



minnesota BUSINESS

INSPIRATION FOR GROWING COMPANIES

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Waste not, want not

How a business-savvy power couple in Minnetonka helps turn corporate waste into highly leveraged philanthropic aid

BY STEVEN SCHUSSLER

It's a sad fact of life that much in the world that could go to helping others goes instead to waste. Corporate resources are no exception. Some folks, thankfully, are doing something about it. Hope for the City, a nonprofit in Minnetonka started in 2000, collects corporate surplus from the likes of Target, General Mills, and Allina Health and distributes it to nonprofits that in turn serve those in need, both in Minnesota and abroad.

It's the brainchild of Dennis and Megan Doyle. Dennis founded Minnetonka-based Welsh Companies, a commercial real estate powerhouse, over 30 years ago and has survived and thrived in several rocky economies.

The Doyles run their foundation as a business first and nonprofit second. Their return on investment is one that any company would envy: Every \$1 donated to the foundation is leveraged into more than \$30 worth of resources delivered to those in need.

In 2011, Hope for the City collected and distributed 5,718,761 pounds of food, and it gathered surplus and donations from 83 companies. This summer, the foundation distributed 4,500 "lunch boxes," each with enough healthy meal fixings to provide two kids lunch for two weeks.

Internationally the foundation distributed goods to 43 countries and shipped 37 20- and 40-foot containers full of medical supplies, educational materials, and other basic-need items to hospitals, clinics, orphanages, and schools in developing nations.

Dennis and Megan have a 30-year strong marriage with two adopted children. They've helped Ugandan students at the University of St. Thomas by connecting them with local families so they could participate in traditions like holidays, birthday parties, and funerals.

Getting to know people like the Doyles is one of the richest rewards of networking. Here's what I learned from this remarkable couple.

On starting Hope for the City:

Dennis: We were giving to 80 to 90 different nonprofit groups in the inner city when we came to the realization that just giving money was not enough. Our giving kept some of the nonprofits alive but didn't really make a big difference in any one program, and we wanted to make more impact. Hope for the City was built with three focal points: giving to the inner city, utilizing our core business (real estate), and maximizing our relationships.

The normal nonprofit leader has a heart with a focus on their mission. They want to work hand-in-hand with people, but usually they don't have a focus on business administration. We knew that partnering with other like-minded givers and leveraging their assets would accomplish so much more. Instead of asking for money, we asked individuals for their corporate surplus. In the real estate business we walk through warehouses for a living, and we can tell you every corporation has excess.

On why it's effective:

Megan: We give away \$25 to \$35 million a year in corporate surplus, and our budget is \$1 million. Our leverage is the abundance of Minnesota companies who are so generous, like Target and Cargill. When they are shown how we are going to use their surplus to benefit others, they have never said no.

On corporate cred:

Megan: The success of Welsh helped us launch Hope for the City because people believed us when we called them and told them what we wanted to do with the surplus. If we had tried to do this right after college, we probably wouldn't have been successful.

On seeding harmony:

Dennis: The first time we shipped a container of seed and hybrid corn to Liberia,





Dennis and Megan Doyle (left) with others at Hope for the City



Scenes from inside Hope for the City

there were many people who had never had it. There was so much seed, a group of nonprofits got together to help them utilize it. This was quite amazing because most nonprofits do not work together because they see each other as competitors.

On helping at home:

Dennis: Hope for the City serves about 60 to 80 nonprofits at any given time in the local community. About 30,000 people a month receive our food. The need is huge in Minnesota, and it is growing at a rate between 18 and 19 percent a year.

On the environmental benefit:

Dennis: Over the last 12 years we have shipped \$550 million of merchandise at wholesale value that included food, medical, and many other goods. Because of this, valuable resources are being saved from our landfills.

On Dennis's big break:

Dennis: I'm kind of a one-trick pony, where I learned one area of business and stayed in it for a very long time. This is my 32nd year. I worked for a neighbor during the summer while I was in high school. His name was George Welsh, and he is who the company is named after. For six years, I was working with crews, handling block, and framing for him. After college, George Welsh asked me to work for him full time and said, 'I'll give you \$27,000. Never ask for a raise and I'll give you 30 percent of

the profits of the company, and if it works out, I will sell it to you.' I thought, 'That's fair enough for me.' Because my salary was so low, I couldn't really take care of my family unless I made some money, so I bought homes in the inner city, fixed them up, and sold them. [Without a signed contract and on a handshake, Dennis later bought Welsh Companies from George Welsh.]

On the evolution of Welsh:

Dennis: We were a real estate development company that owned and developed buildings, and we became a full-service real estate company where we went into property management, leasing, and construction out of necessity. Because the real estate cycle goes up and down, we wanted to be in a lot of different businesses. In the down market we do a lot of property management and currently manage about 28 million square feet. In the up times, we would buy and own properties along with our partners.

The two most important groups in commercial real estate were the owners of the buildings on one side and the other were the people that financed them. If they were in the same room they would kill each other. We were that connector between those that had the money and those that were building.

On surviving the recession:

Dennis: This is the fifth recession I have been through and this last one has been

worse than all the others. If we weren't a diversified company we would not have made it. We made it because of the favors from the good long-term relationships with banks and clients. The lifeline for us has been the property management business and foreclosures, which really boomed during this down time.

Megan: When Dennis started and was adding property management and leasing, his competitors would mock him because there was such a small margin in property management. They asked why he was wasting his time. When the economy crashed they went out of business and we were still standing.

On supporting Ugandan students:

Dennis: We have learned so much from them and admire their work ethic. They so appreciate being here, believing that it is a miracle. From mud huts, they are here at the University of St. Thomas achieving academic success.

These kids have whole families that depend on them to come back and be the main source of income. They will work in the cafeteria and send home their checks. The first \$100 that one of the students, Gobino, made was sent to his mother. With the money, she put in a concrete floor and wrote back that it was so much easier to clean the house. He is now in medical school on a full scholarship.



“We walk through warehouses for a living, and we can tell you **every corporation has excess.**”

– Dennis Doyle

On starting a nonprofit:

Dennis: Find something you love to do and that you are good at. Keep it simple and do it for a long period of time so you can develop a deep knowledge of something that others do not know. For me it starts inside and works outward. My faith and contemplative prayers help me to understand what to do next. In management and building a company, it's all about building a culture of trust which gets people on the same page. People who work for you need to know that you care about them and how they fit in.

On acting in the right spirit:

Dennis: What I have learned from so many great people in the Twin Cities, like Bill Austin of the Starkey Foundation and many others, is that you move forward thinking that you might be able to change the conditions in the world, but what is really important is treating people with respect and dignity and helping them in the best way you can.

It is not so much what you do but how you do it and the spirit you do it in. Serving the poor is a calling. Even the poor are called to serve the poor.



STEVEN SCHUSSLER is CEO of Schussler Creative, the founder of the Rainforest Café, and the author of *It's a Jungle in There: Inspiring Lessons, Hard-Won Insights, and Other Acts of Entrepreneurial Daring.*

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