



Planning for a Sustainable Tribal Business

Environmental Finance Center 9

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PLANNING FOR A SUSTAINABLE TRIBAL BUSINESS:

HOW DO YOU KNOW YOUR IDEA IS A GOOD ONE?

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“In our every deliberation, we must consider the impact of our decisions on the next seven generations.” -From the Great Law of the Iroquois Confederacy

Introduction



This Guidebook has been prepared as the first in a series of teaching tools that are designed to help Tribes develop sustainable enterprises either for or nonprofit. The effort draws on the authors’ experience with building Tribal green economies throughout the past decade and seeks to help Tribal Councils determine when an idea is right for their community. In this first installment, the Guidebook is broken into the following planning tools, which help support the first steps in determining if you should proceed with your business plan:

- Developing your Vision, Mission and Values,
- Defining your stakeholders,
- Preparing a SWOT,
- Evaluating and ranking your assumptions, and
- Targeting customers.

This first edition is designed to get you started, future issues of this business planning series will delve more deeply into the enterprise development process and include *Marketing Your Tribal Business* and *Financing Your Tribal Business*.

What is a Sustainable Enterprise?

A sustainable enterprise can be defined as one that “meets the needs of the present world without compromising the ability of the future generations to meet their own needs.” (United Nations). Sustainable enterprises have the potential to simultaneously produce long-term profitable businesses and local jobs, build healthy and vibrant communities, and enhance the natural world.

In order for all businesses to be sustainable, they need to protect and efficiently use all of their assets. There are eight characteristics that mark a sustainable enterprise:

Triple Bottom Line

A sustainable enterprise takes into account People, Planet, and Profits. Like a three-legged stool,

all three areas need to be sturdy for the business to grow. This is in contrast to “business as usual” where profit is the top priority and people and the planet are often sacrificed in the process.

Biomimicry

Sustainable enterprises look to nature for ideas for new products and services, as well as efficient ways of doing business with minimal waste. They emulate the grace and harmony in nature when building solutions.

Cradle to Cradle

Sustainable businesses think through the entire lifecycle of their products, including the end of life disposal and hopefully the reuse of what is left. They strive for zero waste through the concepts of reduce, reuse, and recycle.

Renewable Energy

In keeping with the above characteristics, sustainable enterprises try to minimize their energy needs and draw power from renewable resources rather than fossil fuel. Solar, wind, geothermal, and ocean energies have a smaller carbon footprint than fossil fuel.

Water

Honoring the concept of treading lightly on this planet, sustainable enterprises are aware of our most precious resource – water – and commit to reduce water use.

Ecosystem Services

Supporting and protecting Tribal ecosystem services should be a key component of sustainable enterprises. According to the United Nations, ecosystem services can be grouped into four broad categories: *provisioning*, such as the production of food and water; *regulating*, such as the control of climate and disease; *supporting*, such as nutrient cycles and crop pollination; and *cultural*, such as spiritual and recreational benefits.

Local

Sustainable enterprises understand that they are part of their local community. They source materials locally whenever possible, hire from within their community, and give back by volunteering and financially supporting in the community.

Continuous Improvement

A sustainable enterprise is committed to continually improving processes and products. The company values the insights gained through data about operations and sales and uses this data to improve its functions over time. The continuous cycle of measuring, monitoring, analyzing, redesigning, and implementing changes sets the enterprise on a steady path to continuous improvement.

Before You Plan: Idea Assessment

A business plan is useful for both new and existing businesses. It is a living document you can continually update and adapt to the changing landscape. It provides you with the opportunity to

put ideas on paper and gain clarity about what you want to accomplish and in what sequence.

A sustainable enterprise business plan applies to everything from a brand new business to an existing business that wants to transition from conventional to sustainable practices. For instance, a non-organic farm or ranch could use a business plan to map out the conversion to organic farming or ranching. A building contractor could use one to become a Green Builder. A mechanic might use a business plan to become a “Green Certified Business”. Tribes that plan to open a new convenience store, or install solar panels can use a business plan to verify the potential opportunities. Other uses include companies wanting to expand their operation or to sell the business to a new owner. In these cases the business plan paints the picture for lenders, investors, or buyers showing the finances and overall value of the company. Even nonprofit endeavors should work from a sound business plan.

