The Atlantic Aboriginal Economic Development
Integrated Research Program, AAEDIRP

Examining Partnership Arrangements Between
Aboriginal and Non-Aboriginal Businesses

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Examining Partnership Arrangements Between Aboriginal and Non-Aboriginal Businesses is one of five new research reports on Aboriginal economic development released by Atlantic Aboriginal Economic Development Integrated Program, (AAEDIRP) in 2010.

The AAEDIRP is a unique research program formed through partnerships between the 38 member communities of the Atlantic Policy Congress of First Nations Chiefs (APCFNC), plus the Inuit, 12 Atlantic universities and 4 government funders, both federal and provincial. AAEDIRP funders include Aboriginal Affairs and Northern Development Canada (AANDC), the Atlantic Canada Opportunities Agency (ACOA), the Department of Fisheries and Oceans Canada (DFO) and the Office of Aboriginal Affairs, Nova Scotia. The AAEDIRP conducts research on Aboriginal economic development that is relevant to communities, builds Aboriginal and non-Aboriginal research capacity, conducts workshops on Aboriginal economic development and is developing a database on this topic. The main purpose of the AAEDIRP is to improve the knowledge base concerning Atlantic Aboriginal economic development in order to improve the lives of the Aboriginal people in the region.

The APCFNC is a policy research organization that analyzes and develops culturally relevant alternatives to federal policies that impact on the Mi’kmaq, Maliseet, Passamaquoddy and Innu Aboriginal communities and peoples.

Maliseet Artist Arlene Christmas (Dozay) created the AAEDIRP logo

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Exercising Partnership Arrangements Between
Aboriginal and Non-Aboriginal Businesses

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1. Eel River Bar First Nation (Kan-Go-Roo Play Grounds)
2. Epona Communications Inc. and Data Planet Inc.
3. First Nations and Business Liaison Group of New Brunswick Inc.
4. First Nation Engineering and Technical Services
5. Membertou First Nation
6. Metepenagiag Heritage Park
7. Miawpukek First Nation
8. Millbrook First Nation
9. Morris Trucking
10. Vidabode Group Inc.
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Examining Partnership Arrangements Between Aboriginal and Non-Aboriginal Businesses

Executive Summary

In September 2008, the Atlantic Policy Congress of First Nations Chiefs (APC) through its Atlantic Aboriginal Economic Development Integrated Research Program (AAEDIRP) commissioned Lori Ann Roness Consulting to examine 10 partnerships between Aboriginal and non-Aboriginal companies in an Atlantic context as case studies. This study is consistent with its goal to improve the Aboriginal economic development knowledge base in the region and strengthen the Aboriginal workforce.

The purpose of the study is to provide insight into the types of joint Aboriginal/non-Aboriginal business partnerships emerging in Atlantic Canada and the factors that led (or are leading) to their success and to understand the elements of successful relationships and practices and to make available information and tools that others in Atlantic Canada may use to pursue their own initiatives and build successful Aboriginal/non-Aboriginal businesses.

The study ultimately had five project elements:

- Comprehensive Literature Review
- Selection of Case Studies
- Development of Case Study Interview Questions
- Interviews of Partnerships
- Case Study (Notable Practices) Final Report

Results were organized using the following conceptual framework:

- Aboriginal/non-Aboriginal Business Partnerships in Atlantic Canada
- Nature of the Partnerships
- Principal Objectives of the Strategic Alliances
- Role the Partnerships have in Facilitating the Entry of Aboriginal Businesses into the Marketplace
- Effects of Strategic Alliances on Competitive Advantage
- Factors for Business Success
- Elements of a Successful Partnership
- Barriers in Forming Joint Ventures
- Notable (Best) Practices and Lessons Learned
The case study portion of this research project featured the following Aboriginal/non-Aboriginal partnerships:

1. Eel River Bar First Nation (Kan-Go-Roo Play Grounds)
2. Epona Communications Inc. and Data Planet Inc.
3. First Nations and Business Liaison Group of New Brunswick Inc.
4. First Nation Engineering and Technical Services
5. Membertou First Nation
6. Metepenagiag Heritage Park
7. Miawpukek First Nation
8. Millbrook First Nation
9. Morris Trucking
10. Vidabode Group Inc.

The Nature of the Partnerships

The research demonstrates that the nature of Aboriginal/non-Aboriginal business partnerships, both among the ten cases featured and across Canada, is varied. Partnerships come in many forms, including: percentages of ownership, contractual partnerships, joint management of a company, strategic alliances among separate and distinct companies, cooperative business agreements, highly formalized arrangements supported by legal agreements, informal ‘verbal’ agreements to work together, the creation of new legal entities, business-to-business partnerships, or public-private partnerships. Partnerships can also be short or long term.

Regardless of the variance in types of partnerships, a common thread is that partnerships involve a cooperative arrangement, shared goals, the belief that the partners can do more together than apart, and an element of sharing (of objectives, risk, benefits, decision-making, responsibility, etc.).

Principal Objectives of Such Strategic Alliances

The motivation underpinning both Aboriginal and non-Aboriginal business partnerships vary. Objectives for any partnership as identified in the literature include: revenue generation, exploring new approaches, improving business opportunities, and building the economy. However, for the Indigenous partner, motivation may also include a desire to increase opportunities for community economic development, build economic capacity of First Nations for the betterment of the community and members, develop a more skilled Aboriginal labour force, acquire more knowledge and expertise, become more self-sufficient, fill the gap created by a decline in traditional economic activities, create employment for community members, nation building, re-establish management over natural resources, access capital, partnering with an established company with extensive
experience and expertise, being meaningfully involved in a project or partnership, pursuing an opportunity for which they only partially meet the mandatory criteria, and to authentically transfer business skills and capacity from the Aboriginal partner to the non-Aboriginal partner and vice versa.

Non-Aboriginal business partners may also be motivated by a desire to be a better corporate citizen and build more meaningful relationships with First Nations, motivated by a sense of social responsibility toward Aboriginal people, or to access a new labour pool, supplier inventory, or market, or take advantage of resource opportunities on Aboriginal lands.

**Role the Partnership has in Facilitating the Entry of Aboriginal Businesses into the Marketplace**

Many small businesses turn to forming partnerships with established companies to gain what they lack. Through partnerships, Aboriginal firms may also be engaged in large-scale projects otherwise not possible. Partnerships may also provide royalties and spin-off businesses and allow Aboriginal partners to bridge resource gaps and obtain capital to finance ventures, better control development, and enable sharing in the profit and risks. Non-Aboriginal partners may also gain access to markets otherwise not available or ‘set-aside’ programs and affirmative action programs.

**The Effects of Strategic Alliances on a Company’s Competitive Advantage**

For Aboriginal businesses, there appears to be numerous benefits to partnership, including: enabling Aboriginal businesses to qualify for contracts that they would not otherwise be able to qualify for, providing access to partner resources, new opportunities, new markets, capital, and technology, employment, job creation, knowledge transfer, role modeling and mentorship, capacity and skills development, revenue generation, sharing of responsibility and risk, training, de-bunking myths and stereotypes about Aboriginal people, demonstrating the capacity and potential of Aboriginal people and communities, supporting the growth of Aboriginal business and business expertise, diversity, providing authenticity, legitimacy, and credibility, and adding value and strengthening ties.

On the non-Aboriginal business side, partnerships can result in a new customer base, a new source of labour, tax benefits, access to new opportunities through government procurement contracts, improved access to natural resources, a new labour force, the creation of new suppliers and new markets, supporting companies in achieving their employment equity goals, and business growth.
The Factors for Business Success

The research suggests the following factors for business success: governance model, strategic plan, clear vision, goals, roles and responsibilities, and policies, clear and transparent accountability, separation of business and politics, meaningful engagement of the Aboriginal partner in business planning, mutual cultural understanding, the employment of qualified people, strong leadership, monitoring and performance measurement, and a fair and effective dispute resolution mechanism.

Elements of a Successful Partnership and the Effective Practices of Corporations and Aboriginal Organizations in Achieving Them

A good partner appears to be one that is trustworthy, sensitive to Aboriginal cultures, has experience working with Aboriginal people, has related project experience and skills, shares, makes introductions and referrals, adds credibility to the partner and is credible.

Elements of successful partnership include: having clear partnership agreements, having a reliable and independent cash flow source, maintaining control, researching one’s partner in advance, comprehensive strategic planning, good communication, mutual trust, respect and cooperation, mutual cultural sensitivity, the ability to compromise, strong leadership, stability, consistency in leadership over time, having the involvement of key decision-makers and senior people around the table, openness and flexibility, creativity, sufficient human resources and people with the right expertise, detailed record keeping, patience, trust, support, and being aware of the social return on investment.

Barriers Faced in Forming Joint Ventures

Challenges with partnership may include: risk, a lack of bank-qualified collateral, a lack of cash flow, competition from others for limited pots of funding, on-reserve policies, politics and factionalism, remoteness, misunderstandings about Aboriginal communities, cultures or ability, a lack of business expertise, perceptions of non-Aboriginal indifference, less than honourable intentions by non-Aboriginal companies, a lack of community support, a fear of change, a lack of readiness or willingness on the part of the Aboriginal workforce to take advantage of opportunities, differing values, agendas, and visions, imbalances of power and resources, changes to traditional ways of life, and differing accountability structures and/or expectations.
Notable Practices and Lessons Learned

Lessons learned suggest that successful Aboriginal/non-Aboriginal business partnerships begin with a foundation of mutual respect and a solid business idea and build from there. Likewise, best practices suggest that both partners should share authority, investment, and responsibility and be actively engaged in the partnership and the business. The risks as well as the benefits must be shared. Non-Aboriginal and Aboriginal business leaders and executives must be engaged in the partnership to convey the value of the partnerships to all levels of each partner organization. When such a foundation is set, and where there is success, the benefits to both partners and, indeed, to Aboriginal communities, can be vast.

Aboriginal communities, organizations, and people differ from one another and are not a homogenous group with only one set of values. One formula for all Aboriginal/non-Aboriginal business ventures will not work. The development of a partnership is situation-specific and should reflect the unique situation and context of the partners and the socio-economic, cultural, and community milieu.

A Distinctly Indigenous Approach to Entrepreneurship

The results of this research project suggest that Aboriginal/non-Aboriginal business partnerships share many of the same elements that other partnerships share. However, there also seems to be specific factors that are unique to Aboriginal/non-Aboriginal partnerships and indeed to Indigenous entrepreneurship in general. Indigenous approaches to business tend to have a strong cultural element. Moreover, obligations tend to extend beyond those to the individual and his/her immediate family to the extended family, the local Aboriginal community, and indeed, the larger Aboriginal community as well. There is a strong tie to the community and the expectation and the obligation of ‘giving back’ with a future orientation of setting the stage for a more solid future for one’s children and for future Aboriginal generations in general. Thus, it appears that this alternative way of conducting business is infused with culture and something distinctly ‘Indigenous’, which are major drivers, and which differentiate it significantly from conventional business approaches. This might suggest that there is a distinct way of conducting business between Aboriginal and non-Aboriginal partners, one that is based on a different way of thinking than conventional business approaches are currently based. This new model moves well beyond the ‘bottom line’ mentality towards a new paradigm that incorporates Aboriginal principles to guide partnerships without sacrificing profit. This new model incorporates Aboriginal tenets of cultural respect, cultural sensitivity and trust.
Recommendations

Based on the results of this case study project, and in an effort to stimulate Aboriginal economic development and entrepreneurship in the Atlantic region, the following recommendations are proposed:

1. **Establish an ‘open for business’ campaign.** A regional-wide ‘open for business’ campaign could at once promote Aboriginal businesses in the Atlantic region as well as promote the Atlantic region in general as a prime business locale.

2. **Establish an Aboriginal enterprise network.** An Aboriginal enterprise network could provide Aboriginal businesses in the Atlantic region with business leadership and partnership coordination, offer business development assistance and counselling, facilitate management training for small to medium enterprises, support investment and export development activities, feature a business directory of Aboriginal businesses, including partnerships, and provide referral services.

3. **Establish Aboriginal business associations, chambers of commerce, etc.** Associations and Aboriginal chambers of commerce will provide support for Aboriginal entrepreneurs and help direct them to resources that will help support Aboriginal business development. The establishment of business associations and chamber-like organizations will also help operationalize a strategy for Aboriginal economic and entrepreneurial development across the Atlantic region.

4. **Develop a portal whereby Aboriginal businesses, entrepreneurs or those interested in exploring business and partnership opportunities could access information more easily.** A single window access point or portal that hosted or pointed people to resources would facilitate access to information about business start-up and partnership development.

5. **Hold education and cultural orientation sessions for both Aboriginal and non-Aboriginal businesses.** Education and cultural sessions could bridge the cultural divide and support each group in better understanding the business and social cultures that each other operates in.

6. **Establish networking fora.** Networking fora will encourage business networking and allow Aboriginal businesses and non-Aboriginal businesses to interact, network and set the stage for forming partnerships and to help people become more aware of potential partnership opportunities.
7. **Showcase partnerships.** Existing Aboriginal/non-Aboriginal business partnerships should be better featured as positive examples of what Aboriginal people are doing in different fields. Greater promotion could also lead to increased business.

8. **Explore the concept of a distinctly Aboriginal approach to entrepreneurship more closely.** Understanding how Indigenous people approach business and entrepreneurship may be fundamental, not only in terms of developing new businesses and economic development initiatives but also in developing new partnerships and in strengthening existing ones.
Examining Partnership Arrangements Between Aboriginal and Non-Aboriginal Businesses

1. INTRODUCTION

In September 2008, the Atlantic Policy Congress of First Nations Chiefs (APC) through its Atlantic Aboriginal Economic Development Integrated Research Program (AAEDIRP) commissioned Lori Ann Roness Consulting to examine 10 partnerships between Aboriginal and non-Aboriginal companies in an Atlantic context as case studies. This study is consistent with its goal to improve the Aboriginal economic development knowledge base in the region and strengthen the Aboriginal workforce.

The purpose of the study is to provide insight into the types of joint Aboriginal/non-Aboriginal business partnerships emerging in Atlantic Canada and the factors that led (or are leading) to their success, to understand the elements of successful relationships and practices, and to make available information and tools that others in Atlantic Canada may use to pursue their own initiatives and build successful Aboriginal/non-Aboriginal businesses.

1.1 The Research Questions

The research questions that guided the project were:

- What Aboriginal/non-Aboriginal business partnerships currently exist in Atlantic Canada?
- What is the nature of the partnerships, e.g., the types of partnership initiatives?
- What are the principal objectives of these strategic alliances?
- What role does the partnership have in facilitating the entry of Aboriginal businesses into the marketplace?
- What are the effects of strategic alliances on the company’s competitive advantage?
- What are the elements of a successful relationship/partnership and the effective practices of corporations and Aboriginal organizations in achieving them?
- What barriers have been faced in forming joint ventures or as a joint venture?
- What are the best practices and lessons learned?

Please refer to Appendix A, Project Team, for information about the researchers.
1.2 **Project Objectives**

The objectives of the study were to:

- Provide insight into the types of joint corporate-Aboriginal partnerships emerging in Atlantic Canada and the factors that led (or are leading) to their success.
- Understand the elements of successful relationships and practices and to make available information and tools that others in Atlantic Canada may use to pursue their own initiatives and build successful corporate-Aboriginal businesses.

2. **METHODOLOGY**

2.1 **Research Philosophy**

The research philosophy underpinning the research methodology was Participatory Action Research (PAR) in keeping with the Canadian Institute of Health Research (CIHR) Guidelines for Health Research Involving Aboriginal People. The participatory approach facilitated First Nation participation and input into the research process and maximized Aboriginal control and decision-making. In this way, the research was as culturally sensitive, relevant, respectful, responsive, equitable and reciprocal as possible.¹

Action research methodology has the dual aim of (1) action to bring about change in a community, organization or program, and; (2) research to increase understanding of a particular issue. Some action research methods emphasize action, with research as a resulting benefit while others emphasize research with action as a resulting benefit. Our approach involved the latter. Research undertaken for this project is intended to increase the understanding of partnerships, which others can then use to act, form their own partnerships, and further improve Aboriginal participation in the economy. Thus, this research is intended to assist in bringing action about.

In using action research to increase the understanding of the issue of Aboriginal/non-Aboriginal business partnerships, the researchers strove to better understand the social system and the best opportunities for change and improving practice by responding to local needs and circumstances. *Our methodology promoted this in a number of ways:*

- The literature review of Aboriginal/non-Aboriginal business partnerships includes a contextual discussion about Aboriginal/non-Aboriginal business joint ventures

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¹ Canadian Institute of Health Research, p. 3.
and partnerships, elements of success, and challenges thereby providing an understanding of past experiences across Canada and the social system.

- The case study interviews of Aboriginal businesses that have partnered with non-Aboriginal entities furthered our understanding of the current social system by providing feedback and opinions on business partnership issues, initiatives in place, lessons learned, and recommendations to both Aboriginal entrepreneurs and [potential] non-Aboriginal partners. This exercise also helped identify opportunities for change by facilitating the participation of a variety of lay experts who understand the current situation in a first hand manner.

- The understanding of the social system and the best opportunities for change and improving practice are presented herein and the recommendations can then be used as a resource for next steps, post-project completion.

- Our approach adopts an Atlantic Aboriginal focus. In so doing, the project will result in an understanding of the Atlantic context for Atlantic First Nations.

One of the key principles of action research is to view people traditionally regarded as ‘research subjects’ as ‘co-researchers’ and to allow the data to decide the course of the research. At each step, we used the information so far available to determine the next step. This is evidenced in our methodology through:

- The use of a “snowball technique” to identify potential interviewees and resources. Snowball sampling relies on referrals from initial subjects to generate additional subjects.

- Meaningfully engaging Aboriginal stakeholders and recognizing their experiences as legitimate sources of information and knowledge and following the principles of Ownership, Control, Access, and Possession.²

- Recognizing that ‘knowledge’ comes in many forms and not only includes formal academic research but first hand and traditional knowledge as well.

- Using the information collected throughout the project period to substantiate the final report and recommendations.

Action research favours qualitative methods. This is evidenced in our methodology through:

- An interview design that involved open-ended questions to allow respondents to freely provide their thoughts, opinions and experiences. This approach allowed for a more comprehensive analysis of the basic research questions and relates to letting information come freely and ‘letting the data decide’ as discussed above.

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In action research, stakeholder groups are regarded as informed sources of information. This approach gave us a better chance of discovering what they know. Participants were regarded as equal partners in the research. Our methodology reflects this by:

- Soliciting survey/interview participants by approaching various stakeholders and following leads that they provide. Since stakeholders are directly involved with and/or have direct experience with Aboriginal/non-Aboriginal business partnerships, they were excellent sources of information of who to contact.
- Using a qualitative method of interviewing to allow participants to reflect freely on the research question.

2.2 Ethics

The research project began with a statement of ethics, which reflected and affirmed Lori Ann Roness Consulting's commitment to undertaking all activities in an ethical and respectful manner. The statement abided by the: (a) AAEDIRP Policy Statement on Ethical Requirements & Research Ownership; (b) Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans; (c) CIHR Guidelines for Health Research Involving Aboriginal People and OCAP; (d) First Nations Conceptual Frameworks and Applied Models on Ethics, Privacy and Consent in Health Research and Information; (e) National Aboriginal Health Organization’s Ethics Tool Kit; (f) Mi'kmaw Ethics Watch, and; (g) Nunatsiavut Government guidelines.

Applications were also made to the Mi'kmaw Ethics Watch, Mi'kmaq Confederacy of Prince Edward Island, and the Nunatsiavut Government in preparation for research at the community level.

2.3 Methodological Approach and Deliverables

The study had six phases:

Phase 1 Comprehensive Literature Review

This phase involved a literature review of Aboriginal/non-Aboriginal business partnership arrangements and a contextual discussion of business partnerships in general. The literature review includes a review of stakeholder reports, academic literature, and research, where available. The results of the literature review are presented herein.
Phase 2 Inventory of Partnerships

The original proposal suggested compiling an inventory of partnerships in Atlantic Canada. However, at the first meeting of the project advisory committee, the advisors felt that this activity would not be fruitful. First, identifying partnerships can be very challenging. The exercise of compiling a comprehensive list of partnerships in the region was not thought to be possible since some companies do not publicize their ownership structure. Thus, there was concern about being able to identify every company that is a partnership. Second, some companies do not have a strong web presence, further compounding difficulties in identifying partnerships. Third, there were also concerns about privacy issues and the reluctance that some partnerships might have about disclosing information. As such, the advisory committee preferred that efforts focus on identifying ten partnerships and conducting the case study interviews.

Phase 3 Selection of Case Studies

Determination of who would be included in the case study profiles was made in consultation with the project advisory committee established by the Atlantic Policy Congress. The following factors were considered:

- Geographic location (province) and proximity to urban centres (e.g., rural, urban);
- The extent to which the businesses have demonstrated profit growth, created employment, created wealth, improved social conditions, and;
- Economic sector (e.g., forestry, fishery, information technology, manufacturing, etc.).

Participants for the case studies were solicited in a number of ways, including leads from the APC/Advisory Committee, the Atlantic Aboriginal Economic Development Network (AAEDN), community contacts and networks, referrals from Aboriginal organizations, and research. Government departments, such as Indian and Northern Affairs Canada, were also contacted for referrals. A “snowball technique” was used to identify potential interviewees. Snowball sampling relies on referrals from initial subjects to generate additional subjects.

Phase 4 Development of Case Study Interview Questions

A list of questions was generated as a framework with which to conduct interviews with case study participants. Not all of the questions applied to every case because the nature of each partnership differed somewhat. Questions were selected based on the unique circumstances of the business.
Phase 5 Interviews of Partnerships

The goal of the project as outlined by the Atlantic Policy Congress was to conduct ten case study features. Ten case study features were indeed completed. See Section 4 below for a discussion of the case studies and Appendix C, Case Study Report.

An attempt was to include partnerships across the Atlantic region (including the Gaspe region). However, the researchers were informed that such partnerships do not yet exist in Prince Edward Island and several attempts to solicit the participation of partnerships in the Gaspe region of Quebec were not successful.

Phase 6 Case Study (Notable Practices) Final Report

This phase involved the development of a case study report featuring the details of the case study interviews.

Two additional deliverables come in the form of this final report and suggested dissemination activities for knowledge exchange and promotion of the results among the various audiences, such as researchers, educators, governments, private sector employers, universities, interviewees, and communities.

2.4 Research Challenges

2.4.1 Identifying Partnerships

Aboriginal/non-Aboriginal partnerships were difficult to identify. Partnership information is highly confidential and many were reluctant to identify partners or the details of their partnership. A central listing of such partnerships does not exist. Government cannot reveal partners because of confidentiality and privacy issues. Thus, identification of potential interviewees was done using the snowball technique and research of publicly available information. As such, the survey sample is not a representative sample of all the Aboriginal/non-Aboriginal partnerships that may currently exist in Atlantic Canada. However, the case studies profiled do provide a rich description of the nature of the partnerships, successes, challenges, and recommendations.

2.4.2 Securing Participation

As already mentioned, it was difficult to identify Aboriginal/non-Aboriginal partnerships to begin with. Though we identified more than ten potential case studies and issued invitations to participate to all of them, several invitees responded
formally with a refusal to participate. Others, however, did not respond to our request at all, even after several follow-up attempts.

We also faced challenges interviewing all representatives of the partnership. In some cases, participants preferred that only they were the spokespeople for the partnership and preferred that we did not contact their non-Aboriginal partners. In other cases, we did receive permission to contact the non-Aboriginal partner and several attempts were made to do this with little success.

2.4.3 Availability of Partnership Information

Much corporate and partnership information is confidential and was not shared with us. For example, participants often cited legal agreements as being a vital foundation to the partnership but, because of confidentiality, none were shared with us making an assessment of such documentation impossible.

2.4.4 Availability of Literature

A significant portion of the information that is available on Aboriginal/non-Aboriginal partnerships is not academic in nature. Ironically, this is confirmed in the academic literature. For example, Hinde and Lansdowne observe that while there are numerous non-refereed articles regarding Indigenous entrepreneurship, the amount of academic research, or as they put it, refereed research, is less than 35 studies (though the authors note that literature in this field is growing). Lindsay maintains that research into Indigenous entrepreneurship is at a rudimentary stage. He confirms that the majority of research regarding entrepreneurial attitude focuses on non-Indigenous entrepreneurs even though there are more than 500 million Indigenous people globally and Indigenous entrepreneurship is increasing as Aboriginal people attempt to achieve self-determination and improve socioeconomically. Foley echoes this assertion that there is relatively little qualitative or quantitative academic research regarding Indigenous participation in the global entrepreneurial community.

5 Ibid., p. 3.
Weir also identified the need for more research on Aboriginal entrepreneurship. He notes that what little research does exist on Indigenous entrepreneurship is quite old and that a significant portion of it combines Inuit, Métis and First Nation business together and does not address the unique circumstances of different peoples or the challenges people face depending on where they live (e.g., in remote versus urban areas, or on or off a First Nation). Weir notes that additional research that can inform future entrepreneurial development in Aboriginal communities is needed.7

Many of the profiles of Aboriginal/non-Aboriginal partnerships that are available were prepared by Aboriginal or business organizations that wish to promote these kinds of partnerships. Rather than ignore this body of information, it was decided to incorporate this information into the literature review to make the discussion about Aboriginal/non-Aboriginal business partnerships as comprehensive as possible.

Because of the paucity of research on Aboriginal/non-Aboriginal partnerships, the literature search was also broadened somewhat to include discussions about business partnerships in general. However, this presented some hurdles because the literature about business partnership implementation and processes in general tends to be limited as well. For example, Waddock remarks on the need for more studies on the processes of interactions across organizations from different economic sectors and also for the need to provide more details.8 Seitanidi and Crane9 note that research regarding partnership implementation is limited, as did Clarke10 who comments on the enduring lack of studies on partnership implementation.

2.4.5 The Atlantic Focus

Another challenge was the focus on the Atlantic region. What partnership highlights do exist in the literature tend to feature partnerships across the country and do not specifically focus on Atlantic Canada. Moreover, these highlights also tend to feature the same Atlantic partnerships repeatedly. Notwithstanding their importance, and as this report shows, there are numerous additional Aboriginal/non-Aboriginal partnerships that have been pursued (or are being pursued) in the region. A concerted effort was made to include Atlantic data in the literature review whenever possible given that the focus of the project on business partnerships in Atlantic

9 Seitanidi and Crane, p. 414.
Examining Partnership Arrangements Between Aboriginal and Non-Aboriginal Businesses

Canada. However, this was not usually possible so the scope of the literature review was widened to discuss partnership elements on a broader scale.

3. CONTEXTUAL DISCUSSION AND LITERATURE REVIEW

3.1 Defining ‘Partnership’

The language around what constitutes a partnership is not consistent. Neither is the language around types of partnerships. Ferrazi concurs, stating that: “[a] lack of definitional rigor regarding joint ventures permeates popular literature and discussion. Even legal definitions seem to lack precision”.

Singh uses the term strategic alliance to describe “[a] cooperative arrangement between two or more organizations designed to achieve a shared strategic goal. He differentiates between equity-based and non-equity based alliances. “[e]quity-based alliances include minority stock investments, joint ventures, and at the extreme end, majority investments. Non-equity based alliances tend to be governed primarily by a contractual arrangement that specifies the responsibilities of each party, the mode of operation of the alliance, and the considerations involved in expansion or termination”.

Frank and Smith define partnership in general terms as “a relationship where two or more parties, having compatible goals, form an agreement to share the work, share the risk and share the results or proceeds. Partnership implies the sharing of decision-making, risks, power, benefits and burdens. It should add value to each partner’s respective services, products or situations. In partnerships, there is give and take”. They state that partnerships can be short or long term and share a number of characteristics in that they generally involve the sharing of authority and responsibility, involve a joint investment of resources, result in mutual benefits, and involve the sharing of risk and accountability.

Building on this, the National Aboriginal Forestry Association and the Institute On Governance articulate that the idea of partnership implies a “... a mutual contribution by two entities involving

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14 Ibid.
shared objectives, decision-making and benefits. Contributions may be financial, institutional or intellectual”.  

With specific reference to Aboriginal business partnerships, The Power of Partnerships: New Opportunities for Aboriginal People and Ontario Businesses defines a corporate-Aboriginal partnership as “an explicit and deliberate arrangement between Aboriginal people and the corporate sector to combine resources in order to achieve specific, mutually agreed objectives”. Some partnerships are highly formalized, using legally-structured arrangements while others can be as simple as a verbal agreement to work together. Regardless of the structure, the Power of Partnerships: New Opportunities for Aboriginal People and Ontario Businesses maintains that all partnerships share four attributes: 

- **Mutual benefit** – where each party benefits from the relationship;  
- **Shared responsibility** – where each partner contributes something to the relationship and shares the risks (e.g., experience, business know-how, technical skills and expertise, labour, assets, financing, access to resources, etc.);  
- **Compatible goals** – where each party has goals that are in line with one another, though not necessarily identical, and;  
- **Increased capacity** – where each party can do more together than they would alone.  

Moreover, the term ‘joint venture’ is often used interchangeably with ‘partnership’. As Ferrazi notes, the Canadian Law Dictionary explains that “…[t]hough the term [joint venture] is often synonymous with partnership, a joint venture may connote an enterprise of a more limited scope and duration”. He goes on to define a joint venture as: “a business undertaking by two or more parties in which profits, losses and control are shared. Fraser’s definition of a ‘joint venture’ is more detailed. According to Fraser, a joint venture is “business concern or formal relationship created, operated and controlled by two or more parent organizations … [and] ... are arrangements whereby the partners either form an independent business or agree to collaborate using contributions from each party”. She discusses two

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17 The Power of Partnerships, pp. 9-10.  
18 Ferrazi, p. 17.  
19 Ibid.  
important features of a joint venture: dynamic collaboration and shared control. Shared control involves “collective contributions and resources ... [and] decisions affecting the joint venture require the collaboration of all parties and none can force its position on another”.  

Thorne, Ernst and Whinney maintain that joint ventures are significantly different from other forms of partnerships. Unlike in a partnership where assets are owned by the partnership, the parties to a joint venture maintain distinct ownership of the assets. Reiter adds that liability also differs from the partnership model; a joint venture partner is not automatically responsible for the debt of a joint venture. Furthermore, a joint venture partner is not necessarily bound by the actions of another party. The particulars of liability and sharing of assets is generally articulated in a joint venture agreement. The Power of Partnerships: New Opportunities for Aboriginal People and Ontario Businesses sees a joint venture as involving the creation of a new legal entity.

Regardless of the variances in definitions, there is agreement that partnerships involve a cooperative arrangement and an element of sharing (of objectives, risk, benefits, decision-making, responsibility, etc.). This understanding of ‘partnership’ will be taken here.

3.2 Types of Partnerships

The range of partnership possibilities is broad and as the discussion reveals below, the ‘types’ of partnerships are not always clear-cut. Notwithstanding this, partnerships can have formal legal and/or contractual frameworks or be less formal. They can involve multiple endeavours or be more focused. They can operate in any sector. They can involve for profit or non-profit organizations, be located in urban, rural or remote places.

