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In retirement, Earl Bakken keeps finding new missions

BY LINDA CHIEM / PACIFIC BUSINESS NEWS

Tucked between a stand of palm trees along the black sand edges of the Big Island's Kiholo Bay is a sprawling but unpretentious compound that interrupts the endless barren landscape of lava rocks and gnarled kiawe.

It is in this sanctuary that electrical engineer, entrepreneur and philanthropist Earl E. Bakken lives and works, often rising at 5 a.m. to get a jump on the day's business news or immerse himself in the latest issue of *New Scientist*, his favorite magazine.

At 84, despite having retired to the Big Island nearly 20 years ago seeking a life of simplicity, Bakken is still restless. A self-described dreamer whose childhood fascination with electrical gadgets led to his invention of the first wearable heart pacemaker in the 1950s, Bakken rarely comes across an item he doesn't try to map out, fix up or improve, be it an appliance or even public policy.

But he isn't just another wealthy retiree dabbling in community work.

After retiring in 1989 as senior chairman of the board of Medtronic Inc., the Minneapolis-based medical devices company he founded, Earl Bakken has become one of the most active and generous benefactors in Hawaii, donating more than \$26 million to nonprofits, mostly on the Big Island and in Minnesota, his home state.

His foundation has given an additional \$15 million to North Hawaii Community Hospital in Waimea; his personal donations to the hospital likely add up to millions more.

"I'm just sorry I set it so low," he said of instituting Medtronic's mandatory retirement age at 65. "I thought I'd relax and lay on the beach but after three weeks, I couldn't stand it anymore."

While the hospital is the most visible symbol of Bakken's involvement in his adopted community, his influences on the Big Island are everywhere, reflecting his interests in Native Hawaiian culture, holistic healing practices, astronomy, science education and health care.

But he isn't an easy touch.

He's meticulous when researching the projects he is asked to support. He not only wants to give money but to offer guidance. He wants to educate people on subjects such as holistic healing, the correlation between economic policy and health-care access, and how



CHRISTINA FALMA PBN

Since retiring from Medtronic Inc. in 1989, Earl Bakken has given more than \$26 million to nonprofits in Hawaii and Minnesota and \$15 million to North Hawaii Community Hospital.

he thinks personal medical savings accounts are what's needed to fix the nation's broken health-care system.

"Partly what drives him is he can see a better way of doing things and he wants to make it happen," said Sharon Vitousek, a Waimea physician and former North Hawaii Community Hospital board president. "He can connect the dots better than many people and he's very connected with the way things could be, so that makes him less able to accept the way things are."

INSPIRED BY 'FRANKENSTEIN'

Bakken is neither reticent nor effusive when answering questions; he is soft-spoken and, true to his Midwestern background, isn't the kind to boast or use 10 words when five will do.

He grew up in the Minneapolis suburb of Columbia Heights and spent most of his life in Minnesota. He was eight when he saw "Frankenstein" at a movie theatre, beginning his fascination with electricity and gadgets.

Bakken fashioned homemade "Tasers" to ward off bullies and "kiss-o-meters" to measure the chemistry of a couple's kiss. He describes himself as the adolescent nerd who fixed his school's public-address system and movie projector.

Within 10 years of graduating from the University of Minnesota with a degree in electrical engineering in 1948, he had invented the first wearable pacemaker and launched Medtronic, which today is one of the world's largest makers of implantable medical devices.

"Before that you didn't put things in the body, many religions were against it, but we started putting in pacemakers and my minister said it was terrible to put that in God's temple," Bakken said.

As his retirement from the Fortune 500 company loomed, Bakken was eager to find a place that offered simplicity and refuge from the brutal Midwestern winters.

He and his wife, Doris, fell in love with the Big Island after spending a week vacationing at the Kona Village Resort, which touts its accommodations of thatched-roof bungalows, no televisions, radios, clocks or air conditioning.

"We looked at Kauai but there was so much rain and we looked at Oahu, but that was such a big, difficult city," he recalled.

NOT JUST ANOTHER HOSPITAL

Doris Bakken chose the six-acre spot on Kiholo Bay, about 12 miles north of Kona International Airport. With only sparse veg-

etation and wild goats, the land had no infrastructure for a private residence.

Earl Bakken spent more than a year mapping out a self-sustaining property with three generators, a pump that takes water from a pond and filters it and a home built on a foundation strong enough to withstand the frequent earthquakes that rumble the island. The home was ready in 1991.

Bakken quickly became involved in discussions to build a hospital to serve the growing North Hawaii community.

Using his own money to back up his ideas, Bakken wanted the hospital to be a model for patient care, a "healing center," not just another glass and concrete medical complex.

