

BUILDING FUTURES –  
TOOLS FOR A  
PROFITABLE &  
SUSTAINABLE FISHING  
FUTURE

*PICFI  
NETWORKING II*

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# Fisheries and Oceans Canada & Shuswap Nation Tribal Council Present: Building Futures - Tools for a Profitable and Sustainable Fishing Future

February 19-20, 2013 - Kamloops, BC

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## 1.0 Purpose

The purpose of this meeting is to promote additional learning opportunities and strengthen capacity for Commercial Fisheries Enterprises (CFEs). The Pacific Integrated Commercial Fisheries Initiative (PICFI) is supporting the Shuswap Nation Tribal Council (SNTC) in hosting the CFE Networking II Event. This meeting builds upon the opportunities and momentum realized during the Networking I Event, staged in Osoyoos on November 2011.

## 1.1 Meeting Objectives

- ❖ Strengthening collaboration among Aboriginal Commercial Fisheries Enterprises (CFEs) participating in PICFI;
- ❖ Strengthening enterprise governance;
- ❖ Increasing knowledge and skills to develop strategies to maximize the value of commercial access;
- ❖ Strengthening strategic planning and informed decision making activities;
- ❖ Strengthening operational management - the "how to" of managing a successful fishing enterprise;
- ❖ Increasing financial and business capacities - strengthening the sustainability of CFEs
- ❖ Furthering business and partnership development;
- ❖ Sharing best practices - benefiting from other successful models and approaches.

## 1.2 Background

The Pacific Integrated Commercial Fisheries Initiative (PICFI) is an initiative aimed at achieving environmentally sustainable and economically viable commercial fisheries, where conservation is the first priority and First Nations' aspirations to be more involved are supported. PICFI was built on fisheries reform work begun in response to the 2004 reports of the First Nations Panel on Fisheries and the Joint Task Group, as well as subsequent discussions in a wide variety of forums that confirmed the need for PICFI.

### 1.3 Acknowledgements

PICFI II Networking Meeting was funded by Fisheries and Oceans Canada and hosted by the Secwepemc Fisheries Commission and the Shuswap Nation Tribal Council.

Special thanks to the Shuswap Nation Tribal Council and the Secwepemc Fisheries Commission for coordinating the meeting and for all of the hard work that went into making the meeting a success.



Fisheries and Oceans  
Canada

Pêches et Océans  
Canada

# Day One - Tuesday, February 19, 2013

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## 2.0 Welcome and Opening Remarks

Matt Vickers, President and CEO of Vickers & Associates, welcomed everyone to the meeting and recognized the Shuswap people and territory. He asked that participants remember the four archetypes, Warrior, Teacher, Visionary, and Healer and added that “we work together for the betterment of all.”

Tyler Collie, Enterprise Development Manager for Fisheries and Oceans Canada, welcomed meeting participants and thanked the Shuswap Nation Tribal Council and the Secwepemc Fisheries Commission, along with Fisheries and Oceans Canada (DFO) staff for making the event possible.

Shuswap Elder Diane Sandy said a prayer for the meeting participants and sang the Shuswap Honour Song.

## 2.1 Introductions and Overview

Brian Payer, Brian Payer & Associates, acknowledged the Shuswap Territory and the Shuswap People. He recognized the many changes that have taken place since the inception of the Pacific Integrated Commercial Fisheries Initiative (PICFI). He thanked *River Fresh*, a marketing arm of the Secwepemc Fisheries Commission, for hosting a meet and greet Monday evening, acknowledged everyone that was able to make the time to participate, and thanked the Shuswap Nation Tribal Council staff for all of their hard work throughout the development of the event. He reviewed the agenda and introductions were made around the room. Brian also reviewed the meeting objectives (section 1.1) and the following rules of engagement for the meeting:

- ❖ Challenge ideas, not people;
- ❖ Participate;
- ❖ Stay focused and in process;
- ❖ Be positive and open;
- ❖ One conversation at a time;
- ❖ Listen generously;
- ❖ Encourage new ideas; build on the ideas of others;
- ❖ Observe time limits; stick to the agenda;
- ❖ Ensure that everyone is heard;
- ❖ See a situation from a perspective other than your own.