Kaplan and Hurd assert that alliances generally fall into one of four categories: promotional, operational, relationship, and strategic. Promotional alliances help to augment brand awareness in a market. They are externally focused and serve to enhance image and strengthen market penetration. Assets are rarely commingled, and the individual firm’s economic and financial models do not change. Changing

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21 Ibid.
22 Ferrazi, p. 17.
23 Ibid.
24 The Power of Partnerships, p. 11.
25 Ibid., pp. 10-11.
partners is fairly common and has minimal consequences. Operational alliances begin to bring partners closer together as they depend on each other to improve operating capabilities. The failure of one partner to perform effectively can directly affect the profitability and relationships of the other. These partnerships focus on extending channels and satisfying customers' needs more rapidly. Operational partnerships are particularly useful in rapidly evolving, technologically based industries where speed to market with new products and niche capabilities are paramount. Relationship alliances serve to mitigate risk, allowing companies to expand into new markets and new ventures. One interesting motivation for relationship partnering occurs in industries where the underlying economic asset carries a high cost. Relationship alliances work most effectively when partners are of roughly comparable size. Since the partners are sharing both strategic and tactical management of a critical asset, equal value must be added and derived by each. Disparity often results in either the dissolution of the partnership or the acquisition of the smaller company by its more dominant partner. Strategic alliances involve true joint ventures, often through the creation of new entities jointly owned by the partners, who bring complementary strengths.

The National Aboriginal Forestry Association and The Institute On Governance describe 5 types of partnerships:

- **Joint ventures** – the parties jointly own the business. Industry partners can provide expertise, technology and market connections. Aboriginal partners may contribute access to resources and a labour force. Partnerships foster good will, improve corporate image and provide political leverage. First Nations can build capacity, establish their economic base and enter a sector using the knowledge, experience and market position of their partner.  

- **Cooperative business arrangements** – independent companies enter into cooperative arrangements with Aboriginal entities for mutual benefits. They are similar to joint ventures without the joint ownership arrangement.

- **Service contracting** – a company contracts another to provide a specific service.

- **Management planning** – partners share decision-making related to sector management, such as forest management.

- **Socio-economic partnerships** – the purpose of this partnership is two-fold: to enjoy economic gain and to enhance community development; non-Aboriginal partners may use this kind of partnership to facilitate a key business objective, such as qualifying for government contracts by virtue of having an Aboriginal

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27 National Aboriginal Forestry Association and The Institute On Governance, p. 16.
28 Ibid., p. 23.
29 Ibid., p. 25.
30 Ibid., p. 32.
partner; Aboriginal partners may use this partnership to enhance human resources development in the community, offer training, or create employment.\textsuperscript{31}

The Power of Partnerships: New Opportunities for Aboriginal People and Ontario Businesses adds to this list:

- **Strategic alliances** – the parties are legally separate entities that collaborate in one area or on one initiative (this appears similar to the description of ‘cooperative business arrangements’ described earlier).
- **Comprehensive partnerships** – this type of partnership is similar to strategic alliances but instead of working on one initiative, the partners, who remain separate legal entities, collaborate on more than one issue or initiative.\textsuperscript{32}

While joint ventures between Aboriginal and non-Aboriginal entities can take many forms, Lloyd says that three models are the most common. The first, the ‘Investment Canada Act’ model usually involves a non-Aboriginal manufacturer or developer, which requires resources, such as forestry products, minerals, or possibly human resources. The partnership can involve a sharing of the profits. The Aboriginal partner is generally the band who represents the communal interests of the community. The Aboriginal partner generally provides the ‘raw materials’ to be processed by the joint venture. The joint venture generally lasts for as long as the raw materials do or until the price of or demand for the commodity falls. The control of this type of joint venture generally rests with the non-Aboriginal partner. An example of this type of joint venture may be a mill partnership where an Aboriginal entity provides raw lumber to the mill for processing.\textsuperscript{33}

The second type Lloyd refers to as the ‘procurement policy’ model. Here, the Aboriginal partner, be it a band council or private Aboriginal business, has access to government procurement contracts. The non-Aboriginal partner allies with the Aboriginal partner in order to qualify for the contract. This type of partnership generally lasts for as long as the contract. Generally, procurement contracts are granted to entities with more than 50% ownership. At the same time, Aboriginal entities usually require partnership because they possibly lack the expertise to undertake the work on their own.\textsuperscript{34}

The final model Lloyd presents is the ‘pure joint venture’ model. This approach is less

\textsuperscript{31} Ibid., p. 29.
\textsuperscript{32} The Power of Partnerships, pp. 11-12.
\textsuperscript{34} Ibid., pp. 7-8.
common at this time. It involves the parties in the joint venture having resources that each other requires. In this scenario, the partners also bring approximately equal value to the table. The partnership results in benefits that are greater than if the partners operated on their own. An example of a pure joint venture is the partnership between the Cree of Waskaganish First Nation and Yamaha to produce ‘gee-man’ boats that were based on a Cree design and were better at navigating the rough waters of James Bay than other boats on the market. The Cree market was really the only market for the boats and once it was saturated, production stopped and the partnership ended, but not before each partner enjoyed a profit.35

In their account of five successful Aboriginal businesses, Sisco and Nelson further identified five types of partnerships that Aboriginal businesses they featured were involved in:

- **Franchising** - when an individual or community acquires a branch of a larger company. The franchisee benefits from the ‘parent’ company by being able to access expertise, government and operations practices, modeling the corporate structure, etc.
- **Spin-off partnerships** – this type of business evolves as a result of another business or partnership but eventually separates into a separate initiative.
- **Client–corporation partnerships** – here, an Aboriginal business partners with a client to acquire expertise and develop its human resources potential.
- **Business-to-business partnerships** - when two or more businesses come together to partner for mutual benefit.
- **Public–private relationships** – when government engages with a privately owned business.36

3.3 The Rise of Aboriginal/non-Aboriginal Ventures

Historically, joint ventures between Aboriginal and non-Aboriginal companies were relatively rare. However, since the early 1980s, joint ventures and Aboriginal-non-Aboriginal partnerships have been on the rise. By 1985, the Department of Indian Affairs estimated that approximately 1.3% of all Aboriginal-owned businesses were joint ventures.37 By 2008 report, Sisco and Nelson38 state that 10% of Aboriginal businesses based ‘on reserve’ and 18% of ‘off reserve’ Aboriginal businesses now partner with other companies.

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37 Ferrazzi, p. 20.
38 Sisco and Nelson, p. 32.
Anderson comments that five factors have led to an improved climate for non-Aboriginal corporate-Aboriginal relations:

1. A change in the global competitive environment ...
2. A broadening and deepening of society’s expectations about what constitutes socially responsible corporate behaviour in general and toward Aboriginal people in particular.
3. The large and growing number of legal and regulatory mechanisms that impose requirements and restrictions on business ventures impacting Aboriginal lands and people.
4. The large and growing Aboriginal population, its increasing affluence and increasing level of education.
5. The already enormous and rapidly growing pool of natural and financial resources (in addition to human resources) that Aboriginal people control or will control in the near future.\(^{39}\)

3.4 General Reasons for Business Partnership

When speaking about partnership in general, there are many reasons why business entities partner. For example, in his study of multinational corporations’ involvement with small-scale enterprises, Wright found that some of the reasons why large corporations collaborate with small-scale enterprises are varied and can include:

- A need for labour
- Access to an expanded market
- A desire to improve customer/employee relations
- A sense of corporate responsibility
- Fostering public awareness
- Improving the company’s public image
- Humanitarian reasons
- Developing or expanding government relations

• To be able to qualify for government incentives or take advantage of specific legislation or programs.\textsuperscript{40}

Businesses may also collaborate to expand and source ideas, knowledge, and expertise.\textsuperscript{41} Sull argues that ‘good’ companies sharpen their core competencies and engage with partners to augment, expand, and apply knowledge so they can deepen their expertise and innovate efficiently and effectively.\textsuperscript{42} Benner and Tushman\textsuperscript{43} and Herrman et al.\textsuperscript{44} add that partnership also enables companies to explore new knowledge that can lead to radical innovation. Moreover, Baloh, Jha, and Awazu note that, according to Doz and Hamel, alliances let a company intercept another’s technology and close skill gaps faster than they could if the product was developed internally.\textsuperscript{45}

Frank and Smith note that reasons can include: exploring new and approaches, improving business opportunities and building the economy.\textsuperscript{46}

Whatever the reason for involvement, multinationals maintain that “there must be a significant degree of direct financial and/or commercial benefit” underpinning their involvement with small-scale enterprises.\textsuperscript{47}

3.5 Reasons for Aboriginal/non-Aboriginal Business Partnership

There are significant gaps between Aboriginal and non-Aboriginal people. Compared to the non-Aboriginal population, Aboriginal unemployment is high, incomes and educational attainment are low, and many rely on social assistance. Narrowing the gap would support Aboriginal people in becoming less dependent on government

\textsuperscript{40} Wright, David L. A study of the employment effects and other benefits of collaboration between multinational enterprises and small-scale enterprises. London: Oversees Development Institute (International Labour Office, Geneva), 1992, p. 5.
\textsuperscript{44} Herrmann, Andreas, Tomczak, Torsten and Befurt, Rene. “Determinants of radical product innovations” in European Journal of Innovation Management, Vol. 9, 2006, pp. 20-43.
\textsuperscript{46} Frank and Smith, p. 10.
\textsuperscript{47} Wright, p. 5.
Economic development is an important way to address these issues. Moreover, many believe that partnerships with the non-Aboriginal corporate sector are vital for long-term employment and economic development for Aboriginal people.

Brubacher notes that Aboriginal entities may embark on a joint venture to build equity, create employment opportunities for their membership, generate revenue for social and economic programs, and/or to gain business expertise. Whyte agrees and adds that other motivations for Aboriginal partners can include: nation-building, economic development, predictable/stable business environments, and/or access to markets and employees. In particular, she found that Aboriginal partners saw partnership as a way to possibly increase or re-establish their management over natural resources, acquire business knowledge and experience, and access capital to support the community and to support other economic initiatives.

Ferrazi asserts that Aboriginal people may be attracted to economic partnerships out of necessity because of a lack of capital and technical and managerial expertise. Accordingly, an increasing number of Aboriginal communities are engaging non-Aboriginal partners to build their business expertise and benefit from economic development.

The Power of Partnerships: New Opportunities for Aboriginal People and Ontario Businesses maintains that Aboriginal communities are motivated to partner with corporations to achieve economic self-sufficiency, to improve socio-economic conditions, and to ensure that development is respectful of Aboriginal cultures, values and languages. It asserts that six factors are driving Aboriginal organizations and non-Aboriginal Corporate Canada to partner:

- **Aboriginal economic self-sufficiency** – to help Aboriginal communities and entrepreneurs build capacity and become more economically self-sufficient.
- **Business opportunity** – that stem from a growth in the Aboriginal population, a rise in Aboriginal entrepreneurs, and increased financial capability as a result of land claim settlements.
- **Demographic factors (e.g., an increase in the Aboriginal population)** – that bring forth new markets, employees, and suppliers.

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49 *The Power of Partnerships*, p. 3.
50 Brubacher, p. 355.
51 Ferrazi, p. 18.
• **Access to resources** – that grants the private sector access to resources.
• **Social and environmental responsibility** – that enable companies to demonstrate that they are good social and environmental citizens.
• **Government policy, legislation, licensing, and employment and procurement strategies** – that support partnerships.\(^{52}\)

Fraser concurs and adds that market access may be another underlying motivation.\(^{53}\) Loizides contends that traditional economic activities are not sufficient to provide enough employment for a growing population or to remedy the social and economic problems that pervade Aboriginal communities.\(^{54}\) As such, partnerships and new approaches to business may help fill the gap.

Corporations, on the other hand, may wish to partner with Aboriginal organizations or communities in order to gain access to resources.\(^{55}\) Whyte found that non-Aboriginal corporations’ motivations for building partnerships with Aboriginal communities or organizations stemmed from wanting to increase business or market share, develop or access local suppliers, access a new labour pool, and build more meaningful relationships with First Nations.\(^{56}\)

Building on this latter point, Anderson found that one of the motivating forces behind non-Aboriginal corporate Aboriginal relations strategies is a sense of social responsibility toward Aboriginal people. In his study, respondents felt that such social responsibilities should translate into action. Anderson quotes Ron Jamieson, then Vice President of the Bank of Montreal:

> Companies should partner with Aboriginal people because it is the right thing to do. After all, the Native people were here first.... The Aboriginal people shared their wealth and taught the newcomers how to survive in a sometimes harsh environment. They were willing partners, but were not treated fairly.... We can’t right all the wrongs, at least not immediately, but we can work to recover the sense of partnership that prevailed in the

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\(^{52}\) The Power of Partnerships, pp. 12-14.
\(^{53}\) Fraser, p. 23.
\(^{56}\) Whyte, pp. 3; 6-7.
Extraneous text removed.

beginning. Partnering with Aboriginal communities has the strongest of arguments going for it – justice.57

Anderson adds that when part of a company’s corporate strategy, Aboriginal relations are regarded as an investment, not a cost. Aboriginal people are regarded as a new or expanded pool of labour and/or a key source of resources.58

The case of Cameco Corporation, one of the largest producers of uranium, controlling 19% of the world production, sums up the non-Aboriginal corporate rationale for partnership.59 Cameco is one of Canada’s largest employers of Aboriginal people as a result of its Aboriginal employment program. Additionally, it has an aggressive business development strategy that includes ‘northern’ employment and joint ventures to attract Aboriginal participation. The company describes the benefits it gains from partnership as:

...we gained legal compliance – we are meeting our obligations as set out in our surface lease agreements. We gained some high moral ground – we are extending opportunities to the people and communities most impacted by our operations. We gained an extremely valuable relationship with a very important constituent group of people...we also gained a close working relationship with government – we have been able to demonstrate to governments at all levels that cooperation is the key. And finally, we have gained a very important strategic advantage in what is a highly competitive global business – we are now using our experiences with [Aboriginal] people in northern Saskatchewan to secure development opportunities in other parts of the world.60

3.6 Advantages of Partnerships

Generally speaking, there are many advantages to partnerships. Reasons can range from improving access to capital and technology, providing training opportunities, capacity building and skills development, increasing employment, improving access

58 Anderson, pp. 144-150.
to markets, creating mentorship opportunities, sharing risk, gaining total or partial control over the pace and conditions of development, and developing business expertise. According to Tuten and Urban, additional benefits of partnership can also include: the potential to achieve cost savings, reducing duplication of services or effort, enhancing operations, improving performance, profitability and prestige, stability, reducing costs, improving and/or increasing service by meeting customer demands better or increasing convenience, improving one’s competitive advantage, improving product quality, gaining a reliable supplier.

Similarly, Crabtree identifies several advantages to forming partnerships. Partnerships broaden expertise and skills, enhance financial and human resources, encourage learning and further leadership development, increase the number and kinds of programs and services possible, improve the quality of programs and services, expand the target base and increase one’s client base, inspire support and participation, lead to the development of working relationship, facilitate strategies and positive outcomes, promote the business or organization by increasing visibility, allow for joint advertising and publicity, and strengthen the collective voice to better promote one’s product or position.

A primary reason why entities partner is for economic profit. For example, Anderson found that the vast majority of companies he studied (84%) said they formed alliances with Aboriginal people to improve long-term profitability. Therefore, partnership was regarded as an investment, not a cost. Ferrazi agrees.

As Perry maintains, partnership can also add prestige and validity to a venture. Partnering with a prestigious or reputable entity can add to one’s credibility.

Partnerships also enable the parties to do together what they could not accomplish alone. Iyer concurs, stating that alliances are formed because there is the expectation that the partnership will create something greater than the sum of its parts.

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61 Brubacher, pp. 354-355; Fraser, pp. 29-30; Ferrazi, pp. 18-19.
64 Anderson, Robert B., p. 1491.
65 Ferrazi, p. 18.
Partnerships may also be a constructive way to outsource innovation. KPMG note that alliances offer partners with a way to obtain knowledge and expertise that would otherwise be very costly or time-consuming to obtain on their own.\(^6^8\) Baloh, Jha, and Awazu add that outsourcing enables companies to buy the best product or service possible without incurring the cost or the risk of in-house innovation. Moreover, many companies have such focused expertise that their employees may not have the breadth of knowledge required to develop new products outside of the business’ main focus. Second, the company can obtain knowledge that emerges out of a real need and by purchasing that knowledge or product, the need will be satisfied immediately. In so doing, the company avoids expensive research and development processes. Third, intellectual property rights generally safeguard products and knowledge. Through partnership, a company can work with an entity that already holds the rights to a patent so that it can use a product that it would otherwise not be able to duplicate because of patent restrictions.\(^6^9\)

While these reasons for partnerships may apply to Aboriginal/non-Aboriginal partnerships as well, there are also advantages of partnerships that are more specific to the Aboriginal context. For example, Sisco and Nelson assert that Aboriginal/non-Aboriginal business ventures may help Aboriginal businesses build their internal capacity and gain expertise and business insight, build leadership and capacity, and gain access to funds.\(^7^0\) They add that, “Aboriginal businesses can use partnerships to acquire expertise, resources, insight, foresight, and financial support.”\(^7^1\) The BC Resort Task Force notes that non-Indigenous partners bring business management skills and expertise and financial resources. They generally have planning knowledge and industry connections that can be opened through partnership to Aboriginal businesses.\(^7^2\)

Moreover, as Sisco and Nelson\(^7^3\) add, partnerships can also build sustainable community development. Ferrazi notes Beaver as suggesting that a “successful joint venture enables a band to develop the management capacity among its people so that Native participants can eventually take control of the business and operate it independently.”\(^7^4\)

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\(^6^8\) KPMG, p. 1.
\(^6^9\) Baloh, Jha, and Awazu, pp. 103-104.
\(^7^0\) Sisco and Nelson, p. 32.
\(^7^1\) Ibid., p. 30.
\(^7^3\) Sisco and Nelson, p. 32.
\(^7^4\) Ferrazi, p. 19.
Partnerships also help facilitate economic development and wealth generation within the Aboriginal community. The Working Group on Aboriginal Participation in the Economy agrees as does The Power of Partnerships: New Opportunities for Aboriginal People and Ontario Businesses. Anderson, for example, found that approximately 42% of total revenue from First Nation business activity in Saskatchewan came from joint venture partnerships. Moreover, as Brubacher notes, revenue generated through partnerships may bring economic benefits to the local Aboriginal economy, increasing employment, social programming, and individual buying power.

As the Working Group on Aboriginal Participation in the Economy notes, partnership can also provide employment opportunities for Aboriginal individuals. Building on this, partnership also increases options for capacity and skills development among the Aboriginal population.

Partnerships can facilitate the entry of Aboriginal businesses into the marketplace. In discussing partnerships between Aboriginal business and the forestry sector, Hickey and Nelson, for example, highlight that Aboriginal people have been working seasonally in the resource sector for years and may even run related small-scale businesses. However, as small-scale operations, these companies quickly reach their employment and profitability thresholds; they can only employ a limited number of people and are generally only involved in the initial stage of forest products production. Even though such companies may have a desire to grow their business, they are often prevented from doing so by a number of factors, including a lack of capital, experience and resource access. As a result, many small businesses turn to forming partnerships with established companies, including joint venture, long-term supply agreement, or some other co-operative arrangement, in order to gain what they lack.

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76 As cited in National Aboriginal Forestry Association, and The Institute On Governance. p. 16.
77 Brubacher, p. 354.
79 The Power of Partnerships, pp. 15-17
Furthermore, through partnerships, Aboriginal firms may be engaged in large-scale projects otherwise not possible.\textsuperscript{81} For example, partnerships may allow Aboriginal companies to compete for larger contracts and serve a wider customer base, and building Aboriginal participation at all levels of the economy.\textsuperscript{82}

Partnerships may also provide royalties and spin-off businesses.\textsuperscript{83} Ferrazi\textsuperscript{84} adds that joint ventures allow Aboriginal partners to bridge resource gaps, obtain capital to finance ventures, better control development, share in the profit, and share risks. Non-Aboriginal partners may gain access to markets otherwise not available or set-aside and affirmative action programs. Both partners may also enjoy relationship building, and may develop mutual understanding, respect and cross-cultural awareness. Joint ventures may also lead to new business ventures.

Partnerships may also help lessen conflict. As Brubacher explains, if the matter under partnership pertains to accessing land or natural resources, for example, partnership can bring entities together in a cooperative rather than an adversarial way, thereby reducing the likelihood of legal challenges or protests. In the same vein, as Brubacher adds, partnership may also foster improved (mutual) cross-cultural awareness. Non-Aboriginal business managers and staff will learn about Aboriginal culture. Likewise, Aboriginal partners will learn not only about the cultures of the non-Aboriginal partners but also about business culture. Moreover, joint ventures and meaningful involvement of Aboriginal partners can enhance the probability that cultural values will be respected.\textsuperscript{85}

Partnership also affords Aboriginal partners better opportunity to be involved in decision-making, which in turn gives them more opportunity to manage Aboriginal interests more effectively.\textsuperscript{86}

Non-Aboriginal businesses may also enjoy benefits from partnership with Aboriginal businesses. The Power of Partnerships: New Opportunities for Aboriginal People and

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\textsuperscript{82} The Power of Partnerships, pp. 15-17
\textsuperscript{84} Ferrazi, p. 18.
\textsuperscript{85} Brubacher, p. 355.
\textsuperscript{86} Ibid.
\end{flushleft}
Ontario Businesses notes that partnerships with Aboriginal companies widens non-Aboriginal access to Aboriginal markets, opens access to government procurement contracts, opens access to government decision-makers, helps them tap into a new source of labour and new suppliers, builds community support for their business, increases their reputation as a responsible corporate citizen, and helps them access resources on Aboriginal land, such as land, water, forests, natural resources, etc.  

Situating an enterprise on a First Nation may also bring tax benefits.

Loizides and Greenall also point out that partnerships with Aboriginal people create a new skilled labour force for both the company and society in general and enable the company to meet its employment equity and diversity targets, leading to a more representative workforce.  Partnership also opens the possibility of transferring business opportunities to Indigenous businesses, creating more suppliers and additional partners.  Loizides expands on this, saying that building opportunities among Aboriginal businesses ensures a ‘fair’ share of economic growth goes to Indigenous communities.

Moreover, it paints the corporation as a favourable organization to do business with thereby becoming more attractive to Aboriginal patrons and, in turn, increasing potential business growth for the corporation.  Building on this, Brubacher states, “[m]any firms recognize that retaining market share requires public recognition of good corporate citizenship”.  Thus, partnering with Aboriginal communities can also be a good public relations move for the non-Aboriginal corporate partner.

### 3.7 Barriers or Challenges Faced by Aboriginal Businesses in General

Indigenous values may conflict with business ventures where achievement and success is solely measured in terms of economic objectives.  For example, the ideals of having a different time orientation, seeing individual competition as negative, making decisions based on consensus and prioritizing family and community are values that do not often fit with mainstream conceptions of business practice.

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87 The Power of Partnerships, pp. 15-17; BC Resort Task Force, p. 3; Ubillus and Wong, p. 54.
88 KPMG, p. 1.
91 Ibid.
92 Brubacher, p. 355.
93 Lindsay, p. 7.
In his discussion of the challenges Aboriginal business operators face in Australia, Schaper identifies a number of critical factors (cultural, geographical and historical) that seem to prevent the development of an entrepreneurial disposition among Aboriginal people. First, Schaper notes that traditional patterns of economic activity still influence business activity today. Before European colonization of Australia, the nature of the Indigenous economy was quite different from that of Western capitalism. Production was largely focused on community needs and directions, excess production was regarded as being collectively rather than individually owned, the distribution of goods and services was based on reciprocity, and land was communal property. Today, Schaper contends that many of these characteristics endure. For example, wealth in many Aboriginal people’s eyes can be regarded as belonging to the group. Therefore, Aboriginal small business owners may have pre-existing obligations that require them to distribute profits among other members of their family or community. Moreover, profit may not be the prime business objective. Other important goals may include: the maintenance of kin relationships, social obligations, and preservation of one’s cultural identity.  

Second, Schaper discusses a number of disadvantages that Aboriginals face in their attempts to build economic independence. For example, low levels of formal education limit the availability of qualified Indigenous labour or professionals. This means that Aboriginal business owners cannot begin a business using an Aboriginal workforce and that there is a very limited number of qualified Aboriginal accountants, lawyers, and other professional business advisers that entrepreneurs can rely on for culturally-sensitive advice.  

Third, Schaper notes that Indigenous entrepreneurs have difficulty raising funds. He adds that banks have been slow to recognize Aboriginal businesspeople as a specific market to target with tailored banking products. 

Fourth, land tenure systems may impede business development. Because land is communally held, individuals may have to seek community approval before launching a business venture. Moreover, Aboriginal property cannot be used as collateral, making obtaining financing difficult.  

Fifth, Schaper highlights that there is also a lack of small business role models.  

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95 Ibid.
96 Ibid.
97 Ibid., pp. 90-91.
98 Ibid., p. 91.
Sixth, there is a cycle of dependency that has been established. Aboriginal people are finding it difficult to break this cycle, which may inhibit or discourage individuals from pursuing business because of a lack of self-confidence.\(^9\)

Finally, the location of many Aboriginal communities also mitigates against business creation. Many Aborigines live in small communities and relatively isolated locations. Transportation costs are high, communication and technology is sometimes difficult, and both the consumer and skilled labour pool is small. Thus, it can be difficult for business owners to acquire a market share.\(^1\)

### 3.8 Barriers or Challenges to Partnership

The barriers facing partnerships, in general, whether they involve Aboriginal partners or not, are many and the risks are high. KPMG, for example, cites that nearly 40% of alliances do not live up to expectations.\(^2\) McDonald states that an imbalance of power among partners can be a serious barrier to success.\(^3\) Frank and Smith agree and add that additional barriers to partnership may also include culture clashes, fear of change or imbalances of influence and status (real or perceived).\(^4\) Benimadhu notes that Aboriginal businesses have the same challenges as small and medium-sized businesses generally: the rising dollar, competing against countries with a large and cheap labour force, and difficulties growing the business.\(^5\)

Additionally, Aboriginal businesses in general face unique barriers. Benimadhu, for example, notes that two such barriers can be on-reserve policies and remoteness.\(^6\) With reference to the former point, the Atlantic Canada Opportunities Agency and the Canadian Institute for Research on Regional Development add that governance issues and factionalism affect stability within Aboriginal communities and can deter outside investment.\(^7\) With regards to remoteness, many First Nation and Aboriginal communities are located in remote, northern areas that are far from southern markets. In Atlantic Canada, many Aboriginal communities are located along major

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\(^9\) Ibid.
\(^1\) Ibid.
\(^2\) KPMG, p. 2.
\(^4\) Frank and Smith, pp. 10; 12.
\(^6\) Ibid.
thoroughfares and do not face the same remoteness factor. Yet, the Aboriginal communities in Labrador do. High transportation costs and poor telecommunications can inhibit business development.\textsuperscript{107}

Aboriginal businesses can also be vulnerable to those seeking to exploit Aboriginal or treaty rights. Indeed, the evaluation of the federal Procurement Strategy for Aboriginal Business found that there have been occasions where non-Aboriginal firms enlist an Aboriginal “figurehead” to ‘front’ a venture so the company can take advantage of set-aside programs though there is no legitimate Aboriginal participation.\textsuperscript{108} There may also be an imbalance of power and resources, such as capital, technology, expertise, and human resources.

The Working Group on Aboriginal Participation in the Economy cites unresolved land claims and issues as creating uncertainty around land and resource use and ownership.\textsuperscript{109} The Atlantic Canada Opportunities Agency and the Canadian Institute for Research on Regional Development explain that outstanding land claims hinder partnership because they creates uncertainty regarding land ownership and resource use which can, in turn, dissuade investors.\textsuperscript{110} However, as Loizides and Greenall point out, once land claims are settled, First Nations usually gain fee simple title to land and resource and mineral rights, opening the door to negotiating partnerships with corporations that want access to these resources.\textsuperscript{111}

Whyte\textsuperscript{112} finds that financing is a major challenge for Aboriginal partners. Aboriginal ownership of land is not clear cut and therefore First Nation businesses lack collateral. The Atlantic Canada Opportunities Agency and the Canadian Institute for Research on Regional Development go on to explain that Indian Act provisions prevent individual First Nations from using property ‘on reserve’ as collateral.\textsuperscript{113} As such, it is often difficult for them to secure financing from conventional lending institutions. Both Ferrazi and the Working Group on Aboriginal Participation in the Economy add that difficulties in securing start-up capital, financing and investment impede business growth.\textsuperscript{114}

The National Aboriginal Forestry Association and The Institute On Governance find that a major obstacle for business partnerships in developing economies is the lack of

\textsuperscript{107} Ibid., p. 66.
\textsuperscript{108} Department of Indian Affairs and Northern Development, p. 36.
\textsuperscript{109} Working Group on Aboriginal Participation in the Economy, pp. 7-11.
\textsuperscript{110} Atlantic Canada Opportunities Agency, p. 66.
\textsuperscript{111} Loizides and Greenall, p. 8.
\textsuperscript{112} Whyte, p. 36.
\textsuperscript{113} Atlantic Canada Opportunities Agency p. 65.
\textsuperscript{114} Working Group on Aboriginal Participation in the Economy, pp. 7-11; Ferrazi, p. 22.
management capacity. Notwithstanding this, through partnership, Aboriginal businesses can gain access to managers and benefit from mentoring and training.\textsuperscript{115}

Whyte found that non-Aboriginal corporations often have difficulty understanding the Aboriginal community.\textsuperscript{116} This could prevent potential non-Aboriginal partners from contemplating partnerships.

Trust is often another barrier. Aboriginal communities may be hesitant to engage in partnerships. The Power of Partnerships: New Opportunities for Aboriginal People and Ontario Businesses explains that a general distrust as a result of previous bad relationships, the potential negative impacts on language and culture, or concerns about what are perceived to be incompatible priorities may underpin Aboriginal people’s reluctance.\textsuperscript{117}

Differing accountability structures may cause conflict. In Brubacher’s discussion of a joint ventures assessment framework, he notes that private sector companies are generally accountable to their shareholders or owners. Profits tend to be the ‘bottom line’ though many also have social responsibility objectives within their mandate. However, while First Nations-owned corporations are no doubt interested in profit, they also have, as Brubacher puts it, other ‘bottom lines’, such as those related to the community, culture, or environment. He adds that community members may have particular expectations about the business as well as their perception of themselves as ‘owners’.\textsuperscript{118} This could place stress on the business and/or the relationship with the non-Aboriginal business partner.

