KITSAKI MANAGEMENT LIMITED PARTNERSHIP
An Aboriginal Economic Development Model

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I. INTRODUCTION
Kitsaki Management Limited Partnership is the business arm of the 7,000 plus member Lac La Ronge Indian Band. In addition to employing in excess of 500 people, many of them Band members, enterprises of Kitsaki Management Limited Partnership Joint Ventures employ from 500 to 1,000 First Nation members in seasonal work.

Kitsaki's gross revenue for the year ended March 31, 2001, exceeded $67 million from diverse enterprises including: Northern Resource Trucking, Athabasca Catering, La Ronge Wild Rice Corporation, La Ronge Motor Hotel, Prince Albert Inn, Dakota Winds Kitsaki Mechanical Services Ltd., Wapawekka Lumber, Kitsaki Meats, Keewatin-Procon Joint Venture for contract mining services, Pihkan Askiy/Nih-Soreldhen Joint Venture environmental cleanup services, and CanNorth Environmental Services. Of the gross income, Kitsaki retains $23.4 million. As a result, Kitsaki is 82nd of the top 100 Saskatchewan companies.

Over the last 20 years, Kitsaki Management Limited Partnership has grown to play a key role in the economic life of northern Saskatchewan. Kitsaki's successful business development strategy is one of the premier models of community-based economic development in the province. The strength of the Kitsaki model is its underlying philosophy with regard to use of resources. The Lac La Ronge Indian Band views the Land as a heritage resource for future generations of its people. Natural resources must be treasured for their intrinsic value. But they are also viewed as a renewable resource for sustainable, long-term economic growth and for employment.

It is with this philosophy that the Band and Kitsaki Management Limited Partnership plan to develop the timber resources on their Traditional Lands. Chief Harry Cook of the Lac La Ronge Indian Band has stated, "We shall ensure that our people are fully educated, trained, and counseled to participate in the development of our natural resources. We have made a commitment to develop the timber resources of our Traditional Lands according to the principles of sustainability, environmental protection, multiple use of resources, preservation of traditional activities, and public participation and consultation."

II. BACKGROUND AND CONTEXT
Aboriginal-owned or managed business enterprises have historically faced many more challenging issues than do non-Aboriginal businesses. In general, these issues include:

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• The Aboriginal workforce has less education, training, and job experience than the workforce of non-Aboriginal communities.
• There are limited "business-knowledgeable" Aboriginal support networks. Few Aboriginal entrepreneurs have ready access to sources of business knowledge and guidance. Multi-generational or extended family-based enterprises are not prevalent in Aboriginal communities.
• Education is the key to fostering increased motivation for Aboriginal participation in the workforce. Business achievement and entrepreneurship must be stressed for Aboriginal communities.
• Access to sources of capital for investment and development is limited for Aboriginal entrepreneurs. In contrast to members of long-existing business communities, Aboriginal businesses are not as well accepted by financial institutions for loans, and connectivity to related businesses as a source for capital is poorly developed.
• Many Bands do not have access to experienced business management personnel to develop a sound, long-term business strategy.

The above factors have contributed to the low success rate of Aboriginal enterprises. Aboriginal authorities who enter into ventures without strong, experienced partners with adequate financial resources are often not competitive in the marketplace.

As well, the premature placement of Aboriginal personnel, who may be inadequately trained and inexperienced, into management positions often results in businesses that cannot maintain operational viability. As a consequence, the ultimate goal of attaining full Aboriginal control and high Aboriginal participation is defeated.

Kitsaki Management Limited Partnership has learned these lessons. Kitsaki sought the guidance of Senator Myles Venn, whose vision, "Aboriginal ownership will enable us to possess the control we need to secure jobs for our people", has become a fundamental principle for its business strategy.

With this vision in mind, Kitsaki has implemented an economic development model based upon the formation of sound, secure partnerships with other Aboriginal groups and successful world-class businesses in order to generate revenue for Kitsaki and employment for Band members.

