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Leadership, Opportunity, Growth

SPECIAL REPORTS

Hard Wiring the Enterprise

VC Funding Hits Rock Bottom

Making Waves on
Minnesota Lakes

Tony
Christianson

Gordon
Stofer

Trade Secret

Cherry Tree Investments is the force behind Minnesota's top entrepreneurs. Now its founders seek to prosper by bottling their own special formula for success.



Trade Secret

The force behind many prosperous Minnesota firms, Cherry Tree Investments' founders have developed their own formula for success

Written by Mark Druskoff • Photos by david neiman

What's the most valuable commodity known to man? Oil. Gold. Gems. None of the above. It's innovation. And over the last two decades the single greatest source of innovation in the economy has come from entrepreneurs.

In fact, master business strategists have increasingly come to rely on the innovative capacity of entrepreneurs to solve long-standing technical or marketplace dilemmas. Not surprisingly, entrepreneurs and their organizations have become valuable commodities. When word got out that real money could be made trading in startups, an explosion of fortune seekers poured into the private equity markets seeking quick riches.

That Gold Rush, however, has come and gone. Yet entrepreneurs are still plugging away on their computers—or in those apocryphal garages—trying to build the better mousetrap. That's not news for Anton "Tony" Christianson and Gordon Stofer. Veteran venture capitalists, they've been participants in the "entrepreneurial economy" for the last 22 years. They've seen its rise. They've seen its fall. Now, they say, they're seeing the emergence of the next stage of entrepreneurialism.

And being driven entrepreneurs themselves, they're now busy molding their Minnetonka-based Cherry Tree Investments, Inc. into a sort of meta-enterprise that bottles their knowledge and understanding of entrepreneurs and provides it to willing consumers.

Entrepreneur²

"Tony and Gordon have been the quiet force behind a lot of successful Minnesota businesses," says Wade Myers. He is co-founder and chairman of Scout Information Services, and its high-profile spin-off, Interlate.

"They're very smart, very patient, ethical, fair minded people," says Myers, a former Airborne Ranger and decorated Gulf War veteran. "You can't say enough good things about them. I've certainly run into lots of investors that are anything but those sorts of things. Tony and Gordon are head and shoulders above a lot of the people in the industry."

In many respects, Myers' relationship with Cherry Tree is a typical one. Leaving Boston Consulting Group, Myers came to Minneapolis to work with Cherry Tree to begin a roll-up of IT services firms. Cherry

Tree provided the financing, expertise and strategic consultation to help Myers acquire three firms to form Scout. Then in a pattern that has oft been repeated at Cherry Tree, Scout served as an incubator for Interlate, a CRM software provider, which was spun off as a separate company.

"Tony and I together hatched the idea for Interlate," says Myers. "He's very entrepreneurial in terms of understanding how to get things started, and he has lots of great ideas. What he would do is challenge me with new ways of thinking, and I would go out and test it in the marketplace, make sales calls and do research, and then come back. When it got to the point where it looked like it was a real opportunity, we founded the company." To date, Interlate has amassed \$75 million in equity financing and generates an estimated \$20 million in revenue.

It is just one of many deals Cherry Tree has been involved with since its inception.

Christianson and Stofer originally teamed up during their tenure

Companies Invested In

Advanced Circuits	Fourth Shift	Peoples Publishing
Applitek	FSI International	Petco (PFW)
Aprisa	Garden Fresh	Plato Learning
Arbor Health Care	Genesis	Powcon
Aurum	Goldner Hawn	Raymedica
Bioseeds	Harmony Brook	Ringer
Bright Start	Interlate	Republic Telcom
Buffets, Inc.	Insignia Systems	Scout Information
Capella	Instrumental	Select Comfort
Catalog Card Corp.	Intercim	Seniority Systems
Cedar Surgical	Interpore	Share Development
CLMI	Jiffy Lube	Spinnaker
CNS	J3 Learning	Teacher Learning
CODA Music Tech.	Kronos	Transport America
Community First	Linkup	United HealthCare
Comserv	Mamac	United Market Services
Computer Petrol.	Mediject	
Dolan Media	MetaFarms	Varitronics
Datamyte	Network Comm.	VideoDiscovery
Ehrhorn	National Information	Wessels Arnold
Founding Partners	Ovabloc	

at Norwest Equity Partners, a venture capital firm that was known as Northwest Growth Fund in those days. Christianson, a native Minnesotan, had come to the job in 1978 after securing his MBA from Harvard. Stofer, also a Harvard alum, had arrived at Norwest just a year earlier after working as an engineer at Honeywell.