However, creating and updating a business plan can take significant time and resources. Before you step into the planning phase you need to know if your idea is sound and the business can thrive. To that end, this Guide includes the following six exercises and suggestions for further research to help you assess if your business idea is worth pursuing and start you on the path to a full business plan.

| TRIBAL BUSINESS PLANNING: HOW DO I KNOW MY IDEA IS A GOOD ONE? | |
|---|---|
| The Following Exercises | Answer the Following Questions |
| Exercise #1: Defining Your Vision / Mission / Values | Why are we starting this business? |
| Exercises #2 & #3: Identifying Stakeholders | Who cares, either in support of or against, if we open our business? |
| Exercise #4: Preparing a SWOT | What are the opportunities and barriers we may face? |
| Exercise #5: Recognizing Assumptions | What assumptions are we making (or ignoring) that will impact my business? |
| Exercise #6: Target Customers | Who is our target market and how big is it? |
| Moving Forward: Further Research | What information do we need before we can make a decision? What are we missing? |

VISION / MISSION / VALUES

Why Do You Need a Vision?

It is not uncommon for many new businesses to venture into the world without a vision. However, without a vision, how do you know where you are going and what you will be when you get there? Your vision is a picture of the Tribe's dream that can be achieved through the business you are going to create. It is a concise declaration of your ideal future in five to ten years, or even further, and it serves as a lighthouse to guide you down that path. Why are you creating this business? Without a vision, it is easy to get caught up in the day-to-day grind of operations and lose sight of where you are heading over the long term.

As shown in the text box to the right, the Vision for the Tulalip Tribes of Washington is a simple yet powerful guide to the future: to be one people, to always be self-governing and for each person to be most capable.

Why Do You Need a Mission?

The Mission statement is guided by the vision. Whereas the vision speaks to your future, the Mission tells you how you will get there. The Mission statement answers the basic question of why your organization exists and what services or products it provides. The Mission statement also provides the basis for judging the success of an organization and its programs and helps the board and/or Tribal Council adhere to its primary purpose.

The Mission of the Tulalip Tribes responds to its Vision. They will train, teach and provide spiritual and practical advice (Mission) in order to maintain their self-governing community in which everyone is capable (Vision).

Why Do You Need Values?

Every organization should establish the values that guide their operations. It is important that the team members, be they a board, Tribal Council, or employees, agree on the values that are important to the organization. For the Tulalip, following the teachings of the elders, working hard, showing respect and speaking the truth are some of the key values by

Tulalip Tribes Mission, Vision and Values

Vision

- We gathered at Tulalip are one people.
- We govern ourselves.
- We will arrive at a time when each and every person has become most capable.

Mission

We make available training, teaching and advice, both spiritual and practical.

Values

- We respect the community of our elders past and present, and pay attention to their good words.
- We uphold and follow the teachings that come from our ancestors.
- It is valued work to uphold and serve our people.
- We work hard and always try to do our best.
- We show respect to every individual.
- We strengthen our people so that they may walk a good walk.
- We do not gossip; we speak the truth.

Source:

www.tulaliptribes-nsn.gov

which they govern.

Defining Your Mission and Vision: Rules to Remember

Mission and Vision

- Try to keep both Mission and Vision statements short and to the point. A good rule of thumb is to limit each to 20 words or less.
- Can your board, employees, or Council state your Mission and Vision? Are the Mission and Vision clear and easily understood?
- Does your Mission and Vision inspire passion and commitment?

Vision

- Does your Vision tell the world what change you wish to create for the future?

Mission

- Does your Mission define why you do what you do?
- Does your Mission provide direction for doing the right things?
- Does your Mission turn your vision into practice?

