

Commercial Fishing Enterprises



Sharing Insights Summary

THE BUSINESS OF DOING BUSINESS
December 2011

TABLE OF CONTENTS

1.0 Over Arching Conference Objectives3

2.0 *Interpreted Quick-Notes* of Key Concepts4

3.0 Breakout Session (6 Questions) Summary.....15

4.0 Detailed Minutes of all Presentations.....19

1.0 Over Arching Conference Objectives

The Conference will provide the “why”; the “how”: the “opportunity”

- why key business principles add up to success in business - management, governance, internal capacity, marketing, other success variables
- why a strong Business Plan is the road map to success
- how Best practices and lessons learned from the Atlantic Integrated Commercial Fisheries Initiative (AICFI) provide insight
- how key government programs and Aboriginal and commercial lending institutions provide *access to capital*
- why *access to capital* is important to business growth
- the Opportunity to build relationships and partnerships
- how to build upon what you have-vertical integration of businesses
- the opportunity to learn from each other’s challenges, mistakes and triumphs
- how Key “tools” can improve operational efficiencies
- why and how *strategic planning* can evolve your business model
- to demonstrate how investment in people equates to jobs for community members

2.0 *Interpreted Quick-Notes of Key Concepts*

Message for Success

- ✓ **Businesses are successful because they effectively address ALL key aspects of operations including management, financial, marketing and advertising, human resources, operations, and other critical components of a business**
- ✓ **If in-house expertise is not available to address these key areas, then individuals/companies should be engaged to ensure these key areas are addressed and not ignored or forgotten**
- ✓ **Business must be separated from politics – “*Mixing business with politics is like drinking and driving...it can kill you!*”**
- ✓ **Learn from those who are already successful**

Chief Clarence Louie, Osoyoos Indian Band

- If we want to be successful, we must study success; always be a student
- It takes a change in mindset from *spending money* to *making money*. It takes a change from a wait and it might happen or hopefully someone else will do it, to *we take responsibility for this and we will make it happen*.
- We must replace spent money....we can't just spend, spend, spend!
- Business doesn't run on consensus, it is based on strategic informed decisions
- We have a responsibility to do business right because we are all branded with the same brush if it is not
- Operate on the belief that the future is *now* for business development
- We don't leave our culture behind when we develop business; we embrace it and invest back in it
- Aboriginal business is just not bottom line focused, it is about putting profits back into our communities

Richard Bussanich, Okanagan Nation Alliance

- We don't have fish that we harvest, we have ...Ocean Wise approved Quality, Value & Sustainability (QVS) certified blush 2 to 4lb Okanagan Salmon that have travelled 1700 kms to their origin; they are carefully harvested with the traditional knowledge of our people with conservation as our top priority
- The ONA market strategy encompasses a "river to plate" vision
- Marketing to create the demand is the key; building strategic partnerships; have a complete understanding of your market; understand what the consumer wants so we can develop our competitive edge
- We need to integrate responsible trade which includes; fair price; labour standards; equitable trade among First Nation communities
- We need to promote ethical and sustainable food choices as the foundation of our marketing to our consumers
- Showing consumers how we can track our fish from river to the plate demonstrates our commitment to our stated company values of *conserve, respect and restore our resource*

Stuart Nelson, Nelson Brothers Fisheries

- We didn't get a few licenses from DFO to start a business, we were provided an opportunity and tools to become successful businesses
- The positives of what has been transferred to First Nations control is over \$100 million in assets
- As a collective of First Nation businesses, we are a formidable and leading player in the commercial fishing industry which is now very evident to the private sector
- Our business success does not lie with PICFI, it is *our responsibility to make it happen* and not be left wondering what happened.
- A true partnership is based on trust
- We need capital (money) to be successful

- The business plan is NOT just an inconvenience to get funding from PICFI, it is your living and breathing document that will guide us...it must be continually modified
- The business plan is NOT a PICFI business plan, it is OUR business plan...our map to follow
- The key to a successful CFE will be good strong competent management that practice financial competency, strong understanding of marketing, ongoing planning and operating efficiently and competitively
- Who's in charge of implementation...without someone taking charge and following the steps to implement the project we will be in the mode of pointing fingers at everyone else...I thought you were....no I thought you were
- To be successful, we must act successful
- It takes a lot less energy to embrace change then to continually fight it

Matt Vickers, Vickers & Associates

- Without a conscious decision and concrete plan to separate band politics from band business, it won't happen
- The community must support the corporate model for separating business from politics. In this way, should leadership try and change the model, the *constituents can remind them of their obligation* to the community to maintain a clear separation with the agreed to structure
- The Nation building approach to First Nations governance is based on leadership creating strong governing institutions where investors (employees of the band; development corporation management team; etc.) feel safe and secure investing time, energy and money knowing that the rules of the game are consistent and followed
- By creating an effective political governing institution, economic development can thrive and survive if set up as a separate entity from the political body with an effective Board of Directors

Jack Woodward, Woodward & Co.

- Determine what your community wants to achieve through the business operations and then instruct the lawyers to create the appropriate legal structure to meet these needs.

- Anticipate problems and design solutions in advance
- Key to coming together as an aggregate is to “talk; talk and talk” and agree as to how to move forward together
- Use expert advisors to set up your corporate structures so that you can effectively separate business from politics and benefit from reduced taxation

Diane Couture, Transport Canada, Marine Standards

- Fishing is one of the most dangerous jobs in the world
- The top two challenges that make it dangerous are: (1) lack of safety related to load and load shifts on the vessel; and (2) lack of knowledge of how to use the safety equipment
- Transport Canada is available and ready to help First Nations with safety training and certification...all for the purpose of saving lives
- Many First Nations have the skills and knowledge to obtain the mandatory certifications; just contact Transport Canada Marine Standards Outreach and schedule a meeting
- Transport Canada Marine Standards WILL travel to remote communities to assess, train and certify

Patrick Olsen, Work Safe BC

- We must take ownership for the safety and health of our employees
- Employees need to be empowered to take responsibility for their safety
- A good safety plan, that is implemented and followed, will SAVE the company money over the long haul and lead to lower costs
- Take responsibility for safety seriously and correct unsafe acts and conditions immediately...it is too late when some is injured or killed.
- Have a full understanding of the Fishing Master and owner responsibilities for safety and instruction to crew on safety equipment and procedures
- Work Safe is there to help, not hinder operations

- Contact them to help assess your vessel for compliance with the safety standards
- Always think safety first

John Krgovich, FishSAFE BC

- FishSAFE is funded by the commercial fishing industry for commercial fishermen to promote safety
- No one wants to have to explain a casualty to that person's loved ones...
- Taking every precaution, taking the training and participating in programs such as the "Safest Catch Program" is not only the right thing to do, it is taking responsibility and placing value on each human life within our employ

Allen Tobey, PICI Technical Advisor

- Invest in human capital, and all else falls into place
- The training plan is not a PICFI training plan, it is an important tool on our road to running and operating a successful CFE
- Who is in charge of implementing the business plan and modifying as necessary...without answering this we will be asking what happened rather than be asking how can we make it happen
- Training plans are always evolving
- The training coordinator must take full responsibility for all aspects of implementing the training plan
- The training plan must be in sync with the business plan, meeting the needs laid out in the business plan...as such, the training coordinator works closely with and for the CFE manager
- Training plans provide opportunities for workers to diversify their skills and provide training for younger workers
- Training plans build self esteem in the work force and are the evidence that the CFE believes in its workers

