



Lars Leafblad, Principal, KeyStone Search

Geno Fragnito , Director of Government Relations, Minnesota Society of CPAs

Michael Casserly, Sr., member, Minnesota Society of CPAs

Civic Caucus, 8301 Creekside Circle #920, Bloomington, MN 55437

April 22, 2011

Present : Dan Loritz (vice-chair), Janis Clay, Paul Gilje (phone), Sallie Kemper, Tim McDonald, Wayne Popham (phone), Alberta Spreafico

Summary of meeting : *Two representatives from Minnesota's CPA professional association and an executive recruiter describe the need from their perspective for a state vision. Such a vision must be led by the governor, but may be supported and encouraged by the legislature. A vision that describes what the state seeks to be is a necessary precursor to state planning.*

A. Welcome and introductions - Lars Leafblad is a Principal with KeyStone Search (<http://www.keystoneresearch.com>) an executive search company. He joined KeyStone in 2007 after serving as Director of Development for the Hubert H. Humphrey School of Public Affairs at the University of Minnesota. He began his career in a leadership development program with GE Capital and subsequently spent two years helping launch a high-tech start-up, Four51.com. Lars earned a BA in Economics from St. Olaf College, and his MBA with a concentration in Strategic Management from the University of Minnesota's Carlson School of Management.

Geno Fragnito is Director of Government Relations at the Minnesota Society of Certified Public Accountants (MNCPA). Managing MNCPA's government relations programs, he represents CPAs at the Capitol and works to ensure legislators are educated on the issues that affect the CPA profession. Previously, Fragnito worked as Legislative Coordinator of the Minnesota State Lottery and served as Committee Administrator of the Minnesota State Senate legislative staff.

Michael Casserly Sr. was born and reared in Chicago but has lived and practiced accounting in Minnesota for nearly forty years. Michael is an active member of the Minnesota Society of CPA's Legislative Affairs Committee and PAC.

B. Comments and discussion -

Minnesota needs a vision and strategic plan

Leafblad: I spent four years engaging donors with the Humphrey School of Public Affairs—an organization that believes in public leadership. That planted the seeds for a lot of conversations that led to my current career connecting new leaders with organizations. During the past election, I worked with Kerri Miller and MPR to create their new "The Job Interview for Governor" program, which was produced to assess the gubernatorial election through the lens of Minnesota as a hiring organization recruiting a new CEO. (Readers can view archived transcript and video footage here: <http://theuptake.org/2010/10/27/mprs-job-interview-for-governor/>)

Throughout all of these experiences, I have continued to hear from friends and fellow Minnesotans about a troubling lack of vision for our state. Besides the 'what' and 'how' of management, there is the 'why' of leadership. Great leaders are able to articulate without hesitation where they are going and why. In my opinion, we have yet to find that leader willing or able to articulate what Minnesota's direction is or should be and that's incredibly troubling.

The last time we had a formal strategic plan for the state of Minnesota was in 1991, the last time the Twins won the World Series. We all had a common idea of where we were trying to go. I think there is an opportunity now to build not just a plan for our state, but also a prospectus for our future investment. As a state we should be thinking about presenting our citizens with an investment prospectus in the same way a corporation produces a prospectus for potential shareholders.

For Leafblad's interview with *Line Magazine* on a vision for the state, see: www.thelinemedia.com/features/larsleafblad03022010.aspx .

Leafblad encouraged the Civic Caucus to participate in *MinnPost*-sponsored Pollen, "a virtual community of 3,500+ civic-minded MN connectors who share jobs, board openings, ideas, and peer-to-peer recognition to create more opportunities for impact." See: <http://bit.ly/hu4eg1>

Fragnito: As an association of CPA's we asked: If not this-if not a state plan-then what? We started thinking, put together a committee, and began to realize that while we could make recommendations for the direction of the state, if there were no vision of what the state should seek to become, then how would we know where we were trying to go?

If the state were the trusted client of a CPA firm, what would we say about that client's long-term prospects? We came to the determination that there is a lot to suppose about the state's future, but unless you have a well-defined underlying objective, all those suppositions will fall apart. There are a number of state agencies that have their own respective visions, but they are in silos-they have their own unique mission/vision, which may not align with other agencies' missions/visions.

Casserly: During our process, which took about six months, we talked with a number of people-state legislators, state employees-and it was amazing to me the number of people that brought up the need

for a state vision. We certainly don't have a vision now. We haven't had leadership in a long time that was willing to express a vision for the state. There is of course a need for a plan, but for a plan to be relevant, a clear vision must come first.

For the report on vision by the Minnesota Society of CPAs, see: <http://bit.ly/huYk1k>

Focus on solutions, not just the problem and goals

Q: Our general sense is there is that there is too much bemoaning of the problem (e.g., the achievement gap), and people going on too much about the goals (e.g., not to have an achievement gap). The important question is: *How? (How, for instance, do we achieve the goal of no longer having an achievement gap?)*

Casserly: How do we go about solving the vision problem? The MNCPA Legislative Affairs Committee tries to spend a good deal of time helping Geno with his work at the Capitol, and in the process we've been talking about this issue with a number of people there. Right now, however, they're consumed with the budget. Once that is settled we think we should convey this message about needing a state vision to the Governor, and he should seek ideas from State leaders and the public and establish consensus with the leadership of both caucuses.

