



Aboriginal Financial Officers Association National Conference

Building our Economy: Strategies for Success

Aboriginal leadership, management and financial strategies for
creating success in our communities

Feb 25, 2009

Round Table Succeeding at Economic Development and Corporate Partnerships: What Does it Take?

Key Discussion Questions

What can we do to build our economies and attain economic self-sufficiency particularly through partnerships with Corporate Canada? This is a broad question that the following questions will address.

1. How are partnerships initiated?

Consider:

- What are the most important aspects demonstrated by attractive partners?
- What are the warning signs to watch?
- What are the most significant lessons to be shared in a partnership?
- How will partnerships weigh culture and heritage and weave them into great partnerships?
- How can the pool of corporations interested in partnering with an Aboriginal community grow?

2. How is mutual benefit translated into real working partnerships?

Consider:

- How will disagreements be resolved?
- How will balance be maintained between the needs of partners and the needs of businesses over time?
- What about sharing of values & beliefs?
- How will trust and loyalty be built?

3. What types of partnerships are important?

Consider:

- With all the opportunities out there, including Canadian corporations and Aboriginal entrepreneurs and communities, where should partnership emphasis be placed?

4. How are great partnerships managed?

Consider:

- How can change in political leadership be accommodated?
- How can trust & loyalty be rebuilt when political leadership changes?
- How can change in economics and evolving technology for example be managed in the partnership?

5. How are great partnerships sustained and grown?

Consider:

- What are the signs of a troubled partnership?
- What is the role of youth?

6. What role ought governments play in supporting partnerships?

Consider:

- Is there a role for governments (federal, provincial, Aboriginal) to play?
- Are there examples of promising practices where government played a role?
- Is the Indian Act a relevant topic today in the partnership context?

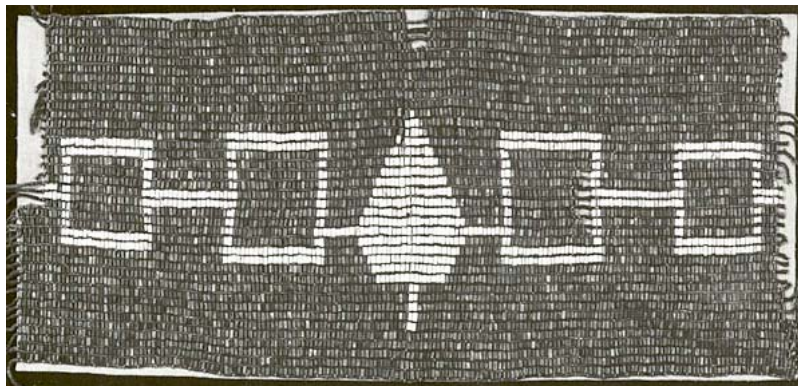
7. Do women bring particular skills and benefits to partnerships?

Consider:

- Are the skills and benefits women have to share brought to bear in partnerships?
- Are there examples where women played significant roles in partnerships?

8 How can we transmit what we learn about partnerships to a new generation?

Prof. David Newhouse Department of Indigenous Studies, Trent University
Dr. Wanda Wuttunee Department of Native Studies, University of Manitoba



Partnerships are part of Aboriginal heritage. This is an example of the Hiawatha Belt, symbolizing a political partnership between 5 members of the Haudenosaunee.

What can we do to build our economies and attain economic self-sufficiency particularly through partnerships with Corporate Canada?

This is a crucial time in our history as Indigenous peoples in Canada. With increasing economic control of our resources and successful land claim settlements, never before have there been so many opportunities for economic expansion and creating wealth in our communities. And, with economic expansion and wealth comes improved community infrastructure and programs, enhanced quality of life for our people and a better future for our youth. Translating economic potential into new economic and social realities requires vision, leadership, discipline and a keen ability to create and sustain partnerships that make sense and have real mutual benefit.