Below are two examples of businesses that pursue substantial, triple-bottom-line Visions with Missions that define how those Visions will be achieved.

| Business Examples: Vision, Mission, Values and Principles | | | |
|--|---|--|---|
| Business | Vision | Mission | Values/Principles |
| Patagonia | | | |
| Patagonia, an outdoor retailer and leader in the green apparel market, is committed to achieving the triple bottom line: being profitable as well as environmentally and socially responsible in its business practices. | To help reverse the steep decline in the overall environmental health of our planet. | Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis. | <ul style="list-style-type: none"> ▪ Maximizing the efficiency of systems ▪ Closing the loop ▪ Protecting public and worker health ▪ Using renewable resources wisely ▪ Conserving nonrenewable resources: ▪ Educating ourselves and our customers |
| Business | Vision | Mission | Values/Principles |
| Fort Berthold Community College (FBCC) | | | |
| FBCC is Tribally chartered by the Three Affiliated Tribes of the Fort Berthold Reservation headquarters at New Town, North Dakota. FBCC is Tribally controlled and serves Tribal members. | Mandan, Hidatsa and Arikara Nation Fort Berthold Community College will be a dynamic presence that preserves our past and prepares us for the future. | The Fort Berthold Community College will provide Quality Cultural, Academic, and Vocational Education and Services for the Mandan, Hidatsa and Arikara Nation. | FBCC's values are illustrated through the earth lodge, which is the common home to the Nueta, Hidatsa, and Sahnish people. Unity, being the key value, is located in the center (fire pit), which the rest of the values build around. Spirituality, People, Culture, and Future are the 4 domains represented by the 4 main posts. The outer 12 posts represent values within each of the 4 domains. |

Vision/ Mission/Values Grid

Exercise 1: Using the guidelines above, define the Vision, Mission and Values for your business. Creating a Vision and Mission can take significant time, therefore you may want to prepare “working Vision/Mission statements” and refine your concepts as you move through the process of assessing your idea.

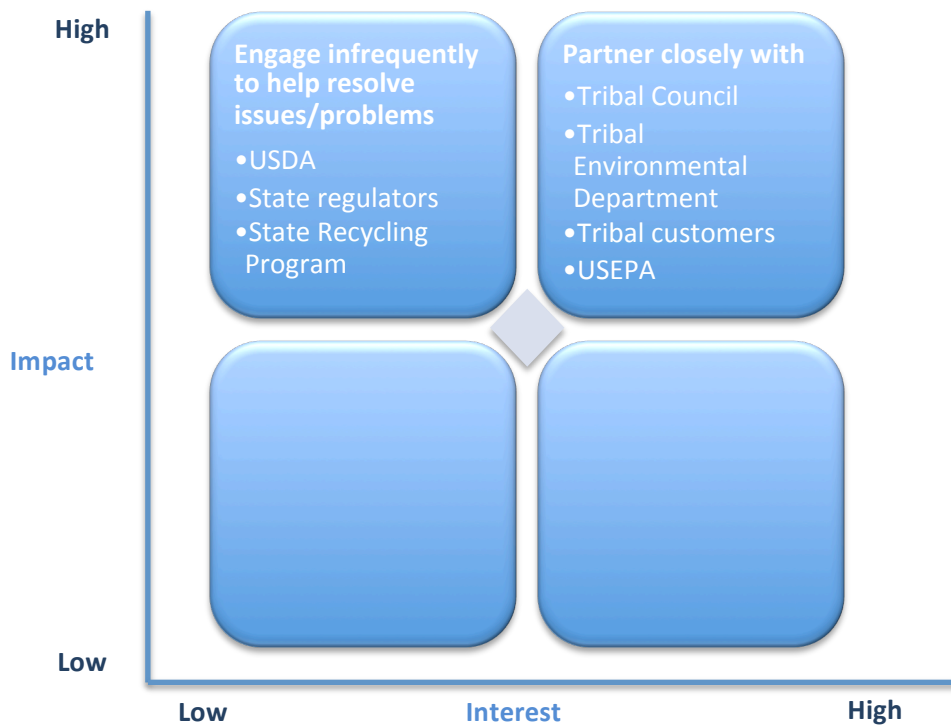
| TRIBAL BUSINESS VISION/MISSION/VALUES | | |
|--|---|--|
| BUSINESS CONCEPT: | | |
| Vision | Mission | Values |
| <i>What is the <u>dream</u> you want to achieve in the <u>future</u> through the business you are going to create?</i> | <i>How and why will you achieve your vision? How will you turn it into practice <u>today</u>?</i> | <i>What values will guide your operations?</i> |

STAKEHOLDERS

Stakeholders include any person, group or organization that is interested in and affects or can be affected by your actions. Stakeholders have the potential to change or influence your decisions. Thus, engaging stakeholders early and often is critical to the success of any project. No matter what you are choosing to do, you will always have stakeholders who should be involved in the process of planning and developing your business.

