasto and other appetizers as your captain navigates the lake and points out grand estates, celebrity homes and other landmarks. After the boat returns to port, line up with the locals at Tommy’s Tonka Trolley, a sunny yellow, non-working trolley that serves Sebastian Joe’s ice cream, popcorn and other summery treats. 2 Water Street, Excelsior, 952-451-9001, wayzatabaycharters.com

Melinda Nelson is a Twin Cities-based freelance writer and TCB’s Concierge columnist.
Changing of the Guard
Ten ideas to successfully prepare for handing off leadership to the next generation.

1) Regularly express your appreciation to your father and mother for the opportunity they created for you. Your expressed thanks are essential for a successful family business relationship. Parents in their 60s and 70s seek validation for their business accomplishments. When appreciation is not expressed, parents often feel that the children are ungrateful.

2) Nurture a reciprocal commitment to each other’s success. This is important between a parent and child, as well as among siblings. Without this explicit, mutually demonstrated commitment, enormous tension can arise. With this commitment, the family works as a team in their business.

3) Establish agreed-on ground rules for how you will become part of the business. Use business sources and your parents’ experience to establish how you will enter, train, be accountable, develop leadership, use mentoring, be compensated and work with siblings, multiple generations and non-family managers. Defined ground rules help prevent arguments and can save enormous amounts of time. The younger generation should take the initiative to work with their parents and see that these rules are defined.

4) Formalize all agreements to prevent misunderstandings. Hearing this, many family members will say, “We don’t need to do that because we all love and trust each other.” That’s exactly why you need to do it. Love and trust is no guard against misunderstanding. I have found that the family-owned business that formalizes its ground rules, creates shareholder agreements and develops family participation plans tends to be more successful, with fewer hurt feelings.

5) Define and adopt a common family vision. This is a written understanding of what you, your siblings, parents and all family members want to see perpetuated in the company, based on the family’s values and what unites your family. It envisions what you are and aspire to as a family.

6) As part of your family vision, strive for good communication and ways to manage differences. In any family, differences are normal, but many business families shy from discussing them because they fear it will create family disunity. I often hear clients say, “We don’t want to upset our family relationship. We don’t want to ruin family celebrations, holidays or events.” Unfortunately, the reverse often comes true: Not talking about issues produces the disunity people are trying to avoid. Regularly discuss and manage differences before they grow into problems.

7) Be willing to lead in organizing family meetings. Family-owned business meetings can be: 1) shareholder meetings where only shareholders attend; 2) employee meetings where only company-employed family members attend; or 3) family meetings where the entire family is invited to attend. Use this third version to work out the overlap between family and business and how it is managed.

8) Actively help formalize plans necessary for success. While the senior generation is responsible for many of these plans, the younger generation helps by being actively involved. There are many different plans to formulate. First, develop a strategic business plan that draws out what is often only in the entrepreneur’s head. Get those insights on paper. Second, when the time is right, have the family develop an ownership and estate plan and a management and leadership plan. Third, create a plan for how to be a family beyond the business. In my experience, business and financial differences will erode family relationships unless the family knows how to come together to preserve those relationships.

9) Build the emotional equity of your family as vigorously as you build the business equity. You read stories about divorced couples who keep their business relationships, and siblings who squabble over business issues that ruin their family ties. To build emotional equity, celebrate and maintain family celebrations and traditions. These precious moments and events are the glue that holds people together as a family and not just as a business.

10) Have fun with each other out of the office. Enjoy work and play. Meet for lunch or breakfast a few times each month. Share dinner occasionally. I have clients where the father and sons and a father and daughter get away at least once a year to golf, ski or go to the theater. Time spent together enjoying each other’s company away from the business builds emotional equity. You can’t accomplish everything on this list in a few months, but you can select priorities to encourage and involve others in your family. Follow through on these ideas and I confidently guarantee a smooth ride when it’s time for you to take the reins of your family business.

Tom Hubler (tomh@thehublergroup.com) is president of Hubler for Business Families, a family business consulting firm.
The Dynamic Workforce
What if robotics and AI could extend the use of experienced talent?

I was watching a Marvel Comics movie with my 6-year-old daughter when she asked one of the most profound questions presented to me in years: "Why don’t people in real life make suits like Iron Man?" Attempting to sound intelligent and wise, I responded, “They do, but they are used in the military before they become available to everyday people.”

