



Forwarding First Nation Goals Through Enterprise Ownership: The Mikisew Group Of Companies

Miriam Jorgensen and Rachel Starks
Native Nations Institute for Leadership, Management, and Policy
The University of Arizona

Prepared for: Aboriginal Leadership and Management, The Banff Centre
Written August 2012, released April 2014

Udall Foundation
CIVILITY. INTEGRITY. CONSENSUS

 THE UNIVERSITY
OF ARIZONA

Udall Center
for Studies in Public Policy

Copyright © 2011-2012
Arizona Board of Regents.
All rights reserved.

Table of Contents

INTRODUCTION..... 2

A BRIEF HISTORY OF THE MIKISEW CREE 3

ORIGINS OF THE MIKISEW GROUP OF COMPANIES—VISION, STRATEGY, ACTION..... 5

WISE PRACTICES IN ABORIGINAL ENTERPRISE MANAGEMENT: FINANCIAL AND HUMAN CAPITAL DEVELOPMENT..... 8

 FINANCIAL RESOURCES MANAGEMENT 9

 EMPLOYEE CAPACITY BUILDING..... 12

WISE PRACTICES IN ABORIGINAL ENTERPRISE MANAGEMENT: A SEAT AT THE TABLE 15

 PRODUCTIVE ENGAGEMENT..... 17

 PROTECTIVE ENGAGEMENT 18

CONCLUSIONS, LESSONS, AND RECOMMENDATIONS..... 21

ACKNOWLEDGEMENTS..... 23

ABOUT THE MIKISEW GROUP OF COMPANIES..... 24

Going back, in the 1970s we were just a small First Nation, and we didn't have clout, nothing at all, in the [mainstream] community. We were actually second- or third-rate citizens... When the First Nation gets into business and doing good, then I feel good about it, because now we are no longer third- or second-rate citizens. We are up there with hopefully the very best. That makes me feel good. When you can make decisions that affect the community, all the more!

Archie Waquan, former Chief, Mikisew Cree First Nation

Introduction

The Mikisew Group of Companies (Mikisew Group) is the business arm of the Mikisew Cree First Nation (MCFN). Founded in 1991 using monies from a \$26.6 million land claim settlement with the governments of Alberta and Canada, it has achieved remarkable success. This success is evident in the wide array of business practice awards the group and its constituent companies have received, including g² Client of the Year (2008, Mikisew Group), Alberta Business Award of Distinction Eagle Feather finalist (2010, Mikisew Group), Alberta Apprenticeship and Industry Training Board Aboriginal Employer of the Year (2011, Mikisew Fleet Management), Pacrim Hospitality Company of the Year (2008, Super 8 Fort McMurray), Alberta Hotel and Lodging Association Housekeeping Award (2012, Super 8 Fort McMurray), and the Fort McMurray Tourism Ambassador of the Year (2009, Tim Gilles, general manager, Mikisew Sport Fishing).

But the Mikisew Group is not just a business. It is part of the MCFN's overall strategy for increasing self-sufficiency and self-determination. Its success in these terms is evident in the substantial revenue it generates for MCFN, the jobs and careers it provides for the nation's citizens, and its ability to promote MCFN voice in decisions that affect the nation's Aboriginal territory.¹ This case study, part of a larger conversation about Aboriginal business achievement, explores the decisions and practices that have contributed to the Mikisew Group's success.

¹ Compare, for example, R.B. Anderson, 1997, "Corporate/Indigenous Partnerships in Economic Development: The First Nations in Canada," *World Development*, 25(9): 1486-1503, and R.B. Anderson, et al., 2004, "Indigenous Land Claims and Economic Development: The Canadian Experience," *American Indian Quarterly*, 28(3/4): 634-648. MCFN is one of a small but growing number of First Nations that, through judicious investment, have been able to leverage their financial land claims settlements into ongoing revenue streams—thereby improving socioeconomic conditions, building self-sufficiency, and meeting diverse other Aboriginal community goals.

A Brief History of the Mikisew Cree

It's going to be a long, hard road ahead. We need strong leaders that believe [in the Mikisew people] in their hearts... The end of the road will be wonderful for their children and great-grandchildren. You gotta have those strong people. It's like having strong trees that stand tall for hundreds of years. They take a lot of abuse, but keep standing tall.

Margo Vermillion, MCFN citizen,
and Chair, Keyano College Fort Chipewyan campus

For centuries, the Mikisew Cree have hunted, trapped, and fished in what is now northern Alberta. Historically, small bands would follow animal migrations, periodically convening with other bands to make group decisions, socialize, and trade. As the fur trade developed, the Cree formed entrepreneurial partnerships with Europeans and with other Aboriginal nations. Once Fort Chipewyan was established as a fur trading post in 1788 (it is the oldest non-Aboriginal settlement in Alberta), it became an important Cree gathering place for commerce.²

Following the creation of the Dominion of Canada in 1867, and beginning in the east and moving west, the Canadian government treated with successive groups of Indigenous nations, formalizing the terms of the colonial relationship. In 1899 the Mikisew Cree joined other First Nations in what is now northern Alberta, northeastern British Columbia, northwestern Saskatchewan, and the southern Northwest Territories in signing Treaty 8.³ Treaty 8's terms forced First Nations to accept the permanent, legal settlement of non-Natives in the region. In return, the treaty promised Indigenous peoples a variety of community benefits, including education and healthcare, taxation exemptions, farming assistance, legal support, and land title (for a dramatically reduced land base). First Nations signatories were especially intent on preserving access to the lands and natural resources that supported subsistence activities. For example, Mikisew Cree Chief Justin Martin signed a treaty rider aimed at ensuring continued hunting, fishing, and trapping rights. Verbally, Treaty Commissioner David Laird promised that

² Much of this history is presented in G. Slowey, 2008, *Navigating Neoliberalism: Self-Determination and the Mikisew Cree First Nation* (Vancouver: University of British Columbia Press).

³ The treaty area spans 840,000 square miles. For more detail on Cree and Dene settlement and Treaty 8, see P.A. McCormack, 2010, "Research Report: An Ethnohistory of the Mikisew Cree First Nation," prepared for James Freedman Kyle, Department of Native Studies, University of Alberta, Edmonton.