Paul Donald, All Nations Trust Company (ANTCO)

- Aboriginal Financial Institutions (AFI's) including ANTCO in Kamloops, Nuu-chah-nulth Economic Development Corporation (NEDC) in Port Alberni, Tale'awtxw Aboriginal Capital Corporation (TACC) in West Vancouver, TRICORP in Prince Rupert and Native Fishing Association (NFA) in West Vancouver are available and willing to lend you money to grow your business
- AFI's have made over \$85 million in loans to Aboriginal businesses since their inception in the late 1980's, strong evidence that they are alive and well and open for business
- Businesses grow because of access to borrowed capital (money)
- Government grants and contributions are nice to have (*the gravey*), but are not the decision point of whether you grow your business or not...good business decision making means borrowing money to grow our businesses, independent of whether grants or contributions are available
- AFI's focus on the *strength of the business plan* with particular *emphasis on the financial projections and the proposed marketing plan* that supports the financial projections when assessing their willingness to lend money
- The primary purpose of an AFI is to bridge the gap between the amount of money you have for you CFE and the amount of money you need to achieve your goals
- Contact your nearest AFI and you will find that Development Officers can offer good sound business advice *at no charge* to assist you in deciding how to access capital or to let you know about potential grants and contributions (*gravey*)
- AFI's can provide financial assistance to help with your planning process be it business planning for growth or marketing plans; contact your nearest AFI for information
- Borrow money to make money

Mark Duiven, Ulnooweg Development Group

- PICFI's primary function is to create opportunities for First Nations to become involved in the commercial fisheries
- The program was originally developed with an assumption that coastal communities knew the industry and what they wanted to achieve in re-entering commercial fishing
- The biggest difference between the development of business plans for PICFI and AICFI was that one group worked with the eastern groups to develop each of their

business plans whereas in BC each group identified and engaged their own consultants

- The success of AICFI which has increased First Nation participation in the commercial fisheries by 300%, speaks to the success of the government strategy
- Both PICFI and AICFI are up for renewal and it is important that the Government of Canada know and understand the POSITIVE impact that both programs have had or are having on First Nations involvement in the commercial fisheries
- To put forward a case for renewal, each CFE is encouraged to put together a brief summary document outlining the successes of the program and the need to renew the program to achieve the long term goals and objectives of the two programs

Steven Purvis, Senior Policy Analyst, AANDC

- The government analyzed AICFI and put forward an approach for PICFI that was opportunity driven, business minded, proponent led and partnership based
- An analysis of AICFI and PICFI along with the National strategy will be undertaken in direct consultation with proponents at the NAFF2 conference to be held in Campbell River in early 2012
- It is very advantageous to understand in great detail the various levels of program support that government has in place and how to effectively access this support to benefit your CFE
- Success of PICFI is fundamentally based on partnerships between First Nations, government and corporate Canada; no one can succeed on their own
- The premise for success of the program is based on the development of human capital, enhancing the value of Aboriginal assets and forging new and effective partnerships
- Access to this information can be gathered through key contacts at AANDC (including Steven Purvis)...programs such as the Strategic Partnership Initiative (SPI) that assisted Abegweit First Nation CFE to vertically integrate into trucking from their fish, lobster and crab harvesting

Vi Hill, Executive Director, NFA

- The NFA is open for business with a revolving loan fund to help CFE's or individual fishermen to purchase licences, fishing gear and vessels
- The NFA is a great example of an organization that has kept politics out of their business operations through a strong Board of Directors that fully support this separation

- NFA has licences to lease out including 29 salmon gillnet; 26 herring gillnet; halibut quota tabs; 2 shrimp licences and 1 rockfish licence
- Licences for salmon and halibut are tied to specific boats
- The NFA's goal is to become a Native fishing licence bank to support the Aboriginal fishing industry
- Native fishers and CFE's are encouraged to join the NFA and the Native Brotherhood however this is not a prerequisite for accessing NFA funding assistance or licence lease opportunities

Daniel Kimoto, E & E Trading

- The key to effective marketing is protecting the quality of the product through each stage of harvesting and processing AND strong relationships with end users built on trust and respect
- The financial success for CFE's does not lie with just leasing a licence, it is effectively making that licence work for you at a number of different marketing levels
- The marketing strategy for each CFE should include... how can a CFE increase the value per pound of fish caught
- Establishing strong relationships with the end user is an absolute must in the fishing industry if you want to build your brand and reputation and be financially successful
- It would be very advantageous for CFE's to establish strategic partnerships with other CFE's to aggregate catches and build consistent production levels; a key to establishing a good reputation with end users
- It is far easier to look at value added products when there is an economy of scale for supply of raw product
- In the initial stages it may cost you a little more to build solid relationships with the end user, however once you have established this relationship with someone who is willing to work with you for the long haul to promote the brand, these costs will become insignificant

Larry Greba, Kitsoo Fish Processing Plant

- Kitsoo started the process of developing their fisheries business with an overall vision for the community
- The key to their success has been a process where the leadership asked the community for help to define the vision for the future; leadership then adopted this

vision and agreed that the vision would not change with change in leadership; and finally the plans for meeting this vision have not changed....they stuck to the plan

- Kitasoo has adopted best practices around good leadership and good governance...they have separated business from politics
- Part of their plan was to look strategically at each key economic sector and analyze the Nations current participation in each sector; then to set goals and objectives for how they as a Nation can meet what the new targets for Nation participation in each sector
- Critical to the success of Kitasoo has been corporate partnerships that are both meaningful, respectful and strategic
- It is important to remember that 50% (or what ever percentage) of something is better than a 100% of nothing
- The success of the Kitasoo experience can be summed up and packaged in the following key points: have diversified access; invest in the proper infrastructure; maintain a strong cash flow; invest in human capital; a must to success is strong management; develop strong partnerships; become risk adverse; and seek out premium opportunities
- We need to embrace the evolution of success; we learn how to crawl first, then walk and then run...it is a process of doing the right things at the right time
- It is important for us to understand what our community assets are; people and skills; physical assets; locational assets; cultural assets; others
- PICFI access is currently \$107 million which needs to expand to \$400 million to reach the success experienced in eastern Canada
- Other areas that require further exploration include co-management of the program; flexibility in aggregation; permanent licence transfers; a First Nations licence bank; and flexible fishing opportunities
- With the cyclical nature of supply and demand for seafood, CFE's should think strategically about accessing a high value licence to sustain operations during the tough times

Michael Grant, Atlantic Policy Conference

- The Fisheries Management System (FMS) is a tool to provide up to date information from which corrective actions can be made to operations to maximize efficiency and profitability

- Having operational information at ones finger tips provides the CFE with the ability to tweak operations weekly rather than waiting for year end results with no way to change the past performance...too little too late
- A key best practice is making strategic, informed decisions with good information
- The data going into the system is now downloaded to a central location to protect data integrity should computers on vessels crash...a new computer can upload that particular CFE's data and be operational again in a matter of minutes
- The FMS is used by most CFE in eastern Canada and is constantly evolving based on input from the CFE's to improve functionality
- Should the FMS system be of interest to PICFI CFE's, DFO will pick up the cost of modifying the system to meet the needs of western CFE's and look at securing the technical assistance component of the system to meet the pacific time zone
- The level of analysis that the FMS can provide, gives management the tools needed to make informed and strategic decisions about current and future operations

