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50

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06







1865

## The first grain warehouse

Cargill was born into the uncertainty of post-Civil War America as a single storage site in Iowa. W. W. Cargill followed the construction of the new railroad, expanding his network to help farmers move their grain to market.



1940

## The first hybrid transport ship

To transport food across vast lakes and down winding rivers, the world needed a better boat. Cargill entered the shipbuilding industry to create it, fusing the nimble towboat and big barge into a faster and more cost-efficient ship.



1967

## The first to deliver crops with newfound efficiency

We changed the food industry when we filled an entire train—all 115 cars—with Illinois corn, rendering it more affordable for consumers and profitable for farmers. On one of our earliest trips to Louisiana, we moved over 400,000 bushels for half the cost—and in record time.





1991

## The first to champion humane cattle practices

When we brought Dr. Temple Grandin's systematic ideas to life in our beef processing facilities, we helped define new ethical standards across the industry. A renowned expert in animal science, Grandin drafted a blueprint that promotes more peaceful and insightful handling methods, and in effect, safer and more nutritious products.



1998

## The first floating, offshore port in India

In Kutch, India, import demand for fertilizer is high, used by farmers to withstand the region's long droughts. Because the Gulf of Kutch's waters are quite shallow, we designed a floating structure stationed miles from land. With integrated cranes, the port unloads vital resources from large vessels—later transferred to shore by ferry—while simultaneously loading other cargo for export.



2013

## The first to achieve sustainable palm oil certification

Our Hindoli palm plantation was the first to achieve official Indonesia Sustainable Palm Oil (ISPO) certification. Not only is it cited as the model of sustainability for the industry nationwide, it also serves as the benchmark site for ISPO auditor training. Today, Cargill is actively moving toward another major first: a 100% sustainable supply chain for palm oil across the globe.







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## A legacy of firsts

---

In 1865, William Wallace (W. W.) Cargill saw great potential across the American Midwest to begin storing and moving grain on a revolutionary scale.

It was the first milestone in our rich history of innovation, and 150 years later, our firsts have given way to new markets, new ingredients and new ways of transporting food. We've pioneered agricultural systems that yield sustainable crops and increase farmer incomes. And as we approach a future with even higher stakes, we're behind the innovations that are shaping a nourished world that can *thrive*.

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of helping the  
world thrive



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JULY

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Cover illustration by Shaw Nielsen

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# “They’re deal-makers, not deal-breakers.”

– Gary Janisch  
HJ Development, Wayzata, MN

Gary works with Andrew Swammi, Senior Vice President of Commercial Banking at Western Bank. “We’re a retail developer, with over 250 retail tenants at 18 shopping centers around the Metro. We had heard good things about Western Bank and decided to give them a try. We got more than a loan; we got a relationship.”

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At Western Bank, we have a special commitment to helping our customers achieve their financial goals. That’s the Western way. As Gary explains, “In developing properties, quality is a key component of our process. The same with Western. We felt very comfortable about going with them. And when we do more deals, I’d like to stick with Andrew.”

If you’re looking for a “can-do” banker, talk to Andrew Swammi. And don’t be surprised if you get more than you expected.

Stop in to any of the Western Bank offices in the Metro area, and discover banking, the Western way. Or visit us at western-bank.com.





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YOU SAID

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Small Is Better on Block E

> Maybe smaller places would lure attractive businesses [“Block Eatery: Can Mayo Clinic Square fill long-empty storefronts?” April]. All of my favorite establishments in the city have small floor plans.

Restaurants and shops with enormous floor plans too often feel suburban. Block E felt suburban. Make Mayo Clinic Square feel like it belongs in a city, and maybe it will be more successful.

Sam Rockwell



> More but smaller establishments generally mean more variety. And more individuality. I think the demand side of the market has changed. Where restaurant-goers—particularly those from out of town—might once have preferred the predictability of a chain, now they prefer more local character.

Harris Goldstein

> Looking at Block E, City Center, Gaviidae, St. Anthony Main and Calhoun Square, I think it’s fairly obvious that shopping mall-style developments just don’t have a lot of success in the inner city.

It’s time to give up on redeveloping these failures over and over, hoping this time it’ll be different.

Elsa Mack



Time Commitment Irritates Golfer

> I was an avid golfer for years. But for me, the time aspect just became too great [“The New Tigers,” April]. The time it took to play a round kept increasing to the point that it just sapped all of the enjoyment out of the game.

Finding an interesting course, getting an early tee time and playing behind the inevitable players who took forever to line up shots, find lost balls and in general had no interest in the etiquette of the game finally did me in. The growing expense of the game was also a factor.

Jason Myron



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# Finding Future Firsts

Minnesota's heritage is rich in major innovations. Will that legacy continue?

It's that time of the year, when we have a chance to enjoy the great outdoors, relax and appreciate all that's good in Minnesota—so what better time to look back at all the interesting “firsts” that have originated here over the years?

When we looked back in time for this month's cover story, we were surprised at how many really significant inventions and innovations have come from Minnesota, from the concrete grain elevator and the refrigeration systems used by trucking companies to open-heart surgery, the blood pump, the black-box flight data recorder and auto safety belts. We found much more than the implantable pacemaker, Post-it notes and other firsts we typically hear about. We also came across others that didn't make the top 50, but were impressive nonetheless.

One such story involves something as mundane-sounding as an egg.

A quiet but major innovator in the food products sector in the 1980s and '90s was St. Louis Park-based Michael Foods. Picked on by other companies through patent suits (later found to be without merit) and fielding other challenges, it maintained a low profile over the years. But in the late 1980s it became the first company to provide commercial and industrial users (restaurants, hotels, airlines) with bacteria-free liquid eggs, called Easy Eggs, which remained fresh when refrigerated up to eight weeks. Prior to this, such businesses purchased eggs that were powdered, frozen or delivered in tanker-size loads with shorter shelf lives.

In the 1990s, Michael Foods spent tens of millions of dollars developing technology to remove cholesterol from eggs. It also acquired additional egg-producing companies, and along the way developed what is now the nation's No. 1 provider of value-added processed egg products, with an estimated 49 percent overall market share. Its “ultrapasteurized” extended shelf-life liquid eggs make up the majority of sales in its Egg Products division. And that division was responsible for 72 percent of Michael Food's \$1.95 billion in annual sales during its last year of operation, before it was acquired by Post Holdings last year.

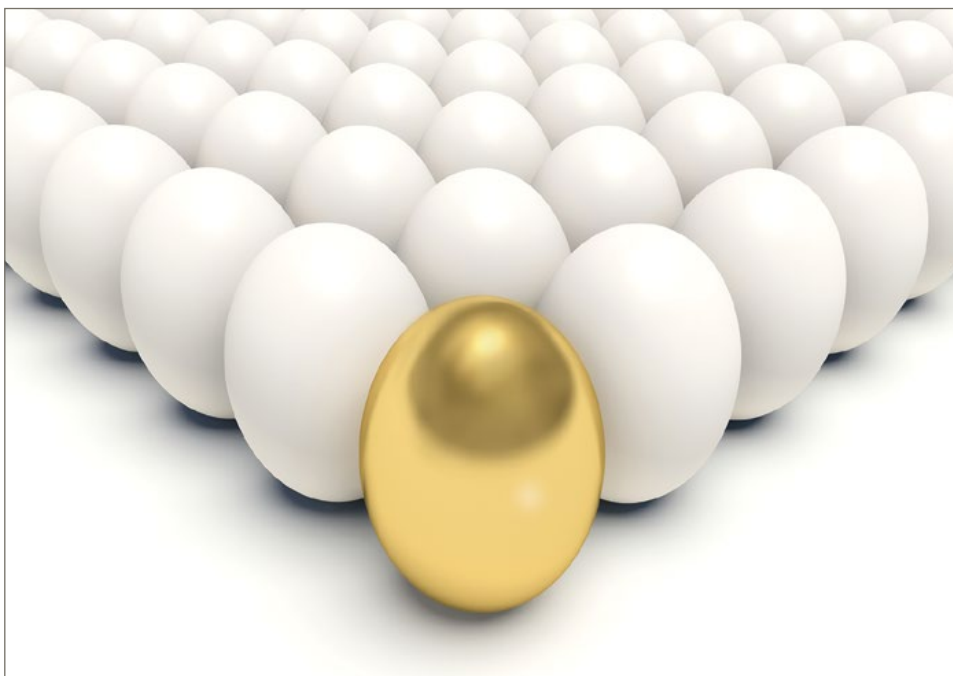
Meanwhile, there are those Minnesota companies that instead co-developed major firsts. Merrill Corp., for example, quietly worked with the U.S. Securities and Exchange Commission in the 1980s to help develop an “electronic data gathering analysis and retrieval” program to do what seemed almost impossible at that time—file, read and print SEC filings electronically. Back then, the SEC had to receive printed materials sent by mail, overnight or fax; copies of a filing were actual photocopies.

Today, EDGAR is as ubiquitous with SEC filers as online streaming is with music lovers.

In helping to invent EDGAR, Merrill developed proprietary software that allowed it to quickly prepare and file electronic versions of financial and corporate documents through a dedicated data line directly to the SEC's computers—and did it in 1993. It also prepared to offer SEC filing services. And by the time the SEC required all publicly traded companies to use EDGAR, beginning in May 1996, the company was uniquely positioned to capitalize on the new way of doing things.

I could go on with more great examples from the past. I cannot talk that much about more recent examples, though, because we don't see many.

Not that there aren't still great ideas being forged here—just look at the Minnesota Inventors Congress's 58th annual Innovation Expo in late April. The event's goal was to link inventors with people in the industries where their products might be sold, with experts on product development and marketing, and with business developers who could help them go from concept through product development and distribution.



More than 1,000 people attended, according to program director Deb Hess.

The Inventors Congress has helped several companies get off the ground. One of its more recent success stories is BackSafe, an electronic device invented by St. Paul Fire Department Captain Jovan Palmieri to help trucks back up more safely. Each year, trucks driving in reverse cause more than 20,000 injuries and more than 100 fatalities nationwide. After winning the grand prize at the 2010 Innovation Expo, Palmieri received additional guidance, and as of this summer, will have the product on the market. St. Paul is expected to outfit 40 of its fire trucks with the BackSafe.

But I'm still wondering: Where are the *big*, all-new ideas today? Like inventing the first recreational snowmobile or the implantable pacemaker, or performing the first kidney transplant?

In the past several years, the trend with larger corporations' R&D efforts has been to “innovate” by modifying existing products or ways of serving customers. It's safer in part because such modifications involve fewer risks, cost less and can be achieved more quickly than something like developing an ultrapasteurized egg. Where are the

CEOs, boards of directors and executives who have the type of vision, creativity, smarts and stamina that companies such as Michael Foods and Merrill needed to patiently convert an idea into a highly profitable, sustainable business venture?

Where are the earlier-stage companies that will be considered major firsts decades from now—and who's backing them financially? The two most significant that come to mind—Stratasys, which developed a process for 3D printing that is now used by more than 40 percent of the industry, and Cirrus Aviation, with planes that have built-in parachutes—found they needed to go to investors not only outside the state, but outside the U.S., to continue growing.

We have a fantastic foundation of innovation, leadership and resources in Minnesota, so I can't help but think future fabulous firsts are being worked on as I write this column, and we're just not aware of them yet. If you or your company is developing or financing a game-changing invention—or you know of someone else who is doing so—please write, email or call me. As you know, we love to write about such stories. And it'll help us do our next “Fabulous Firsts” a few decades from now. **TCB**

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Edited by Adam Platt

## Is the Ballpark Windfall Illusory?

CHS Field by the numbers.

> The reaction most have when they see the St. Paul Saints' shiny new ballpark is that the hand-to-mouth organization is about to make a killing on the taxpayer's dime. We put that thesis to the test.

In a TCB interview, Marv Goldklang, Saints principal owner and chairman, explained the evolving business model as the team transfers from an aging ballpark in an industrial area to a modern one in St. Paul's Lowertown.

Several years ago, the City of St. Paul released an estimate that the Saints would have gross operating revenues of \$5.9 million in year one. The latest estimate is higher, as are anticipated operating expenses, Goldklang says. While he would not release a total revenue projection, the team estimates that primary revenue categories will fall out like this: 54 percent will come from ticket sales, 25 percent from concessions and 19 percent from sponsorships, compared with 35 percent, 38 percent, and 22 percent respectively in 2014 at Midway. (The Saints take of concession money will be additionally cut because they are sharing it with a foodservice vendor at CHS, instead of self-managing as at Midway.).

Goldklang says CHS, with 1,326 more seats to sell than Midway had, will actually offer more tickets priced

in Midway Stadium's \$6 to \$22 range than Midway did. "Could we, without any significant market resistance, charge a lot more for our tickets? Absolutely. But if we started down that road, we would erode the essence of what we do and who we are," Goldklang says. "We are all about family affordability."

The boon will come from the 766 premium seats, including those in the glass-enclosed Securian Club and Capitol Boxes, which will generate up to one-fifth of ticket revenue. Goldklang expects the team to be profitable its first year in the new stadium, despite expenses that will be substantially higher than they were at Midway.

The Saints' yearly rent will average about \$565,000. "Rent is basically the amount necessary to service [the team's] \$8.8 million in debt," he says, explaining that rent payments will go toward paying off bonds. Rent is three to four times higher than it was

at Midway, where the Saints didn't have to pay for utilities or groundskeeping. Goldklang says those costs will run in the mid-six figures at CHS Field.

### CHS Field Funding

\$25 million	State of Minnesota grant
\$21.5 million	City of St. Paul funding
\$11 million	Saints contribution
\$5.5 million	Grants, other funding
\$1.7 million	Project additions (five funders)
\$64.7 million	Total ballpark cost



But the revenue opportunities are much greater at CHS Field. For example, the Saints will receive an undisclosed amount from CHS Inc., the agricultural cooperative, for naming rights. Additionally, "our longer-term vision for CHS Field is to make it an year-round venue," Goldklang says, which includes renting the Securian Club for everything from weddings to business meetings.

If the Saints turn an annual profit of \$500,001 to \$1.5 million, the team must share 5 percent with the City of St. Paul. A higher profit would yield greater revenue sharing for the city.

Goldklang, Mike Veeck and actor Bill Murray own more than 80 percent of the independent league team.

—Liz Fedor

## Pedal Coaster?

From a local entrepreneur comes a thrill ride for your feet.

> "The idea was to merge fitness into an amusement ride," Rollerblade creator Scott Olson says of his latest invention, the SkyRide. We want your workout to be exciting."

Inspired by the operations of a roller coaster, the SkyRide runs on a looping track with an underhanging cab. From within the SkyRide, the user pedals the machine forward, enjoying both rigorous exercise as well as sweeping views from its elevated height.

Other models incorporate a rowing motion to power the cab, although it is the bicycle clone that Carnival Cruise Lines is installing in what they posit to be their "most innovative ship ever," the Carnival Vista.

Olson estimates his smaller, suburban park-applicable models will cost roughly \$100,000, although his contract with Carnival flies a little closer to \$2 million. The determining factor is the track—the Carnival Vista's will stretch 800 feet and be situated 150 feet

above the sea. "They've got people buying tickets for [the debut] cruise just so they can ride this thing."

Olson's innovation has been five years in the making, a nerve-racking half-decade seeking "one big buyer," he says, to bring an acceptable ROI. "It's kind of like hockey," says Olsen, who crafted goalie headgear in his early days. "You get that first one, you'll get three or four more."

Since the Carnival contract, Olson has also entered into a roughly \$1 million agreement for an installation at downtown St. Paul's CHS Field, the Saints new ballpark. International buyers are also hopping aboard. Interest from China and Mexico has emerged, and Olson has a licensing and distribution agreement with Meglio Unionland of South Korea.

"People thought the Rollerblade was an overnight success," Olson says, with irony. "Let's just hope the entrepreneurial gods will stay on our side."

—Sam Schaust



## Food Trucks

The secret to profitability is catering.



**Revenue (2014)**  
**30%** street vending  
**70%** catering/pre-orders

**Catering Clientele**  
**50%** corporate  
**50%** individual

**Catering Minimum**  
**\$1,000** [low season]

For Twin Cities food truck vendors, each day has its peril. “You don’t know what’s going to happen with the weather, you don’t know if people are going to actually come out to the truck,” says Fork in the Road co-owner Amy Frechette, whose goal is to serve 100 people a day. “We always get our regulars, but our regulars are not 100 people strong.”

Fork in the Road was one of the first food trucks to enter the burgeoning market in 2010, offering a changing menu of sandwiches, soups and salads. “Our food is Minnesota-friendly: People recognize it, but there’s a little twist on it,” she says, “so it’s not too weird.”

Frechette and co-owner Kari Of-ferdahl started street vending in St. Paul and stayed, rotating between a handful of locations in downtown, Lowertown and near the Capitol. They often serve 100 at lunchtime; during the evening concert series Music in Mears, they often serve more than 200 in three hours.

Why St. Paul over worker-dense downtown Minneapolis? “Every single food truck wants to fight for those eight

spots on Marquette,” says Frechette. But lunch is a distraction. The real money in food trucks is in catering. “Catering takes a lot of pressure off us to do the daily vending.”

Catering, unlike daily vending, has the profit built into the fee. It allows business to continue during the winter, whereas most Twin Cities food trucks hibernate from November to April. Frechette found that when one corporate client placed a lunch delivery order she could turn it into a half-dozen by emailing other corporate clients nearby and delivering to all of them over the span of a couple hours. In 2014, catering grew to 70 percent of revenue. Currently, Fork averages seven to 14 catering jobs per week on top of street vending.

Like other food-service businesses, margins vary based on the menu and current food prices. Fork in the Road’s best-seller is a barbecue pulled-pork grilled cheese, so when the price of pork nearly doubled last year, the sandwich went from \$7 to \$8. “People didn’t bat an eye,” says Frechette, “which was nice.”

—Megan Wiley



### Pricey Wheels

The bulk of a food truck operator’s expenditures are for the truck itself—purchasing, equipping, licensing, insuring. Of Fork in the Road’s \$50,000 in start-up costs, \$30,000 was for the truck, which they purchased fully equipped on eBay. Building out a new truck could run \$80,000 to \$100,000, but there are used trucks available today from businesses that didn’t make it, which go for \$40,000 to \$80,000.

Fork in the Road by the Numbers	
2010	Founded
100-200	Customers served per day
2,000-15,000	Miles logged in 2014
\$8	Sandwiches, incl. chips
\$2-\$5	Side salads



## Eden Prairie Goes Hollywood

EVINE Live combines celebrities with iconic brands to hawk products.

When Southern food celebrity Paula Deen was spotted at CoV restaurant in Wayzata, it was not because she had jetted up to experience the glories of walleye. She was being courted by the area’s hometown shopping network, Eden Prairie-based EVINE Live Inc.

Minnesota’s home shopping network has, in the past, rarely been flashy. The former ValueVision Media has long been a third-place player behind QVC and Home Shopping Network. But under new CEO Mark Bozek, the channel—formerly ShopNBC and ShopHQ—is adding recognizable celebs pitching products only available through EVINE.

> Deen is peddling cookware and foodstuff, including “churned chocolate butter sticks.”

> Reality TV star Lisa Vanderpump debuted a line of jewelry on the network over the Valentine’s Day weekend.

> Celebrity chef Todd English began selling cookware and kitchen accessories in March.

The channel is looking to add “brands with fans” to boost interest and sales, says Russell Nuce, chief strategy officer for EVINE Live. In the case of Deen, Nuce notes she has over 4 million Facebook followers.

With respect to Vanderpump, known for The Real Housewives of Beverly Hills, Nuce says: “After meeting her, it became clear immediately that she would resonate with our customers.”

Between December and April, EVINE Live unveiled 11 new proprietary brands. Product lines include Deadliest Catch (seafood and



Vanderpump



Paula Deen

cookware), BoKU “super food” and Consult Beaute by plastic surgeon Dr. Terry Dubrow, star of E! Entertainment’s Botched. Business rock star Mark Cuban has done two shows on EVINE Live, touting products from companies he’s backed.

Bozek took the helm in 2014 after activist investors challenged the company and elected a slate of board members. The business has steadily lost money for years.

But in a tough environment for retailers, EVINE Live’s sales are growing. For 2014, they increased 5.3 percent to \$674.6 million, and net loss narrowed to \$1.4 million. Nuce declined to discuss sales breakouts for new product lines, but did articulate goals.

“In 2014, beauty, health and fitness accounted for 14 percent of our sales, and fashion was 15 percent. Those are two areas that we would like to grow,” Nuce says. “When we first got here, there was really no food on this network. That’s an area that’s growing.”

—Burl Gilyard

**BIG NEWS**



> Lunds and Byerly’s stores rebranded as “Lunds & Byerlys” in late April. When new signage is complete, all stores will carry the dual brands.

> Bird flu devastated area poultry producers. Experts say the illness may remain a risk to farmers for up to five years.

> Andersen Windows announced the addition of more than 300 jobs at its facilities in Cottage Grove and North Branch.



## STARTERS

### Day Trippers Wanted

Viking River Cruises wants to run the Mississippi, and local towns are lining for a piece of the action.

> You may have seen the commercials: A longboat cruise ship gliding effortlessly through picturesque medieval river towns on the Danube or Seine.

These Viking River Cruises appeal to a well-heeled, cosmopolitan crowd seeking to immerse themselves in history and culture. So when word got out that Viking wanted a cruise that ran the length of the Mississippi—going as far north as St. Paul—it left some scratching their heads.

The Mississippi is better known for its paddleboats and ties to agriculture than its castles and grandeur. But since the announcement, riverside towns like LaCrosse, Red Wing and Stillwater have quietly begun to market themselves as a potential stop, hoping to cash in on day visitors with disposable income.

Red Wing was first out of the gate through a bit of good fortune: It announced a \$5 million “river renaissance” project, including a \$1 million dock addition around the time Viking announced. City officials have used the coming upgrades as a selling point.

Stillwater is on the St. Croix, but it too has been in talks with the cruise line. A stop in Red Wing would likely preclude a stop in the city, but Stillwater Mayor Ted Kozlowski isn't worried.

“We don't have to pitch to Viking,” he says. “We're a destination city that can accommodate, and they know it: We've got the great restaurants, bars and shopping.”

The healthy competition stems from the windfall a city can rake in with a stop. The Red Wing Port Authority found that the average cruiser spent \$100 on shore. When thousands disembark at the same time every week, officials see dollar signs.

“It's an affluent, upper-end demographic looking for exploratory tourism,” says Terry Mattson, president and CEO of Visit Saint Paul. The city would almost cer-



tainly be the port of call at the beginning or end of the cruise. (An eight-day summer cruise through Paris and surrounding areas runs upward of \$3,000 per person.)

Viking, for its part, says they'll make an official announcement later this year. But it's almost certain that when they do, some local river town will be very, very happy. —Andre Eggert

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## TOUGHJOBS

You thought your job was hard? Imagine having this one.

# Taking the Underground Plunge

> Ever wonder when you flip on your garbage disposal, flush your toilet or rinse off in the shower, where all the waste goes?

Shawn O'Keefe knows only too well. As the City of St. Paul's sewer maintenance engineer for the past nine years, she manages a team that works in nearly 80 miles of sewer tunnels that twist beneath the city's streets and connect to hundreds of miles of pipe sewers.

Depending on the weather, typical days entail spending up to six hours in the sewers (less in the summer). That flowing sewer broth can stew in the heat, O'Keefe says.

The majority of work involves cleaning and inspecting the predominantly sandy rock spaces. O'Keefe mostly manages the operation from above ground.

"We have a lot of safety precautions because it's considered a confined space," she says. "The crew working below is always positioned between two manholes and is in constant contact."

Hazard pay is factored into the labor of O'Keefe and her crew, but it's a long-standing figure. "For a day's work underground, whether I spend eight hours in the sewers or one hour, it's \$2. That rate was established long ago when \$2 maybe meant something."

Otherwise, O'Keefe earns \$48 an hour doing her job. She says what she and her team do is worth it.