By 1980, however, the two men were ready to strike out on their own. Their idea was not to continue being venture capitalists—not so glamorous a career in those days—but rather to become business owners by buying out an existing company. One of their inspirations was Charley Oswald, the then-CEO of National Computer Systems (now NCS Pearson Plc), who they'd worked with at Norwest. Through dozens of acquisitions, Oswald built up the small, Minneapolis-based automated test-grading company into a \$236.7-million company by the time he left in 1994.

After being an investor for less than three years, Christianson admits that he had somewhat naïve notions of what it took to run a company. “This business of being an entrepreneur looks pretty good,” he remembers thinking.

Stofer says their strongest asset was optimism. “We had no money and no operating talent, but enthusiasm carried the day. ... Everyone thought we were crazy and taking an awful lot of risk. But from our point of view this made all the sense in the world, and so we just did it.”

One of those naysayers was Oswald himself. He was one of their first financial backers. Oswald met with the pair soon after they had launched their new firm, CSF (Christianson Stofer Financial) Company.

“I challenged their sanity,” says the straight-talking Oswald. “I said, ‘You guys are deal makers, you’re not going to build a company. You ought to stick to deal making.’ They said, ‘No we want to do what you’ve done. We’ll find a company.’” Oswald told them, “My guess is you’ll starve while you’re doing it.”

He was impressed enough with the pair, however, to ask them to advise him on a deal. That engagement plus some other investment work helped fund Christianson and Stofer while they searched for an acquisition target.

“We didn’t have a lot of luck at finding a company to buy, though we got close a couple of times,” says Stofer. “This is when the leverage buyout phenomenon was just starting, so we were pretty confident we could get capital to back us in a transaction. But it took quite a bit longer than we thought.” The pair did ultimately purchase a company called Catalog Card Corporation. It was a small but profitable firm that made catalog cards for libraries. Oswald, who had once owned the firm and was helping the then-owner to sell out, brought the deal to them. Stofer drummed up the cash to make the purchase from wealthy individuals he and Christianson had

“They’re very smart, very patient, ethical, fair-minded people. ... I’ve certainly run into lots of investors that are anything but those sorts of things.”

—Wade Myers, chairman and co-founder, Interelate

worked with at Norwest, as well as Charley Oswald.

After a year, however, it became clear that operational leadership was not where they excelled. “Tony and I realized that we were in the office of the CEO, but we were basically in the office doing deals.” They began considering going back into venture capital, so they talked with their financial backers. “They were happy that we came to the revelation that we were really investors, and not operating executives.”

Pooling several investments they’d made for Oswald and the others and finding additional investors, Christianson and Stofer renamed their firm Cherry Tree Investments, and created their first venture fund, \$9.8-million Cherry Tree I. They then hired a CEO to run Catalog Card Company and made it part of their portfolio. (Later they would sell the company back to Oswald, where it became a division of NCS.)

Product Launch

The timing of Cherry Tree’s inception was fortuitous because the venture capital industry was beginning to undergo the changes that gave rise to the modern VC industry. Christianson explains

Leader Profiles

Tony Christianson



Age: **49**

Hometown: **Elbow Lake, Minn.**

Family: **Wife, Paige; 6 children, ages 5-17; oldest in family of 10, youngest brother, Nick, works for firm**

Education: **B.A., St. John’s University; MBA, Harvard Business School**

First Job: **Arthur Andersen, information technology division**

Now: **Managing Partner, Cherry Tree Investments**

Current Directorships: **Ameripride Services, Inc., Capella Education Company, Dolan Media Company, Fair, Isaac & Company, Greenspring Companies, MetaFarms, Inc., Scout Online, Inc., Transport Corporation of America**

Gordon Stofer



Age: **54**

Hometown: **Rocky River, Ohio**

Family: **Wife, Debbie; 5 sons**

Education: **B.S., engineering, Cornell University; MBA, Harvard Business School**

First Job: **Westinghouse, salesman**

Now: **Managing Partner, Cherry Tree Investments**

Current Directorships: **Dynamic Bandwidth, Insignia Systems, Metafarms, Inc., Rotherwood Corporation, Scout Online, Inc., VEE Corporation**

that in the early 1980s large companies were just beginning to view startups as potential sources of significant new technologies that they could acquire. The expanding base of potential buyers gave rise to increasing numbers of entrepreneurial firms. And as the startups sought to solve more complex business problems, they asked for more and more capital.