Ken Fraser, Meyers, Norris, Penny

- There are three key factors for “bringing the monster to life- the monster being the CFE business”
- The first is an agreed purpose for the CFE which may include; making a profit; creating jobs; training membership; asserting inherent rights; or....
- The second is having a REAL business plan that lays out the action plan for the CFE including a financial management plan that highlights not only where we are coming from, but more importantly, where are we going
- The third is having REAL leadership; with someone coordinating and driving the management plan; someone managing the finances and financial controls; and someone operating, managing and following the operating processes and procedures
- “if no one is listening to the VHF, then no one is in control”relating to the ship that barely avoided disaster when the tsunami swell from Japan hit the California coast and no one was in control of the vessel listening to the emergency channel that was broadcasting to be aware of the tsunami.
- Don't go into business with no plan

Roger Sark, Natural Resources Director, Abegweit First Nation

- A comprehensive business plan that addressed every aspect of the proposed operation was a fundamental cornerstone of their success
- Strong governance has allowed the CFE to grow and flourish and to set and meet yearly goals and objectives
- Having the community provide the vision for the operation, supporting the development of the CFE and finally benefiting through employment has contributed to the CFE's continued growth
- Strategically expanding operations (known as vertical integration) has allowed for the continued growth of the CFE
- Working with other First Nations in collaborative partnership has provided excellent synergies for bringing fisheries production (fish, lobster, crab) economies of scale to the market place to stabilize pricing

Richard Bussanich, Okanagan Nation Alliance

- Do the necessary market research to understand the market and identify your market target
- Creatively determine how you can brand your product to create demand (ONA was successful at creating demand by marketing the idea of a limited resource, that was harvested responsibly with high quality standards and exclusively available in limited quantities...meaning “ I better buy it now or there won't be any left”)
- Limited exclusivity is the marketing strategy that has been successful for ONA
- In order to market strategically, the marketing plan must be comprehensive (like a business plan); be supported with the necessary marketing collateral such as brochures, DVD's, websites, posters, displays, tradeshow exhibits
- A key market process used by ONA has been: identify the opportunity; develop new products; build client attraction and retention; and then benefit from value fulfillment (rather than selling a fish at \$3.50 per pound, sell it at \$60 per pound)
- It is important to remember that “ *your clients have your money in their pockets*” if you don't recognize the areas where you should be charging; the pricing you should be asking for based on the value proposition provided, and the value of building solid relationships with your end market

3.0 Breakout Session (6 Questions) Summary

Question 1:

What are the five biggest challenges of different Nations working together as an aggregate? What are some of the recommended solutions and strategies to overcome these challenges to build a strong business relationship?

Table 7:

- Challenge 1: Overcoming vast geographic distances and urban/rural splits?
 - promote the use of intranet sites
 - use technology, such as Skype and teleconferencing
 - be sure to have a dedicated staff person responsible for technology and posting.
- Challenge 2: How to overcome political (adjacency), traditional, cultural differences and the lack of trust?
 - keep eye on ball and develop common objectives,
 - keep political influence at arms length
 - make sure that there is an arrangement for allocation for profit and losses, and set out amending formulas.
 - Be business orientated: politicians need to know that the political role ceases once the CFE is up and running.
- Challenge 3: Confusions between FSC and commercial interests
 - Be sure to keep FSC and commercial interests separate

Table 1:

- Challenges from sharing licence revenues, recognize that everyone is trying to develop a business. Need to develop a good cost sharing model
- Developing trust: Develop guiding principles, terms of reference up front and amending formula.
- Separate business from politics: in order to limit liability
- Develop common objectives first: decide whether you will lease, or seek employment
- Develop good governance: consider models such as limited partnerships

Question 2:

In thinking outside the box and based on information presented to date in the conference, how would you strategically grow your business from where it is today to a different level?

Table 10:

- Know where you are and where you what to end up in the short, medium, and long-term.
- Strive to acquire at least one lucrative licence
- Need the community to establish goals
- Take PICFI access as a startup, as beginning to the business
- Reinvest the business, put make sure you move towards the goals
- Establish your market, and seek out new markets

- Once you start to grow, try to bring your own community people into the market, diversify job opportunities associated with the fishery.
- Try to explore new partnerships, with other communities and groups. Ensure the partnerships high quality product, unique, and establish a market
- Re-invest money in the business; ensure that they are meeting goals. Develop spin-off businesses, such as tourism opportunities, shipping, and local market expansion.

Table 2:

- Solidify access to licences and quota. Long term, more permanent agreements.
- Require clear goals and targets for growth
- Then, start to design: set goals and target s to growth, focus on assets and resources available
- Partner with other nations to expand markets and access resources
- Purchase licences outside traditional territories and species to expand marketing potential, find partners with complimentary assets
- Conduct market research and modeling; forecast analysis
- Develop community understanding and support
- Build a long term permanent allocation agreement

Question 3:

Knowing that you may face shortfalls in your business, be it the set up of your governance, capacity, access to financing, what are ways and means to address these shortfalls so they are not ignored, knowing that they are critical to maximizing your potential for success.

Table 8:

- Business plan to needs to be strong in order to identify gaps
- Have a CFE manager with experience in multiple sectors
- Bring in outside financial help to advise, set up books, and help inform business decisions if required
- Governance structure: be arms length from the political apparatus. Ensure that there are policies and procedures in place for reporting structures
- Personnel, have clear job descriptions, provide training and be competitive with wages, with the goal to create year round employment, with goal of providing job security
- Security around licences and quota
- Networking for funding
- Develop collateral and equity to expand
- Have lots of patience: learn from mistakes and stick to long term vision

Table 3

- Three shortfalls: balance of profit versus community benefit: be clear and transparent up front and what the goals of the CFE are, Work on good program design from the first day. Make sure that shareholders are aware that the development of the business will take time

- CFE competitiveness: need to collaborate rather than go it along, as it may not be in their best interest: be innovative and explore niches, and try to control growth, try to support brand development to exploit niche
- Retention of staff over the long term: improve partnerships within the community, created diverse seasonal opportunities in order to retain staff

Question 4:

Knowing the PICFI subsidies (operating, training, governance, set-up, etc) are ending March 31, 2012, what categories of strategic planning need to take place now to ensure a smooth transition into April 2012?

Table 4

- Need to ensure that business and training plans are in place and incorporated into the 2012 Operational Plan.
- Ensure that an appropriate corporate structure is in place.
- Develop contingency plans for staffing and training
- Look for partners, joint ventures and additional borrowing opportunities
- Develop protocols with other First Nations re resource and revenue allocation.

Question 5:

What do think should be the top five tasks of your CFE manager, and what skill sets doe s/he need to have? What do you think the difference is between an operations manager and a general manager and what is the most appropriate for your CFE?

Table 9

Top tasks:

- Maintain communications with board and partners
- Follow the business plan
- Ensure that fiscal objectives are being met
- Implement the direction provided by the board
- Delegate authority to appropriate staff
- Ensure the operational manager follows WCB regulations are in place

What skills will they need?

- Managerial, interpersonal, time management, education, product knowledge, and problem solving

What are the differences between an operational manager and the general manager?

