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Minnesota is a great place to live because of its natural environment. We have river bluffs and valleys, vast tracks of lakes and forests, plains and fertile farmland, and the majesty of Lake Superior's North Shore.

Minnesota is a great place to live because of its small towns with easy access to so much of that natural environment, but that also host memorable community festivals. It's also home to

# LETTER FROM THE EDITOR

the Twin Cities metro area, with its bevy of museums, music and sports.

Minnesota is a great place to live because of its seasons, which let us snowshoe and ski, but also provide ideal weather for camping, baseball, fishing, or just chatting on a patio.

But one of the key reasons that so many are able to enjoy so much life in Minnesota is that this state is home to so many individuals, businesses and organizations that are devoted to growing Minnesota's economy with innovations, investment and entrepreneurship.

Progress Minnesota, now in its eighth year, honors the best of those individuals, companies and organizations that are doing work in economic development, technology, entrepreneurship and workforce development.

Inside this magazine, you'll find profiles of 24 honorees.

This year those honorees are being recognized as individuals, or as organizations in the categories of financial services, food and beverage, manufacturing, nonprofit/government organization, technology and other.

A panel of independent judges was responsible for selecting the honorees.

A Progress Minnesota event was held April 17 to fete the honorees and featured a cocktail hour and awards ceremony at the Metropolitan Ballroom & Clubroom in Golden Valley.

**David Bohlander,**  
*special sections editor,*  
*Finance & Commerce*

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Progress Minnesota is a special publication of FINANCE & COMMERCE, 222 South Ninth Street, Suite 900, Minneapolis, MN 55402.

Telephone: 612-333-4244 or 800-397-4348. Fax: 612-333-3243.

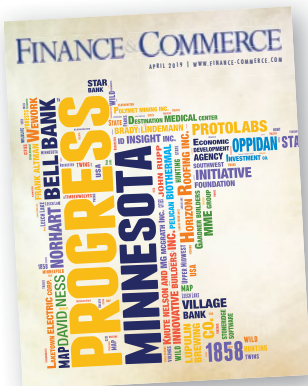
©2019 FINANCE & COMMERCE ALL RIGHTS RESERVED  
Periodicals postage paid at Minneapolis, Minnesota (USPS 190-580).  
Additional periodical entries made at St. Paul, Minnesota.

POSTMASTER: Electronic Address Change Service Requested,  
"Finance & Commerce" Subscription Services 10 Milk St Ste 1000,  
Boston MA 02108

Subscription Rates - Payable in Advance  
\$329 (12 months of daily online news and 5x a week newspapers)  
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## INDIVIDUAL

**Title:** President and CEO, Community Reinvestment Fund

**Education:** University of Minnesota, M.A. (Public Policy); Brown University, A.B. (Public Policy)

**Key turning point in career:** Wanting to help Minnesotans during the economic crisis of the 1980s

**What's next:** "I want to make sure CRF is here as long as it's needed."

**Family:** Daughters Miriam (32) and Lauren (30)

**Website:** [crfusa.com](http://crfusa.com)

Submitted photo



## Frank Altman

At 66, Frank Altman has no intention of leaving behind Community Reinvestment Fund, the nonprofit community development financial institution he founded in 1988. As he puts it, "Sixty-six is the new 36."

CRF's mission is to strengthen communities using innovative financial solutions and level the economic playing field for communities across the nation. It's one of the country's largest nonbank lenders of U.S. Small Business Administration loans to businesses.

The seeds of the organization reach back to the economic woes of the 1980s, according to Altman. Especially in outstate Minnesota, high interest rates and jeopardized farms showed him that many communities around the state had small economic development revolving loan funds.

"They had basically lent their money out," recalled Altman. "We thought we might create a marketplace into which they could sell existing loans and put the cash they made back out into the street. The idea was to help them

increase the velocity of each dollar and bring more private-sector dollars to the table so they wouldn't have to depend on appropriations from the Legislature or support from foundations."

Altman left his state government job to start CRF, which eventually became a U.S. Treasury-certified Community Development Financial Institution (CDFI) authorized to make SBA loans in capital-poor communities. In a typical year it originates tens of millions of dollars in SBA 7A business loans.

He is especially proud of the role CRF played in establishing the Federal New Markets Tax Credit, which was passed in 2000. That tax credit played a pivotal role in financing the Midtown Exchange project at the site of the old Sears department store complex on Lake Street in Minneapolis.

"That was a real turnaround for the Phillips neighborhood," Altman said.

– Dan Heilman

## INDIVIDUAL

**Title:** Managing director, Northwestern Mutual

**Education:** University of Minnesota Duluth, marketing major

**Key turning point in career:** Brady has provided internships to more than 60 college students and full-time careers to 12 advisers and 10 support staff in his personal practice.

**What's next:** "The next big goal is focusing on the diversity of those who join Northwestern Mutual, knowing that it will keep us ahead of the industry and make a larger impact on the diversity that exists in the marketplace."

**Family:** Wife, Kelsey

Submitted photo



## Brady Lindemann

**B**rady Lindemann is the first to admit that he is an accidental financial adviser.

"As far as financial planning is concerned, I could hardly spell 401(k) when I graduated college," he said with a laugh.

Lindemann graduated from the University of Minnesota Duluth during the recession, but found a job right away at State Farm Insurance. After two years, though, he wanted to have more of an advisory role with his clients. Northwestern Mutual has been the perfect fit for him. Early success in building his financial planning practice led to an invitation to join the company's leadership team.

One thing he loves about being a managing director is the time it affords him to recruit and develop new financial advisers while also continuing to work with clients. He finds excitement in working with individuals making a career change, as well as speaking on campuses to prospective

interns. Growing its own talent is one of the things that sets Northwestern apart, he said.

"There's not organic growth happening in the industry," he said. "We believe in growing our firm by hiring new talent to the industry. Our training and development programs reflect our significant investment in growing new advisers."

With an aging field force that's predominantly male and white, the industry needs to build diversity to reflect the community, he said. Additionally, Northwestern needs to continue beefing up its ranks.

"There are many advisers in the industry, and even more clients, on the doorstep of retirement," he said. "We need to have enough young advisers to fill their shoes and continue taking care of clients."

— Kate Leibsle

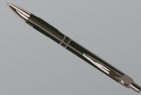
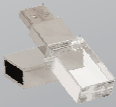
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*The Horizon Roofing Team*



## INDIVIDUAL

**Title:** Vice President Innovation R&D at U.S. Bank

**Education:** B.A., cognitive neuroscience, University of Stirling (Scotland); MSc, information systems, Edinburgh Napier University

**Key turning point in career:** “The Target data breach. Afterward, I had the opportunity to stand up a new innovation function within Target — to find outside startups and bring them into the company.”

**What’s next:** “I love my job. Right now, I’m focused on building, growing, making U.S. Bank even better.”

**Family:** Wife, Colleen; daughter, Isla

Submitted photo



## David Ness

After Target’s massive 2013 data breach, reeling company executives tasked David Ness with jump-starting the retailer’s moribund innovation engine. He ran with it, delivering more than 50 proofs of concept from startup and enterprise tech partners in the subsequent 18 months.

