

9 Mar 89

TO: North Dakota Enthusiasts

FROM: Al Olson & Clyde Eisenbeis

SUBJECT: Lunch & Program

11:15am

Friday, 21 Apr 89

Minneapolis Athletic Club

The North Dakota Enthusiasts, a loose-knit group which gathers for lunch about three times per year to celebrate our prairie origins, will meet again on 21 April.

The January gathering included comments regarding economic development in North Dakota and an excellent video of filmed interviews with North Dakota "old timers". The group consensus was that a North Dakota Society which would meet once per year should also be organized.

The tentative schedule for the April gathering includes:

- 1) Comments by Tom Hunt of Capital Dimensions, Inc. who is managing a fund which is geared toward economic development in North Dakota.
- 2) A discussion of what we think we can do to help the economic situation in North Dakota (see the enclosed list of ideas).
- 3) An update on the North Dakota Centennial.

The April gathering will again be an excellent opportunity to meet other enthusiastic North Dakotans who have been transplanted to the Twin Cities area.

Please call Al Olson's secretary at 854-9200 two weeks before the gathering if you plan to attend for a final "head count". Also, if you would like to add someone to the enclosed mailing list, please call. Thanks!



PS Please invite another Enthusiastic North Dakotan to come with you for the next gathering!!!

<> The following ideas (not prioritized) for "Economic Development in North Dakota" come from past meetings of the North Dakota Enthusiasts and the U of North Dakota Engineering Advisory Council.

- Sponsor a "Suppliers Conference" which includes purchasing agents from large corporations and North Dakota business representatives. The intent is to gain insight as to what products/services corporations need that ND businesses might be able to fill.

Across the country, large corporations are turning to local suppliers as local suppliers can do some things more efficiently and cost effectively than corporations. Over the past ten years, many large corporations have "down-sized" while the small companies have provided the new jobs.

- Help North Dakota businesses identify other North Dakota businesses which can provide goods and services to each other and help keep the money in the state (but only if the cost/quality/service meets or exceeds the requirements). NSP has recently begun this process within its service region.
- Work closely with utility companies such as Otter Tail Power and NSP who have a vested interest in helping get new companies started. Utilities generally "know a lot" about their customers.
- Identify and recruit small companies in neighboring states that need more room to expand. Many entrepreneurial efforts are spin-offs of large corporations.

Most entrepreneurs appear to start their companies where they live. Eventually, if they are successful, they outgrow their facilities and need space for expansion.

There are bound to be some that would find the resources of North Dakota to fit their needs. (Most new jobs are created by small companies.) Identifying and tracking them (similar to the current effort of Otter Tail Power) would be time/money well spent.

- Identify and recruit companies (or individuals with experience) in the telecommunications, software, or computer assisted business which is not dependent on transportation.

Insurance companies may need a sales office in New York and other metropolitan areas. But their "back office" which handles the paperwork and phone calls

could easily be located in North Dakota which has low property costs, low labor costs, and friendly people who put in a good day's work for their wages.

800 number watts lines could be located in North Dakota for taking orders over the telephone and transmitting the orders via computer to the manufacturing sites via telephone.

Some good examples are the travel agency which services the entire country and is located in Linton, ND and a freight and tariff company which is located in Pembina, ND.

- Focus on businesses which require quick service. A recent article in INC magazine featured Dell Computer Corp.

Dell, which provides excellent customer service via telephone, also keeps track of the types of questions being asked. If there is a trend, they can make a design change and implement the change on the manufacturing floor within two days. The Japanese cannot even begin to respond this quickly (the trip via boat alone takes 30 days).

- Provide training to North Dakota businesses (perhaps by video tape or seminars at UND) which covers topics such as:
 - > Understanding expectations of large corporations in the areas of cost, quality, and service.
 - > Keeping costs under control (just in time mfg, etc).
 - > Building quality into the product.
 - > Providing service that gets corporations' attention.
- Provide cash grants (\$50,000 each ??) no strings attached to the top ten business plans presented from within or outside the state. The companies would have to be based in North Dakota, but the money could be spent any way they want (ie marketing study, tooling, etc) and would not have to be repaid.