- The operational manager should deal with the day-to-day operations of the CFE, such as: ensuring crew need are met; ensuring equipment is in a sound operational state and providing reports to business manager.

Is an operational or a general manager for the CFE?

- Depends on a single or multiple CFE: depends on the complexity of the relationship

Table 5:

Top 5 tasks:

- Managing the finance and budget,
- Marketing, relationships managers with fishers, shareholders, etc;
- paperwork and
- strategic planning

What skills will they need?

- Communications, financial management, commercial fisheries experiences, business administration, leadership and coaching, critical thinking

What are the differences between an operational manager and the general manager?

- Operations – day-to-day management, operates fleet
- General manager: provides strategic direction and working with shareholders.
- Looks for partners and funding.
- Needs to be open and transparent

Question 6:

We know from our communities that jobs are important. What are the top six ways for your commercial fishing enterprise to invest in people to build skill capacity and create avenues for jobs within or outside the CFR?

Table 6

- Invest in both hands-on operational training within the CFE, as well as provide training to support the back office.
- Ensure fiscal responsibility: support up-front training, invest profits back into the CFE, and ensure to minimize financial risks
- CFEs should serve as business incubators: the CFE can be an incubator for fisher level business by building up quota, then move to higher level value added.
- Where available, use logistics tools to enhance profitability. Be sure to conduct at least an annual review to ensure that continuous and appropriate training is provided to staff
- Pool resources with other communities and CFEs to create value added benefits
- Develop a common vision between the fishers and the companies

4.0 Detailed Minutes of all Presentations

Sharing Insights
Commercial Fishing Enterprises (CFE) Networking Event
Spirit Ridge Vineyard Resort
Osoyoos, British Columbia
November 28 – December 1, 2011

Day 1 (November 28, 2011): Evening

Reception, Dinner, and Guest Speaker

- **Chief Clarence Louie, Osoyoos Indian Band, CEO Osoyoos Indian Band Development Corporation**

Day 2 (November 29, 2011)

1. Welcome by Elder

- **Modesta Betterton, Osoyoos Indian Band**

2. Welcome and opening remarks

- **Meeting facilitators: Brian Payer and Matt Vickers**
 - Marjorie- Provided an overview of the NK’MIP culture centre and facilities
 - Review of conference goals and objectives
 - Vickers: Summarized the conference’s “Rules of Engagement” for ensuring the sharing of best business practices.
 - Payer: Conference objectives: to provide the “why”, the “how”, and the “opportunity”
 - i. Why key business principles add up to success – management, governance, internal capacity, marketing, other success variables
 - ii. Why a strong business plan is the roadmap to success
 - iii. How best practices and lessons learned from the Atlantic Integrated Commercial Fisheries Initiative provide insight
 - iv. How key government programs and Aboriginal and commercial lending institutions provide access to capital
 - v. How to build on what you have – vertical integration
 - vi. Why access to capital is important
 - vii. The opportunity to build relationships and partnerships.
 - viii. The opportunity to learn from each other’s challenges, mistakes and triumphs
 - ix. How key tools can improve operational efficiency
 - x. Why and how business planning can evolve your business model

3. Presentation 1: Best Practices and Maximizing Value: Okanagan Nation Alliance Salmon Recovery: Program Overview

– Richard Bussanich, Okanagan Nation Alliance

Presentation Summary

- Okanagan Nation – eight member communities; 15,000 members
- Initiative grounded in stock recovery
 - Limited fishery stocks remain
 - Salmon River: fisheries for Chinook, coho
 - Middle Shuswap River – only Chinook remain
 - Upper Columbia - all extirpated
 - Fisheries management decisions have hindered salmon development (hydro dams)
- Mandate is to conserve, protect and restore salmon stocks
- Salmon Fisheries – how to create a business with only 500 salmon
- Use of Responsible Trade Principles and Criteria: how to create pan-tribal trade and brand
- **Need to integrate responsible trade**
 - Fair price, labour standards, equitable trade, uniting communities and regions, improve quality life, promote natural beauty, create ethical and sustainable choices

First Nations River-Wise Certification and River Branding Strategy: Interior BC Commercial Salmon Fishery Case Study

- Reviewed history from May 2005-2011 to establish quality management and marketing programs
- Lead to the creation of a “river brand” to promote inland salmon fisheries, similar to the VQA model used to promote wines
- **Ability to track fish from vessel through the supply chain to the plate, with validation throughout the process, which is accessible to the consumer.**
- Next steps in river wise model
 - Develop a cooperative model for future market
 - Compete business plans
 - Develop future markets

Questions and Answers

1. How are markets responding to river caught salmon?
 - a. It is taking a great deal of effort to get message out to the Okanagan Region, and developing the brand, assess the interest level, and to change the behavior of chefs and clients. An appetite exists for locally-caught fish.
 - b. Okanagan stocks, while smaller fish (2-4 lbs), are packed with energy: marketed as “blush” fish
 - c. Able to sell at \$3.50-\$3.80 a pound
2. If successful, what impacts will this have on local First Nations food, ceremonial and social fisheries?

- a. The runs are still small, by historical standards.
- b. FSC and conservation will remain the priority
- c. No other fishing groups are permitted in the territory, allows for strong management
- d. Profits were reinvested into developing a fishing camp, to allow for development of local fishing expertise.
- e. Stress conservation, trade between First Nations, emphasized that all First Nations (coastal / inland) need to respect each other fisheries.
- f. Developing fisheries can help to improve the health of all First Nations communities

4. Presentation 2: Commercial Fishing Enterprises Keys to Success

– Stu Nelson, Nelson Brothers Fisheries

Presentation Summary

- Starting Point for CFEs
 - Most groups in the room have completed preliminary planning work
 - **The start-up frame of mind**
 - **Need accentuate positives in developing start-ups:** emphasize assets in place, market opportunities, start-up mindset
 - **How to address negatives:** need to focus on shared objectives of building the business; allocations are large enough for a starting point, build the business; CFEs must start small and focus on growth - as business grows, so will opportunities for community member
 - **Taking a positive approach:**
 - Wild sustainable seafood is hot in the marketplace
 - Prices for fish, quota and licence values and lease rates are rising
 - Aboriginal businesses are a rapidly growing economic segment
 - PICFI program provides access to otherwise unaffordable licences.
 - Collectively, PICFI aggregates will control over \$100 million in assets and will be a new force in the BC fishery
 - The private sector has taken notice.
- Dilemma for First Nations CFEs
 - How to balance community benefits and CFE profitability
 - Both objectives are critical, with community benefits being the long-term goal. CFE profitability is a means to the end.
 - Suggest erring towards profitability as a start-up
- Keys to success
 1. Corporate setup
 - Create a solid foundation for the business, get legal and accounting professionals and set up a proper framework for management
 2. Management

- Secure management expertise, be sure to canvas different options and ask for references
- 3. Market orientation
 - Be market driven, give the customers what they want, know your fishery and understand the market, but explore the bigger picture on what the market forces
- 4. Competitive operations
 - Be efficient and know what your competitors are doing
- 5. Ongoing planning
 - Completing the PICFI plan can't be the end of the planning process
 - Need to revise in light of changing market conditions,
 - Be prepared to take advantage of joint ventures, changing markets, etc.
- 6. Financial management
 - Ensure that there proper financial tracking and reporting
 - Will allow for better evaluation of business performance, will allow for easier access for outside access to capital.
- Summary
 - Recognize this is rare opportunity
 - Act successful
 - Ensure business goals are not superseded by community pressures
 - Ensure sound principles are adopted and continue.