Earlier, increased employment was cited as a benefit of partnership. However, a partnership between a corporation and an Aboriginal partnership may also lead to decreased employment of non-Aboriginal people who would otherwise be employed if the partnership with the Aboriginal entity had not been formed. This could lead to anger, resentment, and conflict between the Aboriginal community and the larger community.\textsuperscript{119}

In their study of the Kitsaki Development Corporation initiative of the Lac La Ronge Indian band in Saskatchewan, Anderson, Giberson, and Kayseas suggest that a successful Indigenous business can be more vulnerable to generational change than might a mainstream enterprise. For example, Indigenous businesses may face

\textsuperscript{115} National Aboriginal Forestry Association and The Institute On Governance, p. 51.
\textsuperscript{116} Whyte, p. 3.
\textsuperscript{117} The Power of Partnerships, p. 14.
\textsuperscript{118} Brubacher, p. 355.
\textsuperscript{119} Ibid., p. 11.
difficulties grooming successors or finding people within the Aboriginal community with the appropriate expertise because the Aboriginal population is so young and because educational attainment is low.\textsuperscript{120}

3.9 \textbf{Elements of a Successful Partnership and Effective Practices of Corporations and Aboriginal Organizations in Achieving Them}

There is much in the literature that speaks to the elements of successful partnerships in general. For example, Frank and Smith outline eight factors for successful partnerships:

- **Power** – each partner brings different strengths to the relationship and the venture.
- **History** – a history of good relations can be a strong foundation.
- **Resources** – assets include funds, human resources, access to land or natural resources, networks and connections.
- **Competition** – positive competition can bring partners together to achieve a common goal.
- **Leadership** – good leaders will make the partnership cohesive.
- **Values and ideology** – the philosophy and values that underpin the partner’s actions and motives.
- **Self-Interest** – being clear about individual motives for embarking on the partnership helps build openness and develop trust.
- **Perceptions** – public perception of the partnership can strengthen a partnership or lead to its demise; misperceptions can lead to conflict.\textsuperscript{121}

Kaplan and Hurd maintain that strong and effective alliances generally require the partners to adhere to three key principles: First, define the purpose of the partnership, where partners need to define the reason for the alliance and set specific metrics to track success at the outset of the relationship. Second, establish a formal alliance management process that screens, selects, and manages partners. Third, nurture the evolution of the alliance actively and deliberately to maintain an effective partnership.\textsuperscript{122}

Kaplan and Hurd add that successful alliances are also built on four steps. The first step involves mapping out the alliance. The decision to pursue an alliance should

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\textsuperscript{121} Frank and Smith, pp. 65-67.

\textsuperscript{122} Kaplan and Hurd, pp. 40-42.
\end{flushend}
emanate from the development of a company's strategic plan. Self-assessment, identification of gaps in corporate skills and capabilities, and a thorough review of all options should precede the final decision to partner. The second step entails identifying and selecting partners while first considering finance, strategy, assets, and capabilities. Later, one should also consider additional elements, such as cultural fit and personal rapport. The third step involves defining the rules of engagement, which should include how the strategic and tactical elements will be managed on a day-to-day basis, the degree of integration, and how the partnership will be operationalized with clearly defined processes, including decision-making. Finally, the fourth step involves establishing metrics for success so that all partners can track their success and identify emergent problems so they can be addressed effectively. This last element also includes an exit strategy, including terms, time schedules and procedures for winding down the partnership.\textsuperscript{123}

Likewise, Tuten and Urban note that the literature suggests components of partnership models include: cooperation, trust, good communication, adaptation, outlook, and profitability.\textsuperscript{124} Through their own study, Tuten and Urban found that there were three main groups of factors of success: (1) improved communication, including frequency, accuracy, and willingness to share information; (2) characteristics of a strong relationship, such as trust, reliability, honesty, and fairness, and; (3) satisfactory performance indicators, such as sales, market share, and profitability. Conversely, Tuten and Urban found that elements of unsuccessful partnerships included poor relationship management, unsatisfactory performance indicators, and poor communication.\textsuperscript{125}

Mohr and Spekman’s partnership model involves several clusters of factors of partnership success. The first cluster includes commitment, coordination, interdependence, and trust. The second cluster revolves around communication behaviour. This includes the quality of communication (e.g., accuracy, timeliness, and credibility of the information shared), information sharing, and participation. The final cluster of factors is conflict resolution techniques used by the partners, with constructive techniques, such as joint problem solving and persuasion, being the most successful rather than techniques like domination, harsh words, and arbitration.\textsuperscript{126}

\textsuperscript{123} Ibid., pp. 40-42.
\textsuperscript{124} Tuten and Urban, pp. 150-151.
\textsuperscript{125} Ibid., p. 157.
KPMG discusses three elements that are tied to the success of alliances and joint ventures: fit, focus and follow through.\textsuperscript{127}

‘Fit’ refers to “picking the right approach to match ... [one’s] ... strategies and capabilities”. The key is to align the right partnering approach with the best partner organization. KPMG suggests two factors to help achieve the perfect fit: (1) selecting the ‘right partnering approach’ in terms of “when to buy, when to joint-venture, and when to ally, and; (2) making sure that the organization’s strengths, capabilities and assets are consistent with the approach selected. It is important to properly compare different forms of partnership and ownership to ensure the best fit. To do this, one should draft criteria for partnership selection.\textsuperscript{128}

‘Focus’ involves “creating clear and shared priority, purpose, and ownership”. KPMG found that there are three areas of focus that are particularly key in forming successful alliances: “nurturing and picking the right partner relationships; setting a clear and shared purpose; and ensuring the appropriate level of priority and commitment among senior management”.\textsuperscript{129} In selecting the most appropriate partner, KPMG recommends selecting a partner that has a proven competency, commercial stability, and credibility. Here, not only financials are important. Consider the non-Aboriginal corporate culture, values, and philosophies, human resources practices, leadership style, corporate structure, and decision-making processes. One should also factor in the relationship the potential partner has with its customers, suppliers and the community-at-large. In the case of Aboriginal joint ventures, openness to doing business with Indigenous communities/companies would be key. Its history of working with Aboriginal communities may also be a factor to consider.\textsuperscript{130}

‘Follow through’ entails “monitoring the right drivers and adapting successfully”. Monitoring and performance measurement must be multi-dimensional and consider not only the financial but also the strategic, operational, and relationship aspects of the partnership. A lot of trouble can be averted at the outset of the partnership if roles and responsibilities are clearly articulated. Nonetheless, they have to be revisited regularly. A partnership agreement should also clearly articulate an exit strategy.\textsuperscript{131}

\textsuperscript{127} KPMG, pp. 2-10.
\textsuperscript{128} KPMG, pp. 2-3.
\textsuperscript{129} Ibid., p. 4.
\textsuperscript{130} Ibid., pp. 2; 4.
\textsuperscript{131} Ibid., pp. 7-10.
Examining Partnership Arrangements Between Aboriginal and Non-Aboriginal Businesses

Balah and Awazu note that Doz and Hamel suggest that an important prerequisite for successful alliances is strategic, organizational, and cultural compatibility among the partners.\textsuperscript{132} Building on this notion, Bell and Shea assert that partners must in three values: generosity, quality, and time. ‘Generosity’ implies extending the relationship beyond merely meeting a need or requirement and that partners do not compete with each other. ‘Quality’ implies sharing the same ideas about personal and business dealings and placing similar importance on them. ‘Time’ implies having similar views regarding punctuality, urgency, and deadlines.\textsuperscript{133}

In their case study analysis of over 30 innovative European and American companies, Baloh, Jha, and Awazu also found that respondents repeatedly indicated that the complementary knowledge base of the business partner(s) is key. They also noted these important factors: trust and reliability, cultural fit, the willingness to adapt to cultural differences, the type of project being embarked on, and geographic location.\textsuperscript{134}

Landry et al. emphasize the importance of maintaining a balance of power so that opportunistic behaviour is prevented or impeded.\textsuperscript{135}

There may also be additional (or complementary) elements of success that are more particular to the Aboriginal/non-Aboriginal business partnership situation. For example, Whyte outlines the following practices of success:

- **Practice integrity** so as to build trust and demonstrate commitment to the partnership, the venture, and the community.
- **Create tangible value for both parties** so that both the Aboriginal and non-Aboriginal business parties can see the benefit of the partnership. The Aboriginal partner (and community) will see how the business generates revenue, contributes to social programming and alleviates unemployment. Similarly, the non-Aboriginal business partner will see the business case and rationale for maintaining the partnership and how the venture contributes to the company’s ability to meet its corporate objectives.
- **Clarify objectives and expectations about what one offers and what one does not** which will enhance the understanding of each other’s roles and objectives in joining the partnership. Understanding how each will and will not contribute to

\textsuperscript{132} Baloh, Jha, and Awazu, p. 106.
\textsuperscript{134} Baloh, Jha, and Awazu, pp. 106-107.
the partnership will lead to stability, reasonable expectations, and ultimately, clarity.

- **Understand the respective business environments** and ensure that the right business experts with experience to advise and guide the partnership process are a part of one’s team.

- **Assess the readiness of both one’s organization and the potential partner organization and address deficiencies.** To do so, Whyte argues that Aboriginal partners should recognize that strong leadership that supports business development is key. Band policies and procedures foster a business-friendly environment. Clear decision-making processes and accountability mechanisms will ensure a healthy balance of business and politics without interference. The sufficient allocation of administrative and organizational resources will support the business manager. So too will a business plan and a trained labour pool. A business plan will also help to foresee risks and prepare for them. Research about the partner will also help to mitigate against risk and will prepare the Aboriginal business for making the decision regarding which partner to choose. A business manager (or advisors) should have an understanding of both business and Aboriginal cultures. Conversely, the decision to partner should come from the senior management of the corporation. A clear mandate, budget, and action plan backed by both financial and human resources should follow this. Community investment in terms of training, mentoring, and the transfer of knowledge will build trust with the Aboriginal partner.

- **Understand the role of timing** as activities at the First Nation level generally take longer than business will be used to. Business is advised to build in the time that it takes for decisions to be made in Aboriginal organizations. Likewise, Aboriginal partners should understand that many business activities have a small window of opportunity and taking too much time may lead to lost opportunities.

- **Look to the long term and plan** as one venture can lead to new opportunities and spin-offs. Having a plan can ensure that opportunities are recognized and that activities fit with the long term vision of both the community and the corporation.\(^{136}\)

A governance model that is fair and equitable will ensure each party is fairly represented in the decision-making process. Likewise, clear policies will not only guide day-to-day operations but will help articulate good business practices while respecting Aboriginal values. The BC Resort Task Force, for example, recommends that the First Nation partner, in particular, should have clear policies in place to guide business development. Accountability should be clear and transparent. A code of ethics could guide its business practices and ensure they are consistent with traditional philosophies regarding land and resource use and culture. Strategies

\(^{136}\) Whyte, pp. 5; 38-40.
should be developed that incorporate employment, education and human resources goals.¹³⁷

Sisco and Nelson¹³⁸ report that strong leadership is a strong determinant of business success. Frank and Smith¹³⁹ agree as do the Atlantic Canada Opportunities Agency and the Canadian Institute for Research on Regional Development.¹⁴⁰ They maintain that strong leadership can hold the group, community or partnership together and greatly influences an initiative’s success. Whyte also concurs. Leaders, she asserts, help gain community support but also protect the business venture from political interference either by initiating an economic development corporation overseen by a board of directors or by strong leadership.¹⁴¹ KPMG found that ensuring senior management play a significant role in defining the partnership/project and has buy-in is an important key to success. KPMG also found that consistent monitoring by senior executives is vital as well.¹⁴²

Another element of success is the separation of business from politics. As Cornell and Kalt of the Harvard Project on American Indian Economic Development explain, most people choose leaders on the basis of their vision, integrity, decision-making skills, leadership skills, etc. However, business people have a different skills set focused on interpreting market conditions, negotiating business agreements, dealing with human resources issues, payroll, business planning, budgeting, etc. Aboriginal leaders should find the best business people available who will work with the community to achieve business success.¹⁴³ Cornell and Kalt explain that the Harvard Project has

... been carrying out a running survey of tribally-owned businesses on reservations. To date, we have surveyed approximately 125 ... [tribally-owned businesses] ... on more than thirty reservations. The results are compelling. Those tribally-owned businesses that are formally insulated from political interference — typically by a managing board of directors and a corporate charter beyond the direct control of council members or the tribal president — are four times as likely to be profitable as those businesses that are directly controlled

¹³⁹ Frank and Smith, p. 12.
¹⁴⁰ Atlantic Canada Opportunities Agency, p. 48.
¹⁴¹ Whyte, p. 3.
¹⁴² KPMG, p. 6.
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by the council or the president. To be sure, there are some council-controlled businesses out there that are successful. But the evidence from Indian Country shows that the chances of being profitable rise four hundred percent where businesses are insulated from political interference in day-to-day operations (emphasis in the original).\textsuperscript{144}

The Royal Commission on Aboriginal Peoples agrees.

Whether in Inuit, Métis or First Nation communities, it is not difficult to find examples of political leaders interfering with economic development organizations and projects for political reasons - for example, demanding that certain individuals be hired, standing in the way of lay-offs that may be necessary on financial and business grounds, or trying to influence the distribution of grants or loans. The result of these interventions is the demoralization of staff, the failure of individual business ventures, and sometimes the undermining of an entire economic development organization. Over the long term, the result is an unpredictable, arbitrary business environment that discourages investment and commitment. There are important, indeed crucial roles for political leadership - to create and sustain an appropriate environment, establish guidelines, make important strategic decisions about the direction of development - but they do not lie in day-to-day decisions about economic development.\textsuperscript{145}

The Canadian Business for Social Responsibility finds that strong and long-lasting relationships based on trust, respect and mutual understanding are key to successful Aboriginal/non-Aboriginal business partnerships. Successful engagement of the Aboriginal community is often dependent on a company’s ability to foster and maintain a positive relationship.\textsuperscript{146} The Atlantic Canada Opportunities Agency and the Canadian Institute for Research on Regional Development agree.\textsuperscript{147} So do Willis and Huston who stress the importance of a marriage-like relationship, an atmosphere of mutual trust, and full disclosure of information between partners as key

\textsuperscript{144} Ibid., p. 16.
\textsuperscript{147} Atlantic Canada Opportunities Agency, p. 65.
ingredients in a successful relationship. Sisco and Nelson add that mutual support, shared assumptions, and equity of contributions are also important. The Power of Partnerships: New Opportunities for Aboriginal People and Ontario Businesses agrees that critical success factors which a partnership should have include “relationship building on principles of honesty, sharing, and kindness, mutual respect, mutual knowledge and understanding, mutual trust, explicit goals, clear roles and responsibilities, open dialogue and communications, creativity, flexibility, sustained commitment”.

Formal agreements and strategic plans are also elements of success. The BC Resort Task Force explains that partnerships should be formalized using protocol agreements or memoranda of understanding when starting a relationship. Recognizing that the relationship will change over time, partners should also establish a strategic plan, including long term goals and a vision early in the planning process that will guide their relationship.

Engaging skilled business people with the required expertise is also vital to success. For example, Whyte reported that successful partnerships between Aboriginal/non-Aboriginal business partnerships often drew on the expertise and skill of respected business professionals to ensure due diligence, that the partnership agreement has a clearly articulated vision, goals, and roles and responsibilities. She also found that such business experts often helped the parties overcome cross-cultural barriers.

Meaningful engagement of the Aboriginal partner in the partnership is also an important element of success. This may include engaging the Aboriginal community. Whyte maintains that the alienation of First Nation communities from the mainstream and from the economy has created a poor understanding or what she terms ‘affinity’ for business. Strong leadership is important here to educate the community and gain their support for embarking on a new venture, possibly in a new area. Whyte adds that corporations should be actively involved in the community in order to maintain ongoing support for the venture. Companies in her study were successful when they offered their employees cultural awareness, resources, and time.

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149 Sisco and Nelson, p. 4.
150 The Power of Partnerships, p. 10.
152 Whyte, p. 3.
153 Ibid.
154 Ibid.
Finally, an important element of success for the Aboriginal partner in particular might be the melding of business and culture. For example, Hindle, Anderson, Giberson, and Kayseas found that the establishment of a successful Indigenous venture requires dual leadership: a cultural authority and a business-oriented approach.\(^{155}\)

3.10 Summary and Conclusions of the Literature Review

Many believe that Aboriginal people and communities can move away from dependency towards greater individual and collective self-determination by developing their own revenue streams and controlling and being involved in economic development. While partnerships with non-Aboriginal entities may solve all of the socioeconomic challenges Aboriginal communities face, they can certainly help meet the goal of greater economic self-sufficiency.

Yet, what constitutes a partnership is not always straightforward. As this discussion has shown, the nature and structure of partnerships can vary. Certainly, ‘joint venture’ partnerships are perhaps one of the most common partnership structures and the term itself is often seen as being synonymous with ‘partnership’. Nonetheless, the structure of a partnership can be extremely flexible and can be as variable as the partners decide.

The motivation underpinning both Aboriginal and non-Aboriginal partners may vary. Both may be motivated by profit. However, for the Indigenous partner, motivation may also include a desire to increase opportunities for community economic development, develop a more skilled Aboriginal labour force, and become more self-sufficient. Non-Aboriginal business partners may also be motivated by a desire to be a better corporate citizen, access a new labour pool or supplier inventory, or take advantage of resource opportunities on Aboriginal lands.

Both parties to an Aboriginal/non-Aboriginal business partnership can benefit from the relationship. For Indigenous people and communities, benefits can include a growth in capital and investment, training and employment, the development of business expertise, and opening access to new and/or distant markets. On the non-Aboriginal business side, partnerships can result in a new customer base, a new source of labour, tax benefits, and accessing new opportunities through government procurement contracts.

Business is risky at the best of times. The above discussion demonstrates that there are considerable obstacles, which can diminish the success of Aboriginal/non-

Aboriginal business partnerships. For businesses in Canada in general, it is becoming increasingly difficult to compete against companies in developing nations who can produce goods at lower costs because of ‘cheap labour’. Likewise, the chance of business failure is high at the best of times. Aboriginal businesses often have difficulty accessing broader markets. They may also lack business expertise, management capacity, and capital. Likewise, Aboriginal ownership over land and resources is not clear-cut. The overlap of politics in business operations at the Aboriginal community level can also create challenges. Indeed, Jorgenson and Taylor of the Harvard Project on American Indian Economic Development add that Aboriginal (or what they term ‘tribal’) business initiatives should be insulated from undue political influence in order to maximize business success.\textsuperscript{156}

On a cautionary note, one must realize that Aboriginal communities, organizations, and people differ from one another and should not be seen as a homogenous group with only one set of values. Moreover, one formula for all Aboriginal/non-Aboriginal business ventures will not work. The development of a partnership is situation-specific and should reflect the unique situation and context of the partners and the socio-economic, cultural, and community milieu.\textsuperscript{157}

Aboriginal/non-Aboriginal business partnerships will no doubt continue to grow as First Nation communities and Aboriginal people become stronger. In this vein, the Assembly of First Nations recently challenged non-Aboriginal Corporate Canada to “establish, enhance, and increase their activities with First Nations governments and business ... [and] to fully realize employment and economic growth potentials”.\textsuperscript{158} Many companies have responded, including Adobe, Royal Bank of Canada, Encana, Enbridge, Bell Canada and Siemens Canada.\textsuperscript{159}

To encourage partnerships, an innovative program has been developed called ‘Progressive Aboriginal Relations’ (PAR). Launched in 2001 by the Canadian Council for Aboriginal Business,\textsuperscript{160} PAR is a benchmarking program that “help[s] organizations gauge and improve their commitment to Aboriginal relations ...”.\textsuperscript{161}

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\item National Aboriginal Forestry Association and The Institute On Governance, p. 42.
\item Ibid.
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With PAR, companies can establish a framework for performance benchmarks, including creating organizational objectives, developing action plans, measuring performance, achieving results, and excelling in Aboriginal relations. Participants measure their performance through self-assessment and external verification. Businesses that participate in the PAR program can use an identifying hallmark that indicates that they are committed to increasing Aboriginal employment, assisting with Aboriginal business development, building individual capacity, and enhancing relations with Aboriginal communities.

Through PAR, corporations engage Aboriginal people as employees, partners, customers, suppliers, and community representatives. They benefit from training, education, and employment opportunities and Aboriginal companies benefit by becoming partners and suppliers. Businesses set their own goals and measure their own progress based on PAR criteria. PAR criteria assess 4 sectors: employment, business development, individual capacity development, and community relations. The list of companies that are implementing PAR is growing and now include: BMO Financial Group, Canada Post Operations Division, Global, IBM, Scotiabank, Sodexho, World Wildlife Federation, and Xerox.

These examples suggest that successful Aboriginal/non-Aboriginal business partnerships begin with a foundation of mutual respect and a solid business idea and build from there. Likewise, an analysis of best practices suggests that both partners should share authority, investment, and responsibility and be actively engaged in the partnership and the business. The risks as well as the benefits must be shared. Non-Aboriginal business and Aboriginal leaders and executives must be engaged in the partnership to convey the value of the partnerships to all levels of each partner organization. When such a foundation is set, and where there is success, the benefits to both partners and, indeed, to Aboriginal communities, can be vast.

4. RESEARCH FINDINGS

The results of our research are presented below. The discussion of results is organized according to the following conceptual framework, as influenced by the project’s research questions:

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162 Ibid.
163 Ibid.
164 Ibid.
• Aboriginal/non-Aboriginal Business Partnerships in Atlantic Canada
• Nature of the Partnerships
• Principal Objectives of the Strategic Alliances
• Role the Partnerships have in Facilitating the Entry of Aboriginal Businesses into the Marketplace
• Effects of Strategic Alliances on Competitive Advantage
• Factors for Business Success
• Elements of a Successful Partnership
• Barriers in Forming Joint Ventures
• Notable (Best) Practices and Lessons Learned

4.1 Case Studies of Aboriginal/non-Aboriginal Business Partnerships in Atlantic Canada

Ten Aboriginal/non-Aboriginal business partnerships Atlantic Canada were included in this project. They are:

1. Epona Communications Inc. and Data Planet Inc.
2. First Nations and Business Liaison Group of New Brunswick Inc.
3. First Nation Engineering and Technical Services
4. Kan-Go-Roo Play Grounds
5. Membertou First Nation
6. Metepenagiag Heritage Park
7. Miawpukek First Nation
8. Millbrook First Nation
9. Morris Trucking
10. Vidabode Group Inc.

The nature of each business is described below. Please also refer to Appendix C for the detailed case study report.

4.1.1 Eel River Bar First Nation (Kan-Go-Roo Play Grounds) (New Brunswick)

Kan-Go-Roo Playground’s mission is to be a “manufacturer specializing in the conception and fabrication of playground equipment for children”. The goal of Kan-Go Roo Playgrounds is to provide playground equipment that offers children a safe, educational outdoor experience while at the same time stimulating their creativity.
and pleasure.\footnote{Kan-Go-Roo Playgrounds Ltd. Homepage; source: \url{http://www.kangoro.com}, retrieved on April 1, 2009.} At one time, this company was involved in a partnership between Kan-Go-Roo Playgrounds and Eel River Bar First Nation.

4.1.2 Epona Communications Inc. and Data Planet Inc. (Nova Scotia)

The same individual operates Epona Communications Inc. and Data Planet Information Services. As such, both companies are described here.

Epona Communications Inc. and Epona Communications Inc.’s main areas of focus are project management, information technology (IT), and IT training. Epona is currently providing products, services, and training to First Nations communities, private companies and organizations throughout Atlantic Canada, and is actively involved in procurement with the Government of Canada.

Data Planet Information Services Inc. offers web-based storage, remote server backups, data recovery and data wiping for companies and individuals who care about the integrity of their data. Its work focuses on Aboriginal communities, organizations, all three levels of government (municipal, provincial, and federal), and the private sector.

4.1.3 First Nations and Business Liaison Group of New Brunswick Inc. (New Brunswick)

The First Nations and Business Liaison Group of New Brunswick Inc. formed as a partnership of all the First Nations in New Brunswick in order to identify ventures that First Nations and businesses could develop as partners. It is co-chaired by Bud Bird and Chief Noah Augustine. The Liaison Group works to support partnership development for New Brunswick First Nations but also supports individual communities and Aboriginal entrepreneurs as well.

4.1.4 First Nation Engineering and Technical Services (Nova Scotia)

First Nation Engineering and Technical Services is a 51% Aboriginal owned engineering and technical service company. Services include project management, environmental assessment, project design, training, installation, and feasibility studies.
4.1.5  *Membertou First Nation (Nova Scotia)*

Membertou First Nation is located near Sydney, Nova Scotia. Since the creation of its corporate division in 2000, Membertou has developed multiple partnerships in a range of fields, including mining, oil and gas, fishing, forestry, retail and professional services. The First Nation has successfully developed partnerships with businesses such as Sodexho Canada, SNC-Lavalin, the Business Development Bank of Canada, Clearwater Fine Foods, Grant Thornton, MacDonnell Group, and Lockheed Martin Canada.

4.1.6  *Metepenagiag Heritage Park (New Brunswick)*

The Metepenagiag Mi’kmaq Nation (Red Bank) is located at the junction of the Little Southwest Miramichi and the Northwest Miramichi Rivers in northeastern New Brunswick. The Metepenagiag Heritage Park, whose purpose is to preserve, protect, and present Metepenagiag history and the significance of the national historic sites of the Augustine Mound and the Oxbow Site, is a $6.6-million, cultural tourism facility that is expected to boost the local economy by attracting more than 25,000 visitors annually. The facility reflects a partnership among the community, Parks Canada, the province, and local universities.

4.1.7  *Miawpukek First Nation (Newfoundland and Labrador)*

Miawpukek First Nation is located on the south coast of Newfoundland, approximately 224 km from Gander. Miawpukek has developed multiple partnerships in a range of fields, including engineering, fisheries and aquaculture, and wind energy.

4.1.8  *Millbrook First Nation (Nova Scotia)*

Millbrook First Nation is located eight kilometres east of Truro and has an on-reserve population of 729 people and an additional 587 off-reserve members. Since 1990, the Millbrook Band has been working progressively to increase economic development in the community. Its partnerships span numerous fields, including tourism, aquaculture, administrative services, and hospitality.

4.1.9  *Morris Trucking (Nova Scotia)*

Morris Trucking is based in Eskasoni, Nova Scotia and is owned by Norman Morris. Its services include excavation, digging, trucking, water & sewer, general digging & trenching & road reconstruction. Morris Trucking is involved in preparing sites for housing construction, water and sewer lines, as well as ditching. Morris Trucking
partnered with another construction company in a joint venture in order to submit a bid for the Aboriginal set-aside at the Sydney Tar Ponds Agency for the clean up of the Sydney Tar Ponds. The project entailed a clean-up process for the cooling pond and was completed successfully.

4.1.10 Vidabode Group Inc. (Nova Scotia)

Established in 2004, Vidabode Group Inc. is a Canadian company based in Amherst, Nova Scotia that has developed and is the manufacturer and licensor for Vidacrete™, a concrete composite that is lighter and stronger than traditional concrete and which can be cost-effectively for residential and commercial buildings. Vidabode is a partnership between Aboriginal and non-Aboriginal owners with a 65%-35% split.

4.2 Nature of the Partnerships

Based on the case studies, the nature of partnerships in Atlantic Canada is as varied as the businesses themselves. In some cases, the businesses are the result of a formal partnership between an Aboriginal and non-Aboriginal partner, where each partner has a percentage of ownership in the company. In other cases, the partners are distinct companies that come together with each other for a particular purpose. For example, in some cases, distinct partner businesses came together to pursue a joint venture, to jointly bid for a contract, or to undertake a shared project for a period of time and then went their separate ways after the project or initiative was completed. In other cases, the partnership is in the form of Aboriginal and non-Aboriginal people coming together as a board of directors to cooperatively govern and oversee business operations.

This range of different types of partnerships is a pattern that is reflected in the literature. Recall that, according to the literature, partnerships come in many different forms. ‘Joint venture’ partnerships, where the parties jointly own the business, are perhaps one of the most common partnership structures and the term itself is often seen as being synonymous with ‘partnership’. Nonetheless, the structure of a partnership can be extremely flexible and can be as creative as the partners decide it to be. The range of partnerships includes those that are strategic alliances among separate and distinct companies, cooperative business agreements, highly formalized arrangements supported by legal agreements, informal ‘verbal’ agreements to work together, contractual, involve the creation of new legal entities, business-to-business partnerships, or public-private partnerships. Partnerships can also be short or long term.

Regardless of the variances in types of partnerships, there is agreement that partnerships involve a cooperative arrangement, shared goals, the belief that the
partners can do more together than apart, and an element of sharing (of objectives, risk, benefits, decision-making, responsibility, etc.).

4.3 Principal Objectives of the Strategic Alliances

Aboriginal businesses identified a variety of reasons as to why they embark on partnerships with non-Aboriginal businesses:

- To generate revenue and build the economic capacity of the First Nation for the betterment of the community and members.
- Because of the promise of job creation for community members, economic development, self-sufficiency and the potential of having businesses set up ‘on reserve’.
- To reap the benefits of partnering with an established company with extensive experience and expertise.
- To be meaningfully involved in a project or partnership.
- To pursue an opportunity for which they only partially meet the mandatory criteria.
- To authentically transfer business skills and capacity from the Aboriginal partner to the non-Aboriginal partner and vice versa.

One interviewee summarized the purpose of partnership building and cooperation as figuring out a way of living together.

Likewise, the literature review found that the motivation underpinning both Aboriginal and non-Aboriginal business partners vary. Objectives for any partnership as identified in the literature include: profit, exploring new and approaches, improving business opportunities, and building the economy. However, for the Indigenous partner, motivation may also include a desire to increase opportunities for community economic development, develop a more skilled Aboriginal labour force, acquire more knowledge and expertise, become more self-sufficient, fill the gap created by a decline in traditional economic activities, create employment for community members, nation building, re-establish management over natural resources, and access capital. Non-Aboriginal business partners may also be motivated by a desire to be a better corporate citizen and build more meaningful relationships with First Nations, access a new labour pool, supplier inventory, or market, or take advantage of resource opportunities on Aboriginal lands. Some may also be motivated by a sense of social responsibility toward Aboriginal people.
4.4 Role the Partnerships have in Facilitating the Entry of Aboriginal Businesses into the Marketplace

The case studies highlight that in some cases, Aboriginal firms were engaged in large-scale projects through partnerships that were otherwise not possible.

4.5 Effects of Strategic Alliances on Competitive Alliances

Case study participants identified numerous benefits of partnership, including:

- **Qualifying for contracts** that enable Aboriginal businesses to qualify for contracts that they would not otherwise be able to qualify for.
- **Providing a larger resource pool** where Aboriginal businesses can draw on partner resources. Partnership can increase one’s networks.
- **Gaining access to opportunities** where Aboriginal businesses can learn about opportunities that they would not otherwise learn about.
- **Filling employment gaps** that enable companies to fill labour shortages.
- **Creating jobs for First Nation members**, which increase employment levels within the communities.
- **Transferring knowledge** where Aboriginal partners gain access to a whole range of expertise that they otherwise would not have. Likewise, non-Aboriginal partners learn about Aboriginal cultures and communities and have a better understanding of the Aboriginal context.
- **Role modeling** where the Aboriginal people involved in business partnerships become role models for other Aboriginal people. Aboriginal/non-Aboriginal business partnership expand the range of possibilities for Aboriginal people in terms of professional pursuits and encourages Aboriginal people to pursue professional careers, e.g., as engineers, architects, and consultants.
- **Developing capacity** where partnership can open up the opportunity for additional skills and professional development.
- **Profitability and greater revenue generation** that allow First Nations to generate own source revenue.
- **Sharing financial responsibility** where risk is jointly shared.
- **Raising standards** where Aboriginal employees develop a more professional work ethic.
- **Enabling communities to prepare for the future** where today’s youth are trained so there will be trained members to fill First Nation vacancies as older employees retire.
- **De-bunking myths and stereotypes** about Aboriginal people and demonstrating the capacity and potential of Aboriginal people and communities.
• **Enabling Aboriginal companies to continue to grow and progress** by partnering with experienced companies that are the best in their field.

