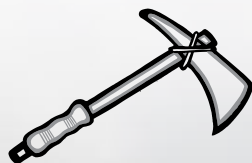


Community Economic Enterprises

———— A TOOLKIT FOR INDIGENOUS BUSINESSES ————



Edition 1



About Nishnawbe Aski Development Fund

Nishnawbe Aski Development Fund (NADF) is a not-for-profit, non-political Aboriginal organization that provides financing, business, community economic development, and planning supports to First Nations across northern Ontario.

Our Vision

Aboriginal Prosperity.

Our Mission

To advance the well-being of Aboriginal people in northern Ontario through business and economic development.

Our Service Area

NADF services 89 First Nations and their members, on and off reserve, as well as all Aboriginal entrepreneurs and wholly owned or majority-owned Aboriginal businesses operating in our region. This includes Nishnawbe Aski Nation, Robinson-Superior 1850 and Treaty 3.

Acknowledgements

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HELP US MAKE A GREAT CEE TOOLKIT

Please send comments to cee@nadf.org about

- ✓ what you liked about the toolkit
- ✓ topics you think should be included in the next edition of the toolkit
- ✓ any ideas that you think would help future users of the toolkit



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PART 1:

LEARNING ABOUT COMMUNITY ECONOMIC ENTERPRISE



CHAPTER 1: ABOUT THIS TOOLKIT

1.1 Who Is This Toolkit For?

Welcome to the Community Economic Enterprise (CEE) Toolkit!

This toolkit is for Indigenous community governments and CEEs whose leadership and staff are embarking on building, expanding, or operating a CEE. Though it was prepared for Indigenous communities in northern Ontario, it can be used in most community and CEE situations.

1.2 What Does This Toolkit Do?

This toolkit introduces you to the fundamentals required to set up your CEE for success. It takes you through four phases, 23 tasks, and eight practices to build and operate a successful CEE.

In Part 1, you will learn about CEEs and their role, benefits, and challenges.

In Part 2, you will become familiar with the fundamentals for success.

In Part 3, you will apply the fundamentals for success to build your CEE in four phases:

- Phase 1: Get Ready
- Phase 2: Envision Your CEE
- Phase 3: Establish Your CEE
- Phase 4: Start and Build Your CEE
- Phase 5: Keep Your CEE Going Strong

The Toolbox includes samples, reference tools and templates to help with your CEE initiative.



HOW TO USE THIS TOOLKIT

We recommend you set aside about three hours to read the toolkit from beginning to end and familiarize yourself with the content and approach. Then, identify your Starting Point in section 1.3 and work your way through Part 3. Each task in Part 3 directs you back to the relevant reference material in Part 2.

1.3 Starting Points

There are a variety of starting points for a CEE initiative. Some communities may be starting from scratch and embarking on community economic development for the first time, other communities may have an operating CEE that needs reinvigorating, and still others may have a legally established CEE and are getting organized to launch into operation.

Although this toolkit is designed to set up a CEE from scratch, if your starting point is different, follow these steps:

- 1. Read the toolkit**

Familiarize yourself with the content.

- 2. Use Tool 10**

Using [Tool 10](#) (in the Toolbox), identify the tasks you have completed.

- 3. Review Completed Tasks**

In Part 1, review information about the tasks you have completed.

- 4. Build a Workplan**

Prepare a workplan (Part 3, [Task 3](#)) that

- includes any enhancements you need for the tasks you've already completed
- identifies any remaining tasks you need to do

Consider sequencing your work and tasks in accordance with the phases in this toolkit.

1.4 Walk Your Talk

The strength of your community government will influence the success of your CEE, both in its set up and its operations. In this way, your CEE initiative provides your community government an opportunity to look within, identify its strengths and build its organizational capacity and readiness. Most tasks and practices to set up and operate your CEE ([Part 3](#)) can also be applied in principle to your community government, thereby making it stronger. Keep in mind that you will need to tailor any development work you do for your community government because it is a government, not a business or CEE.

For example, your CEE will be creating a board manual to support the CEE board with strong governance ([Task 17](#)). The “Walk Your Talk” section of Task 17 prompts you to ask if there is a governance manual for your community government’s Chief and Council. If not, you can learn more about that in the relevant [Part 2](#) section and build one for your community government. And in [Part 3](#) you will be encouraged to “walk your talk” by applying what you’ve learned from setting up your CEE to your community government.

1.5 Your Culture and the CEE

Although your CEE will operate independently from the community government, it must be grounded in the values and culture of your community. This toolkit includes the foundational information and tasks to build a CEE, but how best to reflect your cultural and community values into your CEE governance and operations will be up to you and your community. You will explore this during community engagement in Part 3, [Phase 2](#).

CHAPTER 2:

CEE AND COMMUNITY ECONOMIC DEVELOPMENT

2.1 What Is a CEE?

A community economic enterprise, or CEE, is an organization owned by one or more community governments. Many community governments are also the CEE shareholders depending on the corporate structure. CEEs are created to take advantage of business opportunities on behalf of the community government. The CEE's primary purpose is to create and protect value for the community and assist economic and business development. In many communities, the CEE is a core component of the larger regional economy, and some communities formally designate the CEE as the community's official business organization.

A community may have more than one CEE and each may operate independently. Most communities, however, have one parent CEE (often called a development corporation) that owns a collection of individual businesses. This toolkit focuses on the parent model version of a CEE.



The CEE's primary purpose is to create and protect value for the community and facilitate economic and business development.

2.2 What Is Not a CEE?

Some communities operate economic and business development as a department of the community government. This toolkit, however, is for independently operated CEEs, rooted in the values of the community, but separate from the community government.

So, for purposes of this toolkit, a CEE is

- not a program area administered by the community government
- not governed and managed by Chief and Council
- not controlled by personal or political agendas
- not an entity that operates in isolation from the community

2.3 Community Economic Development

For the purposes of this toolkit, community economic development (CED) is a key part of the community's effort to create the business component of the community's economy.

For community governments, CED includes fostering an environment that supports business development by making business opportunities available, developing the necessary mindset and skills among community members to realize those business opportunities, making capital available to support developing business opportunities, and realizing business opportunities through the CEE.

The role of a community government is to deliver programs and services for the well-being of the community. While this program and service delivery model is good for community governments to fulfill their purpose (including promoting conditions for successful economic and business development), it is rarely suited for developing and

WHAT IS A COMMUNITY ECONOMY?

Economy—we all use the word, but do we fully understand what it means?

An economy is the way a society takes care of its survival and material needs. Wherever there are people, there is an economy. Let's take your household, for example.

Your household economy includes the resources (money, materials, goods, services) that come into your home, and the things you do with those resources to run your household and take care of the people in it. Resources also include non-cash ways you put food on the table and take care of your needs, like hunting and fishing and any items you make to use in your everyday life.

Like a household economy, a community economy includes its wealth and available resources and the production, distribution, trade and consumption of goods and services. The economy in an Indigenous community also includes the traditional economy of hunting, trapping, fishing and harvesting.

The nature of an economy is very different from community to community, based on several factors¹.

COMMUNITY-SPECIFIC ECONOMIC FACTORS	
Culture and Values	The community's way of acting and values about 'taking', 'giving back' and making money from the land.
Larger Economy	The local and regional economic activity and the community's participation in that regional economy.
Nature of Revenue	The proportion of external transfer payments versus self-earned revenue.
Cash Economy vs. Traditional Economy	The reliance on money versus traditional sustenance activities (hunting, fishing, trapping, gathering and harvesting)
Multiplier	How many times a dollar is spent or multiplied inside the community before being spent outside the community
Readiness	The general understanding of and the ability to manage an economy, along with the ability to create and sustain successful businesses

¹ Katherine Barber, editor. The Canadian Oxford Dictionary. New York: Oxford University Press, 2005; Wikipedia. "Economy." accessed August 23, 2023, <https://en.wikipedia.org/wiki/Economy>; Garry Merkel, Interview with the author, April 22, 2022.

operating businesses. Ideally, community governments create a separate business-oriented organization, like a CEE, and give it permission (also known as a mandate) to develop and operate businesses on behalf of the community. This is done under a governance framework that gives the community government enough oversight to ensure that the CEE is operating within community values and doing its part to achieve broader community goals, while at the same time giving the CEE freedom to operate as an independent business.

As the arms-length owner, the community government receives dividends from the CEE to support the programs and services that the community government delivers on behalf of the community.

Do We Need a CED Strategy to Start a CEE?

A CED strategy is a community's plan to develop its economy so it can reach larger economic goals, such as

- providing meaningful livelihoods, employment and reasonable household income for community members
- achieving economic parity with larger society
- supporting the community government's operations, programs and services with self-earned revenue

Although initiating a CEE in the absence of a larger community plan or a CED strategy can be done, it can bring additional challenges. A CEE is best used as a tool (and not a goal in itself) to help reach larger economic and community goals. If your community doesn't have a shared understanding of what those goals are, your CEE may not have clear direction, making it difficult to demonstrate value to your community.

If your community does not have a comprehensive community plan or a CED strategy, consider initiating one to set an aspirational vision for your community. A CEE, as one of many tools available to the community, can help make this vision a reality.

2.4 Benefits of a CEE

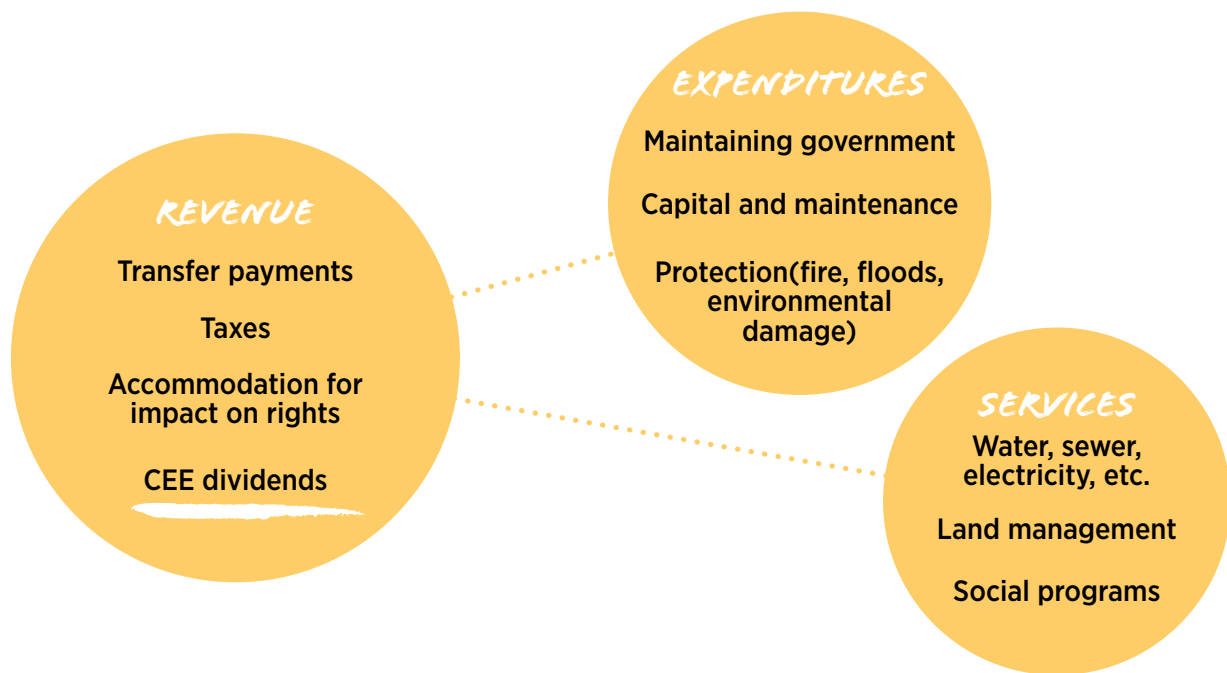
What Does a CEE Do for the Community Government?

A CEE can be an important part of your community government's revenue stream because a successful CEE pays dividends to its shareholder, the community government. This revenue in turn supports community infrastructure and the delivery of programs and services to community members.

A CEE can also foster a higher level of governance discipline for a community government and improve the community government's reputation and access to opportunities.

What Does a CEE Do for Members of a Community?

Community members receive the programs and services offered by the community government, which can be supported by the dividends provided by the CEE. Also, CEEs build and operate businesses that employ people and may subcontract to other community businesses and in this way, provides business development, employment and career development opportunities for community members.



Many Indigenous communities are getting significant access to economic opportunities, such as

- **Financial accommodation**
Non-Indigenous governments provide financial accommodation to Indigenous governments for impacts to Aboriginal or treaty rights because of land use decisions and developments (e.g. mines and forestry).
- **Preferred access**
Companies who want to use the land and gain social license try to develop relationships with Indigenous communities by providing preferred access to business opportunities, employment, training or other financial or community benefits.
- **Reconciliation efforts**
Society's raising of awareness about the truth of the past and efforts to reconcile with Indigenous people can mean increased access to economic opportunities and participation in the economy.

Many Indigenous communities have developed the mindset and skills to realize these opportunities on behalf of the community and have created a CEE to take advantage of business opportunities arising from these larger economic opportunities.

2.5 Vision of a Successful CEE

A successful CEE is built on and demonstrates a mindset of success and confidence and has strong corporate governance and effective management. It has credibility and a healthy network of business relationships that brings business growth, employment and training opportunities to the community.

It has the support of the community and makes good business decisions when selecting and developing businesses, and it contributes to the community government revenue stream through healthy dividend payments.

It has a clear relationship with its shareholder, the community government (or a collective of community governments). The relationship is based on accountability and mutual respect for the community government mandate and the CEE mandate.

The CEE collaborates with the community government to leverage preferred access to business opportunities. It may cooperate with the community government in the delivery of training and education programs to prepare community members for employment or career advancement.

It realizes opportunities in a way that generates benefits for the community and fosters confidence in the community's business environment, while at the same time manages risk and limits liability for the community government.

So, what does a successful CEE look like? A successful CEE fulfills its purpose, delivers results and creates value for its shareholder, the community government. A successful CEE

- ✓ operates as a self-governing independent organization
- ✓ is built on and demonstrates a mindset of success and confidence
- ✓ has strong corporate governance and effective management
- ✓ has credibility
- ✓ has a healthy network of business relationships that brings business growth, employment and training opportunities to the community
- ✓ has the support of the community
- ✓ makes good business decisions when selecting and developing businesses
- ✓ contributes to the community government revenue stream through reliable dividend payments
- ✓ has a clear and effective relationship with its shareholders based on accountability and respect for the mandates of all
- ✓ collaborates with the community government to leverage preferred access to business opportunities
- ✓ sometimes cooperates with the community government and others to deliver training and education programs that prepare community members for employment or career advancement
- ✓ uses opportunities in a way that generates benefit for the community and fosters confidence in the community's business environment
- ✓ manages risk and limits liability for the community government

This toolkit will help you build a CEE to realize this vision. [Tool 2](#) Successful CEE Checklist identifies the component parts you will build to set up your CEE for success.

CHAPTER 3: COMMON ISSUES

Issues are a part of life and setting up and operating a CEE is no exception.

A community government and CEE that practice strong leadership, engage in regular and open dialogue, make clear decisions, and take decisive action about issues often prevent those issues from becoming entrenched and creating chronic tension in your community and CEE.²

Broad Issues

The broad, systemic issues that commonly harm CEEs include

- disempowered mindset
- lack of leadership and discipline
- poor alignment with community aspirations and values
- lack of community support, or outright community opposition
- ineffective governance
- poor management
- weak relationships
- poor venture selection
- inability to effectively carry out business opportunities

This toolkit focuses on preventing these issues from emerging in your community.

3.1 Operational Issues

You may encounter a number of social or political issues that affect your CEE, the community government, and the community generally. Common operational issues facing CEEs and the communities they operate in include

- profit versus jobs
- reinvestment versus dividends
- hiring practices
- wholly owned businesses versus partnerships
- resource development versus land stewardship

Let's look at these operational issues in more detail.

Profit vs Jobs

Some community governments expect profits to be the CEE's top priority. Other communities require their CEEs to prioritize employing community members. Too much either way could have negative consequences for the CEE. For example, only focusing on profit may frustrate community values while primarily focusing on providing employment to community members may be at the expense of operating an effective and profitable CEE.

The most effective balance is to focus on operating an effective profitable business that aligns with community values first, while providing jobs, subcontracting and professional development opportunities to community members, just like other socially responsible companies.

² Victor Cummings, *Venture Development Basics Workbook*, June 2012, 16

Reinvestment vs Dividends

A CEE needs capital (money) to operate and invest in new or expanded business ventures. If your CEE is required to distribute a significant amount of its profits (retained earnings) to its shareholder (the community government), it could severely limit the CEE's ability to meet cash demands or invest in business opportunities when they arise.

A balance needs to be struck between providing dividends to the community government and ensuring the long-term viability of the CEE.

In general, a CEE needs more money during startup or significant expansion phases and will likely pay less in dividends. The most successful businesses have established guidelines on how dividends are calculated with large discretion given to the CEE board for how those guidelines are applied. Factors influencing the payment of dividends can be clarified between the CEE and the community government in the CEE-shareholder protocol discussed in [section 17.3](#).

Hiring Practices

When a CEE is established, there is often significant hope and expectation that there will be local jobs for community members. Indeed, having meaningful employment available for the community is one of the benefits of a CEE.

A CEE may not be able to meet employment expectations all the time, due to

- **Startup time**
The amount of time between the legal incorporation of a CEE and the CEE becoming fully operational varies greatly from CEE to CEE.
- **Economic climate**
Regional economies fluctuate over time. Sometimes business is booming and other times it could be just scraping by. These trends will affect the amount of employment that the CEE can generate and offer.
- **Readiness**
Many community members may want to work for the CEE and are enthusiastic about the possibilities of employment but need to complete education and training in order to fill the jobs at the CEE.
- **Skills match**
The nature of the CEE and the businesses it operates drives what types of jobs are available. Sometimes there is a strong match between the skills and qualifications of community members, and sometimes less so.
- **Work ethic and fit**
Every community has members who simply don't have the work ethic to meet their responsibilities as an employee or personality to fit into every workplace.

Preparing people so that they are job-ready is one way that the CEE and the community government employment can work together. For example, the community government can offer job readiness and training programs based on the CEE's strategic plan and business development activities so that when job opportunities come up, community members are prepared to apply.

Successful CEEs offer community members preferred access to employment opportunities and offer employees personal development opportunities but have processes in place that require all employees to meet their responsibilities to keep their jobs.

“Provide people opportunities on the basis of ancestry. They get to stay based on merit.”

Wholly Owned Businesses vs Partnerships

As Indigenous communities move toward self-determination, wholly owned Indigenous companies are appealing because they retain full decision-making authority and don't have to share profits. A business partnership with another company can seem to run against the grain of self-determination and may agitate longstanding resentments about marginalization and lack of control.

From a business standpoint, however, partnerships often make business sense when building a CEE. Less profit can mean you have less responsibility and less risk to your CEE, while at the same time providing you the opportunity to gain management and industry experience to develop or manage other business ventures in the future.

Some business partnerships can be like training and mentoring for the CEE as an organization. Business partnerships also allow a CEE to expand the scope of its business services, which can be more attractive to clients and allow the CEE to maintain a much more stable bottom line if the mix of businesses has some diversity across business sectors.

Many CEEs become the “experts on experts” by adopting an approach that involves managing specialized expertise in one or more business sectors, rather than trying to become experts in everything. Many successful CEEs also own and operate at least one major business on their own to maintain their internal business discipline and operations, and their various business partnership arrangements give them the flexibility to seize larger opportunities, ride the ups and downs of economic cycles, and reduce risk.

The balance between how many businesses a CEE owns and operates on its own and how many it has in partnership with other companies varies will depend on the direction set by the board and the CEE's capacity in terms of management skills and expertise.

Resource Development vs Land Stewardship

CEEs and the businesses they own are intended to identify potential opportunities and be responsive and competitive. Conflict can emerge in communities if a CEE is participating in land use or resource extraction that the community either opposes or hasn't yet decided how it feels about it.

Your CEE needs to reflect community values and it also needs to realize business opportunities on behalf of the community. It needs broad direction from the community government if there are parameters or “no-go” zones for CEE business development. This direction needs to be given at arm's length and not by directing specific business investments for reasons we will discuss in [section 17.6](#) on Risk and Liability.

A community government can, however, require the CEE to operate within the community's land-use policy, resource development policy, or a land stewardship plan.

A CEE-shareholder protocol ([section 17.3](#)) is a helpful tool to communicate these expectations as well as describe how the CEE and community government will collaborate on these types of issues. This, along with Community Support ([Chapter 8](#)) can assist you to work through these types of sticky issues in a good way.

3.2 Issues in Summary

If you have effective ways to address these and other issues then

- your CEE and community will have less conflict
- your CEE will have the direction it needs to fulfill its purpose
- community members will become more knowledgeable and supportive about CEEs and economic development

If you have ineffective ways to address these and other issues then

- conflict could emerge between your CEE, community members and community government
- the quality, responsiveness and credibility of your CEE in the community's eyes and in the eyes of external parties could be compromised

You will work with these issues in

- [Phase 1](#), when you engage with your community
- [Phase 3](#), when you develop your CEE-shareholder protocol



REFLECT

- Do you think any of these topics could become issues in your community?
- How would you approach addressing issues like these in your community?

CHAPTER 4: CHANGE

Change means becoming different. As much as we like certainty and familiar things in our lives, change is something we can count on happening, whether we like it or not.

From the moment you entertain the idea of setting up a CEE to when it's fully operational, your CEE initiative will bring about change in your community through new activity, relationships, visual presence and people. It will also influence your community's future. Understanding change and change management will help you guide your CEE initiative through the ups and downs and support the people involved during this exciting change for your community.

People and communities have different mindsets, relationships and attitudes toward change, success and challenges. It is important to have a good idea about your community's collective mindset, relationship to, and understanding of

- the future of the community, generally
- the collective past of the community and how this influences the present
- community economic development
- the role and purpose of business
- change
- success, and how challenges and setbacks support success
- entrepreneurialism
- work ethic

Sometimes change can be seamless and happen naturally over time to the extent that we don't even notice that something is different. Other times, however, change is messy and involves outcomes that we planned for and outcomes that we didn't anticipate.

4.1 Change Management

Change management is a structured approach to transitioning people, teams, organizations and communities from a current situation to a desired future situation. There are different models of change management, and any Internet search offers many resources for you to learn from and apply. A common thread to all models is that change is a staged process and it is not always linear.

Below is an example of the typical stages of the change process and how they correspond to your CEE and the five development phases provided in this toolkit.

CHANGE MANAGEMENT STEP	CEE BUILDING PHASE
Decide that change is necessary	Phase 1
Prepare for change	Phase 1
Create a vision and plan for change	Phase 2
Embed the change	Phase 3, 4 and 5
Review and reflect	Phase 5

4.2 People and Change

People have different approaches to change. For example, Everett M. Rogers, in his book *Diffusion of Innovations*, suggests that there are five categories of people in terms of when they adopt change: innovators, early adopters, early majority, late majority and laggards.³

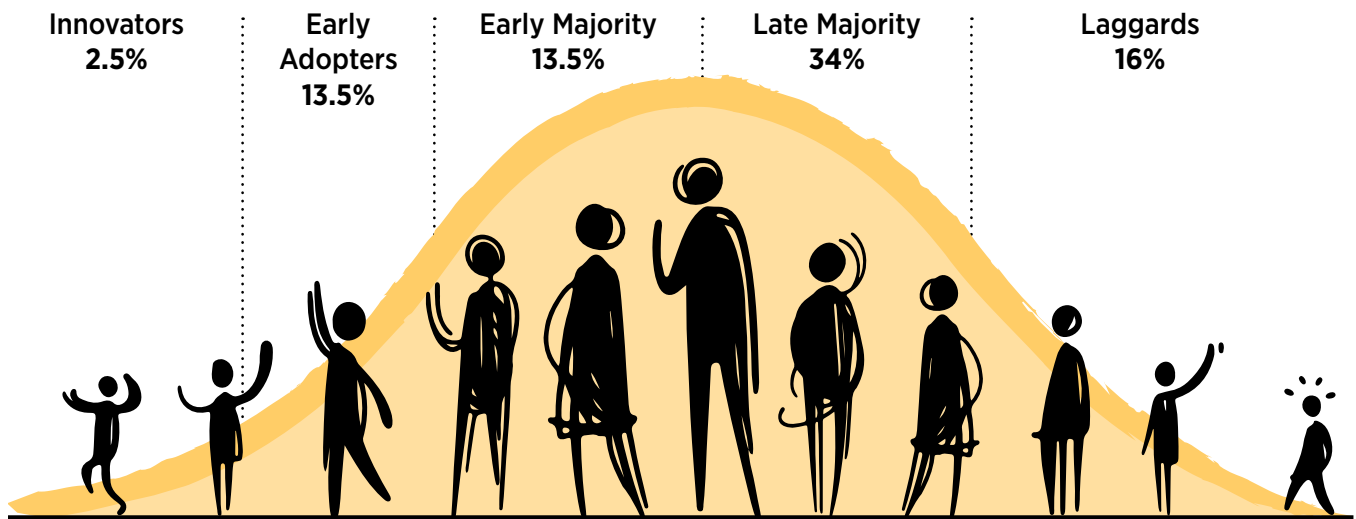


Image adapted from Rogers, Diffusion of Innovations.

Each category of people in the change process plays a valuable role and you don't have to convert everybody to get change underway—and indeed each role is necessary for the change process. The key is to create a vision for your CEE, its future, and to support people through change and offer pathways to navigate and understand the change.

“A key requirement of leaders is to create an appealing vision of the future and develop a strategy for making it a reality.”

— HEALTH PEI,
CHANGE MANAGEMENT TOOLKIT ⁴

³ Everett M. Rogers, *Diffusion of Innovations*. (New York, Free Press of Glencoe, 1962).

⁴ Health PEI, *Change Management Toolkit*. (Charlottetown, Health PEI, 2010), 8.

4.3 Change in Summary

If you understand and are mindful of the different reactions people may have to change then

- your communication and community engagement will be relevant to your community
- people will be able to see their part in the change
- you will be able to successfully navigate the change with your community and CEE

If you don't understand change and the different reactions people may have to change then

- tension, resistance and conflict could emerge and compromise the success of your CEE initiative
- you may miss opportunities to build unity and understanding within your community

You will work with change in

- Phase 1, when you assess your mindset and engage your community
- Phase 3, when you appoint your first board of directors and your CEE becomes operational
- Phase 5, when you practice change management in your ongoing CEE operations



REFLECT

- What is your general attitude toward change? Do you tend to resist it or welcome it? Is your approach to change dependent on the situation?
- Review the five different categories of people in the context of change (section 4.2). Think of one change in your community from the past. Which category were you in personally? Can you think of people you know for each of these categories?

PART 2:

FUNDAMENTALS FOR SUCCESS



You learned about a vision of a successful CEE and the larger context of CEEs in [Part 1](#). To realize that vision and set your CEE up for success, the following chapters describe the fundamentals of success that you'll need for your CEE initiative.

The three fundamentals for success are

- Strong Foundations
- Supporting Environment
- CEE Excellence

The following chapters will orient you to these fundamentals and point you in the direction for further information and resources to support your CEE initiative.



Take notes and complete the worksheet at the end of each chapter. This, along with the tools in the Toolbox, will help you apply your learning in [Part 3](#) when you complete the key tasks to set up your CEE.



FUNDAMENTALS 1: STRONG FOUNDATIONS

Now that you have an overview of community economic development and CEEs, let's explore the first of three fundamentals for a successful CEE: a strong foundation.

The elements of a strong foundation include

- mindset
- leadership
- discipline

These three ingredients apply not only to the CEE as an organization but to each person associated with the CEE—board members and employees. These three ingredients, when cultivated in each person associated with the CEE, work together to keep your CEE on track for success. It will have the ability to grow and overcome setbacks, which in turn means your CEE can capitalize on opportunities and create value for the community government.

“People with a successful business attitude and mindset generally attract others who have a similar orientation, and it weeds out those who do not.”



CHAPTER 5: MINDSET

Mindset is the collection of attitudes and beliefs we have about ourselves. Our mindset influences the way we think, feel and behave. Our mindset reveals itself by what we tell ourselves, through the voice inside our head, in any given moment of the day.

Like the quality of the air we breathe or the water we drink, what we tell and believe about ourselves determines the quality of our happiness, what we achieve, our feelings of success, and the way we create meaning in our lives. This applies not only to you personally, but to the collective mindset of your community and your future CEE.

A confident, growth-oriented mindset is a critical prerequisite for setting up and operating a successful CEE. You must have the ability to observe and grow your mindset and understand the qualities of an entrepreneurial mindset and strong work ethic. Mindset is like a self-fulfilling prophecy: what you tell yourself about yourself, your community, your environment and other people drives what you say and do, which in turn creates results. To create successful results, you need to do your part and grow the mindset that matches the results you want.

“The view you have of yourself profoundly affects how you lead your life.”

— CAROL DWECK, *MINDSET: THE NEW PSYCHOLOGY OF SUCCESS* ⁵

5.1 Growth and Fixed Mindsets

Mindset is a growing field of research and it is gaining traction not only in the lives of people but in organizations as well. There are generally two kinds of mindset: growth mindset and fixed mindset.

A growth mindset says that you can grow, learn and change and that you can choose how you want to view yourself and your ability. It's the belief that intelligence, skills, abilities and talents are things you can learn and improve upon through effort.

A fixed mindset says that intelligence, skills, abilities and talents are unchangeable, that you are who you are and can't really change.⁶ A fixed mindset keeps us stuck, repeating behaviour patterns that prevent us from learning, achieving our goals, and preventing us from feeling successful in our own eyes.

⁵ Carol Dweck. *Mindset: The New Psychology of Success*. (New York: Ballantine Books, 2016),

⁶ Catherine Cote. “Growth Mindset VS. fixed Mindset: What's the Difference”. Harvard Business School, last modified March 10, 2022. <https://online.hbs.edu/blog/post/growth-mindset-vs-fixed-mindset>



GROWTH MINDSET SAYS...

I can learn what I need to learn to achieve my goals.

I don't have much experience with [fill in the blank], but I can learn about it and with practice I'll feel more capable. I can ask for help if I need it.

Just because I haven't felt confident about myself in the past, I can grow confidence in myself by patting myself on the back when I put in the effort to learn new things.

When I'm doing something, I look for ways to learn more so that I can improve over time.



FIXED MINDSET SAYS...

My future is limited to what I know today.

I've never been good at [fill in the blank]. I better find someone else who can do it for me.

New things and experiences scare me. I'll do anything to avoid looking stupid.

When I'm doing something, I hate making mistakes because people will think I'm no good.



Many people are not consciously aware of their mindset and believe most of what their random thoughts tell them. Many believe that how we think can't be changed.

Fortunately, you can observe and shape your mindset. You can reflect on why you tell yourself what you do and choose to tell yourself something different. Like tending a garden, you can decide what stays and grows and what you want to weed out because it no longer serves you. You can be in control of your mindset and grow. You're still you, you're simply choosing how you want to view yourself, your community, the world and any given situation. You can develop a growth mindset, which is crucial to CEE success.

Observe and Choose

To shift your mindset, it's helpful to first observe what your current mindset is telling you. Become aware by observing your thoughts and the voice inside your head. It may be a mixture of encouraging words, along with blame, shame and self-criticism.

As you become aware of what the voice inside your head is saying, ask yourself: If a person were to speak to me this way, would I want them as a friend? If your answer is yes, excellent! If your answer is no, it's time to learn how to change your mindset so that the voice inside your head is an honest and encouraging voice that motivates you to grow.

A growth mindset says: I am capable of learning and growing and achieving my goals.

Drop Systemic Limiting Beliefs

A key part of developing a growth mindset is identifying if you hold limiting beliefs and, if you do, drop them.

For generations, Indigenous people have been characterized as not good enough, incapable and unable to make decisions for themselves, and many other limiting ideas. This perception feeds systemic racism, which is captured in every aspect of Canadian society (law, policy, public programming, behaviours, attitudes) and is often internalized by every part of society, including some Indigenous people. This internalized system of beliefs has fostered limiting attitudes and mindsets among many Indigenous people and communities for generations.

While anybody can tell you that these generational messages about Indigenous people and communities are simply not true, the key questions are:

- What do you tell yourself about yourself?
- Do you consciously or unconsciously have limiting beliefs about yourself? Your community?
- Does that voice in your head put you down?

“The first step in changing your mindset is to stop believing the limitations that the world has placed on you. The rest you learn by living out that first step.”

These are tough questions and require you to observe your self-talk and notice the words you use when talking with others. Then, step-by-step, you can deliberately choose how you talk to yourself and cultivate a belief in yourself and your community that serves you.

Build Confidence

Confidence is the feeling of being self-assured and appreciating your abilities and qualities.

In terms of your CEE initiative, a confident mindset is the belief that you and your community

- deserve good things
- are resourceful
- will find what you need and use what you have to create good things
- are capable of learning what you need to learn
- will ask for technical assistance if you need to
- will figure out problems as they come up
- believe mistakes are for learning (not for blaming and shaming)
- believe mistakes and setbacks can drive your success if you learn from them

A confident mindset says: We'll learn and figure it out.

5.2 Work Ethic Mindset

Your work ethic is your attitude about work, your relationship to your work, and how you view the work you do. A strong work ethic will bring success by building motivation in people and teams.⁷

PEOPLE WITH A STRONG WORK ETHIC ARE...	WORK ETHIC MINDSET SAYS...
Reliable	I am reliable. People can count on me because I am consistent in my work and behaviour.
Dedicated	I am committed to doing my best. I am passionate about contributing to something bigger than myself. I find ways to enjoy my work.
Productive	I work hard and produce results. I welcome new work and feel like I'm making a difference.
Cooperative	I work well with other people and I see the value of combining efforts as a team to produce good work.
Disciplined	I encourage myself to finish my work, even if I don't feel like it in the moment. I focus on how my work contributes to a larger goal.

