



Helping

THE ENTREPRENEURIAL SPIRIT TO

flourish

and aboriginal business to grow

BY OIL SANDS
COMMUNITY
ALLIANCE

It's often said that the oil sands industry offers plenty of opportunity for those willing to tap into their entrepreneurial spirit and grab it.

That entrepreneurial spirit can be seen at work within several of the aboriginal communities within Alberta's oil sands. Solid relationships between the oil sands industry and aboriginal communities have created mutually beneficial employment and business opportunities.

For example, over the past 14 years, aboriginal companies have earned over \$8 billion in revenue through working relationships with the oil sands industry. In 2012, Wood Buffalo and Lac La Biche aboriginal companies performed over \$1.8 billion in contract work with Oil Sands Community Alliance (OSCA) member companies in those regions. There are more than 1,700 aboriginal employees in permanent operations jobs in the oil sands industry.

"Experience tells us that successful business depends on sincere attention to building relationships with our communities, partners and neighbours. Our relationship with local aboriginal communities continues to evolve as we work to maximize opportunity for aboriginal participation in the economic development of Alberta's oil sands," says Brandi Gartner, OSCA's aboriginal relations director.

She added that OSCA actively continues to aid in the development of economically sustainable and vibrant aboriginal communities. With strong business and community relationships, industry is able to hire local contractors and employees which, in turn, helps build stronger and more resilient communities.

Investments go beyond the work sites and into our communities. In 2011 and 2012, oil sands companies contributed more than \$20 million to aboriginal communities in the Wood Buffalo and Lac La Biche regions for school and youth programs, celebrations, cultural events, literacy projects and other community programs.

"Ultimately, we understand that our future success as an industry and a region is increasingly influenced on the full participation of aboriginal communities in Canada's energy dialogue," said Gartner.

Several OSCA members have earned placement on the Progressive Aboriginal Relations (PAR) Program of the Canadian Council for Aboriginal Business (CCAB). PAR measures corporate performance in aboriginal employment, business development, capacity development and community relations.

Syncrude Canada Ltd. is one of only 10 Canadian companies – and the only oil sands operator – currently listed at PAR's Gold Level.

Of Syncrude's total permanent workforce, approximately 9% of employees are of self-declared First Nations, Métis or Inuit descent. That's higher than the percentage of aboriginal people living in the Regional Municipality of Wood Buffalo, which is 6.8% (source: 2012 RMWB census). Syncrude also does business

with more than 25 aboriginal-owned businesses from the local region and chooses vendors based on high quality service with competitive prices. Since 1992, when Syncrude began tracking, its cumulative spending with local aboriginal businesses is more than \$2 billion.

"As one of the largest industrial employers of aboriginal people in Canada, Syncrude's goal is to create opportunities that enable aboriginal people to fully participate in all aspects of our operations," says Leithan Slade, public affairs, Syncrude.

Syncrude also supports the Aboriginal Human Resource Council, Indspire, NAABA and the annual Esquao Awards. "Attracting and retaining qualified employees from local aboriginal communities assists us in meeting our workforce needs, while ensuring local aboriginal people share in the benefits of oil sands development."

Developing a thriving industry that contributes to the vibrancy and sustainability of aboriginal communities is also very important to Suncor. In developing and scoping business opportunities, Suncor is currently working with First Nations retailers across Canada to operate 20 Petro-Canada retail sites.

"Collaboration and partnership with aboriginal communities in the areas where we operate is essential to our success. Aboriginal economic development is just smart business," says Shannan Schimmelmann, manager supply chain management, regional business development.

In 2013, Suncor spent more than \$425 million with aboriginal businesses in Wood Buffalo, bringing the total since 1999 to almost \$2.5 billion.



But it's more than contract opportunities. Suncor wants to see the industry move even further beyond simple business transactions to a more balanced approach that focuses on healthy, prosperous communities and strong, long-term relationships.

For instance, Suncor is a patron member of the CCAB and a lead sponsor of its Certified Aboriginal Business (CAB) program launched in September 2013. CAB is a Canada-wide directory of pre-qualified aboriginal businesses in a variety of service areas, where companies like Suncor can post work opportunities for the aboriginal business community.

