



British Columbia Assembly of First Nations



ECONOMIC DEVELOPMENT TOOLKIT

BLACK BOOK SERIES

Dear First Nations Chiefs, Councilors, Leaders and Economic Development Personnel,

The BC Assembly of First Nations (BCAFN) is pleased to present our BCAFN Economic Development Toolkit Black Book Series. The Black Books are part of a broader BCAFN Sustainable Economic Development and Fiscal Relations Strategy. The BCAFN presents the Black Books as a new tool for First Nations to support their needs, wants and realities.

The Black Books provide First Nations with a focus on understanding the fundamentals of developing economic development strategies and provides some best practices to consider and incorporate into their operations and governance. The Black Books are structured in 4 parts that can be a valuable resource for leaders and practitioners. The partners that have assisted the BCAFN in developing the Black Books include: Michelle Corfield, Four Directions Management Services, Mark Podlasly and Carol Ann Hilton. Support has also been provided by the Government of British Columbia and Government of Canada, and the New Relationship Trust.

The Black Books toolkit will provide strategic support to First Nations that are rebuilding their economies and businesses. This is an exciting time to be taking these steps, and it's an honor to present these to you.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Terry Teegee', with a stylized flourish at the end.

Regional Chief Terry Teegee

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**British Columbia
Assembly of First Nations**



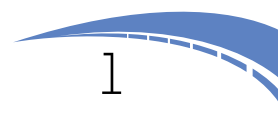
BLACK BOOK SERIES

**INDIGENOUS
ECONOMIC
SUSTAINABILITY
ROADMAP
BOOK ONE**



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Takaya Tours, a Tsleil-Waututh Nation company, offers tours of Indian Arm through their Belcarra Paddling Center. Photos Complements of Indigenous Tourism BC www.indigenoustbc.com.

Why should you read this Economic Development Toolkit?

In 2019, more than 1,700 businesses were listed in the Aboriginal Business Directory. Clearly, there is a large number and variety of Indigenous businesses across Canada.

The Aboriginal Peoples Television Network (APTN) is the first and only national Indigenous broadcaster in the world. More than 75% of APTN employees identify as Indigenous. Nk'Mip Cellars is the first Indigenous owned and operated winery in North America. It operates out of Osoyoos in the Okanagan Valley of British Columbia. First Nations Bank of Canada (FNBC) is a majority (80%) Indigenous-owned and controlled financial institution focused on providing financial services to the Indigenous marketplace in Canada. Branches and

community banking centres for FNBC exist across Canada. Manitoba Mukluks is an Indigenous-owned company that sells its footwear worldwide; 20% of its products are produced at an Indigenous-owned production facility in Winnipeg. The Kitikmeot Inuit Association, which is 100% Inuit-owned, partners with Advanced Medical Solutions to operate Medic North Nunavut Inc. The corporation provides medical personnel, equipment, supplies, and emergency vehicles to remote sites.

It is clear that we, as Indigenous communities and peoples, are bringing our world view, values, culture and knowledge to the creation of strong communities and economic independence. It is also important to recognize that, to be successful, economic development in our communities should align with the creative potential of entrepreneurs, the values of the community and the vision of leadership.



Why have the Black Books been developed?

Economic development offers an avenue to meet our people's expectations for community stability and growth while ensuring they have access to adequate food, shelter, healthcare, education, and social programming. Beyond these needs, economic development also provides a mechanism to create wealth for future generations by building equity and assets, and by growing enterprises and employment opportunities. This toolkit provides supports and resources to Indigenous communities and Nations. It provides direction on the essential processes supporting economic development for a Nation, an Indigenous Economic Development Corporation and an entrepreneur. Assembled into one place are the templates, assessments and decision making frameworks that support community leaders, Economic Development Officers, corporations and entrepreneurs as they work to create strong, sustainable and vibrant indigenous economies.

Who will get value from this Toolkit?

This toolkit can provide communities, at all stages of the economic development journey, with resources to support their planning, growth and overall development. It is aimed at supporting Indigenous community members, leaders, Indigenous Economic Development Corporation staff and boards, entrepreneurs and anyone else who has an interest. It outlines the processes and structures that can create strong and vibrant economic development strategies, entities and programs that provide support and structure for growth while

supporting and respecting the values and priorities of the community.

About this Toolkit

This toolkit will follow a format of an "Economic Development Roadmap". Before embarking on the road to development, you will find information on how Indigenous economic development is different from its non-Indigenous counterpart. Additionally, it highlights some of the historic and current trends driving the push for Indigenous economic development. Then, the Roadmap guides you through the stages of Economic Development, including:

- An assessment of a community's readiness to undertake holistic economic development;
- How to develop a comprehensive community plan;
- The steps in creating a well-rounded economic development strategy;
- Assembling the right team to make the strategy a reality;
- Formalizing appropriate legal structures;
- Launching an economic development plan, including marketing and financing;
- Ensuring successful operations; and
- Evaluating and adjusting your plans based on their impact.

The toolkit offers advice, frameworks and guidelines to support communities, economic development professionals or corporations and/or an entrepreneurs on their economic development journey.

A photograph of the Campbell River's Discovery Harbour Centre, a wooden building with a gabled roof and large windows. In the foreground, there are several tall, decorated wooden poles with carvings and colorful ornaments. A Canadian flag is visible on a pole in the background.

Campbell River's Discovery Harbour Centre is a very successful project by the Campbell River Indian Band on Vancouver Island.

Governance that is well defined, well implemented and operating smoothly in a community is necessary for the development of any economic or business expansion project.

A community needs to possess:

- A well-understood and widely accepted leadership structure;
- A community supported band administrative process;
- Strong linkages between elders, hereditary leaders and elected structures; and
- Clear and understandable decision making processes.

This booklet contains the most comprehensive information and the three associated booklets contain more focused information specific to:

- Community leaders and economic development professionals working with external business or industry partners;
- An Indigenous Business Development Corporation (IEDC), and;
- An Indigenous entrepreneur.

You can work through this toolkit end to end or dive right into the section that best fits where you are on the economic development path. It is yours to use however it best supports your work. The hope is, as each community moves along their economic development journey, the toolkit remains relevant to the ongoing work.

Relationship to the Governance "Red Book"

The BCAFN Governance Toolkit: A Guide to Nation-Building ("Red Book") was developed and intended to assist First Nations in building or rebuilding governance and navigating their way out from under the Indian Act.

The "Red Book" guides the creation of a stable community governance structure and, as such, is the predecessor of this volume. It provides your community the tools needed to establish solid, effective governance, which then allows for the launch of all other programs that create and maintain strong, growing and self-sustaining Indigenous communities.

What is Indigenous Economic Development?

Indigenous Economic Development is, more often than not, community-based economic development. This means that business opportunities are not motivated solely by profit; they also incorporate the realities of the people in the developing community and the physical environment that supports it (see Figure 1 on next page). Business opportunities are more often locally or community owned rather than privately or industrially owned.



This usually means local employment opportunities and the profits are used to benefit the community.

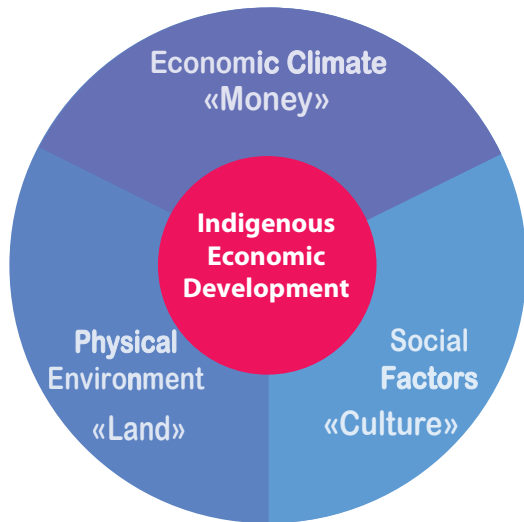


Figure 1: Indigenous economic development is characterized by interacting drivers of the economy, the environment and the culture of the community .

Indigenous economic development has been a subject of interest for many decades as governments (national, provincial, and municipal) recognize the importance of Indigenous communities establishing and developing the capacity to be self-sustaining.

Economic development cannot be delivered pre-fabricated from multi-national corporations, other Indigenous Nations, federal, provincial, territorial or municipal governments. The role of governments, Indigenous and non-Indigenous, should be to support the economic development, by creating the conditions under which it can thrive, and remove or mitigate the obstacles that stand in the way. This will allow individuals to contribute to the development of their communities and Nations and participate in the wider Canadian economy.

A number of factors can get in the way of successful economic development in Indigenous communities. A prominent and

significant challenge is that the constructs of non-Indigenous economic development and growth do not always align with the values and cultures of Indigenous communities. While established models of economic development shouldn't necessarily be disregarded, it is important to keep this in mind when assessing what will work best in your community.

An Indigenous economic progress report

The National Aboriginal Economic Development Review Board (NAEDB) provided context regarding the ongoing assessment of the current status of Indigenous economic development in its *Aboriginal Economic Progress Report* (2015). The Board has set a target date of 2022 for Indigenous people to achieve parity with the rest of Canada insofar as being healthy, well-educated, economically self-sufficient and full participants in the larger Canadian economy. Their report notes that the gaps, and underlying indicators, between Indigenous people and the rest of Canada are *not* closing; in some cases, they are actually widening. They question whether Indigenous economic development is actually flourishing or remaining stagnant. It should also be noted that while the report correlates Indigenous well-being indicators with economic development activity, Indigenous well-being is still heavily influenced by dysfunctional programs and services administered by the federal government.

The NAEDB report concludes that some underlying indicators contribute to improving economic outcomes for Indigenous people and would result in the attainment of parity; these include educational attainment, entrepreneurial activity and infrastructure conditions. These indicators can influence economic development by increasing employment opportunities and earnings outcomes.

Unfortunately, the trend that Indigenous peoples on reserve have the worst economic outcomes for nearly all indicators, continues.



To be successful, economic growth should align the creativity of individual entrepreneurs with the values of the community and the vision of leadership. Leadership should seek to plan, develop and coordinate economic activities within a community-wide economic development strategy. This strategy balances multiple and sometimes competing interests and navigates frequent election cycles.

In many instances, Indigenous communities have taken the approach to build the infrastructure and resources that support entrepreneurship, rather than the community owning and operating businesses. In other instances, Economic Development Strategies have created community/band-run businesses, either through an Indigenous Economic Development Corporation (i.e. Board of Directors ranging across membership) or elected council-run (i.e. partnerships with existing corporations or council-led Board of Directors).

Indigenous Economic Development through Time

To better understand Indigenous economic development in Canada, it is helpful to reflect on the history of Indigenous peoples' participation in, and contribution to, the Canadian economy. This section provides a brief history of Indigenous economic development in Canada and information about Indigenous peoples' participation in BC's economy. Included is an overview of the major industry sectors driving Indigenous economic development in BC.

Historical Indigenous Economies

Since time immemorial, thriving Indigenous economies were based on access to abundant aquatic and terrestrial resources for both subsistence and trade. Exchange and trade was fundamental to the Indigenous peoples of British Columbia long before Europeans arrived. Trading networks served to link together the diverse Indigenous economies and environmental regions. The well-developed networks enabled groups to address periodic local shortages and surpluses.

Exchange was channeled by kinship networks and trading agreements negotiated between unrelated groups. The flow of commodities served to reinforce kinship networks and helped sustain trading alliances.

The following provides a broad sense of the scope of Indigenous economies in British Columbia before European contact and immediately thereafter¹.

Inland trade

Extensive research on the lower Skeena and Nass rivers (the territories Coast Tsimshian speaking Indigenous communities), has revealed that a host of commodities (food, raw materials, and manufactured goods) were traded up and down the river. Those moving upstream included foodstuffs, most notably dried seaweed, dried and smoked shellfish, dried seal and sea lion meat, dried salmon berries, and dried fish. Raw materials comprised: abalone and dentalium shells, purple hinged scallop shells, killer whale jaw bones, sea lion whiskers, and sea lion teeth. Manufactured items consisted of large cedar canoes, crest carvings in wood, armour, shell woodworking

1 Adapted from: Indigenous Exchange in British Columbia to the Early European Contact Era Arthur Ray, FRSC



Potlatching

Potlatching is a traditional practice, exercised by many Indigenous communities on the West Coast of BC, to organize social, political, and economic activities. It serves as an excellent example of an economy rooted in traditional values. The potlatch allows the redistribution of wealth amongst communities through sharing, while providing a foundation for building and sustaining relations and networks. Though potlatching is still actively exercised throughout Coastal BC, it was greatly impacted by European infringement on Indigenous territories and rights.

tools, clam-shell beads, and whale-bone clubs. Downriver food products included various dried berries, caribou and mountain goat meat. Among the raw materials were mountain sheep and goat horns, moose hides, caribou hoofs, grizzly bear claws and teeth, furs, obsidian and amber. Some of these downstream articles were obtained through trade with groups such as the Sekani, who lived to the east of the headwaters of the Skeena drainage basin. Manufactured items coming from the interior included: mountain goat wool blankets, horn spoons, arrow shafts, jade adze blades, and stone clubs.

A similarly broad array of goods flowed up and down the Fraser River. For instance, research in the territory of the Secwépemc people of interior plateau country, which encompasses the middle and upper Fraser River basin, indicates that among the foodstuffs in circulation, were a variety of fish products, such as salmon and salmon oil from the coast and dried trout from the interior. Various food plants also were traded. Dentalium shells were among the raw materials received from the coast. Native copper and small amounts of placer gold were obtained in the interior and exchanged. The Stoney, whose territories overlapped with the eastern territories of the Secwépemc, obtained some placer gold from the latter people. Feathers from geese, swans, red-shafted flickers and hawks and plant fibres from yew, cedar root, white pine, birch bark, Indian hemp (*Apocynum cannabinum*), and mock orange circulated from the interior. The articles that interior people manufactured and

traded were varied, including nets, carrying bags, baskets, woven mountain goat blankets and belts, dressed marmot skins, rabbit-skin robes, snow shoes, and skin robes.

There were many overland trails that traversed the interior. Undoubtedly the most famous of the latter were the so-called 'grease trails' of the Nass and lower Skeena river areas. The name derives from the fact that the Nisga'a processed rich oil from eulachon on an industrial scale and traded vast quantities of their product over these trails.

Coastal trade

Indigenous peoples along the coast also exchanged diverse range of commodities. As noted above, many of these items also reached inland groups through trading networks. Natural and semi-processed raw materials included: abalone and dentalium shells, cedar bark, killer whale jaw bones, spruce root, and sea lion whiskers and teeth. Among the foodstuffs in circulation along the coast were: smoked and dried eulachon, fish oil (salmon, halibut, and eulachon, herring roe, shellfish, dried seal and sea lion meat, and dried seaweed. A long list of manufactured articles was traded widely. Chief among these items were: basketry, cedar canoes, chilkat blankets, wooden carvings, armor, shell woodworking tools, clamshell beads, and whale bone clubs.

Not surprisingly, trading centres emerged along the coastal and inland routeways. As noted, on the Skeena River, the confluence



with the Bulkley River was a major trading place where Coast Tsimshian came to trade with the Gitksan, Wet'suwet'en, and Fraser Lake People. The outlets of the Fraser, Nass, and Skeena rivers also were important regional trading places. In Secwépemc country, Cáciep (Fountain BC) on the Fraser River, Green Lake, and T'kemplúps (Kamloops BC) at the confluence of the North and South Thompson Rivers were further examples.

Goods were traded over thousands of kilometers and then traders not only moved throughout BC, they crossed North America. Common trade languages and "rules" facilitated communications and allowed for important social interactions amongst friends, relatives, neighbors and newcomers². The trade language, referred to as 'Chinook Jargon,' is believed to have originated among the Chinook of the lower Columbia and the Nuu-chah-nulth of western Vancouver Island.

Engaging in long-distance trade meant one or both of the parties who were involved had to negotiate rights of access, establish protocols for interaction, and settle on rates of exchange. For instance, during the late pre-contact and early contact period, the Fraser Lake First Nations traded with the coast Tsimshian. To do so they had to cross Wet'suwet'en and/or Gitksan territories to reach the primary trading site at the confluence of Skeena and Bulkley rivers.

Historical evidence indicates that along those routes where inter-group trade was extensive and long-standing, rates of equivalency became well established. As soon as European traders arrived, these were incorporated into their standards of trade. For instance, when Hudson's Bay Company fur trader William Brown arrived on Babine Lake in 1821, he

told the local Indigenous communities about the prices he was willing to pay for their fish. They informed him that his offer was not equal to the rates that they were accustomed to receiving. Brown had to yield. In Secwépemc territory, when Europeans arrived there already were standard exchange rates for dried salmon (one equalled 100 sides of dried fish), Indian hemp (five packages equalled three sticks of dried salmon), dentalium shells (strings measured by a human 'wingspan,' or outstretched arms), salmon oil (measured by a filled salmon skin), saskatoon or soap berries (ten cakes equalled five packages of hemp, or three sticks of salmon, or one canoe) a dressed buckskin, buckskin leggings (two pair equalled four golden eagle feathers) a moose skin, and a buffalo skin.

However, it is abundantly clear that the arrival of Europeans inhibited rather than enhanced traditional economies. The introduction of diseases and wars wiped out families and communities. Religion questioned traditional values and encouraged people to turn away from Indigenous cultures and family structures. Later came a series of policies designed to restrict Indigenous ownership, management, access and trade of aquatic and terrestrial resources and of traditional practices. These actions irreparably damaged traditional forms of society, organization and economic activity.

Today, we can see the tides are turning. Indigenous people in BC and throughout Canada have been undertaking legal recourse to recover resources, rebuild economies, and expand involvement in modern economic sectors. The history of Indigenous economics has evolved over the centuries, along with the environment and populations. Legal and political landscapes have been as important

² Le Dressay, Adre, Normand Lavallee, Jason Reeves. 2010. First Nations Trade, Specialization, and Market Institutions: A Historical Survey of First Nations Market Culture. Aboriginal Policy Research Consortium International (APRCI).



to Indigenous economies as the resources and goods within them. The impacts of forced colonialism still reverberate today, but the resilience of Indigenous peoples has enabled us to find ways to adapt and cultivate flourishing economies.

Indigenous communities and entrepreneurs are establishing their place in the general Canadian economy. With the law, provincial and federal policies, and experience behind them, Indigenous peoples are building many routes to sustainable economic development.

The Canadian Legal and Political Landscape

Understanding the evolving legal and political frameworks allows us to understand the context of Indigenous economic development in British Columbia.

The *Indian Act*, first passed in 1876, remains in force today, and is the primary document that defines how the government of Canada interacts with Indian bands and their registered members across Canada. The *Indian Act* administers the federal powers over “Indians, and Lands reserved for the Indians” set out in Section 91(24) of the *Constitution Act, 1867*. An entire system of laws, regulations, policies, and federal departments have been developed to deliver the obligations set out in the *Indian Act*.

The Department of Indigenous Services Canada (DISC in 2019) (which has been through many names) continues to be the main federal department responsible for administering the *Indian Act*. DISC is the focal point for federal government interaction with approximately 620 recognized Indigenous Bands across Canada. This federal department dictates most of the funding arrangements for Indigenous services to Bands. Additionally, through DISC, Indigenous communities can

address land management administration as contained in the *Indian Act* and any other statutory areas covered in that legislation. DISC is one of 34 federal government departments responsible for meeting the Government of Canada’s obligations and commitments to Indigenous communities.

In BC, the Ministry of Indigenous Relations and Reconciliation leads the relationship between the BC government and the Indigenous communities of BC. It has the following priorities:

- Work collaboratively and respectfully with Indigenous communities to establish a clear, cross-government vision of reconciliation to guide the adoption of the United Nations Declaration on the Rights of Indigenous Peoples, the Truth and Reconciliation Commission Calls to Action, and the Tsilhqot’in Supreme Court decision;
- Partnership with Indigenous communities, transform the treaty process so it respects case law and the United Nations Declaration on the Rights of Indigenous Peoples;
- Support Indigenous communities seeking to revitalize their languages;
- Provide reliable, dedicated funding and support for Friendship Centres; and
- Negotiate with Indigenous leadership and communities around expanding opportunities for their share of BC’s gaming industry

The Assembly of First Nations (AFN) acts as a national advocacy organization representing Indigenous citizens living in Canada. Indigenous leaders from across the country work directly with the AFN through resolutions passed at Chiefs’ Assemblies held at least



twice a year. The AFN National Executive is made up of the National Chief, 10 Regional Chiefs and the chairs of the Elders', Women's and Youth Councils. Regional Chiefs are elected every three years by Chiefs in their regions. Chiefs, who are elected by the citizens and members of their respective communities, elect the National Chief every three years.

The role of the National Chief and the AFN is to advocate on behalf of Indigenous peoples as directed by Chiefs-in-Assembly. This includes facilitation and coordination of national and regional discussions and dialogue, advocacy efforts and campaigns, legal and policy analysis, communicating with governments, including facilitating relationship-building between Indigenous peoples and the Crown as well as public and private sectors and general public.

Within provinces, Indigenous communities also organize as provincial territorial organizations. In BC, there are three: The BC Assembly of First Nations, the Union of British Columbia Indian Chiefs, and the First Nations Summit.

In BC, each Indigenous community has its own preference for how it organizes politically, both internally and externally. There are organizational structures imposed through the *Indian Act* (democratically elected band councils) and traditional and/or hereditary organizational structures, which may be tied to cultural or family interests and connections to land and resources. At times, the two systems (Band Councils and traditional) can be at odds within a community.

Court Decisions that Matter

The legal landscape for Indigenous peoples has shifted dramatically in the last 30 years. With the repatriation of the Constitution in 1982, Indigenous peoples have fought vigorously for the clarification of their rights

under Section 35 of the Constitution Act, 1982. The Canadian legal system has produced a significant body of jurisprudence interpreting how Aboriginal Title and Rights under Section 35 are defined. There are different opinions amongst Indigenous peoples regarding the characterization of those Rights and Title, including some who believe Aboriginal Title and Rights mean much more than what is currently interpreted through Canadian jurisprudence.

Some of the Supreme Court of Canada cases relevant to economic development are summarized below:

CALDER [1973]

In *Calder v Attorney-General of British Columbia*, Frank Calder and other Nisga'a Elders sued the provincial government, declaring that Nisga'a Title to their lands had never been lawfully extinguished through treaty or by any other means. The Supreme Court decision was ground-breaking, as six of seven judges ruled that Aboriginal Title did exist in Canadian law. The six judges were split evenly on whether Aboriginal Title continued to exist. Three judges held that the Nisga'a's Aboriginal Title had been extinguished by the colonial land laws prior to BC joining Confederation. The other three judges found that the Nisga'a's Aboriginal Title had not been extinguished. The seventh judge found in favour of the province on a technical matter - that the Nisga'a had not obtained permission from the attorney general to sue the government of BC - as per the law of the day. The Nisga'a lost the case on a technicality but the question as to whether or not Aboriginal Title had been extinguished was still very much alive.

GUERIN [1984]

In *Guerin v. The Queen*, the Supreme Court of Canada established that the Canadian government's fiduciary duty to Indigenous peoples stems from the unique relationship



Many Indigenous communities are involved in fish farming on the West Coast.

(sui generis) between Indigenous peoples and the Crown. The court ruled that the Crown had neglected its fiduciary duty to the Musqueam. The case arose because the federal government decided to lease some Musqueam reserve lands to a Vancouver golf club at a rate below that demanded by the Musqueam involved. The government was found in breach of trust, having violated what the judge perceived as its fiduciary responsibility to the Musqueam. In this decision, the court put the onus on federal and provincial governments to prove that Aboriginal Rights had been extinguished with the consent of those concerned.

SPARROW [1990]

In *R. v. Sparrow*, the Supreme Court of Canada looked at a fishing regulations infraction to assess not only whether an Aboriginal Right can be established, but more importantly whether legislation had a "clear and plain intention" to extinguish established Aboriginal Rights. The court held that the legislation did not have that effect. Applying this test to fisheries legislation, the court concluded that a century of detailed regulations had not extinguished the Musqueam people's Aboriginal Right to fish for food, social and ceremonial purposes.

DELGAMUUKW [1997]

In *Delgamuukw v. British Columbia*, the Supreme Court of Canada ruled that Aboriginal Title is a right to the land itself - not just the right to hunt, fish and gather - and that when dealing with Crown land, the government must consult with, and may have to compensate, First Nations whose Title and/or Rights may be affected. After deciding that oral evidence was, in fact, admissible in court - contrary to the trial judge's findings - the court sent the case back for a retrial. *Delgamuukw* confirmed that Aboriginal Title was never extinguished in BC and therefore still exists; that it is a burden on Crown title; and that when dealing with Crown land, the government must consult with and may have to accommodate First Nations whose rights are affected.

HAIDA AND TAKU [2004]

These cases provide broad guidelines for the parameters of consultation and accommodation in reference to Aboriginal Rights in Canada.

In *Haida v. British Columbia* and *Taku River Tlingit First Nation v. British Columbia*, the Supreme Court of Canada ruled that to uphold the "honour of the Crown," the government



has a duty to consult and, where applicable, accommodate Aboriginal interests even where title has not been proven. This decision established the general framework for the duty to consult and accommodate Indigenous peoples across Canada.

The duty to consult arises from the need to address Aboriginal Rights prior to those rights being confirmed through a treaty or court decision. In these cases, the court ruled that while First Nations do not have a veto over what can be done, and government is entitled to make decisions even in the absence of consensus, the consultative process must be fair and honourable.

This decision affirmed that the goal of treaty making is to reconcile Aboriginal Rights with other rights and interests and that it is not a process to replace or extinguish rights. The court noted that "Reconciliation is not a final legal remedy in the usual sense," and that "just settlements" and "honourable agreements" are the expected outcomes.

TSILHQOT'IN (WILLIAMS) [2014]

In *Tsilhqot'in Nation v. British Columbia*, the Supreme Court of Canada set a precedent by declaring Aboriginal Title to a specific area in BC. It affirmed the findings by the trial judge that the claim area was not limited to village sites and areas used for the harvesting, but to larger territories that had been used regularly and exclusively for hunting, fishing and other activities. In affirming the trial judge's decision, the court stated that Aboriginal Title included "the right to the economic benefits of the land". The court also established that Aboriginal Title to the land means that the government and others have to obtain the consent of the Aboriginal Title holders if they are seeking to use the land. In the absence of this consent, those groups would have to meet the justifiable infringement test under Section 35 that was established in *Sparrow*³.

These cases reflect the evolution of the legal framework for First Nations and their rights to lands and resources within Canada and British Columbia. Being able to assert greater control over their lands through the right to self-government has given First Nations the leverage required to work with project proponents and potential investors who would like to pursue business opportunities in their territories.

Canadian courts have repeatedly urged the parties to resolve disputes through negotiation, not litigation. Canadian courts have emphasized that their role is to provide "a framework to facilitate negotiations and reconciliation of Aboriginal interests with those of the broader public" (*Tsilhqot'in*, 2014, para 118). While litigation is undoubtedly valuable in some cases, it is inherently adversarial and therefore a difficult means for achieving reconciliation. Litigation is costly, generally narrowly focused, and time-consuming; the final results are imposed by the courts, not via consensus among the parties. It ultimately leaves unanswered the question of how Aboriginal Rights and Title apply.

For Indigenous peoples, the opportunities available in such robust and dynamic political and legal landscapes are continuously expanding. When it comes to economic development on Indigenous reserve and traditional lands, laws have solidified the need to consult with potentially impacted Indigenous groups on the type of development that may occur. In some instances, Indigenous communities and people may provide value in the development, making them ideal partners in economic development rather than bystanders.

³ As of January 2019.



International and National Movements to Support Indigenous Efforts to Participate in the Canadian Economy

United Nations Declaration on the Rights of Indigenous Peoples

Globally, the voices of Indigenous groups across the world have joined to bring light to the issues they collectively experience and advocate for. One example of this is the ongoing work of the Working Group on Indigenous Peoples, which initially operated as a subsidiary body within the United Nations. The mandate of the Working Group is to "review developments pertaining to the promotion and protection of human rights and fundamental freedoms of Indigenous peoples and to give attention to the evolution of international standards concerning Indigenous rights". This Working Group gave rise to the United Nations Permanent Forum on Indigenous Issues, the Expert Mechanism on the Right of Indigenous Peoples, and the Special Rapporteur on the Rights of Indigenous Peoples. These three components make up the United Nations' bodies specifically mandated to address Indigenous peoples' issues around the world.

The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) was adopted by the United Nations General Assembly on September 13, 2007. The efforts to draft the document dealing with protection of Indigenous peoples across the world dates back to when the Working Group on Indigenous Populations was established in 1982. The subsequent decades of draft development and research have analyzed the marginalization and exploitation suffered by Indigenous Peoples around the world, at the

hands of colonial states. UNDRIP is described by the United Nations as "an important standard for the treatment of Indigenous peoples that will undoubtedly be a significant tool towards eliminating human rights violations against the planet's 370 million Indigenous people and assisting them in combating discrimination and marginalization".

Canada was one of four countries that initially objected to the adoption of UNDRIP (Australia, New Zealand, and the United States were the other three). At the time, Canada took the position that it held significant concerns over UNDRIP's wording on provisions addressing lands and resources, as well as Article 32 calling on states to obtain free, prior and informed consent before approving any project affecting Indigenous lands or territories and other resources.

In 2016, Canada dropped its objector status to UNDRIP and formally adopted plans to implement it in accordance to the Canadian Constitution. Efforts of the Canadian government to accomplish this implementation are ongoing, but some milestones have taken place, including the division of Indigenous and Northern Affairs Canada (now the Department of Indigenous Services) into two separate departments. One department is for the specific efforts of delivering services to Indigenous peoples across Canada, and the other focusing on renewing the nation-to-nation and government-to-government relationship between Canada and Indigenous peoples.

Additional milestones include the development of a Working Group of Ministers on the Review of Laws and Policies related to Indigenous Peoples. The Working Group is taking a principled approach to the review of laws and policies to seek to ensure that the Crown is meeting its constitutional obligations with respect to Aboriginal and treaty rights; adhering to international human rights standards, including UNDRIP and supporting of the Truth



Penticton Nissan's new car dealership is built on Penticton Indian Band land.

and Reconciliation Commission's Calls to Action. For Indigenous peoples in Canada, UNDRIP further affirms their inherent Indigenous Rights and treaty rights. Having the support of an international law document signals to Canada and the rest of the world that these rights are to be upheld and respected. This is important for economic development, especially as it relates to land and resource projects. The need to obtain Indigenous people's free, prior and informed consent ultimately strengthens their ability to be decision-makers on when and how economic development is carried out in their territories.

Truth and Reconciliation Commission

In 2015, the Truth and Reconciliation Commission (TRC) published its final report on the history and legacy of Canada's residential school system. During the five-year mandate of the TRC, they undertook a number of activities to guide and inspire Indigenous peoples and Canadians in a process of reconciliation and renewed relationships, based on mutual understanding and respect. Those activities included preparing a comprehensive historical record on the policies and operations of residential schools and hosting national events



across different regions in Canada to promote awareness and public education about the Indian Residential School system and its lasting impacts.

The TRC's final report included 94 "Calls to Action" intended to "redress the legacy of residential schools and advance the process of Canadian reconciliation".

The Calls to Action called upon a number of different organizations and institutions, including orders of government and various government agencies, to commit to taking action to advance reconciliation.

The TRC Calls to Action look to both state and non-state actors to address legacy conditions that have contributed to reduced social, education and health outcomes for Indigenous peoples compared to non-Indigenous populations in Canada.

Sustainable economic development can be a means by which to improve some of the social, education and health outcomes in Indigenous communities. A key component of this effort is

seeing that Indigenous communities have the means and opportunity to access economic development on their own terms. True self determination is based on both the means (ownership of assets, businesses and access to resources) as well as the capacity to operate and benefit from the use of those assets to achieve the community's objectives (improved measures of wellbeing).

Since contact, Indigenous peoples and communities have been relegated to the margins of BC's economy. The last few decades have, through concerted and sustained legal action (and modern-day self-government initiatives), seen the Indigenous communities in BC take a place at the decision-making table to exercise a greater degree of jurisdiction over unceded territory and rights. True reconciliation in the area of economic development will require the federal and provincial governments to negotiate more meaningful participation in, and a transfer of, the means to sustain greater economic activity. This will happen through economic reconciliation agreements that shift the focus away from

Call to Action #92, Entitled "Business and Reconciliation", Called for the Corporate Sector in Canada to:

92. [...] adopt the United Nations Declaration on the Rights of Indigenous Peoples as a reconciliation framework and to apply its principles, norms, and standards to corporate policy and core operational activities involving Indigenous peoples and their lands and resources. This would include, but not be limited to, the following:

- i. Commit to meaningful consultation, building respectful relationships, and obtaining the free, prior, and informed consent of Indigenous peoples before proceeding with economic development projects.
- ii. Ensure that Aboriginal peoples have equitable access to jobs, training, and education opportunities in the corporate sector, and that Aboriginal communities gain long-term sustainable benefits from economic development projects.
- iii. Provide education for management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools, the United Nations Declaration on the Rights of Indigenous Peoples, Treaties and Aboriginal rights, Indigenous law, and Aboriginal-Crown relations. This will require skills-based training in intercultural competency, conflict resolution, human rights, and anti-racism.



adversarial gains through the courts towards mutual benefit for both Indigenous and non-Indigenous communities.

Understanding the BC Economy: BC Regional Profiles

In order to better understand differences in the regional economies, the BC government divides the province into economic regions, shown on the map below. There are differences between the regions in the expectations for growth, replacement of positions (due to retiring workers), expansion in specific industries and occupations. To better understand the different regions, this section presents a brief outline of the top five

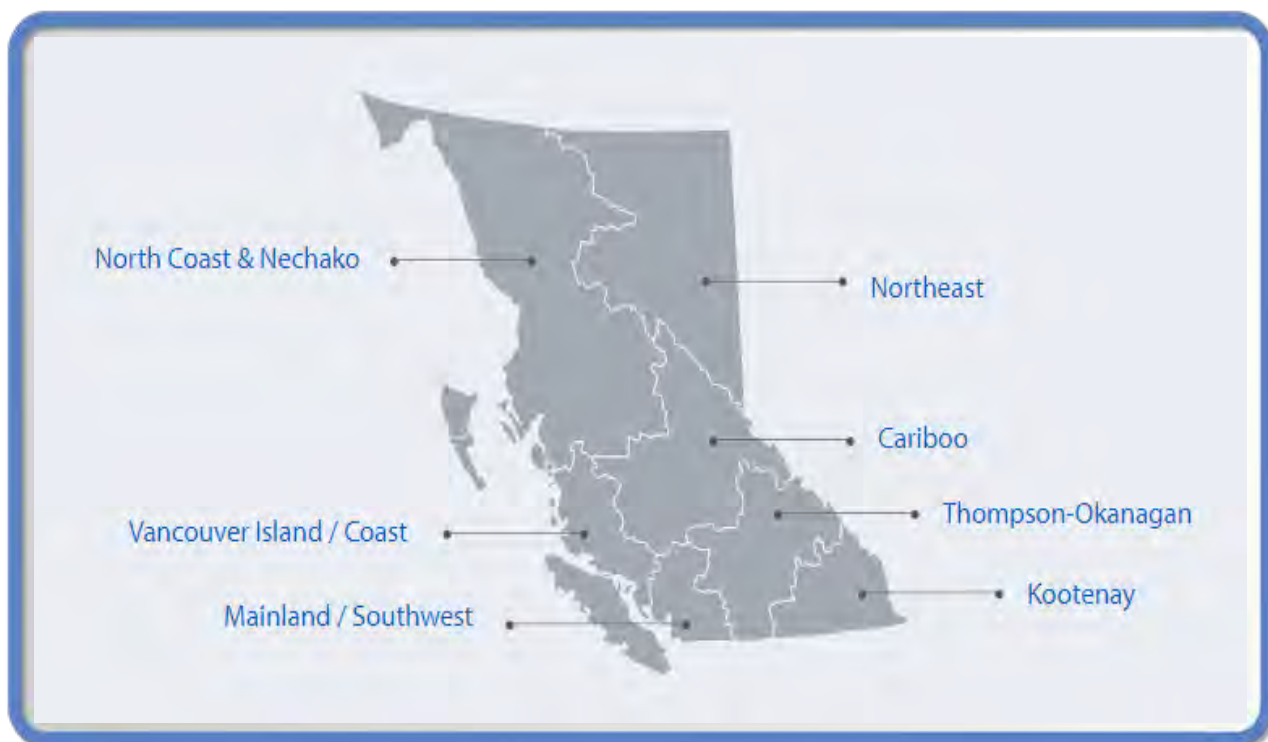
industries with expected job openings, industries with the most employment growth and industries with the least employment growth, for each region, as identified in the 2018 BC Labour Market Outlook.

Vancouver Island/Coast

The Vancouver Island/Coast economic region includes the entirety of Vancouver Island and Gulf Islands, along with some of the coastal regions from the Powell River area up to the Central Coast. From a total population of 680,300 people age 15 years or older, the total number of employed people is 390,800, with an unemployment rate of 3.8%⁴. According to the last Census, about 17% of BC's population lived in Vancouver Island/Coast, and almost half of those people lived in the Capital Regional District. Of all the regions, Vancouver Island/Coast had the

⁴ As of January 2019

Figure 2: BC's Economic Regions





smallest proportion of children (14 years of age and younger) in its population. It also had one of the highest shares of seniors (65 years of age and older). As a result, the median age in Vancouver Island/Coast (46.5 years) was among the highest of all the regions. In 2015, nearly 25% of BC's Public Administration jobs were located in Vancouver Island/Coast, reflecting the presence of the provincial capital in the region. Almost 83% of jobs in Vancouver Island/Coast region were in the Service sector in 2015, more than any other region.

Top Five Industries:

- Health Care and Social Assistance (15.1% of regional employment)
- Retail Trade (12.5% of regional employment)
- Construction (9.3% of regional employment)
- Accommodation and Food Services (8.1% of regional employment)
- Public Administration (7.4% of regional employment)

It is expected that 71% of all job openings will be replacing retiring workers and 29% new jobs will be due to expansion.

Lower Mainland/Southwest

The Lower Mainland/Southwest economic region includes the southwest corner of the BC mainland. This includes the Greater Vancouver area, the Fraser Valley, the Sunshine Coast, in addition to Whistler, Pemberton and west to Lillooet and the Fraser Canyon. This region has the highest population, with around 2.5 million people over the age of 15 (1.6 million of which are employed), and an unemployment rate of 4.7%⁵. Lower Mainland/Southwest is the province's largest region by population but

⁵ As of January 2019

the smallest by land mass. Around 95% of the population lives in urban areas. About 71% of the region's population was of working age (15-64 years old), the highest share for this category in the province. About 71% of all BC jobs in Finance, Insurance, Real Estate and Leasing, and in Professional Scientific and Technical Services were concentrated in this region in 2015. About 82% of employment in the region was in the Service sector.

Top Five Industries:

- Retail Trade (11.4% of regional employment)
- Health Care and Social Assistance (11.3% of regional employment)
- Professional, Scientific and Technical services (9.1% of regional employment)
- Construction (8.9% of regional employment)
- Manufacturing (7.4% of regional employment)

It is expected that 66% of all job openings will be replacing retiring workers and 34% new jobs will be due to expansion.

Kootenay

The Kootenay economic region covers the southeast corner of the province, bordered by Alberta to the east and the United States to the south. The Thompson-Okanagan region meets the northern and western borders of the regions. The largest population center in the region is Cranbrook. From a total population of 123,300 over 15 years of age, the regional employment numbers are 76,200 total (15-64 years old), with an unemployment rate of 3.1%⁶. Over 3% of BC's population lives in the Kootenay region. According to the last census, the total population was 146,264. Kootenay had the highest median age of all the economic regions (46.9 years). Unemployment in this region has consistently been higher than in

⁶ As of January 2019



the province as a whole. In 2015, around 10% of all Kootenay jobs were in the Other Primary sector (forestry, mining, oil and gas, fishing, hunting and trapping). Top employment growth industries:

Top Five Industries:

- Retail Trade (12.6% of regional employment)
- Health Care and Social Assistance (11.4% of regional employment)
- Construction (9.2% of regional employment)
- Mining, Oil and Gas Extraction (9% of regional employment)
- Manufacturing (8.6% of regional employment)

It is expected that 75% of all openings will be replacing retiring workers and 25% new jobs will be due to expansion.

Thompson-Okanagan

The Thompson-Okanagan economic region, located in the interior of the province, includes areas of Princeton in the west, and east to Golden and the Alberta border. It stretches south to include Osoyoos and meets the Washington state border. Kelowna and Kamloops are the two largest cities in the region. It has a total regional population of 491,100 over 15 years of age with a regional unemployment number of 260,900, and an unemployment rate of 5.0%⁷. Thompson-Okanagan is the third most populated region in the province and home to 12% of the BC population. According to the last census the total population of the region was 520,803. Just over 65 percent of the region's population was of working age (15-64 years old) in 2015, the lowest share in the province.

⁷ As of January 2019

The median age of the region's population (46.4 years) was significantly higher than the provincial median age of 40.6 years. The region's unemployment rate is consistently higher than the provincial rate. About 24% of BC's Agriculture jobs were located in this region.

Top Five Industries:

- Health Care and Social Assistance (14.0% of regional employment)
- Retail Trade (12.3% of regional employment)
- Construction (10.9% of regional employment)
- Accommodation and Food services (8.9% of regional employment)
- Educational Services (6.3% of regional employment)

It is expected that 69% of all openings will be replacing retiring workers and 31% new jobs will be due to expansion.

North Coast and Nechako

North Coast and Nechako are two separate economic regions that often have their data combined due to their small population sizes. The two regions are located in the northwest part of the province. While the North Coast covers the northern coastal areas of the province (including Haida Gwaii) and contains Prince Rupert, Terrace and Kitimat, Nechako stretches from the BC-Yukon border in the north down to the central Lakes District of the province. Nechako is separated from the northeastern section of the province by the Rocky Mountain Trench. The total population for both districts is 66,400 (15 years and older) with total regional employment number 42,600 and a regional unemployment rate of 4.1%⁸. North Coast and Nechako is one of the

⁸ As of January 2019



Tsawwassen Commons, shown here, and Tsawwassen Mills, are two shopping centres built on Tsawwassen First Nation Commercial Lands next to Highway 17, near the Tsawwassen terminal of BC Ferries.

less populated regions in the province, home to just over 2% of BC's population. According to the last census, the total population of this region was 95,982. About 68% of the region's population was of working age (15-64 years old). North Coast and Nechako has consistently had more unemployment than most other regions of the province. About 68% of employment in this region was in the Services-producing sector.

Top Five Industries:

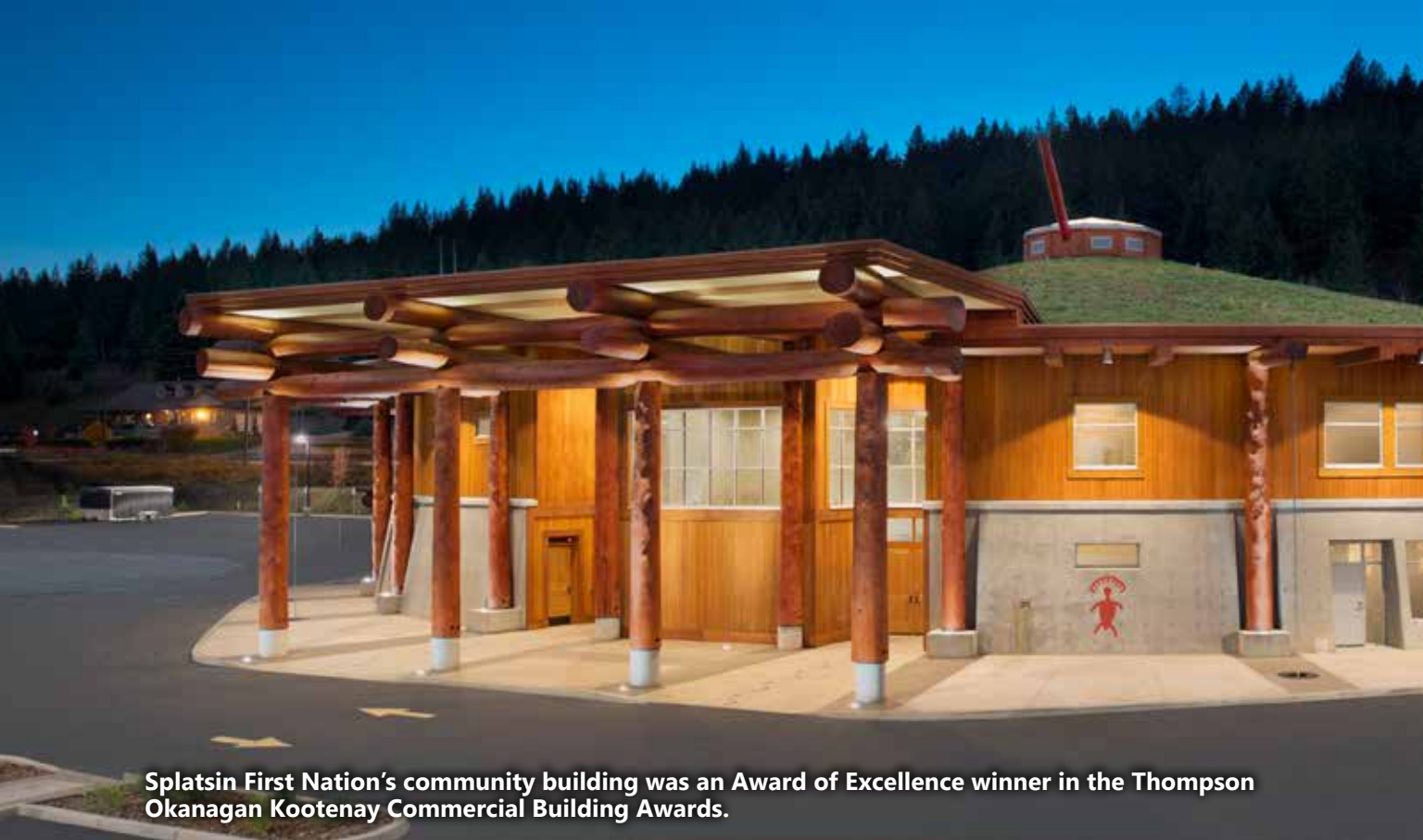
- Retail Trade (12.4% of regional employment)
- Manufacturing (10.8% of regional employment)
- Construction (10.5% of regional employment)
- Health Care and Social Assistance (9.6% of regional employment)
- Transportation and Warehousing (9.3% of regional employment)

It is expected that 100% of all openings in both regions will be replacing retiring workers.

Cariboo

The Cariboo economic region covers much of the northern interior of the province, ranging from the Cariboo plateau in the west to the valleys of the Cariboo and Rocky Mountain ranges. It includes the city of Prince George, which acts as a major service centre for the northern half of the province. The total population is 128,000 (15 years and older) with total regional employment number 75,100 and a regional unemployment rate of 5.9%⁹. Cariboo is one of the less populated regions in BC, accounting for only 4% of the province's population. According to the last census, the total population was 154,271; about 69% of the region's population was of working age (15-64 years old), the same share as for the province as a whole. Unemployment in Cariboo has consistently been higher than in the province as a whole. Manufacturing activities provided about 12% of jobs in the region in 2015.

⁹ As of January 2019



Splatsin First Nation's community building was an Award of Excellence winner in the Thompson Okanagan Kootenay Commercial Building Awards.

Just over 7% of BC's Other Primary (forestry, mining, oil and gas, fishing, hunting and trapping) jobs were located in the Cariboo region.

Top Five Industries:

- Health Care and Social Assistance (14.2% of regional employment)
- Retail Trade (12.8% of regional employment)
- Manufacturing (11.3% of regional employment)
- Construction (7.7% of regional employment)
- Educational Services and Accommodation and Food Services tied at 6.6% of regional employment each)

It is expected that 87% of all openings will be replacing retiring workers and 13% new jobs will be due to expansion.

Northeast

The Northeast economic region runs from

both the Alberta and Yukon borders and is part of the Peace River Basin. It is separated from the northwestern part of the province by the Rocky Mountain Trench. The main population centres in the region are Fort St. John and Dawson Creek. The region has a total population of 55,800, with regional employment numbers of 40,300, and an unemployment rate of 5.5%¹⁰. Northeast is the least populated region in the province, home to less than two percent of BC's total population. According to the last census, the total population of this region was 65,660. About 70% of the region's population was of working age (15-64 years of age). The region's unemployment rate is consistently lower than the provincial rate. About 67% of employment in this region was in the Services-producing sector.

Top Five Industries:

- Construction (16.3% of regional employment)

¹⁰ As of January 2019



- Health Care and Social Assistance (10.5% of regional employment)
- Retail Trade (10.4% of regional employment)
- Mining, Oil and Gas extraction (7.6% of regional employment)
- Transportation and Warehousing (7.1% of regional employment)

It is expected that 69% of all openings will be replacing retiring workers and 31% of new jobs will be due to expansion.

BC's Labour Market Outlook

BC is in a good economic position. In early 2019, we had the strongest and fastest growing economy in Canada. In January 2019 the unemployment rate in BC was 4.6%, although in 2018 more than 10% of Indigenous British Columbians were unemployed. As our economy increasingly diversifies, employment is not as

reliant on resource extraction industry as it has been in the past. Our province now has strong technology, science and tourism sectors, along with health and service sectors. To sustain this strength, industry needs a workforce that incorporates Indigenous people, as they represent the youngest and fastest-growing segment of the BC working aged (15-64 years of age) population. As industry is increasingly focused on development projects outside of major population centers, many Indigenous communities are well positioned to provide labour for these projects.

According to Statistics Canada, in 2018 about 80% of employment in the province is in the Service sector, including 15% in Wholesale and Retail Trade, and 12% in Healthcare and Social Assistance. Construction (almost 10% total employment) and Manufacturing (7%) account for most of the employment in BC's Goods sector. Fewer than 5% of BC's jobs were in Agriculture, Forestry and Other Primary industries.

The 2018-28 BC Labour Market outlook highlights that the need to replace retiring workers is expected to drive over two-thirds of projected job openings until at least 2028. This model predicts that there will be 903,000 job openings between now and 2028. This includes the creation of 288,000 new jobs due to economic growth and the need to replace 615,000 workers who will permanently leave the workforce, mainly due to retirements.

These workers will come from a variety of places. A large percentage (50%) of expected job openings will be filled by workers starting their careers, immigrants will fill about 27% of the job openings, and 8% will be filled by workers coming to live in BC from other provinces. This leaves a remaining need to find workers to fill another 130,000 job openings. To fill this gap, several things will need to happen; more people will need to join and stay longer in the workforce and Indigenous workers, who at all all ages and levels of education who





have participated at lower rates in the workforce in the past, will see significant opportunities from this expected need for workers.

Where are the Jobs?

About half of the total projected job openings over the outlook period as represented in the British Columbia 2018-28 Labour Market Outlook are expected to be in five industries:

- Health Care and Social Assistance (148,400 job openings; 16.4% of total job openings);
- Professional, Scientific and Technical Services (106,200 job openings; 11.8% of total job openings);
- Retail Trade (82,300 job openings;

9.1% of total job openings);

- Accommodation and Food Services (61,000 job openings; 6.8% of total job openings); and
- Finance, Insurance and Real Estate (59,700 job openings; 6.6% of total job openings).

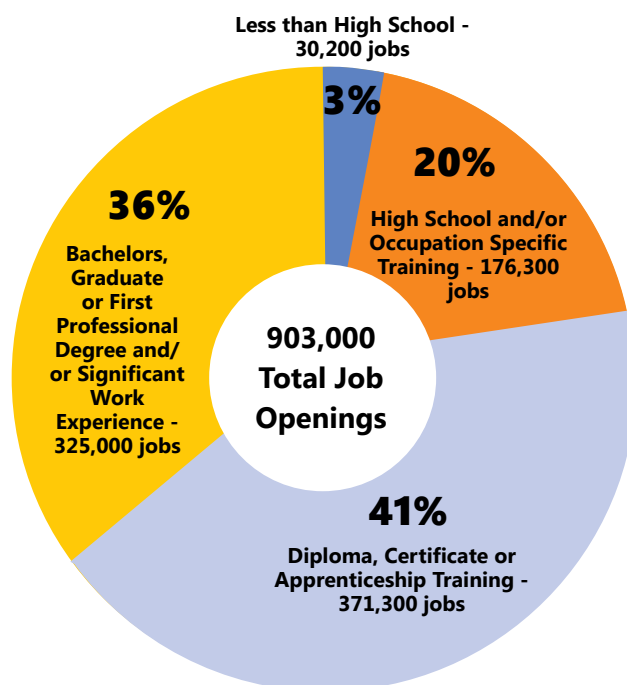
Several industries will see a good proportion of job openings because of economic growth and industry expansion.

These include:

- Accommodation and Food Services (51% of job openings are due to economic growth);
- Professional, Scientific and Technical Services (48% of job openings are due to economic growth);

Figure 3: 10-Year Total Job Openings by Education Requirements

Job Openings by Level of Education Required



- Information, Culture and Recreation (46% of job openings are due to economic growth); and
- Health Care and Social Assistance (46% of job openings are due to economic Industry).

Education required for expected jobs

As we move into the future, the BC Labour Market Forecast expects that nearly 80 percent of the job openings in the next 10 years will require individuals to have a post-secondary education.

This is an important consideration for Indigenous communities, as it emphasizes the need to support members in completing the necessary education to become competitive in the future job market.

As Figure 3 on the previous pages illustrates, education and training are important requirements for developing British Columbia's workforce needs; less than a quarter of the job openings are available to workers with only a high school level education. With an emphasis on a growing knowledge economy, any competency or skill associated with scientific, technological or numerical skills becomes a highly prized asset. Unfortunately, there is a perceived lack of competencies in recent graduates. In 2015, 73% of surveyed employers cite lower than desired levels of critical-thinking and problem-solving competencies among recent graduates.

As we move forward, these employers also see over one-third of the competencies currently considered important in today's workforce changing by 2020. Creativity will become more important, rising from its 10th ranked position in 2015 to the top three by 2020. The importance of becoming more creative reflects the needs of a modern workforce to take advantage of new technologies and the increased emphasis on creative problem solving, as employers increasingly want people who are able to think outside the box.

Customers enjoy Cariboo Chilcotin Jetboat Adventures on the Fraser River through Tsilhqot'in (Chilcotin) Nation.



Roadmap for Indigenous Economic Development

There are many roads that lead to sustainable Indigenous economic development. Without proper guidance, communities and individuals can be stalled or stopped by frustrating obstacles or face expensive detours. What follows is some general guidance for the process of economic development. Using a map of the major stages and considerations on the road to economic development, the Roadmap on the following pages provides an overview of the process.



LIST OF TOOLS

- 1 Community Readiness Assessment
- 2 Community Consultation Tools
CCP Development Outline
- 3 EDO or IEDC Board Development
- 4 Strategy Outline Research and
Planning Tools, Consultant tools
- 5 Business Plan Outline, Operation Plan
Outlines, Funding Sources, Hiring Tools

STOP 1
**Community
Readiness**

STOP 2
**Economic
Development
Strategy**



Economic development is a cycle. Once a project is up and running, an impact assessment will highlight needed changes, areas for expansion or contraction, community impact and changes in support or resistance as well as any other areas that feed back into the economic development opportunity.





Assessment of Community Readiness

Before embarking on a journey to create a comprehensive and holistic community economic development plan, the first stop is a thorough assessment of existing community readiness. This process should answer the questions:

- Where are we now?
- Where do we want to be?

Although each community may undertake their assessment differently, there are major components that most assessments should consider. These include: governance and civic capacity, community interest, social asset assessment, physical asset assessment, and brainstorming potential business opportunities. This assessment should be comprehensive but straight forward. If you decide that your community has what it needs to move ahead along the road to economic development, a more thorough assessment of each of the major components will need to be done. This will help in developing a comprehensive community economic development strategy.

Good Governance and Civic Capacity

The National Centre for First Nations Governance defines governance as “the traditions (norms, values, culture, language) and institutions (formal structures, organization, practices) that a community uses to make decisions and accomplish its goals. At the heart of the concept of governance is the creation

of effective, accountable and legitimate systems - both elected and hereditary. This, paired with the need to acknowledge and reflect Indigenous culture and world view while allowing citizens the means to articulate their interests, exercise their rights and responsibilities and reconcile their differences. Successful Indigenous leaders have a strong understanding and knowledge of their culture, history, and traditional territories. They incorporate these cultural values and principles into their systems and organizations to guide how they govern.

Governance is also the process by which an Indigenous community describes who has power and in what circumstances, who makes decisions, how others make their voices heard, and what goes into reports and financial statements. All of the policies and activities of a Indigenous community flow from its governance structure.