The net result: larger and greater numbers of deals.

VCs were able to fill those requests for capital because potential sources of funds were also multiplying. Institutional investors, like pension funds and insurers, were becoming increasingly interested in venture funds as an asset class.

For Christianson and Stofer, it quickly became evident that the \$10-million Cherry Tree I was not enough given this new environment. Specifically, they did not just want to be passive investors, they wanted to be lead investors. And that took more capital. So just a year later, Christianson and Stofer raised a second \$30-million fund, Cherry Tree II, this time soliciting the funds from institutional investors, such as the Delaware Public Employees Retirement System.

To assist in managing these funds, Christianson and Stofer hired Lloyd “Buzz” Benson, who now runs U.S. Bancorp Piper Jaffray’s equity fund. His job was to seek out Minnesota-based healthcare services companies. One early investment was Share Development Corporation, which was ultimately merged with the nascent United HealthCare, which Cherry Tree also had invested in.

There were other notable investments in the early years. Cherry Tree was one of the original investors in Buffets Inc., which launched in 1984 with one small store and would later grow into a \$600-million restaurant chain. Another firm was Varitronics, a successful lettering machine manufacturer, founded by Scott Drill and G.L. Hoffman. Drill and Hoffman later spun out a new company called Insignia Systems (Nasdaq: ISIG). Stofer currently holds a position on the \$19.9-million company’s board of directors.

Not every investment was so successful, however. For instance, an early investment in a company called Jonathan Dental went nowhere. Truffles Chocolatier Boutique was another firm that ended up going bankrupt. Later, Christianson and Stofer became involved in Select Comfort, the promising bed manufacturer that burned many a Twin Cities investor before it began its turn around. (The \$261.7-million company announced its second consecutive quarter of profitability at the end of 2001.)

Cherry Tree performed well enough to continue attracting capital—creating a \$31.5-million fund in 1987 and then a smaller \$16.2-million fund in 1991—bringing the total amount raised to \$87 million. As an organization, Cherry Tree focused its strategy almost exclusively on venture capital, which meant raising capital from investors, identifying promising entrepreneurs and enterprises to invest in, and then managing the portfolio of companies. But as the entrepreneurial economy that drove venture capital began to change, Cherry Tree changed as well.

Tinkering with the Formula

Beginning in the early 1990s, Cherry Tree spent less time seeking out new deals and more time advising their existing firms. The shift took place as the scope and scale of the companies Cherry Tree sought to develop rapidly ballooned. Timelines length-

Leadership Team

Tony Christianson	.Managing Partner
Gordon Stofer	.Managing Partner
Wayne Atkins	.Managing Director/COO
Chuck Gorman	.Managing Director
Erik Hom	.Principal
Jane Bortnem	.Controller
John Bergstrom	.Venture Partner
Jim Caldwell	.Venture Partner
Wade Myers	.Venture Partner
Frank Pass	.Venture Partner
Ken Roering	.Venture Partner

ened and so-called liquidity events, IPOs, mergers or acquisitions, became farther apart.

One company Cherry Tree began working with at that time was Capella Education Corporation [Feature Story, November 1999]. Steve Shank, the online education company’s founder, approached the firm in 1991 with the idea of developing a distance learning company. Shank was willing to put up half the money, but he did not have the right skill set. “My experience had all been on the corporate side,” says Shank, who’d recently left the ailing Tonka Corp., “and starting up a business from scratch was a new experience for me.”

Similar to the “incubators” of the Internet boom, Cherry Tree provided Shank the office space and support staff to research the viability of his idea. They also provided strategic consulting. It ultimately took four more years to get the company rolling. But Shank notes how patient the firm was with him throughout the process.

“We have never been subject to any of the pressure that you worry about with venture capital—the let’s-go-in-on-this-and-get-the-fastest-turn-of-the-buck,” says Shank. “The focus has always been on building long term value.” In fact, Shank considers Cherry Tree a co-founder of firm.

So far it’s been a very successful partnership. Capella has managed to raise \$62-million in private equity financing from many different firms, generate revenues of \$30 million and is recognized as one of the leaders in its industry. Christianson currently sits on its board of directors.

