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MINORITY BUSINESS GUIDE

John Stout — Minority Business Advocate Honoree

Paving the way for ethnic businesses

Attorney devotes 30+ years to assisting entrepreneurs

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Contributing writer

More than 30 years ago, a young attorney named John Stout landed his first job out of law school at Fredrikson &

John Stout

Officer, shareholder, Fredrikson & Byron
Advocacy: Co-founded the Metropolitan Economic Development Association and the Milestone Growth Fund, among other nonprofit involvement

Byron. At the same time, he launched what has been almost a second career supporting the ethnic business community.

Among his many achievements, Stout was a co-founder of the Metropolitan Economic Development Association (MEDA) in 1971. Since then, MEDA has become the region's premier agency for helping minority businesses, assisting 245 ethnic startups and offering general consulting to 11,839 other clients over the years.

When Stout was a young lawyer, he began volunteering for The Way, a community center on Minneapolis' North Side. There, he met a few minority entrepreneurs who had the skills to succeed but required some technical assistance to help get their businesses off the ground.

His work with The Way led to Stout being hired by a Minneapolis Urban Coalition task force that was investigating ideas for increasing minority business lending. The task force, composed of senior executives from local banks and corporations, concluded that the best way to jump-start minority business would be to create a non-profit organization focused solely on helping them succeed.



John Stout co-founded and volunteers much of his time to minority support organizations such as the Milestone Growth Fund and the Metropolitan Economic Development Association.

“Creating MEDA wasn’t about a problem we were trying to solve,” he said. “We had a long-term focus on opening the economy and economic opportunities to a whole new group of people. In the beginning we didn’t see many Asian entrepreneurs, but now that group’s grown substantially, as have the Hispanic and African-American communities.”

MEDA was the first of a long string of projects that carry Stout’s name as a found-ing member. In 1990, he helped start the Milestone Growth Fund, a venture capital firm and MEDA offshoot dedicated to help-ing minority businesses with startup cash. He co-founded the Minnesota Film Board, served on the boards of directors of Cricket Theater and Theater Live! for a number of years and backed up his wife, Marcia, as she helped start The Jungle Theater.

Stout, a nationally known corporate governance expert, also has served on a bevy of local and national legal committees. While law may be his first career, the 62-year-old attorney has crafted a second career as a passionate advocate for minority businesses in the Twin Cities region.

“I’ve known him for 23 years, since I came to this country, and one thing that has been so important is he’s an inspiring role model to me,” said Esperanza Guerrero-Anderson, president and CEO of Milestone. “There’s not too many people who have such a strong, deep, lifelong commitment to this cause of helping minorities succeed. He’s been doing this since he got out of college.”

Staying connected

Although Stout is a busy man, he always makes time for the Milestone Fund and for MEDA’s staff. Guerrero-Anderson recalls talking to him on the phone at 11 p.m. on a big project and listening closely to his advice.

When Stout arrived home recently from a business trip to London, he called Yvonne Cheung Ho, president and CEO of MEDA, just minutes after getting into town to talk about some issues. “That’s how accessible he is; he’s always there when you need him,” Cheung Ho said.

To those who have worked with him, Stout doesn’t just show up, he leads. When he and Guerrero-Anderson saw a need for establishing a fund for venture capital, they considered making it part of MEDA before agreeing that Milestone would be better off as a separate organization. MEDA’s goals are different than those of a venture firm, and Stout didn’t want to confuse funders with the addition of a venture capital group to the overall organization’s growing list of services for minority entrepreneurs.

MEDA historically has been an “inclusive” organization helping nearly everyone who came through the door. In contrast, the venture fund would have to be extremely selective in providing loans, he said. Stout and the rest of MEDA’s board determined a separate nonprofit venture firm would be the best solution.

Upon establishing Milestone, Stout recalls sitting with other MEDA board members and telling them he wanted Guerrero-Anderson to run it. After all, he said, she helped co-found the new organization and largely designed and developed its programs. A few other board members wanted someone with more venture capital experience. He prevailed.

“John was always saying, ‘Forget the others, Esperanza has the vision and the passion, and she’s the best choice,’” said Guerrero-Anderson. “That opinion never changed. It was very gratifying to me.”

The volunteer drive

So what drives Stout to devote so much volunteer time to minority businesses?

It turns out to be a mixture of life history, family ties and an unwavering commitment that comes from the heart. While attending high school in the ’50s, Stout watched the civil rights movement emerge as a national issue. He wanted to contribute in some way later in his life. At home in Fort Wayne, Ind., where he spent his formative years, he saw a great example of activism in his mother’s participation in the PTA and many other volunteer activities.

The Carleton College and University of Michigan Law School graduate lauds his own firm for its nationally recognized pro bono work. “Community citizenship at Fredrikson & Byron is a big deal since I’ve been with the firm,” he said. The firm actively encourages attorneys to devote 3 percent of their billable time to pro bono activities, and it created a community foundation to fund various nonprofits.

Stout also was influenced by the role of community involvement in the business culture of the Twin Cities. “The Twin Cities is a place where [there are] a lot of like-minded people who give back to this community, and that’s what makes this community different from others,” he said.

The region has a rich base of immigrants from around the world who want to start businesses and contribute to their communities and the economy, he said. Some of those immigrants will become future business leaders and remember the organizations that helped them start a new future. And they, in turn, will give back to help other minority businesses.

For Stout, the magic of volunteering comes in part in seeing the success of the entrepreneurs who sought and received help from MEDA and Milestone and in knowing he’s a member of a growing legion of businesspeople who have chosen to, as he said, “give something back to this community.” ■