• **Diversity** which provides multiple perspectives and viewpoints needed to strategize and problem solve.

• **Providing authenticity, legitimacy, and credibility** that will allow one to work on building relationships with other entities.

• **Adding value and strengthening ties** where partners can also provide linkages and add strength to an endeavour or to a network of initiatives.

The literature supported this range of benefits. The literature review found that in general, advantages to partnerships can include: improved access to capital and technology, training opportunities, capacity building and skills development, employment, improved access to markets, mentorship, and business expertise development, added prestige and validity to a venture, gaining total or partial control over the pace and conditions of development, sharing risk, and enjoying a profit. Partnerships also enable the parties to do together what they could not accomplish alone.

For Indigenous people and communities in particular, benefits can include a growth in capital and investment, training and employment, the development of business expertise, and opening access to new and/or distant markets. On the non-Aboriginal business side, partnerships can result in a new customer base, a new source of labour, tax benefits, access to new opportunities through government procurement contracts, improved access to natural resources, a new labour force, the creation of new suppliers and new markets, supporting companies in achieving their employment equity goals, and business growth.

Factors for business success as identified through the case study interviews and the literature review are:

• **A governance model** that is fair and equitable will ensure each party is fairly represented in the decision-making process.

• **A strategic plan** that includes long-term goals and a vision early in the planning process to guide the relationship as it evolves and that incorporate employment, education and human resources goals.

• **Clear vision, goals, roles and responsibilities, and policies** to guide business development and implementation.

• **Accountability** that is clear and transparent.

• **Separation of business and politics** since most people choose leaders on the basis of their vision, integrity, decision-making skills, leadership skills, etc. Business people have a different skills set, around interpreting market conditions,
negotiating business agreements, dealing with human resources issues, payroll, business planning, budgeting, etc.

- **Meaningful engagement** of Aboriginal partner in business planning.
- **Cultural understanding** of the Aboriginal partner and/or the First Nation, history, etc. and also the culture of the non-Aboriginal partner.
- **Qualified people** with the experience and expertise required.
- **Strong leadership** that involves consistent monitoring and involvement by senior executives.
- **Monitoring and performance measurement** to monitor progress and to support change. Monitoring must be multi-dimensional and consider not only the financial but also the strategic, operational, and relationship aspects of the partnership too.
- **A dispute resolution mechanism** that is fair and effective.

### 4.6 Elements of Successful Partnerships

Case study participants identified features of a good partner, which confirms that which was reported through the literature review. According to interviewees, a good partner is one that:

- Is open, trustworthy, professional and sensitive to Aboriginal cultures.
- Has related project history.
- Has appropriate skill levels among its staff.
- Has related project experience.
- Has experience working with an Aboriginal business in the past.
- Brings something to the table.
- Shares information.
- Makes introductions and referrals.
- Brings the other partner credibility and gains value by associating with each other.
- Is honest and credible in the marketplace.
- Is sensitive to the First Nation perspective. It is much better if partners walk the walk and do more than pay lip service to diversity, respect, etc. They must really embrace these philosophies.

There are also some common themes that emerge from the case studies to enable Aboriginal and non-Aboriginal businesses to either improve their relations or build strong partnerships.
Theme 1: Agreements

Important aspects of partnership agreements include: training and internship experiences for front-line and managerial staff, joint-venture structures, profit sharing, branding, and the opportunity for global reach. Partners might also consider entering into a non-disclosure agreement and/or non-compete agreement, particularly if they work in the same sectors as each other.

Theme 2: Funding

A reliable (and independent) cash flow source to start the venture and then to sustain it is important as it is difficult to run a successful business with insufficient funding. Relying solely on federal funding may also be detrimental as delays and bureaucracy can quickly put one out of business.

Understanding the partner’s financial capability is key. Conducting an analysis of the partner before entering into any joint venture or partnership is important because it will provide an understanding of their track record and will provide an indication of their previous successes and challenges, as well as their capacity.

Staying in control was also identified as a success factor. Having one’s own resources can increase one’s control and may help deter one partner from overtaking another.

Theme 3: Assessment

Assessment of one’s partner and the business venture prior to the investment of funds or a significant amount can also be important to ensuring that the potential partner is legitimate and worthy of association. An assessment matrix may help to assess potential partnerships.

One might also be conservative with one’s numbers and forecasts so as to avoid over inflating forecasts and potential.

Theme 4: Planning

Proper strategic planning can be key to making projections and estimates. Nonetheless, the external environment can change dramatically and affect one’s projections and may have to be revisited several times over the course of the project development period.
Theme 5: Communication

Communication is an important element to building a successful partnership. Maintaining open lines of communication is vital to success.

Theme 6: Mutual Trust, Respect and Cooperation

Trust is the foundation for everything else. As one respondent noted, “it takes years to build trust but it takes a second to lose it. And it’s very difficult to get it back”. Commitment and effort to the partnership may help build trust.

A personal element to partnership building also seems to be important, particularly among Aboriginal partners. A partnership takes time to foster and a lot of personal attention may be spent building it.

Personal and business respect also seems to be important. This includes respecting the expertise that each brings to the table and attempting to understand each other. Being transparent, open and honest also raises the level of respect. Compromise may also important.

Mutual cultural sensitivity is vital. Partnerships may be strengthened if non-Aboriginal partners take the time to better understand the Aboriginal partner and if Aboriginal partners take the time to understand the business world.

Cooperation among all the players is key. Likewise, compromise is important. It takes time to develop relationships and to overcome obstacles.

Theme 7: Leadership

The case studies confirmed that strong leadership is vital to success. So too is consistency in the leadership over time, as well as stability in leadership. Leaders can provide important external lobbying and negotiation and advocacy support to a project and facilitate the implementation of a vision and strategic plans over a long period of time.

Theme 8: Openness and Flexibility

Open-mindedness is an important theme. One might come to the table with a mandate from one’s organization or company but one also has to be personally open. Progress may be stymied if one is only “working inside a box” and not open to creativity. Being open-minded helps foster communication and can ultimately lead to greater success and better relations among partners. Being flexible allows one to
adapt to changing situations. Likewise, considering a menu of options and working together (with one’s partners) to decide on the best way may increase success.

It is also important that non-Aboriginal partners understand that First Nations have many projects to manage at the same time. This can affect the pace at which a venture can move forward.

Theme 9: Creativity and Innovation

Innovation, transparency, a willingness to embrace opportunities, and a vision are additional elements of success.

Theme 10: Control

Maintaining control over the elements of the partnership was also a theme that was identified as being an element of success.

Theme 11: Human Resources

Engaging people that are hardworking, reliable and competent may also increase one’s chances at success.

Theme 12: Record Keeping

Accurate and detailed records of all aspects of the partnership, both in terms of the financial and non-financial aspects, are important.

Theme 13: Patience

Partnership development takes time as does pursuing funding. While this can be frustrating, time also allows on to think about the project from multiple angles and may allow a project concept to germinate.

Theme 14: Support and Community Engagement

Community buy-in and endorsement of a partnership was also identified as a key theme to successful partnerships because of the community focus in First Nations. Even if the Aboriginal partner is an individual, that individual’s success may be regarded as reflecting the success of the entire community.
**Theme 15: Experience, Capacity, and Expertise**

Having the right people involved in the venture is another element of success. If one lacks the capacity to do certain things, it may be important to identify how to build capacity and align oneself with partners who will support one’s efforts to do that. Moreover, engaging dedicated people can help in seeking solutions or in drawing on networks and contacts.

A positive track record may also help to further build successful partnerships. When a First Nation’s successes grow, they will, in turn, attract others, which may lead to more business opportunities.

**Theme 16: Relationship Building and Social Return on Investment**

Partnerships that are successful appear to approach business as relationship building. Additionally, considering the social return on investment may be important; it may also be important to look at what the value of partnership is to the stakeholders. Looking at connections and how factors interplay or fit into each other.

The literature review also revealed a series of factors for successful partnerships:

- **Power** – each partner brings different strengths to the relationship and the venture.
- **History** – a history of good relations can be a strong foundation.
- **Resources** – assets include funds, human resources, access to land or natural resources, networks and connections.
- **Competition** – positive competition can bring partners together to achieve a common goal.
- **Leadership** – good leaders will make the partnership cohesive.
- **Self-Interest** – being clear about individual motives for embarking on the partnership helps build openness and develop trust.
- **Perceptions** – public perception of the partnership can strengthen a partnership or lead to its demise; misperceptions can lead to conflict.
- **Trust** - relationships based on trust, honesty, respect and mutual understanding are key to successful partnerships.
- **Mutual support** – where each partner supports the other and share information, resources, networks, etc.
- **Shared assumptions, values and goals** – partners must share a vision or have a common goal and be committed to the venture.
- **Contribution** – partners contribute to the partnership though contributions may not necessarily be confined to monetary contributions.
- **Clear responsibilities** – where roles and responsibilities are negotiated and agreed to.
- **Communication** – characterized by open dialogue.
- **Formal agreements** - relationships are formalized through formal agreements, protocols, and memoranda of understanding.

4.7 **Barriers in Forming Joint Ventures**

Case study participants identified several challenges with partnership:

**Challenge 1: First Nation Governments**

Chiefs and Councils can provide valuable insight and networking opportunities within the community. However, it can also be difficult navigating through the business process with Chiefs and Councils whose priorities may be different or not oriented towards business.

**Challenge 2: Non-Aboriginal Governments**

Federal and provincial government are not necessarily conditioned to directly support Aboriginal business development. There is a lack of support programs for Aboriginal companies that are growing or are going to grow.

**Challenge 3: Financial**

Banks often are reluctant to fund Aboriginal businesses and any assets that are located on a reserve are simply not acknowledged as assets by Canadian banks.

Having adequate cash flow is a real challenge in communities. Communities often are in a position of having to divert funds away from social programming in order to finance a business venture. This can be extremely risky and the community may suffer from cut-backs in services.

Part of the challenge with financing is that communities (and Aboriginal businesses) have to compete with each other for the same limited sources of funding. This creates a dissemination of voice rather than a gathering of one voice. It creates competition and limits the amount of government support available.
Challenge 4: Mutual (Mis)Understanding

There is a mainstream perception that Aboriginal companies are not always as strong as non-Aboriginal companies in terms of capitalization, resource commitment, longevity, and focus. Aboriginal companies may be in a position of having to deal with and overcome this misperception.

Non-Aboriginal people (and business leaders) may not necessarily have experience being ‘on reserve’ or working with Aboriginal people. There should be an opportunity for everybody to share each other’s culture.

It can be difficult to break down barriers and myths about Aboriginal people. Open communication and mutual learning opportunities help to do this.

There are also differences in work cultures between First Nation places of work and non-Aboriginal places of work. This difference can cause friction with the partner and other non-Aboriginal staff.

There also may be differences when it comes to ways of thinking or mindset. Corporate culture tends to focus on the bottom line and making a profit. Non-Aboriginal business partners may be more interested in generating profit for the business, themselves, and their families rather than for an entire community. In contrast, a First Nation community partner may have the community as its primary priority. As such a First Nation community may also be concerned with maintaining cultural integrity, training and employing people, and being community minded. Different conceptions about time may also be a source of conflict. It can be challenging to finding that balance between these two different positions.

It has been said that some non-Aboriginal companies may believe that all they have to do is hire a certain number of Aboriginal people to get a contract or a job. Tokenism should be avoided; Aboriginal partners should be meaningfully involved.

There is the misconception that First Nations are a source of unlimited wealth. This leads to some non-Aboriginal companies believing that Aboriginal communities are only valuable as a source of money or as a way of getting more government contracts.

There may also be hesitation in dealing with non-Aboriginal people because of decades of perceived indifference. There is a perception or fear that non-Aboriginal people may take advantage of an Aboriginal person or community.
Challenge 5: Misguided Intentions

There are some non-Aboriginal companies that want to partner with a First Nation in order to gain access to contracts. However, in some cases, companies are not interested in meaningfully involving Aboriginal companies in the actual business.

Challenge 6: History

Because of past actions, there may be hesitation from First Nations to work with non-Aboriginal people. This may prevent the parties from pursuing an opportunity.

Challenge 7: Lack of Community Support

As one person becomes more successful, there is the potential of their becoming increasingly ostracized from their community. This pressure can sometimes actually discourage the development of Aboriginal businesses and partnerships.

Challenge 8: Lack of Readiness

The Aboriginal workforce is not always ready or willing to take on new employment opportunities and ventures.

Challenge 9: Low Appeal

It can be challenging to convince the business sector to conduct business on a First Nation.

Challenge 10: Agendas and Vision

It can be challenging to determine each partner’s mandate, what each partner is looking for, and community deliverables. It can be challenging to meet everybody’s goals and expectations. It may also be challenging to find people who share one’s vision.

Likewise, the literature review identified numerous challenges or barriers to partnership between Aboriginal and non-Aboriginal partners. They can include: high risk, on-reserve policies and factionalism, remoteness, unresolved land claims that create uncertainty around land and resource use and ownership, financing, a lack of collateral, difficulties in securing start-up capital, financing and investment, the lack of management capacity, culture clashes and a lack of mutual understanding, fear of change or uncertainty, influence and status (real or perceived), distrust, being vulnerable to those seeking to exploit Aboriginal or treaty rights, imbalances of
power and resources, changes to traditional ways of life, and differing accountability structures and/or expectations.

4.8 Notable (Best) Practices and Lessons Learned

Lessons learned within the literature suggest that successful Aboriginal/non-Aboriginal business partnerships begin with a foundation of mutual respect and a solid business idea and build from there. Likewise, best practices suggest that both partners should share authority, investment, and responsibility and be actively engaged in the partnership and the business. The risks as well as the benefits must be shared. Non-Aboriginal and Aboriginal business leaders and executives must be engaged in the partnership to convey the value of the partnerships to all levels of each partner organization. When such a foundation is set, and where there is success, the benefits to both partners and, indeed, to Aboriginal communities, can be vast.

The case studies remind us that Aboriginal communities, organizations, and people differ from one another and are not a homogenous group with only one set of values. One formula for all Aboriginal/non-Aboriginal business ventures will not work. The development of a partnership is situation-specific and should reflect the unique situation and context of the partners and the socio-economic, cultural, and community milieu.

4.9 Recommendations on Aboriginal Partnerships

The case study participants had a substantial amount of advice to offer Aboriginal entrepreneurs, non-Aboriginal business people seeking partnerships with Aboriginal people, and government. This advice was highly varied, ranging from general business advice to advice specifically pertaining to partnership. A detailed presentation of their suggestions can be found in Appendix C, Case Study Report.

In keeping with the original mandate of this initiative, this project also generated some key recommendations pertaining specifically on Aboriginal/non-Aboriginal partnerships. Some of these apply to any Aboriginal enterprise embarking on partnership, whether the enterprise is community-owned or a private business, while others are specifically geared towards ‘collective’ enterprises, namely business pursuits undertaken by communities or Aboriginal collectives. These are presented below.
4.9.1 General Recommendations to Aboriginal Business Partners
(Individual or Collective)

Hire the expertise one needs and employ one’s own experts rather than relying on one’s partners’.

Hire the people with the skills one requires, even if that means hiring someone who is not Aboriginal. Hire the people one needs, not necessarily the people one wants.

By employing one’s own experts, such as a lawyer, business analyst, accountant, etc., one can ensure (or attempt to ensure) that the experts are looking out for one’s own interests, which may differ from those of one’s partner. In other words, employ experts that will put one first, and work for and promote one’s interests. Do not rely on those provided by one’s partner.

Understand the laws and regulations that one will operate under, be they ‘on reserve’ or ‘off reserve’.

The regulations, codes and bylaws outside of a First Nation can be different from those that Aboriginal partners operating ‘on reserve’ are used to. Certain licenses and permits that are mandatory ‘off reserve’ may not be required on a First Nation. For example, ‘on reserve’ the Band office may be responsible for elements like ensuring that environmental assessments are done and that the engineers and other technicians are available for all infrastructure work, whereas ‘off reserve’, the contractor is responsible for those elements. As such, one should take care to become aware of all one’s legal and regulatory responsibilities. Moreover, learn about the way things operate off First Nation territory and about different employer practices in order to be better prepared for conducting business ‘off reserve’.

Consider what one as the Aboriginal partner can offer, are willing to offer, or are expected to bring to the partnership other than cash. Likewise, be aware of what one’s partner expects.

Capital is not the only element one can bring to the table. An Aboriginal partner may have land to lease, human resources, access to other resources, a developing expertise, or can access Aboriginal-specific government funding. Likewise, be aware of what a non-Aboriginal partner expects. Partners will be trying to meet their own goals, milestones and outcomes in a way that may or may not be appropriate or realistic for, or be applicable to a First Nation or Aboriginal entrepreneur partner. Most will have honourable intentions but there may be some that might want to use an Aboriginal partner only to access Aboriginal procurement programs, land, resources, etc.
Broaden one’s client base and business beyond the Aboriginal community. Believe that one has something to share and offer.

Network extensively and pursue every avenue that is available, regardless of whether that network is Aboriginal or not. Overcome conditioned fear of expanding outside the geographic boundary of a First Nation community so that one does not limit one’s own investment, resources, and growth. One should also consider joining associations or clubs that pertain to one’s business in order to network and get support from others in the same field. Consider one’s entire market and target it. Do not limit oneself to the Aboriginal market. A good business is one in which everybody is a customer.

Consider partnering with other Aboriginal companies.

Joint ventures can, of course, be with non-Aboriginal ventures but one should also think about partnering with another First Nation or Aboriginal businessperson who already has a track record. Consider local Aboriginal partners first but also consider potential Indigenous partners from another region or country. In other words, do not exclude Aboriginal people or communities as potential partners, particularly if they have the expertise or track record that one is seeking.

Employ Aboriginal people when they have the skills one requires.

At the same time, hiring locally whenever possible is advantageous. The business gets a local workforce, the community obtains jobs and skills development, and the networking opportunities help expand one’s business.

Build shadow management or mentorships into a partnership.

Doing so will give other Aboriginal people the opportunity to be involved in the business and build capacity. There is potential for excellent training from a joint venture partner. When hiring a non-Aboriginal person, consider working a mentorship role into their contract so there is a ‘skills transfer’ to Aboriginal people.

Safeguard one’s cultural integrity.

Bear one’s responsibility to protect one’s history and cultural integrity in mind when embarking on a partnership so that they are not compromised so that one can ensure continued Aboriginal ownership and control.
Educate non-Aboriginal partners about one’s Aboriginal culture and history.

Non-Aboriginal partners may not be aware of certain things, such as treaty rights. It is important to educate one’s partners so that they have a better understanding of one’s context. Doing so will also foster a stronger partnership.

Establish one’s own relationships.

The federal or provincial government can be quick to indicate that a project does not fit with its departmental mandate. Be patient and show them where the project can fit. If one can show people a way, one can inspire creativity. At the same time, do not wait for government before moving forward with one’s initiative.

4.9.2 Recommendations to ‘Collective’ Enterprises

Use money that is not earmarked for community programs.

Investment funds should be generated from own source revenue or business development grants so as to not jeopardize community services.

Bear community needs in mind.

It is important to keep the community’s needs in mind while pursuing partnership. A business enterprise may require a significant amount of resources, both monetary and human. It may be tempting to divert all resources towards the new partnership initiative but one should bear in mind that the community still has other activities and responsibilities at the same time that it is trying to build a project. Further, if a business is successful, it may also be important to redirect allocated resources to support the project if it grows to a certain magnitude and scope.

Be community minded and focus on nationhood.

Support other communities and businesses and focus on being supportive of other First Nations in general. Focus on acting like a nation by exercising self-determination, by being assertive in one’s decision-making, and by moving ahead with one’s plans without looking to external governments (e.g., the federal or provincial governments) for validation.

Consider the resources that will be required to support the partnership in the long term.

Ensure that there are adequate resources built into the overall project budget to assist First Nations in managing, administering and reporting on the partnership. The
Examining Partnership Arrangements Between Aboriginal and Non-Aboriginal Businesses

project does not end when the money arrives. Getting the funding is usually only the beginning. Operations and maintenance are huge factors. Consider how the project or partnership will operate, what the costs of operations are going to be, what expertise will be required, etc.

Evaluate the partnership regularly.

Constantly evaluate whether the relationship is doing what one had hoped and what it was supposed to do. In the case of a community-owned venture, if an initiative is not believed to be good for the community or will adversely affect the community, it may not be pursued at all or may be terminated.

Consider the social return on investment.

Certain things cannot be comprised, such as Aboriginal rights or title. The question always should be what will be given up and what will be gained. Structure a partnership such that one still has a piece of it in some way, even if the ‘piece’ is not 100% ownership.

Support the partnership venture formally.

Have a Council resolution to support the project/venture and authorize it moving forward if it is a community venture.

Consult with the people.

In terms of community ventures, involve people from the community in deciding what ought to be done before spending any money or making a partnership commitment. By being transparent and accountable, Chiefs and Councils will keep the community informed about joint ventures and other business undertakings.

Develop policies and procedures to guide business partnerships and/or economic development activities.

Once these are in place, they will provide one with consistency regardless of the leadership of the day. Examples of guiding principles could include: being accountable to the community (remembering too that government is accountable to Canadian tax payers as well), to lenders, to funders, etc., developing polices for using funds that are unallocated, etc.
5. **ANALYSIS AND DISCUSSION**

Overall, case study participants echoed the general reasons for partnership that were found in the literature. They also identified reasons for partnership that seem to be more community or Aboriginal-focused than generally found in the published literature. For example, building capacity for First Nations, job creation and self-sufficiency were identified as motivations and all point to a desire to pursue initiatives for the greater Aboriginal or communal good as opposed to purely for personal or immediate profit.

Similarly, the case study exercise identified common benefits of partnership that are shared by all, regardless of whether a venture involves Aboriginal people or not. These include elements such as gaining access to opportunities, profitability, the sharing of risk, etc. And, as discussed above, there also seems to be benefits of partnership that are specifically identified as furthering the socioeconomic situation of the larger Aboriginal community. These include greater employment and skills development opportunities, mentorship and role modeling, enabling communities to prepare for the future, and gaining greater control and self-determination, etc.

Also identified were general factors for building strong partnerships that could apply to any business partnership, such as having solid agreements and funding in place or good planning and communication. There were also elements that were more specifically geared towards Aboriginal/non-Aboriginal partnerships, such as a strong emphasis on trust, cooperation, and meaningful involvement of the Aboriginal partner, community engagement and support, and the social return on investment.

Additionally, there seems to be a strong component regarding de-bunking myths and stereotypes about Aboriginal people. Partnership tended to be regarded as an opportunity to educate non-Aboriginal people about First Nations and to change negative perceptions. In other words, partnerships between Aboriginal and non-Aboriginal people seems to also be about building better relationships.

Elements of success identified through the interviews also confirm those found in the literature review. There are common elements that should pervade all partnerships, such as trust, related project history or experience, credibility, etc. As above, there also seems to be Aboriginal-specific elements of success, such as having experience working with Aboriginal businesses or communities in the past and being sensitive to First Nation perspectives.

The case study exercise also identified common barriers to partnership, such as not having proper financing or having different intentions or visions for the partnership.
However, there are also appears to be barriers that are more specific to the Aboriginal/non-Aboriginal partnership context. These include misperceptions about the Aboriginal community, not understanding Aboriginal history, a lack of community support for a First Nation venture, etc.

Thus, the results of this case study project suggest that Aboriginal/non-Aboriginal business partnerships share many of the same elements with that of other partnerships. However, there also seems to be specific factors that are unique to Aboriginal/non-Aboriginal partnerships. This might suggest that there is a distinct way of conducting business between Aboriginal and non-Aboriginal partners, one that is based on a way of thinking that is different from conventional business approaches. This new model would move well beyond the ‘bottom line’ mentality towards a new paradigm that incorporates Aboriginal principles to guide partnerships without sacrificing profit. This new model would incorporate Aboriginal tenets of cultural respect, cultural sensitivity and trust where partners approach the partnership with legitimate opportunities and honourable intentions.

The focus of the new model would be on relationship building and community development. Time would be taken to build relationships and to understand that there may be different values between the Aboriginal partner and/or the First Nation community and the non-Aboriginal partner but which nonetheless add value. Time would be taken to listen and learn first what the community's or individual's partnership objectives are, what they wish to accomplish, why they want to accomplish them, what do they plan to achieve, what are the hoped-for results, how they see the future, etc. Understanding these elements would help one to really understand where the Aboriginal partner is coming from and would pave the way for a strong business strategy.

In this new model, Aboriginal people would be approached early when there is a legal obligation to accommodate Aboriginal people or when Aboriginal partnership is sought. In so doing, one would determine together what everybody's role would be in a cooperative way. The process would be smoother and the relationship would begin on the right foot.

Honesty would be a corner stone and partners would be forthright about their intentions and the role they foresee the partners undertaking. Non-Aboriginal partners would get involved with Aboriginal people/communities for the legitimate reasons. Aboriginal partners would be active rather than nominal participants and have value far beyond their ‘Aboriginality’ or the opportunities that this may open access to. Tokenism would be avoided.
Within this new model, a legitimate effort would be made to understand the constraints that Aboriginal people have, such as the Indian Act, and land and taxation issues, and how things operate on a First Nation. There would be an understanding that sometimes a lack of a track record among Aboriginal people is more a question of experience and exposure than ability. One would also leave one’s cultural stereotypes at the door and acknowledge that all First Nations are not the same. There is incredible diversity across Aboriginal communities. There would be recognition that the same approach that might be used with one First Nation may not necessarily work for all others.

In this new approach, Aboriginal cultures would have value and inform decisions, just as non-Aboriginal cultures do. Identity and culture would not taken for granted, but would be respected as the foundation for business. Aboriginal pillars, such as conservation, sustainability, and respect for the land and people would be cornerstones of economic development.

With this approach, non-Aboriginal partners would be part of a larger process for change, not only as models of how to improve relations with Aboriginal people but also as a part of facilitating change within First Nation communities in a positive way. All partners, whether they are Aboriginal or non-Aboriginal, would be called upon to contribute to change and assist with, rather than impede or oppose, change.

Indeed, others support the concept of a uniquely Indigenous approach to entrepreneurship and business partnership. For example, Newhouse suggests that Aboriginal values and worldviews will affect economic development in the following manner. The concept of personal and social development will broaden, will be more holistic, and will encompass the physical, mental, emotional and spiritual elements. Development will be regarded as a process rather than a product since it is part of life’s journey. Development will also be regarded as a joint effort between individuals and the collective, rather than being competitive. Moreover, development will be a partnership between the individual and the world. The human capital investment will be prioritized over capital accumulation by individuals. Traditional knowledge and Elders’ knowledge will be used as a guide. Wealth distribution will be accomplished through kindness and sharing. Economic institutions will be adapted to ensure they operate consistently with the local Aboriginal community. Consensus will predominate decision-making. Finally, there will be a heightened sense of accountability for decision makers and institutions/organizations.  


Examining Partnership Arrangements Between Aboriginal and Non-Aboriginal Businesses
Moreover, Redpath and Nielsen find that Aboriginal cultures are more collectivist in nature than are non-Aboriginal cultures. Moreover, while there has been an adoption of non-Aboriginal hierarchical practices such as steeper authority structures, and staff monitoring and evaluation procedures, traditionally Aboriginal cultures have been less hierarchical and more egalitarian than are non-Aboriginal cultures. Repath and Nielsen also maintain that Aboriginal people adhere less strictly to schedules and tend to be more relaxed about time, uncertainty and risk than non-Aboriginal people. Finally, Redpath and Nielsen find that in Aboriginal communities, women are more likely to be accepted in leadership positions than in non-Aboriginal society. Both males and females are Elders in Aboriginal communities. Aboriginal cultures tend to emphasize quality of life, personal relations, solidarity, and helping others, which are often regarded as more ‘feminine’ traits. Foley agrees. In his case study analysis of the urban Indigenous Australian entrepreneurs’ environment and an examination the intrinsic and extrinsic stimulus to business success, Foley finds that while success in business in mainstream society is usually defined as being profit oriented and that money is a measure of status and a motivator, money is not necessarily the motivation or trigger of achievement with Indigenous entrepreneurs. Rather, continuance in business was seen as overall success to the Indigenous entrepreneur. Furthermore, Hindle and Lansdowne assert that while mainstream entrepreneurship focuses on the ‘commercialization’ of innovation, self-determination and the preservation of heritage are primary motives for Aboriginal entrepreneurship.

Foley also identified seven elements of commonality among successful Indigenous Australian entrepreneurs. These are positivity, face, chaos, education and industry experience, networking, immediate family and discrimination. Positivity, or a positive outlook, seems to be a core characteristic of success for Indigenous entrepreneurs. ‘Face’ refers to the outward image that is projected and has two aspects. First, there is a legitimacy element. For example, Foley finds that Indigenous Australian entrepreneur employ non-Aboriginal accountants, which helps them create a perceived image of legitimacy that counteracts negative stereotypes about Indigenous Australians among non—Aboriginal Australians. Second, there is a cultural aspect of face where Indigenous business people achieve positive face by involving themselves in non-Indigenous society and breaking down negative stereotypes on behalf of the Indigenous Australian community. Chaos also seems to be a common element in that Foley’s study participants were propelled to enter

170 Hindle and Lansdowne, p. 133.
business as a result of a traumatic, chaotic situation in their lives. Compared to the general Aboriginal population, successful Indigenous entrepreneurs are well educated and have relevant experience. Networking, Foley determined, has three aspects. First, networking has direct benefits to the business; second, networking is a substitute for Indigenous community networks that are now limited because all time is now devoted to the business rather than community involvement, and third, networking is undertaken to benefit entrepreneurs’ children in the sense that networks open doors for entrepreneurs’ children and pave the way to breaking down barriers so the children are accepted in the non-Aboriginal community. Indigenous entrepreneurs are also motivated by the desire to provide for their families and break the welfare cycle. Finally, following entry into business, many Indigenous people experienced discrimination, not only from non-Aboriginal society, but from the Indigenous community as well. Their perceived success along with their realigning their networks and community involvement often results in alienation from entrepreneurs’ communities.  