"Not only does CAB give us a place to post opportunities for aboriginal business," explains Schimmelman, "it can also help us encourage our large contractors to increase the opportunities they provide (i.e. through subcontracting) to aboriginal businesses in various regions of Canada."

A strong relationship with industry is a critical contributor to aboriginal economic development, states Peter Mahowich, owner of Crude Energy Services and president of the Region One Aboriginal Business Association (ROABA).

"The industry has and continues to create jobs and business opportunities for aboriginal people in the region. ROABA has a number of industry partners as members or our business association," he said, adding collaboration with those industry partners is integral to ROABA's growth and success.

Incorporated in 2009, ROABA currently has 24 members which include, full members (aboriginal ownership being greater than 51%), associate members (businesses with 0 to 51% aboriginal ownership) and industry partners under the associate member designation. Mahowich notes the goals of the organization have not changed since its inception: networking, marketing and industry communication. ROABA opened an office in Lac La Biche in January 2014 which has increased the business association's visibility, allowing it to promote and increase representation of members.

While economic development for aboriginal business is improving with certain industry developers that are committed to providing credible opportunities to the region's aboriginal business residents, Mahowich adds "We would like to see consistent economic development progress through continued organization and growth of aboriginal business."

Developing organizations like ROABA assist in promoting business opportunities for aboriginal business through, industry communication, networking and promotion.

"ROABA and its existing membership is our success story. Each time one of our members experiences profitable growth our entire region becomes a benefactor," says Mahowich. "As we move forward, ROABA's priority will be to cultivate strong industry partnerships which result in consistent opportunities for our membership."

Realizing early on that there is strength in numbers, a few aboriginal entrepreneurs came together in 1993 to form the non-profit Northeastern Alberta Aboriginal Business Association (NAABA).

In those early days, recalls Debbie Hahn, general manager, emphasis was on building its membership - both full and associate - creating awareness of the newly formed organization and promoting business, jobs and training for aboriginal people. Full members are 51 per cent aboriginally owned and majority controlled businesses in the Wood Buffalo region. Associate members are non-aboriginal businesses or businesses outside of the Wood Buffalo region that have made a commitment to support aboriginal business growth.

NAABA encourages its full members to take advantage of the many opportunities presented for entrepreneurs to grow and prosper in the globally competitive environment of the oil sands. NAABA also provides support and training opportunities to its members when necessary to ensure that the aboriginal entrepreneurs have the tools needed for success.

Benefits for full members include opportunity to do business with Industry, greater visibility,

access to industry representatives, assistance in building their business with mentorship from experienced business owners and utilizing NAABA Net, NAABA's on-line tool for work opportunities, outlines Hahn.

Associate member have similar benefits including NAABA Net, making it easier to provide work opportunities to aboriginal businesses.

NAABA hosts four large events per year to give all its members the opportunity to network, meet industry players and to learn what oil sands projects are planned and the workforce required.

"This ensures that the aboriginal entrepreneurs are always informed about upcoming opportunities to grow their businesses, while our associate members have a direct source of local businesses to help them with their contracts," said Hahn.

NAABA will also lobby Industry players to ensure that business opportunities created in the resource sector be provided to the local indigenous business community before being tendered out.

"It is NAABA's belief that using local resources benefits all the parties involved," she explains.

Municipalities and oil industries have made strides to form collaborative relationships with First Nations and Métis people that support a community-based vision of social prosperity so that these changes aren't made without aboriginal input. Industry companies have also implemented strategies for hiring aboriginal businesses as part of their partnership with NAABA.

"Thanks to these collaborative initiatives, aboriginal businesses have benefited economically from work flowing through the oil sands pipeline. NAABA continues to work with industry and its other members to ensure that local aboriginal businesses have the opportunity to get work in the oil sands. Because of this, aboriginal people have been taking a larger leadership role by setting up businesses and as a result, becoming strong economic players in the Wood Buffalo region."