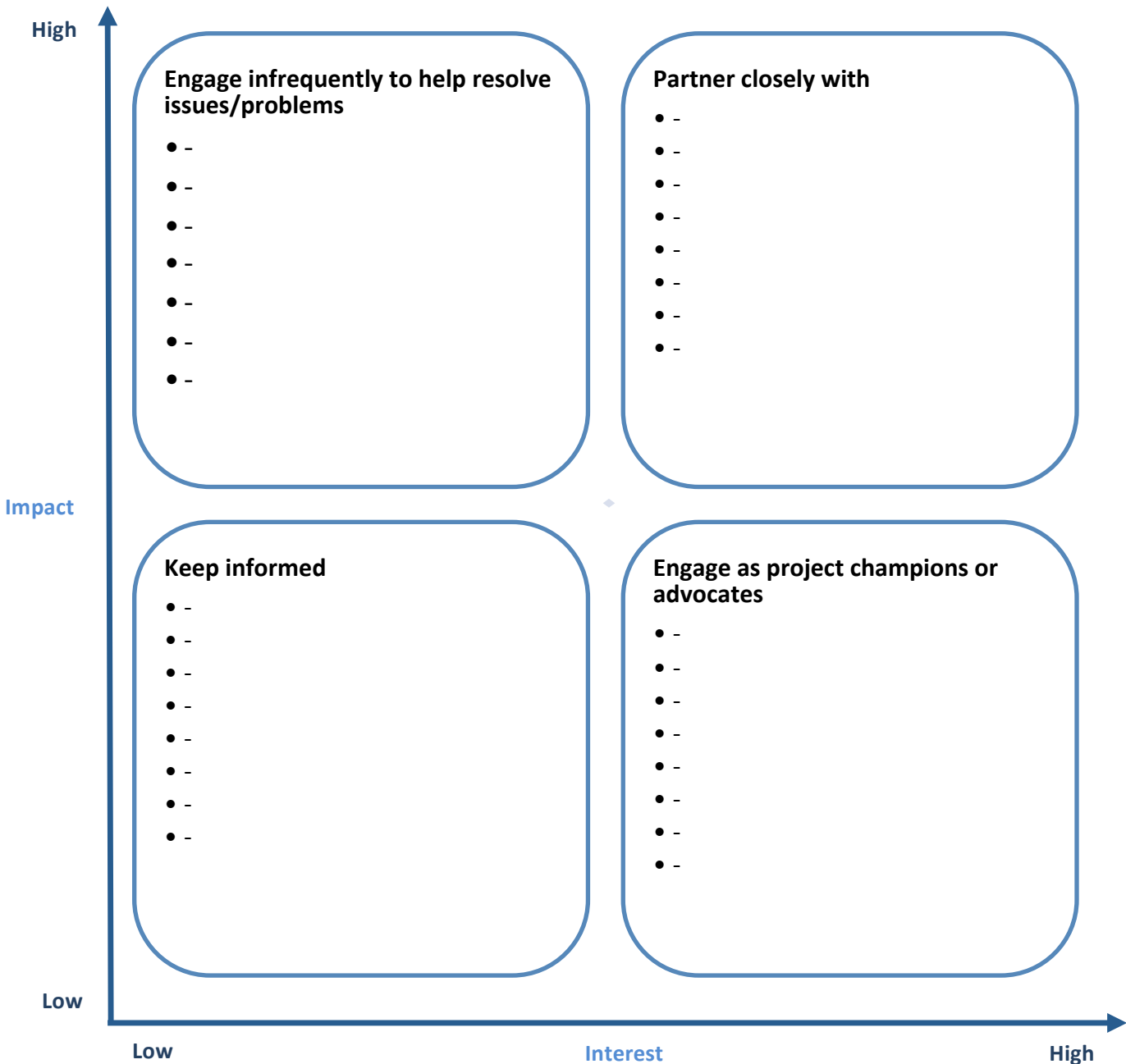
After you have established your working Vision and Mission, develop a list of people and organizations that your idea will affect, influence and/or that will be involved. For example, you might list the Tribal Council, local families, Federal agencies, competitors, suppliers, customers, and neighbors. Once you have identified your stakeholders, determine how they must be engaged and how often. As shown in the abbreviated analysis for a Tribal Waste Management and Recycling Facility below, some stakeholders will be highly interested and have high levels of impact over your business. You will want to partner closely with those stakeholders. Other stakeholders will have low interest and low impact on your business and organization so you should keep them informed but do not have to engage them as frequently.