The patients' rooms were designed with sliding glass doors that open onto gardens. Treatment emphasized a blending of Eastern and Western medical practices and a high ratio of doctors and nurses to patients.

True to his Medtronic roots, Bakken also wanted the hospital to use advanced medical technology.

The hospital opened in 1996 and Bakken served as president of the board, occasional administrator and full-time cheerleader and fundraiser.

Envisioning the Big Island as a true "healing island," Bakken joked that he's tried to talk past governors into changing the name of the state name to "Hawaii Nei" so it wouldn't be confused with Hawaii Island.

FOLDER OF 'PASSION PROJECTS'

Bakken still works eight hours a day, mostly from an office separated from the main house by a few steps. Surrounded by gardens and neatly manicured hedges, he is helped by a small team of full-time assistants and nurses who keep his schedule balanced between appointments, conference calls and reiki and massage therapy three times a week.

Though he's been slowed in recent years due to chronic health conditions such as diabetes — he proudly declares he has a Medtronic insulin pump, pacemaker and stents implanted in his chest — he sits on the boards of a dozen organizations both on the Big Island and on the Mainland.

"He's quiet and humble, not a real high-powered smooth-talking kind of man ... people don't really think that he's ... calling the shots," said Susan Pueschel, Bakken's longtime marketing and public relations manager, who heads up The Earl & Doris Bakken Foundation in Waimea. But according to Pueschel, he is.

As he munches on a Fig Newton to keep his blood sugar level, Bakken eagerly pulls out his famous blue binder that lists his "passion projects." They include Friends of the Future, Five Mountains Hawaii, The Kohala Center,



CHRISTINA FALIMA PBN

After a failed attempt at retirement, Earl Bakken puts in full days at his office. "After three weeks I couldn't stand it anymore," he says of his efforts to take it easy after moving to the Big Island.

Makalii Voyaging Program and finally North Hawaii Community Hospital.

He remains involved in Medtronic, ensuring that no matter how big the company gets — it's worth about \$58 billion and has 38,000 employees — it stays true to its basic mission of "contributing to human welfare."

A proponent of mission statements 40 years before they became a management cliché, Bakken said he believes that every organization, both for-profit and nonprofit, must have a clear mission statement to succeed.

He points to his own experience at Medtronic in the 1960s when the company nearly went bankrupt despite the success of its pacemaker. The company overspent on research, development, staff and facilities and had a product line that was too broad.

As sales fell, Bakken sat down and wrote a mission statement that focused the company solely on creating implantable medical devices to alleviate pain, restore health and extend life. The statement is prominently displayed on Medtronic's Web site.

Bakken can recite both Medtronic's and North Hawaii Community Hospital's mission statements as easily as the day he wrote them and he still personally hands out bronze medallions to employees in "mission and medallion" ceremonies, which he started for both organizations.

"I want them to know that it's real and that it's not just something for the officers ... that it's everyone's mission," he said. "It makes them knowledgeable that if you're in a company, and [in] a big company, there are always political problems and arguments going on between people, but they can look at

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Robert Bruininks

President, University of Minnesota

this every day and say after all, 'We're doing a heck of a lot of good for people'."

'MUTUAL LOVE FOR HOT DOGS'

Bakken is an avid reader who subscribes to countless medical technology journals and science magazines.

In bed by 9 p.m., he keeps a legal pad by his bedside to jot down random thoughts.

"Recording my dreams," he says.

But beyond his technical genius, those who know him say it's his understanding of history and culture, and his ability to draw knowledge from the opinions of other people, that make him a strong leader.

Bakken still makes the 40-minute drive to Waimea once a week to touch base with friends and directors of the nonprofits. He often interviews applicants for key administrative positions with those organizations himself.

Hospital executive Wayne Higaki said he and Bakken made a pact to talk business for no more than 45 minutes at a time and the rest is spent discussing their "mutual love for hot dogs and pork chops and the best way to eat them."

And as director emeritus of Medtronic's board, he travels to Minneapolis three times a year, most recently attending last month's annual shareholders meeting.

He usually spends a month at a time at his home in the Twin Cities suburb of Fridley, especially relishing visits with his four children and his 14 grandchildren, who all live in Minnesota.

But for Bakken, there is no such thing as a pure vacation.

He's helping to set up a major bioengineering center for excellence at the University of Minnesota, which is intended to attract world scholars and top-tier medical and engineering students trained in disease management and technology.

"Earl Bakken is one of the most creative and intellectually curious people I've ever met," said University of Minnesota President Robert Bruininks. "But he also is one of the most genuine and warm human beings. We can still treat ourselves to the Minnesota State Fair, each have a Peter's Hot Dog and Diet Coke, talk about this bioengineering center and simply have a great time."