"The basis of civilization is effective removal of waste," she says, "and people tend to take it for granted." —*Sam Schaust*



Shawn O'Keefe

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## CONCIERGE

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## A Little Night Music

Entertain your client on a long June evening with an open-air concert at one of the Twin Cities' unique music venues.



chips and a side of affable irony. After dinner, it's a two-minute walk to the iconic Lake Harriet bandshell for a free performance

by local musicians. Concerts held Sunday, Monday, Wednesday and Saturday through Labor Day. *Lake Harriet Bandshell*, 4135 W. Lake Harriet Pkwy., Mpls., 612-230-6400, [minneapolisiparks.org](http://minneapolisiparks.org); *Tilia*, 2726 W. 43rd St., Mpls., 612-354-2806, [tiliampls.com](http://tiliampls.com)

### Nicollet Island Park

➤ If this is your client's first visit to the Twin Cities, treat them to an enchanting evening on Nicollet Island. Score a table on the patio at Nic's Bar and Lounge at the historic Nicollet Island Inn and admire the skyline views. Order two glasses of Terredora Falanghina, lobster bruschetta with avocado, crab cakes with lemon aioli, and explain how to pronounce Nicollet in localese (NICK-lit, not nick-oh-LAY). Afterward, stroll over to the park to hear music generously provided by talented local artists. *Concerts Monday evenings through Labor Day*. 95 Merriam St., Mpls., 612-331-1800, [nicolletislandinn.com](http://nicolletislandinn.com)

### Lake Harriet Bandshell

➤ Introduce your clients to the discreet charm of Linden Hills with an early dinner at Tilia, the artfully unassuming haunt of hipsters, bohos and empty nesters alike. Order a round of locally brewed Chiswick, a British-style porter from Insight Brewing, and "haute" dogs topped with chili and served with KFC slaw, smoked potato

### The Minnesota Zoo

➤ Give your out-of-town clients an only-in-Minnesota experience with a concert at the Minnesota Zoo. Kick off the evening with happy hour at Crooked Pint Ale House in Apple Valley. Tuck into tater tots and beer-cheese Lucys washed down with a can of Hamm's or a pint of Grain Belt before heading over to the Weesner Family Amphitheater. The June lineup includes Marc Cohn and Shawn Colvin, Lucinda Williams, Los Lonely Boys with Roger Clyne and the Peacemakers, the BoDeans, Michael McDonald and Buddy Guy with the Record Company. *Minnesota Zoo*, 13000 Zoo Blvd., Apple Valley, 952-431-9200, [mnzoo.org](http://mnzoo.org); *Crooked Pint Ale House*, 15668 Pilot Knob Rd., Apple Valley, 952-891-3883, [crookedpint.com](http://crookedpint.com)

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### Minnehaha Park

➤ For an epic evening, start with a alfresco supper on the patio at Al Vento. After a couple of orange-hued Aperol fizzes, bruschetta with house-made ricotta salata and other savories, followed by pistachio semifreddo, take your clients for a spin through the verdant 193-acre Minnehaha Park. Admire the thundering 53-foot Minnehaha Falls, Longfellow House, Longfellow Gardens, the statue of Hiawatha and Minnehaha, and other tributes to the author of *The Song of Hiawatha*, then join the crowd of local music lovers for a free concert in the bandstand on Wednesday and Friday evenings. *Minnehaha Park*, 4801 S. Minnehaha Dr., Mpls., 612-230-6400, [minneapolisiparks.org](http://minneapolisiparks.org); *Al Vento*, 5001 S. 34th Ave., Mpls., 612-724-3009, [alventorestaurant.com](http://alventorestaurant.com)

### Cabooze Outdoor Plaza

➤ Clients who love the Big Easy will appreciate Trombone Shorty and Orleans Avenue's robust, soulful roux of jazz, funk, hip-hop and

Clockwise from far left:  
In concert at the Cabooze Outdoor Plaza; out in nature at the Minnesota Zoo; the stage at Nicollet Island Park; on the Lake Harriet Bandshell; a concert at Minnehaha Park.

rock. On the third-longest day of the year (June 23), they'll be playing outside at the Cabooze, the storied Cedar Riverside blues venue, along with Willie Murphy and the Angel Headed Hipsters, and Jack Brass Band. To get into the spirit, start with happy hour at Smack Shack in the North Loop. Order a round of potent hurricanes, a plate of blackened catfish sliders, and fried shrimp po' boys with a side of spicy cocktail sauce before heading over to the West Bank. *Cabooze Outdoor Plaza*, 917 Cedar Ave., Mpls., 612-338-6425, [cabooze.com](http://cabooze.com); *Smack Shack*, 603 N. Washington Ave., Mpls., 612-259-7288, [smack-shack.com](http://smack-shack.com)

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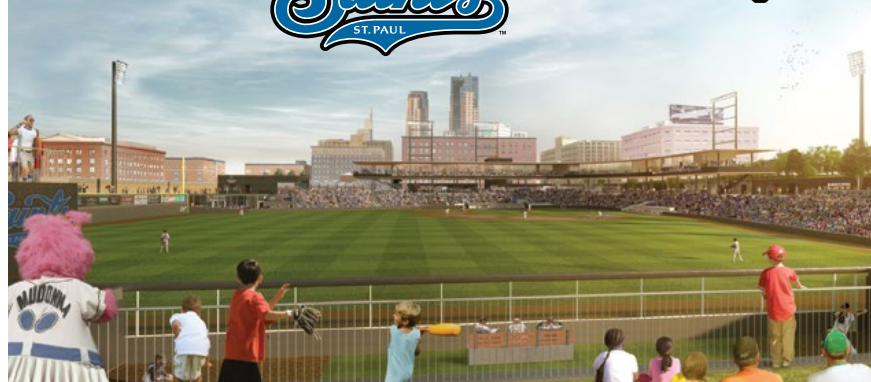
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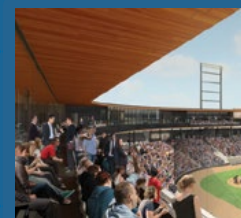


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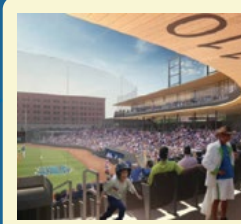
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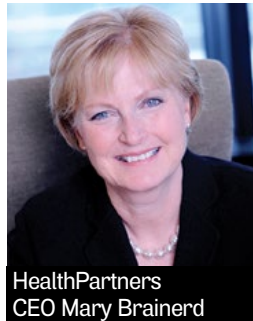
The best opportunities for networking. By Sam Schaust

8-9



### 2015 Upper Midwest Capital Connection

The Minnesota Chapter of the Association for Corporate Growth is back with its annual conference, offering networking opportunities with more than 500 representatives from leading corporations, private equity groups, accountants, attorneys and financial experts from local and national markets. The event kicks off with lawn bowling and a golf tournament, followed by a conference the next day. 9 a.m. Monday, 7:30 a.m. Tuesday, \$350-\$750, Hyatt Regency Hotel, Minneapolis, 612-590-1041, [acg.org/minnesota/capitalconnection.aspx](http://acg.org/minnesota/capitalconnection.aspx)



HealthPartners  
CEO Mary Brainerd



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### Northern Spark

Stretching from 9 p.m. to exactly 5:26 a.m., Northern Spark is an all-night romp through Minneapolis, an opportunity to explore its urban landscape and view hundreds of ambitious art projects. The Walker Art Center, Minneapolis Convention Center, Mill City Museum and many others open their doors to tens of thousands of night owls participating in the fifth annual event, hosted by nonprofit organization Northern Lights.mn. 9 p.m., Free, various locations in Minneapolis; Launch party, Mill City Museum, \$60, [2015.northernspark.org](http://2015.northernspark.org)

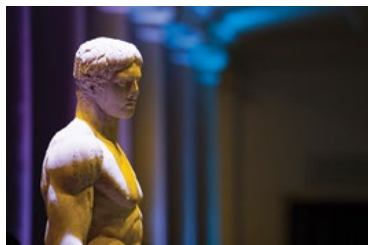
PHOTOS: PATRICK KELLEY, WENDY SCHREIER AND KORY LIDSTROM

23

### Breakfast with Values Champions speaker series

Diane Nettifee, president of Magis Ventures, emcees this event, hosted by St. Catherine University, which features HealthPartners CEO Mary Brainerd as the main speaker. Leadership teams and CEOs representing a variety of organizations will attend to learn more about aligning their business values with their policies and actions. 7:30 a.m., \$25, St. Catherine University, Coeur de Catherine, Room 372, St. Paul, 952-737-7312, [valuesbreakfast.eventbrite.com](http://valuesbreakfast.eventbrite.com)

26



### Minneapolis Institute of Arts Summer Party

Mix and mingle outside the neoclassical entrance of the Minneapolis Institute of Arts to celebrate its 100th birthday. A set by DJ Chromeo provides the sounds for the party space along 24th Street, where creative minds and art supporters gather under a custom-built tent. 8 p.m., \$100, Minneapolis Institute of Arts, 612-870-3023, [new.artsmia.org/gala-2015/summer-party](http://new.artsmia.org/gala-2015/summer-party)



### MNSearch Summit

Seer Interactive founder Wil Reynolds and Duane Forrester of Bing keynote this conference focused on digital content marketing. Entry-level through senior marketers of all disciplines, small business owners and students gather for this daylong opportunity to network and learn more about improving the online presence of companies. 8 a.m., \$499 or \$249 for students, St. Paul River Centre, 612-567-2736, [mnsearch.org/summit](http://mnsearch.org/summit)

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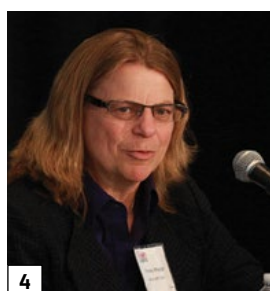
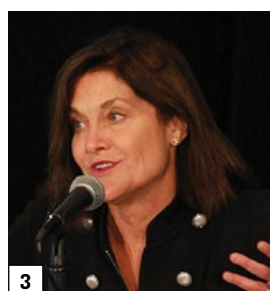
### The Nicest Day Ever

The Minneapolis Foundation and Nice Ride Minnesota are joining forces to set a record for the most Nice Ride bike trips recorded in a single day. To celebrate the foundation's centennial, \$1 for every bike rented will be donated to Free Bikes 4 Kidz, a local nonprofit, as Minnesotans explore the greater Twin Cities area. All day, Free passes at select stations, Minneapolis and St. Paul, 612-672-3878, [mpls100.org/about/events](http://mpls100.org/about/events)



## TCB Women in Corporate Leadership Luncheon

More than 400 people attended TCB's annual discussion on how women are doing ascending the corporate ladder in Minnesota—where challenges still exist, and how organizations are dealing with them effectively. Panelists were: 1) **Brad Hewitt**, president and CEO of Thrivent Financial; 2) **Vicki Holt**, president and CEO of Proto Labs; 3) **Jean Kane**, CEO of Colliers International; and 4) **Penny Wheeler**, president and CEO of Allina Health System.



5) Before the event, moderator Dale Kurschner talked with panelists Hewitt and Wheeler; 6) PadillaCRT CEO Lynn Casey visited with other attendees.

### In the Dailies

In a recent *Star Tribune* Sunday opinion piece, TCB executive editor Adam Platt provides a historical perspective on light rail transit in the Twin Cities—what we've learned thus far—and raises the important question: What is it worth to you?

Go online to: [strib.mn/1F2pjc6](http://strib.mn/1F2pjc6)



### Industry Insights

The latest developments and trends in key industries, from transportation to health care.

Go online to: [bit.ly/1zMkqMP](http://bit.ly/1zMkqMP)



### Life Style

The best places to take your VIP guests, most significant networking opportunities in the month ahead, how to boost your personal brand Minnesota-style, and more.

Go online to: [bit.ly/1wkVlPk](http://bit.ly/1wkVlPk)



### Events

The state's most prestigious business awards program, TCB's Minnesota Business Hall of Fame, is July 21. Honorees this year are: **Jim Graves**, founder, chairman and CEO, Graves Hospitality; **Dale Klapmeier**, co-founder, president and CEO, Cirrus Aviation; **Steven Leuthold**, founder, Leuthold Weeden; **Robert Senkler**, chairman of Securian Financial; and **Mark Stutrud**, founder, president and CEO, Summit Brewing Co. To register, go online to: [tcbmag.com/HOF15](http://tcbmag.com/HOF15)

### E-newsletters

Catch the latest business news—and explore what it means—every Tuesday and Thursday in *Briefcase*. And our monthly *Minnesota Small Business* e-newsletter provides features, tips and insights for small businesses across the state.

To sign up, go online to: [bit.ly/QPGKNh](http://bit.ly/QPGKNh)



### On the Air

TCB editor in chief Dale Kurschner joins Gustavus Adolphus College assistant professor of economics and management Kathi Tunheim and MotivAction president and COO Joe Keller to discuss today's workplace challenges and opportunities during a one-hour WCCO-AM "News and Views" roundtable with host Roshini Rajkumar. Go online to: [cbsloc.al/1JMtUAe](http://cbsloc.al/1JMtUAe)



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> **YouTube:** tcbmagvideos



## LIFESTYLE

By Tad Simons



### TOP TICKETS >

#### Rolling Stones: Zip Code Tour

Mick Jagger and company will be rocking TCF Stadium, having included 55455 in their Zip Code Tour of the U.S. this summer. Does the world need another Rolling Stones tour? Maybe not, but that won't stop the most enduring band in rock 'n' roll history from mounting one. Apparently, playing in front of thousands of adoring fans and making bucketloads of money is a lot of fun. Besides, what else are they going to do—retire? June 3, TCF Bank Stadium, [axs.com](http://axs.com)



#### Rock the Garden

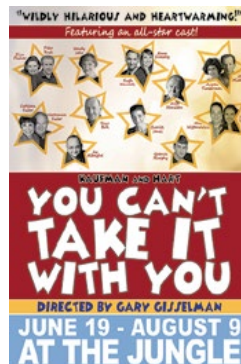
One of the few music festivals around that continues to get more popular each year, Rock the Garden's expanded two-day lineup features 10 bands from the well of wonder that is the world of contemporary indie art-rock. Conor Oberst (Bright Eyes) and Belle & Sebastian headline day one. Day two features resurgent '90s punksters Babes in Toyland and Modest Mouse. Filling out the lineup are thestand4rd, Lucius, Courtney Barnett, the Ghost of a Saber Tooth Tiger (featuring Sean Lennon), JD McPherson, and Seun Kuti & Egypt 80. June 20-21, Walker Art Center, 612-375-7600, [walkerart.org](http://walkerart.org)

### ARTS PICKS >



#### Mark Mothersbaugh: Myopia

One of those exhibits that you'd expect to see at the Walker Art Center but is really at the Minneapolis Institute of Arts, "Mark Mothersbaugh: Myopia" represents another important step in the MIA's ongoing embrace of contemporary art. Mothersbaugh is best known as one of the co-founders of the art-punk band Devo, but he is also a painter, filmmaker, sculptor and composer—a jack-of-all-arts whose cultural influence stretches from pop art and comic culture all the way to video games like *Sewer Shark* and *Crash Bandicoot*. Attention must be paid. June 18-Aug. 30, Minneapolis Institute of Arts, 612-642-2787, [new.artsmia.org](http://new.artsmia.org)



#### You Can't Take It With You

True, this classic comedy by George S. Kaufman and Moss Hart can be annoyingly giddy; the trick is to transform the play's over-the-top silliness into an infectious form of shameless joy. If anyone can pull this off, it will be Jungle Theatre and Guthrie regular Gary Gisselman and the veteran cast he has assembled. A whole host of Guthrie alums are involved, including Raye Burke, John Middleton, Allen Hamilton, Nathaniel Fuller, Anna Sundberg and Wendy Lehr. And let's not forget, breathing the life back into hoary classics is what the Jungle does best. June 19-Aug. 9, the Jungle Theater, Mpls., 612-822-7063, [jungletheater.com](http://jungletheater.com)

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# Phone Call Etiquette

Voicemail and phone behavior can be crucial to maintaining your personal brand.

**A** baby boomer executive from a Fortune 500 company recently shared she doesn't go anywhere without her iPhone. If we left it to millennials or their younger counterparts you might think phone calls are a thing of the past. Not so; much rapport-building and many business transactions continue to rely on telephone exchanges.

Let's make sure your phone etiquette is in order, starting with the unassuming but very important topic of voicemail.

## Voice-mail greetings

When someone doesn't get you on the other end of a phone call, what are the expectations? "We are a need-to-know generation that is accustomed to a quick response," says Dawn Levy, digital marketing manager for Dex Media. If you are unavailable for reasons more complex than you're already on the line or in a short meeting, Levy suggests these must-haves in a voicemail greeting:

**When:** Time frame you are gone and when you will return.

**Why (optional):** On vacation, in training, off-site.

**Who:** A solution or backup contact in your absence.

**Where:** An urgent-situation contact number or resource.

This courtesy directed to your caller helps both sides. (Do be sure to confirm your company policies regarding voicemail greetings.) Some prefer to withhold major details from voicemail greetings and send stakeholders a courtesy email ahead of any long departure or share this information as an email auto-reply. It's perhaps a case-by-case situation, but Levy's overview gives essential guidance for those industries or situations where time means money, as well as peace of mind for your customer.

If you need to leave a voicemail message once you've heard your recipient's greeting, remember, "Voicemails are a reflection of who you are as a business professional. If you don't plan ahead of time, it will be frazzled," says Jennifer

Hellman, COO of St. Paul-based Goff Public. She suggests your message be no longer than 30 seconds.

Believe it or not, this is a mini-performance. Be powerful. Use confidence and clarity. Hellman recommends you include your purpose with a call-to-action for the recipient and be sure to repeat your name and phone number. "I am baffled at how many times I receive voice messages during which the caller speeds through their message. Often, it's unclear who the person is, and the number zips by so quickly, I can't decipher it after three replays."

## Time management

Not only do you need to be mindful of the duration of your message for someone else, how you respond to messages left for you is crucial. Phone call etiquette is a reflection of your personal brand. A reputation for swiftly returned calls serves you well in the marketplace. The reverse is also true. When clients, vendors and colleagues don't hear back from you in a timely fashion, your reputation is tarnished. And inevitably, slow response hurts your ability to grow revenue.

What's a good rule for response rate? "Because we have so many channels of

communication available today, it's important to get back to people the same day or within 24 hours or the next business day," says Rose McKinney, CEO of Anoka-based Pineapple Reputation Management. She urges erring on the side of swiftness—so if you receive a call at 9 a.m., "don't wait until tomorrow to respond."

## Your vocal behavior

When you do leave a voicemail greeting or respond to one, your vocal behavior is not a supporting actor, but the star of the show. Your audience can't see your face or watch your body language. Speak in a voice that's not too soft or too loud. Check yourself for a nasal tone because it lacks credibility. I've heard greetings by a couple of my friends who sound subdued and almost mean, yet they are perfectly friendly people. Realize there is a subtext to your vocal behavior even here. Stand up when recording to give ample room to breathe. Smile, so your best self comes out—unless of course, you have terrible news to deliver. Then stay neutral.

The adage "Less is more" is your friend. Despite that general guideline, if you don't know your intended recipient

**When you leave a voicemail greeting or respond to one, your vocal behavior is not a supporting actor, but the star of the show.**



well, add "Mr.," "Ms." or "Dr." to show respect. Always mention the person's name and clearly identify yourself.

If you reach your recipient, nearly all of the advice above applies. Respect your subject's time. Stay relaxed and let whatever you say work in concert with your brand. **TCB**

*Roshini Rajkumar is a communication coach, host of News & Views on WCCO Radio, and author of Communicate That! For additional communication tips, visit [CommunicateThatBook.com](http://CommunicateThatBook.com).*







# Centennials Abound

The Minneapolis Foundation is just one of Minnesota's prominent nonprofits turning 100 this year.

It's not your imagination. There really are a gaggle of nonprofits celebrating their centenary year.

> **Greater Twin Cities United Way** partied with thousands at the Minneapolis Convention Center in February to celebrate its centennial and launch an effort to recruit 100,000 volunteers for its Next 100 campaign.

> In January, the **Minneapolis Institute of Arts** kicked off a yearlong 100th birthday celebration that includes mystery masterpieces on loan to the museum, pop-up artworks placed around the Cities and other birthday surprises.

> The spring edition of the journal *Minnesota History* is the centennial for this magazine published by the **Minnesota Historical Society**. Its readers get

a view into the year 1915.

It was the aim of the Minneapolis Foundation's five businessmen-organizers to build "a wisely planned and enduring fabric" to benefit the community for years to come. In that first year, the grants budget was \$25,000 (\$580,000 in today's dollars). In 2014, the foundation granted \$47 million to its many causes.

Community foundations are a unique type of philanthropic organization, operating under specific tax codes and regulations. They provide a vehicle for multiple donors to pool individual investments within a single efficient, permanent infrastructure. Community foundation leaders help introduce these individual donors to funding causes that meet priority community needs. They

generally are governed by a cross-sector group of leaders that offer diverse perspectives on funding priorities, and often are focused on a specific geography where they can develop deep expertise over time.

The Minneapolis Foundation is the second-oldest community foundation in the U.S. (The Cleveland Foundation was formed a year earlier.) It is the investment home for more than 1,200 charitable funds, representing individuals, families and businesses. In March 2014 the foundation's assets totaled \$753 million; its donors provided \$46.6 million in grant support to nonprofits the same year. In a national ranking by asset size, the Minneapolis Foundation is 20th (the Saint Paul Foundation, formed in 1940, is 19th.).

Working with foundation staff called

philanthropic advisors, donors can exercise a variety of options and maintain flexibility over how their money is both managed and given away. Donors create funds within the foundation, which can be named (as in the Robins, Kaplan, Miller and Ciresi Foundation for Children) and unnamed (as in the many anonymous funds the foundation manages). Donors may make single or multiyear gifts from their funds, spend them in one fell swoop, plan giving in increments over several years or invest their principal as endowment, in perpetuity.

Community foundations play an important role in the larger nonprofit landscape by broadly encouraging philanthropy among the public, and providing a wide range of investment

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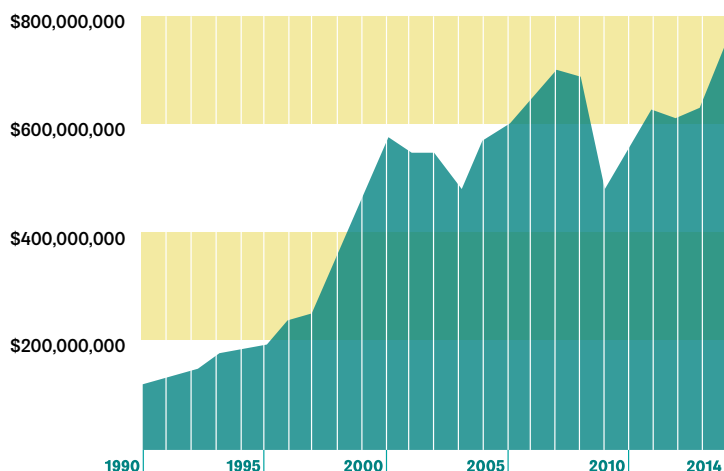
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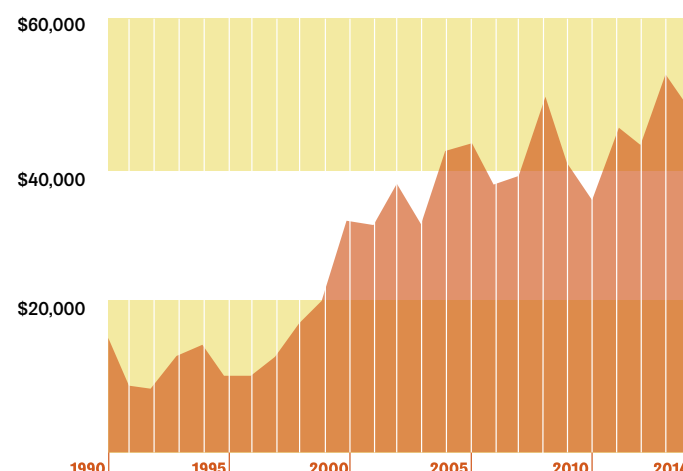


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## The Minneapolis Foundation TOTAL ASSETS {1990-2014}



## The Minneapolis Foundation GRANTS MADE {1990-2014}



E.L. Carpenter,  
Minneapolis  
Foundation  
co-founder

and grantmaking instruments as philanthropic vehicles. Because a community foundation's grantmaking staff is directed to investigate the work of local nonprofit organizations, donors can tap expertise and research to inform their philanthropy and ensure its relevance over time. Minneapolis nonprofits benefit from the foundation's long history of advocacy for key community causes like arts, education, and human service programs. Also, nonprofits that don't have

relationships with individual donors can foster such connections through the foundation's intermediary role.

