

## The First Nation Shift From Poverty to Wealth

In the next decade, First Nations will generate billions of dollars. Greater access to our own resources is the primary reason for this surge.

No doubt, this upcoming growth is long overdue. As one Chief aptly put it, "We are shifting from managing poverty to managing wealth."

This shift also poses unique challenges. If not managed well, rapid growth can create problems—big problems. Many entities—from companies to countries—have gone bankrupt from poor growth management.

A few First Nations have squandered great opportunities because they couldn't shift from poverty to wealth management. They quickly generated millions—then lost those millions through poor financial management. A few others have made the most of their situation. And today, they smartly manage their wealth.

By examining what others have done to successfully shift from poverty to wealth, you can clearly see a "How To" guide for building wealth.

Here are the three most critical steps to ensure that your Nation transitions to a wealthy state.

### Step 1: Build Your Institutions

Our institutions include our governing bodies, our companies and our Band offices—the entities that control and manage our poverty/wealth.

There are three critical components to institution building: (1) the right strategy (2) the right leadership and (3) the right management. If your organization still lacks traction after years of development, I'll bet that it's because one (or more) of these components is lagging.

Which situation would you rather have in your organization?

1. A great strategy, a great leader but a weak manager?
2. A great leader, a great manager but a bad strategy?
3. A great manager, a great strategy but weak leadership?



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Being in any of these situations is a challenge.

Really, it's like you need a perfect storm—a visionary leader, an exceptional manager and a tight strategy. Without all three, it's really hard to build your institutions.

## Step 2: Accumulate Good Assets

Wealth is largely about owning good assets.

Good assets include land, buildings, businesses and stocks. Whatever they are, the first step is to acquire them.

There are a few good stories about First Nation asset accumulation.

For example, a few decades back, a northern First Nation bought over 1,000 acres of land—1,000 miles south of its territory. The Chief back then took a political hit from his members. "What are we going to do with land so far away?" "Couldn't we use that money for better things?" Today that property is now worth over \$60 million, at least 50 times the Band's total investment.

No doubt the Band could have spent that money differently, possibly by investing in education or building a new hall or office building. But they took a calculated risk and it paid off.

Buying assets is relatively easy. Managing them is one hundred times harder.

An asset is like a baby; it needs attention and nurturing. Without these things, even good assets will drain your bank account.

If you're not sure what a good asset is, here is something to keep in mind: as a First Nation, you probably have excellent competitive advantages in some key sectors. Buy those assets. Then get good people to manage them for you.

## Step 3: Develop Your People

First Nations who face rapid economic growth are in a seemingly enviable position. After decades of poverty, they can now provide many different opportunities to their membership.

Even with ample opportunities, however, many members struggle to get ahead. They may have personal issues. Or they may lack the skills to do quality work.



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You will need a well thought-out training and development plan to meet a wide range of members' needs, from helping to get lives back on track to acquiring journeyman tickets.

As well, you will need to realign your training programs to meet market demands. I have always been a fan of the trades sectors for our people. Many growing First Nations are in the middle of resource development sites, where well-paid trades jobs abound.

However, our post secondary funds often don't cover trades training. Other federal training dollars (e.g. Aboriginal Skills Employment & Training Services, also known as ASETS) will not be enough to fill your gaps in trades training.

There are creative ways to stretch training budgets and to align with partners who share your interest in getting the right training and jobs for your members.

For example, one ASETS holder in BC has collaborated with several industry partners to help train and fill trades positions in the shipbuilding sector. It will lead to scores of apprenticeships and ultimately full-time trades jobs.

So, develop a good training and development strategy and align your internal resources to support that strategy.

## Summary

It seems that First Nation economic growth has come fast. In just over a generation, many First Nations have become responsible for sizable budgets and responsibilities.

Follow the three steps mentioned in this article and you will be ready for growth.



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