First Nations people “would be as free to hunt and fish after the treaty as they would be if they never entered into it.”⁴

As recently as the 1960s, many Mikisew Crees were able to maintain traditional subsistence lifestyles, and in large part, the community resided outside of established settlements. Today, however, MCFN’s 2,500 citizens are concentrated in four areas—Fort Chipewyan, Fort McMurray, and Edmonton, all in Alberta, and Fort Smith in the Northwest Territories. Fort Chipewyan, located on the western end of Lake Athabasca and adjacent to the MCFN’s Allison Bay and Dog Head Reserves, functions as the First Nation’s social and ceremonial home and is the seat of MCFN government.⁵

Three decisions by the governments of Canada and Alberta forced this shift to relatively permanent settlement in cities and towns. First, the establishment of Wood Buffalo National Park—and the development of a park conservation program—compromised Mikisew Cree hunting, fishing, and trapping activities. Second, the construction of Bennett Dam disrupted and displaced animal and fish populations in the Lake Athabasca region, reducing the subsistence capacity of the areas surrounding Fort Chipewyan. Third, non-Aboriginal governments began to view the “oil sands”⁶ in north central Alberta as commercially viable.

In the face of these changes, MCFN’s leaders sought clarified rights and tangible resources that could sustain the First Nation. Their approach was to pursue a land settlement based on Treaty 8’s terms, which allocated 160 acres to each First Nation citizen. Yet Canada and Alberta could not find a tract of land large enough to satisfy this claim; in particular, Alberta’s representatives were unwilling to cede any of the oil sands. Instead, the 1986 Treaty Land Entitlement Agreement established nine small MCFN reserves⁷ (putting 12,280 acres under the First Nation’s direct control), re-affirmed MCFN members’ trapping and hunting rights in

⁴ Candler, C., R. Olson, and S. DeRoy, 2010, *As Long as the Rivers Flow: Athabasca River Knowledge, Use and Change* (Victoria, BC: Firelight Group Research Cooperative), p. 25.

⁵ The Athabasca Chipewyan First Nation is also headquartered in Fort Chipewyan.

⁶ Technically, these are bituminous sands, or sand coated in oil. Aboriginal people have long used bitumen as a sealant; the contemporary commercial value arises from the possibility of synthesizing liquid fuel from the sands.

⁷ Some reserve lands were established around existing Mikisew Cree settlements in the Fort Chipewyan region; other reserve sites were established within the MCFN’s traditional hunting-fishing-trapping territory. Only two of the nine reserves, Dog Head and Allison Bay, are permanently inhabited.

Wood Buffalo National Park (a three million acre region), and provided a financial settlement of nearly \$27 million in compensation for the additional acres owed to MCFN.⁸

Origins of the Mikisew Group of Companies—Vision, Strategy, Action

What we did was come up with a statement that, by the year 2000, we [want to] be independent, we want to be well-educated, we want to be further in business.

Archie Waquan, former Chief, Mikisew Cree First Nation

Following the land settlement, MCFN faced a question well known in Indigenous communities: What should it do with this large—and possibly one-time— injection of funds? Former MCFN Chief Lawrence Courtoreille recalled that “the then Chief and Council called in all the people, whether they were teachers, lawyers, doctors, or whatever, from every part of the country, brought them all to the community, and sat down with the people and said, we need a strategic plan to get our community away from dependency on welfare and dealing with all these issues. We need to come up with a plan.” In other words, MCFN’s leaders introduced the conversation as one about strategic planning and investment for the future.

The vision that emerged from these meetings was:

- to have skilled MCFN citizens conducting all MCFN business on MCFN lands
- to develop skilled, proud MCFN professionals
- to develop MCFN lands in ways that preserve treaty rights and, as much as possible, protect the environment
- to become self-sufficient, to have no MCFN members on welfare
- to practice good cultural, educational, and business planning.⁹

Given this vision, MCFN’s leadership opted to pursue a business-based strategy for generating revenue, jobs, and skills. But how could revenue and employment-generating businesses be developed? MCFN’s population was dispersed among several towns and cities in

⁸ See G. Slowey, 2003, “The Political Economy of Aboriginal Self-Determination: The Case of the Mikisew Cree First Nation,” Ph.D. dissertation, University of Alberta, Edmonton, AB, p. 8. Slowey also points out that the MCFN first requested reserve lands in 1922, just twenty years after treaty making—but it was 90 years after treaty making when Canada actually fulfilled its promises concerning land.

⁹ See R. Selin, 1999, *Into the New Millennium, Our Story: The Mikisew Cree First Nation* (Edmonton: Western Communications Ltd.), p. 9.

northern Alberta and the Northwest Territories. Fort Chipewyan, the MCFN headquarters, was a fly-in community for much of the year, linked via ice road to Fort Smith (230 km north) and Fort McMurray (270 km south) only during winter months. Most economic opportunities were located to the south—the large oil companies in that region were in need of safety officers, equipment handlers, janitors, and other personnel. Looking at this matrix of possibilities and constraints, MCFN’s leadership opted to concentrate its initial efforts in Fort McMurray.

These efforts first bore fruit when Syncrude Canada offered to hire several MCFN citizens. The nation responded by founding 2000 Plus Limited Partnership in 1991, a contract labor services business named to reflect MCFN’s goal of moving as many citizens as possible off welfare by the year 2000. The company quickly progressed from managing six employees to managing 60. Initially it supplied general labor and janitorial services; with growth, it moved into safety services, plant and fleet maintenance, heavy-machinery work, and construction.

Guided by its core commitments to generating revenue, jobs, and skills, MCFN continued to invest, creating a collection of businesses known as the Mikisew Group of Companies (Mikisew Group). Over time, the composition of the Mikisew Group has changed as some of its businesses closed in response to changing market conditions. But the main story about the Mikisew Group is one of expansion and growth, as new businesses are started or purchased, or as existing businesses merge or expand. Mike Heck, former General Manager of the Mikisew Energy Services Group, observed, “[The Mikisew Group is] continuing to evolve as we have moved into new ventures. Just like any business, you have to be ready to move into the next challenge. And Mikisew has been very good at that.”

