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THE GLOBE AND MAIL 



Sean McCormick, president of Manitobah Mukluks, checks out some of the staff's handiwork at the firm's Winnipeg plant. (JOHN WOODS For The Globe and Mail)

ENTREPRENEURS

From wineries to mukluks, native entrepreneurs see 'exponential' growth

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Entrepreneurship was not an obvious career choice for Sean McCormick as a Métis kid growing up in Winnipeg. No one in his crowd had much exposure to it.

“I had no comprehension of what the opportunities were in business ... it wasn't part of my reality,” he said. “It wasn't for a lot of the kids in my community.”



Sean McCormick, president of Manitobah Mukluks, in his plant in Winnipeg. for The Globe and Mail

He stumbled into business almost by accident, after a trading post he ran couldn't keep up with demand.

In 1997, he started a production facility for leather moccasins, mukluks and fringed bags. Sales grew as Manitobah Mukluks started distributing to retailers such as Town Shoes. Kate Moss, Megan Fox and Jessica Biel became customers, which, along with global marketing and a growing social media presence, sparked overseas interest. Today, the company sells its goods in 21 countries, from Russia to Japan, and sales are five times what they were three years ago.

Mr. McCormick is emblematic of a shift that has seen the number of aboriginal entrepreneurs surge by 85 per cent between 1996 and 2006, according to the census, to more than 37,000 business owners. Growth in the 2001 to 2006 period was five times the pace of total self-employed Canadians.

Businesses span the spectrum, from Okanagan wineries to high-end restaurants in Toronto to a catering company that serves miners in Northern Ontario. The largest airline in the Arctic is Inuit-owned, while one of the world's largest curling supplies firms is Métis-run. The value of aboriginal business in the Fort McMurray, Alta., area alone has soared past the \$1-billion mark, according to Insightwest Research.

Many measures will be needed to tackle long-standing problems of poverty, archaic laws and terrible living conditions, as highlighted by the Idle No More protest movement. Often overlooked, though, is the growth in aboriginal entrepreneurship and its potential to spur economic activity, employment – and optimism.

It's crucial for many communities that have long lagged in economic development. The jobless rate among adult aboriginal people is nearly three times the rate of non-aboriginals, the last census figures show. The median income is about 30-per-cent less than that of the non-native population, and life expectancy is shorter.

It's not a uniform picture, and many start-ups are still in their infancy. But change is afoot: Growth has been "exponential," particularly in the past half-decade, said J.P. Gladu, president of the Canadian Council for Aboriginal Business.

Several factors are driving growth. One is resource development across the country – and the need to negotiate with many first nations communities over access to their territories. Technology is now connecting remote communities to commercial opportunities, while a growing number of aboriginal people have university degrees.

Better access to education and skills training is essential, and not just for the aboriginal population which is the youngest and fastest-growing segment in Canada. Many companies are reporting shortages of skilled workers, and will need to boost efforts to hire native people to help fill the gaps.

New capital is also starting to flow. The Cape Fund, a \$50-million private-sector investment fund started by former prime minister Paul Martin, has invested in five businesses, including a Vancouver technology company and a Manitoba purée food firm, and will add three more by the end of the year.

It has not been easy building awareness and working around restrictions placed by the federal Indian Act, said Peter Fortin, the fund's managing director (the fund's name is an acronym for "Capital for aboriginal prosperity and entrepreneurship). It will take broad efforts to overcome hundreds of years of "crazy laws and their application by successive governments," he said.

Still, "there is a revolutionary opportunity for aboriginal groups in this country to get involved in the economy and in business. There has never been a better time," said Mr. Fortin, who hopes the fund will provide managers with skills to build businesses.

Economic development at the Whitecap Dakota First Nation, near Saskatoon, has driven the jobless rate to 4.1 per cent, a far cry from 70 per cent in the 1990s. It runs a casino, golf course (named the best new Canadian course in 2005) and is now building a hotel and spa – activities which have generated 830 jobs, said Chief Darcy Bear, who has led the community since 1994.

When he took over, the community was out of money. So he tackled one problem after another – hiring a professional accountant, getting aspects of the Indian Act changed to allow for a land-tenure structure, levying taxes.

Money raised is now reinvested back into educational programs along with new housing. Throughout history, "we were always a hard-working people, and now our goal is to break the cycle of dependency," he said.

In Winnipeg, Sean McCormick, who now employs 52 people, has set his sights firmly beyond Canada's borders. Like any businessman, he wants to see his firm thrive. But he also hopes his success will open doors for others.

"A lot of our kids don't see that as a possibility – that's what has to change. If we can turn Manitobah Mukluks into big iconic global brand, that would resonate with every aboriginal kid in Canada."

<http://www.theglobeandmail.com/report-on-business/in-pictures-a-look-at-6-aboriginal-run-businesses-in-canada/article8064664/?from=8793765> Accessed 19-02-13

GALLERY

In pictures: A look at 6 aboriginal-run businesses in Canada

TAVIA GRANT

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First Air: Makivik Corp., the organization representing the Inuit of Northern Quebec, bought First Air in 1990. It is now the largest airline in Canada's Arctic, with service between 30 northern communities and connections to Ottawa, Montreal, Winnipeg and Edmonton. It employs more than 1000 employees, almost half of whom live in the Arctic.



De' on Cho Corp.: Established in 1988 with a \$15,000 grant, the De' on Cho group in the Northwest Territories now includes more than 15 companies from logistics to real estate. Together the group generated \$83-million in revenue last year. Pictured: A De' on Cho Construction worker floods a winter ice road.



First Nations Bank: Founded in 1996, First Nations Bank of Canada is a bank focused on financial services for the country's aboriginal market. As of 2009, the bank became more than 80 per cent aboriginal-owned and controlled. Its assets have grown every year for 14 years.



Windigo Catering Ltd.: This catering company is owned by five First Nation communities in northwestern Ontario. It offers camp management, catering, housekeeping and laundry services to Goldcorp's Musselwhite mine at their fly-in camp on Opapimiskan Lake, and has since expanded services to Thunder Bay.



Manitobah Mukluks: In 1997, Sean McCormick started a production facility for leather moccasins, mukluks and fringed bags. Sales grew as Manitobah Mukluks started distributing to retailers such as Town Shoes. Kate Moss, Megan Fox and Jessica Biel became customers, which, along with global marketing and a growing social media presence, sparked overseas interest. Today, the company sells its goods in 21 countries, from Russia to Japan, and sales are five times what they were three years ago.
(John Woods for The Globe and Mail)