Stakeholder Analysis
Tribal Recycling and Waste Management Facility



Stakeholder Grid #1

Exercise 2: Who are your stakeholders and how do they need to be incorporated into your business planning? Stakeholders can include Tribal members, USEPA, surrounding communities, funders, etc.



Stakeholder Grid #2

Exercise 3: Now that you have identified your stakeholders, think about what you need from them in order to succeed. Consider the likelihood of being able to get what you need on a scale of 1 – 10 (1 is low and 10 is high). If you have a preponderance of low scores you may have to rethink your idea.

| TRIBAL BUSINESS STAKEHOLDER NEEDS | | |
|--------------------------------------|----------------------------|---------|
| BUSINESS CONCEPT: | | |
| Stakeholder | What We Need From Them ... | Likely? |
| | | |

SWOT ANALYSIS

A SWOT Analysis is used to assess your internal Strengths and Weaknesses and to identify the external Opportunities that may be open to you and the Threats you face. When assessing your business or business idea, SWOT helps you define your niche in the market. What makes SWOT particularly powerful is that, with a little thought, it can help you uncover opportunities that you are well placed to exploit. And by understanding potential external threats to your business, you can position your strengths and manage your weaknesses to be ready for events that could make your business or organization unsustainable.

In general, Strengths and Weaknesses should apply to the **Internal Factors** that either help or hinder your objectives or goals, and Opportunities and Threats should apply to **External Factors**. Or to put it simply: Strengths and Weaknesses are under your control, while Opportunities and Threats are not.

Examples of Strengths and Weaknesses can include:

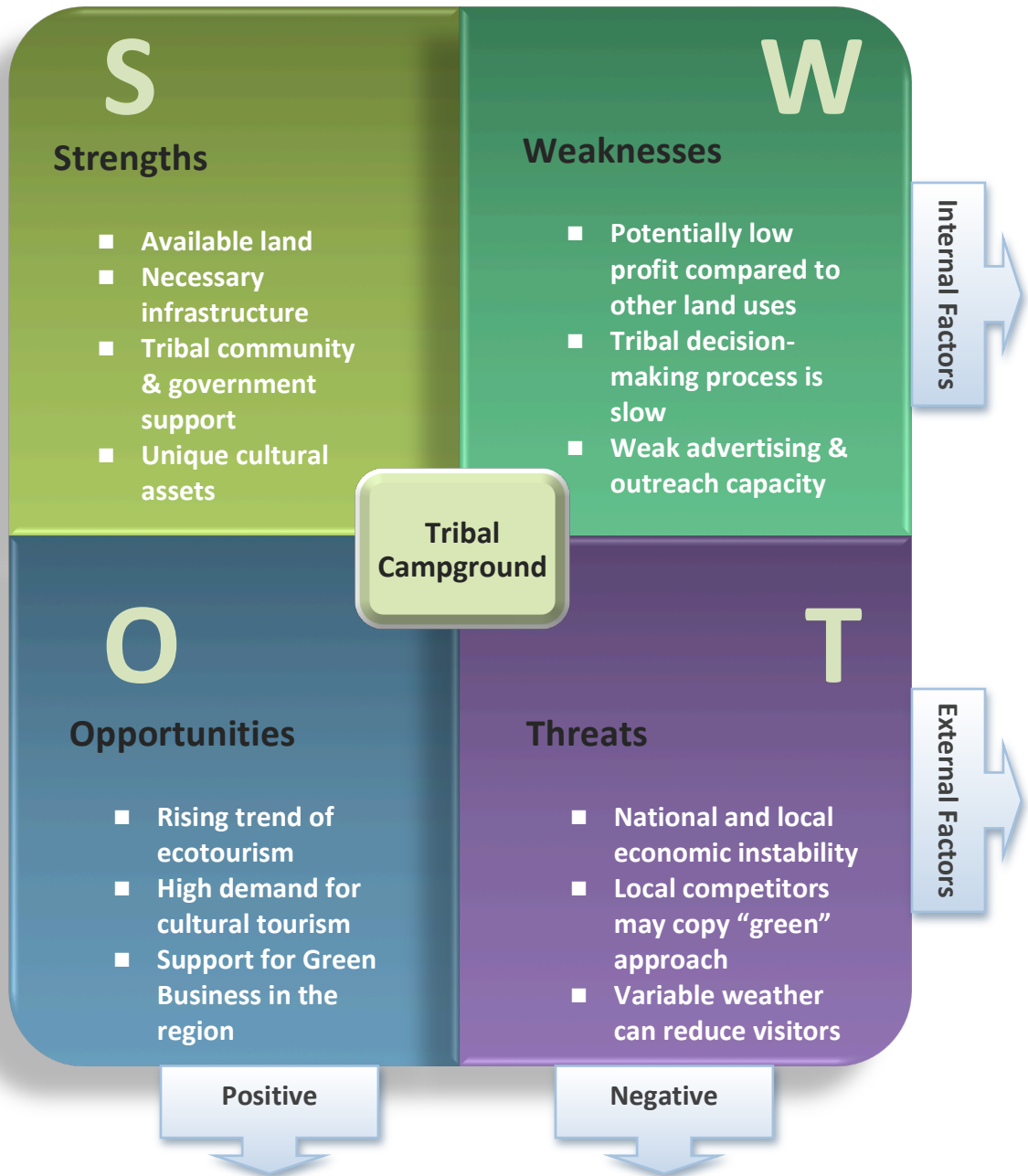
- What you do well/badly/need to improve,
- Patents, trademarks, intellectual property,
- Your market position, image, brand awareness,
- Your balance sheet and financial stability,
- Your ability to raise capital,
- Leadership credibility,
- Your longevity, track record of success, and
- Innovative culture