Those months in the fire prepared Ness well for his day job as U.S. Bank’s VP Innovation R&D, a position he’s held since mid-2017. Now, Ness manages engagements with the external financial technology ventures whose solutions challenge and stimulate incumbents like U.S. Bank in equal measure. It’s his job to forge strategic partnerships with promising fintechs — without killing them in the process.

“We believe in quick ‘nos’ and long ‘yeses,’” said Ness. U.S. Bank’s onerous onboarding process is costly and time-consuming for early-stage companies with few resources to spare for drawn-out, half-hearted courtship. As soon as Ness knows a prospect won’t work, he delivers the bad news.

Ness’s fintech expertise — and his vast connections in the rapidly evolving space — made him the perfect fit to lead planning for Twin Cities Startup Week’s new FinTech Track. Last

year, the track’s debut season, Ness got buy-in from colleagues at Sunrise Banks, Wells Fargo, Bremer Bank, Thrivent Financial, Securian and Allianz Life. He interfaced with Minnesota DEED and Make It. MSP. And he polled participants in the fintech founder’s group he runs.

The result: two full days of fintech-centric programming, plus a stand-alone confab for out-of-state investors. The track met its self-imposed attendance cap of 100 guests per day and welcomed about 60 companies, according to Ness. Highlights included a panel Q&A with GoKart Labs co-founder Don Smithmier and Bremer Bank CEO Jeanne Crain — “You could hear a pin drop as they spoke,” said Ness — and “Meet the MN Fintechs,” featuring the CEOs from local startups Live. Give. Save., Apruve, and Sezzle.

Next year promises more: “We plan to grow by five times next year,” Ness says. Also in the works: a yet-to-be-determined central location for all scheduled programming and “high-caliber staged events” designed to boost C-suite turnout without shortchanging founders on hand to pitch.

— Brian Martucci



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## INDIVIDUAL

**Title:** Owner, Commonwealth Properties

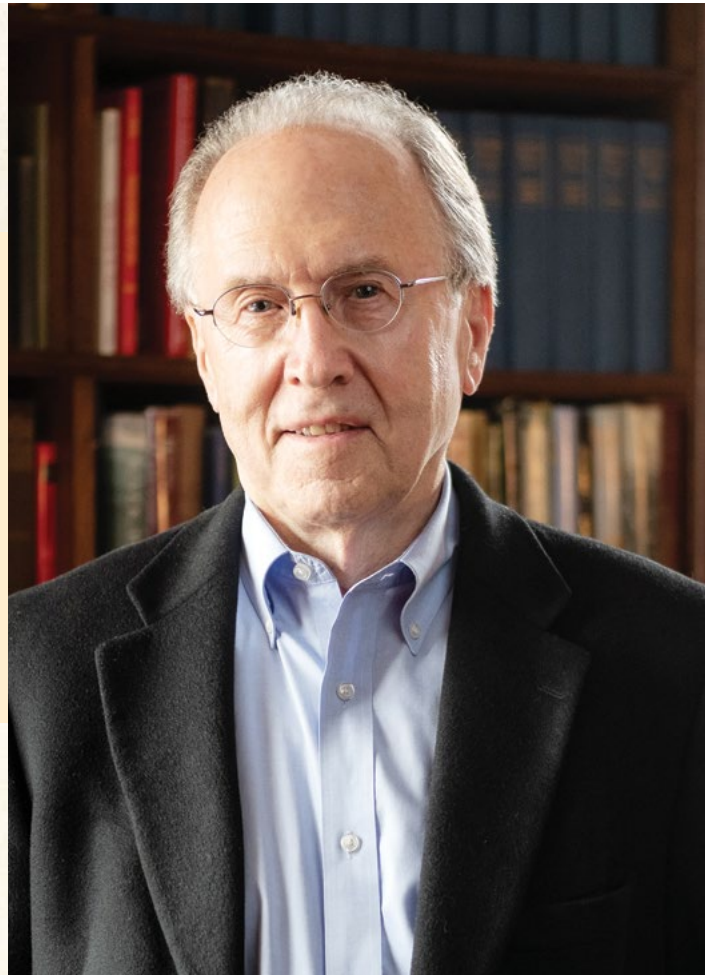
**Education:** B.S. in business from University of Minnesota; J.D. from University of Minnesota Law School

**Key turning point in career:** Rupp has made his career saving and redeveloping historic buildings in and around St. Paul.

**What's next:** Remaking of the Villa Maria Ursuline convent, located about an hour south of St. Paul overlooking Lake Pepin, into a boutique hotel, conference and event center.

**Family:** Wife, Stephanie Laitala-Rupp; Stephanie is president of Commonwealth Properties. Three children: Julia Struve, Sophie Rupp and Edward (Ned) Rupp who have all either now or in the past worked within a Rupp business.

Submitted photo



## John Rupp

Community activism is in John Rupp's blood. As a boy growing up in the Crocus Hill area of St. Paul during the 1950s and 1960s. He watched as his mother's community activism, to protect her neighborhood from encroaching urban blight, make a big difference. John learned the lesson that one person can make a difference.

Rupp has since devoted his life to rescuing some of St. Paul's most historic and beautiful buildings as well as some of the neighborhoods around them.

Why did this become a passion?

"I had a college roommate who studied architecture, so I sort of got a degree vicariously through him," he said. "Before law school, I backpacked through Europe with him and was taken with the inner cities that were so vibrant, which had not yet happened in the U.S. in the late '60s and early '70s, and knew it could happen in St. Paul."

An investment from another friend helped fund his first project on Cathedral Hill (W.A. Frost), and he was on his way. One thing led to another, and while he still owns property

and lives in that area, he has expanded into other historic neighborhoods, even outside of the city, to bring areas back to life through residential, retail and hospitality development.

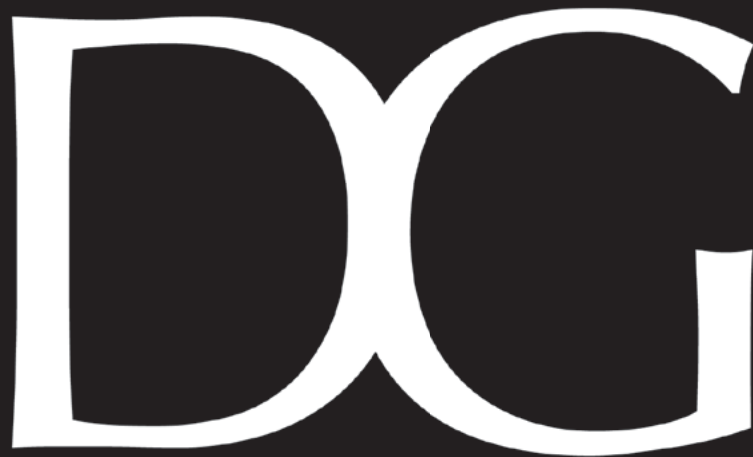
Of the his many building projects through the years he still owns and operates WA Frost (located in the Dacotah Building at 374 Selby Ave.); the Commodore Bar and Restaurant (on the lower floor of the Commodore Hotel at 79 Western Ave. N.); Hotel 340 and the St. Paul Athletic Club (340 Cedar St.); the soon-to-open Davidson Hotel on Summit Avenue; Stout's Island Lodge Resort in Birchwood, Wisconsin; and the University Club and the Summit Center (a performing arts and event center) on Summit Avenue.