The early years of the 20th century were important for Minnesota's nonprofits. A search shows that many organizations formed in and around that year, such as St. Paul's East Side Neighborhood Services (1915) and Dunwoody Institute (1914). Some of the state's nonprofits are far older, such as the University of Minnesota (1851),

the Minnesota Orchestra (1903), and the state's oldest nonprofit, the Christian Aid Society of Minnesota (1866), which continues to make grants to support vulnerable families in the metro region.

Yet what the Minneapolis Foundation has chosen to celebrate this year is our region's future, not its past. The foundation has organized a conference, slated for Sept. 18 at the Minneapolis Convention Center. Participants can engage with leading thinkers in education,

medicine, arts and the environment to help launch the foundation's second century. A series of community conversations planned for the weeks and months after will help the foundation imagine its future efforts. Tickets are \$39 and go on sale June 15. I think I'll go. **TCB**

*Sarah Lutman is a St. Paul-based independent consultant and writer for clients in the cultural, media and philanthropic sectors.*



# 2015 Giving Guide

## Philanthropic Opportunities

In November, *Twin Cities Business* will publish its annual **Giving Guide**, an advertising supplement devoted to Minnesota's nonprofit community. The **Giving Guide** provides a unique opportunity for Minnesota nonprofits and wealth advisors to showcase themselves to *Twin Cities Business*' top management, decision-making audience.

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## EXPLANATION OF BENEFITS

Translating the language of health care for the business community

### What's Up, Doc?

Employers must not shrink from asking if their costs will rise after merger deals are done.

**A**s a business owner, it's likely that at some point you thought about merging with, acquiring or being acquired by a competitor. Chances are you didn't think about those options to help your customers; you thought about it to improve your financial situation. You thought you could add market share. You thought you could expand or improve service lines. You thought you could lower operating costs and increase profit margins. You thought you could cash out while the getting was good.

Would any of that be different if you ran a hospital, health system or physician practice, and the business you were in was providing health care services to patients?

I would argue the answer is no. Health care is no different from any other industry when it comes to the economic drivers of business decisions, particularly as they pertain to mergers and acquisitions.

As purchasers of health care services, directly or indirectly through their health insurance carriers, employers must become more than casual observers of the provider consolidation taking place in their markets. Employers must become aggressive health care consumers and ask the tough questions about what economic motives are lurking behind a proposed hospital merger or physician practice acquisition.

Most importantly, employers need to ask point-blank whether the proposed merger or acquisition will lead to higher prices for the health care services sold by the partnering organizations. And they must be prepared to ask that uncomfortable question

repeatedly until they get an answer.

Hospital executives and physician practice administrators typically will dance around the topic with promises of economic efficiencies and service improvements that they say ultimately will benefit the business community. As you know, being more efficient and offering better service often are rationalizations for arbitrary price increases in other industries. Why not health care?

Historically, the task of scrutinizing the economic impact of hospital mergers and physician practice acquisitions has fallen to health insurance companies, which pay the claims and are in the best position to know whether health care consolidation leads to higher prices for health care services. But who weeps when health insurers cry? Not too many, as their complaints often are dismissed as the greedy whining of corporate middlemen trying to protect their cash flow and reserves.

But people—especially state and federal regulators—will listen to business leaders. That's why employers must replace health insurers as the grand inquisitors of hospital, health system and physician practice consolidation in their markets.

And there is ample opportunity and reason to ask.

Although the number of hospital mergers and acquisitions dipped slightly last year, it was more like taking a deep breath from the brisk pace of hospital consolidation that started with the passage of the Patient Protection and Affordable Care Act in 2010 (see chart). Hospitals are responding to the payment reform mechanisms in the ACA by building bigger hospital

### Hospital Hug and Kiss

The passage of the ACA in 2010 touched off the latest boom in hospital merger and acquisition activity



Year	Number of hospital transactions
2014	95
2013	98
2012	95
2011	88
2010	66

SOURCE: KAUFMAN HALL

David Burda



## Short Take

➤ The health insurance market is being flooded with new health plans and their dizzying array of benefit designs, premium levels and provider networks. Curious employers may be tempted to try one, hoping to reduce benefits costs while still offering competitive health coverage to workers. But a new study by the National Bureau of Economic Research suggests that employers might be wise to stick with what they know—at least until the savings dry up ([bit.ly/1GYFFJb](http://bit.ly/1GYFFJb)). The study is based on claims data from 13 million employees of 54 large U.S. companies. It found that the employees of companies that switched to consumer-directed health plans (CDHPs) spent less on health care services than did employees at companies that didn't. The spending gap lasted for at least three years, though it narrowed over time. Specifically, employees with CDHPs spent 6.6 percent, 4.3 percent and 3.4 percent less, respectively, in the first three years than employees that didn't have CDHPs over that same period. The researchers attributed the savings to less consumer-directed spending on outpatient care and prescription drugs. The lesson for employers is this: If you decide to go with CDHPs, stick with it for as long as you can and enjoy the premium savings that come with workers using fewer health care services.

## Update

➤ In the May column, we talked about patient safety and the responsibility of employers to steer workers to the safest hospitals and doctors possible ([bit.ly/10Ag872](http://bit.ly/10Ag872)). We cited a number of national resources that employers can tap to learn about the clinical performance record of their local health care providers. Minnesota employers are particularly blessed with resources to educate themselves on the patient safety record of hospitals, ambulatory surgery centers and physician offices. In addition to the Minnesota Department of Health, which releases an annual report on patient safety violations, employers here have access to information provided by the following three patient safety organizations:

- Minnesota Alliance for Patient Safety, which was founded by the state health department, Minnesota Medical Association and the Minnesota Hospital Association ([bit.ly/1abPVZO](http://bit.ly/1abPVZO)).
- Minnesota Health Action Group, which represents the health care interests of employers and other major purchasers of health care services ([bit.ly/1Cswx16](http://bit.ly/1Cswx16)).
- Minnesota HealthScores, which is a community-based not-for-profit that represents the interests of patients and individual health care consumers ([bit.ly/1y92Hnl](http://bit.ly/1y92Hnl)).

With such patient-safety bench strength, there really is no reason for a company to plead ignorance if one of its employees is the victim of shoddy care at a hospital, ambulatory surgery center or physicians' office with a known record for low-quality service.

systems, and, assuming the ACA isn't going anywhere soon, more mergers and acquisitions are expected this year. The same is true for physician practices, which are merging with each other or selling themselves to hospitals and health systems.

In July, two well-known health services researchers writing in the *Journal of the American Medical Association* ([bit.ly/1sVcZ7b](http://bit.ly/1sVcZ7b)) said hospital systems that get bigger via mergers don't necessarily provide better care. They said: "Higher health care costs from decreased competition should not be the price society has to pay to receive high-quality health care."

In February, the National Acad-

emy of Social Insurance released a 44-page report ([bit.ly/1BZVx5G](http://bit.ly/1BZVx5G)) that said, "There is growing evidence that hospital-physician integration has raised physician costs, hospital prices and per-capita medical care spending."

Unless employers want to keep footing the bill, they need to raise their hands and ask the question: Will you or won't you raise prices after your hospital merger? Yes or no? **TCB**

*David Burda ([twitter.com/@davidburda](https://twitter.com/davidburda), [dburda@misp-c.com](mailto:dburda@misp-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.*

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# THE STEEL PRAIRIE

NORTHWESTERN MINNESOTA'S MANUFACTURING STRENGTH  
BUILDS ON THE REGION'S AGRICULTURE BASE.

By Gene Rebeck

**A** National Association of Counties report recently noted that while Minnesota as a whole was recovering from the Great Recession better than most states, only nine of the state's counties had seen their economies bounce back to their pre-recession levels. Four of those nine were in northwestern Minnesota—Clay, Marshall, Pennington and Polk.

At least part of that resilience is likely due to the fact that those counties have a remarkably strong manufacturing base. Roseau County, also in Minnesota's northwest quarter, is home to Marvin Windows & Doors, along with the main Polaris plant. Several northwestern Minnesota manufacturers supply components to Polaris, as well as to Arctic Cat in Thief River Falls, two of the world's largest manufacturers of snowmobiles and all-terrain vehicles.

Talk to some of the manufacturers in this part of the state, and you'll hear about a sector that grew and thrived alongside the region's wheat and timber.

## In the soil

Mike Delisle, general manager and sales manager for Mayo Manufacturing in East Grand Forks, says one of the big reasons for northwestern Minnesota's strength in manufacturing is that the people there have a long history of innovation. "You can go all the way back to Steiger Tractor

in Thief River Falls," he says.

Steiger Tractor was founded in the late 1950s to manufacture a high-powered four-wheel drive tractor developed by Red Lake Falls farmers Maurice and Douglas Steiger. The company was purchased in 1986, and the brand name now belongs to CaseIH. But many manufacturers still cite Steiger Tractor with reverence as a business that embodied the homegrown ingenuity behind northwestern Minnesota manufacturing.

Delisle's company started as a repair shop in the 1950s, evolving into a manufacturer of conveyors, pilers, loaders and related equipment for potato growers in Minnesota and North Dakota. It also supplies, through dealers, to customers in 20 other states and provinces in North America. In addition, Mayo Manufacturing exports some of its equipment, though Delisle says that's a small part of the company's volume.

In 2006, Mayo merged with Harriston Industries in Minto, N.D. "We had complementary products," says Delisle, who bought Mayo with his brother, Mike, from their parents in 1993. "A lot of the machines we build worked with what they build," he says. By combining the Mayo and Harriston dealer networks, "we were able to complete a far more extensive product line."

The merger has worked out well. "We have grown quite nicely over the

last 10 years," Delisle says. "That doesn't mean we grow every year. We have our ups and downs because we follow the economics of agriculture." But overall, he believes that the reason the area's doing well is because of agriculture.

So does Rick Trontvet, who maintains that the farm-bred work ethic has produced employees who are hard-working and "willing to go above and beyond for the customer." Trontvet is vice president of human resources at Digi-Key Corp. in Thief River Falls, as well as chair-elect of the Minnesota Chamber of Commerce board. As one of the world's largest distributors of electronic components (it sells mostly small-quantity orders), Digi-Key isn't a manufacturer per se, though it does perform some light assembly of components. But Trontvet notes that Digi-Key hires "a similar type of employee with a similar wage and benefit structure."

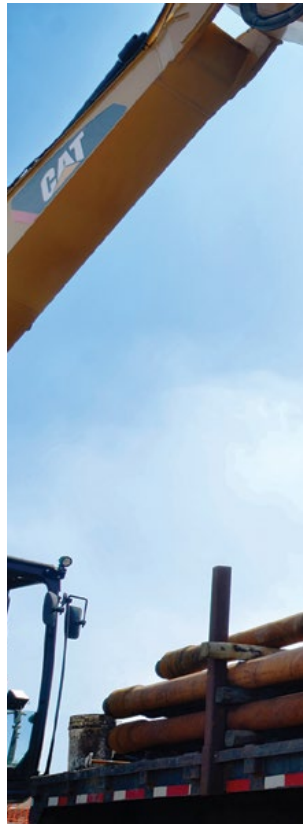
The region's manufacturers "were born out of the necessity of living," Trontvet says. Marvin's windows for barns were adapted to the harsh northern climate, and in turn became the basis of an international manufacturing firm. Snowmobile pioneer Edgar Hetten's original company, which manufactured hoists and derricks, built a machine that would help farmers cross vast snowy fields. It would become a sporting vehicle for hunters and recreational riders,

and the basis for snowmobile manufacturing at Polaris and Arctic Cat.

Look at some of the other manufacturers in the northwest, and you'll see hardy, hearty products. There's Mattracks in Karlstad, which makes rubber track conversion systems that allow trucks, ATVs and other vehicles to chew through mud, snow and difficult terrain. In Stephen (about 20 or so miles northwest of Thief River Falls), Terog Manufacturing's Black Ace lines of sprockets, implement hitches and torque limiter clutches are used for power transmission applications in agriculture, construction and mining.

## Working with their hands

Not all the northwestern Minnesota manufacturers that are flourishing are located in the far corner of the state. There's TEAM Industries, which is headquartered in Bagley (located 25 miles west of Bemidji) and employs roughly 1,000 people working in five facilities. (It has another 100 employees in a North Carolina location.) TEAM engineers and manufactures a wide variety of components primarily for recreational and commercial vehicle companies, including Arctic Cat, Toro and John Deere.



Mayo Manufacturing makes pilers, washers and other types of equipment used by potato growers.



LaValley Industries manufactures its Deckhand pipe handler equipment in Bemidji and sells it worldwide.

Though Don Ricke founded the company in Cambridge, (about 45 miles north of Minneapolis), “his plan was to move to rural Minnesota to create jobs,” TEAM’s director of corporate development Jim Russ says. In 1984, Ricke opened a facility in Audubon, close to Bagley, where he grew up. To Ricke, the advantage of being in this part of the state is the rural background of the people he’s hired, “folks who knew how to work and to use their hands,” as Russ puts it. Ricke’s son David is now CEO and president of the company, with capabilities that include high-speed aluminum machining, die-casting and assembly.

In Bemidji, LaValley Industries has flourished by following a distinctive production model. The company was founded in late 2006 by Jason LaValley and his father to make and sell the Deckhand, an excavator-mounted pipe handling attachment. Jason LaValley, CEO and president, invented the Deckhand after witnessing an employee injured at a pipeline-drilling site. “A pipe rack broke as a result of handling pipe with chains and straps,” says Jorge Prince, chief financial officer.

The Deckhand is designed to more reliably move and position pipe—flexible, plastic, concrete—used by utilities, construction companies, municipalities, and oil and gas businesses. LaValley Industries sells its products worldwide through distributors. “Since 2010, we’ve increased sales 100 percent each year,” Prince says. “This year, we’ve had our best first five months ever.”

LaValley Industries is primarily an assembler, subcontracting most of its fabrication to regional vendors. Though the company employs about 30 directly, “we’re creating another 50 to 100 jobs, easily,” Prince says. About 70 percent of the total production is done in Minnesota. Bemidji is a good location for the company because the company sells a lot of product in Canada, Prince says. But, he adds, “the ‘biggest reason we’re in Bemidji is because we’re from Bemidji. Both Jason and I grew up in the area, and we’re very committed to seeing greater opportunities in our community.”

With the decline in the timber industry in the early 2000s, most of the manufacturing around Bemidji decamped. Still, “there are a lot of good blue-collar workers in our region, and many of them were displaced when the wood industry went away and had taken jobs in service or tourism,” Prince says. He adds that LaValley Industries has been “very blessed to pick up those folks and put them back into manufacturing. A lot of them have been key to our success.”

For example, a member of the company’s design team owned his own automotive business. He went back to school and got a two-year manufacturing engineering degree. “He’s become one of our best designers,” he says. One of the programs LaValley uses is Solidworks, a computer-aided design and 3D modeling program. The employee has

gotten so good that he’s on the product’s state advisory team. “When they have a problem they can’t figure out,” Prince says, “they call him.”

### The next generation

Getting and providing help and support is the *raison d’être* of the Highway 2 West Manufacturers’ Association, which covers a corridor that ranges west to east from East Grand Forks to Bemidji and about 60 miles north and south of U.S. Highway 2. The association, with which about a couple hundred businesses are affiliated, meets four times a year. Each meeting includes a tour of a facility and a speaker covering a subject of interest to manufacturers. (The May meeting featured Gardner Carrick, vice president of strategic initiatives for the Manufacturing Institute. His topic was the impact of disruptive technologies on manufacturing and the workforce.)

Digi-Key’s Trontvet, a charter board member of the association, is quick to note that this isn’t a political group. “It’s more about benchmarking and camaraderie,” he says, adding that the association members often share ideas and best practices, whether it’s managing health insurance costs, setting up safety programs or introducing lean manufac-

colleges. As with Minnesota state colleges generally, Northland Community and Technical College in Thief River Falls works with area employers to develop training programs for current and potential employees.

Much of the northwest remains constrained by its labor market size. Mayo Manufacturing’s Delisle notes that when his company needs to hire, it’s competing with other manufacturers and companies in the oil fields of North Dakota. TEAM Industries’ Jim Russ notes that 20 years ago, it wasn’t difficult to find good employees. But now there’s a shortage of qualified manufacturing employees, so “you have to get creative,” he says.

Accordingly, TEAM Industries and the TEAM Foundation established a scholarship program five years ago for study in technical colleges. Since 1997, TEAM and its foundation have been giving manufacturing technologies to area high schools for technical programs, and they’re also developing internship and apprenticeship programs. “Hopefully, when they’re done with their college pursuits, they’ve found that TEAM Industries has been a good place for them,” Russ says.

One of the top competitors for employees in northwestern Minnesota is Digi-Key, which added 520 jobs last year—the biggest hiring year the company has ever had, Trontvet says. In Thief River Falls, he adds, a big part of the problem has been finding housing for new hires, particularly those from outside the area. There have been cases where a candidate has turned down a job because there’s no suitable place to live.

“We’re a small community, unlike Fargo or Duluth, where [developers] can see that there’s a diverse population,” Trontvet says. “Even though our businesses are booming, there’s a hesitation” on the part of developers to build new homes and rental properties. Trontvet praises the city for purchasing land and preparing the infrastructure in order to make it shovel-ready for new residences. **TCB**

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

### Manufacturing Boosts Incomes in Northwestern Minnesota

Almost 22 percent of the jobs in Minnesota’s northwest region are in the manufacturing sector. The region consists of seven counties—Kittson, Roseau, Marshall, Polk, Pennington, Red Lake and Norman. Here are some key numbers for the region:

Number of Manufacturing Firms: **119**

Total Manufacturing Jobs: **8,234**

Average Annual Manufacturing Wage: **\$48,464**

SOURCE: MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

turing techniques. (A similar organization, the Northwestern Minnesota Manufacturers Association, exists farther north; its members include Marvin Windows & Doors, Polaris, and ANI Pharmaceuticals.)

The associations help support area manufacturers, as do local community





# FIT FOR WORK?

PsyBar is working to revolutionize employee assessment and keep peril out of the workplace.

By Fran Howard

After a brief hospitalization precipitated by a suicide attempt, Steve Smith (not his real name) returned to his position in security. Because of his erratic behavior, however, his supervisor sensed Smith was still having problems with depression and substance abuse. The supervisor, who feared for Smith's safety as well as public safety, contacted Ceridian LifeWorks, an employee assistance program (EAP).

LifeWorks determined Smith needed a psychological workup called a "fitness for duty evaluation" (FFDE), and referred the case to PsyBar, an Edina-based privately owned company that provides independent medical exams (IME) and FFDEs. PsyBar's niche is determining whether an employee is psychologically healthy enough to do the job he or she was hired to do. Their specialty is forensic psychology, psychiatry and neuropsychology, which applies these specialties to answer legal questions.

The vast majority of FFDEs are not done because an employer suspects an employee will suddenly pull out a gun. Many are done out of loyalty to long-term employees who need help, but who haven't admitted it or are unaware that their psychological and/or cognitive health is creating a safety risk at work.

When an employer requests an evaluation of an employee's mental health, it requests an FFDE. When an insurance company calls PsyBar, it requests an IME to determine whether a dis-

ability claim based on mental health grounds is valid. In other words, is the person too depressed or otherwise mentally unstable to return to work?

While these cases rarely lead to violence, when they do, they receive a lot of media attention and can result in severe consequences for a company. In late March, a German co-pilot intentionally crashed a commercial aircraft into the French Alps, killing 150 people, even though Lufthansa, his employer, allegedly was aware he had depression in 2012. In Minneapolis in 2013, hours after being terminated from work, Andrew Engeldinger shot and killed five people at Accent Signage Systems, including the company's founder, before killing himself.

While these types of high-profile killings are extreme—and rare—examples, they illustrate the need for employers, especially in safety-sensitive industries—those that require employees to carry guns, transportation companies, or any industry that deals with hazardous chemicals or highly sensitive data, for example—to intervene when it becomes apparent that employees could pose a risk to themselves and others.

Employers concerned about whether an employee is a safety risk in the workplace can request that the employee consent to an FFDE. Sharon O'Brien, vice president of EAP/WorkLife Operations for Ceridian LifeWorks, says that of the 40,000 calls Ceridian LifeWorks received in first-quarter 2015 about an employee in need of

some type of assistance, only about 5 percent were from managers concerned about one of their staff, and only about 1 percent of those were referred to a company such as PsyBar.

"We help employers and government agencies determine whether people are mentally able to do the work they do and whether they are mentally safe to be at work. FFDEs are the fastest-growing segment of our business," says Lori Seviola, PsyBar's CEO. "The thing I love about PsyBar is we help people restore their lives, whether they can or cannot work. Once you answer the question of whether they can or cannot work, you can address other questions. Do they qualify for Social Security disability? Can they do another job?"

In the C-suite "there's a lot of substance abuse," notes Seviola. "A company that has put a lot of time and money into one of these [executives] will do what it can to salvage the employee." A typical concern in blue-collar settings is skill-set deterioration. She uses the example of the 30-year employee who operates a forklift but who is starting to have cognitive issues because of age. You don't want to let that person continue to operate the equipment if it is starting to create a safety issue for the driver or others working in the area.

## Able for duty?

The largest segment of PsyBar's business is the FFDE, and 26 percent of these are conducted for government agencies and organizations.

*continued on page 28*





*continued from page 26*

Of PsyBar's private sector clients, one-third are Fortune 500 companies; its current customer base includes 160 Fortune 500 and 90 Fortune 200 firms.

Only about one-fourth of PsyBar's FFDE cases are violent or at risk of becoming violent, while about half are linked to substance abuse or focused on depression, anxiety or any of the more general psychiatric problems such as schizophrenia, says Dr. David Fisher, PsyBar co-founder. Another fourth (there is overlap among categories) are the result of cognitive impairment, which falls into the realm of neuropsychology. These cases are growing because baby boomers are remaining in the workforce longer and seeing skill sets atrophy.

When an employee's behavior creates unsafe conditions at work, the issue for a company is whether to fire the employee or get him or her the appropriate service, which sometimes involves signing a consent form and submitting to an FFDE. All carry risks, says Penny Phillips, an attorney with Minneapolis-based law firm Felhaber Larson who has worked in employment law for 26 years.

"Most employers will seek confirmation that the FFDE they are thinking of requiring is lawful or at least a good idea," she says, noting that a patchwork of federal, state and local legislation covers this area. "Employers need to be careful that they are not violating laws that protect employees."

These cautions notwithstanding, employers that do not take control of the situation can find themselves in a critical, sometimes dangerous, situation.

CEO Lori Seviola



"When there is an immediate threat, you don't always have the luxury of time. If someone has a gun and is threatening others with it, you want to get them out of the building and get the police involved," says Phillips. "More often what employers will see is that someone is acting bizarrely, they are not doing their job or they are telling you that they are hearing voices."

So, while some employers might prefer to ignore the situation when it seems less acute, there are even greater risks to that approach.

"I think employers are becoming more sensitive to these issues. Violent examples of this are happening every couple of weeks in the U.S.," says Phillips. "Families of victims who are killed or injured are suing employers who do nothing to prevent these situations."

PsyBar's price for a psychological FFDE is about \$2,900, and the cost of a psychiatric or neuropsychological evaluation runs about \$3,800. Phillips says it's a small cost to pay given the potential risks.