## 3.0 Business Development

### 3.1 The Business Planning Cycle

Stuart Nelson, Nelson Bros Fishing Ltd., gave a presentation on the Commercial Fishing Enterprises associated with PICFI and on the business planning cycle. He recapped the years of the PICFI program and provided an overview of the CFEs as a group including the following points:

- ❖ 25 new companies
- ❖ Over \$100 million in licences and quotas
- ❖ \$15-20 million in boats, fishing gear, and other equipment
- ❖ Substantial access to in-river salmon
- ❖ Collectively, a force in the BC fishing industry

He acknowledged that each of the groups was in a unique situation regarding business experience, fishing experience, governance, and organizational development and recognized the difficulty in setting business versus community based objectives. Stu emphasized the importance of effective business planning, adaptive management of business plans, and being positive. He encouraged CFEs to take part in an annual business cycle and included the following key messages:

- ❖ Develop an annual business plan early each year, including budgets
- ❖ Closely manage your operations
- ❖ Ensure proper accounting and financial reporting (report card)
- ❖ Recap your season; apply lessons learned to next season
- ❖ An effective business cycle is a game plan for success

### Questions and Answers

1. How do we get good management people, is there a pool of talent that we don't know about?
  - a. No, there is no pool of managers; we need to find out how to marry the young people that are interested in management with the experience of the older fishermen.
  - b. There is no easy answer to this, consider partnerships from other regions.
  - c. You may be able to share a manager or CEO from another CFE, so that you can gain knowledge and expertise.
2. How do you recruit a board?
  - a. Board recruitment is difficult. We are sort of missing a generation of management people. You need to have a mix of representation on your board, business experience, community people, and fishing expertise; some boards bring in people from outside the community.

### 3.2 Introduction to Governance

Matt Vickers, CEO and President of Vickers & Associates, delivered the presentation "Why Some Aboriginal Nations Succeed with Economic Development and Others Don't," developed by Dr. Manley Begay. This presentation described issues facing many First Nations regarding economic development. It explained a need to separate politics from business decisions and outlined how economic development has often been done by First Nations, the "Standard Approach" and a contemporary "Nation Building Approach." This presentation recognized the

differences between Nations and the challenges that those differences present, and included steps to building First Nations economies. It also included keys to success throughout economic development and provided a detailed description of each.

Keys to success are as follows:

- ❖ Jurisdiction (practical self-rule)
- ❖ Effective institutions of self-governance
- ❖ Cultural match
- ❖ Strategic orientation (understanding what is important to us in each of our respective territories)
- ❖ Leadership

### 3.3 Implementation of Governance Structure

Matt Vickers gave a second presentation on the organizational structure of a development corporation, the “One Company” structure. His presentation included an organization chart with roles and responsibilities for each level of the organization including:

- ❖ Chief & Council
  - Bare Trust
  - Reversionary Trust
    - Board of Directors
      - Economic Development Chief Executive Officer (CEO)
        - Shared Administration
        - Treasury
        - Operational Business Unit General Managers

He covered detailed job descriptions for all levels of the organization chart and the development of Terms of Reference. He concluded with a code of conduct that should be developed along during the implementation phase of organizational development.

### Questions & Answers

1. What is the relationship between trustees and Council?
  - a. Once the membership agrees to and understands this structure and Chief and Council agree, they appoint the trustees and can dismiss the trustees. When the membership is in agreement, and when a new Council comes in they are less likely to change midstride. Whoever is elected needs to understand that the membership is behind it. Council reaches out to membership for trustee names.
  
2. There are fisheries issues, cost of setting up a complex structure like this. Some groups don't have lots of funds coming in. All of these positions are costly; this is a significant issue for many groups. The relationship between the trustees and the membership doesn't understand this. It is difficult to have different types of ventures, don't want the whole thing fall apart because of a single venture.
  - a. You also have an asset management company in this model. All assets are held in a holding company. Assets are protected in case of an accident or other serious event.



3. Who pays everyone?
  - a. The profits from all businesses pay for the positions. If you aren't making a profit, you shouldn't be hiring all of these people but should try to find out why the businesses aren't profitable.
4. How do you separate and achieve social objectives and business objectives?
  - a. Organization chart shows how Chief and Council manage social agenda of the nation, including education, social development, and housing. Business decisions fall to the development corporation.
5. Board responsibilities; who is financially liable?
  - a. Liability insurance is very important, or the board members themselves are liable.
  - b. Insure the board of directors.
6. Under corporate structure, what are the risks or dangers of not having a development corporation?
  - a. Chief and Council are liable if they are overseeing business operations. Putting together a development corporation assists with the worry of liability in communities.
7. People don't understand that Chief and Council are personally liable, that their personal assets are vulnerable.
  - a. You need to have a good corporate lawyer involved.
8. PICFI funds - The cost of setting up a board of directors was a challenge and expensive, all of that and nothing had been done yet. We need adequate money to get up and running, it is an issue. \$20,000 isn't enough.
  - a. Example – alternative to Enbridge pipeline – group of nations are building a railroad from Fort McMurray to Valdez, Alaska. They developed a shareholders agreement and all kinds of other set up; you need to have the right government model in place.
9. Overhead is very expensive in some communities (travel, bringing in supplies); how are you going to make a profit without governance in place but how do you put in place when it is too expensive to set up?
  - a. Tough questions need to be asked and addressed: Where is the money going to come from? What can we afford? What can't we afford? We need to use the tools so that we can get beyond status quo.
10. Challenge – we were asked to aggregate by DFO to allow the PICFI funds to spread out. Groups became partners in order to move forward but they may not want to

continue a partnership beyond PICFI. It is hard to develop structures that will suit more than one partnering nation; all of us are struggling with this. How do you develop a process with multiple nations/Bands that may not agree?