The Institute on Governance asserts five principles for “good governance” derived from the United Nations Development Programme, several of which align with the principles identified by the National Centre for First Nations Governance:

1. Legitimacy and voice;
2. Strategic direction;
3. Performance (effective, efficient, quality, responds to needs);
4. Accountability, and fairness (impartial and equitable. Separation of judiciary functions from political leadership); and



5. Adequate dispute resolution mechanisms.

However, effective governance is about more than getting the job done. The process and the principles that support and guide governance are as important as the product. In other words, effective governance is more than a way to achieve organizational effectiveness; it is an end in itself.

Linking governance process and structure to economic development is essential, as the authority to work on behalf of the community flows from the governance structures. In order to pursue an economic development strategy, the community must have appropriately defined regulatory frameworks, property rights and relationships, mechanisms for capital formation, sources of revenue, and economic institutions.

In many cases, communities will seek to develop structures so that they draw upon and

reinforce the communities' own political, legal and economic traditions.

Civic capacity can be viewed as your community's ability to come together in a determined way to address major community issues. It involves such elements as relationship building across sectors, the development of skills and abilities of community members and leadership capacity, levels of community volunteerism, and levels of community engagement in decision-making. All of these factors play a significant role in the success rate of community planning. Civic capacity can be instrumental in the ability of a community to successfully form and implement any community or economic development plans. The following questions will help as you explore your community's level of civic capacity and identify areas where increased focus will create a positive foundation for economic development:

Table 1: Competencies in 2015, and projected for 2020

THE TOP 10 COMPETENCIES IN 2020 WILL BE	THE TOP 10 COMPETENCIES IN 2015
1. Complex Problem Solving	1. Complex Problem Solving
2. Critical Thinking	2. Coordinating With Others
3. Creativity	3. People Management
4. People Management	4. Critical Thinking
5. Coordinating With Others	5. Negotiation
6. Emotional Intelligence	6. Quality Control
7. Judgment And Decision-Making	7. Service Orientation
8. Service Orientation	8. Judgment And Decision-Making
9. Negotiation	9. Active Listening
10. Cognitive Flexibility	10. Creativity

Source: Jobs of the Future World Economic Forum. January 2016



Leadership

1. Who are the most important people and organizations in your community that should be involved in a leadership role?
2. How does elected, hereditary and Indigenous economic development corporations (if any) leadership interact?
3. How does leadership obtain community input about economic development, (e.g., one on-one meetings, consultations, online, combination of several methods)?
4. Do you believe that your community's current elected leadership:
 - a. Listens to the concerns of community members?
 - b. Has the capacity to affect change in the community?
 - c. Has the skills necessary to effectively represent your community?
 - d. Motivates and inspires members of your community?
 - e. Works well with the community? With other governments? With the private sector?
 - f. Has the support of the majority of the community?
 - g. Acts in the best interests of the community?
 - h. Has credibility in the community?
 - i. Has the resources needed to do its job?
5. Do you believe that your community's current hereditary leadership:
 - a. Listens to the concerns of community members?
 - b. Has the capacity to affect change in the community?
 - c. Has the skills necessary to effectively represent your community?
 - d. Motivates and inspires members of your community?
 - e. Works well with the community? With other governments? With the private sector?
 - f. Has the support of the majority of the community?
 - g. Acts in the best interests of the community?
 - h. Has credibility in the community?
 - i. Has the resources needed to do its job?
6. Does elected leadership act in support of development initiatives?
7. Does hereditary leadership act in support of development initiatives?
8. What skills do you need to further develop your community's leadership abilities?
9. What strategies can be put in place to help develop future leaders?

Community members

1. How many members live in your community?
2. How many members are employed full-time or part-time?
3. What employment support programs are in place to help the unemployed become employed?
4. Is there a strong volunteer force in the community?
5. Are community members currently involved in organizing and running community focused projects?
6. Are there people in your community who are visionaries and action-oriented, and who could be recruited to serve in leadership roles?



7. Are there people in your community with the necessary skills to lead economic development plans from development to project completion?
8. What is the level of overall health in the community, e.g. low, medium, high?

An important part of governance and civic capacity is the ability to communicate well with, and on behalf of, your membership. Effective communication encourages information sharing and helps increase the level and quality of member participation in community planning and development. The following questions will help assess your communications strengths and areas for improvement or support.

1. Does your community have a person designated as the primary contact for economic development-related matters?
2. Does your community have a person designated as the primary contact for land use planning and resources development?
3. How prepared are your primary contacts to respond to economic development and business questions from potential investors, (e.g. industrial site availability, workforce, transportation and infrastructure)?
4. Do community members know and understand your community's vision and plan?
5. Is there regular and effective communication among community groups to inform and involve each other?
6. Does leadership effectively share information with community members?

Community Interest

Before putting pen to paper and creating an economic development strategy, it is important to engage community members regarding their support in investing leadership time and money to support economic development and growth. It is important to remember that the strength of the strategy relies on the amount of community support behind each stage of the process.

There are many ways to do this. One, supported by DISC is the Comprehensive Community Plan (CCP). Comprehensive community planning is a holistic process that enables a community to build a roadmap to sustainability, self-sufficiency and improved governance capacity. It provides a framework for the integrated management of land, natural resources and the environment, while incorporating and addressing the social, economic, and governance elements of a community's values. In developing a Community Plan, the community leads the planning process and determines a vision that leaders are then expected to work towards. Community Plans are implemented using a series of other programs that can include health and wellness, education, community infrastructure as well as economic development. In essence, the Community Plan allows community members and Council to agree on the priorities and expectations for economic development and to build plans that are based on identified community desires and values.

Since 2004, more than 80 Indigenous communities in British Columbia have completed Comprehensive Community Plans. Comprehensive community planning is an ongoing process that enables a community to plan its development in a way that meets its needs and aspirations in all aspects of community life. CCP can include, but is not limited to, areas such as:



- Governance;
- Land and resources;
- Health;
- Infrastructure development;
- Culture;
- Social Characteristics;
- Education; and
- Economy.

Funding support for CCP is available through numerous programs, including:

- British Columbia Capacity Initiative;
- First Nations Infrastructure Fund;
- Community Economic Opportunities Program; and
- Professional and Institutional Development.

The CCP Handbook: Comprehensive Community Planning for First Nations in British Columbia is a reference tool to support Indigenous communities interested in doing CCP. The handbook was initially developed to document the experiences of and lessons learned by five pilot communities in British Columbia. It was updated in 2013 to include tools for the drafting and implementation of a community plan.

We established a volunteer community committee, including citizens living on and off reserve, to conduct the ongoing review of the engagement policy, make amendments and provide advice. This approach allows for the policy to be 'test-driven' and improved, or amended, if necessary.

We Wai Kai First Nation

Having the support of a mentor who has done the process, and knows the tools and tricks really helps relieve the stress. You get into the mode of "Yes, I can do it!"

Cowichan Tribes

However, you choose to go about it, it will help your economic strategy to ensure that you hear from a cross section of your community. For instance, you will want a variety of voices that represent different ages, genders, leadership roles, experience and opinions. You will want to ensure that you include those who have vested interests in economic development within the community (e.g. business owners, unemployed adults, educational providers, etc.) and those who may be impacted indirectly (e.g. elders, youth, sole parents, etc.). It is worth noting that engagement is the longest part of the journey to an Economic Development Strategy and regular communications and check-ins should occur well into the implementation of a strategy. Weak or insufficient engagement can cripple an Economic Development Strategy and jeopardize success of community investments in business.

There are several approaches to community engagement that can take the place of the CCP. Some require deeper levels of connection than others and different tools. It can include surveys, open houses, roundtables, workshops, discussion groups, newsletters, pamphlets, webpages, social media and traditional media. Understanding your membership and their preferred methods will be integral to successful engagement.

Social Asset Management

A community's readiness for economic and community development will depend in part on the education, training and social supports



available to community members. Members with education and training in business-related skills, as well as in technology and social networking, may be valuable assets supporting vibrant and active economic growth. The following questions will explore your community's social capacity:

Education

1. How many members in your community are in:
 - a. Elementary School
 - b. Secondary school
 - c. Post Secondary
2. What are the levels of education among the community?
 - a. Some High School
 - b. High School Graduate
 - c. Some Post-Secondary
 - d. Post-Secondary Certificate
 - e. Post-Secondary Diploma
 - f. Post-Secondary Degree
 - g. Masters Level Degree
 - h. Doctorate Level Degree
3. How would you characterize the level of general education in your community?
4. Do children learn traditional teachings from Elders?
5. Do the elementary and secondary education systems in your community teach courses on problem solving or creative thinking?
6. To help provide job-readiness training, what kinds of educational facilities are available:
 - a. University
 - b. Community college
 - c. Technical college

d. Training center

e. K-12

7. Does your community have an adequately funded K-12 program?
8. Does your community have library services?

Workforce

1. Does your community have an inventory of labour force skills?
2. How would you describe the quality of human resources in terms of past work experience, work habits, willingness to accept all forms of employment (tele-work, manual labour, retail, etc.) and turnover rates?
3. How would you describe the quality of employment opportunities based on availability, wage rates and employment statistics?
4. What sort of jobs and careers are community members interested in?

Health and social services

Action to address significant chronic health challenges such as cancer, obesity, addiction and diabetes involve a wide range of community members and a number of complex and interrelated issues. Addressing the root causes of poor health involve many areas, including employment, early childhood development, recreation services, education, food security, housing and access to health services. The development of effective long-term solutions to community health issues will require both members and communities to be recognized as co-producers of health and well-being.

1. How many community members currently receive health services from the health department?
2. What are the major health concerns/



diagnoses of community members (e.g. obesity, diabetes, heart disease, etc.)?

1. Does the overall health of the community impact the future employability of community members?
2. What health promotion support programs are in place to help the medically unemployed overcome their health issues and become employed?
3. What is the level of physical activity by community members, e.g. low, medium, high?
4. What programs or services are offered in the community to increase that level?
5. What types of health-related services are currently being provided in the community:
 - a. Dietetics
 - b. Nursing
 - c. Physician
 - d. Mental health services
6. What types of professionals are being seen?

Technology supports

1. In terms of your level of technology, does your community:
 - a. Have access to a wide area network (WAN) or local area network (LAN)?
 - b. Have access to the internet through either a local Internet service provider or a local school or college?
 - c. Have access to a technology center?
 - d. Support a technology incubator?
2. Is your community responsive to attracting technology business?

Community supports

1. In terms of your level of community support, does your community have a:
 - a. Community center?
 - b. Recreation facilities available for residents of all ages?
 - c. Recreation equipment available for residents of all ages?
 - d. Recreation coordinator?
 - e. Senior center and services?
 - f. Youth center and services?
 - f. Cultural center and services?
 - g. Sufficient childcare centers and services to meet community needs?
 - i. Any parks, e.g. mixed-use, provincial, seasonal?

Assessing your community's social assets and their development potential is an important step in determining community readiness for an Economic Development Strategy. A comprehensive approach to capacity building, one that is linked to community supported economic development, can nurture excellence and expansion in all areas of human and community development. In this way, capacity building helps strengthen the ability of Indigenous communities, individuals, organizations and sectors in order to sustainably develop creative solutions that address community issues over the long-term.

Social vitality is the ability of members of a community to work together to achieve common goals. It is an important factor in the success of community economic development initiatives. The following section will help you analyze your community's ability to collaborate, coordinate and cooperate in order to improve social vitality:



Community cohesion

1. Are community members willing to work together on community and economic development initiatives?
2. Do community members recognize the importance of working together to make positive changes?
3. What needs to be done to help your community work together?
4. Is there public participation in response to change?
5. Can your community effectively mobilize resources?
6. How does your community organize for planning purposes?
7. Do community members have a way to express their feelings of pride and attachment to their community?
8. Is community beautification seen as an ongoing priority?
9. Have there been successful community projects that involved different groups coming together for a common goal?
 - a. If yes, what were the characteristics that made it successful?
10. Is the relationship between elected and hereditary leadership and community members a positive one?
11. Is there a common problem facing your community?
 - a. Would more/different or better development help solve this problem?
12. Are there ways to make your community development process more inclusive?
13. Is community development understood as a process that will bring about change?
14. What changes, good or bad, might come as a result of community development activity?

15. How might community members react to this sort of change?
16. What action can you and your community take now to help offset any negative impacts of change?
 - a. How would you go about finding the right information to help take this action?
17. How could you get others to become interested in community development?
18. Does your community have a spirit or tradition of people helping each other?

Community participation

1. Are community members well informed about economic development activities?
2. How are new ideas generated in the community?
3. Is there infrastructure to support innovation and innovative thinking in community participation?
4. Is there a track record of positive community action?
5. Is there a system in place for measuring progress and results?
6. Does your community celebrate success?
7. Are community members routinely given the opportunity to join community and economic development efforts?
8. Are community members routinely given the opportunity to provide input into community and economic development initiatives?
9. Are as many different people from the community as possible involved in economic development (e.g., elders, youth, leadership)?
10. Has your community recently completed a SWOT (strengths, weaknesses,



opportunities, threats) analysis?

11. Is there a forum where Council, hereditary leadership and community members can discuss the past, present and future direction of the community?
12. Does the community share best practices among community leaders? With other communities?
13. Do leaders from the public and private sectors travel to other communities to see best practices firsthand?
14. Does your community work with other communities on policy and program development?
15. Does your community have business relationships with other communities, development institutions and organizations?
16. Is there active support of economic development activities from a range of community organizations?
17. Do community members feel empowered to make decisions? If not:
 - a. How can you create this empowerment?

Physical Asset Assessment

A community's readiness for economic development is directly linked to the infrastructure available to support the projects, business activities and other development initiatives.

These questions explore your community's available infrastructure. If you answer no to any of questions 1-8, these may be an area for immediate focus, ahead of any economic development activity:

1. Does your community have enough houses to ensure that every family can live in a single-family home if they desire?
2. Does your community have a water system that meets required quality standards (which may be based on government regulations, drinking water quality, community environmental standards, etc.)?
3. Does your community have a water system that has room for capacity growth as more homes or facilities are built?
 - a. How much capacity is currently being used?
4. Does your community have a waste water system that meets required quality standards?
 - a. Does it have room for capacity growth?
 - b. How much capacity is currently being used?
5. Does your community have telephone service? Landline and cell?
6. Does your community have competitively priced energy sources available?
7. Does your community have storm water drainage and flood retention systems?
8. Is there a hospital within a 60-minute drive?
9. Does your community have access to ferry, seaplane or other water transport?
10. Are there local businesses currently providing goods and services to residents?
11. Are there local Emergency Services available?
12. Describe your community's public facilities, as well as some of the



challenges you face in maintaining and building capacity in these facilities:

- a. Streets;
- b. Utilities;
- c. Water;
- d. Waste Disposal;
- e. Fire Protection;
- f. Policing Services;
- g. Social Services;
- h. Education;
- i. Health Care;
- j. Recreation; or
- k. Communications Systems.

- 14. Is your community located near an urban or a rural center, or both?
- 15. Is your community close to a major highway?
- 16. Does your community have public transportation?
- 17. Does your community have rail service?
- 18. Does your community have access to commercial air services within 80km?

Community foundation

Building on the answers to the questions above, the following questions are more contemplative and look at the community and governance foundations needed for successful economic development. Again, if the answer is no to any of them, that may be a priority before economic development begins.

- 1. Is your community ready for economic development?
 - a. If no, what resources and support does your community require to become ready?
- 2. Does your community have a recognized community or economic development

organization with the required authority, structures and processes to help sustain positive economic development activities?

- 3. Are the community or organization's processes open and participatory? Are community members willing to contribute and explore new ideas?
- 4. Does the community or organization work to build successful partnerships with other groups in and outside your community?
- 5. Is the community or organization successful in obtaining the necessary resources and assistance to carry out its project goals?
- 6. Does the community or organization encourage active participation by a diverse mix of community members (diversity can be measured by factors such as education, occupation, age, length of residence, etc.)?
- 7. Does the community or organization look for training and skills development opportunities to help improve the skills and knowledge of its members?
- 8. Is the responsibility for carrying out the work of the community or organization shared among its leaders and members?

To support an Economic Development Strategy you will first need to develop a community asset (physical, cultural, environmental) survey to identify and detail the assets that could be available to the community for use and development.

Physical assets include anything that could be used in commerce and community development, from natural resources to developed resources.



Some examples include:



After gathering this information/database, it will be essential to keep it up-to-date. This supports your community to use it as a guide to future opportunities. It can also help to

determine community needs and gaps, and how assets are to be managed from concept (what is it that the community needs that is not there already) to disposal (what asset is no longer of value).

Some of these physical assets can be considered core assets. Core assets are those that are essential to the health of the community (e.g. a water treatment system). The larger a community, the larger the number of core assets one would expect to find. Well-planned and well-maintained assets are key to maintaining a healthy and robust community.

Having a complete picture of all the assets available for development within a given community can provide valuable information on future financial forecasting and business decisions for the future. Further, on an annual basis, assets should be reviewed, updated and actively managed to get the best return for the community and proactively identify gaps.

Key Components of a Community Asset Survey:

- 1. Asset Information** – List community assets, where they are located, condition and replacement costs. Start with the critical assets.
- 2. Future Demand** – Understand future demand based on forecasted growth and changes in the community, what could happen to current assets, what will be required to meet demands, timelines of perceived needs and how needs can be managed.
- 3. Levels of Service** – Identify capacity required for existing and future assets. Identify any surplus or underperforming assets.
- 4. Option Analysis and Life-Cycle Costing** – Assess the various options for maintaining current and future assets and know their costs.
- 5. Option Selection** – Make decisions based on good information and financial sustainability.
- 6. Asset-Management Practices & Systems** – Use planning tools.
- 7. Improvement Plan** – Show commitment for the future.



Brainstorming Business Opportunities

Before embarking on creating an Economic Development Strategy and after an assessment of your community's governance structures, interest in economic development, social and physical capacities and assets, you will scope out business opportunities. The size and scope of opportunities may determine which structure of economic development service delivery and support to develop. Structures may include incorporating economic development within day-to-day operations of the community or using an arm's length entity such as an Indigenous Economic Development Corporation. We will talk about these structures in detail in Stop 4.

Opportunity assessment questions can provide a reasonable and quick overview to guide initial scoping¹¹. These questions will help you understand the opportunities that may be available to your community.

1. What are the various factors that support or undermine development and planning activities in your community/region?
2. What problems will economic development solve? (value proposition)
3. For whom will the problem solving benefit? (target market/person)
4. What are the general aspirations from the community/region with respect to development and planning?
5. What types of development strategies do you currently have for your community?

6. When do you involve the community in planning?

This next section will help you evaluate your community's economic development resources and processes¹²:

1. Does your community have a formal strategic plan for economic development?
2. If so, when was the last time this strategic plan was reviewed?
3. Does your community have a dedicated Economic Development Officer (EDO) or an economic development committee, office or organization?
4. Does your community have a designated contact for economic development activities?
5. Does your community have an autonomous decision-making process (distinct from decisions made by leadership) to support business development?
6. Does your leadership or economic development office use best practices, guidelines or policies on economic development?
7. If so, what are some of your community's best practices for economic development?
8. Is there a budget for economic development activity in your community?
 - a. Is it sufficient?
9. Could your community employ full or part-time professional economic development planners/managers to deal with economic development and land use planning specifically?
10. Could your community use private sector economic development or land use

¹¹ Steven Thomas, "Opportunity Assessment – 10 Questions to Evaluate Proposed Features and Projects" (22 August 2012), online: It's A Delivery Thing <<http://itsadeliverything.com/opportunity-assessment-10-questions-to-evaluate-proposed-features-and-projects>>.

¹² Source: First Nations Economic Development Readiness Questionnaire, Ontario Ministry of Economic Development and Innovation



planning consultants?

11. Does your community have an up-to-date community profile?
 - a. Is it easily accessible?
12. Does your community profile include details of a proposed business or industrial park?
13. Does your community have an inventory of community member-owned businesses, contractors and entrepreneurs?
14. Does your community have adequate financial resources for business and industrial development?
15. Does your community have the resources to create a "one-stop" business services centre for all matters related to the development process?
16. Has your community established relations with regional economic development resources such as Economic Development Officers, Northern Development Officers and Advisors, Small Business Enterprise Centres, etc.?
17. Do you believe that your community is adequately knowledgeable about existing federal, provincial and municipal economic development policies, programs and services?
18. To what extent does your community market itself?
19. Are your community businesses promoted in local, regional, national or international markets?
20. Does your community work with the local chamber of commerce or local business groups on economic development matters?
21. Does your community work cooperatively with neighbouring

communities to pool resources and information on economic development?

22. Does your community jointly fund economic development initiatives and programs with private sector companies or levels of government?
23. Do you have a mechanism for determining businesses and individuals who have left your community, but who may be interested in returning or investing locally?

Community Resources

These questions are designed to help understand the resources available in your community to help support an economic development strategy.

1. Do you believe that your community needs to diversify and broaden its economy?
2. How does leadership/Economic Development Officer coordinate or facilitate community input on economic development?
3. How can the community work together to transition these members toward economic independence?
4. Are your community and economic development groups proactive or reactive?
5. How does your community respond to economic development efforts?
6. Does your community have an alternative dispute resolution process to overcome obstacles to economic development?
7. Is there a capable and productive workforce available in your community?
8. Is there at least one organization in your community that provides or is able to provide workforce education training?



9. Are there apprenticeship programs available to community members?
10. Does your community believe that the Economic Development Officer plays a role in helping to meet the needs of community members who are on income assistance or suffering from mental, health and dependency challenges?
6. Are most local businesses owned and operated by community members?
7. What economic development initiatives in your community have been successfully completed?
 - a. Why were they successful?

Business Environment

These questions will help you understand the potential direction for business development and get a sense of the environment in your community for new business to grow.

1. What is your community's attitude toward local business development?
2. What types of businesses currently operate in your community?
3. Are there others that you would like to see being developed?
 - a. Natural resources;
 - b. Marine resources;
 - c. Environmental stewardship;
 - d. Renewable energy initiatives, (e.g.: solar, wind, water, bio-energy);
 - e. Cannabis production;
 - f. Product development and distribution;
 - g. Technology;
 - h. Consulting and other areas of expertise; and
 - i. Other (Specify).
4. Is there an organization or committee that helps recruit new retail, service and industrial businesses?
5. Does your community market its local industrial properties? How are these marketed?

Entrepreneurial Readiness and Support

The next set of questions can help when looking into the potential for entrepreneurial growth in your community and understanding the structures that are in place, or may be needed to support new small business development.

1. What organizations or committees—Chamber of Commerce, Small Business Enterprise Centre, committees of business owners, committees under Council—provide assistance to entrepreneurs in your community to help them start new businesses?
2. Does your community have an incubator or other facility that helps support the creation and growth of new businesses?
3. Are youth aware of the concept of entrepreneurship?
4. Are youth given an opportunity to learn about the various facets of entrepreneurship, e.g. how to write a business plan, how to do a market analysis, how to develop a budget?
5. Has your community identified public and private sector leaders capable of creating an entrepreneurial environment and acting as mentors?
6. Does your community have a strategy for improving the entrepreneurial environment in the community?



7. Do you know what resources your community should be developing in order to create entrepreneurial opportunities?
 8. Have you identified the features and benefits of your community that you should be promoting in order to attract and develop entrepreneurial opportunities?
 9. Is there an organization or committee that provides assistance to help retain or expand local businesses and industry?
 10. Are local owners of business and industry committed to working with the community on improvements?
 11. How many businesses have closed in the last year?
 12. What is the success and failure rates of local businesses?
5. How much (as a percentage) does the average community member/household spend on goods or services outside the community?
 - a. Do you know how this percentage compares with other similar communities?
 6. Does the community have a good working relationship with area banks, bankers, Aboriginal Capital Corporations, Aboriginal Financial Institutions, and other lending agencies?

Access to Capital

Access to capital is important for any economic development. It is important to understand the flexibility and restrictions your community may have. This list of questions can help you understand the level of access to capital your community may have.

1. What are the lending policies of area financial institutions?
 - a. How competitive are their rates?
 2. Do you know how much money leaves the community?
 3. Does your community have a method for determining how well your investment dollars are spent?
 4. Has your community completed an economic leakage study? If so:
 - a. How are you planning to incorporate that information into long-term economic planning?
1. How active is the informal economy?
 2. Do traditional practices such as hunting, trapping, fishing and farming generate income?
 3. Are there traditional goods that are grown and produced locally, but that are sold outside the community?
 4. Does the revenue from community businesses stay in the community?
 - a. To what extent does it leak out into the external economy?
 5. What percentage of the community's operating budget is spent on human, financial, material and technological resources?
 - a. How does this compare with other communities?

Economic Viability

Beyond the business centered economic drivers, it is important to understand and work within the more informal set of economic practices that are often strong motivators in community or household economics. Some questions to consider include:



If after completing the initial assessment to determine the readiness of your community for economic development and assessing the resources and opportunities that are available

to your community you decide that this is a road to continue along, then move on towards creating a community economic development strategy.



Developing a Community Economic Development Strategy

To support successful community economic development, you need the right vehicle and equipment. If you avoid this, you are much more likely to encounter mechanical problems down the road. Issues may include competing businesses, community disenfranchisement, fractured business opportunities, all of which can cost your community money, time, progress and goodwill. By taking the time to engage the community and develop a holistic strategy you can help your community avoid some of the potholes that plague the community economic development roadway.

This section will lead you through the major components in for developing a strategy.

What is an Economic Development Strategy?

1. An Economic Development Strategy determines what you intend to accomplish.
2. An Economic Development Strategy also determines how you will direct the community and its resources towards accomplishing agreed upon goals over the coming months and years.

An Economic Development Strategy often includes:

- The mission, goals, and visions your community will pursue;
- Overarching values;
- Roles and responsibilities;
- The kinds of programming, services, or products you will offer;
- The resources needed to succeed - people, money, expertise, relationships, facilities, timelines and tools;
- How you can best combine these resources, programming, and relationships to accomplish your community or organization's mission; and
- How benefits will flow to the community.

Creating an Economic Development Strategy

An Economic Development Strategy will vary between communities depending on a number of unique factors. This includes geography, community traditions, values,



overall wellness, capacity, employment, infrastructure, and business opportunities. These factors will be the foundation (in the form of a Community Plan) upon which the Economic Development Strategy, with identified priorities, will be crafted, using input from community members.

To develop and grow local, community-based economies, Indigenous leaders (both elected and hereditary) are often tasked with balancing what might make financial, commercial or economic sense with social and cultural values held by the community. There is no one way to determine the best course of action for Indigenous communities. However, the development of an Economic Development Strategy that is consistent with a Community Plan can greatly reduce the likelihood of clashes arising over business developments. This is because the Community Plan acts as a guiding document to the Economic Development Strategy, and both are created with community consultation. It cannot be overstated that, when creating an Economic Development Strategy, it is important to communicate with all of your community and involve them in each step of the process so that they have a better understanding of the challenges and the opportunities presented by economic development.

This section of the toolkit can provide useful tips for community leadership considering a community-wide strategy to support economic development at multiple levels.

Economic development, based on a solid Community Plan, offers us, as Indigenous communities and leadership, an avenue to help meet the needs of community members, ensuring access to adequate food and shelter, healthcare, education, and social programming. Beyond providing basic needs, economic development also provides a mechanism to create wealth for future generations by building equity and assets

and by growing enterprises, capacity and community-based employment opportunities.

Indigenous community-based economic development guides and supports everything a community does to:

- Increase participation in the economy;
- Build long-term community capacity;
- Achieve related economic, social and environmental goals;
- Prepare to support the development of business in the community; and
- Enable community members to provide for themselves and their families.

Maintaining engagement

The economic development strategy should have a clear and realistic idea of what can be achieved. Many communities have been struggling for so long that once an economic development strategy is put in place, members may have high expectations. When those expectations are not met - or at least are not met within the expected timelines - some members can become cynical and unsupportive. Communication with membership is critical to successful implementation and operation of an economic development strategy. For the most part, Indigenous communities are not anti-development; we just want development to proceed with involvement and consent.

The strategy should have a clear and realistic idea of what can be achieved. In managing expectations, it is important to help increase community members' understanding of economic development. They will, of course, also want to see how the development will benefit them both as individuals and as members of the community. As there is an unfortunate history of development occurring with little benefit to the local community, it is important that, as much as possible, real and locally viable employment and contracting



opportunities arise from any development. It is also important that negative/detrimental environmental impacts be recognized and mitigated if they can't be avoided. Economic development cannot occur in a vacuum, separate from the community. It has to continue to move forward. "All talk, no action" is one of the fastest ways to lose community support. Comprehensive community engagement does take time up front. However, done thoroughly, it allows for much smoother project implementation and, with regular and well-maintained communications, can avoid speed-bumps in time, money and frustration down the road.

When managing expectations, three objectives are central to the economic development efforts of Indigenous communities.



If community members understand and feel they are active participants in the economic development process, and experience the benefits of the project, there will be ongoing

support for the Economic Development Strategy. Members will also be able to step forward and provide expertise and support in the face of challenges or setbacks.

Determine your Mission, Vision, Values and Goals

An Economic Development Strategy needs direction. Community members need to know why you are doing what you're doing (the mission), where you are trying to go (the vision) and how you are going to go about it (the values). Each step of these has a simple and straightforward descriptive purpose. They are:

- The Mission is the statement of the core purpose of the Economic Development Strategy, often stated in the present tense.
- The Vision is the statement about a desired state, where you hope to go, often stated in future tense.
- A Value statement clearly describes the guiding principles of your holistic Economic Development Strategy, how staff will behave.

At the beginning, it is important to create community support for the purpose (Mission) of community economic development and the values that will guide those businesses supported under the Economic Development Strategy. Development and work done on behalf of the community should adhere to the community's strategy. Other businesses, following their own vision and owned by individuals in the community, will also grow and thrive. It takes time and effort to develop these components, but they are worth it. Having them can build a strong foundation of transparency and ultimately of consensus. This is often the difference between success and failure in the implementation of a strategy.

To help design a Mission for your organization,



it is good to start with some broad questions to help shape the mission statement:

- What is the goal of the development strategy?
- How are you going to reach that goal?
- Who is the strategy for?
- What value should the strategy bring?

It is important to remember that when developing your Mission it should be succinct, while still representing what it is your organization seeks to do.

The Mission leads to your Vision, which discusses where you and your organization are trying to go. The Vision should be aspirational and provide over-arching guidance. A Vision describes your community's values, aspirations and a shared image of what they want the community to become over the next 10 to 20 years. The statement should address all aspects that make up a community such as the social, cultural and economic fabric.

One way to create a Vision is as follow:

Picture your community ten years from now. Imagine that the community and its people have been successful beyond belief. It is a place everyone is proud to call home.

1. Now describe the community. What makes it so attractive?
2. Next think about the people. Consider the business community, professional people, parents, people with disabilities, people in the workforce, retirees, children, and teenagers and people in various income groups, various racial and ethnic groups, and various religious groups. Why would they want to live in your community?
3. Using this information, write six to eight sentences articulating the elements of your Vision for your community

If Mission statements tell you what your Economic Development Strategy aims to achieve, the Vision statements articulate where your community aspires to be. The purpose of stating the core Values is to help define the type of community you strive to be. A community's values are the guiding principles that underpin how its activities are carried out. Values are the basic beliefs about what really matters, which guide how things should be done.

Here are some guidelines in developing core Values:

- Keep the list of Values to between five and seven. They need to be memorable;
- Create phrases, but not paragraphs. One word is not enough to convey real meaning of a value;
- Make these Values specific, not generic. It takes more than one word to define specificity;
- Values need to be shared. While you don't need consensus from everyone, you do need general agreement; and
- If it's already stated in your Mission, do not repeat it. Some Value-driven language may be part of your Mission statement. That's fine, but consider not repeating what you have covered elsewhere.

Associated with the Mission and Vision are the goals for economic development. The following is a table outlining potential economic goals and suggestions for why you would choose them.



Table 2: Indigenous Economic Goal-Setting

Economic Goals	Considerations
Employment	<p>Create employment?</p> <p>Utilize existing labour pool?</p> <p>Best use of human resources from within the community?</p>
Growth	<p>Ability to increase measurable growth?</p> <p>Generate revenues for the community?</p>
Stability	<p>Create greater economic stability within the community?</p>
Trickle-Down Impact/ Opportunities	<p>Primary economic opportunity generates secondary and tertiary opportunities?</p> <p>Impact of economic goal can deliver positive change in other sectors?</p>
Economic Freedom	<p>Create greater economic opportunities and equal economic rights for a significant portion of community members?</p>
Economic Security	<p>Economic goal represents an acceptable degree of risk, or risk-sharing?</p> <p>Proper regard and consideration for the economic security of the community?</p>



Table 2: Indigenous Economic Goal-Setting

Economic Goals	Considerations
Credible Source of Opportunities	The source bringing forth any economic opportunities is a credible opportunity-provider?
Asset Mapping	Economic goal fits within the mapping of the community's physical and human assets?
Gaps Analysis	Goal has the ability to fill any identified gaps in the economic makeup?
Payback to the Community	Clearly identified and reportable measurable benefits to the community? Payback in terms of supporting social programs and challenges faced by the community?
Sustainability	The economic goal represents an activity or sector that is sustainable, environmentally friendly, and can be maintained over the long term?
Regulatory Considerations	Meets or can be considered in light of regulatory, licensing, legal framework, title, and / or current negotiations with government?
Cultural Fit	Does not impact any cultural or hereditary priorities?
Ease of Implementation	Involves the minimal number of stakeholders being "brought to the table," considering that the more people, the more complicated achieving goals becomes?
Human Resources	Community's human resources and capabilities in place related to the goal? Training and mentoring in place? Apprenticeship programs?
Role Modelling	Other Indigenous communities have achieved successes in implementing similar goals? Similarities to your community?
Community Consensus	Expected degree of community support? Areas of contention are manageable?
Justification of Feasibility	Sufficient feasibility carried out to justify the economic goal? Risks and rewards quantified?
Community Wellness	Measured impact on community wellness, programs, social challenges, special interest groups, Elders?
Community Champions	Community champions in place to follow through on helping deliver economic goals and objectives?
Infrastructure in Place	Considering the high cost and regulatory roadblocks of infrastructure, will the goal capitalize on existing infrastructure?
Entrepreneurial Activity	Degree of entrepreneurial activity exists to support the economic goal? Training and mentoring programs? Resource and support network?
Fit with Existing Strategic Plan / Official Community Plan	Assuming and considering that economic goal-setting is part of a strategic planning process, how do the economic goals fit within the existing planning objectives, economic development recommendations and opportunities previously identified?



Incorporating Traditional Knowledge and Community Cultural Values

The importance of informing modern ideas and strategies with traditional knowledge and approaches is central to the success of any project. Statistics and impact assessments are necessary tools, but they need to be informed by the stories and knowledge possessed by your Elders, people and their connection to tradition and to the land.

When building an economic development plan, and even when assessing an individual business opportunity, you should consider the following questions:

1. What strategies or methods might you use to ensure respect for both non-Indigenous and traditional ways?
2. In what ways can traditional knowledge contribute to this development strategy or project? Give one or two examples.
3. How could you ensure that those people who have wisdom in these areas are included in this and future development plans/projects?
4. How do you acknowledge or balance non-Indigenous and traditional approaches in the development of this business opportunity?

In non-Indigenous businesses, there has been an increasing movement towards what is termed the "triple bottom line". This is a framework that looks at evaluating success not just from profits, but from the businesses contribution to the social, environmental, and financial spheres of the community. Indigenous businesses tend to see the "triple bottom lines" not as a novel approach to sustainable business development, but as the

natural way a business should be run. We know that Indigenous businesses are often motivated not only by profit and growth, but also by cultural values and community ethics.

Creating and Maintaining Community Support

Community economic development is a way for your community members to take control of their future. This is why planning needs to involve as many people, groups and organizations required. When people are involved and their ideas are heard, they are more likely to get involved in working together towards a positive future. The role of the economic development manager/organization often revolves around coordinating and facilitating community projects with a variety of people, community organizations and groups. To be effective, keep in mind:

- Community projects and initiatives have a much greater chance of success if there is willingness to work together; and
- The most successful projects will involve many groups, including people from business, local government, education, health, etc., in planning and decision-making.

Assessing Community Assets

Yes, it is true, we have talked about assessing social and physical assets in the Assessment of Community Readiness section. This stage is more involved. The initial assessment completed at the readiness stop was done relatively quickly. However when it is part of the development of the Economic Development Strategy, it must be a much more in-depth process.



Understanding the capacity and skills within your community as well as any physical assets is integral to an economic development plan. For instance, it is important to know about mineral resources, animals and fish for harvest, and land development potential. Reviewing the questions in Stop 1 will help guide your assessments.

Once existing assets are fully documented, it is worthwhile to consider what assets are required for success. Below are some examples of legislative changes and government programs that can be used to recognize or develop physical assets.

A historic barrier to Indigenous peoples acquiring financing for business has been the rules under the *Indian Act* that do not allow Indigenous peoples to own property on reserve. To support economic development and other values, some Indigenous communities have chosen to pursue land management under the *First Nations Land Management Act*. This act provides the ability to exercise jurisdiction over the management of reserve lands outside of the *Indian Act*. This provides an option to create land allotments for individual community members. In this new regime, lands and natural resources that were previously managed under the *Indian Act* can be governed under a land code that has been created and ratified by the Indigenous community. The lands remain reserve lands and as such are still subject to the *Indian Act* tax exemption on reserve lands, and on personal property situated on reserve.

Those Indigenous communities operating under the First Nations Land Management regime have seen an increase in new businesses, internal investment, and employment opportunities on reserve. These Nations have also used their revenues to invest in education, employment and social programs in their communities, thereby reducing dependence on underfunded federal social programs.

Details about this land management alternative can be found at Lands Advisory Board and the First Nation Land Management Resource Centre <https://labrc.com/wp-content/uploads/2016/11/FNLMA.pdf>. Under the Framework Agreement, signatory Indigenous communities established a Lands Advisory Board (LAB) to assist them in implementing land governance over their reserve lands and resources. The LAB currently comprises 13 elected Directors and the Chair from each of three regions: Western (British Columbia), Prairie (Alberta, Saskatchewan and Manitoba), and Eastern (Ontario, Quebec and the Atlantic).

The *First Nations Commercial and Industrial Development Act* (FNCIDA) provides Indigenous communities with the ability to attract major capital investments and increase opportunities for employment and capacity development. Coming into force on April 1, 2006, FNCIDA was an Indigenous-led legislative initiative and was developed by five partnering First Nations: Squamish Nation of BC, Fort McKay First Nations and Tsuu T'ina Nation of Alberta, Carry the Kettle First Nation of Saskatchewan, and Fort William First Nation of Ontario. FNCIDA works by incorporating provincial rules and regulations that apply to similar large-scale industrial or commercial projects off reserve and applying them to a specific project on reserve. Further information can be found at <https://www.aadnc-aandc.gc.ca/en/g/1100100033561/1498848820817>.

Additions to Reserve (ATR) play an important role in supporting economic development both on and off-reserve. Under the ATR policy, Indigenous communities may purchase a parcel of land from a willing seller for the purpose of converting that parcel into reserve lands. ATR parcels can be located in either rural or urban areas and are not required to be adjacent to an existing reserve. ATR parcels can provide Indigenous communities with additional economic opportunities for natural resource



development, commercial and industrial development activities, and urban reserve creation. However, studies have suggested that improvement in economic outcomes is not a universal result of ATR¹³.

A community's land designations can influence how and where particular development takes place. Land use planning will assist a community in identifying and preparing for growth and development opportunities. The following questions will help you explore your community's land use planning practices:

1. Does your community have an official land use plan?
2. Is economic development addressed in the official plan?
3. How often does your community update its official plan?
4. Does the official plan have one general designation for each of the basic land use categories, e.g. residential, commercial, industrial, open space (institutional or industrial), agricultural, rural or traditional territory?
5. Does your community keep a list of topics related to each land use designation—regulations, policies, purpose—and criteria that must be met for each designation?
6. Does your community have industrial-zoned land available at a reasonable market rate that is ready to be built on or occupied?
7. Does your community have industrial-zoned buildings available at a reasonable market rate that are ready to be occupied or renovated?
8. Are your zoning by-laws flexible enough to allow for desired development in your community?
9. Are there policies and procedures for the establishment of new structures?
10. Are your land management policies governed by the Indian Act or by the First Nations Lands Management Act, or have you instituted your own constitution related to land management?
11. Is the construction of new homes permitted in most areas of the community?
12. Are businesses permitted to promote and advertise by using outdoor signage and advertising?
13. Is there someone familiar with the land use planning and development approval process in your community?
14. Is there someone knowledgeable about the neighbouring municipalities' plans, and how these policies and land use designations may affect proposed development in your community?
15. Do you know if there are land use planning or economic development consultants who you may be able to work with?

Resources from the land

1. What resources from the land are available to your community (e.g. timber, minerals, water, agricultural land, hunting, trapping)?
2. How is your community using these resources now?
3. What resources will most benefit your community in the future?

¹³ National Aboriginal Economic Development Board, "Additions to Reserves: Lessons Learned from First Nations" (16 January 2016)



4. Does your community have positive working relationships with surrounding resource managers?
5. Are resources of cultural and environmental significance being identified and protected?
6. Is development designed with sustainability in mind?

Develop a Communication Plan within the Economic Development Strategy

There are different things that require some kind of information dissemination to your community. One might be to inform your community about development opportunities underway. Another might be to answer questions from outside investors about your community. The format for providing information varies depending on the situation.

Effective communication will ensure access for all members to the necessary and available information that can help realize their business opportunities. It will also keep other interested parties, which can include other communities and external partners, informed regarding what is unfolding on the development front.

We have been adamant that Indigenous communities cannot achieve success in economic development without a strong network of relationships with community members. Those relationships are, in large part, built through communication. This means that an Economic Development Strategy needs to include the means to ensure that key details are communicated, in a way that works.

The following questions can be asked when you are considering some information that you wish to communicate:

- Who are the target users? (Consumers)

- Who are the people you want to reach?
- What motivates them to take action?
- Who do they listen to?
- Are they permanent or transient Band members, e.g., urban Indigenous versus on-Reserve versus visitors from other Indigenous communities?
- Are they partners? Clients? Stakeholders?
- What is their level of professional knowledge?

- Do your consumers know about the Economic Development Strategy? (Awareness)
- Can they find the Economic Development Strategy? (Search)
- Do they have permission to access the strategy? (Accessibility)

Modes of communication

The key to effective communication is to match the means to the message and the needs of the intended audience. There are a number of ways to deliver information, from a slogan on a t-shirt to a video on YouTube. The key is to adopt a method that will work for the both the target audience and the type of content you have to deliver.

The first and most common method is a community newsletter or information pamphlet. While this method still has many advantages, the Internet is increasingly being used in its place and, because of its 24/7 availability, it is always accessible when people need it. However, remember that there will always be some groups who cannot, or choose not, to use the internet.

Video is a very effective means of information delivery, particularly to engage interest



in an issue and tell people's stories. Video can be expensive, but the availability of inexpensive digital video cameras and the popularity of websites like YouTube has opened up a new opportunity for delivering video information in a less expensive way.

The mass media is often overlooked as a way of reaching a wide audience – but it is where most people get their information. The print and on-line press, radio, and television, are all effective ways of reaching a wide audience – particularly with an awareness-raising message. Most stories will not make it on to national television, but local press and radio are always on the lookout for a story – especially where there is a local connection¹⁴.

To simplify, the various modes of communication include:

- Print;
 - Brochures
 - Publications (Reports, Newsletters, Briefs)
 - Newspapers
 - Magazines
 - Blogs

¹⁴ Advicenow. "How do you disseminate your information?" (2018)

Case Study – Gwa'sala-'Nakwaxda'xw (GNN) – Communication Protocol Policy

The Communications Department of the GNN is committed to providing timely and accurate communications to its members and stakeholders. In 2017, they undertook a project to:

- Understand communication needs/preferences of the Nations' Elders.
- Understand communication needs/preferences of the Nations' Youth.
- Understand community communication/engagement protocols prior to the development of any communication strategies or policies.

The objective was to develop communication plans/strategies/policies to meet governance and operational needs of the Nation.

The results of this project highlighted the distinct differences between two very different demographics: Youth and Elders. For the Youth, the ways they want to be communicated with include social media engagement with accompanying videos, posters, and a suggestion box. They further suggested allotted time on the Port Hardy's local radio to give out announcements. Youth also stated that they would more than likely use a smartphone application to receive information. Finally, they said that they wanted to see specific sections acknowledging any updates for them in the GNN newsletter and website.

The Elders answered the survey questions as a group in a workshop setting. Predictably, their needs and preferences differed from the Youth and to some degree, the members generally. Prior to the project they were receiving their information via telephone, newsletter or individual communications. They expressed that they would rather receive their information via telephone (newsletters blow away), newsletters, or mailbox. When it came to frequency, they suggested a weekly newsletter or items as they come up.

For Elders, the priority is individualized communication. They did not prioritize social media as did the Youth and members generally, but some did suggest workshops on computers, social media, etc. as well as having a computer at the Elders' Centre.



- Meetings/Conferences;
- Radio;
- Television; and
- Internet
 - Email
 - Websites
 - Social media
 - Video/Podcasts

Information dissemination can take two forms: synchronous (“rich”) and asynchronous (“reach”). Depending on what is more important - the *richness* of the interaction or the *reach* of information - as well as the urgency to get the information out, will determine which approach will work best for the given situation¹⁵:

Synchronous (“Rich”): Two-way communication with virtually no time delay, allowing real-time response.

Examples:

- Conversation;
- Presentation;
- Telephone;
- Door-to-Door; and
- Meetings.

Asynchronous (“Reach”): Two-way communication with a time delay, allowing response at user’s convenience

Examples:

- Email;
- Website;
- Video;
- Notice;

- Report; and
- Newsletter.

It is important when designing a communication strategy to know what your goals are, and how responsive (or rich) your communication needs to be when compared with how much reach your organization requires.

Using the internet for information dissemination

The internet has become such a driving force in most people’s day-to-day life that it will soon overtake television as the main source of information consumption. Therefore, any Indigenous community should work towards a strong internet presence - if they do not, they could be missing a significant opportunity to connect with their community.

Why use the internet¹⁶?

- Inexpensive;
- Fast, efficient;
- Easy to update;
- Readily available;
- Wide audience;
- Target audience; and
- Easily accessible for users.

There are a number of ways to disseminate information using the internet that does not involve a website or social media, but through using other software that is available for use, sometimes for free, and sometimes for a small fee. These methods for dissemination on the internet include:

- Listservs: effective, require email access only, cost-efficient, accessible; and

¹⁵ Sujit Mohanty, “Dissemination of Information” (2007), online: Slideshare

¹⁶ Isabella Ballard. “Information Dissemination: Using the Internet as a Tool to Disseminate Information.”



Indigenous artwork graces the inside of Tsawwassen Mills Mall, on Tsawwassen First Nations land.

- Dissemination Tools: i.e. electronic news alerts, dissemination websites (reach a wider audience and are more permanent)

Beyond just using the available tools on the internet like MailChimp or Eventbrite for information dissemination, it is important to have a social media presence through Facebook, YouTube, Pinterest, Instagram and Twitter, amongst others.

All of the above are web-based tools that are easy to update and can be widely distributed to a listing or database of

stakeholders. These can be used for announcements of projects, opportunities or messages from Chief and Council or Economic Development Managers/Corporations. They can also be used to survey the community regarding any issues and report back on outcomes. Updated 'news' sections on your community's webpage can be effective for directing visitors to key information related to the Economic Development Strategy.

The community's website is its calling card and will be one of the most important communications tool that the economic



development organization can use to update community members. It can also be an effective tool for information dissemination to the outside world as to why your community is the place that outsiders want to come to, to invest their time and money.

Idea Scoping for your Economic Development Strategy

After assessing your community's capacities and assets, you will want to scope out opportunities for economic development. What makes a good opportunity?

You will want to seek opportunities that:

- Involve the community and the people;
- Are consistent with community strategies, plans and values;
- Can work with diversity and differences;
- Encourage partnerships and collaborations; and
- Have good returns on investments.

When considering potential opportunities, keep in mind that:

- Every community has potential and opportunities;
- Geographic isolation does not have to be a huge barrier to economic options and opportunities;
- There is much to be gained from the past while preparing for the future;
- Previous experience with economic development is important and should be acknowledged; and
- Economic stability depends on

the community as a whole, not just the Economic Development Manager and elected leaders – *everyone has a role to play.*

The Opportunity Assessment questions below can provide a reasonable and quick overview to guide scoping¹⁷:

1. What are the various factors that support or undermine development and planning activities in your community/region?
2. What problems will economic development solve? (value proposition)
3. For whom will the problem solving benefit? (target market/person)
4. What are the general aspirations from the community/region with respect to development and planning?
5. What types of development strategies do you currently have for your community?
6. When do you involve the community in planning?
7. How big is the opportunity? (market size)
8. Why are we best suited to pursue these economic development opportunities? (our differentiator)
9. Why now? (market window)
10. If developing a product, how will we get this product to market? (go-to-market strategy)
11. What are the timelines for the economic development strategy?
12. How will we measure success/make money from this strategy? / "What outcome are we hoping for?" (metrics/revenue strategy)

¹⁷ Steven Thomas, "Opportunity Assessment – 10 Questions to Evaluate Proposed Features and Projects" (22 August 2012)



Template: Scoping an Individual Business Opportunity

Summary

The purpose of this section is to summarize the entire opportunity in a single paragraph. It should capture all of the key points of each of the subsequent sections as concisely as possible. The idea is to provide the reader with a clear, high-level overview of the opportunity.

Write this section last by:

- Going through the document and highlighting key words and phrases;
- Connecting these key terms together in a few sentences; and
- Suggested length: one short paragraph.

Opportunity Overview

The purpose of this section is to capture the key elements of the opportunity, highlighting the essence of what it will be, how it works, and perhaps what makes it innovative. This should not be a detailed technical description or explanation – in those cases where such detail is essential, that material should be attached as an appendix. Remember to:

- Provide an overview of the opportunity and how it will work;
- Describe two or three key attributes;
- Discuss, at a high level, how the opportunity will work compared to current opportunities;
- Use analogy or metaphor to describe complex/novel innovations that are difficult to comprehend; and

- Suggested length: Two or three paragraphs with diagram/graphic.

Need

The purpose of this section is to explain the business need that the opportunity proposes to address. This should be described in terms of the “need” a potential customer has, and why this “need” is not adequately addressed by existing approaches. It is very helpful if you can quantify the degree of improvement that the opportunity will bring. Make sure you:

- Describe the business need that this opportunity proposes to solve;
- Explain why this need is important to a customer;
- Profile the customer need that the opportunity proposes to address;
- Use customer language to describe this need; and
- Suggested length: Two paragraphs.

Business Opportunity

The purpose of this section is to establish the context for the opportunity by placing it in a landscape of other related opportunities. The goal is to identify the key factors that are driving change in the market you are proposing to address, to highlight the “space” the opportunity will occupy in this market, and to give a sense of how large this opportunity is relative to other existing approaches. This section should:

- Discuss the key market drivers pushing the industry landscape to change;

- Discuss how the need is being solved today through competing solutions and approaches;
- Highlight your opportunity and why the timing is right to capture this opportunity; and
- Suggested length: Two paragraphs with diagram/graphic.

Uses and Applications

The purpose of this section is to identify the specific target market segment - the set of potential customers - you intend to pursue with the opportunity. For most opportunities, there are a variety of possible target markets. The goal is to explain which specific segment(s) the opportunity will address and why. This section should:

- Provide a brief description of the proposed target customer segment(s);
- Explain why this segment is a good "fit" – that these target customers would particularly value the key characteristics that are unique/specific to the opportunity;
- Provide a short profile of these target customers, including their specific requirements, their expected buying process, and their expected use of the opportunity;
- Outline any special criteria that will need to be met to do business with these target customers; and
- Suggested length: Two paragraphs.

Competitive Advantage

The purpose of this section is to explain why the proposed target customers will choose this opportunity over other competing

alternatives. It is not sufficient to claim that the opportunity is "different" or "better" - you must explain what distinctive advantage the business has from the customer's point of view. To do this you can:

- Summarize current competitors and their key strengths/weaknesses;
- Identify the key differentiator of this business opportunity compared to these competitors and what advantage this provides to the target customer (i.e. why it will be valued);
- Explain why your differentiator is sustainable over a reasonable timeframe; and
- Suggested length: Two or three paragraphs, potentially with a diagram.

Plan

The purpose of this section is to explain what has been accomplished so far, what the next key milestones are, how you propose to get there, and what you are asking for. Remember to:

- Summarize the progress made to date and the next major milestones;
- Identify the next key planned activities and discuss what you require to accomplish them;
- Identify the major risks in this plan and how you intend to mitigate these;
- Identify what action you need now (from others) to proceed with your plan; and
- Suggested length: Three paragraphs.



13. What factors are critical to success?
(solution requirements)

14. Given the above, what is the
recommendation? (go or no-go)

Presented on the previous pages is a template you can use to help your community or individual members scope potential business opportunities.

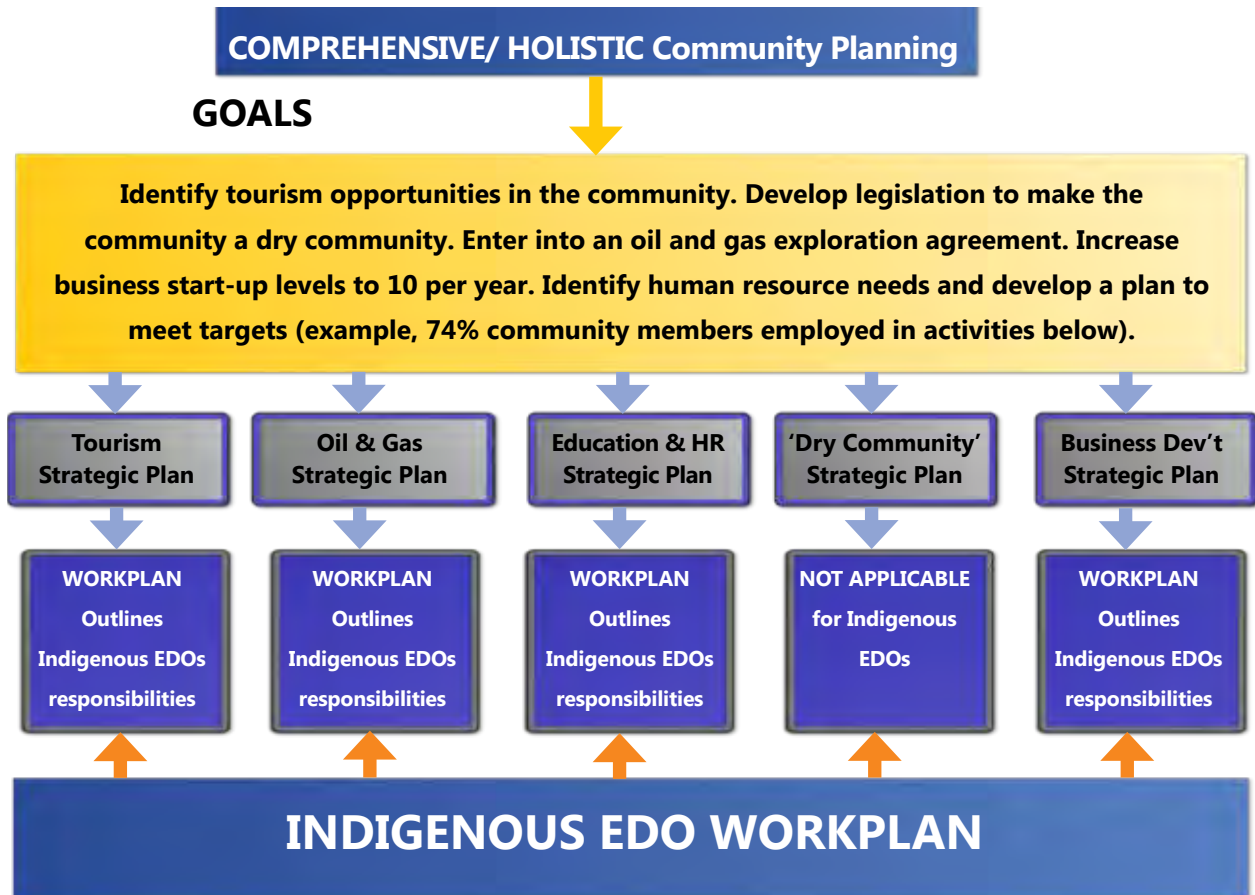
Documenting potential business opportunities in this way helps to both understand the opportunity and to record the potential opportunity allowing for review and update as situations, capacity and needs change.