### A wide-open competitive landscape

PsyBar is one of the only, if not the only, third-party evaluator in the U.S. that works solely in behavioral health. Other companies, such as EvaluMed, offer third-party evaluations for more than

one specialty, including purely physical conditions. Many of these small third-party evaluators are regional or local. And at least one firm, ExamWorks, has been purchasing smaller third-party evaluators, offering evaluations over a wide variety of specialties.

As with any type of medical care, the quality of psychological assessments is highly variable. "When a person goes in to be assessed for mental health, the care he or she receives is as variable as what he or she would receive from a medical doctor," says Dr. Deniz Ones, faculty member in the University of Minnesota psychology department.

Factors that can determine how good a mental health assessment is include which tests are given and the depth of the evaluation. Basically the evaluation is as good as the doctor giving it, Ones says. "It's the human factor."

Fisher compares PsyBar to Five Guys Burgers and his competition to McDonald's. Competing firms generally do evaluations for every known malady including dental, vision, and orthopedic, while PsyBar's business model was built on a goal to improve the quality of third-party psychological, neuropsychological, and psychiatric evaluations.

"We have in-house psychologists who work closely with our doctor panel," says Fisher. To have the same level of specialization and expertise in a company with a more generalized focus, "our competition would have to have an orthopedist on staff, a dentist on staff, an oph-



Co-founder and chairman Dr. David Fisher

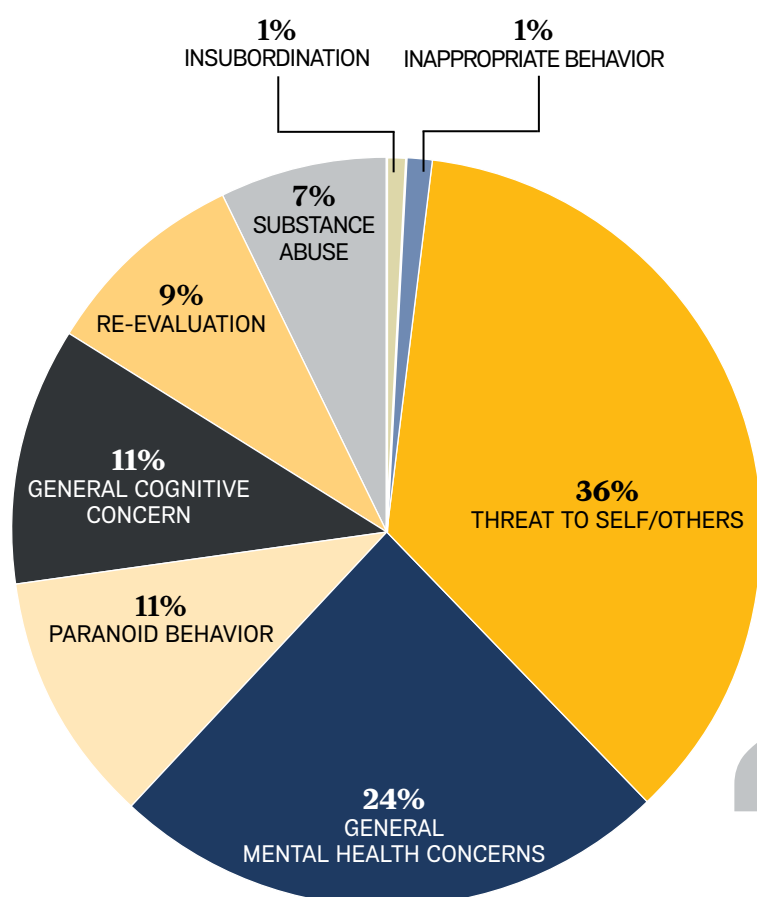
thalmologist on staff." Moreover, he notes, some of these providers see these exams "as commodities, and it hurts hundreds of thousands of people in the United States each year." By focusing on volume, Fisher suggests competitors can't provide the same high-quality evaluations that PsyBar offers; as a result, people lose their jobs or don't receive the disability insurance they are entitled to.

Before founding PsyBar, Fisher and Dr. Sheridan Fenwick worked as psychologists at Abbott Northwestern Hospital, and in 1994, a group of attorneys approached them to evaluate a large number of litigants in a Minnesota groundwater pollution case. Fisher and Fenwick faced the challenge of arranging for assessments using a small group of psychologists and ensuring that each used reliable and valid assessment procedures in their evaluations.

Fisher and Fenwick devised a standardized interview and selected the psychological tests to be used. Not only did this approach add uniformity and strength to each evaluation, but the assessments were more legally defensible than those provided by other evaluating doctors in the lawsuit, according to Fisher, who is PsyBar's chairman of the board.

After Fenwick left Abbott, she and Fisher met in 1995 to talk about her idea for a forensic assessment service applying the same practices they used in the groundwater pollution case. She proposed building a national network of doctors to do forensic psychological and psychiatric evaluations, using the same consistent assessment methodology. A few months later, they started the company.

## Reason for Fitness for Duty Evaluations (FFDEs)



## FFDE Services by Industry Sector

Ranking	Industry	Percentage
1	Government	26
2 (tie)	Health Care; Education	8
3	Courier, Transportation & Logistics	7
4 (tie)	Energy; Aerospace; Food Products	5
5 (tie)	Banking; Manufacturing; Oil & Gas	4
6 (tie)	Telecommunications; Chemicals; Defense; Automotive; Paper & Forest Products; Consulting; Financial Services; Retail; Beverages	2
7 (tie)	Mass Media; Insurance; Medical Equipment; Electronics; IT Services; Security	1

“In the C-suite there’s a lot of substance abuse.”—CEO Lori Seviola

To date, PsyBar has vetted 2,000 psychiatrists, psychologists and neuropsychologists from across the country to draw on for evaluations, and its current network includes close to 1,700 doctors. Fisher also has been recognized by the American Psychological Association for his innovations in forensic assessment.

When they started PsyBar, the quality of forensic work at large “was extremely touch-and-go,” Fisher says. “There was no regulatory or supervising group to oversee the profession.” There still is none, so the company spends “hundreds of thousands of dollars having our staff psychologists do quality assurance with our [outside network of] doctors.”

### Searching for reliable outcomes

Fenwick and Fisher were equal partners in PsyBar until Fenwick sold her interest in the firm in 2013. But years before that, Fisher knew he needed someone else to take over the business side.

“I realized as a psychologist I could only take the company so far,” says Fisher. “I needed someone with a greater business vision. The company was getting to a size that was difficult to manage. I wanted to focus more on improving the quality of the product and less on the business aspect.”

In 2010, when Fisher called Rick Fox, an executive search consultant with Captive Search, he was admittedly burned out. At that time PsyBar had revenue

of about \$5 million and six full-time employees. Fox suggested Fisher call Seviola, who had worked in the IME industry for 15 years and had a good track record starting and growing companies.

I turned out to be a good fit. After purchasing Fenwick’s half of the business a couple years ago, Fisher gave Seviola 10 percent ownership in PsyBar as a reward for her performance. Today the company has 18 full-time employees, including one full-time psychologist and two part-time psychologists, as well as close to \$10 million in annual revenue.

PsyBar recently launched a new service called ValidityCheck, which Fisher and Seviola say will revolutionize the IME. When claimants file for disability insurance on the grounds that they are too depressed or mentally unstable to return to work, they typically undergo a battery of neuropsychological tests. Fairly evaluating whether a claimant is putting forth full effort during one of these evaluations has been a longstanding industry issue. While most people are honest, some seek disability payments under false pretenses. Thus, neuropsychologists also test whether the evaluation results are valid.

Over the years, staff psychologists at PsyBar have noticed several problems in how validity assessment is typically done. Neuropsychologists sometimes base their opinions on poor or outdated research and don’t always factor in sufficient evaluative data, says Fisher. And, he suggests, “psychologists often

don’t know how to skillfully combine information that is often contradictory.”

PsyBar’s ValidityCheck is designed to help neuropsychologists combine information from multiple validity tests using a well-established mathematical process for more objective results. PsyBar’s network of IME neuropsychologists still give the tests of their choice, then PsyBar’s independent validity consultant, Dr. Richard Frederick, a Missouri-based psychologist, produces a mathematical analysis from the relevant test data to come up with a probability that a claimant’s test scores are valid.

“PsyBar is almost certainly the only company in the U.S. offering this groundbreaking data analysis,” says Fisher. “We believe it greatly adds to the strength of doctors’ opinions, and helps our clients feel far more secure that they are making the right decisions.”

He adds that PsyBar will offer a validity check on every neuropsychological evaluation it does. “It shows our huge commitment to uniformity, fairness and objectivity,” he adds. “We really believe that it is going to help our industry to write better reports that are more fair for employers and employees.” **TCB**

*Fran Howard, a St. Paul-based freelance writer, specializes in business, science and medical writing, and is a frequent contributor to Twin Cities Business.*



# TRIPLE \$ALES

When *Diners, Drive-Ins and Dives* comes calling, hang on, because your business will never be the same.

by Adam Platt





**W**hen Guy Fieri

arrives at a restaurant to film a segment of *Diners, Drive-Ins and Dives*, he rarely hangs around more than a few hours, but what follows is a cascade of buzz and public interest that transforms the business in his wake.

Minnesota and neighboring parts of Wisconsin have contributed 32 of the 800 business profiled on *DDD*, starting with St. Paul's Dari-ette Drive-In in 2007, and most recently the Brick House Café in Cable, Wis., in November. Compare this to four in the Milwaukee region or 14 in Colorado.

"They told us 'We can do a lot for your sales,'" says says Ann Kim, co-owner of Pizzeria Lola in Minneapolis, "We had no idea."

"They told us to get ready," says Josh Thoma, founder of Smack Shack in Minneapolis. "I was like, 'I got it.' I did not get it."

A month later, his sales and customer counts were up 500 percent.



### Casper & Runyon's Nook

St. Paul

*Air Date* > 21 Jan. 2008

*Short Term* > 100% increase in sales

*Long Term* > "We see growth every year."

*Notable* > The 69-seat bar had to add a podium and host to deal with the crowds.

KRISTI SAUER twincitiesrestaurantblog.com

### Dari-Ette Drive-In

St. Paul

*Air Date* > 30 July 2007

*Short Term* > None

*Long Term* > Sales have doubled

*Notable* > The first local restaurant to be profiled on *DDD*.

CHRIS WINN



## EIGHT MINUTES TO FAME 10 DDD SUCCESS STORIES

## DUE DILIGENCE

Typically a *DDD* appearance begins with a phone call from the show's production company.

Though *DDD* is always among Food Network's top-rated programs, the network doesn't seem to be appointment viewing for restaurateurs. Most of the ones *TCB* spoke to either were unaware of the show at the time it approached them or had a skeptical view of it as a result of Fieri's campy style and the production's kitschy quality.

"I was not familiar at all," says Niki Stavrou, owners of Victor's 1959 Café in Minneapolis, "I didn't even have cable."

*continued on page 34*



### Donatelli's

White Bear Lake

*Air Date* > 3 Nov 2008

*Short Term* > 30-40% increase in revenue

*Long Term* > 20% sustained increase

*Notable* > "It saved us from going out of business."

KRISTI SAUER twincitiesrestaurantblog.com

### Northern Waters Smokehaus

Duluth

*Air Date* > 21 June 2010

*Short Term* > Revenue jumped 60%

*Long Term* > "It hasn't slowed."

*Notable* > Jump-started its mail-order business.

KRISTI JOHNSON





## Chester Creek Café

Duluth

*Air Date* > 4 Oct. 2010

*Short Term* > Single-digit change in revenue

*Long Term* > No gain attributable to DDD

*Notable* > "The show really made us look at ourselves a bit and tighten our operations."

CHESTER CREEK CAFE



## Smack Shack at the 1029 Bar

Minneapolis

*Air Date* > 9 April 2012

*Short Term* > 500% increase in sales

*Long Term* > 300% increase

*Notable* > The four-day shoot cost \$12,000 in lost revenue food expense.

JEFFREY NEWCOMER



## Pizzeria Lola

Minneapolis

*Air Date* > 2 April 2012

*Short Term* > 50% increase in sales

*Long Term* > Annual sales bumps, no plateau

*Notable* > Every time the rerun airs, a man from Ohio calls and asks for a menu to be mailed to him.

RALPH WINN

## Smalley's Caribbean Barbecue

Stillwater

*Air Date* > 7 May 2012

*Short Term* > 60% bump in sales

*Long Term* > 7-10% annual increases

*Notable* > "When the show reruns, there's always a bump."

KRISTI SAUER twincitiesrestaurantblog.com



RALPH WINN

## QFanatic

Champlin

*Air Date* > 10 Jan. 2011

*Short Term* > 50% boost in revenue

*Long Term* > Sales up 75% two years later

*Notable* > The one local DDD profile that Guy Fieri did not tape in person.

CHARLIE JOHNSON



## Victor's 1959 Café

Minneapolis

*Air Date* > 29 Sept. 2008

*Short Term* > 40-50% jump in dinner sales

*Long Term* > Annual growth every year since '08.

*Notable* > Featured in one of the DDD books.



continued from page 32

Stavrou says a producer called to say “they were interested in featuring us, possibly. They emphasize that. So I did two or three phone interviews and eventually they sent a producer out in person.”

The rather insular chef and restaurant community isn’t always convinced they want or need national exposure. “I was concerned about the filming, that it might cost us a fair amount of business those days,” says Kim. Her husband and business partner, Conrad Leifur, “told me I was nuts” to pass up the opportunity.

Other restaurateurs talk of sending producers their recipes, photos of prepared dishes, all with zero promises made. There are tales, possibly apocryphal, of Fieri arriving at a shoot and not liking the look or cleanliness of a restaurant and simply walking out. (Fieri declined an interview with *TCB*.) “We heard the stories,” says Trish Appleby, co-owner of Donatelli’s in White Bear Lake, “so you never take it for granted.”

She says a member of the production staff stumbled into the restaurant and decided it might make a good subject. Then “we spent 12 hours on the phone” with the producers.

Though some were wary of the show, when it came time to shoot, the skepticism faded.

The typical *DDD* shoot lasts two days. Early in the show’s run, crews worked around customers and operations, but more recently restaurateurs have been asked to close. “We were closed for four days,” says Thoma, whose operation at the 1029 Bar in Minneapolis was profiled.

The *DDD* crew shows up on day one to set up lighting and shoot the food shots, “b-roll” and other miscellany. On day two Fieri arrives, usually for half the day. “I think we cooked every item on the menu three times with Guy,” says Ted Casper, co-owner of Casper and Runyon’s Nook in St. Paul. “He wanted to try everything on the menu, just about. Then they decided what to feature.”

Concerns about the show’s values are quickly dashed. “They are really focused on scratch cooking,” says Kim. “I was surprised and impressed. They vetted us very carefully.” She says she had no interaction with Fieri until the shoot. “Guy doesn’t like to meet people before

## THE FIRST TO FLAVORTOWN

**A**ngela Fida got a phone call in 2005. The man had just moved from the East Coast and was looking for good Italian food and wanted some details about her restaurant, Dari-ette, the 1951 drive-in on St. Paul’s East Side. He showed up a few days later and stood out for ordering nearly the entire menu for a car with two people.

It was David Page, creator of *Diners, Drive-Ins and Dives*, doing early reconnaissance for a show he was preparing to pitch to Food Network, pre-Guy Fieri. The following year Page, Fieri and a crew returned and spent four days taping a segment for the first season of *DDD*. Fieri, then a virtual unknown, was on-site the entire time.

Dari-ette was part of episode 12 of *DDD*, along with Al’s Breakfast, a diner in Michigan, and a pub in Northern California. The episode aired a year later, and Fida describes the impact as “Nothing. Nothing at all. Nobody knew him or the show.”

Gradually though, as *DDD* gained prominence and reruns kept airing, crowds thickened. Around 2010 Fida felt a real impact. Her sales have since doubled (though customer counts have tripled, many coming just to take a picture of the iconic midcentury drive-in).

Fida has stayed in touch with Fieri, occasionally exchanging emails and business insights (Fieri has owned restaurants in California since 1996), and Dari-ette has made it into two *DDD* books. The business that her grandfather founded is ship-shape, she says—enhanced revenue allowing her to replace aging equipment and bring the place up to contemporary code.

“Without Guy,” Fida says, “I’m not sure we’d still be here.” —A.P.



the taping. He is focused on it being as spontaneous as possible. They’re super-serious about it being authentic.”

Still, the shoot is not without its strains. Though many operators say the shoots cost them little more than some wasted food and inconvenienced customers, many of the restaurants *DDD* profiles are by their nature all-day operations, open seven days a week. Some use food with high ingredient costs and rapid spoilage. “I was reluctant,” says Eric Goerd, owner of Northern Waters Smokehaus in Duluth. “I think it cost us nearly \$15,000 in wasted product and costs associated with cleaning” his specialized fish processing area after the shoot.

“I estimated about \$12,000 in overall expense,” says

Thoma.

Then you wait. It can be as long as a year until a *DDD* segment airs after taping, but it’s always at least several months wondering if all the effort will pay off.

## THE BACK STORY

It’s one of the more extraordinary stories in the history of big media and small business. Northern California restaurateur Fieri—with a shock of bleached-blond hair, tattoos and ever-present shorts—wins Food Network’s Next Food Network Star TV competition and gets to host a special for the network, *Diners, Drive-Ins and Dives* in 2006.

The *DDD* special enjoys strong ratings and receives a series commitment from the network. It’s produced by Plymouth-based Page Productions, helmed by



FOOD NETWORK

David Page, who approached Food Network with the idea for the show. With a staff of producers based in the Twin Cities, the local region took on a disproportionate role in the life of the series, which has featured eateries from Hawaii to Italy since debuting in 2007.

Page and Food Network cut ties in 2011 after a high-profile dispute (David Page did not reply to requests for an interview), but much of the show’s production staff remains Twin Cities-based.

A *DDD* segment typically runs a third of a half-hour show, roughly eight minutes, though some can be twice or half as long. In the initial weeks after premiere, episodes rerun a handful of times each week. The impact on the restaurants profiled is neither gradual nor subtle.

## THE TIDAL WAVE

**A**t the time *DDD* called, Pizzeria Lola was riding the crest of a wave of strong local reviews. It was the pizzeria of the moment, with its iconic French copper pizza oven and quirky offerings reflect-

## THE OUTLIER

**D**uluth's awkwardly named At Sara's Table Chester Creek Café hit the airwaves in late 2010 as part of Guy Fieri's first trip to the Northland. The hippie-ish seasonally driven natural foods restaurant girded for a boomlet of business that never really came.

"We see an increase in our out-of-town business in tourist season," notes manager Jillian Forte, "but we were growing at roughly the same rate before and after the show."

Forte attributes the different impact to Duluth's out-of-the-way location. Nonetheless, Forte, who was the face of the restaurant on the *DDD* episode, regards the experience as entirely positive. "It was really valuable," she says. "It made us take a look at ourselves a bit. We were this hippy-dippy joint, and it forced us to tighten up our operations and become more consistent."

Though the cafe doesn't see new customers with each rerun, Forte knows they air nonetheless. "I usually get a bunch of friend requests on Facebook that night. Mostly from middle-aged men."

ing its founder's Korean heritage. "We didn't think we could be any busier," Kim explains. "We wanted to be a neighborhood pizzeria. A turn or two a night would be awesome."

Lola added lunch hours the day after the show aired. "People were lined up waiting for us to open," Kim continues. "The first weekend was insane. We were open 11 to 11 and never not full. We had to go to Subway to buy the staff lunch because we had no time to make one here."

Their story is similar to the many regional *DDD* restaurants we spoke to: instant bedlam, a tidal wave of business.

"At the time we were really struggling," says Tim McKee, co-owner of Smalley's Caribbean Barbecue in Stillwater, which offers spicy Jamaican jerk-style barbecue in a town of summertime day-trippers and antique shoppers, and wasn't really connecting with the customer it needed. "We wondered if we were going to have to close. [*DDD*] saved the business."

Smalley's saw an initial jump in revenue of 60 percent. "That, to me, is staggering," says McKee, a principal with Parasole Restaurant Holdings and a veteran of the Twin Cities restaurant game. "I thought we'd see a peak, then it would fall off, but it's been only up from there."

Barbecue is a favorite Fieri theme, and a Page Productions producer discovered Charlie Johnson's QFanatic in Champlin. A one-time Italian fine dining chef, Johnson's barbecue passion project labored in relative obscurity until its brief appearance on *DDD*. His was only a three- or four-minute segment and one of the rare ones where Fieri never even showed, but merely narrated video shot by the producers. No matter.

"You get an explosion, instant notoriety," Johnson explains. "Barbecue has a passionate national following, and suddenly we're on the barbecue trail." QFanatic had been lauded in the *Star Tribune* and *Minnesota Monthly*, but the effect was nothing like *DDD*. "You

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# HALL OF FAME

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### THE ANNUITY

With over 200 episodes in the can and 800 restaurants in its pantheon (only three area *DDD* restaurants have closed, and none attributed the closing to the celebrity), *DDD* has spawned its own cottage industry of websites and apps that collate and curate the restaurants. Fans organize bus tours of restaurants, and the hardest travel the country in hopes of sampling every one, ordering exactly what Guy ate.

"Businesspeople and travelers come to town and they go to the Internet so they can eat at *DDD* restaurants when they're here," says Johnson.

"We're in the middle of a residential neighborhood," says Victor's Stavrou. "You don't stumble upon us. Yet we see consistent growth in out-of-town business and travelers every year. We're not just a neighborhood place anymore."

"It's cultish," says Donatelli's Appleby. "People wait three hours in line. You feel bad for your regulars, who can't get in."

Food Network continues to air all seasons of *DDD* (eight years of production, not counting 2015). Some have been repackaged into hour-long episodes focused on pizza, barbecue, burgers, regions and other themes.

"It seems like they've re-aired the thing a million times," says the Nook's Casper. "We were begging for mercy."

Many segments live on YouTube and other reaches of the Internet. In that sense *DDD* functions as an annuity for the restaurants it profiles, while it literally saved others.

"We had just expanded as the

recession hit," says Appleby. "We had debt and were really scared. It saved us from going out of business."

What's fascinating is the show's impact on already highly successful restaurants. "I had my doubts," says Casper. "I mean if you're full, you're full." His 69-seat tavern already had a cult following in St. Paul. "Then you start to see the people from out of town who will wait two hours, day after day."

For other operators, the show has jump-started an aspect of their business they were struggling to develop. "We were known for our breakfasts," says Stavrou. "They focused on our lunch and dinner menu. It was a godsend."

No one saw a bigger boost than Northern Waters' Goerdts, who was working to develop a mail-order business of smoked fish and related specialties from his tiny Duluth storefront. "We were uniquely poised to benefit because we can service a national audience," he says. "We can tell whenever our episode airs because we get tons of calls and orders."

Pizzeria Lola no longer contents itself with a turn or two at dinner. It is open all day and full much of the time. It's spun off a slice shop at France and 44th, and there are other plans as well. "The notoriety has made us the No. 1 local restaurant on TripAdvisor," says Kim. "So now we get business from around the world. It's just been up, up, up. Our banker told us this isn't how it usually works in restaurants."

The restaurateurs remain surprised. They're grateful to the man they spent four hours with and never heard from again, the next Food Network star, Guy Fieri.

"He's had a lot of success, that's for sure," says Niki Stavrou. "But boy, has he paid it forward." **TCB**

*Adam Platt is TCB's executive editor.*

# 50 FANTASTIC FIRSTS

We challenge any other state to come up with a list of extraordinary innovations as impressive as Minnesota's.

Minnesotans are proud of their heritage, including the “firsts” we’re known for, such as Scotch tape, water skis, Spam and the pacemaker. While other states are equally proud of their firsts—New York for the credit card; Michigan, the artificial heart; Texas, the integrated circuit—few other states, if any, have created as many firsts with as wide-ranging effect as has Minnesota. We officially rank between second (so says the *Harvard Business Review*) and ninth (*Forbes* and the U.S. Patent and Trademark Office) among “most innovative states.” Such distinctions tend to look only at volume and not overall significance, however. With this in mind, *TCB* editors combed through more than 100 inventions and “firsts” to present in the following pages 50

Minnesota firsts that have had the greatest impact on society.