Rupp's most recent project, which open for weddings and events this summer, is the remaking of the Villa Maria Ursuline convent, which is located about an hour south of St. Paul overlooking Lake Pepin, into a boutique hotel, conference and event center.

– Kate Leibsle



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## FINANCIAL SERVICES



# Bell Bank

**Business:** One of the largest independently owned banks in the U.S. and the largest in the upper Midwest. Business lines include commercial and mortgage lending, private banking, trust services, health savings account administration, insurance, and retail banking.

**Address:** 5500 Wayzata Blvd., Minneapolis

**Year Founded:** 1966

**Leadership:** Michael Solberg, president and CEO; Richard Solberg, board chair

**Employees:** About 1,200

**Website:** bellbanks.com



*Michael Solberg,  
CEO, Bell Bank*

northwestern Minnesota. The next closest is Wells Fargo, with a paltry 10 percent.

Bell qualifies as one of the United States' 25 biggest independently owned banks, and the largest headquartered in the upper Midwest, with some \$5 billion in assets. Through its wealth management and health savings account administration divisions, Bell Bank technically operates in all 50 states – although it doesn't have a physical presence in each.

In Minnesota, about 500 employees work at Bell's Twin Cities banking and mortgage hub. Dozens more staff outstate branch offices.

But Bell Bank's most distinctive metric has nothing to do with its scale, profitability or geographical reach. Since 2007, the company's Pay It Forward program — inspired by one of Oprah Winfrey's signature

**B**y the numbers, Fargo-based Bell Bank is impressive enough.

Bell's 38 percent deposit market share dwarfs all other comers in its home market, which extends across the Red River into

giveaway sprees — has paid out over \$12 million to Bell Bank employees. Full-time employees were given \$1,000 per year; part-time employees, \$500.

The funds aren't Bell Bank employees' to keep. Each recipient must pay them forward. That might mean subsidizing the local food bank, turbocharging their year-end giving, or pooling funds with colleagues to deliver life-changing (or -giving) support to community members in need.

"Our Pay It Forward initiative allows us to share the blessings of our company's success by empowering our employees to give where they see the greatest need," said CEO Michael Solberg.

This year, Bell Bank is upping its Pay It Forward windfall to \$2,500 for full-timers and \$1,000 for part-timers. Perks for employees go "above and beyond," standard benefits, said Julie Peterson Klein, chief culture officer at Bell. "We are always looking for what helps our team members enjoy work-life balance and build greater financial security," Klein said. "Our employee stock option plan (ESOP), introduced in 2016, allows our employees to take ownership in the growth and future of our company."

— Brian Martucci



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## FINANCIAL SERVICES



# Star Bank

**Business:** A full-service, family-owned, independent community bank with 10 office locations. Special services include interim residential construction financing and agricultural lending.

**Address:** 100 State Highway 55 E., Maple Lake

**Year Founded:** 1990

**Leadership:** Harry Wahlquist, founder, president, CEO and chairman; Steve Blum, SVP/chief financial officer; Katie Incantalupo, SVP/chief administrative officer; Bob Jagdfeld, SVP/chief lending officer; Andy Wahlquist, SVP/chief operations officer

**Employees:** 75

**Website:** starbank.net

The agriculture industry is suffering through its worst downturn since the 1980s, and ag-dependent community banks and credit unions are feeling the heat. Minnesota-chartered Star Bank, based in Maple Lake, is no exception. Star Bank's central and western Minnesota offices support an agricultural lending portfolio of \$110 million.

"Agriculture is obviously under stress today," said Harry Wahlquist, founder, president, CEO, and board chairman. "Even in good times, family farmers depend on short-term loans — working capital to get through the growing season. Today, their livelihoods may hinge on the goodwill they've built with rural institutions like Star Bank. Star Bank's future, in part, hinges on doing what we can to see farmers and ag-adjacent businesses through lean times."

Star Bank isn't betting the entire farm on agriculture. The bank entered the interim residential construction financing business in the aftermath of the late-2000s housing bust and has been riding a brisk Twin Cities housing market. Single-family construction loans accounted for about \$200 million in loan production over the past three years, mostly in the seven-county metro area. The average construction loan is \$550,000, but

can range up to \$2 million, said Wahlquist.

Beyond interim residential construction financing, Star Bank's endurance owes a lot to its internal culture. Integrity, for instance, is one of five core values that inspire everything the bank does.

"We insist on the highest possible standards of integrity that can be achieved," said Wahlquist.

Another core value: community commitment. Star Bank's pockets might not be as deep as bigger competitors', but its charitable work is proportionally potent. For residents of Star Bank communities, employees' penchant for giving back is visible evidence of the bank's value system.

"Many organizations talk about commitment to the communities they serve, but we walk our talk and back it up," said Katie Incantalupo, SVP/chief administrative officer.

Star Bank's Eden Prairie office hosts a blood drive every quarter. And the bank has a volunteer PTO allowance that full-timers love; the volunteer time-tracking forms "allow us to learn about and then share the stories of our employees who generously give back to the communities we serve," said Incantalupo.

— Brian Martucci

## FINANCIAL SERVICES



# Village Bank

**Business:** An SBA Preferred Lender with five Twin Cities locations and an unshakable commitment to community banking principles

**Address:** 3350 Bridge St. NW, St. Francis

**Year Founded:** 1993

**Leadership:** Aleesha Webb, president and vice chair

**Employees:** 84

**Website:**  
[www.villagebankonline.bank](http://www.villagebankonline.bank)

With four retail branches and one non-public operations center scattered about the north metro, Village Bank isn't a behemoth.

But small banks can do big things, proportionally speaking.

Village Bank had a banner 2018, adding 15 employees — 20 percent of its workforce — and completing SBA Preferred Lender certification in just 60 days, a fraction of the process's typical length. This year, management raised the bank's minimum wage to \$15 per hour, immediately spiking payrolls by about \$250,000, and committed to invest a similar sum in employee benefits packages.

That's real money for a bank that originated loans worth about \$65 million last year, and it all comes amid a wave of consolidation in the community banking sector. The multi-decade decline in Minnesota-chartered community bank capacity was punctuated last year by Indiana-based Old National Bank's merger with Chaska-based KleinBank, one of the state's best-known independently owned

financial institutions.

"We're actually benefiting" from consolidation, said Megan Effertz, Village Bank's chief experience officer. Talented refugees from downsizing or shuttered community banks are finding new homes at Village Bank. Some have decades of experience in community banking.

"As businesses, in general, are struggling to find talent, we're fortunate to have a really strong pipeline of people reaching out to us," Effertz said.

Village Bank's community-sized growth spurt isn't done. A traditional, full-service branch probably isn't in the cards, but the bank may open additional locations in the Twin Cities for lending or deposits by the end of 2020, Effertz said. And new bank President Aleesha Webb, who worked as a Village Bank teller in high school, has a bold vision for the quarter-century-old institution.