- a. Share revenue from projects – there are sharing models out there – SIGA – all nations benefit from revenue. Where the casinos are built, Bands benefit more than the others but they all benefit.
- b. Not easy, not a quick fix or process.

11. Challenge – We had a corporation set up, policies/directors/etc. – The corporation doesn't get funding from anywhere, only profit from leased licences. There is a lack of interest in fishing, the older generation is interested, and the younger generation is not. Creating a corporation has hurt us financially, too expensive. We have no secured funding; we are in a "lose, lose" situation. We are struggling to get back into fisheries, not big corporations.

- a. What can we do to demonstrate to the new leaders that there is opportunity here? If they don't see it, they will do something else; we need to turn this around.

12. Observation – The complexity in the presentation relates to being tax-free business wise, accountants etc. need to take the complexity and make it work simply, on the ground. The cost might not be so bad, some CFEs are not trying to work around being income tax free and that takes some of the complexity out of the development.

## 5.0 Speed Mentoring & Networking Opportunity

The purpose of this exercise was to enable participants to share information and network.

## 6.0 Table Discussion & Exercise: CFE Challenges & Opportunities

Participants had an opportunity to join tables to discuss challenges and opportunities around specific aspects of the management of a CFE. Each person was able to join three different tables to discuss three different topics. Each table had a lead who collected comments and they read off the collective notes at the end of the session. When all of the questions were collected, the panel was asked to respond to each of them. Questions and panel responses are included in section 7.0.

## 7.0 Best Practices Panel

### ❖ Bill Shepert, Lax Kw'alaams - Community Business Integration

Bill Shepert is the Fisheries Manager for the Lax Kw'alaams Band in Prince Rupert.

### ❖ Rick Holmes, In River Fishery Operations

Richard Holmes is a registered professional biologist living near the Village of Likely in the Cariboo Region of BC. He has been actively involved with salmon and their habitat since 1981, working on DFO's Salmonid Enhancement Program. In 1995 Mr. Holmes

formed the small environmental consulting firm Cariboo Envirotech Ltd. ,He works on the PICFI project along with several other fisheries related files in the Cariboo area.

❖ **Brent Edwards, Salish Strait Seafoods - Operational Successes**

Brent studied music at the University of British Columbia. He has worked as a Capital Specialist at Indian and Northern Affairs, assisting communities develop infrastructure projects. He was also an Advisor for the BC Treaty Commission. Currently Brent is the Director of Operations at Nanoose First Nation, sits on the Board of Salish Strait Seafoods, and is the Manager of Snaw Naw As Forestry Services and Snaw Naw As Aquaculture Ventures INC.

❖ **Greg Taylor, Fish First Consulting**

Greg has a very diverse fisheries background and career. He earned a Masters of Resource Management degree at Simon Fraser University and has worked for numerous organizations and companies in a variety of positions since. Currently, Greg operates Fish First Consulting from Salt Spring Island where he works on a variety of fisheries contracts.

### *Questions & Answers from Table Discussions*

1. How do you effectively engage multiple communities in a CFE with limited resources?
  - This is a tough question to answer. Each CFE likely has a champion or individual that puts time and expertise into issues and moving forward. We have five Bands in our CFE; they subsidize PICFI with staff time.
  
2. How can you develop a good training program and employ members in the fishing industry?
  - It's multifaceted, depends on the fishery. The key is to find someone who loves the fishery, young people that want to go out and go fishing, bridge those with the people that have the licences, training, mentoring. Link First Nations and CFE, to be able to move assets between Bands. Key is building capacity for people. There are training opportunities, transferable skills. Mentoring and building capacity and working amongst ourselves and our collective assets to build bridges.
  - We have 70 gill net boats; there is a lot of fishing capacity still available. There is an opportunity with other groups to consider for example, have a Band member be a deck hand on a boat with a very skilled crew.
  - The Okanagan Nation Alliance (ONA) fishery - Several different Bands worked with ONA to gain skills; maybe a centralized CFE association is needed to share assets. It is hard to retain people when a fishery may only last 10 days; could share expertise and gear.
  