In contrast, Opportunities and Threats are governed by the environment around you and include the following. It is important to remember that what impacts you may also impact your competitors – for better or worse.

| EXTERNAL FACTORS THAT CAN IMPACT YOUR BUSINESS: OPPORTUNITIES AND THREATS | | | | |
|--|------------------------------------|--------------------------|--|--------------------------------------|
| Social | Technological | Economic | Environmental | Political/Legal |
| Demographic shifts | Changing/new technology | Macroeconomic conditions | Good or bad weather | New laws or regulations |
| Cultural changes | Changing communications capability | Consumer income | Changing climate | Changes in political administrations |
| Values changes | New access to information | Recession | Manmade infrastructure (e.g., dams, etc) | Changes in political perspectives |

To better understand the SWOT process, the next page includes an abbreviated analysis for a Tribal campground business, followed by a SWOT exercise that you can use to assess you Tribal business concept.

SWOT Analysis: Tribal Campground



SWOT Analysis Grid

Exercise 4: Work together or break into teams and prepare a SWOT on your business concept. When you are finished, examine your situation. Do your strengths and opportunities outnumber your weaknesses and threats? Are there weaknesses or threats that are insurmountable or can they be resolved? What does your SWOT tell you about your business idea?

| TRIBAL BUSINESS SWOT ANALYSIS | |
|--|--|
| BUSINESS CONCEPT: | |
| Strengths (Internal, within your control) <ul style="list-style-type: none"> ▪ What do you do well? ▪ What unique resources do you have? ▪ How do others see your strengths? | Weaknesses (Internal, within your control) <ul style="list-style-type: none"> ▪ What could you improve? ▪ What are your weaknesses? ▪ Where do you lack resources? |
| | |
| Opportunities (External, beyond your control) <ul style="list-style-type: none"> ▪ What opportunities are available to you? ▪ Are there trends that work to your advantage? ▪ Do your strengths match the potential opportunities? | Threats (External, beyond your control) <ul style="list-style-type: none"> ▪ What threats could damage your business? ▪ What is your competition doing? ▪ Do your weaknesses expose you to specific threats? |
| | |

ASSUMPTIONS

What assumptions are you making that may affect the business? For instance, is the Tribe assuming that: certain legislation will remain in place, crucial resources (water, sunlight, transit, Tribal support) will always be available, or that important trends will continue (people prefer to purchase green energy, California will continue to expand its renewable portfolio)?

