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# Business

**HAVE JOBS, WILL SPEND**  
Consumers spent more on services  
less on big ticket items in March.  
D4

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## BANKING

### Milwaukee firm buys National City Bank

*M&I strikes deal  
for \$250 million*

**By Dee DePass**  
*Star Tribune Staff Writer*

Minneapolis-based National City Bancorporation has agreed to be bought by Milwaukee-based Marshall & Ilsley Corp. in a stock deal valued at about \$250 million.

The deal ends National City Bank's status as a stand-alone entity. The bank was

## MEDICAL TECHNOLOGY

### Collins readies his CEO hat

*Medtronic changes hands today*

Art Collins



- **Age:** 52
- **Born:** Lakewood, Ohio
- **Education:** Bachelor's, Miami of Ohio; MBA, Univ. of Pennsylvania, Wharton School
- **Career:** Officer, U.S. Navy, 1969-1973; consultant, Booz, Allen & Hamilton, 1974-1978; manager of corporate planning, corporate vice president, Abbott Laboratories, 1978-1992; Medtronic Inc.: President, Medtronic International, 1992-1994; chief operating officer, 1994-1996; president, chief operating officer, 1996-present
- **Personal:** Wife, Anne, and two daughters, Elizabeth and Emily

**By Terry Fiedler**  
*Star Tribune Staff Writer*

When Art Collins assumes Medtronic Incorporated's CEO position today from Bill George, it will be without the high drama of 3M's recent top-management change.

"There's a big difference between the transition at 3M and the transition at Medtronic," Collins said. "[W. James McNerney Jr.] was hired to bring significant change to the company. That's not my role."

So, whereas McNerney, a former General Electric executive, has announced sizable layoffs and a number

of major initiatives, Collins will keep pursuing strategies he helped develop.

"Bill [George] and I have worked as a team for the past 7½ years," Collins said. "Any major economic correction would have already happened as we evolved the company."

Collins, 53, a former Abbott Laboratories executive, joined Medtronic in 1992 and has been Medtronic's chief operating officer since 1994. He has been recognized for the past couple of years as the obvious successor.

**COLLINS continues on D2:**

— *Switching from executing plans to making them.*

# Medtronic's newest CEO has some big shoes to fill

"For a company this size, this is one of the smoothest transition I've seen in a long time," said U.S. Bancorp Piper Jaffray analyst Thomas Gunderson.

Collins has a tough act to follow. George led Fridley-based Medtronic through 10 years of explosive sales, earnings and stock price growth. Medtronic is the most highly valued public company in Minnesota, with a market capitalization of \$53 billion, just ahead of 3M with \$47 billion. George will remain chairman, but will not be involved in day-to-day matters.

George is considered something of a market visionary, while Collins, in his role as chief operating officer, spent much of his time executing plans. Medtronic board member Jack Schuler, a former president of Abbott Laboratories, has no doubt that Collins will adapt well to a role that emphasizes more long-term planning.

"They wondered the same thing about the transition with [then CEO] Win Wallin when Bill was in the operating role," Schuler said. "People grow into these jobs."

Collins takes over at a time of global economic slowing and a less-than-buoyant stock market that's ready to punish any company for even the slightest financial misstep. But

he has a lot of advantages. The company has a leading market share in pacemakers, defibrillators, some spinal devices and relatively new neurological markets, among others.

"From a long-term perspective, Medtronic is exceedingly well positioned," said Lehman Bros. analyst David Gruber. Among its best opportunities, he said, are devices for congestive heart failure and atrial fibrillation.

Collins said information and biotechnology will be two

major areas of development. Medtronic currently is developing a system that lets implanted devices transmit real-time data to doctors over the Internet. The company also is looking for more opportunities to team up with biotech companies, as it does with its implanted drug pumps.

"You'll see more and more combination products that use information and biotechnology to provide better therapies," Collins said.

He added that Medtronic would also become increasingly involved in different phases of patient care, such as diagnostics and early intervention devices.

Gordon Stofer, who has known Collins since grade school in the Cleveland area,

said the CEO promotion is just another in a long line of Collins' accomplishments.

Stofer, president of Cherry Tree Ventures in Bloomington, said Collins was a high-achieving student and a great natural athlete, a highly recruited high school quarterback who even now shoots a round of golf in the 80s with very little practice.

"He was all those things, [in high school], but I wouldn't call him the big man on campus," Stofer said. "He was just the approachable, friendly person who happens to be incredibly accomplished in most things."

— Terry Fiedler is at [tfiedler@startribune.com](mailto:tfiedler@startribune.com).

## Medtronic exec committee

New Medtronic Inc. CEO Art Collins won't fill his old position of chief operating officer. Instead, he has reorganized top management into a 10-person executive committee:

### Senior corporate staff members

- Dr. Glen Nelson, vice chairman
- Jeff Balagna, senior vice president and chief information officer
- Janet Fiola, senior vice president for human resources
- Bob Ryan, senior vice president and chief financial officer
- David Scott, senior vice president, general counsel and secretary

### Operating presidents

- Bob Guezuraga, cardiac surgery
- Steve Mahle, cardiac rhythm management
- Andy Rasdal, vascular
- Keith Williams, neurological, spine and ears, nose and throat
- Barry Wilson, international