Business Plan Development

Although the details required for development of individual Business Plans are discussed in more details in the Black Books associated with Development Corporations (Book 3) and Entrepreneurs (Book 4), this section will give key format and content suggestions that can help create better and more user-friendly Business Plans. It is important to remember the following points when developing a plan:

- Get straight to the point. A short, concise business plan is people want to see, whether they are interested community members or investors;

Figure 5: The Flow of Economic Development Planning





- Wherever you can, use graphics, colours, photos and charts. They are visually appealing to the reader;
- While you do need to show some credentials, a business plan is not a resume;
- Make sure the reader understands what your business is all about, and what products / services are part of your business;
- Do your homework and understand the market and competition. Tell the reader how your product or service is different and why it will succeed;
- Where you are quoting statistics, population, demographics, etc., make sure you footnote or cite the sources of that information. Make sure those sources are the most current, and not based on out-of-date data; and
- Avoid general overarching statements. Examples would be "This business will become a major player in the region", "We intend to capture a large portion of the market", or "Customers will really

like what we offer." Readers will take exception to general statements like these and may discount the value of your Business Plan.

Know your audience

Your Business Plan should be focused on who will read it, and what you are hoping to achieve with it. If it is intended for a funder, for example, it needs to give that funder the confidence to extend funding or grants to you.

As an exercise, picture yourself on the other side of the desk, listening to someone talk about their plan. What would YOU want to hear? Make sure your plan includes those items.

Many of the sections in a Business Plan can best be described as "show me." Show the reader that you have considered all (or most) of the elements in the plan and are comfortable with it. A Business Plan should also convey your vision and goals. By demonstrating that the venture is a community ambition, it demonstrates community commitment.

Structure of a plan

The table below outlines a high level



Huu-ay-aht First Nation is raising abalone on a farm near Bamfield.



Business Plan. Each of the line items would be a standalone section. With an Executive Summary, Conclusion or Next Steps section, the line items here would make up the body of the Business Plan.

Financial Management

Funding access and financing

Put simply, economic development needs financial capital, access to financial capital, or revenue streams that generate money, to contribute towards projects. Financing is a key element of any opportunity's development and sustainability. Obviously, the easiest way to finance a project is to access savings. However, this is rarely an option and can be problematic if you want to protect your community from losing these

Business Plan: Example Table of Contents

Executive Summary	1-2 pages
Basic stats & information	1-2 pages
Asset inventory	High level overview, detail in Appendix
Community profile or summary of community values and priorities	3-5 pages
Key players	2-3 pages, list and high level description of all those who will be involved for a successful project
Engagement plan	3-5 pages
Strategic Assessment	3-5 pages, SWOT or similar–
Vision for Business	1 page
Business overview and outcomes	1 page
Business Goals	1 page, maximum of 5
Actions to Accomplish Goals and Objectives	1 page per Goal above
Implementation workplan	1 page per Goal above
Monitoring plan	1-2 pages, list of key measure that indicate progress towards and/or attainment of Goals
Performance measurement framework	1-3 pages, dashboard and evaluation processes and measures
Appendices	As many pages as needed
Asset Inventory	As many pages as needed



Table 3: Structure and Content for Business Plan

Document Section	Sub Sections	Content to be developed
Basic stats & information		Identify and gather key community info and stats that will provide context
	Action	What needs to be done to complete the task area e.g.: Gather key community info and stats that will provide context
	Responsibility	Name the key individuals involved in the work
	Process and Actions	Briefly describe how you will undertake this action
	Time Frame	Provide dates/times for drafts and completion
Asset inventory	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
		Listing and description of assets
	Action	What needs to be done to complete the task area e.g.: Gather key community assets and relevant information
	Responsibility	Name the key individuals involved in the work
Community profile or summary of community values and priorities	Process and Actions	Briefly describe how you will undertake this action
	Time Frame	Provide dates/times for drafts and completion
	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: Gather key community assets and relevant information
	Responsibility	Name the key individuals involved in the work
	Process and Actions	Briefly describe how you will undertake this action
	Time Frame	Provide dates/times for drafts and completion



Document Section	Sub Sections	Content to be developed
Key players	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: Who need to be connected, consulted, involved
	Responsibility	Name the key individuals involved in the work
	Process and Actions	Briefly describe how you will undertake this action
	Time Frame	Provide dates/times for drafts and completion
Community engagement plan	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: Build a community supported plan that links to economic development opportunities and priorities
	Responsibility	Name the key individuals involved in the work
	Process and Actions	Briefly describe how you will undertake this action
	Time Frame	Provide dates/times for drafts and completion
Strategic Assessment (i.e. SWOT or similar)	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: The steps to creating comprehensive SWOT analysis
	Responsibility	Name the key individuals involved in the work
	Process and Actions	Briefly describe how you will undertake this action
	Time Frame	Provide dates/times for drafts and completion



Document Section	Sub Sections	Content to be developed
Vision for business	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: Build a community supported plan that links to economic development opportunities and priorities
	Responsibility	Name the key individuals involved in the work
	Process and Actions	Briefly describe how you will undertake this action
Business overview and outcomes	Time Frame	Provide dates/times for drafts and completion
	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: Build a community supported plan that links to economic development opportunities and priorities
	Responsibility	Name the key individuals involved in the work
Business goals	Process and Actions	Briefly describe how you will undertake this action
	Time Frame	Provide dates/times for drafts and completion
	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: Build a community supported plan that links to economic development opportunities and priorities
	Responsibility	Name the key individuals involved in the work
	Process and Actions	Briefly describe how you will undertake this action



Document Section	Sub Sections	Content to be developed
Actions to accomplish goals and objectives	Time Frame	Provide dates/times for drafts and completion
	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: Build a community supported plan that links to economic development opportunities and priorities
	Responsibility	Name the key individuals involved in the work
	Process and Actions	Briefly describe how you will undertake this action
Implementation workplan	Time Frame	Provide dates/times for drafts and completion
	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: Build a community supported plan that links to economic development opportunities and priorities
	Responsibility	Name the key individuals involved in the work
	Process and Actions	Briefly describe how you will undertake this action
Monitoring plan	Time Frame	Provide dates/times for drafts and completion
	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: Build a community supported plan that links to economic development opportunities and priorities
	Responsibility	Name the key individuals involved in the work



Document Section	Sub Sections	Content to be developed
Performance measurement framework	Times Frames	Provide dates/times for drafts and completion
	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered
	Action	What needs to be done to complete the task area e.g.: Build a community supported plan that links to economic development opportunities and priorities
	Responsibility	Name the key individuals involved in the work
	Process and Actions	Briefly describe how you will undertake this action
	Time Frame	Provide dates/times for drafts and completion
	Status	Current status e.g.: Draft one completed Board review underway
	Notes	Any additional comments or areas that need to be considered

savings in the event of a business failure. In most cases, economic development projects are funded by various lending and granting programs.

The success of Indigenous economic development is linked to having a solid understanding of the available financial tools and services. Knowledgeable governments, business owners and individuals can create jobs and prosperity for their communities if they have the ability to navigate capital markets to acquire loans, credit, grants and other essential services.

Access to these financial services is not always as simple as it seems. Indigenous governments and individuals face limitations that can inhibit their ability to access capital. The *Indian Act* dictates that Indigenous property cannot be used as collateral. Further, Band deficits from infrastructure projects are common and access to affordable loans is

rare. These barriers discourage private investment and are a part of the chronic underlying issues, including institutional barriers and biases, that can hold Indigenous economic expansion back.

It is clear that efforts are being made to address institutional barriers and biases. The First Nations Finance Authority (FNFA), is a statutory not-for-profit organization without share capital, operating under the authority of the *First Nations Fiscal Management Act, 2005*. The FNFA's purposes are to provide Indigenous governments investment options, capital planning advice and perhaps most importantly, access to long-term loans with preferable interest rates.

Another improvement has governments and business leaders beginning to offer alternatives to help bypass legal and administrative barriers to the ability of Indigenous communities to leverage their



territory and resources to support economic growth in their communities.

Funding access and allocations from Aboriginal capital corporations, banks and foundations

Many banks have now expanded their services into Indigenous peoples jurisdictions, providing capital to support start-up businesses and infrastructure. They are enthusiastically chasing the expected economic growth in Indigenous communities.

Before approaching a lender to back your idea, it is important to have a compelling, memorable presentation. Their criteria might include credit history, management ability, stability of the business, or quality of the Business Plan. Some financing is only available to businesses in certain sectors, activities, or geographic regions. Every lender and investor will have specific criteria they want met before they will finance a business. To secure financing, it is essential to understand the details of what your lender needs.

The following strategies can help "tilt the scale" in favour of the Indigenous borrower:

- Ensure that Indigenous entrepreneurs are well acquainted with services offered by banks, and in turn those banks may be more attracted to/enthusiastic about Indigenous businesses;
- Gather the relevant evidence to show that investment risk in the community is far lower than many outsiders may assume;
- Have sound financial reporting processes; these will help to enhance Indigenous governments and their relationships with financial institutions;
- Raise the profile of existing successful community investments and case studies to boost investor

knowledge and confidence; and

- Provide better communication of the community's positive financial record statistics to remove entrenched institutional barriers and biases.

When dealing with banks and other financial institutions, it is important to keep in mind the following points:

- Character of the borrower;
- Capacity of the borrower to repay the loan;
- Capital invested in the venture by the borrower;
- Conditions of the industry and economy; and
- Collateral available to secure the loan.

What questions do lenders often ask?

- What are the strengths and qualities of the management team?
- How has the organization performed financially previously?
- How much money is needed?
- What is the borrower going to do with the money?
- When is the money needed?
- How and when will the money be paid back?
- Does the borrower have qualified support people, such as a good accountant and lawyer?

Finally, when negotiating loans, whether from capital corporations, banks or foundations, the interest rate is going to be an important number to consider. However, it is far from the whole story. There are other factors that are just as important. Before committing, you should consider the



following four issues¹⁸:

1. **Loan term** – How long a loan term is the lender willing to offer? Longer terms mean higher borrowing costs and lower payments, the question is whether higher costs in the long run are more of concern than lower payments each period;
2. **Loan size** – What percentage of the project's cost is the lender willing to finance? This will determine how large of an investment must be made and whether it makes sense to diversify the lending relationship with a second bank;
3. **Flexibility** – What is the lender's flexibility on repayments? Even the best plans can go awry due to unforeseen circumstances. It is important to have a frank discussion with the banker about what would happen if scheduled loan repayments were unable to be made. Would the bank allow for temporarily suspended principal repayments, for example? It is important to find out ahead of time, not during a crisis; and
4. **Collateral** – What guarantees are being requested in case of default? This is where collateral is discussed. Are there assets that can be lost in case of a default? This risk may extend beyond the business to include community or personal assets. Collaterals can include accounts receivable, pledges and liens (equipment and other fixed assets), inventory, real estate (if applicable insofar as the borrower has a home that is owned privately), personal guarantees

and third-party guarantees. The type of collateral offered depends on the nature of the business, the terms and conditions of the bank, and the leeway available to negotiate.

Attracting investors

Another aspect of generating the funding needed to launch and manage your economic development project is attracting investors and partners. The "checklist" on the following page represents the main steps that a community, Indigenous Economic Development Corporation or entrepreneur can follow in order to secure outside interest. Each step is a milestone, and the pursuit of capital normally demands a detailed and staged approach. Appropriate timelines can be attached to each step to create an Action Plan.

Budgets

In creating an Economic Development Strategy, you not only need to understand what financing is available but also how much operating the project will cost in development, ongoing day to day operations and any wind-up or closure costs. A budget is a model of all expenses out and all revenues in. Ideally, at the end, you have more revenues than expenses and you generate a profit.

Developing a budget is essential for community-led Economic Development Strategies as well as for independent entrepreneurs. Remember, *if you do not know where you are going, you may wind up somewhere else.*

Before we go through budget examples, it is worthwhile to understand the categories of items that are included:

- **Start-up costs:** What you need to get into business;
- **Direct costs:** If producing, importing

¹⁸ Business Development Canada, "Beyond interest rates: four factors to consider when shopping for a business loan" (date accessed, 14 March 2018), online: Business Development Canada <<https://www.bdc.ca/en/articles-tools/money-finance/get-financing/pages/beyond-interest-rates-4-factors-consider-when-shopping-business-loan.aspx>>



Table 3: Checklist for Building a Case to Attract Investment Partners

Task/ Milestone	Description	Timeline to Complete	Completed?
Research	<p>A significant part of packaging for outside parties is preparation.</p> <ul style="list-style-type: none"> • What is the opportunity being offered? • What does your market research show? Industry trends? Economic trends? Competition? • Who are the major (and minor) players? 		
Know your target	<p>Once you have successfully researched the parameters of the marketplace, it is critical to carry out research on the stakeholders who might be considered for investment. This is key in preparing yourself to approach prospective parties.</p> <ul style="list-style-type: none"> • What is their history of investment? • If they are public, how does their Annual Report vision/goals fit with your community economic goals? • Do they have the financial resources you are seeking? • Do they have any experience dealing, investing, or partnering with Indigenous communities? • Who is their upper management, and how approachable are they? • Do they share common values with your community? <p>Wherever feasible, build a person-to-person exploratory relationship, and determine if there is a fit (i.e. operating style, common values) between you both.</p>		
Expectations from the target	<p>Develop a profile of what features an attractive investor/partner would have.</p> <ul style="list-style-type: none"> • What are you expecting from an investor/partner? It is prudent to keep in mind that you are still connected to a financial investor once the money is spent. <p>Does the potential investor have other value that they bring to your project, such as marketing and/or distribution capacity, human resource and management training, and, of course hard assets you may require (equipment, technology, infrastructure, etc.)?</p>		



Task/ Milestone	Description	Timeline to Complete	Completed?
What you "Bring to the Table"	Work to quantify a value for what your contribution to the project would be. The value of both (or more) parties is often explored and compared in terms of monetary contributions (cash or in-kind). This becomes part of the negotiations between the parties.		
Guidelines for investment	<p>Build a business model setting out how you see the investment structured, and what you are willing to "give up" or share with the outside party. This sets the parameters for your negotiations.</p> <p>With the assumption that the investment funds get spent and the venture is operating, establish guidelines for each party's ongoing and even day-to-day contributions, roles and responsibilities.</p> <p>Draft a preliminary Partnership and Shareholders' Agreement that encompasses all of the above. A corporate lawyer can facilitate this agreement.</p>		
WIIFM thinking	<p>"What's In It For Me" ("WIIFM") is part of the critical thinking that encourages investment procurement.</p> <ul style="list-style-type: none"> • Why would the party(ies) invest? • What benefits can they expect to accrue? • Does the scenario appeal to their plans to grow their own business? • Do they grow by acquisition, or grow internally? • Do they need to enter into a deal in order to stay competitive? Is this a "must do" situation for them? • Ego, pride, value and need are often considered "hot buttons" that trigger action. Do any or all of these apply to the target investor/partner, and, if so, can you capitalize on these features? Who are the major (and minor) players? 		
Dealing with people	It is important to continually remind yourself that, in fact, you are not dealing with "ABC Company." You are dealing with the decision-maker(s). Building personal relationships can significantly raise the possibility of structuring a deal and investment		



Task/ Milestone	Description	Timeline to Complete	Completed?
PPE (Profit, Protection, Exit)	Any investment scenario must also encompass PPE, namely: How do I profit? How is my investment protected? How and when can I exit this investment relationship? These very features all need to be addressed in the Business Plan.		
Business Plan	<ul style="list-style-type: none"> • Creating a Business Plan is of the utmost importance. The critical factor here is that your Business Plan becomes as much of a sales/ investment package as a plan for your business. • All Business Plans need to be targeted to the anticipated readers of the plan. They are audience-driven. • Financial projections need to include: <ul style="list-style-type: none"> • Start-up costs. • Investment sought, and use of funds. • The possibility of leveraging funds from government. Any such funds become YOUR financial contribution to the project. • Profitability, and the ability to sustain profits. • Ability to repay loans. • Positive cash-flow generation. • Costs that can be controlled. • Reasonable year-to-year growth. • Management from within your community is important, since it is unlikely the investor/ partner will undertake a day-to-day role. 		
Visuals	Photos and any other visual aids will make the document more reader-friendly. These packages are the IEDC's calling card to a potential investor and should reflect the character, personality and culture of the community to which this opportunity belongs.		
Window of opportunity	In order to stress the importance of a timely investment, it is prudent to discuss the timing to launch the opportunity. This may be governed by market conditions or opportunities, government or regulatory changes, or any other factor that helps determine the expected and necessary timeframe for investment.		



The following commercial banks now offer services designed for Indigenous clients:

Aboriginal Banking - Royal Bank of Canada:

<https://www.rbcroyalbank.com/business/advice/industry-expertise.html>

Aboriginal banking services | Business Development Bank of Canada:

https://www.bdc.ca/en/i_am/Aboriginal_entrepreneur/pages/default.aspx

First Nations Bank of Canada - Personal Banking:

<https://www.fnbc.ca/>

Aboriginal Banking – CIBC:

<https://www.cibc.com/en/small-business/Aboriginal-banking.html>

Bank of Montreal (BMO) - Aboriginal Banking:

<https://www.bmo.com/Aboriginal/en/>

Services for Aboriginal Peoples | Scotiabank:

www.scotiabank.com/ca/en/0,,287,00.html

TD and Aboriginal Communities in Canada:

<https://www.td.com/document/PDF/corporateresponsibility/TD-and-Aboriginal-Communities-in-Canada.pdf>

Vancity Credit Union: Aboriginal Communities:

<https://www.vancity.com/BusinessBanking/Financing/SpecializedSectorSolutions/FirstNationsAndAboriginal/>

or reselling – costs related to the product, freight, labour, packaging, etc.;

- Fixed costs – same every month, e.g., rent, insurance, leases, etc.;
- Variable costs – the more you sell, the higher the costs, e.g., materials, shipping out, etc.;
- Semi-variable costs – can vary monthly, e.g., salaries, advertising, telephone, etc.;
- Revenues – how much you will make on the sale of your product or service (expressed in units sold and dollars); and
- Profits – what is left after all costs.

Types of budgets

There are basically three types of budgets:

Start-Up Budgets are used to establish how much money you would need before you actually start generating any revenues. This would typically include "hard costs" such as equipment, computers, furniture, etc., and "soft costs" such as website development, legal, accounting, and, of course, working capital to pay monthly bills and costs as you launch and start to build your enterprise.

Operating Budgets will clearly demonstrate how much revenue you expect to generate, and what your costs will be. Your operating budget would include estimations of your revenues, labour, gross margins and operating costs to run your venture. Costs would include (but not be limited to) materials, insurance, rent, marketing expenses and administrative costs, etc. Operating costs would only include "cash-out" items, meaning that depreciation on equipment and such would not be considered.

Cash Flow Budgets are designed to show monies in and monies out of a business. Why is this necessary? Your revenues may be seasonal and impact your ability to pay your fixed costs. Your collections of what your



clients owe might take longer than your need to pay suppliers and overheads like electricity, rent, leases or other items that demand attention on a timely and regular basis. The net effect of all this determines what line of credit your business may need.

Building a Budget

Step 1: Develop a start-up budget

Start-up budgets should include everything you need to buy or pay for BEFORE you start selling. These typically include items such as equipment, vehicles, furniture, computers, and other "hard costs" as well as "soft costs" like working capital needed, rent deposits, etc. A start-up budget can look like the following example (numbers for reference only):

Category	Costs
Equipment	\$10,000
Facilities	\$12,000
Inventory	\$14,000
Website	\$16,000
Promotion	\$18,000
Legal, Professional	\$20,000
Working Capital	\$22,000
Total	\$112,000

Step 2: Determine your labour costs

Determining your labour costs should typically include the number and types (i.e. part-time or full-time) of employees you might require, if any. A labour costs budget can look like the following example.

LABOUR/ EMPLOYMENT	#	Salary	Total
Full-Time Jobs	2	\$40,000	\$80,000
Part-Time Jobs	1	\$15,000	\$15,000
Employee Benefits			\$23,750
Total Employment Costs			\$118,750

Step 3: What revenues do you expect to generate?

Since most budgets generally require three-year forecasts, there is a need to set annual estimated revenues for each year, and any increase expected in upcoming years.

If this is a new business, revenue estimates should be justified with units to be sold multiplied by selling prices, or contracts you expect to sign. If this is an existing business, then forecasts are based on the history/past performance of the business, and where you see it heading. An example of an estimated revenue budget is shown below.

REVENUES	Year 1	Annual Increase (%)	Annual Increase (\$)	Projected Revenues
Year 1	\$275,000			\$275,000
Year 2		1.1%	\$27,500	\$302,500
Year 3		1.15%	\$45,374	\$347,875



In budgeting, particularly for Business Plans and presentation purposes, converting data into charts and graphs is quite useful for the intended reader. Excel has the capability of converting data into any type of graphic representation (www.excel-easy.com/data-analysis/charts.html).

Step 4: The business operating budget

Often referred to as a "profit or loss statement," this is an important budget to develop. It includes the revenues and labour costs you have developed in the previous steps. It also includes estimates for operating costs (i.e. the expenses you expect to pay out while you operate your business). As previously noted, some of these expenses are "fixed" monthly costs. This will include rent, leases, etc., while others vary depending on how much you sell, such as shipping, marketing, travel, commissions, etc. See example table on page 73.

Step 5: Cash flow budget: Monies in and out

A cash flow budget will determine the answers to the following questions:

- Will your business have enough cash generated monthly to cover your expenses and salaries?
- Will you need a line of credit to help cover any monthly shortfalls as you wait to collect your accounts from customers?

If you're running a business that is strongest during one part of the year, such as a tourist operation, how will that affect your cash availability? Will you be able to repay any loan?

These cash flow projections should be run for a number of years, certainly years 1 and 2, possibly year 3 as well. See example table on page 75.

Assessing Risk before it is too Late

No business enterprise is without risk, and navigating them successfully requires thought and deliberate planning, before anything goes awry.

Why businesses fail

Failure is a topic most of us would rather avoid. But ignoring obvious (and subtle) warning signs of business trouble is a sure-fire way to end up on the wrong side of business survival statistics.

What's the survival rate of new businesses? Statistically, roughly 66% of new businesses survive two years or more, 50% survive at least four years, and just 40% survive six years or more. This is according to the study "Redefining Small Business Success" by the U.S. Small Business Administration.

With this information as a backdrop, here is a list of 10 common reasons businesses close their doors:

1. Failure to understand your market and customers: It is vital to understand your competitive marketplace and your customers' buying habits. Answering questions about who your customers are and how much they are willing to spend is a huge step in putting your best foot forward;
2. Opening a business in an industry that is not profitable: Sometimes, even the best ideas can not be turned into a high-profit business. It is important to choose an industry where you can achieve sustained growth. It takes more than a good idea and passion to stay in business;



Table 4: A typical Profit or Loss Statement can look like the following example

ANNUAL OPERATING STATEMENTS			
	Year 1	Year 2	Year 3
Revenues	\$275,000	\$302,500	\$347,875
Cost of Sales			
Labour	\$118,750	\$130,625	\$150,219
Material Costs	\$10,000	\$11,000	\$12,650
Rent	\$11,000	\$12,100	\$13,915
Heat, Light, Power	\$12,000	\$13,200	\$15,180
Repairs & Maintenance	\$13,000	\$14,300	\$16,445
Transport Out	\$4,000	\$5,400	\$7,710
Supplies	\$15,000	\$16,500	\$18,975
Other	\$16,000	\$17,600	\$20,240
Total Cost of Sales	\$199,750	\$220,725	\$255,334
Gross Margin	\$75,250	\$81,8775	\$92,541
Administration			
Office Staff	\$12,500	\$13,750	\$15,813
Telephones Communications	\$4,800	\$5,280	\$6,072
Computer & Office Supplies	\$1,200	\$1,320	\$1,518
Legal, Professional Fees	\$2,500	\$2,750	\$3,163
Taxes	\$1,000	\$1,100	\$1,265



ANNUAL OPERATING STATEMENTS

Finance Costs & Interest	\$3,100	\$3,410 .	\$3,922
Licences	\$1,100	\$1,210	\$1,392
Other	\$1,200	\$1,320	\$1,518
Total Administration	\$27,400	\$30,140	\$34,661

Marketing and Promotion

Advertising	\$5,500	\$6,050 .	\$6,958
Website Maintenance	\$550	\$605	\$696
Sales Commissions	\$3,750	\$5,125	\$7,394
Car & Travel Expenses	\$2,400	\$2,640	\$3,036
Promotions	\$12,500	\$13,750	\$15,813
Brochures	\$2,000	\$2,200	\$2,530
Other	\$400	\$440	\$506
Total Marketing & Promotion	\$27,100	\$30,810	\$36,932
Net Profit (Before Depreciation & Taxes)	\$20,750	\$20,825	\$20,949

3. Failure to understand and communicate what you are selling: You must clearly define your value proposition. What is the value I am providing to my customer? Once you understand it, ask yourself if you are communicating it effectively. Does your customer base connect with what you are saying?
4. Inadequate financing: Businesses need cash flow to float them through the sales cycles and the natural ebb and flow of business. Running the bank accounts dry is responsible for a good portion of business failure. Cash is king, and many quickly find that borrowing money from lenders can be difficult;
5. Reactive attitudes: Failure to anticipate or react to competition, technology,



Table 5: The following is a sample Cash Flow budget (not representative of any existing business):

YEAR ONE CASH	Year 1 Total	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1 Total
Cash In														
Revenues	275,000	13,750	11,985	16,500	16,500	19,250	22,000	24,750	24,750	27,500	27,500	27,500	27,500	275,000
Cash Out														
Costs	199,750	9,988	11,985	11,985	16,500	13,983	15,980	17,978	17,978	19,975	19,975	19,975	19,975	199,750
Admin. Expenses														
Marketing & Promotional Expenses	27,100	1,355	1,626	1,626	11,897	2,168	2,439	2,439	2,710	2,710	2,710	2,710	2,710	27,100
Net Cash Flow	20,750	1,038	1,245	1,245	1,453	1,660	1,868	1,868	2,075	2,075	2,075	2,075	2,075	20,750
Loan Repayment During Year 1	12,400	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	12,400
Cumulative Cash Flow	8,350	4	216	428	847	1,473	2,308	3,142	4,183	5,225	6,267	7,038	8,350	8,350



or marketplace changes can lead a business into the danger zone. Staying innovative and aware will keep your business competitive;

6. Overdependence on a single customer: If your biggest customer walked out the door and never returned, would your organization be ok? If that answer is no, you might consider diversifying your customer base as an objective in your strategic plan;
7. No customer strategy: Be aware of how

customers influence your business. Are you in touch with them? Do you know what they like or dislike about you? Understanding your customer forwards and backwards can play a big role in the success of your business;

8. Not knowing when to say "No": To serve your customers well, you have to focus on quality, delivery, follow-through, and follow-up. Going after all the business you can get drains your cash and actually reduces overall profitability. Sometimes





it is okay to say no to projects or business so you can focus on quality, not quantity;

9. Poor management: Management of a business encompasses a number of activities: planning, organizing, controlling, directing and communicating. The cardinal rule of small business management is to know exactly where you stand at all times. A common problem faced by successful companies is growing beyond management resources or skills; and
10. No planning: As the saying goes, failing to plan is planning to fail. If you do not know where you are going, you will never get there. Having a comprehensive and actionable strategy allows you to create engagement, alignment, and ownership within your organization. It is a clear roadmap that shows where you have been, where you are, and where you are going next.

Running an organization is no easy task. Being aware of common downfalls in business can help you proactively avoid them. It is a constant challenge, and it is also a continuous opportunity to avoid becoming one of the statistics.

Checklist for identifying and planning to manage risk

The following is a checklist that can be of assistance when identifying and subsequently planning how to manage risks. Fill in your responses and review the results, possibly even with a trusted business associate, coach or mentor. There is no scoring of your responses. The process is meant to identify risk issues that you need to be aware of, and be ready to respond to, without inflicting any harm to your business, or to yourself.

This is a template that you should use, and then re-visit every six months to make sure that there are no dramatic changes you need to be aware of and deal with.

Checklist for Identifying and Planning to Manage Risk

Business Related

- ☐ Have you identified your customer base?
- ☐ Are you keeping your key customers happy? Are they satisfied with your products/services?
- ☐ Do you use contractors? If yes, do you have back-ups if there are issues with your main one(s)?
- ☐ Do you have multiple suppliers of goods and services? Do you periodically audit their prices and discounts?
- ☐ Do you have a Business Plan that is less than six months old?
- ☐ Do you have a business coach/mentor you can rely on?
- ☐ If you are renting a location, is it the best deal for you? Highest visibility, if that's what you need?
- ☐ Do you have too many (or not enough) employees?
- ☐ Do you do regular employee reviews to see if people are pulling their weight?
- ☐ How are you building employee loyalty and avoiding turnover?



Markets and Marketing

- ☐ Do you have a marketing plan that is affordable?
- ☐ How do you know your marketing is working? Are you surveying your customers? Are you getting feedback?
- ☐ How is your competition doing?
- ☐ What is your competition doing?
- ☐ Are there any upcoming trends, new products, new services that you need to be aware of?
- ☐ Are the customers you are serving in your business region changing in terms of age (younger families or retirees)? If so, how does that impact your business?
- ☐ What is happening in your area? Is the area becoming more affluent (or less affluent)? How does that change how you do business?
- ☐ Any empty buildings around you, or in your area? Why?
- ☐ When is the last time you carried out market research, checking out similar businesses to yours but located far enough away that they will not see you as competition?
- ☐ Are you monitoring the Internet and social media with regard to competition? Or, even more important, your social media reach?
- ☐ How are you generating new customers? New leads?
- ☐ Are you networking, meeting people, joining groups, volunteering, etc., to meet people?

Technology

- ☐ Are you technology-savvy, e.g. Web, Google Ads, eBay, and social media including Facebook, Twitter, Pinterest, LinkedIn, and Instagram? Staying current and on top of all these vehicles will help build and maintain your brand and develop and grow a customer base.
- ☐ Is the internet becoming a bigger factor in your type of business, e.g., online sales, online travel, hotel bookings, and more? Do you think it will become a problem, or an opportunity?
- ☐ Is your operation equipped with decent business software for invoicing, inventory and parts control, managing leads, online bookings, and promotional programs?

Financial

- ☐ Are you maintaining a positive cash flow? Money in the bank? If not, why not? Perhaps you need to tighten up your collections? Review your sales pricing? Lower costs? Review your overheads?
- ☐ Is your insurance, including Workers' Compensation Board, up to date and paid? Is the coverage sufficient?
- ☐ Assuming you have budgets and forecasts, do you review your actuals against your budgets and see where the main differences are?
- ☐ If your forecasts are more than six months old, do you generate new ones?
- ☐ If your business deals heavily in cash, do you have tight controls in place?



Legal

- ☐ Have you verified the tax implications of operating on reserve/off reserve?
- ☐ Do you need any licenses or certificates? Renewals?

Cultural

- ☐ Does your business, in any way, conflict with the cultural priorities and traditions of your community?
- ☐ Are there any real or perceived conflicts of interest?

Community

- ☐ Have you created a program whereby your business “gives back” to the community in terms of creating employment? Training? Apprenticeships? Supporting other entrepreneurs?
- ☐ Is there any environmental impact of your business on the community? Anything that needs to be dealt with?

Family

- ☐ Entrepreneurship takes a lot of your time, and can have an impact on your partner and family. Are you experiencing any issues, and how are you dealing with them?

Health

- ☐ Entrepreneurship can be stressful, sometimes affecting peoples’ health. Are you monitoring that? Are you seeing a healthcare professional regularly, and heeding their advice?



Consider Your Economic Development Structure

Every Indigenous community has different interests and capacities to support economic development. Some may be supportive in principle but lack capacity, some may have the mandate to invest in developing an Economic Development Corporation separate from Chief and Council, and some may support economic development through everyday operations. In the following pages, we will explore options for community-led economic development.

As economic development becomes a priority, the community or Nation will need to ask itself whether or not the function should be a part of the Band/Nation Administration structure, and thereby more closely linked to the political aspects of the Nation, or be a part of a standalone independent structure.



Economic Development woven into Community Administration

In some smaller communities, limited community capacity and financial resources will more likely lead to economic development roles being housed as a part of the overall administration structure of the community. This means that to be successful, economic development will need to be an ongoing priority of the community through election cycles and appointed working groups will need to advise leadership on an on-going basis. This structure is useful for some communities because it is simple to set up and administer and requires less up-front costs in time and money before realizing economic benefits.

Some communities may wish to support economic development on reserve or traditional territories but lack capacity to form a Band corporation. Instead, at least in the short term, they may enter into revenue-sharing partnerships with protocol agreements negotiated with companies that ensure capacity training, jobs, revenue and other recognitions of value. Often, the Nation's leadership will strike a committee to work with the company and report back regularly on the development of the protocols. This is a model that has been used by many Indigenous groups across Canada to get started in economic development.

Indigenous communities don't always need to go looking for development opportunities. Often, outside businesses come to them and agreements are made. For instance, some Indigenous communities are located in prime areas for resource or land development. Today, with Canadian mandates of

reconciliation and support for Indigenous governance, those businesses are coming hat in hand seeking collaboration.

Economic Development through an Indigenous Economic Development Corporation

Having leadership support economic development is essential, especially where outside businesses come with offers driving economic development. However, there are advantages to having a body, independent from elected leadership, to spearhead community economic development. Some groups have developed Indigenous Economic Development Corporations (IEDCs) to help protect the community from liability, promote multiple business development options, separate business from political cycles and raise capital.

Results from the Canadian Council for Aboriginal Business 2015 research report on Indigenous Economic Development Corporations, Community and Commerce showed IEDCs in every sector of Canada's economy.

38% of IEDCs rate themselves as 'very successful', half have been in business for six years or more, more than a third for more than twenty years. Indigenous Economic Development Corporations are seen as serious economic players, transforming traditional business models, pursuing partnerships and opportunities, and showing the business sector how to operate on a community basis, delivering socially responsible outcomes.

There are already many examples of successful IEDCs from which a community can

¹ Belanger, Yale D. Robert J. Williams. Jennifer N Arthur. 2011. Casinos and Economic Well-Being: Evaluating the Alberta First Nations' Experience. The Journal of Gambling Business and Economics.



draw when setting up their own corporation. The priorities and values of an IEDC will reflect its community and the mission, vision and values determined in the Economic Development Strategy process and may include:

- By being community-owned, it is also community-led and community-managed;
- It provides opportunities for community members to be directly employed and participate in the success of the venture;
- It does not focus just on profits, but considers the broader goals of culture, environment and community;
- With broader social outlooks, a community-owned enterprise may focus on training, education and capacity-building as a significant stepping stone to long-term success;
- Listening to community members

and the insight or ideas they may offer the business;


- Considers cultural identity as a tool for entrepreneurial activity;
- Establishes the longevity and stability that is attractive to outside management; and
- Is accountable to the community as a whole.

The most common reasons for establishing an IEDC are:

1. Reducing liability exposure;
2. Maximizing profits (by minimizing taxes and avoiding own-source revenue claw backs by Canada);
3. Separating political considerations from business decisions;
4. Allowing outside expertise/advisors when circumstances warrant; and

Casinos

In multiple provinces, the provincial governments have entered into agreements with Indigenous communities to give them the rights to develop casinos on Indigenous lands. They can then receive a portion of the profits to put towards social programs, to improve local infrastructure, to develop education opportunities and to provide social programs for people. The profits don't go to individual members (except sometimes "Christmas bonuses"). The Casino Rama is a commercial gaming operation in Ontario that is located on an Indigenous reserve. It is the largest single-site Indigenous employer in Canada and provides 35% of net revenue directly to the Rama First Nation, with the final 65% divided among the other 133 Indigenous living within the province. Aside from gaming revenue and direct employment at the casino, there have been ample contracts for construction. Rama First Nation has used revenues from the casino to expand their Economic Development capacity and to support Indigenous businesses, large and small. A University of Calgary study showed that Indigenous casinos improves employment options in locales in which the casinos are located, provides funding stability and a consistent revenue stream, enhances localized business development, enhances community infrastructure, opens investment potential, provides political and social employment and does not contribute to any discernable increase in problem gambling or crime (Belanger, 2011).

- 
5. Effectively compartmentalizing businesses and allocating resources¹⁹.”

IEDC and Community Leadership

There is a broad range of sizes and governance structures in Indigenous communities and the varying levels of economic development experience. Naturally, there is going to be diversity in how the functions of business and politics work together within the community and in economic development. In any scenario, business and politics (elected and hereditary) have to be careful how they overlap, as they have inherently different agendas.

Most experts note the importance of a community separating business and politics when pursuing economic development. This does not mean that Chief and Council or other leadership are not involved in economic development. Leaders play an important role in working with the membership and community to identify the goals and aspirations for economic development. These goals and

aspirations form the focal point of the business plan, which is then developed by the person or entity (IEDC) that is developing the economic development opportunities in the community.

The leadership, both elected and hereditary, have overall responsibility for the economic development of their community but they work with the IEDC and they know when to 'pass the baton' to allow the IEDC business team to negotiate business resulting from leadership exerting their strategic political influence²⁰. It is not an “us and them”, but rather it is a “we” situation, with each entity taking responsibility for their role and knowing when to step back to let the other do their job.

Leadership operating as the government of the community or Nation can enact the processes required for carrying out development on lands and traditional territory of the Nation. This includes development of land-use plans, subsequent zoning laws, conducting consultation and accommodating traditional territory rights and ensuring they are adhered to by all including its business enterprises.

¹⁹ Jim Bennett, “Indigenous Economic Development Corporations – The ABCs” (27 June 2016),

²⁰ Nuu-chah-nulth Economic Development Corporation, “Assertion of First Nations / Aboriginal Rights, Business and Politics Working Together” (2017)

Ahousaht Fish Farm Protocol Agreement with Cermaq Canada

Atlantic salmon farming has been occurring on the west coast of Vancouver Island for decades. With the dramatic decline of commercial fisheries, Ahousaht First Nations, accessible only by boat or float plane, realized the potential economic benefits for membership of partnering with the company operating in their traditional territories. In 2002, a simple one-page agreement was struck supporting Cermaq operations while providing jobs and economic and social benefits to Ahousaht First Nations peoples. The Protocol Agreement was renewed and improved in 2010 and 2015. Though not without controversy, this partnership has provided Ahousaht with a stronger ability to guide the sustainability of operations and to use revenues to support community priorities, such as salmon enhancement, social programming funding, training and educations, contracting and employment opportunities.



Forestry remains an important aspect of Indigenous economic development.

The separation of politics and business ensures that day-to-day business decisions are made by people with business expertise to achieve sound business objectives and are not influenced by political considerations or priorities. Through a delineated economic development corporation structure, the operating IEDC is left to pursue the business opportunities they have been mandated with, in the manner the board thinks is best. Ultimate ownership and control remains with the community as the sole shareholder. Its rights as the shareholder are limited to appointing and removing board members; it cannot tell the board what to do on a day-to-day basis.

An Indigenous community can use its rights and authority as strategic leverage and a competitive advantage for its business activities. The ability to exercise such leverage requires efficient internal communication and coordination between the community and its business enterprises. Development of an economic development committee that operates between the political and operational arms of the economic development process

will assist in developing the internal communication and coordination. Without this communication, differing points of view may emerge where the Indigenous community and business enterprises operate with different purposes in mind. For example, business profit objectives might differ from the community environmental stewardship role when an Indigenous community undertakes fish farming.

The Role of the Indigenous Economic Development Corporation (IEDC)

An IEDC is set up as an independent body that is charged with creating a strong and viable local economy that supports the community's priorities, through its Economic Development Strategy and plans. It is managed by a Board of Directors and operates at arm's length from the Nations' Chief and Council as well as hereditary leadership. Some of the activities that an IEDC may undertake include:



1. Planning, developing, coordinating and implementing economic development strategies, policies, and initiatives in alignment with community priorities and values and that improve the community, socioeconomic, and business environments;
2. Managing and delivering economic development projects;
3. Operating businesses within the IEDC;
4. Evaluating, prioritizing and supporting opportunities;
5. Preparing proposals for seed money for businesses;
6. Developing proposals and preparing feasibility studies;
7. Assessing risk and determining mitigation strategies;
8. Negotiating business agreements, Memoranda of Understanding and Joint Venture Agreements with potential business partners/industry/local governments to help advance businesses;
9. Developing inventories of the skills and educational level of community members, then working with Education and Social Development Departments to ensure training is available to match business needs;
10. Building capacity with members to take on jobs in Indigenous business, training board members for companies and societies, and encouraging post-secondary training for management in business;
11. Providing business planning and mentoring services for entrepreneurs;
12. Creating a microloan fund for entrepreneurs;
13. Supporting employment from within the community;
14. Effectively separating politics from economic priorities; and
15. Drawing business investment interest into the community by networking, engaging local industry and actively seeking partners.

IEDC roles and responsibilities

For Indigenous economic development to be successful, the roles and responsibilities of key participants must be clearly written out and adhered to. This helps to ensure the players are adhering to principles of transparency and accountability set out in roles and responsibilities, along with any other subsequent policies and procedures.

These principles start with the community itself, through a Community Plan and as the sole shareholder, determining the vision, mission and values of, and setting the strategic direction for economic development.

IEDC Board of Directors

The Board of Directors implements the community's vision and mission for its economic development in accordance with the Economic Development Plan and its approved values. It will also oversee senior business management, make major operational decisions, approve policy and procedures for the businesses, and report on the business operations by the Chief and Council.

The roles and responsibilities of a Board of Directors is covered in detail in the IEDC Booklet.

Advantages of an Economic Development Corporation

Limited partnerships

An IEDC can form wholly (or partially) owned



Limited Partnerships or Limited-Liability Partnerships and act as the parent company that owns them. By putting all business activity under "one roof" there is the realization of cost savings on administrative and other costs, talent attraction, capacity building and, ultimately, Nation building. "It allows Indigenous groups to enter the corporate world in a legally and financially sound manner while maximizing the constitutionally existing rights and assets held by each Indigenous community and individual²¹."

Liability protection

Use of a separate incorporated legal entity allows for the community to be shareholder of a corporation, but the liability remains with the separate legal entity of the corporation. This ensures that any liability stemming from business operations will not flow back to the community.

Tax efficiency

Taxation of corporations is another thing communities will need to consider in their

development of a corporation. Based on the structuring, different avenues of the *Income Tax Act* and/or *Indian Act* will apply. The most common form is the provision in Section 89 of the *Indian Act*, which provides that: "*the real and personal property of an Indian or a band situated on a reserve is not subject to charge, pledge, mortgage, attachment, levy, seizure, distress or execution in favour or at the instance of any person other than an Indian or a band. In essence, it results in reserves being a safe haven for an Indian or a band seeking to shield qualifying real or personal property from creditors*²²."

In most cases, an Indian Band is tax exempt as a "public body performing the function of government" under Section 149(1) (c) of the *Income Tax Act*. The underlying public policy behind Section 149(1) (c) is that Canadian Constitutional law stipulates that one government does not tax another government.

²¹ Jim Bennett, "Indigenous Economic Development Corporations – The ABCs" (27 June 2016)

²² David Macaulay, Denise Bright, Mike Callihoo and Luke Morrison, "Indian Property – Lien and Seizure Restrictions" (28 January 2010)



Avoidance of Own Source Revenue (OSR) claw backs

Indigenous communities are increasingly becoming concerned with consequences stemming from OSR. Creation of OSR for an Indigenous communities, regardless of their financial agreement with Canada through numbered treaty, modern treaty, or other, have been subject to claw backs by the federal government.

In the context of modern treaty's, Indigenous community Fiscal Financing Agreements (FFAs) have had terms where there are funding contributions from Canada that are subject to reduction in an amount equal to a percentage of its OSR. The modern treaty OSR reduction is typically phased out over a 20-year period after the treaty effective date. Dividends from corporations and distributions from a partnership can be considered two of these defined sources of revenue. However, they are only subject to OSR if they are paid to the Indigenous community. To avoid OSR claw backs, many modern treaty Indigenous groups decide not to receive profits from their business operations.

This can, however, create difficulties if the Indigenous community requires profits to further invest in new business opportunities. OSR issues have occurred for communities who engage in funding negotiations with Canada. Utilizing corporate structures that meet the community's needs may assist in avoiding these OSR concerns for Indigenous communities operating under numbered or modern treaties.

How to Structure Businesses

When setting up the legal business entity, the community or individual should always seek legal advice in the areas of: how the business will be managed, objectives of the community or individual, "off-limits" businesses, number

of independent directors, etc. There are a number of different business structures available, depending on your projected goals, size, profits, risk tolerance and other values. Below we will investigate the main models.

A partnership is a non-incorporated business that is created between two or more people. Financial resources of partners are combined and sharing of profits occurs according to a legal agreement. In a *general partnership*, each partner is jointly liable for debts of the partnership. In a *limited partnership*, a person can contribute to the business without being involved in its operation. A *limited liability partnership* is usually only available to a group of professionals, such as lawyers, accountants or doctors. This model is fairly easy and inexpensive to establish and provides for a tax advantage if income from the partnership is low. However, there is unlimited liability in this model as in sole proprietorship, so creditors can come after your personal assets to pay off debt. Further, you are responsible for business decisions made by your partners.

A Joint Venture (JV), or jointly owned company is another tool that Indigenous communities commonly use to capture benefits from opportunities - whether they be mining, forestry, fisheries, tourism etc. A JV is like a partnership except it involves joining two or more companies (as opposed to individuals) in business. An existing business may enter into a joint venture with an Indigenous organization to share resources, skills or expertise and to create a mutual benefit. Entering into JVs can offer Indigenous IEDCs a foot in the door when they may not yet have sufficient capacity to carry out big projects. JVs can be incorporated or unincorporated. An *unincorporated JV* involves a written contractual agreement that is easier to implement, less complex to operate and can allow for subcontracting (and tax advantages), but can open your community up to liability if something goes wrong. An *incorporated JV* involves creating a new



company (separate legal entity) where a Board of Directors is struck with representation from both companies depending on share values. This model is more complex and provides less flexibility for the Indigenous community (board must consider the best interests of the company and not necessarily of the community), but can provide for higher profits and less liability. A shareholders agreement should be drafted to ensure clarity about operations and share benefits and liabilities.

Is a Joint Venture right for your community?

1. Are there geographical areas that will remain beyond your reach without other partners?
2. Is there need to develop know-how which has already been developed by another company or individual?
3. Is there a business that can help develop better market penetration?
4. Is there a company that has resources complementary to the Indigenous business?
5. How will combining resources feel? Does the business have access to legal resources to structure the joint venture and ensure all aspects are covered to protect and benefit your business?
6. Are there any best practices of joint ventures that can be researched to see how it was done?
7. Does the community understand that they will need to develop a joint business plan for JV?
8. Will JV mean a downsized workforce and what impact will that have?
9. Is the company/community in need of more credibility and will the JV bring the credibility?

Incorporated businesses are typically larger businesses, sometimes with more employees and

higher overhead and revenues. Incorporation can be done at the federal or provincial territorial level. Incorporating at the provincial level is slightly less expensive and is good if you only operate in one province whereas federal incorporation provides name security and allows you to operate in multiple provinces or territories. Advantages of incorporating include the ability to raise capital, more eligibility for government funding and the fact that a corporate business is a legal entity, separate from its shareholders. This means that the community will not be personally liable for debts or obligations.

To incorporate a business federally, the cost in 2019 was \$200 if filed on-line plus \$75 for a name search. To incorporate a business in BC in 2019, the cost is \$350 plus \$30 for the name approval fee. To incorporate an unlimited liability company in BC, the cost is \$1000 plus





\$30 for the name approval fee. Annual reports must also be filed, at a cost of \$43.39.

There are also tax advantages if revenues are high. A Canadian controlled private corporation pays a much lower rate of federal tax on the first \$500,000 of active business income due to the small business deduction. There are also disadvantages, incorporating is more expensive and complicated to set up and incorporated companies are not eligible for tax exemptions under Section 87 of the *Indian Act*.

Non-profit entity: In some cases, your business can be set up to make a difference in the world and earn enough to do it. Just because high profits are not the end goal, that does not mean that non-profit businesses do not need to follow the same business basics. First, it is important to understand that a non-profit is not an asset, so it can not be sold or leveraged. The only personal benefit one can receive is through a salary. A non-profit is set up in a similar manner to an incorporated company and pays its staff a salary. Profits above salaries will be used to run the business or fund the charitable work. This is a good model if you wish to avoid generating own source revenue that can lead to government claw-backs of community money. As with any business, funding will be required to get started. Usually non-profits get funding from government grants, foundations or private donors. This can be a challenge for a new start-up business, so some seek private donations. *Social entrepreneurship* is similar as profits from a regular business are donated to support a charitable cause. For instance, having profits from a coffee shop support youth sport programs. Below are a few not-for-profit structures.

- *Non-profit organizations* are associations, clubs or societies that are not charities but are organized and operated exclusively for social welfare, civic improvement, pleasure, recreation, or other purpose. While it is not essential for a non-profit

organization to incorporate, it does provide legal status and the ability to buy land, borrow money, shelter liability from members and receive government grants. Even though they are non-profit, that does not mean that they do not earn income. Income issued is to pay staff and to support activities. A non-profit organization does not need to register with the Canadian Revenue Agency (CRA) and will not receive a charitable registration number (and thus cannot issue donation receipts). These organizations are generally exempt from paying income tax but may need to pay tax on property income or capital gains.

- To form a non-profit corporation, after reserving a name, you would need to file non-profit articles of incorporation with the federal or provincial government. The corporation must hold annual meetings of at least 5 directors and members and must adopt bylaws. If incorporating federally, the cost in 2019 is \$250 plus \$100 for the extra-provincial registration fees. To incorporate provincially in BC, the cost is \$100.
- *Registered charities* are charitable organizations, public foundations or private foundations created to use resources for charitable activities and purposes such as: relief of poverty, advancement of education, advancement of religion, or other purposes that benefit a community. Charities must apply to the CRA for approval and if successful, they will receive a registration number and can then issue donation receipts. Charities are exempt from paying income tax.
- To form a registered charity, after reserving a name, you would file



Hiking Mt. Arrowsmith is a popular tourist activity in Hupacasath First Nation territory on Vancouver Island.

non-profit articles of incorporation that contain required clauses to qualify for charitable status. The costs are the same as non-profit organizations above. In order to obtain charitable status, you will need to apply to the Canada Customs and Revenue Agency (CCRA) and expect a 6-18 month processing time. Before applying, it is suggested that you contact CCRA first to go over your corporation objects and ensure that your activities and programs will be considered for charitable registration.

- *Community Contribution Companies (CCC or C3)* are a hybrid between profit-driven corporations and non-profit organizations. In 2013, the BC government introduced new

regulations allowing a corporation to set up as a C3, allowing them to bridge the gap between the for-profit business model and the non-profit enterprise model. They are structured like a regular incorporated business but have a double bottom line, meaning that they are interested in financial success but also structured with a purpose to benefit society (e.g. health, environment, culture, education). Profits are desired and shareholders can be paid dividends, but only up to a limit of 40%. The remainder of profits need to flow to charitable portions of the business or to other charities. This is not yet a very popular structure (in 2015, only 30 C3s had been formed) but may be an alternative worth exploring. A drawback is that costs for operation may be higher than a regular business as reporting and



regulations are more stringent. For instance, annual reporting for a C3 must also show how it is meeting its social, cultural or environmental goals. Also, three directors are required. An example may be a café set up to train and employ marginalized community members but still make a profit.

A **cooperative** is a legally incorporated corporation that is owned and democratically controlled by an association of persons. It is usually used to access products (i.e. consumer co-op like a co-op gas station), sale of products (i.e. processes and markets goods and services like an artist co-op), provide employment for its

members (e.g. worker co-op) or is a multi-stakeholder co-op (e.g. a health co-op that provides naturopathic services alongside physiotherapy and acupuncture). Some Indigenous-owned businesses run as cooperative corporations, allowing shares to be issued to membership on an equal basis. This is different than share capital corporations where individuals can buy multiple shares and thus increase their influence in the company. Some cooperatives such as housing cooperatives are structured as non-profit entities, meaning surpluses are not distributed to members but instead are re-invested.



Retailers have flocked to Campbell River Indian Band's Discovery Harbour Shopping Centre, which has transformed the waterfront.



Table 6: Characteristics of a Business Structure

	Sole Proprietorship	Partnership	Corporation	Co-operative	Society
Description	No formal structure, operated by one owner either with a business name or their own name. Can incorporate later if it makes sense.	Similar to sole proprietorship but the business operation is between two or more individuals who share management and profits. Can be general, limited or limited liability partnership	Legal body separate from the person.	A business that is owned and run jointly by its members, who share the profits or benefits	An entity that does not earn profits for its owners.
Profits	Owner receives all profits.	Flows through to partners from partnership as unit distributions.	Corporation receives profits, all or portion of profits paid to shareholder as dividend.	Cooperative receives profits of which members may share a portion.	Profits or donations are used in pursuing the society's objectives and keeping it running.
Bookkeeping/ Records	Minimal.	Moderate/ Extensive.	Extensive.	Extensive.	Extensive.
Regulation	Little.	Moderate/High.	High.	High.	High.
Jurisdiction	Provincial.	Provincial.	Provincial and/ or Federal.	Provincial and/ or Federal.	Provincial and/ or Federal.
Start-Up Capital	Personal Savings, loan, etc.	Combined Personal Resources (more in the case of a general partnership).	Personal savings, loan, venture or equity capital.	Often comes from the cooperative shares that are purchased by members.	Donations, founder's personal savings.
Raising Capital	Difficult.	Less difficult.	Less difficult.	Additional members provides more equity capital.	Easiest yet still challenging at times – fund raising is integral.
Other advantages	You are your own boss. Can get out of business anytime if all bills are paid.	Fairly easy and inexpensive to form partnership.	Specialized management. Ownership is transferable. Name Protection.	Owned and controlled by members. Democratic control (one member, one vote). Profit distribution.	Tax exempt status. Often reduced rates in services offered other businesses due to non-profit status.



	Sole Proprietorship	Partnership	Corporation	Co-operative	Society
Tax filings	Personal only (possibly exempt if status Indian working on reserve).	Tax filings are the responsibility of the partners.	Corporation is responsible for filing taxes. Shareholders may be liable for taxes based on dividends/ capital gains paid to shareholders.	Earnings are taxed at either the cooperative level or member-patron level, or both.	
Tax advantage	If operates at a loss can deduct from personal income (this may not be relevant if the sole proprietor qualifies for an income tax exemption under section 87 of the <i>Indian Act</i>)	Income/ losses from a partnership pass directly to the partners. The partners pay income tax, but the business itself does not. This avoids the double taxation that occurs in a corporation.	Possible tax advantage as taxes may be lower for an incorporated business.	It can deduct patronage-source earnings it distributes to its member-patrons from its gross income.	
Liability	Unlimited – responsible for all debts.	Unlimited liability for general partners. Limited liability for limited partners.	Limited.	Limited.	
Continuance	No – business ceases when person dies or ceases activity.	Business ceases when partnership dissolved	Yes – continues as a business regardless if sold or death of the principal.	Continues regardless of members coming and going	
Cost of set-up	Least Expensive	Moderate	Expensive	Moderate.	
Accounting fees	Minimal	Moderate	Moderate/ Expensive.	Moderate/ Expensive.	



The Economic Development Project

Dedicated community resources for entrepreneurship and business development, along with supportive leadership and engaged members, are cornerstones of successful economic development.

One easy way to embed economic development is to find business champions throughout your community. Community business champions are generally easy to spot because they are proactive, informed, approachable and eager to see the community succeed. They may already have successful businesses running in the community, and have already had to deal with the challenges one faces when trying to realize business development. These champions may be found amongst:

- Chief and Council, and other politicians;
- Hereditary leaders;
- Elders;
- Business owners and entrepreneurs;
- Industrial developers;
- Government program officers;
- Youth counsellors;
- Project managers;
- Infrastructure managers;
- Land-use and zoning officers;
- Financial/investment people; and
- Legal advisors.

One of the most important sources for leadership and motivation can often be found in the community's Elders. Whether they have a business or not, Elders generally have great insight into the community that is balanced by their values for the traditions of that community. Their traditional knowledge is key to understanding whether something may or may not realize success in the community.

Champions in the community need to be credible and respected. A credible champion shows courage and conviction in advocating for change for the betterment of their people. This means stepping forward from a place of respect and knowledge to point out and champion this needed change. This may mean challenging current business practices and attitudes. A credible champion is admired and respected by those both inside and outside their community, is deeply knowledgeable in the culture of those with whom they work, and demonstrates outstanding performance. A credible champion remains self-aware and maintains effective relationships.

A community can improve its ability to undertake economic development activities by having dedicated and knowledgeable staff devoted to community economic development.



