

Weaving together
the threads of
conservation
and community
wellbeing



The Talking Stick

NEWSLETTER OF THE COAST OPPORTUNITY FUNDS

The (Re)view From Here

I hope this July issue of *The Talking Stick* finds everyone enjoying a wonderful summer in your communities and out on the water. I know the Board and staff of Coast Funds always greatly appreciate any time we get to spend, summer or winter, working in this beautiful and very special part of the world.

It's hard to believe that it's been five years since the agreements to create Coast Funds were signed. A huge amount of work has been done, and we've learned a great deal. But there is always more that can be done. This year, Coast Funds is undergoing an independent, comprehensive organizational review. Our goal is to gather detailed information and recommendations from our reviewer, HB Global Advisers, that will keep Coast Funds moving forward effectively, efficiently, and positively to obtain the best results possible.

As always, please don't hesitate to let us know what you think about material you read in *The Talking Stick*, and anything we could do to make it more informative, interesting and useful to you. If you have ideas on where else we should distribute the newsletter, or you would like us to email it to you whenever it comes out, please contact us at info@coastfunds.ca or call Mary Speer at 1.888.684.5223. In the meantime, we hope you enjoy this issue as well as your summer.



Cindy Boyko, Chair
Coast Funds Communications Committee

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Project Stories

IN THE FIVE YEARS SINCE COAST FUNDS WAS CREATED, THE FIRST NATIONS HAVE EMBARKED ON A WIDE RANGE OF ECONOMIC DEVELOPMENT AND CONSERVATION PROJECTS, FROM ECONOMIC DEVELOPMENT CORPORATION CREATION TO CONSERVATION MANAGEMENT PLANNING. PROJECTS UNDER WAY INCLUDE FORESTRY, TOURISM BUSINESSES AND ACCOMMODATION, INTEGRATED RESOURCE MANAGEMENT, FEASIBILITY STUDIES AND MORE. WE PROFILE ONE OR MORE PROJECT STORIES IN EVERY ISSUE.

All wildlife images taken by Doug Neasloss at Spirit Bear Lodge. All images are copyright Doug Neasloss/Spirit Bear Lodge. For permission, please contact explore@spiritbear.com



Spirit Bear Lodge in Klemtu on Swindle Island, 150 nautical miles north of Port Hardy, the hectic 2012 summer season is in full swing.

The architecturally-designed Lodge, inspired by the traditional longhouses of West Coast First Nations, is fully booked. The wildlife guides, boat crews, lodge staff and community youth interns are all on the go: either out bear-watching in the stunning scenery with groups of excited French, German, British and Australian tourists, or busy keeping the beautiful twelve-room hotel in tip-top shape, ready to welcome guests back to a gourmet meal and their warm, luxurious rooms.

It's hard to imagine what it must have been like here a mere ten years ago, when Spirit Bear Lodge wasn't even designed, let alone built. Kitasoo Development Corporation's wildlife tourism business, recalls Band Council Chief Doug Neasloss, was a three-man gig operating day tours out of a two-room float shack. "We relied on once-a-week ferry passenger traffic and operated on a shoestring budget," Neasloss reminisces. That was despite a \$100,000 contribution to infrastructure costs in 2001 by the federal government through the Aboriginal Business Canada program.



The First Nation, say Neasloss and Larry Greba, a lead director of Kitasoo Development Corporation ("KDC") who has worked with Kitasoo/Xaixais since 1986, wanted to do more with the community's tourism potential. They particularly wanted to take advantage of foreign market fascination with the Great Bear Rainforest and First Nations' history and culture; the vision was to run a sustainable economic venture, integrated with Kitasoo's environmental and cultural principles, and offering long-term employment to community members. To succeed, they knew they had to expand their boundaries to embrace a much bigger audience than the domestic market



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LARRY GREBA, DIRECTOR, KDC

could offer. The Kitasoo team also knew they had to offer a great deal more to their clientele.

The community was doubtful about the concept at first: they had legitimate concerns, says Neasloss, about visitors using up precious community resources and how Kitasoo/Xaixais culture might be impacted by tourism development. They were adamant that any growth would have to be carefully managed, and that development had to provide work for community members and a meaningful role for Kitasoo youth.