"Our big focus for 2019, as we continue to grow, is really to redefine what Twin Cities banking is," said Effertz.

— Brian Martucci



## FOOD & BEVERAGE

Lupulin Brewing Co.'s founders are Jeff Zierdt, left, and Matt Schiller.

# Lupulin Brewing Co.

**Business:** To brew “compelling” craft beer in a range of styles while building a profitable company

**Based:** 570 Humboldt Drive, Suite 107, Big Lake

**Founded:** 2014

**Leadership:** Jeff Zierdt, president and co-founder; Matt Schiller, head of brewing operations, co-founder

**Employee count:** 15 full-time

**Website:**  
[www.lupulinbrewing.com](http://www.lupulinbrewing.com)

Co-founders Jeff Zierdt and Matt Schiller see Lupulin Brewing as a manufacturing plant that makes craft beer.

Of course, the former home brewers aim to make what they say is not just great but compelling beer in a range of styles.

They're also intent, however, on profitable growth so they can make more beer, create more jobs and draw more craft beer fans to their taproom in Big Lake, a Sherburne County town of 10,000 some 40 miles northwest of Minneapolis.

“We run it like it's a manufacturing plant,” Schiller said. “Our widget just happens to be beer.”

Both founders have extensive manufacturing backgrounds. Schiller worked 10 years as a precision manufacturing machinist after a decade in retail. Zierdt, a chemical engineer, ran a \$100 million modernization project while in the pulp and paper industry to go with other manufacturing leadership experience.

Lupulin Brewing has been expanding almost continuously since it opened

for business in April 2015. It has gone from renting 3,000 square feet in the North Star Place complex off Hwy. 10 to buying 22,500 square feet, nearly half the building.

This March, it will complete a nearly \$4 million project that will increase the brewery's capacity from 3,500 barrels to 25,000 barrels over the next few years. This latest expansion retains 15 full-time jobs and will create 15 more by 2021 in addition to a growing number of part-time positions.

With more room, the brewery is creating an event space and barrel room for producing sour beers.

Lupulin Brewing, named for the active ingredient in hops and known for hoppy brews such as Blissful Ignorance and Hooey, will offer traditional sour beers under a new brand, Scribbled Lines, Zierdt said.

“We're moving quickly to differentiate our portfolio to have a broader customer base for the overall business,” Zierdt said.

— Todd Nelson



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## MANUFACTURING



## Gardner Builders

**Business:** General contractor in commercial construction

**Based:** 730 Second Ave. S., Suite 1233, Minneapolis

**Founded:** 2010

**CEO:** Bob Gardner

**Employee count:** 123

**Website:** gardner-builders.com

Gardner Builders CEO Bob Gardner likes to say he runs a hospitality company in the commercial construction field. He and his staff create a collaborative, nurturing environment where project members and clients like the process so much they would do it again.

"Everything in this world works on relationships and how you treat people," he said. "We have an approach we call 'enlightened hospitality.' We focus on our staff first. We really have one goal as a company, and that is when people come to work here, we want them to feel valued, challenged and that they love to be here. If we can create an environment for that, then we can be successful."

Gardner believes if his staff members don't feel good about their work, they are less likely to perform well for clients or treat team members from partner firms well. When everyone gets along, a palpable energy exists that leads to a greater chance of project success, he said.

The formula appears to be working. Gardner's revenues tripled from \$50 million in 2015 to \$150 million in 2018, with an expected \$250 million to arrive this year accompanied by the likely addition of at least 20 jobs. Offices in Duluth and Milwaukee opened over the past three years.

The company works with outside vendors such as architects and interior designers on projects, calling out as close advisers the law firm of Stinson Leonard Street and financial consulting specialist Boulay. The range of clients is broad, from the headquarters for Sleep Number to creative spaces for Boston Consulting, Cray, Weber Shandwick and the Lynhall restaurant.

As chair of Leadership Minnesota for the Minnesota Chamber of Commerce, Gardner offers a message to critics of the states' business climate: "Minnesota is a phenomenal place to do business."

— Frank Jossi



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## MANUFACTURING



## MME Group

**Business:** Contract manufacturing

**Based:** 1025 Kristen Court, Vadnais Heights

**Founded:** 1974

**President and CEO:** Bob Archambault

**Employee count:** 125

**Website:** mmegroupinc.com

There's a simple article of faith that guides day-to-day activities at the MME Group in Vadnais Heights: "We make cool stuff."

Dave Billingsley, director of operations, shares that piece of insider information to help explain the ethos at the 44-year-old company and then offers another: "We look for the difficult things that others can't do."

Over the years, MME Group has grown from a small tool-shop operation to its current status as a full-service contract manufacturing provider with 125 employees working round the clock.

As Billingsley explains, contract manufacturing means that MME is far more than just a plastics molder. It means that clients rely on MME to be a "one-stop shop" for their products, from design to manufacturing to distribution.

"The contract manufacturing is really

taking off," Billingsley says. "We're in a nice position where we're actually picking and choosing our customers. They're lining up at the doors, which is fantastic, because we do things that other people can't."

While someone might be able to design a good product, that doesn't necessarily mean it can be transformed into something useful and productive, Billingsley points out.

"A lot of designers know how to make a cool product on paper," he says. "We look at it and help break it down and tell them, 'If we change these draft angles or add a little bit of a radius here and there, it'll make it easier and cheaper to manufacture.' Our customers really appreciate the expertise that we offer in that way."

— Dick Dahl

## MANUFACTURING



## Pelican BioThermal

**Business:** Manufactures protective packaging for biological materials

**Based:** 3020 N. Niagara Lane, Plymouth

**Year founded:** 1976

**President:** David Williams

**Employee count:** 1,540

**Website:**  
pelicanbiothermal.com

Back in 2003, Plymouth-based Pelican BioThermal won the U.S. Army's "Greatest Invention" award for its Original Golden Hour technology: a passive, cold container that keeps blood "at temperature" for as long as two days, even under adverse conditions. It was first used by Special Forces troops in Afghanistan. Since then, the company has improved and extended its line of products designed to ensure that life-saving biological materials arrive intact and effective.

In the past year, the company has increased its temperature-controlled container fleet size by 90 percent, while increasing revenue by 90 percent, and is gearing up to further accelerate its growth this year.

In addition, Pelican kicked off a global expansion of its Crêdo On Demand rental program, a high-performance, cost-effective temperature-controlled shipper rental program that enables customers to choose the shipper application that best fits their requirements, logistics profile and budget. To expand its international reach, the company has announced new network locations in Los Angeles; Indianapolis; Frankfurt, Germany; and Sao Paulo, Brazil. It

now has about 80 drop-points and network stations around the world.

In 2018, the company signed multiple freight forwarders and integrators worldwide to improve global access to its services. Pelican planned to increase its web of drop-points and network stations worldwide from about 80 to more than 100, early this year.

Pelican's director of worldwide marketing, Adam Tetz, emphasizes the importance of "being grounded in customer needs. Not 'build it and they will come,' but if you understand your customers' problems and build things that make their objectives easier to achieve, you will be successful."