5.3 Entrepreneurial Mindset

CEEs are business enterprises and entrepreneurialism is fundamental to business success. Cultivating an entrepreneurial mindset throughout your CEE helps people grow and take positive risks that contribute to the success of your CEE.⁸ Organizations can deliberately choose the kind of mindset and workplace culture that they want to promote and then develop ways to practice and demonstrate it.

PEOPLE WITH AN ENTREPRENEURIAL MINDSET ARE...	ENTREPRENEURIAL MINDSET SAYS...
Confident	I believe in my abilities and my capacity to learn to make change.
Responsible	I am responsible for my mindset, my behaviour and my work.
Optimistic	I see problems and tough situations as opportunities to learn.
Resourceful	I find out what I need and work with what I have so I can find solutions and create new opportunities.
Curious	I am a learner. I test ideas and learn from my mistakes.
Creative	I find new ways to look at situations and do things.
Analytical	I think things through, look at the pros and cons, and I test ideas in an objective way.
Reliable	I follow through on commitments and do what I say I will do.
Problem solvers	I want to solve problems that others have and turn these solutions into business ideas.
Open	I am open to hearing from people who may challenge my thinking.
Resilient	I become stronger by working through challenges and setbacks.

⁷ Kathryn Hatter, "Kinds of Behaviors Managers Need to Motivate in People" SmallBusiness.Chron. accessed August 25, 2023, <https://smallbusiness.chron.com/kinds-behaviors-managers-need-motivate-people-35690.html>

⁸ "What is Mindset?", The Entrepreneurial Learning Initiative, accessed August 25, 2023, <https://elimindset.com/entrepreneurial-learning/what-is-mindset/>

PEOPLE WITH AN ENTREPRENEURIAL MINDSET ARE...	ENTREPRENEURIAL MINDSET SAYS...
Self-aware	I observe myself and reflect on my beliefs and behaviour. I confront self-doubt and limiting beliefs as a daily practice.
Honest and direct	I am honest with myself and others. I am direct and respectful when communicating.
Success oriented	I focus on my purpose and goals and adjust if circumstances change. I celebrate my success every step of the way.

You can develop an entrepreneurial mindset by⁹

- practising the qualities of an entrepreneurial mindset
- setting clear goals and measuring your progress
- making clear, timely and well-informed decisions
- actively learning from mistakes and failures
- identifying and facing fear

“Developing mindset is both a personal and a collective journey that happens within individuals, the community government, the larger community, and the CEE itself.”

Many successful businesses foster an entrepreneurial mindset and attitude in everyone who is part of the corporation. This is done by modelling entrepreneurial qualities and encouraging and mentoring employees.

5.4 Community Mindset

Setting up and operating a successful CEE requires a long-term commitment from the community to withstand temporary setbacks as well as recognize and celebrate success. It is important to understand your community’s mindset around community economic development, business, and change.

Understanding and respecting your community’s collective mindset will help you engage with your community in a way that is relevant and meaningful to them. Meaningful engagement with your community means that your CEE will reflect community values.

To understand community mindset relative to your CEE, ask:

- What level of understanding do the people (staff, citizens, Chief and Council) have about economic development? CEEs?
- To what extent does the community understand the difference and relationship between building an economy and starting a business?
- What has been the community’s experience with business development so far?
- What kinds of attitudes about business, making money, and economic development exist within the community, generally?

⁹ “Business 101: How to Develop an Entrepreneurial Mindset,” MasterClass, accessed August 25, 2023. <https://www.masterclass.com/articles/how-to-develop-an-entrepreneurial-mindset>

If community understanding is low, varied, or high, you can tailor your information and engagement strategy to your community. For example, if community awareness about economic development is low, you need to build a general awareness-raising strategy for the community first, so that they can engage meaningfully from a place of understanding.

Change

As you learned in [Chapter 2](#) and [Chapter 4](#), setting up a CEE will bring about change in your community. Once it is up and running, an important factor for success is the CEE's ability to change and adjust to shifting economics, business climate and community values. You will experience success, setbacks and challenges in both the process of setting up your CEE and in the CEE's ongoing operations.

Early in your CEE initiative, it is important to understand the answers to these questions:

- How does your community generally react or respond to change?
- What is your community's relationship and experience with success and challenges?
- What has your community done well? What are the strengths of the community?
- What is the general confidence level of the community in creating its own success?

Understanding your community's experiences with change, success, challenges, and setbacks can help you build on what you do well and make the necessary adjustments that build confidence.

Being curious about your community's mindset is not a secret activity and not part of a social experiment so that something can be imposed. Engaging in deliberate conversations in community engagement sessions about mindset, confidence and change, along with community economic development, in a respectful and genuine way will support your CEE initiative and community. Often, these conversations with your community and community government are generally most effective when done in the context of developing policy on specific topics important to them. For example, discussions around the CEE's preferential hiring policy can provide an opportunity to explore the community's mindset.

5.5 Mindset in Summary

If you work effectively with your mindset then

- you will feel good about your work and confident that you can handle setbacks and work toward the future knowing you deserve good things
- an atmosphere of confidence will grow in your CEE and community

If you work ineffectively with your mindset then

- you may reinforce limiting beliefs in yourself and in your community

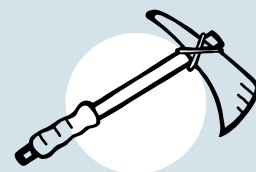
You will work with mindset in

- [Phase 1](#), when you assess your own and your community's readiness for change
- [Phase 3](#), when you set up your CEE
- [Phase 5](#), when you embed a growth mindset as a key practice of your CEE



REFLECT

- To what degree do you feel you have a growth mindset? Do you have a growth mindset in some areas of your life, but a fixed mindset in others?
- Observe someone doing a job and try to guess their mindset (what they are telling themselves)



TOOLS & RESOURCES

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- growth mindset
- entrepreneurial mindset
- collective mindset
- change and mindset
- how to identify my mindset
- how to check reliability of web sources

CHAPTER 6: LEADERSHIP

Leadership is the ability to influence and inspire others toward a shared goal. Leadership isn't always about a job title, and anyone can practice leadership within the scope of the role they play within an organization or community.

Setting up a CEE takes inspiration, focus and hard work. You need to initiate change, navigate setbacks, seize opportunities and chart the course for your CEE initiative and your community. Without this type of leadership, your CEE simply won't happen.

Leadership, what it is and how to do it, is a hot topic. Indeed, there are many models and theories of leadership styles for you to explore and decide for yourself what is true for you. Many people have the mindset that people either have the personality of a leader or they don't. However, Kouzes and Posner, authors of the timeless leadership book *The Leadership Challenge*, say leadership is about behaviour, not personality, and can be grown and practiced.¹⁰ This approach to leadership tells us that, just like our mindset, we can grow our leadership skills through how we choose to act.

“Leadership is like any skill. Some people are born naturals, some can excel by learning, and most can get pretty good at it by learning.”

6.1 Leadership Practice

According to Kouzes and Posner, the five practices of strong leadership¹¹ are as follows.

1. Model the way

To model the way means to behave in the way you want or expect others to act. To do this, you must be clear on your mindset, values and principles that guide your behaviour and be willing to talk about them and show people how what you do reflects those values and principles.

2. Inspire a shared vision

Leaders look ahead and imagine a better future. They get excited and inspire others about what is possible and are confident in their ability to work toward that vision. They share their vision so other people see it too and become willing to walk that path.

Inspiring a shared vision about the future is fundamental to making effective change. When we're stuck in complaining about our present circumstances, it's an opportunity to practice leadership and ask, “What could be?”

3. Challenge the process

Leaders bring about change to a better future by challenging the status quo. They create an environment for experimentation, risk taking and creativity. They deal with risk and failures by taking a step-by-step approach and appreciating small wins. “Leaders learn from mistakes and successes, and they make it possible (and safe) for others to do the same.”¹²

¹⁰ James M. Kouzes and Barry Z. Posner, *The Leadership Challenge*, 4th edition (San Francisco: Jossey-Bass, 2007), 15.

¹¹ Kouzes and Posner, *The Leadership Challenge*, 3-26.

¹² Kouzes and Posner, *The Leadership Challenge*, 20

4. Enable others to act

Great things are never done alone. Creating a successful CEE, for example, requires people to work together and bring their skills and abilities to the job. Leaders create the environment for others to do good work and take ownership of their work and results.

They encourage collaboration and trust because the more trust there is between people, the more willing people are to be creative problem solvers and take risks. Risk taking is essential in creating change, like setting up a CEE and selecting business ventures.

5. Encourage from the heart

Encourage from the heart means to appreciate, acknowledge and support people and recognize their contributions and the value they bring to the work. Leaders show that they notice and care about the people involved in any initiative. In this way, leadership is as much about relationships as it is about inspiring change and getting things done.

Effective leaders are¹³

- **Enthusiastic**
They are energetic and positive about the goals they strive for and the work they do.
- **Honest**
They tell themselves and others the truth in a humble and respectful way.
- **Trustworthy**
Leaders act with integrity, and what they do and say line up.
- **Effective communicators**
They communicate well with a wide variety of people in a variety of settings.
- **Self-aware**
Leaders are reflective of their mindset, values and behaviour, and they make personal growth a priority.
- **Loyal**
Leaders are loyal to the people and the organization. They stand up for people and make sure people have what they need to do their work.
- **Decisive**
Leaders make decisions according to their principles and values.
- **Competent**
They apply their skills and abilities to the job, eager to learn more.

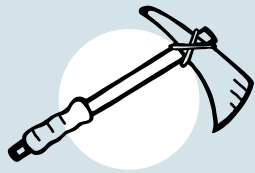
These qualities and behaviours can be learned, practised and developed in yourself and others, with the right mindset and effort.

6.2 CEE Champions

Any change process, like setting up a CEE, requires a champion.

Your CEE champion sees the vision and advocate for its success. They support the change along the way, while at the same time supporting people through the change process.

¹³ Kimberly Fries, "8 Essential Qualities That Define Great Leadership", Forbes. Published February 8, 2018, <https://www.forbes.com/sites/kimberlyfries/2018/02/08/8-essential-qualities-that-define-great-leadership/?sh=24346d13b633>



TOOLS & RESOURCES

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- Indigenous leadership
- what is leadership?
- leadership qualities
- leadership styles
- how to check reliability of web sources

In terms of your community, this may be your economic development officer, Band Administrator, or maybe you already have a CEO in place for your CEE. Whoever it is, your champion will need to¹⁴

- be respected
- be knowledgeable of the community and how the CEE may affect and change various community dynamics
- have strong communication and relationship skills
- be able to motivate, inspire and coach others and stay focused on the vision
- be able to identify and overcome barriers to change and create supports
- persevere and demonstrate progress along the way

For your CEE initiative to be successful, you need a champion who has the support of your community government and the people involved.¹⁵

6.3 Leadership in Summary

If you have effective leadership then

- your CEE is likely to succeed
- you will grow leadership qualities in others

If you have an ineffective leadership then

- your CEE initiative will be unorganized and lack vision and momentum

You will work with leadership in

- each phase of setting up your CEE



REFLECT

- What are the qualities of leadership that your community values?
- Who are the leaders in your community today? What makes them good leaders?
- What leadership qualities do you have? What qualities do you want to grow?

¹⁴ Donald Warrick, “Developing organizational change champions; A high payoff investment.”, *OD Practitioner* (2009):14-19

¹⁵ Garry Merkel, Interview with the author, April 22, 2022

CHAPTER 7: DISCIPLINE

Many of us believe that discipline is what happens to you when you don't follow the rules. In a CEE and business context, however, discipline is the focus and rigour that you bring to your work to create, follow and continually adapt to achieve goals.

Practicing discipline is about not letting impulse and reactionary feelings dictate choices.¹⁶ It's about doing what is right, with the intention to make yourself and your CEE stronger. Discipline involves focus and self-control and is the link between goals defined and goals accomplished.¹⁷

It means defining the values and principles that will guide your work: setting clear goals, having effective systems, having policy and standards of practice in place, and following all of these in every area of operations to reach those goals. It often means doing what is most effective and not what is easiest.

Long-term success is not about luck but about the degree of discipline you can maintain consistently over time. The more discipline you bring to your CEE initiative, the more successful it will be. Key components of corporate discipline include clearly defining roles and responsibilities and maintaining a clear separation between governances and management, plus setting and following policy and procedure.

Discipline is something you cultivate in yourself and CEE by setting up and following standard, transparent and workable practices, and cultivating a disciplined attitude in yourself and the people associated with the CEE. It requires you to be open to seeing what's working and not working, being committed to finding out why, and changing your practices to build on what's working and remove what is not.

Practicing discipline isn't easy, but when you combine discipline with a growth mindset, you will achieve your goals and celebrating your success will be very meaningful.

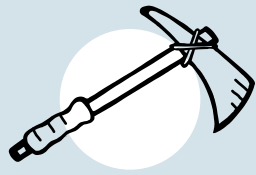


REFLECT

- What does discipline mean to you?
- When have you felt disciplined? When have you not? Are you more disciplined in some areas of your life than others?
- Is your community more disciplined in some areas than others?
- What do you think helps support discipline in an organization?
- What kind of systems and rules help your community government practice discipline?

¹⁶ Brent Gleeson, "9 Powerful Ways To Cultivate Extreme Self-Discipline", Forbes, published August 25, 2020, <https://www.forbes.com/sites/brentgleeson/2020/08/25/8-powerful-ways-to-cultivate-extreme-self-discipline/?sh=6021f137182d>

¹⁷ Brent Gleeson, "9 Powerful Ways To Cultivate Extreme Self-Discipline."



TOOLS & RESOURCES

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- what is self-discipline?
- what is organizational discipline?
- what is business discipline?
- how to check reliability of web sources

7.1 Discipline in Summary

If you practice discipline then

- things get done and goals are accomplished
- trust and credibility grow
- you are consistent and reliable

If you don't practice discipline then

- your work will lack consistent quality and good results will happen by accident

You will work with and apply discipline in

- each phase of setting up and operating your CEE

FUNDAMENTALS 2: SUPPORTING ENVIRONMENT

With a solid mindset, leadership and discipline, the second of our fundamentals for a successful CEE is a supportive environment. A supportive environment refers to the combined conditions that you need for your CEE to take root and grow.

The three elements of a supportive environment are

- community support
- purposeful relationships
- preferential access to opportunities



CHAPTER 8:

COMMUNITY SUPPORT

Community support for a CEE means that people accept and support the CEE's presence and operations in your community. Community support is an outcome that is earned by behaving according to community wishes and engaging with and communicating with your community in a consistent and meaningful way. Having community support for your CEE initiative is fundamental to its success.

Without community support the CEE will

- lack relevance in the eyes of your community members
- be uncertain about its purpose
- have to spend valuable time addressing community conflict and tension, which often has a negative effect on operations
- lose political support and the associated support to access preferred business opportunities

Your community is likely embarking on a CEE initiative because it sees a CEE as a tool to achieve larger community aspirations and goals. To be an effective tool to achieve community goals, it needs to reflect the values of the community, and by doing so it will more likely receive community support.

8.1 Responsible Governance

A CEE is an initiative sponsored by your community government. Government resources (staff time, Chief and Council time, money) will be used to set up a CEE and then to maintain an ongoing relationship with the CEE. Building and owning a CEE introduces not only new opportunities and benefits to your community but also added financial and legal risk. Because your community government is chosen by the people to lead the community and implement initiatives for the benefit of the community, responsible and respectful governance means engaging with people who will be affected by the change resulting from setting up a CEE.

8.2 Community Support is Earned

Community support isn't given for free—it is earned. People support what they care about and help create. Community support is an outcome of acting like a member of the community and engaging and communicating with people in a meaningful way.

Community support is earned by

- **Engaging early and consistently**
Engage with your community at the beginning of your CEE initiative. Talk about a vision for community economic development and the role of a CEE in that. Invite people to help shape the vision of the CEE and make sure you can show them later how their input was used to create the CEE.

- **Meeting needs**

Act in accordance with your community's values and make sure your CEE contributes to the community's positive reputation, overall wealth, employment, human resource development, contracting opportunities and other relevant things within the CEE's mandate.

- **Communicating out**

Share information regularly and consistently about your CEE initiative and, once it is operational, provide information about the CEE's activities and performance in a wide variety of ways (brochures, newsletters, clips, social media, etc.). This will help your community have a sense of pride and ownership about the CEE over time.

- **Giving back**

Your CEE, once operational, should be a regular contributor to the community. For example, support or sponsor community events, offer bursaries, host events, and call in the CEE's business partners to support community needs are ways the CEE can give back to the community.

8.3 Building Your CEE and Community Engagement

Early in your CEE initiative, engaging and providing information to your community deserves a thoughtful approach.

A helpful framework for communications and citizen engagement used around the world is called the Public Participation Spectrum, created by the International Association for Public Participation (IAP2). It characterizes public engagement across a spectrum and reflects the increasing depth of engagement.

The five areas of public participation in the IAP2 spectrum are

- inform
- consult
- involve
- collaborate
- empower

The CEE will generally work with the community in the inform, consult and involve categories to educate your community about CEEs (inform) and invite their contribution to the vision and purpose of the CEE (consult, involve). There will be a much larger focus on educating members (inform) during the initial creation of the CEE.

Engagement with the community government will likely be at all levels of the engagement spectrum, depending on the activity. This ranges from providing information about the CEE activities to collaborating on major decisions that may affect the direction of the local economy. An example of how this framework could be used for your CEE initiative is provided below.

This framework can help you prepare an effective engagement and communications plan for your CEE initiative ([Task 6](#)) so that your community is involved in something that affects it and the CEE receives the community support it needs for success.

ENGAGEMENT SPECTRUM

	PARTICIPATION	PROMISE	WHO
INFORM	To provide balanced and objective information to assist relevant parties in understanding the problem, alternatives, opportunities and/or solutions.	We will keep you informed.	<ul style="list-style-type: none"> • Community membership • Business acquaintances
CONSULT	To obtain feedback on analysis, alternatives and/or decisions.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how your input influenced the decision.	<ul style="list-style-type: none"> • Community membership • Business acquaintances • Funders
INVOLVE	To work directly with relevant parties throughout the process to ensure that their concerns and aspirations are consistently understood and considered.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed, and provide feedback on how you influenced the decision.	<ul style="list-style-type: none"> • Community membership • Funders
COLLABORATE	To partner with the relevant entities in each aspect of the decision including the development of alternatives and the identification of preferred solutions.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	<ul style="list-style-type: none"> • Shareholders • Business partners
EMPOWER	To place final decision making in the hands of another entity.	We will implement what you decide.	<ul style="list-style-type: none"> • Shareholders • Business partners

Adapted from IAP2 Spectrum of Public Participation, <https://www.iap2.org/page/pillars>

COMMUNITY ENGAGEMENT PLAN

Community engagement isn't a one-shot deal. It's a commitment you make to your community and that's why building an engagement plan is important, not only to keep your CEE initiative on track, but also to show your community when, how and why they'll be engaged and how their contributions will be incorporated into the CEE initiative.

An effective engagement plan includes

1. The principles and values that will guide how you do engagement.

For example,

- transparent process
- timely information sharing
- respectful listening and participation

2. The “Who”: Who are you engaging with?

The ‘community’ includes several different audiences with unique interests relative to your CEE initiative. For example, key audiences often include,

- members of your community (on and off reserve)
- Chief and Council
- elders
- youth
- businesses in your community
- relevant organizations and departments in your community government that may be affected by a CEE

3. The “Why”: Why are you engaging them?

For example, is the purpose to inform, consult, involve, collaborate or empower?

4. The “What”: What are the topics, issues and the questions you'll be seeking community input on?

5. The “When”: When will you engage?

Planning when you'll engage your community and sharing that plan with your community can build trust and confidence in the process. It also helps you coordinate engagement with other community events, seasonal rounds, etc.

6. The “How”: How will their input be used?

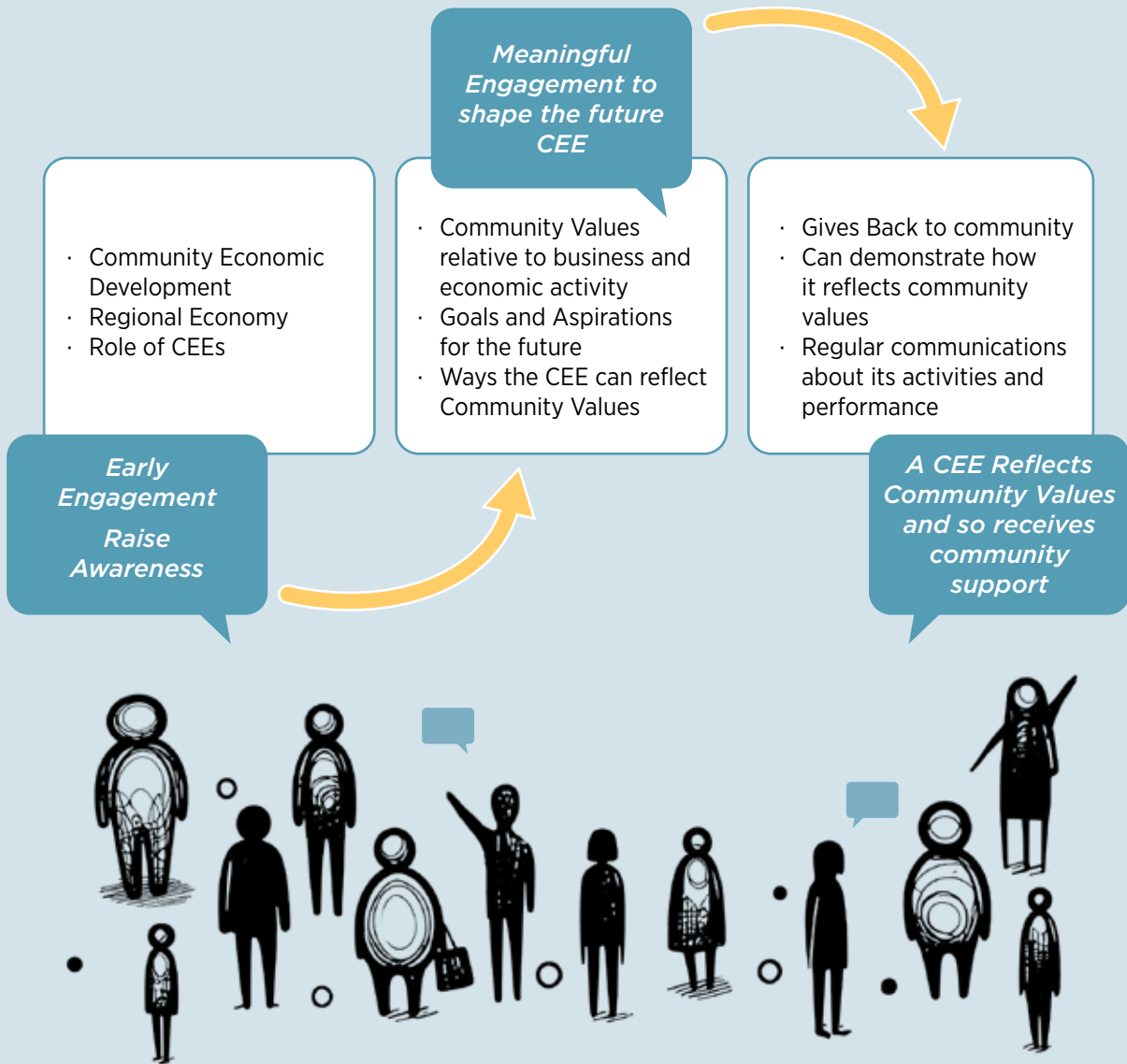
To respect the people who participate and the contributions they make, it's important to show people how their input will contribute to your CEE initiative. This practice will build confidence and trust for your CEE initiative and respects peoples' contributions.

Continued...



7. Feedback loops

It is critically important to have feedback loops, which means you follow up with your community to show them what you heard and how it contributed in concrete ways to your CEE initiative.



8.4 Ways to Measure Community Support

The degree of community support for your CEE initiative can be assessed by asking the following questions.

- **Value alignment**

In what ways does the CEE reflect the values of the community?

Can a clear link be made between CEE operations, branding and activity and community values?

- **Goal alignment**

Can the CEE clearly demonstrate how it supports and delivers on larger community goals and objectives?

- **Effective relationships**

Are there productive and positive working relationships between the CEE, the community government, other community-based organizations and privately owned businesses?

- **Pride**

Do the community members who work for the CEE feel proud to be associated with the CEE?

Do community members generally speak positively about the CEE's activities and the role it plays in the community?

- **Minimal conflict**

Are there chronic and recurrent complaints about your CEE and its activities?

Does the CEE (and community government) monitor emergent issues that could impact community support?

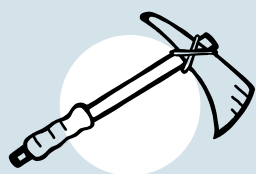
When the CEE comes up in community meetings or gatherings, what degree of support or resistance is communicated?

Community support is as important to the success of your CEE as its financial health. Meaningful and consistent communications and engagement is worth the effort to make sure something so vital to the CEE is achieved.



REFLECT

- How does your community government or other community-based organizations currently engage with your community?
- As a community member, what's important to you about how community engagement is done?



TOOLS & RESOURCES

Check out the Toolbox

- Tool 3 Community Engagement; you will use this with Task 6

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- public participation spectrum
- community engagement
- Indigenous community engagement
- how to check reliability of web sources

8.5 Community Support in Summary

If your CEE has community support then

- its relationship with the community government is characterized by cooperation and collaboration
- community members feel proud of the CEE

If your CEE doesn't have community support then

- it will likely experience conflict and resistance, which can pose significant risk to its efficient operations, community unity and well-being
- it will not have relevance or purpose in the eyes of the community

You will work with community engagement in

- Phase 1, when you develop a community engagement plan
- Phase 5, when your CEE will practice continually earning community support

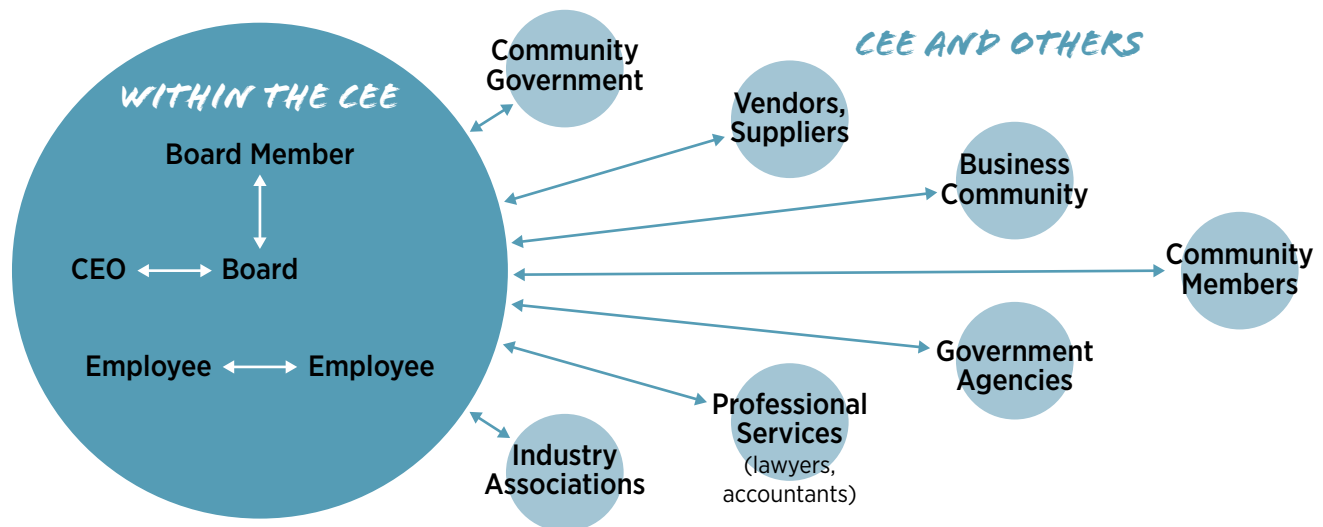
CHAPTER 9: PURPOSEFUL RELATIONSHIPS

Relationships are the way people behave toward one another. As individuals, we have relationships with family, friends, colleagues, community members and ourselves.

Your CEE, as an organization, will have corporate relationships with other organizations, like the community government, businesses, partnerships and industry associations. But organizations only exist because of the people in them and the relationships created between them.

“You’re first and foremost in the relationship business, then the business of whatever field you work in.”

— BRUBAKER, “IF YOU DON’T BUILD RELATIONSHIPS NOTHING ELSE MATTERS”¹⁸



Relationships are an essential part of the way we get things done. Nothing truly great, like setting up and operating a CEE, is ever done alone. If you are operating a CEE, you are in the “relationship business.”

A CEE’s growth is built (or destroyed) based on its performance and reputation to deliver solid results. To be successful, it must have a range of relationships supporting it. For example, to have community support, your CEE must have a proven reputation for reflecting community values and contributing to the goals and aspirations of the community. This is done through the relationships between people.

If the people within your CEE have poor relationship skills, your CEE will have serious challenges attracting and keeping

- people and talent (board members, staff, technical assistance)
- investment

¹⁸ John Brubaker, “If You Don’t Build Relationships Nothing Else Matters,” Entrepreneur, published on October 14, 2015, <https://www.entrepreneur.com/article/251659>

- business opportunities
- partnerships

Without these things, your CEE will be seen as unstable and not satisfying to work with—it won't realize its full potential.

In order to build and operate a successful CEE, you need relationship skills to

- build a network of strategic relationships
- demonstrate credibility and build a solid reputation
- communicate effectively
- work with conflict in a constructive way

9.1 Build Networks

Networking involves strategically building up contacts and cultivating relationships for mutual benefit. A network is a collection of contacts that know you and with whom you will exchange support, feedback, insight, resources, information and (hopefully) business.¹⁹ It takes time to build and maintain a network and it requires continuous care and attention.

Harvard Business Review characterizes three main types of networks²⁰

- **Operational network**
These are the people who help you get your job done on a day-to-day basis. If the relationships are poor in your operational network, getting work done will be challenging.
- **Personal network**
These are the people who can help you grow professionally and are sources of information and resources that may be helpful to you.
- **Strategic relationships**
These are the people who can help your CEE reach its strategic goals. Effective leaders cultivate networks for strategic purposes.

Building and caring for each of these types of networks will benefit you and your CEE initiative.

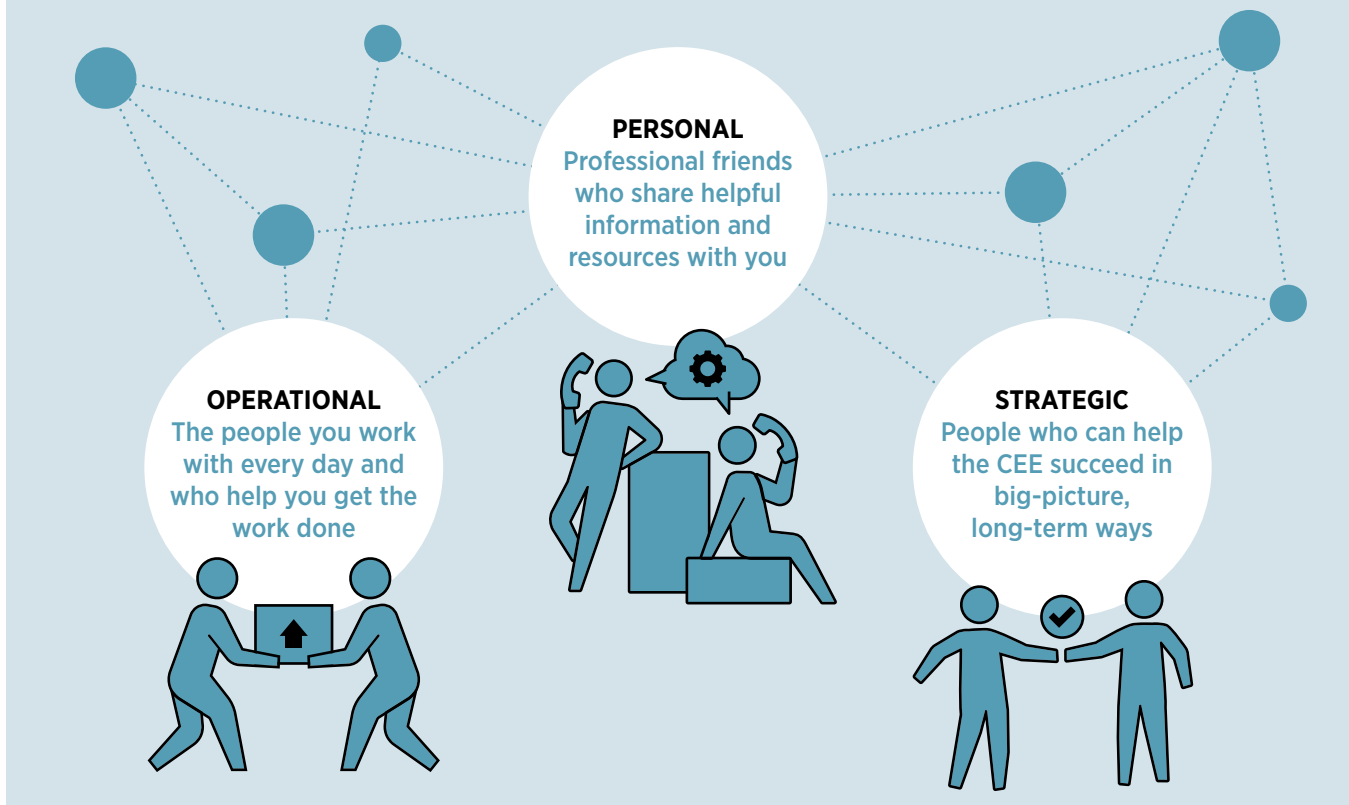
Consider building your personal network and your CEE's corporate network through

- trade fairs
- industry association events
- professional training and workshops
- other CEEs
- community events
- your existing business relationships
- social and professional networks (LinkedIn, Facebook, Instagram)

¹⁹ Herminia Ibarra and Mark Lee Hunter, "How Leaders Create And Use Networks," Harvard Business Review, January 2007, <https://hbr.org/2007/01/how-leaders-create-and-use-networks>

²⁰ "Networking: How to Make Valuable Business Contacts," Greator, accessed August 25, 2023, <https://greator.com/en/networking-business-contacts/>

THE THREE FORMS OF NETWORKING



9.2 Demonstrate Credibility

Relationship skills and credibility are the currency in business. To build credibility, you need to demonstrate competence (the ability to do something well) and trust.