Questions and Answers

1. Why do I need to use some else's money to start up the business
 - a. Allows for leverage, improves rates of return.
2. Leasing or acquiring own facilities, preference?
 - a. Try to use the services that are already out in the field
3. What are the success factors in joint ventures with non-aboriginal companies
 - a. Helps to build trust, get to know partners
4. Foreign investments/opportunities
 - a. Need to take advantage of export markets, Asian markets, in particular, are pulling demand and it is worthwhile to explore these markets.

5. Presentation 3: Strong Governance and Management: Why is it Important?

– Matt Vickers, Vickers & Associates

Presentation Summary

- Many challenges facing First Nations
 - Governance systems must both be effective and have legitimacy
- What make s successful, sustainable, and self-determined aboriginal economies
- Standard or traditional approaches to reservation economic development do not work as they are short term, and view culture as an obstacle to development, and cyclical dependent

- Results in failed enterprises, politics of spoils, brain drain, continuing poverty
- Nation building model requires
 - Jurisdiction – puts development agenda in aboriginal hands, accountability, bottom line payoffs
 - Effective institutions for self governance – First Nations take over administration by other levels of government; self-rule - First Nations have constitutional authority
 - i. Are stable, fair, effective, and match indigenous notions of authority ought to be organized and exercised
 - Cultural match
 - i. Institutions must have legitimacy with people, align with contemporary cultures...
 - Strategic orientation
 - i. Look ahead seven generations for decisions made today
 - ii. Consider: what kind of society you want, what do you hope will be different, what are you willing to protect, what assets do you have, what makes sense to the community
 - Leadership
 - i. Are leaders willing to break with status quo practices
 - ii. Leaders: create a climate for development; have a vision; create institutions...

Questions and Answers

- No questions

6. Presentation 4: Strong Governance and Management: Why is it Important?

– Jack Woodward & Co.

Presentation Summary

- Setting up corporate structures, what form should they take
- First, consider the objectives of the business:
 - In establishing the business, how would you allocate risks, profits, accountability
 - For example: How do you want to match accountability to band leadership, but maintain independence to run the business?
 - It is problem that must be discussed, before moving forward with the business...not an easy problem to address
- Aggregate policy:
 - How will the First Nations work together to set up the business, yet retain transparency when multiple First Nations are involved in the founding of the business? How will information be shared with the First Nations?
 - Need work out how to provide for transparency and control between the different policy
- How to minimize taxation in order to minimize risk and maximize profits?
 - It's possible to use available tax exemptions provide to local government, provisions within the *Indian Act*, and for non-profits.
 - How do protect founding First Nations from liability?

- However, if you use a corporate model, you may lose tax exemptions.
 - Consider using limited partnership models, trust models in order to limit liability and maximize the ability to apply for tax exemptions.
 - However, decisions are not easy, because different First Nations will contribute different assets to the partnerships.
- **Corporate documents must reflect discussions and be simple for all partners to understand.**

Questions and answers

1. What is the difference between general partnerships and trusts?
 - a. Limited partners can't be involved in the business. Probably want the limited partner to receive the money, set up as a trust, in order to minimize taxes and maximize returns to the First Nations
 - b. Managing (or general) partners will pay costs, have the liability and the responsibility for the operations of the business.
2. Is there a way for the company to retain earnings?
3. Not in a trust, general partner would have to retain partners, or set up two partners, with the general partner retaining earnings. This would allow the profits to be reinvested in the business to expand the business for the long term
4. Can the partners be a charity?
5. Consider setting up as a non-profit, incorporated federally (which has greater flexibility) or provincially (restrictive management, but cheaper). It is difficult for a charity to carry out a business.
 - a. However, in a non-profit, accountability becomes more difficult, especially if all members become owners.

7. Presentation 5: Transport Canada Marine Safety National Outreach Campaign – Fishing Masters and Officers Certification and Training

- **Diane Coulture, Transport Canada**

Presentation Summary

- Fishing is one of the most dangerous jobs in the country
- The goals of the Fishing Masters and Officer Certificate Training are to ensure that all seafarers have the necessary training and skills to work safely at sea
- Leading causes of accidents: seafarers need to be aware of how changes to boats will affect loads and load shifts, and how to use safety equipment.
- MPR requires master and officers to hold a certificate, a small vessel operator proficiency training certificate, pleasure craft operators licence, or at least seven years of commercial experience at sea (certificate of competency)
- To reach fishermen, TCMS has set up a mobile center to inform fishers of training and licensing requirements.
- Pacific Region campaign is scheduled to for January/February 2012

Questions and Answers

1. Availability to go to remote communities
 - a. Yes, can access the remote communities, and have the tools available
2. When will this training be available in Prince Rupert?

- a. Should be in Prince Rupert in January or February
- 3. In areas are spread out can you get to different communities
 - a. We will go where the demand is... takes 3-4 hours in the communities
 - b. Usually two per day
- 4. In river fisheries – what are the Transport Canada requirements
 - a. Will transfer information to the proper department

8. Presentation 6: Worksafe BC and the Business of Safety

– Patrick Olsen, Worksafe BC

Presentation Summary

- How do you take ownership for health and safety of your employees?
- What does a safety culture mean?
 - Employees need to be empowered to take responsible for their safety
 - A safety driven workplace will lead to lower costs down the road.
 - There will be an upfront costs in developing safety plans, but this should lead to reduced costs down the road.
- History
 - “New” Fishing regulations came into force in 1995
- Mandate
 - Promote prevention of workplace injuries, rehabilitate injured, provide fair compensation, ensure sound fiscal management
- Responsibilities
 - Provide a safe workplace
 - Training system
 - Occupational Health and Safety Program
 - Identify/correct unsafe acts and conditions
 - Ensure all workers follow procedures and use personal protection equipment
- Fishing focus
- Marine strategy
- Officers inspect commercial fishing, aquaculture, sport fishing lodges, tug and barge, commercial harvesting and seafood harvesting by dive
- Focus areas of Worksafe BC: cold water emergence; PPE use; vessel characteristics – documentations and stability; emergency preparedness – Training and procedures, drills, and equipment
- What are the responsibilities owners? Ensure equipment on board is capable of safely performing; ensure major modifications do not affect stability; provide vessel operating instructions
- Fishing master responsibilities: instruct new crew engine room components and control; deck equipment and rigging; navigation equipment; fishing equipment and use; procedures for anchoring a vessel; the location and use of safety and emergency equipment.
- How to achieve compliance:
 - Initial inspection
 - Report issued
 - Deficiencies addressed through orders
 - Follow-up inspection

- Assessments
- Assessments are generally collected by the first purchaser of fish or the person which engaged the services of the master and crew

Questions and Answers

1. Does this apply to aboriginal fishing strategies?
 - a. No, as Worksafe does not have jurisdiction, over food, social, ceremonial fisheries
 - b. Board will become involved where there is a commercial operations
 - c. Worksafe realizes that there are complex jurisdictional issues at play.
2. What are some of the changes that affect stability?
 - a. Example, switching from a seine to another form, alters to cabin structure, boat lengthening
3. Who bears the costs of the assessments?
 - a. The processor should factor in the cost before providing a quote to the operator