In his study comparing Aboriginal and non-Aboriginal entrepreneurs in Churchill, Manitoba, Dana also finds that the dimensions of entrepreneurship differ between non-Aboriginal and Aboriginal people. Western approaches to entrepreneurship tend to be very formal and focus on the entrepreneur as a risk-taker, an identifier of opportunities. Business people are regarded as ‘owners’. For Aboriginal entrepreneurs (at least the ones in Churchill), entrepreneurship tends to be less formal. Being an entrepreneur involves working for one’s own immediate gain, without great concern for the future. It is regarded as a supplement to government assistance and is a means to improve oneself, and one’s well-being and to maximize gain without jeopardizing social assistance. Dana finds that in Churchill, Aboriginal self-employment often did not involve money but focused on being involved in traditional activities, such as hunting and fishing. Dana’s findings therefore suggest that traditional theories of entrepreneurship may in fact be culture-specific and less applicable to Aboriginal people and society.  

Moreover, Lindsay asserts that the motivation or focus of non-Indigenous entrepreneurship is different from that of Indigenous people. Where non-Aboriginal business focuses on the ‘commercialization of innovation’, Aboriginal entrepreneurship is associated with creating, managing, and developing new ventures by Indigenous people for the benefit of Indigenous people and communities. Thus, while benefits of Indigenous entrepreneurship definitely contain economic profit, it also has additional social, communal, and cultural advantages,

171 Foley, pp. 139-146.
such as employment, training, capacity building, mentorship, role modeling to youth, setting the foundation for the ‘seventh generation’, cultural maintenance, greater self-sufficiency, and greater control and self-determination. As a result, Indigenous entrepreneurship may in fact include more than the individual business owner. There are other stakeholders involved in Indigenous business, including the immediate family and the community at large.

Finally, in their quest to define a research paradigm of Indigenous entrepreneurship, Hindle and Lansdowne propose that the paradigm might include three essential elements. First, with the ‘heritage positioning index’, Hindle and Lansdowne assert that if Indigenous heritage and culture are not factors for a given business, then the venture itself might not be Indigenous entrepreneurship even if an enterprise has some degree of Aboriginal involvement. Second, with the ‘autonomy-accountability network’, one considers the degree of autonomy that differentiates one Indigenous initiative from another and the range of stakeholders that the venture is accountable to for its performance. Finally, the ‘twin skills inventory’ refers to the mix of technical and cultural skills.

Thus, while the elements of an Indigenous entrepreneurial and business partnership paradigm or model is still in its infancy, several things are clear. Indigenous approaches to business may in fact be quite different than non-Aboriginal approaches and tend to have a strong cultural element. Moreover, obligations tend to extend beyond the individual and his/her immediate family to the extended family, the local Aboriginal community, and indeed, the larger Aboriginal community as well. There is a strong tie to the community and the expectation and the obligation of ‘giving back’ with a future orientation of setting the stage for a more solid future for one’s children and for future Aboriginal generations in general. Thus, it appears that this alternative way of conducting business is infused with culture and something distinctly ‘Indigenous’, which are major drivers, and which differentiate it significantly from conventional business approaches.

6. RECOMMENDATIONS

Based on the results of this case study project, and in an effort to stimulate Aboriginal economic development and entrepreneurship in the Atlantic region, the following recommendations are proposed:

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173 The seventh generation prophecy states that the seventh generation would come to together to mend relationships, restore the Aboriginal nations, and unite all Indigenous nations.
174 Lindsay, p. 9.
175 Hindle and Lansdowne, pp. 138-139.
1. **Establish an ‘open for business’ campaign.** There are numerous Aboriginal/non-Aboriginal business partnerships in the region, as well as many solely Aboriginal owned ventures. A regional ‘open for business’ campaign could at once promote Aboriginal businesses in the Atlantic region as well as promote the Atlantic region in general as a prime business locale. There is potential to develop such a campaign in concert with the provincial governments, which would also benefit considerably from additional business in the provinces and in the region. Similar types of campaigns are being undertaken elsewhere and could be examined for their applicability to the Atlantic Aboriginal context. See for example, the province of Ontario’s Open for Business Action Now Strategy at [http://www.ontariocanada.com/ontcan/1medt/en/ofb_main_en.jsp](http://www.ontariocanada.com/ontcan/1medt/en/ofb_main_en.jsp), the Virtual Aboriginal Trade Show at [http://www.aboriginalcanada.gc.ca/abdt/apps/vats2.nsf/splash.html](http://www.aboriginalcanada.gc.ca/abdt/apps/vats2.nsf/splash.html), and Indigenous Business Australia at [http://www.iba.gov.au/](http://www.iba.gov.au/).

2. **Establish an Aboriginal enterprise network.** An Aboriginal enterprise network could provide Aboriginal businesses in the Atlantic region with business leadership and partnership coordination, offer business development assistance and counselling, facilitate management training for small to medium enterprises, support investment and export development activities, feature a business directory of Aboriginal businesses, including partnerships, and provide referral services. There are other networks that could be examined in the process of establishing an Aboriginal enterprise network, such as Enterprise New Brunswick, which is designed to create prosperity in communities throughout the province through its network of 15 regional enterprise agencies (see [www.enterprise-entreprise.ca](http://www.enterprise-entreprise.ca)).

3. **Establish Aboriginal business associations, chambers of commerce, etc.** Associations and Aboriginal chambers of commerce will provide support for Aboriginal entrepreneurs and help direct them to resources that will help support Aboriginal business development. A precedent has already been set by the Aboriginal Chamber of Commerce in Manitoba (see [www.aboriginalchamber.ca](http://www.aboriginalchamber.ca)). A similar structure could be set up in each of the Atlantic provinces or in the Atlantic region as a whole. The establishment of business associations and chamber-like organizations will also help operationalize a strategy for Aboriginal economic and entrepreneurial development across the Atlantic region.

4. **Develop a portal whereby Aboriginal businesses, entrepreneurs or those interested in exploring business and partnership opportunities could access information more easily.** There is a significant amount of information readily available about business start-up and partnership development but little of it is
directed specifically towards an Aboriginal audience and many Aboriginal people do not know where to begin. A single window access point or portal that hosted or pointed people to resources would facilitate access to information. Such a portal could, for example, be hosted and managed by an Aboriginal enterprise network.

5. **Hold education and cultural orientation sessions for both Aboriginal and non-Aboriginal businesses.** Because of the cultural differences between Aboriginal and non-Aboriginal business people and the different factors that propel Aboriginal and non-Aboriginal businesses (e.g., economic versus social, communal, and cultural motivations), education and cultural sessions could bridge the cultural divide and support each group in better understanding the business and social cultures in which each other operates.

6. **Establish networking fora.** Networking fora will encourage business networking and allow Aboriginal businesses and non-Aboriginal businesses to interact, network and set the stage for forming partnerships and help people become more aware of potential partnership opportunities. For example, one could establish an annual partnership development fair whereby Aboriginal and non-Aboriginal people considering partnerships or looking to expand their businesses could have the opportunity to meet, network, and explore possibilities. At the same time, such fora would also enable Indigenous business people to meet and interact and further develop an Indigenous business network and learn from each other. There are many such networks that exist that could be adapted or tailored to the Aboriginal environment. For example, Business Networking International (BNI) is a business and professional referral organization whose primary purpose is to exchange qualified business referrals and develop word-of-mouth marketing techniques (see, for example, [www.bnicanada.ca](http://www.bnicanada.ca)).

7. **Showcase partnerships.** This project revealed that while there are numerous examples of Aboriginal/non-Aboriginal business partnerships, these are sometimes very difficult to identify. Such partnerships should be better featured as positive examples of what Aboriginal people are doing in different fields. Greater promotion could also lead to increased business. Promotion could be integrated into already existing mechanisms, such as the Atlantic Aboriginal Entrepreneur Awards or Aboriginal Business, a national Aboriginal business magazine, or create new platforms.

8. **Explore the concept of a distinctly Aboriginal approach to entrepreneurship more closely.** As this research demonstrates, there may very well be a distinctly Indigenous approach to entrepreneurship that may be key for future economic and business development. Moreover, understanding how Indigenous people
approach business and entrepreneurship may be fundamental, not only in terms of developing new businesses and economic development initiatives but in developing new partnerships and in strengthening existing ones. A better understanding of such an approach would also help non-Aboriginal partners better understand their Aboriginal partners and where they are coming from. Thus, this model warrants further attention and steps could be undertaken to flesh out this model.

7. CONCLUSIONS AND NEXT STEPS

The case study project involved highlighting ten case studies in Atlantic Canada that involve partnerships between Aboriginal and non-Aboriginal partners. The project brought to the fore a rich description of the nature of the partnerships, factors for business and partnership success, and lessons learned.

This research project could be followed by several short-term next steps that could be undertaken to strengthen the foundation of Aboriginal business towards the long-term goal of strengthening Aboriginal/non-Aboriginal business partnerships. Short term activities could include: promoting and improving access to business development resources to (potential) Aboriginal entrepreneurs, offering targeted business development and exploratory workshops, hosting partnership networking opportunities between Aboriginal entrepreneurs and non-Aboriginal businesses to explore business potentials, initiating business and partnership networking groups and clubs, establishing an association or network of Aboriginal businesses and partnerships, and organizing joint Aboriginal/non-Aboriginal trade missions.

This project also resulted in unique findings that propose a new way or model for approaching Aboriginal/non-Aboriginal business partnerships, one that moves away from conventional, individual-focused business models towards one that focuses on unique aspects that Aboriginal people and communities can add to the business relationship and which proposes a new way of doing business that draws on the unique cultural aspects of Aboriginal communities.

Such a model warrants greater attention. Exploratory work could involve fleshing out this model in greater detail, formalizing it and promoting towards the long-term goal of adopting it as a new and improved business approach.
Appendix A

Project Team
Appendix A - Project Team
Aboriginal/Non-Aboriginal Business Partnerships Research Project

The project team consisted of Lori Ann Roness and Mary Collier. Lori Ann has over thirteen years experience working with First Nations and Aboriginal organizations. Her project expertise includes Aboriginal business planning, strategic planning, human resources and employment issues, education, health, housing, and governance. She has worked directly for a treaty organization as a policy analyst and research coordinator for self-government negotiations, has sat on First Nation steering committees, and participated on First Nation technical and resolutions committees at the local, territorial and regional levels. Lori Ann has a Masters in Environmental Studies, a Certificate in Fundraising Management, and a Certificate in Teaching English as a Second Language, and is also an instructor and Adjunct Professor at Mount Allison University.

Mary is a member of Potlotek (Chapel Island) First Nation and a fluent speaker of Mi'kmaq. She has been very active in First Nation politics and operates her own business. Thus, she has experience with the Aboriginal political climate, and with the challenges of Aboriginal business development. Mary’s experience with the Potlotek Band Council enabled her to develop policy experience. She also further developed her policy skills working on the Chapel Island tourism policy and strategic plans. Mary Collier is a Certified Aboriginal Financial Manager and possesses a Bachelor of Business Administration and a Business Technology Diploma. She is currently pursuing a Certified General Accountant designation.
Appendix B - Case Study Interview Questions
Aboriginal/Non-Aboriginal Business Partnerships Research Project

The following questions were used as a framework with which to conduct interviews with case study participants. Not all of the questions applied to every case because the nature of each partnership differed somewhat. Questions were selected based on the unique circumstances of the business.

1. **Company Overview**
   - When was your company established?
   - What supplies/services does your company provide?
   - Do you have a vision/mission statement?

2. **Partners**
   - Who are your partners?

3. **Type of Partnership**
   - What partnership initiatives are you involved in?
   - How was the partnership structured? (e.g., joint venture, community partnership, limited partnership (limited partnership joint venture), lease, contractual, seconded employees, franchise, etc.)?
   - Do you have a legal agreement with your partner(s)?
   - What did each partner bring to the table? What did you offer your partner and what did your partner offer you?
   - What is your role in the partnership? What was your partner’s role?

4. **Aboriginal Ownership**
   - What percentage of the partnership/company/initiative is Aboriginal owned?

5. **Origins of the Partnership**
   - How did the partnership start?
   - What were the reasons or business case for the partnership – e.g., long-term strategy, short term operational needs, invitation by a company/First Nation to participate in a project/program?
6. **Purpose of the Partnership**

- Why did you get involved in the partnership?
- What are the objectives of the partnership?
- How were the objectives/deliverables determined?
- Did you talk about how to manage expectations to keep the objectives realistic (e.g., readiness for large projects, infrastructure, etc.)?
- How well did you understand your partners’ objectives and motivation?
- How did this influence the program/project?

7. **Third Parties**

- Who else was involved (other participants, including suppliers and service organizations)?
- If they occurred, in what way was the involvement of third parties valuable?
- What do you think the role of government should be in forging Aboriginal-industry partnerships?
- How have public policies and legislation influenced (or inhibited) business growth and partnership?
- Are there any changes in legislation, policies or programs that other actors (governments, industry associations, unions, Aboriginal organizations) could take that would allow better relationships to develop between your company and Aboriginal peoples?

8. **Third Party Resources**

- Did you require third party resources to help you get started?
- What sources did you draw on?
- What challenges did you face in accessing third party resources?
- How did you overcome these challenges?

9. **How has the Partnership Changed over Time?**

- How had the partnership evolved/changed?
- How long did the partnership last?
- What principles have been important in building your relationship with your partner?
10. **Decisions-Making**
   - What factors did you consider when forming the partnership?
   - What constituted a good partner?
   - How much interaction do you have with your partner?
   - How are decisions made with your partner?
   - Was a decision-making process or protocol established? Why or why not?
   - What role did your protocol play in the initiative?
   - How was the decision-making process managed?
   - Who was responsible for decisions, funding, and implementation?
   - Did your decision-making process effectively move you to the desired outcomes?

11. **Results**
   - What outcomes has the partnership led to (e.g., in terms of human resources, expertise, access to capital, access to new markets, training, growth, etc.)?
   - What outcomes did you hope for?
   - What accomplishments have you had?
   - What did the partnership teach you?
   - Have you done business with the federal government under federal procurement as a result of the partnership?

12. **What have been the Benefits of Partnership (Keys to Success)?**
   - What has worked well in this partnership?
   - What has the partnership helped you to do?
   - How many people do you employ?
   - How many are Aboriginal?
   - Do you have a vision for the partnership?
   - What is the role of leadership?

13. **What have been the Drawbacks of Partnership?**
   - What challenges have you had? (What could be improved?)
   - How have you (or are you) overcoming these challenges?
   - What have these challenges taught you?
   - Have you had any challenges with cultural clashes?
   - How have you overcome them?
14. **What do You Think are the Factors that Contribute to a Successful Partnership?**
   - What makes a successful partnership (e.g., economic development plan, effective governance and management, etc.)?
   - What are the essential elements of a partnership?
   - What do you think makes a successful partnership?
   - Can you suggest guiding principles that have been important in your relationship-building project/program?

15. **Lessons Learned?**
   - What lessons have you learned from the initiative?

16. **Building Blocks**
   - What suggestions do you have for building an effective relationship with non-Aboriginal organizations/corporations?

17. **Readiness**
   - What kinds of things did you have to do in order to get ready for the partnership?
   - What things do you wish you had done that you hadn’t?
   - What other factors led you to be involved in the partnership, e.g., cross-cultural, employment, business development, education and training, social/cultural?
   - What resources are needed to conduct business with a business/corporation?

18. **What are your Next Steps**
   - What are your plans for the future?

19. **Other Contacts**
   - Is there anyone I can speak to about the partnership?
   - May I contact your non-Aboriginal partner(s)? If so, what is their contact information?

20. **Would you like your contact information published in the report?**
    - Such as your name, phone number and e-mail address?
Appendix C

Case Study Report
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1. INTRODUCTION

The purpose of this report is to examine ten partnerships between Aboriginal and non-Aboriginal companies in an Atlantic context as case studies. This study was commissioned by the Atlantic Policy of First Nation Chiefs (APC) in order to provide insight into the types of joint Aboriginal/non-Aboriginal partnerships emerging in Atlantic Canada and the factors that led (or are leading) to their success so that others can benefit from their experience.

The partnerships featured here as case studies are:

- Eel River Bar First Nation (Kan-Go-Roo Play Grounds)
- Epona Communications Inc. and Data Planet Inc.
- First Nations and Business Liaison Group of New Brunswick Inc.
- First Nation Engineering and Technical Services
- Membertou First Nation
- Metepenagiag Heritage Park
- Miawpukek First Nation
- Millbrook First Nation
- Morris Trucking
- Vidabode Group Inc.

Unless otherwise indicated, the content of this case study stems from personal communications with a designated company or First Nation representative. The partnerships are presented alphabetically.
2. PARTNERSHIP PROFILES

2.1 Eel River Bar First Nation (Kan-Go-Roo Playgrounds)

2.1.1 Company Overview

Eel River Bar First Nation is a Mi’kmaq community located in northern New Brunswick on the Bay of Chaleur, approximately 25 kilometres east of Campbellton.\(^{176}\) It has a registered population of 624 people with approximately 326 living on the First Nation.\(^{177}\) Eel River Bar First Nation partnered with Kan-Go-Roo Playgrounds Limited to produce children’s playground equipment.

Kan-Go-Roo Playground’s mission is to be a “manufacturer specializing in the conception and fabrication of playground equipment for children”. The goal of Kan-Go Roo Playgrounds is to provide playground equipment that offers children a safe, educational outdoor experience while at the same time, stimulating their creativity and pleasure.\(^{178}\)

2.1.2 Partnership Initiative

Kan-Go-Roo Playgrounds was founded in 1993 by Sylvain Lebel and is based in Atholville, New Brunswick. The company initially specialized in playground furniture and equipment as well as park furniture and sports equipment. By 1997, Mr. Lebel was ready to expand and began searching for new markets. He learned that there was a growing interest in First Nations communities to construct playgrounds for their children. He became aware that Eel River Bar First Nation, a First Nation just east of Mr. Lebel’s base in Atholville, was seeking investment opportunities.\(^{179}\) A year later, in 1998, Mr. Lebel and Eel River Bar First Nation formed a partnership in order


\(^{178}\) Kan-Go-Roo Playgrounds Ltd. Homepage; source: [http://www.kangoroo.com](http://www.kangoroo.com), retrieved on April 1, 2009.

Examining Partnership Arrangements Between Aboriginal and Non-Aboriginal Businesses

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to market playground equipment to Aboriginal communities across Canada. Eel River Bar owned 55% of the company and its founder, Sylvain Lebel, owned 45%. In approximately 2005-2006, Eel River Bar decided to pursue other opportunities and sold its shares in the company. The partnership was dissolved though Kan-Go-Roo Playgrounds continues to operate.

During the life of the partnership Kan-Go-Roo Playgrounds served a national customer base and produced more than two hundred types of play structures. Sales grew from $100,000 in 1993 to almost $2 million in 2004. Staff also increased from during the same period of time from three to sixteen full-time staff. Approximately three of the staff was Aboriginal. Mr. Lebel and the First Nation’s Board of Directors jointly managed Kan-Go-Roo Playgrounds.

Since the onset of the partnership, Kan-Go-Roo Playgrounds developed playground models around First Nation themes. The company is also ISO 9001 (2000) certified. Kan-Go-Roo Playgrounds services include assisting clients to identify grants and funding for playground equipment and custom designed products.

From the perspective of the First Nation, the reasons underlying the partnership were the promise of job creation for community members, economic development, self-sufficiency and the potential of having a business set up ‘on reserve’ in the First Nation’s commercial highway park. (At the time the partnership began, Kan-Go-Roo Playgrounds was already established in an industrial park in a nearby municipality. The original plan was to relocate the business onto the First Nation but after careful consideration, it was decided that it made more business sense for the company to continue to be based in it original location.)

Sylvain Lebel, the founder of Kan-Go-Roo Playgrounds, brought his experience and an existing company that was already established to the partnership. Eel River Bar

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181 Atlantic Canada Opportunities Agency, p. 25.
brought the Aboriginal market potential, “Aboriginal branded products”, and funding that could not otherwise been accessed by Mr. Lebel.

2.2 Epona Communications Inc. and Data Planet Inc.

Ron Leach operates two information technology companies: Epona Communications Inc. and Data Planet Information Services. Both companies are described here.

2.2.1 Company Overview

Epona Communications Inc. is a 100% First Nations owned company located in the Annapolis Valley of Nova Scotia. Its main areas of focus are project management, information technology (IT), and IT training. Epona currently provides products, services, and training to First Nations communities, private companies and organizations throughout Atlantic Canada, and is actively involved in procurement with the Government of Canada through the Procurement Strategy for Aboriginal Business (PSAB).

Some of its current and past clients include Health Canada, RCMP, National Defence, Public Works and Government Services Canada (PWGSC), Dalhousie University, Cape Breton University, and numerous First Nations. Epona holds a federal security clearance at the reliability level. It is pre-approved to do IT work in thirty-five different categories under the Government of Canada’s Government Online (GOL) program.

Epona prides itself in being able to work with Aboriginal communities at the ground level while maintaining a strong relationship with the federal government. It maintains its greatest strength is the ability to bridge the gap that often occurs in communications between the Government of Canada and Aboriginal communities while maintaining respect, cultural sensitivity and accessibility.

Data Planet is 51% Aboriginal owned. Data Planet Information Services Inc. offers web-based storage, remote server backups, data recovery and data wiping for companies and individuals who care about the integrity of their data. Its work focuses on Aboriginal communities, organizations, all three levels of government

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187 “The PSAB is a strategy that was launched by the federal government to increase the number of Aboriginal suppliers bidding for, and winning, federal contracts. Basically, the PSAB makes it easier for the government and Aboriginal firms to do business with each other. This is being achieved in a variety of ways. For example, certain contracts are being set aside for competition among Aboriginal businesses. The strategy promotes sub-contracting to Aboriginal firms and encourages Aboriginal firms to form joint ventures with other Aboriginal and non-Aboriginal businesses.” (Procurement Strategy for Aboriginal Business, Frequently Asked Questions; source: http://mainc.info/ecd/ab/psa/faq-eng.asp#100126, retrieved on October 1, 2009.).
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From its fully secure facility, with its high-speed fibre Internet link, firewall and redundant power supply, Data Planet ensures the safety of its clients’ data through real-time server mirroring, virtualization, remote and onsite backups, and the implementation of data management policies and procedures.

Data Planet currently manages data for wellness centres, mental health facilities, addictions treatment centres, law offices and private sector businesses. All data managed by its staff is treated as extremely confidential and access is strictly controlled.

Neither Epona Communications Inc. nor Data Planet Information Services Inc. has formal vision or mission statements. Nonetheless, the goal of Epona Communications Inc. is to continue to grow the company in the government procurement realm. Epona is moving away from private sector growth and focusing only on government procurement and IT services to Aboriginal communities and organizations. It would like to offer employment opportunities in the IT sector to members of Aboriginal communities in Atlantic Canada. The nature of its work means the average employee can do about 75% of the work from home which means that it may be possible for Epona employees to continue to live at home on their First Nation while working for Epona.

Data Planet Information Services Inc. is focused on the private sector as well as supplementing the data management offerings of Epona. Data Planet is being developed with the goal of selling the corporation after seven years. The owners would like to offer the company to an Aboriginal band or company but will also be soliciting offers from the private sector.

2.2.2 Partnership Initiatives

Examples of Epona Communications’ partnerships are:

- **Messa Computing** – In 2004, Epona Communications entered into a joint venture agreement with Messa Computing Inc., an Ottawa based information technology (IT) firm specializing in product development, business applications, system engineering, and technology infrastructure. The goal of the partnership was to provide IT personnel under the federal government online (GOL) initiative.

\[\text{Messa Computing} \text{ Our Expertise; source: } \text{http://www.messa.com/expertise.asp}, \text{ retrieved on July 12, 2009.}\]
• **EMJ Data Systems Ltd.** – In 2002, Epona partnered with EMJ Data Systems Ltd. Of Guelph, Ontario. EMJ, A Division of SYNNEX Canada Limited, is a Canadian distributor of Auto-ID, bar-coding, point of sale, radio frequency identification (RFID) and surveillance products for vertical market applications, including government, healthcare, logistics, retail, route accounting and transportation. The partnership was formed to pursue a National Master Standing Offer (NMSO) contract to supply desktop computer systems to Government of Canada offices across the country. The venture resulted in the successful award of an NMSO contract.

While Data Planet has not yet pursued any partnerships in Canada, it has been pursuing a software distribution relationship with a firm in Australia.

In most cases, partnerships are pursued if Epona/Data Planet identify an opportunity for which they only partially meet the mandatory criteria. This is usually under federal contracting in the PSAB program. Epona and Data Planet are in a unique position to develop a partnership because they offer non-Aboriginal firms access to the PSAB program that they would otherwise not have access to. Likewise, by partnering, Epona and Data Planet augment their skill set to meet the mandatory criteria of a project. This may be based on project scope, specific certifications, or the geographic location of a workforce. Thus, through partnership, the collective credentials of the companies meet the project mandatory criteria.

Regardless of the nature of the partnership, Epona and Data Planet have two important objectives:

• To maintain 51% ownership of the venture (as per the PSAB requirements), and;
• To retain full financial control.

Joint venturing has brought many opportunities to Epona Communications Inc./Data Planet Information Services Inc. and its partners that would otherwise not exist. The companies have also witnessed the creation and success of quite a few Aboriginal businesses and the trend is very positive.

Epona and Data Planet feel that joint ventures are an effective and productive way of building one’s business and bringing jobs into First Nations communities. They encourage Aboriginal business owners and managers to be assertive in developing these joint ventures and insisting on project control. They urge Aboriginal entrepreneurs not to be intimidated by large corporations because “they need you as much as you need them”.

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2.3 First Nations and Business Liaison Group of New Brunswick Inc.

2.3.1 Company Overview

On June 2, 2007, the New Brunswick Chiefs passed a resolution to create the First Nations and Business Liaison Group of New Brunswick Inc. A Steering Committee was thereafter established with clear Terms of Reference on November 15, 2007. The Group was created as a result of recognition that the First Nations of New Brunswick can benefit economically from a direct and continuing dialogue with the business sector and that there is significant potential regarding employment opportunities and business development projects for the mutual benefit of both First Nations and the business community.¹⁹⁰

Thus, the First Nations and Business Liaison Group of New Brunswick Inc. formed as a partnership of all the First Nations in New Brunswick in order to identify ventures that First Nations and businesses could develop as partners. It is co-chaired by Bud Bird and Chief Noah Augustine. The Liaison Group works to support partnership development for New Brunswick First Nations but also supports individual communities and Aboriginal entrepreneurs as well.

The head office of the First Nations and Business Liaison Group of New Brunswick Inc. is situated at Eel Ground First Nation. There is also a satellite office in Fredericton at St. Mary’s First Nation.

An Executive Director, whose primary role is to facilitate job opportunities and business relationships, oversees daily operations. A Steering Committee of six guides the process. There is also a Board of Directors that is comprised of the 15 First Nations in the province and 15 business representatives. Because the Steering Committee is comprised of both First Nation and business leaders, it provides a collaborative approach to creating and facilitating business relationships.¹⁹¹

The vision of the First Nations and Business Liaison Group of New Brunswick Inc. is to:

... facilitate communications between First Nations and the business community in New Brunswick, to foster the building of economic relationships and business activities between the two communities, including those that create employment opportunities for Aboriginal people, all in

¹⁹¹ Ibid.
accordance with the interests and aspirations of both parties.\textsuperscript{192}

The objectives of the First Nations and Business Liaison Group of New Brunswick Inc. are to:

- Facilitate communication and promote linkages amongst New Brunswick First Nations and business community leaders;
- Act as a forum to bring forth economic development and business development issues affecting New Brunswick First Nations and business communities;
- Support First Nations and business community relationships to advance Aboriginal economic development on a province-wide basis;
- Serve as an advisory body that provides advice and guidance on First Nations and business development opportunities;
- Build First Nations and business relationships through strategic partnerships;
- Act as a broad pseudo employment agency by helping to facilitate the match-up of available First Nations candidates with employment opportunities in either or both the New Brunswick business community and First Nations business enterprises;
- Help strengthen the provincial economy by fulfilling the Liaison Group mandate and reaching the objectives set out above.\textsuperscript{193}

2.3.2 Partnership Initiatives

The First Nations and Business Liaison Group of New Brunswick Inc. began as a result of a dialogue between Bud Bird and Chief Noah Augustine of Metepenagiag around fishing practices. They opted to open a dialogue about finding common ground. This discussion resulted in a mutual realization that the First Nations economy must be strengthened and that there is a great potential for collaboration between First Nation communities and the business community. Chief Augustine drew the First

\textsuperscript{192} Ibid.
\textsuperscript{193} Ibid.
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Nations of New Brunswick into the dialogue and Mr. Bird drew in business and industry representatives. The result was the establishment of the First Nations and Business Liaison Group Inc. with a mandate to foster business partnerships throughout the province between Aboriginal people and non-Aboriginal businesses.

Because the First Nations and Business Liaison Group of New Brunswick Inc. is a relatively new endeavour, it has spent the bulk of its time thus far in promoting the collaborative and business partnership opportunities with New Brunswick First Nations. Its philosophy is that by planting a lot of seeds initially, many will eventually grow and come to fruition.

The First Nations and Business Liaison Group of New Brunswick Inc. supports dialogue between First Nations and non-Aboriginal corporations when called upon. Two partnerships that were recently initiated are between Indian Island First Nation Ocean Spray and Imperial Manufacturing Group.

- **Ocean Spray** – Ocean Spray is the leading producer of canned and bottled juice drinks in North America and produces two-thirds of the world’s supply of cranberries. In 2007, Ocean Spray’s gross sales were approximately $1.7 billion. The head office is located in Lakeville, Middleboro, Massachusetts but they employ over 2,000 people globally. They have fruit receiving stations, processing and bottling plants throughout the United States and Canada. Ocean Spray will establish 775 hectares of cranberry beds in the Rogersville, New Brunswick area. The value of the project is estimated to be $90 million. Ocean Spray contacted the First Nations and Business Liaison Group of New Brunswick Inc. in an effort to reach out to First Nations for a potential partnership. In turn, the First Nations and Business Liaison Group of New Brunswick Inc. referred the company to First Nations, which then dealt with Ocean Spray directly. A partnership has been formalized with a formal agreement.

- **Imperial Manufacturing Group** – Established in 1976 in Richibucto, New Brunswick, Imperial Manufacturing Group is a leading producer of air distribution systems. Imperial Manufacturing Group is described as the leading producer of air distribution systems. 

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and building products for residential and light commercial applications and a producer of indoor air quality (IAQ) equipment for the North American heating, ventilation and air conditioning (HVAC) industry. Imperial Manufacturing Group is made up of six separate companies with manufacturing plants and distribution centres throughout Canada and the United States. It employs approximately 800 people. The company is located in Richibucto, near Elsipogtog First Nation, and has expressed an interest in working with First Nations. Elsipogtog is in discussions with the Imperial Manufacturing Group to introduce a pilot program that would help train and employ members of the First Nation at the Richibucto, New Brunswick plant. The initiative will start with a phased approach by bringing on the new employees in groups of ten, ultimately employing 30-40 people. A partnership has been formalized through a legal agreement.

Additionally, the First Nations and Business Liaison Group of New Brunswick Inc. has received support from the provincial government. The province appears to recognize that there is a growing labour shortage and that there is a preference to hire New Brunswickers over foreign workers.