You demonstrate competence by focusing on

- **Quality**
This means focusing on doing good quality work in anything you do.
- **Time**
This means doing and completing work on time. If you can't meet a deadline, communicate that before the deadline and give the reasons why and when you will be able to complete it. Also, respect other peoples' time by being on time and staying focused on the purpose of your shared time.
- **Cost**
This means doing work within the resources you have (money, time, people).

Trust is born when a person believes you can meet their needs or help them achieve their goals. You can build trust in relationships by doing what you say you will do and doing it consistently and repeatedly over time.

Credibility is something you have control over and a building block of reputation, which you have less control over.

9.3 Build Your Reputation

Reputation is in part built from

- the credibility you've demonstrated and what others think and say about you personally and your CEE
- people knowing you are credible and like to work with you because you communicate well and work with conflict in a straightforward, constructive way

A reputation can be based on facts but is largely based on people's experience and what they say about you. You don't have control over what others say about you, but you can increase the likelihood that they say good things by demonstrating to them that you are credible.

If you do a good job consistently, over time people will trust you and your reputation will grow. With a good reputation, you will cultivate a network of relationships that will help your CEE grow.

9.4 Communicate Effectively

Interpersonal Communications

Fundamental to any relationship is the ability to communicate well.

Effective communication requires listening more than you talk and being purposeful about

- what you say (the topic you're addressing)
- why you say it (your intention, what you are trying to achieve by communicating)
- how you say it (verbal, written, and body language)
- when you say it (appropriate to the time and place)
- who you say it to (audience)

This awareness of your interpersonal communications, along with a willingness to grow and develop your skills, will set you up for effective business relationships.

Business Communications

Business communications is the sharing of information within your CEE and outside the CEE. A business-focused communication style is succinct, straightforward, honest and timely.

More specifically, effective business communications reflect the seven Cs:²¹

- **Clear**
Your topic and message are clear and the recipient doesn't need to assume or wonder what you mean.
- **Correct**
The information is true and correct, without assumptions or implied meaning.
- **Complete**
The communication includes all the information needed for the recipient to understand and decide to act.

²¹ Lucy Brown, "7 Cs of Effective Communication with Example," last modified February 1, 2023, <https://www.invensislearning.com/blog/7-rules-of-effective-communication-with-examples/>

- **Concise**
There aren't a lot of extra words or repetition of the point being made.
- **Concrete**
You're not abstract in your language or ideas and what you say can easily be applied to the here and now.
- **Coherent**
What you say makes sense, logically.
- **Courteous**
You're polite and respectful.

Strong and consistent approaches to business communications will enhance your relationships and contribute to your credibility, both personally and for your CEE.

9.5 Work with Conflict

Another key relationship skill is the ability to work with (rather than avoid) conflict.

Conflict is a normal and expected part of human relationships, yet most of us either avoid it or deal with it poorly.

Conflict happens when the goals between people (or organizations) appear to be, or are assumed to be, incompatible. Conflict often escalates when people focus more on getting their way instead of seeking to understand the other person and working together to find a good way forward.

In terms of relationship, conflict typically results in one of two things:

1. An improved relationship

This is more likely to happen when you focus more on understanding the other person and what's important to them before seeking to get your way.

OR

2. A harmed relationship

This is more likely to happen if you focus solely on getting your way, or primarily focus on the other person not getting their way.

In business situations, try to resolve conflict in a good way because it enhances your CEE's reputation, and good business relations will benefit your CEE. However, there may be circumstances where you need act in the best interest of the CEE, and sometimes this may compromise relationships.

Within your CEE, workplace conflict is not only frustrating, but can significantly increase costs in terms of²²

- wasted time
- employee turnover
- complaints and lawsuits
- absenteeism and related health costs
- workplace violence/harassment

²² The 7 Costs of "Conflict Incompetence," Center for Creative Leadership, published February 10, 2023, <https://www.ccl.org/articles/leading-effectively-articles/the-cost-of-conflict-incompetence/>

- poor decision making
- low morale, reduced productivity

Growing your ability to resolve conflict in a good way will improve and protect relationships both within your CEE and your network, which will build and enhance your credibility and reputation.

9.6 Manage Contractors

A key relationship you'll likely have is with contractors because many Indigenous CEEs require external expertise. Contractors can support existing staff with large projects or give specialized expertise that you only need periodically and that isn't available within your staff.

Examples of contractors include

- management consultants (project managers, human resources, strategists)
- lawyers
- accountants
- technical expertise (IT support, regulatory experts, communications consultants, trainers, facilitators, business analysts, social and economic researchers, economists)

Selecting the right contractors and building strong relationships with them can bring several benefits to your CEE, such as

- **Savings in terms of time and cost**
Having productive and effective working relationships with contractors can save your CEE time and money. Finding and retaining specialized expertise can be costly in terms of the time it takes to find a suitable person, orient them to your CEE and the work you want them to do. If they do good work for you, you may want to use them again in the future and when you do, you won't need to start from ground zero to orient them and get them up to speed.
- **Added value**
An effective relationship with contractors, especially if those relationships are long term, can bring added value to your CEE. You can gain access to their network, information and resources that you may not otherwise have had. Also, the longer they know you and your community, the more effective, focused and tailored their work becomes to your specific circumstances.

To get the most out of external expertise, learn how to be an expert on experts. This will help you manage them well so that you get the best possible work for the best price. To do this you first need to assume a leadership role and fully consider their advice, but remember that only you know what your situation truly needs. Second, learn what quality work looks like in their field. Third, learn how long that kind of work typically takes. Fourth, know the cost range for the type of work and have a general sense of the process they will use to do the work and what types of obstacles they may encounter.

Knowing how to manage experts is a learned skill that is built over time and through a variety of experiences. It's good practice to have a way to track your learning and observations while hiring and managing contractors. You can then build this into guidelines or job aides for your staff.

When working with contractors, it's important to

- **Clarify their role and the reporting relationship**
Will the contractor be providing advice or doing work, or both? If they're doing work, are they leading it or is a staff person leading the initiative? Be clear about why you are hiring them, what you expect of them, and who they will be reporting to.
- **Define and control the scope of work**
A "scope of work" or "description of services" is a description of the work the contractor will be doing, the deliverables you expect from them, and when it will be due. Make sure your contractor has measurable goals, concrete deliverables and a timeline.
- **Orient them**
Good contractors are used to getting up to speed quickly, so your onboarding process will be different for a contractor than for an employee. It will still be important to orient them to your organization, which includes sharing any documents or sources of information that will be helpful background for their work. For example, if you've contracted with an accountant to assist with developing your financial policy ([Task 22](#)), you will want them to meet relevant staff and get any financial policies that staff use.
- **Give direction and monitor activity**
Contractors need to know your expectations and it's important to regularly monitor the work they are doing, especially if the contract is of long term or is large in scope. Someone needs to be designated to manage and monitor, the contractor, and give ongoing direction, and be available to answer their questions. In the absence of this, the scope of work could grow bit by bit ("scope creep"), timelines could not be met, and the deliverables may not line up with what you were expecting.
- **Give feedback to build your network**
By giving contractors regular feedback, you help them do a better job for you and ensure that any future work they do for you will be informed by your feedback. By giving feedback, you help the contractors operate their business well and, in this way, your relationship with them could build your network as they may be a useful resource in the future.
- **Get a second opinion**
Do not follow your experts blindly and don't be afraid to get a second or third opinion from other independent experts (this is a good business practice).

9.7 Understand Team Dynamics

Another key relationship and management skill involves team dynamics. Team dynamics are how a group of people work together (or not). Your CEE initiative will involve teams of people to get it up and running, and the teamwork doesn't stop there.

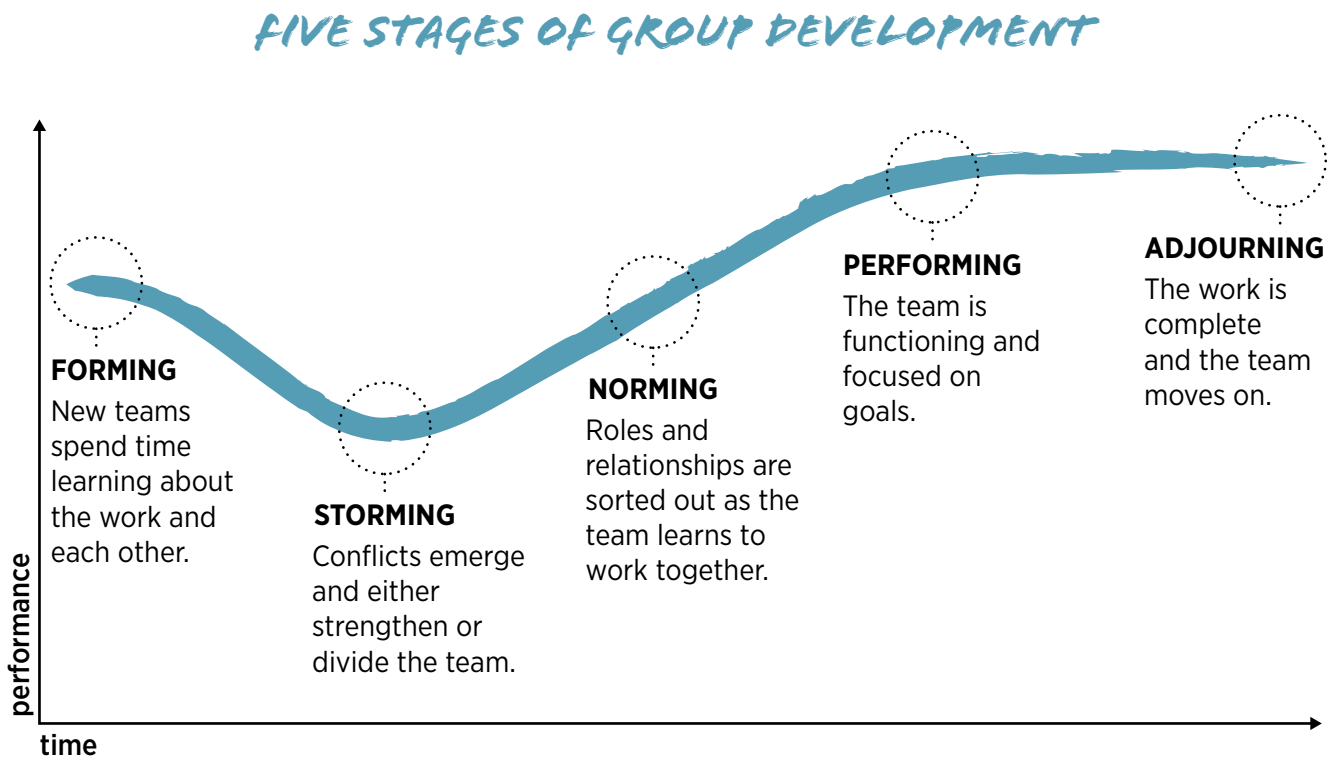
Once operating, your CEE will include teams of people like

- the board of directors
- management teams
- employees, work crews

Having a basic understanding of team dynamics can help you develop people and high-performing teams. An effective and high-performing team isn't built overnight, and it takes time for a group of people who are working on a common goal to figure out how to work together to reach that goal.

There are many models on team dynamics and how to manage and understand teams for high performance.

For example, Bruce Tuckman's work speaks to the five stages that a team goes through.²³



Team dynamics are directly relevant to your CEE, especially in the startup stage when your CEE has a new board of directors and is hiring new staff or contractors. Indeed, in the first year of CEE operations, the whole organization will likely be in the “forming,” “storming,” and “norming” stages of team dynamics.

It is important to manage performance expectations during these early stages of team dynamics because performance and productivity will be lower than in the performing stage.

9.8 In the Eyes of Others

Unique to Indigenous communities and their CEEs is how they are viewed by the outside world of government, industry and business. The outside world tends to lump all organizations associated with an Indigenous community as “the community.”

²³ Bruce Tuckman, “Developmental sequence in small groups,” *Psychological Bulletin*, 63(6) (1965): 384–399. <https://doi.org/10.1037/h0022100>.

Assumptions, impressions and experiences with one organization (or person) are often applied to the whole community. For example, a company who initiated conversations about a proposed development with Chief and Council may apply the quality of that relationship and experience to any future CEE and business relationship.

This can either work for you and the community, or it can work against you. The community government and the CEE need to be aware of how the relationship dynamics between them affect working relationships with the outside world. Strong relationships that either the CEE or community government has with the outside world can potentially benefit the other.

It's equally important to communicate (both internally and externally) and behave in a way that reinforces that the CEE and community government are separate entities, with different mandates and decision-making processes.

In Phase 3, you will be encouraged to develop a CEE-shareholder protocol to make communications between the two organizations more efficient. It will clarify which organization speaks to which kinds of issues with the external world and will coordinate those communications in a clear and deliberate manner.

9.9 Purposeful Relationships in Summary

If you have effective relationships then

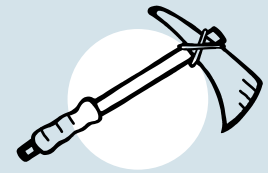
- you will have a strong reputation and a network that supports your CEE success
- issues and conflict will be worked with in a constructive way

If you have ineffective relationships then

- your CEE reputation may suffer
- conflict can increase, bringing reputational and operational costs to your CEE

You will work with relationships in

- Phase 1, when you engage your community
- Phase 3, when your CEE board is established and meets for the first time



TOOLS & RESOURCES

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- business networks
- business relationship skills
- effective business communications
- conflict management
- how to build credibility
- how to protect business reputation
- how to manage contractors
- what are team dynamics
- how to check reliability of web sources

CHAPTER 10:

PREFERENTIAL ACCESS TO OPPORTUNITIES

Preferential access to opportunities describes situations when Indigenous businesses are given an advantage over other types of businesses in terms of access to contracts and business opportunities.

Preferential access is often one component in comprehensive social and economic agreements between a company and an Indigenous community (often called an impact and benefit agreement or IBA). These agreements are typically negotiated by the community government and require a close working relationship between the community government and the CEE because the CEE will be delivering on many opportunities negotiated into such agreements.

Examples of preferential access include

- right of first refusal on procurement opportunities prior to the company posting an invitation for bid
- direct award contracts
- guaranteed targets of procurement
- facilitating business opportunities and strategic relationships that a CEE may not otherwise have access to

Industry, particularly resource-based companies like forestry and mining companies, often offer preferential access to Indigenous CEEs in order to build relationships, implement any corporate reconciliation strategies, gain social licence, or demonstrate to regulators that they have favourable relationships with the Indigenous community, which may facilitate the approval of the company's exploration activities and regulatory applications.

Preferential access can provide

- **Predictability**
Preferential access can bring a degree of predictability to business operations, which then means you can forecast potential revenue with more certainty and plan business ventures with less risk.
- **Reduced capital and operating risk**
Preferential access opportunities are often based on long-term commitments in agreements or other arrangements, which means that any capital or operational investments you may make to take advantage of that opportunity are less risky than in typical circumstances.
- **Growth and leverage**
Preferential access can provide opportunities to grow business activity in new areas that you otherwise might not be able to. It can also provide a powerful lever to develop partnerships with more experienced companies. Such partnerships can help your CEE deliver a quality product in sectors where it needs additional expertise, capacity or capital to capture those opportunities.

10.1 Seek Legal Advice on Agreements

While preferential access can bring opportunities and benefits to your CEE and community, it can also introduce unique financial and reputational risks. For example, if your CEE invests capital and human resources to do contracts and the preferential access opportunity goes sideways, the benefit of the opportunity is replaced with a loss.

Ensure your legal counsel reviews any agreements involving preferential access to ensure that

- your CEE is protected from financial and legal risk to the greatest extent possible
- targets and processes are clear
- there is a viable and reliable dispute resolution process

10.2 Apply Your Venture Selection Process

A CEE's venture selection process (section 19.1) should be applied in all circumstances, including preferential access opportunities. The venture selection process assures your CEE board and the community government (shareholder) that a solid due diligence process is applied before investing in business opportunities.

10.3 Cooperation and Communication with Community Government

Community governments often secure preferential access opportunities through IBAs with industry and the CEE is intended to deliver on it. Social and economic benefits, like preferential access, are often seen as benefits that partially address impacts to Indigenous community and First Nation rights.

It's important that the community government and the CEE communicate regularly during the negotiation of these types of agreements to make sure that the full range of preferential access opportunities are included, that the CEE is specifically named as the entity for certain opportunities, and that the performance and working relationships (for both the company and the CEE) associated with preferential access are being respected.

10.4 Focus on Performance

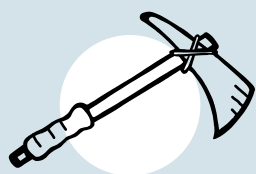
It is easy to view preferred access as an entitlement opportunity that will remain in place regardless of what the CEE does. While preferential access may get your CEE access to an opportunity, the success of your CEE still rests on its ability to deliver quality work for these opportunities.

The better the performance under preferential access opportunities, the more likely your CEE and the community will be able to secure additional preferential access opportunities with other industry partners in the future because the CEE will have a proven reputation.

Lack of performance yields the opposite result. Companies talk to each other, and the CEE can quickly be viewed as an unreliable social agency that companies are forced to work with.

10.5 Take Care of the Relationship

Committing to preferential access opportunities with an Indigenous community and CEE can be perceived as risky by industry, especially if there are not existing working relationships.



TOOLS & RESOURCES

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- Indigenous preferred/preferential contracts
- structuring agreements with First Nations/Indigenous communities
- Indigenous procurement
- how to check reliability of web sources

Positive and mutually beneficial business arrangements will grow your CEE’s reputation and credibility, which in turn could translate into more business with the company outside of preferred access, or with other businesses. The need for relationship management applies equally, if not more, to preferential access opportunities as it does to regular business development activities.

10.6 Preferential Access in Summary

If you have preferential access to opportunities then

- your CEE has an advantage over competitors
- your CEE can grow and generate revenue with less risk and cost
- your CEE can leverage those opportunities for additional business

If you don’t have preferential access to opportunities then

- your CEE will operate and compete with other companies and businesses
- your CEE will not have as many opportunities to grow capacity through joint business ventures or other types of arrangements

You will work with preferential access opportunities in

- Phase 3, when your CEE assess the external economic and business environment to identify strategic goals and objectives, one of which may be to seek preferential access opportunities.



REFLECT

- Do businesses in your community have experience with preferred access opportunities? What lessons and learnings can be applied to your CEE initiative?

FUNDAMENTALS 3: EXCELLENCE

With a strong foundation, made up of mindset, leadership and discipline, along with a supportive environment of community support, strong relationships and preferential access to opportunities, the third of our three fundamentals for success focuses on CEE excellence.

The elements associated with CEE excellence include

- corporate governance
- policy discipline
- planning discipline
- monitoring and evaluation practices
- strong board
- qualified CEO
- respectful CEE-shareholder relationship
- risk management framework
- effective management
- realizing opportunities



CHAPTER 11:

CORPORATE GOVERNANCE

Corporate governance is the way in which a CEE is directed, controlled, operated and held accountable to the shareholder (community government). It is also how the people that work within the CEE are accountable for their responsibilities.

Corporate governance refers to the structures, processes and policies that are used to

- define behaviours, relationships and the cultural norms that are expected within the CEE
- set and achieve goals and objectives
- monitor CEE activity and performance in achieving those goals and objectives

Corporate governance sets the framework for how the CEE is governed, how it operates and how it behaves. It is not any one thing, but rather the result of the discipline that you apply to the attitudes, practices, policies and structures in your CEE.

Corporate governance requires using governance tools in a disciplined way that, when combined, create a strong governance environment. There are several governance instruments, or tools, that work together to create the conditions for strong corporate governance. Let's look at each below.

11.1 Governance Structures

Governance structures are the bodies that govern an organization to make sure it fulfills its mandate.

A governance structure has

- authority to do certain things with decision-making rights
- responsibility to do certain duties
- accountability for its actions

The governance structures associated with your CEE include

- community government (as owner and shareholder) that sets overall expectations for the CEE
- board of directors that governs CEE operations
- board committee(s) that carries out specific governance responsibilities on behalf of the board
- management committee(s) that oversee and coordinate activities that implement governance direction

“A successful mindset and effective corporate governance will do more for your CEE success than any one specific business venture will.”

11.2 Mandate

A mandate is permission to do certain things and a directive to do it. The mandate for your CEE comes from your community government and is demonstrated by the fact that the community government made a decision to set up a CEE (Task 1), applied for and received the articles of incorporation, and approved the CEE bylaws at the first shareholder meeting.

A mandate is the seed from which all other governance tools and CEE activity grows from.

Example of a mandate:

The mandate of the Bright Lights Development Corporation is to generate wealth while facilitating economic and business development on behalf of the River Bend First Nation.

11.3 Vision

The next tool in corporate governance is the vision. The vision describes not what the CEE does (that's the mission), but what the CEE envisions itself becoming.

The vision is an aspirational statement to guide overall, long-term thinking and strategic planning. It is not tied to obstacles, availability of resources or specific matters of your current situation.

Effective vision statements are

- written in present tense
- describe a desired future end state
- specific to your CEE
- inspiring

Example of a vision:

Profitable businesses, skilled workforce, community wealth.

11.4 Mission

While a vision statement describes what your CEE aspires to, the mission statement describes what the CEE does to achieve the vision.

Example of a mission:

Bright Lights Development Corporation delivers quality results, on time and on budget.

11.5 Values

Strong governance is value based. Values are essentially a code of ethics that guide how board members, executive management, and staff behave. Values are to an organization what personal values are to an individual for how they conduct themselves in their day-to-day life.

Common corporate governance values include²⁴

- honesty
- respect
- transparency
- accountability

24 "Corporate Governance & Compliance," PwC, accessed on August 25, 2023, <https://www.pwc.com/la/en/risk-assurance/corporate-governance.html>. ; Garry Merkel, Interview with the author, June 7, 2022.

- responsibility
- reliability
- innovation
- inclusiveness

11.6 Principles

While values are about behaviour, principles are about what your CEE governance stands for. Principles serve as a type of checklist that the CEE's priorities, plans and actions must adhere to.

Governance principles could include, for example,

- governance discipline
- effective strategy
- strong policy and planning
- business success
- community support
- performance monitoring

The CEE's plans, policies, systems and tools are built to reflect its values and principles so that they are embedded in all aspects of the organization and are not just words on a page.

11.7 Policies

Another key corporate governance ingredient is policy. Your CEE will have board and governance policies to govern the CEE. We will look more closely at policy in [Chapter 12](#).

11.8 Plans

Solid planning discipline at the operational, management and governance levels is fundamental to the CEE to govern and realize its goals and objectives. We will look more closely at planning in [Chapter 13](#).

11.9 Performance Monitoring and Evaluation

The CEE's board of directors is responsible for CEE oversight and performance monitoring. We will look more closely at the board's oversight role in [Chapter 15](#).

11.10 Risk Management

Risk is fundamental to any business enterprise. We will look more closely at risk management in the CEE-shareholder relationship in [Chapter 17](#) and for the CEE generally in [Chapter 18](#) regarding enterprise risk management.

11.11 Discipline

Strong corporate governance and risk management doesn't happen by itself. It requires thoughtful and deliberate attention to create it and consistent effort to monitor, review and adjust it as needed. This is discipline in action.

With these governance tools in place and practised, your CEE will have the conditions for governance discipline that will set it up for success.

11.12 Governance in Summary

If your CEE has effective governance then

- the shareholder(s), community and other parties will see stability and have increased confidence in the CEE
- CEE direction and decisions will be aligned with its purpose and strategy
- the relationship between the CEE, community government, the board of directors and management will be clear and predictable, with minimal risk
- recruiting and retaining competent directors and management will be easier

If your CEE has ineffective governance then

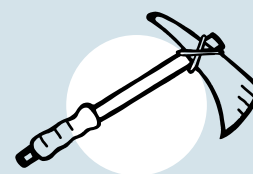
- conflict around roles and responsibilities will likely occur
- recruiting directors and key management may be difficult
- short-sighted decisions with poor results will increase
- instability in your operations will reflect the lack of “tone from the top”
- distrust from others (including external parties, the community and community government) is more likely to happen

You will work with corporate governance in

- Phase 1, when the community government makes a clear decision to create a CEE
- Phase 3, when your community government appoints the board of directors, when the board of directors gets the CEE organized and develops governance policy, and when the community government issues the first letter of expectation

REFLECT

- What three words would you use to describe the governance principles in your community?
- What does your community do well in terms of governance? What could be made stronger?



TOOLS & RESOURCES

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- what is corporate governance
- what is a governance framework
- corporate values and principles
- how to write a good vision statement
- how to write a good mission statement
- how to check reliability of web sources



CHAPTER 12: POLICY

Policy in the most general sense is a directive about something that matters.

Policy can be

- rules that must be followed
- standards that are expected to be reached
- outcomes that are intended to be achieved
- guidelines to shape how you do something
- procedures that must be followed in sequence to get a specific result

In many Indigenous communities, the word “policy” often comes with negative responses because Indigenous people and their communities have often been the subject of policy from other governments.

Today, Indigenous communities are taking back control over their future. A good policy environment can help organize and guide Indigenous organizations to achieve what matters by documenting what is important and what is expected to be done about it.

Policy is important for your CEE initiative because it is the tool to communicate priorities and describe how things are expected to be done. As a tool, policy is written down so that it is clear and can be shared with everyone who needs to implement the policy. Policy helps create organizational consistency because everyone has a shared understanding about what’s expected and how it should be done. Good policy also creates a sense of common purpose among everyone.

12.1 Good vs Bad Policy

Policy often gets developed when the organization recognizes that there is a lack of clear direction or when something goes wrong.

GOOD POLICY GENERALLY...	BAD POLICY IS OFTEN...
Examines the root causes of the problems that need to be addressed	A knee-jerk reaction to a specific situation
Gets reviewed and updated on a scheduled basis	Written and left alone until it becomes redundant (and no-one follows it anymore)
Considers the overall policy environment to ensure all policy fits together	Developed in isolation, creating inconsistencies or conflicts between policies
Developed with input from those who have to implement the policy	Developed by a small group without engaging others, often resulting in policy that is not supported or does not work for the situation it was intended to address

It is important to create a balanced and stable policy environment that does not continuously go through major changes. Having a clear process for updating policy ensures that policy remains relevant to the everchanging environment.

12.2 Policy Frameworks

A policy framework is a roadmap for how an organization defines, organizes and takes care of its policy environment. Policy is a tool and, like any tool, it needs care and maintenance, and this is where a policy framework can be helpful.

A policy framework does three things:

1. It defines the types of policies and the relationship between those types of policies within the organization.
2. It describes how policy is developed, reviewed, and when this should happen.
3. It sets out the roles and responsibilities within the organization regarding policy making and decision making.

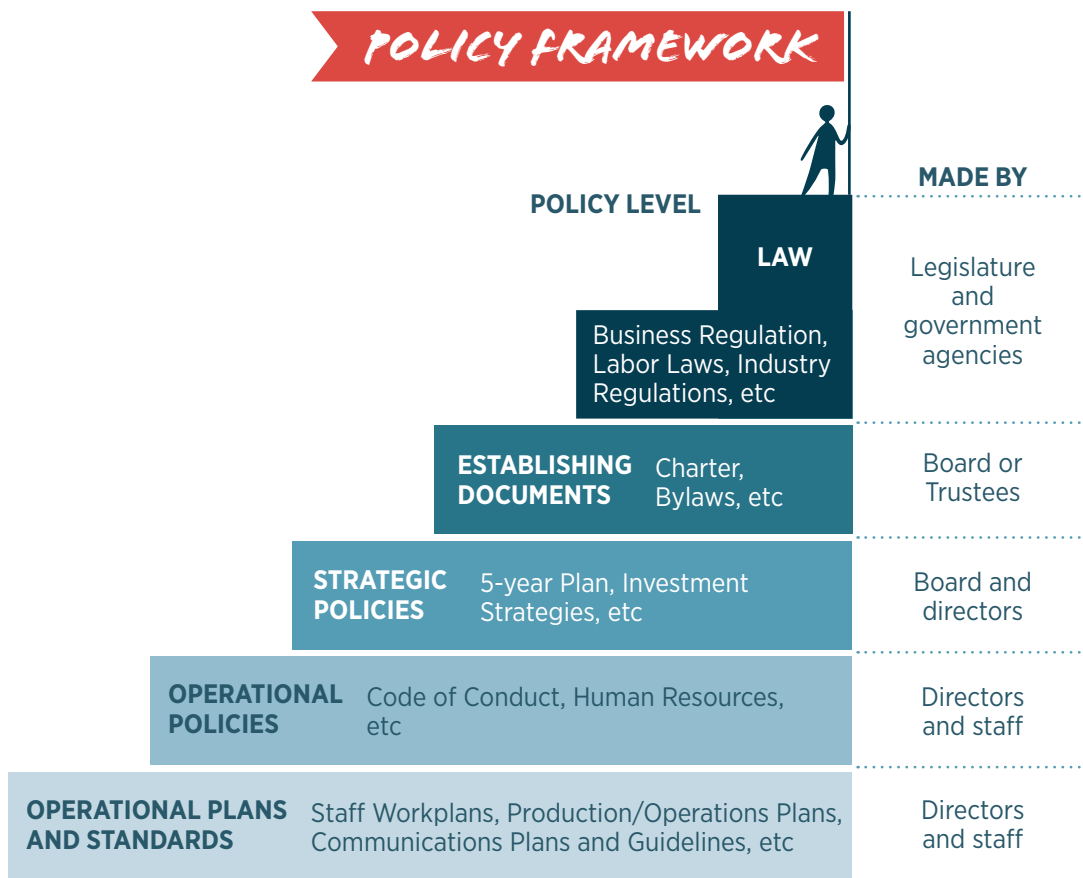


Image adapted from Jennifer Tunny²⁵

²⁵ Jennifer Tunny, "Do you need a policy on policies?," Effective Governance, accessed August 25, 2023, <https://www.effectivegovernance.com.au/page/knowledge-centre/news-articles/do-you-need-a-policy-on-policies>

TYPES OF POLICIES

There are three main types of policies in an organization: board policies, governance policies and operational policies.

Board Policies (Board Manual)

A board manual governs the functioning of the board. It describes, at a minimum, the CEE's expectations for board members, appointment of directors, conflict of interest, board development and evaluation, and duties and responsibilities of directors. It may also include values and principles that will guide board decision making. A board manual provides a common playbook, so to speak, for board members and is a very helpful tool to assist with the onboarding of new board members while also ensuring consistency in governance as board members come and go. You'll learn more about the board of directors in [Chapter 15](#).

Governance Policies

These policies provide broad direction (generally in the form of principles, desired outcomes, frameworks or other similar higher-level direction) from the board members on how they expect certain areas of the CEE to operate. Some example areas include: enterprise risk management, policy framework, planning framework, safety culture, human resources, finance, and venture selection. Governing policies provide the framework within which management and operational policies and procedures are developed and implemented.

Operational Policies

These policies are set by the CEO, reflect the higher-level governance policies, and guide the day-to-day operations of the CEE.



12.3 Responsive Policy Environment

- Policy making is a living practice. It is not a one-shot deal where you write a policy, get it approved, and assume everyone knows about it and should follow it forever.
- For your CEE, create a policy environment so that policy can be responsive to changing circumstances. This means separating governance policies and operational policies and keeping governance policies at a high level and focused on principles and outcomes. Operational policies should focus on implementing governance policies and can be changed quickly to reflect changing circumstances.
- For example, your CEE governance policy on safety may state that workplace safety is a priority, set expected safety outcomes, require the CEE to maintain a certified safety program that includes a regular safety audit component. Operational safety manuals would be approved by the CEO, who would report to the board how operational policy adheres to the governance policy. If something changes in the CEE's operating environment, the CEO changes the operational policy.

12.4 Policy Life Cycle

Often policy becomes part of the routine in an organization, which is good, but there is operational risk when policy isn't regularly reviewed and refined to reflect the changing organizational context. Ideally, all policy should go through a life cycle that ensures it is relevant and up-to-date.

Stages of a Policy Life Cycle

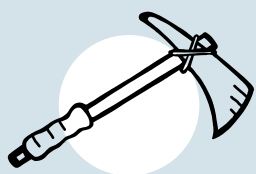
- 1. Concept**
The topic or issue to be solved with policy is identified.
- 2. Development**
The issue/topic is explored, options are identified, and people who have a stake in the policy issue are engaged.
- 3. Decision Making and Communication**
The policy is decided on and communicated out, with training if appropriate.
- 4. Implementation**
The policy is implemented and monitored for effectiveness.
- 5. Review**
The policy is reviewed regularly to see if it is still needed. If it needs refinements, it goes back to stage 2 and continues through the policy life cycle.