3. How can 25 CFEs cooperate on the sale and marketing of their products?
  - Interior Salmon Producers Association - Different companies share gear through this association; they saw an opportunity to market fish this year, bought the fish and marketed it.

- The total market share that the PICFI CFEs hold is 15% or approximately \$100 million; it would be good to be able to share each community's assets. If we could figure out how to work together, the market power would be tremendous.
4. How do you manage the changes in leadership and the political atmosphere?
    - We are working with three tribal Councils and two communities, there will be a board set up
    - Operate at arm's length from Band Council but have three Councilors sitting on the board; trying to pull in the traditional knowledge with current business.
  5. Inland groups have no licences to leverage for working capital, how do we deal with this?
    - DFO has not kept up with the regulatory process for CFEs; they should support what we are trying to do.
    - I am amazed at the operation of inland fisheries business, there is no one to talk to, no process to follow, not a First Nations process or otherwise on how to develop or run a rational fishery. There is no help at DFO to help maximize resources. PICFI has not bridged the gap between fishers and managers. A process needs to be developed, a rational process to move inland fisheries forward. The coastal fisheries are 2/3 the size of the inland fisheries, but licences are the same cost, it is unfair.
  6. One partnering nation has fishing capacity and wants ½ of market value, the second would like to have fair market value and develop capacity; how do you align these two different goals?
    - This is a tough one, you want jobs for your communities but need to capitalize to start; the company needs to have money to start. You need to revisit this and have a discussion. There is a value attached to the jobs, need to build your company on a scale, with both pieces in mind.
  7. How do you prepare for a boom and bust fishery?
    - Chilco-chilcotin fishery is a good example. If escapements were good, we could have a fishery somewhere every year. When we don't have fish, we look to our neighbours and market their fish. We know that we won't have fish every year so we must look for other opportunities. Aquaculture is a possibility - freshwater rainbow trout and kokanee - in a closed lake system. Need permission from the province for this though.
    - Buying an expensive licence and maybe there are no fish, this is hard to manage; partnering is an option. By partnering you can spread benefits around the province. In addition, we are all overlooking pink salmon, they return every two years; they are doing well this year. We need to think about diversification, sharing our assets, thinking like a business to mitigate the boom and bust cycle. Success is financial planning.

8. How can you decide how to allocate licences to your membership?
  - Example - bycatch species lottery - meet with fishermen, put their names in for lottery eligibility. Six new guys were out fishing halibut this year. Community members are starting to recognize that it will not benefit everybody but it worked out fairly well.
  - Don't have many fishermen in our community - where they do exist, they have a shot at the licences.
  - Allocation is hereditary, done by fishing site, Chief's site; people have to pay him through the hereditary system.
  
9. People can't afford lease rates, what should they do?
  - This is part of business planning; put people together for increased market power.
  - Partnerships are being put together for increased profit
  
10. How do you make fishermen more efficient?
  - Incentives
  
11. How do we get youth back into industry?
  - There are so many different levels in the industry - retail, processing, fishing, etc.; it depends on where the opportunities are. Skills are transferrable. Aquaculture for example is all about social economics, if youth see that there is an opportunity, they will be interested.
  - The traditional fishery is mimicked and people are still fishing, youth are happy to go out, if there is a commercial fishery they will take advantage of it.
  - PICFI is allowing for a little bit of an opportunity to maintain the people that are currently fishing. Young guys are sharing their resources.
  - We need to create opportunities, the fishing genes haven't disappeared. Once there is some money available, youth will come.
  
12. How does a CFE deal with underutilized licences and allocation?
  - Compete in existing markets or find a new market. We have 15%; there is a lot of money out there and a lot of protein in the water.
  
13. How do First Nations and industry work together to benefit each other?
  - Clearly define and understand both sets of objectives; being honest is the start of a good relationship. There are partners that are out there who can bring capacity; the advantages of a partnership are greater than using a consultant etc. Find someone with funding capacity, contacts, experience and a good track record that you can get "married" to; have a way to get divorced but plan on staying "married."
  - Primary and secondary producers need to have similar values.

14. How do you marry licences and quota with vessels?
- You probably don't want to. The question is how can the CFEs work together to extract maximum values. There is nothing worse than having a vessel sitting at the dock; build partnerships and get the vessels in the water.
  - Communal licences can be moved around, it is a great thing. Divide the quota and transfer the licences to different vessels if they fit the requirements of the licence.