Another successful relationship that emerged in the early 1990s for Cherry Tree was its partnership with Jim Dolan [Feature Story, September 2001]. A former investment banker himself, Dolan formed a joint venture with Cherry Tree called Dolan/CTV Acquisition Company. “We didn’t even know what we were going to acquire,” says Dolan. “We just knew we wanted to do it together.”

Eventually, Cherry Tree helped Dolan to secure debt and equity funding to buy up local legal newspapers around the country, starting with *Finance and Commerce* here in the Twin Cities, to form Dolan Media. It is now an estimated \$100-million company. Dolan says it was the brainchild of both he and Christianson.

“He’s a lot like a psychologist,” observes Dolan. “He’s a wise person who says, ‘What do you think that means?’ It’s sort of a Socratic method where it’s talked out. He’s a really smart guy, so his ideas definitely come out. But it’s never a lecture. It’s never a set

Company:	Headquarters:	Assets:	Inception:	Employees:
Cherry Tree Investments	Minnetonka	\$70M	1980	14

of instructions or a blueprint that's handed from him to you. The outcome is better for it."

Having worked with hundreds of venture capitalists, Dolan believes Cherry Tree's partnership approach is unique. "I've heard this is what venture capital used to be like," notes Dolan. "But I don't know of anyone else doing this." Nowadays, he says, venture capital firms get pulled into a rat race of raising more and more capital from big investors, who demand returns, which takes away from a VC's ability to work with his or her portfolio companies.

Cherry Tree bucked that trend. By 1995, the firm had invested all its available capital, but Christianson and Stofer elected not to start another fund. Instead, the firm began to explore new territory. They formed an affiliated investment bank, Cherry Tree & Co., with partner Dave Henderson and, later, Kevin Green. The reason was two-fold: diversification and, more importantly, getting the most value for their expertise.

"We've worked with over 100 companies, we've done a large number of mergers and acquisitions—sell, buy and everything in between," says Christianson. "So why don't we create an operation that bottles that expertise ... and offer that service on a stand-alone basis?" Taking such a step, Christianson says, moved Cherry Tree away from the traditional VC model of bundling asset management and advisory services together.

At the time, Christianson—who is the firm's acknowledged visionary, while Stofer is the nuts-and-bolts guy—believed that IT services was about to experience a boom. "The basic idea of IT services," explains Christianson, "was that with the new global network beginning to be put in place, there was a huge drive by enterprises to reconfigure their systems. That would create a huge amount of virtual construction activities—the Web needed to be built."

So Cherry Tree & Co. focused its efforts in that arena. The new operation compensated for the fact that Cherry Tree was not heavily engaged in the dot-com boom through its investing efforts. Cherry Tree & Co. handled mergers & acquisitions, private equity placements and advisory services for software and IT Services companies, and even formed a research group that covered scores of companies.

After the "return to normalcy" in 2001, Cherry Tree & Co.'s Henderson and Green split off from Cherry Tree, buying out Christianson and Stofer's shares, and renamed the investment bank Triple Tree. The 13-person Edina-based firm continues with its focus on information technology. According to Christianson and Stofer, Triple Tree's Henderson and Green remain good friends and associates.

With the impending departure of Cherry Tree & Co., suddenly Christianson and Stofer had the opportunity to revamp and reevaluate the strategic direction of their firm.

New and Improved

The latest endeavor for Cherry Tree is Cherry Tree Development, begun in 1999. It is a corporate advisory created to help large companies harness entrepreneurial thinking

and bring it into their organization.

"If I'm a decent sized organization, our number one problem in life is that we don't have enough organic growth," argues Christianson. "I did cost cutting. Then I did acquiring. But those gains are played out. Now my life is reduced to the basics of business, which is organic unit growth. That's hard. That takes brand new products, new ventures, new channels. That takes people who can create sales pipelines from nothing. All those are things that entrepreneurs do."

Already Cherry Tree has two corporate clients. Navitaire is an application service provider (ASP) for airlines, which is the result of work done by Accenture, the technology consulting spin-off of