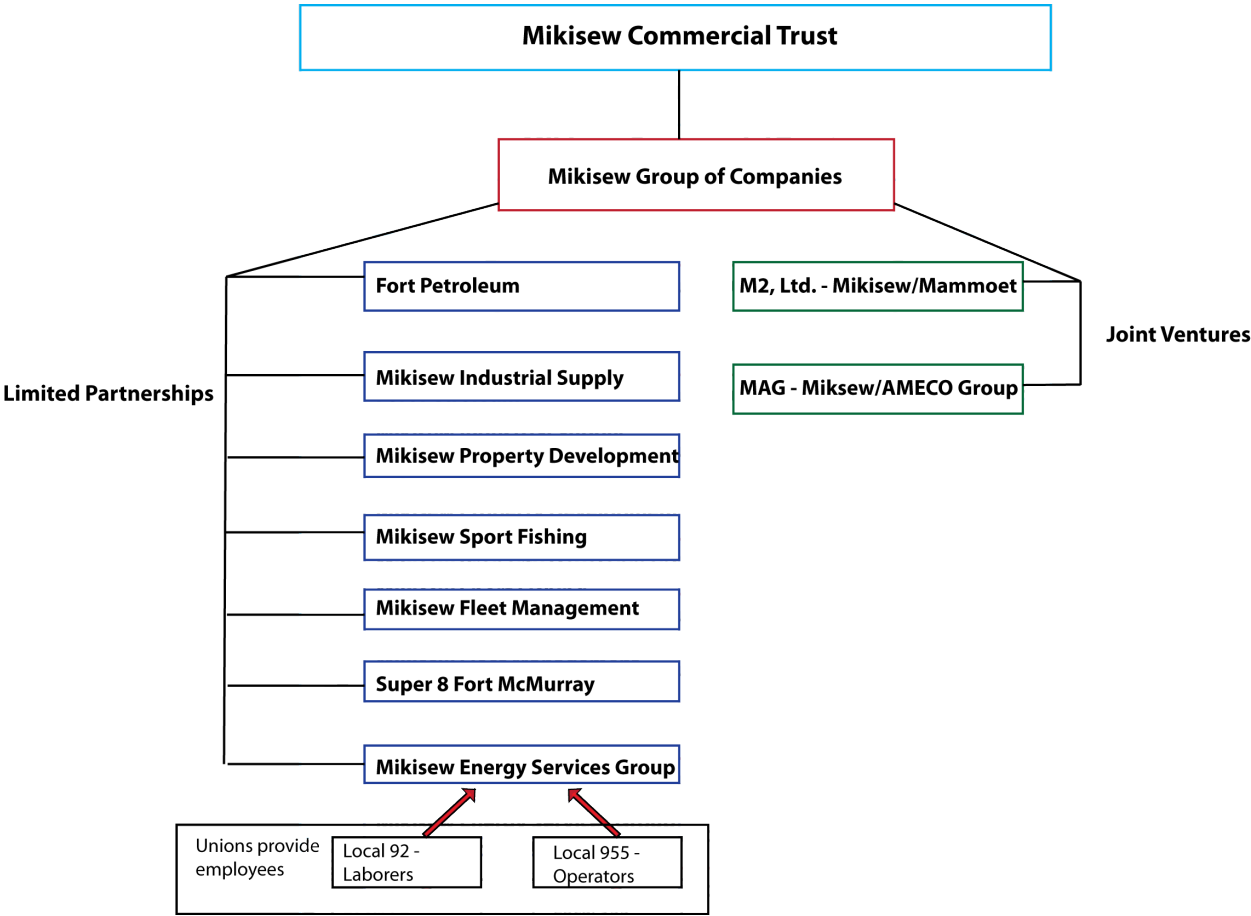
By 2012, the Mikisew Group had become a multi-million dollar business conglomerate¹⁰ that included seven companies and two joint ventures:

- *Mikisew Energy Services Group* (MESG): The flagship within the Mikisew Group of Companies, MESG is an International Organization for Standardization (ISO) certified union company located in Fort McMurray. It is a group of industrial labor and maintenance companies that serves the oil and gas, forestry, and mining industries. In 2008, MCFN’s first company, 2000 Plus Ltd., was folded into MESG.

¹⁰ Mikisew Energy Services Group alone generates over \$60 million in gross revenues: “MESG is targeting \$65 million in revenues for 2012 and currently employs 300-600 people.” See “Opportunity Profile, General Manager, Mikisew Energy Services Group,” Davis Park Executive Search Consultants, Edmonton, AB, 2011, at <http://daviespark.com/documents/pdf/Edmonton/Profile%20MESG%20General%20Manager.pdf>, retrieved June 24, 2012.

- *Mikisew Industrial Supply, Ltd.:* This ISO-registered company manufactures load tie-downs, round slings, and web slings (products for securing loads to trucks, cranes, and other transport mechanisms), as well as specialized products for clients. It is located in Edmonton.
- *Mikisew Sport Fishing:* Advertised as the premier sports fishing operator in northern Alberta, Mikisew Sport Fishing is a seasonal business based in Fort McMurray. It provides guides, accommodation, and boats at rustic fishing camps on Mikisew Cree land north of Lake Athabasca.
- *Super 8 Fort McMurray:* This 100-guestroom hotel, in which the Mikisew Group owns a 75 percent share, is located in Ft. McMurray on land controlled by another Mikisew Group company, Mikisew Property Development. It caters primarily to long-term guests and oil and gas industry employees.
- *Fort Petroleum:* The main supplier of gasoline and diesel fuel in Fort Chipewyan, Fort Petroleum also is headquartered in Fort Chipewyan. It supplies bulk fuels, retails a wide assortment of oil and lubricant products, and offers heavy equipment rental services to residential, commercial, and government-sector customers. A key company goal is to be a consistent, affordable fuel supplier for MCFN citizens living in Fort Chipewyan.
- *Mikisew Fleet Maintenance:* This Canadian Welding Bureau and Alberta Boilers Safety Association certified company is located in Fort McMurray and performs light- and heavy-duty service for large vehicle fleets. The company aims to be the area's premier heavy duty and automotive vehicle inspection and fleet maintenance facility. Expansion plans feature a larger shop and enhanced field services.
- *Mikisew Property Development:* Formed to pursue appropriate revenue-generating commercial development activities on strategically located properties owned by MCFN and the Mikisew Group, Mikisew Property Development currently operates only in Fort McMurray. It holds the land on which the Super 8 is located, leases nearby parcels to a Burger King and to a Shell station, and has plans to develop more land in this focus area. Over time, the company aims to operate throughout the Regional Municipality of Wood Buffalo.
- *M2, Ltd.:* A joint venture with Mammoet Canada Western, Ltd.—a specialized heavy load transportation and lifting company for the petrochemical, civil, power, and construction industries—Edmonton-based M2, Ltd. provides pilot car services for Mammoet's wide-load vehicles. With a particular focus on skill and career development, M2 business plans include growing services to complement more of Mammoet Canada's current lines of business.
- *Mikisew/AMECO Group:* This Mikisew Energy Services Group and AMECO team was formed to service 215 of AMECO's light-duty vehicles. The joint venture provides employment and career development opportunities in skilled trades. It is based in Fort McMurray.