12.5 Key Setup Policies

Policy development will be one of the first things your CEE board of directors will need to do.

Each CEE will determine its own priorities for policy development, but the most common initial priorities (in order of priority), include

- board manual
- governance policies
- human resources and finance policies
- safety, venture selection, and enterprise risk management policies



TOOLS & RESOURCES

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- what is good policy
- how to develop policy
- policy life cycle
- what are policy frameworks
- human resources policy sample
- finance policy sample
- how to check reliability of web sources

These core policies will give your CEE enough guidance and direction to

- establish the governance foundation for the CEE
- ensure the CEE is governing to a standard
- operate according to employment law
- select ventures with due diligence
- manage risk to the CEE
- ensure safety for people working for the CEE

These initial policies will allow the activity of the CEE to get off to a solid start, while minimizing liability risk to the CEE and the community government.

12.6 Policy in Summary

If you have effective policy then

- you can make confident decisions
- CEE operations will be smooth because people are clear what must be done, by whom, when, and how

If you have ineffective policy then

- confusion and conflict will characterize CEE governance and operations because there isn't a shared understanding about what must be done, by whom, how, and why
- lack of trust can grow because of lack of consistency in decision making
- liability increases

You will work with policy in

- Phase 3, when the board of directors develop policy, such as the venture selection process and various management and operational policies



REFLECT

- How would you describe the nature of the policy environment at your community government?
- How is policy typically developed and implemented in your organization?
- If you could make one policy improvement, what would it be?

CHAPTER 13: PLANNING

Planning involves looking ahead to the future, setting goals, and then identifying the steps you need to take to achieve those goals. For your CEE, planning happens at the governance, management and operational levels. It is a deliberate practice that helps you have a realistic view of the art of the possible, anticipate potential hurdles and develop strategies to overcome them.

Planning is fundamental to CEE success because the planning process helps you identify potential obstacles and opportunities and think in a step-by-step manner, which in turns lets you execute your plans with confidence. Plans are a helpful communication tool and can build a common understanding across the CEE about where you are now, where you intend to go and how you will get there.

A key to planning is to prepare and implement the right type of plan while also monitoring progress and adjusting as needed.

Startup CEEs and some mature CEEs may only have a strategic plan and an annual operating plan, while other CEEs may have specific plans for priority areas. Whether you lump the plans together or separate them out is largely up to the CEO. The goal is to make sure that key planning areas are captured in a plan that is implemented and monitored.

13.1 Key Elements in a Plan

All plans typically include

- name, purpose and scope of the plan
- time frame and any update periods
- goals, objectives, and key tasks or activities to achieve goals and objectives
- who was involved in preparing the plan, who approved the plan, and who is responsible for implementing it
- reporting process and frequency
- how the plan will be monitored, evaluated and updated
- relationship to other plans

13.2 Goals, Objectives, Tasks and Activities

Words matter and how you frame what you want to achieve in any plan affects how well you can execute it, measure it, and know if you've achieved it. For example, if the goals are a mixture of tasks and results, it will be hard to monitor progress and demonstrate results consistently over time.

A simple but effective guideline to use when preparing plans is to define goals, objectives, and tasks as follows:

- **Goals** are a direction to go (not a destination)
- **Objectives** describe something to be achieved and can be measured
- **Tasks** are actions or activities to be completed to achieve your objective

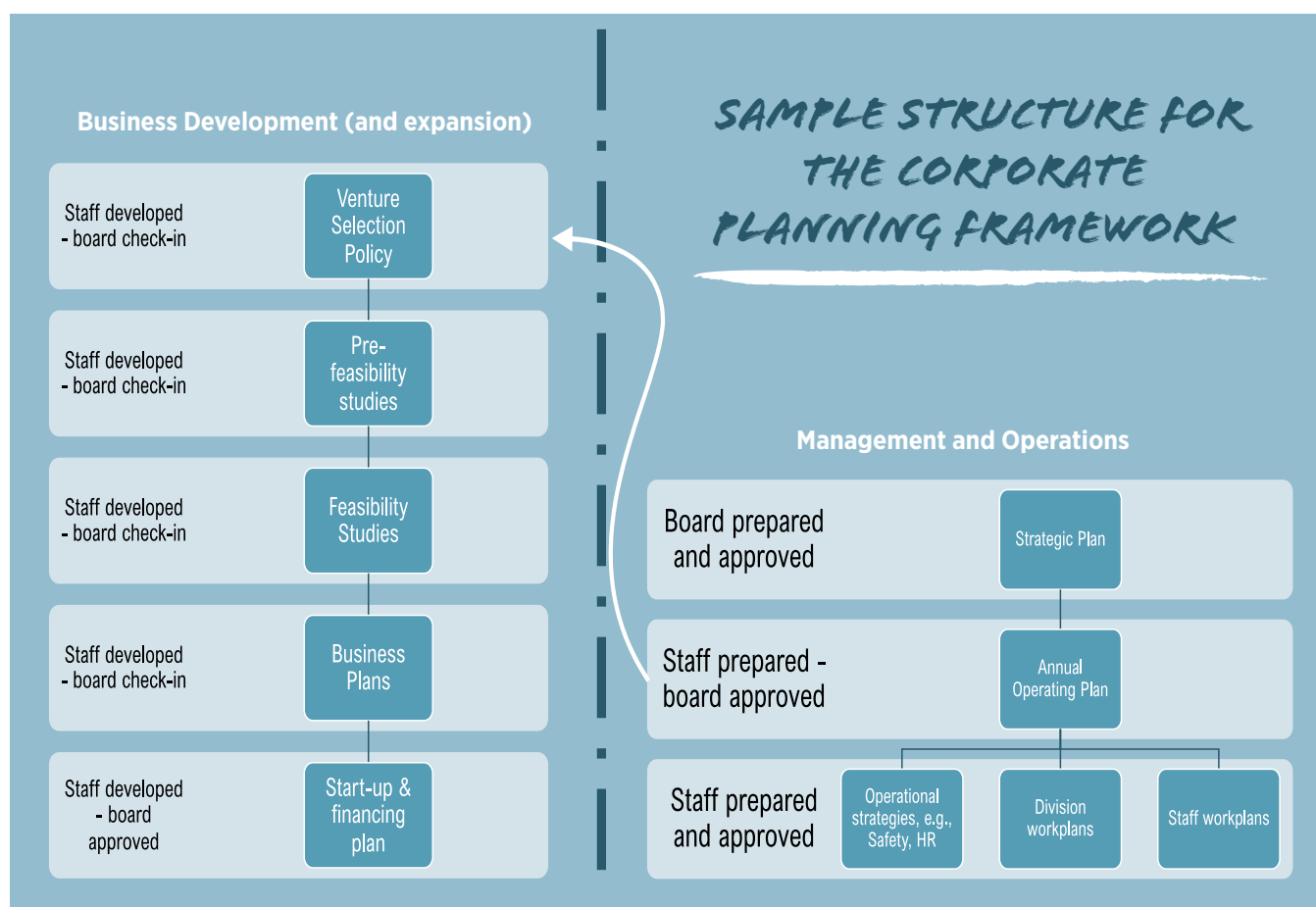
EXAMPLE:

Goal	Profitable CEE businesses
Objective	Increase CEE total net profit by at least 15% each year for the next three years
Tasks/Activity	<ul style="list-style-type: none"> Assess each business's operating costs and reduce operating costs Develop a marketing plan to showcase and promote CEE businesses

13.3 Planning Frameworks

A planning framework identifies each of your CEE plans and describes

- who develops each plan and in consultation with whom
- who approves each plan
- time frame and review frequency of each plan, which is included in the CEE's annual calendar
- how it will be monitored and reported, including to whom
- the relationship between the plans and how they mutually support each other



TYPES OF PLANS

PLAN	TIME FRAME	DESCRIPTION
Strategic plan	3–5 years	<p>Sets the direction of the CEE with 3–5 strategic goals or priorities.</p> <p>The strategic plan typically includes</p> <ul style="list-style-type: none"> · the “charter” elements (vision statement, mission statement, values and principles) · environmental scan (SWOT, PESTL, key players, etc.) · goals, objectives, strategies · time frames <p>Progress toward this plan is typically reviewed annually to see how the CEE is moving toward its strategic goals.</p>
Annual operating plan and budget	Annual	<p>Breaks down the strategic goals to annual objectives that will take the CEE closer to reaching the strategic plan’s goals.</p> <p>Typically includes</p> <ul style="list-style-type: none"> · a brief situational analysis · corporate priorities for the year · activities and objectives for the year · an organization chart and · an operating budget <p>This plan is typically presented by the CEO, approved by the board, and is reported on quarterly through, for example, a balanced scorecard. The annual operating plan is often used as a type of performance contract with the CEO.</p>
Activity specific plans	As needed	<p>These are specific plans that lay out detailed objectives and tasks to address specific operational priorities.</p> <p>For example</p> <ul style="list-style-type: none"> · safety plan · human resources plan · information technology plan
Business plans	Varies	<p>Describes how a business will be established or how a major shift will be made. It describes the overall business environment, how the company intends to establish its position within that business environment, and how the company will use various operational specifics (e.g., finances, management, capital, etc.) to build or shift the business.</p> <p>A good business plan describes these in a high level of detail and is closely scrutinized by others to ensure nothing is missed and that each part of what is being proposed is realistic.</p> <p>Business plans are prepared as part of the venture selection and business development process. A business plan is also required for financing.</p>

PLAN	TIME FRAME	DESCRIPTION
Capital asset plan	3–4 years	Describes the inventory of capital assets that your CEE has (buildings, equipment etc.) and plans for their care and maintenance. This often takes the form of a detailed schedule including maintenance and replacement activities and costs.
Financial plan	3–5	Reflects the strategic plan and annual operating plan to describe how the CEE will be resourced. Includes long-range financial targets and how this is anticipated to change over time. The annual budget reflects the longer-term financial plan.
Communications/ marketing plan	1 year +	Describes how the CEE will communicate, including the types of information, when, and to whom. This plan may include brand development and specific marketing strategies to support the implementation of the strategic plan and annual operating plan.
Human resources plan	1 year +	Describes training and development initiatives for employees and may include succession planning, particularly for key positions like the CEO.

13.4 Project Charters and Workplans

A key part of practising discipline and effective management is making decisions, defining and delegating work, and then monitoring progress of the work. One way to do this is a project charter.

A project is an activity that has a beginning, middle and end. A project charter defines the project, the team, key milestones, reporting and other elements. For example, setting up a CEE is a project and that will end when the CEE is legally established and the first board of directors is appointed, but operating a CEE is not a project because there is no end.

Project charters help keep you focused on what you're trying to achieve and why and on the principles that will guide your process. The workplan associated with a project charter describes the steps you will take to reach certain milestones for your goal.

An effective workplan typically includes

- the objective to be reached and key milestones in reaching that objective
- the required tasks to achieve the milestones
- who is the lead on that task
- estimates for when activities and milestones will be achieved

13.5 Annual Calendar

The CEE's annual calendar is like a family calendar that many families use to lay out their busy lives. This calendar helps maintain discipline, set a rhythm for your CEE, make tasks routine, and ensure that key actions and deadlines don't fall off the radar (which can often happen with staffing changes and busy periods). An annual calendar helps everyone in the CEE know what happens, when.

Typical items in a CEE calendar include

- planning (e.g., when groups are engaged, when drafts are complete, when final versions are approved)

- finance (e.g., pay days, budget development, submissions and approvals, payable submission deadlines, invoice payment dates)
- personnel (e.g., workplan development and approval, performance evaluation)
- major operations that affect the corporation (e.g., maintenance shut-downs)

You can decide the level of detail that you want in your calendar, but the important thing is to have one and use it.

Divisions within the CEE may have calendars specific to them (e.g., capital maintenance), which are sometimes linked as sub-calendars to the overall corporate calendar. Some advanced corporate calendars may also include a monitoring component with a dashboard view that allows managers to easily track progress on everything.

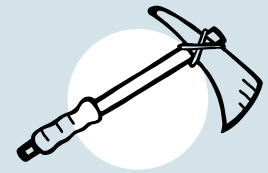
13.6 Planning in Summary

If you have effective planning then

- you will be clear about you are trying to achieve and how you will do it
- your community will have an understanding about CEE's activities (provided there is effective reporting), which helps to build trust
- you will identify opportunities and anticipate obstacles
- risks and opportunities will be identified with clear steps on how to manage risk and take advantage of opportunities

If you have ineffective planning then

- your CEE will flounder from one good (or bad) idea to the next without clear direction about what it wants to achieve
- your CEE will lack confidence, trust and certainty among community members, the business community, and others because there is little clarity on where the CEE intends to go and why it does what it does
- your CEE is at high risk of making potentially negative and even fatal business decisions because it has not done the necessary due diligence to anticipate all potential problems before investing its resources into new or expanded business opportunities



TOOLS & RESOURCES

Check out the Toolbox

- **Tool 7 Strategic Plan Worksheets;** you will use this in Task 19
- **Tool 8 Annual Calendar;** you will use this in Task 22

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- what is a... (type the name of each plan, above)
- what is a planning framework
- business plan templates and samples
- what is a corporate calendar
- how to check reliability of web sources

You will work with planning in

- Phase 1, when you prepare a project charter and workplan for your CEE initiative
- Phase 3, when your CEE board embarks on strategic planning



REFLECT

- What is your community government's planning environment?
- How are plans developed in your current workplace? What are the strengths and weaknesses of that process?
- Why do you think having a clear planning environment helps build confidence in a CEE activity?

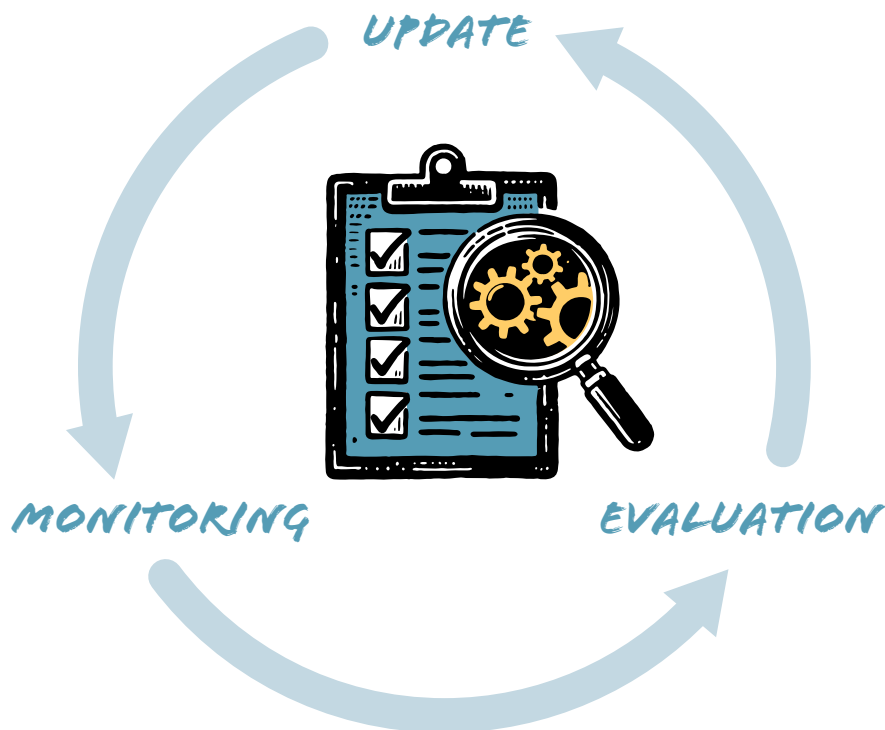
CHAPTER 14: MONITORING AND EVALUATING

Monitoring and evaluating are ongoing processes that successful CEEs use to learn how to perform better and to know if progress is being made on goals and objectives. Monitoring and evaluating help you identify roadblocks or opportunities that you didn't envision when you developed your plan, show if you're on the right track, and adjust to changing circumstances.

Monitoring and evaluating aren't only about focusing on results and achieving targets. A healthy monitoring and evaluating method also focuses on the learning gained and actively incorporates that learning into future action, updating and making adjustments along the way.

Having a strategic plan is the cornerstone of a successful CEE, but it is only the first step. Implementing annual operating plans, monitoring progress toward your goals, and updating as you go is the difference between a great plan and a successful CEE that delivers results.

It's good practice to directly integrate monitoring and evaluation into the way your CEE does business, as opposed to creating a separate and often disconnected process. For example, key statistics should be collected and presented as part of your CEE's regular reporting processes, evaluations should be done every year as part of the strategic and annual operating plan's environmental scan process, and updates should be built into the annual operating plan (and sometimes the strategic plan if the changes are long-term ones that shift the CEE's direction).



14.1 Monitor

Having an effective way to monitor your CEE helps you answer these questions:

- How do we know if the CEE is moving in the direction of the strategic goals set out in the strategic plan?
- What are we trying to achieve and how will we know if we've achieved it?
- What specific projects and activities are helping us achieve strategic goals and objectives?
- How do we know if the CEE is being managed well?
- Are we learning and growing our ability to achieve the strategic plan's goals and objectives?

In order to monitor your CEE, you need to know what you're trying to achieve (described in your strategic plan and annual operating plan) and how you'll know if you've achieved it (described in your monitoring and evaluation method).

14.2 Evaluate

Evaluating your CEE involves

- analyzing how well your CEE is performing in certain areas and if your CEE has met its outcomes and targets
- based on the analysis, developing recommendations to leverage successes and address shortfalls

Typically, staff do evaluation through a variety of means, like internal audits, staff surveys, and data analysis to gather their insights. Whatever method you use to evaluate, it's important to be curious.

Evaluations are intended to help your CEE and the people in it to learn and grow, to bring value to the shareholder and community, and not to punish or blame people.

14.3 Update

This part of the cycle involves updating relationships, behaviours, policies, procedures, processes and plans. Updating may also involve changing how to monitor (e.g., indicators, targets, outcomes).

For example, evaluating and updating the CEE's financial controls or safety program are often done on an annual basis while another area like the inventory management system might be updated on a bi-annual basis. Some things, like operational safety measures, might be updated when they are discovered because they pose serious risk to people.

14.4 Targets and Key Performance Indicators (KPIs)

KPIs are a core component of monitoring and evaluation. A target, like a bullseye, is something you want to reach. A key performance indicator (KPI) is a specific, measurable characteristic that will tell you how close (or far away) you are from reaching your target.

14.5 Balanced Scorecard Method

A CEE needs a method to monitor, evaluate and report on progress. One method to do this is with the balanced scorecard method. It is one recognized and widely used way to tie your strategic plan, annual objectives, targets, key performance indicators and CEE operational activities all together in one document for easy monitoring, reporting and evaluation.

The balanced scorecard is one type of management system that shows what your CEE intends to achieve (goals and objectives), how it plans to achieve it (projects, initiatives) and how it will measure its degree of success (targets and KPIs).

In the context of achieving the strategic goals and objectives, the balanced scorecard typically looks at an organization through four categories (although others can be added). Each of these categories provides a framework to describe the business strategy, monitor performance, and see the relationship between goals and objectives.

- **Financial**
This category looks at high-level financial objectives and helps demonstrate how well the CEE is creating and protecting value for the shareholder.
- **Customers/Clients**
This category looks at how well you are delivering quality to your customers, or in the case of a CEE, the recipients of whatever services or products your business ventures deliver.
- **Internal Processes**
This category looks at how well the CEE is managed and operated.
- **Organizational Capacity**
This category looks at the overall capacity of the CEE. It looks at the collective skills, training, CEE culture (mindset), and knowledge base of employees and how well employees perform. It also looks at technology and infrastructure.

Taking each of these four categories, a balanced scorecard strategy map is created. The strategy map shows how the objectives relate to one another so you can see the strategy and how performance will be measured.²⁶

Here's an example of a balanced scorecard and strategy map for a nation-owned general store.

²⁶ "How to Create a Balanced Scorecard to Achieve Strategic Goals," Lucidchart, accessed August 25, 2023, <https://www.lucidchart.com/blog/how-to-create-a-balanced-scorecard>

NATION-OWNED GENERAL STORE

VISION: To empower our people by building a brand and storefront that honours our cultural values and teachings, while bringing revenue and jobs to our community.

MISSION: To provide a large variety of goods and foods for customers, available at multiple price points for affordability and profitability.

STRATEGIC OBJECTIVES	MEASURES & TARGETS	INITIATIVES
FINANCIAL 	<ul style="list-style-type: none"> • Net Profit: ↑ 5% per year • Operating Costs: ↓ 3% per year • Revenue: ↑ 12% per year 	<ul style="list-style-type: none"> • Improve accounting procedures • Add key business units
CUSTOMERS 	<ul style="list-style-type: none"> • % Customer Satisfaction Index: ↑ 5% over a quarter • # of New Customers: ↑ 5% per year • Brand Awareness Score: > 80% every year 	<ul style="list-style-type: none"> • Marketing campaign • Customer satisfaction survey with prize
INTERNAL PROCEDURES 	<ul style="list-style-type: none"> • New Products as % of Total Sales: 12% this year • # of Repeat Customers: 2,000 signups for Loyalty Program 	<ul style="list-style-type: none"> • Rotate products in store to create interest • Create loyalty program
ORGANIZATIONAL CAPACITY 	<ul style="list-style-type: none"> • Employee Development Plans: every employee has training at some point during the year • # of Supplier Relationships Established: 25% increase in suppliers relationships 	<ul style="list-style-type: none"> • Develop training materials for employees • Attend local craft fairs and markets to build supplier relationships

Adapted from "Balanced Scorecard," Intrafocus²⁷

²⁷ "Balanced Scorecard," Intrafocust, published June 9, 2016, <https://www.intrafocus.com/2016/06/balanced-scorecard-example/>

14.6 Monitoring and Evaluating in Summary

If you have effective monitoring and evaluating then

- you will know if what your CEE is doing is helping reach its goals and objectives
- you will be able to change course earlier if something isn't working
- you will learn from your successes and failures to make the CEE stronger

If you have ineffective monitoring and evaluating then

- you will not be able to link what your CEE is doing to its goals and objectives
- your CEE will not be able to anticipate or make early necessary adjustments, which in turn could compromise its success

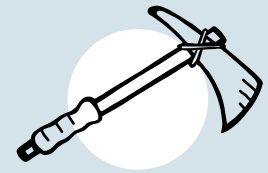
You will work with monitoring and evaluating in

- Phase 3, when your CEE initiates its strategic planning process, KPIs and balanced scorecard
- Phase 5, when you maintain discipline for monitoring, evaluating and updating



REFLECT

- What formal or informal ways does your community government use to monitor its performance?
- Do you have a way of monitoring how well you are achieving the objectives of your job?



TOOLS & RESOURCES

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- what is monitoring and evaluation for businesses
- balanced scorecard (sample, template)
- monitoring and evaluation tools for business
- how to check reliability of web sources

CHAPTER 15: BOARD OF DIRECTORS

The board of directors is the primary governing body of your CEE. The community government (the CEE's shareholder) often appoints the first board of directors that establishes the CEE. Once the articles of incorporation are issued by the government and bylaws are approved by the shareholder at the first shareholder meeting, the CEE's bylaws will specify CEE board appointments going forward. Most CEEs continue to have the board appointed by shareholders but some occasionally use professional assistance in this process.

The board of directors is responsible for the overall health and success (or failure) of the CEE. It typically delegates management responsibilities to the chief executive officer (CEO), but the overall responsibility for the CEE ultimately rests with the board.

The board of directors has a key role in the care, health and success of the CEE and in the relationship with the shareholder. It's critical that each of the directors of the board know their purpose, roles and responsibilities. The board must strive to become strong and effective so that it can make informed decisions, set the strategic direction for the CEE, monitor its progress and manage risk.

15.1 Primary Purpose and Roles

The primary purpose of the CEE is to create and protect value for the community government. The board acts as a steward of the CEE and makes decisions in the best interest of the CEE. The board as a whole and each director are in positions of extreme trust. Much is at risk if the board does a poor job caring for the CEE.

In fulfilling this purpose and honouring the trust the community government has put in the board, the board has three primary roles from which its responsibilities flow.

BOARD ROLES AND RESPONSIBILITIES	
PRIMARY ROLE	RESPONSIBILITIES
Practice sound corporate governance	<ul style="list-style-type: none">· ensure that the ingredients for strong corporate governance are in place· uphold board responsibilities to the shareholder· uphold the board's fiduciary duty to act in the best interests of the CEE· set policy and planning frameworks for the CEE· practice governance discipline
Set strategic direction	<ul style="list-style-type: none">· develop and approve strategic goals outlined in a strategic plan· ensure all planning efforts align with the vision, mission, purpose and strategic plan
Oversee and monitor the risk and performance of the CEE	<ul style="list-style-type: none">· hire, guide and monitor the CEO· set frameworks and reporting mechanisms to monitor and respond to risk and performance· monitor the progress of the CEE toward its strategic direction, primarily through reports from the CEO· monitor the external environment for impact or opportunity to the strategic direction of the CEE· monitor CEE compliance with policy and legislation· monitor legal, financial, reputational, strategic and operational risk through an enterprise risk management framework and report from the CEO

The board also has an important leadership role in setting the CEE's culture. The board models important values and how to behave in accordance with those values.

15.2 Partnership with CEO

The board is responsible for governing the CEE and ensures that the CEO manages the CEE in accordance with the board's governance direction. The board and the CEO typically have a close working relationship and the CEO provides key support to the board by doing much of the leg work, research and analysis to assist the board's decision making.

For example, the board, CEO and key staff are likely involved in preparing the strategic plan. Under the direction of the CEO, management may prepare background information, undertake economic research, do an environmental scan, contribute ideas and advice for content, and support the planning process, but final approval of the strategic plan rests with the board. Once the plan is approved it is also the CEO's responsibility to ensure that the plan is implemented, reported, and updated in accordance with board direction.

Similarly, the board has the overall responsibility for managing risk and performance of the CEE but delegates that work to the CEO within board-approved policy. For example, the CEO prepares draft risk management policies for the board to review and make any necessary changes. Once approved by the board, it's the CEO's job to make sure they are implemented, reported, and updated in accordance with board governance direction.

Ultimately, though, the responsibility for the CEE belongs to the board. Even if the CEO does a poor job, the board is responsible for the outcome.

15.3 Strong Board

If the primary purpose of a board of directors is to create and protect value for its shareholder, you need a strong team of people.

A strong board

- governs within the scope of its authority
- upholds its legal duty of care and duty of loyalty to the CEE
- applies governance discipline in fulfilling its responsibilities
- oversees the performance and health of the CEE and works in partnership with the CEO
- has the skills, knowledge and qualifications to do its job
- speaks and acts as one unit

You build a strong board by setting the overall governance climate and following board policies (often contained in a board manual) so that good governance is not completely reliant on the personalities and preferences of individual board members.

To build a strong board, you need to

- set board policies to govern the functioning of the board and its activity
- develop a knowledge, skills and qualifications matrix for the board as a whole
- define the duties, responsibilities and accountabilities of the board as a whole and for directors
- develop a way to evaluate and continuously improve the board and the directors
- decide what kind of remuneration and compensation you will offer board members

Once you define what you need to make a strong CEE board, recruit strong people – a strong board is made up of strong people.

A strong director

- is qualified for the role, as determined by the board's knowledge, skills and qualifications matrix
- takes regular training and education associated with board duties
- prepares for board meetings
- asks questions and is open to different perspectives
- acts and thinks independently during board discussions (and once a decision is made, regardless of their personal opinion, backs that decision)
- fulfills their duties and responsibilities

15.4 Keeping a Board Strong

It's one thing to appoint a strong board, but directors have terms and people come and go. Practising governance discipline means you continually monitor the collective knowledge, skills and qualifications of the board and adjust recruitment and director succession planning to make sure that the board has the necessary skills to govern the CEE.

A board development process that includes both evaluation and skill development will support strong corporate governance and board performance. Evaluation provides a helpful check-in point to assess the quality of governance and to develop training and development plans for directors and the board.

Evaluations and governance reviews typically happen annually. Reviews build strong governance and shareholder confidence in your CEE. Just like you do an annual financial audit of the CEE, an annual review of the governance is equally important.

15.5 Considerations for Your Board

External Directors and Advisors

CEEs will often recruit directors or advisors from outside the community, for several reasons. For example, a CEE may want to fill knowledge or skill gaps at the board, or perhaps having a certain external board member may bring strategic advantage to the CEE with new knowledge, networks or a strong track record.

Also, external directors or advisors can help the board stay focused on its mandate and bring a broader perspective and experience that board members from the community may find challenging to consistently maintain. Also, recruiting advisors can help you test drive and potentially recruit future board members.

External directors and advisors need to be selected and recruited thoughtfully to ensure that the CEE's reputation, both during and after the person's tenure, will be enhanced and not undermined.

Size of Board

When determining the size of the board, you need to balance efficiency with breadth of experience, knowledge, skills and qualifications.

A board with 12 directors may have a broad range of perspectives, experience and knowledge, but it may not be very efficient in terms of ensuring quorum, setting the board's meeting schedule, and doing board business within a reasonable amount of time. A board of four people, on the other hand, may be very efficient, but it may lack the breadth.

Research on group dynamics suggests that for effective decision making, a board of six or seven people is ideal. It's small enough for each person to take personal responsibility for decisions and not succumb to "group think" while also reaching consensus in a timely way.²⁸

Term Length

Key considerations to balance when considering the term length of board members are

- continuity of governance
- new perspectives
- maintaining the independence of the board

Replacing a full board every few years will hamper the continuity of not only governance but also operations of the CEE, given the time it takes to orient a new board and for it to start functioning as a team.

A common term structure to maintain governance continuity and bring in new perspectives is a maximum of two consecutive three-year terms, with appointments staggered so that no more than half of the directors' terms expire at the same time.²⁹

15.6 Director Duties

Corporations are governed by a statute (law) and the liability of corporate directors varies depending on the jurisdiction that the CEE is established in.

This toolkit is based on the Canada Business Corporations Act, which states that directors' two main duties are

- a duty of care
- a duty of loyalty

"Duty of care" means that each director must use skill, diligence and care that a reasonably prudent person would in similar circumstances. "Duty of loyalty" means that directors must act honestly, in good faith and in an objective manner, always putting the interests of the CEE first and not making decisions or influencing the CEE through self-interest.³⁰

15.7 Director Liability

A director may face personal liability if they commit dishonest, fraudulent, criminal and malicious acts, receives direct or indirect financial benefit from a conflict of interest situation, or acts against the law, regulations or articles of the company. Or, if the CEE fails to pay any taxes or remittances owed for itself or employees, does not pay for liabilities from causing environmental damage or not complying with environmental legislation, or does not pay for liabilities arising from personnel-related actions³¹

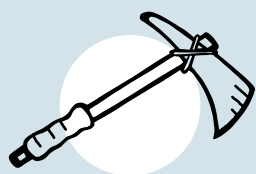
Personal board member liability incurred because of the CEE's actions are almost always covered by the CEE's directors and officers liability insurance, but that liability can involve a director's personal assets if the CEE dissolves with outstanding liability in those areas.

28 Robert C. Pozen, "The Big Idea: The Case for Professional Boards," Harvard Business Review, published December 2010, <https://hbr.org/2010/12/the-big-idea-the-case-for-professional-boards>

29 "Term Limits," Board Source, last updated on May 11, 2022 <https://boardsource.org/resources/term-limits/>

30 "Directors' and Officers' Liability." Doing Business in Canada 2023 Guide, published July 31, 2023. <https://www.fasken.com/en/knowledge/doing-business-in-canada/10-directors-officers-liability>

31 "The Personal Liabilities of a Director of a Corporation," Heath Law LLP, published September 14, 2021 <https://www.nanaimolaw.com/the-personal-liabilities-of-a-director-of-a-corporation/>



TOOLS & RESOURCES

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- duties of a corporate board
- duty of care
- duty of loyalty
- board skills and qualification matrix (samples, templates)
- governance review or audit
- how to evaluate a board
- how to onboard board members
- board of directors manual (samples, table of contents)
- how to check reliability of web sources

A director can reduce the risk of personal liability by

- fulfilling their duties as a director
- ensuring that the CEE follows all applicable laws
- ensuring that appropriate CEE operational policies are in place and that compliance with policies is monitored
- ensuring that the CEE has risk management strategies in place with enough reserves to cover unexpected liabilities

A CEE can protect its directors and officers from personal liability by purchasing directors and officers liability insurance and having an indemnity agreement in place to remove personal liability for directors.³² Note that most personal liability insurance policies do not cover dishonest, fraudulent, criminal and malicious acts.

We'll look more closely at risk and liability in [Chapter 17's Risk and Liability](#).

15.8 Board of Directors in Summary

If you have an effective board of directors then

- it will consistently make informed, confident decisions
- shareholder and community trust will grow
- the CEE will more likely be successful and build a strong reputation

If you have an ineffective board of directors then

- decision making may be ad hoc
- board members may feel they lack the knowledge and skills to govern well
- the CEE may flounder or have inconsistent results

You will work with this topic in

- [Phase 3](#), when you establish your first board and direct the CEE board in the annual Letter of Expectation to establish governance and board policies

³² “The Personal Liabilities of a Director of a Corporation.”



REFLECT

- What kinds of tools and policies support the governance of the Chief and Council or any other organizations in your community?
- If you were a board member, what would you need to feel you could do the job well?

CHAPTER 16:

CHIEF EXECUTIVE OFFICER (CEO)

The CEO is the board's only employee who is responsible for supporting the board, implementing board-approved plans and policies, overseeing organizational development and managing the operations of the CEE.

The board is responsible for the CEE and, after approving plans and setting policy, it delegates implementation of those plans and policies to the CEO, and then monitors the CEO's performance in carrying out their duties within policy and against CEE goals and objectives.

