

minnesota BUSINESS

INSPIRATION FOR GROWING COMPANIES

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THE NETWORKER

Rising star

How Mark Johnson grew his frugal startup into a marketing powerhouse

BY STEVEN SCHUSSLER

Mark Johnson didn't have an easy time getting his exhibits and trade show company, Star, off the ground. Among the challenges he faced was limited funds and the death of a business partner. But he persevered, and today his story is an inspiration for entrepreneurs everywhere.

It begins on the links. Growing up in Prior Lake, Johnson dreamed of becoming a professional golfer. Out of high school, he became the resident golf pro at the Honeywell Country Club, where he started with a \$1.5 million budget and more than a dozen kids working for him (some of whom he had played basketball with in high school). After three years, he realized he needed a college degree and headed to the University of Iowa.

Johnson started Star Exhibits & Environments — focused on trade shows and retail interiors — with his friend and business partner, Tom Pechacek, in 1993. Pechacek died unexpectedly of cancer three months later. In addition to having to deal with the trauma of that loss, Johnson also had to contend with a humble start to his venture, which started at his kitchen table with a handful of employees.

"We were very naive when starting our business, having quit our day jobs even though we had kids to feed," Johnson recalls.

Still, there were lucky breaks along the way. Within three weeks of starting the business, he says, "we put together a business plan and presented it to Dave Cleveland at Riverside Bank, who told us after one meeting that we got the financing and to go!" (Cleveland is a legend among entrepreneurs and startups, having financed many new businesses, including one of my first ventures, JukeBox Saturday Night.)

"We started out very frugally," Johnson says. "Even though we had the loan from



Riverside Bank, we didn't use it because we wanted to go out on our own. We bought a lot of our furniture at garage sales. We found a lot of our customers liked that entrepreneurial spirit and wanted to help us succeed."

Among them was Pella Windows, which awarded the new venture a major project. If the Pella team hadn't realized how unseasoned the startup was at the time, they became aware after visiting the offices to celebrate the deal with pizza. Johnson describes what happened after Pella's chief marketing officer excused himself to use the restroom. "On his way back to the conference room, he took a left to look at our warehouse space instead of taking a right to come back to the conference room. When he looked into the warehouse, he saw that it was empty. He came back and was white as a ghost," Johnson says. "I asked him what was wrong. He says, 'I just gave you a million-dollar project, and you don't even have a saw.' I replied, 'The good thing is I do: It's at Home Depot — I just haven't picked it up yet.'"

Star's first space was in a 12,000-square-foot warehouse, which it quickly outgrew. Today, it operates in a 186,000-square-foot space, employs 85, and counts among its clients Target, General Mills, and Best Buy. It's grown into one of Minnesota's top experiential marketing companies, offering trade show and retail environments, corporate interiors, mobile marketing, live events, and a range of communication and marketing services.

Two years ago, the company started referring to itself as simply Star. "Our company had become well known in the trade-show industry, which was good and bad," Johnson explains. "We had to remind our customers that we are a marketing agency. Our competition was



BIZ BRIEFING

STAR

Headquarters: Minneapolis

Inception: 1993

Leadership: Mark Johnson, CEO and founder

Employees: 85

Revenue: Not disclosed

Description: Specialist in trade show and retail environments, mobile marketing, live events, and other services

Web: starexhibits.com



asking their clients, 'What trade shows do you go to? How big is your space? What color blue do you want in the booth?'

"Our philosophy was completely different. We were asking our clients, 'Who are your target customers? What's important to them? What's the message you want them to take away from this event?' We realized that although we were experts at doing trade shows for clients, it was only the tip of the iceberg of our capabilities, and that's why we went through the name change."

As an entrepreneur, I know how difficult it is to reposition a brand and undergo an identity change, so I ask Johnson if it was a smooth transition. "It was a few days before the 4th of July, and I thought of a creative way to drive home to everyone that the company's name had changed," he says. "The creative department put together a pink slip, and I went to each team member and fired them. I said, 'You no longer work for Star Exhibits. Have a great holiday, and when you come back ... we will take you through orientation for your new company, Star.'"

A name change, Johnson realized, is hard enough to pull off with customers and prospects — but it's even harder to do internally. "I had to get my employees to realize that we are changing. We literally took everyone through orientation ... We didn't lose any employees during that. In fact, most of them still have the pink slip hanging at their desk."

I ask Johnson what he feels is the key to success. "Balance is the key," he replies. "If you want to be successful in all areas of your life, you need to create balance between work, family, and your personal development."

How do I sum up this fascinating entrepreneur? He reached for the moon and caught a Star. 



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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