Figure 1. Mikisew Group of Companies Corporate Structure, 2012



**Wise Practices in Aboriginal Enterprise Management:
Financial and Human Capital Development**

Indigenous nations can organize the ownership and management of business enterprises in a variety of ways. At one end of the spectrum, a First Nation may opt to invest in corporate shares and narrow its management task to portfolio management. At the other end of the spectrum, a First Nation may opt for full ownership and management control, which is a more complicated and intensive endeavor. Both models—and the many variations in between—are capable of producing financial returns. However, movement away from passive investment

toward more active ownership gives First Nations the opportunity to manage for multiple bottom lines—in particular, a First Nation can strive for both revenue generation and skill creation.

MCFN's initial discussions clearly pointed toward the latter model. They underscored the community's desire to help sustain the Mikisew nation through financial *and* human capital development. The ways in which the MCFN is meeting these goals—at the Chief and Council level with regard to revenue management and within the Mikisew Group with regard to citizen skill and career development—are worth examination.

Financial resources management

“[As a leader], I represent the people who are affected downstream for the next four, five, six hundred years.

Archie Waquan, former Chief, Mikisew Cree First Nation

Notably, MCFN leaders' decision to invest in businesses was just one part of an overall plan for prudential but profitable money management. Other components included policies concerning the use of land claims monies, an institutional structure for business management, and promotion of a common understanding among key stakeholders about the purposes of MCFN's business investments.

With regard to the first of these, Mikisew's leaders agreed that the proceeds from the land claim settlement should constitute a fund in support of the First Nation's future. They also agreed that the fund could be used for business investment but that no per capita distributions could be made to MCFN citizens from the principal. Interest or dividends could be used more flexibly. They could be added to the capital base; used as equity financing in new business investments; transferred to the MCFN government to support core governance functions, social programs, and other services for the community; or distributed to citizens on a per capita basis (up to a maximum of 50 percent of the interest received).¹¹

¹¹ See Akee, 2001, “Mikisew Cree First Nation: Economic Development and Democratic Governance,” Harvard Project on American Indian Economic Development Case Study, Harvard University, Cambridge, MA.

A second component of the overall strategy was institutional. To further implement the nation's business development and financial stewardship goals, MCFN's leaders created the Mikisew Commercial Trust (MCT) and transferred ownership of the Mikisew Group of Companies to it. Because MCT is separately chartered, this arrangement limits the MCFN government's exposure to and liability for business risks. Another advantage is that it concentrates decision-making about MCFN's investments in one place.

Essentially, MCT is a holding company that manages MCFN's land claim fund and business revenues. Its board hires a general manager for the Mikisew Group, coordinates the resources required to manage the companies, monitors the overall financial position of each company, addresses business issues brought forward by the general manager, makes decisions about new business acquisition and formation opportunities, and reports regularly to the MCFN Chief and Council.¹²

Allocating Indigenous nation revenues to balance needs

"For many Native nations, per capita distributions raise at least two sets of issues. The first has to do with balancing present and future needs... The second has to do with balancing individual and collective needs... These different needs are not necessarily in conflict. Steps geared toward the future may benefit the nation today, just as steps taken on behalf of the community may benefit its individual members at the same time. But some decisions involve trade-offs. Money placed in a long-term investment fund, for example, is unavailable to support current tribal operations or to fund a per capita distribution. Money spent on a per capita distribution or to supplement inadequate federal funding of a social program is then unavailable to purchase tribal lands for future generations or to grow tribal businesses so that they can employ more people tomorrow than they do today."¹³

The third aspect of MCFN's financial resources management strategy was promotion of a common understanding about goals. For the Mikisew Group to continue to grow, for the MCT to continue to preserve its capital base as a fund for MCFN's future, for Chief and Council to continue to have adequate funds with which to operate the government, and for citizens to continue to receive income support and have available job opportunities with the Mikisew Group, each interest group had to understand at least a little about how the overall system

¹² For another description of the MCT, see "Mikisew Commercial Trust, Overview of MCT," at <http://www.mikisewgroup.com/mikisew-commercial-trust.html>, retrieved May 12, 2012.

¹³ Excerpted from J. Arsenault, S. Cornell, M. Jorgensen, S. Rainie, I. Record, R. Seelau, R. Starks, and J. Timeche, 2007, "Per Capita Distributions of American Indian Tribal Revenues: A Preliminary Discussion of Policy Considerations," Native Nations Institute for Leadership, Management, and Policy, University of Arizona, Tucson, AZ, pp. 5-6.

functions. If one set of actors claimed too much revenue for itself for very long, the careful balance between reinvestment, government support, and dividend payments could break down.

The MCT board plays a key role in this communication process because it sits at the nexus of citizen, government, and business interests. All of its members are MCFN citizens. Typically, at least some members are also elected leaders. As board members, they are responsible for establishing, assessing, and guiding MCFN's business investments so that the nation as a whole receives ongoing benefits from its collectively owned resources. The result is that the MCT board internalizes the potentially competing demands for reinvestment, government transfers, and citizen dividends, and in so doing, attempts to maintain a balance among them.

Business leaders' socialization is another means of goal communication. The hiring process and, perhaps more important, daily interactions with peers, the MCT board, Chief and Council, and Mikisew employees reinforce Mikisew Group managers' understanding that their ultimate responsibility is to the MCFN. Interview data point to the success of this communication: across the Mikisew Group, managers know that Mikisew Cree citizens are the companies' shareholders. For example, former Mikisew Group Chief Operating Officer Dale Monaghan referred to MCFN members as his "true bosses."

The flipside message—that the Mikisew Group's progress directly benefits citizens—is delivered at general meetings and shareholder meetings and through websites, newsletters, and word of mouth. The nation's semiannual dividend payments to citizens also reinforce this tie, by clearly identifying the Mikisew Group as the source of dividend revenue.