This year, the company plans to launch a new product, featuring what Tetz calls "a fairly radical change" in one of its parcel shipping products, with some new features. Pelican is also gearing up for the "relaunch" of a new, improved version of its original Golden Hour mobile blood container. Pelican relies on Minnesota-based suppliers of external polystyrene (EPS) foam, a critical component in its protective packaging.

— Dan Emerson



## MANUFACTURING



# PolyMet Mining Inc.

**Business:** Mine development

**Based:** Executive offices, 444 Cedar St., St. Paul

**Founded:** 1981

**President/CEO:** Jon Cherry

**Employee count:** 360 planned for NorthMet

**Website:** [polymetmining.com](http://polymetmining.com)

As PolyMet sees it, the future of mining and manufacturing along the Iron Range is in precious metals. Over the past decade, the company and its stakeholders have navigated a thicket of environmental and economic review procedures to open the NorthMet project, which will be Minnesota's first copper-nickel-precious metals mine.

NorthMet is an open-pit mine within the Duluth Complex. The mine contains copper, nickel, cobalt, platinum, palladium, gold and silver – key ingredients for technology, among other industries.

After years of discussion and debate, the Minnesota Department of Natural Resources in November issued PolyMet Minnesota's first nonferrous permit to mine, six water-appropriation permits, two dam-safety permits, a public waters work permit and an endangered-species takings permit, according to DNR documents.

Also last year, the Minnesota Pollution Control Agency issued PolyMet an air emission permit, a water-quality permit

and 401 certification. In late March the company received the final permit it needed, a wetlands permit from the U.S. Army Corps of Engineers.

PolyMet Director of Public Affairs LaTisha Gietzen said that as the project has developed, a primary undertaking for the company has been talking with the public and making sure area and state residents understand what will be happening.

"The people here are very supportive," she said. "We're using existing facilities that have operated since the 1950s."

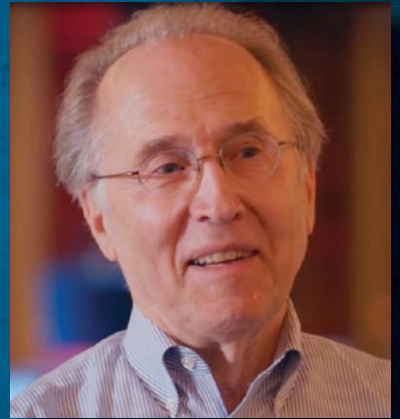
The Iron Range has been plagued by job losses over the past couple of decades. PolyMet anticipates that NorthMet will create 360 jobs directly, along with hundreds more in the surrounding communities as work gets underway. The company estimated that St. Louis County stands to gain an annual economic boost of as much as \$515 million from the project.

– Dan Heilman



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## MANUFACTURING



## Protolabs

**Business:** Rapid prototyping and on-demand production

**Based:** 5540 Pioneer Creek Drive, Maple Plain

**Founded:** 1999

**President and CEO:** Vicki Holt

**Employee count:** 2,400 +

**Website:** protolabs.com

**T**imes have been good for the rapid prototyping and on-demand production manufacturer Protolabs. After reporting its best sales year ever, the company gave tours of two suburban fabrication facilities to people attending a National Association of Manufacturers event.

The 2018 financial performance set sales records for every quarter. The Maple Plain-based company counts more than 46,000 customers who order custom prototypes or low-volume end parts that rarely number more than 20,000 units, said Vicki Holt, president and CEO.

"We're a good fit for companies who need a low volume of something in the 1 to 20,000-unit range," she said. "We've found a lot of manufacturers who fit in the sweet spot of our market."

Customers come from a wide range of industry verticals, among them manufacturers in medical technology, computer electronics, industrial equipment, aerospace, automotive, engineering design services and consumer products.

The key to Protolabs' success, Holt

said, has been the development of an e-commerce model allowing developers to upload customer-assisted design files. In-house software precisely controls equipment producing injection molding, sheet metal fabrication, precision machining and 3D printing parts.

The company faces many of the same challenges as other manufacturers, Holt said. Chinese companies are competitors, though none are as fast and reliable as Protolabs, nor do they offer as broad a range of manufacturing services, she said. Attracting and retaining employees, she added, has been a focus in a tight job market.

While Protolabs continues to steadily grow, it struggles with almost too much good fortune. "We have such a large total available market we end up having many avenues available to drive revenue growth," Holt said. "One of the most important things we have to decide is not just what we're going to do, but also what we're not going to do. Prioritization is what we're always having to do."

— Frank Jossi





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## NONPROFIT/ GOVERNMENT ORGANIZATION



# Destination Medical Center Economic Development Agency

**Mission:** Economic development

**Based:** 195 S. Broadway, Rochester

**Founded:** 2013

**Executive director:** Lisa Clarke

**Employee count:** Fewer than 10

**Website:** dmc.mn

With a small staff and big plans for the future, Rochester's Destination Medical Center Economic Development Agency has had to keep a lot of plates spinning without letting any of them fall.

The nonprofit DMC EDA is the economic development corporation authorized to work on behalf of the \$5 billion DMC initiative, concentrating on development and global marketing along with the city of Rochester, Olmsted County and various community organizations.

The numbers in the DMC EDA initiative, started in 2013, are impressive. According to past coverage in Finance & Commerce, 23 projects are at various stages of development in the DMC district. Thus far, \$428 million in private investment has been recognized in the district. Last year, \$342 million in new DMC developments were approved by its board.

"The projects that are ongoing reach all segments, including hospitality, housing, entertainment, bioscience, and life science,"

said DMC EDA Executive Director Lisa Clarke. Nine DMC projects are expected to be completed this year alone, she said.

Those many projects are prioritized with the help of a development plan that breaks work out into five subdistricts. The DMC EDA then tracks progress and absorption rates of each project.

The city has felt the effects of the ongoing economic development efforts. Rochester has added 3,300 jobs since 2014, and the DMC district has seen or will see the building of 1,100 apartments, 599 hotel rooms and 128,000 square feet of retail space once the dust settles.

DMC EDA wants to help Rochester cultivate an urban culture by other means as well, such as increased density in housing, along with social and retail opportunities.

"We want to attract talented people who will want to live downtown and work downtown," Clarke said.