The quality and effectiveness of the CEO has a direct impact on the bottom line and success of the CEE.

To carry out their duties, the CEO designs the CEE's organizational structure and builds the required systems and operational policy so that the CEE can fulfill its purpose. Because it is a key role for CEE success, the CEO requires the experience and qualifications to do the job, and you need a succession plan in place for when the person filling that role leaves.

16.1 Experience and Qualifications

CEOs engage with the community, industry, government and other businesses that are strongly associated with the reputation of the CEE. Given such responsibility, the nature of the risk that the CEO will be managing, and the opportunities that they will be striving for, having a qualified person to do the job is crucial.

Experience and qualifications your CEO should have include

- demonstrated experience in managing complex organizations in a corporate governance environment
- relevant post-secondary education in business management and entrepreneurialism
- business startup and operating experience

Key skills a CEO should have include

- leadership
- management
- organizational development
- communication
- problem solving
- relationship building

It's important to identify the skills, qualifications and experience you want in the role of the CEO and then recruit a person who fits the role. While the CEO's skills are crucial it is also important to consider the "fit" of the CEO, particularly for work in the Indigenous and community environments. Working with communities can sometimes be fickle and personal, like a family business, because community members are close and care about what happens in their community. Core values and community conventions in Indigenous communities are also often different than mainstream society. A CEO who comes from a very rigid and intolerant business environment can often marginalize and offend the community while a CEO who comes from a very flexible and tolerant business environment can sometimes be too indecisive and accommodating to effectively lead the CEE. A balance of strong

leadership and decisiveness tempered by understanding and empathy generally works best in CEE situations.

16.2 Succession Planning

A succession plan describes what you're going to do when a key person, like the CEO, leaves so that you minimize "key person dependency," a common situation when an organization relies too heavily on the skills, knowledge and ability of one person. It can be a serious risk to the CEE when that person leaves and takes their corporate knowledge, relationships, skills and specific ways of operating the organization with them.

A solid succession plan makes sure that key management roles, like the CEO role, can be filled with the least negative impact to the leadership of the organization. This can be a short-term strategy until a new CEO is recruited, or it can be a strategy to groom and mentor existing employees to grow into management positions, or a mixture of both strategies.

You can complement the CEO's succession plan, which is focused on staffing, by making sure your CEE has the other elements of a strong organization in place (see [Tool 2 Successful CEE Checklist](#)) and the associated systems, policies and practices so that the new person is best supported to fulfill the role.

16.3 CEO in Summary

If you have an effective CEO then

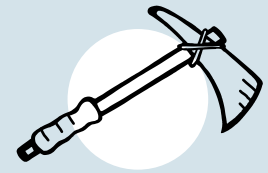
- your CEE will operate smoothly and effectively and will fulfill the strategic direction set by the board
- the CEE's credibility and reputation will grow
- community confidence will grow

If you have an ineffective CEO then

- CEE performance will be low and strategies will fail
- CEE reputation and credibility is at risk
- community confidence may suffer

You will develop the role of the CEO in

- [Phase 3](#), when the CEE board of directors hires the CEO



TOOLS & RESOURCES

Check out the Toolbox

- [Tool 2 Successful CEE Checklist](#)

Try these terms in a web browser. Once you have your search results, click on "images" and "videos" for more results.

- CEO qualifications and skills
- effective CEO characteristics
- CEO succession plans (how to, template, samples)
- what makes a great CEO
- CEO contract sample
- Indigenous CEO jobs (search results can give you samples of job descriptions, postings)
- how to check reliability of web source



REFLECT

- What CEO qualities, skills, qualifications and experience would be important to you if
 - you were a board member of a CEE
 - a staff person of a CEE
 - a community member
 - a community governor

CHAPTER 17:

CEE-SHAREHOLDER RELATIONSHIP

The CEE-shareholder relationship is how the CEE and the shareholder (community government) work together on areas of shared interest while at the same time respecting their separate mandates. While the relationship is exercised at the governance, management and operational levels, this toolkit focuses on the governance relationship between the CEE and the shareholder.

The relationship between the CEE and the community government is important because how each behaves and how they behave together has a direct impact on the success and effectiveness of each of them.

A clear and transparent relationship is one that respects their different mandates, allows for cooperation on areas of shared interest, and protects each other from risk and interference.

The relationship between the CEE and the shareholder (community government) is established and exercised by

- the decision to create a CEE
- establishing the CEE as a separate legal entity with articles of incorporation and bylaws
- formalizing the relationship through the CEE-shareholder protocol and the annual letter of expectation
- The exchange of money through startup funds and dividend payments
- conditions and behaviour that either increase or decrease liability and risk for the community government

17.1 Decision to Create a CEE

The first building block of the relationship between the CEE and its shareholder is the community government's clear and deliberate decision to create a CEE.

A clear decision to create a CEE, along with clarifying the purpose and role the CEE will have in the community, will bring clarity to all other elements of the CEE and shareholder relationship. This decision, at the beginning of your CEE initiative, is ideally a formal decision, such as a community government resolution.

Such a resolution includes

- the mandate of the future CEE
- that the CEE will be a separate entity with the ability to operate independently from Chief and Council

A clear and deliberate decision to create a CEE can provide guidance to all those involved in setting up, governing and operating the CEE in its early days, and it can also provide an important corporate record needed in the future.

17.2 Articles of Incorporation and Bylaws

Establishing the CEE as a legal entity is the next step in creating the CEE-shareholder relationship, and should be done with the assistance of legal counsel with Indigenous corporate experience.

Many communities apply to the federal government to incorporate a CEE. Federal incorporation allows the CEE to work anywhere in Canada. Provincial or territorial incorporation only allows the CEE to operate and provide services in the province or territory where it incorporates.

To incorporate, you must identify the names, citizenship and addresses of the first directors, the address of the CEE, the share structure, and any other restrictions for business activity. Once your application has been approved, the government will issue you the articles of incorporation for your CEE.³³

When you incorporate federally, you get many other registrations you need at the same time. As part of the federal incorporation process, you can get³⁴

- articles of incorporation
- federal business number
- federal corporation income tax program account
- option to register for other tax accounts (GST/HST, payroll, etc.)
- option for other provincial or territorial corporation registration

The bylaws describe how the CEE will be governed and operated. They are developed either by the community government or the first board of directors and are approved by the community government at the first shareholder meeting. Bylaws include topics such as setting the financial year end, appointments, qualifications and duties of directors and officers, and procedures for director and shareholder meetings.³⁵

17.3 CEE-Shareholder Protocol

The CEE-shareholder relationship is further established and exercised through a CEE-shareholder protocol.

The main purpose of the protocol is to

- practice and support good governance for both the CEE and community government
- clarify the working relationship and communications between the community government and the CEE, particularly with respect to the community government's role as a political representative of the community
- limit reputational, financial and legal risk for both the CEE and the community government

³³ "Registering a Corporation," Government of Canada, last modified on April 13, 2017, <https://www.canada.ca/en/services/business/start/register-with-gov/register-corp.html>

³⁴ "Registering a Corporation."

³⁵ "Next steps following the incorporation of your business," Government of Canada, last modified on July 17, 2022, <https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06646.html#toc-01.03>

Key topics for a protocol include

- **Purpose of the protocol**

The purpose of the protocol is to clarify process and commitments on several areas of shared interest and to limit the risk and liability of the CEE and shareholder (community government).

- **Communications**

This section of the protocol outlines who from the community government and who from the CEE will speak on official community government or CEE business, how communications and messaging is handled between the CEE and the community government with outside entities like government or industry on shared areas of interest, and other communication processes beyond annual reporting.

It should also outline how the CEE and community government will support one another and how each will approach common and recurrent issues, such as proposed land development. For example, you want to avoid the situations where the CEE publicly advocates for a proposed land development for business purposes, but at the same time undermines the community government's political mandate about impacts to Aboriginal and treaty rights.

- **Mechanisms to limit and manage risk**

This section of the protocol could include what mechanisms will be put in place by whom and how they will be confirmed and verified. We look at this in more detail, in [section 17.6](#) and [section 17.7](#), below.

- **Conflict resolution process**

This section of the protocol could include a way to work through conflict and address issues of common concern.

Having both a conflict resolution process and an appeal process for the CEE and community government allows issues to be worked through thoughtfully and can build trust and transparency in both organizations.

17.4 Annual Letter of Expectation

The annual letter of expectation (LoE) is where the nuts and bolts of what is expected of the CEE is communicated by the community government. The LoE is the tool the community government can use to communicate direction, expectations and accountabilities to the CEE on an annual basis. It can also describe what the CEE can expect from the community government.

The key topics to include in the LoE are

- confirmation of the mandate
- accountabilities of the CEE
- responsibilities of the shareholder
- areas of shared accountability

The LoE is signed off by both the shareholders and the Chair of the board or the CEO.

Mandate

The LoE reaffirms the mandate of the CEE—what it is created to do, which is typically facilitating economic and business development on behalf of the community government.

Accountabilities of the CEE

This section of your LoE describes what the CEE must do. It can include broad actions that the CEE must always do, like comply with all applicable legislation, and specific actions it must do, like comply with specific community government regulations or policy (e.g., lands stewardship plan or comprehensive community plan), or work towards a government mandate (e.g., build community readiness, improve care of the environment).

Responsibilities of the Shareholder

The LoE communicates what the shareholder (the owner, in this case the community government) will do, such as review any upcoming bylaw changes, attend shareholder meetings, communicate any applicable policy changes that affect the CEE in a timely way, and allow the CEE to operate free of political interference.

Areas of Shared Accountability

The LoE describes the role of the community government and the role of the CEE in areas of shared interest, such as major land-use decisions.

It may reference the CEE-shareholder protocol and any upcoming issues the two need to address. If there isn't a protocol, it could require the shareholder and the CEE to identify representatives that are responsible for keeping open communication and ensure the smooth operation of the interface between the community government and the CEE. It may also commit both the shareholder and the CEE to communicate in a timely manner on any issues that may pose a risk to the business of the CEE or the interests of the community government.

So that the CEE can align its activities and priorities with the annual LoE, it's good practice to issue the LoE within three months of the CEE's upcoming fiscal year.

17.5 Money

Money will be a constant theme in the CEE and community government relationship. It could begin with the community government providing startup funds for the CEE and continue with annual dividends paid by the CEE to the community government.

Potential sources of startup funds include

- a loan or grant from your community government
- business financing from a bank
- funding programs at regional, provincial and federal levels
- funds from an industry that you're currently engaged with

During startup and any periods of expansion or growth, the CEE will need to have adequate capital to fund its operations and fulfill its business development mandate while remaining solvent and managing risk. It is important to have "walking around money", money that is used to cover the necessary networking, relationships building, due diligence and various fees that inevitably arise during the pre-startup phase. Depending on the size of your CEE and your internal expertise you can expect to need \$50,000 to \$250,000 or more for this. During such times, it may not be possible to pay dividends.

In terms of dividends, it's important for the community government to accept that dividend payments will vary over time and to have a shared understanding with the CEE that the amount of dividends will always need to be balanced with performance expectations and the need for the CEE to remain financially sound.

17.6 Risk and Liability

The final area of the CEE-shareholder relationship concerns risk, liability and the corporate veil.

Despite its mysterious name, the corporate veil is simply a legal concept that separates the legal “personalities” of the shareholder from the corporation and protects the shareholder from liability for the corporation's debts and other obligations.³⁶

When you establish a corporation, like your CEE, it becomes a separate legal entity. This allows the CEE to enter contracts, take on debt, and purchase goods and services in its own name. Legally, it has the same rights and powers as a person. Because the CEE is a separate legal entity, if it gets sued or defaults on a loan, for example, the banks can't put the claim on other legal entities like the members of the board and shareholders (except in very limited circumstances).

The corporate veil isn't indestructible, meaning that in certain circumstances the courts can “lift the corporate veil” and hold the shareholder (community government) or directors of the board, in addition to the CEE, legally and financially responsible for CEE's actions.³⁷ Some of the circumstances that allow a court to lift the corporate veil include directors failing to meet their duty of care and duty of loyalty, doing or directing wrongful acts, breaching a contract or inflicting intentional mental distress.

This is why it is very important that both the community government and the CEE maintain their governance discipline and do the right things to manage their own risks and maintain the corporate veil—so that the board of directors and the community government (as a shareholder) are protected.



It is crucial that the governance and operation of the CEE is legally, financially and operationally separate from the community government.

Nature of Risk

Businesses take risks: that is the nature of business. CEEs can incur significant liability because of the inherent risk in their operations.

Examples of inherent business risk include

- workers who get hurt in a work shuttle, resulting in a lawsuit
- equipment failure, requiring new equipment to be purchased to deliver on a contract
- unexpected delays in production increase costs
- failure to perform on contractual obligations, resulting in a lawsuit

Legal and financial liability can easily amount to millions of dollars for a CEE at any given time.

³⁶ Chris Scott, “What is the corporate veil and what happens if you pierce it?”, Intuit QuickBooks Blog, published December 19, 2019, <https://quickbooks.intuit.com/r/money/understanding-the-corporate-veil-and-protecting-yourself-from-litigation/>

³⁷ Stephanie Lanz, “Piercing the Corporate Veil: The Basics,” Cactus Law, accessed August 23 2023, <http://cactuslaw.ca/service/piercing-the-corporate-veil-the-basics/>



UNIQUE OPERATING FACTORS THAT INCREASE RISK

There are two factors that create a unique operating environment for a CEE in an Indigenous community that can heighten risk and compromise the corporate veil: shareholder concentration and proximity and relationship complexity. These two factors can make certain organizational behaviours emerge, such as mandate creep, blended administrations and political influence on CEE operations.

Factor 1: Shareholder Concentration and Proximity

Many typical corporations have thousands of shareholders and there are standardized ways that corporations must communicate and engage with shareholders (news releases, letters, annual reports, annual meetings).

Of course, each of these will apply to your CEE and shareholder relationship, but in an Indigenous context there is often only one or a few shareholders (the community government). This, combined with the reality that many CEEs operate on reserve, makes CEE activity, business practices and daily operations front and centre in the community and shareholder eyes, and this can encourage informality. Informality may lead to standards of corporation-shareholder communication and mandates may becoming relaxed over time, or not respected at all.

Factor 2: Relationship Complexity

Employment, family, community, and cultural and social relationships are often intertwined in Indigenous communities. An employee of the CEE, for example, may be the nephew of a Councillor, married to the band administrator, and have cultural knowledge responsibilities for social programs run by the community government. Relationship complexity brings richness to community life and can also blur boundaries between personal lives and professional roles in the community.

Emerging Behaviours

So, what do shareholder concentration, physical proximity and relationship complexity mean for your CEE?

These realities can be a big advantage for CEEs because community knowledge and expertise combined with shared identity, a sense of purpose and people working together can move the CEE toward success quite quickly. It can also, however, cultivate certain interorganizational behaviours, like mandate creep, blended administration and political interference, if the CEE and the community government are not acting in a disciplined way.

Such behaviours pose risk outside of your CEE because if these behaviours are happening and the CEE experiences financial difficulties and/or legal liability, that liability (in certain circumstances) can be assigned to the community government and potentially to members of the CEE board and Chief and Council if a court decides to “lift the corporate veil.”

Mandate Creep

Mandate creep happens when the original purpose, objectives or behaviour of an organization, like the community government, gradually expand into the mandate of another organization through specific actions or decisions.

AN EXAMPLE OF MANDATE CREEP:

A Councillor is appointed as a director to the board of the CEE to keep an eye on it and report back to Chief and Council. The Councillor then begins giving direction to the CEE on which businesses to invest in or not.

This can foster a perceived (or real) conflict of interest thereby increasing liability and risk for the community government.

Blended Administration

Blended administration describes a situation where two different organizations share some or all administration functions like finance, information technology or facilities maintenance.

AN EXAMPLE OF BLENDED ADMINISTRATION:

The community government (shareholder) decides it will provide administrative and financial services as its form of investment in the CEE and the CEE's finances are administered by the community government.

This can present several problems for both the CEE and the community government. First, it could encourage the practice of treating the CEE like a program area of the community government. Governments administer their finances on an accrual basis. This does not work for a CEE because the CEE needs to manage accruals but also needs to manage cash and have quick and easy access to cash.

Second, annual independent audits of the CEE and community government could be difficult if the financial functions are blended. This in turn could negatively affect or confuse the CEE's annual reporting to shareholders and filings with the government.

Political Influence on CEE Operations

Political interference with CEE operations can happen, for example, when an elected official, like a member of Chief and Council, uses their role to interfere with the governance, management or operations of the CEE.

AN EXAMPLE OF POLITICAL INFLUENCE:

An employee of the CEE is unhappy with his work schedule that interferes with his plans to go to the city for a week of vacation. He complains to his uncle, who is a Councillor, and the uncle/Councillor confronts the CEE's operations manager about the issue and threatens to get the operations manager fired if she doesn't let his nephew take vacation as requested.

These types of "end runs" can threaten the governance discipline of your CEE and your community government, undermine the authority and morale of your CEE managers, and pose significant reputational, legal and financial risk and liability to your community government and the CEE.

17.7 Respecting the Corporate Veil

It is up to both the community government and the CEE to manage their respective risks to protect themselves and each other from liability.

The community government (shareholder) can manage risk and respect the corporate veil with the following dos and don'ts.

Do not

- ✗ interfere politically with the CEE
- ✗ direct the CEE on its operations, investments or dividend payments
- ✗ undercapitalize the CEE at its start and expect high performance and regular dividends

Do

- ✓ require the CEE to remain solvent
- ✓ require the CEE to have an appropriate enterprise risk management framework in place in the annual letter of expectation
- ✓ purchase shareholder liability insurance
- ✓ ensure the CEE has sufficient startup funds
- ✓ require shareholder approval for major bank financing

The CEE can manage risk and respect the corporate veil by

- ✓ filing the appropriate paperwork to government each year
- ✓ purchasing liability insurance for directors and shareholders
- ✓ maintaining corporate records
- ✓ holding regular board meetings and annual shareholder meetings
- ✓ operating by the law and not doing anything fraudulent
- ✓ maintaining adequate capital
- ✓ being solvent
- ✓ upholding the duty of care and duty of loyalty in all board decision making
- ✓ having an enterprise risk management framework in place

17.8 CEE-Shareholder Relationship in Summary

If you have an effective CEE-shareholder relationship then

- the mandates between the two entities are clear
- there is a mutually supportive relationship when engaging with entities outside of the community
- the CEE is free to operate as a business with no political interference
- the community government can fulfill its political role without interference or confusion from the CEE
- risk is managed well and the corporate veil is maintained

If you have an ineffective CEE-shareholder relationship then

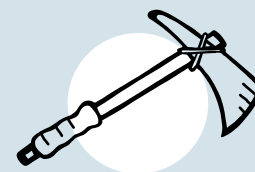
- roles and responsibilities are confused
- the CEE gets conflicting messages from the community government
- risk and liability increase for both the CEE and the community government
- there can be perceptions of instability from the outside community

You will work with the CEE-shareholder relationship in

- Phase 1, when the community government makes a formal decision to create the CEE
- Phase 2, when you identify startup funds for your CEE and name your CEE
- Phase 3, when you appoint the first board of directors, apply for incorporation, issue the first letter of expectation, enter the CEE-shareholder protocol and have the first shareholder meeting

REFLECT

- What kinds of relationships does your community government have with external entities? What kinds of documents (agreements, contracts) are used to describe and clarify that relationship?
- What words would you use to describe an effective CEE-shareholder relationship?



TOOLS & RESOURCES

Check out the Toolbox

- Tool 4 Letter of Expectation
- Tool 5 CEE-Shareholder Protocol

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- shareholder liability
- corporate director liability
- what is the corporate veil in Canada
- Corporations Canada articles of incorporation and bylaws
- startup funds for a company
- how to check reliability of web sources



CHAPTER 18: EFFECTIVE MANAGEMENT

Management is about coordinating activities, people and money to achieve objectives and deliver results. For your CEE, management involves recruiting, supervising and training staff, overseeing operations, and designing the structure and processes of your CEE to fulfill its purpose now and into the future.³⁸

How a business is managed, along with the values and approach of management, is often captured in a business management strategy. This strategy creates a shared management experience for employees, while also making sure that the overall business is managed consistently and routinely, which in turn creates an optimal business environment.

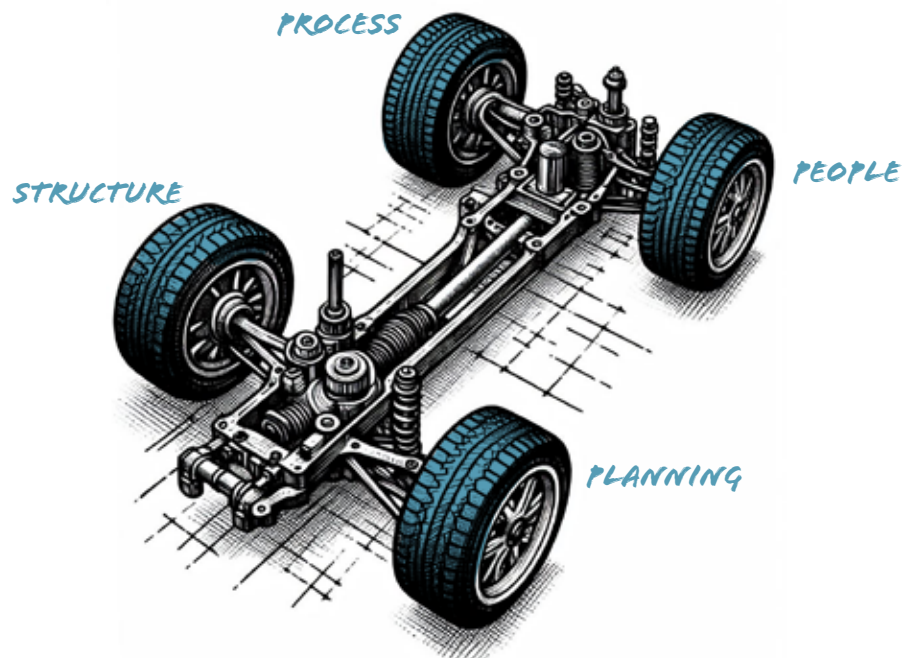
How well your CEE is managed determines

- the degree of success it will achieve now and the future
- its ability to attract talented board members, staff, expertise and business opportunities
- the CEE's reputation and credibility
- the nature of preferential access opportunities available to it
- the amount of confidence the community has in the CEE

Effective business management is a large field of study and is a combined result of education, training and experience. This toolkit highlights the key building blocks to consider when setting up the CEE as an organization. Ultimately, however, how well your CEE is managed will largely depend on the mindset you cultivate, the governance discipline exercised by the board of directors, and the leadership and expertise of the CEO.

18.1 Elements of an Organization

When building your CEE, it's important to learn about the building blocks of an organization so that you can line these up with its purpose, vision and mission. A helpful framework to use when building and managing your CEE is to consider it through the elements of **structure**, **process**, **people** and **planning**.



³⁸ "What is Business Management and Why It is a Great Career Choice?" Emeritus, published August 26, 2022, <https://emeritus.org/blog/what-is-business-management/>

ORGANIZATION ELEMENT	EXAMPLES
Structure Provides stability to the organization. Changes to these are infrequent, but predictable.	<ul style="list-style-type: none"> • Purpose • Vision • Mission • Board • Policy • Management committees • CEE-shareholder protocol
Process Describes how work gets done to implement plans. Processes that are clearly described and shared by everyone make for smooth operations.	<ul style="list-style-type: none"> • Venture selection process • Hiring process • Board orientation process • Safety procedures • Audits • Risk management • Financial management • Cost-benefit analysis • Balanced scorecard
People Describes the skills, knowledge, mindset and organizational culture of the people associated with the CEE.	<ul style="list-style-type: none"> • Mindset and organizational culture • Skills and knowledge held by staff and board members
Planning Involves looking ahead, defining goals, taking action and monitoring progress.	<ul style="list-style-type: none"> • Strategic plan • Annual operating plan • Capital plan • Asset plan • Financial plan • Business plans • Workplans • Succession plans

To manage a CEE effectively, you need to pay attention and develop each of these four elements, while being aware of when (or if) something needs to change.

A helpful way to consider this framework is to see your CEE as the vehicle through which your strategic plan is implemented and results delivered. Like four tires on the CEE vehicle, if one tire is low on air, or worse—flat, it affects the whole vehicle and its ability to move forward.

In this way, these four elements are not separate from one another and, in fact, each element relies on the others for work to get done and performance to be optimal. For example, if your CEE is strong on structure but weak on process and planning, it could impact the people because it's not clear which objectives they're trying to achieve (planning) nor how they should do the work (process), which in turn compromises morale and creates a workplace culture of workarounds (people).

18.2 Organizational Structure

An organizational structure outlines how certain activities, or functions, in a company are organized and directed to achieve goals and objectives. It is often visually represented in an organizational chart that illustrates who does what to support the CEE achieving its objectives.

TYPES OF ORGANIZATIONAL STRUCTURE³⁹

Functional	<ul style="list-style-type: none">· a company is organized based on specialization of its workforce· most small- to medium-size businesses use this structure· often divided into departments of marketing, sales, operations, human resources
Divisional	<ul style="list-style-type: none">· common among large companies with many business units· divisions may be based on geography and/or the types of products and services the company produces
Flat	<ul style="list-style-type: none">· often used by startups with fewer employees· little executive management or command/control environment· gives employees a lot of independence and autonomy
Matrix	<ul style="list-style-type: none">· a combination of the above· organizes employees into teams that may report to two managers· more exposure for employees to grow skill sets

Each of these four types of organizational structures has advantages and disadvantages depending on the nature of your business, the organizational culture you want to grow and what you're trying to achieve.

It's important to familiarize yourself with the different types of structures and select the type of organizational structure that will help your CEE realize its goals and objectives in an efficient way.

Also keep in mind that each of the businesses that the CEE owns may have a different organizational structure than the CEE and that is okay. What's important is to select the best structure so the business can perform and deliver.

Many businesses change their organizational structure to support a change in company strategy. As part of your monitoring and evaluation process, it is wise to reflect on your CEE as an organization on an annual basis and invest time into organizational development.

18.3 Organizational Development

You can monitor organizational development and effectiveness through your monitoring and evaluation process and incorporate any adjustments into your annual operating plan. Or you can create a stand-alone organizational development plan and monitoring method.

Organizational development asks questions like

- Does our organizational structure fit and support our CEE achieving its goals and objectives?

³⁹ Will Kenton, "Organizational Structure for Companies With Examples and Benefits," Investopedia, last modified March 16, 2023, <https://www.investopedia.com/terms/o/organizational-structure.asp>

- Are our systems working for what we need them to do?
- What kind of organizational culture do we want to cultivate and how do we do that? What is our business management strategy?
- Do we have the right plans in place and are we monitoring our progress and applying our learning?

You can monitor organizational development and effectiveness through your monitoring and evaluation process and incorporate any adjustments into your annual operating plan. Or you can create a stand-alone organizational development plan.

18.4 Key Business Functions

A business function is a process or operation that is performed routinely to carry out a part of an organization's mission.⁴⁰ No matter the size and scale of your CEE, there are six key business functions that your CEE will need.

KEY BUSINESS FUNCTIONS ⁴¹	
FUNCTION	SAMPLE ACTIVITIES
Strategy and planning	<ul style="list-style-type: none"> • ensures the CEE (and its businesses) has a vision, mission statement, and the right types of plans • researches and analyzes economic and market trends and environment
Marketing and communications	<ul style="list-style-type: none"> • understands needs of clients • markets products and services to meet client needs • manages brand
Finance	<ul style="list-style-type: none"> • forecasts potential revenue and expenditures, administers budgets, does financial analysis of business units • may include asset management
Human resources	<ul style="list-style-type: none"> • recruits and trains • includes related administration (more detail below)
Technology and equipment	<ul style="list-style-type: none"> • manages and cares for technology and equipment • forecasts future needs and ensures the technology and equipment matches the business purpose
Operations and administration	<ul style="list-style-type: none"> • clarifies and manages the processes to deliver business products and services • administrative routine business activities <ul style="list-style-type: none"> - legal services - procurement - information technology - records and file management - policy administration

While each of these functions are important to your CEE, for the purposes of this chapter we will highlight two key business functions that, as a startup CEE, you should develop very early: financial management and human resources. Developing these early will ensure the financial health of your CEE, support and recruit employees, and protect the CEE from potential liability associated with not following employment law.

⁴⁰ "Business Function," CioIndex, accessed August 23, 2023, https://cio-wiki.org/wiki/Business_Function

⁴¹ "Starting a business? Understand these 6 areas of business management," BDC, accessed August 23, 2023, <https://www.bdc.ca/en/articles-tools/start-buy-business/start-business/6-areas-business-management>

18.5 Financial Management

Creating and protecting value (making money) for the shareholder is a key purpose of the CEE. Managing the money serves all the other functions and activities of your CEE and is critical not only in terms of day-to-day decision making and reporting out to the board and shareholders, but also for monitoring, evaluation and strategic decision making. Managing CEE finances effectively can help you make informed decisions about your CEE enterprise and each of the business units it owns.

You should have a qualified and professionally accredited financial professional, like a Certified Professional Accountant, help you set up and periodically monitor and update your financial management policy and practices to make sure that they are designed to give you the financial information you need to make good business decisions as well as ensure that your accounting procedures, financial reporting and annual auditing processes are sound. Many larger CEEs have a chief financial officer (CFO) who is tasked with ensuring that the financial management system is functioning at its best and informing important financial decisions. Some CEEs use a reputable accounting firm as their CFO under a contracting relationship – this cannot be the same firm that does the CEE's audit to avoid conflict of interest.

In terms of having accurate and consistent financial information to analyze your CEE and the businesses it owns, setting up your cost centres is important. Cost centres are the departments or units used to track costs in accounting practice.

Cost centres allow you to build an accounting system that

- isolates costs for tracking and analysis (e.g., human resources, information technology, specific businesses)
- captures costs accurately and consistently for all businesses
- assesses and tracks the costs and profit of each business separately
- compares costs of common cost centres across all businesses

Also, standardized costs centres allows you to analyze performance across similar business units so that you can compare one CEE business to another on certain measures (e.g., return on investment relative to salary costs).

This approach will allow you to make decisions about any one business that your CEE owns as well as compare the businesses in terms of cost and benefit. It's worth the time and effort to design your finance function so that it serves your analysis and decision making into the future. It also allows the CEE to easily add, remove or change businesses (cost centres).



The quality of your business decisions is directly related to the nature and accuracy of your financial information.

18.6 Human Resources

As much as we may refer to a company or organization as an “it,” people make up the quality of your CEE. How well you treat and grow your employees and board has a direct impact on the quality of work and loyalty you can expect from them.

As a first step to treating your people well, it's important to be aware of the employment law that applies to your CEE and make sure that your hiring, recruiting and employment practices are consistent with the law. If your policy and practices don't reflect the law, not only is it not fair to your employees but it also puts your CEE, the board and potentially the community government at legal risk.

In addition to understanding the law, it's worthwhile having a broad understanding of the human resource field to ensure employees are treated well and you can develop people to grow skills and experience.

HUMAN RESOURCES DUTIES AND ACTIVITIES	
DUTIES	KEY ACTIVITIES
Recruitment and selection of employees	<ul style="list-style-type: none">· analyzes jobs, prepares job descriptions, posts vacancies, receives applications, short-lists applicants, and coordinates the interview and job offer process
Training and development	<ul style="list-style-type: none">· stewards the onboarding process of new employees· supports employees receiving the required training to do their job well and safely
Health and safety	<ul style="list-style-type: none">· ensures workplace safety and supports employee health and wellness
Performance	<ul style="list-style-type: none">· tracks and reviews employee performance· helps identify areas for growth and advancement within the company in cooperation with the employee's supervisor
Succession planning	<ul style="list-style-type: none">· looks ahead, anticipates employee turnover and makes plans to avoid key person dependency· grooms existing employees to grow and advance
Compensation and benefits	<ul style="list-style-type: none">· monitors salaries, updates salary information if an employee changes roles, and monitors comparable marketplace salaries· may administer benefits programs if the CEE offers benefits
Legal compliance	<ul style="list-style-type: none">· remains on top of employment legislation and regulations· ensures that CEE policies and practices reflect the law

A startup CEE may not have a dedicated human resources staff person at first, but it's important for the CEO to make sure that each of these functions is fulfilled, particularly regarding employee health, safety and legal compliance.



THE UNIQUE HIRING ENVIRONMENT

A common understanding between the CEE and the community government on hiring practices will not only make for smoother working relationships between the CEE and the community government, but also a consistent and supportive experience for community members who apply for and work for your CEE. It also good practice to articulate the CEE's approach in a human resources policy. Read more in [Chapter 3](#).

18.7 Managing Risk

Risk is anything that could interfere with your CEE achieving its strategic objectives or directly threatening its business operations. A key function that all successful businesses do is identify and manage risk.

Risk is a reality for any business enterprise, including your CEE. It's wise to treat and manage risk as a regular and routine part of business operations as opposed to managing crisis when it happens because you didn't see it coming.

Risk management isn't about blindly avoiding or reacting to risk. It's about accepting that risk is a fundamental part of anything a CEE does and developing a way to identify, manage, reduce and mitigate risk so that you can take business risks with confidence.

Risk management involves

- identifying risks that can affect reaching your strategic goals
- assessing risks in terms of your risk appetite and the degree of impact and likelihood of them happening
- monitoring risks
- developing key actions to reduce, minimize, manage or remove risk and having contingency plans if a risk becomes real



Image adapted from Andrew Waters' article.⁴²

Enterprise Risk Management Framework

An effective way to identify and manage risk is to create an enterprise risk management (ERM) framework for your CEE. It's called a framework because it involves several components, including policy, education, research, and assessment and monitoring.

