

## **GNDA business conference explores new dimensions**

Staff Report., March 2004 – ‘Business As Unusual’ was the theme of the annual 2004 North Dakota Business Conference, held February 2, 3 at the Fargo Holiday Inn under the leadership of the Greater North Dakota Association (Dave MacIver, President) and primary sponsors Qwest Corporation, Phoenix International, and the North Dakota University Systems.

Highlighted by the annual statewide awards program on Monday evening, the two days were filled with general sessions and breakout sessions on economic development, business ethics, worksite wellness, venture capital, growing businesses, recruitment retention, and leadership development. **One session featured Clarence O’Berry, Jr., chief executive officer of Mandaree Enterprise, an Indian-owned and operated business with offices in Mandaree, New Town and Whiteshield, ND, and far-flung outposts in Cincinnati, Philadelphia, and Washington, D.C.**

The conference’s keynote speaker, John Kikoski of Dignitas Partners LLC, painted a rather somber picture of the venture capital world since the economy slid into recession, saying there was less than \$3 billion deployed in 2003 and that over \$55 billion in venture capital is “sitting on the sidelines.”

Aided by a PowerPoint presentation, Kikoski tracked the evolution of venture to its current condition of syndicated deals, more equity transferring to the VC investors (less remaining in the hands of the entrepreneurs and employee), and the rise of what Kikoski called “ Strategic venture capital.”

“The good news is that North Dakota economic development has reached a point where you are ready for more strategic collaborations,” Kikoski stated. “That kind of strategic venture capital comes from working with partners in an industry to achieve value and it is aimed at emerging growth companies.”

Any kind of investment in new businesses would have caught the attention of the next group, a panel of North Dakota development professionals representing assorted levels of effort, from small towns like Tioga (represented by Tressy Heinle), through the state’s efforts (represented by Linda Butts, director of the Economic Development and Finance division of the Department of Commerce).

“Economic development is a long term process with short term expectations,” Butts explained to the audience and panel moderator Carol Goodman of the Cavalier County Job Development Authority. Gaylon baker of the Stark County Development group in Dickinson, struck a tone similar to panelist John MacMartin (Minot) in his explanation of how development success should be measured in terms of in-migration and the diversity of that migration compared to average salaries paid to employees at recruited firms.

Butts acknowledged some recent furors in the state by saying their agency was going to begin collecting more data to track investments in economic development, but she also noted that reporting between agencies will probably require new legislation. She repeated the governor’s stated objective of securing another \$50 million in state funds for expansion of the Centers of Excellence program Hoeven has encouraged at state colleges and universities, adding that the state could leverage those dollars for an additional \$100 million in federal funds, and that “we can change our culture to accept business risk.”

Later speakers included Brent Teiken of Sundog Interactive, whose roadmap to business growth included advice on more of a “people” focus in business planning, with greater emphasis on values and culture and less on the number. Teiken observed that while entrepreneurs need to outsource skills they don’t have, it was his understanding that much of the recent controversy over IBM and Microsoft’s outsourcing to Indian wasn’t working out as planned and many high-value jobs were returning to the U.S.

Bill Sena, a venture capital veteran from Cincinnati, OH, held sway over another session that examined ‘the strange world of venture capital’ and offered one notable tidbit: “Never invest in a country where it doesn’t snow,” an apparent reference to equatorial difficulties in the world’s history. Sena’s advice was to always invest in the person, not the patent or the idea, and for those who wanted to become venture capitalists, he suggested they have a minimum net worth of \$5 million to play this high stakes game.

**One of the state’s unsung success stories attracted quite a few conference attendees as Clarence O’Berry of Mandaree Enterprise Corporation tracked the tribal-owned business from its 1989 beginning through his**

joining the effort in 1994 when the firm was nearing bankruptcy. Now certified as an ISO Supplier, Mandaree's three divisions comprise a global business with scheduled sales of \$10 million in 2004 and more in the wings as the company's Native American workforce delivers product and services to about 10 federal clients and several corporations as prestigious as Northrop Grumman and Boeing.

"We've got \$30 million in contract backlogs at this point," O'Berry said, "with nearly 75 employees, most of them Indian, working on projects that are mostly outside of North Dakota. In fact, this is only the second time I've actually spoken to a North Dakota audience.

O'Berry successful leadership skills were typical of the general thrust of the entire conference, which celebrated business leaders with the final keynote presentations by the popular Bob Ash, who did a rousing job profiling great business leaders by their characteristics such as leading by example, sharing the success, unlocking employee potential, living by their principles, and creating an atmosphere where laughter can take place.

Exemplifying those leadership skills were the GNDA award recipients, including Guy Moos of Baker Boy in Dickinson, winner of the Greater North Dakotan Award, who gave a heartfelt and moving acceptance speech, as did the other winners: Bruce Gjovig (Entrepreneurial Spirit Award), Eddie Dunn (Educator Award), Al Christianson of Great River Energy (Vision Award), Jim Karley (Agriculture Award), Chuck Schmeichel (Business & Industrial Development Award), Keith Trego (National Resources Award), and Sue Schreiner of Garrison (Tourism & Recreational Development Award).

In his introduction to the awards banquet, Governor Hoeven proudly observed that North Dakota was transforming the economy from energy and agriculture to a more diverse one based on his five pillars. He also pointed out that the Web site economy.com was listing North Dakota as one of eight states with growth potential ... "It doesn't happen overnight, but we're getting there," said Hoeven.

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