— Dan Heilman



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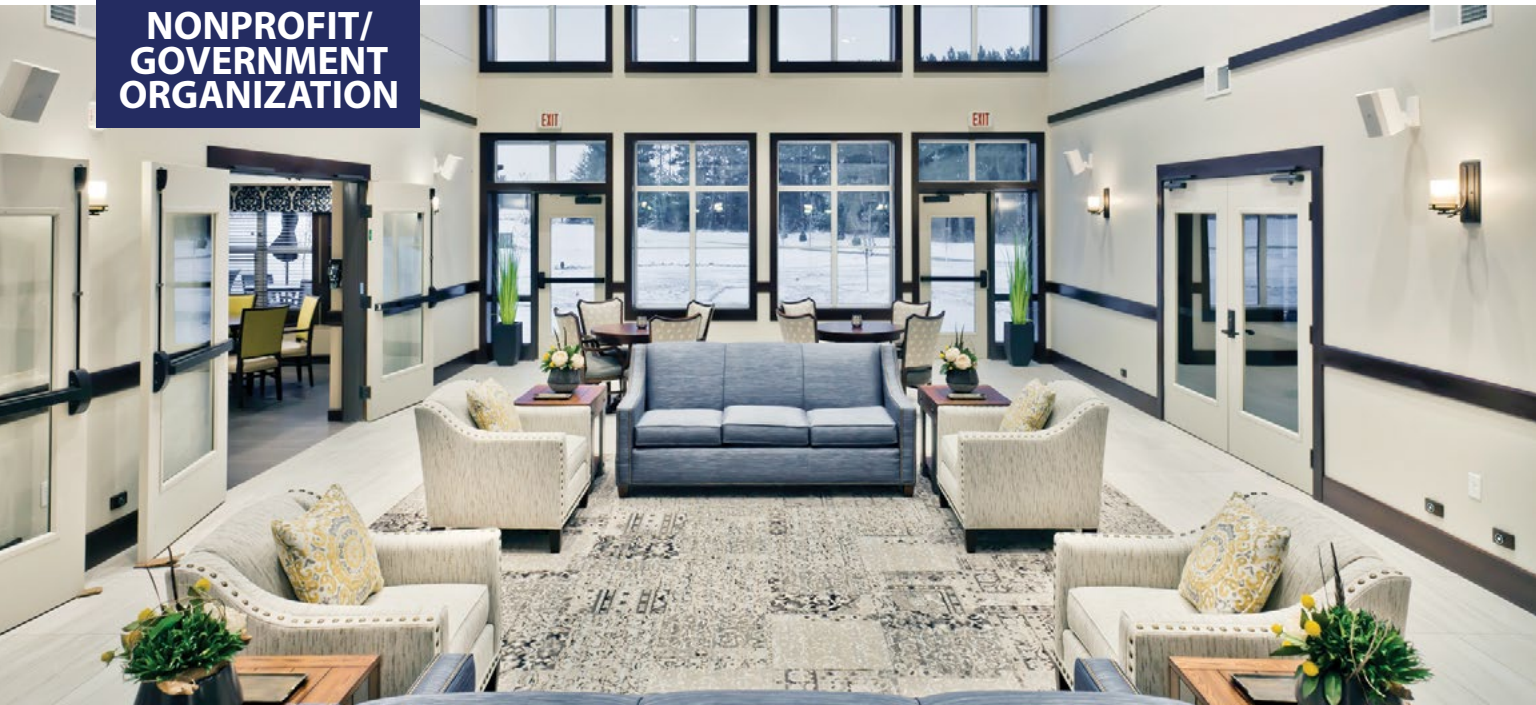
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## NONPROFIT/ GOVERNMENT ORGANIZATION



# Knute Nelson and Innovative Builders Inc.

**Mission:** Faith-based nonprofit senior housing provider

**Based:** Alexandria

**Founded:** 1948

**Leaders:** Mark Anderson, president and CEO of Knute Nelson; Randy Roers and Scott Kluver, owners of Innovative Builders

**Employee count:** 790

**Website:** knutenelson.org

Partners Knute Nelson and Innovative Builders opened the 88-unit Crystal Brook Senior Living community in Park Rapids last November to offer residents a new care vision and lifestyle that allows them to age in place as their health needs grow.

"This aging-in-place model of care brings more services to residents as health care needs increase for them in their same apartment," said Katie Perry, chief development and strategy officer. "It's a new model of care for us."

Crystal Brook is the first of Knute Nelson's four senior care properties built outside its hometown of Alexandria. After offering home health care in Park Rapids for several years, Knute Nelson saw a need for senior housing and an opportunity to build a new kind of senior lifestyle community in partnership with Innovative Builders.

The \$18.3 million, 140,000-square-foot community offers a memory-care household of 19 apartments for residents challenged by dementia. Supporting

"active aging," Crystal Brook creates a sense of community through a thriving town square, activity rooms, a garden area, a salon, a spa, a fitness center and underground parking, Perry said, along with meals and social activities.

Aging seniors requiring more care, such as assisted-living services, can continue to live in their apartments without having to move, she said. "We built a lifestyle community with support in place that allows seniors to live with social and physical wellness aspects that are incorporated into the design of the building," she said.

Named for former Minnesota governor and U.S. Sen. Knute Nelson, the company has become a major employer in the west-central region. Knute Nelson "aspires to be the provider of choice for residents and as the employer of choice for caregivers who desire to enrich the lives of everyone we serve," Perry said.

— Frank Jossi



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**SOUTHWEST INITIATIVE  
FOUNDATION**

## Southwest Initiative Foundation

**Mission:** Regional economic development agency

**Based:** 15 Third Ave. NW, Hutchinson

**Year Founded:** 1986

**CEO:** Diana Anderson

**Employee count:** 22

**Website:** [swifoundation.org](http://swifoundation.org)

To prosper, rural communities need to cooperate, not only compete, and think regionally as they develop and implement local strategies. That's the guiding principle for the Hutchinson-based Southwest Initiative Foundation, according to Vice President Scott Marquardt. SWIF uses its resources and technology to promote entrepreneurship and help rural communities compete in a global marketplace.

Established in 1986 as one of the McKnight Foundation's six Initiative Funds in Minnesota, SWIF was created in response to the rapidly shifting economic conditions affecting agricultural and mining communities. Today, SWIF serves 280,000 people in the 18 counties and two Native nations of southwestern Minnesota. Since inception, the foundation has leveraged \$258.4 million through private and public investments.

SWIF's economic development tools include loans, convertible notes, participations and equity investments. The foundation partners with banks and credit unions, economic development organizations, nonprofit lenders and private investors. Offering loans from \$1,000 to \$300,000 or more, the foundation has helped businesses create and retain more than 8,600 quality jobs, said Marquardt, who

manages the entrepreneurship, business finance and regional economic development activities of the foundation.

SWIF has significantly increased the flow of equity capital into businesses in southwestern Minnesota, using "a mission-driven lens," Marquardt said. In 2017, the foundation made its 1,000th loan to a business, helping to meet the capital needs of a population that is traditionally underserved by mainstream capital markets; 31 percent of its current portfolio are women-owned businesses and 12 percent of its current clients are minority-owned businesses.

Increasing access to child care for working families has become a priority for SWIF. It has helped create or retain more than 473 child care slots, and has created more than 50 child care jobs, enabling hundreds of parents to remain in the regional workforce.

In 2001 SWIF became an intermediary lender of the Microenterprise Loan Program for the U.S. Small Business Administration. In 2011 SWIF became the first intermediary lender in Minnesota for the U.S. Department of Agriculture's Rural Development's Rural Microentrepreneur Assistance Program.