## 8.0 Building Relationships

### 8.1 Building Effective Partnerships

Chris Wick, owner of North Delta Seafoods, gave a presentation about developing relationships with industry and the possibility of collaboration with CFEs. He explained the complexity of the fishing industry and how it has changed over time, for example, how it has become entirely pre-planned. He acknowledged that CFEs represent a whole other fishing industry, one on the edge of the shrinking traditional fishing industry. He discussed the difficulty in figuring out "who is who" in the fishing business and felt that a CFE association would be beneficial for everyone. Chris stressed the importance of relationships, face to face meetings and felt like the best time spent is talking to people outside the office as there are no fish in the office.

Chris's key point was that CFEs should look at industry as collaborators instead of competitors.

### 8.2 N'usi Seafood - Bella Bella

Christy Whitmore, General Manager of N'usi Seafood delivered a presentation on the development of the N'usi Seafood plant. The plant was in great disrepair and has been renovated into a state of the art seafood plant. N'usi is a Heiltsuk Nation enterprise and employs more than 180 people. The plant processes salmon, crab, shrimp, and sea cucumbers and sells salmon waste as crab bait. They also produce ice for their own and other fishing fleet operations. There had been very little employment and many social issues in Bella Bella and the existence of steady employment, skill development and hope has helped to improve the lives of many employees. The plant has not made a great monetary profit but Christy considers it successful for the changes that it has made in Bella Bella. Christy would like to work with other nations and open up the Douglas Channel and is looking for ongoing business opportunities.

## 9.0 Closing Thoughts & Next Steps

Brian Payer gave a brief recap of the day's events and presentations. He asked that participants consider how to move forward if PICFI were to continue into another year. He suggested that a PICFI business development team be put together for CFEs to help with business planning and asset management. He also suggested that it may be beneficial to bring CFEs together to guide the business development team.

# Day Two - Wednesday, February 20, 2013

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## 10.0 Welcome & Opening Comments

### 10.1 Welcome

Bob Hill welcomed the meeting participants with the following words:

*“This is the second gathering that I have attended regarding fisheries. We are now working out the specifics on how to maximize the fisheries resource. What happened in the early days is what you are benefitting from now. We cut our commercial fleets in half because we were on the edge of annihilating our salmon. When you limit the catch that all fishermen had, they lose half of their earnings; this was done to sustain the resource. We moved to a single species catch, you had to have a licence to seine and a licence to seine salmon. It was all very costly. Back then, it was unheard of to commercialize the fish this far inland, this is what we are doing now. We had to be of one heart, to make sacrifices for our neighbours for the betterment of all. Those of you that can remember those early days, our government and the department of the day, took some bold steps, the Pacific Round Table. We met for months on end to discuss the Pacific fisheries, and that brought us to where we are today.”*

### 10.2 Opening Comments

Brian Payer opened the meeting with big thanks to the Shuswap Nation Tribal Council for hosting the banquet on day one and gave special thanks to Veronica Leonard for organizing fabulous entertainment. Brian then recapped the day one sessions including the following key points:

- ❖ Stu Nelson spoke of the Business Planning Cycle and the formula for climbing the ladder to success is to understand our annual business cycle and following five simple yet critically important steps:
  - ❖ Decide what we want to do with our CFE, have a plan, without a plan, we plan to fail
  - ❖ Whatever the plan is, do it well. When we are into the season we MUST be strategic; make strategic decisions
  - ❖ We must measure and report our progress, not only for our owners who are the community, but our investors such as DFO. Most importantly however, we must measure our own success to see how we are doing financially. Accounting is nerdy but critically important to understand; to compare with previous years; and forms the basis of our decision making.
  - ❖ Figure out how to do it better...run our business better. We must always undertake a post season assessment



- ❖ We must be DISCIPLINED to follow these 4 simple steps continually.
- ❖ Stu's summary for success is:
  - It is not a paper exercise, it is active hands on management
  - Stay on top of your business
  - We need to follow business disciplines to stay on our businesses.
  
- ❖ Matt Vickers shared important information about community and economic governance. The work that Dr. Manley Begay has done supports that economic development is not an economic problem, it is a political problem. What this means is that with a Nation Building approach, there are some fundamental things that must be instituted by the leadership to "set the stage" for any economic development initiatives to be successful. Once the environment for economic development to flourish is developed, an economic governance model that clearly separates Chief and Council from business needs to be implemented. Generally this will include the following:
  - ❖ A bare trust independent from Chief and Council that appoints a Qualified Board of Directors;
  - ❖ A Board of Directors that hires a CEO who will then oversee all business operations
  - ❖ A development corporation that then owns a series of independent operations including fisheries, forestry, manufacturing, etc.
  - ❖ A series of LLP's and general partner arrangements as a means of minimizing tax implications
  
- ❖ Chris Wick brought forward excellent notes on building partnerships between First Nations and industry, however the point that sticks in my mind is when he said he welcomes dialogue with CFEs to understand their objectives so that they can build a TRUE partnership with the organization that is totally win-win.
  
