

## EDITORIAL

TITLE: "Triple Your Speed"

The April issue of *Fortune* magazine shows the two modern faces of Oregon. And these faces are schizoid—possibly explaining Oregon's paralysis.

On the cover: "Nike After Knight: *This maverick built a company like no other. Can anyone fill his shoes?*" The cover story quotes Knight commenting on his company, #184 on the Fortune 500 list with over \$13 billion in sales: "The company has grown around my idiosyncrasies."

At least a few of those idiosyncrasies are the very qualities that Oregonians view as their own: creativity, energy, independence. Qualities many in Oregon, particularly the advertising agency Wieden+Kennedy would try to depict in a government sponsored advertising campaign called "Brand Oregon."

At one point in Daniel Roth's profile of Nike and Knight, the writer describes how Knight elicits excellence from his employees. When Liz Dolan, former VP of global marketing, asked Knight for advice on a difficult issue, his response to Dolan was an adage from the late company co-founder, Bill Bowerman, the legendary University of Oregon and U.S. Olympic track coach. Bowerman's adage: "Triple your Speed."

Turn the page a half dozen times in the *Fortune* issue and you'll find the other face of Oregon, the contrarian face, the Portland face, and the face that appears to winning the day. The article's title: "One False Move: *For years, investing legend David Bonderman could no wrong. And then he tried to buy a utility from Enron.*"

David Bonderman is, of course, the head of the private equity firm Texas Pacific Group, which Portland City Commissioner Erik Sten, more or less, recently ran out of town. Sten is quoted later in this issue describing Bonderman as condescending when they initially met, "patting us on the head." That's how Sten describes Bonderman, but here's how *Fortune* magazine describes the Texas Pacific chief:

*"Among the extremely quiet species (private equity firm leaders), David Bonderman is as dominant as they come. He has earned a reputation as a master dealmaker, a tornado of a man spinning equal parts brilliance, energy, and charm inside his ever-moving vortex. His private equity partnership, Texas Pacific Group, has massive throw weight. The firm says it has \$20 billion under management ... The war chest puts the firm on the top tier of buyout funds and dwarfs those of raiders like Carl Icahn or even hedge fund upstarts like Eddie Lampert. Just in the U.S., Texas Pacific controls companies with annual revenues of \$35 billion. If it were a public company, it would rank at 51 on the Fortune 500, somewhere between Motorola and Lockheed Martin."*

Texas Pacific, under Bonderman's leadership, currently owns Burger King and J.Crew. In 1993, Texas Pacific bought Continental Airlines. When they sold the company, the

return to investors was 950 percent. They bought Ducati (motorcycles) in 1996, and Petco in 2000. The return on those companies was 110 percent and 470 percent. This is a man who knows how to create wealth, how to “triple his speed.”

Bonderman speaks several languages, studied Islamic law in Cairo, worked as a civil rights attorney for the U.S. Justice Department, and has held environmentalist board positions with the World Wildlife Fund, the Wilderness Society, and the Grand Canyon Trust Fund. He is also credited, according to *Fortune*, with leading the fight to save the historic Washington D.C. hotel, the Willard.

If Bonderman seemed condescending to Sten, it may be because of their profound difference in professional stature. Bonderman is one of the world’s most aggressive wealth creators, and Sten, though credit him for being a local leftist leader, and helping ensconce the new mayor, is still best known for costing Portlanders millions over the Water Bureau’s billing fiasco. A face-off between Bonderman and Sten wouldn’t be a fair fight in most American cities...except Portland.

Says *Fortune*, “like Enron before it, Texas Pacific misunderstood how different Oregon is from a place like Texas...Texas Pacific seemed tone-deaf when it came to local dynamics.”

Forgive *Fortune* magazine for not noting the difference between Portland politics and Oregon politics—it’s tough enough for homegrown insiders. But there is still *some* difference.

Here’s how two insiders describe Portland. The first, Portland police officer Mike Malanaphy, (from a letter decrying the city’s recent plan to opt out of the federal Joint Terrorism Task Force): “Portland has become infamous for bravely fighting for unfettered access to kiddie porn in our public libraries, fighting the Patriot Act, embracing panhandlers as part of the vibrant culture of downtown, banning military recruiters from the public schools, or requiring Rose Festival Navy ships to be nuclear weapons free. It reinforces the stereotype that this town is an eclectic mix of public employees, performance artists, and world class hackey sack players.”

And former PGE executive Robert McCollough, in *Fortune* magazine: “Oregon is almost ‘embarrassingly naïve.’”

No surprise then, by last month’s end, Texas Pacific’s future in Portland was zero. The other face of Oregon—Portland’s “latte leftist” face that pollster Tim Hibbitts analyzed so thoroughly in *BrainstormNW* as a local electorate growing virulently anti-business/anti-wealth—won the day.

What was lost? The involvement of David Bonderman in our civic affairs, and the loss of PGE’s freedom from its Enron chains. Even more critical is where this new face of Portland politics is dragging the rest of the state. It is impossible to imagine the politics of

Erik Sten providing the jobs, incomes and infrastructure that Oregon needs, right now, today, to be globally competitive.

But one thing we know for sure. This other face of Oregon, the Portland face that drags us away from the future, will never have as its “Brand Oregon” tag: “Triple Your Speed.”