The task of rebuilding Indigenous economies is underway. There is now a foundation of indigenous entrepreneurs who have demonstrated that Indigenous peoples can start up and run their own businesses. An infrastructure of economic support institutions such as capital corporations, advisory services, educational and training programs in addition to optional new legal regimes for the creative use of reserve lands is largely in place. There is also research that indicates the factors that lead to increased success as well as now three decades of experience upon which to build. Land claims have provided pools of capital that can be used in innovative ways to stimulate local development. Many members of the private sector have expressed a willingness to assist and support the development of more Indigenous enterprises. There is now an experienced and capable Indigenous leadership that is demonstrating innovation and creativity in responding to the challenges of indigenous development. One could conclude that there is now enormous potential for improvements in the overall living conditions and quality of life for Indigenous peoples in Canada.

Yet there remain challenges: stalled high school graduation rates, continuing health problems and social dysfunctions of varying kinds. The legacy of colonialism haunts us still and will most likely continue to affect us for another generation, if not more. Many Indigenous peoples prefer to live in urban centres, creating a population distribution that mirrors that of other Canadians (80% urban, 20% rural according to the 2001 Census). Both population centres are expected to continue to grow at a pace faster than that of the Canadian population over the next decade. However both rural and urban communities remain largely centres of poverty that have proven difficult to change. After three decades of sustained effort, starting with the Whabung goals as set out by the Chiefs of Manitoba, the overall economic situation of Indigenous peoples continues to lag substantially behind most Canadians.

Governments have expressed considerable interest in trying to improve the situation but have yet to commit to a focused and sustained strategy coupled with adequate and appropriate resources. Given the current economic situation facing Canada, it seems likely that there will be much

increase in the level of government support over the next decade. Much of the future effort that is required to improve the quality of Indigenous lives now needs to come from the Indigenous community itself. The issue facing us today is how to harness the power and creativity of the nascent Indigenous business community and bring it to bear on the issue of Aboriginal economic development.

There is no shortage of advice on what ought to be done. Indigenous leaders have been providing their recommendations, ideas, and suggestions to governments and the corporate sector for four decades. The Canadian business community has also expressed considerable interest and in many cases has undertaken excellent efforts to foster local development, provide training and contracting opportunities, and lobby governments to change policy or improve their financial support for aboriginal economic development. The Final Report of the Royal Commission on Aboriginal Peoples argued for a broad and sustained effort in this area.

The task of developing indigenous communities is a complex multi-actor multi-approach set of collaborative efforts. Governments, businesses, communities and individuals have a place in this undertaking. We assume that we understand the roles of the various actors and that if we replicate the actions of those around us that we will be successful. At the same time, we are witnessing huge challenges to the conventional models which produce huge disparities in the distribution of wealth and contribute to continued social inequities. We are also seeing that the conventional model developed over the last two centuries is leading to ecological problems. We are seemingly faced with a dilemma: join and support a model of economic development that has produced a high standard of material wealth or choose not to participate and suffer the consequences of lower standards of living and continued marginalization.

The answers that are emerging from the work of the Harvard Project suggest that approaches that support a larger sense of the collective, ie nation, enhance the capacity of the individual to pursue their own interests and that are rooted in and supportive of cultural values and understandings are more likely to be successful. We live in an interdependent and interconnected world, one in which we depend upon each other for our livelihood and one which some of the old ideas no longer hold. Governments, while important to the development process, no longer can be counted upon to furnish the resources that are necessary; we are forced to rely more and more upon ourselves, ie our own creativity, innovation, determination, ideas, resources. One avenue that our communities are engaging in are economic partnerships. What can we do to build our economies and attain economic self-sufficiency particularly through partnerships with Corporate Canada? The following sections will expand on the discussion questions and offer some relevant examples that should contribute to the discussion.

How are partnerships initiated?