III. THE KITSAKI MODEL

The central components of the Kitsaki Model are:

• Development of a diverse network of profitable enterprises with proven partners. Maintaining a multi-sectoral family of enterprises allows Kitsaki the flexibility to adapt to evolving markets.
• Maximizing the Aboriginal employment in Kitsaki and Band enterprises.
• Maintaining and supporting traditional Aboriginal knowledge that provides value-added advantages to the Kitsaki family of businesses.

These components are put into practice as follows:

1. Development of a diverse network of profitable enterprises with proven partners
   ○ Kitsaki has built upon the strengths of northern Saskatchewan's economic sectors. Goods and services are provided to the mineral sector through Northern Resource Trucking, Athabasca Catering, Canada North Environmental Services, and Keewatin/Procon for contract mining services. Ventures in the forestry sector include the Wapawekka Lumber mill in Prince Albert and partnerships with local La Ronge forestry operations. Dakota Winds Kitsaki Mechanical Services is a partnership with an industrial partner and an Aboriginal partner to provide support to the mechanical infrastructure of industries, offices, and homes in the North. The hospitality sector is served by the Lac La Ronge Motor Hotel and partnerships in three other hotels in Prince Albert. Ventures in the agriculture sector include Kitsaki Meats and La Ronge Industries for wild rice. The highly profitable, value-added development of specialty organic food items such as wild mushrooms and berries is being explored. The key principle here is to pursue diversification of enterprises to ensure stability over changing markets.
   ○ The Band and Kitsaki adhere to the principle that only stable and profitable business operations can provide the environment for genuine, long-term Aboriginal participation.
Another major principle is that each new venture must be examined strategically. A number of critical questions must be asked regarding any potential enterprise: Does the business complement existing Kitsaki businesses? Is the business in an industry integral to La Ronge or the North? Does it possess prospects for growth? Is it a prudent step in diversification? What preference, if any, will be given to Aboriginal people for employment.

2. Maximizing Aboriginal employment in Kitsaki and Band enterprises

The key principle is that viable, sustainable Aboriginal participation in enterprises can be achieved only when the employees and management are qualified, motivated, and productive. Kitsaki’s human resource strategy is to maintain a corporate philosophy of a “working and learning culture” in the job environment. This philosophy is realized through sponsorship of literacy and academic upgrading to facilitate job retention and upward on-site job mobility, continual mentoring and counseling, and career path development for upper management Aboriginal candidates.

An example of how this principle is realized is in the management-advancement strategy for the La Ronge Motor Hotel. The Motor Hotel serves as a hospitality industry training centre for its predominantly Aboriginal employees in which they obtain industry recognized credentials. Under this strategy, the operation provides competitive service for its clients and self-confidence, credibility, and job mobility for its workers.

The key principle here is that job advancement must be based on recognized standards of performance and achievement; to compromise standards, in academics or skills, is to jeopardize the credibility of Kitsaki’s commitment to Aboriginal employment.

Kitsaki supports a business incubator approach to provide training that will enable Aboriginal workers to take advantage of opportunities to become self-employed. Kitsaki’s Northern Resource Trucking partnership trains truck drivers and assists them become owner-operators.

3. Maintaining and supporting Traditional Aboriginal Knowledge that provides value-added advantages to the Kitsaki family of businesses

Kitsaki and the Lac La Ronge Indian Band have long recognized that Band members possess Traditional Knowledge and Skills that can provide value-added benefits to Kitsaki’s enterprises. As an example, special knowledge of the products of northern forests will enable our enterprises to better obtain, process, and market high-profit commodities like wild rice and gourmet mushrooms.

Building on the knowledge and skills of Band members gives Kitsaki enterprises a competitive advantage. Our Traditional Knowledge and cultural links to our Traditional Lands enable us to be effective, efficient, and prudent stewards of the natural environment. Because the resources of the land are both a business asset and a part of our heritage, we strive for their sustainable economic development.