2.4 First Nation Engineering and Technical Services

2.4.1 Company Overview

Throughout the years, Louis Joe Bernard and his business partner, a mechanical and environmental engineer, discussed a potential business partnership. They realized that expertise around engineering and technical services is lacking in the Aboriginal community and that non-Aboriginal communities have that expertise and are able to transfer knowledge to Aboriginal communities. As such, they formed First Nation Engineering and Technical Services in March 2006 in order to access projects in First Nation communities and non-Aboriginal projects outside the community as well and to assist in skills transfer. It services include project management, environmental assessment, project design, training, installation, and feasibility studies.

The partners established First Nation Engineering and Technical Services as a private venture. They did not receive any third party financial support to establish the business.

The partnership is formalized through a legal agreement. The agreement covers a range of issues, such as what will happen in the event of a dispute, death, if one of the partner decides to leave, sell, transfer ownership, division of assets, partner contributions, how the profits are to be divided, how expenses are to be paid and who is responsible for what, etc. The partners opted for a formal legal agreement in order to avoid future disputes or disagreements and to protect their relationship. They wanted a formalized agreement to reflect that they both understood what they were committing to.

The partners make decisions jointly. If it is a significant project, the partners may seek legal advice before making any decisions. Consulting with a lawyer helps to identify any liability issues that might have to be addressed before the project is solidified.

The partnership is 51% Aboriginal-owned. This enables the partners to access contracts under the federal procurement strategy.

2.4.2 Partnership Initiatives

Some of the projects First Nation Engineering and Technical Services have been involved in thus far are: consulting services, septic water design, and septic water installation. It is based in Whycocomagh, Nova Scotia.

2.5 Membertou First Nation

2.5.1 Company Overview

As of 1995, Membertou First Nation, which is located in Sydney, Nova Scotia, had a $4 million budget with a $1 million operating deficit. It employed 37 staff. The community had a low morale and high unemployment. With change in mind, the Chief and Council began a focused recruitment campaign to entice professionals in a range of disciplines, such as law, marketing, finance and business, to work for Membertou. Particular effort was focused on recruiting Membertou community members.201

The community began by focusing on its financial health, eliminating its deficit, and embracing transparency and accountability.202 Thereafter, in the fall of 2000,

Membertou First Nation opened the Membertou Corporate Division in downtown Halifax. Key reasons why the Membertou Corporate Division was situated in Halifax include: the proximity to the government agencies with which the First Nation does business, the proximity to Atlantic Canada’s private sector companies, most of which have offices in Halifax, and increasing the First Nation’s business profile and presence. Membertou Corporate Division then opened a second corporate office in Membertou in the fall of 2002. It is located in the Membertou Trade and Convention Centre.

There are a number of important elements or pillars that pervade Membertou’s approach to economic development, including: Indigenous knowledge based on principles of conservation, sustainability of resources and respect for land, air and water, proactive education and career-related training programs for Membertou’s citizens so that employment opportunities resulting from business partnerships and initiatives can be capitalized, sustainability, and an emphasis on wealth creation over job creation to ensure that those employment opportunities that are created are sustainable over the long term.

During the ensuing decade, Membertou’s budget grew from $4 million to an operating budget of approximately $65 million. The staff compliment has expanded from 37 to over 500. There are several new internal departments and businesses, such as the Membertou Market, Membertou Advanced Solutions, Membertou Mapping Service, Membertou Quality Management Services, and most recently the prestigious Membertou Trade and Convention Centre.

“The Membertou Corporate Division is committed to creating and enhancing business relationships between the Membertou First Nation and the Canadian and international business community. The corporate strategy is built on the foundations of integrity and fairness, and a dedication to maximizing financial benefits for its partners and the Membertou Community.”

The corporate objectives of the Membertou Corporate Division include creating wealth and development for the Membertou community, defining and developing

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203 Atlantic Canada Opportunities Agency, p. 4.
205 Ibid.
relationships with potential partners in the corporate sector, promoting efficiency and profitability within Membertou's current businesses as well as creating partnerships with other Mi’kmaq First Nations to ensure that those communities share in Membertou's intellectual properties and corporate success. Within its objectives is a commitment to operate in a way that conveys excellence and integrity.

Membertou First Nation has a small land base. It had to become innovative in order to develop economically. It could not rely solely on natural resources to generate wealth.

The Chief and Council act as the Board of Directors for Membertou First Nation’s economic activity.

2.5.2 Partnership Initiatives

Since the creation of the corporate division, Membertou has developed several businesses, including the Membertou Trade & Convention Centre, the Membertou Entertainment Centre, the Membertou Market, the Membertou Gaming Commission, the Membertou Data Centre, Membertou Geomatics, Membertou Radio, Petroglyphs Gift Shop and Mescalero’s Open Grill Steak House.

Partnership is also a key focus for Membertou. The First Nation explicitly states that: “[t]he Membertou Corporate Division is committed to creating and enhancing business relationships between the Membertou First Nation and the Canadian and international business community. The corporate strategy is built on the foundations of integrity and fairness, and a dedication to maximizing financial benefits for its partners and the Membertou Community”.

Membertou uses the joint venture as a key tool to maximize required capital investment and expertise and increase the rate of business development. Membertou partnerships are also in different states of readiness. In some cases, partnerships are quite active and Membertou is in regular contact with the partners.

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209 Ibid.
210 Atlantic Canada Opportunities Agency, p. 37.
211 Ibid., p. 12.
214 Ibid.
and works with them actively on the partnership. In other cases, partnerships are in place for when an opportunity arises.

Membertou has multiple partnerships in a range of fields, including mining, oil and gas, fishing, forestry, retail and professional services. The First Nation has successfully developed partnerships with businesses, such as Sodexho Canada, SNC-Lavalin, the Business Development Bank of Canada, Clearwater Fine Foods, Grant Thornton, MacDonnell Group, and Lockheed Martin Canada.

Examples of some of Membertou’s partnerships are:

- **Clearwater Fine Foods** – Founded in 1976, Clearwater is one of Canada’s largest vertically integrated seafood companies, specializing in lobster, scallops, coldwater shrimp, surf clams and crab. It has eight processing plants in Atlantic Canada and Canada’s largest fishing fleet. The partnership with Membertou was announced in March 2001 and included: embarking on a joint survey of offshore Jonah Crab, processing the First Nation’s Snow Crab quota at Clearwater’s Highland Fisheries plant in Glace Bay, Nova Scotia, marketing a Membertou line of snow crab, sharing sales revenues, gaining expertise from the company, mentorship, and offering employment opportunities to First Nation members at Highland’s new crab processing plant.

- **Fujitsu Consulting/ Lockheed Martin Canada** – Fujitsu Consulting integrates the core expertise of the Fujitsu companies and its partners to deliver complete business solutions in the areas of Enterprise Value Management, Enterprise Mobility, Legacy Migration and Managed Services. A partnership with Membertou led to the creation of Membertou Technologies Inc., an IT services company. In turn, Lockheed Martin Canada agreed to use Membertou Technologies Inc. in its business with the federal Department of National Defence. The first initiative (in 2004) was to consolidate health records for Canada’s military. This partnership positioned Membertou to pursue

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opportunities to provide engineering and in-service support for the Maritime Helicopter Project. With 51% controlling interest held by the Membertou Development Corporation, Membertou Technologies Inc. can take advantage of procurement opportunities.

- **Grant Thornton LLP** – Membertou First Nation entered into a business alliance with Grant Thornton LLP to develop workable solutions for First Nations’ financial management problems, focusing on building internal financial capacity.

- **Laurentian Group** – Membertou has aligned with the Laurentian Group that owns Sydport, a major ports facility for the Sydney Harbour, to examine a number of potential projects.

- **Membertou Insurance Brokers** - Membertou Insurance Brokers Inc. (MIB) is 100% owned and controlled by Membertou First Nation. “It partners with the Jardine Lloyd Thompson Group, the fifth largest insurance broker in the world, and New Sky Insurance Solutions Inc. (New Sky), a new insurance alternative created specifically to address the unique cultural, commercial and lifestyle needs of Aboriginal communities across Canada.”

- **SNC-Lavalin** – In 2001, SNC Lavalin and Membertou reached a Memorandum of Understanding to explore jointly mutually beneficial collaborative efforts to develop projects in the Maritimes. This partnership was designed to involve Membertou in environmental technologies, including some of the large-scale monitoring and clean-up operations associated with the Sydney Tar Ponds Project and remediation of the Cape Breton Development Corporation lands. In 2002, the partners received a standing offer contract designation from the federal government for environmental assessment and remediation. The first step was a $420,000 contract designed to transfer environmental expertise and technologies from SNC-Lavalin to Membertou.

- **Sodexho-Marriott** – In 2001, Membertou and Sodexho-Marriott, one of the

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220 Thayer Scott, p. 9.

221 Ibid.


224 Thayer Scott, p. 8.
world’s largest catering firms, announced a new business partnership to jointly explore the desirability and feasibility of mutually beneficial development projects in the Maritimes. Through this partnership, Membertou is positioned to offer complete onshore and offshore catering services as well as other hospitality services, such as housekeeping, janitorial, commissary, laundry and other company-related services.\textsuperscript{225}

- **YMCA** – In late 2005, Membertou established a unique partnership with the YMCA of Cape Breton to open an Entrepreneur Centre in Membertou. The Membertou Entrepreneur Centre now provides customized business training and support to interested entrepreneurs in the Membertou community. The Entrepreneur Centre offers a business development program that includes customized training and workshops as well as one-on-one support for new and existing businesses. The main focus is to assist Membertou residents that are interested in starting a new business or expanding an existing business, to develop a strong business plan.\textsuperscript{226}

Membertou partnerships are ultimately formalized through legalized agreements. However, Membertou and its partners may delay a formal agreement until there is a concrete opportunity to pursue. Membertou asserts that a partnership agreement is an important step; most people do not sign partnership agreements haphazardly.

By partnering successfully in a range of ventures, Membertou has shown that it has a place in the commercial universe. It is an attractive partner, not only as a source of human resources, but because of its natural resources, rights to land, and growing expertise.

Membertou aims to create ‘a symbiotic relationship’ with its partners whereby there is an authentic transfer of business skills and capacity to the First Nation and whereby Aboriginal skills and perspectives are transferred to the non-Aboriginal corporate partner. Important aspects of partnership agreements include: training and internship experiences for front-line and managerial staff, joint-venture structures, profit sharing, branding, and the opportunity for global reach.\textsuperscript{227}

Internally, Membertou has a process to evaluate business propositions. The first step is to complete a financial analysis and business plan to explore the concept. With the business plan, Membertou considers the partner’s background and track record, the reasons for pursuing the partnership, marketing, the social return on investment plus

\textsuperscript{225} Atlantic Canada Opportunities Agency, p. 39.  
\textsuperscript{226} Membertou Entrepreneur Centre; source: \textit{http://www.membertou.ca/department_entrepreneur.asp}, retrieved on April 1, 2009.  
\textsuperscript{227} Thayer Scott, p. 19.
a financial analysis of five years of financial statements. Membertou considers this background information important. When Membertou is conducting an internal analysis to determine whether to pursue an opportunity or not, the business plan supports the Board in making decisions and sparks debate and analysis.

If the concept passes muster in the first round, the second phase is to present the concept or opportunity to the Board of Directors. The executive reviews the business plan and the financial statements. Site visits may be conducted. The Chief Financial Officer also reviews the prospective partner’s books at this time.

The third stage involves holding a wider meeting to discuss the opportunity. Everybody in the community is welcome to attend. Membertou values the community’s input and strives to be transparent by opening all meetings to the community.

The fourth step is more formal and involves obtaining legal advice and formalizing the relationship with a partnership agreement. Thereafter, the draft agreement is presented back to the Board of Directors, reviewed, amended as necessary, and signed, if appropriate.

### 2.6 Metepenagiag Heritage Park

#### 2.6.1 Company Overview

The Metepenagiag Mi’kmaq Nation (Red Bank) is located at the junction of the Little Southwest Miramichi and the Northwest Miramichi Rivers in northeastern New Brunswick.²²⁸ Since 1975, more than one hundred archaeological sites have been found in the Red Bank region. Two of these sites, the Augustine Mound and the Oxbow Site were designated as national historic sites in 1975 and 1982 respectively; they were recognized provincially in 1991. The Augustine Mound was excavated between 1975 and 1977 while the Oxbow site was excavated between 1978 and 1984.²²⁹ The sites, along with a nearby hunting ground, provide archaeological evidence that Mi’kmaq people lived in this area for thousands of years.²³⁰ The Oxbow site, in particular, showed that the site was an intensively and continuously occupied, 3000-year-old

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²²⁹ Ibid., pp. 149-150.

fishing village. Additional archaeological surveys located over sixty additional pre-contact sites at Metepenagiag.231

The Metepenagiag Heritage Park, whose purpose is to preserve, protect, and present Metepenagiag history and the significance of the national historic sites, is a $6.6-million, cultural tourism facility that is expected to boost the local economy by attracting more than 25,000 visitors annually.232 The Visitor and Interpretation Centre at Metepenagiag Heritage Park is a 1,300-square-metre, state-of-the-art building that is located along the banks of the Little Southwest Miramichi River. The site includes outdoor viewing areas that provide impressive views of the Oxbow site, a trail network through wooded areas and along the river, a 50-seat conference facility, high speed internet, SMART boards, and the latest audio visual and digital equipment. The building also features many environmentally sustainable features, including geothermal heating.233

Metepenagiag Heritage Park facilities opened in the spring of 2007 and are owned and operated by Metepenagiag Heritage Park Inc., which is a non-profit body, incorporated and created by resolution of the Chief and Council of Metepenagiag First Nation. A board of directors oversees Metepenagiag Heritage Park Inc.234

The idea of creating the Metepenagiag Heritage Park began with Joe Augustine, the discoverer of the Augustine Mound and Oxbow National Historic Sites. “He felt it was important to see the history and heritage that had been handed down to him by his father and grandfather meshed with the information gained from the years of archaeological excavations. He wanted a museum to tell the story of the ancient Mi’kmaq of Metepenagiag.”235

The mission of Metepenagiag Heritage Park is to preserve, protect and present the national significance of Augustine Mound and Oxbow National Historic Sites of Canada236 and explore the Mi’kmaq heritage of Metepenagiag.

The Metepenagiag Heritage Park initially aimed to preserve, protect, and present Mi’kmaq history and heritage at Metepenagiag. It did not claim to address all of

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231 Augustine, Turnbull, Allen, and Ward, pp. 149-150.
233 Ibid.
234 Ibid.
236 Government of New Brunswick Regional Development Corporation/Aboriginal Affairs Secretariat. “Heritage and tourism park to be built in Metepenagiag”.

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Mi’kmaq culture or history in general but is widely accepted as the most celebrated and documented example of ancient and traditional Mi’kmaq way of life in Atlantic Canada. There is no other built park of the same scope and depth of cultural research and intact cultural resources.

The presentation aspect of the park is the tourism product. Presentation is important because creating a memorable and intriguing tourism product will generate revenue so that the facility can be sustained for generations and the park’s mandate can be achieved. Metepenagiag equates that with sharing. But, not necessarily sharing everything. It is important to determine what and how much one shares with others. The First Nation may decide to share less because it is preserving and protecting something. For example, when the trails for the park were made, someone from Metepenagiag First Nation who had knowledge about the trees, plants and flowers along the proposed trail come in and tape it off to ensure that construction did not disturb rare flowers. However, Metepenagiag did not actually tell anyone where those flowers were. People were simply told they should follow the tapeline. In this case, not sharing information was a way of protecting those flowers. One also has to be cautious about what one shares to protect intellectual property rights. There is a fear that intellectual property, like traditional medicine or history held by the Elders, will be taken if it is recorded and shared and irresponsibly taken and used. So even the decision about what to present is important because one can be preserving and protecting when one shares something and one can be preserving and protecting when one does not share something. Metepenagiag never compromised this cultural value and ethic and they worked hard to make sure all partners understood and respected this position of preservation and protection as paramount.

Metepenagiag Heritage Park is reflective of or symbolic of Mi’kmaq culture and as such, is so important in the preservation of the culture as a whole. Thus, Metepenagiag Heritage Park not to be seen as something in isolation from Mi’kmaq language, history and culture but as an integral part of the whole cultural development.

The future of Metepenagiag is still in the making. The Metepenagiag Heritage Park is much more than national historic sites and buildings. It is the story of a people and their place in the broader world, how a particular community fits in the world and how that community defines itself. When young Aboriginal people see people from the different parts of the world coming to see the park and valuing them and their history, they will grow up differently in terms of their role in Canadian society and how they engage or take ownership of building their future.

The story of Metepenagiag is, of course, the story of the Mi’kmaq people at Metepenagiag but it is also our collective story, as New Brunswickers and as
Canadians. “Metepenagiag’s story is part of my country’s story. It is like saying that Samuel Leonard Tilley (a father of Confederation from Gagetown, New Brunswick) is just Gagetown’s story and his story just belongs to Gagetown where he was from so we, as Canadians and New Brunswickers, should not have to do anything with that. Rather, Tilley’s story is part of Gagetown’s history, the province’s history, and national history. His story affects us all. In the same way, the story of Metepenagiag affects all of us.”

2.6.2 Partnership Initiatives

The evolution of Metepenagiag Heritage Park brought together many partners over a period of approximately thirty years. The primary ones were:

1. Atlantic Canada Opportunities Agency (ACOA) – ACOA “works with business and communities to make Atlantic Canada’s economy more innovative, productive and competitive.” ACOA contributed funding ($2 million) for the building of the interpretive centre at Metepenagiag Heritage Park.

2. Archaeological Services New Brunswick (Province of New Brunswick) – “Archaeological Services is responsible for the comprehensive cultural resource management of the Province's archaeological heritage. This responsibility includes protecting, preserving and interpreting New Brunswick's non-renewable archaeological resources. Archaeological Services' functions include overall coordination, licensing, collection management, heritage resource impact assessment, salvage, product development, research and liaison with First Nations on heritage issues. Archaeological Services provides professional and technical expertise to work with industry, municipal, provincial and federal agencies, with First Nations, communities, non-profit groups, and individuals.” Archaeological Services provided archaeological and excavation support. The Province of New Brunswick contributed $1 million towards the capital building campaign.

3. Canadian Heritage – Canadian Heritage is the federal department “responsible for national policies and programs that promote Canadian content, foster cultural participation, active citizenship and participation in Canada's civic life, and strengthen connections among Canadians”.

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contributed $1.6 million to the capital costs associated with constructing the heritage park.

4. Indian and Northern Affairs Canada (INAC) – INAC “is one of the federal government departments responsible for meeting the Government of Canada’s obligations and commitments to First Nations, Inuit and Métis, and for fulfilling the federal government's constitutional responsibilities in the North. INAC's responsibilities are largely determined by numerous statutes, negotiated agreements and relevant legal decisions.” INAC partnered with Metepenagiag during the construction phase of the interpretive centre by contributing $2 million to the capital campaign.

5. Parks Canada – A federal department, Parks Canada’s role is to “protect and present nationally significant examples of Canada’s natural and cultural heritage and foster public understanding, appreciation and enjoyment in ways that ensure their ecological and commemorative integrity for present and future generations”. Parks Canada first became involved when the application was made to nominate the Augustine Mound to the National Historic Sites and Monuments Board of Canada and when the Historic Sites and Monuments Board of Canada made a strong recommendation to interpret the site to all Canadians. Parks Canada began work with Metepenagiag in the late 1970s by holding meetings, putting together briefs, drawing up preliminary plans, and supporting research. Parks Canada also provided a Senior Parks Canada Interpretation specialist for a two-year assignment to assist with the development of the heritage presentation and a professional engineer to oversee the architectural and engineering services regarding the construction of the interpretation centre. Parks Canada provided $1.5 million in operational funding for Metepenagiag Heritage Park over a ten-year period.

This project had multiple levels of partners. When the partners came to the table, it was a ‘partners by purpose’ and ‘champions by choice’ scenario. In other words, when people came to the table representing the various organizations involved in the project, they came with a particular mandate or purpose as dictated by their

243 Ibid.
244 Government of New Brunswick Regional Development Corporation/Aboriginal Affairs Secretariat. “Heritage and tourism park to be built in Metepenagiag”.

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organization. As such, the organizational representatives initially approach the situation as ‘partnership by purpose’. However, the quality of the people that sat at the table and their open mindedness led to their looking beyond their mandate and role as dictated by their employer and they ended up becoming champions of the project (‘champions by choice’).

It was easy to talk to all the people at the table because of the nature of the project. The Metepenagiag Heritage Park project became a project about our shared heritage. Metepenagiag definitely has its own story to tell but this park has become part of Canada’s and New Brunswick’s history so preserving and protecting it is important. In fact, this is the mandate of the project: to preserve, protect, and present history at Metepenagiag. Once the partners realized that this project was the first integral component of their own history and heritage in New Brunswick and/or Canada, they became passionate as well.

Having the capacity and expertise on board as partners to complete the project was key. Parks Canada had experience with similar projects so it could provide a recipe for what it felt were the major project elements. Parks Canada also committed to providing a senior interpretation specialist to oversee all aspects of interpretation during the construction phase. The senior interpretation specialist brought his experience of working on other historic sites to this project. Provincial archaeologists were also extremely supportive and became very involved with Metepenagiag First Nation. There was also a project management team that had experience doing similar projects. An experienced engineer came on board as the capital side project manager to manage all aspects of the construction phase, from issuing Requests for Proposals, evaluating proposals, managing contracts, etc.

Additionally, the support for operations and maintenance from Parks Canada and the First Nation was an important factor for moving ahead with construction. Parks Canada agreed in 2003 to provide operations and maintenance (O & M) funding in the form of $150,000 per year for the first ten years after the park opened. Funding began to flow once the park became operational. The First Nation also indicated that it would also be able to contribute O & M funding as well. With this kind of assurance that the project was indeed viable, the project went ahead.

For Metepenagiag, staying true to its culture and being respectful were tenets it did not sacrifice. All decisions about content went to the community and the Elders for consideration. The funders had little say in terms of content or script. Everything was vetted through the community and Elders or Mi’kmaq experts from other communities, when necessary. In the case of technical personnel and consultants from other organizations or people who were externally hired, there was a
mentoring aspect built into the relationship so that community members would retain skills and develop expertise required for the ongoing operation.

At the outset, Metepenagiag stated outright that as many community members had to be involved in the project at every phase as much as possible. As a result, it offered the community many small contracts and many community members were involved in the building’s construction. More than 280 community members received indirect or direct employment during the construction phase.

Staying in control of the project was important to Metepenagiag, not for control’s sake but because the First Nation was to be the owner and manager of the facility and park and because it is a feature of self-government that would see capacity building and a full acceptance of the responsibility to pass on one’s culture to the next generations.

The ‘cultural clashes’ for lack of a better term were all about partnership development. Metepenagiag devoted a lot of energy to turning people that came to the table by purpose into champions. Now, people really believe in the initiative. They feel the spirit of the sites. A lot of insight and personal and spiritual development occurred within our partners. A connection was made between people, our community and the park site. A lot of people came to the community and brought their families and became friends.

In closing, having several years of experience working in the area of community development and especially with the development of ... [the Metepenagiag Heritage Park] ... partnerships remain fundamental. ... partnerships are make or break based on the individuals involved in the process. It is the quality of the people involved in these partnerships that make the difference. Sometimes individuals and groups come together from a place of purpose, or they need to carry out a mandate or respond to a situation. However, what affects the process of partnership and takes it to another level is when the people who have been partners by purpose become champions by choice. It is this higher level in the process that not only yields results but builds stronger relationships which can lead to unlimited benefits. It is this type of partnership that has existed within the context of the value of gathering and
protecting cultural resources at Metepenagiag for as long as we can remember.\textsuperscript{245}

Please also refer to Appendix B for additional information about Metepenagiag Heritage Park.

2.7 Miawpukek First Nation

2.7.1 Company Overview

Miawpukek First Nation is located on the south coast of Newfoundland, approximately 224 km from Gander. Miawpukek became a permanent community in approximately 1822. Before then, the community site was one of many semi-permanent camping sites used by Mi’kmaq people. Traditional oral history indicates that the Miawpukek reserve was established in 1870 and then officially designated as Samiajj Miawpukek Indian Reserve under the Indian Act in 1987. The membership of Miawpukek is 2,566 people with 787 members living ‘on reserve’ and 1,779 living off the First Nation.

Since 1987, Miawpukek has moved from being an isolated community with almost 90% unemployment to a strong, vibrant community with almost 100% full and part time employment.\textsuperscript{246}

Miawpukek First Nation’s vision statement is “to preserve, promote and advance the culture, health, economic, educational and social well-being of our people – including our language, history and spirituality.”\textsuperscript{247}

Miawpukek First Nation has developed an investment as a result of the importance it places on “investing in Aboriginal people ... and the preservation and promotion of partnerships within local; national; and international boundaries”.\textsuperscript{248} It regards investing in its people as an investment in the future.\textsuperscript{249}

The purpose of the Miawpukek First Nation’s Investment Strategy is “to develop an investment strategy for the Miawpukek First Nation and to foster partnerships

\textsuperscript{245} Augustine, Turnbull, Allen, and Ward, p. 165.
\textsuperscript{246} Miawpukek First Nation About Miawpukek; source: http://www.mfngov.ca/about.html; retrieved on July 8, 2009.
\textsuperscript{247} Miawpukek First Nation Home Page; source: http://www.mfngov.ca/; retrieved on July 8, 2009.
\textsuperscript{248} Miawpukek First Nation Investment Strategy; source: http://www.mfngov.ca/invest.html; retrieved on July 8, 2009.
\textsuperscript{249} Ibid.
between Miawpukek First Nation and non-Aboriginal private, governmental, and corporate sectors at local, provincial, national and international levels”.

2.7.2  Partnership Initiatives

Examples of Miawpukek’s partnerships are:

- **DAK** – DAK is a three-way partnership among Design Management Group Limited, a Gander-based civil engineering firm providing professional services in civil engineering, mechanical engineering, construction project management, land surveying, road construction and environmental management remediation, Adams Construction in Bishops Falls, NL and Kopit Enterprises Limited, a construction company that is 100% owned by Miawpukek First Nation. DAK will pursue overseas construction contracts with Kopit Enterprises providing project supervision and labour.

- **Fishing Mentorships** – When Miawpukek was first getting involved in the commercial fishery approximately a decade ago, it engaged non-Aboriginal fishers as mentors to help the community learn the commercial fishery business.

- **Gray Aqua Group Limited** – Gray Aqua Group Limited is the Newfoundland and Labrador subsidiary of Gray Aquaculture Limited, a family-owned company based in Northampton, New Brunswick. On August 29, 2007, Gray Aqua Group Ltd. and the Miawpukek First Nation signed a Memorandum of Understanding (MOU) regarding aquaculture opportunities in the Coast of Bays area. One of the provisions contained in the MOU is for the training and skills development and potential employment of Miawpukek First Nation members on Gray Aqua Group farm sites. Gray Aqua Group also opened its administrative offices in the First Nation.

- **Miawpukek Wind Energy Partnership** – Miawpukek First Nation signed an MOU with Wind Prospect, a renewable energy developer, to assess the viability of

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250 Ibid.
251 About the Design Management Group Limited; source: [http://www.dmg.nf.ca/about.htm](http://www.dmg.nf.ca/about.htm); retrieved on July 14, 2009.
having a wind turbine at Miawpukek First Nation. Phase one began in December 2008 by erecting a wind test tower, which will collect data on the wind in the area for 12 months. Afterwards, the wind data will be analyzed to determine if it is feasible to construct a wind farm in the area. If a wind farm is feasible, there may be a potential business endeavour between Wind Prospect and Miawpukek First Nation.255

- **Newfound Resources Limited** – Newfound Resources Limited was established in 1986 by 25 Newfoundland seafood companies to harvest groundfish. After the decline of the ground fish stocks, Newfound Resources received an offshore shrimp license in 1991 and has since become one of the country’s largest shrimp companies. The company directly harvests more than 6000 metric tons of coldwater shrimp annually and procures several thousand tones of additional product from third parties and vessels managed through a subsidiary company, Newfound Marine Management. The company also harvests Greenland Halibut (Turbot).256 Miawpukek has a shrimp quota for 750 metric tonnes and has partnered with Newfound Resources who fishes Miawpukek’s quota.

- **SCB Fisheries** – In 1985, the Province of Newfoundland and Labrador, in partnership with the Bay d’Espoir Development Association, built a hatchery to supply the industry with Atlantic salmon smolt.257 Several small farms subsequently merged to form one company called SCB Fisheries Limited.258 With 30% ownership, Miawpukek Mi’Kamawey Mawi’omi (Conne River Aquaculture) was the single largest shareholder in Petglade Weston Holding Limited, which made it a significant shareholder in SCB Fisheries though it subsequently sold its shares c. 2000. (Technically, Miawpukek Mi’Kamawey Mawi’omi (Conne River Aquaculture) was a partner in a holding company that held the shares in SCB fisheries. SCB Fisheries became the largest of five salmon and trout operations in the Bay d’Espoir region. It marketed its products to the retail and food service industries across Canada and the northeastern United States.259 Miawpukek

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257 Smolt are young salmon (two or three years old) that is at the stage of development when it assumes the silvery color of the adult and is ready to migrate to the ocean.
Mi’Kamawey Mawi’omi (Conne River Aquaculture) bought fingerlings from SCB Fisheries and sold them back to the company after growout.

Miawpukek First Nation maintains that the main element of any business relationship it undertakes now is to employ its community members, its people.

Miawpukek First Nation expressed that one of its objectives of partnerships is to be meaningfully involved in the project or partnership. It wishes to be a ‘real’ partner, not a token.

2.8 Millbrook First Nation

2.8.1 Company Overview

Millbrook First Nation is located eight kilometres east of Truro and has an on-reserve population of 729 people and an additional 587 off-reserve members.

Millbrook First Nation’s first significant business venture was the establishment of Treaty Gas, a single service station established in 1995. Since then, the Treaty Connector has been developed and the site, strategically located along Highway 102, the highway running north through the province from Halifax towards the New Brunswick border, has grown into a significant business park near Truro, the Truro Power Centre. Millbrook First Nation has leased out land for a range of businesses, including a motel, fast-food franchises, theatres, stores and a call centre. The companies operating here employ more than 700 people. Approximately 70 are Aboriginal. Other initiatives the First Nation is involved in includes owning a 56-unit apartment building and gas bar in the Cole Harbour area of Halifax and a $11-million facility, also in Cole Harbour, which it leases to General Dynamics Corporation, a defence company.²⁶¹

²⁶⁰ Fingerlings are juvenile salmonids up to nine months of age and generally two to four inches in total length.
²⁶¹ Moore, Oliver. “Open for business From high-tech factories to resorts and golf courses, the first nations of Canada are creating jobs and building financial partnerships” in Globe and Mail, December 2000 when the Newfoundland and Labrador Development Corporation acquired all the shares of SCB Fisheries and assumed full control of the company (“NLDC Continuing challenges, expansion” in The Cold Harvester Newfoundland Aquaculture, March 2003, pp. 5-6; source: http://www.naia.ca/docs/ColdHarvestersMarch.pdf, retrieved on July 8, 2009.). Fish farms operated by SCB Fisheries were later purchased by the Barry Group (of Corner Brook, NL) in 2005 when SCB Fisheries went into receivership. The Barry Group then sold its seven fish farms to Northern Harvest Sea Farms, a New Brunswick company, in early 2009 (“Barry Group sells Newfoundland salmon farms to N.B. company”, February 26, 2009 News Release; source: http://www.cbc.ca/canada/newfoundland-labrador/story/2009/02/26/barry-group.html, retrieved on July 9, 2009.).
The First Nation has always seen its site along Highway 102 as an opportunity. With the growth of the Truro Power Centre, the First Nation has created over 700 jobs. While there still may be a minimum number of Aboriginal people working there at this time, the First Nation is extremely positive, stating that its business initiatives are very much about creating opportunities. If this generation is not yet ready to take advantage of the opportunities, the First Nation is creating a better scenario for the future. So, as more and more people become ready, the opportunities will be there for them. The focus of the First Nation is very much on looking out for Seven Generations.