— Dan Emerson

## OTHER



## Horizon Roofing Inc.

**Business:** Commercial roofing contractor

**Based:** 2010 County Road 137, Waite Park

**Founded:** 1976

**President:** Kurt Scepianiak

**Employee count:** About 100

**Website:**  
horizonroofinginc.com



*Kurt Scepianiak*

**K**urt Scepianiak, owner and CEO of Horizon Roofing Inc. in Waite Park, had been disappointed in the quality of the available labor supply for some time.

"The labor shortage is no secret in any industry you look at," he says. "Quite honestly, I got tired of sounding like everyone else, and I figured I should either do something about it or shut up."

About two years ago, Scepianiak took action by creating an innovative, controlled-environment training program where new hires could learn the roofing craft under the guidance of an experienced roofer, Art Taylor. In 2018, 43 new hires went through the three-day program at either of the two indoor training sites — a 2,500-square-foot facility in Waite Park, and a 3,000-square-foot facility in Brooklyn Park.

The result, Scepianiak says, has been a much higher employee retention rate.

Not only do new hires commit early-learning mistakes in a training center, instead of on a client's roof, but they also learn faster, Scepianiak says.

Buoyed by the success of that operation, Horizon launched a second training program last year: a free, seven-day "community outreach program" that provided training for people interested in developing skills that would help them become more employable. It also provides Horizon a pool of potential workers to draw from. Last year, Scepianiak hired five graduates of that program.

Scepianiak says that the success of the company's training programs has caught the attention of employers in other industries but that the level of required commitment is a challenge for most.

"For us, it's not only investing in our people now; it's investing in the company and the future," he says. "If you want to get ahead in the future, you need to do things now to create that foundation."

– Dick Dahl



## OTHER



## Laketown Electric Corp.

**Business:** Commercial and industrial electrical contractor and engineering company

**Based:** 8470 State Highway 5, Waconia

**Founded:** 1975

**CEO:** Matt Bergmann

**Employee count:** 110

Steadily increasing business demand and a recent acquisition of Mankato-based Javens Electric led Laketown Electric Corp.'s workforce to grow from just 20 to 110 employees in the past six years after the death of former company President Dave Bergmann.

"The acquisition last August of Javens Electric brought on 29 employees," CEO Matt Bergmann, Dave Bergmann's son, said. "But most of our growth has been organic," he said. "We've done a better job of marketing ourselves and we've grown with our customers. We proved ourselves over the years and showed ourselves capable of doing challenging, large-scale work. It's all about the relationships and partnerships we've built over the years that helped us grow, which has also led to many referrals."

Education has been an important sector for the Waconia-based electrical contractor as it worked on more than 1.2 million square feet of space last year. "We've worked on public facilities, private, charter schools and universities," Bergmann said. "Our favorite projects are design-build in the \$500,000-\$5 million range in electrical

scope."

While Laketown Electric's future appears solid, the declining number of young people going into the trades raises concerns. "It's not getting any better in our industry because there are not many people going into the skilled trades, unfortunately," he said. Laketown looks to hire employees who graduate from two-year trade schools and technically inclined "go-getters" who may not have advanced training.

The company offers free four-year apprenticeship training to employees as they work. Staff and outside vendors combine to assist employees in becoming licensed electricians, a four-year process involving 8,000 hours of field work and passing "a challenging journeyman's exam," he said.

"The biggest hindrance to our business is the availability of a skilled workforce as baby boomers leave the workforce," Bergman said. "We have to find ways to creatively replace them."

— Frank Jossi

## OTHER

Pictured from left are Oppidan staff members Michelle Riedel, developer associate, Drew Johnson, vice president of development, and Kim Kotila, executive assistant.

## Oppidan Investment Co.

**Business:** Real estate development

**Based:** 400 Water St., Suite 200, Excelsior

**Founded:** 1991

**Owner and CEO:** Joe Ryan

**Employee count:** 35

**Website:** oppidan.com

Oppidan Investment Co. has developed more than 475 projects since the company went into business 28 years ago. But its commitment to the community goes beyond brick and mortar.

That's because Oppidan considers investment in a community an ongoing responsibility that doesn't stop when a project is physically completed.

A prime recent example is Oppidan's Pillars Fund, through which the company has committed \$500,000 for purposes of furthering memory-care programming for residents in senior communities that the company develops. Upon completion of each senior-community development, Oppidan contributes \$100,000 for that purpose.

Oppidan's senior housing communities include The Pillars of

Prospect Park, The Pillars of Mankato, Highlands of St. Paul, Shorewood Landing and White Bear Heights.

This year, Oppidan will further its commitment to seniors in these facilities with virtual-reality programming, which is not only entertaining but has been found to improve residents' memories as well.

Excelsior-based Oppidan provides a full range of real estate services, including development, construction, and project management; asset management; and brokerage services to the retail, industrial, commercial, residential, senior housing and mixed-use markets.

Oppidan has developed projects in 36 states, encompassing some 22 million square feet, and valued at \$3.5 billion.

– Dick Dahl



## OTHER



## WeWork

**Business:** Provider of shared work spaces

**Minnesota base:** 225 S. Sixth St., Minneapolis

**Founded:** 2010

**Community director:** Alexa Bloom

**Employee count:** 25-plus locally

**Website:** [wework.com](http://wework.com)

The business of providing work space for businesses has become big business. Witness WeWork, the 9-year-old provider of shared work spaces that launched a presence in Minneapolis two years ago.

WeWork got off the ground in Minneapolis with a location at Capella Tower, and last year added a new 100,000-square-foot location at the MoZaic East building in Uptown — accounting for half the building. Syngenta plans to move 200 employees there in 2019. The third local WeWork location, in downtown's North Loop area, was announced recently.

WeWork currently has more than 425 physical locations in 100-plus cities. According to local community director Alexa Bloom, the Twin Cities have been a good fit for WeWork.

"The Twin Cities are home to innovative and forward-thinking businesses that want flexible and collaborative work space for their employees," she said.

WeWork hooks up with various entities to find available work space, including real estate brokers, economic development groups, and nonprofits like Bunker Labs, Beta.MN and HandsOn Twin Cities. Those partnerships help generate startup hubs and event and gathering spaces along with work spaces.

This year, WeWork plans to launch WeWork Labs, an in-house early-stage startup program.

"We have partnered with hundreds of landlords," said Bloom. "The reception from landlords in the Twin Cities has been incredible so far."

— Dan Heilman

## TECHNOLOGY

## ID Insight Inc.

**Business:** Financial fraud prevention and detection

**Based:** 900 Sixth Ave. SE, No. 215, Minneapolis

**Founded:** 2003

**Owner/CEO:** Adam Elliott

**Employee count:** 10

**Website:** idinsight.com



Adam Elliott

Using a proprietary, patented predictive platform to help banks recognize and stop fraud, Minneapolis-based ID Insight has tripled its revenue in the past four years, serving more than 2,500 customers, ranging from the top five American banks to community banks in some of the smallest towns across the country.

Back in the early 2000s, company founder Adam Elliott was working at eFunds Corp. — “which operated like a credit bureau for retail banks” — when he gained a close-up view of a developing trend. “We had been working with big banks on fraud solutions for a number of years, and by 2002 one thing we knew was that ID theft was on the rise.”