Partnerships are incredibly important tools for economic success because they bring parties with complementary assets and needs together and both benefit from the union. With the requirement to consult with First Nations communities and discuss development impacts, the private sector is making new connections or building on old ones. These may result in ripe partnership opportunities. For those more isolated communities that are looking to partner, many might follow the example set by Prince Albert Grand Council and Kitsaki Management Limited partnership , (Lac La Ronge Indian Band, Saskatchewan) where a series of successful investments with fellow reserve communities have expanded employment and revenue generation.

According to Kitsaki Management Limited partnership, their partnerships are marked by a majority position resting with Kitsaki, a partner who is financially strong and is a major force in the industry. They have had excellent success with this strategy.



KITSAKI MANAGEMENT LIMITED PARTNERSHIP KEY PRINCIPLES

Respect – We respect all cultures, traditions, values, and beliefs.

Profitability – We shall maintain profitable businesses to achieve our goals.

Sustainability – To responsibly manage Traditional Lands and Resources as a heritage for future generations.

Accountability – We are responsible for our business decisions.

Integrity – We are open, honest, and transparent.

Responsibility – We balance politics with good corporate governance.

What are the most important aspects demonstrated by attractive partners? What are the warning signs to watch? Often communities have training needs that increase expenses, inexperienced community members who have different work ethics or values that are at odds with mainstream. How do partners handle these issues responsibly? What are the most significant lessons to be shared in a partnership?

Culture and the environment are important to many Aboriginal communities. How will partnerships weigh these elements and weave them into great partnerships? How can the pool of corporations interested in partnering with an Aboriginal community grow?



Four Fires LLC

The Forest County Potawatomi Community of Wisconsin, Oneida Tribe of Indians of Wisconsin, the San Manuel Band of Mission Indians, and

Viejas Band of Kumeyaay Indians, both of Southern California have formed Four Fires LLC, an economic partnership between tribal governments. the tribes also announced their first joint business venture--the development of a hotel in Washington, D.C. in conjunction with The Donohoe Companies. The hotel project announcement marks the largest collaboration ever for American Indian groups. Four Fires and The Donohoe Companies will develop the Residence Inn Capitol--a \$43 million, 13-story, 233-suite Residence Inn by Marriott. The Four Fires' partners are particularly pleased with the hotel project due to the proximity of the Residence Inn Capitol to the Smithsonian's NMAI. Another factor adding to the enthusiasm for the hotel project is the fact that tribal members who travel to the Capitol regularly will now have a place they can call home.

"This is a positive step forward economically for all tribal nations," said Deron Marquez, chairman of the San Manuel Band of Mission Indians and Four Fires partner. "By coming together and utilizing our combined resources, we are able to make this project a reality."

The historic partnership arises from the success of bingo and casino gaming on reservations and the need to continually pursue a sound and established economic future. Four Fires will function as an investment coalition, with plans to develop construction, hospitality, tourism and other business development ventures, with each tribe as an equal investor

How is mutual benefit translated into real working partnerships?

One approach that worked in a Yukon community involved the key executive in a resource community taking time to get to know the community and building a solid relationship. Neither knew much about each other and so the executive were invited to participate in community cultural events and to build trust and understanding. The community and the company developed an understanding that then moved into a partnership and a working relationship. Taking time to build relationships is not unknown in the business community especially in the international arena where cultural differences are striking. One attitude to address is where Aboriginal communities are lumped together with the rest of Canadians but don't want to be treated the same way. There is an education element to the process of moving from interest to an actual agreement that must be explored.

Partners set business goals that they plan to achieve in the partnership. Taking time to truly understand what the other partner believes about the goals is imperative to work to real working partnerships. Misunderstandings can easily drain the life from a partnership. How will disagreements be resolved? How will a balance be maintained between the needs of the partners and the needs of the business over time? Is there compatibility between partners regarding values and beliefs? How will trust and loyalty be built?

What types of partnerships are important?