Creating a solid ERM framework involves

- knowing the risk appetite of the CEE board of directors
- developing risk management policies, practices and routines
- developing the ways to gather the right information to identify and address risk
- developing ways to measure and respond appropriately to risk

Having an effective ERM framework in place not only manages the risk but can reduce the potential liability the community government may face.

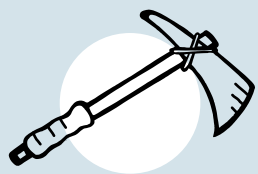
⁴² Andrew Waters, "How to Build an Effective ERM Framework," Moody's Analytics Risk Perspectives, March 2014, <https://www.moodyanalytics.com/risk-perspectives-magazine/managing-insurance-risk/approaches-to-implementation/how-to-build-an-effective-erm-framework>

The community government as the owner of the CEE should require the CEE board to have a robust ERM framework in its annual letter of expectation. An ERM framework is set by the board and the CEO implements the framework, monitors the risks and reports regularly to the board.



Image adapted from the article "Enterprise Risk Management."⁴³

⁴³ "Enterprise Risk Management," Binus University Quality Management Centre, published on December 3, 2020, <https://qmc.binus.ac.id/2020/12/03/enterprise-risk-management/>



TOOLS & RESOURCES

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- business management strategy (sample, templates)
- organizational development
- what is an organizational chart (sample)
- how to build organizational capacity
- organizational design
- how to set up a finance function for a corporation
- human resource functions
- enterprise risk management (sample, template)
- how to check reliability of web sources

18.8 Effective Management in Summary

If you have effective management then

- your CEE is structured and organized in a way to fulfill its mission and realize its goals and objectives
- structures, processes, people and planning are integrated and mutually supportive
- your financial management supports informed and confident decision making
- employees work in a safe workplace and your human resource practices reflect the law
- risk is managed well to protect the CEE

If you have ineffective management then your CEE will

- be inefficient, disorganized and lack direction
- not be as profitable
- have less trust from the community
- increase risk and liability for both the CEE and the community government

You will work with effective management in

- Phase 3, when the first board of directors and CEO begin to design the CEE
- Phase 5, when the CEE exercises key practices to keep the CEE going strong



REFLECT

- Reflect on your current or previous employment experiences. What were the strengths and weakness of the organization relative to structures, processes, people and planning?
- What do you think are some of the key risks your CEE may face? What kind of things would your CEE have to monitor to manage this risk?

CHAPTER 19:

REALIZING OPPORTUNITIES

Your CEE successfully realizes opportunities when it identifies potential business opportunities, completes rigorous business planning, and develops viable business ventures that make a profit for the CEE.

Realizing business opportunities is the primary objective of a CEE. Its purpose is to create and protect value for the community government and facilitate economic and business development for the community. The ability of a CEE to realize opportunities has a direct impact on its profits and success in the future.

To realize opportunities, a CEE needs

- an effective venture selection process
- access to capital

19.1 Venture Selection Process

Venture selection is the process you use to identify, assess, and implement new or expanded business opportunities. A venture selection process helps you answer the following questions:

- Which business venture is worth investment to produce a profit?
- Which business venture fits within the CEE strategic plan?
- Which business venture is generally acceptable to the community and aligned with community values?

A venture selection process is a due diligence process that will help you select viable business opportunities in a disciplined way. It typically has six steps and each step narrows the number of possible business opportunities to a handful of viable business opportunities—or just one—that you are willing to invest money in to return a profit.⁴⁴

The six steps for selecting a business venture are:

1. Regional economic assessment
2. Opportunity identification
3. Venture selection criteria
4. Pre-feasibility analysis
5. Feasibility analysis
6. Business plan

⁴⁴ Garry Merkel, Interview with the author, April 20, 2022.; Victor Cummings, *Venture Development Basics Workbook*, June 2012, 16



Step 1: Regional Economic Assessment

Most businesses operate within the regional economy, and it is critical to understand the larger economic context along with emerging trends and risks. Starting with strong economic information starts your venture selection process on a solid footing.⁴⁵

Regional economic assessments (REA) look at industry, business, labour market, and demographic activity and trends in a given region (local, provincial, or larger). For an Indigenous community, information about the nature of the traditional economy and the people who participate in it may also be included.

If your community has undergone a comprehensive community planning exercise, you may already have an economic development strategy that has assessed your regional economy and identified opportunities for economic development.

If your community doesn't have an economic development strategy or a regional economic assessment you need to do this step. The success of any CEE and the reliability of its venture selection process is built on accurate regional economic information.

ECONOMIC ASSESSMENTS BEYOND THE REGION

We live in a digital age and not all businesses are dependent on the regional economy. There are many businesses that can be located anywhere. Northern communities may benefit from exploring business opportunities from a global perspective and that aren't completely tied to their region.

Step 2: Opportunity Identification

Based on your regional economic assessment and additional research, cast a wide net to identify all available business opportunities. This may include buying existing business opportunities and operating them as they are or expanding them to capitalize on untapped markets. It may also include starting new businesses to fill market gaps.

Step 3: Venture Selection Criteria

With possible opportunities in hand, you measure each one against your venture selection criteria. Criteria are the principles or standards against which you judge and assess each of the business opportunities.

Criteria could include

- alignment with community government land policy
- alignment with community ethical criteria about what kind of business activity is acceptable
- potential for community-based employment or labour force growth
- potential for other business or economic spinoffs

The result from this step is the short-list of potential business opportunities, otherwise known as the "first cut."

⁴⁵ Cummings, *Venture Development Basics*, 16.

Step 4: Pre-feasibility Analysis

The objective of this step is to screen the first-cut business opportunities from step 3 to determine which of them are worth looking at more closely with a feasibility analysis. Each step beyond step 3 requires increasing investment, so be sure to do this step carefully.

Questions to ask in this phase include⁴⁶

- Is the expected revenue enough to justify spending time and money to evaluate this business opportunity in depth?
- Are there any regulatory decisions that may affect the viability of the business?
- What are the potential environmental, cultural and social impacts (positive and negative)?
- What are the risks and opportunities?

To answer these questions, you will typically look at several factors, including⁴⁷

- **Number**
How many other similar businesses are in your market area?
- **Need**
How many of these types of businesses are estimated to be needed in your market area?
Is this need fulfilled?
- **Competition**
What are the existing and potential sources of competition?
- **Potential rates of return**
What is the potential rate of return in terms of order of magnitude (low, moderate, moderate-high, high)?
- **Complexity**
How complex is the business to acquire?
How complex is the business to manage?
What are the other complexities (e.g., regulatory processes)?
- **Interdependency**
How interdependent is the business on other businesses? What is the nature of that dependency?
How stable or risky are the interdependencies?
- **Financial investment**
What is the estimated range of financial security required?
What degree of likelihood is there that you will get the required financial investment?

The result from this step is the “second cut” of potential business opportunities that you are willing to invest the money for a deeper look with a feasibility analysis.

⁴⁶ Garry Merkel, *Prefeasibility Study Guidelines*, June 2022. Not published, 4

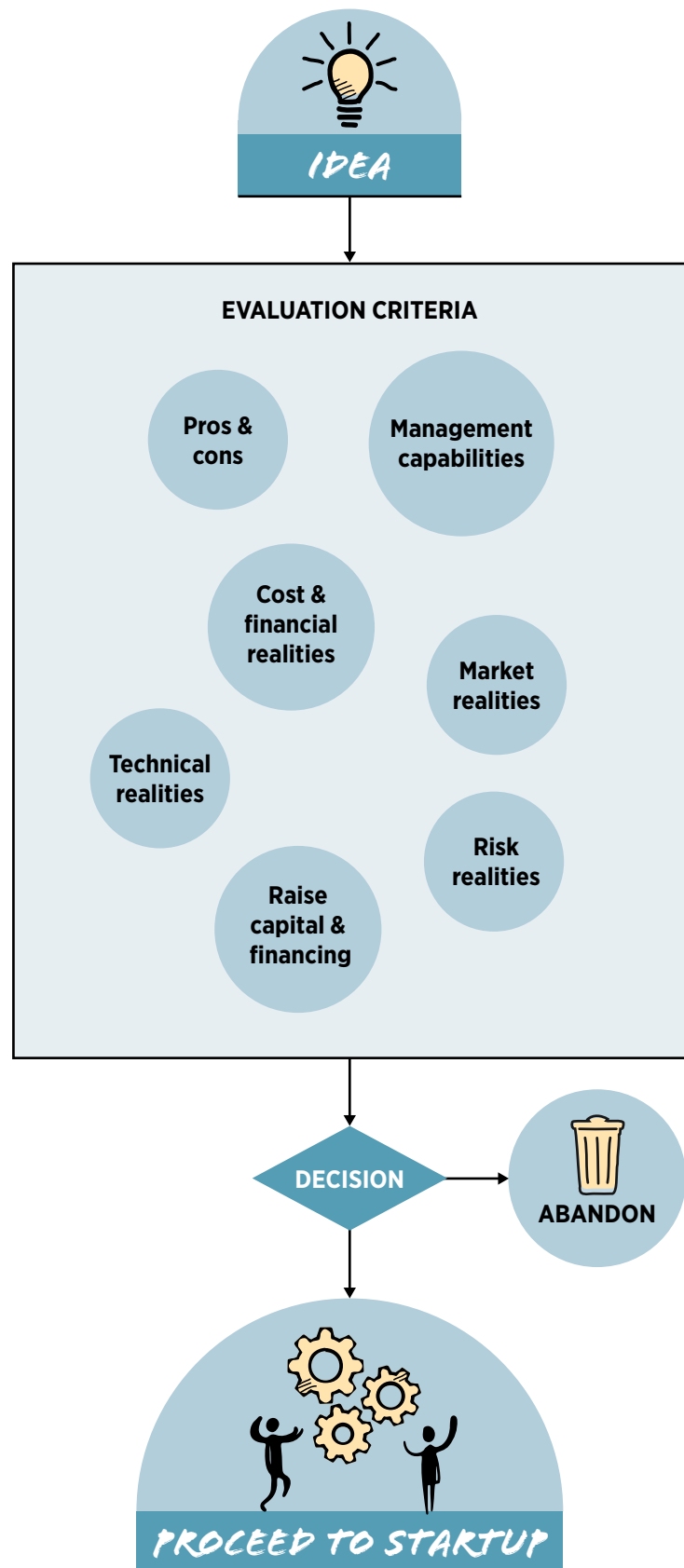
⁴⁷ Merkel, *Prefeasibility Study Guidelines*, 4

Step 5. Feasibility Analysis

At the end of this stage, you will have a “third cut” of potential business opportunities that you are willing to invest in doing a business plan for. In this step, a deeper dive into the factors in the pre-feasibility stage is done where needed, along with additional investigation.

Additional investigation should include⁴⁸

- **Management factors and capacity**
Does the CEE have enough management capacity to manage the business?
- **Technical factors**
What kind of technical needs or assets may be required for this business?
- **Market realities**
What are the current market realities for this particular business? (Your REA along with any current shifts and trends will be helpful here.)
- **Cost**
What are the estimated costs and types of costs required to acquire, onboard to the CEE, and manage it?
- **Risk factors**
What are the types of risks to the business itself and in acquiring and developing it?
- **Capital and financing factors**
What are the factors that constrain or support raising capital and securing financing?



⁴⁸ "Evaluating the feasibility of agri-food business opportunities," Government of Ontario, published on August 2017, <http://omafra.gov.on.ca/english/busdev/facts/17-027.htm>

Step 6: Business Plan

At this point you may have one to three potentially viable business opportunities that are worth investing in doing a business plan.

Doing a thorough business plan

- gives you confidence that you've done complete analysis and due diligence
- prepares you to seek financing or request the CEE board to make an investment decision with retained earnings, or both

You need to be very diligent and critical when evaluating every possible shortfall that could compromise the business. Having at least one qualified external expert thoroughly critique your business plan is good practice. It is better to anticipate and plan for obstacles beforehand than it is to try to address them in the middle of crisis. An external review can also add credibility to your business plan for lending purposes, as well as assure you and your CEE board that the business plan isn't internally biased or overly optimistic.

With your business plan in place, you are ready to secure venture financing (if required) and start establishing your business following that plan.

19.2 Venture Financing

Once the venture selection process is completed, the next step is to use the business plan to secure financing.

Sources of financing could include

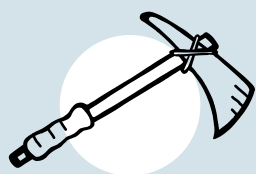
- CEE retained earnings
- financing provided by a bank or other third-party lender
- shareholder (community government) loan

19.3 Ongoing Research and Monitoring

While venture selection processes help you make solid business investment decisions, ongoing economic and business research and monitoring is important to make sure that your planning environment and business decisions are based on accurate and up-to-date information.

Ongoing research and monitoring can be done through a variety of ways, including

- **Connection**
Stay in contact and connect with your business network. Ask questions and monitor local and regional news.
- **Research**
Research economic and financial trends and political events that may influence the economy.
- **Monitor regulatory processes**
Keep up to date on resource development exploration and regulatory processes can help you identify potential upcoming opportunities.



TOOLS & RESOURCES

Check out the Toolbox

- Tool 6 Business Structures; you will use this in Task 18

Try these terms in a web browser. Once you have your search results, click on “images” and “videos” for more results.

- What are regional economic assessments
- regional economic assessment Ontario
- venture selection process (samples, templates)
- business plan template sample
- business structures
- how to check reliability of web sources

- **Larger context**

Stay up to date to leverage the larger social, political and governmental context you’re operating within, particularly non-Indigenous governments’ approaches to Indigenous communities, reconciliation efforts, and the overall political and public policy environment. You can use this information to identify and negotiate preferential access opportunities.

19.4 Realizing Opportunities in Summary

If you are effective at realizing opportunities then

- your CEE will earn profits and consistently grow over time
- your community will support the CEE
- the shareholder (community government) will receive dividends to support the programs and services it delivers for the community

If you are ineffective at realizing opportunities then

- your CEE will not earn profits and will likely stagnate and eventually fail

You will work with realizing opportunities in

- Phase 1, when you do a regional economic assessment
- Phase 3, when you develop your venture selection process and select your first business
- Phase 5, when your CEE is up and running and is actively looking to secure business opportunities



REFLECT

- What additional criteria would you include in step 3 of the venture selection process?
- What other questions in step 5 of the venture selection process do you think would reflect your community values?

PART 3:

BUILDING YOUR CEE

Now that you have learned about CEEs and the fundamentals for success, it's time to apply what you know.

Part 3 takes you from Phase 1 with the decision to create a CEE ([Task 1](#)) to Phase 4 with your first annual shareholder meeting ([Task 23](#)).

Once your CEE is up and running, [Phase 5](#) describes the eight practices that your CEE should do in a disciplined way to keep your CEE going strong.

As you learned in Starting Points ([section 1.3](#)), this toolkit is designed to help you build a CEE from scratch. Your community may already have an established CEE, or you may have one operating already. If either of these situations apply to you, be sure to follow the method described in [section 1.3](#) before starting Part 3.

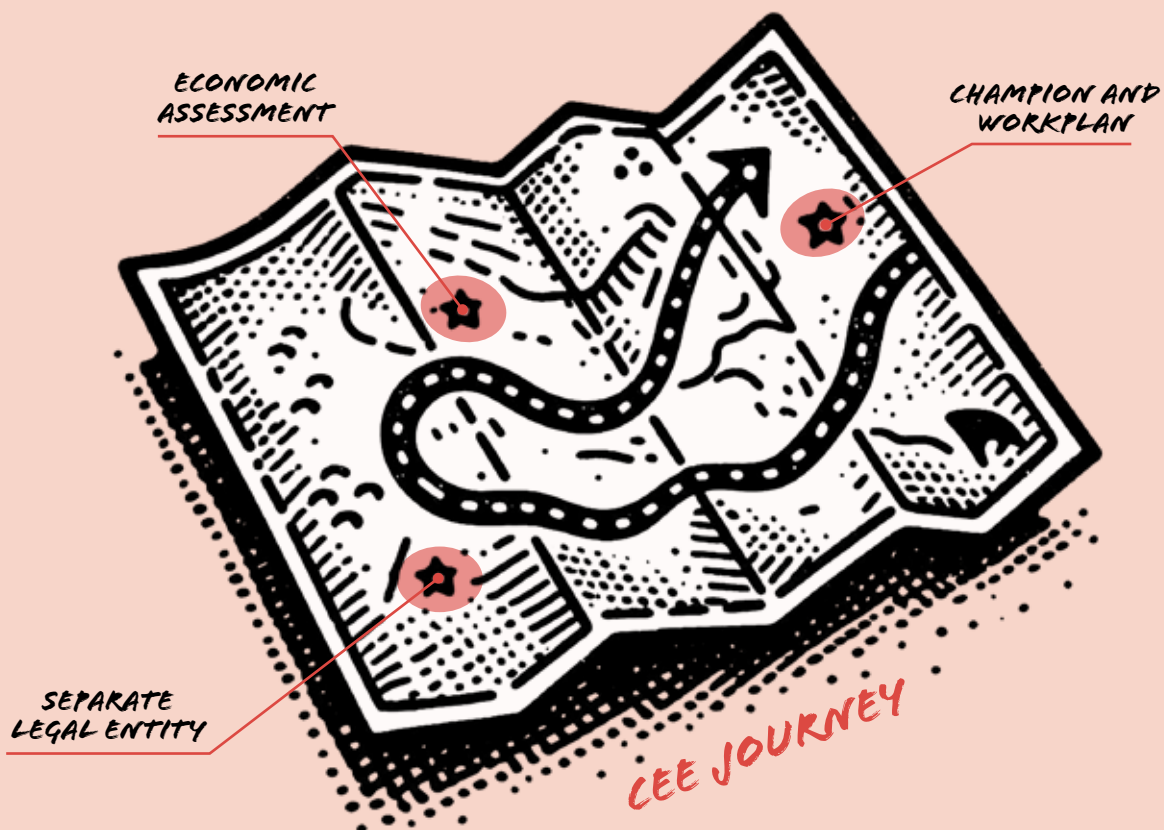
PHASE 1: GET READY

The purpose of this phase is to get organized so you can start your CEE initiative. Before you go on a trip, you get yourself organized. You think about where you are, where you want to go, who will join you, the route you will take, and then you make a plan before embarking on your trip.

Your CEE journey is no different. In this phase, you'll decide what you want (a CEE) and make a plan to get there. You'll orient yourself to your internal community environment so that you can set up your CEE from a clear starting point.

At the end of this phase you will have

- Chief and Council's decision to create a CEE as a separate legal entity, with a mandate and purpose
- a regional economic assessment
- a champion and a workplan for your CEE initiative



TASK 1:

DECIDE TO CREATE A CEE

For this task, you are going to decide to create a CEE and clarify its purpose and mandate.

To start your CEE initiative in an effective way, you need to decide and communicate what you want. This means making a clear and official community government decision to create a CEE.

As you learned in [Chapter 17](#) CEE-Shareholder Relationship, the decision to create a CEE will be the seed from which the future CEE-shareholder relationship will grow. Formalizing the decision in a community government resolution will provide clarity about the nature and purpose of the CEE, which will help you keep your CEE initiative focused and grounded as more people become involved.

This decision should be an official and documented decision made by those who are elected by and represent the community. This often takes the form of a community government resolution.

The documented decision should state

- the mandate and purpose of the CEE
- that the CEE is a separate legal entity

GET IT DONE

At the end of this task you will have

- community government resolution that describes the mandate of your future CEE

For this task, review

- [Section 17.1](#) Decision to Create a CEE

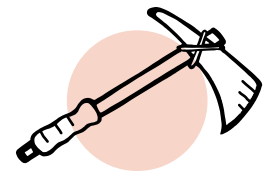
To make this task successful

- **Communicate**
Inform the community and relevant organizations of this decision so people don't learn about it by accident or through rumour.



CHECK OUT THE TOOLBOX

[Tool 1](#) Community Government Resolution



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are...*

(Be sure to check your workplan and make necessary changes)

TASK 2:

DO A REGIONAL ECONOMIC ASSESSMENT

For this task, you will do a regional economic assessment.

If your community government doesn't have a recent regional economic assessment (REA), you need to do one now. You will use the REA to build the business plan for your CEE and seek startup funds (Task 7). It will also support your venture selection process in Task 18 and for your CEE's strategic planning exercise in Task 19. An accurate and current REA is a cornerstone for your CEE. If your community already has a current REA, you can skip this task.

GET IT DONE

At the end of this task you will have

- A regional economic assessment

For this task, review

- [Section 19.4](#) Realizing Opportunities

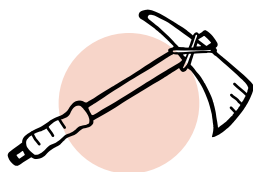
To make this task successful

- **Keep current**
Update the regional economic assessment on a regular basis so that your CEE has up-to-date information to respond to business opportunities
- **Share**
Share the regional economic assessment with the community during community engagement



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *Does your community government regularly review governance and regional trends that may affect the range of programs and services your community government delivers?*

TASK 3:

IDENTIFY A CHAMPION AND MAKE A WORKPLAN

For this task, you will identify a champion and develop a workplan for your CEE initiative.

With a clear decision and direction from your community government, it's time to identify your starting point and move your CEE from concept to reality. To do this, you will need a champion and, depending on your circumstances, a small team to lead your CEE initiative. Their job is to stay focused on the end goal and get the grunt work done.

You also need a project charter and workplan for your CEE initiative so the team is clear on their purpose and can forecast the work ahead and stay on track.

A champion, a team and a plan will set your CEE initiative off in the right direction.

GET IT DONE

At the end of this task you will have

- a CEE champion
- project charter
- workplan

For this task, review

- [Section 1.3](#) Starting Points
- [Chapter 6](#) Leadership
- [Section 9.7](#) Understand Team Dynamics
- [Section 13.4](#) Project Charters and Workplans

To make this task successful

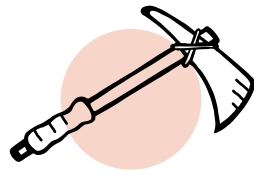
- **Sufficient resources**
Identify the costs and sources of funds you will need for your CEE initiative. While building your workplan, ask yourself if you need funds for each item and, if so, where the funds will come from.
- **Reach out**
Reach out to other communities or CEEs for resource people that may be helpful for your CEE initiative. Start building your network.
- **Advisors**
Consider having advisors who are not associated with your community, who can provide a balanced and objective perspective on your CEE initiative.⁴⁹



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.

⁴⁹ Garry Merkel, Interview with the author, April 20, 2022

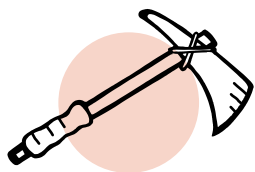


WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are...*

(Be sure to check your workplan and make necessary changes)



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are...*

(Be sure to check your workplan and make necessary changes)

TASK 4:

ASSESS READINESS FOR CHANGE

For this task, you will assess your community's readiness for change.

Now that you have clear direction, a team and a plan, it's time to take a thoughtful look to see where your community is at in terms of mindset, relationship to change, understanding of community economic development and the role of CEEs.

By understanding where your community is at, you will be better able to engage with your community in ways that are meaningful to them, which in turn helps your CEE initiative reflect community values.

GET IT DONE

At the end of this task you will have

- a broad understanding of your community's mindset and relationship to change
- an understanding of CEEs and economic development

For this task, review

- Chapter 2 CEE and Community Economic Development
- Chapter 4 Change
- Chapter 5 Mindset

To make this task successful

- **Time**
Set aside quiet time to do this. Ask people in your community to help you with this task and invite their input.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.

TASK 5:

GET READY TO WALK YOUR TALK

For this task, you will look at your community government and identify ways it can become a stronger organization during your CEE initiative.

Many of the tasks and elements to establish a successful CEE can also be applied to any organization, including a community government. This task will help you see if your community government has the elements of a strong organization and encourage you to grow your community government. This will not only contribute to the success of your CEE initiative, but also serve your community well.

The worksheet at the end of each task, along with [Tool 9 Strong Organizations Checklist](#), will prompt you to “walk your talk” and see if there is anything from that task that can be applied to your community government.

GET IT DONE

At the end of this task you will have

- a foundation on which to build the capacity of your community government (through your CEE initiative)

For this task, review

- [Section 1.4 Walk Your Talk](#)
- [Section 5.1 Growth and Fixed Mindsets](#)
- [Section 18.1 Elements of an Organization](#)
- [Section 18.3 Organizational Development](#)

To make this task successful

- **Focus on strengths**
Identify your strengths and focus on what you do well.
- **Focus on growth and learning**
If your assessment is showing you uncomfortable results, resist getting down or judging. This isn’t a performance assessment! This is a reflective exercise for your community government to decide what could be next to make your community government stronger.
- **Celebrate**
Be sure to celebrate what you’re doing well. Take time to acknowledge the ground you’ve already covered in becoming a strong organization.



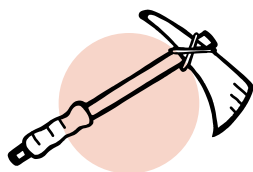
REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



CHECK OUT THE TOOLBOX

[Tool 9 Strong Organizations Checklist](#)



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*

PHASE 2: ENVISION YOUR CEE

With a decision to establish a CEE, a clear understanding of your starting point, a champion and a plan, now it's time to envision your future CEE with your community and make it real by finding space, funds and naming your CEE.

At the end of this phase, you will have,

- a community engagement plan
- community engagement sessions
- a business plan
- startup funds
- physical space
- a name



TASK 6: ENGAGE YOUR COMMUNITY

For this task, you will prepare a community engagement plan (if it is not already a part of your workplan from Task 3) and initiate engagement with your community.

Your CEE initiative will bring about change in your community. Engaging with your community about community values, community economic development, CEEs, and any sticky issues will allow your community to be a part of the change, while at the same time ensuring that your CEE reflects community values and aspirations.

As you learned in Phase 1, community engagement is more than a one-time event. You will carry through this activity until Phase 5, at which time the CEE will develop its own community engagement and communications plan.

GET IT DONE

At the end of this task you will have

- Community engagement to inform your CEE initiative and to update your community

For this task, review

- [Chapter 4](#) Change
- [Chapter 8](#) Community Support
- [Chapter 3](#) Common Issues

To make this task successful

- **Work both ways**
Be sure to provide regular updates to your community on your CEE initiative and be able to demonstrate to your community how their input was used to help build the CEE
- **Invite community discussion**
Consider having mindset, relationship to change, and confidence be regular topics at community engagement sessions in Phase 2 and beyond.
- **Foster a strategic orientation**
Keep discussions on the larger picture of how to strategically develop the regional economy and what the CEE's role is in that development.
- **Track community input**
Summarize notes from community engagement and provide to the CEE board of directors to orient them to the themes and interests of the community.
- **Follow up**
Other issues not associated with your CEE initiative may come up in your engagement sessions. Have a way to record these and provide them to the right person who can follow up on the item.
- **Audiences**
Hold different engagement sessions for each audience (community members, businesses, community government departments) and focus your sessions on these audiences. Each audience will likely have different interests and perspectives on your CEE.



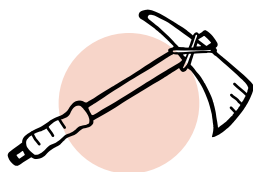
REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



CHECK OUT THE TOOLBOX

[Tool 3](#) Community Engagement



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *How does your community government regularly engage and provide information to the community? What works well? What can be improved?*

TASK 7:

DO A BUSINESS PLAN AND GET STARTUP FUNDS

For this task, you will prepare a business plan for your CEE and use it to identify and secure startup funds.

Once your future CEE is fully operational it will pay its own way, but until that time your CEE needs enough money to get started. You will need a business plan to apply for and secure any needed financing arrangements.

Startup funds need to support your CEE between the time you officially appoint the first board of directors in Task 10 and when it is fully operational and paying for its own operations from earned revenue. Sources of startup funds may be a loan from the community government, a loan from a financial institution, grants, and industry contributions.

GET IT DONE

At the end of this task you will have

- a business plan
- a startup budget
- startup funds

For this task, review

- Section 17.5 Money

To make this task successful

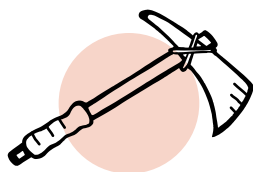
- **Accurate and sufficient budget**

Build a budget that accurately forecasts expenses for the required time period so that you're confident the CEE has sufficient startup funds.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *How is your community funded? How might dividend payments from a CEE change the way your community government operates?*

TASK 8:

FIND A PHYSICAL SPACE

For this task, you will identify the physical space for your CEE.

Your CEE will need a home and an official address. For the early days of CEE operations, space requirements may be minimal and planning for its needs over time will be the job of the future CEO. In terms of startup needs, the CEE will need a place to start business from and an official address to include in its articles of incorporation (Task 11).

Ideal initial space for your CEE is

- not in the same space as the community government
- sufficient for the estimated number of staff you forecast needing in the first year
- private and presentable, because impressions count in the business community

GET IT DONE

At the end of this task you will have

- an address and a physical space for your CEE

For this task, review

- Section 17.6 Risk and Liability
- Section 9.8 In the Eyes of Others

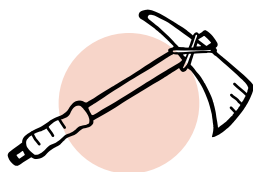
To make this task successful

- **Tax advice**
Consult an accountant about on- and off-reserve locations for your CEE and the tax implications for your CEE and employees. Be aware that a CEE does not have “Indian” status and therefore isn’t eligible for the same tax exemptions.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *What are the advantages and disadvantages of the current space your community government operates in? In what ways can this information be helpful for finding space for your CEE?*

TASK 9:

NAME YOUR CEE

For this task, you will create an identify for your CEE and give it a name.

Choosing a name for your CEE is exciting and brings your CEE to life in the eyes of your community and the larger business community. When selecting a name, it's helpful to start with a list of questions.

For example:

- What values and tone do we want to communicate with the name?
- What impression do we want the name to give?
- Does the name reflect the nature of what the CEE does?
- Is the name easy to pronounce, spell and remember?
- Does it reflect our community identify?
- Is it unique?
- Is it already registered legally?

The name of the CEE will be required in Task 11 when you apply for incorporation to Corporations Canada. The CEE board and a CEO can develop the CEE's branding and logos that reflect the strategic direction of the CEE.

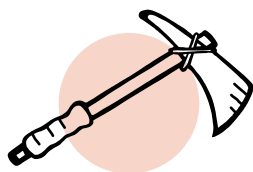
GET IT DONE

At the end of this task you will have

- community government support for the name of your CEE

To make this task successful

- **Research tips**
Enter Internet search term "tips for naming a new business"
- **Check the CEE name**
Visit the Government of Canada website to search national and provincial databases to see if the name you've selected has already been taken.
<https://www.canada.ca/en/services/business/start/choosing-a-business-name-1.html>
- **Get the domain**
Be sure to secure the domain name of your CEE.



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *How was the name of your community government chosen?*
- *What values and tone are communicated with the name?*
- *Does the name reflect the nature of what your community government does?*
- *In what ways does the name reflect your community identity and values?*

PHASE 3: ESTABLISH YOUR CEE

Now that you have engaged your community about your CEE initiative, identified startup funds, physical space and a name for your CEE, it's time to legally establish it and get it up and running.

In this phase you will set up the first critical aspects of your CEE that make it a legally recognized business and establish the relationship between the community government (shareholder) and the CEE.

Things will start to move quickly, and you may find yourself completing tasks in Phase 3 and Phase 4 at the same time—and that's okay!

At the end of this phase you will have

- a board of directors
- articles of incorporation and bylaws
- letter of expectation issued to your CEE from your community government
- a CEE-shareholder protocol



TASK 10:

APPOINT AND ORIENT FIRST BOARD OF DIRECTORS

For this task you will establish the first board of directors for your CEE.

As the owner of the CEE, your community government needs to appoint the CEE's first board of directors so that each director can be named when you apply to the federal government for your CEE's articles of incorporation.

By law, a director of a corporation must⁵⁰

- be at least 18 years old
- not have been declared incapable by law or by a court in a jurisdiction outside Canada
- be an individual (and not another corporation)
- not be in bankruptcy status

Once your CEE is incorporated (Task 11), the board of directors will develop the CEE bylaws, which will be approved by the shareholder (community government) in Task 13.

Your first board will be responsible for upcoming tasks like hiring a CEO, setting policy and doing strategic planning. Because your first board has a big job to do, give careful consideration to the combined skills, qualifications and knowledge of the CEE board so it is set up to do the job well.

GET IT DONE

At the end of this task you will have

- the first board of directors

For this task, review

- Chapter 15 Board of Directors

To make this task successful

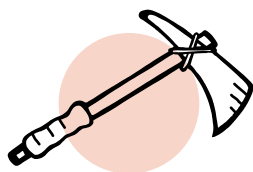
- **Community input**
Provide the new board with information from your community engagement so that their work and the CEE can reflect community values and aspirations.
- **Skilled advisors**
Consider inviting skilled advisors to the board if there are more than two members of the board with limited governance experience.
- **Current information**
Be sure to check the federal or provincial website for the most current information and requirements for a corporation's board of directors.
- **Communicate**
Communicate to your community the names and profiles of the directors on the board.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.

⁵⁰ "Directors and Officers," Government of Canada, last updated on July 3, 2016, <https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/directors-and-officers>



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*

TASK 11:

INCORPORATE YOUR CEE

For this task, you will apply to the federal government to incorporate your CEE.