Among the people we've talked with, they almost uniformly believe a vision should come from the governor's office, and it should have the support of members of each party. I particularly liked the phrase Lars Leafblad used to summarize a worthy state vision: "We want to be on everyone's short list."

The governor must lead in declaring a vision

Fragnito: The leadership has to come from the executive. As with a lot of things, it is a matter of mindset.

Casserly: If you go back to the Minnesota Milestones process there was leadership by the Governor to start that. There were 70+ items outlined to track progress. That was too many. One of the problems with using too much information is it can get too complex. It needs to be done at a scale that's easily grasped.

A Civic Caucus participant: I want to build on this, and say it needs to start with the CEO of the state—the governor. In the case of an aircraft carrier, you can have three people define the vision and build it. If you try to build a new infantry rifle, you'll have 300,000 people wanting to provide input. Everyone's an expert in his or her own way. The thing I'm encouraged about now is that with technology the grassroots can also be engaged. The foundation community is asking how community leaders can be engaged. But the effort should begin and end with the governor. Further, when you create a vision you have to understand it's not cast in bronze and is not going to be there forever. A vision will evolve over time.

Q: One of the reasons why the Governor can state a vision authoritatively is that he can back it with initiatives because he has the ability to set agenda. Do you get the sense the governor is working on this?

Fragnito: I'm not getting a strong sense that this is something they're doing right now. Wrestling with the budget is taking priority. I am sensing from the legislative side that there is a lot of energy there to do something like this-they could engage the Governor's staff and start the ball rolling.

Q: How could the legislature lead?

Fragnito: I think quite a few people would step forward, and something like this seems to be in line with the agendas of those in their first terms. This is the first time in many years where there seems to be a shift back to the kind of 'citizen legislature' we once had in the past. Many of the new legislators are people who have their own businesses; I've heard some new legislators say they don't care if they get reelected. They feel they were elected to make changes and have come to St. Paul to make some changes.

Perpich had The Brainpower State. Presidents had the New Deal, Fair Deal, New Frontier, Great Society, and Morning in America. Historically there have been many more attempts to lay out 'where we're going to go.' It seems that for the state this would be extremely helpful now.

Q: Minnesota has changed a lot since the Time cover in the 1970's that called us "The State That Works." Both the cultural diversity and the political polarization have increased substantially. In 1974, there was still a climate of "let us reason together." In the setting today, is it too risky for our CEO (governor) to venture forth with his particular notion of a vision-or is it too risky to venture forth without a common vision?

Casserly: There may be a lot of risk for him, but it depends on how fearful he is that if he takes a position, it could cost him re-election. When one considers the motivation of a 'professional legislature,' getting reelected is very important to some lawmakers, so the risk may not be acceptable. We hope the Governor is more concerned about the future of Minnesota than he is about re-election.

Going back to the point about themes through history (New Deal, etc.), those were banners that could be waved around to rally people-but while people were rallying around these themes in the past, they weren't being bombarded by other conflicting messages through all the media channels made possible today by technology. Today's media thrives on controversy and the ability to disseminate it on a nearly instantaneous basis. This makes adoption of a rallying theme difficult, but not impossible.

Minnesota should be a "buy and hold" state

Leafblad: People are willing to invest if they know what they're building towards. We want Minnesota to be a 'buy and hold' state, a state worth investing in for the long term.

Fragnito: Right now we have a legislature out there saying we need to cut this, we need to cut that. It's a tough job, but I think a lot of our legislators have gone to the Capitol with a view that they have a mandate from the public to balance the budget. I think a majority of voters would instead say, 'we sent you there to get the job done', and the budget solutions should follow from that.

One of the things we realized when we were talking with people about previous planning initiatives is that if the state had implemented some of the recommendations in those reports, we might not be where we are today.

Q: Is Minnesota more risk averse?

Leafblad: I'd say, yes. For example, we've hit a low in venture capital coming in to the state. As a culture, we've become placated; we think that we're pretty good. Good is no longer good enough. We need entrepreneurs and corporations to know we want them here in Minnesota. We want Minnesota to be a "Good to Great" state always striving to lead the way across all economic, education, and health/wellness performance indicators, not making up ground against states that have long since passed us by.

C. Closing -

Leafblad: What gives me hope is that the generations are working together. The Gen-Xers and Millenials think very differently than the Baby Boomers that are now leaving power. My hope is that the entrepreneurial and collaborative orientations of these younger generations coupled with new technology will create new ways to work together in Saint Paul and beyond in Minnesota.

It's too risky to not do something, because if we don't act, the world will pass us by. In that sense we need to be risk aware. If we don't do anything we're exposed to great risk-so we need our political and public leaders to expose themselves in the short term to protect the state's long-term interest and we need to collectively support those leaders.

I think of that famous Wendy's ad, *Where's the beef?* I want to ask: " *Where's the vision?*"

Let's hope our current, and future, Governor(s) as the CEOs of our state will answer that question.