In 1969, the only economic opportunities in Millbrook were six basket shops, which meant that if one wanted to stay and work in Millbrook, the only job opportunities were at one of the six basket shops. In 1972, the province constructed Highway 102 and the possibility of more opportunities arose. However, commerce potential along the highway was initially limited to the basket shops.

While Treaty Gas was Millbrook’s first major success story, it was not its first attempt. Other business initiatives that it attempted prior to opening Treaty Gas in 1995 included a tubular steel factory and a community store.

The development of the Truro Power Centre began in the early 1990s, when economic development officer Lloyd Johnson proposed to Council that the First Nation build a gas bar on the newly constructed highway. Eventually, the project was approved and the Treaty Gas station was built. When it was originally built, one could not directly access the station from the highway. Direct access came later. Ultramar has since replaced Treaty Gas in a land-lease scenario. Millbrook First Nation continues to lease out reserve land to a variety of businesses. Millbrook also constructed the building that houses the movie theatre and leases the space to Empire Theatres. Revenue is also generated by collecting property taxes from the renters. The taxes that are collected are used to support infrastructure.

Millbrook First Nation is open to a variety of business opportunities and does not necessarily limit itself to joint ventures. It finds that success breeds success. When it started to have quite a bit of success in fishing and gaming Corporate Canada seemed to have taken note and different entities began to approach the First Nation about partnering. At the same time, Millbrook First Nation is certainly not passive about its business activities. It is pursuing a range of opportunities and building its portfolio.

Since 1990, the Millbrook Band has been working progressively to increase economic development in the community. The philosophy has been that to achieve community well-being the band must approach its problems holistically, addressing all aspects of the community; social, mental, physical, emotional, spiritual and have and will continue to create opportunities for youth and other members of the band.  

2.8.2 **Partnership Initiatives**

Examples of Millbrook’s partnerships are:

- **Central Nova Tourism Association** – Millbrook First Nation partnered with the Central Nova Tourism Association with regards to the Glooscap Heritage Centre. The Centre features a gift shop, an Aboriginal art gallery, a 70-seat theatre, office space, meeting rooms, and a year-round visitor information centre operated by the Central Nova Tourism Association.

- **General Dynamics Canada** – Established in 1948, General Dynamics Canada provides “technology-based electronic systems, systems integration, and in-service support to defence organizations and public security markets in Canada and abroad.” General Dynamics Canada is a “leading worldwide supplier of ... solutions for land, airborne and maritime applications”. Millbrook First Nation partnered with General Dynamics in a successful bid to replace the military’s fleet of Sea King helicopters (a Maritime Helicopter project). As part of the partnership, Millbrook First Nation constructed a 48,000 square foot building at its Cole Harbour location (Caldwell Glen site), which it owns and now leases to General Dynamics Canada. The joint agreement was signed in 2006 and on December 17, 2007, General Dynamics Canada took occupancy. Millbrook First Nation will also provide maintenance and administrative services for the duration of the helicopter contract. General Dynamics Canada will assist Millbrook by supporting Aboriginal small business initiatives, and will also provide education.

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265 Ibid.

and employment opportunities to Aboriginal people from Millbrook and other First Nations.  

- **Icy Waters Ltd.** – Icy Waters Ltd. was established in 1985 and is a fully integrated aquaculture company dedicated to the development of Arctic Char. Icy Waters sells its ova to aquaculture operations across the globe while selling its fish products to restaurants and retail establishments across North America. In January 2008, Millbrook and Icy Waters Limited announced a partnership to produce and market Arctic Char. Following the Marshall Decision, Millbrook invested in aquaculture and selected Arctic Char for its farm operation because the North American market for Arctic Char was underdeveloped and undersupplied. The First Nation established the land-based, grow-out facility on Millbrook's Power Centre outside Truro in 2003 with an investment of $3.3 million. Production capacity is 125 metric tonnes a year. Fish eggs are purchased from Icy Waters and hatched and reared to 100 gm fry in a Truro hatchery before moving into Millbrook's grow-out facility. The hatcheries, together with grow-out facility and processing operations employ about twenty-five people year round, most from the Millbrook Band.  

- **Melford International Terminal Inc.** - Melford International Terminal Inc. is a Nova Scotia company that is developing a container terminal, rail intermodal facility and logistics park at Melford, Nova Scotia on the Strait of Canso. Melford Terminal is scheduled to open in early 2011. The Melford Terminal will be the closest deep-water terminal in Mainland North America to Europe and the Suez Canal. Millbrook First Nation Band has invested in the Melford International Terminal Project at the Strait of Canso and will also partner with the company to provide advisory services on First Nation issues.  

- **Pacrim Hospitality Services Inc.** – Pacrim Hospitality Services Inc. provides “management, operational and consulting services to accommodation and food and beverage based businesses in the hospitality industry”. Millbrook has partnered with Pacrim Hospitality in terms of being shareholders of two Super 8

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mote in Amherst, Nova Scotia and Caraquet, New Brunswick. Another joint venture is underway as well.

The key objective of the partnerships is to generate revenue and build the economic capacity of the First Nation for the betterment of the community and members.

2.9 Morris Trucking

2.9.1 Company Overview

After working for another construction company for a number of years, Norman Morris decided to start his own business. He formed Morris Trucking approximately twelve years ago out of his home in the community of Eskasoni. He began by trading his boat and $6000 cash for a backhoe in order to gain a snow removal contract. After that, other small jobs snowballed and the company grew. The company now boasts an excavator, three tandem trucks, two floats, two tractor-trailers, as well as a supply van that holds all the tools he needs should there be any mechanical problems while on the job site.

The services that Morris Trucking offers include: excavation, digging, trucking, water & sewer, general digging & trenching & road reconstruction. Morris Trucking is involved in preparing sites for housing construction, water and sewer lines, as well as ditching.

Morris Trucking is 100% Aboriginal owned with Norman Morris as the owner/operator.

During the construction season (spring to fall), Morris Trucking employs up to 6 people, all of whom tend to be Aboriginal.

The company’s goal is to be self-sustaining and contribute to raising employment within the First Nation where it is based and eventually at other Aboriginal communities as well.
2.9.2 **Partnership Initiative**

Morris Trucking partnered with another construction company in a joint venture in order to submit a bid for the Aboriginal set-aside at the Sydney Tar Ponds Agency for the cleanup of the Sydney Tar Ponds. The project entailed a clean-up process for the cooling pond.

Norman Morris learned about an Aboriginal Set-Aside contract (worth around $3.5 million) for the Sydney Tar Ponds Agency through the Eskasoni Band Office. Staff there suggested that he should submit a bid. The job entailed cleaning out and capping the Sydney Tar Ponds cooling pond. The project involved hauling many truckloads of fill, engineers to ensure that the job was done properly, and environmental technicians to ensure that no other damage would result. Machinery, such as tandem trucks, dozers, and excavators, were also required to get the job done. Norman had the necessary machinery for the work. However, he did not have experience in preparing a bid nor the necessary licenses and permits that are required for such a task. He also had never worked for anyone outside the First Nation community. The issue of a bid bond was new to him as well.

Morris Trucking decided to approach another (non-Aboriginal) construction company about partnering in a bid for the cooling ponds clean up project because the non-Aboriginal company has extensive experience in the industry and has won numerous bids in the area. The company is well known and has a great deal of experience in preparing bids and tenders and know-how in the construction industry. The non-Aboriginal company was very receptive to the idea and rapidly set the gears in motion. With the help of the non-Aboriginal company’s lawyer, a partnership agreement was reached and the non-Aboriginal company and its lawyer prepared the bid, which they ultimately won.

In terms of what the parties brought to the partnership, Mr. Morris had the required machinery and the First Nation workforce that was required. The non-Aboriginal company also had machinery as well as the expertise in the industry.

The main objective of the partnership was to set up a joint venture for the Aboriginal set-aside project, with Norman owning 51% of the joint venture in order to qualify for the competition. The partnership contract ended March 31, 2008 when the job was finished. Aboriginal employment on site ranged from 75-80% of the work force.
2.10 Vidabode Group Inc.

2.10.1 Company Overview

Established in 2004, Vidabode Group Inc. is a Canadian company based in Amherst, Nova Scotia that has developed and is the manufacturer and licensor for Vidacrete™, a concrete composite that is lighter and stronger than traditional concrete and which can be cost-effective for residential and commercial buildings.  

Vidacrete™ is lightweight and is wind, fire, blast, mold, mildew and insect resistant. Because of its lightweight, Vidacrete™ also costs significantly less to transport. Vidacrete™ is produced through the Vidabode Production System™ (VPS), a pre-cast manufacturing system. The VPS is sold as a turnkey business opportunity.

Ms. Wanda Arnold, President and CEO of Vidabode, lived and worked in First Nation communities across the country fostering economic partnerships between Aboriginal and non-Aboriginal companies and organizations. One of the biggest obstacles that people and communities faced was the challenge of the cost of, stability, and access to safe housing. Ms. Arnold asserts,

When someone who is earning $15/hour, living in a poorly built house, and paying upwards of $800/month to heat their home without the aid of a heating subsidy has to leave their job because they cannot afford to take care of family and heat their home – that’s a major problem.

When we have 20-year mortgages with Canada Mortgage and Housing Corporation (CMHC) backed by a bank that the Bands Councils are paying for, but the home is not usually livable after eight years yet there is still a mortgage to pay - that’s a problem.

When we have to spend so much of operating, maintenance and capital budgets on heating a home and doing mold remediation - that’s a problem.

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272 Ibid.
Communities are compelled to divert some of their operating funds to repairing housing that could otherwise be used to create employment and economic opportunities.

I have lived in different First Nations communities and in these homes with my family and I experienced and understand the challenges that are being faced on a fundamental level.

Accordingly, in 2003, Ms. Arnold formed her own consulting firm, D’Maya Consulting and Management Inc., which concentrated on working with First Nation individuals, Bands, and councils. Through D’Maya Consulting, Ms. Arnold completed a CMHC study on the state of Aboriginal housing in Canada and how socio-economic and housing-related challenges impact economic development. Thereafter, she began to research different methods of home building. She had the opportunity to meet Michael Buriak who had spent almost 16 years working on housing issues across the globe. Ms. Arnold purchased the technology Mr. Buriak created, and then partnered with other First Nations people who share the same vision and philosophy as she does, to create a seed company now known as Atlantic Aboriginal Capital Inc. (AACI). AACI, which is 100% Aboriginal-owned with a board of six, owns several portfolio investment companies:

- Dakota Steel – a steel stud company based out of Debert, Nova Scotia.
- East Coast Investments – a holding company that owns and manages AACI’s real property.
- Onyx and Marble – a solid surface manufacturer located in Debert, Nova Scotia.
- Vidabode Group Inc.

Vidabode Group Inc.’s corporate vision is:

In obedience to the will of our creator, Vidabode will help the people of the world eradicate poverty and build hope in their future by reducing dependence and exercising Indigenous people’s jurisdiction. We will work to foster strong, healthy and vital citizens who can build revitalized communities.275

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Vidabode Group Inc.’s mission statement is:

Through the application of our technology, we will supply high-quality, sustainable and affordable community building solutions to all people through an approach in the following three areas:

1. Community Infrastructure
Address the critical shortage and deplorable conditions of existing housing by supplying high quality and affordable precision engineered wall panel system, which are in harmony with the environment and culture of the community.

2. Socio-economic Issues
Work with the private sector and governments worldwide to bring sustainable economic opportunities to areas, which have been devastated by natural disaster, political strife and deprivation.

3. Labour & Business Development
Develop effective labour training programs with all stakeholders to improve skills by ensuring participation and ownership in this new emerging building technology.²⁷⁶

Vidabode Group Inc.’s corporate objectives are to:

- Address severe housing deficiencies resulting from socioeconomic living conditions.
- Offer long-term solutions for residential, commercial and government-sponsored rebuilds in areas of natural disasters.
- Provide access to manufacturing systems through the sale of licensing agreements.
- Continue research and development in cooperation with our global partners.

²⁷⁶ Ibid.
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- Obtain Earth-friendly ratings from global standard-setting organizations focused on reducing, reusing and recycling.277

Vidabode asserts that its first priority is to provide affordable housing to those that are disadvantaged. The company believes that a safe and secure home is key to a healthy family environment.278

2.10.2 Partnership Initiative

Vidabode is a partnership between Aboriginal and non-Aboriginal owners with a 65%-35% split. Its Board of Directors consists of four people. Two of the board members represent Vidabode’s parent company, Atlantic Aboriginal Capital Inc. and two represent the non-Aboriginal shareholders. However, rather than looking at the owners as multiple stakeholders, the owners now look at themselves as one team. Ms. Arnold, President and CEO, states, “I don’t believe that partnerships should be defined by the culture that we come from or the colour of our skin … we work very hard so that there is not a difference in attitude, perceptions, adjustments, or considerations”. Vidabode does not regard itself solely as a partnership between Aboriginal and non-Aboriginal people but as one team with a common goal and vision.

Vidabode’s partnership agreement is a formal agreement and is clearly laid out. It encompasses everything, from the shareholder agreement to responsibilities.

In forming the partnership between Aboriginal and non-Aboriginal business people, Vidabode was able to secure the financing it needed to pursue its vision of building quality affordable homes that provide inter-generational, long-term value. Vidabode Group Inc. will provide ‘good, better, and best’ pricing options and finishings so that the ends result exceeds what is normally found with affordable housing.

Non-Aboriginal partners have been involved in Vidabode since 2008. The motivation for bringing in non-Aboriginal shareholders was primarily financial. However, also important was whether there was a good fit with the company’s vision and mission and philosophy. If the latter elements were not there, Vidabode would not have entered into a partnership, regardless of the amount of money on the table.

277 Ibid.
By partnering with partners who are the ‘best in their field’, Vidabode has continued to grow and progress forward. Vidabode has created a network of partners from educational facilities, to engineering and architectural firms, and to research councils and marketing firms to develop its brand and product.

Vidabode now feels that its diversity is actually its biggest strength. All stakeholders have a different perception and each is modeled from the way that they were brought up. Those influences provide strength to reason with challenges and provide solutions. Vidabode believes that while there may be disagreements from time to time among its board members on specific issues, fundamentally they agree on all issues.

Vidabode has been built with 100% private financing. It has not, to date, received government financial assistance in any way. In order to move forward and raise capital, AACI, which started out with 100% Aboriginal ownership, sought additional private capital. In exchange for capital, it relinquished control of 35% of the company to investors who became company shareholders. From one perspective, one might say that the Aboriginal founders and the non-Aboriginal investors are ‘business partners’ as each became shareholders and directors.

Along the way, there were those that doubted Vidabode’s ability to be successful because it did not have government funding. However, the company forged ahead and relied on its own ingenuity, work ethic, and focus. Vidbode continues to create bigger partnerships with companies to teach them way to move forward. Partnership has increased Vidabode’s access to networks while still maintaining its core beliefs and the primary purpose for which the company had been established.

3. REASONS FOR PARTNERSHIP

The Aboriginal businesses featured here identified a variety of reasons as to why they embark on partnerships with non-Aboriginal businesses:

- To generate revenue and build the economic capacity of the First Nation for the betterment of the community and members.
- Because of the promise of job creation for community members, economic development, self-sufficiency and the potential of having businesses set up ‘on reserve’.
- To reap the benefits of partnering with an established company with extensive experience and expertise.
- To be meaningfully involved in a project or partnership.
To pursue an opportunity for which they only partially meet the mandatory criteria.

To authentically transfer business skills and capacity from the Aboriginal partner to the non-Aboriginal partner and vice versa.

One interviewee summarized the purpose of partnership building and cooperation as figuring out a way of living together.

4. BENEFITS OF PARTNERSHIP

Case study participants identified numerous benefits of partnership, including:

- **Qualifying for contracts** that enable Aboriginal businesses to qualify for contracts that they would not otherwise be able to qualify for.
- **Providing a larger resource pool** where Aboriginal businesses can draw on partner resources. Partnership can increase one’s networks.
- **Gaining access to opportunities** where Aboriginal businesses can learn about opportunities that they would not otherwise learn about.
- **Filling employment gaps** that enable companies to fill labour shortages.
- **Creating jobs for First Nation members**, which increase employment levels within the communities.
- **Transferring knowledge** where Aboriginal partners gain access to a whole range of expertise that they otherwise would not have. Likewise, non-Aboriginal partners learn about Aboriginal cultures and communities and have a better understanding of the Aboriginal context.
- **Role modeling** where the Aboriginal people involved in business partnerships become role models for other Aboriginal people. Aboriginal/non-Aboriginal business partnership expand the range of possibilities for Aboriginal people in terms of professional pursuits and encourages Aboriginal people to pursue professional careers, e.g., as engineers, architects, and consultants.
- **Developing capacity** where partnership can open up the opportunity for additional skills and professional development.
- **Profitability and greater revenue generation** that allow First Nations to generate own source revenue.
- **Sharing financial responsibility** where risk is jointly shared.
- **Raising standards** where Aboriginal employees develop a more professional work ethic.
- **Enabling communities to prepare for the future** where today’s youth are trained so there will trained members to fill First Nation vacancies as older employees retire.
• **De-bunking myths and stereotypes** about Aboriginal people and demonstrating the capacity and potential of Aboriginal people and communities.

• **Enabling Aboriginal companies to continue to grow and progress** by partnering with experienced companies that are the best in their field.

• **Diversity** which provides multiple perspectives and viewpoints needed to strategize and problem solve.

• **Providing authenticity, legitimacy, and credibility** that will allow one to work on building relationships with other entities.

• **Adding value and strengthening ties** where partners can also provide linkages and add strength to an endeavour or to a network of initiatives.

5. **CHALLENGES WITH PARTNERSHIP**

Case study participants identified several challenges with partnership:

5.1 **First Nation Governments**

Chiefs and Councils can provide valuable insight and networking opportunities within the community. However, it can also be difficult navigating through the business process with Chiefs and Councils whose priorities may be different or not oriented towards business.

5.2 **Non-Aboriginal Governments**

Federal and provincial government are not necessarily conditioned to directly support Aboriginal business development. There is a lack of support programs for Aboriginal companies that are growing or are going to grow.

5.3 **Financial**

Banks often are reluctant to fund Aboriginal businesses and any assets that are located on a reserve are simply not acknowledged as assets by Canadian banks.

Having adequate cash flow is a real challenge in communities. Communities often are in a position of having to divert funds away from social programming in order to finance a business venture. This can be extremely risky and the community may suffer from cut-backs in services.

Part of the challenge with financing is that communities (and Aboriginal businesses) have to compete with each other for the same limited sources of funding. This
creates a dissemination of voice rather than a gathering of one voice. It creates competition and limits the amount of government support available.

5.4 Policy Environment

The rules and regulations off the First Nation may be different than what Aboriginal partners operating ‘on reserve’ are used to. Certain licenses and permits that are mandatory “off reserve” may not be on the First Nation. Or, ‘on reserve’, the Band office may be responsible for elements like ensuring that environmental assessments are done and that the engineers and other technicians are available for all infrastructure work whereas ‘off reserve’, the contractor is.

5.5 Mutual (Mis)Understanding

There is a mainstream perception that Aboriginal companies are not always as strong as non-Aboriginal companies in terms of capitalization, resource commitment, longevity, and focus. Aboriginal companies may be in a position of having to deal with and overcome this misperception.

Non-Aboriginal people (and business leaders) may not necessarily have experience being ‘on reserve’ or working with Aboriginal people. There should be an opportunity for everybody to share each other’s culture.

It can be difficult to break down barriers and myths about Aboriginal people. Open communication and mutual learning opportunities help to do this.

There are also differences in work cultures between First Nation places of work and non-Aboriginal places of work. This difference can cause friction with the partner and other non-Aboriginal staff.

There also may be differences when it comes to ways of thinking or mindset. Corporate culture tends to focus on the bottom line and making a profit. Non-Aboriginal business partners may be more interested in generating profit for the business, themselves, and their families rather than for an entire community. In contrast, a First Nation community partner may have the community as its primary priority. As such a First Nation community may also be concerned with maintaining cultural integrity, training and employing people, and being community minded. Different conceptions about time may also be a source of conflict. It can be challenging to finding that balance between these two different positions.
It has been said that some non-Aboriginal companies may believe that all they have to do is hire a certain number of Aboriginal people to get a contract or a job. Tokenism should be avoided; Aboriginal partners should be meaningfully involved.

There is the misconception that First Nations are a source of unlimited wealth. This leads to some non-Aboriginal companies believing that Aboriginal communities are only valuable as a source of money or as a way of getting more government contracts.

5.6 **Misguided Intentions**

There are some non-Aboriginal companies that want to partner with a First Nation in order to gain access to contracts. However, in some cases, companies are not interested in meaningfully involving Aboriginal companies in the actual business.

5.7 **History**

Because of past actions, there may be hesitation from First Nations to work with non-Aboriginal people. This may prevent the parties from pursuing an opportunity.

5.8 **Lack of Community Support**

As one person becomes more successful, there is the potential of their becoming increasingly ostracized from their community. This pressure can sometimes actually discourage the development of Aboriginal businesses and partnerships.

5.9 **Lack of Readiness**

The Aboriginal workforce is not always ready or willing to take on new employment opportunities and ventures.

5.10 **Low Appeal**

It can be challenging to convince the business sector to conduct business on a First Nation.

5.11 **Agendas and Vision**

It can be challenging to determine each partner’s mandate, what each partner is looking for, and community deliverables. It can be challenging to meet everybody’s goals and expectations. It may also be challenging to find people who share one’s vision.
Likewise, the literature review identified numerous challenges or barriers to partnership between Aboriginal and non-Aboriginal partners. They can include: high risk, on-reserve policies and factionalism, remoteness, unresolved land claims that create uncertainty around land and resource use and ownership, financing, a lack of collateral, difficulties in securing start-up capital, financing and investment, the lack of management capacity, culture clashes and a lack of mutual understanding, fear of change or uncertainty, influence and status (real or perceived), distrust, being vulnerable to those seeking to exploit Aboriginal or treaty rights, imbalances of power and resources, changes to traditional ways of life, and differing accountability structures and/or expectations.

6. ELEMENTS OF A GOOD PARTNERSHIP

Case study participants identified features of a good partner. A good partner is one that:

- Is open, trustworthy, professional and sensitive to Aboriginal cultures.
- Has related project history.
- Has appropriate skill levels among its staff.
- Has related project experience.
- Has experience working with an Aboriginal business in the past.
- Brings something to the table.
- Shares information.
- Makes introductions and referrals.
- Brings the other partner credibility and gains value by associating with each other.
- Is honest and credible in the marketplace.
- Is sensitive to the First Nation perspective. It is much better if partners walk the walk and do more than pay lip service to diversity, respect, etc. They must really embrace these philosophies.

7. ELEMENTS OF SUCCESS AND LESSONS LEARNED

There are also some common themes that emerge from the case studies to enable Aboriginal and non-Aboriginal businesses to either improve their relations or build strong partnerships.
7.1 Agreements

Partnerships should consider a non-disclosure agreement as well as a non-compete agreement if they work in the same sectors as each other. Important aspects of partnership agreements include: training and internship experiences for front-line and managerial staff, joint-venture structures, profit sharing, branding, and the opportunity for global reach.

7.2 Funding

A reliable (and independent) cash flow source to start the venture and then to sustain it is important as it is difficult to run a successful business with insufficient funding. Relying solely on federal funding may also be detrimental as delays and bureaucracy can quickly put one out of business.

Understanding the partner's financial capability is key. Conducting an analysis of the partner before entering into any joint venture or partnership is important because it will provide an understanding of their track record and will provide an indication of their previous successes and challenges, as well as their capacity.

Staying in control was also identified as a success factor. Having one's own resources can increase one's control and may help deter one partner from overtaking another.

7.3 Assessment

Assessment of one's partner and the business venture prior to the investment of funds or a significant amount can also be important to ensuring that the potential partner is legitimate and worthy of association. An assessment matrix may help to assess potential partnerships.

One might also be conservative with one's numbers and forecasts so as to avoid over inflating forecasts and potential.

7.4 Planning

Proper strategic planning can be key to making projections and estimates. Nonetheless, the external environment can change dramatically and affect one's projections and may have to be revisited several times over the course of the project development period.
7.5  **Communication**

Communication is an important element to building a successful partnership. Maintaining open lines of communication is vital to success.

7.6  **Mutual Trust, Respect and Cooperation**

Trust is the foundation for everything else. As one respondent noted, “it takes years to build trust but it takes a second to lose it. And it’s very difficult to get it back”. Commitment and effort to the partnership may help build trust.

A personal element to partnership building also seems to be important, particularly among Aboriginal partners. A partnership takes time to foster and a lot of personal attention may be spent building it.

Personal and business respect also seems to be important. This includes respecting the expertise that each brings to the table and attempting to understand each other. Being transparent, open and honest also raises the level of respect. Compromise may also important.

Mutual cultural sensitivity is vital. Partnerships may be strengthened if non-Aboriginal partners take the time to better understand the Aboriginal partner and if Aboriginal partners take the time to understand the business world.

Cooperation among all the players is key. Likewise, compromise is important. It takes time to develop relationships and to overcome obstacles.

7.7  **Leadership**

The case studies confirmed that strong leadership is vital to success. So too is consistency in the leadership over time, as well as stability in leadership. Leaders can provide important external lobbying and negotiation and advocacy support to a project and facilitate the implementation of a vision and strategic plans over a long period of time.

7.8  **Openness and Flexibility**

Open-mindedness is an important theme. One might come to the table with a mandate from one’s organization or company but one also has to be personally open. Progress may be stymied if one is only “working inside a box” and not open to creativity. Being open-minded helps foster communication and can ultimately lead to greater success and better relations among partners. Being flexible allows one to
adapt to changing situations. Likewise, considering a menu of options and working together (with one’s partners) to decide on the best way may increase success.

It is also important that non-Aboriginal partners understand that First Nations have many projects to manage at the same time. This can affect the pace at which a venture can move forward.

7.9  Creativity and Innovation

Innovation, transparency, a willingness to embrace opportunities, and a vision are additional elements of success.

7.10  Control

Maintaining control over the elements of the partnership was also a theme that was identified as being an element of success.

7.11  Human Resources

Engaging people that are hardworking, reliable and competent may also increase one’s chances at success.

7.12  Record Keeping

Accurate and detailed records of all aspects of the partnership, both in terms of the financial and non-financial aspects, are important.

7.13  Patience

Partnership development takes time as does pursuing funding. While this can be frustrating, time also allows on to think about the project from multiple angles and may allow a project concept to germinate.

7.14  Support and Community Engagement

Community buy-in and endorsement of a partnership was also identified as a key theme to successful partnerships because of the community focus in First Nations. Even if the Aboriginal partner is an individual, that individual’s success may be regarded as reflecting the success of the entire community.
7.15  **Experience, Capacity, and Expertise**

Having the right people involved in the venture is another element of success. If one lacks the capacity to do certain things, it may be important to identify how to build capacity and align oneself with partners who will support one’s efforts to do that. Moreover, engaging dedicated people can help in seeking solutions or in drawing on networks and contacts.

A positive track record may also help to further build successful partnerships. When a First Nation’s successes grow, they will, in turn, attract others, which may lead to more business opportunities.

7.16  **Relationship Building and Social Return on Investment**

Partnerships that are successful appear to approach business as relationship building. Additionally, considering the social return on investment may be important; it may also be important to look at what the value of partnership is to the stakeholders. Looking at connections and how factors interplay or fit into each other.

8. **RECOMMENDATIONS**

The case study participants had many recommendations to Aboriginal entrepreneurs, non-Aboriginal business people, and government and stakeholders. These recommendations are presented here.

8.1  **Recommendations to First Nations and Aboriginal Entrepreneurs**

*Agreements and Policies*

1. Ensure that the details of the partnership agreement are set out in writing (in a legal agreement). A clear legal agreement defines the nature of the partnership sets the foundation for success where all parties clearly understand the nature of the relationship and the responsibilities of each partner. Be sure to sign an agreement only if one understands it. Seek a professional, such as a lawyer, to explain complicated details or employ an interpreter. If necessary, take the documents away and return another day once one has a better understanding of the documents.
2. Sign a non-disclosure agreement with the potential partner from the start to create a confidential relationship between the parties to protect any type of confidential and proprietary information or a trade secret.
3. Sign a non-compete agreement that prevents one’s partner from seeking out other business partners in the same sector.
4. Have an escape clause in one’s joint-venture agreement.
5. Develop policies and procedures to guide business partnerships and/or economic development activities. These will be in place and will provide one with consistency regardless of the leadership of the day.

**Funding, Finances and Capital**

6. Be nimble in financing. ‘Being nimble’ means understanding where one is, what the competitive environment is, and what the advantages (and disadvantages) are based on those factors. It involves considering whether it is more beneficial to take a smaller share of the ownership but gain considerably in other areas, such as employment or preferred contracts. In short, ‘being nimble’ is being quick and looking at different options and deal potentials and considering how one can find a place for oneself.
7. Ensure one is aware of the financial situation at all times.
8. Make sure one has adequate sources of capital to invest in the business (if the partnership involves capital investment) or look into financing options rather than use funds that are earmarked for community services. Investment funds could be generated from own source revenue, business development grants, or loans so as to not jeopardize community services.
9. Look carefully at what one can contribute to the process/partnership in terms of both financial and non-financial resources. For example, a First Nation may be able to contribute in-kind, such as land to lease, human resources, and a developing expertise. Carefully consider what one can and cannot do, both in the short and long term and what one has to sacrifice in the process (bearing in mind community needs in the case of a community venture). At the same time, it may also be important to drive resources towards a project if the project grows so that it is properly supported.
10. Ensure that there are adequate resources built into the overall project budget to assist First Nations in managing, administering and reporting on activities.
11. Be creative with financing; use different funding opportunities for different parts of the project. Moreover, look outward for capital even though there may be ownership tradeoffs. For example, one may end up with a smaller share of the business instead of 100% ownership but one might also end up with considerably less risk. As such, one may still be further ahead than if one had done nothing at all. Even if an opportunity presents with only 15-20% ownership, for example, ask oneself, ‘what is my return?’ and ‘what is in it for me?’ There may be other gains, including less risk, job creation, skills development, new colleagues, and contacts, networking opportunities, an opportunity to participate in an industry that one
would not otherwise have, dividends, etc. In other words, when presented with an opportunity, consider more than percentage of ownership.