Evaluating and ranking your assumptions will help surface potential blind spots. Prioritizing, your weakest and strongest assumptions will point you to the most important areas for increased understanding and additional research.

The following is an abbreviated analysis of assumptions for the sighting of a grid scale solar installation on reclaimed mining land.

| TRIBAL BUSINESS ASSUMPTIONS | | | |
|---|------------|-----------|---|
| Grid Scale Solar Installation On The Johnson Reclaimed Mining Concession On Tribal Land | | | |
| Assumption | Importance | Certainty | Notes |
| Because of the need for energy, the financing will be available. | 10 | 6 | <i>We know there is significant interest but are unsure if funders are willing to allow for Tribal sovereignty on project decision-making.</i> |
| The tribal council will support this project. | 10 | 5 | <i>Green energy is in their Mission Statement but we haven't gained their approval yet. Right now the vote could be 50-50.</i> |
| There are no permits or regulations that will prevent us from succeeding. | 10 | 8 | <i>We have secured most permits but need to do more research on the regulations.</i> |
| The surrounding Tribal communities will support this effort. | 10 | 8 | <i>There are some members that are concerned about the impact on their view and the environment.</i> |
| The mine will provide us with the necessary grade maps. | 8 | 10 | <i>The mining staff has guaranteed use of the maps.</i> |
| The roads out to the solar sight will be improved within the year. | 7 | 8 | <i>Road improvements are scheduled but the funding may not be available. This is important but it will not stop the project. It may add to our costs.</i> |

Assumptions Grid

Exercise 5: What are your assumptions regarding the project and how important are they to your success?

- Using a scale of 1-10 (1 is low and 10 is high), rate how important the assumption is to seeing your idea through; using the same scale, rate how certain it is to be true.
- If an assumption is rated very important but not very certain, then that area probably needs more research. Generally additional research is needed around market identification, pricing, funding, competition, and operational assumptions.

| TRIBAL BUSINESS ASSUMPTIONS | | | |
|-----------------------------|------------|-----------|-------|
| BUSINESS CONCEPT: | | | |
| Assumption | Importance | Certainty | Notes |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

CUSTOMERS

A good first step to assess the viability of your business idea is to identify potential customers – people who you think would buy your product if asked, “Would you buy this product for this price from this Tribe now if it were available?” This is your initial target market.

Once you have identified these specific people, think about who they are. Some questions you should ask include the following:

- Why did you choose them?
- What are the attributes of your target market? (For example: Are they busy mothers, health-conscious eaters, young families, people off the energy grid?)
- How old are they, and what do they purchase?
- Are they accessible to you?
- Are there enough of them to support your business?

By understanding who your customers are, you will be able to determine which segments of the larger market you should pursue in order to attract customers to your product.

Target Market Segments for a Tribal Ecolodge

The box below describes the target market segments that were identified for a Tribal Ecolodge business. The Tribe’s research identified the types of people who would seek out an Ecolodge experience over a more standard bed and breakfast or hotel. Once they identified who would prefer their accommodation, they could research tourism statistics to determine if their target market would be large enough to support their business.

Tribal Ecolodge Market Segments

The Tribal Ecolodge targets all aspects of the ecotourism market including the nature-based, special interest, green building education, geotourism and voluntourism segments. While ecotourism and nature tourism share many of the same characteristics, they are not the same thing.

Ecotourism is based on the principles of environmental sustainability, protection of nature, and supporting the well being of local people while nature-based travel does not always adopt the principles and practices of ecotourism. While there is an overlap between the two, we believe the Ecolodge will benefit from targeting both segments.

From our research we have determined that Ecotourists and nature tourists are far more likely to select from a range of intimate, adventure-type accommodation, such as the proposed Ecolodge.

The Ecolodge will initially target customers from within the U.S., and will later expand to include international visitors and ecotourists. According to the San Diego Tourist and Convention Board, California visitors to San Diego are the largest origin market (43%). Arizona is the second largest market, with 12% of overnight visitor spending; other mountain states represent 9% of overnight visitor spending. International visitors represent 13% of visitor spending.