For the next 90 minutes, I found myself going over the adventures of Tony Stark, reflecting more and more on the question from my 6-year-old. I thought about the rise of artificial intelligence and the intersection of machine learning and robotics. And I started to think about its impact on the role people play in industry today, and our ultimate purpose.

After the credits rolled and my daughter had fallen asleep, I picked her up and put her to bed. On my return, I asked my wife, “Why do you think people fear the rise of technology?” Her response, I surmise, was common to many others’ perspective: “Because most of the time technology reduces people to commodities and it replaces their function or job.”

I think she hit the nail on the head. Findings from some online research I did afterward helps to explain why:

“In 1850, agriculture employed roughly 60 percent of the working population... today it is less than 3 percent.” —Linda MCMaken, “How Technology is Replacing Workers,” investopedia.com, October 22, 2012.

The number of Americans employed in manufacturing “has dropped from 30 percent in the post-World War II years to around 10 percent partly because of increasing automation.” —David Rotman, “How Technology Is Destroying Jobs,” technologyreview.com, June 12, 2013.

This trend is particularly acute in the mining, farming, manufacturing, automotive and service industries.

The use of AI/automation/robotics as a cheaper and more reliable form of labor is intersecting with an era where policy makers are increasingly concerned about entitlements and obligations tied to a growing aging population—or, as Marion Smith of the Heritage Foundation says in 2010’s “Solutions for America: The Entitlement Crisis”: “Entitlements—Social Security, Medicare and Medicaid—threaten to bankrupt the nation. The unsustainable tsunami of spending on these programs will accelerate as 77 million baby boomers flood into them.”

I was beginning to wonder what the solution could be when, once again, I was inspired by one of my children. This time it was my 13-year-old son while we were watching the Minnesota Timberwolves beat the Washington Wizards. A commercial came on with Brett Favre pitching a product called Copper Fit, saying it reduces pain and provides additional support for him to throw a football in a recreational game. My son said, “If Brett Favre could wear this and still play in the NFL, he would!”

“You are absolutely right!” As soon as the words left my lips, I began to consider this commercial and my son’s observation as a transitional solution to the aforementioned challenges.

What if older individuals working physically challenging jobs could also overcome physical constraints associated with aging? Are there industries where the replacement-worker ideology has not been entirely adopted and older individuals could use such a thing? Are there machine learning/robotic companies that might be interested in making it happen?

This all led me back to the construction industry, which I work in. It’s traditionally been slower than other industries to adopt disruptive innovation. In fact, a June 2016 McKinsey report stated, “Given the construction industry’s poor track record on innovation and the adoption of new technologies, tools, and approaches, project owners and contractors need to adopt a new mindset.” This slow-to-adopt culture may have hurt our comparative productivity, but it just may allow us to create a better solution.

I went out to one of our job sites and asked Martin Matchen, my general superintendent, “If there were no physical constraints, do you think our older tradespeople would continue working?” His response (which had to be sanitized for this publication) was a vehement “Yes!”

The next step in my research was to inquire about the possibility of AI and robotics solutions that could augment the human, instead of replacing them.

Jay Schrankler, executive director of the University of Minnesota’s Office of Technology and Commercialization, confirmed there are many robotics firms and universities, including the University of Minnesota that now have specializations in assistive robotics, which I define as robotics that augment people instead of replacing them.

This intersection of people willing to work longer, an industry that is inclined to adopt augmentation over replacement of workers, and the technological advancements in assistive robotics provides us with a real opportunity to develop something here. The use of external robotic elbows, backs, and knees could lead to tradespeople working an additional seven to 10 years—and maybe even bring Brett Favre back out of retirement.

In the meantime, take care of yourself and each other! 

Ravi Norman (RNorman@ThorCon.net) is the CEO of Thor Cos., a holding company for development, design, construction and consulting businesses. He holds degrees in economics, business management and finance from the University of Minnesota.
Call a Planned Parenthood Armistice in the Culture Wars

To: Rep. Erik Paulsen
127 Cannon House Office Building
Washington, D.C.