Table 7: Traits that identify Economic Development Champions

Does	Does not
Readily share knowledge	Defend the status quo regardless of the information
Operate from a position of possibility rather than from one of risk avoidance	Avoid taking a risk when it feels daunting
Balance the activities of championing with work expectations and deliverables	Act without awareness of impact
Assert the primary position of community members upon the land relative to all later arrivals	Wait for changes to be mandated and then complies
Demonstrate respect in all advocacy and championing activities	Take a position of neutrality when advocacy and championing are indicated
Immerse him/herself in the Indigenous culture and the community itself	Wait for others to champion and then follows
Model openness to diverse perspectives	Allow personal beliefs to get in the way of hearing others' perspectives
Seek knowledge and feedback from the community for appropriate advocacy	Demonstrates upset or anger when challenged
Maintain a good reputation; is recognized as credible and well respected across cultures	Act impatient with perceived resistance to change
Challenge behaviours, practices and policies while preserving healthy relationships with individuals	Advocate for oneself and one's advancement rather than for the betterment of the community
Support others in their enthusiasm to learn, improve and excel	Use position of champion to further personal agenda
Remain aware of the strategic perspective during individual conversation	State knowledge of what is "right"
Provide a credible business case or motivation for change	Show inflexibility
Actively support the advocacy and championing activities of others	Alienate others when championing
Recognize and analyzes power imbalances and institutional discrimination and facilitates change	Lose sight of long-term implications when championing
Actively lobby to empower a critical mass of people to accept change	



The Economic Development Officer

Hiring someone dedicated to, and focused on, economic development is highly encouraged. If this person is working for the Nation administration, they are often called an Economic Development Officer (EDO) or Manager. If they are working for an IEDC, they may be called a Chief Executive Officer (CEO). Either way, their job is to oversee the management of the economic development strategy, including:

- Ensuring that businesses adhere to the mission, vision, values and goals of the strategy;
- Setting long-term objectives to meet those goals;
- Ensuring financial stability;
- Assessing the strategy implementation performance,
- Establishing policies; and
- Being the public face of the strategy.

If you have chosen a structure where your Economic Development Strategy is housed within your Band administration, it is worthwhile considering hiring an Economic Development Officer (EDO) or manager. The economic development profession combines professional disciplines including geography, business administration, public finance, political economics and urban planning. It can be described as a mixture of research, analysis, planning, organizing and salesmanship. The roles that are played by an economic development professional depend on the communities they work in, the organizations they work for (usually Band or Nation Administration) and the work that needs to be done.

Many Indigenous communities have an EDO or Manager that is mandated to improve the

economic situation of the community, to find ways to create jobs, to assist with the establishment of businesses, and to help create the environment in which the local economy and the community will flourish. Some EDOs focus on job-creation projects and helping local people with their business ideas, while others will negotiate deals to establish or diversify the community's economic base and increase all manner of economic opportunities²⁴.

Role of the Economic Development Officer

The Economic Development Officer will be tasked with activating and operating economic development projects in the community. An Economic Development Officer who works directly for an Indigenous community will often be responsible for the duties set out below.

1. Carries out the direction of the Chief and Council with respect to economic development;
2. Implements the Indigenous community's Economic Development Plan;
3. Works closely with the membership to update Economic Development Plans and ensures the interests of the members are reflected in those plans;
4. Works closely with Indigenous businesses to assist where possible;
5. Researches and develops ideas for businesses for the community and its members;
6. Prepares or assists with business and feasibility plans;
7. Develops relationships with Chief and Council, traditional leadership, community members, surrounding businesses and local governments, and

²⁴ CANDO, "Orientation to the Occupation of Aboriginal Economic Development Officer"



Sport fishing is exciting in Nootka Sound,
in Mowachaht/Muchalaht First Nation territory.

- other possible business partners;
8. Prepares proposals for seed money for businesses;
 9. Hires, under direction of Chief and Council or traditional leadership, technical support for developing proposals or preparing feasibility studies;
 10. Negotiates Memoranda of Understanding with potential business partners/industry/local governments to help advance businesses;
 11. Reports to Chief and Council or traditional leadership on progress of potential projects;
 12. Scopes out business/economic opportunities with businesses that are either intending to work or are already working in the territory;
 13. Provides advice and guidance to the Chief and Council and/or traditional leadership and members about economic development;
 14. Finds ways to build capacity with members to take on jobs in Indigenous business, trains board members for companies and societies, encourages post-secondary training for management in business;
 15. Working with Education and Social Development Departments, inventories the skill and education level of members in the community to know what skills are available for corporations and what skills need to be developed; and
 16. Keeps current on developments in economic development, as well as pots of money for developing businesses and training courses for members.



IEDC Roles and Responsibilities

If you have chosen the structure where you will develop an arm's length Indigenous Economic Development Corporation (IEDC), you must understand, and specify in writing, the roles and responsibilities of a strong Board of Directors. This assists in ensuring participants in Indigenous economic development are adhering to principles of transparency and accountability set out in roles and responsibilities, along with any other subsequent policies and procedures.

IEDC Board of Directors

The Board of Directors implements the community's vision and mission for its economic development in accordance with the Community Plan and its approved values. It will also oversee senior business management, make major operational decisions, approve policy and procedures for the businesses, and report on the business operations by the Chief and Council.

The basic roles and responsibilities of a Board of Directors is to oversee the management of the affairs on the organization, including:

- Ensuring the organization carries out their goals;
- Setting long-term objectives to meet those goals;
- Ensuring financial stability;
- Assessing the organization's performance;
- Establishing policies; and
- Being the public face of the organization.

Director's collective responsibilities

Directors elect amongst themselves a President, Vice-President, Secretary and Treasurer. They also will establish:

- Committees:
 - Directors form committee's necessary to meet its mandate and achieve goals and objectives;
 - Committees can be permanent or established for a specific purpose and duration;
 - A Finance Committee should permanently be in place.
- Process and timelines for Board evaluation and renewal

The composition of a Board of Directors is important in the overall governance structure of the community's economic development:

- It is important that it represents the diversity of all members of the community and the community interests;
- A balance must be struck between the need for a variety of perspectives and expertise on the board with the need for efficiency and cost savings; and
- An uneven number of directors is helpful in order to minimize tie votes. A board of five or seven individuals may be appropriate to provide a broad enough range of perspectives.

Who can be a director?

To be a director, an individual must be at least 19 years of age, be capable of managing his or her own affairs, not be an un-discharged bankrupt, and not have been convicted of an offence in connection with the promotion, formation or management of a corporation or involving fraud. In addition -



to the above mentioned requirements, a director must also be ethical, act honestly and in good faith of the corporation, and avoid or declare conflicts of interest in his or her decision-making (sometimes referred to as fiduciary duties).

In addition to the legal requirements, an individual appointed or elected to a board of directors must have the availability and be able to commit the time to be actively involved. Attendance at board meetings is imperative in order to effectively carry out a director's responsibilities and meet their legal obligations. A board member will need to take the time in advance of board meetings to review information and become informed on the decisions to be made. Preparing adequately for each meeting is essential for efficiency in board processes, ensuring board meetings are not overly long and decisions can be made in a timely manner.

Having an aptitude for business is also essential. Many of the issues that directors are asked to make decisions on are about the development and running of businesses that will benefit the community. The skills and experience an Indigenous community may want to consider when selecting potential board members for a corporation created to carry out economic development for the community include:


- Previous experience as a director;
- Ability to comprehend financial and non-financial performance reports;
- Ability to comprehend strategic plans, concept studies, business plans and risk management strategies;
- Knowledge of board processes;
- Knowledge of government processes;
- Ability to recruit and select a Chief Executive Officer and hold him or

her to defined accountabilities;

- Knowledge of, and experience in, one or more of the following areas: business generally, investment, legal, financial, management, human resources, marketing, or the specific business field within which the business operates;
- Fiduciary experience or understanding;
- Strong communication and interpersonal skills; and
- Experience with or a good understanding of the culture and the specific needs of the community.

Responsibilities of each director:

- Consistent attendance;
- Preparation (including review of minutes and up-to-date on information to ensure effective decision-making);
- Participation in board dialogue and decision-making processes;
- Limited reliance on other directors;
- Exercise care, due diligence and skill in their actions taken and decisions made;
- Actions and decisions must be informed and exercised as a reasonable, prudent person would;
- Directors must ensure they have the information necessary (and understand that information) in order to make decisions; and
- Skills exercised to a degree that would be expected from another person of similar knowledge and experience.



The magic of Spotted Lake in Osoyoos is a famous tourist attraction.



Launching and Operating a Strategy

Once your Economic Development Strategy has been developed, it is time to operate! To do so, you need to ensure that your community has appropriate mentoring and training, has access to business support resources, knows when to house offices on- or off-reserve, considers marketing, understands how to make agreements with existing companies, knows how to grow opportunities through bidding on contracts, and considers when it is required to hire outside help.

Indigenous entrepreneurial training and mentoring programs can be divided into several categories.

1. Entrepreneurship programs dedicated to Indigenous participants (see the *Indigenous Entrepreneurs Roadmap Book 4*);
2. Organizations that provide mentoring and resource materials but do not offer training programs;

3. Entities that offer on-line resources; and
4. Organizations that provide ancillary training, that is, deliver specific sector skills training (e.g., trades, botanical forest products, licensing) that can support further Indigenous entrepreneurial activity.

Academic institutions

Most BC universities and colleges offer studies in Aboriginal affairs, with entrepreneurship generally being a minor (but generally available) component. Some of these programs can be found at:

- Royal Roads University, Victoria (www.royalroads.ca/BCUniversity)
- University of Victoria (<http://www.universitystudy.ca/indigenous-programs-and-services-directory/?offset=7>)



- Vancouver Island University, Aboriginal Bachelor Program (www.viu.ca) and (<https://www.viu.ca/programs/acp/aboriginal-university-bridging-program-certificate>)
- University of Northern BC, First Nations Studies (<https://www.unbc.ca/first-nations-studies>)
- Native Education College (www.necvancouver.org)
- University of British Columbia (UBC), (<http://www.universitystudy.ca/indigenous-programs-and-services-directory/?offset=6>)
- Simon Fraser University (<http://www.universitystudy.ca/indigenous-programs-and-services-directory/?offset=2>)
- University of Fraser Valley (<http://www.universitystudy.ca/indigenous-programs-and-services-directory/?offset=8>)
- Thompson Rivers University (<http://www.universitystudy.ca/indigenous-programs-and-services-directory/?offset=4>)
- Emily Carr University of Arts and Design (<http://www.universitystudy.ca/indigenous-programs-and-services-directory/?offset=00>)

Other academic institutions with programs focused on Indigenous students include the following.

- Kwantlen Polytechnic University (www.kpu.ca/awards/awards/aboriginal)
- North Island College ([https://www.nic.bc.ca](http://www.nic.bc.ca))

Throughout Canada, there are 87 universities that serve the Indigenous populace. The complete listing is available at <http://www.universitystudy.ca/indigenous-programs-and-services-directory/>.

Online Training is provided by a number of the above-mentioned institutions.

Skills Training

In March, 2017, the Aboriginal Skills Training Programs Inventory was developed as a deliverable under the "BC Skills for Jobs Blueprint." It encompasses skills development (including Indigenous entrepreneurship programs) and trades (and licensing) programs. The delivery organizations include government and the private sector. Below is the list of programs in this inventory:

Provincial programs

- Ministry of Education;
- Ministry of Advanced Education;



Khot-La-Cha Art Gallery & Gift Shop is in West Vancouver.



- Ministry of Social Development and Social Innovation; and
- Ministry of Jobs, Tourism, Skills Training and Labour.

Federal programs

- Employment and Social Development Canada;
- Indigenous and Northern Affairs Canada; and
- Western Economic Diversification Canada.

Industry programs

- British Columbia Construction Association (BCCA);
- Independent Contractors and Business Association (ICBA);
- Roofing Contractors Association of BC;
- TransCanada Pathway to Pipeline Readiness Program; and
- Southern Interior Construction Association (SICA).

Union programs

- Christian Labour Association of Canada (CLAC).

Building trade union programs

- Boilermakers Lodge 359;
- Bricklayers & Allied Craft Workers Local 2 Operative Plasterers' and Cement Masons' (OPCMIA) Local 919 Labour Association of Canada (CLAC);
- Carpenters Union;
- Construction Maintenance & Allied Workers;
- Construction and Specialized Workers Local 1611;

- International Brotherhood of Electrical Workers (IBEW);
- Heat & Frost Insulators Local 118;
- Ironworkers Local 97;
- Operating Engineers Local 115;
- Painters District Council 38;
- Sheet Metal Workers Local 280
- Teamsters Local 213;
- United Association of Plumbing & Pipe Fitting (UA) Local 324 – Vancouver Island;
- United Association (UA) - HVAC/Refrigeration - Local 516 Joint Apprenticeship Refrigeration Training School;
- United Association of Plumbing & Pipe Fitting (UA) Local 170 UA Piping Industry College of BC; and
- SkillPlan.

Business Support Resources

Successfully operating economic development programs requires on-going commitment to promotion of business opportunities. Whether your community has chosen to house economic development through your administration, or your community has an IEDC, it will be important to consider having a business point person or center to house information for community members and outside business interests. on the following pages are some services that could be offered through your community economic development center as well as strategies for delivering those strategies.



Table 8: Economic Development services and strategies for delivery offered through a community business center

Services	Strategies for Delivering Services
Business Planning and Mentoring Services for Entrepreneurs	<p>Maintain an “open-for-business” strategy that encourages community entrepreneurs to approach your office for assistance.</p> <p>Offer business training programs for interested parties, either delivered from within the community’s own resources, or from outside program providers.</p> <p>Encourage youth entrepreneurship training and orientation.</p> <p>Identify community champions for each sector and encourage them to provide mentoring services to those entertaining opportunities within those sectors.</p> <p>In any contact with the community (email, newsletters, social media), develop and deliver profiles of successful community entrepreneurs, as a tool to motivate others.</p> <p>Bring in guest speakers and host events dealing with high-priority interests such as funding, taxation and regulatory issues. These can garner high levels of attention from entrepreneurs.</p> <p>Hold higher-level business training workshops and programs for established businesses that may require assistance in growing to their next potential level, diversifying, or simply “surviving” in a competitive environment.</p> <p>Hold workshops for writing bids and proposals.</p> <p>Bring in regional non-Indigenous stakeholders to discuss any potential joint venture or investment opportunities.</p>
Creating a Microloan Fund for Entrepreneurs	<p>Work with funders accustomed to funding initiatives within the Indigenous community (Aboriginal Capital Corporations, Vancity, First Citizens Fund, Islands Trust, etc.) to establish a self-administered Microloans Fund for the community.</p> <p>A lending circle is when people get together to form a group loan. Everyone in the group contributes money to the loan, and everyone gets a chance at taking the loan out.</p> <p>Research and consider the applicability of Lending Circles for your community, whereby small amounts of funds are advanced to lower-income community members to start a business that can create income for them. http://lendingcircles.org/ ; http://www.collaborativefinance.org/community/lending-circles.</p> <p>Approach “Lending Circle” funders who advance monies to a group undertaking this economic development avenue https://www.vancity.com/BusinessBanking/Financing/Loans/SmallBusinessAndStartup/circle/</p>



Services	Strategies for Delivering Services
Online and Virtual Training and Mentoring	<p>As a valuable resource for interested entrepreneurs, consider funding online business planning software such as LivePlan (https://www.liveplan.com/). It has shown itself to be user-friendly, effective and an excellent tool for capacity development.</p> <p>Consider developing (or contracting to develop) and hosting a series of online training and mentoring workshops, particularly for the more rural community Band members.</p>
The Entrepreneurs' Resource Library	<p>Funding resource handbooks can be valuable guides to identify funding: http://www.regionalbusiness.ca/images/pdfs/funding_handbook.pdf and http://www.vnfc.ca/downloads/entreprenaur.pdf. These handbooks also provide contact information and program criteria, so they are all-encompassing guides. However, a note of caution needs to be exercised as these represent "snapshots" at the time of their compilation; programs and contacts change regularly.</p> <p>There is a funding handbook as well for Indigenous artists, and can be found at http://www.vnfc.ca/downloads/vnfc-indigenous-artists-workshop-resource-handbook.pdf</p>
Building Entrepreneurship by "Training the Trainers"	<p>Wherever possible, build a network of others within the community (or from outside the community) that can take on part of your role as trainer/mentor. This is an important resource for the EDO to develop to assure that all those would-be and existing entrepreneurs receive the attention and support they require to move forward with their businesses.</p>
Financial Matchmaking for Entrepreneurs	<p>Design and facilitate a process whereby any entrepreneur can receive hands-on assistance in approaching, dealing with and responding to the needs of Indigenous funding sources.</p> <p>Hold workshops on funding and host guest speakers.</p> <p>Liaise regularly with key stakeholders from within all the funding agencies, ministries, banks and foundations that can, in whole or in part, fund a community enterprise.</p>
Focus	<p>Build on the foundation of businesses already existing within the community, as they represent the building blocks of entrepreneurship.</p> <p>While large projects have the glamour and appeal of job creation and investment, it is proven that large projects and employers drive away small companies that are washed away in the process. The net effect of employment is not as significant as generally expected.</p>



Services	Strategies for Delivering Services
Proactive	<p>The economic development person or center must generally maintain a proactive approach in economic development. This includes seeking out relationships and opportunities, and promoting the “brand” of the community as seen by outside players and government. This also includes attending conferences, events, trade shows and networking engagements.</p>
Participate in the “Big Picture” Planning	<p>Beyond the scope of working with entrepreneurs, a key area of the Economic Development Officers function is to interact with Chief and Council in strategic planning and opportunity viability/ easibility assessment. This includes a certain focus on the following:</p> <ul style="list-style-type: none">– Maintaining close liaisons with regional private and public stakeholders regarding upcoming areas of opportunity for the community.– Commissioning (or carrying out) Feasibility Studies, Risk Assessments, SWOT Analyses and Viability Assessments for any larger-scale opportunities identified by the Economic Development Strategy, or Chief and Council.– Monitoring and completing (or commissioning the completion of) bids and proposals, responding to Requests for Qualifications (RFQs) or Requests for Proposals (RFPs).– Maintaining liaisons with neighbouring Indigenous communities to identify any potential economic opportunities.– Continuously researching the media, trade magazines, Indigenous journals and websites to remain apprised of existing or upcoming opportunities. One such example is the legalization of medical cannabis and non-medical marijuana and the implications for Indigenous providers.

The Canadian Council for Aboriginal Business (<https://www.ccab.com/programs/>) delivers programs, often in partnership with other organizations, in the following areas:

- Tools and financing for Indigenous business;
- Indigenous mentorship;
- Indigenous relations; and
- Business procurement in the public and private sectors.

The Government of Canada’s Business Network offers resources and business planning templates which encompass various

aspects of Indigenous entrepreneurship development (<https://canadabusiness.ca/programs/aboriginal-business-and-entrepreneurship-development-1/>).

Business Development Canada (<https://www.bdc.ca>) provides online resources as well as mentoring services and loans.

Aboriginal capital corporations

All BC-based Aboriginal capital corporations offer resources, business planning templates, budgeting/cash flow templates and planning tools for Indigenous entrepreneurs. Further, these institutions offer mentoring and advisory services as well as grants and loans for their



Indigenous client base. They are mandated to deliver a number of government funding programs (INAC, First Citizens Fund, others). As well, these Aboriginal capital corporations may sponsor entrepreneurial training workshops and programs, generally delivered by established service providers or one-day specialized workshops delivered by guest facilitators in social media, budgeting, and other key topics such as funding, business plan writing, taxation and human resources.

Nuu-chah-nulth Economic Development Corporation (NEDC)

7563 Pacific Rim Highway, Port Alberni BC V9Y 8Y5
Telephone: (250) 724-3131 Toll free: (866) 444-6332
Fax: (250) 724-9967 Email: nedc@nedc.info
Web: [Nuu-chah-nulth Economic Development Corporation \(NEDC\)](http://www.nuu-chah-nulth-economic-development-corporation.ca)

Tale'awtxw Aboriginal Capital Corporation (TACC)

Suite 508, 100 Park Royal South
West Vancouver, BC V7T 1A2
Tel.: (250) 724-3131 Toll Free: 1- 800- 779-7199
Fax: (604) 926-5627 Email: info@tacc.ca
Web: [Tale'awtxw Aboriginal Capital Corporation \(TACC\)](http://www.taleawtxw-aboriginal-capital-corporation.ca)

All Nations Development Corporation

520 Chief Eli LaRue Way, Kamloops, BC V2H 1H1
Toll Free: 1-800-663-2959 Tel: (778) 471-4110
Fax: (250) 372-2585 Email: antco@antco.bc.ca
Web: [All Nations Development Corporation](http://www.allnationsdevelopmentcorporation.ca)

New Relationship Trust

3188 Alder Court, North Vancouver, BC V7H 2V6
Tel: (604) 925-3338 Toll-free: 1-877-922-3338
Email: admin@nrtf.ca
Web: www.newrelationshiptrust.ca

Other Resources

Province of British Columbia, Economic Development Online Tools and Resources:

<https://www.gov.bc.ca/EconomicDevelopment>

- a. Funding & grants search tool;
Detailed tools for planning and measuring economic development;
Finding support organizations and partners;
BC Ideas exchange (peer to peer learning through success stories and mentoring).

- b. Regional Economic Development Trusts:

Northern Development Initiative Trust:
<https://www.northerndevelopment.bc.ca/>

Southern Interior Development Initiative Trust: <https://sidiit-bc.ca/>

Island Coastal Economic Trust: <http://www.islandcoastaltrust.ca/>

Crown Corporations:

- a. Columbia Basin Trust: <https://ourtrust.org/>
- b. Nechako-Kitimat Development Fund: <https://www.nkdf.org/>
- c. Rural Dividend: <https://www2.gov.bc.ca/gov/content/employment-business/economic-development/support-organizations-communitypartners/rural-economic-development/rural-dividend>

Indigenous Business & Investment Council:

<https://www.bcibic.ca/>:

- a. Indigenous Business Listing
- b. Indigenous Ec-Dev Resource Centre
- c. Success Stories and Videos
- d. Partnerships with Indigenous Organizations delivering economic development Services

Indigenous Economic Development Research

- a. Community Futures: <https://www.communityfutures.ca/>
- b. Nuuchahnulth Economic Development Corp: <https://www.nedc.info/>
- c. Sto:lo Community Futures: <http://www.stolocf.ca/>



d. Community Futures of the Central Interior First Nations: <http://cfdfcofcifn.com/>

e. Haida Gwaii Community Futures: <http://www.haidagwaiifutures.ca>

On or Off Reserve?

There are benefits to both hosting a business on- and off-reserve. The following table includes items that should be considered by the community and by entrepreneurs in making a decision.

Table 10: Decision considerations for on- or off-reserve businesses.

Item	Description/Criteria	Yes/No?
Close to customers	It is important to try to locate close to your major customers. Not only does this keep shipping costs down, but it allows you to maintain a close contact with your customer base.	
Rent costs	An important consideration for businesses is the cost of the rent or lease. Rent is often quoted by the unit or by the square foot. If you are signing a lease, make sure it is for a term you can accept, e.g. 1-3 years. Short-term is better because your business may change, and a shorter term will allow your facility and location to accommodate change. It should have an "escape clause" (the ability to get out of the lease) if the landlord is not completing any repairs or fulfilling their obligations under the lease. You can also request 1-3 months free as part of your lease signing. This will be contingent on how long the property has been on the market, and how extensive any changes are that you are requesting from the owner.	
Worker safety	Standards are set by the Workers' Compensation Board (WorkSafeBC) and must be adhered to. https://www.worksafebc.com/en	
Property taxes	Property taxes, especially on commercial and industrial sites, can be a significant cost of your operations. Check with the municipality for rates and any other issues the municipality controls that may impact your business.	
Insurance rates	Insurance should include business interruption, fire, theft and liability. The insurance rates will also be lower if you are close to a fire hydrant, or if the location is sprinkler-protected.	
Sprinklers	If your type of business requires sprinklers (as prescribed by law or regulation), make sure they are already in place. It is costly to get these installed yourself.	



Item	Description/Criteria	Yes/No?
Band Resolution	For businesses to be located on reserve, you will need permission / licensing or a Band Council Resolution from Chief and Council.	
Competition cluster	Businesses that are alike tend to cluster together. That is particularly true about restaurants, car dealers, service depots, etc. That is why you almost always see Burger King and Subway located close to a McDonalds, for example. If this “cluster” effect would serve your business well, then its location selection should consider this.	
Infrastructure	Power, sewer, water, loading bays/shipping bays and parking are all important considerations. For example, not all locations have the 220-volt power that some equipment needs, and installing this yourself is very costly.	
Close to highways	A business close to highways or highway access makes shipping easier, and provides better access for suppliers, customers and employees.	
Technology	If possible, the location should have excellent Broadband, high-speed, and / or optical cable serviced by one of the major providers.	
Employees	You may want to ensure that the location you choose is close to a ready pool of employees you may need for your business.	
Subcontractors	Your business may require subcontractors or equipment-servicing companies. Make sure these necessary providers are close to your general location. The same applies to transport companies and other suppliers of parts or materials you may need.	
Expansion room	It is prudent (but not always possible) to try to make sure there is room to expand as you grow. That means locating where you may be able to take an option for more space as you grow. The cost of moving is high.	
Business license	Getting a business licence is a reasonably simple process. However, make sure that the location allows a business such as yours to set up. There are restrictions for manufacturing that create dust or smoke. There are also restrictions about traffic (in and out), parking, or the size of vans allowed in certain areas.	
Regulatory	For any food processing, or anything where the final product will be consumed, there is a requirement for stainless steel processing and handling equipment, as well as regulations for staff clothing, hair nets, sanitation, etc.	



Item	Description/Criteria	Yes/No?
Storage, warehousing	Your business may require storage of raw materials or finished products. In some cases, this can require a large space. The location you choose may need to include storage or warehousing.	
Workshop area	If your business requires a workshop area or spray booth, for example, there are regulations about safety, materials handling and ventilation.	
Dust collection	If your business is manufacturing, or if you will be creating dust or smoke, the location needs to have a dust collection / filtration system in place, or you will require permission to install one.	
Signage	If you require visibility, make sure you are allowed (by the landlord and the local government) to put up signage, and check the rules around signage size. Each location has different regulations.	

Other Non-Physical Location Options

Virtual business	You may not require a physical space, just a cellphone number, fax, website, Facebook page or messaging centre where customers can reach you. The mobile office is becoming a mainstay of today's entrepreneurial operations.	
Business centre	These are centres (locations) where you can rent a single office, but have access to meeting rooms and receptionists. It works well for healthcare and counselling businesses.	

Home-Based Businesses

Licensing	Your home-based business may require a business licence. Your location may not be zoned for a home-based business. Check with the local authorities.	
Safety	Liability insurance is very important. If someone is injured at your location, or when arriving or leaving your place of business, it could be very costly.	
Insurance	Sufficient insurance for your computer equipment, inventory and any other pieces of equipment is important. Coverage is not expensive, compared to replacement.	
Dedicated space	Home-based businesses can often interfere with your home, which is of course the living space of your family. It is best to try to dedicate space to your business, e.g., a room, basement, garage or separate building on your property.	



Branding and Marketing

This section will give you the framework to get your economic development program ready to launch in the market. This includes branding your community and businesses, defining who your audience is, how best to reach them, and how to craft the perfect messaging.

A brand is a combination of unique design, symbol, and words that creates an image for a company or a product and sets it apart from the competition. Branding is not the product or service itself, but rather the association behind it. When someone says, "luxury car," more than likely a certain brand or image comes to mind.

A brand identity is the expression of what the community culture, personality, products and services are, and what they have to offer. A great brand will connect with consumer values and inspire trust and loyalty²⁵.

Branding is deeply rooted in storytelling. Indigenous communities have a long, proud tradition of storytelling, and today non-Indigenous people are looking for authenticity and genuine culture more than ever. This is an opportunity for all Indigenous communities in British Columbia.

The following table outlines key aspects upon which a community can use to create their brand. These are examples of elements a brand can be built upon.

²⁵ Gobe, M. (2009). *Emotional Branding: The New Paradigm for Connecting Brands to People*. New York, NY: Allworth Press.

Key aspects of branding to consider for your community

Area	Considerations
Culture/Language/History	Language, narrative, dialects, music, storytelling, dance, art
Natural attributes	The land, rivers, mountains, ocean, forests, etc., and how they have shaped the Nation
Outdoor Activities	Wildlife, fishing, hiking, mountain biking, canoeing/paddling, other natural resources
Current relationships with outside communities/organizations	Current community partners, current obstacles
People	Skills, education, enthusiasm, skepticism
Goals	Economic, political, tourism, investment
Constraints	Internal and external factors that are preventing you from growing
Perceptions	Internal, external, community pride



A strong brand adds value to Indigenous businesses, and the services, products, and destinations associated with them. From a community perspective, a strong brand attracts long-term partners, local and regional backers, government support, and creates community pride. Community pride and loyalty help create a sense of togetherness, and show external stakeholders that people enjoy living and working in the community. Branding can be an important tool when it comes to economic development and growing communities. By having a clear, powerful brand, it is easier to market the community to prospective business partners and providers opportunities, which will help Indigenous communities continue to grow.

For Indigenous communities, there are some challenges when it comes to building a brand. Internally, there is a need to build consensus as we discussed in *Stop 1*, toward how the community can thrive today and into the future, and the values and vision can be of help to create consensus. Externally, there is a lack of knowledge of the vibrant culture and history that each Nation possesses. A strong brand can unite community members while also showcasing and celebrating the culture, history, and region the community has to offer to current and future partners and visitors.

From a marketing point of view, a brand consists of all of the key aspects that an Indigenous business wants to highlight. The brand can be reflective of the community's Chief and Council, history, culture, or traditions. It is about bringing together the main elements that make each Nation unique, and finding ways to communicate it.

The overarching community brand is the umbrella or parent brand. A parent brand refers to selling multiple products or services under a single brand name. By creating a strong parent brand, you can build loyalty and equity in that brand name, which you can then pass on to any sub-brand you build.

The things to remember about Branding

Logos and slogans are just part of your brand

While logos and slogans are a key part of a brand, do not get hung up on the visual aspect until you have defined your brand promise and your values. Logos and slogans should accurately represent your brand and its promise.

A brand should evoke an emotion

Although a brand is represented through design, logo, and content, it is important to remember that successful brands build a personal relationship with their audience, to evoke feelings and emotions.

Successful brands have a narrow focus

You cannot be all things to all people; a strong brand needs to be authentic and focus on the key elements that make them unique.

Define who you are

Before setting out to create a brand, make sure you have a clear direction. Ask yourself things like: What do I want to be known for? What are some of my key values? What sets me apart from the rest of the competition?

Deliver on your brand promise

Make sure that your products, services and destination offerings are always delivering on your brand promise. What you promise your audience has to match with what your customers experience when they interact with your brand.

Get the right people involved

It is important to have the right people



Artistic statue greets visitors to Osoyoos First Nation's NK'MIP Winery.

involved in the process of building a brand. Make sure that you have people who know what the brand goal and direction should be. Involving too many people in the process may end up making it more difficult. You want to make sure that your brand is unique, and that it is not trying to be all things to all people.

Start with a plan

Set out a plan on how you are going to build your brand. The plan can include assembling a team, finding the right graphic designer, engaging the community, and getting feedback and buy-in.

Do your research

Take a look at your current brand, where you are today, and what *is* and *is not* working. This will give you a good starting point for where you need to go. Research other communities or brands to determine what works for them.

Be aware of possible road blocks

Sometimes politics, funding, or external events can get in the way. Try to identify some of the risks and road blocks that might get in the way of creating the brand, and try to develop

contingency plans for them.

Build a brand that best portrays your economic development goals and ideals

As discussed previously, you need to decide what the thrust of your brand will be as that is what will attract businesses, partners, investments, and visitors. Most Bands and Nations promote a mix of business, culture, traditions and vision; you will need to develop your own unique brand stance.

To be successful and sustainable, a brand must:

- Stand for something
Brands need to have distinct personalities, values, and attributes that set them apart. An authentic brand is based on what you stand for, and it comes directly from your core values;
- Make a promise and deliver
Brands must offer an ambitious, aspirational promise that evokes emotions, but most importantly, a brand needs to deliver on its promise;
- Be practical
Brands should be supported by a



strong operational plan to ensure it can consistently deliver its promise; and

- Be more than a logo

Brands live in every aspect of the community - from the products and services to the physical environments to the communication and the community members.

Developing a brand can be achieved through a disciplined process. This section provides you with guidelines that will help you define the brand for your community

The process of developing your brand

To guide you through the process of developing a brand, it is a good idea to consider a "marketing brand wheel". Many communities use a brand pyramid to convey what a brand should be, but that suggests a hierarchical structure and puts distance between the foundation at the bottom of the pyramid and the brand stance at the top.

A brand wheel, on the other hand, shows the relationship between the target audience, the stakeholders, and the community. A wheel is dynamic; it can start, stop, turn and accelerate as the market changes and evolves.

The Hub – WHO

The hub of the wheel is what the community stands for, i.e. "This is who we are and this is why we are reaching out." It is the purpose of the brand and the core of the brand statement. Everything flows from that. Without a hub, a wheel cannot turn.

What are your community's core values?

This should be answered, earlier in the process and as concisely as possible, and should explain who you are and why you exist. This is a brief statement about what you do, who your audience is, and why you are in business. For example, Nike's

mission statement (and their hub) is: "To bring inspiration and innovation to every athlete in the world."²⁶ In that brief statement, you understand that the Nike brand is designed for athletes and that it is innovative and pushing boundaries.

The Spokes – WHAT

The spokes are what your brand offers to the people inside the community as well as to potential visitors or outside business partners; these are your products and services.

Spokes transfer energy from the hub to the rim, and from the rim back up the spokes to the hub. It is a living, breathing energy transference. This keeps the community responsive and in touch with their residents, visitors, businesses and economic partners.

Your spokes are the attributes your community possesses, both tangible and intangible. They could be your natural beauty and resources, your heritage and culture, your vision for your future, your promise to visitors and partners. They are all the pillars of your community.

The Sidewall – HOW

The tire is the outward face of the brand. This is your brand identity, tagline, and logo. The tire is the visual representation of your brand, and it is how people will notice and remember who you are.

The Wheel – WHERE

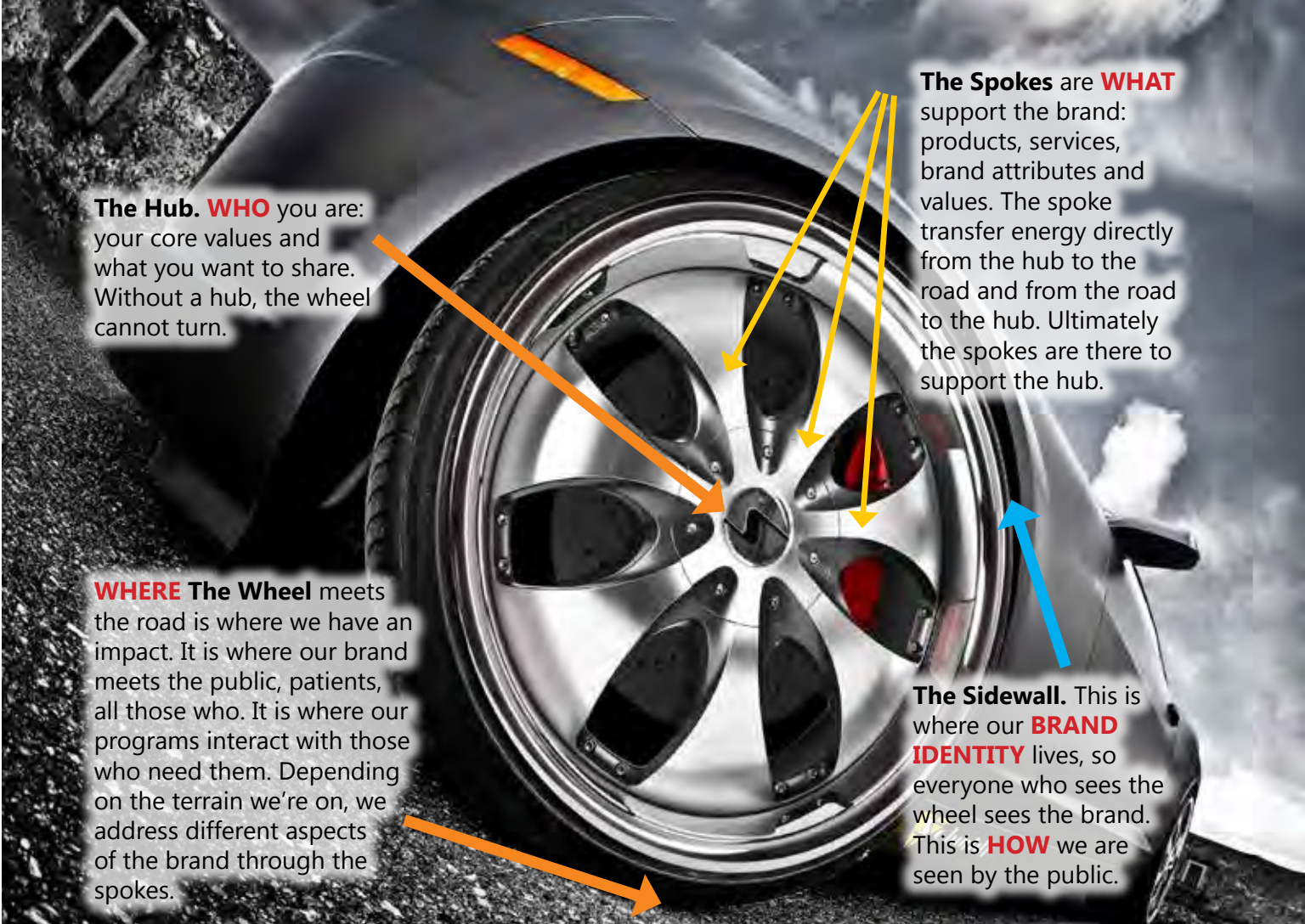
The tread is where the rubber hits the road, and where your brand engages your clients. This is done through every brand touch-point such as advertising, events, and meetings.

Marketing strategies

Before you create a marketing strategy, you should know how your product or service

²⁶ Our Mission: Bring Inspiration And Innovation To Every Athlete* In The World.





The Hub. WHO you are: your core values and what you want to share. Without a hub, the wheel cannot turn.

WHERE The Wheel meets the road is where we have an impact. It is where our brand meets the public, patients, all those who. It is where our programs interact with those who need them. Depending on the terrain we're on, we address different aspects of the brand through the spokes.

The Spokes are **WHAT** support the brand: products, services, brand attributes and values. The spoke transfer energy directly from the hub to the road and from the road to the hub. Ultimately the spokes are there to support the hub.

The Sidewall. This is where our **BRAND IDENTITY** lives, so everyone who sees the wheel sees the brand. This is **HOW** we are seen by the public.

benefits your consumers, and how it is unique (what sets it apart from the competition). You should also have a clear understanding of your target audience, what their likes and dislikes are, and how they make their purchasing decisions.

Marketing strategies are created using the 5 P's of marketing:

Product: What are you selling? What sets your product or service apart? What benefit does your product or service provide to your consumer?

Price: What is the price of your product or service? How does it compare to your competitors? What do your profit margins look like?

Place: Where will your product or services be available for purchase? Are they sold in

person? Can people purchase your product or service online?

Promotion: How are you going to let the market know about your product? What are the marketing tactics you are planning on using and the expected results for each one?

People: Who are the people involved in helping you create or deliver your product? Are they sales people, or community members?

When writing out a marketing strategy, be specific and include detailed steps, visuals, and budget projections. Always keep your brand promise in mind, and make sure your marketing strategy aligns and delivers on your brand promise.

Focus on your audience

Defining your market clearly will help to



develop your marketing strategy and define the tactics and channels that will give you the best results.

Businesses can be defined as either 'Business-to-Consumer' (B2C) or 'Business-to-Business' (B2B). This definition addresses who is the primary audience for the company. Different strategies can be designed to reach either B2B or B2C markets, and address the different needs, priorities, and challenges. The first step, is understanding how to market to each segment.

Defining your target audience

It's important to know and understand your target audience, so you can build targeted and effective marketing strategies that fit their needs. Take some time to think through the following questions:

- What are the demographics (age, sex, profession, income, social status, education) of your market?
- What interests, values, and attitudes do your customers have?

What is important to them?

- How do your consumers like to do business? Face-to-face or online? How much do they like (or expect) to pay? What sort of features or products are they looking for?
- Where are they located geographically?

How to reach your target audiences

After you have determined who you need to reach, in both Business to Consumer (B2C) and Business to Business (B2B), the next step is creating a marketing strategy to reach your audiences.

It is important to make the right media choices to fit your target audience and the product or services you are selling. Choosing the right channels means knowing where your audience spends their time. Does your audience read the newspaper? Listen to the radio? Or communicate on social media? Placing your marketing and advertisement where your audience spends their time will ensure you are reaching them.

Table 11: Focus on your Audience.

	Business-to-Consumers	Business-to-Business
Copywriting	Relatable and written in a simple manner	Industry-specific and more technical
Triggers	Emotional – needs to appeal to what drives a consumer to make a purchase.	Logic – needs to appeal to the rational buyer in a company.
Style	Entertainment – Develop ads and content that entertain your audience.	Education – Inform your audience of the benefits and features.
Length	Brief – Develop content that is shareable and easy to read.	Detailed – Provide detailed descriptions and product specs.



How to define your key marketing message

The right marketing message will motivate and drive your audience to choose your product or service. Key marketing messages create cohesion and help to guide your marketing and advertising strategies. Here are 5 steps you can take to define your key messages²⁷.

- Review your goals: Define what your company's goals are, and what you need to achieve. Are you a new company looking for brand awareness in the market? Or are you selling a new product to an established customer base? Knowing what action you want your target audiences to take, will help to define what your message is;
- What sets you apart: Knowing how your product or service is different from the rest is important. What sets you apart from the competition – are you better, cheaper, faster? Define what sets you apart, and what benefit you provide you customers in one to two sentences;
- Know what your competitors are doing: Research your competitors' messaging and understand what they are saying. Is their messaging resonating with their audience? Are your messages similar? Is there something that can set you apart?
- Brainstorm key words: What words do you want your audience to associate with your brand? Brainstorm words with your team and refine the list until you have a number of powerful and descriptive words; and

- Test it out: Once you land on your messages, test them out. Mock up some advertisements or use them in conversation internally to see how they work, and what the reactions are.

How to craft a creative advertising strategy

Advertising is one component of your overall marketing strategy. Advertising is the part of marketing that involves directly getting the word out about your business. This is any paid ad (in any format), that serves as a public announcement to your audience. Advertising strategies include the design of an ad, the placement and frequency.

A marketing strategy is focused on the overall behaviour of a market and how your business will perform in that market. A creative advertising strategy is focused on the individual – how to make the reader, viewer, or listener buy your product or service.

Making the most of your marketing budget

Traditional marketing is a good fit if you have a budget that allows you to purchase and experiment with various media choices. However, if you have a limited marketing budget, it is necessary to spend it creatively. There are two main forms of non-traditional marketing strategies that help you make maximum impact with less money.

Guerilla marketing

This is looking at a small budget and trying to squeeze every penny's worth from it. It means original, creative thinking. It goes beyond the tired cliché of "thinking outside the box". It means that you design "the box". It sometimes means there is no box.

The sky is the limit when it comes to creative marketing ideas. Anything that gets your brand

²⁷ Rebecca Joyner, "Messaging Matters: 6 Steps to Define Your Key Marketing Messages" (10 April 2018)



Consider Developing a Creative Brief:

Ad agencies and practitioners use them to create focused, relevant, and engaging advertising that stays on brand. A creative brief is a communications tool that outlines a project's requirements, expectations, and goals. It helps to ensure that everyone is on the same page from the start, which helps the project run smoothly and stay on track. It is commonly used with advertising and design agencies to make sure they have a clear direction and understanding of your needs.

Marketing message overview:

This section provides information about the product or service you are offering, and background information about your company and target audience.

- What are you selling?
- Who is your audience?
- What are they interested in?

Objectives and goals:

Goals for your advertising need to be clearly defined upfront. Here are some examples of questions you can ask to clearly define your goals. Do you want to

- Sell more products?
- Increase brand awareness?
- Launch a new service you are offering?

Target audience:

- Who is your buyer or audience for the ad? This can include information such as:

- Demographics: age, gender, education, income level.
- Purchasing habits: how often do they buy your product? How do they make their purchasing decisions?

Message:

- What are the key points that need to be said in the ad? Is there a specific message that needs to be conveyed to your audience?
- What is the single most important point we expect consumers to take from the communications/advertising?
- If we could only say one thing, what would it be? This is hard, but it is important that you come up with a single thing that will incorporate all the various aspects of your business.

Tone and manner:

- What is the tone or image that best suits your brand? Are there certain colour palettes or fonts that work best? Think about how you would define your brand:
- Is it classic? Sophisticated? Fun? Casual?

Mandatories:

- Define what elements are must-have in your advertisement, these generally include:
- Logos, contact information and address.



in front of people in a way that engages them and makes them take notice in non-traditional ways will help build your brand quickly.

Make it experiential

Experiential marketing allows customers to immerse themselves into an event or situation that highlights the benefits and features of a brand. For example, if you have a bar with entertainment, you can set up a stage on a ferry or at the ferry terminal and host a mini-show for passengers, with directions on how to get to your bar when they reach their destination.

Pop-up shops

A "pop-up shop" is a short-term, temporary retail event. Pop-up retail is the temporary use of physical space to showcase your products or services to potential customers. Pop-up shops are excellent for promoting events, food, merchandise and hospitality products and services.

One of the advantages of pop-up shops is that even if your business is in a remote area, you can market your enterprise in a population centre like Vancouver or Seattle or Toronto, at a reasonable cost.

Capitalize on your community's strengths

Look closely at what your community has to offer, then ask yourselves what types of activities lend themselves to experiential and engaging events, and how you could get them in front of people. This is where creativity and ingenuity can make up for a lack of funds. If you are planning a public event, remember to get all necessary permits from the proper authorities.

Coattail marketing

Coattail marketing is when a smaller advertiser rides the coattails of a larger or better known one. This can be a cost-effective way for smaller businesses that can not compete with the large budgets to get noticed. An example of

coattail marketing is described below:

An independently owned Bed & Breakfast that is close to a big multi-national hotel chain in Tofino could advertise in the same print publications on the opposite page with a smaller, less expensive ad that shows a similar view of the big hotel. The headline might read: "Same big view, much smaller price."

In this example, the big multi-national hotel chain is paying for a large, attention-grabbing ad, and the independently owned Bed & Breakfast is riding its coattails with a smaller ad, with a clear differentiation from the big resort.

Whatever your product or service, you are in a competitive field and your marketing will have to go beyond the traditional alone to help you stand out. Use every tool at your disposal and use your enterprise's, your community's and your location's strengths to your advantage.

Maintaining a social media presence

One of the biggest changes to marketing and advertising in the last 15 years is the rise of social media. The reason social media became so popular is the idea that social media accounts are "free". It is true that signing up for social media platforms is free, however, there are other costs associated to maintaining and managing social media accounts and websites.

The value of a well-designed website and well-managed social media channels far outweigh the costs. Establishing your brand digitally will legitimize your brand and give consumers a place to interact with your products or services and access more information.

The costs associated with creating, launching, and maintaining a website need to be considered. To create a good-quality website they need to be designed and developed. Even if you are using an online free tool, there is still the time associated with building the website. You also need to consider the costs of



registering your domain and hosting the website, which will be explained later in this chapter.

The social media platforms require far less in terms of design; it is important that the images and logos used on your social media channel match your brand. The main cost associated with social media is the time and effort required to regularly post and monitor your channels. This might mean several posts per week or day. You will need to ensure there is a person who is responsible for keeping an eye on your social media to make sure it remains active and continues to provide value to your customers.

Websites: A window to growth

A website is one of the single most important marketing tools you can create for your business. Your website should be designed to fit your business needs. Depending on the products or services you offer, there may be different needs. Your website might be a simple site with a couple of pages, or it might

require an online store or online booking and reservations system. The best thing to do is determine what your website currently needs, and what it will need in the future up front. Your website should be built with the ability to scale up, so you can continue to add and redesign your website as your business grows.

If you are not sure what you need, you can start by looking at some of your competitor's websites; this will give you a good starting point to see the type of content they have on their site, and what information they are sharing. Talking with a web developer will also help you to define the needs of your website before you begin building and designing.

Here are some questions to think about when you are starting to think about your website:

- What's the main goal of the website?
Is it to provide more information?
Sell products online? Provide resources for your audiences?
- Who are the website audiences?
These audiences should be in-

The key benefits of having a well-designed, well-constructed website are:

- Develops consistent branding – Brands with a consistent look make a more memorable impression on consumers. Having consistent branding across different contexts such as your website, business cards, and social media makes your business look more professional.
- Sets you apart – A quality website will set you apart from your competition and provide a better experience for your users. A quality website means showcasing all of your unique selling points in a way that is clear and consistent with your brand.
- Good impression - You are the expert on your products and services, and when you look like an expert online, it lends credibility to your brand. People want to deal with authentic and credible brands.
- More customers - How your website is designed and the content that you put on the site will determine how many people decide to buy something from you, or even come back to visit the site again. A well-designed website will help to engage customers and keep them coming back.



line with your brand audiences. Think about your audience, and who will be using your website; and

- What are some tools/options that you know you want to include? These could be things like an events calendar, a news area for press releases and updates, or an online store or booking system.

An important thing to keep in mind is that a website is a public-facing marketing tool. Always go back to your branding document and make sure that whatever you do adheres to your brand guidelines, in both design and content. Like all aspects of your marketing, staying true to the brand is essential.

Staffing

Finding the right staff is an integral step in launching and operating your business²⁸.

When the designated employer is an Indigenous government or Band office, a number of important issues arise. These can pertain to any of the following:

- Jurisdiction;
- Governance;
- Confidentiality and conflicts of interest;
- Dismissal; and
- Dispute resolution

These can be contentious issues with any number of vehicles for resolution. Lawyers at Woodward and Company developed a good resource entitled: *Employment Law in the First Nations Context: First Nations Governments as Employers*, which was presented at a Continuing Legal Education Conference in

²⁸ E. Murphy, J. Hykin, & L. Mack, "Employment Law in the First Nations Context: First Nations Governments as Employers" (May 2010)

2010. The report, which goes into detail on these employment issues, can be found here: <http://bit.ly/2JK8uvc>

The BC Employment Standards Branch publication, *A Reference Guide for Employers*, is accompanied by a video and provides some important information regarding complying with the *Employment Standards Act*. It can be found at <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/employment-standards-act-quick-reference-guide-for-employers>.

There is also an "Employer's Corner" at <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/employer-s-corner>.

Workplace safety

The Employment Standards Branch of the BC Government administers the *Employment Standards Act and Regulation*, which sets out minimum standards for wages and working conditions in most workplaces. WorkSafeBC was established by provincial legislation as an agency with the mandate to oversee a no-fault insurance system for the workplace.

WorkSafeBC is mandated to do the following: promote the prevention of workplace injury, illness, and disease; rehabilitate those who are injured, and provide timely return to work; Provide fair compensation to replace workers' loss of wages while recovering from injuries; and ensure sound financial management for a viable workers' compensation system.

For more information, visit: www.worksafebc.com.

Employee rights

From the employer's perspective, it is important to understand the employee's rights and govern themselves within the scope of established human resource policies for their business. The website <http://tevlingleadle.com/>



[frequently-asked-questions/](#), published by an employment law strategies firm (Tevlin Gleadle Curtis, Vancouver), is a valuable resource that provides information regarding employee and contractor/subcontractor issues, including:

- Employment contracts;
- Severance packages;
- Constructive dismissal;
- Restrictive covenants for departing employees
- Misrepresentation of employment responsibilities;
- Sick leave;
- Dismissal;
- Bonuses;
- Job relocation;
- Gender, religion or disability grievances;
- Retirement obligations;
- Legal action against employers; and
- “Just cause” for dismissal.

The BC government also publishes a series of “Facts Sheets” regarding employment standards, from the perspective of employee rights. They can be found at the following:
<https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets>.

<https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/termination-of-employment>.

<https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/just-cause>.

Recruitment and hiring process

The following is a “Checklist for Hiring

Employees.”

1. Determine the need for a new or replacement position.
2. Create a profile of the ideal candidate.
3. Set the pay rate for the position.
4. Utilize online recruiting vehicles: network and post jobs on social media sites such as Twitter and LinkedIn.
5. Place a classified ad in online and print newspapers, post the classified ad on jobs boards and websites including your own company’s recruiting website, post the position on professional association websites, and / or contact temporary help agencies.
6. Once you have a number of applicants for the position, screen resumes and/ or applications against the prioritized qualifications and criteria established.
7. Create a short list of applicants.
8. Schedule qualified candidates for a first interview.
9. If they have not already done so, ask the candidate to fill out your official job application, upon their arrival for the interview.
10. Give the candidate a copy of the job description to review.
11. Have the candidates participate in any testing you may require for the position.
12. Interview the candidate about whether he or she is interested in the job at the offered salary and stated conditions. The personal connection is important. Make certain the candidate agrees that they will participate in any additional requirements for the position (i.e., background check, a drug screen, signing a Non-compete Agreement or a Confidentiality Agreement).
13. If the candidate is right for the job, and



The following is taken from the Reference Guide For Employers and sets out the “Things BC Employers Should Know”:

Employees are entitled to the protection of the Employment Standards Act whether they are employed on a part-time, full-time, temporary or permanent basis, and whether they are paid by the hour, salary, commission, or piece rate. Failure by an employer to comply with the Act may result in penalties being assessed.

1. Keeping Records

Employers must keep records for each employee showing a) the employee's wage rate, b) the hours worked each day, c) benefits paid, d) gross and net wages for each pay period, e) deductions taken, f) dates of statutory holidays, g) vacations taken, and h) amounts paid. These records must be kept whether the employee is paid by the hour, by salary or commission, or by piece rate.

2. Hours of work

When scheduling employees, employers must observe the requirements regarding meal breaks, time off between shifts, scheduling split shifts, hours free from work each week, minimum daily pay and overtime.

3. Rates of Pay

Regardless of whether an employee is paid by the hour, by salary or by commission, employers must ensure that payment equals at least minimum wage for all hours worked.

Minimum Wage Rates are found at: <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/minimum-wage>.

4. Pay Days

All employees must be paid at least twice a month. A pay period may not exceed 16 days. All money earned, including overtime and statutory holiday pay, must be paid within eight days after the end of the pay period. Wages must be paid in Canadian currency and may be paid by direct deposit to an employee's bank account if authorized in writing by the employee.

5. Vacation and Vacation Pay

An employer must give an employee an annual vacation of at least two weeks after 12 months of employment, and three weeks after five years of employment. After being employed for five calendar days, an employee is entitled to receive annual vacation pay of at least 4% of all wages earned for the first five years of employment and 6% after that.

6. Statutory Holidays

Employees who have been employed for 30 calendar days, and have worked 15 of the 30 days before a statutory holiday, are entitled to statutory holiday pay of an average day's pay. In addition, eligible employees who work on a statutory holiday are entitled to be paid time-and-one-half.

7. Leaves and Jury Duty

Employers must grant the following types of unpaid leaves: pregnancy, parental, family responsibility, compassionate care, bereavement, reservist and jury duty.

8. Deductions from Wages

An employer may only deduct wages as required or permitted by this Act or by other legislation (e.g., income tax, CPP, EI). An employer cannot require an employee to pay any portion of an employer's business costs, nor can an employer deduct advances and accidental overpayments from wages unless the employee has given written authorization.

9. Termination

An employer may terminate an employee if sufficient written notice or compensation in lieu of notice is provided. Employers must pay final wages within 48 hours of terminating an employee or within six days if the employee quits.



they agree to participate in any additional requirements for the position, proceed with an offer letter.

Agreements with Existing Businesses

Many Indigenous communities choose to enter into agreements with existing businesses operating on reserves or within traditional territories. For communities new to economic development, this provides an opportunity to realize larger economic and social benefits for the community. Below are some agreement and partnering ideas and helpful information to decide which one could be best for your situation.

Letter of Understanding

The Letter of Understanding (LOU) is typically one of the first agreements entered into by an Indigenous community and a proponent or operating business²⁹. It confirms the verbal agreements made between parties in a previous discussion, such as:

- The basic principles of engagement between parties;
- The objectives of the partnership;
- The meeting schedule;
- Confidentiality clauses; and
- A description of the partners

For more information on how to write a LOU and to view a sample LOU between an Indigenous community and business entity, visit: <http://howtowritealetter.net/letter-of-understanding.html> and http://terraceinfo.ca/images/uploads/documents/TEDA_FN_JVP_Pkg_Update_Feb_23_2012.pdf

Memorandum Of Understanding

A Memorandum of Understanding (MOU), is a more detailed document that builds on the LOU and indicates that a legal contract is imminent. MOUs may discuss:

- Costs associated with joint efforts;
- Details of collaboration;
- Desired outcomes;
- Specific projects, including scopes and timeframes; and
- Duration of the MOU.