Doing business with the private sector has become increasingly viable as community leaders' knowledge and education evolve. With a large urban population, entrepreneurs are also interested in securing partners. As mentioned earlier, doing business with other Aboriginal communities and entrepreneurs is a growing opportunity. With all these possibilities, where should the partnership emphasis be placed? Why? Some communities clearly believe that greater trust is placed with the private sector and not with their compatriots. This is changing slowly as more communities are financially accountable, transparent in their approach to

governance and therefore potentially trustworthy partners. The impact of colonization is slowly dissolving in this regard and pride in working with our own people is on the rise.

GREAT RIVER JOURNEY



The owners of 'Great River Journey' are Great Northern Journeys Inc. and FNIC Development Corporation. Great Northern Journeys Inc. is the private sector partner and operator. FNIC Development Corporation is a consortium of First Nation Development corporations which include: Kwanlin Development Corporation (Kwanlin Dün First Nation); 12028 Yukon Incorporated (Ta'an Kwäch'än Council); 38505 Yukon Inc. (Tr'ondëk Hwëch'in), and Selkirk Development Corporation (Selkirk First Nation).

The Mission: To provide the premier, high end, low impact, river tour experience in North America by combining the adventure of a unique, safe, comfortable, world class wilderness safari down the Yukon River with an opportunity for a personal journey of discovery into the wilderness, history and culture of one of earth's treasures – the Yukon.

The playing field is not level in the Aboriginal community regarding access to resources, business leadership skills, skilled labour force with some communities advancing rapidly and others having little or no opportunities for development. Accessing partners is only a dream. What type of partnerships might be possible for these communities?

How are great partnerships managed?

The focus on the business goal is present, trust and loyalty have been fostered, the terms of a partnership have been hammered out but now the partnership must be managed in a way that builds in strength over time. A regular occurrence is change in political leadership in the community. This might result in a change in community representation in the partnership especially if that representation is tied to the leadership. Taking time to rebuild trust and loyalty with new members is important but it takes time. There are many other challenges to partnerships. For example, world market economies, financial markets and evolving technology may have impacts on the partnership. What management techniques do you expect to see demonstrated in a great partnership? What are the ways in which Indigenous peoples' knowledge is honoured and respected within the partnership?

Relationships with aboriginal peoples can bring new knowledge and values into the corporate sector, especially in terms of respect for land, traditional knowledge and sustainable development. Charlie Coffey Executive Vice President Government & Community Affairs Royal Bank of Canada 2002



How are great partnerships sustained and grown?

Regular internal reviews of the partnership will help partners stay on track. Working out ways to communicate in the early stages of trouble will foster positive growth. What are the signs of a troubled partnership? Our youth are an important part of Aboriginal community today and for the future. What is the role of youth in the sustained operation of great partnerships? Are there training and apprenticeship opportunities? This will help build a sustained workforce. How successful are these programs given that many youth are caught in cycles of dysfunction?

DONNA CONA



Established in 1996, Donna Cona has emerged as Canada's leading Aboriginal Business and Technology Solutions Company, with offices in Ottawa, Vancouver and Winnipeg. Its corporate philosophy is guided by a commitment to the community at large and to providing opportunities to Aboriginal people through education, mentoring, training and employment initiatives. It pursues both business objectives as well as social objectives, never forgetting its grounding in its community. Realizing that a successful enterprise exists in web of interdependencies and mutual benefits, it has reached out and formed alliances with companies that complement its core mission. Donna Cona has business alliances with the following four companies, each independent companies but working together for mutual benefit:



a leading edge graphic design and communications firm that merges traditional Aboriginal ways and beliefs with new media solutions to offer a powerful synthesis of creative design, Aboriginal knowledge and unequalled customer service.



a world leader in internet software development that enables real-time, interactive 3D web navigation and visualization of real-world environments.



Donna Cona is a reseller of Northern Micro products provide the equipment and services necessary to deploy the technology in your organization.



Through the Aboriginal Networking NMSO, Donna Cona is authorized to resell Nortel equipment and deliver a Tier One solution for LAN and WAN business needs.