The primary stressor on these practices is the difficulty in "managing the boundary between business and politics."¹⁴ For success, First Nations must be constantly mindful of this management challenge, striving to create a workable allocation of business administration and government policymaking responsibilities. Over time, there have been pushes and pulls in each direction—toward the preferences of the Mikisew Group, toward the Mikisew Chief and Council, and toward MCFN citizens. Yet the continued growth of the Mikisew Group and its ongoing ability to produce revenue for reinvestment, government transfers, and citizen dividends

¹⁴ K. Grant and J. Taylor, 2007, "Managing the Boundary between Business and Politics: Strategies for Improving the Chances for Success in Tribally Owned Enterprises, M. Jorgensen (Ed.), *Rebuilding Native Nations: Strategies for Governance and Development* (Tucson: University of Arizona), pp. 175-196.

suggest that, in the main, MCFN has successfully managed the boundary between business and politics and achieved its goals of prudence and profit.

Employee capacity building

We don't want [all] our young people to be laborers. We want them... apprenticing into trades—electrician, welding, carpentry, whatever is available. If Mikisew [Group of Companies] is able to secure a mechanical contract with any of the [oil] companies, now we have that control. We can sub out those contracts, but we have that ability to put our people into those apprenticeships, trades and get their journeyman's [certification] while they are working. The whole idea is while we are getting our people trained, we are making money.

Steve Courtoreille, Chief, Mikisew Cree First Nation

The Mikisew Group of Companies works toward its capacity development goal in several ways. First, the Companies have a policy of Mikisew-focused hiring. As one current employee explained, if she were to apply for a job at another Mikisew Group enterprise, “I would indicate that I’m a Mikisew member. They are looking for that.” As needed, the Companies will go farther still, finding ways to coordinate job requirements with the responsibilities Mikisew employees have outside of work. Aaron Kaskamin, MESH Regional Manager, provides more detail:

We will work with people who have special needs with their child... you know, if they are single mothers, we will work around their schedules to try to get them into the system to get them employed and continue to work with them in that way. You have to be creative, you have to put on a different hat, you have to recognize that there are differences within the communities and work with them that way. If you try to fit everyone in the same mold, it doesn't work. I think that is one of the objectives we have had—to try to keep the cultural side there, and at the same time, try to build a successful business.

The focus on MCFN citizens extends to other corporate policies as well. Economic opportunity is only one reason that the bulk of the Mikisew Group's operations are in Fort McMurray—another is the large number of Mikisew Crees living there. In fact, the Mikisew Group seeks to provide employment to MCFN citizens in multiple key locations. It has expanded operations in Edmonton and consciously maintains a business in Fort Chipewyan because these also are important Mikisew population centers.

Second, recognizing that a lack of match sometimes exists between First Nations citizens' skills and those necessary for employment, the Mikisew Group develops business relationships that can be leveraged for employee skill development. For example, the Mikisew Energy Services Group collaborates with local unions to staff labor contracts. In turn, the local unions work with the Mikisew Group to train, certify, and enroll MCFN (and other First Nation) citizens. Similarly, the Mikisew Group's joint ventures—M2, Ltd. and Mikisew/AMECO Group—were formed in part because of the training opportunities these partnerships provide. As another example, the Mikisew Group recently placed four Mikisew citizens in light-duty and heavy-duty equipment operating apprenticeship programs offered by corporate colleagues.

Mikisew Group name-hire agreements

Some contract labor employers prefer union laborers, so the Mikisew Energy Services Group has worked diligently to gain union membership for Mikisew citizens. But MESG also knows that under union regulations, hiring only Mikisew members to fulfill its contract labor jobs could be considered discriminatory. To satisfy both community and contractor needs, MESG negotiated a "name hire" agreement with the Fort McMurray Labourers Unions (Local 92) and the Operating Engineers Union (Local 955). The agreement allows MESG to name a Mikisew Cree or other First Nation citizen to one out of every four positions filled by the union.

Third, the Mikisew Group has cultivated a mentoring culture across its management structure—and has committed financial resources to employee capacity building. Today, Mikisew Group of Companies managers understand that one of their most important roles is to encourage and facilitate employee skill and career development, especially among MCFN citizens:

- “As far as training, I try to do as much as I can... For Mikisew members to become more than the typical laborer or typical operator, we will put them into the safety courses, maybe to get into that foreman or general foreman position, hopefully to become a site manager at one time” (Michelle MacLennan, Mikisew Group of Companies Human Resources Manager).
- “We do on average \$2 million in our company here in skills development and career development work with the FN people that we have... If people don't have the expertise on what we want them to have, we will send them to school, courses, we'll mentor, tutor them. We focus on Mikisew first, because we are a Mikisew owned company [but the opportunities are open to all employees]” (Aaron Kaskamin, MESG Regional Manager).
- “I say that my goal is, when I leave the company, [to have] all the people in leadership be Mikisew, including my job. I'm not shy about saying that I want all

the top levels to be Mikisew. And so we are looking for that next person that we can grab onto and mentor. That's something I encourage our senior staff that are non-Aboriginal [to do], is to grab onto a couple Mikisew or other First Nation people, ...to mentor them, and to guide them through their careers. Just one or two [mentees] for each person and after a while we will have lots and lots that are at the leadership level" (Mike Heck, MESH General Manager).

This practice has yielded results. MCFN members' competencies are expanding, and for those MCFN citizens who aspire to move up within the Companies, there are opportunities for them to train not only for jobs but for *careers*. Stan Wigmore, former site manager for MESH, observed, "we still have our labor force, [but] we now have operating engineers, that choose to operate equipment for higher pay." Looking across the Mikisew Group as a whole, Michelle MacLennan noted, "not only are we putting [training] out there, but we need that commitment from them to take that next role, to take that next step in life. And we have been getting good feedback on that." Aaron Kaskamin made an even broader observation about the success of the strategy: "It's clear that if Mikisew Group of Companies did not exist, a lot of our people, Mikisew and other First Nation people, would have jobs, but it wouldn't be in the kind of mentoring environment that we try to provide for them. We do many other things beyond being an employer."