Developing a Customer Persona

To help with this effort, consider creating imaginary people who reflect your target market. Let's call them Personas. As an example, let's say one of your target audience types is an 18-21 year old female who likes river rafting, hiking, and organic food. You would come up with a name for this Persona along the lines of "Jane" and you would find an image of her to use in your planning. When you start making decisions about marketing strategies, you would check back to "Jane" as a filter to see if the strategy would reach her. Personas are important because they put a face on your customer and remove the tendency to think of yourself as the customer. In addition, it is not unusual to have multiple Personas for a product or service, who may require different marketing approaches.

Target Market Grid: Creating Personas

Exercise 6: *Who are your customers? In the left column below, identify three specific Personas, businesses or organizations that you know would purchase your product or service – your target market. In the right column, define their attributes. For example: who are they, where are they located, what are their purchasing patterns, will they come to you for your product or can you get it to them, etc?*

| TRIBAL BUSINESS TARGET MARKET | |
|-------------------------------|----------------------|
| BUSINESS CONCEPT: | |
| Customer | Target Market Traits |
| | |
| | |
| | |

FINAL THOUGHTS

Once you have finished the exercises above, explore in your own mind the implications and consequences of moving forward with the idea by asking:

“What will happen if I move ahead with this idea, over time and across stakeholders (Tribal Departments, Tribal members, impact on water consumption, etc.)? What are the consequences, good or bad, for the People (Tribe, employees, customers, the public), Planet (water, earth, wildlife), and Profit?”

Most importantly you must ask the following questions:

Is my business sustainable?

It is economically viable?

Does it protect the environment, support the Tribe and walk lightly on this earth?

Through exploration, analysis, and finding the balance between risk and reward, you will be able to make informed decisions about your new business venture and determine if your “idea is a good one”.

FURTHER RESEARCH

After completing the exercises above, you have now identified areas needing further research. Determine what additional information you need and where to find that information. Below are some useful websites for further research on sustainable business:

Ecopreneurist

Green Market Research in Six Easy Steps

<http://ecopreneurist.com/2008/07/19/green-market-research-in-six-easy-steps/>

Lifestyles of Health and Sustainability

Research shows that one in four adult Americans is part of this group—nearly 41 million people. These consumers are the future of your business and also the future of progressive social, environmental and economic change in this country. <http://www.lohas.com/about>

GreenBiz

GreenBiz Group provides balanced information, resources, and learning opportunities to help companies of all sizes and sectors integrate environmental responsibility into their operations in a manner that supports profitable business practices.

<http://www.greenbiz.com>

Google Insights

With Google Insights for Search, you can compare search volume patterns across specific regions, categories, time frames and properties.

<http://www.google.com/insights/search/>

TrendWatching

One of the world's leading consumer trends firms, delivering trends, insights and related hands-on innovations to over 160,000 business professionals in more than 180 countries.

<http://www.trendwatching.com>

APPENDIX

General Market Research Resources

U.S. Government Resources

U.S. Census Bureau

- [American Factfinder](#)
- [American Community Survey](#)
- [County and City Data Book](#)
- [County Business Patterns](#)
- [State and Metropolitan Area Databook](#)
- [State and County Quick Facts](#)
- [The U.S. Statistical Abstracts](#)
- [Survey of Business Owners](#)
- [Residential Finance Survey](#)
- [Housing Vacancies and Homeownership](#)
- [American Housing Survey](#)
- [Special Editions](#)

U.S. Bureau of Economic Analysis

- [Local Area Personal Income](#)

U.S. Bureau of Labor Statistics

- [Consumer Expenditure Survey](#)
- [American Time Use Survey](#)
- [Earnings by Demographics](#)
- [Occupational Employment Statistics](#)

Administration on Aging

- [Aging Statistics](#)

International

- [Export.gov](#)
- [OECD Factbook](#)
- [U.S. Commercial Service Marketing Library](#)
- [The World Bank Data](#)

General Business Plan Resources

Small Business Administration

- <http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/writing-business-plan>
- <http://www.sba.gov/content/templates-writing-business-plan>
- <http://web.sba.gov/busplantemplate/BizPlanStart.cfm#>

SCORE

- <http://www.score.org/resources/business-plans-financial-statements-template-gallery>