European wholesale travel agents also told Kitasoo at the beginning that they simply wouldn't buy the community's

wildlife tourism package. They had concerns about the long term stability of First Nations' businesses, and Kitasoo's capacity to deliver a professional service to a sophisticated European clientele. "It was very discouraging," recalls Neasloss, "but we understood they needed to be confident about what we were asking them to sell to their customers."

Determined to make the concept work, KDC went back to the drawing board. They invested in professional skills training for community members. Arranging for more regular access to Klemtu was another critical factor to get visitor numbers up. "We also knew we had to apply a professional

approach to creating a business model that would work over the long term," says Greba. "The key missing ingredient was suitable accommodation." In 2004, design work began on a lodge with six rooms and full service facilities, and room for future expansion. With funding from Kitasoo Band Council and Coast Sustainability Trust, the new lodge was opened in 2006.

But when they went back to the wholesalers with a fully developed professional package that included the new luxury accommodation and biweekly fly-in service, the wholesalers shook their heads yet again, telling KDC: "Your operation is still too small—you have to at least double your capacity."

Despite the challenges, Kitasoo persevered, slowly building up a domestic travel market in the summers and relying on a winter clientele



drawn from government and business visitors. "We knew that if we were really going to make any financial headway, though, we had to do several things," says Neasloss. KDC's financial analyses showed that they needed to triple or quadruple their revenues to achieve a viable long-term economic community benefit from the business. "We had to expand our accommodation to ensure we could host 20–24 people nightly. We also had to find someone to manage the business who would be a good fit—someone who understands our business and our community, and who knew how to market Spirit Bear Lodge to the really lucrative overseas wholesale markets."

That person was Tim McGrady, hired in 2010 as General Manager. McGrady had worked for several years as an operations manager at a lodge in Knight Inlet and had the marketing

experience and knowledge KDC needed to put Spirit Bear Lodge on the international map. "I was thrilled to get this opportunity," says McGrady. "I could see so much potential and critical mass already in place here—there were extraordinary guides at work, very knowledgeable elders, and a real passion to make this work. All I had to do was make a few tweaks here and there to get what was already in place moving."

McGrady understood that international wholesalers work with tiny margins and in a highly competitive market. To get a page of advertising in a wholesaler's brochure—"precious marketing real estate"—is anything but easy. The "tweaks" included measures as simple as ensuring that the service provided was consistently professional—phones and emails answered promptly, reliable transportation service, and technical

equipment for the guides like wireless microphones, so they could tell the First Nation's stories to tour groups while out on the boats. They also included ramping up transportation access to support daily fly-in service, and undertaking detailed analysis of how to provide a viable financial package to the wholesalers.

The shift also required yet another expansion of accommodation. "You have to have enough capacity in peak



**"ABORIGINAL TOURISM IS
SIMPLY A MUST UP HERE; IT'S
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season to make it worthwhile for the wholesalers,” explains McGrady. In 2010, Kitasoo/Xaixais decided to use \$727,000 of their Coast Funds allocation, combined with \$250,000 from the Coast Sustainability Trust and \$100,000 of KDC funds, to invest in building an additional six rooms, purchase another vessel and implement their marketing plan.

The plan worked. In 2012, business is good. “The impact of our expansion was immediate,” says McGrady. “We increased revenues 250% in the first year and 100% again the next year. There’s no looking back.” Neasloss is happy: “Now we don’t have to go back to the wholesalers—they are the ones calling us asking about packages,” he says with a satisfied smile.

As to the cultural impact on the community, says Neasloss, there is visible pride in the results that have been achieved. In 2012, he says, the majority of the trained professional staff serving the lodge and guided tours come from the Kitasoo/Xaixais community. A program to train youth and provide local employment opportunities to high school graduates is in place. The Great Room in the Lodge is put to frequent use for cultural events, and visitors relish the chance to learn more about Kitasoo/Xaixais traditions and ways of life.

Larry Greba says that a key factor in the secret to KDC’s success with Spirit Bear Lodge has been strong leadership and perseverance. “Kitasoo’s leadership has been politically stable and there has been long-term commitment to the vision at every level—leaders, executive and staff,” he observes. “That’s fundamental.”