9. Presentation 7: FishSAFE BC

– John Krgovich, FishSAFE BC

Presentation Summary

- Objective: review of the FishSAFE programs
 - Funded and run by the commercial fishing industry
 - *Stability education program*:
 - Developed to address a gap between certification and practical operations of boat
 - Have trained over 900 fishermen in 28 communities
 - *Safe on the Wheel*:
 - Five day course designed to provide basic education navigation and chart work; hands-on training exercises; leads to a certificate for the small vessel operating proficiency licences.
 - *Safest Catch Program*:
 - Safety workshops provided on individual boats; designed to open discussions on safety procedures
 - Ensure that safety procedures are written down, using a safety template. Leads to vessel-specific training book.
 - Also provides emergency training on equipment (what’s available, what do the boats need) review duties, create a muster list, evacuation planning and drill
 - *Drills Day*: go out to the fleet, practice abandon ship drills in a community
 - *Personal Floatation Device Day*: reward operators who were wearing pfds
 - *PICFI mentoring program*: providing communication skills training
 - *Regulatory Liaison*
 - *Claims and assessment Worksafe, Transportation Board, DFO, Transport Canada*

Questions and Answers

- No questions

10. Presentation 8: Training and Mentoring for Your Commercial Fishing Enterprise

– Allen Tobey, PICFI Technical Advisor - Training and Mentoring

Presentation Summary

- What is the purpose of a Training Plan
 - Where are we now document; a go forward document; a succession document; a personnel summary document – provides a summary of the competencies of various employees; a living document – is always in draft and subject to revisions; the property of the fishing enterprise – explains the values of your business and how you grow over time.
 - Should not be used as a PICFI document or a proposal to obtaining training funds.
 - To help build the capacity of the employees and the communities involved - all employees including fishers, truck staff board members office staff, everyone in the business
 - Help identify the overall training needs of the CFE and communities involved
 - To help identify the individuals with the abilities to lead and teach within the fishing operation
 - To justify and support and proposals or plans for training, and ensure compliance
- What is a Training Plan all about
 - The workers in the fishing industry; the size of the fishing operation; improving capacity; setting priorities; and supporting the CFE business plan
 - Training needs are a result of current federal or provincial workplace and marine safety requirements; current requirements for the training and certification of vessel operators; current requirements for training and the certification of Officers of the Watch; and identification of skills needs of the fish harvesters. Training needs can also be required by managers; on new fishing methods, or to introduce new generations to the industry
- Types of training
 - *In-class training*: coordinated training programs, approved by a regulatory authority and is conducted by a certified training provider. Taking the course will lead to an industry recognized certificate.
 - *Mentoring*: a CFE customized training program, which provides an opportunity for the transfer of knowledge from experience harvesters, delivered by individuals deemed qualified and able to fulfill the role.
- Who is responsible for the Training Plan
 - Management Board of the Fishing Enterprise; an individual assigned to the task (training coordinator) and/or any other staff member designated by the CFE
 - Training coordinators are responsible for (possible job description):
 - ensuring that the training needs are meeting the needs of the business plan; ensuring that the records are kept up to date; prepares proposals for funding of training; determines and manages the logistics; determining in

- class training services; negotiating contracts and contract fulfillment; determining mentoring plans and developing qualified mentors; determining and contacting course participants; coordinating participant attendance to scheduled training; managing costs and stipends of participants; assist trainees with pre-requisite documentation; providing reports to CFE Management Board and/or funding agencies/sources
 - The training coordinator is at least a 50% FTE, with 100% concentration during training activities in order to respond to inquiries from funding sources and training providers.
- Longer terms plans for training
 - Consider the availability of workers to keep the enterprise operation viable
 - Provide opportunities for workers to diversify their skills and provide training for younger workers

Questions and Answers

- No questions

Day 3 (November 30, 2011)

1. Presentation 9: Programs, Services and Financing

Aboriginal Capital Corporations (ACCs): Your Partners in Business

- **Paul Donald, All Nations Trust Company (ANTCO)**

Presentation Summary

- ACCs were established in the late 1980s as Canadian Aboriginal Economic Development Strategy Initiatives, with the initial focus to provide Aboriginal business loans
 - Other services include: business advisory services, commercial mortgages and the delivery of programs to other programs.
- CHMC, New Relationship Trust Equity Match (British Columbia) and First Citizens' Find Business Loans
- Not all ACCs operate the same - differs in corporate structure, may affiliate with specific affiliations; but all share the need to have loans repaid.
- Background on ANTC: 200 shareholders, made up of bands, tribal councils, aboriginal individuals and corporations.
- ACC impacts: in B.C. alone, have approved more than \$85 million in loans. In Canada, 35,000 loans worth \$1.49 billion
- **Purpose of ACCs:** Provide access to capital and to overcome legislative and regulatory barriers. Provide a one-stop shop for access to various funding programs in offered by the Governments of Canada and British Columbia
- **What ACCs can do:**
 - provide assistance in developing business plans;
 - provide pre/post loan care;
 - provide access to loan capital;
 - provide access to Aboriginal Business Development Program (ABDP) funds.
- **ABDP can assist with funds for the following:**

- Planning costs: up to 75% of costs for starting a business, up to \$250,000 (such as marketing costs, environmental assessments, feasibility studies, Incorporation costs, partnership costs, etc)
- Start-up costs: equipment purchases, supplies, initial operating expenses: ABDP maximum is \$1 million (but most loans are for \$250,000 or less)
- Business support: assistance with consulting costs to establish business processes and procedures

Questions and Answers

1. Are loans for equipment for individual fishing operators available?
 - a. Yes, but the ABDP the funding for individuals is capped below \$100,000. There is also equity matching funds from the New Relationship fund for individuals yes
 2. Are equipment loans of interest to the ACCS?
 - a. Yes, the bulk of loans are to individual entrepreneurs.
 3. Does the New Relationship provide funding apply to individuals?
 - a. Yes up to \$5,000... and you can combine various funding process to provide access to capital.
 4. ABDP: are there still priorities for loans?
 - a. No, as long as business plan makes sense, and you have the capacity to repay loan, the ACC will examine the feasibility of the loan application.
 - b.
- Other consideration: Lead time: this is not overnight funding, which is best served through a commercial loan.
 - Need to provide lead time to access funding for federal (ABDP) funds of between three to six months.
 - Are interest rates comparable to banks: for commercial loans?
 - 10-12 percent, but you will have access to grants, which will reduce the amount of principle owed on the loan.
 - Compare to Community Futures BC: provide similar services, funds, training etc.
 - If I am an individual fisher, can you provide a traditional loan?
 - No: ACCs still need a business plan, generally do not provide asset-based loans like banks
 - Default rates and how do you recover default loans
 - Default rates tend to be between 1-4 percent.
 - Assets are likely off reserve and can be accessed.