In early 2003, Elliott launched Minneapolis-based ID Insight, based on an “educated hunch” that identity theft could be detected by using data and predictive analytics, what he calls “access point intelligence.”

By understanding patterns of customer behavior — in particular the personal information customers use to connect with

financial institutions — ID Insight developed a predictive platform to make banks more vigilant and efficient in stopping fraud, a solution that has earned the company several patents.

With the worldwide proliferation of organized, increasingly sophisticated fraud rings, ID Insight has developed new technologies to combat fraud. One of its newest is called Search Engine Encryption Kit (SEEK). Using a proprietary database, SEEK enables banking fraud investigators to quickly and securely access data attributes that help them prioritize and investigate suspected fraud cases.

The enabling technology of the service is field-level encryption — encrypting data for each database field versus row, cell or file-level encryption. From the security perspective, field-level encryption offers the flexibility to select specific fields and unique algorithms for each. It provides a level of customization beyond that of competing, encrypted databases. The patented SEEK technology is the only solution of its kind available today, according to the company.

ID Insight hopes to reach the \$5 million revenue mark this year.

— Dan Emerson



## TECHNOLOGY



## MG McGrath Inc.

**Business:** MG McGrath Architectural Surfaces designs, fabricates and installs custom metal, composite and other wall panel systems for commercial and industrial buildings. MG McGrath Architectural Glass & Glazing designs, fabricates and installs glass curtain walls, storefronts, skylights and interior railing and stair systems.

**Based:** Architectural Surfaces, 1387 Cope Ave. E., Maplewood; Architectural Glass & Glazing, 1357 Cope Ave. E., Maplewood

**Founded:** 1985

**CEO:** Mike McGrath

**President:** Michael P. McGrath

**Employee count:** 300

**Website:**  
<https://mgmcmgrath.com>

While exhibits inside the Walker Art Center change regularly, the craftsmanship of MG McGrath Inc. is on permanent display in the glimmering facade of the silver tower highlighting the Walker's 2005 expansion.

Maplewood-based McGrath used technology — specifically building information modeling — to design the custom, asymmetrical, undulating, square shape for the aluminum panels that make up the tower's exterior cladding system.

The result, which avoided the need to produce thousands of custom stamps for panels for the project, was a more economical way to create the cubic tower's signature look and a new direction for the company, said Michael P. McGrath, president and son of CEO Mike McGrath, who founded the specialty contracting firm in 1985.

"It caught fire in our organization," the younger McGrath said of the company's use of technology. "We embraced it. We committed to it and said this is a better way to build, a better way to manage our

processes and ensure our success."

Technology has been a catalyst for growth ever since as MG McGrath has tackled bigger, more complex work locally and nationally, from U.S. Bank Stadium to Facebook's West Campus.

With 300 employees, MG McGrath has close to 100 more people working today than on average over the past three years, Michael McGrath said. Since 2010, the company's architectural surfaces revenue has grown to close to \$100 million, he said.

The company is using technology to automate processes, eliminate waste and deliver custom solutions more affordably, Michael McGrath said.

"We've invested exponentially year over year in technology and development," he said. "We're using some of the highest-tech software for what we do in the world. We partner with the makers of that software to be an extension of their research and development, the way we push the envelope, push the technology to do more."

— Todd Nelson

## TECHNOLOGY



## Norhart

**Business:** Apartment developer and manager

**Based:** 290 Ninth Ave. SW, No. 311, Forest Lake

**Founded:** 1993

**President:** Mike Kaeding

**Employee count:** 40

**Website:** [www.norhart.com](http://www.norhart.com).

So-called “smart” technology is beginning to have a greater impact in the apartment rental business, and Forest Lake-based Norhart is helping lead the way. Developing some of the first smart apartments in Minnesota, Norhart has increased its revenue by 31 percent, its growth by 15 percent and its profit by 52 percent within the past year, according to company president Mike Kaeding. Kaeding took over leadership of the firm in 2014 after the unexpected death of his father, company founder Edward Kaeding.

In 2014, Norhart had 211 apartment units. By 2017, Norhart had 296. And, by 2020, the company is expected to have 576 units. It’s on track to meet the 40-year-plan goal it set in 2016: to manage 192,097 units by 2056.

The company’s smart, multifamily showpiece is the 112-unit Emberwood Apartments, which opened last May in Blaine. It has about a dozen “automations”: automated lights (bedroom lights can be set to turn on gradually in the morning, just before an alarm goes off); door key-card readers, thermostats, motion sensors, energy-use trackers, and more, all of which are controlled by tenants’ smartphones. The smartphone technology also enables “self-guided” apartment tours, with a

downloadable app.

Later this year, Norhart will open its second smart complex, Gateway Green in Forest Lake, with 84 units in two buildings. This spring, the company plans to start construction of its third smart complex: the 91-unit Encore Apartments in Forest Lake. And Norhart is working on designs for a 300-unit smart apartment complex in Lexington.

Norhart has also focused on developing strategic partnerships with other, key service providers such as HomeTread, which provides onsite tire replacement. It’s also formed links with vendors for apartment cleaning, grocery delivery and personal training. “We want to provide more than a place to live; we want to give them a lifestyle,” Mike Kaeding says.

Norhart also sponsors community events to help its tenants build neighborhood relationships. The company is proud of its efforts to prevent homelessness, and supports the homeless through its partnership with Stepping Stone Emergency Housing, an Anoka-based nonprofit agency. The company has donated items, raised money for awareness, and helped people in the community from becoming homeless.

— Dan Emerson



## TECHNOLOGY



## Stoneridge Software

**Business:** Business accounting and operations technology consulting

**Based:** 118 Front St. S., Barnesville

**Founded:** 2012

**CEO:** Eric Newell

**Employee count:** 140

**Website:**  
stoneridgesoftware.com

The three founders of Stoneridge Software never dreamed that the company they launched in 2012 would grow as it has. From its humble beginnings in Barnesville, Stoneridge has experienced amazing growth — with 2018 standing as its biggest year yet.

Stoneridge is a Microsoft Dynamics Gold partner that provides consulting services to client companies looking to improve their efficiency and productivity by adopting a modern business technology platform and tools.

Leah Baker, the company's senior brand engagement manager, explains that for Stoneridge clients this means "an easy-to-use interface that can be accessed anywhere on any device, a fully connected system pulling together data from multiple lines of business, and business intelligence to help companies make informed decisions using real-time data."

Last year, Stoneridge acquired another Microsoft Dynamics company in Fargo, launched an ag-based spinoff company,

and saw its annual revenue increase by 60 percent — from \$16.8 million to \$27 million.

One of the biggest changes, however, was completing a major renovation of a historic building for use as the company's new headquarters — the second time Stoneridge has dealt with its expansion needs by renovating a historic building. In 2014, Stoneridge created office space by renovating the second floor of Barnesville's Old City Hall; last year the company did so with the T. Guinness building, which had sat vacant for 10 years.

Stoneridge now has about 140 employees and has added an office in St. Louis Park. But Barnesville remains its base — about 25 of the company's employees work out of the 7,500-foot Barnesville headquarters, and plans are in the works for a "consultant training academy" there this year.

— Dick Dahl



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