For more information on how to write an MOU, visit: <https://www.investopedia.com/terms/m/mou.asp>, and <http://www.apapracticecentral.org/business/collaboration/partnership-agreements.aspx>

LOUs and MOUs are not contracts and are generally understood to be non-binding documents, unless they include binding terms, like non-disclosure agreements, financing information, key dates and deadlines.

A lawyer should always be consulted when drafting such documents to ensure that the intent of the document is clearly reflected in the language used throughout.

Term Sheet

Where equity in a new or existing business will be part of an arrangement, a Term Sheet is commonly developed by the parties. A Term Sheet sets out the actual terms of the investment that are negotiated later, based on the term sheet. In essence, a Term Sheet is a conditional offer consisting of five key documents that set out the parameters of investment:

1. The stock purchase agreement;
2. Investor rights agreement;
3. Certificate of incorporation;
4. Rights of First Refusal and co-sale agreement; and
5. Voting agreement.

²⁹ Terrace Economic Development, "First Nations Joint Venture Partnership Tool Kit"



Although a term sheet is not considered a legal document, a lawyer and relevant experts should be consulted when developing this document. To view sample Term Sheets, visit: http://terraceinfo.ca/images/uploads/documents/TEDA_FN_JVP_Pkg_Update_Feb_23_2012.pdf

Confidentiality Agreement

Most Indigenous communities value maintaining confidentiality around their business dealings, land use and businesses. They typically wish to protect information that may be useful to competitors. To foster trust and enable open dialogue in business dealings, a Confidentiality Agreement is a suitable tool for protecting the interests of all parties when developing a working relationship.

For a sample confidentiality agreement, visit: http://terraceinfo.ca/images/uploads/documents/TEDA_FN_JVP_Pkg_Update_Feb_23_2012.pdf

Management committee

A management committee/board can ensure the goals of the joint business or project are being achieved. This leadership body is typically made up of representatives from both parties. They provide strategic direction to the business, ensure activities are properly managed, and monitor the business to ensure adherence to its principles, objectives, and values.

For more information on management committees, visit: <http://www.diycommitteeguide.org/resource/role-of-management-committee>

Growing your Opportunities through Request for Proposals

Whether your community business strategy is housed within your daily operations or in an IEDC, sustained operations may require consideration of other opportunities to provide

diversified employment and reduce overall risk. A large part of growing a business is to compete for contracts. The following will guide you through answering a request for proposals (RFP).

Responding to a Request for Proposals (RFP)

When a government or business has an idea of work that needs to be done but does not have inside capacity, they will often post a Request for Proposals (RFP). These describe the product or service desired and leave it up to those businesses with expertise to describe the costs and methods to be used to meet the end goals. A well-packaged RFP response should be structured based on the request in the RFP document, and will often include the following:

- The mission and basic background of the community/organization;
- A description of project needs and goals;
- An estimated length of time for the project;
- A description of the product or service that you can provide;
- A description of desired outcomes and key deliverables;
- The description of skills and abilities of your community or business (including resumes of main contributors with in-house experience);
- The project budget or budget range;
- A breakdown of fees and expenses; and
- A list of references.

When should you consider outsourcing some of the business necessities?

The main product or service provided by a business is only one component of business operations. Other components include seeking



financing, bookkeeping, accounting, marketing, communications, networking, etc and other activities. For very small operations, it may be financially worthwhile to do all of the above in-house, but with larger or multiple businesses, it may be worth outsourcing to experts. This is especially worthwhile for operations under community Economic Development Strategies, as outsourced experts can help multiple businesses while internal capacity is developed.

There are specific circumstances when outsourcing to a consultant as an objective and knowledgeable third party can be especially useful to planning or dealing with resolution of issues. These can include the following:

- There is a gap within the community regarding specific expertise, experience, or objectivity;
- Previous efforts made by your community or organization were not effective;
- There is disagreement about an issue and you are struggling to reach consensus;
- Subjectivity is influencing decision-making and an external entity is needed to bring an objective perspective to your group;
- Your group lacks the time to complete the work and/or the work is not defined by anyone's job description;
- Your community is faced with a crisis;
- Your organization has a broad vision that needs focus in order to be realized;
- The board and staff do not know where to start a new effort or how to rescue a derailed effort; and
- The project seems to have lost energy, momentum, or enthusiasm.

Non-Profits. The following section contains excerpts from that guide³⁰. Before engaging a consultant, the community, Chief and Council, and those involved in the economic well-being and development of the Indigenous community, must all be engaged in the process. Here are some steps you can take before deciding to outsource some business activities:

- Define the reason you need a consultant, what you want from the consultant, and how you plan to use the result;
- Make sure everyone in your group, and any other stakeholders you may be working with on initiatives, including Chief and Council, and staff, has a basic understanding of the reason for outsourcing and that there is agreement among all participants regarding:
 - The tasks for which the consultant will be hired;
 - The particular skills you want your ideal consultant to have;
 - The person responsible for managing the hiring process;
 - The persons to be involved in the hiring process, and their responsibilities;
 - The projected time commitment of each participant, including board members, management, support staff, and other key volunteers or community supporters; and
 - the time frame for the project, and
 - the range of pay.
- Make sure that everyone (or at least key decision-makers) who has agreed that a consultant should be hired is willing to commit to the process,

A "Guide to Working with Consultants" was created by the Maine Association of

³⁰ "Guide to Working with Consultants", Maine Association of Nonprofits, (2010)



including the expected time and meetings that will take place; and

- Make sure everyone who should have been involved in the discussion was at least invited to participate. Whoever is spearheading any specific initiative or study, representation from the community and Chief and Council should be invited to any meetings or presentations. Continual “buy-in” is critical to maintain momentum on an initiative.

The following figure³¹ represents the logical steps in hiring a consultant, from planning exactly what you need from and expect from them, to the engagement process itself.

The consultant contract³²

An effective contract is vital to ensure that

³¹ Lorraine Hart, “How to work with consultants” (2016)

³² Lorraine Hart, “How to work with consultants” (2016)

all parties are “on the same page” regarding workload, expectations, budgets, timelines and deliverables. These are the main components of a consultant’s contract:

- Introduction and background – the details of the community/organization entering into the contract, and the purpose of the work being undertaken;
- The name of the day-to-day contact for the consultancy work for both parties (if applicable);
- Duration of the contract;
- The main outputs and deliverables, and a timeline for their delivery;
- Assignment of the contract or subcontracting work to other parties;
- Fees and expenses to be paid;
- Invoice procedure and timed schedule of payments;
- Reporting and monitoring;

Figure 7: Steps in outsourcing a business component

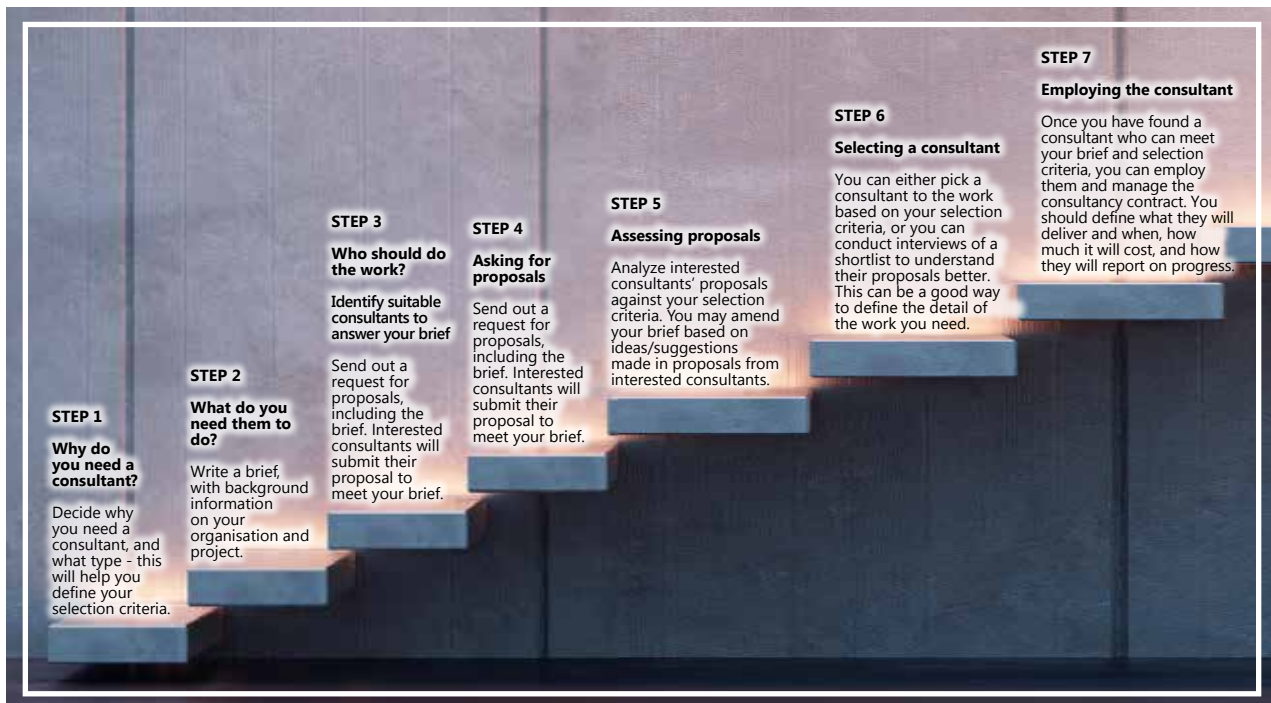




Table 12: Expertise that consultants can offer

POTENTIAL CONSULTANT OUTPUTS	
Consultant Skills/ Knowledge/Experience	Potential Outputs
Business Planning	Briefly describe how you will undertake this action
Business Plan Type - new product or service or re-design of existing product/service	Full Business plan including all elements below
Market Research (Supply/Demand)	Report/database
Sales (Promotion/Communications)	Website, "app", database, branding, advertising campaign, publicity materials (printed, online, video, photographs), social media set up, online users group
Finance and Funding	Loan applications, share issue documents, research to identify grants for which the project/organization is eligible, business model proposal and delivery specification, finance strategy/fundraising strategy/grant application/crowd funding/sponsorship proposal
Community Stakeholder Engagement	Questionnaire/survey analysis, organization of events and meetings and records/analysis of results
Building Design and Refurbishment	Plans and drawings, models, specifications for works and materials, cost estimates, planning applications and associated surveys (e.g. building condition, structural or asbestos surveys, electrical/mechanical surveys)
Internal Business Systems and Processes	Financial/Customer Relationship Management (CRM) software advice, written financial procedures, income and expenditure projections, VAT/tax advice, internal/external communications proposals, stakeholder engagement proposals
Governance	Board meeting facilitation, away days for decision making on strategy, input to business planning, board skills audits, advice on policies and their implementation (e.g. membership, financial)
Legal	Creation/amendment of leases, licences, contracts, funding agreements. Legal compliance checks with relevant legislation (data protection, charity, premises law etc.)



- Confidentiality, intellectual property rights, data protection;
- Indemnities;
- Conflicts of Interest;
- Contract amendment/variation; and
- Termination of the contract (circumstances when this may happen and rights for either side if it does).

Working with a consultant

When you hire a consultant, you will both have certain obligations. Having a clear understanding of these will ensure a harmonious working relationship that will result in significant deliverables being generated. It is a team process.

- Be prepared, and prepare your consultant, by providing them with the most recent version of as many documents as you have available and are applicable to your project;
- Give your consultant a sense of office and board culture, particularly how staff and board members work together (i.e. independently or as a team) and how decisions are made (i.e. consensus vs. majority). The better informed your consultant is about you, the more customized service you will receive and the better the outcome will be;
- Be honest about the challenges; being frank and forthcoming is important so that the consultant has the entire story behind the issue you are trying to address;
- Be open to new ideas you are bound to hear, including constructive criticism;
- Make yourself and other team members available to your consultant – sometimes meeting times must be changed, and most consultants are flexible, but constantly altering schedules can slow progress and add cost to your project;
- Practice good and open communication. Speak up; do not be afraid to ask questions. If you are confused, frustrated, or feel the project is not progressing in the right direction, voice your opinion, and be an active participant in coming to a resolution;
- Stay involved with the project and retain decision-making responsibility. For longer-term projects, build into the timeline opportunities for the consultant to provide progress reports;
- Make sure you understand "what is next". That is, what needs to happen when the consultant leaves;
- Pay the consultant in a timely manner upon receipt of invoices. Be sensitive to the fact that consultants work for a living as well. If your needs or capacity change and your organization needs to alter or end a contract early, that can impact and potentially sour a relationship if not handled openly and with care; and
- Be willing to end an unproductive relationship if efforts to address problems are not successful. While ending a relationship with a consultant should never be done lightly or without efforts to first resolve an issue directly, it is sometimes necessary. Be sure to honour any agreements or contractual obligations regarding the termination of the relationship.



Routine Evaluations of the Economic Development Strategy

After a community economic development strategy is operational, routine evaluations will ensure that problems do not become chronic and that you can capitalize on changing business environments and/or emerging opportunities. Aside from periodically evaluating the strategy, it is also important to establish milestones up front during strategy development and schedule time for reviews. Below are some general points:

- The Economic Development Strategy should be evaluated regularly,
- including, for instance, mid-year, end-of year, and 5-year timelines;
- A process should be established to address changing social and business environment and emerging opportunities. This will likely include community engagement and communications with leadership and stakeholders;
- Routinely review past evaluations. Assess whether past recommendations were implemented or not and whether the strategy's goals are being reached; and
- Establish evaluation criteria early on, from which the overall business strategy can be evaluated.



Measuring the Effect

Measuring economic results is critical for economic development in Indigenous communities. It helps to demonstrate the impact and outcomes of the Economic Development Strategy and the ways in which it supports and deepens the community's values and priorities. Measuring economic results accomplishes the following:

- Provides a "snapshot" of how a community is doing economically;
- When comparing between time periods (recommended every six months), the measure provides indicators of change - both positive and negative;
- Identifies where gaps may be in the economic sector of a community, (i.e. which assets are being underutilized);
- Further identifies the sectors that are contributing the most to the community's economic activity, and well-being;
- Highlights what sectors might demand the introduction of training programs, certification, or entrepreneurial training and mentoring;
- Allows the community decision-makers to compare the results against any strategic planning previously carried out, or, alternatively, provides a basis for future strategic planning focus; and
- Helps deliver "best land-use and asset allocation planning" by identifying what economic activity is best utilizing the community's assets.



Measuring success of the economic development strategy and individual projects should be related directly to the goals and targeted economic drivers of the IEDCs. As such, the impact of the Indigenous Economic Development Corporation can be demonstrated by assessing both the qualitative and quantitative results delivered by the organization. The Evidence Network ("Measuring Innovation Impact," 2014) generated a simplified model for measuring impact³³.

Return on Investment (ROI) Analysis

Return on investment (ROI) measures the gain or loss generated on an investment relative to the amount of money invested. ROI is usually

expressed as a percentage and is typically used to compare a company's profitability or to compare the efficiency of different investments.

The return on investment formula is:

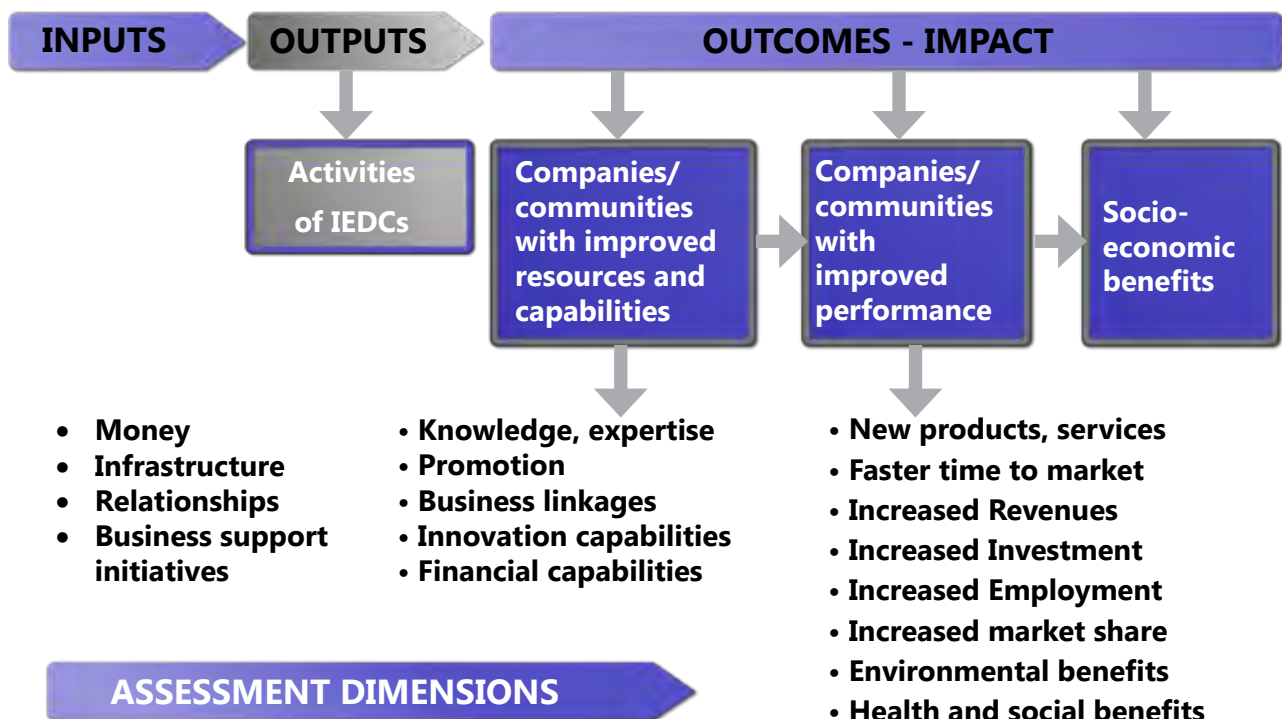
$$(\text{Net Profit} / \text{Cost of Investment}) \times 100$$

Social Return on Investment (SROI) is a method for measuring values that are not traditionally reflected in financial statements, including social, economic and environmental factors. They can identify how effectively a project uses its capital and other resources to create value for the community. SROI is used more to evaluate the general progress of certain developments, showing both the financial and social impacts the corporation can have.

SROI is useful because it can improve program management through better planning and evaluation. It can also increase the understanding of the impact on the community and allow better communication regarding the value of the work.

³³ Conor Meade, "Measure for Measure: The Unique Challenge of Assessing Innovation Programs' Impact" (15 March 2017)

Figure 6: Measuring ROI





5 Steps to measuring Social Return on Investment (SROI)³⁴

Step 1: Define what social ROI means

Before you can effectively measure success, you must define what your key performance indicators (KPI) will be, and agree upon the definition of "success." The definition of success is not only unique to an organization, but often to each part of the community. Understanding their expectations and needs will help determine what areas to measure.

Step 2: Set realistic and measurable goals

Once your key performance indicators are defined and agreed upon, the next step is to establish appropriate metrics. This may be a bit tricky, especially at the beginning of the project. Chances are good that you will need to make adjustments to your goals as you dig deeper into the data over time. Whether your goals were too aggressive or too conservative, be willing to adjust accordingly. At this point, you may also consider establishing guidelines for how the data will be presented. As a general rule, keep things simple. At a quick glance your leadership and community should be able to tell if the goal was met or not.

Step 3: Gather the data

Once you have decided what to measure (the goals) then you need to figure out how to measure it. That includes what information and data you need to collect, from whom and how often.

Step 4: Monitor your goals frequently

Do not wait until the end of the year to evaluate your performance. Rather, monitor your KPIs on a monthly, if not weekly, basis.

Step 5: Use your data to make better decisions

The days of "this just feels right" are long gone and collecting simple data just does not cut it, use the data to make decisions and justify budget requests as the programs grow.

Cost Benefit Analysis

A Cost Benefit Analysis (CBA) is a quick and simple technique that you can use for non-critical financial decisions. As its name suggests, Cost Benefit Analysis involves adding up the benefits of a course of action, and then comparing these with the costs associated with it. The results of the analysis are often expressed as a payback period - this is the time it takes for benefits to repay costs. Many people who use it look for payback in less than a specific period - for example, three years.

You can use the technique in a wide variety of situations. For example, when you are:

- Evaluating a new project or change initiative; and
- Determining the feasibility of a capital purchase.

4 Steps of a Cost Benefit Analysis³⁵

Step 1: Brainstorm costs and benefits

First, take time to brainstorm all of the costs associated with the project, and make a list of these. Then, do the same for all of the benefits of the project. Can you think of any unexpected costs? Are there benefits that you may not initially have anticipated?

When you come up with the costs and

³⁴ Adapted from: <https://www.kunocreative.com/blog/bid/83802/5-steps-for-measuring-marketing-return-on-investment>

³⁵ Adapted from: https://www.mindtools.com/pages/article/newTED_08.htm



benefits, think about the lifetime of the project. What are the costs and benefits likely to be over time?

Step 2: Assign a monetary value to the costs

Costs include the costs of physical resources needed, as well as the cost of the human effort involved in all phases of a project. Costs are often relatively easy to estimate (compared with revenues).

It's important that you think about as many related costs as you can. For example, what will any training cost? Will there be a decrease in productivity while people are learning a new system or technology, and how much will this cost?

Remember to think about costs that will continue to be incurred once the project is finished. For example, consider whether you will need additional staff, if your team will need ongoing training, or if you will have increased overheads.

Step 3: Assign a monetary value to the benefits

This step is less straightforward than step two. Firstly, it is often very difficult to predict revenues accurately, especially for new products. Secondly, along with the financial benefits that you anticipate, there are often intangible, or soft, benefits that are important outcomes of the project.

For instance, what is the impact on the environment, employee satisfaction, or health and safety? What is the monetary value of that impact?

As an example, is preserving an ancient monument worth \$500,000, or is it worth \$5,000,000 because of its historical importance? Or, what is the value of stress-free travel to work in the morning? Here, it is important to consult with community

members and decide how you will value these intangible items.

Step 4: Compare costs and benefits

Finally, compare the value of your costs to the value of your benefits, and use this analysis to decide your course of action.

To do this, calculate your total costs and your total benefits, and compare the two values to determine whether your benefits outweigh your costs. At this stage it is important to consider the payback time, to find out how long it will take for you to reach the break-even point – the point in time at which the benefits have just repaid the costs.

For simple examples, where the same benefits are received each period, you can calculate the payback period by dividing the projected total cost of the project by the projected total revenues:

$$\text{Total cost/total revenue (or benefits)} = \text{length of time (payback period).}$$

Trends to watch in Indigenous Economic Growth

Indigenous peoples are key players in determining Canada's economic future. A special report by TD Economics notes the following trends³⁶:

1. Recognitions of Rights and Title is changing the nature of Indigenous participation in Canada's economy;
2. Increasing access to resources and capital, settlements, interim measures, specific claims, businesses and related

³⁶ TD Economics, "Aboriginal Businesses Increasingly Embracing Innovation," (19 June 2017)



activity, and other portfolios of financial and real assets, has increased the influence of Indigenous people in the Canadian economy;

3. Canada's Indigenous youth represents the fastest-growing domestic demographic in Canada, although significant gaps in access to education, infrastructure and training may hold this demographic back in urban and rural areas;
4. Indigenous groups are now seen as important partners in the development of land, major projects, resource extraction, procurement opportunities, and other economic activity across the country. Driven by both precedent in the courts as well as international recognition (UNDRIP, FPIC) and federal, provincial and industry reconciliation initiatives; and
5. Indigenous businesses are growing. Indigenous rights, interests and significant land holdings, along with rapidly growing business opportunities, particularly in the resource sector, offer an opportunity to improve Indigenous economic outcomes and open up the potential of Canada's economic

opportunities. In addition, the growing numbers of Indigenous youth represent an opportunity for the country to meet its future demand for labour posed by an aging workforce.

BC Indigenous Demographics and Economic Trends

According to the 2016 census, the population of Indigenous people in BC was 5.9% of the total BC population. The majority of the Indigenous population reported a single Aboriginal identity - either First Nations, Métis or Inuk (Inuit).

In 2016, BC had the highest economic and job growth and the lowest unemployment rate within Canada. While the unemployment rate for the non-Indigenous population was 5.8%, the unemployment rate for Indigenous people (both on- and off-reserve) sat at 11%. Since the 2016 census, the non-Indigenous unemployment rate has dropped to 4.5% in 2018 while the Indigenous rate has fallen to 10.2%. When compared nationally, the BC unemployment rates are lower than the National averages for both groups.

Animikii: Indigenous-Owned Digital Services Agency

Animikii is a 100% Indigenous-owned digital services agency that provides website design, web applications, software, digital communications, print design, logos, branding and digital annual reports. They are a social enterprise corporation and have 10 full-time staff, plus an extended team of an additional 5-8 people who support the business through bookkeeping, accounting and additional digital services. Founder Jeff Ward says that, "it is important to build a business that is profitable. However, there are more reasons than money to start a business. Starting a business where your community or environment is positively impacted will result in a greater sense of pride in the work that you do and will get you excited to get out of bed every day, especially when times get tough, as they often do in business". For more information on Animikii, see www.animikii.com.



The provincial government identifies nine key sectors that remain the foundation of the province's economic development and have the most potential for growth. These sectors include³⁷:

- Advanced manufacturing;
- Agrifoods;
- Forestry;
- International education;
- Mining and energy;
- Natural gas;
- Technology and innovation, including clean tech and digital media;
- Tourism; and
- Transportation.

In addition to these nine key sectors, the provincial government also identifies climate leadership, international trade, and small business development as important cross-sector areas that will help drive competitiveness across the economy, supporting current and

future growth in the province. These three areas were viewed as driving forces for BC economic growth, and cut across all areas of the economy when the provincial government updated its Job Plan in 2017.

However, BC's economy is changing, with small business and services providing the large majority of employment opportunities. The province is also attracting major project investment throughout the province and is strengthening ties with Japan, China, Korea and India to become a trade hub for goods, services and people traveling between Asia and North America³⁸: The province has seen steady rise in exported products to Asian markets since 2016³⁹ and while this may be moderating in 2019, it is generally seen as the gateway to the Asia-Pacific markets.

Emerging Trends and Markets

The economies in rural British Columbia,

³⁷ Work BC, "BC Jobs Plan 5-Year Update," (March 2017)

³⁸ Work BC, "British Columbia's Economy"

³⁹ Province of BC, "2018 British Columbia Financial and Economic Review, 78th Edition" (August 2018).

Province-First Nations Benefit Agreement

The province of British Columbia has begun to enter into benefit agreements with various Indigenous groups. One example is with the Nisga'a Nation, ensuring that a share of the mineral tax revenue collected from the Brucejack Gold Mine flows to the Indigenous communities. Based on 2017 production, the revenue-sharing agreement has the potential to generate more than \$8 million annually for the Nisga'a Nation. Eva Clayton, President of Nisga'a Lisims Government, has said that the Nisga'a Lisims Government has developed a strong working relationship with the owner and operator of the mine, Pretium Resources Inc. "Bringing prosperity and self-reliance to the Nisga'a Nation is the first priority of Nisga'a Lisims Government" said Eva Clayton, adding that they are "pleased to once again affirm the Nisga'a Nation's government-to-government relationship with British Columbia". In addition to the agreement with the province, Nisga'a also has cooperation and benefits agreements with the company (Pretium Resources Inc.), including education and training for members, employment targets and assurances that Nisga'a businesses have access to contracting opportunities.



where the Indigenous population makes up 44% of the total, historically have been heavily dependent upon natural resources and agricultural commodities, and their ever-fluctuating markets. As the global markets for these goods are becoming more concerned with environmental and social impacts, environmental, land-use and regulatory issues will have a growing impact on demand, industry growth and long term viability. Because of these issues, while these economies still represent areas of economic growth for Indigenous communities, consideration of other emerging markets are essential for consideration as opportunities for economic development.

New small businesses and entrepreneurs need to be aware of emerging sectors as they launch their enterprise, especially when considering where to concentrate efforts. Having their "finger on the pulse" of opportunity will help to tip them towards success. Emerging markets, by their very nature, grow and change, but by keeping abreast of the opportunities and considering ways to get involved, an Indigenous community can be a key player in helping to foster new businesses and entrepreneurship in their community.

The following are some emerging markets/

sectors in BC that are worth further investigation and consideration.

Marijuana/Cannabis

Canada's new cannabis industries are expanding rapidly, driven by legalization and increased demand. According to former National Chief, and current CEO of Indigenous Roots⁴⁰, Phil Fontaine, "Marijuana businesses represent tremendous potential for First Nations, partially because communities are able to get in on the ground floor, instead of fighting to catch up years later as has traditionally been the case."⁴¹ Capital, knowledge and distribution networks can give businesses in this new market an advantage. However, a key issue will be access to licenses and capacity to sustain growth at economies of scale.

The new Indigenous Roots facility will create between 30 and 50 jobs, plus other opportunities in marketing, sales and accounting. Future operations will likely be even bigger.

⁴⁰ a medical marijuana company operated by First Nations across Canada

⁴¹ Gemma Karstens-Smith, "First Nations communities look to marijuana industry for economic opportunities" (28 December 2017), online: CBC News

Case Study - Indigenous Roots

Indigenous Roots is a medical cannabis company that is operated by First Nations, with an intended customer base of Indigenous people across Canada. The company is a joint venture with Cronos Group, a medical-cannabis grower licensed by Health Canada. The company plans to build a growing facility next to an existing Cronos-owned facility in Armstrong, BC. Current Cronos workers will train First Nations employees to run the Indigenous Roots operation.

Once Indigenous Roots is operating, its profits will be split evenly between partner First Nations and Cronos. "Long term and medium term, this is meant to be an Indigenous-operated company," Cronos CEO Mike Gorenstein said. "Our commitment is to make sure that any knowledge that we have or we continue to gain, that we're sharing and we're always there to support."

The new facility will create between 30 and 50 jobs, plus other opportunities in marketing, sales and accounting. Future operations will likely be even bigger,



In early 2018, Metlakatla First Nation received a small grant from the province of BC to explore business opportunities afforded by the new cannabis market⁴². According to Alison Gordon, CEO of 48North Cannabis, a medicinal cannabis company with a large Indigenous shareholder base, “Some communities in BC believe cannabis could be a boom and are asking the provincial government to help ensure they get a piece of the emerging market. Indigenous partners can be critical players in helping to figure out how to create products and brands that would be important to their communities and to help educate their communities⁴³.”

Given the changing landscape, and the ability for production facilities to be located in more rural areas, there is potential for cannabis to become a key economic sector for some

⁴² Ministry of Forests, Lands, Natural Resource Operations and Rural Development. Press Release. February 27, 2018.

⁴³ Gemma Karstens-Smith, “First Nations look to grow marijuana industry for economic highs” (28 December 2017), online: CTV News

Indigenous communities.

Healthcare for Elders

As the population of Canada as a whole is aging, the demand for services for Elders increases. Young Indigenous people are positioned to provide these services, as the number of Indigenous youth demographic is growing faster than rest of the population. Indigenous groups also face serious difficulties supporting their Elder communities, as the Health Council of Canada reports that Indigenous seniors on-reserve are not receiving needed home care and continuing care support, including long-term care. This presents an opportunity for individual communities to consider developing services and businesses in health care for the elderly.

As both Indigenous and non-Indigenous communities respond to the needs of a rapidly aging population, health care services will continue to be the fastest-growing industry. The top-priority health professions include:

1. Specialized Registered Nurse;

Case Study - Increased Funding for Elder Care

In November of 2017, the BC based Interior Health Authority, in partnership with the First Nations Health Authority, announced an investment of \$3,000,000 to benefit approximately 4,450 Elders in BC's interior. The investment, which provides nursing enhancements and community preparedness, will be delivered by shared decision-making process and driven by the seven interior nations of Dākelh Dené, Ktunaxa, Nlaka'pamux, Secwepemc, St'át'imc, Syilx and Tsilhqot'in. This initial investment is part of a long-term ongoing focus starting in 2019-20, with a planned investment totalling \$10,000,000 over the next five years, specifically directed towards Indigenous Elders care in the interior region.

“As 7 Nations of the interior, we sat together to determine how the funding could have the most significant impact across our region,” said Ko'waintco Michel, Co-Chair of the Partnership Accord Leadership Table. “We agreed that no community should be left behind, and that increasing access to primary health care services closer to home was the area of greatest need. We appreciate Interior Health showing leadership in their flexibility in allowing us to define how best to meet the need in our communities by following a decision-making process that works for our Interior Nations.”



2. Physiotherapist;
3. General Registered Nurse;
4. Occupational Therapist;
5. Diagnostic Medical Sonographer;
6. Medical Laboratory Technician;
7. Licensed Nurse Practitioner;
8. Respiratory Therapist; and
9. Care Aide/Healthcare Assistant.

Technology, digital technology, and digital media

One of the challenges often experienced by Indigenous communities is the remoteness of our communities. With communities "off the beaten track," there is not always the usual traffic that can offer opportunity from a traditional face-to-face consumer market. The internet and other digital technologies are potential answers to this issue. There are a few types of online or digital businesses that work just as well in remote communities as anywhere else. For example: telemarketing or phone service, lifestyle coaching, data services, storage and management, manufacturing or small-scale production of goods sold to a third party distributor, or direct to the consumer online.

Green economy

Canada wide, a 2017 national survey shows nearly one fifth of the country's energy services are provided by facilities fully or partly owned and run by Indigenous communities. The employment associated with these projects has resulted in 15,300 direct jobs for Indigenous communities, with a total \$842 million in employment income since 2009⁴⁴. This sector is and will continue to be in the forefront of Green business into the foreseeable future

The First Nations Clean Energy Business Fund (FNCEBF) promotes increased Indigenous community participation in the clean energy sector within their asserted traditional territories and treaty areas and partners with existing Green energy companies⁴⁵.

Green opportunities are not all tied to the development of energy production, as the field covers a broad range of sustainable industries. This includes waste management, environmental protection, and training opportunities. The table on the next page outlines the growth potential for green economy jobs until 2020:

⁴⁴ Lumos Energy. "Powering Reconciliation: A Survey of indigenous Participation in Canada's Growing Clean Energy Economy" 2017

⁴⁵ Province of BC, "First Nations Clean Energy Business Fund"

Hupacasath's Renewable Energy

The Hupacasath First Nation, located on the west coast of Vancouver Island, started researching hydro projects back in 2002, with a wealth of territorial knowledge but little understanding of the renewable energy business. It was a long journey, learning the ins and outs of transforming a vision for clean power into reality.

The Hupacasath First Nation built a 6.5-MW run-of-the-river hydro project at China Creek, electrifying the equivalent of 6,000 homes in Port Alberni. Through the Upnit Power Corporation, they retained a 72.5% interest in the project, with 12.5% to their partner Synex Energy Resources Ltd, 10% to Ucluelet First Nation, and 5% to the city of Port Alberni for their collaboration.



Table 13: Green Technology Opportunities

Sector	Components	Long term job potential in BC
Clean and Alternative Energy	Renewable Energy	Good to Excellent
	Bioenergy	Excellent
	Hydrogen & Fuel Cells	Good
Energy Management and Efficiency	Energy Management & Power Electronics	Excellent
	Energy Saving Lighting & HVAC	Excellent
	Advanced Batteries, Energy Storage & Charging Systems	Good
	Engines, Power Saving Automotive Equipment & Hybrid Technologies	Good
Green Building	Architecture, Community Design & Green Infrastructure	Excellent
	Construction & Building Materials	Good to Excellent
	Sustainable Development, Property Management & Real Estate	Good to Excellent
Environmental Protection	Pollution Mitigation, Control & Remediation	Good to Excellent
	Waste Management, Reduction & Recycling	Excellent
	Water Conservation Technologies	Excellent
	Carbon Capture, Storage & Sequestration	Unknown
	Environmental Consulting	Good to Excellent
Carbon Finance and Investment	Carbon Finance & Offsets	Unknown
	Investment & Venture Capital	Good
	Education & Training	Good to Excellent
	Research & Development	Good to Excellent
	Information & Communications Technology	Excellent
Knowledge	Legal & Accounting	Good
	Public Administration & Support Organizations	Good



Six key sectors are responsible for supplying the bulk of the green products and services in BC:

1. Clean and alternative energy, including renewable energy, bioenergy, and fuel cells;
2. Energy management and efficiency, including energy storage and transmission, energy-efficient lighting and heating, ventilation and air-conditioning (HVAC), and public transportation;
3. Green building and community design, including construction and building materials, architecture, green infrastructure, and sustainable development;
4. Environmental protection, including elements of agriculture and silviculture, pollution control, and environmental consulting and engineering;
5. Carbon finance and investment, including carbon management, off-set markets, and venture capital; and
6. Green knowledge and support,

including research and development, advanced education and training, law, information technology, non-governmental organizations (NGOs), and the public sector.

Eco and cultural tourism

The tourism sector, unlike most economic sectors, does not have a uniquely defined set of goods and services. Rather, tourism is made up of widely diverse activities, including accommodation and food services, transportation, adventure guiding, retail, recreation, travel assistance, vehicle rental services, cultural services, and many others - all related to providing goods and services to tourists. According to a report for the Business Council of British Columbia, approximately half (51%) of the workers in the Tourism Sector were employed in accommodation and food services. Transportation industries account for the second-largest share of direct tourism employment (24%), followed by retail trade (14%) and other services (11%)⁴⁶.

⁴⁶ Price Waterhouse Coopers, "Opportunity BC 2020: Tourism Sector, Report for the Business Council of



Tourism can be a catalyst for broader business and social development. As outlined in the diagram below, tourism activity generated as a result of the 2010 Olympic Winter Games in Vancouver became a catalyst for BC business development, employment, social development, sports development, arts and culture development, and sustainability initiatives.

All of these components support ongoing growth that presents many opportunities for Indigenous communities that are uniquely placed to take advantage of the rapidly growing eco- and cultural- tourism. The development of an authentic and respectful Indigenous cultural tourism is increasingly in demand. According to Chief Executive Officer of the Aboriginal Tourism Association of British Columbia, "[There is] tremendous opportunity for the Indigenous cultural tourism sector which provides for employment, cultural revitalization,

and economic benefits for communities and entrepreneurs. More and more visitors to British Columbia want to experience Indigenous culture, art and lifestyle.⁴⁷

The Aboriginal Tourism Association of BC (ATBC) provides significant resources for helping Indigenous tourism businesses get ready for market. ATBC provides training, information resources, networking opportunities, and co-operative marketing programs, with the goal of supporting a sustainable authentic Indigenous cultural tourism industry in British Columbia while contributing to cultural preservation and economic development⁴⁸.

⁴⁷ Aboriginal Tourism BC, "The Next Phase: 2012-2017, A Five-year Strategy for Aboriginal Cultural Tourism in British Columbia" (2011).

⁴⁸ Aboriginal Tourism BC. "About Us" British Columbia" (2009)

Urban Reserve - Muskeg Lake Cree Nation

In 1988 an agreement between Muskeg Lake Cree Nation (MLCN), the government of Canada and the City of Saskatoon saw the creation of one of the first urban reserves. Since then, the number of urban reserves has risen; in Saskatchewan alone there are 28.

The MLCN reserve was raw land at the edge of the city in an area that was ripe for redevelopment and it brought new investment that revitalized the area. A number of businesses have set up offices on the reserve, allowing MLCN a source of revenue through leased office space, and the development of new community-based skills in property development management. MLCN have used this income to create several different enterprises and partnerships. Muskeg Lake Chief Gilbert Ledoux has called it a great success, adding, "what we've developed over the years is something we're proud of."

In a 2016 interview, Laura Hartney, Regional Planning Manager for the City of Saskatoon, was asked about the development of the reserve. Remarking on the potential issues with development on reserves, Ms. Hartney responded that "land use and development on urban reserve land is consistent with that of non-reserve land. In terms of municipal services, we provide the same services to reserve land that are provided to other lands. In return we receive a fee for service that is equivalent to what the municipal taxes would have been. It's absolutely a level playing field".



Developing Urban Indigenous Reserves

An opportunity for an Indigenous community with a rural center to grow their economic opportunities exists if they have the chance purchase land in or nearby an urban setting. This allows the community the opportunity to develop businesses, and provide employment and training for their community members. This arrangement has a number of benefits for the general population as well, as urban reserves have the ability to contribute to the overall economy of an urban centre in general. The Muskeg Cree First Nation's Asimakaniseekan Askiy has become a commercial hub in southeast Saskatoon with both Indigenous-owned and non-Indigenous-owned businesses⁴⁹.

An urban reserve is land within, or located nearby an urban municipality. Like all reserves, it is land that has been set apart by the federal government for the use and benefit of an Indigenous community. In general, urban

reserves are formed in one of two ways. An original reserve may have been designated before urban expansion, like the Musqueam Reserve in Vancouver which became 'urban' as the city of Vancouver expanded around it. The second type of reserve is created when an Indigenous community acquires a block of land in a city and works through the process of acquiring reserve status for the land⁵⁰. This is done through the federal government's Additions to Reserve Policy (ATR) which allows for an addition to an existing reserve (usually to accommodate community growth or to protect cultural values), or the creation of new reserve lands (either through a legal obligation or commitment or as directed by a specific claims tribunal⁵¹).

⁴⁹ Laura Hartney "Notable Impact of Urban Reserves and Saskatoon," Working Effectively With Indigenous Peoples® Learning Centre, Bob Joseph, 25 April 2016,

⁵⁰ Bob Joseph, "What are Urban Reserves?" (27 March 2015)

⁵¹ INAC. "Additions to Reserve"

Salish Sea Foods LP

Salish Sea Foods LP is a shellfish aquaculture venture wholly owned and operated by K'ómoks First Nation. This Nation-owned business started in 2013, when K'ómoks First Nation management set out to expand their involvement in the shellfish aquaculture market to "take out the middle man", as Robert Everson, Chief of K'ómoks First Nation, said.

The Nation had experience in the industry, through their owned and operated Pentlatch Seafoods Ltd., a shellfish production business that produced shellfish for industrial producers. The Nation envisioned that a new venture, one that reached directly to the consumer market, would have the potential to become a real economic driver for the community. After acquiring and renovating a small family-owned-and-operated processing plant, K'ómoks First Nation successfully established a larger processing plant and retail store, nearly doubling the number of employees and becoming a profitable investment for the community.

For more information on Salish Sea Foods Ltd., visit: <http://salishseafoods.ca>



How will Indigenous Economic Sectors Evolve?

Health care and social assistance, retail and wholesale trade, and public administration comprise the top employment industries for Indigenous peoples across Canada. Indigenous peoples are also increasingly engaging in entrepreneurial ventures, building businesses across a wide range of industries. This growth is seen in both band-owned-and-operated and individual-owned-and-operated businesses. This section discusses the major sectors in which Indigenous peoples are engaged as employees or business-owners in order to present a snapshot of the current Indigenous economic drivers in BC.

Fisheries

BC's fishing industry supplies billions of dollars to the provincial economy through both wild and farmed harvests. For Indigenous peoples in BC, fisheries have always been a major economic driver, and with recent Supreme Court of Canada decisions, including the *Ahousaht et al (2009)* fishing rights decision, the potential for greater Indigenous participation in commercial fisheries has never been higher.

Indigenous participation in the fishing sector has broadened over the years, evolving from primarily production-based to increasing involvement in all aspects of the business of fishing including: fishing, harvesting, raising, processing, packaging, shipping, and delivery. In recent years, Indigenous-owned fisheries businesses have broadened their customer base to include U.S. and Asian markets.

Construction

Construction contributes roughly 7% to the provincial GDP, with over half coming from retail and commercial building construction and around 30% from industrial projects, with

Hart Lake Construction Ltd.

This 100% First Nation owned company holds all shares in trust on behalf of and for the benefit of the members of the Heart Lake First Nation. They operate in partnership with a non-Indigenous company, Site Energy Services, developing assets and capacity for community members. The services that they offer range from road building, site cleanup and project management. For more information about this and other band-owned companies, see <http://heartlakefirstnation.com/economic-development/band-owned-businesses/>.

the remaining created by maintenance and repairs. Indigenous entrepreneurs are well-established in construction, with approximately 18% of Indigenous-owned businesses operating in this sector⁵². In the 2016 Budget, Canada announced that it would provide approximately \$4 billion to improve Indigenous community infrastructure. Again in 2017, the federal government proposed another \$4 billion over 10 years, starting in 2018-19. This presents a significant opportunity for existing and new Indigenous businesses to grow and expand while creating stronger, safer and more sustainable communities.

Forestry

The BC forestry sector continues to recover from 2009, the sector's worst year of the recession, as well as the softwood lumber dispute, and the record breaking 2017 and 2018 forest fire seasons. Despite the setbacks, forestry remains a cornerstone in BC's

⁵² Canadian Council for Aboriginal Business, "Promise and Prosperity: The Aboriginal Business Survey", (2016)



Iisaak Forest Resources Ltd.

Iisaak was formed in 1998 as an interim measure in the land claim treaty process between Central Region Nuu-chah-nulth First Nations, on the West Coast of Vancouver Island, and the British Columbia government. The company is a joint-venture between Central Region Nuu-chah-nulth First Nations and Weyerhaeuser Company. The "intent of the partnership is to develop a viable economic model for conservation and management of coastal old growth forests that are not formally protected but nevertheless contain important ecological and cultural values" In 2008, Iisaak Forest Resources, partnering with Ecotrust successfully completed a 20-month management agreement, which saw improvements to company's financial, social and environmental performance. During this time, the company had 47% Indigenous employment and became one of the first companies to prove that the coastal forestry industry can implement ecosystem-based management and remain successful.

economy. In 2017, the forestry sector's contribution to the provincial GDP was roughly 3.2%. For too long, the forestry industry saw the benefits of billions of dollars, with little to none of the resulting economic benefits being seen by Indigenous communities. However, Indigenous participation in the forestry sector has grown, mostly due to increased tenure access to Crown and reserve lands, and increased interests from Indigenous communities to sustainably and respectfully conduct forestry operations in their traditional territories. Today, partnerships with larger companies have provided the ability for these communities to participate at the scales necessary for success, while the use of certifications that demonstrate environmental sustainability allows these products access to higher end markets.

Energy and Mining

Gross revenues for the BC mining industry were \$8.7 billion in 2016. Historically, mining development has displaced Indigenous peoples from their traditional territories while providing little to no benefits for their communities. However, two Supreme Court decisions - *Haida Nation* and *Taku River Tlingit*, both in 2004, helped clarify the

government's duty to consult and accommodate with respect to Indigenous Rights before developing on Indigenous lands. The resulting increased emphasis on consultation and accommodation in the industry has provided opportunities for greater participation in the sector, supported by requirements for revenue sharing between the provincial government and local Indigenous communities. Since 2004, Indigenous peoples, businesses

Pacific Trails Pipeline

The Pacific Trails Pipeline (PTP) serves as an example of an unprecedented multi-Nation collaboration that brought together 16 First Nations in Northern B.C. to secure a stake in a major pipeline project. In response to PTP, which sought to transport liquified natural gas through B.C. from Summit Lake, outside of Prince George, to Kitimat, all directly affected Indigenous Nations formed an alliance known as the First Nations Group Limited Partnership (FNLP). The FNLP negotiated a commercial benefits agreement with Chevron Canada Limited and Woodside Petroleum valued at approximately \$500 million.



and communities have created space for themselves within the energy sector, supporting increasing Indigenous entrepreneurship and producing jobs and community benefits for Indigenous communities across Western Canada. Opportunities include direct participation in mining activities, supplying camps and companies with services, equipment rental and other spin-offs. A major change in resource-based ventures, like mining, is the ability of Indigenous communities to exercise jurisdiction, decision-making, monitoring and control of activities on their traditional territories.

Major projects

The vast amount of un-ceded Indigenous territory throughout BC means that many proposed large land or water-based projects require access to Indigenous territory, triggering a duty to consult and accommodate. In many cases, an Impact Benefit Agreement (IBA) will be created through discussions between proponents and Indigenous communities. IBAs typically provide employment and other economic benefits to a Nation in exchange for the use of their lands and resources. Some recent major projects in BC have seen Indigenous Nations secure more than just jobs, instead becoming equity partners in business developments, which allows them to acquire larger profits, influence business decisions, and access capital.

To quote directly from a report commissioned by Moody's Investors Services, "In the last few years, Indigenous involvement has taken on a wider range of roles, from more traditional involvement, such as being consulted or employed on projects developed on or near traditional lands, to equity stakes. In equity participation, there has been an evolution from small stakes, or full ownership of small projects, to potential control of very large projects and development roles. Currently, stakes rise as

high as 50%, with construction costs for some projects in the hundreds of millions, if not billions, of dollars."

Over the years, many Indigenous Nations have moved towards increasing their involvement in major projects by collaborating at the Nation level. Organizations like the First Nations Major Projects Coalition (FNMPC), consists of 40 Indigenous Nations in B.C. who are dedicated to facilitating Indigenous-proponent relations, and ensuring environmental practices are improved to safeguard their citizens and territories. The focus of their work is primarily found in advantaging Nations on pending pipeline, renewable energy production, and liquefied natural gas projects.

Service

Like the rest of Canada, the service sector continues to drive BC's economy, making up 3 quarters of the province's GDP. Indigenous

Salmon and Bannock

Salmon and Bannock is a restaurant located in Vancouver and focuses on cuisine inspired by local traditional Indigenous traditional foods. Since opening in 2010, the restaurant has seen a lot of international interest. "We've been in The New York Times, The Guardian, San Francisco Chronicle, Der Spiegel, inflight magazines, Japanese magazines, been on Trip Advisor's Vancouver Top 10 list for six years, and PBS's Samantha Brown's Places to Love", says Owner Inez Cook. Capitalizing on the international interest brought on by the 2010 Vancouver Olympics, the success of Salmon and Bannock has resulted in an increased interest in Indigenous cuisine, with others like the Bigheart Bannock Cultural Café and Mr. Bannock Food Truck opening up since 2010.



peoples working in the service sector tend towards jobs in health and social services, retail and wholesale, and public administration. Roughly 28% of Indigenous-owned businesses operate in knowledge and service-based sectors, such as education, scientific and technical services, or health and social services, and participation within this sector is expected to grow, reflecting national trends.

Looking Forward

Indigenous peoples have been on the margins of the Canadian economy for too long. To assert their position, Indigenous communities and leaders continue to challenge and change restrictive structures, attitudes and policies using the legal system, and self-determined governance structures to exercise a greater degree of jurisdiction over un-ceded territory and rights.

Many Indigenous economies center on natural resources, where individuals, communities, and corporations capitalize on industries like fishing, mining, forestry and environmental stewardship as well as support sectors like construction and food and beverage services. Service sectors continue to grow, and emerging sectors, like tourism and technology, offer new avenues for Indigenous peoples to

engage in the economy, as business-owners or employees.

However, we should be clear about what is most likely to hold back Indigenous businesses. The major issues are access to equity/capital and financing; the patchwork nature of funding envelopes and knowledge of available programs; the need for a formal business plan to qualify for financing; reliable digital access and the fact that the nature of Indigenous businesses does not always fit conventional structures of being primarily profit-driven. Indigenous peoples' participation in and contribution to the Canadian economy is growing and the opportunities offered by Indigenous business owners are multi-faceted and far-reaching, benefiting individuals, community, and the Canadian economy as a whole.

The time is ripe for Indigenous communities, their members and leaders to reach into the Canadian economy and take their place. In BC we have a strong economy and are moving towards stronger and more positive relationships among Indigenous and non-Indigenous communities. We hope this Toolkit, and its three associated booklets give you the inspiration and tools to begin, support and expand your economic development journey.



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**British Columbia
Assembly of First Nations**



BLACK BOOK SERIES

**INDIGENOUS LEADERS'
BUSINESS PARTNERSHIPS
ROADMAP
BOOK TWO**



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A number of Indigenous businesses offer customers wildlife viewing tours.

Why have the Black Books been developed?

Economic development offers an avenue to meet our people's expectations for community stability and growth while ensuring they have access to adequate food, shelter, healthcare, education, and social programming. Economic development also provides a mechanism to create wealth for future generations by building equity and assets and by growing enterprises and employment opportunities. This toolkit provides support and resources to Indigenous communities and Nations. It provides direction on the essential processes supporting economic development when working with external businesses. Assembled into one place are templates, assessments and decision making frameworks that support community leaders, as they work to create strong, sustainable and vibrant Indigenous economies.

What are the Black Books about?

Although Reserve Lands cover only a minute portion of Canada's land mass, traditional territories are a different story. Especially in BC, there is an expectation that businesses must, at minimum, engage with Indigenous communities when their operations might impact Indigenous Title and Rights. This expectation is underlined by federal and provincial mandates on recognition and reconciliation. While technically it is the Crown's duty to consult and accommodate, savvy businesses know that engaging with potentially impacted Indigenous communities early and in good faith is essential to project success. This kind of Nation or community to business engagement can provide the business with valuable information about the feasibility of a project and smooth the path to operations.



For instance, recent decisions by the BC government to phase out at least 10 fish farms in the Broughton Archipelago, were made largely because these operations do not have the consent of the Indigenous communities they impact. These decisions will have dramatic financial implications for the companies losing farms.

In 2015, the Canadian Chamber of Commerce stated that Canada's ability to leverage its natural resource endowment depends on addressing concerns over the social impacts of resource development, especially as to how it affects Indigenous peoples and their communities. Many businesses recognize that Canada, as a signatory to the UN Declaration on the Rights of Indigenous Peoples, has committed to upholding principles of "free, prior, and informed consent". We are also seeing that the tides of social acceptance in Canada are turning and much of the Canadian population supports Indigenous actions that block the work of businesses attempting to push through their lands without consent. Further, even if courts side with the business, those who neglect to create support in the Indigenous communities they impact have seen their share values suffer and projects significantly delayed due to Indigenous protest.

This companion Booklet to *Indigenous Economic Sustainability Roadmap Book One* is a guide for Indigenous leadership who want to expand business and community relationships in ways that will help communities receive fair profit and benefit sharing from businesses currently working or planning to work in your territories.


Who are the Black Books for?

This booklet is primarily written to support the needs of Indigenous leadership, be it elected, traditional, or economic. Indigenous communities throughout BC are frequently approached by business interests looking for partnerships and access to traditional territories. While some Indigenous communities may have their own Indigenous Economic Development Corporations (IEDC), as well as leaders with business expertise managing operations, a complex business structure and expertise are not pre-requisites for successful partnerships with outside businesses. Many communities have successfully navigated frameworks for receiving benefits from businesses operating on their lands. What is needed is a solid plan and a commitment to creating the best outcome for your community.

The Roadmap

Although there are many roads that lead to sustainable Indigenous economic development, without proper guidance, communities and individuals can be stopped or stalled by frustrating obstacles or face expensive detours. What follows is some guidance for the process of working with outside businesses to create community economic development. Using a map of the major stages and considerations on the road to economic development, the following diagram provides an overview of the process.





Economic development is a cycle. Once a project is up and running, an impact assessment will highlight needed changes, areas for expansion or contraction, community impact and changes in support or resistance, as well as any other areas that feed back into the economic development opportunity.



STOP 1
Assess your
community and
know your
value.

STOP 2
Assess the fit with
your community
economic
development
strategy.





Learning Indigenous customs regarding preparation prior to barbecuing salmon.

Stop 1

Assess your Community and know your Value

Before entering into an agreement with a business hoping to operate with your community's consent, it is essential to assess your community's willingness and capacity to participate. It is also necessary to build an understanding of the value that your community can bring to the company. Properly engaging with your community about their values and aspirations for economic development is a crucial first step and not one that should be rushed. In fact, it is something to invest in even before a company comes knocking at the door. Although each community may undertake their assessment differently, there are major components that most assessments should consider.

These include:

1. Governance and civic capacity;
2. Community interest;
3. Social asset assessment; and
4. Physical asset assessment.

At this stage, this type of assessment should be comprehensive but straight forward. If you decide that your community has what it needs to move down the road to economic development, a more thorough assessment of each of the major components will need to be done as part of creating a comprehensive community economic development strategy.



Several tools for creating community engagement and developing a community plan are outlined in *Stop 1* in the *Indigenous Economic Sustainability Roadmap Book One*.