With a purpose, mandate, address, business name and a willing board of directors, the articles of incorporation legally establish your CEE. If you choose to incorporate provincially or territorially, be sure to follow the appropriate regulations.

GET IT DONE

At the end of this task you will have

- articles of incorporation
- business registration and tax accounts

For this task, review

- Section 17.2 Articles of Incorporation and Bylaws
- How to Incorporate a Business, Corporations Canada⁵¹
<https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/how-incorporate-business>
- Share Structure and Shareholders, Corporations Canada⁵²
<https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/share-structure-and-shareholders>

To make this task successful

- **Legal advice**
Consult a lawyer on the nature of the share structure for your CEE and filing your application for incorporation.
- **Current forms**
Visit the Government of Canada “Corporations Canada” website for the federal corporation forms and instructions.⁵³
<https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/how-incorporate-business>
- **Get updates and reminders**
Subscribe to email updates from the relevant department of the Government of Canada to make sure you receive notice of any changes to the requirements for corporations.⁵⁴
<https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations>



REMEMBER!

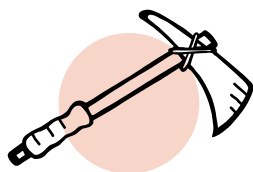
Chapters in Part 2 have Internet search terms for more information and resources.

51 “How to Incorporate a Business,” Government of Canada, last modified on July 17, 2022, <https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/how-incorporate-business>

52 “Share Structure and Shareholders,” Government of Canada, last modified on May 10, 2023, <https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/share-structure-and-shareholders>

53 “How to Incorporate a Business.”

54 “Business Corporations,” Government of Canada, accessed on August 25, 2023, <https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations>



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*

TASK 12:

HOLD DIRECTORS ORGANIZATIONAL MEETING

For this task, the board of directors will hold an “organizational meeting,”—a legislated requirement.

The mandate of the first directors begins on the date that you receive the certificate of incorporation and ends at the first shareholder meeting, when the shareholder elects the CEE’s directors. The shareholder (community government) can elect the first directors that it appointed in Task 10 or elect other directors.⁵⁵

The purpose of the organizational meeting is to organize your CEE and make a number of decisions to prepare for the first shareholder meeting (Task 13).

At the first organizational meeting, the board of directors will need to make sure certain tasks are done.⁵⁶

These tasks are

- prepare bylaws
- adopt the form of shares for the CEE
- adopt the form of corporate records the CEE will use
- authorize the issuing of shares
- appoint officers (president, chair, vice chair, secretary)
- appoint an interim public accountant
- choose a financial institution
- do any other business, like recruiting a CEO

The CEE board must call a shareholder meeting within 18 months of incorporation, and you will need to issue formal notice of this meeting.

GET IT DONE

At the end of this task you will have

- bylaws for shareholder approval
- appointed officers
- a public accountant
- a bank for CEE business

For this task, review

- Section 17.2 Articles of Incorporation and Bylaws
- Corporations Canada website, “Next steps following the incorporation of your business”⁵⁷
<https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/next-steps-following-incorporation-your-business>

⁵⁵ “Next Steps Following the Incorporation of Your Business,” Government of Canada, last modified on July 17, 2022, <https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/next-steps-following-incorporation-your-business>

⁵⁶ “Next Steps Following the Incorporation of Your Not-for-Profit,” Government of Canada, last modified on July 21, 2022, <https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04993.html>

⁵⁷ “Next Steps Following the Incorporation of Your Business.”

To make this task successful

- **Check the regulations**

Visit the Corporations Canada website for information on making bylaws and issuing shares.

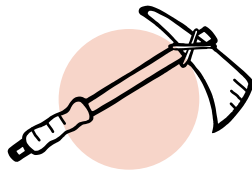
- **Legal advice**

Seek legal advice on your bylaws to make sure they reflect the law, your desired share structure, and what you envision for your CEE.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *What documents govern your Chief and Council? Do they have a terms of reference document to guide their work?*

TASK 13:

HOLD FIRST SHAREHOLDER MEETING

For this task, your CEE board of directors will hold its first shareholder meeting.

Once the first directors of the CEE have completed Task 12, they must call the first shareholder meeting.

At this meeting, the shareholders need to⁵⁸

- elect members of the board
- approve the bylaws prepared by the first board of directors
- adopt special bylaws, if any

GET IT DONE

At the end of this task you will have

- shareholder-approved bylaws
- an elected board of directors
- a shareholder-approved public accountant

For this task, review

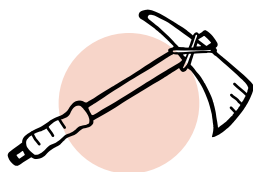
- Corporations Canada website, “Next steps following the incorporation of your business”⁵⁹
<https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/next-steps-following-incorporation-your-business>

To make this task successful

- **Celebrate**
Consider celebrating this important milestone for your CEE!

⁵⁸ “Next Steps Following the Incorporation of Your Not-for-Profit.”

⁵⁹ “Next Steps Following the Incorporation of Your Business.”



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *What do your Chief and Council need to do to prepare for the first shareholder meeting?*
- *What process would help Chief and Council to review the draft bylaws prepared by the CEE board of directors?*
- *Is there a terms of reference or something like bylaws that govern Chief and Council?*

TASK 14:

ISSUE FIRST LETTER OF EXPECTATION

For this task, your shareholders (community government) will issue the first letter of expectation (LoE) to the CEE that is signed off by the shareholders and the CEE.

As you learned in [Chapter 17](#), the LoE is the tool the owners of a corporation use to communicate expectations and accountabilities. It's good governance to issue an LoE each year, even if the LoE is similar in nature from the previous year.

Going through the process of developing and issuing the LoE reinforces the CEE and community government as separate legal entities, and provides the community government a vehicle and annual routine to communicate expectations to the CEE.

GET IT DONE

At the end of this task you will have

- A letter of expectation to the CEE board of directors

For this task, review

- [Section 17.4](#) Annual Letter of Expectation
- [Section 17.6](#) Risk and Liability

To make this task successful

- **Align with planning**
After the CEE is operational, it's good practice for the community government to issue the annual letter of expectation at the same time each year and early in the CEE's last quarter so that it can add or change any items in its upcoming annual operating plan for the next fiscal year.



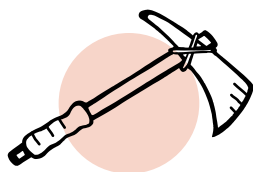
REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



CHECK OUT THE TOOLBOX

[Tool 4](#) Letter of Expectation



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *How will your community government make sure that it honours its role and commitments in the LoE?*

TASK 15:

CREATE YOUR CEE-SHAREHOLDER PROTOCOL

For this task, your CEE and community government will work together to prepare and sign a CEE-shareholder protocol.

The preparation of the CEE-shareholder protocol is a good opportunity to practice working together as separate but related entities. Defining how your community government and the CEE will work together, communicate, address issues and exercise their respective mandates is important.

A strong protocol will help manage risk and limit financial liability to your community government, but also clarify how the CEE will not interfere or undermine the community government's political decision making and how the CEE can be governed and operated free of political interference.

GET IT DONE

At the end of this task you will have

- CEE-shareholder protocol

For this task, review

- [Chapter 17](#) CEE-Shareholder Relationship

To make this task successful

- **Co-create**
The CEE-shareholder protocol is a joint document, which means that it belongs to both the CEE and the community government (the shareholder). Take the time to develop the protocol in a cooperative and collaborative manner.



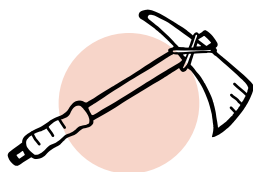
REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



CHECK OUT THE TOOLBOX

[Tool 5](#) CEE-Shareholder Protocol



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *What process will your community government use to decide what needs to go in the protocol? Will your Chief and Council need any processes or tools to support them in participating in the protocol discussions with your CEE?*

PHASE 4: START AND BUILD YOUR CEE

The purpose of this phase is to get your decision-making structures and processes set up so that you can select your first business venture and begin generating revenue quickly. You will also set direction for your CEE, make a plan to get there and design your CEE organization to deliver results.

You may be doing several things at once. For example, you may be working on a strategic plan ([Task 19](#)) while at the same time developing a venture selection process ([Task 18](#)) so you can grab an emergent business opportunity quickly.

At the end of this phase you will have

- a CEO
- board policies
- a venture selection process
- your first business
- a strategic plan
- key performance indicators
- a tracking method
- an annual operating plan
- an organizational structure
- key policies and plans
- an annual shareholder meeting



BUILD YOUR CEE

TASK 16:

HIRE YOUR CEO

For this task, your CEE board of directors will recruit and hire its first CEO.

Depending on when and how you started your CEE initiative, the community government may have hired someone to help get the CEE underway and intends for that person to be the CEO.

If this is the case, it's important for the CEE to have an employment contract in place and for the CEO to become an employee of the CEE (and not the community government). The CEE is a separate legal entity, and the CEO is accountable to the CEE board of directors, not the community government.

For those CEEs without a CEO, it's time to decide what you want in a CEO and initiate the recruitment process and hire the right person.

GET IT DONE

At the end of this task you will have

- an employment contract with your CEO

For this task, review

- [Chapter 16](#) Chief Executive Officer (CEO)
- [Section 18.6](#) Human Resources

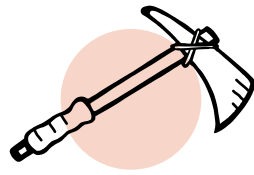
To make this task successful

- **Fit**
In addition to skills, qualifications and experience, your CEO should also reflect and share values with the CEE and community.
- **Step back**
Recruiting a CEO can take time and the CEE board of directors may want to get other work associated with Phase 4 underway during the CEO recruitment process. If this is the case, the board may have to assume a quasi-role of a “working board” and not a corporate board for a short period of time. It is very important for the board to step back into its corporate governance role once a CEO is hired.
- **CEO evaluation**
New hires typically have a probationary period after which time their performance and fit are evaluated. It is also good practice for the board to review the performance of the CEO on an annual basis. The employment contract may specify how and when this happens. See the resource section for information on CEO evaluation.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *What are the skills and qualifications of the key management person who reports to Chief and Council (band administrator, chief administrative officer)?*
- *Do Chief and Council operate as a governance board or a working board, or a bit of both? Whatever arrangement your community government practices, what works well, what doesn't, and what are some areas where there is room to grow?*

TASK 17:

MAKE A BOARD MANUAL

For this task, your CEE Board will make policies that govern the board of directors.

As a new CEE, it's time to create a board manual that sets expectations about board member conduct and the overall functioning of the board so that the board can function and make upcoming policy, planning and venture selection decisions efficiently.

Getting a board manual in place is likely a requirement of the CEE board from the letter of expectation issued by the community government in Task 14. Also, developing a board manual will encourage the new board members to develop a working relationship and prime them for upcoming decision making on venture selection, oversight of the CEO, strategic planning, and setting the overall policy and planning frameworks for your CEE.

GET IT DONE

At the end of this task you will have

- a board manual

For this task, review

- [Chapter 15](#) Board of Directors

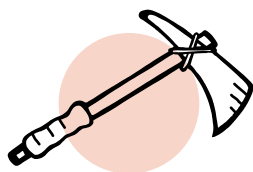
To make this task successful

- **Annual review**
Review the board manual on an annual basis.
- **Prioritize governance**
Consider creating a governance committee of the board to prioritize governance and make sure consistent attention is paid to corporate governance.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *Do your Chief and Council have a governance manual that sets out standards of conduct, training and development, and procedures for meetings? How were these developed? When? Are they still relevant?*

TASK 18:

DEVELOP A VENTURE SELECTION PROCESS AND SELECT THE FIRST BUSINESS VENTURE

For this task, you will develop your initial venture selection process and then use it to select your CEE's first business venture. This task will likely be an iterative exercise, meaning that you may be developing your selection process while you're also assessing and implementing your first business. The important thing is to go through the staged discipline of assessing opportunities and preparing a solid business plan for your first venture.

GET IT DONE

At the end of this task you will have

- a venture selection process
- a business plan for selected ventures

For this task, review

- Section 19.1 Venture Selection Process
- BDC's Business Plan Template⁶⁰
<https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/templates-business-guides/business-plan-template>

To make this task successful

- **Track your learnings**
Track your learnings when applying the venture selection process to your first business selection and make any necessary refinements.
- **Community alignment**
Remember to make sure that your venture selection process prompts you to see if potential business opportunities align with any applicable policy and planning documents of the community government.



REMEMBER!

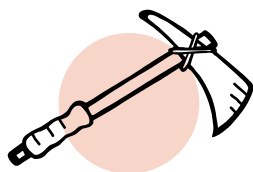
Chapters in Part 2 have Internet search terms for more information and resources.



CHECK OUT THE TOOLBOX

Tool 6 Business Structures

⁶⁰ "Business Plan Template," BDC, accessed August 25, 2023, <https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/templates-business-guides/business-plan-template>



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *How does your community government decide what programs and services it will offer the community? Are programs and services regularly reviewed to make sure they are meeting community needs? If not, how would you go about starting to do this?*

TASK 19:

PREPARE A STRATEGIC PLAN

For this task, your board of directors, CEO and any other key staff or advisors will do a strategic plan for your CEE.

The strategic plan is the keystone plan that all other CEE plans grow from. It sets the CEE's direction for the next three to five years and is the basis for the annual operating plan which lays out how the CEE will organize, manage and operate year after year.

Along with setting strategic direction and goals, the strategic planning process will also prompt you to clarify the CEE's charter elements of

- mandate
- vision
- mission
- principles
- values

While you may clarify these charter elements during the strategic planning process, the actual strategic plan may separate out the charter elements from the action elements of goals, objectives, monitoring and evaluating, and reporting. These charter elements are also very useful for branding and other public facing information about your CEE.

It is also during the strategic planning exercise that key performance indicators are identified. These will be used in Task 20 when your CEO prepares a performance tracking system.

GET IT DONE

At the end of this task you will have

- a strategic plan
- key performance indicators

For this task, review

- [Chapter 11](#) Corporate Governance
- [Chapter 13](#) Planning
- [Chapter 14](#) Monitoring and Evaluating

To make this task successful

- **Planning information**

The following information will be helpful to inform your strategic planning process:

- notes from community engagement
- regional economic assessment
- applicable community government plans or policy, such as a land stewardship plan or comprehensive community plan
- letter of expectation



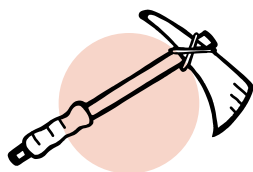
REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



CHECK OUT THE TOOLBOX

[Tool 7](#) Strategic Plan Worksheets



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *Does your community have a strategic plan? A comprehensive community plan? What benefits do you think a high-level plan could bring to your community government and community?*
- *How does your community go about determining if it is meeting its goals and objectives?*

TASK 20:

COMPLETE AN ANNUAL OPERATING PLAN, BUDGET AND MONITORING TOOL

For this task, you will develop your annual operating plan, budget, and monitoring method.

With the CEE's strategic goals, priorities and key performance indicators identified from Task 19, it's time to translate those broader goals into an annual operating plan with objectives, and then create a monitoring and reporting method to report on progress and achievements.

The balanced scorecard, discussed in [Chapter 14](#), is one method to monitor and report progress against the strategic plan and annual operating plan, but whichever method or tool you develop, the key is to use it.

Preparation of the annual operating plan and the monitoring method and tool are typically prepared by your CEO and presented to the board of directors for approval, along with an annual budget.

Your first annual operating plan should, at a minimum, include

- all the directives in the letter of expectation from the community government ([Task 14](#))
- any previous and future tasks in this toolkit that you need to complete

Given that your CEE is in its startup phase, many of the key plans identified in [Chapter 13](#) Planning can be addressed in your annual operating plan.

GET IT DONE

At the end of this task you will you have

- an annual operating plan
- an operating budget
- a monitoring and reporting method

For this task, review

- [Chapter 13](#) Planning
- [Chapter 14](#) Monitoring and Evaluating

To make this task successful

- **Align planning with the fiscal year**
Prepare your annual operating plan to the end of the CEE's current fiscal year, typically either the calendar year (common in business) or the April to March fiscal year (common in government). This will help you integrate subsequent annual operating plans into the CEE's annual operating planning cycle.



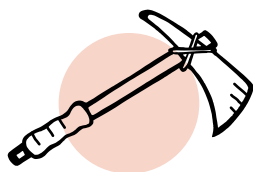
REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



CHECK OUT THE TOOLBOX

[Tool 2](#) Successful CEE Checklist



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *What kind of annual planning does your community government do? How does the budget planning work?*

TASK 21:

CHOOSE ORGANIZATIONAL STRUCTURE AND DEFINE CORE FUNCTIONS

For this task you will choose the best initial organizational structure for your CEE and build its core functions (with the understanding that these will evolve over time).

As you learned in Chapter 18 Effective Management, to manage your CEE effectively you need to organize it in the best way to deliver on its mandate and strategic plan (Task 19) and then build out the core functions of that structure.

There are several types of organizational structures, but the main four described in Chapter 18 are

- functional
- divisional
- flat
- matrix

Learn about each of these organizational structures, the advantages and disadvantages of each, and choose the one best suited to implement your CEE's strategic plan.

Once you have the overall structure of your CEE, build the core functions of your CEE, which are typically

- strategy and planning
- marketing
- finance
- human resources
- technology and equipment
- operations

Build these functions by defining what purpose each function serves for the CEE and how the activities (process and systems) will be done and by whom (staff). Organizational structure and functions can seem very theoretical but the products and result you're aiming to produce are tangible.

GET IT DONE

At the end of this task you will have

- an organizational chart
- descriptions for each of the functions

For this task, review

- Chapter 18 Effective Management
- Mind Tools, "Organizational Design"⁶¹
<https://www.mindtools.com/aiydadc/organization-design>

⁶¹ "Organization Design," MindTools, accessed August 25, 2023, <https://www.mindtools.com/aiydadc/organization-design>

To make this task successful

- **Reach out**

Reach out to other CEEs and ask if they have any advice or lessons they've learned about organizing their CEE



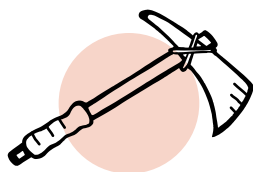
REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



CHECK OUT THE TOOLBOX

Tool 2 Successful CEE Checklist



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *How is your community government organized? Are key processes documented so that everyone is working from the same information?*
- *What can you learn and apply from this section of the toolkit to your community government?*

TASK 22:

BUILD KEY POLICIES AND PLANS

For this task you will build key policies that reflect the priority areas of your CEE and the functional units identified in the organizational chart (Task 21).

You've developed your board policies and venture selection process in Phase 4. You also have a strategic plan that sets your CEE strategic direction over the coming years, along with a vision, mission and values. You can now develop your next suite of key policies to support CEE governance and operations beyond the initial startup phase.

Policies that CEE startups should give priority to are

- human resources
- enterprise risk management
- finances
- safety
- any policy required to address common or sticky issues

These policies will allow the startup activity of the CEE to continue, while also clarifying the operating environment for employees and the board of directors and minimizing liability risk to the CEE and the community government.

You will need plans for several key areas if your CEO hasn't included these topics in the first annual operating plan (Task 20).

Plan areas include

- capital plan
- asset management plan
- communications and marketing plan
- human resources plan
- succession plan for the CEO
- annual calendar

GET IT DONE

At the end of this task you will have,

- Human Resources Policy
- Enterprise Risk Management Framework
- Financial Policy
- Safety Policy
- Plans for human resources, capital and assets, communications and marketing and a succession plan for the CEO

For this task, review

- Chapter 12 Policy
- Chapter 13 Planning
- Chapter 18 Effective Management

To make this task successful

- **Professionals**
Registered professionals, like accountants and human resource professionals, can help you develop policies so that they align with applicable legislation, regulation or standards of practice—with the understanding that policy also needs to work within your cultural environment.
- **Relevant laws**
Identify all the laws and regulations that any policy is required to reflect in a reference notation in all policy documents. This helps prompt whomever may be reviewing or wanting to change the policy to refer to the applicable legislation.
- **Master legislation list**
Create a master list of legislation and regulations that your CEE must comply with, including any established by your community government. Check for any changes in these on an annual basis and update policies accordingly.



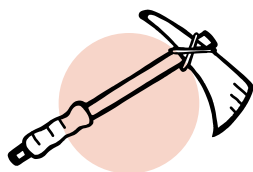
REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



CHECK OUT THE TOOLBOX

Tool 2 Successful CEE Checklist



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *What is the policy environment like at your community government? Are there policies in place for human resources, finances, and safety?*
- *What kinds of plans does your community have? How are these prepared and decided on?*

TASK 23:

HOLD ANNUAL SHAREHOLDER MEETING AND REPORT OUT

For this task you will hold the annual shareholder meeting and report out on CEE activity.

You are required under the Canada Business Corporations Act (CBCA) to hold an annual shareholder meeting within 18 months of incorporation. For each following year, the annual shareholder meeting must happen no later than 15 months after the first annual meeting and no later than 6 months after the corporation's previous fiscal year.⁶²

Annual shareholder meetings typically deal with⁶³

- financial statements
- annual reports, including reporting out on the letter of expectation
- bylaw changes
- approvals of major or fundamental changes, like a change in name or amendments to the articles
- electing directors whose terms are coming up
- directors' reports
- appointing an auditor (unless shareholders have waived that right)

GET IT DONE

At the end of this task you will have

- annual shareholder meeting

For this task, review

- Corporations Canada, "Extending the time for calling an annual meeting of members⁶⁴ <https://corporationscanada.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06828.html>

To make this task successful

- **Annual calendar**
Shareholder meetings, along with the required notice periods, should be forecasted and go into the CEE's annual calendar.
- **Regulations**
Be sure to remain current on Corporation Canada's regulations governing corporations.



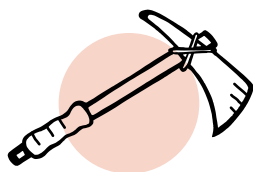
REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.

⁶² "Extending the Time for Calling an Annual Meeting of Members," Government of Canada, last modified on December 28, 2020, <https://corporationscanada.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06828.html>

⁶³ "Share Structure and Shareholders," Government of Canada, last modified on May 10, 2023, <https://corporationscanada.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06644.html#toc-03>

⁶⁴ "Extending the Time for Calling an Annual Meeting of Members."



WORKSHEET

TO COMPLETE THIS TASK

- *I'd like to learn more about...*
- *I will connect with the following people about...*
- *We can reflect community values with this task by...*
- *Statements that reflect the mindset I am growing are...*
- *My next steps are:*

(Be sure to check your workplan and make necessary changes)

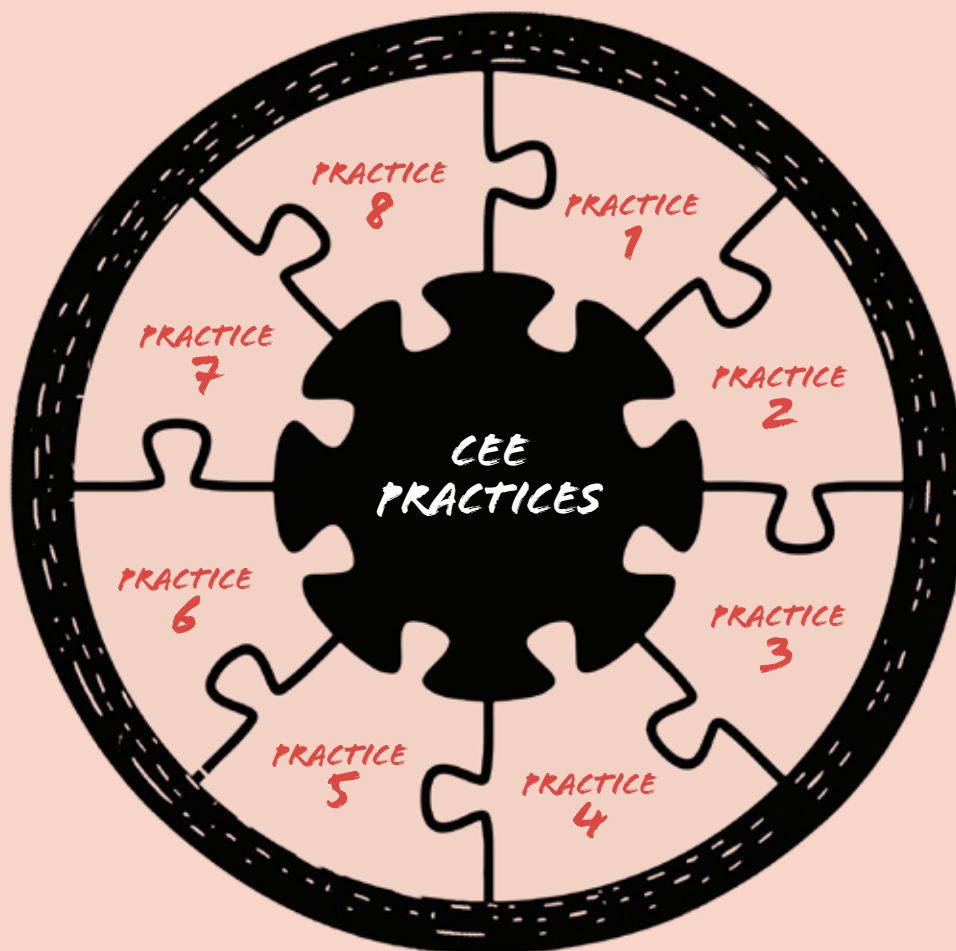
WALK YOUR TALK

- *What can you learn and apply from this task to your community government?*
- *Does the community government report out and update the community each year? If so, how is this done? What are the strengths of this process and how might it grow and improve?*

PHASE 5: KEEP YOUR CEE GOING STRONG

Now that you have a CEE established and operating, you need to keep it going strong in a dynamic environment. Changes to your CEE's operating environment could include changes to community leadership, community perspectives and values, regional economic environment, a major resource development project, or staffing changes. Your CEE's business acumen reflects its ability to evolve, change, and sometimes radically shift over time.

This phase includes eight key practices to consistently do and integrate into regular CEE operations. Discipline and consistency with these practices will help you benefit and navigate change so that your CEE remains strong.



PRACTICE 1:

GROW AND MANAGE CHANGE

This practice focuses on allowing, growing and managing change as a regular CEE practice.

Setting up a CEE is a project with a beginning, a middle and an end when the CEE is established as a legal entity, the board of directors is in place, and the CEE is operational. In reality, though, there isn't a final point of arrival or some future destination that, once you get there, you can sit back and relax. Human beings' brains are wired to want certainty, sameness, and predictability to feel safe and have a sense of control over the world. We need to balance this with an openness and enthusiasm for positive change.

Your CEE's economic, social, political, operating and community environment is constantly shifting and changing, and successful CEE's shift and change with the world in a deliberate and responsive way. While this can be built into your regular planning, monitoring and evaluation processes, it is worthwhile to regularly do a systematic scan of your CEE's operating environment.

When scanning the operating environment of your CEE, ask:

- Have the community's values shifted?
- Are there potential changes in community leadership?
- Are there new potential business sectors opening up as a result of shifting economic trends?
- Are there potential shifts in the workforce?
- Do we operate the CEE with an unconscious routine, or do our policies and processes make good business sense? Are we clear about why we do what we do and how we do it?

This can be done as part of the environmental scan in the planning processes or separately. Either way the required changes to your CEE will end up in your corporate plans. Doing this as regular practice will help your CEE be proactive in making changes and managing those changes in a way that fosters good community and business relationships while contributing to CEE long-term success.

MAKE IT HAPPEN

For this practice, review

- [Chapter 4](#) Change
- [Chapter 14](#) Monitoring and Evaluating

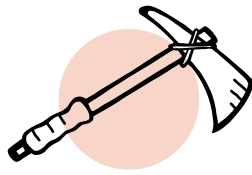
To make this practice successful

- **Be open**
Continually monitor your operating environment and be open to changing and adjusting.
- **Learn**
Build your understanding of change and change management and incorporate this understanding in your CEE and relationship with the community.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

WE WILL MAKE THIS A PRACTICE BY...

Tip: To embed something as a regular organizational practice, consider how you can use the four components of an organization (structure, systems, people, and planning) to reinforce the practice. For example, can something be added to the CEE's annual calendar (planning); can the practice be included in job descriptions (people); can workplace job aides or processes be developed (systems and process)?

PRACTICE 2:

MAINTAIN POLICY, PLANNING AND MONITORING

This practice focuses on maintaining your discipline throughout your CEE, and in particular your policy, planning and monitoring and evaluation processes.

Building a CEE that continually evolves, grows and adapts, as in Practice 1, means you also need to maintain a degree of stability through your corporate discipline to balance change. The right balance between change and stability will allow your CEE to be responsive to changing circumstances, while also staying stable to support ongoing operations.

Remember: discipline isn't just about words on paper or lip service to yourself and others; it's practiced through consistent action and the attention and rigour you apply to your CEE's planning framework, policy environment, and the associated monitoring and evaluation processes.

MAKE IT HAPPEN

For this practice, review

- [Chapter 7](#) Discipline
- [Chapter 12](#) Policy
- [Chapter 13](#) Planning
- [Chapter 14](#) Monitoring and Evaluating

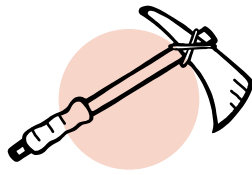
To make this practice successful

- **Annual calendar**
Incorporate key review dates for your policies and plans in your annual calendar and ensure that someone is assigned management responsibility to monitor the calendar so that responsibilities are being addressed on time (discipline).



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

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Tip: To embed something as a regular organizational practice, consider how you can use the four components of an organization (structure, systems, people, and planning) to reinforce the practice. For example, can something be added to the CEE's annual calendar (planning); can the practice be included in job descriptions (people); can workplace job aides or processes be developed (systems and process)?

PRACTICE 3:

DEVELOP YOUR PEOPLE

This practice focuses on the people associated with your CEE: employees, contractors, and the directors of the board.

People make an organization. Your CEE could have the best policy, planning framework, risk management practice, and business development opportunities, but if the CEE doesn't have people, nothing gets done, successes aren't realized, and results aren't delivered.

Your CEE's ability to grow and adapt through time is completely dependent on the ability, mindset and willingness of your people. Developing your people means creating an organization with a growth mindset, supporting people's efforts to challenge themselves, to learn and grow. This can be done through formal and informal ways.

For example, you may have a human resources policy that states the CEE fosters employee growth and development. Managers connect regularly with employees to check in and provide support and coaching. Workplace learning and training is regular, and encouraging teamwork is a part of the everyday language of the workplace. There are endless ways to support and develop your people. Invest energy into this practice and you'll see your CEE grow—and its reputation as an employer of choice will grow too.

MAKE IT HAPPEN

For this practice, review

- [Section 18.6 Human Resources](#)
- [Chapter 5 Mindset](#)

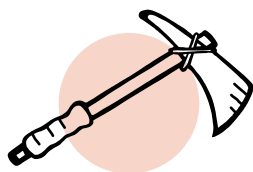
To make this practice successful

- **Organizational culture**
Foster a culture of excitement and willingness to adapt and change in your CEE.
- **Training and growth**
Support everyone's growth in mindset, attitude, and skills. This doesn't only mean development of hard skills, but also opportunities that could broaden horizons, such as attending (or giving) guest lectures, going to conferences and workshops, and then sharing those experiences and learning with colleagues through, for example, brown bag lunches. Some corporations will go as far as reimbursing employees' costs (to a limit) for self-interest training just to foster a learning mindset.
- **Cross training**
To make sure every position can be covered if needed, while also supporting learning and growth, consider doing temporary assignments of employees within the CEE and job shadowing. This can also help with short-term overloads in specific types of work.
- **Avoid key person dependency**
Have succession plans that include cross training, designated interim successors, pre-approved position descriptions, and ads in place for key positions so that your CEE can quickly adjust to planned and unplanned departures.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

WE WILL MAKE THIS A PRACTICE BY...

Tip: To embed something as a regular organizational practice, consider how you can use the four components of an organization (structure, systems, people, and planning) to reinforce the practice. For example, can something be added to the CEE's annual calendar (planning); can the practice be included in job descriptions (people); can workplace job aides or processes be developed (systems and process)?

PRACTICE 4: **KEEP IN GOOD STANDING**

This practice focuses on keeping your CEE in good standing with Corporations Canada.

To keep your CEE in good standing means to have the status as an incorporated entity under the Canada Business Corporations Act. To do this, you need to file certain documents with Corporations Canada each year and when certain circumstances for your CEE change.

Each year you need to file an annual return. The annual return ensures that Corporations Canada has the most up-to-date information about your CEE. It can be filed online by a director of the board and it must be filed within 60 days of the CEE's incorporation anniversary each year. If you don't file your annual return, your CEE could be dissolved by Corporations Canada.

In addition to filing your annual return, you must notify Corporations Canada if

- the registered address of the CEE changes
- the number of directors as indicated in the articles changes
- new directors are elected to the board
- individuals are no longer board members

MAKE IT HAPPEN

For this practice, review

- Keep your corporation in good standing⁶⁵
<https://ised-isde.canada.ca/site/corporations-canada/en/business-corporations/next-steps-following-incorporation-your-business>

To make this practice successful

- **Annual calendar**
Although Corporations Canada will send an email reminder to file your annual return, emails can get lost or be diverted to spam folders and employees' inboxes change. Put the annual return on your CEE's annual calendar to avoid missing this important task.



REMEMBER!

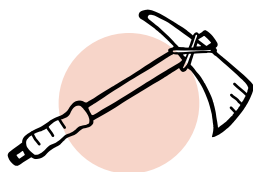
Chapters in Part 2 have Internet search terms for more information and resources.