McGrady agrees: “There are some really dedicated people in the community who never gave up on the dream of getting tourism off the ground, as a way to make money but also to inspire youth, to reconnect the community to the land. People like Doug Neasloss and Charlie Mason and the others never lost sight of the vision, and that’s just as important as anything else that may be involved here.”

Neasloss would be delighted to see more coastal First Nations getting in on the act: “Aboriginal tourism is simply a must up here,” he says. “It’s a huge opportunity. The markets are ripe for it—people really want that cultural experience—and the evidence for that is even in the midst of the recession the statistics for First Nation tourism

went up, not down.” Having more First Nations tourism businesses on the coast would help everyone in that market, he adds. “People like to be able to go to more than one place, so having networks where you can link visitors to the next adventure really works well.”

It’s been challenging—Klemtu is remote, the weather is unreliable, and finding enough local human resource capacity hasn’t always been easy—but, says Neasloss, there have been huge benefits to persevering in pursuing the vision. “There were a lot of growing pains, but there’s no doubt it has all been worth it.”



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**DOUG NEASLOSS, CHIEF,
KITASOO/ XAIXAIS**



Other Interesting News

On June 14 Ray Gerow, Chief Executive Development Officer of the Heiltsuk Economic Development Corporation, sent us this email about the Bella Bella fish plant:

"Our first shrimp boat pulled up Wednesday, and this is just the start of things to come. We are expecting regular shipments of shrimp and crab as we move forward, and then we will be into the halibut and salmon runs. The excitement in the community is palpable as the realization starts to sink in that we actually have an economic base again, and the smiling faces in the photos will speak to that. The main processing equipment that you see in the photos are the steamer, kettles and vacuum packer, but the most important "processing equipment" is the people, most of whom are now earning an income for the first time in many years.

On behalf of the Heiltsuk people, I would like to say thank you for your assistance with this project, and for your trust and perseverance as we proceeded through the renovation project and into the processing

stage. Your understanding of the complexity of this project allowed us the flexibility to respond to the changing environments as we moved through the process, and without that understanding we would not have made it through the renovation stage. It was a pleasure working with all of you, and I look forward to our continued great working relationship. Any one of you could have found reason to pull the plug on this project, but instead you rolled up your sleeves and found reason to stick with us, and we are very appreciative of your efforts."

Congratulations to everyone at Heiltsuk for all your hard work and the wonderful achievement of your community vision.



COAST FUNDS NEWS

Coast Funds held its Annual General Meeting in Vancouver on June 15. We said farewell to Board members Harold Leighton and Thomas Olsen, whose terms as Directors had come to an end. Both Harold and Thomas had been on the Board since the beginning and their commitment to Coast Funds has been greatly appreciated. We wish them the best in their future endeavours.

In their place we welcome two new Board Members, Merle Alexander and Sage Baker. Merle is a lawyer specializing in Aboriginal law, practising in Vancouver. He is Kitasoo/Xaixais

from Klemtu. Sage is the founder and CEO of Q5 Innovations Inc., a technology company in Victoria. More detailed biographical information is available on our website, www.coastfunds.ca, under "About Us."

The full Board now comprises: Merv Child, Chair; Paul Richardson, Vice-chair and Chair, Project Review Committee; Chris Trumpy, Treasurer and Chair, Investment and Finance Committee; Cindy Boyko, Chair, Communications Committee; Barry Stuart, Chair, Capacity Committee; Merran Smith; Cameron Brown; Sage Baker; and Merle Alexander.

Photo Catalogue Project

From time to time in our materials—including this newsletter—we showcase the projects and communities of the First Nations we work with in articles and with photographs. To that end, we are collecting suitable images for a catalogue of photos that we can draw upon when we need them. If you have good quality, high resolution digital photos of your community or of projects that we can use, we'd be delighted to hear from you—please get in touch with Katherine Gordon at communications@coastfunds.ca.

COMING UP NEXT

In the next issue of the newsletter, scheduled for October, we'll highlight the Heiltsuk Integrated Resource Management Department.

SEND US YOUR STORIES

If you have stories to share, project photos, ideas about Coast Funds projects and community activities, or other interesting information, we want to know. We'll publish stories and photos on the website and in this newsletter whenever we can. You can send them to us any time at communications@coastfunds.ca.