\$500,000 spent each year by the state this way has a much higher chance of producing some start-ups than spending \$500,000 on another "study" (and in both cases the money is gone forever).
- Identify and recruit "mentors" (many of whom have left the state) who are willing to donate one day per year of their time to help a start-up in North Dakota.

This would also establish a network of people who could help open some doors.

- Identify and recruit "angels" (individuals who have cash and could afford to lose some without a financial hardship). The intent is to "home grow" North Dakota entrepreneurs by helping them start companies without penalizing them if they fail.

Many of these entrepreneurs are bound to learn from their failures so that they do a better job the next time and eventually succeed.

There are quite likely many entrepreneurial North Dakotans who have drive, ambition, and entrepreneurial skills but lack finances and don't have all of the necessary knowledge and experience. "Angels" and "mentors" could remove these obstacles.

- Focus on companies that bring money into the state vs recirculating the money that is already in the state.
- Identify and recruit North Dakotans who have left the state that have entrepreneurial interests.
- Provide free legal assistance with incorporation of companies, trademarks, and patents.
- Provide a list of qualified attorneys who are interested in helping start-ups.
- Provide free assistance in matching entrepreneurs with loan pools, other financial options, and "angels".

'Enthusiasts' miss N.D., look for ways to keep people here

By Steve Schmidt
Herald Staff Writer

A loose-knit Minnesota group called the North Dakota Enthusiasts is looking for ways to make North Dakota a better place to come back to.

The leader, Clyde Eisenbeis, is a Beulah, N.D., native and UND graduate who works for 3M Co. in St. Paul as an electronic design engineer. What he and the other members of his informal group have in common is that they miss North Dakota.

One of their luncheon guests has been

former North Dakota Gov. Allen Olson. Others have been executives from Twin Cities companies like 3M and Pillsbury.

Eisenbeis, who was at UND Friday for National Engineers Week meetings, said the North Dakota Enthusiasts are interested mainly in the kind of economic development that would help North Dakotans either stay in their state or return before their careers and families are too entrenched elsewhere.

"Two of us, three of us actually, we just got together for the heck of it for lunch once and said, 'OK, what can we do? Can

we do things to help get business going in North Dakota. What can we do to help make things happen?'"

They've met four or five times in the past year. The original Enthusiasts were Eisenbeis; Bill Isaacson, a 3M executive who has business interests in Stanley, N.D.; and Ted Lennick of Cooperative Power Association in Edina, Minn.

The turnout for North Dakota Enthusiast lunches has grown to 28. They meet about once every three months — and their speakers have included William

Patrie, the director of North Dakota's Economic Development Commission.

So far, the Enthusiasts haven't come up with any answers to the flat North Dakota economy.

Eisenbeis said, "There are no clear-cut solutions on how to get business going up there, but by at least getting together to talk about it, you increase the odds. If nothing else, you make people aware. And maybe there are some things we could do to shove some of our business opportunities up there." He spoke —

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enthusiastically, of course — about "mentoring."

That would be a way of using an established Twin Cities business, for example, to give advice a few days a year or a month to a fledgling entrepreneur in North Dakota. The outside firm would be the mentor until the new business worked out the early bugs in production, management, bookkeeping or marketing.

North Dakota engineers at UND similarly have offered their "mentoring" resources to foreign energy ministries, such as in Korea and Taiwan, as they develop modern coal and power production industries.

Eisenbeis believes that among the ex-North Dakotans he knows, "the one consistent thread is that almost everyone says, 'I really love North

Dakota.'"

He said, "Many would like to go back again. A lot of people find that after having been gone a few years, they really start having second thoughts. They realize how nice they had it here. The big city's nice and all that, but after a while, you sort of appreciate that there's something about the North Dakota area and the people that has a lot of appeal. Especially when you get tired of walking behind people in the crowds...."

Eisenbeis, who lives in Oakdale, a Twin Cities suburb, is chairman of UND's electric engineering advisory council. He has led design of a cochlear ear implant, a miniature radio system, to restore hearing among the deaf. His current project at 3M is to design "anti-shopping devices."