BY GENE REBECK





## FIFTY FANTASTIC FIRSTS



1879

1885

1899

1912

BBB  
1912

### GREAT NORTHERN RAILROAD

**1** James J. Hill turned St. Paul into the Upper Midwest's rail hub by building the northernmost transcontinental railroad route in the United States, from Minnesota to Puget Sound. What's more, it was the only completed transcontinental that was financed completely from private funds, thanks largely to the land it acquired in North Dakota and Montana—land it sold mostly to immigrant farmers. Hill's Great Northern survives as part of BNSF, one of the seven remaining Class I railroads still operating in the U.S.

### FURNACE THERMOSTAT

**2** Swiss-born Albert Butz invented a "damper flap-per" that allowed a coal-fired furnace to be regulated via the world's first furnace thermostat. The St. Paul business he founded to manufacture the product, the Butz Thermo-electric Regulator Co., would evolve into today's Honeywell International. Honeywell became one of Minnesota's most legendary and innovative companies, thanks to the high-design round thermostats it began to market in 1952. Honeywell still makes round thermostats and numerous other products, but it's based in New Jersey these days.

### CONCRETE GRAIN ELEVATOR

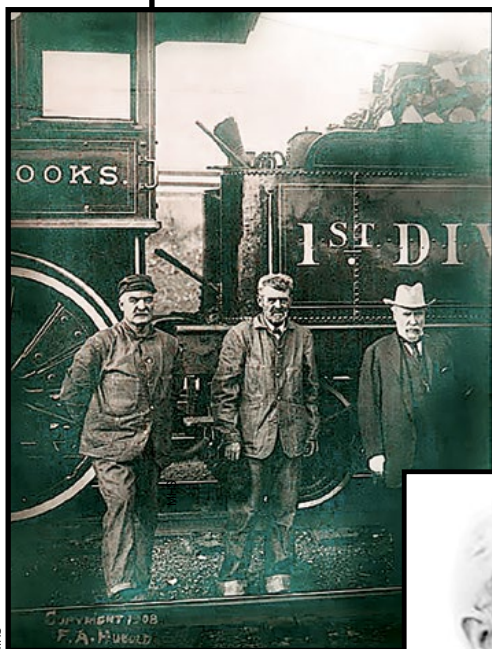
**3** Train storage structures built of wood had an unfortunate habit of burning down, so grain trader Frank Peavey drove the development of something a little less flammable. Working with Charles Haglin, a Minneapolis contractor who also built Minneapolis City Hall and the Grain Exchange Building (among many other structures), Peavey built the first concrete grain elevator. It's still standing near the interchange of Highways 7 and 100 in St. Louis Park, though it hasn't held grain for more than a century. It now advertises the location of cooking utensil product manufacturer Nordic Ware.

### GROCERY BAG WITH HANDLES

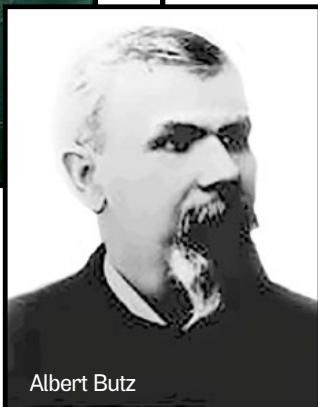
**4** Walter Deubener owned St. Paul's first cash-and-carry grocery store (until then, all grocers delivered). To make it easier for his customers to tote their own purchases, he created a bag with a loop of string supporting the bottom that formed convenient handles at the top. It was such a notable innovation that the St. Paul Area Chamber of Commerce still names its annual business awards after Deubener. Given how long Deubener's invention has been around, it's surprising that there still are supermarkets that make you clutch your groceries in your arms.

### BETTER BUSINESS BUREAU

**5** The BBB grew out of the "vigilance committees" established regionally by the advertising industry to ensure that advertisements' claims were true. The Minneapolis Advertising Club's vigilance committee was the first to call itself the Better Business Bureau, and it established the mode of operation followed by the 110-plus BBBs now established in the U.S. and Canada. Businesses that affiliate with their local BBB are required to follow standards for honesty and fair dealing. In the past few years, alas, various BBBs have been accused of protecting or punishing certain member companies, and several chapters have been disaffiliated.



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Albert Butz

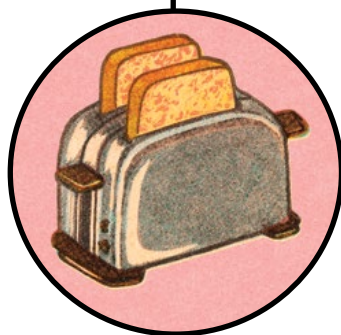


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## GREYHOUND BUS LINES

**6** Carl Wickman and Andrew Anderson open the first bus line in order to transport iron miners between Hibbing and Alice (a nearby town that Hibbing later annexed). That became the start of America's largest cross-country bus company. Greyhound hasn't stopped in Hibbing, or anywhere else on the Iron Range, however, since 1973.



## POP-UP TOASTER

**7** The first electric toaster was invented in Scotland in 1893, but it took Stillwater mechanic Charles Strite to make that breakthrough a little more convenient. Though Strite patented the idea, other companies actually built the device, with the first—Minneapolis-based Waters Genter's 1-A-1 Toastmaster—reaching the market in 1925. The Toastmaster brand is still around, attached not only to toasters but also to coffeemakers and a variety of commercial food preparation equipment.

## WATER SKIS

**8** On a summer day on Lake Pepin, 18-year-old Ralph Samuelson affixed two 8-foot-long pine boards to his feet, then grabbed hold of a rope connected to a powerboat. Over time, as he mastered his invention, Samuelson also ski-jumped (on a greased platform) and speed-skied (going 80 miles per hour behind a flying boat). Samuelson's renown was not enough to prevent another person from patenting water skis, but history has confirmed him as the father of the invention. Despite the daredevilry of his youth, Samuelson ended his days quietly, as a turkey farmer in Pine Island.



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## MILKY WAY CANDY BAR

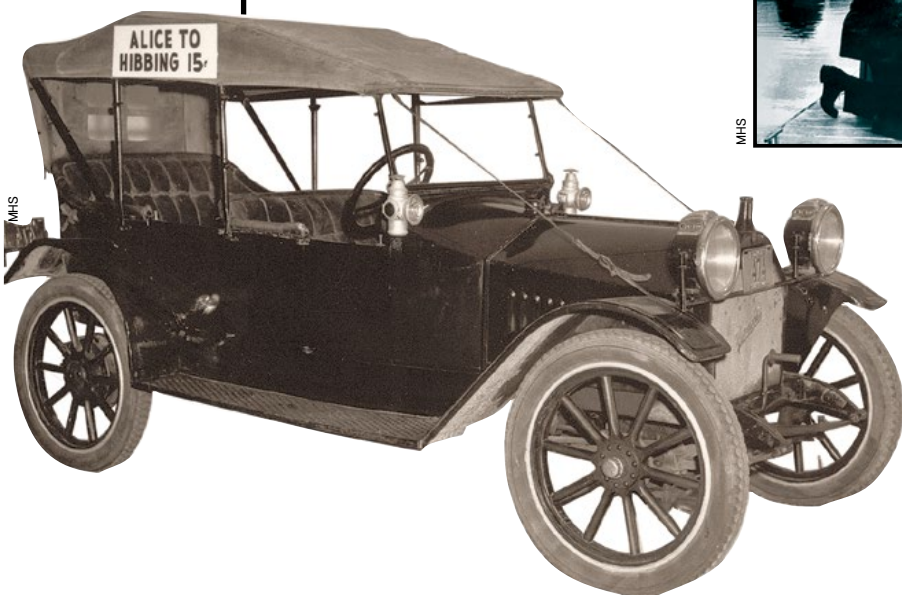
**9** Frank C. Mars, a native of Hancock, Minn., founded the Mar-O-Bar candy company in Minneapolis in 1920. Three years later, Mars introduced Milky Way, reputedly the world's first "filled" candy bar. Its filling was inspired by the name of a chocolate-malt milkshake popular at the time. Milky Way was a hit, and six years after its introduction, Mars moved his company to the Midwest candy capital, Chicago. There the company would create other famous brands, notably 3 Musketeers and M&Ms.



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## MASKING TAPE

**10** The company originally known as Minnesota Mining and Manufacturing moved away from mining (and the North Shore), and has been developing new products ever since. One of 3M's earliest innovations, masking tape, was originally created for use by auto painters for two-tone paint jobs. The tape's inventor, Richard Drew, would go on to develop the first transparent cellophane adhesive tape, which 3M branded as Scotch tape.



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## FIFTY FANTASTIC FIRSTS

1926

1938

1940



1942

1943

### CLOSED-CABIN COMMERCIAL AIRPLANE

**11** Northwest Airways was the first U.S. airline to offer a closed-cabin aircraft, a three-passenger Stinson Detrolter. Northwest, which was founded that same year, had its headquarters in Detroit at the time. But it flew only between the Twin Cities and Chicago at first, primarily as an air-mail carrier. In 1929, a group of Twin Cities businesspeople acquired Northwest and moved its headquarters to Minnesota, operating out of St. Paul's Holman Field. Delta Air Lines acquired Northwest in 2008.



MHS

### FREIGHT-COOLING SYSTEM

**12** Leave it to a couple of Minnesota inventors to develop a cooling technology. Joseph Numero, a manufacturer of sound equipment for movie theaters, and Frederick Jones, an inventor who worked for Numero, designed a mechanical refrigeration unit to replace the ice blocks that trucking companies used to cool their trailers. Numero sold his sound-equipment business and together with Jones, founded the company now known as Thermo King. (During World War II, Jones would design portable cooling units for the military to keep food and medicine from spoiling.) Thermo King was acquired by Ingersoll Rand in 1997, but its headquarters remains in Minnesota.



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### MASS SPECTROMETER FOR URANIUM-235

**13** Minnesota-born Alfred Nier was one of the state's most remarkable scientists, but his achievements aren't well-known here, perhaps because he was a physicist rather than a physician or otherwise involved in medicine. But Nier's work in mass spectrography at the University of Minnesota was crucial in the development of a pure sample of uranium-235, the isotope that would be a key component of the atomic bomb. Among the other milestones in Nier's career was the development of small mass spectrometers used on the Viking Mars landers in the 1970s to identify elements in the Red Planet's atmosphere.

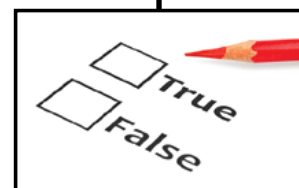
### ELECTRONIC AUTOPILOT

**14** Like many innovative U.S. companies, Honeywell was involved in defense work during World War II. What was then Minneapolis-Honeywell Regulator Co. developed an electronic autopilot for U.S. Air Force bombers, helping pilots fly steadily enough to hit targets from high altitudes. In time, aerospace would become one of Honeywell's largest businesses.



### MINNESOTA MULTIPHASIC PERSONALITY INVENTORY (MMPI)

**15** Minnesota's reputation as health care innovator isn't restricted to physical health. Developed under the auspices of the University of Minnesota, the MMPI is the world's most widely used standardized personality and psychology test. It's used to not only to help psychologists make diagnoses, but also to aid employers in screening job candidates. Using a set of 567 true/false questions (there's also a shorter, streamlined version), the test is "graded" using numerous scales to assess anxiety levels, propensity for addiction, tendency toward extroversion or introversion, and many other psychological characteristics. The MMPI has its critics, but it's still considered the gold standard of personality assessments.





# 1947 1947 1947 1948 1950

## MAGNETIC RECORDING TAPE

**16** Magnetic recording had been around for years; 3M made it useful. Until then, magnetic recording used unwieldy and limited media such as wire and steel tape. 3M developed a strong but flexible plastic tape material as a recording medium. Singer Bing Crosby used 3M tape to record his radio show in 1948, and the invention became the basis of the commercial and consumer tape-recording businesses. In 1996, 3M's tape business became part of spinoff company Imation, which still produces magnetic tape.



## TONKA TRUCKS

**17** The founders of Mound Metalcraft Co. originally manufactured steel garden implements. Then a toymaker operating in the same building gave them his patents, and the toy steam shovels and cranes that started as a sideline for Mound Metalcraft quickly became its business. Bigger and more rugged than other toy vehicles, Tonka trucks were postwar playtime classics. The company would disappear in 1991 after some diversification failures, but the brand lives on—though in plastic, not steel.

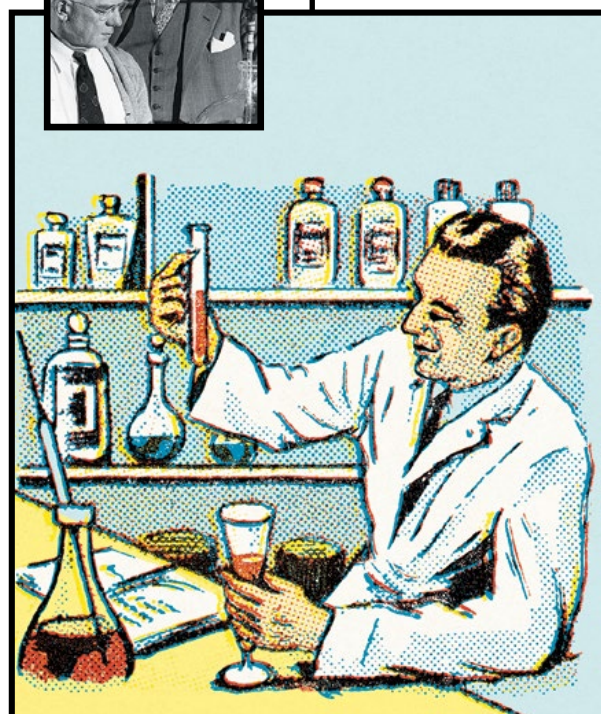


## PACKAGED CAKE MIX

**18** General Mills didn't invent the packaged cake mix—such products had been around since the 1920s. But until the Minneapolis company mastered the food chemistry, cake mixes were readily subject to spoilage. When General Mills introduced Betty Crocker ginger cake mix in 1947, just-add-water products became much more shelf-stable—and widely accepted among harried parents of baby boomers.

## CORTISONE

**19** Now a common anti-inflammatory used to treat maladies ranging from eczema to chronic joint pain, cortisone is a steroid hormone secreted by the adrenal gland in times of stress. Mayo Clinic researchers Edward Kendall, Philip Hench and Harold Mason identified cortisone and discovered its ability to suppress the immune system. Merck & Co. would introduce the first commercially produced cortisone in 1949. Cortisone may well have played a key role in subsequent U.S. history: If it hadn't been for Kendall and Hench's discovery, John F. Kennedy—who took cortisone both orally and via injection—might not have become president.



## BUNDT PAN

**20** St. Louis Park-based Nordic Ware produced the perfect postwar cooking utensil, one that allows even indifferent bakers to whip up an elegant dessert with ease. It was a slow seller until the 1960s, when a Pillsbury Bake-Off contestant used the pan to create a winning recipe. Nordic Ware is now a widely diversified cookware company, but it continues to create new Bundt pan designs. And it still makes them in Minnesota.







1951 1952 1953 1955 1955

## SNOW BLOWER

**21** Toro introduced the first walk-behind snow blower, much to the relief of corner-lot homeowners and their cardiologists. Numerous companies manufacture blowers these days; Toro's current line ranges from a compact electric model to a massive heavy-duty model with a 342cc engine that can blast the white stuff up to 45 feet.



## OPEN-HEART SURGERY

**22** A professor of surgery at the University of Minnesota in the 1950s and '60s who later became director of medical affairs at St. Jude Medical, C. Walton Lillehei is one of the world's greatest heart physicians. One of his first great accomplishments: the first successful open-heart surgery, on a 5-year-old girl at the University of Minnesota, which Lillehei performed with colleague F. John Lewis.



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## BLACK-BOX FLIGHT DATA RECORDER

**23** Though now firmly focused on food, General Mills made many intriguing excursions into other industries during the postwar decades. For many years, it had a mechanical division that developed a variety of devices. One was the "black box" to record flight data on airplanes—crucial for determining the causes of a crash. The man behind the device was collision researcher James "Crash" Ryan in the University of Minnesota's Department of Engineering, who worked with General Mills to perfect the technology. It took years of lobbying to get airlines on board, but now no commercial airplane takes off without it.



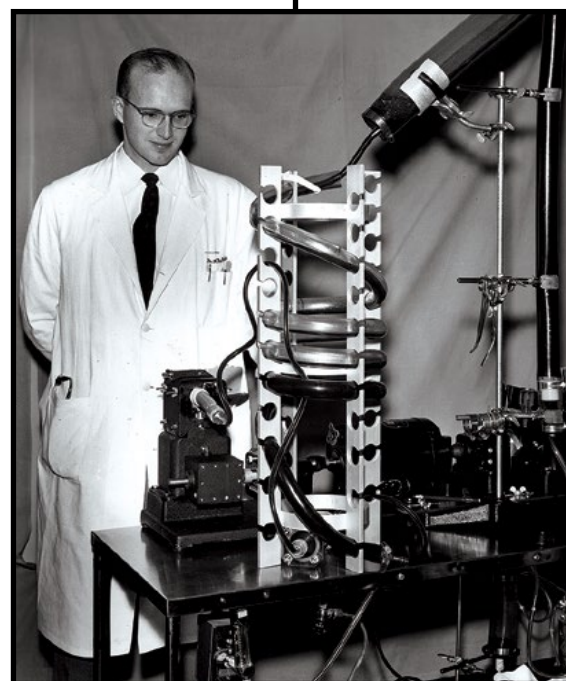
## BLOOD PUMP

**24** Another first associated with pioneering open-heart surgeon Walt Lillehei: the helix reservoir bubble oxygenator, which Lillehei developed with colleague Richard A. Wall. The device kept oxygen pumped into the blood during heart surgery. Before that, the standard approach to oxygenating the patient's blood was cross circulation, which linked the patient's bloodstream to that of a healthy donor.



## IN-THE-EAR HEARING AID

**25** World War II Air Force hero Ken Dahlberg left hearing-aid manufacturer Telex in 1948 to start an electronics company manufacturing "pillow radios" for hotels and hospitals. Within a few years, Dahlberg was making hearing aids of his own, incorporating a new technology: transistors. In 1955, his company created an all-transistor model called the Magic-Ear, whose components were contained in a small "shell" that fit inside the ear. It was the first in-the-ear aid, and it made wearing a hearing aid much less of a burden. Dahlberg's company is now called Miracle-Ear, and remains based in Minnesota, though it's now owned by an Italian hearing-aid company, Amplifon.



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1955

1955

1956



1957

1962

### TACONITE PELLETS

**26** The Minnesota Iron Range might have lost its major industry instead of remaining one of the world's largest sources of iron if it weren't for the work of Edward Davis. Knowing that there were limited quantities of "natural" ore in the ground, Davis worked for decades to perfect technologies that would allow mining companies to separate iron from taconite, a rock formation with less pure iron content, and turn that iron into pellets for use by steel-making blast furnaces. When the natural ore began to run out in the 1950s, taconite-pellet technology was ready to take over. In 1955, Reserve Mining in Silver Bay produced the first pellets. There's still plenty of taconite on the Range, though demand for iron has slumped in the past year, thanks to a global glut of steel.

### CLIMATE-CONTROLLED SHOPPING CENTER

**27** The Dayton department store company and Austrian-born designer Victor Gruen (a socialist in his younger days) changed the retail game forever when Southdale opened in Edina. Gruen had originally envisioned something more like a mixed-use downtown, and came to loathe the malls that Southdale pioneered and have since spread worldwide. It's probably no coincidence that one of the world's largest enclosed centers is just a few miles away from the original.

### RECREATIONAL SNOWMOBILE

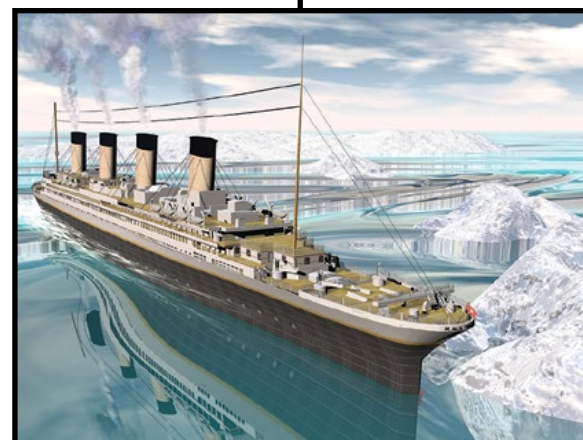
**28** Edgar Hetteen didn't invent the snowmobile. But the northern Minnesota native saw that snowmobiles had serious potential for recreational purposes, and he built the first such machine at his Roseau farm-implement company, Polaris Industries. The machine took off, and Hetteen would take off from Polaris in 1960 to start another snowmobile maker in Thief River Falls, a company that would come to be known as Arctic Cat. Polaris and Arctic Cat remain major Minnesota manufacturers, and both still make snowmobiles, although the product that has driven their growth in recent years is the all-terrain vehicle.

### IMPLANTABLE PACEMAKER

**29** Working in his garage, electrical engineer Earl Bakken developed a battery-powered heart pacemaker that can be worn inside the body. Previously, pacemakers were large machines that had to be carted next to the patient. With his device, Bakken launched Medtronic, now a global med-tech giant. And yes, groundbreaking heart surgeon C. Walton Lillehei was associated with this breakthrough as well: He asked Bakken to create such a device after one of his heart patients died.

### DEEP-SEA SUBMARINE

**30** Continuing its forays far from flour and Cheerios, General Mills had an on-staff aeronautical engineer design ALVIN, a deep-sea submersible that could be transported aboard a ship instead of being towed. Used by the U.S. Naval Institute, the three-passenger sub has performed a number of remarkable tasks, from locating a lost hydrogen bomb in 1966 to exploring the wreck of the *Titanic* two decades later. General Mills sold its mechanical division decades ago, but ALVIN (which has been upgraded several times) remains in use.







1962

1963

1963

1964

1966

## SKYWAYS

**31** The bane of street-loving urbanists and the boon of winter-weary downtown workers, skyways first appeared in Minneapolis across Marquette Avenue, connecting the Northstar Center and the Northwestern National Bank building, where Wells Fargo Center now stands. The idea is credited to real estate developer Leslie Park, who worried that the city's central business district needed to stay attractive to businesses and their employees. (General Mills decamped from downtown to Golden Valley in 1955.) Minneapolis now has about eight miles of skyways. St. Paul has more than five miles, and it can claim an even older skyway, built in the 1940s between the two towers of the First National Bank building, more than a dozen floors up.

## RETRACTABLE SEAT BELT

**32** Score another safety first for Minnesota engineer James "Crash" Ryan. In addition to the black-box flight-data recorder, Ryan developed seat belts that self-tighten during a collision. As with the black box, the retractable belt wasn't instantly embraced—but like the black box, the retractable seat belt is now standard equipment.



## SUPERCOMPUTER

**33** The first computer to receive the designation was the CDC 6600, developed by Control Data Corp. Among its other applications, it was used to model complex phenomena such as hurricanes and galaxies. It was considered the world's fastest computer until 1969, when its successor, the CDC 7600, sped past it. One of the lead developers on the project, Seymour Cray, would leave Control Data to start his own supercomputer firm, which put Minnesota more firmly on the mainframe map. Though Control Data has disappeared and Cray Inc. has its headquarters in Seattle (with a sizable office in St. Paul), IBM's Rochester facility continues to work on supercomputers, such as the new Mira.