2. Presentation 10: Business Development Groups **AICFI, PICFI & National Aboriginal Fishery Forum 2**

– Mark Duiven, Ulnooweg Development Group

Presentation Summary

- AICFI & PICFI: meant to create opportunities to create opportunities to bring First Nations into the commercial fisheries. However, approaches and funding levels varied by region.
- AICFI
 - *Was developed as response to the Marshall decision,*

- *Designed from the community upward, with people becoming involved at the grassroots level*
- *Business plans were developed by a combination of community working groups and external consultants in collaboration, hence the evaluation of the business plans were transparent*
- PICFI
 - *Was developed in response to a critical and acute loss of access by coastal aboriginal communities resulting from fleet reductions – there was an expectation that treaties would provide access.*
 - *In B.C. prior to fleet reduction and downsizing, coastal aboriginal groups were dominant in the commercial industry.*
 - *PICFI was based on the assumption that coastal aboriginal communities knew the industry and what they wanted to achieve.*
 - *Business plans under PICFI have been often developed by external consultants and evaluated by a board that the proponents and communities have not had contact.*
- As a result, there were **differences within between AICFI and PICFI with respect to community engagement and business planning.**
- NAFF2: Brings together regional and national issues on markets and products, access to capital, management and capacity retention. In addition, aquaculture will be added to the table.
- NAFF 2 will develop a series of framework documents to feed into the federal system to make the different programs more rational, with goal to house a “one-stop shop.”
- Program renewal: AICFI and PICFI are up for review and renewal
 - **It was suggested that each CFE put together a brief summary document of program successes in support of the program renewals.**
 - Need to illustrate project diversity from across Canada in one portfolio.

Questions and Answers

1. When is NAFF2 forum taking place
 - a. September 2012 in Campbell River
 2. Please elaborate on the Calgary event and how it relates to this meeting
 - b. Under the AFN, try to develop a national level of networking. The Conference focused on Freshwater Marketing Institute, Eco-certification, and responsible trade
- 3. Presentation 11: Federal Framework for Aboriginal Economic Development: Aboriginal Economic Development and the Business of Fisheries**
- **Steven Purvis, Aboriginal and Northern Development Canada**

Presentation Summary

- Changing economic environment:

- population, proximately to resource development, growing land base, increased demand for labour, growing interest from non-aboriginals and new entrepreneurial leadership within the next generations of Aboriginal leaders.
- Challenges to economic development:
 - legal and regulatory environment; lack of skilled labour; infrastructure deficits; limited financing options, access to lands and resources; and deficits in capacity; increasing complexity of economic development
- Goals for the framework for Aboriginal Economic Development:
 - Strengthening Aboriginal entrepreneurship
 - Developing Aboriginal human capital
 - Enhancing the value of Aboriginal assets
 - Forging new and effective partnerships
 - Focusing the role of the federal government.
- New opportunities in Aboriginal Fisheries
 - Initial emphasis was placed in Atlantic Canada and reviewed
 - The approach adopted by the Government of Canada to promote an opportunity-driven, business-minded, proponent-led, and partnership-based strategic partnerships

Questions and Answers

1. When will the same sort of programs be developed in the Pacific Region?
 - a. No firm date provide. AICFI and PICFI will be wrapping up next year. A review of the program and a national strategy may be developed following the NAFF2 event.
2. How does the Strategic Partnership Initiative (SPI) works?
 - b. Provides money to kick-start broader sector strategies and see what programs may also exist.

4. *Presentation 12: Native Fishing Association Products and Services*

– Vi Hall, Native Fishing Association

Presentation Summary

- The NFA is a non-profit lending institution formed to secure positions for native fishermen in the commercial fishing industry.
- What the NFA does:
 - Administers a revolving loan fund
 - Providing loans to acquire licences and vessels
 - Leases licences out fishermen, including 29 salmon gillnet; 26 herring gillnet, halibut quota tabs, 2 shrimp licences and 1 rockfish licence.
 - Licences for salmon and halibut quota are tied to specific boats.
- What services can the NFA provide to new CFEs?
 - Can provide financing the enterprise, or help individual fishermen buy gear, vessels boats and licences.
- Encouraged new CFEs to consider joining the Native Brotherhood and the Native Fishing Association.

Questions and Answers

1. How can the Native Fishing Association become more valuable to the CFEs?
 - a. The NFA has a great deal of experience in licensing and the business of fishing. Have the connections within the industry. The NFA's goal is to become a native fishing licence bank to support the aboriginal fishing industry.
 - Comment: existing, successful aboriginal fishermen need to become more involved in promoting their experience with younger generations.
2. Do you need to be a member of the Native Brotherhood to speak to the NFA?
 - a. No, can support a broad range of CFEs

5. Presentation 13: Marketing and Branding

– Daniel Kimoto, E & E Trading

Presentation Summary

- Video presentation: E&E Foods - Your Source for Wholesale Alaska Seafoods
 - Distributes: cod, halibut, crab, salmon roe, black cod, salmon (sockeye, chum, king, coho, pink)
 - Delivered under nine different brand names with reach throughout North America, Europe and Asia, South Africa
-
- Also acts as a wholesaler of B.C. sockeye salmon
 - E&E trading is looking for new suppliers to compliment existing businesses
 - What should CFEs do with this new capacity offered through the new leases?
 - Options include: leasing, fishing the licence, or building new capacity
 - It is important to factor in what the market wants, and to fish to the market
 - Emphasize and ensure quality control: and use this as a marketing strength.
 - Experience working with First Nations, particularly in Washington State and Oregon.
 - In Canada, had a relationship with Bella Bella Fisheries
 - Key is to identify and develop strong relationships with the end user.

Questions and Answers

1. How did you get started?
 - a. Rapid growth particularly in the last 10 years. Revenues are around \$55 million.
 - b. Four fish plants two factory processors, and looking to add new ventures
2. Ethnic marketing: how do you go after markets in China, and emerging markets?
 - a. For China, the key is volume, but with the fish being processed in the local markets
 - b. E&E Foods also sell wholesale to value added processors (smokers, etc)
3. Most of the groups are relatively small: how would small producers use marketing to get a better price for the product?
 - a. Options are to try to form partnerships with similar licence holders, aggregate catches in order to build consistent production levels
 - b. Once you have an economy of scale, it will become easier to develop value-added infrastructure that can support larger operations

- c. Try to develop early, and continue to work those contacts over time in order to build and maintain the relationship.
4. What advice do have regarding branding? How do you break into the market with a really good brand?
- a. Ensure that you fish to preserve the best quality product.
 - b. You need to find the right customer who is willing to work with you to develop and promote the brand. You may incur higher up front costs in order to build these relationships.

6. Presentation 14: Kitasoo Community Best Practice – Processing Kitasoo Community Vision

– Larry Greba, Kitasoo Fish Processing Plant

Presentation Summary

- Kitasoo location (Klemtu) poses a significant challenge, as it is one of the most remote locations in British Columbia
- Kitasoo Economic Development Model
 - A great deal of community support, but led by strong elders and leaders who provide governance
 - Available assets: aquaculture (significant growth and accounts for half of the Klemtu’s local economy), wild fisheries (in decline), forestry, public service, tourism. Goal is to move to a more diverse economy, where no one sector dominates the workforce.
 - Has developed two economies: Kitasoo Seafoods and Kitasoo harvesters
- Kitasoo Seafoods
 - 100 percent community owned since 1986, with a new processing plant
 - Includes 16,000 sq ft processing space, blast and holding freezers, ice capacity
 - Since its opening, has diversified in to species processed, from spawn on kelp. Have experimented with products like red urchin and wild salmon, but now focuses on herring, urchin, spawn on kelp, halibut, salmon, and prawn.
 - During this time, sought to build partnerships in order to expand and diversify markets.
 - Has developed into a processor of other peoples’ fisheries.
 - For the future: expand freezer storage, develop a freight company, halibut quota, look to process wild salmon and sardines.
 - Goal is to get to 70 FTEs by 2020.
 - Building partnerships on the North and Central Coast: collaboration on training, and harmonizing on marine planning and economic and conservation work.
- Aquaculture: holds six tenures with the Kitasoo having all harvest processing rights; subject to Kitasoo Environmental monitoring. Beginning to explore shellfish aquaculture.
- Challenges and needs for success:
- Diversified access (variety of licences)
- Proper infrastructure (vessels and plants)
- Need good cash flow product

- Strong and stable management
- Strong cash flow
- Partnerships (in order to build capacity and reduce risk)
- Well developed human resources
- Become risk adverse
- Seek out premium opportunities.