What role ought the government to play in supporting partnerships?

All levels of government have some interest in working on economic development with Aboriginal peoples. Despite legislative restrictions, success in this realm of development benefits not only Aboriginal peoples but all Canadians.

Aboriginal peoples in Canada have to deal with many regulatory regimes in pursuit of their economic development objectives. These regimes have often not recognized the special circumstances facing Aboriginal peoples and have been barriers to development. For example, the land provisions of the Indian Act for many years prevented the use of Indian lands as collateral for loans, required federal government approval for the leasing of reserve lands, at the provincial level, Indian band councils were not included in local economic planning boards or commissions resulting in isolation from local economic development efforts. This is starting to change as the legal and regulatory regime recognizes the need to include Aboriginal communities and their governments as actor with a defined set of powers and jurisdictions. For example, the First Nation Commercial and Industrial Development Act provides the capacity to First Nations Councils to establish regulations regarding commercial and industrial undertakings on reserve lands, filling an important gap; the First Nations Fiscal and Statistical Management Act creates 4 new institutions designed to provide a contemporary regulatory framework, information and authorities for First Nations communities to engage in economic development on reserve lands. There are a growing number of examples like these that signal the incorporation of Aboriginal peoples and their institutions into the economic space of Canada and enabling them to begin to share the wealth of this country in real ways.

Governments world-wide recognize the value of public-private partnerships in creating wealth and fostering economic development. The federal government and several provinces have partnership development programs. How ought these programs work? Are there examples of positive behaviour that should be formally incorporated into government to nation relationships? While a consistent theme seems to be the irrelevance of the Indian Act, some communities achieve success with the Act having little impact on their operations while others seem to stall. Is the Indian Act really a relevant topic today in the partnership context? How might governments foster the development of partnerships in the emerging areas of sustainable energy? Are there other areas where government might work to foster partnerships?

NAIKUN WIND DEVELOPMENT INC



NaiKun Wind Energy Group Inc. is pleased to announce it has signed a letter of intent ("LOI") to negotiate an agreement to purchase up to 110 wind turbine generators from Siemens Wind Power for NaiKun's renewable wind energy project off the north-west coast of British Columbia. The large-scale offshore wind farm will provide a cost-effective, clean, domestic energy source to serve the growing electricity market in British Columbia. NaiKun has

taken a new approach to business with First Nations and has been working closely with First Nations stakeholders in the development of the project. In May 2007, NaiKun reached a landmark memorandum of understanding with the Haida Nation to jointly construct and operate the project - a partnership that will bring both environmental and economic benefits to the Haida. NaiKun also has commercial agreements with certain Tsimshian First Nations.

Do women bring particular skills and benefits to partnerships?

Cora Voyager (2008) in her book "Firekeepers of the Twenty-First Century: First Nations Women Chiefs" acknowledges this reality, "We are the women and we know where the dirt is. The community expects us to clean it up...(136)". Women play important roles in all aspects of community life from leaders to life givers. Partnering with spouses in family businesses is not uncommon. Partnering in co-operative ventures with fellow workers such as Neechi Foods, Winnipeg, Manitoba means employment opportunities in an urban setting that is rare. Training is provided to inner city residents and support for the unemployed with craft skills who find a place to sell their wares. Moving people slowly up the leadership ladder is accomplished with care and compassion.

Women are in leadership roles where economic partnerships are important to the immediate needs of their communities. Are the skills and benefits women share in building economic partnerships hidden in plain sight?



Ka Ni Kanichik Inc., in partnership with SEED Winnipeg Inc. is offering a Self Employment Program for Aboriginal Women (SEPAW). SEPAW was created by women, for women and will operate in the spirit and principles of

learning, sharing and appreciation for the ongoing evolution to creating business. The SEPAW philosophy is Aboriginal women can be and are successful in business creation.

How can we transmit what we learn about partnerships to a new generation?

This is a significant question that as today's leaders requires careful thought and action.