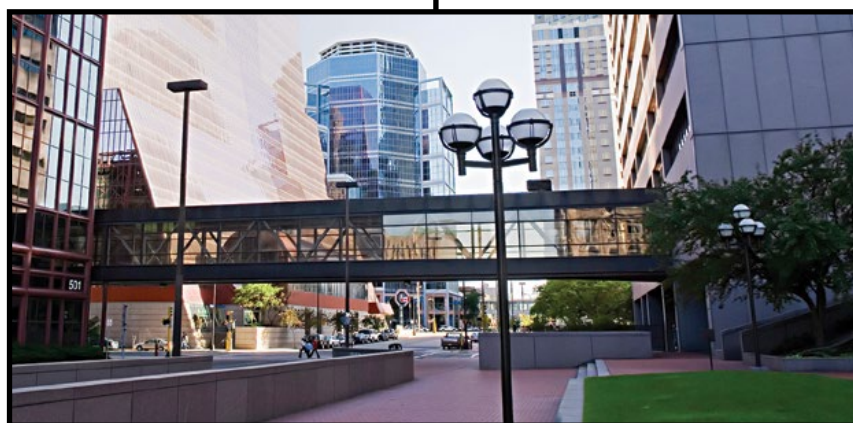
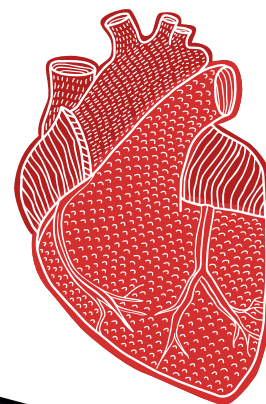
## TWISTER

**34** Charlie Foley and Neil Rabens worked for a St. Paul company called Reynolds Guyer Agency of Design when they created a game called Pretzel. (Some sources identify Reyn Guyer, son of agency founder Reynolds Guyer, as the originator of the idea, which Foley and Rabens then developed.) The agency sold the idea to Milton Bradley, which renamed the game Twister. Sears Roebuck, then a dominant retailer, at first refused to carry it, considering it too risqué, but the company changed its mind when Johnny Carson played it on TV in 1966. Twister has never gone out of production, and has enjoyed revivals over the years.



## PROSTHETIC HEART VALVE

**35** Heart surgeon C. Walton Lillehei was once again involved with this innovation, the Lillehei-Nakib toroidal disc. Though plastic artificial heart valves had been used since the early 1950s, this new design would make artificial valves more durable and would inspire more innovations to come—and become the basis for significant business units at Medtronic and St. Jude Medical.



1966-  
1968

1969

1977

1979

1980



## ORGAN TRANSPLANTS

**36** Walt Lillehei's open-heart procedure is far from the only surgical first in Minnesota. The first successful pancreas, kidney and bone marrow transplants were performed at the University of Minnesota.

## NERF BALL

**37** The other hot toy associated with St. Paul designer Reyn Guyer, the foam rubber Nerf, made it much easier for kids to play ball-related games inside. Parker Brothers bought the idea and ran with it, developing the Nerf football in the early 1970s. With the demise of Parker Brothers, Nerf has become the property of Hasbro, which has made Guyer's original soft-toy concept the center of an arsenal of toys that blast foam darts and arrows.

## NORDICTRACK

**38** Chaska engineer and designer Edward Pauls was an avid cross-country skier who wanted to re-create the exercise benefits of his favorite athletic endeavor indoors. Pauls sold the business to a company called CML, which flourished until the mid-1990s, when newer types of exercise equipment overtook skier machines in popularity. A Utah company, ICON Health & Fitness, reclaimed the product and the brand, which now is also affixed to elliptical machines, treadmills and other fitness equipment.

## CRISP-CRUST FROZEN PIZZA

**39** As well as operating a small restaurant in Northeast Minneapolis, Rose Totino and her husband, Jim, ran a frozen-pizza business, which they sold to Pillsbury in 1975. Rose Totino joined Pillsbury as a vice president and kept working to improve her recipe. The crust had always been frozen pizza's drawback, so Totino and Pillsbury food scientists developed a "delamination-resistant fried dough product," as the patent termed it. Thanks to Totino, frozen pizza doesn't have to have the taste and mouth-feel of tomato-covered cardboard.

## ROLLERBLADES

**40** Scott Olson didn't invent the inline roller skate, but the 19-year-old made them faster and more comfortable for his fellow hockey players to wear to stay in skating shape during the summer. Pucksters took to them—and so did fitness-obsessed people who had never put a puck in the basket in their lives. Although you can still find them at roller rinks, regular roller skates have all but disappeared from the market—inline skates blew past them.



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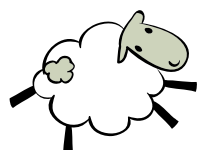


# FIFTY FANTASTIC FIRSTS

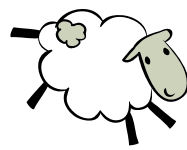
1981



1984



1987



1991

1991

## SATELLITE TV BROADCASTING

**41** Stanley S. Hubbard took a huge gamble starting U.S. Satellite Broadcasting (USSB)—a risk that included his family broadcasting company launching its own digital satellite, the first ever for TV broadcasts. After 13 years in development, the satellite could transmit dozens of channels to an 18-inch satellite dish. USSB went public in 1996 (with Hubbard Broadcasting retaining 57 percent ownership) and was sold to DirecTV in 1998. Hubbard's pioneering success in satellite-transmitted television cemented his reputation as one of the broadcasting industry's greatest innovators.



## MICROWAVE POPCORN

**42** Golden Valley Microwave Foods' Act II brand was the first shelf-stable popcorn you can make in the family nuke—just in time for the home VCR boom. Blockbuster Video and countless other video stores are gone, but Act II remains America's third best-selling microwave popcorn.



## SLEEP NUMBER BED

**43** Select Comfort's pressure-adjustable air-supported mattress was the brainchild of Robert Walker, who saw the promise of similar technology at a South Carolina company called Comfortaire (which is now owned by Select Comfort). Sales of the Sleep Number bed, which allows the sleeper to easily adjust the level of air support, are small relative to traditional spring mattresses, but with 400-plus Select Comfort stores, the brand's own number is rising. As for Walker, he should have rested on his laurels. In 2014, he was convicted of cheating investors in a new venture, a coal-to-gas energy company.



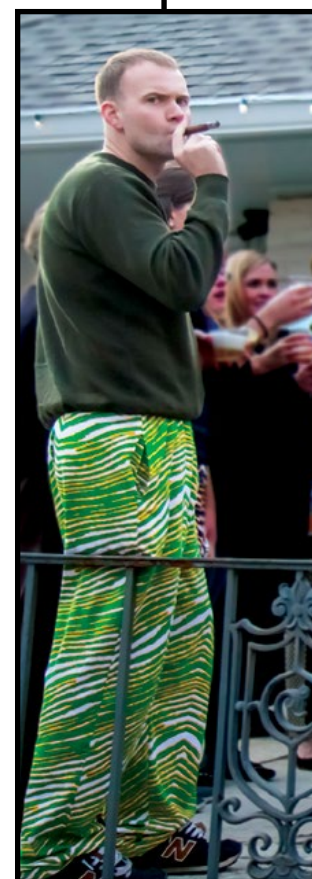
## BREATHE RIGHT NASAL STRIP

**44** Whether or not nasal strips really help people breathe easier or snore less, there's no doubt that it didn't hurt when pro football players started racking up some big games wearing those little strips on the bridges of their noses. Bruce Johnson, a self-taught engineer who suffered from severe nasal congestion, found that two pieces of plastic affixed with an adhesive pad kept his nostrils open at night, and licensed the idea to CNS, the Minnesota medical equipment company that made the strips. GlaxoSmithKline seems to think they work: In 2006, the Big Pharma firm plunked down \$566 million for CNS, and the pros and others are still sporting them.



## ZUBAZ

**45** These loose, comfy, stripey pants were huge with pro wrestlers, weightlifters, rockers and ballplayers of all kinds. During the first half of the 1990s, Zubaz were a hit with men. (Not so much with women—for many wives and girlfriends, Zubaz equaled sloppy and lazy.) In the mid-1990s, founders Bob Truax and Dan Stock sold their share of the company, which went bankrupt shortly thereafter. In 2007, Truax and Stock relaunched the brand via the Internet, and Zubaz have made something a comeback. Last season, after the Detroit Tigers beat the Boston Red Sox, members of the victorious team posed in full-body Zubaz with a tiger-stripe design. And just when women everywhere thought their worries were over.



EMILY HOWARD SEFTON

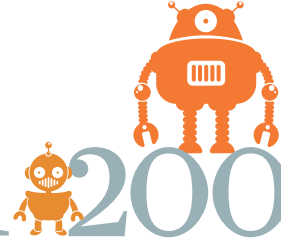
1992

1998

2000

2001

2007



### MICROWAVEABLE FRENCH FRIES

**46** You could call this Act II's next act. Golden Valley Microwave Foods, which had introduced Act II microwave popcorn almost a decade earlier, decided it was time for a microwave version of another All-American snack food. The Minnesota company that developed these delicacies has since been acquired by Omaha food-brand giant ConAgra.

### ZIAGEN

**47** University of Minnesota medical chemist Robert Vince's research with a group of antiviral agents called carbovir led to his discovery of a breakthrough anti-AIDS medication called Abacavir, marketed by Glaxo-SmithKline as Ziagen. The drug has generated more than \$300 million for the university; the most lucrative source of licensing income in the school's history.

### MINUTECLINIC

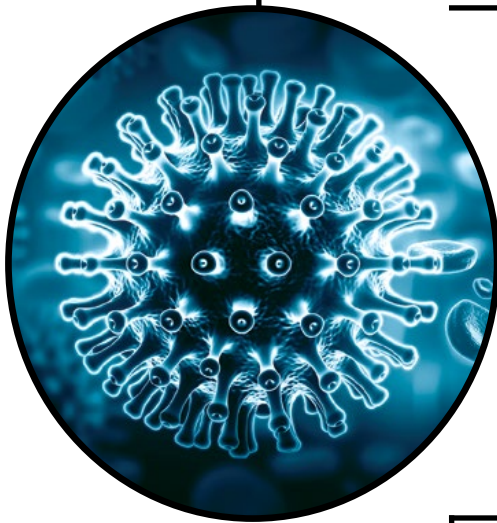
**48** Originally branded as QuickMedx, MinuteClinic offers a fast-in, fast-out approach to treating a handful of common ailments such as sore throats. Once health insurers approved the idea, MinuteClinic added new maladies to its treatment capabilities, and the concept spread like, well, a virus. In 2006, pharmacy chain CVS acquired the company; there now are nearly 900 MinuteClinic locations nationwide—as well as a number of copies (Target Clinic, for example).

### FAST ANTHRAX TEST

**49** Founded in the late 1800s, Mayo Clinic is one of the chief reasons that health care is one of Minnesota's keystone industries. In the wake of 9/11, letters containing anthrax spores were mailed to several news media offices and two U.S. senators, killing five and prompting a nationwide scare. Working with pharmaceutical firm Roche, Mayo researchers developed a test to detect anthrax bacteria in human and environmental samples in less than an hour. The fears subsided, but the test remains on call.

### TACTICAL MICRO-ROBOT

**50** ReconRobotics was founded to commercialize University of Minnesota robotics technology. In 2007, it introduced the Recon Scout, a small, remote-controlled robot that allows military and law-enforcement personnel to "see" into dangerous situations without putting themselves in harm's way. ReconRobotics has since developed other "throwable" mini-bots for the military, and is now throwing the idea into other markets. **TCB**



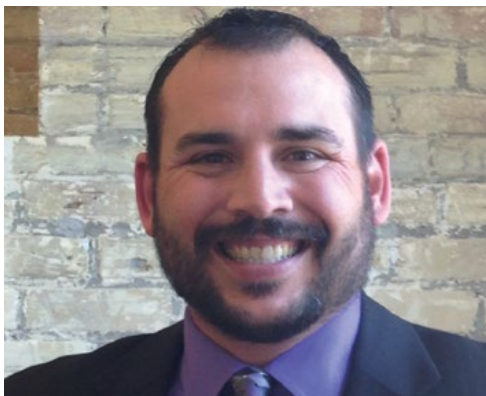


# HR PERSPECTIVES

WITH SALO AND AON

**A**s companies fill new positions, elevate talent from within, and as employees weigh their current company benefits packages with the offerings of others, industry leaders from Salo and Aon Hewitt share what they know works, what doesn't, and provide context with research about employer/employee relationships and trends. These leaders also provide strategies for internal success and how to recruit top-notch talent. Each company derives its information from their own experiences and research, and they've provided helpful tips for companies looking to boost their talent pool.

Managing Director, Adam Sprecher, of Minneapolis-based Salo, an HR consulting and human resource placement agency, stresses the importance of fostering internal talent to long-term business success. Sprecher's insight about ways in which current employers can add worth to employees by creating an environment with



**ADAM SPRECHER**  
MANAGING DIRECTOR  
SALO



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clear direction, opportunities to grow, and frequent employee-and-manager check-ins reiterates the value of growing trust and value for the employer and the employee.

***"It's more and more common to see companies meeting their needs by leveraging outside talent instead of adding more traditional head count."***  
-Salo



**LINDA SCHIEVELBEIN**  
MARKET LEADER  
AON HEWITT



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*Aon Hewitt empowers organizations and individuals to secure a better future through innovative talent, retirement and health solutions. Aon Hewitt is a global leader in human resource solutions, with over 30,000 professionals in 90 countries serving more than 20,000 clients worldwide.*

Aside from growing internal talent for a long-term benefit, Linda Schievelbein, market leader at Aon Hewitt — a company that focuses on human resources, consulting services, and benefits administration,

shares findings from a variety of company-conducted surveys, and breaks down what these numbers mean for your company. Schievelbein focuses on the fringe benefits packages to employees and retirees, and how improving those offerings and providing the tools to comprehend them will strengthen the employee-employer relationship, and will aid in selection of new talent looking for jobs, possibly those applying to your company.

***"Organizations with high levels of employee engagement consistently outperform in critical business outcomes like total shareholder return. -AON***

Salo and Aon Hewitt both aid other companies in generating better benefits, a positive work environment, and acquiring the best talent, all while keeping the company's bottom line in mind. Their expertise and experience can help guide you as you consider changes to your own company's culture, hiring and talent structure, and benefits packages.

# Cultivating Talent

**ADAM SPRECHER**, managing director at **SALO**, discusses the importance of strong leadership and mentoring internal talent to a company's long-term success.

**Q:** *Most companies struggle to develop their leadership across all levels. How can companies define their leadership goals in order to achieve desired results?*

**AS:** Unfortunately, most organizations haven't clearly defined their vision, or if they have, they do not continuously communicate it. And when employees — potential leaders — aren't clear about their purpose within the organization, they can become disengaged.

Some organizations have taken the initial steps by articulating the vision and communicating it to employees, but then fail to execute it because they don't implement the action plans, structures or resources to enact the vision.

The goal is clear: employees can't enhance their skills and develop into leaders without a clear vision. Using the right tools and resources in the workplace can arm future leaders with what they need to be successful.

**Q:** *The traditional approach to performance management, which is paper and administrative heavy, is being replaced with continuous coaching and feedback. How can companies use performance management to drive employee engagement?*

**AS:** Performance management was originally designed as a way to account for salary increases, not to manage and develop talent. Most people dread annual reviews, they don't work well to motivate people.

When managers individually connect with their employees, they tend to see better outputs and greater employee successes and morale. These connections require more frequent interactions; regular feedback meetings that are less intense than traditional reviews, like weekly five- to 10-minute conversations where managers coach for growth and reinforce in the moment. Studies show that this type of relationship-based performance management is much more motivating for employees.

However, it means that you need to develop leaders and managers with stronger coaching capabilities. They need to proactively set the stage for employees by letting them know that there will be frequent conversations and interactions to help them grow.

**Q:** *People-focused data and analytics have become a necessity for companies. How can that information be used to focus on business needs?*

**AS:** Most organizations struggle to answer people questions because data is currently biased toward processes. But talent is the key to an organization's success — you have to look at the whole ecosystem and ask how talent figures into the bottom line, not just how processes and procedures drive it.

Ask questions like: What motivates your leaders' performance? What talent will you need in five years? These questions aren't easy to answer because standard metrics don't exist.

It's easy to get retention data, but that information won't reveal the upstream factors impacting people's decisions to stay or leave. If you dig beneath the surface, you may find that benefits or a certain manager are part of the equation.

To focus on business needs, find out what answers you need within your own company, and then what analytics could be put in place to get those answers.

**Q:** *Networks like LinkedIn, Facebook, and Glassdoor have created a new level of insight and transparency for employees and organizations. What can businesses do to monitor, protect, and enhance their employee brand?*

**AS:** The first question is does the organization know what its employee brand is? Unless it's been defined and communicated throughout the organization, what would you be monitoring against?

It's hard to promote your organization if employees aren't sure what it stands for. It's also hard to protect the

business if the branding isn't clear. To do that, you have to know what you value most. Then you can plan for how you'll respond to questions like: Will your company ignore negative comments? Or address them specifically? And, which comments will be addressed?

You have to be clear about how you want the company to be known, and what it stands for and then communicate that to your employees. Next, you need to ask whether your company is living up to those expectations. If your people are in the dark, it's not likely the expectations are being met.

**Q:** *Companies are using contract employees more often now than in previous years when they would have hired full-time employees to fill specific ongoing needs. Should companies build a workforce plan that includes on-demand talent and full-time employees?*

**AS:** Again, companies need to determine the resources needed to achieve their outcomes. It's more and more common to see companies meeting their needs by leveraging outside talent instead of adding more traditional head count.

There are a few Fortune 500 global companies leading the way that have strategic workforce plans that account for a certain percentage of on-demand talent. Whether they're drawing on people from partnering firms or staffing firms, calling on former employees or independent contractors on a freelance basis, their budgets allow for a specified number of people for specified periods of time, rather than direct hires.

These companies are pushing the envelope and challenging preconceived notions about who can drive business outcomes. The answer is, it can be a mix, with on-demand talent playing a strategic role.

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# Employee Mindset

**LINDA SCHIEVELBEIN**, market leader at **AON HEWITT**, discusses trends on employee and retiree benefit offerings, and how that contributes to positive results.

**Q:** What has more of an impact on engagement: total rewards, pay, or career development?

**LS:** To achieve superior employee engagement results, organizations should focus on these five key drivers: career opportunities, organization reputation, pay, recognition, and communication.

Our 2014 Trends in Global Employee survey showed that career opportunities are the most influential factor in driving employee engagement. This metric is important since leading organizations view employee engagement as a key competitive advantage — organizations with high levels of employee engagement consistently outperform their competition in critical business outcomes like total shareholder return.

**Q:** What differentiates employers in the minds of employees?

**LS:** According to our 2015 Inside the Employee Mindset Survey, employees identified three characteristics they want from employers: a fun workplace, a flexible work environment and opportunities for innovation.

When considering an employer, most employees expect the employer to communicate openly and honestly, recognize strong employee performance, and encourage collaboration and teamwork.

Today's workforce consistently aligns expectations with what an employer offers. However, among millennials (those born between 1979 and 1996), a good career outlook and development opportunities are more likely to be viewed as an expectation rather than a differentiator.

**Q:** How receptive are employees to allowing employers be part of their personal wellness?

**LS:** Employees are increasingly open to partnering with employers when it comes to personal wellness. Good health is a universal value, and employer wellbeing initiatives are

making a difference in the lives of employees, employees' families, and their communities.

According to our 2014 Consumer Health Mindset Study, 59 percent of employees (and their dependents) say workplace wellness is one of the reasons they stay with their employer, but keeping their privacy continues to be important. About half of respondents do not want their immediate manager actively involved in employees' personal health, so how wellness is implemented is critical.

**Q:** How are employees responding to plan choices available to them in the new private exchanges?

**LS:** Overall, employees are becoming informed healthcare consumers who like choices. Third-year annual enrollment in our Aon Active Health Exchange shows 87 percent of employees liked being able to choose among multiple carriers, and 79 percent said they had a good understanding of how they share the cost of group medical coverage with their employer.

Those who enrolled in healthcare were making decisions based on support tools, and 90 percent were satisfied with the two most used tools: health plan comparison chart and "Your Cost Summary."

Allowing employees to choose their plan level and the carrier that best fits their needs empowers them, as consumers, through an informed, transparent marketplace that encourages greater individual accountability.

**Q:** How have employees changed 401(k)-saving behavior as the stock market has climbed?

**LS:** The strong stock market performance and increased use of target-date funds have raised employees' allocation to equities. Target-date funds have more equity exposure than traditional 401(k) investments like stable value funds.

Our annual Universe Benchmark report showed employees' asset allocation to equities has increased from 59 percent in 2008 to a 10-year high of nearly 71 percent in 2014. However, employees are not necessarily electing to invest in individual equity funds.

Although the majority of employees have recently enjoyed double-digit returns, our data shows the average savings rate of 7.5 percent has not increased over the last several years. Since many employees remain relatively passive about managing their retirement savings, more plans have added features like managed accounts and online advice that give participants access to professional investment help.

**Q:** How have retirees changed their pension payment elections as the stock market and average retirement ages have changed?

**LS:** Historically, many retirees favored taking a lump sum if they had this choice available — primarily to have control of the investments. More recently, many of these individuals are considering if lump sum elections are the appropriate choice when life expectancies are higher and the investment environment over the past 10 to 15 years has been volatile. About two out of three plan sponsors say encouraging lifetime income is very or moderately important, according to our 2015 Hot Topics in Retirement survey.

Social Security is another form of lifetime income, and with low interest rates and longer life expectancy, some retirees are evaluating whether to defer payment to a later age, which will increase their benefits.

# NEW ENERGY, NEW ECONOMICS

Costs of wind and solar energy have dropped,  
making renewable energy a viable option for many businesses.



These turbines are part of Xcel Energy's wind farm in Dexter, in southeastern Minnesota.

By Don Jacobson

When Steve Hansen makes the case for why businesses should care about renewable energy, he doesn't start off with the save-the-world argument.

Instead, the director of business development for Mortenson Construction's solar and emerging renewables group says it's far easier—and more effective—to skip the politically charged climate-change debate and get right to what most businesses care about: the bottom line.

Focusing on the financial case allows any energy-related preconceptions to fall by the wayside.

"All of us in the renewable energy business spend a lot of time evangelizing about its benefits—you really have to if you're going to get over some of the cultural hurdles to seeing renewables as a baseload source of power," Hansen says.

In persuading business customers to integrate renewables into their energy mix, he and other backers now have a

clear starting point: The costs of producing wind and solar power have plummeted in recent years.

"I've been in the environmental business in a lot of different forms since the 1980s, and back then, there was a feeling that 'alternative energy' was kind of a fad," he says. "Some of the people who occupy the decision-making chairs in business still might view it that way: 'Yeah, this is green, therefore this is not efficient or economical.'"

Whenever he mentions greenhouse gas emission reductions, he always precedes it with a conversation about how the economics of renewable energy have changed.

For Mortenson and other members of the renewables community the business argument is basically this: Prices for fossil-based electric power sources such as coal and natural gas continue to be volatile and are rising long-term. But renewable sources have eternal production price certainty: The wind and the

sun will always be free. Meanwhile, the per-unit cost of delivering renewable electricity to the market is nearing—and in some cases already surpassing—parity with fossil fuels.

Policy changes mean there are also new ways for Minnesota businesses to tap those economic benefits, such as the arrival of community solar gardens.

In a new solar trends report published by Mortenson researchers, 69 percent of 200 industry pros it surveyed in October believe prices for power generated by utility-scale solar installations will reach full parity with coal-generated power within at least five years, and perhaps sooner.

Mortenson, a Golden Valley-based contractor, operates the third-largest solar power engineering and construction business in the United States.

The optimism expressed in the survey is backed by some key facts. The price of power generated at such large-scale solar arrays has fallen by 70 percent

since 2008, according to the Lawrence Berkeley National Laboratory, and U.S. Department of Energy figures show that the cost of producing wind energy in some areas of the country has nosedived from \$71 per megawatt-hour in 2008 to \$45 per megawatt-hour in 2013, making it competitive with fossil fuel generation.

Given those rapidly falling production prices, renewable backers such as Hansen say the economic case for businesses to at least stay aware of new developments in the field is getting stronger.

## Ecolab's solar initiative

One big Minnesota company that wants to take the solar plunge is St. Paul-based Ecolab. It announced in January it plans to derive all of the electricity it uses for its Minnesota R&D and engineering facilities from solar power—some 552 million kilowatt-hours over 25 years.