- CFE Needs in order for PICFI II to succeed
- Need more money for PICFI II (target 33% of licences around \$400 million)
- Access to high valued species
- Fair regional distributions
- Co-management of program
- Flexibility in acquisition
- Permanent licence transfers, which are not tied to agreements
- First Nations Licence Bank
- Flexible fishing opportunities, with opportunities to fish locally.

Questions and Answers

- Comments:
 - The Kitasoo is a model, other First Nations need to be provided similar opportunities to succeed.
 - 1. Why camera and monitoring
 - a. DFO requires fish monitoring to see what to monitor by-catch and quota allotments. However, it is expensive. It is a tradeoff to ensure sustainable fishing practices.

7. Presentation 15: Fisheries Management System for Reporting and Asset Management

– Michael Grant, Atlantic Policy Conference

Presentation Summary

- What is the Fisheries Management System (FMS)
 - FMS is a software solution design to meet the requirements of First Nations commercial fishing enterprises. It is a web-based, database application that serves the following purposes:
- As a human resources tool: tracks contact information, completed and required training, document (training) retention tool.
- Tracks information related to vessels such as maintenance records, size, and equipment
- Tracks, fishing costs and profitability, and provides improved reporting to Chief and Council
- Data is stored centrally, in order to prevent loss of data, harmonize data, and to allow multiple users from the same communities.
- Currently deployed to 28 communities, with a French language version in development. System is still in development, as requests for new reports are still emerging

- Benefits: provides greater reporting accuracy; maximize the use of fishing access; monitor costs; provide comparative historical data; and monitor quotas in near real time.
- The FMS system is supported by the Atlantic Policy Conference to provide daily support, training courses, and general assistance to communities with the implementation of the FMS
- New reporting features will continue to come on-line, which will be community driven.
- Data captures: fishing costs, catch history, catch against the allotted quota, vessel equipment and maintenance costs, default crews and any other important documents
- Reminders will be available to notify managers of required crew training
- Reports can be generated for different time frames, and include cost/catch comparisons and graphic displays.

Questions and Answers

1. Costs and how can it be obtained?
 - a. PICFI has been in discussions about this program. If there is an interest, we will negotiate a price with the ATC. Another issue is support, as there is a four hour time frame, and training sessions. Goal is to get this in place prior to the end of March 2012, when PICFI is sun-setted. Goal of the program was to be “free “ for First Nations
2. How much customization is required, and how much data entry is required?
 - a. There are still issues regarding information inputs, but there may be some problems with smaller communities providing timely and accurate information
 - b. Still not sure what is required regarding what exactly is needed in order to adapt the program to the west coast fishery.

8. Presentation 16: Financial Project Management **Getting it together: Project and Implementation Management**

- **Ken Fraser; Meyers Norris Penny**

Presentation Summary

- How do you put together an effective company in terms of governance and structure
- CFEs need to ensure that the various pieces in the business are aligned in order to ensure success
- Understand the needs of the community: history, tradition, and capacity to implement decisions
- Review legal and tax options to minimize liability and taxes
- Assess the management structure, and what are the process that will knit the organization together
- Once the processes are defined, then you can define roles and responsibilities
- Select people
- Provide ongoing mentoring and training opportunities
- Review of different options for management structures (see presentation for graphical overview)

MNP resource: *First Nation Governance Guidebook*

Summary:

- 1) Need an agreed upon purpose – to make money, to create jobs, or to assert inherent rights, or another reason.
- 2) Develop a real business plan, which includes products, markets, operations, assets, people and financial resources (including a good financial model and forecast to assess future revenues, costs and cash flow)
- 3) Leadership: need someone to coordinate the action plan, institute fiscal discipline, and ensure that processes and procedures are developed and followed.

Questions and Answers

1. Is the guidebook or other resources available?
 - a. There's a workshop that supports the Governance Guideback

Day 4 (December 1, 2011)

Presentation 17: AICFI – Abegweit First Nation Commercial Fishery

– **Roger Sark, Natural Resource Director**

Presentation Summary

- Abegweit is comprised of three reserves on Prince Edward Island
- Since the Marshall decision, which granted the First Nations the ability to fish for a moderate living, the number licences has greatly expanded
- However, required mentoring in order to train the fishers
- Post Marshall, lessons learned include:
 - Needed additional training, particularly in the business aspects
 - Developing an economy of scale, in order to aggregate resources to get better prices
 - AAROM program – provides expertise in the management of natural resources
- AICFI:
 - Abegweit was able to access consulting services for business development, as well as develop an enterprise governance structure
 - Business Plan Development: developed a community fishery advisory committee to guide the direction of the CFE. The goal of the committee is to set yearly fishing objectives, establish human resources, and to inform the community of decisions.
 - The Business Plan includes: history, fishing industry analysis, SWOT analysis, Governance structure, and operational plan, data collection, harvest and marketing plans, human resources plan, training plans for staff, management, and fishing crews
 - Co-management capacity building
 - Limited funds to provide improvements to vessels and other development costs
 - AICFI funding could be used as leverage, with lending groups competing for commercial loans
 - ACFDI allowed the business to diversify in transportation, act as a commercial vessel and vehicle and vessel repairs to create new jobs and to become a one-stop shop for commercial fishers.

- Have developed partnerships with other First Nations
- Future goals, access new markets and develop new products

Questions and Answers

- No questions

Presentation 18: Existing and Emerging Markets for the Okanagan Nation Alliance

– Richard Bussanich, Okanagan Nation Alliance

Presentation Summary

- Presentation focused on how to build domestic market in the Okanagan
- Environment scan: globalization, hyper-competitive, internet sales, biotechnology, fishing industry defragmentation
 - In response: need to be selective with customer, building a strong brand, developing strategic alliances, and ensuring quality products
- Relationship building: build the story of salmon conservation and salmon stock rebuilding, build the idea of limited exclusivity.
 - To learn this information: ONA has conducted surveys, taste panels, observational studies, client relationship management, customer audits and cross merchandising/co-branding
- Developed rack card to develop and promote a good news story and promoted responsible and local trade
- Key market process: identify the opportunity, develop new products, client attraction, client retention, value fulfillment = \$100 multiple per fish.
- Need to protect intellectual property with food development concepts
- Lessons learned for sustainability: 1/3 of customers are willing to pay a premium for an eco-level.
- Pricing strategies: consider revising discount structure, charge for special services such as rush orders, write penalties into contracts.
- Food service industries will pay premium prices if you can develop personal relationships.

Questions and Answers

- No questions