Your community plan leads to a community economic development strategy (see *Stop 2* in the *Indigenous Economic Sustainability Roadmap Book One*). You can save your community and company time and money by having a clear picture of what kind of operations will and will not be supported by membership. For instance, in early 2019, Wet'suwet'en hereditary leaders and supporters shut down, at least temporarily, operations to construct the Coastal GasLink natural gas pipeline. Elected community leaders were involved in consultations with the company and provided approvals to allow the project to go ahead, as they believed it would proceed with or without their support. Hereditary chiefs, however, were clear that band councils have jurisdiction only over reserve lands, while they, the hereditary leaders, have jurisdiction over the traditional territories, as recognized by the Delgamuukw case. It was the recognition of this jurisdiction that led to a work stoppage while the community and company resumed discussions. While this

case will hopefully lead to more jurisdictional clarity, it has been taxing on community members and the company. Engaging your membership early and often can lessen conflicts and help to support community values.

Industries extracting natural resources are usually found within Indigenous territories and sometimes close to communities. While you are assessing your community's interests and capacity, it is also worth clearly describing the value that your community brings to a business interested in benefit sharing or partnering. Most companies are clear that working with local Indigenous communities requires a willingness to address social and environmental concerns that offer sustainable employment opportunities, as key parts of social licensing. Employing Indigenous workers can translate to large cost savings for companies by reducing travel and accommodation for workers. It can also mean better worker retention, lower recruitment costs and fewer lost work days from transportation challenges to remote locations. Local workers can also be better equipped to deal with changing environmental conditions and have knowledge that reduces risk to themselves and others. Companies have a lot to gain by working with Indigenous leadership and employing local Indigenous people.



Assess the fit with your Community Economic Development Strategy

Under ideal conditions, your community will have developed a community supported Economic Development Strategy before businesses come knocking at your door. At this stage, you will check in with your strategy and see if this business opportunity fits with

the mission, vision, values and goals that were accepted by your community.

Next, even if the opportunity fits in with your strategy, it is worth checking in with your community and engaging with them about



the details of the opportunity, relationship and capacity building potential. If, for example, to develop the partnership, your community must invest up front, make sure your community understands the potential benefits as well as the risks if things do not go as planned. Engagement can be structured according to your communication plan¹.

A good tool to use for engagement specific opportunities from outside business is the “Strengths, Weaknesses, Opportunities, Threats” (SWOT) analysis.

A SWOT analysis helps determine internal and external advantages and threats. The following provides a brief overview of some

definitions and general questions that may guide your SWOT analysis.

Another technique, that can help you to get the maximum benefits from a completed SWOT analysis is to use “The Spectator Mode”. This involves taking a step back and looking at the results objectively, as if you are in the stands as a spectator watching a sports event. This is often best achieved by reviewing your SWOT several days or weeks after you create it, or by having an objective outside party review it with you and evaluate your responses.

It is also worth considering the opportunity from a diversity of angles. While you are most interested in the business sharing revenues and employing membership, you can also consider the potential for spin-off business opportunities. For instance, the company

¹ See Stop 2 in *Indigenous Economic Sustainability Roadmap Book One* for details about communication plan development

SWOT Analysis

Strengths – Advantages the community, or community business, has over competitors.

- What makes your community unique?
- What does your community/community business do well?
- What resources are readily available?
- What expertise do you already have?

Weaknesses – Areas that need improvement.

- What is your community/community business doing poorly?
- What capacity do you lack?
- What resources do you lack?
- What area(s) need immediate improvement?

Opportunities – Trends and market gaps that create opportunity.

- What new business opportunities are becoming available?
- What benefits can the business offer to your community?
- How can this opportunity further your economic development goals?
- What would be an ideal opportunity for your community?

Threats – External factors that can threaten the community, or community business.

- What legislative barriers may impede the business from succeeding with your collaboration?
- What social barriers may impede the business from succeeding with your collaboration?
- What will you need to invest in order to make the collaboration a reality?
- What negative impacts will the business have on the local environment and community?



may require food and housing for workers, janitorial services, construction, supplies and other support services. These require little formal training and could be good starting businesses for community members or your IEDC². In time, members can develop their technical or managerial skills and be able to compete for higher earning jobs or procurement opportunities. Companies have interest in working with your community; however, to keep winning contracts, your

community and its businesses will need to deliver good quality of service or product. For instance, if you are running a water taxi, ensure the boat is up-to-date in terms of safety and mechanical soundness. Keep it clean and ensure crews are professional. This will also allow those businesses to expand services to other industries, which can create economies of scale and ensure long-term success that is not dependent on a single outside company.

² See Stop 4 Assembling a Winning Team in *Indigenous Economic Sustainability Roadmap Book One* for details about Indigenous Economic Development Corporations (IEDC)

A Word of Caution

Identifying economic development opportunities can seem easy when large corporations are knocking at the door, but identifying the most beneficial opportunities for the community is not simple. Rather than proactively planning and seeking out opportunities, Indigenous communities have tended to be reactive to the opportunities that present themselves. This can mean they are not maximizing the potential benefits of opportunities, since they are not basing decisions on an understanding of the entire economic environment, nor on their own objectives and capacities. The key to successful economic development for Indigenous communities, or any other entity for that matter, is planning. (See *Indigenous Economic Sustainability Roadmap Book One, Stop 2* for information on important planning documents needed for economic development.)



Guests enjoy relaxing at NK'MIP Cellars in Osoyoos First Nation.



Assess your Leadership and Management

In order to best support economic development, a committee of interested and knowledgeable people from your community should be appointed. Their role will be to consider options and report to your community's leadership structures regularly. This committee can hold some or all of the following responsibilities:

1. Planning, developing, coordinating and implementing economic development policies, strategies, and initiatives in alignment with community priorities;
2. Managing and delivering economic development projects;
3. Evaluate, prioritize and support opportunities;
4. Preparing proposals for seed money for businesses;
5. Developing proposals and prepare feasibility studies;
6. Risk assessment and mitigation;
7. Developing inventories of the skills and educational level of community members and then working with the Education and Social Development Departments to ensure training is available to match business needs;
8. Building capacity with members to take on jobs in Indigenous business, training board members for companies and societies, encouraging post-secondary training for management in business;
9. Supporting employment from within the community;

10. Effectively separating politics from economic priorities; and

11. Drawing business investment interest into the community by networking, engaging local industry and actively seeking partners.

If possible, an Economic Development Officer (EDO) should be hired to support the planning and work necessary to ensure your plans are accomplished. Economic development for a community cannot be done off the side of someone's desk. Because of the importance of the EDO, below is an overview of what they do and qualities you should look for when hiring.

What is an Economic Development Officer?

An Economic Development Officer's work combines professional disciplines including business administration, public finance, political economics and urban planning and can be described as a mixture of research, analysis, planning, organizing and salesmanship. Their job is to oversee the management of the economic development strategy, including:

- Ensuring that business adheres to the mission, vision, values and goals of the strategy;
- Setting long-term objectives to meet those goals;
- Ensuring financial stability;
- Assessing the strategy implementation performance;



- Establishing policies; and
- Being the public face of the strategy.

An EDO is mandated to improve the economic situation of the community, to find ways to create jobs, to assist with the establishment of businesses, and to help create the environment in which the local economy and the community will flourish. Some EDOs focus on job-creation projects and helping local people with their business ideas, while others will negotiate deals to establish or diversify the community's economic base and increase economic opportunities.

The Role of the Economic Development Officer

The Economic Development Officer will be tasked with activating and operating economic development projects in the community and their duties include the following:

1. Carrying out the direction of the Chief and Council with respect to economic development;
2. Implementing the Indigenous community's Economic Development Plan/Strategy;
3. Working closely with the membership to update economic development plans and ensuring the interests of the members are reflected in those plans;
4. Working closely with Indigenous businesses to assist where possible;
5. Researching and developing ideas for businesses for community members;
6. Preparing or assisting with business and feasibility plans;
7. Developing relationships with Chief and Council, traditional leadership, community members, surrounding businesses and local governments, and other possible business partners;
8. Preparing proposals for seed money for businesses;
9. Hiring, under direction of Chief and Council or traditional leadership, technical support for developing proposals or preparing feasibility studies;
10. Negotiating Memoranda of Understanding with potential business partners/industry/local governments to help advance businesses;
11. Reporting to Chief and Council or traditional leadership on progress of potential projects;
12. Scoping out business/economic opportunities with businesses that are either intending to work or are already working in the territory;
13. Providing advice and guidance to the Chief and Council and/or traditional leadership and members about economic development;
14. Finding ways to build capacity with members to take on jobs in Indigenous business, training ED committee members, encouraging post-secondary training for management in business;
15. Working with Education and Social Development Departments, inventorying the skill and education level of members in the community to know what skills are available for corporations and what skills need to be developed; and
16. Keeping abreast of current state of economic development, as well as pots of money for developing businesses and training courses for members.

A Sample EDO Job Description

The following generic job description, developed by the Atlantic Policy Congress of First Nations Chief Secretariat³, is a good example.

³ http://www.apcfn.ca/images/uploads/EDO_Job_Description.pdf: BC First Nations Economic Sustainability for details about Indigenous Economic Development Corporations (IEDC)



JOB SUMMARY:

The Economic Development Officer (EDO) is responsible for planning, developing, coordinating and implementing economic development policies, strategies and initiatives that improve the community, socioeconomic, and business development.

Working time is divided between the office, meeting with community and ED committee members, and traveling to outlying communities and through the province as necessary. EDOs are to use a grass-roots perspective to locate and meet with individuals, businesses, key contacts and government service providers.

The EDO must be prepared to work with excellent organizational and preparation skills to ensure they have the necessary tools to complete tasks while working away from the office.

The EDO must be prepared to travel a minimum of one to two days each week, according to the needs of individuals, businesses, key contacts, and government service providers.

DUTIES AND RESPONSIBILITIES:

The EDO is responsible for continuously developing and maintaining knowledge required to do the job by understanding, embracing and contributing to the community's economic development plan by collaborating effectively to coordinate economic development initiatives.

The EDO must be familiar with background materials and information relating to the community and its political processes. They must demonstrate a non-political approach to communicate and foster relationships with politicians, Elders and community members.

They must use a variety of qualitative and quantitative methods to perform continuous assessment of economic development needs, including maintaining an inventory of existing businesses, sector activities and current human resources (labour force) in the community.

The EDO must ensure that economic development initiatives and opportunities are communicated to key stakeholders.

The EDO must demonstrate good written and oral communications skills that are relevant to the position, as it will require the EDO to prepare proposals for a variety of economic development initiatives for submissions to public and private funding sources. Must also write project briefs, updates and final reports for all project activities.

The EDO must maintain a sound administrative and organizational system, develop budgets and cash flow projections, use business planning software, and create presentations for public speaking opportunities. They must also develop and track accomplishments related to an ongoing work plan that will guide the work in the community.

EDUCATION, EXPERIENCE AND COMPETENCE:

The EDO must possess a minimum of two to three years' experience in business or economic development-related positions, supplemented by education, training or on-the-job learning in the appropriate skill-set areas.

REPORTING REQUIREMENTS:

The EDO reports to the Senior Administrative Officer (Band Manager), and is responsive to the Chief and Council. Prepares for Chief and Council reports and presentations regarding training, business, and economic development activities at meetings, and recommends plans, objectives and strategic opportunities for future consideration.

EXPECTED RESULTS:

Contribute to the growth of economic sustainability of individuals and businesses by increasing the potential and credibility of the individuals and businesses within the community and advocating potential partnerships for economic development initiatives on the work plan.



Examples of Economic Development Officer Activities

Table 1 below provides examples of economic development duties that an EDO can undertake on behalf of the community.

Table 1: Examples of economic development duties for an EDO

Services	Strategies for Delivering Services
Business Planning and Mentoring Services for Entrepreneurs	<p>Maintain an “open-for-business” strategy that encourages community entrepreneurs to approach your office for assistance.</p> <p>Offer business training programs for interested parties, either delivered from within the community’s own resources, or from outside program providers.</p> <p>Encourage youth entrepreneurship training and orientation.</p> <p>Identify community champions from within each economic sector and encourage them to provide mentoring services to those entertaining opportunities in those sectors.</p> <p>In any contact with the community (email, newsletters, social media), develop and deliver profiles of successful community entrepreneurs, as a tool to motivate others.</p> <p>Bring in guest speakers and host events dealing with high-priority interests such as funding, taxation and regulatory issues. These can garner high levels of attention from entrepreneurs.</p> <p>Hold higher-level business training workshops and programs for established businesses that may require assistance in growing to their next potential level, diversifying, or simply surviving in a competitive environment.</p> <p>Hold workshops on writing bids and proposals.</p> <p>Bring in regional non-Indigenous stakeholders to discuss any potential joint venture or investment opportunities.</p>
Creating a Microloan Fund for Entrepreneurs	<p>Work with funders accustomed to funding initiatives within the Indigenous community (Aboriginal Capital Corporations, Vancity, First Citizens Fund, Islands Trust, etc.) to establish a self-administered Microloans Fund for the community.</p> <p>A lending circle is when people get together to form a group loan. Everyone in the group contributes money to the loan, and everyone gets a chance at taking the loan out.</p> <p>Research and consider the applicability of Lending Circles for your community, whereby small amounts of funds are advanced to lower-income community members to start a business that can create income for them. http://lendingcircles.org/ ; http://www.collaborativefinance.org/community/lending-circles.</p> <p>Approach “Lending Circle” funders who advance monies to a group undertaking this economic development avenue https://www.vancity.com/BusinessBanking/Financing/Loans/SmallBusinessAndStartup/circle/</p>
Online and Virtual Training and Mentoring	<p>As a valuable resource for interested entrepreneurs, consider funding online business planning software such as LivePlan (https://www.liveplan.com/). It is user-friendly, effective and an excellent tool for capacity development.</p> <p>Consider developing (or contracting to develop) and hosting a series of online training and mentoring workshops, particularly for the more rural community members.</p>



Services	Strategies for Delivering Services
The Entrepreneurs' Resource Library	<p>Funding resource handbooks are valuable guides to identify potential funding: http://www.regionalbusiness.ca/images/pdfs/funding_handbook.pdf and http://www.vnfc.ca/downloads/entrepreneur.pdf. These handbooks also provide contact information and program criteria, so they are all-encompassing guides. However, a note of caution needs to be exercised as these represent "snapshots" at the time of their compilation; programs and contacts change regularly.</p> <p>There is a funding handbook for Indigenous artists, and can be found at: http://www.vnfc.ca/downloads/vnfc-indigenous-artists-workshop-resource-handbook.</p>
Building Entrepreneurship by "Training the Trainers"	<p>Wherever possible, build a network of others within the community (or from outside the community) that can take on part of your role as trainer/mentor. This is an important resource for the EDO to develop to assure that existing and potential entrepreneurs receive the attention and support they require to move forward with their businesses.</p>
Financial Matchmaking for Entrepreneurs	<p>Design and facilitate a process whereby any entrepreneur can receive hands-on assistance in approaching, dealing with and responding to the needs of Indigenous funding sources.</p> <p>Hold workshops on funding and host guest speakers.</p> <p>Liaise very regularly with key stakeholders from all the funding agencies, ministries, banks and foundations that can, in whole or in part, fund a community enterprise.</p>
Focus	<p>Build on the foundation of businesses already existing within the community, as they represent the building blocks of entrepreneurship.</p> <p>While large projects have the glamour and appeal of job creation and investment, it is proven that large projects and employers drive away small companies and net effect of employment is not always as significant as generally expected.</p>
Proactive	<p>Maintain a proactive approach in economic development, seeking out relationships and opportunities, and promoting the "brand" of the community as seen by outside players and government. This also includes attending conferences, events, trade shows and networking engagements.</p>
Participate in the "Big Picture" Planning	<p>Beyond the scope of working with entrepreneurs, a key area of the EDO function is to interact with Chief and Council in strategic planning and opportunity viability/feasibility assessment. This includes a certain focus on the following:</p> <ul style="list-style-type: none"> • Maintain close liaisons with regional private and public stakeholders regarding upcoming areas of opportunity for the community. • Commission (or carrying out) Feasibility Studies, Risk Assessments, SWOT Analyses and Viability Assessments for any larger-scale opportunities identified by the EDO or Chief and Council. • Monitor and complete (or commission the completion of) bids and proposals, responding to Requests for Qualifications (RFQs) or Requests for Proposals (RFPs). • Maintain liaisons with neighbouring Indigenous communities to identify any potential economic opportunities. • Continuously research the media, trade magazines, Indigenous journals and websites to remain apprised of existing or upcoming opportunities. One such example is the legalization of medical marijuana (and, as of October 2018, non-medical marijuana) and the implications for Indigenous providers.



Economic Development with Outside Agencies

"We will know we have achieved economic reconciliation when First Nations are seen as a business imperative rather than a business impediment."⁴

The success of any collaborative business venture is determined by the quality of its relationships.

In *"Building Relationships with First Nations"*, the Province of British Columbia outlines several components and activities that it considers essential to successful Indigenous-Industry relationships, including that:

- The company demonstrate recognition of First Nations' ties to the land or traditional territory in written form;
- Companies be open to receiving guidance from an Indigenous oversight committee that will supervise project activities and "address cultural issues, economic priorities, and environmental values";
- Indigenous environmental monitoring can balance project activities with traditional values regarding environmental stewardship;
- Community members can take on management responsibilities, or roles on the company's board to facilitate the exchange of knowledge and provide oversight;

- Companies provide employment to community members and/or direct funding, training programs or education;
- Companies consider agreements that can include the company providing direct financial contributions to the community to support its participation;
- Arrangements may include providing the community with service and supply arrangements;
- Companies consider supporting communities to undertake traditional use studies and environmental assessments;
- Protocols be established that set agreed-upon processes for engaging, sharing information and clarifying roles and responsibilities;
- The collaboration will provide the community with a direct stake in the project;
- Profit or benefit sharing provides revenues to First Nations for development within their traditional territories; and
- A process be developed for resolving disputes when they arise, which they almost certainly will.

Further, establishing and maintaining constructive working relationships between Indigenous and non-Indigenous entities require the following three key factors:

1. First Nations' meaningful involvement from the start;

⁴ *First Nations Sustainable Economic Development & Fiscal Relation Strategy: Round 2 Dialogue Summary Report*, BC Assembly of First Nations



Tla-o-qui-aht First Nation owns the Best Western Tin Wis Resort in Tofino on the West Coast of Vancouver Island.

2. An accessible and established conflict resolution process; and
3. Regular communication.

You, as leaders, support collaborations by preparing policies and a legislative framework that supports economic development according to the community vision, values and strategy. By-laws, regulations, codes, policies, and procedures need to be in place to carry out actions outlined in the economic development plans. For example, by-laws regarding reserve land may need to be created or updated to enable certain

commercial activities, like the development of lands for retail space. Complementary policies and other governance tools will create mechanisms for accountability that guide the community leaders in decision-making. You will also want to establish rules around communication and engagement.

Municipal Relationship Protocol

The increasing need for governments, especially municipalities (which often exist



in closer physical proximity to Indigenous communities), to engage Indigenous communities in economic development and planning activities has led to a number of arrangements aimed at strengthening intergovernmental relationships. Memorandum of Understanding and other types of agreements help partners clarify roles and responsibilities, set out parameters for project work and engagement, and minimize the threat of conflict.

The Union of British Columbia Municipalities (UBCM) identifies several types of agreements Indigenous communities and municipalities can undertake and their associated purposes, as follows:

- Cooperation and communication agreements
 - Most of these agreements establish guidelines or principles for improving communication and dialogue between the parties.
- Parks and recreation agreements
 - These agreements may focus on cooperative park development and acknowledge Aboriginal Rights and interests in the land.
 - They may outline specific actions related to information-sharing processes and a commitment to work together in cooperative park management.
- Economic development and land-use agreements
 - Such agreements facilitate regional economic development that respects Aboriginal Rights and Title.
 - They will likely include parameters around land use servicing and planning.

- Capacity development partnership agreements
 - Generally, such agreements are designed to develop and promote employment opportunities for Indigenous people.
 - Some agreements may focus on developing capacity for self-government.
- Resource management agreements
 - These agreements typically focus on the joint management of water resources and may address issues related to broader environmental management.

The same UBCM handbook outlines the benefits of protocols, MOUs and other formal agreements between Indigenous communities and local governments, as follows:

- Creating a new level of understanding between Indigenous communities and local governments in areas of governance;
- Allowing for coordinated communication and cooperation;
- Encouraging strategic thinking for joint economic opportunities;
- Providing a degree of certainty for Indigenous communities and local government aspirations;
- Avoiding controversy/conflict before it happens; and
- Assisting in the development of a sustainable relationship based on mutual regard for each other's culture, history, values, interests, perspectives, operating environments and vision.



Fostering Relations with Municipalities: Penticton Indian Band and the City of Penticton

To meet an increasing need for commercial and industrial development in the Southern Okanagan region, in 2016, Penticton Indian Band (PIB) and the City of Penticton entered into an historic agreement that delivers joint economic benefits and sets out the groundwork for the development of future joint ventures.

In the agreement, PIB agreed to zone a portion of its Reserve Lands for commercial and light industrial uses, which will benefit the city through the creation of more jobs and investment in the region. In return, the City of Penticton agreed to share 10% of the Host Local Government (HLG) casino revenue with the band, look into a new model of tourism marketing that will benefit both the city and PIB, and work with PIB to develop facilities infrastructure. This agreement is the first of its kind between a municipality and an Indigenous community and offers both parties the opportunity for continued economic development together.



Determine the Structure of your Relationship

Strategic alliances between Indigenous communities and industry, government, or other Indigenous communities can increase the ability of an Indigenous community, or its business, to:

- Manage access and uses of its lands and resources;
- Access capital and resources;
- Reach customers;
- Establish a competitive advantage in a region or sector;
- Reduce risk and costs; and
- Achieve goals and objectives.

Strategic alliances can be informal or formal agreements that allow Indigenous

communities and associated businesses to organize around economic development planning.

Overview of Key Tools for Business Alliance and Economic Cooperation

There are many tools that an Indigenous community can expect to use when establishing a working relationship with industry, government, or other Nations, like a joint venture or a partnership. Tools that help facilitate these arrangements generally include, but are not limited to:

- Letter of Intent;



- Letter of Understanding;
- Memorandum of Understanding;
- Term Sheet;
- Confidentiality Agreement; and
- Management Committee.

The information that follows contains an overview of tools identified by Terrace Economic Development's *First Nations Joint Venture Partnership Tool Kit* (2012) as important to building Indigenous business relations.

Letter of Intent: The Letter of Intent (LOI), or Letter of Interest, formalizes an initial proposal made by one party to another and serves as more of a roadmap for all parties on what will be discussed in further negotiations. Generally, LOIs are non-binding, but certain terms may be binding, such as the inclusion of a non-disclosure agreement, financing specifics, or important dates and deadlines.

LOIs will typically undergo several revisions between the parties until the parameters for negotiation have been established. According to the Corporate Financing Institute (2016) some contents of an LOI will include:

- Transaction overview and structure;
- Timeline;
- Due diligence;
- Confidentiality; and
- Exclusivity.

For more information on how to write an LOI, please visit: <https://www.thebalancesmb.com/create-a-letter-of-intent-for-business-deals-4153020> and <https://www.template.net/business/letters/sample-simple-letter-of-intent/>.

Letter of Understanding: The Letter of Understanding (LOU) is typically one of the first agreements entered into by Indigenous communities and a proponent. It confirms the verbal agreements made between parties in a

previous discussion, such as:

- The basic principles of engagement between parties;
- The objectives of the partnership;
- The meeting schedule;
- Confidentiality clauses; and
- A description of the partners.

For more information on how to write a LOU and to view a sample LOU between an Indigenous community and business entity, visit: <http://howtowritealetter.net/letter-of-understanding.html> and http://terraceinfo.ca/images/uploads/documents/TEDA_FN_JVP_Pkg_Update_Feb_23_2012.pdf.


Memorandum of Understanding: A Memorandum of Understanding (MOU), is a more detailed document that builds on the LOU and indicates that a legal contract is imminent. MOUs may discuss:

- Costs associated with joint efforts;
- Details of collaboration;
- Desired outcomes;
- Specific projects, including scopes and timeframes; and
- Duration of the MOU.

For more information on how to write an MOU, visit: <https://www.investopedia.com/terms/m/mou.asp>, and <http://www.apapracticecentral.org/business/collaboration/partnership-agreements.aspx>.

LOIs, LOUs and MOUs are not contracts and are generally understood to be non-binding documents, unless they include binding terms, like non-disclosure agreements, financing information, key dates and deadlines.

A lawyer should always be consulted when drafting such documents to ensure that the intent of the document is clearly reflected in the language used throughout.



Reframing a Problem as a Shared Opportunity: China Creek Micro-Hydro Project

The China Creek Micro-Hydro Project serves as an example of a successful multi-partner project between Indigenous communities, the private sector, and government.

In the early 2000s, BC Hydro planned to develop a natural gas-fired electrical generation plant in Port Alberni. The project met opposition from the Hupacasath First Nation and other local groups concerned with the resulting impacts on air quality. Using traditional values of environmental sustainability as a guiding principle, the Hupacasath First Nation proposed an alternative solution. They developed a business plan that would support community economic development, address their environmental stewardship responsibilities, and meet the demand for electricity in the city.

In 2006, the Hupacasath First Nation launched the China Creek Micro-Hydro Project via the Upnit Power Corporation. The micro-hydro dam is 72.5% Hupacasath-owned, with minority partners from Ucluelet First Nation (10%), Synex International Subsidiaries (12.5%), and the City of Port Alberni (5%). As managing partner (General Partner), Upnit Power Corporation is responsible for the day-to-day operations.

It took Hupacasath over five years to launch this successful project; success factors include the Nation's patience in project planning and construction of the dam, its pursuit and procurement of partners, and its adherence to traditional values around environmental sustainability.

Term Sheet: Where equity in a new or existing business will be part of an arrangement, a Term Sheet is commonly developed by the parties. A Term Sheet sets out the actual terms of the investment that are negotiated later based on the Term Sheet. In essence, a Term Sheet is a conditional offer consisting of five key documents that set out the parameters of investment:

1. The stock purchase agreement;
2. Investor rights agreement;
3. Certificate of incorporation;
4. Right of First Refusal (ROFR) co-sale agreement; and
5. Voting agreement.

Although a Term Sheet is not considered a legal document, a lawyer and relevant experts

should be consulted when developing this document.

To view sample Term Sheets, visit: http://terraceinfo.ca/images/uploads/documents/TEDA_FN_JVP_Pkg_Update_Feb_23_2012.pdf.

Confidentiality Agreement: Most Indigenous communities value maintaining confidentiality around their business dealings and land use and businesses typically wish to protect information that may be useful to competitors. To foster trust and enable open dialogue in business dealings, a Confidentiality Agreement is a suitable tool for protecting the interests of all parties when developing a working relationship.

For a sample confidentiality agreement, visit: http://terraceinfo.ca/images/uploads/documents/TEDA_FN_JVP_Pkg_Update_Feb_23_2012.pdf.



Indigenous people across the province can travel many routes to prosperity in today's economic environment.

Management Committee: Some partners develop a Management Committee/Board who ensure the goals of the joint business or project are being achieved. This leadership body is typically made up of representatives from both parties who provide strategic direction to the business, ensure activities are properly managed, and monitor the business to ensure adherence to its principles, objectives, and values.

For more information on management committees, visit: <http://www.diycommitteeguide.org/resource/role-of-management-committee>.

Collaboration Tools

Working with or partnering with existing businesses can offer excellent financial opportunities. It is strongly recommended that you, as leaders of your community, work with a business law professional to structure the relationship for mutual benefit and to shield your community from unneeded risk. Moreover, you will want to do all in your power to avoid the "resource curse"⁵, which

⁵ Auty, R.M. 1993. Sustaining development in mineral economies: The resource curse thesis. London. Routledge.

refers to a paradox where communities with an abundance of natural resources tend to have less economic growth, less democracy, and worse development outcomes than communities with fewer natural resources. Fortunately, a lot of work has been done to develop strategies that encourage good governance from Indigenous communities and best practices for companies. Below we will discuss some collaboration options to consider.

Impact and Benefits Agreement (IBA)

An Impact and Benefits Agreement (IBA) is a contractual agreement signed between a company (often a natural resources extractive company) and the Indigenous communities which would be impacted by operations. Examples include that between a mining company or fish farm and Indigenous communities. While it is not legally required that these companies enter into these agreements, it does provide social license to operate and can bring many benefits to the company, including respectful interactions



Talking Rock Golf Resort in Chase features a dynamic 18 hole golf course.

with the public (e.g. less protests) and access to willing and trained workers. Indigenous communities, on the other hand, receive long-term benefits including revenue sharing, jobs, access to procurement spending, and a voice to more environmentally sustainable operations.

Joint Venture Agreement

The Joint Venture Agreement (JVA) is a contractual arrangement between two or more parties that allows them to work together for mutual benefit without surrendering ownership. These arrangements are developed for a variety of reasons, including access to capital and resources, sharing and building knowledge and expertise, and building relationships for future opportunities.

A JVA permits each party to work together, share the risks and rewards of business without undertaking a full partnership, which entails the creation of a new legal entity.

Usually such contracts outline the following:

- The purpose of the joint venture;
- Each party's contribution to the business;
- Details on each party's share of the business; and
- How business is to be conducted between the parties.

A JVA should always be drafted with the assistance of a lawyer. For more information on how to write a joint venture agreement and to see a sample document, visit: <https://legaltemplates.net/form/joint-venture-agreement/> and http://terraceinfo.ca/images/uploads/documents/TEDA_FN_JVP_Pkg_Update_Feb_23_2012.pdf.

Full and Limited Partnerships

A business partnership agreement is a contract between two parties that details management of the business, partnership investments, and how payments will be handled.

Whereas *general partnership* agreements deal more strictly with business matters, *partnership arrangements* for Indigenous communities often set out conditions needed to foster economic and social development as well as address business matters. Some common elements of Indigenous partnership agreements might include:

- Building management capacity;
- Acquiring business experience;
- Building wealth to support community programs and initiatives;
- Building local business;
- Creating employment; and
- Maintaining community and cultural values.



Below is an outline of the sections commonly found within a general partnership agreement:

- Name of the partnership, purpose, term, details of the partners and their designations;
- Business activities;
- Management of the partnership;
- Decision making;
- Meetings of the partners;
- Capital contributions
- Profit distributions;
- Financial reporting & taxation methods;
- Transfers of partnership interests;
- Termination of the partnership; and
- Resolution of disputes.

In a general partnership, parties can incur obligations on behalf of the partnership and each partner assumes unlimited liability for the partnership's debts. While exclusive arrangements for an extended period of

time can be helpful in creating a competitive advantage for an Indigenous community or its business, this may result in constraining future business development. Exclusive arrangements may limit the ability of that Indigenous community to take advantage of other business opportunities.

Limited partnerships are a method of operating a business that combines advantages of a general partnership with those of incorporation, like tax benefits and the ability to deduct losses associated with the business from other sources of income. In this partnership structure, at least one general partner is responsible for the daily operations of the business, Indigenous investors participating as limited partners will often want to retain some control over the management of the business to protect their investment and remain accountable to community members.

For a sample partnership agreement, visit: <https://www.lawdepot.ca/contracts/partnership-agreement/#.Wm9v46inGUK>.



Operating and Evaluating a Collaborative Business

With time, the capacity of your community to engage with the business will grow and it will serve you best to separate the business practices of your community from the politics. At this stage, you will want to investigate the potential to develop an Indigenous Economic Development Corporation (IEDC). An IEDC is an economic and business development arm of an Indigenous community that operates at arm's length from the leadership bodies. An

IEDC can invest in, or manage subsidiary businesses for the benefit of the community members who are their stakeholders. For more information, see *Indigenous Economic Sustainability Roadmap Book One Stop 3* or the *Indigenous Economic Development Corporation Roadmap Book Three Stop 7*.

Once the collaboration has been vetted with the community and formalized legally, the Economic Development Committee and



More than a paddling venture to enjoy the great outdoors in Tsleil-Waututh Nation territory in Belcarra, Takaya Tours offers colourful story telling to give visitors the history of the culture.

the EDO should maintain regular reviews of the working relationship. This may involve quarterly meetings with the company, periodic surveys of community membership to identify benefits and gaps, regular reviews of how economic benefits to the community are being used, and transparent communication.

After your partnership is up and running, routine evaluations will ensure that problems do not become chronic and that you can capitalize on changing business environments and emerging opportunities. Measuring economic results is critical for economic development in Indigenous communities. It helps to demonstrate the impact, outcomes and the ways in which it supports and deepens

the community's values and priorities.

Measuring economic results accomplishes the following:

- Provides a "snapshot" of how a community is doing economically;
- When comparing between time periods (recommended every six months), the measure provides indicators of change, both positive and negative;
- Identifies where gaps may be in the economic sector of a community, (i.e. which assets are being underutilized);
- Further identifies the sectors that are



contributing the most to the community's economic activity, and well-being;

- Highlights what sectors might demand the introduction of training programs, certification, or entrepreneurial training and mentoring;
- Allows the community decision-makers

to compare the results against any strategic planning previously carried out, or alternatively, provides a basis for future strategic planning focus; and

- Helps deliver "best land-use and asset allocation planning" by identifying what economic activity is best utilizing the community's assets.



Where Do We Go From Here?

Indigenous peoples are key players in determining Canada's economic future. A special report by TD Economics notes the following trends:

1. Recognitions of Rights and Title is changing the nature of Indigenous participation in Canada's economy;
2. Increasing access to resources and capital, settlements, interim measures, specific claims, businesses and related activity, and other portfolios of financial and real assets, has increased the influence of Indigenous people in the Canadian economy;
3. Canada's Indigenous youth represents the fastest-growing domestic demographic in Canada, although significant gaps in access to education, infrastructure and training may hold this demographic back in urban and rural areas;
4. Indigenous groups are now seen as important partners in the development of land, major projects, resource extraction, procurement opportunities, and other economic activity across

the country; driven by both precedent in the courts as well as international recognition (UNDRIP, FPIC) and federal, provincial and industry reconciliation initiatives; and

5. Indigenous businesses are growing. Aboriginal Rights, interests and significant land holdings, along with rapidly growing business opportunities, particularly in the resource sector, offer an opportunity to improve Indigenous economic outcomes and open up the potential of Canada's economic opportunities. In addition, the growing numbers of Indigenous youth represent an opportunity for the country to meet its impending future demand for labour posed by an aging workforce.

BC Indigenous Demographics and Trends

According to the 2016 census, the population of Indigenous people in BC was 5.9% of the total BC population. The majority of the Indigenous population reported a single



Aboriginal identity - either First Nations, Métis or Inuk (Inuit).

The provincial government identifies nine key sectors that remain the foundation of the province's economic development and have the most potential for growth. These sectors include:

- Advanced manufacturing;
- Agrifoods;
- Forestry;
- International education;
- Mining and energy;
- Natural gas;
- Technology and Innovation, including clean tech and digital media;
- Tourism; and
- Transportation

In addition to these nine key sectors, the provincial government also identifies climate leadership, international trade, and small business development as important cross-sector areas that will help drive competitiveness across the economy, supporting current and future growth in the province. These three areas were viewed as driving forces for BC economic growth, and cross cut all areas of the economy when the provincial government updated its Job Plan in 2017.

The time is ripe for Indigenous leaders looking to create partnerships with business in BC. We have a strong economy and are moving towards better and more positive relationships between Indigenous and non-Indigenous communities. We hope this booklet and the larger companion document *Indigenous Economic Sustainability Roadmap Book One* give you the inspiration and tools to begin, support and expand your economic development journey.



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**British Columbia
Assembly of First Nations**



BLACK BOOK SERIES

**INDIGENOUS BUSINESS
DEVELOPMENT
CORPORATION
ROADMAP
BOOK THREE**



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Ktunaxa First Nation's St. Eugene Golf Resort & Casino is nestled in the Rocky Mountains in Cranbrook.

Why have the Black Books been developed?

Economic development offers an avenue to meet our people's expectations for community stability and growth while ensuring they have access to adequate food and shelter, healthcare, education, and social programming. Beyond these needs, economic development also provides a mechanism to create wealth for future generations by building equity and assets and growing enterprises and employment opportunities. This toolkit provides support and resources to Indigenous communities and Nations. It provides direction on the essential structure, processes and functions of an Indigenous Economic Development Corporation (IEDC). Assembled in one place are templates, assessments and decision making frameworks that support community leaders and the IEDC team, as they work to create strong, sustainable and vibrant Indigenous economies.

What are the Black Books about?

Having leadership understand and support economic development is essential, especially where outside businesses come with offers and there is only a small number of prime industries driving economic development. However, there are advantages to having a body, independent from elected leadership, to spearhead community economic development.

Some communities have developed Indigenous Economic Development Corporations (IEDCs) to help protect the community from liability, promote multiple business development opportunities, separate business from political cycles and raise capital for realization of potential.

Results from the Canadian Council for Aboriginal Business 2015 research report on Indigenous Economic Development Corporations, Community and Commerce showed IEDCs in every sector of Canada's economy.



Thirty-eight percent (38%) of IEDCs rate themselves as 'very successful'; half have been in business for six years or more and more than a third for more than twenty years. IEDCs are seen as serious economic players. They transform traditional business models, pursue partnerships and opportunities, and show the business sector how to operate on a community basis while delivering socially responsible outcomes. The Canadian Council for Aboriginal Business (CCAB) estimated in 2011 that thirty-eight (38%) of long standing IEDCs (10 years of operation or more) report they are the major employer in their community. The biggest challenges reported by IEDCs are accessing capital and attracting and retaining qualified employees.

There are already many examples of successful IEDCs from which a community can draw upon when setting up their own corporation. The priorities and values of an IEDC will reflect its community and the

mission, vision and values determined in the Economic Strategy.

These may include:

- By being community-owned, it is also community-led and community-managed;
- It provides opportunities for community members to be directly employed and participate in the success of the venture;
- It does not focus just on profits, but considers the broader goals of culture, environment and community;
- With broader social outlooks, a community-owned enterprise may focus on training, education and capacity-building as a significant stepping stone to long-term success;
- Listening to community members and the insight or ideas they may offer the business;



The 'Ksan Historical Village and Museum is located in Hazelton and welcomes visitors from across the province.



The Museum of Anthropology, at the University of British Columbia in Vancouver, contains one of the finest displays of Indigenous art in the world.

- Considering cultural identity as a tool for entrepreneurial activity;
- Establishing the longevity and stability that is attractive to outside management; and
- Being accountable to the community as a whole.

The most common reasons for establishing an IEDC are:

1. Reducing liability exposure;
2. Maximizing profits (by minimizing taxes and avoiding own-source revenue claw-backs by Canada);
3. Separating political considerations from business decisions;
4. Allowing outside expertise/advisors when circumstances warrant; and
5. Effectively compartmentalizing businesses and allocating resources¹.

This companion booklet to *Indigenous Economic Sustainability Roadmap Book One* is a guide for Indigenous communities who want to develop or expand an IEDC to generate a stable and growing economy that fits their community's values, needs and priorities.

A corporation is the most common vehicle for business used in Canada. This business structure allows you to create a legal entity, separate from an individual, or an Indigenous community. An Indigenous Economic Development Corporation is a legally distinct economic and business development arm of an Indigenous community that can invest in, or manage community owned businesses for the benefit of the community members. Indigenous groups develop IEDCs because they want a more complex economic development strategy that allows for diverse projects, while protecting the community. IEDC's can allow for the formation of wholly, or partially, owned Corporations, Limited

¹ Jim Bennett, "Indigenous Economic Development Corporations – The ABCs" (27 June 2016)



Partnerships, or Limited Liability Partnerships. Further, properly developed, IEDC profits won't count as "own source revenue" leading to government funding claw-backs. While the name IEDC implies traditional "corporation" structure, there is movement away from setting up IEDCs as corporations and instead towards other structures such as limited partnerships or non-profits².

In general, an IEDC requires a Board of Directors, elected by shareholders (community members) to manage operations. Shareholders then can vote on how the profits are used. Profits are often used to fund social and cultural development like sport complexes, language programs, social housing, youth programs, business development and entrepreneurship training. If financial losses occur, the corporation pays, not the community, and if the corporation goes bankrupt, the community is not liable to cover any of its debts.

In early stages of economic development and the associated capacity building, Indigenous communities often enter into collaborative agreements or partnerships with existing businesses (for more information, see the Roadmap for Business Partnership booklet). These arrangements provide revenue sharing opportunities, jobs and training for the community and a direct line of communication about concerns for the environmental sustainability of operations. However, as communities gain capacity, many will eye the spin-off benefits of operations like housekeeping for field camps, groceries and supplies for workers and companies, fork-lift operations, road building to sites, and much more. While community leaders can leave it up to membership to act as entrepreneurs, some communities choose to develop an IEDC to



develop these opportunities for the community as a whole.


Who are the Black Books for?

This booklet is primarily written to support the needs of the current or potential IEDC team and Indigenous community leadership, be it elected or hereditary. In this booklet we provide a Roadmap that will support your work and help you to find success. This booklet, like the other booklets in this series, will provide a path from conceptualizing the idea through to operations and reviews. As a starting point, this booklet assumes you and the IEDC team have already worked with your community to develop a community supported Economic Development Strategy. If that is not the case please refer to *Stop 1* and *Stop 2* in *Indigenous Economic Sustainability Roadmap Book One* for more information.

The Roadmap

There are many roads that lead to sustainable Indigenous economic development. However, without proper guidance, communities and individuals can be stopped or stalled by frustrating obstacles or face expensive detours. What follows is some general guidance for developing and operating an IEDC to create community economic development. Using a map of the major stages and considerations on the road to economic development, Figure 1 on the next page provides an overview of the process.

² 2015. Community and Commerce: A Survey of Aboriginal Economic Development Corporations in Ontario.



Economic development is a cycle. Once a project is up and running, an impact assessment will highlight needed changes, areas for expansion or contraction, community impact and changes in support or resistance, as well as any other areas that feed back into the economic development opportunity.

STOP 1
Conceptualize
the idea for
your IEDC.

STOP 2
Assemble your
winning team.

STOP 3
Set up
the legal and
accounting
framework.





Conceptualize the idea for your Indigenous Economic Development Corporation

While developing your Economic Development Strategy, you may have identified the need to set up an IEDC to manage your business aspirations. Perhaps businesses in your community have been operating under leadership but opportunities are growing and you want to be better positioned to pursue them. Whatever the reason, the first step is to assess the fit of an IEDC within your Economic Development Strategy and ensure that it supports the mission, vision, goals and values developed with your community. You will want to ensure that the priorities of your community are clear for potential partners or investors.

Economic Development Assessment Questions³

These next sections are questions for reflection, designed to help you gain a solid understanding of the environment your IEDC will be working in. They will help you evaluate your community's economic development resources and processes (for a more detailed examination see *Stop 1 and 2 in Indigenous Economic Sustainability Roadmap Book One*).

Planning and resources

1. Does your community have a formal strategic plan for economic development?
2. When was the last time this strategic plan was reviewed?

³ Source: First Nations Economic Development Readiness Questionnaire, Ontario Ministry of Economic Development and Innovation

3. Does your community have an Economic Development Officer (EDO) or an economic development committee, office or organization?
4. Does the EDO have other portfolio responsibilities in addition to economic development?
5. Does your community have a designated contact for economic development activities?
6. Does your community have an autonomous decision-making process (distinct from decisions made by leadership) to support business development?
7. Does your leadership or economic development office use best practices, guidelines or policies on economic development?
8. What are some of your community's best practices for economic development?
9. Is there a budget for economic development activity in your community?
 - Is it sufficient?
10. Could your community employ full or part-time professional planners or EDOs to deal with economic development and land use planning specifically?
11. Could your community use private sector economic development or land use planning consultants?



Takaya Tours, a Tsleil-Waututh First Nation Canoe & Kayak Adventures company, is based out of the Belcarra Park Paddling Center in Port Moody.

12. Does your community have an up-to-date community profile? Where can it be found?
 13. Does your community profile include details of a proposed business or industrial park?
 14. Does your community have an inventory of community member-owned businesses, contractors and entrepreneurs?
 15. Does your community have adequate financial resources for business and industrial development?
 16. Does your community have the resources to create a "one-stop" business services centre for all matters related to the development process?
 17. Has your community established relations with regional economic development resources such as Economic Development Officers, Northern Development Officers and Advisors, Small Business Enterprise Centres, etc.?
 18. Have you included these contacts in your economic development efforts? If not:
 - Are there opportunities to begin building these relationships?
 19. Do you believe that your community is adequately knowledgeable about existing federal, provincial and municipal economic development policies, programs and services?
 20. To what extent does your community market itself?
 21. Are your community businesses promoted in local, regional, national or international markets?
 22. Does your community work with the local chamber of commerce or local business groups on economic development matters?
 23. Does your community work cooperatively with neighbouring communities to pool resources and information on economic development?
 24. Does your community jointly fund economic development initiatives and programs with private sector companies or levels of government?
 25. Do you have a mechanism for determining those businesses and individuals who have left your community, but who may be interested in returning or investing locally?
- ### **Civic capacity**
1. Do you believe that your community needs to diversify and broaden its economy?
 2. How does leadership/EDO coordinate or facilitate community input on economic development?
 3. How can the community work together to support and empower these members toward economic independence?



4. Are your community and economic development groups proactive or reactive?
5. How does your community respond to economic development efforts?
6. Does your community have an alternative dispute resolution process to overcome obstacles to economic development?
7. Is there a capable and productive workforce available in your community?
8. Is there at least one organization in your community that provides or is able to provide workforce education training?
9. Are there apprenticeship programs available to community members?
10. Does your community believe that the EDO plays a role in helping to meet the needs of community members who are on income assistance or suffering from mental, health and dependency challenges?

Business environment

1. What is your community's attitude toward local business development?
2. What types of businesses currently operate in your community?
3. Are there others that you would like to see being developed?
 - a. Natural resources;
 - b. Marine resources;
 - c. Environmental stewardship;
 - d. Renewable energy initiatives, e.g. solar, wind, water, bio-energy;
 - e. Cannabis production;
 - f. Product development and distribution;
 - g. Technology;
 - h. Consulting and other areas of expertise; or
 - i. Other
4. Is there an organization or committee that helps recruit new retail, service and industrial businesses?
5. Does your community market its local industrial properties? How are these marketed?
6. Are most local businesses owned and operated by community members?
7. What economic development initiatives in your community have been successfully completed? Why were they successful?



The Bill Reid Gallery of Northwest Coast Art in Vancouver celebrates the work of Haida master artist Bill Reid and the diverse living cultures of the Northwest Coast.



Assemble your Winning Team

A properly functioning IEDC requires a strong team of business experts and leaders. First, you need to explore, define, agree to and write down the roles and responsibilities of your Board of Directors and your economic development manager. This supports the principles of transparency and accountability, along with your other core value policies and procedures.

The IEDC Board of Directors

The Board of Directors implements the community's vision and mission for economic development, in accordance with the Community Plan and its approved values. It oversees senior business management, makes major operational decisions, approves policy and procedures for the businesses, and reports on the business operations to the Chief and Council and other community leadership.

IEDC Board of Directors oversees the management of the affairs on the organization, including:

- Ensuring the organization carries out the goals of the organization;
- Setting long-term objectives to meet those goals;
- Ensuring financial stability;
- Assessing the organization's performance;
- Establishing policies; and
- Being the public face of the organization.

Directors will elect amongst themselves a President, Vice-President, Secretary and Treasurer. They also will establish:

- Committees:
 - Directors form committees necessary to meet its mandate and achieve goals and objectives;
 - Committees can be permanent or established for a specific purpose and duration; and
 - A Finance Committee should permanently be in place.
- Processes and timelines for Board evaluation and renewal.

The composition of a Board of Directors is important in the overall governance structure of the Indigenous community's economic development:

- It is important that it represents the diversity of all members of the community and the community interests;
- A balance must be struck between the need for a variety of perspectives and expertise on the board with the need for efficiency and cost savings; and
- An uneven number of directors is helpful in order to minimize tie votes. Five or seven individuals may be appropriate to provide a broad enough range of perspectives.



Individual Directors

To be a director, an individual must be at least 19 years of age, be capable of managing his or her own affairs, not be an un-discharged bankrupt, and not have been convicted of an offence in connection with the promotion, formation or management of a corporation or involving fraud. A director must also be ethical, act honestly and in good faith towards the corporation, and avoid or declare conflicts of interest in their decision-making (sometimes referred to as fiduciary duties).

In addition to the legal requirements, an individual appointed or elected to a board of directors must have the availability and be able to commit the time to be actively involved. Attendance at board meetings is imperative in order to effectively carry out a director's responsibilities and meet their legal obligations. A board member will need to take the time in advance of board meetings to review information and become informed on the decisions to be made. Preparing adequately for each meeting is essential for efficiency in board processes, ensuring board meetings are not overly long and that decisions can be made in a timely manner.

Having an aptitude for business is also essential. Many of the issues that directors are asked to make decisions on are about the development and running of businesses that will benefit the community. The skills and experience an Indigenous community may want to consider when selecting potential board members for a corporation created to carry out economic development for the community include:

- Previous experience as a director;
- Ability to comprehend financial and non-financial performance reports;
- Ability to comprehend strategic plans, concept studies, business plans and risk management strategies;

- Knowledge of board processes;
- Knowledge of government processes;
- Ability to recruit and select a chief executive officer and hold them to defined accountabilities;
- Knowledge of, and experience in, one or more of the following areas: business, investment, legal, financial, management, human resources, marketing, or the specific business field within which the business operates;
- Fiduciary experience or understanding;
- Strong communication and interpersonal skills; and
- Experience with or a good understanding of the Indigenous communities and the specific needs of the Indigenous community.

Each director will be responsible for:

- Consistent attendance;
- Preparation (including review of and keeping up-to-date on information to ensure effective decision-making);
- Participation in board dialogue and decision-making processes; and
- Limited reliance on other directors.

Directors must exercise care, due diligence and skill in their actions taken and decisions made.

Actions and decisions must be informed and exercised as a reasonable, prudent person would.

Directors must ensure they have the information necessary (and understand that information) in order to make decisions.

The Economic Development Manager

An Economic Development Manager will work under the direction of the Board of Directors





Cooking salmon the traditional way on the East Coast of Vancouver Island.

to ensure operations of the IEDC. The manager has a suite of responsibilities, including coordinating short-term community employment and training projects, to promoting local businesses at trade shows and finding financial support for ideas and plans. It is important that your manager has interpersonal skills since they will be the face of your IEDC with the community, potential partners, investors and leadership.

Primarily, the Economic Development Manager is responsible for:

- Planning, developing, coordinating and implementing economic development policies, strategies, and initiatives that improve community's, socioeconomic and business development;
- Continuing to develop and maintain the knowledge required to do their job by embracing, understanding, and contributing to the community's economic development strategy, by collaborating effectively to coordinate economic development initiatives;
- Reporting to the Chief and Council by providing reports and presentations regarding training, business, and

economic development activities at meetings, and recommend plans, objectives and strategic opportunities for future consideration; and

- Contributing to the growth of economic sustainability of individual and businesses by increasing the potential and credibility of the individuals and businesses.

Additionally, the Economic Development Manager may provide:

- Business planning and mentoring services for entrepreneurs;
- A microloan fund for entrepreneurs;
- Online and virtual training and mentoring;
- An entrepreneurs' resource library;
- Business training opportunities and materials; and
- Financial matchmaking for entrepreneurs.

Effective communications with the Board of Directors, leadership, the community, business partners, investors and government agencies are integral traits of an economic development manager. Strong written, oral, and technological skills are assets that should not be downplayed.



Set Up the Legal and Accounting Framework

Before you can begin business, you will need to register with the appropriate regulatory authorities (i.e. provincial and/or federal governments). An accountant can help you set up appropriate financial reporting systems that are compliant with the Canada Revenue Agency. A lawyer can direct you about how the business will be managed, objectives of the community/individual, "off-limits" businesses, number of independent directors, etc.

There are a number of different business structures available, depending on your projected goals, size, profits, risk tolerance and other values. Below we will investigate the main models.

Incorporated Businesses

Incorporated businesses are typically larger, sometimes with employees and higher overhead and revenues. Incorporation can be done at the federal or provincial territorial level. Incorporating at the provincial level is slightly cheaper and is good if you only operate in one province; whereas federal incorporation provides name security and allows you to operate in multiple provinces or territories. Advantages of incorporating include more ease in raising capital and eligibility for government funding and, as a legal entity separate from its shareholders, you or your community would not be liable for debts or other obligations. There are also tax advantages if revenues are high. A Canadian controlled private corporation pays a much lower rate of federal tax on the first \$500,000 of active business income due to the small

business deduction. Disadvantages include the reality that it is more expensive and complicated to set up and that incorporated companies are not eligible for tax exemptions under Section 87 of the *Indian Act*. As a result, on-reserve businesses are much less likely to be incorporated. To incorporate a business federally, the cost in 2019 was \$200 if filed on-line plus \$75 for a name search. To incorporate a business in BC, in 2019 the cost is \$350 plus \$30 for the name approval fee. To incorporate an unlimited liability company in BC, the cost is \$1000 plus \$30 for the name approval fee. Annual reports must also be filed, at a cost of \$43.39 each year.

Non-Profit

In some cases, your business aspirations will have a different leading goal: to make a difference in the world and earn enough to do it. Just because high profits are not the end goal, that does not mean that non-profit businesses do not need to follow the same business basics. First, it is important to understand that a non-profit is not and will never be an asset to own, so it can not be sold or leveraged. The only personal benefit one can receive is through a salary. You would set up a business in a similar manner to an incorporated business and pay staff a salary. Profits above salaries will be used to run the business or fund the charitable work. This is a good model if you wish to avoid generating own source revenue that can lead to government claw-backs of community money. To get started, funding will be required. Usually



non-profits get funding from government grants, foundations or private donors. This can be a challenge for a new start-up business so some seek private donations. Social entrepreneurship, is another structure where profits from a business go to support a charitable cause. For instance, having profits from a coffee shop support youth sport programs. Below we'll explore a few not-for-profit structures.

- *Non-profit organizations* are associations, clubs or societies that are not charities but are organized and operated exclusively for social welfare, civic improvement, pleasure, recreation, or an other purpose except profit. While it is not essential for a non-profit organization to incorporate, it does provide legal status and the ability to buy land, borrow money, shelter liability from members, receive government grants, etc. Being a non-profit does not mean they do not earn income. Profits are used to pay staff and to support activities. A non-profit organization does not need to register with the Canadian Revenue Agency (CRA) and will not receive a charitable registration number (and thus cannot issue donation receipts). These organizations are generally exempt from paying income tax but may need to pay tax on property income or capital gains. To form a non-profit corporation, after reserving a name, you would need to file non-profit articles of incorporation with the federal or provincial government. The corporation must hold annual meetings of at least 5 directors and members and must adopt bylaws. If incorporating federally, the cost in 2019 is \$250 plus \$100 for the extra-provincial registration fees. To incorporate provincially in BC, the cost is \$100.
- *Registered charities* are charitable organizations, public foundations or private foundations created to use resources for charitable activities and purposes such as: relief of poverty, advancement of education, advancement of religion, or other purposes

that benefit a community. Charities must apply to the CRA for approval and if successful, they will receive a registration number and can then issue donation receipts. Charities are exempt from paying income tax. To form a registered charity, after reserving a name, you would file non-profit articles of incorporation that contain required clauses to qualify for charitable status. The costs are the same as non-profit organizations above. In order to obtain charitable status, you will need to apply to the Canada Customs and Revenue Agency (CCRA) and expect a 6-18 month processing time. Before applying, it is suggested that you contact CCRA first to go over your corporation objectives and ensure that your activities and programs will be considered for charitable registration.

- *Community Contribution Companies (CCC or C3)* are a hybrid between profit-driven corporations and non-profit organizations. In 2013, the BC government introduced new regulations allowing a corporation to set up as a C3, allowing them to bridge the gap between the for-profit business model and the non-profit enterprise model. They are structured like a regular incorporated business but have a double bottom line, meaning that they are interested in financial success but also structured with a purpose to benefit society (e.g. health, environment, culture, education). Profits are desired and shareholders can be paid dividends, but only up to a limit of 40%. The remainder of profits need to flow to charitable portions of the business or to other charities. This is not yet a very popular structure (in 2015, only 30 C3s had been formed) but may be an alternative worth exploring. Costs for operation may be higher than a regular business



Quaaout Lodge & Spa at Talking Rock Golf Resort is a Little Shuswap Lake Indian Band property in the Skwllax territory in Chase.

as reporting and regulations are more stringent. For instance, annual reporting for a C3 must also show how it is meeting its social, cultural or environmental goals. Also, three directors are required. An example may be a café set up to train and employ marginalized community members but still make a profit.