The deal was the first of its kind in the state. It takes advantage of the



new community solar garden regime, which has recently come into effect after being introduced as part of the 2013 Minnesota Solar Energy Jobs Act. The law allows companies and individuals who are unable or unwilling to set up solar panels on their own properties to become subscribers in offsite solar farms. They pay a set price over a 25-year period, then deduct that amount from their utility bills.

That long-term price certainty allows subscribers to keep their energy costs stable far into the future. In Ecolab's case, the company signed on to be the key subscriber for a series of solar gardens to be built in Dakota County by SunEdison Inc. of St. Peters, Mo., part of a surge of array-building expected in the state over the next two years.

Ecolab leaders declined to comment for this article, but the company move is seen as a prime example of how businesses that may have once dismissed renewable energy as irrelevant to them need to reexamine the landscape.

However, in late April, Xcel Energy expressed concerns about large solar developments planned by businesses, and Xcel wants to enforce size limits.

Environmental attorney David Quinby, chairman of the energy development practice group at Stael Rives LLP in Minneapolis, says regulatory changes, technological advances and the public image benefits derived from committing to renewables are motivating some of the nation's top corporate players to make new energy moves.

"The thing that's really happening is that the big technology companies like Yahoo! have entered into power purchase agreements for wind power," he says. "Tech companies are big energy users, so of course they are cognizant of costs. But they also want to be known as a green company."

"Meanwhile, by entering into these purchase agreements, they are also becoming key creditworthy partners for wind power developers and thus are allowing the projects to proceed."

Ecolab's commitment to solar power, he says, is an indication that big companies see such moves as sound business investments: "Over a 25-year period, it provides them with a 'known' in an unknown energy market. Regardless of one's political persuasion, the fact is



This solar array was installed last fall atop an apartment building in the Longfellow neighborhood of Minneapolis.

energy prices have generally gone up."

Quinby, who helps renewable energy developers line up financing and represents them in the approval process, adds that it behooves business owners to stay on top of developments in the renewables sector.

"You need to be watching this if you're a business," he says. "If there are incentives, take advantage of those, or use your influence when they're being discussed at a policy level."

### Ancillary benefits

Minnesota touts one of the toughest "renewable portfolio standards" in the country. In 2007, the Legislature mandated that Xcel Energy derive at least 30 percent of its sales from renewables by 2020, while other investor-owned utilities must meet a 25 percent standard by 2025. Xcel says it's on target not only to meet but to exceed the standard.

That measure couldn't have become law without at least the tacit acknowledgment of the state's business community of the ancillary or indirect benefits to them of switching to renewables. Renewables are providing a boost to the state's overall economy and its image as a sustainability hotbed, which backers

say helps attract a much-needed young, highly educated workforce. (When this issue of *TCB* went to press, the Legislature was debating renewable energy standards.)

"Cleaner energy is actually an enormous economic opportunity for Minnesota—that's a big reason for businesses to be interested in it," argues Ellen Anderson, who chaired the Minnesota Public Utilities Commission and now is executive director of the University of Minnesota Energy Transition Lab.

In her role at the U of M, Anderson helped produce a Minnesota Department of Employment and Economic Development report published in October that indicates that 15,300 residents were employed in the clean energy sector as of last year, earning more than \$1 billion in wages, and that the sector is growing more quickly than the economy as a whole.

"If we want to have a competitive region to attract a skilled workforce, we need to brand ourselves as a community that cares about sustainability and clean energy," she says. "That's a bottom-line issue for all businesses."

But it's not only about businesses reaping benefits, she adds—it's about realizing the risks posed by not switching to clean energy.

Those risks, which generate political debates, have been accepted by some of the state's top corporate players. For instance, former Cargill CEO Greg Page was part of the Risky Business Project, a blue-ribbon panel of business executives, academics and political leaders that assessed the risks to the Midwestern economy of unmitigated climate change. In January the panel concluded that hotter summers would result in energy prices in Minneapolis-St. Paul rising during the 21st century.

Over the past 30 years, the metro area has averaged two days per year of 95 de-

grees or more, but the *Risky Business* report predicts that number would rise to six to 19 extremely hot days by mid-century if greenhouse gas emissions are not reduced.

"For a company like Cargill that's natural resources-based—as are so many of Minnesota's big companies—you need to understand and be aware of those risks," Anderson says.

### Democratization of power generation

Dustin Dennison wears a lot of hats in Minnesota's clean energy sector. He's the founder of the Minneapolis-based solar installation and consulting company Applied Energy Innovations as well as Minnesota Community Solar, which builds large subscription arrays under the community solar program.

He's also the newly elected chairman of the Minnesota Solar Energy Industry Association (MnSEIA) trade group. He's got a bird's-eye view of a burgeoning expansion of solar generation capacity in the state—a good part of it motivated by a federal investment tax credit that is set to expire at the end of next year.

"We had 14 megawatts of solar capacity in the state prior to 2013, and we've got 600 megawatts in development now," he says. "MnSEIA membership has grown from 50 to 90 members in just the last year."

His rationale as to why businesses should care about the expansion of renewables also is based in economics. He asserts that those who subscribe to community solar gardens are seeing an across-the-board savings of 8 to 13 percent on energy bills.

"If you're a big user like a General Mills or an Ecolab and you start calculating a 10 percent energy savings every month over a 25-year period, that really adds up," he says.

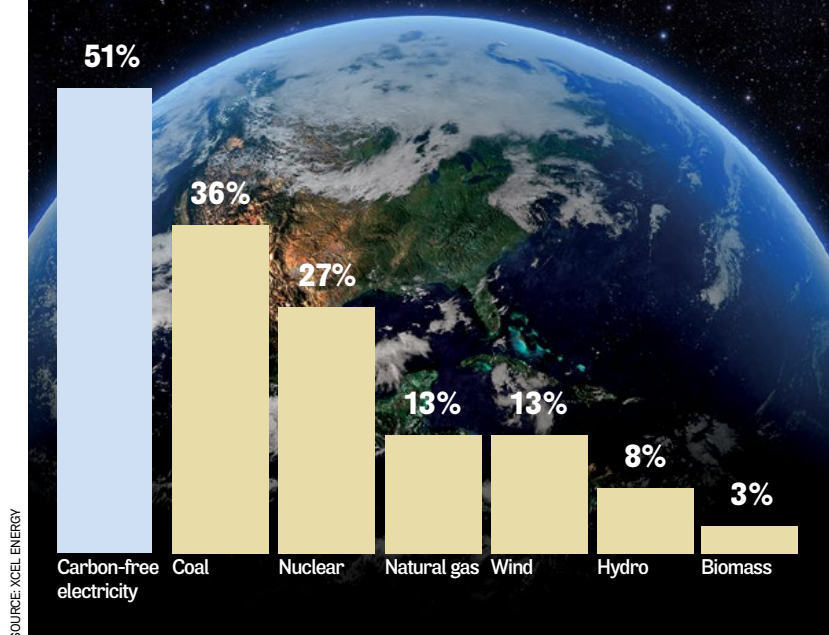
The road to an energy evolution, however, has a lot of curves, Dennison warns. It is in essence a "democratization" of power production away from monopolistic utilities such as Xcel Energy and into the hands of individuals and developers. The challenge, he says, is to "upward manage" Xcel into enhancing its status as one of the most progressive utilities in the nation when it comes to incorporating solar and wind generation sources into its grid.

These solar panels are in use at St. John's Abbey in Collegeville, Minn.



## Xcel-NSP Expands Renewable Energy Sources

In Xcel Energy's NSP region, 24 percent of energy generation comes from renewable sources. The territory covered is Minnesota, the Dakotas, Wisconsin and Michigan. In 2013, 36 percent of electricity was generated with coal, while the renewable sources came from wind, hydro and biomass.



For instance, Xcel and solar developers are currently sparring over how to manage the size and number of community solar gardens. Because the gardens don't have the economies of scale that huge utility-grade solar arrays do, their production costs are steeper, and Xcel must credit their subscribers' bills at a higher rate, thus hurting its own bottom line.

But despite the natural tensions that such newly emerging policies can create, Xcel says its long-standing commitment to renewable energy remains undiminished—mainly because it's what its customers want.

Aakash Chandarana, Xcel's regional vice president of rates and regulatory affairs, says that demand for renewable energy from business users is already so high that it has firmly passed from the exotic to the mainstream.

"Our customers are actually encouraging us to get more involved in renewables and diversify our energy mix, and that's because a lot of these businesses have sustainability goals they'd like to

take advantage of, and be able to market themselves to their own customers as being powered by a certain amount of green electricity," he says.

Xcel Energy, which operates in eight states in the Midwest and West, was recently named the nation's top utility wind energy provider by the American Wind Energy Association. Wind energy makes up about 16 percent of Xcel's energy supply, which is enough to serve nearly 2.9 million homes.

Business customers also are interested in renewables because they can provide security of supply through diversity. Renewables, Chandarana says, set up a hedge against sharply rising prices or supply problems with fossil-based sources such as coal and natural gas.

"Our take is that overreliance on any one type of source, be it a fossil fuel or be it a renewable source, poses issues on the reliability side," he adds. **TCB**

*Don Jacobson is a Twin Cities-based freelance editor and writer.*

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# UP-NORTH RETREATS



Corporations are still booking resorts for team-building and planning sessions, but many are more budget-conscious.

BY NANCY CROTTI



**T**he business of hosting company retreats is on the upswing at Minnesota resorts. Many large corporations and private businesses that abandoned getaways during and after the recession are coming back, but with some changes.

Resort owners and meeting coordinators in some of northern Minnesota's largest and most popular resorts report that those changes include:

- > Smaller groups.
- > Shorter stays.
- > A different mix of industries booking retreats.
- > A demand for property-wide Wi-Fi.
- > A renewed emphasis on team-building.
- > More interest in outdoor activity.

- > Fewer in-house corporate meeting planners.
- > Booking of accommodations closer to the dates of the retreat.

Minnesota resort officials acknowledge that the days when the corporate retreat business would just roll in are long gone. Some have added amenities to adjust to the post-recession business meeting climate. Others have reduced the size of their meeting spaces or changed their marketing strategies.

Resorts have had to become more flexible in what they offer business guests, according to Joe Lindholm, sales manager at Grand View Lodge in Nisswa. Getting corporations to spend enough money to give their employees a high-level experience has been Grand

View's greatest post-recession struggle.

"Our corporate groups are very budget-conscious," Lindholm says. "They are not spending as much on receptions, employee gift baskets and other extras as in years past. We also work off of a complete meeting package and we do need to modify each package to meet the needs of each of our corporate clients."

## Businesses demand flexibility for retreats

**T**hat demand for flexibility is being felt throughout the state's resort retreat industry, according to John Edman, director of the state tourism office, Explore Minnesota. His office has found that many corporate and government meeting planners want custom retreat packages.

"They're looking for things outside of the normal classroom—more recreation time, more things that allow groups to come together," Edman says.

Many of northern Minnesota's resorts have several golf courses, which attract casual players and tournaments. Madden's on Gull Lake has four golf courses to accommodate golfers with different skill levels, according to Kathy Reichenbach, Madden's marketing director.

Madden's guests who seek more daring activities can sign up for a mountain biking excursion. The resort staff transports guests and bikes to the state-run Cuyuna mountain bike trail system in Ironton. Thirty bike trail routes snake through 800 acres of red-tinged soil that





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## TRENDING MEETINGS



One of the Brainerd area's best-known resorts is Madden's on Gull Lake. It offers several types of housing choices and meeting spaces.



reality. It makes you nervous, a little," Ruttger says. "Back in the day, you could see how your year was going to lay out, what was ahead, but it always seems to come together."

### New marketing approach

To make sure it does, Ruttger's is relying less on word of mouth and traditional advertising and more on social media messages directed at loyal guests and meeting planners. The types of business meetings that vanished during the recession—teambuilding and reward travel for employees or guests—are making a comeback, he says.

Many corporations that cut meeting planners from their staffs during the recession are now asking less experienced staff to plan their retreats, according to Ruttger. So Ruttger's connects them with large event-planning companies to make sure the events run smoothly.

Breezy Point Resort on Pelican Lake developed its own teambuilding division, with an in-house event coordinator to help companies plan their retreats. Breezy Point and Grand View Lodge distribute activities guides filled with teambuilding ideas to their business guests.

Several resorts reported a slight change in the mix of those guests. Health care companies, medical technology, and agriculture and software design industries have returned to

surrounds former iron ore mines. Many of the mine pits are now turquoise lakes, offering cyclists stunning scenery, Reichenbach says.

Madden's employs a recreation director, and its owner is very involved in deciding which activities to offer, she adds. Guests also suggest activities that the resort adopts for other groups.

Business retreats tend to occur in spring and fall, leaving the summer season for vacationers, according to fourth-generation resort co-owner Chris Ruttger of Ruttger's Bay Lake Lodge in Deerwood. His parents, now in their 80s, remain part-owners.

Founded in 1898, Ruttger's is located 18 miles east of Brainerd, where some of the state's other large resorts are clustered. Most business customers come from the Twin Cities, about two and a half hours to the southeast.

"All this year is really strong, really full," Ruttger says, although he has found that businesses are not booking out as far in advance as they used to. In late March, Ruttger was still taking retreat reservations for May and June.

"It seems like a new piece of the







Grand View, but manufacturing has not caught up to its previous level, Lindholm says. Growth industries such as technology, consulting and retail are leading the way back to Madden's, Reichenbach says. So are some of the large corporations that call Minnesota home.

"The Fortune 500 companies, they bring their staff from all over the United States and the world. They'll host a meeting in Minnesota," she says. "It's a nice location for them and great exposure for the state."

Breezy Point has attracted financial and insurance companies for more than 30 years and is still doing so, according to Bonnie Tweed, director of marketing and group services. It also books small groups from some

of Minnesota's large corporations.

To keep them coming, resorts have invested heavily in Wi-Fi upgrades. Madden's has increased its bandwidth tremendously and added hotspots, according to Reichenbach.

### Staying connected at the lake

Business guests "are always connected, whether it's on their laptop or their iPhone or whatever, and they feel that nothing should change while they're here because a lot of them are conducting business when they're here," Reichenbach says. "Now they want it in their room; they want it on their boat; they want it on the dock. We've got these beautiful pontoons, and it works great to go



Located in the Deerwood area, Rutger's is seeing business clients book retreats closer to the event dates.



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## TRENDING MEETINGS

out and have a meeting on the lake.”

Several resorts reported improving their meeting rooms’ projection systems with stronger bulbs and larger screens.

The Anderson family has been busy updating its Horseshoe Bay Lodge on Leech Lake in Walker to attract more retreats, according to matriarch Trudy Anderson. The family, which has been in the resort business for 30 years, bought Horseshoe Bay Lodge six years ago with the intention of attracting more business groups.

“We have six resorts on the lake, but this is kind of our jewel,” says co-owner Anderson. “Horseshoe is the most geared to business clients, because we’re the only one that has a restaurant and a bar.”

She adds, “We have some of the corporate executives tell us that this environment helps them evaluate which employees may be of the most value in a social, an informational or organizational medium.”

Like many resorts, Horseshoe has



Resorts such as Grand View market their lodging, meeting spaces and outdoor amenities to businesses.

a variety of accommodations, from cabins to condos. One building has 19 bedrooms, an event center, decks overlooking the lake and its own bonfire pits. It offers retreat groups plenty of privacy, Anderson says.

“We are definitely gearing toward that [business customer] and would love to work more with that because we think this is the perfect facility,” she says. “We

are trying to market to that. It’s up from what it’s been before; now we just have to get it farther.”

### Golf and lake amenities

In what was a huge recreational investment among these resorts, Breezy Point added a third golf course, called Deacon’s Lodge, three years ago. Now it’s getting more corporate golf groups from the

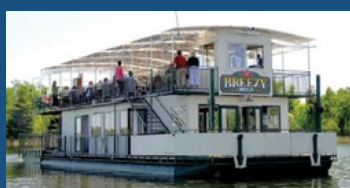
United States and Canada, Tweed says.

Some companies have resumed making reservations far in advance, even re-booking when they leave, according to Reichenbach.

“A lot of companies like to have a two-year contract or even a three-year contract, because they like those specific dates and those specific units,” she says. “That’s the only way they can guarantee



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Horseshoe Bay Lodge in the Walker area has a variety of accommodations, from cabins to condos. It offers an event center.

that, same as with our vacationers.”

Some resorts benefit from nearby cabin owners’ entertainment plans. These business leaders invite colleagues, employees and clients to their lakefront homes, and bring them to a nearby resort for meetings, recreation or dinner, according to Ruttger, Lindholm and Tweed.

In the past five years, Ruttger says he has seen wealthy year-round lake homeowners and snowbirds bring business

meetings to his lodge, then ferry business guests via pontoons to their homes for dinner.

Another local homeowner, a car dealer based in Kansas,

brings his entire team to his Minnesota home and to Breezy Point for dinner.

“They love the area and they want their people to come and see it, too,” Tweed says. “It’s like inviting them into their neighborhood.”

Minnesota’s business retreat industry appears to be on track with the rest of the country, at least in terms of general business meetings. Face-to-face business

meetings for training, sales and education will continue to make a comeback across the country, according to Meeting Professionals International, a Dallas, Texas-based trade group. While it does not follow retreats in particular, the organization made that prediction in its fall 2014 *Meetings Outlook* report. This could be due to increases in hiring and investments in employees, the report says.

More than half of these meetings involve VIP clients and special events, with slightly fewer dedicated to incentives, conventions and management events, the meeting group’s report forecasts.

“We’re seeing a bit of an uptick [in business meetings] in the last four or five years, but it’s still not at the level it

was four or five years ago,” Edman says. “There’s still a significant value of face-to-face meetings, and our industry is still actively pursuing that segment of our travel and tourism industry.”

Minnesota’s resorts are planning ahead to keep pace with business guests’ evolving demands.

Grand View’s Lindholm says he could foresee offering corporate event planners a smartphone app with an agenda, a resort property map and ways to schedule spa or tee times along with other activities. These event planners could then provide their team members with as much information as they want.

“It is my personal opinion that most meeting facilities will have some kind of option like that in place within the next five to 10 years,” he says. “It’s just about how much they are willing to pay for this service, and how much content they want to provide for their attendees. The technology is already there.” **TCB**

*Nancy Crotti is a St. Paul-based freelance writer and editor.*



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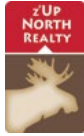
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## TRENDING MEETINGS





# BUSINESS IN THE SUNLIGHT

Outdoor events build relationships among colleagues, business clients and conference attendees.

BY SAM SCHAUST



With winter in our rearview mirrors, people want to spend as much time as possible outdoors on warm days. For businesses, a special outdoor event can be used to entertain clients in a picturesque setting, such as a golf course, Mississippi riverbank venue or a courtyard at a major hotel.

Outdoor venues also are a unique option for event planners who help industry groups and professional associations stage a memorable conference. After sitting in meeting rooms, an informal outdoor lunch provides an excellent break and a chance to chat while soaking up the sun. Meanwhile, outdoor evening receptions provide out-of-town visitors and Minnesotans a chance to mix and mingle.

Though Minnesota summers can be a perfect backdrop for a business reception or conference-related event, rain or even thunderstorms are a factor that must be considered well in advance. Experienced meeting planners know the risks to weigh when choosing food, entertainment, sound systems and decorations for outdoor venues.

Logistics and weather contingencies are foremost in the minds of veterans who understand how to pull off a successful outdoor event during a Minnesota spring or summer. *Twin Cities Business* interviewed several planners who know how to take advantage of good summer weather and attractive venues, but also incorporate back-up plans to minimize the risks of an event spoiler caused by rain, hail, wind or extreme humidity.



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### TRENDING MEETINGS



Many outdoor business and social events take advantage of Minnesota lake settings, including this one designed by BeEvents.

### A seasoned industry

Minnesota event planners, hotel employees and civic leaders expanded their hospitality experience last summer, when the Twin Cities played host to several prominent national events.

"It started with a big national volleyball tournament, followed by [major league baseball's] All-Star Game and conventions for the National Conference of State Legislators and Meeting Planners International," says Dan McElroy, president of Hospitality Minnesota.

"Most of those events saw increased occupancy at downtown [Minneapolis] properties and overflow business in St. Paul and the suburbs."

In particular, the All-Star Game week provided an opportunity for visitors to see the sights and enjoy the culture of the Twin Cities at outdoor events. Lessons from those events and others held in recent summers translate to outdoor events that businesses

would like to host in 2015 and 2016.

Once a company chooses to go with an outdoor business event, one of the first big decisions is hiring an event planner to coordinate event work, or selecting someone internally to take the lead.

### A clear purpose and theme

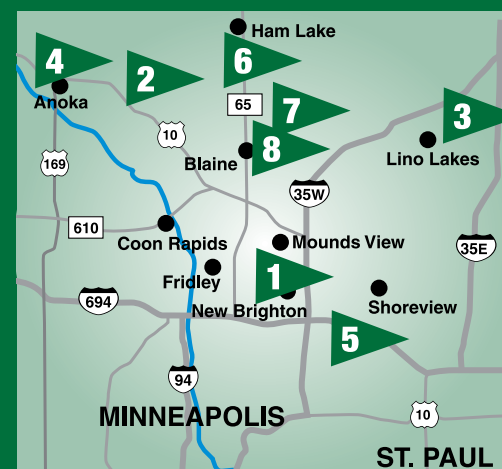
A well-defined theme that helps a business achieve its goals for the event lays a foundation so the event planner can make smart choices for food, entertainment and the visual setting of the event. A company may want a fun theme, if the intention is to encourage employees to get to know each other in a relaxed, informal setting. If a business is hosting an event for clients, a welcoming setting and theme will create the atmosphere that allows people to make new contacts as well as deepen business relationships.

Regardless of the purpose of the gathering, the physical environment, food and music should complement





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## TRENDING MEETINGS



the tone the business is seeking. Narrowing the purpose and theme helps reduce planning stress and increases the likelihood that the event will be successful from the perspective of attendees.

Once the purpose and theme are defined, the planners can unleash their creativity and practical know-how to craft a solid plan. For example, if you want to sponsor or host an event that is primarily being held for networking, people should be able to mix and mingle with ease.

Ryan Hanson, owner of Minneapolis-based BeEvents, says guests shouldn't be expected to juggle too much when they want to make a good impression at a reception. For example, a caterer could suggest menu items that require knives and forks to eat because "we do that in Minnesota," Hanson says.

The problem arises when guests try to eat off of a big plate of

food while juggling silverware, a drink and a handful of business cards.

If there are no tables where they can sit—because the experience was designed as a mix-and-mingle—then you've got a disconnect.

Choosing a good day and month for the event can be just as crucial.

In May or June, "if you're a business, you're going up against a lot of competition—against weddings and graduation parties," says Hanson.

Terry St. Martin, co-owner of Broadway Party and Tent Rental in Fridley, notes the same thing: "June is the graduation month, so all of the little backyard parties make us run out of tables, chairs and other things," St. Martin says.

Late summer and early fall can pose other problems. "September is full of last-minute events—the last hurrah of the summer. It didn't used to be that way but it's moved in that direction," St. Martin says.







These food choices by Mintáhoe Catering and Events illustrate how the menu can add color to an outdoor business gathering.

Photography by Noah Wolf



### Location, location, location

If a downtown park is a potential venue for a business event, the company may need to reconsider.

Shane Stenzel, manager of permits and events for the Minneapolis Park and Recreation Board, issues about 150 to 170 permits per year, but only for public events, such as the Minneapolis Marathon.

"We are pretty careful about commercialization in the public parks," he says. "If Coca-Cola wants to come in and do an event, we wouldn't allow it. Even if it's public, we don't allow it. We're really recreation-based."

For corporate events, Stenzel suggests venues such as the Nicollet Island Pavilion, Theodore Wirth Golf Course and similar areas with more rental flexibility.

Last August, Eden Prairie-based Event Lab coordinated with Meet Minneapolis to bring a two-story tent gathering to the riverfront by the Mill City Museum near the Mississippi River.

In retrospect, Event Lab vice president Becky Harris found the permitting process and informational outreach to the neighborhood to be the most daunting tasks.

"Depending on the time of day, you have to find the local ordinances for sound, what sort of permits you need, what the neighborhood is like, where the electrical and gas lines are, [and] whether you need barriers," Harris says.