- ❖ Christy Whitmore's honesty about what N'usi has accomplished to date and how they accomplished this, including flexible work schedules for employees, is a real testament to Stu's Business Cycle model and how you adapt on the fly and very strategically.

## 11.0 Business Licensing & Case Study

### 11.1 Online Licensing Demonstration

Denis Tremblay, Fisheries and Oceans Canada, delivered a presentation on the Fisheries Modernization Update, which includes purchasing commercial licences online. This will apply to First Nations communal licences this summer. He explained that this is Phase I of the Modernization Update. He answered questions and then went through the steps of the registration process.

### *Questions & Answers*



1. Will reporting and requirements be the same as the last system?
  - Yes.
2. What about batch processing/bulk purchasing of licences?
  - The west coast does not have batch processing yet. Communal licensing will take longer than 13 hours to process.
3. Can I pay using online banking and in person?
  - Yes. See the full presentation for a list of participating banks for bill payment service. If your bank is not on the list, ask them to add DFO as a payee to their online banking system.
  - Yes, you will still be able to pay in person.
4. How will clients receive service? What about people who don't have computers?
  - For the short term you will be able to call and reach someone by phone but soon you will have to go through the three tiered system
  - There is a three tiered client support system in place - this includes online help, Service Canada Representatives and DFO Licensing Agents
  - People that do not have access to a computer can use computers at any Service Canada location.
  - There are instructional *Youtube* videos available online.
5. Can someone be appointed to represent a stakeholder on their behalf?
  - Yes, one person may represent many harvesters. However, licence transfers cannot be done by a representative.
6. Will log books still be validated?
  - Yes.
7. What if you have a mail bag address?
  - Use postal code or super postal office or general deliver. It is based on the postal code.

## 11.2 Demonstration

- ❖ User ID
  - Need a unique user ID, memorable by staff but not easily guessed by others
  - Unique id will differentiate people
  - Questions should pertain to your group, not an individual
- ❖ Profile
  - This can be modified at any time by the user
- ❖ Fisher information
  - Cannot be modified by user, only DFO staff
  - Shows who you represent or who represents you as a fisher
- ❖ Licensing

- Vessel(s) information - click on the name of the vessel and you will see the details of that vessel and the associated licences
- Only valid licence information will show up here, will not see renewal licences here.
- How will this affect our PICFI licences? Different licences come at different times. If we were to go long term with PICFI, under current fishery dates and so on, look under “payfees.”
- Will see a list of documents that are available for printing, for those fees that have been paid for, will see when your fees have been received, you will be able to print a PDF of the document. The format will be the same as the ones that you received in 2012.
- ❖ Payment
  - Once you make a payment for licences or registrations, the system creates a credit of those funds. You are able to select the fees that you want to pay and then the fees that you pay will show and the remaining credit value.
  - All related fees must be paid for the release of documents
- ❖ Pay Fees Check-out
  - Can select “pay now” by credit or debit card or can print invoice and pay at the counter at your banking institution. You can also use your online banking system if it has a link for DFO
  - You will receive a notice if the payment was successful and what fees are remaining and your remaining credit allocation
  - You will also be able to see your payment history; only the history of what has been done on the national online licensing system
- ❖ When you have completed your session you log off.
- ❖ Becoming a Representative
  - Set up GC key
  - Register in the DFO system
  - You will not have a password as you are not licenced.
  - Click on “self-registration”
  - “You are not enrolled” screen - click on register for a new account, click
  - Click on managing representatives
  - Click on modify representative, this brings you to the dashboard page
  - Need to be provided with a delegation code, public identifier, request a delegation code - you will then receive a code immediately
  - To use this code you need to contact the person that you will represent and you instruct that person to login to their account (fisher or processor) and to identify you as a representative and identify the tasks that you will be able to do
  - Receive a code, enter the code and validate, if you are registered, you can modify
  - The Pacific Region will not have to do this. DFO will contact everyone, and make sure that the people listed on accounts are correct. Will need to verify

personal addresses as proof. You will be able to choose from your personal information or the associated organization information.

### Questions & Answers

1. Many fishermen are older, might not have an email account, how will this system work for them?
  - o Our hope is that someone will assist those fishers to log on and set up this system.
  - o There is no avoiding this process, there is no reason that someone can't help. Family, Band, friends, fishermen associations etc. will hopefully step in and help. Hopefully will be picked up by the boat brokers, who will charge a fee for service. Will help people get through this process for the first time.
2. What happens when the buyer helps cover the fisher fees?
  - o You print the invoice and the other party can pay at a banking institution. Paying over the counter will take longer, two days compared with online.
3. How do you deal with multiple licences and multiple individuals with access to those licences?
  - o If you are a signatory of a company or multiple companies, you will be sent one passcode, but you will be given a choice to look at your information or the info from all of the companies that you represent. If you are delegated for several people you must go to each account and pay for licences as separate transactions. There is no bulk purchasing.
4. How do you deal with licence pooling?
  - o Not available at this time. We are aware of the bulk payment issue, looking into this. Pooling - not available for release yet.