A Cooperative

A cooperative is a legally incorporated corporation that is owned and democratically controlled by an association of persons. It is usually used to access products (e.g. consumer co-op like a co-op gas station), sale of products (i.e. processes and markets goods and services like an artist co-op), provide employment for its members (e.g. worker co-op), or structured as a multi-stakeholder co-op (e.g. a health co-op that provides naturopathic services alongside physiotherapy and acupuncture). Some Indigenous community-owned businesses run as cooperative corporations, allowing shares to be issued to membership on an equal basis. This is different than share capital corporations where individuals can buy multiple shares and thus increase their influence in the company.

Some cooperatives such as housing cooperatives are structured as non-profit entities, meaning surpluses are not distributed to members but instead are re-invested in the non-profit and its assets.

A Joint Venture (JV)

A Joint venture (JV) is another tool that Indigenous communities commonly use to capture benefits from opportunities - such as mining, forestry, fisheries, tourism etc. A JV is like a partnership except that it involves joining two or more companies (as opposed to individuals) in business. An existing business may enter into a joint venture with an Indigenous organization to share resources, skills or expertise and to create mutual benefit. Entering into JVs can offer Indigenous IEDCs a foot in the door when they may not yet have sufficient capacity to carry out big projects. JVs can be incorporated or unincorporated. An *unincorporated JV* involves a written contractual agreement that is easier to implement and less complex to operate and can allow for subcontracting (and tax advantages), but can open your community up to liability if something goes wrong. An *incorporated JV* involves creating a new company (separate legal entity) where the Board of Directors is made up



of representation from both companies depending on share values. This model is more complex and provides less flexibility for the Indigenous community (board must consider the best interests of the company and not necessarily of the community), but can provide for higher profits and less liability. A Shareholders Agreement should be drafted to ensure clarity about operations and share benefits and liabilities.

Before entering into a JV, it is important to undertake "due diligence" and ensure that objectives for both partners are clear and defined. For instance⁴:

- The Economic Development Strategy should have a clear idea of the community's vision of its future and how business development can help reach that goal;
- The community needs a solid understanding of the business being negotiated through an agreement;
- The community needs to understand where they have leverage and how to use it in business negotiations;
- The community needs to prepare for negotiations by examining the community's long-term interests and the range of benefits that the community can bring to a deal and want from it; and

- The community needs to make certain a negotiating strategy and team to capture those benefits.

Despite these similarities, negotiating a JV differs from a Business Agreement in several essential ways.

- The signatories of JV agreements can behave more like partners because they select one another; and
- The JV agreement is actually made up of three agreements: The Heads of Agreement, a Shareholder Agreement, and finally, the Management Agreement:
 - The Heads of Agreement is a document that clarifies the major points of each section of a Shareholder Agreement.
 - A Shareholder Agreement is a document that puts into formal legal language all the important benefits and protections expected as identified in the Heads of Agreement.
 - The Management Agreement is a document that details what is to be reported, to whom, when, and in what form, as well as the management's role in increasing the knowledge and skills of board members.

As can be seen from the above, the importance of the community doing its homework to be as prepared as possible cannot be understated. The following flow chart⁵ on the next page demonstrates the JV negotiation process culminating in the three documents/agreements.

⁴ Michael Lewis and Sara-Jane Brocklehurst, "Aboriginal Mining Guide: how to negotiate lasting benefits for your community" (2009)

⁵ Michael Lewis and Sara-Jane Brocklehurst, "Aboriginal Mining Guide: how to negotiate lasting benefits for your community" (2009)



Joint Venture Negotiation Process



Module 6 in the *Aboriginal Mining Guide*, "Negotiating a Joint Venture," provides a very detailed step-by-step process for how to go about negotiating and developing the various agreements. It is recommended that the reader refer to that guide at http://www.communityrenewal.ca/sites/all/files/resource/Aboriginal_Mining_Guide.pdf to get a complete picture of the process.

At a minimum, the following should make up the 12 standard sections of a Heads of Agreement⁶:

1. The Recitals: Who the parties to the negotiation are; what names each party uses to identify themselves; what the following document represents (usually, an agreement to do business under the terms outlined); and a statement

that tells the reader to witness that the parties have agreed to the provisions outlined;

2. Incorporation and Ownership Structure: The intent of the parties to form a JV; the JV's name; how the JV will be governed (under the laws of the province); how the JV's capital shall be organized in terms of classes of shares; and how the shares will be divided among the owners;
3. Scope of Business: What it is; where it will and won't take place; the duration of the business;
4. Commencement Date: When the agreement will take effect;
5. Directors and Officers: How many, who will nominate them, how they will report, and who will be the CEO;
6. Capital: The responsibilities of the parties to provide capital to the corporation; action to be taken should one party fail to meet its obligations under the agreement;
7. Equipment: The acquisition, lease, use, trade, and loan of equipment to the JV by either party or from some outside concern (as well as its disposal); methods of valuation, compensation, depreciation, and use;
8. Allocation of Profits: How profits realized from the development will be allocated to the relevant parties;
9. Management and Staffing: Which party nominates or seconds management; which approvals are required; what compensation is to be paid; the general intent of the parties regarding hiring and training;
10. Financial Reporting: The what, where, when, and how of financial reporting; when and under what circumstances audits will be performed;

⁶ Michael Lewis and Sara-Jane Brocklehurst, "Aboriginal Mining Guide: how to negotiate lasting benefits for your community" (2009)



Guests enjoy a hike near the Nk'Mip Desert Cultural Centre, an Osoyoos Indian Band business.

11. Shareholder Agreement: Puts into formal legal language all the important benefits and protections that are expected from the JV; and
12. Purpose of the Heads of Agreement: Formalizes the parties' agreement that:
 - a. A definitive Shareholder Agreement will be drafted;
 - b. Negotiations will continue as specified;
 - c. Confidentiality and exclusivity will be maintained; and
 - d. The parties will do all the things necessary to prepare the business for its date of commencement.

There may also be Protective Covenants included in the above agreement. These modify or restrict the behaviour of the parties in order to channel benefits to either to one or the other.

The JV Management Agreement will explain what is to be reported, to whom, when, and in what form, as well as the management's role in increasing the knowledge and skills of board members.



Spirit Bear Lodge is owned by the Kitasoo Xai'xais people with the mission of building capacity and employment opportunities for the people of Klemtu, BC.



Stop 4 Due Diligence

Due diligence involves taking reasonable steps to ensure that your IEDC and its businesses are legally ready to operate. The following Due Diligence Charts provide a simple checklist to review. This list outlines the areas of activity and review necessary for

operation of an IEDC - it also supports you to identify who will be responsible for ensuring tasks are complete and for keeping the status of each area up to date. Please note that not everything in this list is relevant to every opportunity.



Table 1: Checklist for Business Due Diligence

DUE DILIGENCE CATEGORY	DOCUMENTATION TASK	OWNER	STATUS
Business Plan	Current five-year Business Plan		
	Prior Business Plan		
Corporate organization	Articles of Incorporation		
	By-Laws		
	Recent changes in corporate structure		
	Parent, subsidiaries, and affiliates		
	Shareholders' agreements		
Shareholders	Minutes from board meetings		
	Number of outstanding shares		
	Stock option plan		
	Samples of common and preferred stock certificates, debentures, and other outstanding securities		
	Warrants, options, and other rights to acquire equity securities		
	Current shareholders, including number of shares owned, dates shares were acquired, considerations received, and contact information		
	Relevant private placement memoranda and other offering circulars		
Lenders	Convertible, senior, or other debt financing		
	Bank lines of credit, loan agreements, or guarantees		
	Loan defaults or expected defaults		
Recent corporate transactions	Description and rationale for each transaction		
	Purchase and sale agreements		
Regulations	Business licenses		
	Environmental permits		
	Workers' health and safety permits		



DUE DILIGENCE CATEGORY	DOCUMENTATION TASK	OWNER	STATUS
Market analysis	Competition by product line (include contact details, market size, market share, competitive advantages and disadvantages)		
	Industry and market research		
	Trade publications and contact information		
Marketing, products, sales, and service	Features and benefits of product offerings		
	Product roll-out schedule and product life cycle		
	Copies of patents and trademarks filed or obtained		
	Pricing strategy of product or service		
Financial statements	Descriptions of existing partners and joint ventures		
	Distribution channels		
	Three years of historical statements:		
	• Income statement		
	• Balance sheet		
	• Statement of cash flows		
	• Statement of shareholders' equity		
	Current Year-To-Date statements		
	Most recent five-year projections (pro-formas)		
	Monthly sales projections and sales pipeline over next 18 months, including assumptions		
Key financial ratios	Liquidity		
	Leverage		
	Operating efficiency		
	Profitability		
	Return to investors		
Taxes and audits	Historical tax rate		
	Federal and state net operating loss carry-forwards		
	Tax returns		
	Summary results of all tax examinations and audits		
Receivables	Accounts receivable turnover		



DUE DILIGENCE CATEGORY	DOCUMENTATION TASK	OWNER	STATUS
Capital expenditures	Accounts receivable aging schedule		
	Accounts receivable control and credit policy		
	Accounts receivable seasonality		
	Last five years		
	Five-year gross projection		
Equipment	Detailed priority list		
	List		
	Depreciation method		
	Age		
	Liquidation value		
Leases	Replacement value		
	Lenders		
	Terms		
	Interest rate		
	Payment schedule		
Litigation	Current litigation and potential damages		
	Potential litigation and potential damages		
Insurance	Property		
	Liability		
	Workers' compensation		
	Other		
Information systems	Description of infrastructure		
	Security layers		
Management	Backup strategy		
	Organizational chart (including number of employees by department)		
	Resumes for key managers and key employees		



DUE DILIGENCE CATEGORY	DOCUMENTATION TASK	OWNER	STATUS
Compensation and benefits	Management stock incentives		
	Cash compensation per employee (including salary, bonuses, commissions)		
	Summary of standard employee benefits (such as medical insurance, disability insurance, vacation)		
Other	Copies of pension and profit-sharing plans		
	Ownership interest		
	Employment contracts		
	Performance evaluation criteria		
References	Material transactions with insiders or associates of insiders		
	Executives: three references for each		
	Resumes of people involved in the organization		
	Lawyers: all legal relationships		
	All directors and significant affiliates - include brief biographies		
	Investors: list all individuals and institutional investors		
	Customers: list of top 10		
	Strategic partners		
	Consultants, freelance workers (current and historical)		
	Accountants (current and historical)		
	Bankers and creditors (current and historical)		
	Associations: all industry associations in which the company and management are affiliated or active		



Stop 5 Branding and Marketing

With all the pieces in place, operations of the IEDC are ready to go. It is important to ensure consistent branding and marketing. This includes branding your community and businesses, defining who your audience is and how best to reach them, and how to craft the perfect messaging.

A brand is a combination of unique design, symbol, and words that creates an image for a company or a product and sets it apart from the competition. Branding is not the product or service itself, but rather the association behind it. When someone says, "luxury car," more than likely a certain brand or image comes to mind.

A brand identity is the expression of what the community culture, personality, products and

services are, and what they have to offer. A great brand will connect with consumer values and inspire trust and loyalty.⁷

Branding is deeply rooted in storytelling. Indigenous communities have a long, proud tradition of storytelling, and today non-Indigenous people are looking for authenticity and genuine culture more than ever. This is an opportunity for all Indigenous communities in British Columbia.

The following chart outlines key aspects upon which a community should base their brand. These are examples of elements a brand can be built upon.

⁷ Gobe, M. (2009). Emotional Branding: The New Paradigm for Connecting Brands to People. New York, NY: Allworth Press.

Table 2: Examples of Key Aspects of your Community as a Focus of your Branding

KEY ASPECTS	EXAMPLE HIGHLIGHTS
History	Oral traditions, creation narrative
Culture and language	Language, dialects, music, storytelling, dance, art
Natural attributes	The land, rivers, mountains, ocean, forests, etc., and how they have shaped the Nation
Outdoor activities	Wildlife, fishing, hiking, mountain biking, canoeing/paddling, other recreational activities
Current relationships with outside communities/organizations	Current community partners, current obstacles
People	Skills, education, enthusiasm, skepticism
Goals	Economic, political, tourism, investment
Constraints	Internal and external factors that are preventing you from growing
Perceptions	Internal, external, community pride



Indigenous Eco-tourism offers many benefits to communities through locally created employment opportunities and provides an alternative economic development model from resource extraction.

A strong brand adds value to Indigenous communities, and the services, products, and destinations associated with them. From a destination or community perspective, a strong brand attracts long-term partners, local and regional backers, government support, and creates community pride. Community pride and loyalty help create a sense of togetherness, and exemplifies to external stakeholders that people enjoy living and working in the community. Branding can be an important tool when it comes to economic development and growing communities. By having a clear, powerful brand, it is easier to market the community to prospective businesses and funding opportunities, which will help Indigenous businesses continue to grow.

For Indigenous communities, there are some challenges when it comes to building a brand. Internally, there is a need to build consensus toward how the community can thrive today and into the future, and the values and vision can be of help to create that consensus. Externally, there is a lack of knowledge of the vibrant culture and history each

Nation possesses. A strong brand can unite community members while also showcasing and celebrating the culture, history, and environment that the community has to offer to current and future partners and visitors.

From a marketing point of view, a brand consists of all of the key aspects an Indigenous community want to highlight. The brand can be reflective of the Nation's Chief and Council, history, culture, or traditions. It is about bringing together the main elements that make each Nation unique, and finding ways to communicate it.

The overarching community brand is the umbrella or parent brand. A parent brand refers to selling multiple products or services under a single brand name. By creating a strong parent brand, you can build loyalty and equity in that brand name, which you can then pass on to any sub-brand you build.



Things to remember about Branding

Logos and slogans are just part of your brand

While logos and slogans are a key part of a brand, do not get hung up on the visual aspect until you have defined your brand promise and your values. Logos and slogans should accurately represent your brand and brand promise.

A brand should evoke an emotion

Although a brand is represented through design, logo, and content, it is important to remember that successful brands build a personal relationship with their audience, and evokes feelings and emotions.

Successful brands have a narrow focus

You cannot be all things to all people; a strong brand needs to be authentic and focus on the key elements that make them unique.

Define who you are

Before setting out to create a brand, make sure you have a clear direction. Ask yourself things like: What do I want to be known for? What are some of my key values? What sets me apart from the rest of the competition?

Deliver on your brand promise

Make sure that your products, services and destination offerings are always delivering on your brand promise. What you promise your audience has to correspond with what your customers experience when they interact with your brand.

Get the right people involved

It is important to have the right people involved in the process of building a brand. Make sure that you have people who know what the brand goal and direction should be. Involving too many people in the process may

end up making it more difficult. You want to make sure that your brand is unique.

Start with a plan

Set out a plan on how you are going to build your brand. The plan can include assembling a team, finding the right graphic designer, engaging the community, getting feedback and buy-in.

Do your research

Take a look at your current brand, where you are today, and what *is* and *is not* working. This will give you a good starting point for where you need to go. Research other communities or brands to determine what works for them.

Be aware of possible road blocks

Sometimes politics, funding, or external events create obstacles. Try to identify some of the risks and road blocks that might get in the way of creating the brand, and develop contingency plans for them.

Build a Brand that best portrays your Economic Development Goals and Ideals

As discussed previously, you need to decide what the thrust of your brand will be; that is, what will attract businesses, partners, investments, and visitors. Most Bands and Nations promote a mix of business, culture, traditions and vision; you will need to develop your own unique brand stance.

To be successful and sustainable, a brand must:

- ***Stand for something.***

Brands need to have distinct personalities, values, and attributes that set them apart. An authentic brand is based on what you stand for, and it comes directly from your core values.



The U'mista Cultural Centre in Alert Bay supports the cultural heritage of the Kwakwaka'wakw.

- ***Make a promise and deliver.***

Brands must offer an ambitious, aspirational promise that evokes emotions, but most importantly, a brand needs to deliver on its promise.

- ***Be practical.***

Brands should be supported by a strong operational plan to ensure it can consistently deliver its promise.

- ***Be more than a logo.***

Brands live in every aspect of the community - from the products and services to the physical environments to the communication and the community members.

Developing a brand can be achieved through a disciplined process. This section provides you

with guidelines that will help you define the brand for your Indigenous community.

Marketing Strategies

The 5P's of Marketing

Product: What are you selling? What sets your product or service apart? What benefits does your product or service provide to your consumer?

Price: What is the price of your product or service? How does it compare to your competitors? What do your profit margins look like?

Place: Where will your product or services be available for purchase? Are they sold in person? Can people purchase your product or service online?



Promotion: How are you going to let the market know about your product? What are the marketing tactics you are planning on using and the expected results for each one?

People: Who are the people involved in helping you create or deliver your product? Are they sales people, or community members?

When writing out a marketing strategy, be specific and include detailed steps, visuals, and budget projections. Always keep your brand promise in mind, and make sure your marketing strategy aligns and delivers on your brand promise.

Focus on your audience

Defining your market clearly will help to develop your marketing strategy and define the tactics and channels that will give you the best results.

Businesses can be defined as either 'Business-to-Consumer' (B2C) or 'Business-to-Business' (B2B). This definition addresses who is the primary audience for the company. Different strategies can be designed to reach either B2B or B2C markets, and address the different needs, priorities, and challenges.

The first step is understanding how to market to each segment. See Table 3 for marketing strategies.

Table 3: Marketing strategies depending on audience as consumers or other businesses

	BUSINESS-TO-CONSUMERS	BUSINESS-TO-BUSINESS
Copywriting	Relatable and written in a simple manner	Industry-specific and more technical.
Triggers	Emotional – Needs to appeal to what drives a consumer to make a purchase.	Logic – Needs to appeal to the rational buyer in a company.
Style	Entertainment – Develop ads and content that entertain your audience.	Education – Inform your audience of the benefits and features.
Length	Brief – Develop content that is shareable and easy to read.	Detailed – Provide detailed descriptions and product specs.

Defining your target audience

It's important to know and understand your target audience, so you can build effective marketing strategies that fit their needs. Take some time to think through the following questions:

- What are the demographics (age, sex, profession, income, social status, education) of your market?
- What interests, values, and attitudes do your customers have? What is important to them?

- How do your consumers like to do business? Face-to-face or online? How much do they like (or expect) to pay? What sort of features or products are they looking for?
- Where are they located geographically?

How to reach your target audiences

After you have determined who you need to reach, the next step is creating a marketing strategy that will get to your audiences.

It is important to make the right media choices to fit your target audience and the product or services you are selling. Choosing the right channels means knowing where your audience spends their time. Does your audience read the newspaper? Listen to the radio? Or communicate on social media? Placing your marketing and advertisement where your audience spends their time will ensure you are reaching them.

How to define your key marketing message

The right marketing message will motivate and drive your audience to choose your product or service. Key marketing messages create cohesion and help to guide your marketing and advertising strategies. Here are 5 steps you can take to define your key messages⁸.

- *Review your goals* – Define what your company's goals are, and what you need to achieve. Are you a new company looking for brand awareness in the market? Or are you selling a new product to an established customer base? Knowing what action you want your target audiences to take, will help to define what your message is;



- *What sets you apart* – Knowing how your product or service is different from the rest is important. What sets you apart from the competition – are you better, cheaper, faster? Define what sets you apart, and what benefit you provide your customers in one to two sentences;
- *Know what your competitors are doing* – Research your competitors' messaging and understand what they're saying. Is their messaging resonating with their audience? Are your messages similar? Is there something that can set you apart?
- *Brainstorm key word* – What words do you want your audience to associate with your brand? Brainstorm words with your team and refine the list until you have a number of powerful and descriptive words; and
- *Test it out* – Once you landed on your messages, test them out. Mock up some advertisements or use them in conversations internally to see how they work, and what the reactions are.

⁸ Rebecca Joyner, "Messaging Matters: 6 Steps to Define Your Key Marketing Messages"



The key benefits of having a well-designed, well-constructed website are:

Develops consistent branding - Brands with a consistent look make a more memorable impression on consumers. Having consistent branding across different contexts such as your website, business cards, and social media makes your business look more professional.

Sets you apart - A quality website will set you apart from your competition and provide a better experience for your users. A quality website means showcasing all of your unique selling points in a way that is clear and consistent with your brand.

Good impression - You are the expert on your products and services, and when you look like an expert online, it lends credibility to your brand. People want to deal with authentic and credible brands.

More customers - How your website is designed and the content that you put on the site will determine how many people decide to buy something from you, or even come back to visit the site again. A well-designed website will help to engage customers and keep them coming back.

Websites: A Window to Growth

A website is one of the single most important marketing tools you can create for your business. Your website should be designed to fit your business needs. Depending on the products or services you offer, there may be different needs. Your website might be a simple site with a couple of pages, or it might require an online store or online booking and reservations system. The best thing to do is to determine what your website currently needs, and what it will need in the future up front. Your website should be built with the ability to scale up, so you can continue to add and redesign your website as your business grows.

If you are not sure what you need, you can start by looking at some of your competitor's websites. This will give you a good starting point to see the type of content they have on their site and what information they are sharing. Talking with a web developer will also help you to define the needs of your website before you begin building and designing.

Here are some questions to keep in mind when you're starting to think about your website:

- What's the main goal of the website? Is it to provide more information? Sell products online? Provide resources for your audiences?
- Who are the website audiences? These audiences should be in-line with your brand audiences. Think about your audience, and who will be using your website.
- What are some tools/options that you know you want to include? These could be things like an events calendar, a news area for press releases and updates, or an online store or booking system.

An important thing to remember is that a website is a public-facing marketing tool. Always go back to your branding document and make sure that whatever you do adheres to your brand guidelines, in both design and content. Like all aspects of your marketing, staying true to the brand is essential.



Finance and Budgets

Funding Access and Financing

Put simply, economic development needs money, access to money, or revenue streams that generate money to contribute towards projects. Financing is a key element of any opportunity's development and sustainability. Obviously, the easiest way to finance a project is to access savings. However, this is rarely option, and can be problematic if you want to protect your community from losing savings in the event of a business failure. In most cases, economic development projects are funded by various lending and granting programs.

The success of Indigenous economic expansion is linked to having a solid understanding of the available financial tools and services. Knowledgeable governments, business owners and individuals can create jobs and prosperity for their communities if they have the ability to navigate capital markets to acquire loans, credit, grants and other essential services.

Access to these financial services is not always as simple as it seems. Indigenous communities governments and individuals face some limitations that can inhibit their ability to access capital. The *Indian Act* dictates that Indigenous communities property cannot be used as collateral. Further, Band deficits from infrastructure projects are common and access to inexpensive loans is rare. These barriers discourage private investment and are a part of the chronic underlying issues, including institutional barriers and biases, that can hold Indigenous economic expansion back.

It is clear that efforts are being made to address institutional barriers and biases. The First Nations Finance Authority (FNFA) is a statutory not-for-profit organization without share capital, operating under the authority of the *First Nations Fiscal Management Act, 2005*. The FNFA's purposes are to provide Indigenous governments investment options and capital planning advice and, perhaps most importantly, access to long-term loans with preferable interest rates.

Another improvement has governments and business leaders beginning to offer alternatives to help bypass the legal and administrative barriers to Indigenous communities ability to leverage their territory and resources to support economic growth in their communities.

Funding Access and Allocations from Indigenous Capital Corporations, Banks and Foundations

Many banks have now expanded their services into Indigenous jurisdictions, providing capital to support start-up businesses and infrastructure. They are enthusiastically chasing the expected economic growth in Indigenous communities.

Before approaching a lender to persuade them to back your idea, it is important to have a compelling, memorable presentation. Their



The following commercial banks now offer services designed for Indigenous clients, including Indigenous communities:

Indigenous Banking - Royal Bank of Canada: <https://www.rbcroyalbank.com/business/advice/industry-expertise.html>

Aboriginal banking services | Business Development Bank of Canada: https://www.bdc.ca/en/i_am/Aboriginal_entrepreneur/pages/default.aspx

First Nations Bank of Canada - Personal Banking: <https://www.fnbc.ca/>

Aboriginal Banking – CIBC: <https://www.cibc.com/en/small-business/Aboriginal-banking.html>

Bank of Montreal (BMO) - Indigenous Banking: <https://www.bmo.com/Aboriginal/en/>

Services for Indigenous Peoples | Scotiabank: www.scotiabank.com/ca/en/0,,287,00.html

TD and Indigenous Communities in Canada: <https://www.td.com/document/PDF/corporateresponsibility/TD-and-Aboriginal-Communities-in-Canada.pdf>

Vancity Credit Union: Indigenous Communities: <https://www.vancity.com/BusinessBanking/Financing/SpecializedSectorSolutions/FirstNationsAndAboriginal/>

criteria might include credit history, management ability, stability of the business, or quality of the business plan. Some financing is only available to businesses in certain sectors, activities, or geographic regions. Every lender and investor will have specific criteria they want met before they will finance a business. To secure financing, it is essential to understand the details of what your lender needs.

The following strategies can help tilt the ball in the favour of the Indigenous borrower:

- Ensure that Indigenous entrepreneurs are well acquainted with services offered by banks, and in turn those banks may be more embracing of businesses;
- Gather the relevant evidence to show that investment risk in the community is low, far lower than many outsiders could assume;
- Have sound financial reporting processes; these will help to enhance Indigenous governments and their relationships with financial institutions;
- Raise the profile of existing successful community investments and case studies to boost investor knowledge and confidence; and
- Provide better communication of the community's positive financial record statistics to remove entrenched institutional barriers and biases.

When dealing with banks and other financial institutions, it is important to keep in mind the following points:

Character of the borrower

- Capacity of the borrower to repay the loan;
- Capital invested in the venture by the borrower;
- Conditions of the industry and economy; and
- Collateral available to secure the loan.



What questions do lenders often ask?

- What are the strengths and qualities of the management team?
- How has the organization performed financially previously?
- How much money is needed?
- What is the borrower going to do with the money?
- When is the money needed?
- How and when will the money be paid back?
- Does the borrower have qualified support people, such as a good accountant and lawyer?

Finally, when negotiating loans, whether from capital corporations, banks or foundations, the interest rate is going to be an important number to consider. However, it is far from the whole story. There are other factors that are just as important. Before committing, you should consider the following four issues⁹:

1. **Loan term** - How long a loan term is the lender willing to offer? Longer terms mean higher borrowing costs and lower payments, the question is whether higher costs in the long run are more of concern than lower payments each period;
2. **Loan size** - What percentage of the project's cost is the lender willing to finance? This will determine how large of an investment must be made and whether it makes sense to diversify the lending relationship with a second bank;
3. **Flexibility** - What is the lender's flexibility on repayments? Even the best plans can go awry due to unforeseen

developments. It is important to have a frank discussion with the banker about what would happen if scheduled loan repayments were unable to be made. Would the bank allow for temporarily suspended principal repayments, for example? It is important to find out ahead of time, not during a crisis; and

4. **Collateral** - What guarantees are being requested in case of default? This is where collateral is discussed. Are there assets that can be lost in case of a default? This risk may extend beyond the business to include community or personal assets. Collaterals can include accounts receivable, pledges and liens (equipment and other fixed assets), inventory, real estate (if applicable insofar as the borrower has a home that is owned privately), personal guarantees and third-party guarantees. The type of collateral offered depends on the nature of the business, the terms and conditions of the bank, and the leeway available to negotiate.

Attracting Investors

Another aspect of generating the funding needed to launch and manage your economic development project is attracting investors/partners into the process. The following "checklist" represents the main steps that a community, Economic Development Corporation or entrepreneur can follow in order to secure outside interest. Each step is a milestone, and the pursuit of capital normally demands a detailed and staged approach. Appropriate timelines can be attached to each step to create an Action Plan.

⁹ Business Development Canada, "Beyond interest rates: four factors to consider when shopping for a business loan"





Table 4: Checklist for Building a Case to Attract Investment/Partners

Task/ Milestone	Description	Timeline to Complete	Completed?
Research	<ul style="list-style-type: none"> A significant part of packaging for outside parties is preparation. What is the opportunity being offered? What does your market research show? Industry trends? Economic trends? Competition? Who are the major and minor players? 		
Know your Target	<p>Once you have successfully researched the parameters of the marketplace, it is critical to carry out research on the stakeholders who might be considered for investment. This is key in preparing yourself to approach prospective parties.</p> <ul style="list-style-type: none"> What is their history of investment? If they are public, how does their Annual Report vision/goals fit with your community economic goals? Do they have the financial resources you are seeking? Do they have any experience dealing, investing, or partnering with Indigenous communities? Who is their upper management, and how approachable are they? Do they share common values with your community? Wherever feasible, build a person-to-person exploratory relationship, and determine if there is a fit (i.e., operating style, common values) between you both. 		
Expectations from the Target	<p>Develop a profile of what features an attractive investor/partner would have.</p> <ul style="list-style-type: none"> What are you expecting from an investor/partner? It is important to keep in mind that you are still connected to a financial investor once the money is spent. Does the potential investor have other value that they bring to your project, such as marketing and/or distribution capacity, human resource and management training, and hard assets you may require (equipment, technology, infrastructure, etc.)? 		
What you Contribute	<p>Work to quantify a value for what your contribution to the project would be. The value of both (or more) parties is often explored and compared in terms of monetary contributions (cash or in-kind). This becomes part of the negotiations between the parties.</p>		
Guidelines for Investment	<p>Build a business model setting out how you see the investment structured, and what you are willing to share with the outside party. This sets the parameters for your negotiations.</p> <p>With the assumption that the investment funds get spent and the venture is operating, establish guidelines for each party's ongoing and even day-to-day contributions, roles and responsibilities.</p> <p>Draft a preliminary Partnership and Shareholders' Agreement that encompasses all of the above. A corporate lawyer can facilitate this agreement.</p>		



Task/ Milestone	Description	Timeline to Complete	Completed?
What's In It For Me Thinking	<p>"What's In It For Me" ("WIIFM") is part of the critical thinking that encourages investment procurement.</p> <ul style="list-style-type: none"> • Why would the party(ies) invest? • What benefits can they expect to accrue? • Does the scenario appeal to their plans to grow their own business? • Do they grow by acquisition, or grow internally? • Do they need to enter into a deal in order to stay competitive? Is this a "must do" situation for them? • Ego, pride, value and need are often considered "hot buttons" that trigger action. Do any or all of these apply to the target investor/partner, and, if so, can you capitalize on these features? 		
Dealing with People	It is important to continually remind yourself that, in fact, you are not dealing with "ABC Company." You are dealing with the decision-maker(s). Building personal relationships can significantly raise the possibility of structuring a deal and investment.		
PPE (Profit, Protection, Exit)	Any investment scenario must also encompass PPE, namely: How do I profit? How is my investment protected? How and when can I exit this investment relationship? These very features all need to be addressed in the Business Plan.		
Business Plan	<ul style="list-style-type: none"> • Creating a Business Plan is of the utmost importance. The critical factor here is that your Business Plan becomes as much of a sales/investment package as a plan for your business. • All Business Plans need to be targeted to the anticipated readers of the Plan. They are audience-driven. • Financial projections need to include: <ul style="list-style-type: none"> Start-up costs. Investment sought, and use of funds. The possibility of leveraging funds from government. Any such funds become your financial contribution to the project. Profitability, and the ability to sustain profits. Ability to repay loans. Positive cash-flow generation. Costs that can be controlled. Reasonable year-to-year growth. • Management from within your community is important, since it is unlikely the investor/partner will undertake a day-to-day role. 		
Visuals	Photos and any other visual aids will make the document more reader-friendly. These packages are the IEDC's calling card to a potential investor and should reflect the character, personality and culture of the Indigenous community to which this opportunity belongs.		
Window of Opportunity	In order to stress the importance of a timely investment, it is prudent to discuss the timing to launch the opportunity. This may be governed by market conditions or opportunities, government or regulatory changes, or any other factor that helps determine the expected and necessary timeframe for investment.		



Budgets

In creating an economic development strategy, you not only need to understand what financing is available but also how much operating the project will cost, in development, ongoing day to day operations and in any wind up or closure activities. A budget is a model of all expenses out and all revenues in. Ideally, at the end, you have more revenues than expenses and you generate a profit.

Developing a budget is essential for community led economic development strategies as well as for independent entrepreneurs. Remember, if you do not know where you are going, you may wind up somewhere you do not want to be.

Before we go through budget examples, it is worthwhile to understand the categories of items that are included:

- Start-up costs: What you need to get into business;
- Direct costs: If producing, importing or reselling – costs related to the product (e.g. freight, labour, packaging, etc.);
- Fixed costs: Same every month (e.g. rent, insurance, leases, etc.);

- Variable costs: The more you sell, the higher the costs (e.g. materials, shipping out, etc.);
- Semi-variable costs: Can vary monthly (e.g. salaries, advertising, telephone, etc.);
- Revenues: How much you will make on the sale of your product or service (expressed in units sold and dollars); and
- Profits: What is left after all costs.

Types of budgets

There are basically three types of budgets:

Start-Up Budgets to establish how much money you would need before you actually start generating any revenues. This would typically include "hard costs" such as equipment, computers, furniture, etc., and "soft costs" such as website development, legal, accounting, and, of course, working capital to pay monthly bills and costs as you launch and start to build your enterprise.

Operating Budgets will clearly demonstrate how much revenue you expect to generate, and what your costs will be. Your operating budget would include estimations of your revenues, labour, gross margins and operating costs to run your venture. Costs would include (but not be limited to) materials, insurance, rent, marketing expenses and administrative costs, etc. Operating costs would only include "cash-out" items, meaning that depreciation on equipment and such would not be considered.

Cash Flow Budgets are designed to show monies in and monies out of a business. Why is this necessary? Your revenues may be seasonal and impact on your ability to generate cash. Your collections of what your clients owe you might take longer than your need to pay suppliers and overheads like electricity, rent, leases or other items that demand attention on a timely basis. The net effect of all this determines what line of credit your business may need.



Lakeshore Resort & Campground offers unparalleled Ktunaxa cultural experience and opportunities to explore the beauty, recreation and relaxation on the shores of Lake Windermere, near Fairmont Hot Springs.



Review and Evaluate

Periodic review and evaluation of your IEDC will help ensure long-term sustainability. If the market is changing, you need to change with it. But you will only notice if you take time to review operations. Measuring economic results helps to demonstrate the impact and outcomes of the Economic Development Strategy and the ways in which it supports and deepens the community's values and priorities.

Measuring economic results accomplishes the following:

- Provides a "snapshot" of how a community is doing economically;
- When comparing between time periods (recommended every six months), the measure provides indicators of change, both positive and negative;



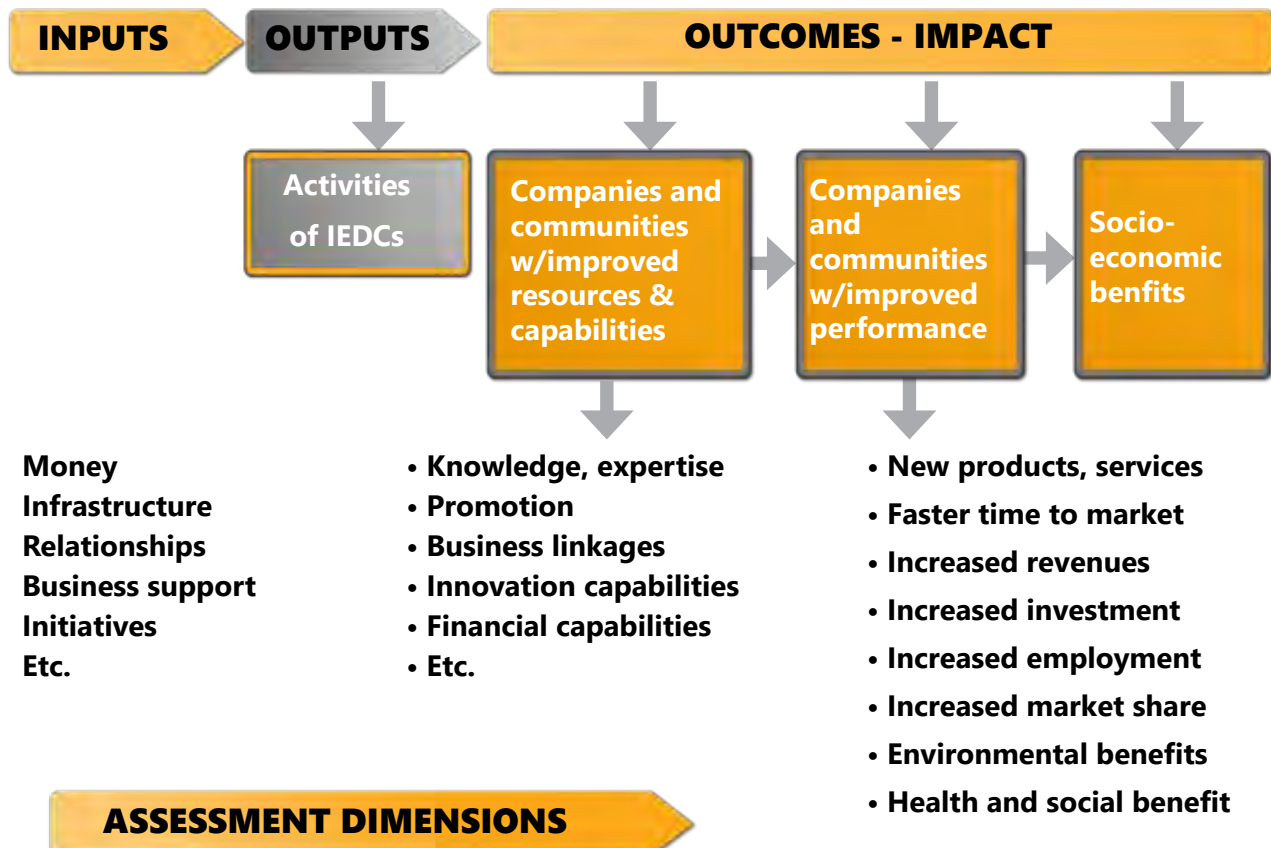
- Identifies where gaps may be in the economic sector of a community, (i.e., which assets are being underutilized);
- Further identifies the sectors that are contributing the most to the community's economic activity, and well-being;
- Highlights what sectors might demand the introduction of training programs, certification, or entrepreneurial training and mentoring;
- Allows the community decision-makers to compare the results against any strategic planning previously carried out, or, alternatively, provides a basis for future strategic planning focus; and

- Helps deliver "best land-use and asset allocation planning" by identifying what economic activity is best utilizing the community's assets.

Measuring success of the Economic Development Strategy and individual projects should be related directly to the goals and targeted economic drivers of the IEDC's. The impact of the IEDC can be demonstrated by assessing both the qualitative and quantitative results delivered by the organization. The Evidence Network generated a simplified model for measuring impact¹⁰.

¹⁰ Conor Meade, "Measure for Measure: The Unique Challenge of Assessing Innovation Programs' Impact" (15 March 2017)

Model for Measuring the Impact of an Economic Development Strategy or Project





Below are some categories by which the IEDC's performance and ability to deliver results can be measured.

Table 5: Qualitative Categories to review IEDC Performance

Community support, and the degree to which stakeholders agree with the IEDC's operations and holdings.
Interest from the community, and involvement in the IEDC's strategic planning and opportunity considerations.
Effective liaison with Chief and Council.
Contributions to the strategic economic planning and direction of the community.
Effective liaison and cooperation with the Economic Development Manager/Officer.
Relationship-building with the regional government, neighboring communities and businesses.
Networking activity at events and conferences to promote the opportunities of the community.
Positive media attention regarding the IEDC.
The degree of innovation in planning and delivery of its role.
Perceived strength of management.
Transparency and accountability of operations and performance.
Capacity enhancement of community stakeholders.
Support for community entrepreneurs, and deliver mentoring and training as may be viable.
Socio-economic development whereby IEDC's operations contribute to the health and well-being of the community.
Generating profits that were reinvested in IEDC-held community businesses.
New investments received into community-held enterprises under IEDC's mandate.
Joint ventures and strategic alliances entered into.
Loans repaid or paid down during the last year.
Asset value increase based on an independent valuation of the assets under the IEDC's control.
Number of Indigenous jobs created within the scope of the IEDC's economic development mandate.
Company growth of the corporations within IEDC's investment portfolio.
Performance targets met or exceeded.
Financial contributions to the well-being of the community.
New products, services or business interests entered into or generated.
Investment into existing businesses owned by community members.
Support modernization of community-held enterprises.
Investment in high growth and impact sectors that are expected to yield job rich and predictable economic growth.
Attract outside companies to invest or establish a presence in the community.



Table 6 shows a wide range of performance measures for an IEDC that involves multiple layers of businesses.

Table 6: Overall Performance Measures for an IEDC

Performance Benchmark	How It Measures
Businesses total	#
6i glbYggYgVmYa d`cna YbhigInY	#, %
6i glbYggYgVWYUHX`fVmjbxI gfmcf`gVWcfLj Yfg gU`Vi glbYggYg	#, %
9bhfYdfYbYi fg	#
6i glbYgg`dfc[fUa `dUfhVdUbhg`gh`]b`Vi glbYgg`%a)`mYUfg	#
9UgY`cZXc]b[`Vi glbYgg	ranking, rating, qualitative
GUhgZUMjcb`fUhb[`cZdi V`WgYfj]Wg	ranking, survey, qualitative
BYk`Vi glbYgg`gUfhI dgfi `cZU`L	#, %
6i glbYgg`Wcg`fYg	#, %, qualitative
GUYgfYj Ybi Y	\$
DfcZ]hUv`]Im	\$
DfcXi Vd]j]Im	\$
BYk`dfcXi Wcg`dfcXi W`bYgZgYfj]Wg	#, qualitative
9I dcfhg`UbX`fUXY`UMj]Im	%, growth
BYk`a Uf`YhXYj Y`cda Ybh	\$
5a ci bhczZ]bUbV]b[`dfc[]XYX`fUc`Vi glbYggYg	\$
@VW`Vi glbYgg`Ugg]g`UbW`dfc[fUa g!`i`h`nU]cbZgUhgZUMjcb`	#, survey, qualitative
Assessment of business workforce needs	rating, narrative
Change in educational attainment	#, % change
High school, college drop-out rates	#, %
Dcdi `U]cb`	#, % change
Mdi h`fYh fb`fUHY`UZHY`dcgh`gYVbXUfmYXi WU]cb	%
HU]b]b[`dfc[fUa g	#
HU]b]b[`WdUM]Im	#
BYk`XYj Y`cda Ybhdfc`YVWj	#, \$
FY`U]cbg`]dgk`]h`Vi glbYgg`	#, survey, qualitative
FY`U]cbg`]dgk`]h`fYg]XYbhj`	#, survey, qualitative
FY`U]cbg`]dgk`]h`YXi WU]cbU`]bghI h]cbg`	#, survey, qualitative
Di V`Wdfj]UHY`dUfhYfg`]dg	#, qualitative
7ca a i b]mci fYUW`!`a YYh]b[gZk cf`g`cdgZdfYgYbU]cbgZcfi a g`	#, survey, qualitative
7ca a i b]mYb[U[Ya Ybh!`ei U`]mZ]XYUg[YbYfUHX`cf`]a d`Ya YbhYX`	Interval scale (H,M,L), qualitative
@VW`#FY[]cbU`dUfhYfg`]dg	#, size, type
WZcfa U]cb`g`Uf]b[`k`]h`g`U`Y`c`XYfg	#, qualitative
Dcg]h] Y`a YX]U`Wj YfU[Y	#
K VVg]hY`fUb_]b[`fgYUFW`Yb[]bY`cdh]a]nU]cbk	#



Performance Benchmark	How It Measures
Community/client satisfaction	Interval scale (H,M,L), survey, qualitative
Client success stories	#, qualitative
Economic development expenditures	\$
Assessed values by category	\$
Cost of living	\$
Housing availability	#
Housing condition	#, %
Rents, monthly	\$
Building activity (commercial, industrial, residential, institutional)	#, \$
Access to capital (availability of local and senior government grants, loans, subsidies)	#
Jobs created (full-time, part-time, contract, seasonal)	#
Wages and salaries	\$
Average incomes - personal, family	\$
Average hourly wage	\$
Skills inventory	#, qualitative
Unemployment rate	%
Youth unemployment rate	%
Participation rate	%
Job openings	#
Partners	#, qualitative
Projects	#, qualitative
Recipients of training	#, qualitative
Entrepreneurs assisted	#, qualitative
Business survey projects	#, qualitative
Marketing campaigns, type, reach, efficiency	#
Marketing expenditures	\$
Goals met	#
Health facilities (hospitals, beds, health centres)	#
Average life expectancy, morbidity, mortality rates, other health measures	#
Schools	#



Aboriginal Journeys Wildlife and Adventure Tours is Campbell River's longest running whale watching and grizzly bear tour company.



Stop 8 Where Do We Go From Here?

In 2015, the Canadian Chamber of Commerce stated that Canada's ability to leverage its natural resource endowment depends on addressing concerns over the social impacts of resource development, especially in relation to how it affects Indigenous peoples and their communities. Many businesses recognize that Canada, as a signatory to the UN Declaration on the Rights of Indigenous Peoples, has committed to upholding principles of "free, prior, and informed consent". We are also seeing the tides of social acceptance in Canada turning and much of the Canadian population supports Indigenous actions that block the work of businesses that attempt to push through their lands without consent.

Further, even if courts side with the business, those who neglect to create support in the Indigenous communities they impact have seen their share values suffer and projects significantly delayed due to Indigenous protest.

Indigenous peoples are key players in determining Canada's economic future. A special report by TD Economics notes the following trends:

1. Recognitions of Rights and Title is changing the nature of Indigenous participation in Canada's economy;
2. Increasing access to resources and capital, settlements, interim measures,



specific claims, businesses and related activity, and other portfolios of financial and real assets, has increased the influence of Indigenous people in the Canadian economy;

3. Canada's Indigenous youth represent the fastest-growing domestic demographic in Canada, although significant gaps in access to education, infrastructure and training may hold this demographic back in urban and rural areas;
4. Indigenous groups are now seen as important partners in the development of land, major projects, resource extraction, procurement opportunities, and other economic activity across the country. Driven by both precedent in the courts as well as international recognition (UNDRIP, FPIC) and federal, provincial and industry reconciliation initiatives; and
5. Indigenous businesses are growing. Indigenous Rights, interests and significant land holdings, along with rapidly growing business opportunities, particularly in the resource sector, offer an opportunity to improve Indigenous economic outcomes and open up the potential of Canada's economic opportunities. In addition, the growing numbers of Indigenous youth represent an opportunity for the country to meet its impending future demand for labour posed by an aging workforce.

BC Indigenous Demographics and Trends

According to the 2016 census, the population of Indigenous people in BC was 5.9% of the total BC population. The majority of the Indigenous population reported a single

Indigenous identity - either First Nations, Métis or Inuk (Inuit).

The provincial government identifies nine key sectors that remain the foundation of the Province's economic development and have the most potential for growth. These sectors include:

- Advanced manufacturing;
- Agrifoods;
- Forestry;
- International education;
- Mining and energy;
- Natural gas;
- Technology and innovation, including clean tech and digital media;
- Tourism; and
- Transportation.

In addition to these nine key sectors, the provincial government also identifies climate leadership, international trade, and small business development as important cross-sector areas that will help drive competitiveness across the economy, supporting current and future growth in the province. These three areas were viewed as driving forces for BC economic growth, and cross cut all areas of the economy when the provincial government updated its Job Plan in 2017.

The time is ripe for Indigenous communities and leaders, looking to develop and operate an IEDC. We have a strong economy and are moving towards better and more positive relationships with Indigenous and non-Indigenous communities. We hope this booklet and the larger companion document *Indigenous Economic Sustainability Roadmap Book One* gives you the inspiration and tools to begin, support and expand your economic development journey.





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Assembly of First Nations**



BLACK BOOK SERIES

**INDIGENOUS
ENTREPRENEURS
ROADMAP
BOOK FOUR**



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U'mista Cultural Centre in Alert Bay off Vancouver Island offers vivid Indigenous art displays.

Why have the Black Books been developed?

According to Statistics Canada, the number of Indigenous entrepreneurs surged 85% between 1996 and 2006, and though the growth rate has slowed over the last decade, Indigenous people are far more likely to identify as self-employed than non-Indigenous Canadians.

According to the Canadian Council for Aboriginal Business, the majority of Indigenous businesses are home-based and focus primarily on local markets and within their own province/territory. These entrepreneurs tend

to operate small, community-based, unincorporated businesses with goals and strategies related to cultural values, community investment and concern for the environment. This reflects ingrained ideas of sustainability and leads to a focus on stability rather than growth and expansion. In fact, 73% of Indigenous businesses are unincorporated, 61% are operating as sole proprietors, and 12% are in partnership; while 27% are incorporated. This means that Indigenous entrepreneurs do it all: they understand their service and product, they navigate through business models, financing, marketing and website development, accounting and all the other aspects necessary to keep a business afloat.



This companion booklet to *Indigenous Economic Sustainability Roadmap Book One* is a guide for Indigenous entrepreneurs who want to launch or expand a business that will support their lifestyle and help to create a stable and growing economy in their community.

What are the Black Books about?

Entrepreneurship is rewarding and difficult. It requires determination, ingenuity and the stamina to keep moving forward, regardless of challenges. This is true for everyone, but for Indigenous entrepreneurs there can be other roadblocks:

- Access and rules related to equity/ capital and financing;
- The patchwork nature of funding envelopes and available support programs;
- The need for a formal business plan and collateral to qualify for financing; and
- The rural and remote location of many Indigenous communities, and the lack of reliable digital access.

This is compounded by the reality that the nature of Indigenous businesses does not always fit conventional, non-Indigenous structures and may not attract support in the same way.

Entrepreneurship offers an avenue to meet our people's expectations for community stability and growth and provides a mechanism to create wealth for future generations. This toolkit is a support and resources for Indigenous communities and entrepreneurial individuals. It provides planning, financing, budgeting, structural and staffing suggestions, direction and outlines. Assembled into one place are templates, assessments and decision making frameworks that support entrepreneurs, as they work to create strong, sustainable and vibrant Indigenous economies.

Who are the Black Books for?


Do you want more flexibility in your work schedule?

- Are you tired of working for other people?
- Do see a gap in available products or services that you could fill?
- Do you want to build a business that reflects your values and gives back to your community?

There are countless reasons why someone would take a risk and become an entrepreneur. This booklet is for Indigenous entrepreneurs who want to create or expand their entrepreneurial spirit and, more practically, develop and operate a viable business. A good business idea will only become a reality if you take a measured and educated chance. The Roadmap below will guide you through the conceptualization of a business idea, figuring out the best business structure, developing a business plan, seeking support and financing, staffing, budgets, marketing and branding, registering a business, some tools and supports for operating a business and finally, some suggestions about when and how to measure the impact of your business.

The Roadmap

Although there are many roads that lead to strong independent businesses, without proper planning, individuals can be stopped, or at least stalled, by frustrating obstacles. What follows is some general guidance for developing and operating your business idea that can help to support you, your family and enhance your community's economic development. Using a map of the major stages and considerations on the road to entrepreneurship, the Roadmap on the following pages provides an overview of the process.



Economic development is a cycle. Once a project is up and running, an impact assessment will highlight needed changes, areas of expansion or contraction, community impact and changes in support or resistance, as well as any other areas that feed back into the economic development opportunity.

STOP 1
Conceptualizing
an Idea.

STOP 2
Structuring
a Business.

STOP 3
Developing a
Business Plan.





Area 27 Motorsports Park near Oliver was designed by champion driver Jacques Villeneuve to test drive high performance vehicles. Area 27 is on land leased from Osoyoos Indian Band.



Conceptualizing an Idea: Is my idea worth developing into a Business?

If you have a great idea of a product or service, the first step is to sketch it out. Below are some major points associated with conceptualizing your plan.

What are you offering?

Check to see if the product or service already exists and if so, if there is room for one more. The internet is a great tool to see what is similar to your idea and research some of the challenges and successes that similar businesses have had.

Who would be your clients or who would buy your products?

Since most Indigenous businesses focus on local markets, you can ask potential clients to gauge their interest in what you want to offer. If your clients are not local or if you live in a remote community, that should not be an impediment. The internet has opened up excellent opportunities for easy marketing and

the ability to buy supplies online. However, you may be challenged by deficiencies in reliable internet and/or access to frequent postal services. If these issues are limiting your growth, speak with your community leadership so that they are aware of required investments to support entrepreneurial economic development.

What will it cost?

Consider your start-up costs and overhead. If you need supplies, is there a reliable supplier available and a backup (consider costs of backup as well)? Do you need additional training to be able to offer the product or service? If costs will be significant, consider how you will fund it (see *Stop 4* for information about financing and *Stop 6* for information about budget and cash management).



What will you need to give up in order to be successful?

Some entrepreneurs start small and operate their business on the side while still holding a job. Not all employers will allow this to happen, especially if your product or service is similar to theirs. If you plan to operate your business on the side, will you have support to help take care of children, cover household duties, can you give up sports or other hobbies? If you will need to work full-time on the venture, do you have financial resources to last until profits are realized? After considering these issues and if your idea is still something you want to continue exploring, move on to considering a business structure that fits your needs.

Using a SWOT to Create Clarity



A Strengths Weaknesses Opportunities Threats (SWOT) Analysis is a valuable planning tool that allows the entrepreneur to identify their own personal strengths and

weaknesses, as well as any opportunities and threats that exist in a business situation¹. In effect, it represents a "Balance Sheet" of assets and liabilities, both real and perceived.

The ability to honestly create the SWOT analysis and then review them objectively, or have a mentor evaluate them, can help determine a number of key factors that

govern the success or failure of a business. Some potential questions to consider include:

- Is this the right business for you, and are you the right person, with the necessary skills and qualifications, to run it?
- Will the venture give you what you hope to get from entrepreneurship?
- Is this a personal growth opportunity?
- Is there an identified need, and an equally identified customer base for the business?
- For existing business owners, does the SWOT lay out a pathway for growth, diversification and success?
- Will the impact on the community be a positive one?

The spectator mode

It is difficult to be objective, particularly when analyzing yourself and your business. People tend to wear "rose-coloured glasses," that cause them to see (and enhance) the best and downplay (and dismiss) the worst of any situation. It is human nature.

A key technique to get the maximum benefits from a completed SWOT is to employ "The Spectator Mode." Take a step back. Look at the results objectively, as if you are in the stands as a spectator watching a sporting event.

This kind of perspective is often best achieved by reviewing your SWOT several days or weeks after you actually create it, or by having an objective outside party review it with you, and question some of your responses. This is not a test that can be - or needs to be - scored. It is a process of generating "snapshots" of yourself as an entrepreneur, and your proposed or already existing business.

¹ Mind Tools, Personal SWOT Analysis from Alyssa Gregory.



CrossRiver Wilderness Centre is a successful, family run property in the Ktunaxa territory near Columbia Lake in the Kootenays that offers inter-cultural sharing.



How do I Structure my Business?

Before registering a business, you will need to understand the risks that you will be undertaking and, if these are substantial, how to structure your business to reduce personal liability.

There are four main types of business structures: sole proprietorship, partnership, corporation and co-operative. Partnerships, corporations and co-operatives tend to be the structures of choice for community-run businesses and are discussed in more detail in *Stop 3 of Indigenous Economic Sustainability Roadmap Book One*. Individual entrepreneurs tend to favor sole proprietorship and incorporation. If (at least at first) your business is going to be small with little overhead and minimal risk of jeopardizing your finances, you may choose to become a sole proprietor. If your business is larger, has expensive overhead that requires financing, and failure would be a big risk to your personal finances, you may choose to incorporate.

Sole Proprietorship is a business model favoured by many Indigenous entrepreneurs due its relative ease of set-up. Sole proprietors are usually individually owned and operated and the individual is fully responsible for all debts and obligations related to the business. However, all profits are also kept by the individual. The advantages of this model are that it is easy and inexpensive to register (about \$40 in 2019 at bcbusinessregistry.ca) and minimal capital is required for start-up. The disadvantages include unlimited liability (i.e. a creditor can make a claim against your personal assets and business assets to satisfy any debts) and higher taxes if your business is profitable. This business structure is often used when people are dipping their toes into business ideas and is a good model for smaller, home-based businesses without employees and with lower annual revenues. Also, some large businesses and government agencies prefer to subcontract independent consultants as it reduces their requirements for paying employer taxes as well as providing a low-



risk opportunity to test out working with an individual. Examples include independent consultants offering policy advice, and website designers.

Incorporated businesses are typically larger businesses, sometimes with employees and higher overhead and revenues. Incorporation can be done at the federal or provincial/territorial level. Incorporating at the provincial level is slightly cheaper and is good if you only operate in one province. Whereas federal incorporation provides name security and allows you to operate in multiple provinces or territories. Advantages of incorporating include easier access to capital, better eligibility for government funding and the fact that a corporate business is a legal entity and you won't be personally liable for business debts or obligations. There are also tax advantages if

revenues are high. A Canadian controlled private corporation pays a much lower rate of federal tax on the first \$500,000 of active business income due to the small business deduction than an individual taxpayer. Disadvantages include more expensive and complicated set up and ineligibility for tax exemptions under Section 87 of the *Indian Act*. As a result, on-reserve businesses are less likely to be incorporated.