Communication between the lead planner and vendors is key, she says, because every supplier needs to be on the same page. Restrictions may dictate when tents can be loaded in, from where and at what time.

### Insuring your investment

Minnesota's unpredictable weather can ruin an outdoor event, but a good tent can serve as an effective insurance policy.

Frank Steck compares the need for a quality tent rental to camping



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## TRENDING MEETINGS



in the Boundary Waters Canoe Area. He's a 30-year veteran of corporate event planning and founder of Spotlight Corporate Entertainment.

"You [get] a tent and bring equipment that is better than what your worst need might be," Steck says. "The tent cannot be your weakest link, because everything is underneath that—your catering, your guests and your production."

Tent rentals can stretch from around \$100 to several thousands of dollars, and most of the cost is determined by the labor involved. If the company takes on tent set-up, that can reduce the cost compared with the vendor's initial quote that includes the installation. However, going the self-service installation route to save money could put event attendees at risk.

"If at all possible, get the tent staked," says Broadway Party and Tent Rental's St. Martin. "If it cannot be staked, there are weighting options.

There are really cheap ways to weight a tent; there are companies out there who barely weight it, and it is not safe."

Sidewall attachments are available as a protective measure, although they can look bulky to a designer's eye. However, it is your best method in case of a rainstorm or high winds.

For uncertain weather days, Harris suggests that an event coordinator "pull your sidewalls open and strap them like an accordion to the tent poles. I don't know if I would ever, in Minnesota, take the walls down completely."

Constructing a temporary floor for use with the tent is another option. Given the chance of rain, elevating everything off the ground provides extra insurance against the worst scenarios.

"Even if you say the event is outdoors, women still might wear heels," Harris says. If the event doesn't have flooring, then "you've also got chairs sinking into the ground and uneven surfaces to worry about."

Enacting a plan to shield against







Event Lab worked on this Meet Minneapolis event, which was staged last August between the Mill City Museum and the Mississippi River.

foreseeable disasters deserves as much consideration as the event itself.

### The great food challenge

Based on the panoply of dietary restrictions you'll find in any large group, creating a cohesive menu for an outdoor event may sound like an impossible feat.

But there are good ways to address that concern. If you are hosting a sit-down, upscale dinner as part of a fundraiser, then you'll need to gather detailed dietary information when people register for the event weeks in advance. If you are planning for an informal reception, it's possible to take into account some of the most common food limitations, so the outdoor food offerings would include some dishes that are gluten-free as well as accommodating those who are vegetarians.

When catering an event, Nicky Metchnek, event sales director for Minneapolis-based Create Catering, says information about attendees

is gathered before final plans are formulated.

"We ask if there are dietary or religious restrictions or allergies that we need to keep in mind when putting together the menu," Metchnek says. "It's always notated on the menu which items are gluten-free, dairy-free and all of that stuff."

Hanson of BeEvents identifies three categories of foods that tend to be safe bets for any event: comfort foods, local and sustainable foods, and fresh foods.

Deciding how much food should be served is tied to the budget.

"On average, it flies around \$85 to \$90 a person," says Metchnek. "That would be taking into account the [alcohol], dinner, appetizers, labor, tax, a service fee, and hopefully some measure of the rentals—although that's such a big variable."

If a caterer is being hired, separate tents are routinely assigned to the cooking staff and servers. If an indoor



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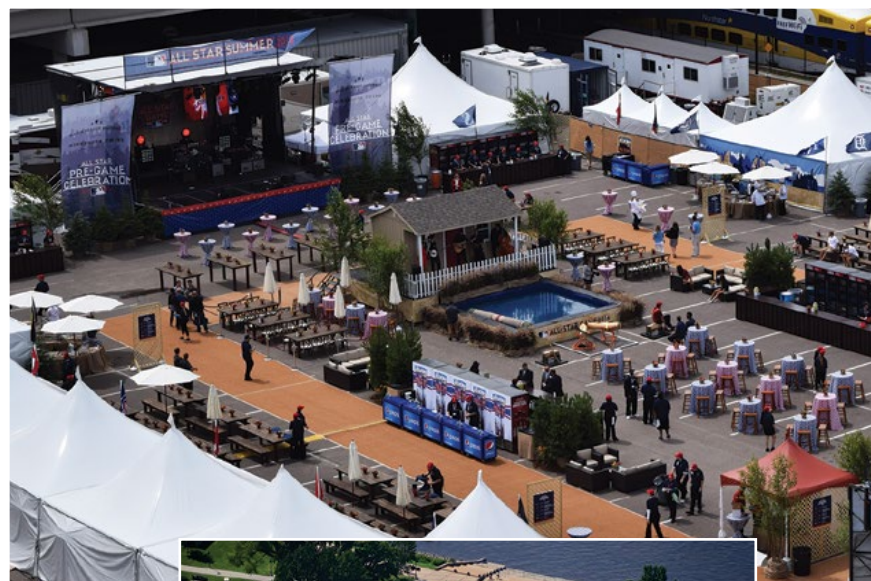
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kitchen is nearby, Metchnek's staff is also open to that possibility.

"If we can have a water line, that's fantastic. Otherwise we bring in a ton of bottled water or we rent these little pump sinks," she says. "Usually we need hotboxes and convection ovens to keep the food warm, and then generators, too."

The closer the caterer's tent is to the main event, the better the food tends to hold up in unpredictable weather. And in the thick of the summer, it might be worth considering a sundae bar.

### Music and comedy

Entertainment at an outdoor event can make it or break it. Choosing the right act for your business crowd often can be a difficult undertaking. But when great matches are made, the entertainment may become the most memorable aspect of the event.

Once you have a short list of entertainment options, Spotlight

Corporate Entertainment's Steck suggests you see any act before you book them. "And be very clear with your expectations."

He often hosts a meeting between his client and whatever performer is being considered for the event stage. Either through a conference call or a meet-and-greet, they'll discuss the demographics of the audience, what the business does, performance options, and the overall theme and desired outcome of the event.

"Budget comes to mind because that will drive a lot of what you are able to do," says Steck, who has organized events involving Jerry Seinfeld, Tony Bennett, the Beach Boys and other nationally known performing artists. "Comedy typically has lower costs from a production standpoint, but if it's comedy it has to be super-clean," he says.

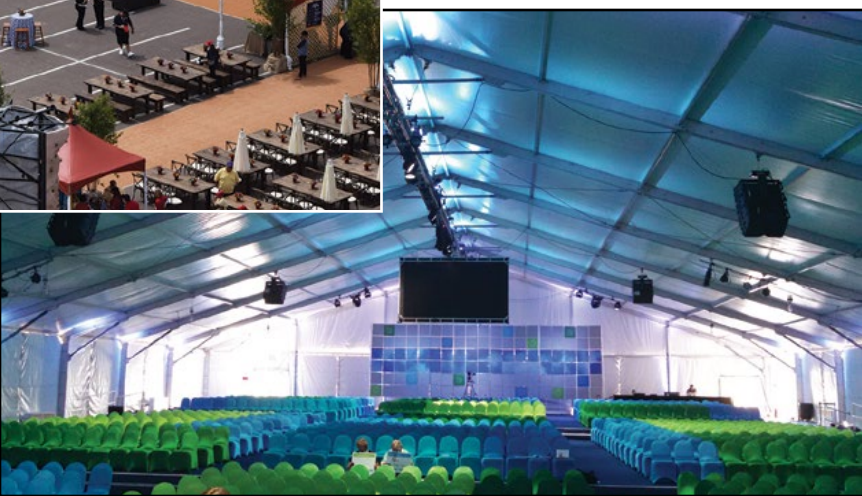
Orienting the stage as a centerpiece for the company outing can create a movie scenario with lights







Ultimate Events provided tenting for an MLB All-Star Game event (left) last year. Other photos depict how tenting can serve large outdoor crowds in Minnesota.



out and all eyes on the stage.

As an alternative, “have the bar or a quiet space somewhere else in the area positioned so people can have a conversation if they want to,” Hanson says. “That way not everyone [has to stop] to watch the performer.”

### Is the price right?

At the outset of planning an outdoor business event, it’s helpful to start with a rough price range rather than a hard number for the dollars you intend to spend.

“It’s important for folks to do a little educational work, to go out there and see what things cost before they start with the budget,” Hanson says. “Coming to the table and saying ‘We’re going to spend \$10,000 on our party’ without knowing what \$10,000 buys can turn out to be a little tricky.”

It’s realistic to assume that 15 to 20 percent of the budget will go toward an event planner, although

some operate on a flat fee. Handing off the responsibilities to a professional to organize everything from start to finish can vastly reduce the chance of major problems.

“An event professional has the depth of resources to buy things more effectively and get what you actually need rather than cobbling together the things you want and running into trouble,” Hanson says.

He compares it to an insurance policy, or venturing to a foreign country with a tour guide versus traveling alone.

One thing remains certain: the price that comes with moving from a hotel ballroom to an outdoor venue.

“When you have an outdoor event, you have to rent everything,” Harris says. “It does get more expensive when you’re outside.” **TCB**

*Sam Schaust is an editorial intern at Twin Cities Business.*

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# Ban the Buzzwords

Sometimes it's better to say nothing than what everyone else is saying.

**M**arketing, like other business disciplines, has a particular parlance, but all too often certain words get overused, applied to everything from chewing gum to toilet cleaners, and become cliché. So from time to time we need to remind ourselves—and in this case, others—of words to avoid, lest our personal brands become a cliché and lose all distinctiveness.

Here are the current buzzwords in every marketer's lexicon that you should officially banish from your ads, content and general vocabulary unless you want to sound like everybody else—and where's the distinction in that?

**Game-changer.** Everybody's a game-changer these days. Whether it's popping up in résumés of unemployed marketers or on tap at Buffalo Wild Wings (Red Hook, Gamechanger beer), we're all changing the game—not. Unless you work for Hasbro and are rewriting the rules for Monopoly, chances are you're not a game-changer. One exception is if you're watching a sporting event on television and you switch channels to another event. As for résumés, if you're such a game-changer, with 20-plus years of experience you wouldn't be applying for an assistant account executive position; that's just desperate, in a personal game-changing kind of way. But that's a whole other ball of wax better left to your therapist or accountant.

**Disruption.** A first cousin and possible precursor to game-changer is “disruptor” or “disruption,” words applied to business back in 1997 by Harvard Business School professor Clayton Christensen in his book *The Innovator's Dilemma*. The mere fact that this term is 18 years old is reason enough not to use it. If that creates a dilemma for you, just type the word into Amazon's book search and you'll see about 15 different business and marketing books with it in the title (then maybe check for “lemming”). I think some people got tired of being disrupters and evolved into game-changers, although there appear to be plenty of holdouts.

**Thought leader.** Are we talking mind control here in an L. Ron Hubbard Scientology kind of way, or something

else? Almost every client has at one time or another said they wanted to be a thought leader. Even though the term has been around for roughly 20 years since being coined by the consulting firm Booz and Co. in its *Strategy+Business* magazine, of late it's gained “traction” (which will be addressed later). There's even an article on Mashable on “How to Be a Thought Leader,” which we can now officially say has jumped the shark. If you have to say you're a thought leader, you're definitely not. As a subset of all those thought leaders out there, “guru” falls into the same category. If you anoint yourself a guru—unless you're a Hindu religious master—you're most certainly not.

**Traction.** Brands get traction, projects get traction, but let's keep this one where it rightfully belongs: in the automotive category. Worst-case scenario is you spew something like this in a meeting: “We've got to get some traction on our thought leadership positioning, so we're the game-changer in our category.” Game over—you're fired for being a walking cliché. Now you have zero traction.

**Granular.** When's the last time you scrubbed the data so you could get, like, really granular? Are we talking about sand or salt? If neither, don't get granular. Do you want to get to the foundation, origin or root of something? Or perhaps you're talking about the basics or individual aspects—then just say that, and it will give you all the traction you need.

**Transparency** is great when it comes to adhesive tape, or if you're Claude Rains, but otherwise let's get rid of this overused word. Every company wants to be more transparent because they think it sounds good and, well, everybody else



is saying it. How about just being open and honest? If you're really serious about being transparent, then keep your doors unlocked and give me access to all your data. Yeah, I didn't think so.

**Authentic.** Here's one that is often paired with “transparent,” as in, “We want to be authentic in a transparent kind of way.” Really? How about we all just be ourselves? If you have to say you're being authentic, are we to believe that up until now you've been masquerading as something completely different? (And I thought I really knew you.) Brands that say they're authentic are like companies that have to tell you that they have great service—both are something you have to experience and decide for yourself. If you have to tell me you're authentic, I don't believe you.

**Curated** is a word that's getting a lot of traction among thought-leading game-changers. It's not enough that we put together a collection or group of something, or that we selected and organized products, information or content—no, now it has to be curated. Why? Maybe because it sounds cooler to define your work as some kind of

precious art collection. It also sounds expensive. I mean, wouldn't you pay more for a curated selection of chicken-wing flavors versus a mixed basket? Of course you would. Start curating and watch your margins soar.

**Artisanal.** From cheese to toast—yes, toast—curators are slapping this moniker on a whole variety of things these days. I think the trend is from hand-crafted—which enjoyed a good run for a few years—to artisanal. We now have artisanal cheese, cupcakes, coffee, wine, jam, popcorn, chocolate, beer and toast. God help us.

Oh, and if you're still using “robust,” I don't think there's any hope.

You've been officially warned in the most authentic, transparent, granular way I can think of. Now go out there and get some traction. **TCB**

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# Stupidity Is Clear, Genius Is Hidden

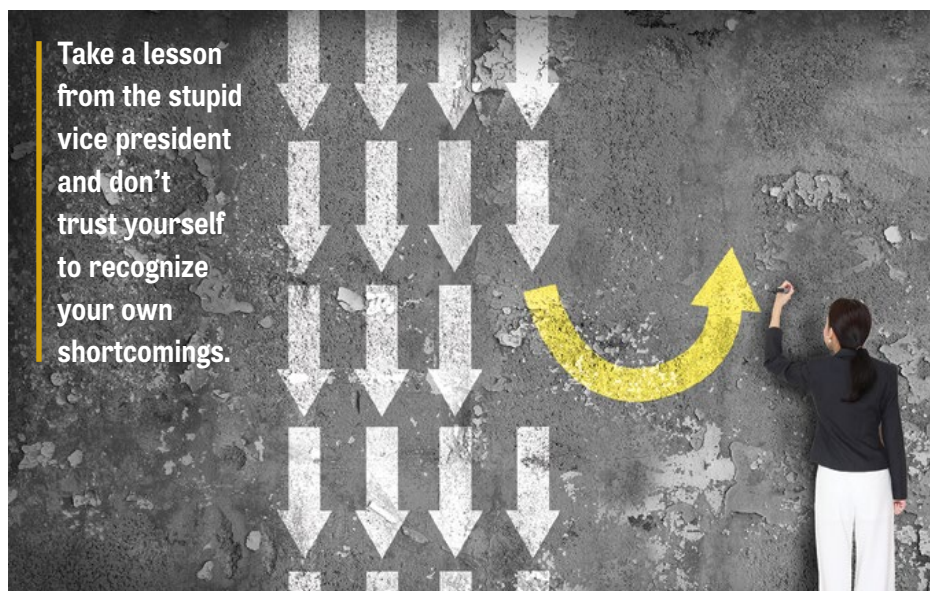
Some advice for minimizing your instances of stupidity.

**T** rue story: Several years ago I was the young president of an insurance company that was doing well except for one of our divisions, which had not grown in years. Knowing that this division had outstanding market potential that wasn't being tapped, I met with the division's vice president, who was several years older than I, to encourage him to conduct a market analysis and develop a strategic plan for capitalizing on the growth opportunity. I was met with resistance as he lectured me with increasing volume that I didn't have enough experience and didn't understand his business. He went on to say that he had done everything possible to grow market share and there was nothing more he could do. He capped off the discussion by yelling at me, "Don't bug me, damn it—I'm just too busy to plan!"

Everybody loves a good story about stupidity. Obviously this vice president didn't know how stupid he was being and thought his method was genius. But it was obvious to others that if he made even modest changes in his division he could have turned it around. And he would have retained his job.

Unfortunately, this happens too often in business, which is not so funny. Let's face it: We are quick to recognize the stupidity in other people's work, but often fail to see the stupid things we are doing ourselves. Cornell University psychology professor David Dunning has studied the phenomenon of the lack of awareness of one's own incompetence. Called the Dunning-Kruger effect, Dunning has proven that we fail at self-assessment and often believe that we are far more intelligent and capable than we actually are. In fact, his studies show that 40 percent of us think that we're in the top 5 percent of the intelligence spectrum.

Overconfidence can have terrible consequences in the workplace. More people, especially those in management, need to be aware of their own weaknesses and shortcomings. Admit that sometimes you don't know all the solutions or details or risks, or even all of the problems. The odds are that there are quite a number of "unknowns" in your



Take a lesson from the stupid vice president and don't trust yourself to recognize your own shortcomings.

organization, and therefore it's possible to act stupid without knowing it. So here's some free advice.

## Recognize your own shortcomings

**1** Don't rely on self-assessment; instead, find and listen to mentors who are willing to give you honest advice about your work performance and shortcomings. Seek out feedback from others who work for you and who supervise you, and listen to what they have to say without becoming defensive. Conduct surveys among yourselves on each other's performance as well as from customers and employees. The bottom line is this: Take a lesson from the stupid vice president and don't trust yourself to recognize your own shortcomings or stupidity.

## Look for genius in others

**2** If you are open to the possibility that you just might not be the smartest person in the room, then you are more likely to see the genius in others. This, too, can have tremendous consequences in the workplace, but in a positive way.

This is the irony: If you aren't the most intelligent one on the team,

can you really judge or recognize the superior performance of others? It's easy to pick out poor performers when you outperform them. But when people are more competent than you are, then you may not see or understand the genius in their thinking. As Dunning says, "Genius hides in plain sight."

History has proven that geniuses were not recognized by their peers. John Alexander Newlands was laughed at by the scientists of his day when he developed the first periodic table. The Wright brothers were scorned for their silly flying machines. The idea of personal computers in people's homes was initially dismissed.

All geniuses aren't inventors; many express themselves artistically. The Beatles were rejected many times before they cut a record deal. Anne Frank's *Diary of a Young Girl* was rejected 15 times before it was published. It's said that Walt Disney was rejected 302 times before he secured financing for Disney World. In all of these cases, genius was hiding in plain sight.

Because their minds work differently than the majority, geniuses may not feel comfortable or fit into the corporate setting. People with extraordinary intelligence slip by human resource screenings that we use to find the "right" people. Or they aren't hired because they don't

interview well. And when they do get jobs, they can easily see the error in the ways of their managers and often offend their boss by voicing their opinions too strongly. Or they give up and quit.

But if you want breakthrough ideas and innovation in your organization, you must make more room for diverse viewpoints and opinions. Steve Jobs, after all, was ousted by Apple's board of directors in 1985.

Truly innovative ideas and genius thinking are found in people who ask unusual questions and think differently, so they might not fit into the box that is our company's culture. As Apple's "Think Different" commercial produced in 1997 said:

"The people who are crazy enough to think they can change the world, are the ones who do."

If you can overcome your own stupidity and open your mind to the possibility of the hidden geniuses in your organization, you, too, may just be one of those crazy people who changes the world. **TCB**

*Mark W. Sheffert (mark@manchestercompanies.com) is founder, chairman and CEO of Manchester Companies, Inc., a Minneapolis-based performance improvement, board governance, and litigation advisory firm.*





# Let the Soccer Balls Fly!

To: Bill McGuire  
Minneapolis, Minn.

Jim Pohlad  
Minneapolis, Minn.

Glen Taylor  
Mankato, Minn.

## Gentlemen:

**W**hen you drive around the Twin Cities—almost anywhere in Minnesota—it's not hard to notice that what used to be baseball fields are now soccer fields. Frank Quilici, former Twins manager and player, once complained that baseball fields were being converted to soccer fields at a fast clip. And you gentlemen have noticed another trend: The demographics of soccer players and fans are considerably different from the demographics of the more established sports.

You have proposed an outdoor stadium with real grass, seating approximately 18,000 fans at the old farmers' market site in Minneapolis, near Target Center. This is an underutilized area, except for a small number of unemployed individuals who often ride the rails, but it does sit at the nexus of the Blue and Green light rail lines. A stadium in that locale would vastly increase property values (note to politicians: more real estate tax) and would continue to build a vibrant metropolitan community.

As Blong Yang, the Minneapolis City Council member who represents that area, has pointed out, this is a great bargain, and the city would be foolish to let this opportunity go by.

Those who wish this opportunity to go by argue that we suffer from stadium fatigue. Taxpayers have indeed financed a number of stadia. In the good old days (Xcel Energy Center), the commonly quoted formula for public support of sports stadia was usually one-third/

one-third/one-third, meaning one-third private investment, one-third state, and one-third local taxing authority. That formula was quickly abandoned when it came to TCF Bank Stadium—in part because the owner, the University of Minnesota, is a nonprofit entity. The Vikings stadium is approximately 50/50, for a total amount in excess of \$1 billion. In fact, significant money from the taxpayers to build sports facilities is the norm in Minnesota.

In St. Paul, for example, the city-owned ballpark for the St. Paul Saints, CHS Field, is about 80 percent publicly funded. Giants Ridge Golf & Ski Resort, owned by a public authority, has never

as one approaches an election year (see Vikings stadium).

But you gentlemen have a better deal; you will build the facility, finance it and own it. This approach avoids certain pitfalls of previous (and successful) stadium-building projects. For example, you don't have to invent an entirely new gambling option to build your facility (electronic pulltabs). And you are free, without gubernatorial opprobrium, to sell seat licenses to anyone who wishes to have their name on the place on which they plan to park their fanny. You will not be in a position of offering a grant, only to have it discovered to actually be a loan (ahem, Twins). No, you avoid all of

should be noted by many of our elected leaders because they indicate, unlike sports owners of the past (Vikings), you as a group are committed to this state. And you're willing to put your money where your mouth is; even better.

Financing for this stadium—principally your money—should be a no-brainer for the rest of us. Waiving sales tax on the actual construction of the stadium is a common practice (Twins stadium, Vikings stadium) and a great bargain for those of us who pay taxes in this state. Property tax abatement is a good deal too, particularly given the low property tax currently earned on the land where the stadium would be built.

There are infrastructure expenses, such as roads, curbs, sewer connections and the like; these represent a core function of government. A note of caution: While in the past taxpayers have sometimes ended up paying for parking ramps and other "infrastructure," here we should require an estimate of true infrastructure costs and hold to that budget. But again, none of you seem to be opposed to this.

So here's the deal. We have the opportunity to secure over \$250 million of private investment in exchange for waiving sales tax on a large construction project, abating a property tax increase due to the improvement, and providing infrastructure as we would for any large project (with a budget!). In exchange for that, we get to revitalize part of downtown Minneapolis, build the urban core and recognize that our demographics are in the process of changing. We have an ownership group of real Minnesotans who have helped build this

great state and who, based on their past performance, will continue to build this great state. We would be foolish not to allow the soccer balls to fly! **TCB**

Sincerely yours,

Vance K. Opperman

A Fan of Economic Development

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



made a profit in 30 years, and in the past decade alone has lost more than \$40 million. It is generally argued by opponents of large taxpayer-subsidized/private enterprise efforts that if the deal is such a great deal, then the owners should be content to build the stadium or facility themselves. As a state, we haven't had much luck with this argument because of the marbles theory.

You know the marbles theory: If you don't build me a stadium, I will take my marbles and go home. The marbles-go-home concept works particularly well

these pitfalls by the simple proposition that if you build it they will come, and you are willing to build it.

Let's talk about the owners of the proposed soccer stadium; not the taxpayers collectively (for a change), but real live taxpayers. This is an ownership group that has built tens of thousands of high-quality jobs throughout the entire state of Minnesota. You have generally kept your companies' headquarters located in Minnesota and have strong family ties, in some cases over generations, committed to Minnesota. These facts

**Editor's note:** The Minnesota Legislature was still in session when this issue of TCB went to the printer.

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