For further information: contact William Leung, DFO Licensing: 250-754-0397

### 11.3 Lake Babine Nation Fisheries Ltd.: Case Study

Greg Taylor's presentation included all aspects, variables and issues around the Lake Babine Nation Fishery. He described the sockeye populations, rate of return and survival rates in Babine Lake. He also described the operations (weir, seine boats and beach seine) and the products that the Nation produces. He outlined some of the issues that are surrounding a terminal fishery, including a variety of skin colours and more importantly, a variety of meat colours. The LBN fish are marketed and sold around the world though is tiny in comparison with the world supply of salmon. He listed some of the variables that make business planning difficult including competition with international markets and fluctuations of international currencies and regulatory costs. He encouraged other CFEs to:

- plan for everything,
- keep overheads low,
- form partnerships to share expertise and talent, and

- diversify where possible.

## 11.4 Native Fishing Association

Natasha Robillard, Fishing Licence Survey Coordinator for the Native Fishing Association (NFA) addressed the room regarding the review of the NFA structure that is underway. She explained that she felt it would be beneficial if the NFA would expand their membership to include CFEs. She also suggested that the NFA may be the appropriate organization to serve as a central coordinating body for CFEs. The NFA would like to build partnerships with CFEs and is looking at the relationship between licence holders and capacity. She added that there is a survey feedback process underway and there will be upcoming consultation meetings for feedback from Association members and CFEs.

## 12.0 Peer Mentoring Pods

Participants broke out into groups to discuss issues and best management practices (BMPs) related to a series of subject areas. Below is a list of issues and BMPs that were raised regarding each subject area.

### 12.1 Annual Business Planning - Stu Nelson, Facilitator

Issues:

- ❖ It is hard when access is not the same every year - need certainty
- ❖ 4 year cycle versus one year
- ❖ Uncertainty about political leadership
- ❖ Not enough funds to pay for a planner

BMPs:

- ❖ Maximize revenue of geoduck & sablefish fisheries, ie., lease out at market value, use other licences within communities
- ❖ Prawn fishery - PICFI CFEs get together to discuss ways of managing the fishery
- ❖ Lease majority of licences to fishers

### 12.2 Financial Management - Kathleen Johnny, Facilitator

BMPs:

- ❖ Identify and establish value of your products, leases, vessels, gear
- ❖ Include equity retention, revenue distribution, and operational costs in your annual budget
- ❖ Take advantage of funding grants strategically
- ❖ Develop policies around the following:
  - Board of directors governance
  - Financial
  - Human resources
  - Contract and tendering
  - Conflict of interest
- ❖ Reporting out - develop a communications strategy

### 12.3 Operational Management - Greg Taylor, Facilitator

Issues:

- ❖ Abundance uncertainty
- ❖ Capacity (aging fisher population)
- ❖ Lack of training
- ❖ Lack of access
- ❖ Multi-species
- ❖ Electronic monitoring - expensive

BMPs:

- ❖ Market incentive to match quota
- ❖ Establish priorities - fishermen, community, Nation, region etc.
- ❖ Coordinate sales - value is linked to management and timing
- ❖ Community fisheries -profit to community

## 12.4 Licence and Quota Management - Roy Alexander, Facilitator

Issues:

- ❖ Lack of knowledge around:
  - The ratios used by DFO ie. Sockeye equivalency
  - The areas of applicability
  - Gear differences if applicable
- ❖ Sport fishing competition
- ❖ Lack of licence availability

BMPs:

- ❖ Questions to answer:
  - Is the resource sustainable - harvesting method, history of abundance?
  - Does the resource fit your Nation's principles?
  - Does it fit your fishermen's principles/needs?
  - Doe there need to be increased participation?
- ❖ Make sure the costs fit the fleet profile, leasing/licences etc.
- ❖ Reduce overhead
- ❖ Identify your principles and goals
- ❖ Map out your yearly plan
  - Meet prior to the season
  - Lay out seasonal times in advance
  - Tie in food/community benefits
- ❖ Insist DFO provide timely issuance of licences for both PICFI and ATP (Allocation Transfer Program)
- ❖ Seek communal licences

## 12.5 Processors and the Value Added Chain - Mike McLean, Facilitator

Issues:

