

Who Knew?! 2012/01/23

“Who knew?” is a phrase I’ve been using a lot lately. I used it when I leaned about the [long-term dynamism and resilience of Minnesota’s economy](#) as detailed by the U of M Carlson School’s Professor Myles Shaverⁱ. As I’ve written before, we’re Minnesotans and we don’t brag, and that means it is sometimes easy to surprise us with our own success. Professor Shaver’s work details some of that success.

This week’s “who knew” moment came when I completed a joyful annual ritual. I bought and downloaded *The Business Journal’s* [“Electronic Book of Lists \(EBOL\)”](#)ⁱⁱ. You may see the individual lists every week in *The Business Journal*, you may get their annual publication of the year’s lists, but you’re not really in business intelligence nirvana until you download the electronic version when it is available every January! I am in data visualization bliss right now! But, my “aha” moment this week didn’t come from a complex multivariate four-dimensional animation, just a simple sort. Yes, sort, one of the humblest of algorithms that introductory computer science students study, the kind of tool so ubiquitous as to render it trivial in some people’s minds. Here’s the deal: The EBOL lists the top one hundred publicly traded companies in our market, from UnitedHealth Group to Aetrium Inc. (originally published 4/1/2011). And it lists the largest privately held companies from famously large and famously private Cargill, to the Dakota Electrical Association (originally published 5/20/2011). So, what would happen if you merged the two lists (private and public companies) and sorted the merged list? What would you expect? Cargill with \$107 billion in revenue would beat UnitedHealth Group’s \$94 billion in revenue, of course, but then you might expect the public companies to obliterate the private companies, right? That’s what I thought too. So imagine my surprise to see how well our local private companies did! In fact, the number 100 private company, Dakota Electric Association (annual revenues of \$199 million), has revenues better than forty-four of the publicly held companies. That’s right, better than Digi International Inc. (\$187 million), HickoryTech Corp.(\$162 million), Famous Dave's of America Inc. (\$148 million), Communications Systems Inc. (\$120 million), and Stratasy Inc. (\$117 million). It’s true, among the top twenty only four are privately held companies, but within the top fifty, public companies make a *very* respectable showing:

Rank	Business	Rank on Individual Lists (Public or Private)	Private Companies Annual Revenue	Public Companies Annual Revenue
1	Cargill Inc.	1	107,900,000,000	-
2	UnitedHealth Group Inc.	1	-	94,155,000,000
3	Target Corp.	2	-	67,390,000,000
4	Best Buy Co. Inc.	3	-	50,569,000,000
5	Supervalu Inc.	4	-	38,079,000,000
6	3M Co.	5	-	26,662,000,000
7	CHS Inc.	2	25,267,931,000	-
8	U.S. Bancorp	6	-	20,518,000,000

9	Medtronic Inc.	7	-	15,833,000,000
10	General Mills Inc.	8	-	14,718,200,000
11	Land O'Lakes Inc.	3	11,146,375,000	-
12	Xcel Energy Inc.	9	-	10,310,947,000
13	Ameriprise Financial Inc.	10	-	9,976,000,000
14	C.H. Robinson Worldwide Inc.	11	-	9,274,305,000
15	The Mosaic Co.	12	-	8,455,300,000
16	Thrivent Financial for Lutherans	4	7,824,279,000	-
17	Hormel Foods Corp.	13	-	7,414,830,000
18	Ecolab Inc.	14	-	6,089,700,000
19	St. Jude Medical Inc.	15	-	5,164,771,000
20	Nash Finch Co.	16	-	4,991,979,000
21	Alliant Techsystems Inc.	17	-	4,789,715,000
22	Miner's Inc.	54	4,200,000,000	-
23	Carlson Inc.	5	4,157,000,000	-
24	Slumberland Inc.	64	3,701,000,000	-
25	The Schwan Food Co.	6	3,670,000,000	-
26	The Valspar Corp.	18	-	3,396,728,000
27	Patterson Cos. Inc.	19	-	3,344,613,000
28	Securian Financial Group Inc.	7	3,100,000,000	-
29	Pentair Inc.	20	-	3,030,773,000
30	Rosen's Diversified Inc.	8	2,500,000,000	-
31	M.A. Mortenson Co.	9	2,459,500,000	-
32	Regis Corp.	21	-	2,330,136,000
33	Fastenal Co.	22	-	2,269,471,000
34	Fagen Inc.	10	2,100,000,000	-
35	Andersen Corp.	10	2,100,000,000	-
36	Donaldson Co. Inc.	23	-	2,086,876,000
37	Holiday Cos.	12	2,000,000,000	-
38	Polaris Industries Inc.	24	-	1,991,139,000
39	AgriBank	13	1,827,992,000	-
40	The Toro Co.	25	-	1,742,233,000
41	Associated Milk Producers Inc.	14	1,700,000,000	-
42	Taylor Corp.	14	1,700,000,000	-
43	Prime Therapeutics	16	1,627,572,000	-
44	Michael Foods Group Inc.	17	1,602,301,000	-
45	Digi-Key Corp.	18	1,518,000,000	-
46	TCF Financial Corp.	26	-	1,507,862,000
47	Ceridian Corp.	19	1,490,000,000	-
48	Imation Corp.	27	-	1,460,900,000
49	Deluxe Corp.	28	-	1,402,237,000
50	H.B. Fuller Co.	29	-	1,356,161,000

So what's my conclusion? With the goal of every entrepreneur to "go public" and the goal of all investors to reach a stratospheric "liquidity event", perhaps those of us who build businesses should be more circumspect, and learn the (literally) valuable lesson from our local private companies who succeed quietly and privately on their own. "Who knew" it could be so rewarding?

References:

ⁱ Wiffering, Eric, "Look anew at Minnesota's job creation challenge," *Minneapolis Star Tribune*, 1/31/2012, <http://bit.ly/z20A0W>.

"Shaver's analysis shows that Minnesota benefits little from "importing" headquarters companies or jobs. Historically, Minnesota has been a place where new companies like UnitedHealth Group and St. Jude Medical can grow big, while older companies like 3M and Cargill are able to sustain and reinvent themselves."

ⁱⁱ <http://bit.ly/wEAK8D>