Feedback from employees themselves is even more compelling. Reflecting on her own opportunities, an employee of Mikisew Industrial Supply explained, "[The general manager] took the initiative to approach me and ask if I wanted to advance my career and possibly step into a higher position, into a senior position eventually. And that's something I am very interested in." Based on this positive response, her manager continued to mentor her and sought Mikisew training funds for her professional development. In her words,

Mikisew Industrial Supply has been sponsoring me on outside courses for my certificate of recognition so I could step up further up the ladder. ...[W]ithin that [first] month [of mentoring] I'd gone from no tickets to having my first aid and having my forklift and being more involved in the company. ...Next are my leadership skills. Once I get my women's "train the trainer" [certification], and my core audits [skills], the plan is for me to go out on the road with...our outside salesperson and safety rep...to get me trained up to where I can eventually do that job. Then from there, I can step into shadowing [the general manager] more often.

Nonetheless, the Mikisew Group's success with employee capacity building is a work in progress. Twenty years ago, when the Companies first started, building capacity meant providing jobs. Today, as a more mature organization, the Companies are better able to meet nation and

employee needs and can focus more intently on building careers for Mikisew citizens. But room for improvement remains. Not all MCFN citizens are satisfied with the Companies' progress—they express concern that too many of the Companies' Mikisew employees remain in low-level positions, and that the First Nation government has not moved fast enough with its strategic plans. As one employee put it,

What is the success of cutting slings? Chief says that they are going to do this mentoring or educating, but it hasn't happened. We don't really have a place to go to say that we want this training and education... There's the front [office] and then there's us in back. And our managers are not Mikisew members. The Band did all these meetings with the Mikisew members, and nothing has changed.

Secondary data reinforce this point. A 2007 study by FMA Heritage Resources Consultants notes, “of those Aboriginal people who have steady employment with oil and gas companies, the majority have labor jobs. Aboriginal workers are not found in management positions, and are often only ‘doing simple jobs.’”¹⁵

Mikisew Group is aware of these issues. Human Resources Manager Michelle MacLennan estimates the number of Mikisew members in supervisory positions—“whether it's a foreman position, a general foreman, management, whatever the case may be”—to be 10-13. In other words, while substantial progress has been made in twenty years in terms of the sheer number of jobs available, increasing the number of Mikisew citizens in business leadership positions is a more challenging proposition. One approach the Companies have experimented with is tying managers' compensation (in part) to their progress on mentoring Aboriginal employees. Such incentives might speed progress toward the nation's goal.

Wise Practices in Aboriginal Enterprise Management: A Seat at the Table

We need to know, what do we want to secure for our children, for our grandchildren, for the ones that are not here yet? When everything is said and done and [the oil companies] close their doors and walk away, what's left here? Nothing. How do we continue to survive in this region? Those agreements, we have to make them work so they are effective.

Steve Courtoreille, Chief, Mikisew Cree First Nation

¹⁵ FMA Heritage Resources Consultants, Inc., 2007, “Mikisew Cree First Nation Traditional Ecological Knowledge Report, prepared on behalf of Synenco Energy Inc. for Mikisew Cree First Nation, Calgary, AB.

Extracting oil from oil sands is an expensive proposition, and for many years, the costs were prohibitive. Only in the late 1960s did technological developments and resource price increases make oil sands development economically feasible. The first commercial plant, a joint venture later consolidated under the corporate name Suncor, began operating in 1967. Syncrude began construction in 1973 and opened its processing plant in 1978. Since that time, extraction operations have been continuous and expanding across central and northern Alberta.

The governments of Canada and Alberta have been possessive of the oil sands, reserving the right to development for themselves and keeping bitumen-rich lands off the land claims negotiating table. For example, the Province of Alberta rejected the MCFN's 1971 reserve lands request because the proposed claim included oil sands.¹⁶ By the time negotiations for MCFN's successful 1986 Treaty Land Entitlement Agreement began, the First Nation's traditional territory was a central focus of Alberta's current and long-range economic development plans.

Other spaces in which the Mikisew Cree have a vested interest, while not part of the oil sands per se, are nonetheless affected by oil sands development. In particular, the Peace-Athabasca Delta is increasingly at risk environmentally. This large, freshwater wetland, formed by the intersection of the Peace, Athabasca, and Slave Rivers, is part of the Mikisew Cree traditional homeland and is integral to Mikisew Cree identity and

Using traditional knowledge to protect the environment

The Mikisew Cree, Dene, and Metis peoples have long used the lands and waters of the Peace-Athabasca Delta for trapping, fishing, harvesting, habitation, and ceremony. Through these practices, they have developed and maintained substantial traditional ecological knowledge. This knowledge has become vital for monitoring environmental risks, communicating with industry and the government of Alberta, and legitimizing First Nation concerns.¹⁴

lifeways. Although the 1986 settlement gave MCFN title to some of this territory and recognized the nation's subsistence rights on all of it, hydropower damming, global warming, and pollution from oil production threaten the sustainability of the Delta's unique environment.

¹⁶ Slowey, 2008, p. 34.

¹⁷ See, for example, C. Candler, R. Olson, S. DeRoy, and Firelight Group Research Cooperative, with the Mikisew Cree First Nation, 2010, "As Long as the Rivers Flow: Athabasca River Knowledge, Use, and Change," Parkland Institute, University of Alberta, Edmonton, AB; and S. Labour, 2010, "Mikisew Cree First Nation Traditional Environmental Knowledge: Summary Report for the Total Joslyn North Project Regulatory Hearing," brief prepared for the Mikisew Cree First Nation Government & Industry Relations Office, Fort McMurray, AB.

To borrow a phrase from other observers, colonial governments' choices have put MCFN "between the sands and a hard place."¹⁸ If—regardless of Mikisew Cree preferences—their lands were going to be used for and affected by oil production, what could they do? If the First Nation could not own the lands, was there a way for them to have a voice in the way the oil sands were developed and managed? If non-Indigenous governments and non-Indigenous companies were going to profit from oil resources in the territory, how could MCFN ensure its own economic future? Was there a way to engage in the stewardship of lands they had occupied for hundreds of years and likely would occupy long after the oil companies departed? MCFN's answer to these questions has been to embark on both *productive and protective engagement* with the non-Indigenous governments and corporations that mine the oil sands, in part through the Mikisew Group of Companies.