Corporate Timeline

- 1980** ▶ Gordon Stofer and Tony Christianson leave Northwest Growth Equity, now Norwest Equity Partners, to form CSF Company
- 1981** ▶ Acquires Catalog Card Corporation
- 1982** ▶ Forms \$9.8-million Cherry Tree Ventures I (CTVI) with capital from five local families
 - ▶ Catalog Card Corporation becomes a CTVI portfolio company
 - ▶ CSF Company changes name to Cherry Tree Investments, Inc.
- 1983** ▶ Forms \$29.5 million Cherry Tree Ventures II with institutional funds; Minnesota focus/targets healthcare industry
- 1987** ▶ Forms \$31.5 million fund, Cherry Tree Ventures III; Minnesota focus/targets education industry
- 1991** ▶ Forms \$16.2 million fund, Cherry Tree Ventures IV; Minnesota focus/targets education industry
- 1992** ▶ Co-founds Dolan Media with Jim Dolan
- 1993** ▶ Co-founds Capella Education with Steve Shank
- 1996** ▶ Co-founds Cherry Tree & Co., an affiliated investment banking firm, with Dave Henderson
 - ▶ Co-founds Scout Information Services with Wade Myers
- 1999** ▶ Forms corporate venturing advisory, Cherry Tree Development
 - ▶ Co-founds Interelate with Wade Myers, through spinout from Scout
- 2000** ▶ Co-founds internally funded new ventures: MetaFarms, Linkup and Teacher Learning
 - ▶ Forms \$10-million Rotherwood Ventures with local family
 - ▶ Co-founds OptiFI with Fair, Isaac & Co.
- 2001** ▶ Sells Cherry Tree & Co. to management, which changes name to Triple Tree
 - ▶ Forms Cherry Tree Securities as a wholly owned subsidiary
- 2002** ▶ Forms School Power venture fund; education focus
 - ▶ \$70-million currently under management

“We have never been subject to any of the pressure that you worry about with venture capital—the let’s-go-in-on-this-and-get-the-fastest-turn-of-the-buck. The focus has always been on building long term value.”

—Steve Shank, founder and CEO, Capella Education Corp.

Arthur Andersen, for Northwest Airlines. And Cherry Tree is also working with Fair, Isaac and Co. to create a spinout called OptiFi. Stofer expects to have several more clients by the end of the year.

Both men say the changes from venture capital investing to consulting illustrate how they’ve positioned and repositioned themselves to achieve the best results. “We didn’t have this idea when we started out,” admits Christianson, “but over time our insight about ourselves is that our core capability is understanding the entrepreneurial economy.”

The move by larger corporations toward an entrepreneurial mindset could be a boon to Cherry Tree because it will redefine entrepreneurialism, according to Christianson. “If you talk to a lot of corporate CEOs and managers, they view themselves as entrepreneurs. And in many respects they are. They’re driven, they have tremendous focus, they’re starting new business lines, taking more risk. The entrepreneurial world now encompasses a lot more than just the new venture world that we used to work in.”

If such a world comes into being, Christianson and Stofer believe they will be ready to benefit through the various arms of their firm: providing venture capital to corporate spin-outs, gathering investment banking fees from mergers and acquisitions transactions, and earning dollars from corporate consulting.

To those ends, Christianson and Stofer formed a new investment banking subsidiary, Cherry Tree Securities, last year after Cherry Tree & Co. was sold to management.

Spotting opportunities in the economy, Cherry Tree has also begun investing again. The firm created the School Power venture fund this year, which focuses on education companies, and Cherry Tree manages \$10-million Rotherwood Ventures for the Oswald family. Christianson and Stofer have also begun to dabble in the public markets through PIPES—Private Investment in Public Equities—which have become popular of late among the Twin Cities’ investment banks.

“Since the 1980s, investment bankers have taken a phenomenal number of companies public,” says Christianson. Yet because of the economics of investment banking, it’s almost impossible for the big firms, such as Deutsche Alex. Brown or Goldman Sachs, to follow a company unless it has a market cap of \$500 million.

“So you have, I’m going to guess, half of all companies moving into what we call the ‘Twilight Zone,’ ” says Christianson. “Maybe they’re not a bad business. They’re moving their business forward, they have a board of directors and a management team, and decent

prospects, but they’ve lost all coverage, nobody wants to trade them ... there in a sort of netherworld. There are now thousands of companies like that.”

Stofer notes that the Twin Cities is a haven for such companies because our community has historically had a network of small investment banks that would do \$5 to \$10 million IPOs.

Christianson sees this problem as the next great challenge for the capital markets, which he says, “need to evolve some new processes to do something with those companies.” He believes four main options are open to these unfortunate public companies: they will get help to rise up to a level where they are again on the radar screens of investors, they’ll be saved by the emergence of a new class of microcap institutional investors, they will be taken private or they will be acquired.

Christianson notes that for “anyone with a pool of capital, that’s a pretty interesting target.” And that includes Cherry Tree.