- ❖ Lack of access to fish
- ❖ Losing young people
- ❖ Difficulty meeting specific criteria to fish
- ❖ 100% of fish goes to RW

- ❖ Fishermen must support FSC
- ❖ Barriers to entry, education

BMPs:

- ❖ Lease model
  - Judge each offer individually
  - Develop a sound foundation
  - Tie leases to hires (train people)
  - Contribute to subsistence fishery

## 12.6 Marketing - Fiona MacRaid, Facilitator

Issues:

- ❖ Do not start assuming 100% direct marketing - try 10% first and then grow
- ❖ Local markets need education about the pride of "real" local
- ❖ Logos need to be used carefully; First Nations' labels can be seen by members as political and there is a mistaken sense of "ownership of benefits"
- ❖ Partner with pre-established logos for example, "Ocean Wise" or "Sea Choice"

BMPs:

- ❖ Use "rustic" feel to emphasize "local" or "off the boat"
- ❖ Develop ways to tell the First Nations' story for example, traceability ties to website story, umbrella CFE brand with sub-brands associated with First Nations
- ❖ CFEs are well served to be both the "harvester" and the "fish broker: for flexibility in choosing buyer, leveraging supply of other species, etc.
- ❖ Word of mouth, storytelling, and relationship building are way more powerful than expensive graphics

## 12.7 Governance - Andrew Day, Facilitator

Issues:

- ❖ "Society" set up more for non-profit aims but now it is turning into success; the structure needs to be updated
- ❖ Getting good board members who are experienced and engaged, who are on the board for community and not for themselves. Need to have criteria and director training
- ❖ Managing community expectation; people think of company in the same way as Chief and Council but they are different
- ❖ Legal issues associated with harvesting off reserve, "harvester employees"
- ❖ Relationship of "society" that holds assets from DFO and CFE, can be complicated regarding tax and legal issues

BMPs:

- ❖ Set up policies:
  - Finance
  - Directors
  - Employee/HR
  - Tendering and contract
  - Conflict of interest
- ❖ Provide management authority to manager

- ❖ Chief and Council are not directing the business, need to separate these roles
  - Need to be transparent using regular updates to Chief and Council and community meetings
- ❖ Develop a community fishing plan
  - Resource management for territory, include openings and closures
- ❖ Develop an overall strategic plan, looking beyond PICFE, bigger picture, establish community targets
- ❖ Budgeting and tracking from the annual operating plan
- ❖ Annual work plan
- ❖ Communications strategy - AGM for all community members, trustees still make decisions
- ❖ Get good directors, make sure they are only paid honorarium if they participate

### 13.0 Wrap-up Summary

Brian Payer closed the meeting with a summary of the day's sessions and provided a list of take home messages for the two days.

Greg Taylor told us how market conditions are dictated by a world supply. He emphasized that we need to make decisions on the fly after having prepared our annual budgets as all the best laid plans may need to be changed. He explained the advantage of the inland fishery as being a slower more constant supply of fish. Greg also explained that the fishing industry is always uncertain due to market, currency and abundance changes and added that we must understand our costs and keep overhead low. He said we need to know what every step costs per pound and that that knowledge is critical to managing a fishery on a day to day basis.

Greg's Key Messages:

- ❖ Work with the things that we can control such as budgets and overhead costs
- ❖ Success does not equal profits, gross contribution is more important
- ❖ Find the "sweet spot," the balance between economic obligations and social obligations
- ❖ Overheads will kill you
- ❖ Partnerships are key - "A good partnership is like a good marriage with a divorce clause"
- ❖ Quality is value, you will make more money if your focus is quality
- ❖ When you finally improve your operation; go in and improve it again. We can always improve what we are doing now.

Take Home Messages:

- ❖ Networking between CFEs, presents opportunities, lessons learned and best practices
- ❖ You hold the gold in that you hold access; how do you turn raw gold into expensive jewelry?
- ❖ Creating partnerships with other CFEs and industry are critical to your future success
- ❖ Do business the right way, be strategic, be focused and follow proven business principles, practice discipline to ensure you follow these principles
- ❖ Separate politics from the business arm of the Band

- ❖ Create proper governance in your economic corporations so that there is clarity in the vision and mission of the corporation.
- ❖ Ensure the person in charge can make final decisions
- ❖ Management by consensus does not work

Brian thanked Tyler Collie, Murray Ross and Veronica Leonard, representing Fisheries and Oceans Canada, the Secwepemc Fisheries Commission and the Shuswap Nation Tribal Council for all of their support for the event and program. He also thanked participants for making the journey to take part and adjourned the meeting. Participants were provided with a USB stick with all the Networking II presentations.