Productive engagement

The nation's first step was to become a "corporate colleague." Many Mikisew Group companies (including its first company, 2000 Plus, Ltd.) work with oil field developers. These corporate connections generate contractual, supervisory, supply chain, support, and other day-to-day relationships between Mikisew Group managers and employees, MCFN leaders and citizens, and non-Indigenous oil sands development corporation employees and decision makers. In turn, these relationships advance MCFN's issues and concerns by creating multiple pathways and multiple opportunities for voicing MCFN preferences in matters that affect the First Nation over the long term. In other words, through the Mikisew Group of Companies and its connections with colleague corporations, the Mikisew Cree First Nation has a presence and its ideas have a relevance that they otherwise would not have. This is productive engagement.

Business leaders within the Mikisew Group of Companies are clear about the approach and their message. As Stan Wigmore, former site manager for Mikisew Energy Services Group, explained, "We provide a service for industry, and we are in pursuit of lifelong development, of building self-reliance, self-sufficiency... But we are well aware of the effects it [oil sands development] has on the environment and the health of the people in this region." Similarly, former Mikisew Group of Companies Chief Operating Officer Dale Monaghan noted that the

¹⁸ I. Urquhart, 2010, "Between the Sands and a Hard Place? Aboriginal Peoples and the Oil Sands," Working Paper No. 10-005, Energy Series, Buffett Center for International and Comparative Studies, University of Alberta, Edmonton, AB.

Mikisew Group is “against unbridled development where it seems that the environment is worried about later.” Former Mikisew Energy Services Group General Manager Mike Heck observed, “Once you move from construction and development to maintenance...and...the oil is all gone, who’s going to be here after that? Well, the oil companies will move on to somewhere else in the world. The workers will all go away. So the Mikisew have always felt that this is an area of the country that they have always resided and will in the future once it’s all gone.”

Certainly, there are limits on the effectiveness of productive engagement. For one, if MCFN becomes overly reliant on jobs and revenue generated by the Mikisew Group’s engagement with extraction industries, it could decide that voicing concerns about development jeopardizes its own economy. To date, however, MCFN and the Mikisew Group appear to have focused on controlled growth that puts its interests less at risk. Mike Heck observes, “We [the Mikisew Group] are in a unique situation where we could be four times the size we are if we wanted to be, but it’s about sustainable growth. Following our vision and our strategic plan, we want to have sustainable growth and incremental growth, not crazy growth.”

Moreover, the approach does not constitute consultation or otherwise provide the First Nation with formal, legal, or political means to contribute to development decisions. This is where the MCFN government’s other strategy—protective engagement—comes into play: MCFN uses formal government-to-government and First Nation-to-industry consultation to bring its concerns and preferences to the tables at which resource development decisions are made.

Protective engagement

Among First Nations, MCFN has been a leader in helping ensure that Canadian governments consult with Aboriginal communities about resource use. The current obligation of the Crown (any national or provincial government in Canada) to consult with First Nations is the result of the Supreme Court of Canada’s 2005 decision in *Mikisew Cree First Nation v. Canada*. In this case, MCFN sued the Minister of Canadian Heritage for approving construction of a winter road through Wood Buffalo National Park, part of the Mikisew Cree’s traditional territory, without consulting with the First Nation. The Court ruled that the Crown had an obligation to consult with First Nations when Crown action would have an impact on treaty rights.

Both Alberta and MCFN responded to this ruling with policies and procedures for consultation. Alberta delegated responsibility for consultation to the companies whose operations

have an impact on Aboriginal territory.¹⁹ MCFN created its own consultation policy, which states, “the Crown has had, and continues to have, constitutional, fiduciary and legal obligations to ensure that natural resource development and use within MCFN’s Traditional Territory is conducted in such a way as to ensure that the rights of MCFN are impacted as little as possible by development within MCFN’s Traditional Territory and to ensure that MCFN has a meaningful ability to exercise its rights today and for future generations.”²⁰

To ensure implementation, MCFN also established a Government Industry Relations (GIR) office, funded by entities with a duty to consult. The office is under the explicit guidance of the MCFN Chief and Council, but is based in Fort McMurray to be closer to industry offices. Its staff is responsible for representing MCFN interests in projects with the potential to affect Mikisew Cree traditional territory. To do so, they conduct environmental impact and traditional use studies, examine legal and regulatory issues on behalf of the First Nation, participate in watchdog groups (for example, GIR represents MCFN in the Cumulative Environmental Management Association), and use their findings in communication, negotiation, and consultation with industry.²¹

Through these protocols, MCFN is able to become quickly involved with extraction project proposals. Alberta’s Energy Resources Conservation Board directs companies applying for an extraction permit to consult with affected First Nations and to conduct an environmental impact study. A company brings its permit request to the MCFN GIR office, which educates the company on the First Nation’s consultation protocol and explains the type of impact study it requires (a more rigorous study than Alberta requires). Although these interactions sometimes generate conflict, MCFN has developed positive working relationships with many companies, some of which also have adopted corporate consultation policies for working with Aboriginal

¹⁹ Government of Alberta, 2005, “The Government of Alberta’s First Nations Consultation Policy on Land Management and Resource Development,” Edmonton, AB, p. 5; and, Government of Alberta, 2007, The Government of Alberta’s First Nations Consultation Guidelines on Land Management and Resource Development (Revised), Edmonton, AB, p. 3. Both documents can be accessed at <http://www.aboriginal.alberta.ca/1.cfm>, retrieved July 20, 2012.

²⁰ Mikisew Cree First Nation, 2009, “Consultation Protocol of the Mikisew Cree First Nation,” Fort Chipewyan, AB, p. 1.

²¹ The GIR website is <http://www.mcfngir.org/Home.html>, viewed July 24, 2012.

nations.²² After First Nation consultation and completion of an environmental impact study, the government of Alberta makes a determination on the permit application. If its activity is approved, a company may return to MCFN to discuss staffing contracts, supplies, and services—creating an opportunity for the Mikisew Group of Companies to work on a project vetted by the nation and help hold the outside company accountable to its agreements.

Melody Lepine, MCFN GIR Director, explains the office’s work as follows:

[We] make sure that Mikisew understands [what] the potential impacts of proposed activities within their traditional use areas are. We interface a lot with each developer, reviewing their applications, understanding whatever it is they are proposing to do.