Christianson says Cherry Tree has already used a PIPE to rejuvenate Plato Learning (Nasdaq: TUTR) [Feature Story, January 2001] by supplying it with enough capital to move it back into the ranks of growth stocks. And it has taken another company, Computer Petroleum, private.

Stay Tuned...


What does the future hold for Christianson and Stofer? “We were advised when we started that 50/50 partnerships don’t work,” Stofer notes. “So here we are 23 years later.”

Both men see their future as expanding on the organization as they’ve currently established it. “We’ve got some great people working for us now,” Stofer says, singling out Wayne Atkins the firm’s new COO. Most recently Atkins was president and COO of Entrenaut [Emerging Companies, June 2000], a local business incubator, and was a strategy consultant for Gemini Consulting. “So we have the next generation management group being groomed. ... In terms of the talent that we have, I don’t think we’ve ever had better talent internally.”

Cherry Tree has been filling out its roster by making several recent hires, including Atkins, and new venture partners such as Frank Pass, former CEO of Minnesota’s first biotech company, MGI Pharma, and Interelate’s Wade Myers. They will generate deal flow and test new business concepts.

As for growth objectives, the two give few details. “Let’s just say we’d like to be doing the exact same thing, but a lot more of it over the next 10 years,” says Stofer.

“Not with too much sense of urgency,” adds Christianson. “We do have a reasonably good diversification that seems to be working well.”

One possible strategy is geographic expansion. The firm already has one employee based in San Francisco. But Minneapolis will remain home for the foreseeable future. “Minnesota is still a terrific base,” concludes Stofer. “It’s a great entrepreneurial economy, so we’re always going to have operations here.” 

Mark Druskoff (markd@minnesotabusiness.com) is editor of MinnesotaBusiness Magazine.

LETTER FROM THE EDITOR



PHOTO BY david neiman

Welcome to the 11th anniversary issue of *MinnesotaBusiness Magazine*. I'm proud to be able to say that because the publishing business, like so many others, is a tough racket to survive and prosper in. But that's exactly what we've done by bringing you first-person coverage of Minnesota's entrepreneurs and growing enterprises.

After so many years watching the trials and travails of entrepreneurs and their companies, I've come to this conclusion. What makes an entrepreneur is not just guts, instincts or dumb luck. Certainly you need all of those in certain amounts, but the true strength of entrepreneurs is their drive. That is, the ability to not just spot an opportunity, but also the desire to do something about it.

If plan A fails, they don't throw up their hands in defeat, they try plan B. If that fails, they'll try another and another. Along the way they may discover that although plan B did not meet their original objective, it's a perfect fit for another opportunity they hadn't even considered before.

Is it any wonder, then, that entrepreneurs tend to be more productive innovators than other businesspersons? Just take a look at the top patent holders in Minnesota. Between 1996 and 2000, the top corporate innovator, 3M, secured 1,457 patents. But individuals obtained even more—1,516. In a knowledge economy, sources of innovation become sources of wealth.

Tony Christianson and Gordon Stofer, the focus of this month's cover story, recognized this trend more than two decades ago when they founded Cherry Tree Investments. Since that time, they've quietly built their firm by finding, funding and advising some of Minnesota's most successful entrepreneurs. In Tony and Gordon's words, they've prospered by leveraging their understanding of the "entrepreneurial economy."

Read the story of these two low-profile power players and learn how they plan to capitalize on the next stage of entrepreneurialism [see "Trade Secret," page 54].

In this issue, we also take a look at the broader private equity marketplace in a special report on venture capital. And we present our first-ever list of over 100 private equity resources [see "Rock Bottom," page 48]. Plus we provide advice on selecting and implementing an enterprise software package for your company in our E-Biz report, and highlight the Twin Cities' local concentration of enterprise software vendors, [see "Hard Wired," page 20].

I'd like to encourage you all to stop by our booth at the 2002 Strictly Business Expo and then stay for our May 8th networking extravaganza—the *MinnesotaBusiness* After Hours® LIVE—held in concert with Netsuds.com. This will be our biggest event yet with networking opportunities with 1000+ professionals and business leaders. (See the ad in this issue for further details.) I'll see you there!

Correction: In our January 2002 cover story, we gave the impression that Dougherty Financial Group is the sole owner of Chicago-based Segall Bryant & Hamill. It, in fact, is 45-percent owned by Dougherty.

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