Dear Representative Paulsen:

This is written to you because you are the senior Republican member of the Minnesota delegation. You have been a bipartisan leader in the fight to repeal the tax on medical devices. You should now reach across the aisle to help end the culture wars making Washington ungovernable. Leave federal funding for family planning and reproductive services (except abortions) in place for Planned Parenthood. Here’s why:

The Hyde Amendment, first passed in 1976, is a legislative provision barring the use of certain federal funds to pay for abortion except in cases of rape, incest or to save the life of the woman. Hyde is a fine example of American pragmatism at work. And you should continue to support it, as well as federal funding for family planning and reproductive services by Planned Parenthood.

You will not be alone in that support. Recent nationwide polling shows Americans overwhelmingly support Planned Parenthood; 64 percent of voters, including 72 percent of independents, disagree with defunding. A January poll by Quinnipiac University found 62 percent of voters opposed defunding. The reason is not hard to understand. In Minnesota, Planned Parenthood provides basic health care to 63,000 patients each year through its network of 19 clinics. The clinics provide more than 80,000 birth control visits, 7,500 life-saving breast exams and 101,000 STD tests. Planned Parenthood distributes nearly 300,000 units of contraception annually. One in five women in this region have relied at one time or another on Planned Parenthood for care; 38 percent of those patients use Medicaid to access health care at Planned Parenthood.

According to an analysis by the Washington Post, Planned Parenthood affiliated clinics provided 10.6 million services for 2.7 million clients in 2013. Of those services, 327,653 (3 percent) were abortion procedures. Because there were 4.6 million clinical visits nationwide in 2013, the Washington Post calculated that abortions comprise approximately 14 percent of all clinic visits. In 2014, Medicaid reimbursement for Planned Parenthood was approximately $350 million (41 percent), out of a total Planned Parenthood budget of $1.3 billion. Abortion opponents have argued that even though the Hyde Amendment prohibits taxpayer money going to Planned Parenthood for abortions, all money is fungible.

Is money to churches fungible? According to a column by Tom Gallagher in the National Catholic Reporter, in the last two years of the Obama Administration, more than $1.3 billion in federal funds went to the Catholic Church and Catholic-affiliated organizations. Many critics have objected to taxpayer money being paid to any church on the ground that all money is fungible. In true American fashion, we muddle through these distinctions, to most Americans’ general satisfaction, in our pursuit of the common good. The same is true in family planning and reproductive health services provided by Planned Parenthood.

Past congressional efforts to “catch” Planned Parenthood clinics in illegal activity or improper spending for abortion services have always failed. Most recently, an anti-abortion group released what they claimed was undercover footage purporting to show Planned Parenthood in a criminal fetal tissue enterprise. As U.S. District Judge Sam Sparks in Austin, Texas, summarized in his 42-page opinion, there was “not a scintilla of evidence” that Planned Parenthood committed wrongdoing or should be terminated from the Medicare program. Later, the two producers of the discredited film were indicted in Texas (later dismissed), and more recently have been charged with 15 felonies by the California attorney general for violating the privacy of health care providers. But the real harm caused by the culture wars is to the people who can no longer obtain needed medical services.

Following restrictions in Texas on state funding for Planned Parenthood, according to a study by the New England Journal of Medicine, unwanted pregnancies and abortions increased. A Guttmacher Fund study found that providing women with publicly funded family planning services prevented 2 million unintended pregnancies and 693,000 abortions. Without these services, unplanned births and abortions would have been 60 percent higher.

Contraception is just what it says it is. In the absence of contraception or the easy and free availability of contraception, abortions rise. As many health professionals have pointed out, Planned Parenthood is responsible for preventing hundreds of thousands of abortions each year. In the absence of funding for reproductive health services, abortions and unwanted pregnancies will begin to soar.

So the fight over Planned Parenthood is not really a fight over abortion at all. The way we deal with cultural dilemmas in America is to grant the individual the widest possible choice. By the same token, we do not outlaw federal funds to religious organizations because we disapprove of their tenets or patterns of abuse; we recognize that they provide society with much good, and we muddle through.

Finally, Congressman, you have better things to do than to be a reluctant soldier in this cultural war. Our business eyes are trained upon you to provide bipartisan leadership in tax reform, to be a voice for open trade, to understand the need for reasonable immigration policy and to help us clear out the thicket of unnecessary regulation. These are matters that we should not muddle through, but, with focus, solve.

Sincerely yours,

Vance K. Opperman
Constituent

Vance K. Opperman (vopperman@keyinvestment.com) is owner and CEO of MSP Communications, which publishes Twin Cities Business.
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