To incorporate a business federally, the cost in 2019 was \$200 if filed on-line, plus \$75 for a name search. To incorporate a business in BC, in 2019 the cost is \$350 plus \$30 for the name approval fee. To incorporate an unlimited liability company in BC, the cost in 2019 is \$1000 plus \$30 for the name approval fee. Annual reports must also be filed, at a cost of \$43.39 each year.



Stop 3 Developing a Business Plan

Developing a business plan is an integral part of any business development strategy and is often necessary for access to financing or government funding. Developing your plan brings the idea out of your head and shows potential funders or supporters that you have spent some time thinking about the details that will float or sink a business. There are great business plan templates online, and we have already discussed some of this in the conceptualization. Some major steps are:

1. Overview of your business proposal: Provide a description of the business, including answering what is the product or service? Who is the customer? What are the current trends in the industry?
2. Sales and marketing plan: Who are your customers and suppliers? Are there similar products or services locally? If so, is there room for one more? How have similar products or services fared (locally or elsewhere)? How much overhead do you need up front to begin? How long before you create revenue? Will you survive if costs of overhead increase?



3. Operational plan: Where will you be located (e.g. home office, rental unit, other)? What kind of equipment and technology is required? What is the environment in which you will operate? Who are your key employees? What are the policies and procedures for operation? What are your timelines?
 4. Organizational legal structure: What business structure will you use (see above)? Are there any liability concerns? Who are the key people and what are their skills associated with the proposed job? Do you intend to grow? Will you outsource some of the work (e.g. accounting, website, etc.)?
 5. Key financial data: If you need financing, how will you use the money? How will you repay the loan? Investors will want to see expected return and projected growth. What is your personal and business net worth? How is your credit history? Do you have assets as collateral? What is your cash flow forecast? What are your financial projections for at least 2 years?
- Make sure the reader understands what your business is all about, and what products/services are part of your business;
 - Do your homework and understand the market and competition. Tell the reader how your product or service is different and why it will succeed;
 - Where you are quoting statistics, population, demographics, etc., make sure you footnote or cite the sources of that information. Also, make sure those sources are the most current, and not based on out-of-date data; and
 - Avoid general overarching statements. An example would be "This business will become a major player in the region," "We intend to capture a large portion of the market," or "Customers will really like what we offer." Readers will take exception to general statements like these and may discount the value of your Business Plan.

Writing your Business Plan

This section will give you some essential format and content suggestions to help you create better and more user-friendly Business Plans.

It is important to remember the following points when developing a plan:

- Get straight to the point. A short, concise Business Plan is what people want to see, whether they are interested community members or investors;
- Wherever you can, use graphics, colours, photos and charts. They are visually appealing to the reader;
- While you do need to show some credentials, a Business Plan is not a resume;

Know your audience

Your Business Plan should be focused on who will read it, and what you are hoping to achieve with it. If it is intended for a funder, for example, it needs to give that funder the confidence to extend funding or grants to you.

As an exercise, picture yourself on the other side of the desk, listening to someone talk about their plan. What would YOU want to hear? Make sure your plan includes those items.

Many of the sections in a Business Plan can best be described as "show me." Show the reader that you have considered all (or most) of the elements in the plan and are comfortable with it. A Business Plan should also convey your vision and goals. By demonstrating that the venture is a personal ambition, it demonstrates entrepreneurial commitment.



Structure of a Plan

The following is a suggested template which sets out the structure of a Business Plan. While there are a number of templates that can be used, this one has the needed information and does a good job of describing the information each section should contain. It also clearly identifies what the reader is expecting to learn and understand about the project.

Executive Summary

This section should:

- Be written last;
- Provide an enthusiastic snapshot of the project, explaining what it will do and why; and
- Be no more than two pages in length.

After reviewing this section the reader should:

- Want to learn more about the project.

Project Description and Vision

This section should include:

- Mission statement (project purpose);
- Vision (statement about growth);
- Goals and objectives; and
- List of key project principles.

After reviewing this section the reader should know:

- What the project is, and what it stands for;
- Your perception of the project's growth and potential;
- Specific goals and objectives of the project; and
- Background information about the project.

Definition of the Project(s)

This section should:

- Describe your project industry and outlook;
- Review the market research done, and what the conclusions are;
- Define the critical needs of your perceived or existing market;
- Identify your target market;
- Provide a general profile of your targeted clients;
- Describe what share of the market you currently have and/or anticipate; and
- How it will meet the needs and values of your community.

After reviewing this section the reader should know:

- Basic information about the industry you operate in and the customer needs you are fulfilling;
- You have carried out market research, and understand the findings;
- Market research justifies the project you have chosen; and
- The scope and share of your project market, as well as who your target customers are.

Description of Products and Services

This section should:

- Specifically describe all of your products and services;
- Explain how your products and services are competitive;
- If applicable, reference a picture or brochure of your products, which would be included in the plan's appendix; and
- How they will benefit the community.



After reviewing this section the reader should know:

- Why you are doing the project;
- What your products and services are and how much they sell for; and
- How and why your products and services are competitive.

Operation and Management

This section should:

- Provide a description of how your project is organized, as well as an organization chart, if available;
- Describe the legal structure of your project (e.g., proprietorship, partnership, corporation, etc.);
- Identify necessary or special licences and permits your project operates with; and
- Provide a brief biography of key managers within the project.

After reviewing this section the reader should know:

- The legal form of ownership for your project;
- Who the leaders are in your project as well as their roles; and
- The general flow of operations within the firm.

Marketing and Sales Strategy

This section should:

- Identify and describe your market - who your customers are and what the demand is for your products & services;
- Describe your channels of distribution;
- How you plan to reach your clients/customers;

- Why your products/services will be able to compete well, and meet the need of the market; and
- Explain your sales strategy, specific to pricing, promotion, products and place (4Ps).

After reviewing this section the reader should know:

- Who your market is and how you will reach it; and
- How your project will apply pricing, promotion, product diversification and channel distribution to sell your products and services competitively.

Financial Management

This section should include:

- For a new project:
 - Estimate of start-up costs.
 - Projected balance sheet (1 year forward).
 - Projected income statement (1 year forward).
 - Projected cash flow statement (1 year forward, on a monthly basis).
- For an existing project:
 - Balance sheets (last 3 years).
 - Income statements (last 3 years).
 - Cash flow statement (12 months).
- If applying for a loan (in addition to the above):
 - Current personal financial statement on each principal.
 - Federal tax return for prior year.



After reviewing this section the reader should:

- Have a good understanding regarding the financial capacity and/or projections for your project.

Operational Plan

This section should include:

- Facilities and location;
- Project licence and registration.
- Staffing requirements; and
- How you propose to operate your project.

After reviewing this section the reader should know:

- The operational aspect of your project is well planned.

Conclusions

This section should include:

- Timelines to get started;
- Windows of opportunity;
- Identified risks, and how they will be dealt with;
- The ability to run this project; and
- Community contributions (skills, funds) to get this project going.

After reviewing this section the reader should know:

- There is the ability to run this project;
- There is the ability to succeed in this project;
- The idea is well planned; and
- Risks are identified and can be dealt with.

Appendices

This section should include:

- Key team resumes;
- Evidence of cash/equity to put into the project;
- Letters of support;
- Estimates for any outside contractors you may be using (e.g. builders, etc.); and
- Marketing material.

After sketching out your business plan, it is also worth the time to determine what kind of support you will have from your community as an entrepreneur. If there is no support, that is ok, you can still succeed! If there is support, there may be free or inexpensive resources available that can save you time and money down the road.

The following questions can help you evaluate the available community support:

1. Are there any organizations or committees in your community that support entrepreneurs? (e.g. Chamber of Commerce, Small Business Enterprise Centre, committees of business owners, committees under Council)
2. Does your community have an incubator or other facility that helps support the creation and growth of new businesses?
3. Does your community have an Economic Development Strategy that covers entrepreneurs and may include branding and marketing, financing and other support?
4. Are business training opportunities provided by your community? (e.g. how to write a Business Plan, how to do a market analysis, how to develop a budget, etc.)
5. Has your community identified public and private sector leaders capable of



creating an entrepreneurial environment and acting as mentors?

6. Does your community have a strategy for improving the entrepreneurial environment in the community?
7. Is there an organization or committee that provides assistance to help retain or expand local businesses and industry?
8. Are local owners of business and industry committed to working with the community on improvements?
9. How many businesses have closed in the last year?
10. What is the failure rate of local businesses?



Stop 4 Seeking Support and Financing

Even though you may have a great idea and may be an expert in your product or service, starting a business requires you to navigate whole new areas of government regulations and business practices. When conceptualizing your idea, you determined if your business will be supported by your community through the Economic Development Strategy and other services available for membership. If not, there are still ample services to support and train entrepreneurs to set up businesses.

Support

Some examples of programs set up to support Indigenous entrepreneurs are provided below:

1. Perhaps the best-known dedicated Indigenous entrepreneurial program is the Aboriginal Best Program (AB BEST, at <http://aboriginalbest.com/>). AB Best is delivered throughout BC by the Canadian Center for Aboriginal Entrepreneurship (CCAE, at <http://www.ccae.ca>). The AB Best program has been delivered in 130 Indigenous communities, served over 3,000 participants and has helped start hundreds of businesses. AB Best is sponsored by the BC Ministry of Advanced

Education, Skills and Training, with additional funding from the Canada-BC Labour Market Agreement, and support and funding from Vancity Credit Union².

2. Another dedicated Indigenous entrepreneurial development program is "Hello, I Am an Entrepreneur." This program encompasses a series of 12 workshops, and includes unlimited mentoring, guest speakers, resource materials, and extensive entrepreneurial materials and videos (www.helloiamanentrepreneur.com).
3. Delivered by Synergy Management Group (First Nations First Consulting) www.synergy1.org, this program focuses on "real world" business training and mentoring with successful entrepreneurs. It was nominated in 2017 for the *Corporate Visions Magazine* Award, and was featured in the June 3, 2017 issue of Victoria's *Times Colonist*³.

² "Aboriginal Best", Canadian Centre for Aboriginal Entrepreneurship

³ Carla Wilson, "Aboriginal Entrepreneur Program Offers"



Funding

In terms of financing, historic biases in financial institutions have often excluded Indigenous peoples from accessing required financing. Because of this, there is an inherent anxiety in approaching funders – anxiety about who to approach, what to ask for, how to present your venture or idea, and what it takes to secure the funding needed. Fortunately, there are many institutions that support Indigenous people in economic development and in securing financing. For instance:

Aboriginal Capital Corporations

There are four Aboriginal Capital Corporations in BC. They are mandated to represent the major Indigenous funding programs, receive and review submissions, assist Indigenous entrepreneurs, and disburse funding based on availability and the number of funding requests received.

All Nations Trust Company

520 Chief Eli Larue Way
Kamloops, BC V2H 1H1
Phone: 778 471-4110
Fax: 250 372-2585
Toll-Free: 1-800-663-2959
<http://www.antco.bc.ca/>

Nuu-chah-nulth Economic Development Corporation

7563 Pacific Rim Hwy
Port Alberni, BC V9Y 8Y5
Phone: 250 724-3131
Fax: 250 724-9967
Toll-Free: 1-866-444-6332
<https://www.nedc.info/>

Tale'awtxw Aboriginal Capital Corporation

508-100 Park Royal South
West Vancouver, BC V7T 1A2
Phone: 604 926-5626 (LOAN)
Fax: 604 926-5627
Toll-Free: 1-800-779-7199
<http://tacc.ca/>



Drummer at Bill Reid Gallery of Northwest Coast Art in Vancouver.

Tribal Resources Investment Corporation

344 2nd Avenue West
Prince Rupert, BC V8J 1G6
Phone: 250 624-3535
Fax: 250 624-3883
Toll-Free: 1-800-665-3201
<http://www.tricorp.ca/>

Each of these Aboriginal Capital Corporations administers both grant (non-repayable) funding and loans within their specific region. For example, Tale'awtxw Aboriginal Capital is responsible for Coast Salish in BC's Mainland and on Vancouver Island from Campbell River to Victoria, while Nuu-chah-nulth Economic Development Corporation serves western Vancouver Island. However, there is overlap between organizations.



Get to know your funder, and let your funder know you

Regardless of the levels of contributions quoted on websites, resource materials, and even this toolkit, funding contributions vary depending on the following:

- The availability of funds within each organization;
- Budget allocations from governments;
- Gauging the degree of risk in the enterprise;
- Personal background, experience, credit history and security;
- Fluctuating interest rates that impact the investment pool; and
- The success rate of each of the funding organizations.

The level of funding support that any Indigenous entrepreneur may receive varies depending on any or all of the above factors. The following suggestions will help to secure the greatest level of contribution:

- Understand the programs and the grant or loan criteria required by funders. A careful review of funders' websites will provide greater depth of information regarding programs, admissibility criteria, eligibility and changing program guidelines, interest rates and expectations;
- Be well prepared with your Business Plan. Be prepared to justify your business idea (or existing business), personal references, credit history, personal skills, and ability to repay any loan portions. Collateral may or may not be an issue, depending on the program and funder; and
- Get to know the officers at the appropriate funding agency, and let them become familiar with your project and you.

Indigenous grants

Grants are non-repayable contributions towards a project, start-up, expansion, or acquisition of an existing business. Grants are the most sought-after funding assistance source. The business activities below indicate what amount of funding assistance might be available.

Project Costs	Typical
Developing business plans, marketing plans or feasibility studies	Up to 75%
Establishing a business or acquiring information technology	Up to 40%
Expanding/acquiring a profitable business or developing new products, services or production processes	Up to 30%
Implementing marketing initiatives	Up to 60%
Project-related management	Up to 75%
Accounting and professional business advice after you start your business	Up to 75%

The Business Equity Program is offered through the Aboriginal Capital Corporations, in partnership with Indigenous Services Canada. Contributing grants can range between 30% and 75% of various business activities. The applicant business must be 51% Indigenous-owned (minimum), contribute 15% of the equity required, be able to access financing (other than the grant), and have



active Indigenous-ownership involvement. A typical \$100,000 project for a commercial venture would possibly be structured as follows:

Costs	\$	Financing	\$
Capital Costs	75,000	Cash Equity	15,000
Operating Costs	15,000	Business Equity Program	35,000
Marketing Costs	10,000	Loan	50,000
Total Costs	100,000	Total Financing	100,000

Indigenous loans

All the Aboriginal Capital Corporations offer conventional loans, generally up to \$250,000 at high interest rates (8% or more), and require 15% equity contribution from the Indigenous applicant. Their criteria include: a good Business Plan that demonstrates viability, adequate market research, good management, and an understanding of operations and financial projections.

The New Relationship Trust (NRT) partners with the Aboriginal Capital Corporations. For BC Indigenous (status or non-status) applicants, NRT provides a grant of \$5,000 or 15% of the project cost, whichever is less. Equity matching by the applicant is important. (<http://www.newrelationshiptrust.ca/>)

The First Citizens Fund (FCF) offers loans that are up to 40% forgivable, up to a maximum of \$75,000 for a lifetime. The business must be 51% Indigenous-owned. The interest rate for the loan portion is considerably higher than bank rates. (<https://www2.gov.bc.ca/gov/content/governments/indigenous-people/first-citizens-fund>)

It needs to be emphasized that how these funds are administered depends on a number of factors, some within the control of the Aboriginal Capital Corporation (risk assessment, etc.), others outside their control (budget allocations received from government).

Timing

With the grant programs, budgetary fiscal years start April 1st, coinciding with government annual budgets. Funding is generally received by the Aboriginal Capital Corporations after April of each year.

An influx of funding applications is generally received from September to March. With funding disbursed on a "first come, first served" basis, and with funding allocations from government declining, it is best to submit funding applications early.

Non-Indigenous Funders with Aboriginal Funding Programs

Business Development Bank of Canada offers an Aboriginal Entrepreneur Loan up to \$150,000 for start-ups and \$250,000 for existing businesses. Personal assets are not taken into account for collateral. See https://www.bdc.ca/en/i_am/aboriginal_entrepreneur/pages/default.aspx.

Vancity has a number of Indigenous microloans, up to \$75,000, at a rate of prime plus 3% and with flexible terms (five-year repayable). Vancity has developed a number of sector-specific Indigenous microloans as well, ranging from arts and culture to green businesses, and a host of sectors in between. See <https://www.vancity.com/BusinessBanking/Financing/SpecializedSectorSolutions/FirstNationsAndAboriginal/>.

Futurepreneurs, funded by Western Diversification, offers start-up or operational loans to young entrepreneurs (18-39 years old). Their terms and limits can be custom designed for individual projects. See <https://www.futurpreneur.ca/>.



Indigenous business opportunities are endless.

The Women's Enterprise Centre offers loans for women entrepreneurs. However, male business partners are acceptable, as long as the applicant, and majority owner, is a woman who is actively involved in the business. See http://www.womensenterprise.ca/networking_connections.

Victoria Community Micro Lending Society offers relatively small, flexible loans (\$250 up to \$5-10,000), and matches borrowers and lenders. See <http://www.communitymicrolending.ca/>.

All of the above, including the Indigenous and non-Indigenous lenders and grant agencies, have extensive resources on their websites, ranging from business plan templates to budget forecast models. Many also provide business-mentoring services to interested applicants.

Government contracts and proposal requests

While these are not direct funding opportunities, they do provide Indigenous companies the opportunity to bid on work. In some instances, the party issuing the bid may prioritize the opportunity for Indigenous bidders. This is apparent in social procurement situations, or similar scenarios, when the bid issuer needs or wants to comply with providing Indigenous opportunities. All Requests for Proposals are generally listed on the BC Bid website. Interested parties can search the ever-changing contract opportunity database, or join as a member and receive notifications of proposal requests as they materialize. See <https://www.bcbid.gov.bc.ca/>.

Indigenous funding handbooks

Below are two comprehensive handbooks on Indigenous funding that list most of the available programs and services available to Indigenous entrepreneurs, including proposal-writing advice and templates, for those working to access government ministry Requests for Proposals:

The BC Aboriginal Entrepreneur Funding Resource Handbook⁴ provides a comprehensive overview of funding programs and contacts, focused on the Indigenous entrepreneur. These include funders and other resource providers. (Note that funding programs change frequently, so source funders should be researched or contacted to confirm program availability.)

The Resource Manual for Indigenous Artists⁵ is a comprehensive manual that includes the following:

- Aboriginal arts awards and grants;
- BC Arts Council;
- Grant and proposal writing;
- Artist portfolio development;
- Branding Aboriginal art;
- Indigenous art labelling program;
- Careers in art; and
- Indigenous business and entrepreneurship resources, links and contacts.

Many banks have now expanded their services into Indigenous jurisdictions, providing capital to support start-up businesses and infrastructure. They are enthusiastically chasing the expected economic growth in Indigenous communities.

⁴ Synergy Mgmt Group Ltd, "BC Aboriginal Entrepreneur Funding Resource Handbook" (2016).

⁵ Victoria Native Friendship Centre, "Resources for Indigenous Artists" (2016)



Points for approaching lenders

When dealing with banks and other financial institutions, it is important to keep in mind the following points:

What are bankers looking for?

The 5 Cs Of Credit

- Character of the borrower;
- Capacity of the borrower to repay the loan;
- Capital invested in the venture by the borrower; and
- Conditions of the industry and economy.
- Collateral available to secure the loan.

What questions will lenders ask⁶?

- What are the strengths and qualities of the management team?
- How has the organization performed financially previously?
- How much money is needed?
- What is the borrower going to do with the money?
- When is the money needed?
- How and when will the money be paid back?
- Does the borrower have qualified support people, such as a good accountant and lawyer?

When negotiating loans from capital corporations, banks or foundations, the interest rate is going to be an important number to consider. However, it is far from the whole story. There are other factors that are just as important. Before committing, you should consider the following four issues:⁷

1. *Loan term*: How long of a loan term is the lender willing to offer? Longer terms mean higher borrowing costs, but this expense may be incurred to ensure cash flow problems are not an issue.
2. *Loan size*: What percentage of the project's cost is the lender willing to finance? This will determine how large of an investment must be made and whether it makes sense to diversify the lending relationship with a second bank.
3. *Flexibility*: What is the lender's flexibility on repayments? Even the best plans can go awry due to unforeseen developments. It is important to have a frank discussion with the banker about what would happen if scheduled loan repayments were unable to be made. Would the bank allow for temporarily suspended principal repayments, for example? It is important to find out ahead of time, not during a crisis.
4. *Collateral*: What guarantees are being requested in case of default? This is where collateral is discussed. Are there assets that can be lost in case of a default? This risk may extend beyond the business to include personal assets if there are any that fall into this category, such as vehicles. Collaterals can include accounts receivable, pledges and liens (equipment and other fixed assets), inventory, real estate (if applicable insofar as the borrower has a home that is owned privately), personal guarantees and third-party guarantees. The type of collateral offered depends on the nature of the business, the terms and conditions of the bank, and the leeway available to negotiate.

⁶ Dr. Bill Todorovic and Richard T. Doermer, "Financing and Capital Sourcing Options," (10 June 2010)

⁷ Business Development Canada, "Beyond interest rates: four factors to consider when shopping for a business loan"



Staffing and Employee Management

Finding the right staff to run businesses is an integral step in business development.

The Recruitment and Hiring Process

The following is a checklist for hiring employees:

1. Determine the need for a new or replacement position;
2. Create a profile of the ideal candidate;
3. Set the pay rate for the position;
4. Utilize online recruiting vehicles: network and post jobs on social media sites such as Twitter and LinkedIn;
5. Place a classified ad in online and print newspapers, post the classified ad on jobs boards and websites including your own company's recruiting website, post the position on professional association websites, and/or contact temporary help agencies;
6. Once you have a number of applicants for the position, screen resumes and/or applications against the prioritized qualifications and criteria established;
7. Create a short list of applicants;
8. Schedule qualified candidates for a first interview;
9. If they have not already done so, ask the candidate to fill out your official job application, upon their arrival for the interview;
10. Give the candidate a copy of the job description to review;
11. Have the candidates participate in any testing you may require for the position;
12. Interview the candidate about whether he or she is interested in the job at the offered salary and stated conditions. The personal connection is important. Make certain the candidate agrees that they will participate in any additional requirements for the position (i.e., background check, a drug screen, signing a Non-compete Agreement or a Confidentiality Agreement); and
13. If the candidate is right for the job, and they agree to participate in any additional requirements for the position, proceed with an offer letter.



Nk'Mip Cellars is a very popular destination for wine lovers, and is another successful Osoyoos Indian Band venture.



The following is taken from the *Reference Guide for Employers* and sets out the "Top 10 Things BC Employers Should Know":

Employees are entitled to the protection of the Employment Standards Act whether they are employed on a part-time, full-time, temporary or permanent basis, and whether they are paid by the hour, salary, commission, or piece rate. Failure by an employer to comply with the Act may result in penalties.

Keeping Records

Employers must keep records for each employee showing

- a) the employee's wage rate,
- b) the hours worked each day,
- c) benefits paid,
- d) gross and net wages for each pay period,
- e) deductions taken,
- f) dates of statutory holidays,
- g) vacations taken, and
- h) amounts paid.

These records must be kept whether the employee is paid by the hour, by salary or commission, or by piece rate.

Hours of work

When scheduling employees, employers must observe the

requirements regarding meal breaks, time off between shifts, scheduling split shifts, hours free from work each week, minimum daily pay and overtime.

Rates of Pay

Regardless of whether an employee is paid by the hour, by salary or by commission, employers must ensure that payment equals at least minimum wage for all hours worked.

Minimum Wage Rates are found at: <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/minimum-wage>.

Pay Days

All employees must be paid at least twice a month. A pay period may not exceed 16 days. All money earned, including overtime and statutory holiday pay, must be paid within eight days after the end of the pay period. Wages must be paid in Canadian currency and may be paid by direct deposit to



an employee's bank account if authorized in writing by the employee.

Vacation and Vacation Pay

An employer must give an employee an annual vacation of at least two weeks after 12 months of employment, and three weeks after five years of employment. After being employed for five calendar days, an employee is entitled to receive annual vacation pay of at least 4% of all wages earned for the first five years of employment and 6% after that.

Statutory Holidays

Employees who have been employed for 30 calendar days, and have worked 15 of the 30 days before a statutory holiday, are entitled to statutory holiday pay of an average day's pay. In addition, eligible employees who work on a statutory holiday are entitled to be paid time-and-one-half.

Leaves and Jury Duty

Employers must grant the following types of unpaid

leaves: pregnancy, parental, family responsibility, compassionate care, bereavement, reservist and jury duty.

Deductions from wages

An employer may only deduct wages as required or permitted by this Act or by other legislation (e.g., income tax, CPP, EI). An employer cannot require an employee to pay any portion of an employer's business costs, nor can an employer deduct advances and accidental overpayments from wages unless the employee has given written authorization.

Termination

An employer may terminate an employee if sufficient written notice or compensation in lieu of notice is provided. Employers must pay final wages within 48 hours of terminating an employee or within six days if the employee quits.



The BC Employment Standards Branch publication, *A Reference Guide for Employers*, is accompanied by a video and provides some important information regarding complying with the *Employment Standards Act*. It can be found at <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/employment-standards-act-quick-reference-guide-for-employers>.

There is also an “Employer’s Corner” at <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/employer-s-corner>.

Workplace Safety

The Employment Standards Branch of the BC Government administers the *Employment Standards Act and Regulation*, which sets out minimum standards for wages and working conditions in most workplaces.

WorkSafeBC was established by provincial legislation as an agency with the mandate to oversee a no-fault insurance system for the workplace. WorkSafeBC is mandated to do the following: promote the prevention of workplace injury, illness, and disease; rehabilitate those who are injured, and provide timely return to work; provide fair compensation to replace workers’ loss of wages while recovering from injuries; and ensure sound financial management for a viable workers’ compensation system. For more information, visit: www.worksafebc.com.

Employee Rights

From the employer’s perspective, it is important to understand the employee’s rights and govern themselves within the scope of establishing human resource policies for their business.

The website <http://tevlingleadle.com/frequently-asked-questions/>, published by an employment law strategies firm (Tevlin Gleadle Curtis, Vancouver), is a resource that provides information regarding employee and contractor / subcontractor issues, including:

- Employment contracts;
- Severance packages;
- Constructive dismissal;
- Restrictive covenants for departing employees;
- Misrepresentation of employment responsibilities;
- Sick leave;
- Dismissal;
- Bonuses;
- Job relocation;
- Gender, religion or disability grievances;
- Retirement obligations;
- Legal action against employers; and
- “Just cause” for dismissal.

The BC government also publishes a series of “Facts Sheets” regarding employment standards, from the perspective of employee rights. They can be found at the following:

<https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets>. <https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/termination-of-employment>.

<https://www2.gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/factsheets/just-cause>.



Budgeting and Cash Management

Lenders will want to see a well thought out budget. A budget is a model of all expenses out and all revenues in. Ideally, at the end, you generate a profit. Developing a budget is essential for independent entrepreneurs. Remember, *if you don't know where you are going, you may wind up somewhere you don't want to be.*

What Types of Revenues and Costs are in a Budget?

Before we go through budget examples, it is worthwhile to understand the categories of items that are included.

- Start-up costs: What you need to get into business;
- Direct costs: If producing, importing or reselling - costs related to the product (e.g. freight in, labour, packaging, etc.);
- Fixed costs: Same every month (e.g. rent, insurance, leases, etc.);
- Variable costs: The more you sell, the higher the costs (e.g. shipping out, etc.);
- Semi-variable costs: Can vary monthly (e.g. salaries, advertising, telephone);
- Revenues: How much you will make on the sale of your product or service (expressed in units sold and dollars); and
- Profits: What is left after all costs.

There are basically three types of budgets:

Start-Up Budgets are used to establish how

much money you would need before you actually start generating any revenues. This would typically include "hard costs" such as equipment, computers, furniture, and "soft costs" such as website development, legal, accounting, and, of course, working capital to pay monthly bills and costs as you launch and start to build your enterprise.

Operating Budgets will clearly demonstrate how much revenue you expect to generate, and what your costs will be. Your operating budget would include estimations of your revenues, labour, gross margins and operating costs to run your venture. Costs would include (but are not be limited to) materials, insurance, rent, marketing expenses and administrative costs, etc. Operating costs would only include "cash-out" items, meaning that depreciation on equipment and such would not be considered.

Cash Flow Budgets are designed to show monies in and monies out of a business. Why is this necessary? Your revenues may be seasonal and impact your ability to generate cash. Your collections of what your clients owe you might take longer than your need to pay suppliers and overheads like electricity, rent, leases or other items that demand attention on a timely basis. The net effect of all this determines what line of credit your business may need.

Building a Budget

Step 1: Develop a start-up budget

Start-up budgets should include everything you need to buy or pay for before you start



Start Up Budget

Category	Costs
Equipment	\$10,000
Facilities	\$12,000
Inventory	\$14,000
Promotion	\$18,000
Legal Professional	\$20,000
Working Capital	\$22,000
Website	\$16,000
Total	\$112,000

selling. These typically include items such as equipment, vehicles, furniture, computers, and other "hard costs" as well as "soft costs" like working capital needed, rent deposits, etc. A start-up budget can look like this example (numbers for reference only):

Step 2: Determine your labour costs

Determining your labour costs should typically include the number and types (i.e. part-time or full-time) of employees you might require, if any. A labour costs budget can look like the following example.

Labour Cost Estimates

LABOUR/ EMPLOYMENT	#	Salary	Total
Full-Time Jobs	2	\$40,000	\$80,000
Part-Time Jobs	1	\$15,000	\$15,000
Employee Benefits			\$23,750
Total Employment Costs			\$118,750

Step 3: What revenues do you expect to generate?

Since most budgets generally require three-year forecasts, there is a need to set annual estimated revenues for each year, and any increase expected in upcoming years.

If this is a new business, revenue estimates should be justified with units to be sold multiplied by selling prices, or contracts you expect to sign. If this is an existing business, then forecasts are based on the history/past performance of the business, and where you see it heading. An example of an estimated revenue budget is shown in the following table.

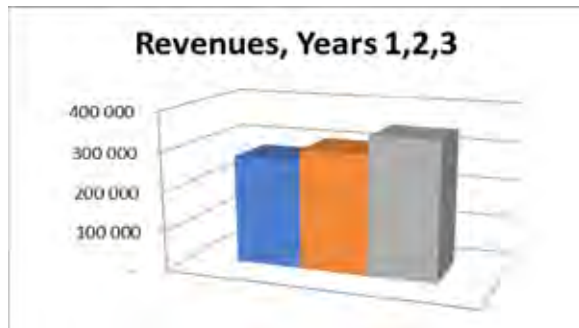
Three-Year Revenue Estimates

REVENUES	Year 1	Annual Increase (%)	Annual Increase (%)	Projected Revenues
Year 1	\$275,000			\$275,000
Year 2		1.1%	\$27,500	\$302,500
Year 3		1.15%	\$45,375	\$347,875



In budgeting, particularly for Business Plans and presentation purposes, converting data into charts and graphs is quite useful for the intended reader. Excel has the capability

of converting data into any type of graphic representation (www.excel-easy.com/data-analysis/charts.html).



Step 4: The Business Operating Budget

Often referred to as a "Profit or Loss Statement," this is an important budget schedule. It includes the revenues and labour costs you have developed in the previous steps.

ANNUAL OPERATING STATEMENTS	Year 1	Year 2	Year 3
REVENUES	\$275,000	\$302,500	\$347,875
COSTS			
Labour	\$118,750	\$130,625	\$150,219
Material Costs	\$10,000	\$11,000	\$12,650
Rent	\$11,000	\$12,100	\$13,915
Heat, Light, Power	\$12,000	\$13,200	\$15,180
Repairs and Maintenance	\$13,000	\$14,300	\$16,445
Transport Out	\$4,000	\$5,400	\$7,710
Supplies	\$15,000	\$16,500	\$18,975
Other	\$16,000	\$17,600	\$20,240
TOTAL COSTS	\$199,750	\$220,725	\$255,334
GROSS MARGIN	\$75,250	\$81,775	\$92,541
ADMINISTRATION EXPENSES			
Office Staff	\$12,500	\$13,750	\$15,813
Telephone, Communications	\$4,800	\$5,280	\$6,072
Computer & Office Supplies	\$1,200	\$1,320	\$1,518
Legal, Professional Fees	\$2,500	\$2,750	\$3,163



ANNUAL OPERATING STATEMENTS					Year 1	Year 2	Year 3
Taxes					\$1,000	\$1,100	\$1,265
Finance Costs & Interest					\$3,100	\$3,410	\$3,922
Licences					\$1,100	\$1,210	\$1,392
Other					\$1,200	\$1,320	\$1,518
TOTAL ADMINISTRATION EXPENSES					\$27,400	\$30,140	\$34,661
MARKETING AND PROMOTION							
Advertising					\$5,500	\$6,050	\$6,958
Website Maintenance					\$550	\$605	\$696
Sales Commissions					\$3,750	\$5,125	\$7,394
Car & Travel					\$2,400	\$2,640	\$3,036
Promotions					\$12,500	\$13,750	\$15,813
Brochures					\$2,000	\$2,200	\$2,530
Other					\$400	\$440	\$506
TOTAL MARKETING AND PROMOTION					\$27,100	\$30,810	\$36,932
NET PROFIT (BEFORE DEPRECIATION AND TAXES)					\$20,750	\$20,825	\$20,949

It also includes estimates for operating costs - the expenses you expect to pay out while you operate your business. As previously noted, some of these expenses are "Fixed" monthly costs (e.g. rent, leases, etc.), while others vary depending on how much you sell (e.g. shipping, marketing, travel, commissions, etc.)

A typical Operating Statement could look like the preceding example.

Step 5: Cash Flow Budget: Monies in and out

A cash flow budget will determine the answers to the following questions:

- Will your business have enough cash generated monthly to cover your expenses and salaries?
- Will you need a credit line to help cover any monthly shortfalls as you wait to collect your accounts from customers?

If you're running a business that is strongest during one part of the year, such as a tourist operation, how will that affect your cash availability? Will you be able to repay loans?

The following is a sample cash flow budget (not representative of any existing business):



Cash Flow Budget

YEAR ONE CASH	Year 1 Total	Month1	Month 2	Month3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Cash In														
Revenues	275,000	13,750	16,500	16,500	19,250	22,000	24,750	24,750	27,500	27,500	27,500	27,500	27,500	275,000
Cash Out														
Costs	199,750	9,988	11,985	11,985	13,983	15,980	17,978	17,978	19,975	19,975	19,975	19,975	19,975	199,750
Admin. Expenses														
Marketing & Promotional Expenses	27,100	1,355	1,626	1,626	1,897	2,168	2,439	2,439	2,710	2,710	2,710	2,710	2,710	27,100
Net Cash Flow	20,750	1,038	1,245	1,245	1,453	1,660	1,868	1,868	2,075	2,075	2,075	2,075	2,075	20,750
Loan Repayment During Year 1	12,400	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	1,033	12,400
Cumulative Cash Flow	8,350	4	216	428	847	1,473	2,308	3,142	4,183	5,225	6,267	7,308	8,350	8,350

These projections should be run for a number of years, certainly years 1 and 2, possibly year 3 as well.



Stop 7 Branding and Marketing

Branding your product or service creates an association for customers. It can be an expression of you or your culture, personality, product or service. Your brand will inspire

trust and loyalty in your product or service. For an entrepreneur, you may have a logo developed, or you may simply sell the name of your business. Long term success will



depend on positive customer experiences, so it is important to deliver on promises. If your community has a vibrant economic development plan, you may brand yourself under their "parent" banner, which can allow you greater access to potential customers than working independently can. Networking in person or through advertising with other entrepreneurs or potential clients is also integral to success. If that isn't your strength, consider partnering with someone who can be in charge of communications and growth.

With your brand in hand, you now need to consider how to bring your product or service to the market. You should consider a marketing strategy that outlines your product or service, the price you are asking, availability, your promotional strategy and who will be involved. Next you should consider the promotional strategy in more detail including messaging, advertising (e.g., radio ads, newspapers, Facebook, website, etc.) and public relations. Finally, consider your communication strategy. How will you engage friends and colleagues to promote your business? Do you need a website or business cards or a Facebook page? Facebook is often used by entrepreneurs as it is the number one social media platform in the world, is easy to use, and has good reach in local communities.

From a marketing point of view, a brand consists of all of the key aspects a business wants to highlight. It is about finding ways to communicate the main elements that make you and your business unique.

The Things to Remember about Branding

Logos and slogans are just part of your brand

While logos and slogans are a key part of a brand, don't get hung up on the visual aspect until you have defined your brand promise and your values. Logos and slogans should accurately represent your brand and brand promise.

A brand should evoke an emotion

Although a brand is represented through design, logo, and content, it is important to remember that successful brands build a personal relationship with their audience, and evoke feelings and emotions.

Successful brands have a narrow focus

A strong brand needs to be authentic and focus on the key elements that make the business unique.

Define who you are

Before setting out to create a brand, make sure you have a clear direction. Ask yourself things like: What do I want to be known for? What are some of my key values? What sets me apart from the rest of the competition?

Deliver on your brand promise

Make sure that your products, services and destination offerings are always delivering on your brand promise. What you promise your audience has to align with what your customers experience when they interact with your brand.

Get the right people involved

It is important to have the right people involved in the process of building a brand.



Tla-o-qui-aht First Nations' Best Western Tin Wis Resort is a successful destination in Tofino, on Vancouver Island's rugged West Coast.

Make sure that you have people who know what the brand goal and direction should be. Involving too many people in the process may end up making it more difficult. You want to make sure that your brand is unique, and that it does not have too broad a scope.

Start with a plan

Set out a plan on how you are going to build your brand. The plan can include assembling a team, finding the right graphic designer, engaging the community to get feedback and buy-in.

Do your research

Take a look at your current brand, where you are today, what *is* and *is not* working. This will give you a good starting point for where you need to go. Research other communities or brands to determine what works for them.

Be aware of possible road blocks

Sometimes politics, funding, or external events can get in the way. Try to identify some of the risks and road blocks that might get in the way of creating the brand, and try to develop contingency plans for them.

Build a brand that best portrays your business goals and ideals

As discussed previously, you need to decide what the thrust of your brand will be. That is, what will attract businesses, partners, investments, and visitors. Most Indigenous groups promote a mix of business, culture, traditions and vision; you will need to develop your own unique brand stance



Culture Shock Interactive Gallery is a 100 per cent Indigenous owned and operated business in Alert Bay that shares the traditions of the 'Namgis people.

To be successful and sustainable, a brand must:

Stand for something

Brands need to have distinct personalities, values, and attributes that set them apart. An authentic brand is based on what you stand for, and it comes directly from your core values.

Make a promise and deliver

Brands must offer an ambitious, aspirational promise that evokes emotions, but most importantly, a brand needs to deliver on its promise.

Be practical

Brands should be supported by a strong operational plan to ensure it can consistently deliver its promise.

Be more than a logo

Brands live in every aspect of the community - from the products and services to the physical environments to the communication and the community members.

Developing a brand can be achieved through a disciplined process.



Stop 8 Registering a Business

Once you have decided on the format for your business and its name, you will need to complete the business name application and registration at www.bcbusinessregistry.ca. The steps are slightly different depending on the structure of your business but the website can walk you through the process. Next, you will get a business number which identifies your business to federal, provincial and municipal governments. It is a 9-digit number that is used when dealing with GST or HST, payroll, income tax, import, export and other activities. Finally, you may need other permits such as a building permit or a food service permit. You can get these and more information at www.bcbizpal.ca.

The following outlines how to apply for a business name, and how to register with BC Registry Services, WorkSafeBC, the Ministry of Finance, and Canada Revenue Agency.

Review Existing Trademarks

Before naming your business, review existing trademark and intellectual property records. Choosing a name that infringes on the intellectual property of another business could result in legal action.

To check names registered in B.C., see the Name Request Online Search Tool: <https://www.bcregistrynames.gov.bc.ca/nro/>

To check Canadian federal trademarks, use the Canadian Trademarks Database: http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr03082.html

If you intend to expand your business, consider checking databases across other provinces.

Apply for a Business Name

Once you've chosen a name, submit a name request application to BC Registry Services. They will check the availability of your business name and determine whether it is valid for registration.

You can submit a name request application in several places:

- Online: using BC Registry Services' Name Requests Online;
- In person: at OneStop service counters or Service BC; or
- By mail: download the Name Approval Request form from OneStop: <https://onestop.gov.bc.ca>.

Your business name may also require approval from:

- Your Band Administration; and
- The Liquor Control and Licensing Branch, if you intend to serve alcohol.

Register your Business

Once BC Registry Services has processed your application for a business name, you will receive a Name Request Number, or NR number. You use this number to register your business with BC Registry Services. You need



Eagle Aerie Gallery in Tofino features the work of renowned Indigenous artist Roy Henry Vickers, who has Tsimshian, Haida and Heiltsuk ancestry.

to do this within 56 days. You must register your business with the following government agencies:

BC Registry Services

- Sole Proprietorships or Partnerships: register at OneStop.
- Incorporations: register at B.C. Corporate online.

Once registered, you will receive a Business Number (BN). Your BN can be used as an identifier for remitting taxes to government, Canada pension premiums, EI premiums, and making WorkSafeBC payments.

WorkSafeBC

Businesses that hire workers (full-time, part-time, casual or contract) are required by law to

register with WorkSafeBC. Register for WorkSafeBC when you register your business, in order to ensure you're covered. Complete your registration at OneStop or through WorkSafeBC.

Ministry Of Finance

Registration with the Ministry of Finance is necessary for Provincial Sales Tax (PST) remittance. Complete your registration online at OneStop.

Canada Revenue Agency

Register with the Canada Revenue Agency for GST/HST remittance and payroll deductions. Complete your registration online at OneStop or directly with the Canada Revenue Agency.



Operating a Business

The tedious work is over! Now you can focus on developing and distributing your product or service but don't forget about the background work that must be done. All businesses must file taxes, so early on you should establish a system to collect and file receipts, keep up your repayment responsibilities and keep your accounting up to date. Some people use professional accountants to help file taxes, but it will save you money to do your own bookkeeping. It will also help you better understand your business and identify challenges early.

Approval from the Community

If a person is looking to start their business on reserve, in addition to understanding taxation implications, it is important to determine what the community's by-laws and laws are regarding property use and businesses on reserve. In some cases, a Band Council Resolution signed off by Chief and Council may be necessary, or there may be a particular process set out by laws under a community land code.

Requirements may vary depending on the circumstances of the individual operating the business. For instance, permission requirements may change if the person is a member of that community and they hold a Certificate of Possession for the property in question.

Why Businesses Fail

Failure is a topic most of us would rather avoid.

But ignoring warning signs of business trouble is a sure-fire way to end up on the wrong side of business survival statistics.

What's the survival rate of new businesses? Statistically, roughly 66% of new businesses survive two years or more, 50% survive at least four years, and just 40% survive six years or more. This is according to the study "Redefining Small Business Success" by the U.S. Small Business Administration.

With this information as a backdrop, here is a list of 10 common reasons businesses close their doors:

1. Failure to understand your market and customers: It is vital to understand your competitive marketplace and your customers' buying habits. Answering questions about who your customers are and how much they are willing to spend is a huge step in putting your best foot forward;
2. Opening a business in an industry that is not profitable: Sometimes, even the best ideas can not be turned into a profitable business. It is important to choose an industry where you can achieve sustained growth. We all learned the dot-com lesson - to survive, you must have positive cash flow. It takes more than a good idea and passion to stay in business;
3. Failure to understand and communicate what you are selling: You must clearly define your value proposition. What is the value I am providing to my customer?



Rooted in the Songhees Nation's deep history in Victoria and the surrounding region, The Songhees Sea Food & Steam Food Truck offers a modern take on Songhees cultural tradition.

- Once you understand it, ask yourself if you are communicating it effectively. How does your market connect with what you are saying;
4. Inadequate financing: Businesses need cash flow to float them through the sales cycles and the natural ebb and flow of business. Running the bank accounts dry is responsible for a good portion of business failure. Maintaining a healthy cash flow is key and many quickly find that borrowing money from lenders can be difficult;
5. Reactive attitudes: Failure to anticipate or react to competition, technology, or marketplace changes can lead a business into the danger zone. Staying innovative and aware will keep your business competitive;
6. Over-dependence on a single customer: If your biggest customer walked out the door and never returned, would your organization be ok? If that answer is no, you might consider diversifying your customer base a strategic objective in your strategic plan;
7. No customer strategy: Be aware of how customers influence your business. Are you in touch with them? Do you know what they like or dislike about you? Understanding your customer forwards and backwards can play a big role in the success of your business;
8. Not knowing when to say "no": To serve your customers well, you have to focus on quality, delivery, follow-through, and follow-up. Going after all the business you can get drains your cash and actually



Haida Gwaii artwork is showcased in Indigenous culture and nature adventure tours on the islands off the Northwest coast of BC.

reduces overall profitability. Sometimes it's okay to say no to projects or business so you can focus on quality, not quantity;

9. Poor management: Management of a business encompasses a number of activities: planning, organizing, controlling, directing and communicating. The cardinal rule of small business management is to know exactly where you stand at all times. A common problem faced by successful companies is growing beyond management resources or skills; and
10. No planning: As the saying goes, failing to plan is planning to fail. If you do not know where you are going, you will never get there. Having a comprehensive and actionable strategy allows you to create engagement, alignment, and ownership within your organization. It is a clear roadmap that shows where you have been, where you are, and where you are going next.

Running an organization is no easy task. Being aware of common downfalls in business can

help you pro-actively avoid them. It is a constant challenge, but it is also a continuous opportunity to be a measured success.

Checklist for Identifying and Planning to Manage Risk

The following is a checklist that can be of assistance when identifying and subsequently planning how to manage risks. Fill in your responses and review the results, possibly even with a trusted business associate, coach or mentor. There is no scoring of your responses. The process is meant to identify risk issues that you need to be aware of, and be ready to respond to, without inflicting any harm to your business, or to yourself.

In effect, the tables that follow are a template that you should use, and then re-visit every six months to make sure that there are no dramatic changes you need to be aware of and deal with.



Risk Management Checklist

Business Related

- ☐ Have you identified your customer base?
- ☐ Are you keeping your key customers happy? Are they satisfied with your products/services?
- ☐ Do you use contractors? If yes, do you have back-ups if there are issues with your main one/s?
- ☐ Do you have multiple suppliers of goods and services? Do you periodically audit their prices and discounts?
- ☐ Do you have a Business Plan that is less than six months old?
- ☐ Do you have a Business Coach/Mentor you can rely on?
- ☐ If you are renting a location, is it the best deal for you? Highest visibility, if that's what you need?
- ☐ Do you have too many (or not enough) employees?
- ☐ Do you do regular employee reviews to see if people are pulling their weight?
- ☐ How are you building employee loyalty and avoiding turnover?

Markets and Marketing

- ☐ Do you have a marketing plan that is affordable?
- ☐ How do you know your marketing is working? Are you surveying your customers? Are you getting feedback?
- ☐ How is your competition doing?
- ☐ What is your competition doing?
- ☐ Are there any upcoming trends, new products, new services that you need to be aware of?
- ☐ Are the customers you are serving in your business region changing in terms of age (younger families or retirees)? If so, how does that impact your business?
- ☐ What is happening in your area? Is the area becoming more affluent (or less affluent)? How does that change how you do business?
- ☐ Are there any empty buildings around you, or in your area? Why?
- ☐ When is the last time you carried out market research, checking out similar businesses to yours but located far enough away that they will not see you as competition?
- ☐ Are you monitoring the internet and social media with regard to competition? Or, even more important, your social media reach?
- ☐ How are you generating new customers? New leads?
- ☐ Are you networking, meeting people, joining groups, volunteering, etc., to meet people?



Technology

- ☐ Are you technology-savvy, with Web, Google Ads, eBay, and social media including Facebook, Twitter, Pinterest, LinkedIn, and Instagram? Staying current and on top of all these vehicles will help build and maintain your brand and develop and grow a customer base.
- ☐ Is the Internet becoming a bigger factor in your type of business (e.g. online sales, online travel and hotel bookings, and more)? Do you think it will become a problem, or an opportunity?
- ☐ Is your operation equipped with decent business software for invoicing, inventory and parts control, managing leads, online bookings, and promotional programs?

Financial

- ☐ Are you maintaining a positive cash flow? Money in the bank? If not, why not? Perhaps you need to tighten up your collections? Review your sales pricing? Lower costs? Review your overheads?
- ☐ Is your insurance, including Workers' Compensation Board, up to date and paid? Is the coverage sufficient?
- ☐ Assuming you have budgets and forecasts, do you review your actuals against your budgets and see where the main differences are?
- ☐ If your forecasts are more than six months old, do you generate new ones?
- ☐ If your business deals heavily in cash, do you have tight controls in place?

Legal

- ☐ Have you verified the tax implications of operating on reserve/off reserve?
- ☐ Do you need any licenses or certificates? Renewals?

Cultural

- ☐ Does your business, in any way, conflict with the cultural priorities and traditions of your community?
- ☐ Are there any real or perceived conflicts of interest?

Community

- ☐ Have you created a program whereby your business "gives back" to the community in terms of creating employment? Training? Apprenticeship? Supporting other entrepreneurs?
- ☐ Is there any environmental impact of your business on the community? Anything that needs to be dealt with?

Family

- ☐ Entrepreneurship takes a lot of your time, and can have an impact on your partner and family. Are you experiencing any issues, and how are you dealing with them?

Health

- ☐ Entrepreneurship can be stressful, sometimes affecting peoples' health. Are you monitoring that? Are you seeing a healthcare professional regularly, and heeding their advice?



Providing Clarity - Tax Tips for Indigenous Entrepreneurs ¹

Are you exempt from paying tax?

It can be advisable to start as a sole proprietor if you are an Indigenous person with status, and you live and do business on reserve. With this structure, there is no distinction between you as an individual and your business. Section 87 of the Indian Act states that you are not taxed on the income you make through your business activities on reserve, nor do you pay GST on purchases made on reserve. Provided that all of your revenue comes from on-reserve customers, you do not need to remit GST, either.

If you run a sole proprietor business off reserve, are you exempt from paying tax?

Usually, income earned off reserve is taxable, even if you live on reserve. However, if your business has social benefits to people on reserve, you may be entitled to an exemption.

What are the tax implications of incorporating your business?

Incorporating your business means you let go of any GST exemptions you had as an individual, regardless of whether you operate on or off reserve.

Canada Revenue Agency (CRA) only recognizes the tax exemptions of status Indigenous people, not their corporations. That said, it might be more advantageous to pay the regular business taxes - it really depends on the nature of your business idea and the scale you are working on (for instance, the size of your potential customer base and market).

For example, if you want to start a construction company and you have an opportunity to contract your services out to build a new recreation centre, it might be best to incorporate at the start in order to meet certain insurance or regulatory requirements.

As well, incorporation can give you more credibility with lenders, easing the process of gaining capital for your business.

¹ Heidi Hoover, "Providing Clarity – Tax Tips for Aboriginal Entrepreneurs"

***What are the tax implications of hiring on-reserve staff?***

If you have incorporated your business, but your employees are Indigenous people working on reserve, you will not have to remit certain payroll deductions to the government. Businesses can use CRA's TD1 form to see if their employees are exempt from payroll deductions.

Are you tax-exempt if you run an online business as an Indigenous entrepreneur?

If your business is run on reserve (whether from your home or a formal office), you will not pay income tax as a sole proprietor. However, if you provide products or services to customers off reserve, you will need to remit GST for annual revenues over \$30,000.

Are grants for Indigenous entrepreneurs tax-exempt?

There are quite a few grants available to Indigenous people starting businesses, and you may be eligible for some of them. Remember that grants are considered income by Canada Revenue Agency, therefore they must be declared and taxed accordingly. It is important to know that tax implications can vary, so make sure you consult an accounting professional.

If, for example, you receive a grant for spurring economic development so you can hire two youths from your reserve to work for your business, you still have to report that grant as income and pay tax on it. However, you can also claim a wage expense against it, therefore decreasing what you pay in taxes.

What are small business deductions?

Small business deductions are business-related expenses that you can claim against the revenue earned to reduce the taxes you pay (whether you are a sole proprietor or corporation).

Any business owner can reduce their tax paid by claiming deductions, including travel costs, meals with clients, and advertising fees. Being self-employed, you can also claim the costs related to your home office space, including a portion of the utilities. Keeping track of all of your expenses from the beginning will help to avoid headaches come tax time.



Periodic Evaluation

It is important to evaluate your business regularly to identify problems and to adjust to changing market conditions. Remember the SWOT when you were conceptualizing an idea? You can use that same technique here!

SWOT Definitions and Example Questions

Strengths – Advantages you will have over competitors.

- What makes your business unique?
- What does your business do well?
- What resources are readily available?
- What expertise do you already have?

Weaknesses – Areas that need improvement.

- What is your business doing poorly?

- What is your competition doing better than you are?
- What resources do you lack?
- What area(s) need immediate improvement?

Opportunities – Trends and market gaps that create opportunity.

- What new opportunities in the market are becoming available?
- What opportunities did you pass on that are still available?
- What opportunities are your competitors not availing themselves of?
- What would be an ideal opportunity for your community?

Threats – External factors that can threaten the community, or community business.

- Who are your competitors?
- Has there been an increase or decrease in competition, and why?
- Are your suppliers reliable?
- What are the costs of your resources, and how are they affecting your bottom line?

The purpose here is to ensure that you and your business are meeting the goals you set for yourself at the outset, that you are supported in and supporting of your community. Are you able to seize opportunities and proactively manage or eliminate weaknesses? In the end you need to assess if your business serves you or if you serve your business.



The Osoyoos Indian Band's Nk'Mip Cellars operation also allows visitors into the vineyards to hear about the production of wine grapes.



Stop 11 Where Do We Go From Here?

In 2015, the Canadian Chamber of Commerce stated that Canada's ability to leverage its natural resource endowment depends on addressing concerns over the social impacts of resource development, especially as it affects Indigenous peoples and their communities. Many businesses recognize that Canada, as a signatory to the UN Declaration on the Rights of Indigenous Peoples, has committed to upholding principles of "free, prior, and informed consent" (FPIC).

We are also seeing the tides of social acceptance in Canada are turning and much of the Canadian population supports Indigenous actions blocking the work of businesses that attempt to push through their lands without consent. Further, even if courts side with the business, those who neglect to create support in the Indigenous communities they impact have seen their share values have suffer and projects significantly delayed due to Indigenous protest.

Indigenous peoples are key players in determining Canada's economic future. A special report by TD Economics notes the following trends:

1. Recognitions of Rights and Title is changing the nature of Indigenous participation in Canada's economy.
2. Increasing access to resources and capital, settlements, interim measures, specific claims, businesses and related activity, and other portfolios of financial and real assets, has increased the influence of Indigenous people in the

Canadian economy.

3. Canada's Indigenous youth represents the fastest-growing domestic demographic in Canada, although significant gaps in access to education, infrastructure and training may hold this demographic back in urban and rural areas.
4. Indigenous groups are now seen as important partners in the development of land, major projects, resource extraction, procurement opportunities, and other economic activity across the country. Driven by both precedent in the courts as well as international recognition (UNDRIP, FPIC) and federal, provincial and industry reconciliation initiatives.
5. Indigenous businesses are growing. Aboriginal rights, interests and significant land holdings, along with rapidly growing business opportunities, particularly in the resource sector, offer an opportunity to improve Indigenous economic outcomes and open up the potential of Canada's economic opportunities. In addition, the growing numbers of Indigenous youth represent an opportunity for the country to meet its impending future demand for labour posed by an aging workforce.



BC Indigenous Demographics and Trends

According to the 2016 census, the population of Indigenous people in BC was 5.9% of the total BC population. The majority of the Indigenous population reported a single Aboriginal identity – either First Nations, Métis or Inuk.

The provincial government identifies nine key sectors that are the foundation of the province's economic development and have the most potential for growth. These sectors include:

- Advanced manufacturing;
- Agrifoods;
- Forestry;
- International education;
- Mining and energy;
- Natural gas;

- Technology and innovation, including clean tech and digital media;
- Tourism; and
- Transportation.

In addition to these nine key sectors, the provincial government also identifies climate leadership, international trade, and small business development as important cross-sector areas that will help drive competitiveness across the economy, supporting current and future growth in the province. These three areas were viewed as driving forces for BC economic growth, and cross cut all areas of the economy when the provincial government updated its Job Plan in 2017.

The time is ripe for Indigenous entrepreneurs. We have a strong economy and are moving towards better and more positive relationships for Indigenous and non-Indigenous communities. We hope this booklet and the larger companion document, *Indigenous Economic Sustainability Roadmap Book One*, give you the inspiration and tools to begin, support and expand your entrepreneurial journey.





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