CHECK OUT THE TOOLBOX

Tool 8 Annual Calendar

⁶⁵ "Next Steps Following the Incorporation of Your Business."



WORKSHEET

WE WILL MAKE THIS A PRACTICE BY...

Tip: To embed something as a regular organizational practice, consider how you can use the four components of an organization (structure, systems, people, and planning) to reinforce the practice. For example, can something be added to the CEE's annual calendar (planning); can the practice be included in job descriptions (people); can workplace job aides or processes be developed (systems and process)?

PRACTICE 5:

RESPECT THE CORPORATE VEIL

This practice focuses on doing all the things that limit the liability of the community government (shareholder) with regard to the CEE.

The unique operating circumstance in Indigenous communities can encourage people to act in ways that can increase the liability of the community government for the CEE. Discipline is required to maintain and respect the corporate veil.

MAKE IT HAPPEN

For this practice, review

- [Section 17.6](#) Risk and Liability
- [Section 17.7](#) Respecting the Corporate Veil

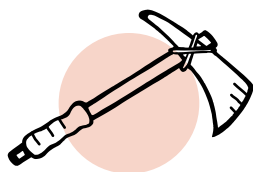
To make this practice successful

- **Annual calendar**
Include prompts in the CEE's annual calendar to review your CEE corporate practices to ensure that it is behaving in a way that reduces the liability for the community government.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

WE WILL MAKE THIS A PRACTICE BY...

Tip: To embed something as a regular organizational practice, consider how you can use the four components of an organization (structure, systems, people, and planning) to reinforce the practice. For example, can something be added to the CEE's annual calendar (planning); can the practice be included in job descriptions (people); can workplace job aides or processes be developed (systems and process)?

PRACTICE 6:

FOSTER RELATIONSHIPS AND BUILD CREDIBILITY

This practice focuses on relationships and building the credibility of your CEE.

Your CEE can only achieve its goals and deliver meaningful results through people and the relationships within the CEE, the community generally, the community government and external parties (other businesses, industry and governments).

You can decide to have the quality and nature of those relationships happen by accident or driven by circumstance, or you can decide to put your attention and effort on developing a network of solid relationships as a priority for yourself personally and for the CEE overall.

Prioritizing networking and relationship management will help you demonstrate your credibility, which in turn can build a solid reputation, which leads to steady business opportunities coming to your CEE.

Focus on building a broad network of relationships, and being the kind of business you would want to do business with and watch your credibility and reputation grow.

MAKE IT HAPPEN

For this task, review

- [Chapter 9 Purposeful Relationships](#)

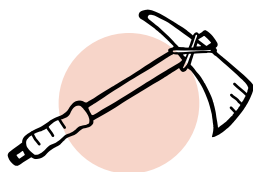
To make this practice successful

- **Catalogue**
Create a catalogue of your existing key relationships. Determine the nature of those relationships (see Chapter 9) and commit to learning about what is important to them and what you may be able to offer them. Commit to growing not only the number of relationships but also improving the quality of the relationships you have.
- **Routinely connect**
Make it a routine by putting reminders in your calendar to connect with people in your network on a regular basis. Set time aside each week to network, make calls, or just follow up.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

WE WILL MAKE THIS A PRACTICE BY...

Tip: To embed something as a regular organizational practice, consider how you can use the four components of an organization (structure, systems, people, and planning) to reinforce the practice. For example, can something be added to the CEE's annual calendar (planning); can the practice be included in job descriptions (people); can workplace job aides or processes be developed (systems and process)?

PRACTICE 7: **EARN COMMUNITY SUPPORT**

This practice focuses on staying grounded in the community, giving back, and earning community support.

While your CEE is an independent legal entity with an economic and business development mandate, it also needs to reflect the values and aspirations of the community. In Task 6 you engaged with the community when you were setting up your CEE, and now that your CEE is operational, it needs to focus on giving back to the community, reflecting community values and aspirations in its operations, and continually earning community support.

This involves not only an effective communications strategy to keep people informed of CEE activity but also ways to reach out to and engage with and support community initiatives. Many corporations develop a corporate social responsibility program, which you can tailor to your community.

The way to give back and engage with your community needs to reflect your community. Indeed, many CEEs find it useful to see themselves and act like the CEE is a member of the community. Put effort into connecting with the community consistently and in meaningful ways so that the community sees the CEE as a valuable contributor to the community.

MAKE IT HAPPEN

For this practice, review

- [Chapter 8 Community Support](#)

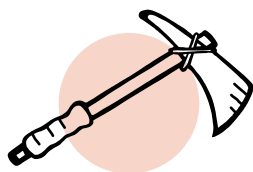
To make this practice successful

- **Give back**
You can give back to the community in a variety of ways:
 - Hold information and engagement sessions with community regarding CEE activities
 - Sponsor community events
 - Offer bursaries and scholarships
 - Work with the community government on training and capacity building initiatives
 - Extend spots for corporate training to community members whenever possible, particularly governance and management training for other community organizations
 - Give donations



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.



WORKSHEET

WE WILL MAKE THIS A PRACTICE BY...

Tip: To embed something as a regular organizational practice, consider how you can use the four components of an organization (structure, systems, people, and planning) to reinforce the practice. For example, can something be added to the CEE's annual calendar (planning); can the practice be included in job descriptions (people); can workplace job aides or processes be developed (systems and process)?

PRACTICE 8: **MIND YOUR MINDSET**

This practice focuses on cultivating your mindset. This is the most important practice to keep you and your CEE growing strong.

As we learned in [Chapter 5](#), you can have a growth mindset or a fixed mindset, and this applies both to the individual and to the collective mindset of your CEE. You also learned about strong work ethic and entrepreneurial mindsets.

Making changes takes effort and consistency. Encourage yourself toward a growth mindset as you go about your daily life and work. Not only will this practice help you grow as a person, it will also contribute to the CEE's collective mindset.

Promote and practice a growth mindset of the CEE by asking questions:

- Do you encourage employees to learn and grow, or do you focus on control and blame?
- Is the tone from the top (the board, executive management) positive?
- Do you encourage effective communication, learning, growth, self-awareness and teamwork?⁶⁶

Your mindset and the collective mindset of your CEE is the fundamental factor of CEE success. Invest your time and effort in growing your mindset and being a positive factor in your CEE's growth and success.

MAKE IT HAPPEN

For this task, review

- [Chapter 5](#) Mindset

To make this practice successful

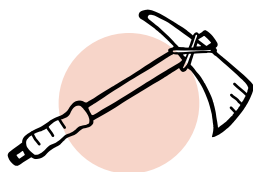
- **Reminders**
Put reminders around your workplace to prompt you to check your mindset. Change happens in the ordinary moments of life.



REMEMBER!

Chapters in Part 2 have Internet search terms for more information and resources.

⁶⁶ Carol Dweck. *Mindset: The New Psychology of Success*. (New York: Ballantine Books, 2016), 145.



WORKSHEET

WE WILL MAKE THIS A PRACTICE BY...

Tip: To embed something as a regular organizational practice, consider how you can use the four components of an organization (structure, systems, people, and planning) to reinforce the practice. For example, can something be added to the CEE's annual calendar (planning); can the practice be included in job descriptions (people); can workplace job aides or processes be developed (systems and process)?

PART 4: TOOLBOX



TOOL 1:

COMMUNITY GOVERNMENT RESOLUTION (SAMPLE)

See [Chapter 17](#) CEE-Shareholder Relationship and [Task 1](#) Decide to Create a CEE for more information about this tool.

February 2, 2023

BCR : RB874

Whereas the Riverbend First Nation has made a commitment to community economic and business development;

AND

Whereas the Riverbend First Nation agrees that a separate dedicated business entity is necessary to develop and manage community owned business enterprises.

Be it resolved that,

1. Riverbend First Nation approves the creation of a community economic enterprise (CEE).
2. The Riverbend First Nation will be the owner and sole shareholder of the CEE.
3. The CEE will,
 - a. be an independent legal entity
 - b. operate independently from the Riverbend First Nation administration and Chief and Council
 - c. have the primary purpose to create and protect value for the Riverbend First Nation
 - d. have the mandate to facilitate economic and business development activity on behalf of the Riverbend First Nation, after it has,
 - been legally established as a corporation
 - a board of directors
 - approved bylaws
 - been issued the first letter of expectation from Chief and Council

TOOL 2:

SUCCESSFUL CEE CHECKLIST (REFERENCE TOOL)

See [Chapter 2](#)'s Vision of a Successful CEE for more information about this tool.

PLANNING

- strategic plan
- annual operating plan and budget
- business plans for each CEE business
- capital asset plan
- financial plan
- communications and marketing plan
- human resources plan
- CEO succession plan
- annual calendar

STRUCTURE

- a clear mandate
- articles of incorporation
- bylaws
- board of directors
- board manual
- values
- principles
- governance policies
- operational policies/procedures
- role of the CEO
- CEE-shareholder protocol
- letter of expectation
- business functions
- strong core business functions (strategy/ planning, marketing, finance, human resources, technology/equipment operations)

PEOPLE

- skills and abilities of CEE board members and employees
- mindset
- leadership
- discipline
- community support
- purposeful and respectful relationships

SYSTEMS AND PROCESS

- monitoring and evaluation method
- risk management
- mechanisms to respect the corporate veil
- change management
- venture selection

TOOL 3: COMMUNITY ENGAGEMENT (REFERENCE TOOL)

See [Chapter 8](#) Community Support and [Task 6](#) Engage Your Community for more information about this tool.

When engaging your community about setting up a CEE, questions and prompts can be helpful to get participants thinking and contributing. Questions can also cultivate curiosity and learning. Here are some examples around key topics for community engagement.

TOPIC	QUESTIONS AND PROMPTS
Community economic development	<p>Sample questions for your agenda</p> <ul style="list-style-type: none"> • What is community economic development? • Why do communities do economic development? • How does it happen? <p>Prompts</p> <p>When I think about community economic development,</p> <ul style="list-style-type: none"> • I'd like to see _____ because: • I don't want to see _____ because: • I'm hopeful about _____ because: • I'm worried about _____ because:
CEEs	<p>Sample questions for your agenda</p> <ul style="list-style-type: none"> • What is a CEE? • What isn't a CEE? • How do you set one up? (Refer to this toolkit) • What are the pros? Cons? • What are the opportunities? Risks? • How might this change our community? In what way? <p>Prompts</p> <p>When I think about a CEE in our community,</p> <ul style="list-style-type: none"> • wouldn't it be great if: • I'm worried about: • I'm hopeful about: • maybe I could contribute by:
Mindset and change	<p>Sample questions for your agenda</p> <ul style="list-style-type: none"> • What is mindset? • What kind of mindset suits a successful CEE? • How has our community dealt with change in the past? • What success stories do we have with change? <p>Prompts</p> <p>When I think about our community and change,</p> <ul style="list-style-type: none"> • our strengths are: • we could grow by:

TOPIC	QUESTIONS AND PROMPTS
Community values and CEEs	<p>Sample questions for your agenda</p> <ul style="list-style-type: none"> • What are values? • Why are community values important for a CEE? <p>Prompts</p> <p>When I think about our community and a CEE,</p> <ul style="list-style-type: none"> • it's important to me that: • I'm worried about _____ because: • I'm hopeful about _____ because: <p>When I think about the kinds of businesses a CEE in our community might own,</p> <ul style="list-style-type: none"> • it's important to me that: • I'm worried about _____ because: • I'm hopeful about _____ because: <p>When the CEE is up and running, the kind of information I'd like to know is:</p>
Name of a CEE	<p>Sample questions for your agenda</p> <ul style="list-style-type: none"> • What's important about naming a business? Why? <p>Prompts</p> <ul style="list-style-type: none"> • The name of the CEE should make other businesses think/feel _____ because: • The name of the CEE should make community members feel _____ because:
CEE leadership	<p>Sample questions for your agenda</p> <ul style="list-style-type: none"> • What is leadership? • What qualities of leadership does the CEE need? Why? <p>Prompts</p> <p>When I think about our future CEE, it's important to me that</p> <ul style="list-style-type: none"> • the board is _____ because: • the CEO is _____ because:

TIPS

- **Support contributions**

Consider putting questions and topics on a worksheet for people to fill out either during or after a community engagement session or meeting. This creates the opportunity for the people who don't normally speak up or for those who can't make a community session with a way to contribute.

- **Collect questions**

At the beginning of a community session, ask people the questions they have and don't try to answer them right away. Instead, collect the questions on a flip chart for everyone to see. Then work your way through each question during the session.

TOOL 4:

LETTER OF EXPECTATION (SAMPLE)

See [Section 17.4](#) Annual Letter of Expectation and [Task 14](#) Issue First Letter of Expectation for more information about this tool.

January 15, 2022

Dear Sandra Handford, Chair, Board of Directors,

This is the first letter of expectation (LoE) issued to Bright Lights Development Corporation (Bright Lights) from Riverbend First Nation, the owner/shareholder of Bright Lights.

This letter is intended to communicate our expectations of you, the first board of directors, and what you can expect from us. We will issue you an LoE each year.

BRIGHT LIGHTS MANDATE

We confirm that Bright Lights has the mandate to facilitate economic and business development on behalf of the River Bend First Nation and is able to operate free of political influence from River Bend First Nation.

BRIGHT LIGHTS ACCOUNTABILITIES

Governance

As owners of Bright Lights, we require you to develop governance policy and a board manual to govern the functioning and operations of the board. At a minimum, it should include

- duties, responsibilities and accountabilities of the board and each director, including the duty of care and duty of loyalty
- code of conduct and conflict of interest
- mechanisms for board development, evaluation, and governance training

Legal and Policy

We expect you to comply with all applicable legislation and regulations and to remain in good standing as an incorporated entity. To protect Bright Lights and River Bend First Nation from liability, while also facilitating the profitable operations of Bright Lights, we expect the following policy and associated procedures to be finalized with board approval within the next six months:

- financial management
- venture selection
- human resources
- safety and regulatory compliance
- enterprise risk management

Finance

We expect Bright Lights to maintain adequate capital for its operations and to remain solvent. All applications for major bank financing must be approved by River Bend First Nation.

Plans

We expect you to do a strategic plan to set the direction of Bright Lights. We expect to review and offer input into the strategic plan, prior to board approval. We also require Bright Lights' operations and business development activity to reflect River Bend First Nation's land-use plan, resource development policy and comprehensive community plan.

Reporting

We expect you to report on your activities and fulfillment of this LoE by [insert date].

RIVER BEND FIRST NATION ACCOUNTABILITIES

We commit to review your strategic plan and reports in a timely manner and attend the first annual shareholder meeting in [insert month]. We also commit to inform you of any decisions or policy changes that may affect Bright Lights.

SHARED ACCOUNTABILITIES

To clarify our working relationship, we will jointly develop and finalize a CEE-shareholder protocol within the next three months. This protocol will describe how we will work together, resolve disputes, communicate with external parties, and collaborate on initiatives of shared interest.

We wish you every success in this first year of Bright Lights' operations.

Sincerely,

.....
Robert Gavin
Chief, River Bend First Nation

TOOL 5:

CEE-SHAREHOLDER PROTOCOL (SAMPLE)

See [Chapter 17](#) CEE-Shareholder Relationship and [Task 15](#) Create Your CEE-Shareholder Protocol for more information about this tool.

Note: This is a sample protocol agreement and should not be used as a substitute for legal advice.

PROTOCOL

BETWEEN

River Bend First Nation

AND

Bright Lights Development Corporation (“Bright Lights”),

WHEREAS

- A. River Bend First Nation decided to establish a community economic enterprise on February 2, 2023 (BCR :RB874);
- B. River Bend First Nation established Bright Lights Corporation on November 4, 2023;
- C. River Bend First Nation is the owner and primary shareholder of Bright Lights;
- D. Bright Lights has the mandate to facilitate economic and business development on behalf of River Bend First Nation; and
- E. The Parties wish to establish a protocol to foster a respectful and collaborative working relationship.

THE PARTIES AGREE AS FOLLOWS:

Purpose

1. The purpose of this protocol is to,
 - a. Establish the working relationship and communications methods between the Parties,
 - b. Establish the forum for the Parties to identify opportunities to work collaboratively on matters of shared interest, while respecting each of the Party’s mandates and scope of authority, and
 - c. Develop and confirm the mechanisms to limit risk and liability for each of the Parties.

Principles

2. The relationship between the Parties will reflect the following principles:
 - a. Open, honest and timely communication,
 - b. Respect for the purpose and mandate of each Party when working together and when dealing with external entities,
 - c. Protection and enhancement of the credibility and reputation of the Parties,
 - d. Collaboration on issues of shared interest, and
 - e. Support for the learning, growth and practice of good governance, effective management and respectful relationships for the overall benefit of the River Bend First Nation community.

Communications

3. Communications on governance matters will be between the,
 - a. Chief of River Bend First Nation, and
 - b. Board Chair of Bright Lights
4. Communication on management and operational matters will be between the,
 - a. Chief Administrative Officer of River Bend First Nation, and
 - b. Chief Executive Officer of Bright Lights Development Corporation

Protocol Group

5. The Parties establish the “Protocol Group,” whose members are those described in section 3 and section 4.
6. The Protocol Group will meet at least quarterly to,
 - a. Identify and address issues and opportunities that may affect either or both Parties as a result of the actions or mandate of the other Party,
 - b. Clarify and coordinate communication and messaging to external entities on topics of mutual interest,
 - c. Identify the appropriate process to resolve disputes between the Parties, which may include informal or formal dispute resolution processes,
 - d. Discuss, prepare for or report on the annual letter of expectation,
 - e. Ensure that policy and practices are in place and being enforced to limit risk and liability to either Party from the other Party,
 - f. Communication and engagement with the River Bend First Nation community, and
 - g. Any other items agreed to by the Parties.

Dispute Resolution

7. Either Party may trigger a formal mediation process about a dispute on the following matters:
 - a. Anticipated or completed actions of one Party that affect the other Party in a material or otherwise significant way,
 - b. The financial standing of Bright Lights,
 - c. The purpose and mandate of Bright Lights, and
 - d. Policy or practices of one Party that significantly affects the other Party in a manner that poses significant legal, financial, reputational or business risk to the other Party.
8. If one Party requests a formal mediation process about a dispute under section 7, the other Party must participate.
9. The Parties will share the costs of formal mediation.

Review and Amendment

10. The Parties will review the effectiveness of this Protocol and the relationship it creates in December of each calendar year.
11. The Parties may amend this agreement.

.....
(signature)

Chief, River Bend First Nation

.....
(signature)

**Board Chair, Bright Lights
Development Corporation**

.....
Date

.....
Date

TOOL 6:

BUSINESS STRUCTURES (REFERENCE TOOL)

See [Chapter 19](#) Realizing Opportunities and [Task 18](#) Develop Venture Selection Process and Select First Business for more information about this tool.

The following table summarizes the key properties of each type of business structure.⁶⁷

TYPE OF BUSINESS STRUCTURE	DESCRIPTION	MANAGEMENT STRUCTURE
Memorandum of understanding (MOU)	The parties agree to work under a non-binding arrangement where each party contributes goods, services or capital to the collaboration.	None, or a management team made up of representatives from each party
Joint venture (JV)	The parties agree to work under a contractual arrangement where each party contributes goods, services or capital to a common commercial enterprise. (Note that an MOU is sometimes included under the JV category.)	A management team made up of representatives from each party
Sole proprietorship	An individual owns and operates the business and is responsible for its operations and liabilities.	The individual owner
General partnership	The parties agree to partner in either written or verbal form and each partner is responsible for the debts and obligations of the partnership on an unlimited basis (responsible for everything).	Usually the partners, but occasionally a management or governing board appointed by the partners
Limited partnership	Includes at least one general partner and any number of limited partners. The general partner manages the affairs of and has unlimited liability for the company. The limited partners' liability is only limited to the capital that they contribute, but this limited liability can be lost if the limited partners participate in the management of the partnership.	A board of directors often appointed by the limited partners who provide governance direction to the senior manager (generally a CEO)
Limited liability partnership	A group of professionals who want to limit their personal liability to their individual practice but still share liability for the partnership to the amount of the partnership's common property.	A management team or board made up of the partners
Corporation	A legal entity distinct from its shareholders with all the powers of a natural person and whose liability is limited to the assets of the corporation.	A board of directors appointed by the shareholders

⁶⁷ Garry Merkel, *Business Structures: Descriptions and Management Structures*, January 2022, Not published.

This table illustrates where a CEE might use each of these types of business structures.

TYPE OF BUSINESS STRUCTURE	USED WHERE...	EXAMPLES
Memorandum of understanding (MOU)	The obligations between the CEE and other entities are not involved and don't require complex structures.	<ul style="list-style-type: none"> Profit sharing in exchange for advocacy to preferential access to business opportunities
Joint venture (JV)	The CEE wants to work with other specialized companies where each partner provides specific goods, services or capital to the partnership.	<ul style="list-style-type: none"> CEE provides trucking and wholesaler provides goods CEE provides operators and partner provides equipment and project management
Sole proprietorship	The CEE supports an individual to set up their own sole proprietorship to provide specific goods or services to the CEE.	<ul style="list-style-type: none"> Flagging company owned by a community member (may also consider a limited liability structure)
General partnership	The CEE and other partners want to remain whole and separate but need a joint legal business entity to deliver specific goods or services and are not concerned about liability incurred to the CEE from the partnership.	<ul style="list-style-type: none"> Limited application but can be used for companies wholly owned by the CEE and where there is a high level of interdependence so there are no advantages to limiting liability
Limited partnership	The CEE is willing to have a general partner manage the business and limit either the CEE's or others' liability; the CEE wants to take advantage of its limited partner's tax exemptions.	<ul style="list-style-type: none"> The CEE itself where the CEE is the general partner and the communities are limited partners Major projects where the outside partner is the general partner and the CEE is the limited partner
Limited liability partnership	Rarely if ever used in a CEE application.	<ul style="list-style-type: none"> None available
Corporation	The CEE needs to gain the maximum separation and limitation of liability to its shareholders and is not concerned with shareholder tax exemptions flowing through to the partnership.	<ul style="list-style-type: none"> The CEE itself where the shareholders do not have tax exemptions (note that this requires an associated shareholder agreement to avoid the shareholders selling their shares to an outside party) A wholly owned or partnership corporation where there is significant liability, there is a long-term relationship, and a completely new entity is desired

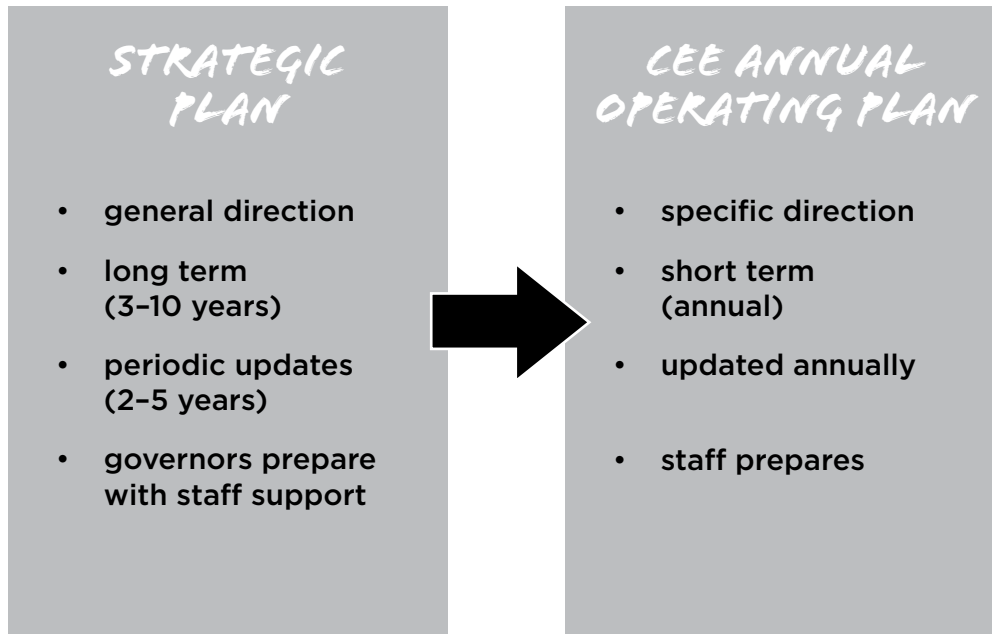
Each of these business structures can have associated agreements such as a unanimous shareholders agreement, shareholders agreement, or management agreement that sets additional requirements on the parties' roles and responsibilities. For example, such an agreement could describe how the board of directors is appointed, if and when a party can sell their ownership interests, or how decisions are made (e.g., consensus or majority vote).

TOOL 7:

STRATEGIC PLAN WORKSHEETS (REFERENCE TOOL)

See [Chapter 13](#) Planning, [Chapter 14](#) Monitoring and Evaluating, and [Task 19](#) Prepare a Strategic Plan for more information about this tool.

Strategic Planning Worksheets⁶⁸



As you learned in Chapter 13 Planning, a strategic plan provides general, long-term direction for the CEE and is usually prepared by the board of directors with assistance from key staff, like the CEO. The CEE’s annual operating plan is based on the strategic plan and contains specific activities, budgets and other organizations and relationships that the CEE needs to carry out its operations.

These worksheets are presented as a tool to assist you with strategic planning. The worksheets titled “Strategic Activities” are included to help CEE staff complete the annual operating plan.

All the elements in these worksheets can be reflected in your balanced scorecard, which is used to monitor and report on CEE progress toward realizing the strategic plan.

The worksheets should be completed in the order that they appear.

⁶⁸ Garry Merkel, *Strategic Planning Worksheets*, October 2017, Not Published.

1. SCOPE

This worksheet identifies the basic “what, why, when, who, and where” questions for the plan. The answers to these questions establish the “playing field” for the plan.

What is the purpose of the plan?

Why are we doing the plan (what are the drivers)?

What time frame does the plan cover and when will it be updated (e.g., 5 years, updated every 2 years)?

Who is preparing the plan and what are their mandates and/or authority?

Who will oversee preparation, implementation, and follow-up of the plan?

Who does the plan apply to?

Where does the plan apply (what geographic or working area)?

2A. ENVIRONMENTAL SCAN – PLAYERS

This worksheet identifies the environment that the plan will be done in, starting with the key players that must be considered. These players are ranked according to their potential involvement from 1 (fully involved) to 5 (marginally involved).

[illegible]

2B. ENVIRONMENTAL SCAN - SWOT

This worksheet identifies the strengths, weaknesses, opportunities and threats that must be considered when developing and implementing the plan. You may also choose to another approach, like a PESTEL (Political, Environmental, Social, Technological, Economic, Legal).

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS

3. GUIDING PRINCIPLES

Principles can be thought of as a checklist that every aspect of the plan should conform to. The board of directors should use this checklist for preparation, approval, implementation, monitoring and follow-up.

[illegible]

4. FUNDAMENTALS

Fundamentals are the absolute essential components of success for the topic of the plan. For example, the fundamentals of most natural resource-based industries are access to raw material supply, good management and reliable markets. The fundamentals of most CEEs are described in [Part 2](#) of this toolkit. There are generally very few fundamentals—perhaps three to five.

[illegible]

5. VISION

For each of the fundamentals (see worksheet 4 for description), outline your vision at a specified time. This specified time can be the end of the plan's horizon or it can be beyond the plan's horizon. A vision is a realistic picture at this time—something you read and can actually see in your mind's eye.

[illegible]

6. GOALS

Goals are usually tied to the fundamentals. They are a general statement of where you would like your CEE to go. You probably won't achieve the goals within the plan's horizon, because regardless of where you are at, you can always do more. For example, if a goal is world peace, you can work toward it but you probably won't achieve it during the life of the plan. Ideally, your strategic plan should have three to five goals.

GOAL	DESCRIPTION
1	
2	
3	
4	
5	
6	
7	

7. MEASURES/TARGETS

You use measures, like key performance indicators (KPIs), to gauge your progress toward goals. Targets are where your measures should be at specified times. For example, if your goal is to improve gas mileage, a KPI could be litres/100 kilometres and a target could be to achieve 3 litres/100 kilometres by the end of year five.

GOAL	MEASURE	TARGET AT YEAR: _____
1		
2		
3		
4		
5		
6		
7		

8. STRATEGIC ACTIVITIES

Strategic activities are activity groups or envelopes that take you toward your goals. For example, a goal might be world peace and a strategic activity might be to form a world council to facilitate that process.

These worksheets are used by your CEO and key staff to prepare the CEE’s annual operating plan.

GOAL (1, 2,...)	STRATEGIC ACTIVITIES				
	ACTIVITY	ACTIVITY	ACTIVITY	ACTIVITY	ACTIVITY

9B. OBJECTIVES - DETAILS

We generally identify a higher level of detail for the first year’s objectives in the annual operating plan. This provides staff with guidance for preparing their operational plans. Note that operational planning is a separate exercise from strategic planning.

OBJECTIVE	PRODUCT	WHEN (PRIORITY)	WHO (LEAD, WORKS WITH)	HOW (GENERAL STATEMENT)

10. REPORTING

This section of the plan needs to outline how you will monitor and report on your progress on strategic and annual operating plans (this should include tracking your measures) and how you will evaluate your effectiveness. The following is a sample of a tool that can help track progress on your first-year objectives. This tool can also help inform your balanced scorecard.

[illegible]

TOOL 8: ANNUAL CALENDAR (SAMPLE)

See [Chapter 13](#)'s Annual Calendar.

This calendar is based on a January 1 – December 31 fiscal year and only includes the higher-level tasks. Most calendars may also include paydays, payable cut-offs and other operational dates.

BRIGHT LIGHTS ANNUAL CALENDAR 2023

MONTH	WEEK	ACTIVITY	MONTH	WEEK	ACTIVITY
January	1	<ul style="list-style-type: none"> · Approve annual report · Approve strategic plan and/or changes to it · Approve operating plan · Approve budget 	July	1	· Quarterly report
	2	· Distribute annual report		2	· Protocol group (CEE-shareholder protocol)
	3	· Protocol group (CEE-shareholder protocol)		3	· Annual legislation and policy review/updates
	4	· Annual shareholder meeting		4	
February	1		August	1	
	2			2	
	3			3	
	4	· CEO annual review		4	
March	1		September	1	· Performance reviews (staff)
	2			2	· Governance evaluation (Board)
	3			3	
	4			4	
April	1	· Quarterly report	October	1	· Quarterly report
	2	· Open house		2	<ul style="list-style-type: none"> · Review corporate practices re: corporate veil/liability · Corporate filing
	3	· Protocol group (CEE-shareholder protocol)		3	· Protocol group (CEE-shareholder protocol)
	4			4	· Update/review regional economic analysis
May	1		November	1	· Leadership and staff planning session/strategic plan check-in
	2			2	· Receive letter of expectation from River Bend for next fiscal year
	3			3	
	4			4	· Prepare annual operating plan and annual budget for upcoming fiscal year
June	1		December	1	
	2			2	
	3			3	
	4			4	

TOOL 9:

STRONG ORGANIZATIONS CHECKLIST (REFERENCE TOOL)

See [Chapter 18](#) and [Tool 2](#) Successful CEE Checklist (Reference Tool) for more information about this tool.

PLANNING

- strategic plan
- annual operating plan and budget
- program and services plans for community government
- capital asset plan
- financial plan
- community engagement plan
- external communications plan
- human resources plan
- succession plans for key staff
- annual calendar

STRUCTURE

- a clear mandate
- a purpose
- bylaws
- Chief and Council
- any other structures (e.g., Elders advisory)
- Chief and Council governance manual
- values
- principles
- governance policies
- operational policies/procedures
- organizational functions
- (strategy/planning, communications, finance, human resources, technology/equipment, operations, programs and services)

PEOPLE

- skills and abilities of Chief and Council and employees
- mindset
- leadership
- discipline
- community support
- purposeful and respectful relationships

SYSTEMS AND PROCESS

- monitoring and evaluation method
- risk management
- corporate veil
- change management
- program development and evaluation

TOOL 10:**CEE TASK AND PRACTICES CHECKLIST
(REFERENCE TOOL)****PHASE 1: GET READY**

- 1 Decide to Create a CEE
- 2 Do a Regional Economic Assessment
- 3 Identify a Champion and Make a Workplan
- 4 Assess Readiness for Change
- 5 Get Ready to Walk Your Talk

PHASE 2: ENVISION YOUR CEE

- 6 Engage Your Community
- 7 Do a CEE Business Plan and Get Startup Funds
- 8 Find a Physical Space
- 9 Name Your CEE

PHASE 3: ESTABLISH YOUR CEE

- 10 Appoint and Orient First Board of Directors
- 11 Incorporate Your CEE
- 12 Hold Directors Organizational Meeting
- 13 Hold First Shareholder Meeting
- 14 Issue First Letter of Expectation
- 15 Create Your CEE-Shareholder Protocol

PHASE 4: START AND BUILD YOUR CEE

- 16 Hire Your CEO
- 17 Make a Board Manual
- 18 Develop Venture Selection Process and Select First Business Venture
- 19 Do a Strategic Plan
- 20 Complete Annual Operating Plan, Budget, and Monitoring Tool
- 21 Choose Organizational Structure and Design Core Functions
- 22 Build Key Policies and Plans
- 23 Hold Annual Shareholder Meeting and Report Out

PRACTICES - PHASE 5: KEEP YOUR CEE GOING STRONG

- 1 Grow and Manage Change
- 2 Maintain Policy, Planning and Monitoring
- 3 Develop Your People
- 4 Keep Your CEE in Good Standing
- 5 Respect the Corporate Veil
- 6 Foster Relationships and Build Credibility
- 7 Earn Community Support
- 8 Mind Your Mindset

"Building your CEE on your own terms is an important step towards taking your life back."

GARRY MERKEL