Legal/Regulatory

12. Take care to become aware of all one’s responsibilities. For example, the regulations, codes and bylaws off the First Nation can be different than what Aboriginal partners operating ‘on reserve’ are used to. Certain licenses and permits may be mandatory ‘off reserve’ while on the First Nation they are not. Or, ‘on reserve’, the Band office may be responsible for elements like ensuring that environmental assessments are done and that the engineers and other technicians are available for all infrastructure work whereas ‘off reserve’, the contractor is responsible.

Risk Assessment

13. Consider undertaking a complete risk analysis, including an assessment of the financial risk. The risk analysis can also be a tool to negotiate with as well.
14. Take calculated risks. Take risks that one is comfortable taking and which one can afford to take.
15. Do not be afraid to let a let a partnership or an initiative end if that is the appropriate option. Or one can let it quietly fade, learn from the endeavour and move on. Not doing something is sometimes a legitimate option and quite possibly the right one.

Resources and Support

16. Take advantage of government services that are there to support Aboriginal entrepreneurs. There are resource people that can assist with technical knowledge. Aboriginal Business Canada, Ulnooweg Development Inc. and CESO (Canadian Executive Service Organization) are but only a few of the resource organizations that are available to help. Getting the assistance one requires is forward thinking.
17. Hire an interpreter if needed. If English (or French) is not one’s first language, consider employing an interpreter to ensure that one fully understands the partnership arrangement and what is going on throughout the project or partnership period. In so doing, one can make sure that the job is being done properly and the language barrier is removed.
18. Seek a trusted mentor or an advisor to talk to about challenges or to help transition a business from the developmental to operational phase without worrying that someone thinks one does not know how to run a business or
without fearing reprisal or negative repercussions. By so doing, one can build one’s capacity even more.

19. Have a network of people one can draw on for advice and employ outside expertise if needed. Have certain professionals in place, such as a lawyer and an accountant. However, do not rely on the experts provided by a business partner. Hire own’s own.

20. Obtain a Band Council resolution to support the project/venture and authorize it moving forward if it is a community venture.

Networking, Marketing and Promotion

21. Network extensively and make people aware of one’s company and services. Have a strong public presence. Consider offering one’s services outside of the Aboriginal community. Doing so will expand one’s customer base considerably. Overcome conditioned fear of expanding outside the geographic boundary of a First Nation community so that one does not limit one’s own investment, resources, and growth opportunities.

22. Market one’s product or service proactively.

23. Clearly define the business product, service or model.

Employment and Human Resources

24. Employ Aboriginal community members whenever possible. This is advantageous as the business will secure a workforce, community employment will rise, and networking opportunities to help expand one’s business will increase.

25. Consider hiring or contracting out for the expertise required if the expertise one needs is not available within the Aboriginal community.

Preparation and Readiness

26. Conduct due diligence. Conduct extensive research and analysis about the project concept and potential partners before any money is spent or other resources are invested. Scrutinize the business plan and conduct solid pre-project assessment. Assess whether partners have the capacity to pay one’s investment back. It may take a long time to see a return on investment. Determine whether one can wait that long. Such an analysis will help minimize risk and help one to understand the situation as completely as possible. Learn about the potential partner and their past activities. If they have entered into joint ventures in the past, inquire as to whether the initiative was successful or why it may have dissolved. Scrutinize potential partners’ financial statements.
27. Be aware of all aspects of business and partnerships before undertaking them so one can be as prepared as possible. For example, business requires addressing legal issues, ensuring proper cash flow, paying employees, remitting invoices, etc.

28. Have a ‘Hit By A Bus’ (HBAB) rule. In other words, ensure one’s initiative is poised to continue even if the key decision makers are not available. A company is the sum of its parts and is only as strong as its weakest link. If its weakest link is that someone was not available, the company might be in jeopardy. Take care to ensure that information is not concentrated in the hands of only one person. Ensure that people are trained and informed. The sign of a good leader is one that has made sure that s/he is replaceable.

29. Be prepared to work hard for what one wants.

30. Have a long term plan and how a plan or project will be sustained.

**Trustworthiness and Openness**

31. Be open and transparent.

32. Be open-minded. Consider that partners have mandates, priorities, and goals too and are not necessarily trying to be adversarial.

**Respect, Integrity, and Understanding**

33. Understand one’s business partners and where they are coming from.

34. Bear one’s responsibility to protect one’s history and cultural integrity in mind when embarking on a partnership.

**Scope, Caution, and Focus**

35. Start small and go slowly. Take the time to iron out the details of a partnership in the beginning before any work is taken or money is spent. Do not feel pressured into a partnership even if time is short because a proposal or bid is due. Be cautious about one’s investments and whom one invests in or partners with. Partnerships are about building relationships. Proceeding slowly may give one time to consider whether the investment is a solid one and whether the partner is the right partner to enter into a business relationship with.

36. Be cautious and conservative in one’s estimates of costs and revenues.

37. Think about the worst-case scenario and how one would handle it so that one is prepared for anything.

38. Have a long-term vision for one’s project concept as a whole. Be focused on one’s mandate or goal. Re-visit one’s mandate regularly to stay focused and on track and to make sure one is continually being true to the mandate. Follow the business plan and do not take shortcuts.
39. Be very patient, especially when dealing with government. The government approval process is extremely slow and can often take a year or more. Moreover, government can be quick to say that a project does not fit with a departmental mandate. Be patient and show government where the project can fit.

Partner Involvement and Relationship Building

40. Expand conventional notions of partnership. Traditionally, ownership is generally conceived as owning a percentage of the business. Certainly one can pursue this type of partnership (and possibly with a cost of millions) but a partnership can also include other elements, such as leasing out land, participation, or a combination of these that does not demand as much cash.

41. Seek partners based on skills sets, economic abilities, and vision. Consider a partner in the same way that one would contemplate marriage. One has to make sure that the terms and conditions are set out and agreed to (the ‘pre-nup’). One has to know whom one is dealing with. One has to know what the partners are about and their motivations and that one has checked out their operational abilities. One also has to feel a sense of comfort with the partner.

42. Seek out stakeholders from a range of sources, not just government, to ensure one does not segregate oneself from a market. Partners may be non-Aboriginal ventures. However, also consider partnering with another First Nation or Aboriginal businessperson. Do not exclude Aboriginal people or communities as potential partners, particularly if they have the expertise or track record one is seeking.

43. Be assertive in developing joint ventures. Do not be intimidated by a large corporation.

44. Guard one’s reputation. Associate with those that will reflect on one well.

45. Be wary of companies that want to use one to access federal procurement programs. Insist on being meaningfully involved in the venture. And, participate meaningfully in and be committed to the partnership.

Competitive Advantage

46. Determine what one’s competitive advantages are. Research the market, know one’s customers and competition and know where one can fit, financially, socially, as a community, etc.

47. Believe that one has something to share.

Knowledge Transfer and Capacity Development

48. Build in shadow management or mentorships into the partnership so that First Nations people can build capacity.
49. Take advantage of the expertise non-Aboriginal business partners may have.
50. Take the initiative. Take additional courses or contract someone to teach one whatever skill one or the team is seeking to improve upon.

*Independence*

51. Maintain some degree of independence from one’s partner.
52. Establish one’s own relationships without relying completely on someone else to do what one wants to do.

*Problem Solving*

53. Be creative.
54. Work with one’s partners to solve a challenge or to develop options.

*Records*

55. Keep detailed, written records and documentation.

*Implementation*

56. Consider how operations and maintenance will proceed once funding for a project or initiative is secured. Consider how the project will be operated daily, what the costs of operations are going to be, what expertise will be required, etc.

*Evaluation*

57. Evaluate whether the relationship is doing what one had hoped and what it was supposed to do.

*Community, Nationhood and Culture*

58. Consider the social return on investment. In other words, contemplate the potential social and communal benefits of an endeavour.
59. Be community minded and focus on nationhood. Support other communities and businesses and focus on being supportive of other First Nations in general. Focus on acting like a nation by exercising self-determination, by being assertive in one’s decision-making, and by moving ahead with one’s plans without looking to external governments (e.g., the federal or provincial governments) for validation.
60. Build on and honour one’s identity and culture.
61. Educate one’s partners about one’s Aboriginal context. Non-Aboriginal partners may not aware of certain things, such as treaty rights.
8.2 Recommendations to Non-Aboriginal Partners

**Respect, Integrity, and Understanding**

62. Have cultural respect and be culturally sensitive. Stay mindful of the pillars of Native economic development, such as conservation, sustainability, respect for the land and people, etc.
63. Be trustworthy. Treat a partnership with an Aboriginal company as one would any other partnership and take agreed upon responsibilities seriously.
64. Understand the constraints that Aboriginal people have, e.g., the Indian Act, land and taxation issues, etc. Knowing some of the history will provide context and provide a better understanding of how things operate on a First Nation.
65. Be honest with potential partners about one’s intentions and the role one foresees the partner undertaking. Come with a legitimate opportunity and honourable intentions.
66. Take the time to build relationships and to understand that there may be different values between the Aboriginal partner and/or the First Nation community and the corporation.
67. Be open minded. Recognize that there is such diversity in First Nation communities.
68. Contribute to change within First Nations in a positive way.
69. Understand that sometimes a lack of a track record among Aboriginal people is more a question of experience and exposure than ability.

**Partner Involvement**

70. Meaningfully involve Aboriginal people in the venture and treat a partnership with an Aboriginal company as one would any other partnership and take one’s agreed upon responsibilities seriously. Do not just use the Aboriginal partner for their ‘Aboriginality’ or the opportunities that this may open access to.
71. Approach people early. A non-Aboriginal entity may learn about an opportunity where there is a legal obligation to accommodate and Aboriginal people. Contacting a community early will help ensure that a relationship begins positively.
72. Employ First Nations people into management positions relatively quickly or hire them into a management stream, wherever possible. This demonstrates one’s openness to capacity building and is a sign of a good partner. Consider employing Aboriginal people for longer term positions rather than short-term appointments that may give the appearance of tokenism.


Relationship Building

73. Listen to one's Aboriginal partner to learn from them about what they want to do and to support them in doing that.

Commitment

74. Be involved for the long term. Being in for a quick profit (or turn around) will likely not work when working with First Nations.

Openness and Flexibility

75. Leave one’s expectations and preconceived notions to the side. Broaden one’s perspective and be fair.

8.3 Recommendations to Government and Stakeholders

Financial

76. Identifying (and resolving) why typical lenders present so many obstacles to Aboriginal businesses.
77. Assist Aboriginal communities, organizations and entrepreneurs to develop partnerships with non-Aboriginal businesses by providing more funding to support partnerships. Such funding would help foster economic ventures by facilitating dialogue and bringing people together.

Legislation

78. Support Aboriginal businesses better by removing legislative barriers. There are significant barriers which can inhibit Aboriginal business start-up, such as taxation laws, land issues, legislation, etc.

Incentives

79. Offers incentives to entice Corporate Canada to conduct business on First Nation land.

9. CONCLUSIONS

The ten case studies featured here highlighted a range of benefits stemming from partnerships with non-Aboriginal businesses, ranging from the
generation of own source revenue to increased opportunities for capacity building and economic development.

However, partnership is not without its challenges. Usual business challenges, such as risk, an unstable economy and competition are compounded by hurdles that may be unique to Aboriginal/non-Aboriginal business partnerships, such as mutual misunderstanding, a lack of understanding about each other's cultures, and a general distrust by Aboriginal people of non-Aboriginal motives and intentions. Government bureaucracy and cumbersome policies can also impede business growth. Likewise, while Chiefs and Councils can provide valuable insight and networking opportunities within the community, navigating through the business process with Chiefs and Councils can be challenging since their priorities may differ from those of business.

Communities themselves can also be a barrier to business and partnership development in that their expectations might be grander than the scope of a single project. Thus, while only a small number of jobs may be created by a venture, the spin-off benefits may be great. The Aboriginal workforce ought to be encouraged to be ready to take on new employment opportunities and ventures, both on and off the First Nation. Likewise, it appears that support from the community is an important element of Aboriginal success. As one person becomes more successful, there is the potential of their becoming increasingly ostracized from one's community. This pressure can sometimes actually discourage the development of Aboriginal businesses and partnerships. Instead, the community at large could be more supportive. Because of the community focus in First Nations, one person's success really reflects the success of the entire community. Moreover, a single success paves the way for additional successes, opens new doors, and increases self-esteem, confidence, and pride. Most importantly, success breeds hope for an improved future.
Annex I

Contact Information for Case Study Participants
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1. Epona Communications Inc. and Data Planet Inc.

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   Contact: Ron Leach, President

   Sector: Information Technology

2. First Nations and Business Liaison Group of New Brunswick Inc.

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   Sector: All business sectors
3. **First Nation Engineering and Technical Services**

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**Contact:** Louis Joe Bernard

**Sector:** Project Management, Environmental Assessment, Project Design, Training, and Feasibility Studies

4. **Kan-Go-Roo Play Grounds**

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Phone: 506-789-0990

**Sector:** Children’s playground equipment/Physical activity

5. **Membertou First Nation**

Membertou First Nation  
111 Membertou Street  
Membertou, Nova Scotia B1S 2M9  
Phone: (902) 564-6466  
Toll Free: (800) 617-6466  
Fax: (902) 539-6645

Membertou Corporate Division  
1969 Upper Water Street Suite 1703  
Halifax, Nova Scotia B3J-3R7  
Phone: (902) 429-5445  
Fax: (902) 429-5461

**Sector:** Multiple, e.g., mining, oil and gas, fishing, forestry, retail and professional services.
6. **Metepenagiag Heritage Park**

Metepenagiag Heritage Park Inc.
2202 Micmac Road, PO Box 301
Red Bank, New Brunswick E9E 2P2
Phone: (506) 836-6118
Fax: (506) 836-6186

Metepenagiag Heritage Park
2156 Micmac Road
Red Bank, New Brunswick E9E 2P2
Phone: (506) 836-6118
E-mail: info@metepenagiagpark.com

**Sector:** Culture, Tourism

For more information about the story of Metepenagiag and the Augustine Mound and the Oxbow site, please refer to:


7. **Miawpukek First Nation**

Miawpukek Mi'kamawey Mawi'omi
P.O. Box 10
Conne River, NL A0H 1J0
Phone: (709) 882-2470
Fax: (709) 882-2292 or (709) 882-2458

**Contact:**

Chief – Mi’sel Joe
General Manager - Tammy A. Drew
Director of Economic Development – Gerard Joe

**Sector:** Varied, including fishery and construction
8. **Millbrook First Nation**

Millbrook Band Administration  
P.O. Box 634  
Truro, NS B2N 5E5  
Phone: (902) 897-9199; 1-800-693-3112  
Fax: (902) 893-4785  

**Contact:** Lloyd Johnson, Councillor, Economic Development  

**Sector:** Multiple, including tourism, aquaculture, administrative services, and hospitality

9. **Morris Trucking**

Morris Trucking  
P.O. Box 7954, 4632 Shore Road  
Eskasoni, Nova Scotia, B1W 1B8  
Phone: (902) 379-2277  

**Sector:** Trucking

10. **Vidabode Group Inc.**

Vidabode Group Inc.  
1 Chandler Road  
Amherst, Nova Scotia, Canada B4H 4J2  
Phone: (902) 667-VIDA (8432); Toll free: 1-888-661-VIDA (8432)  
Fax: (902) 667-0680  

**Sector:** Concrete/Manufacturing/Construction
Annex II

Additional Information of Interest about Metepenagiag Heritage Park
Additional Information of Interest about Metepenagiag Heritage Park

The information gathered regarding the Metepenagiag Heritage Park was somewhat unique because unlike the other initiatives featured here which are for-profit ventures, Metepenagiag Heritage Park is a partnership between a First Nation and various government departments. Thus, while the concepts presented below are integrated elsewhere in this report, information provided by interviewees was so unique to the Metepenagiag context that it is included here.

Success Factors for Metepenagiag Heritage Park

Leadership is key. Previous and numerous Chiefs and Councils lobbied the partners considerably for their support over many years. The Chief that was involved when the archaeological exploration began was still involved twenty years later and supporting this project. This project also had the support of successive Chiefs and Chiefs that were no longer Chiefs. Notwithstanding the value of technical staff and consultants, the Chief and Council can provide important external lobbying, negotiating, political, and advocacy support to a project.

Community involvement was an important element of success. A committee of Elders guided the senior interpretation specialist to craft the various exhibits and messages that they (the community) wanted to tell. The project was not about conveying messages that a public servant or a consultant wanted to tell the world. It was about fostering common community buy-in about what the story was going to be about and how it was going to be told.

Furthermore, community commitment to the project was vital. The First Nation and its leaders believed in the project strongly. The community supported the notion of the park and the development of the sites. Thus, there was little community opposition to the project that would have otherwise impeded the project. The project was coming from the community; it was not being done to the community.

The approach of the First Nation was another element of success. The First Nation approached the project from a position of wanting to build a relationship. So government personnel were regarded as partners.

From a community perspective, Metepenagiag had consistency over the years. It had the same focus, the same priority and the same Elders and people involved.

Planning has value (e.g., business plans) but there is a window of opportunity for plans. When plans are prepared and developed they are generally applicable for the current environment but they do not last much longer than 3-5 years. From the time the
feasibility study was done in 1997, it was ten full years until the park opened so plans became outdated and had to be updated several times.

In many First Nation communities, internal politics change and directions may or may not change depending on the elected leadership. But with the heritage park project, because of the nature of it and its core mandate to protect the sacred sites and the Mi’kmaq people at Red Bank, this project always had ongoing support from the leadership. It never became a ‘political football’; it was always regarded as a sacred project because people and leadership realized the importance of protecting and celebrating one’s identity. Creating a confidence of culture is the only way to ensure true prosperity for the community and a solid base to which one can return time and again for inspiration, pride and strength.

Including the community in forecasting priorities was important as well. It was important to have an overall community plan so that people could see where this project fits within the overall vision for the community.

Another element of success was having the right people involved in the project. When the challenges would occur, there were dedicated people who could find solutions right away or who had networks and contacts to draw on to overcome the issue and to find the resources or the additional expertise to move on. Directors and senior officials within government departments ultimately approved funding but technical personnel made sure that the decision-makers had all the analyses and supporting documents to justify a favourable decision.

Cooperation among all the players was key. Everybody took the time to develop the relationship and worked together to sort out difficulties or overcome obstacles. There were many different departments and agencies involved in this project. Partners included: Parks Canada, Canadian Heritage, Indian and Northern Affairs Canada, Atlantic Canada Opportunities Agency (ACOA) and the Province of New Brunswick. Moreover, the senior interpretation specialist took the time to gain some history, depth, and understanding about the community and worked with the First Nation to help them decide what the story was and work with them to decide what it wanted to tell people. The senior interpretation specialist also worked closely with the capital side project manager so that the building and interpretation would be a seamless venture and so the building’s form, shape and user requirements took into account the function of the building in terms of telling a story.

There was a strong and positive relationship between the people from the government departments and the First Nation. This good relationship was strong enough to overcome challenges when they arose. With the provincial archaeologists in particular, there was a history of good will built over a long period that went well beyond the call
of duty. Provincial staff became so involved in the project that the cause of the First Nation became their cause as well though not in the sense that they took over the project. Over the years the provincial staff was very respectful and they did everything they could to provide support for the project, to write submissions for funding, and to assist the First Nation where it had not yet developed the capacity. This latter point is another factor of success. Because government personnel were so supportive of the project and supported the First Nation in a wide variety of ways, they also assisted the First Nation to develop capacity in areas that they did not have capacity in. When there were obstacles, the players worked together. Everybody who was involved in the project took ownership of the project. They believed that moving forward with the heritage park was the right thing to do because the heritage site had integrity.

A key foundation of partnership is respecting who really is involved. For example, the two archaeologists at Archaeological Services (Province of New Brunswick) sought approval from the First Nation Band structure and Chief and Council. They were committed that any work that they did was going to be controlled by the community. They respected community ownership and that became the foundation of their work. Ultimately, this was an important philosophy because it meant that Chief and Council (and the community) were in control and the development of the park became a democratic process, rather than a paternalistic one.

Having a long-term vision for one’s project concept as a whole is important as well. For example, the Metepenagiag Heritage Park has many potential spin-offs. The entire region including the adjacent outdoor adventure lodge could become a beautiful resort, including a campground, a dinner theatre, crafter’s cooperative, etc. An ‘additional business opportunities study, funded by the partners, was conducted a few years ago and when the leadership is ready to develop an ancillary project, concepts are already fleshed out.

**Challenges Metepenagiag Faced**

This project took a considerable amount of time to come to fruition, e.g., 30 years. While the length of time it took to develop the park was at times frustrating, a part of that 30 year period was spent getting to know each other, trusting each other, and developing a feeling of comfort when working together. In fact, it is the comfort level that is the key objective of developing the partnership where one can open up to trusting the other partners to achieve these goals.

There was a period of time when the project went into hibernation. This quiet period ended up being beneficial because during this period (from the late 1970s to early 1990s) the community was gaining skills and experience and there was a shift where the park initiative became community driven.
One of the biggest challenges was the fact that the park involves multiple partners at both the provincial and federal levels. It took time to get everybody on board and at the same time to build solid working relationships. Just as Metepenagiag thought it had everybody on board, there would be an election and new ministers would come in and the First Nation would have to once again begin to foster that relationship. New governments do not simply honour what past governments were doing; they conduct program reviews to consider whether or not to continue with an endeavour. This happened a lot. When Metepenagiag thought it had solidified a partnership, change would occur and it would have to start again and build new relationships or strengthen existing ones.

It can be challenging to figure out each partner’s mandates and community deliverables. It can be challenging to ensure that the situation is meeting everybody’s goals and expectations at all times.

Multiple departments and agencies at both the federal and provincial levels were involved in the project, including Canadian Heritage, Parks Canada, Indian and Northern Affairs Canada, Atlantic Canada Opportunities Agency, and the Province of New Brunswick. Each department/agency has its own policies and procedures. Moreover, no one department had control over the management of the project. In fact, the use of the funds and control of the project lay with the First Nation. As such, there was probably more flexibility because the project was not in the hands of the government. A First Nation is not necessarily bound by all the regulations that a government department is in terms of contracting or following Treasury Board regulations.

This was a large project. Managing budgets and ensuring that the project was on schedule and on budget was difficult. It was difficult for the First Nation to manage all aspects of this major capital project, to manage money coming from multiple sources, and to manage requirements that were different from one department to the next.

A feasibility study was completed in 1997. It identified that there would be an estimated operational shortfall of approximately $300,000 per year for operations and maintenance. This shortfall was a major stumbling block to moving ahead with construction because the funders were hesitant to fund the construction of a building if there was insufficient funding to run it after it was built. As a result, the project was deferred for quite some time and stalled until funding for operations was identified. (A commitment for operational dollars finally came in 2003.)

Originally, Parks Canada could not contribute capital funding directly for construction because it did not have a cost-sharing program at the time (in the early 1980s) that allowed it to fund non-Parks Canada owned sites. As a result, the project lay dormant...
for some time. However, Parks Canada underwent changes in the mid to late 1980s that enabled it to move ahead with supporting this project in some way.

Another challenge lay with the way that funding flowed. Some departments had a 10% holdback and some moneys were only reimbursable after expenses were incurred, which meant that the First Nation had to have a cash flow to be able to pay for expenses upfront.

There were not too many challenges in terms of people working together. There was a convivial atmosphere that everyone was ‘in it’ together.

Getting the park operational was not only about constructing the building. The big issue was how to sustain it after the building was built. Trying to forecast this in a business plan and a volatile tourism industry was a big challenge. During the time that Metepenagiag was undertaking this type of planning, the Canadian dollar rose, the price of gas rose, the border shut down, and the economy declined. All of these factors affected tourism dramatically. It was difficult to forecast cash flows and revenue projections when the external environment changed so dramatically.

If partners came to the table with preconceived notions, they were quickly dispelled. It was powerful to hear the Elders, some of whom have passed on and former Chiefs and Councils make passionate presentations about something they believe in.

Every partner required information and updates and it took considerable effort meet the reporting demands. It also took a significant number of internal resources from the community to get the project to the building stage. For a long time, for example, this initiative went through the economic development office and it took attention away from other capacity development and economic development initiatives in the community. However, having a community plan was of great assistance and the fact that it was a supported community project for more than three decades was important.

Council and the leadership have a responsibility to ensure the rest of the community’s needs are met while other larger scoped projects are pursued. It is a difficult balancing act. A considerable amount of time was spent keeping the Chief and Council informed to ensure their ongoing support and continued direction. Considerable time was also spent keeping the community informed as well. Regular newsletters were a helpful communication tool.

Communication, lobbying, administering phases of the planning, development and construction, and partnership building take a lot of work and time for a small staff. Operation and maintenance dollars were only committed by one federal department and are still not sufficient. While the park has to run on a balanced budget, it is not just
about making a financial profit. The profit the community would like to see is an increase in Mi’kmaq culture. The park is intended to become an integral part of Mi’kmaq cultural infrastructure. If one looks at other cultural groups, such as the Acadians, there are Acadian museums, a university, a department of education, etc. There is a whole infrastructure to support that language and that culture. However, when one looks at Mi’kmaq culture, there is not very much cultural infrastructure. The park is more than a park. It is the keeper of Metepenagiag Mi’kmaq culture; it is a museum with a fabulous archaeological collection, including textile and decorative art. There is real potential with the Metepenagiag Heritage Park because it is based on Mi’kmaq heritage going back three thousand years. Thus, while there has to be enough money to run the building itself, the purpose of the park goes beyond that to preserve, protect and present the culture.

Another challenge with partnership was finding the people who shared the vision in what the community was trying to do. This goes back to the value of the project one is trying to promote. If one believes in the real value of the project, the solidity of it, and the depth of it, it is about looking for like-minded supporters.

The Role of Government and Accessing Third Party Resources

In the case of Metepenagiag, having government on board was crucial getting funding. Having the commitment for one government department, namely Parks Canada, for operation and maintenance dollars triggered the rest of the funding for capital. In other words, in 2003, Parks Canada made the crucial commitment to provide the operation and maintenance dollars before construction began but the fact that it committed these dollars made other departments feel that once the building was built, there would be funds to sustain it. So even though Parks Canada did not contribute cash for the capital, its commitment as a partner convinced the rest of the partners to fund the capital part of the project. During the developmental/construction phase, Parks Canada made in-kind contributions, largely in the form of a secondment of an expert in interpretive programming who led on the interpretive design and construction during construction.

Ultimately several departments provided capital funding for the construction of Metepenagiag Heritage Park, including: Department of Indian Affairs and Northern Development ($2 million), Atlantic Canada Opportunities Agency ($2 million), Department of Canadian Heritage ($1.6 million), and the Province of New Brunswick ($1 million). Operational funding was provided by Parks Canada ($1.5 million; $150,000/year for ten years upon the opening of the park) and the Metepenagiag Mi’kmaq Nation ($500,000) for ten years.279

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Appendix D

Dissemination Activities
Appendix D – Dissemination Activities
Aboriginal/Non-Aboriginal Business Partnerships Research Project

1. INTRODUCTION

This presentation will equip the Atlantic Policy Congress with a wide range of dissemination tools that are available that it may use to disseminate information pertaining to the project entitled: A Study Examining Partnership Arrangements Between Aboriginal and Non-Aboriginal Businesses. The purpose of the dissemination activities is to enable the Atlantic Policy Congress to promote the results of the project to a wider audience.

2. TARGET AUDIENCES

Target groups for the dissemination of information regarding the Study Examining Partnership Arrangements Between Aboriginal and Non-Aboriginal Businesses could include:

- Chiefs
- First Nation communities and members
- Aboriginal representative organizations, such as Tribal Councils, friendship centres, province-wide Aboriginal organizations, the Assembly of First Nations, etc.
- Academic institutions and the research community
- Aboriginal entrepreneurs
- Non-Aboriginal businesses and corporations
- Industry representatives, such as sector councils
- Media and news outlets, including Aboriginal and mainstream media outlets
- Regional organizations
- Government departments, such as Indian and Northern Affairs, Human Resources and Skills Development Canada, provincial departments of Aboriginal Affairs, Industry Canada, Atlantic Canada Opportunities Agency, etc.
- Youth
- Potential entrepreneurs
- Business development organizations

3. DISSEMINATION ACTIVITIES

3.1 Events

Information about the project, such as project purpose, key activities, and results can be disseminated to the Aboriginal community (and other interested parties) at:
• Conferences
• Workshops
• Meetings
• Computer-based forums, such as blogs, Twitter, etc.
• Training events

Activities could involve presentations regarding the project and its results and/or the dissemination of material regarding the project.

These fora could be venues for disseminating material, could enable more public discussion of research, development, or other strategic and substantive issues of interest to the wider community.

3.2 Information Products

Information may be dissemination through:

• Briefing notes
• Reports
• Articles (e.g., journal, newspaper)
• Media releases
• Newsletters
• Website postings
• Leaflets
• CDs - Information about the project, including the project report and supporting materials, could be burned to CDs and distributed to each First Nation and Aboriginal representational organization.

3.3 Electronic Mailing Lists

Information may be distributed through internal lists, e.g., to First Nation Chiefs, economic development officers, etc. and would provide a mechanism for internal project communications.

Information may also be distributed via external lists. External parties may include: government, the media, Aboriginal organizations in other regions, business development think tanks, etc.

3.4 The Internet

The Atlantic Policy Congress may post communications regarding this project by posting the report, or a summary, on its website. Other posted information could
include contact details, background information, a summary of activities, news and updates, consultant information, etc. Other internet avenues include blogs and social networking sites, such as Facebook and Twitter.

3.5 Meetings

Project results may be disseminated at various meetings, such as Chiefs meetings, Regional Program Management Advisory Committee meetings, Atlantic Aboriginal Economic Development Integrated Research Program meetings, Atlantic Aboriginal Economic Development Network, etc.

3.6 Dissemination Event

The Atlantic Policy Congress could hold a series of dissemination events at the end of the project. This type of activity would provide an opportunity for those interested in Aboriginal business development and/or partnership development to learn about the project, interact, and possibly begin a dialogue on next steps. Dissemination events could include press conferences, open houses, etc.

3.7 Media Events

Information may be disseminated through a variety of media activities, including:

- Media press conferences
- Radio shows on community radio stations
- Television spot on local television
- Interviews by media personnel regarding the project

3.8 Door-to-Door Community Information Campaigns

Door-to-door community information campaigns may be used to ensure that all members of the community receive information regarding the project. Door-to-door campaigns are generally done in person but may also be in the form of an information flyer distributed to each household.

3. NEXT STEPS

The Atlantic Policy Congress may consider these dissemination activities. Consideration as to which activities may be undertaken may be influenced by budget, human resources capacity, maximum reach potential, etc.
Appendix E

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Appendix E – References Cited
Aboriginal/Non-Aboriginal Business Partnerships Research Project


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