[Our work] gives [Chief and Council] the ability to have a say in the development that is happening in the region, versus being left out and being ignored and being pushed aside by the developers, or by the government that says, “Okay, well, you don’t have to deal with those local First Nations, we’re going to give you your permits and authorizations anyway.”

So [we have input on] things like having a role for the Group of Companies in any opportunities that a developer may offer or propose in working with us. We kind of play two roles in that sense, in trying to work with the companies in seeking benefits, and at the same time, ...trying to minimize the impacts on the environment, which is very important to Mikisew.”

The full cycle of activity ties together MCFN’s approaches to gaining a place at the table in discussions with industry, the provinces, and Canada about further oil sands development and remediation. The GIR office works within formal legal frameworks to gather and share data and to hold resource developers accountable to their consultation responsibilities. The Mikisew Group of Companies works in an informal, ongoing way to forward Mikisew perspectives with corporate colleagues. It is a well-rounded

MCFN’s multiple tools for gaining a seat at the table

- Peer-to-peer business relationships
- Supply chain participation
- Legal challenges
- First Nation laws and regulations
- Institution building (the GIR)
- Participation in industry associations
- Participation in environmental organizations
- Cultural and scientific studies
- Legal briefs
- Formal challenges to federal and provincial regulatory agencies

²² For example, see Suncor’s policy at <http://www.suncor.com/pdf/respdev-AboriginalAffairsPolicy-e.pdf>, retrieved July 12, 2012.

strategy for gaining political and economic influence in which the Mikisew Group plays a critical part.

Nonetheless, Mikisew's influence—and the success of its engagement strategy—is subject to an important constraint. The government of Alberta makes the final determination on whether or not consultation with First Nations has been adequate, and corporate bosses with a focus on bottom-line profits make the day-to-day decisions about extraction and remediation. However, the fact that MCFN has created a thorough consultation protocol—and that it is followed—is evidence of the respect and clout that the MCFN Chief and Council, GIR, and Mikisew Group of Companies have garnered.

Conclusions, Lessons, and Recommendations

The Mikisew Group is a successful enterprise, not only in financial terms but in the ways it promotes self-sufficiency and self-determination for the MCFN. The following is a brief summary of the decisions and practices, described in this case study, that underwrite the Mikisew Group of Companies' effectiveness:

- Community involvement in strategic discussions, which leaders framed as discussions about self-reliance, good stewardship, and the community's desired future
- Strong linkages between the nation's identified strategy and its business investment and management practices, including management toward multiple bottom lines (revenue generation and job and skill development)
- An emphasis on maintaining and growing the value of the land claim settlement, especially the decisions to pay per capita distributions only from corporate profits and to limit the proportion paid
- Creation of a separate organizational entity as a forum for business decision making and a helpful mechanism in managing the boundary between business and politics
- Willingness to productively engage with resource extractors as a strategy for gaining respect and attention
- Development of a full-bodied consultation policy and First Nation government office through which to implement the policy.

Other First Nations seeking to protect and leverage community financial resources, manage businesses for financial and human capital building, and gain a voice in regional development can learn from these decisions and practices.

At the same time, research for this case study pointed to a variety of possible steps that MCFN and the Mikisew Group could take to further strengthen governance and management practices. These might include:

- Finding a way to more formally establish the rules concerning Mikisew Commercial Trust fund management and spending
- Creating a more consistent means of Chief and Council representation on the MCT board, rather than changing the personnel and percentage representation with each new election
- Developing incentives (linked to bonuses and promotion) for Mikisew Group managers to mentor Mikisew citizens into management roles.
- Increasing opportunities for training and skill development in Fort Chipewyan
- Improving communication about dividend sources, job openings, training programs, union membership, consultation hearings, environmental assessment studies, etc., with MCFN citizens
- Exploring ways—perhaps through international mechanisms—to assert broader jurisdiction over MCFN’s Aboriginal territory.

In sum, the Mikisew Cree First Nation and Mikisew Group of Companies have a powerful record of success. Their current challenge is to continue to move from strength to strength.

Acknowledgements

The Native Nations Institute for Leadership, Management, and Policy at the University of Arizona and the Aboriginal Leadership and Management Programs at the Banff Centre offer their thanks and gratitude to current and past Mikisew Cree First Nation Chiefs and Councils for their engagement with this case study and with other researchers on whose work we relied. The nation and its citizens have been generous in sharing their story, from which other communities—Indigenous and non-Indigenous—have much to learn.

In particular we wish to thank the following individuals for their time providing information through interviews for this case study:

Lawrence Courtoreille
Steve Courtoreille
Patricia Marjorie Glanfield
Lucy Gilbert
Mike Heck
Aaron Kaskamin
Melody Lepine
Michelle MacLennan
Dale Monaghan
Simone Antoine-Schwaier
Grace Sullivan
Margo Vermillion
Archie Waquan
April Eve Wiberg
Stan Wigmore

Anonymous Mikisew Group of Companies employees

The authors also wish to thank Josh Proper and Jen McCormack for research assistance, Renee Goldtooth for conducting interviews, Emily McGovern for editorial assistance, and the entire Native Nations Institute research team for feedback on multiple outlines and drafts. We also wish to thank staff and leaders of the Aboriginal Leadership and Management Programs at the Banff Centre for the opportunity to work on this project and the Rural Alberta Development Fund for financial support.

About the Mikisew Group of Companies

From the MCFN website, <http://www.mikisewcree.ca/who/mikisew-group-of-companies/>,
retrieved May 15, 2012



Universally, the eagle is a symbol of power and strength. To the Mikisew Cree First Nation, its meaning is much deeper.

The eagle inspires our people to follow their true paths and reach their fullest potential. Through the Mikisew Group of Companies, we are doing just that.

Traditional values of community, respect and partnership, combined with innovation, corporate performance and pride of operation have become the modern pillars of Mikisew's businesses.

International corporations and local entrepreneurs alike partner with us because we understand their needs and deliver consistent performance efficiently and effectively.

Deeply rooted principles that guide our corporations include accountability, respect, customer service, First Nation appreciation, leading edge management and long-term vision planning.

Mikisew's companies are stepping stones toward a brighter, more prosperous future for our career minded youth.

Our shareholders' interests are considered in everything the Mikisew Group of Companies does. The Mikisew difference is that our shareholders are our community.

From essential services to training and employment opportunities, our companies never stop giving back to our community. But the most important thing we give transcends everything else: Pride.