



THE HARVARD PROJECT ON AMERICAN INDIAN ECONOMIC DEVELOPMENT

John F. Kennedy School of Government • Harvard University

HONORING NATIONS: 2005 HONOREE

ONABEN: A Native American Business Network

The Confederated Tribes of Grand Ronde, Confederated Tribes of the Warm Springs Reservation, Confederated Tribes of Siletz Indians, Confederated Tribes of the Umatilla Indian Reservation, Cowlitz Indian Tribe, and Confederated Tribes of Colville Reservation

Contact:

11825 SW Greenburg Road, Suite B-3

Tigard, OR 97223-8460

Phone: 503-968-1500

www.onaben.org

Founded by a consortium of Native nations in the Pacific Northwest, ONABEN's mission is to increase self-reliance by promoting the development of tribal-citizen-owned small businesses and the diversification of reservation economies. ONABEN's programs provide financial counseling, business mentoring, links to tribal efforts, referrals to start-up financing, and access to a network of experienced teachers and business people. Its annual Trading at the River conference gathers together entrepreneurs, tribal leaders, and experts to trade information about small business development. Conference participants also make network connections that can assist entrepreneurs as they try to support themselves and their families while they also contribute to their nations' economies. As the ONABEN network continues to grow, its enormous value to both tribal citizens and its member nations grows as well.

Like many tribal nations throughout the U.S., the nations located in the Northwest region of the country continually seek ways to develop their reservation economies while helping to strengthen the tribal tax base, provide more private sector employment opportunities, and to alleviate longstanding poverty. Even as many tribally owned enterprises across the U.S. have provided employment and/or revenues for their owner governments for some time, some have been insufficient to sustain growing populations. For more than a decade, tribal leaders from the Northwest have recognized that a comprehensive economic development strategy requires a capacity to foster private businesses. Small businesses create two-thirds of the new jobs in the U.S. economy and are associated with higher incomes and wealth. Research from the Corporation for Enterprise Development indicates that small businesses can be a foundation for tribal economies, generating supplemental income or even the majority share of household income for significant numbers of American Indians. The ability of a tribal nation to promote private businesses and thereby create more jobs is crucial to keeping families and individuals from migrating out of the tribal borders and building/supporting a tribal economy.

The hurdles to growing a strong private tribal enterprise sector can be substantial. Informal tribal economies have been in continuous operation for some time, providing car repair, child care, crafts, and other goods and services easily produced by a single individual and filling a vital role in strengthening economic well-being. Making transitions from informal to more formal economic sectors is a need recognized by tribal governments. Small business development offers mechanisms for individual tribal citizens to leverage the successes of the informal sector into more stable family incomes, healthy private sectors, and more widespread employment and government tax revenue.

While the U.S. Small Business Administration (SBA), local community colleges via Small Business Development Centers (SBDCs), the National Center for American Indian Enterprise Development

(NCAIED), and other formal and informal institutions already were providing services to address the issue, limited success was experienced with some tribal nations in the Pacific Northwest. Whether agencies were unfamiliar with the political, cultural, and economic challenges particular to a reservation; were unable to provide a wide range of services for people with or without extensive business experience, or were not locally available, some tribes sought to create a new initiative to better serve their needs.

In 1991, the nations of Grand Ronde, Klamath, Siletz, and Warm Springs came together to form the Oregon Native American Business & Entrepreneurial Network (ONABEN) as a section 501(c)(3) nonprofit corporation. Since the original founding of ONABEN, other nations, such as the Umatilla, Chehalis, Colville, Makah, Yakama, and Hoopa have joined. Additionally, other Native nations from Washington, Idaho, and Northern California have worked with ONABEN to provide business development programs to their citizens. The mission of ONABEN is to enable Native Americans to realize dreams for a better quality of life through owning and operating a successful business. By focusing on the fact that Native small business owners have different needs than other small business owners, ONABEN is creating services, support, and training to develop and promote what they have termed "Indianpreneurship".

At a basic level, ONABEN is a network designed to function as a business development and training program. It signs a memorandum of understanding with small business development centers in each tribal nation, typically with tribal economic development departments. Dues collected from member nations are used to provide a core group of services. These dues cover about three percent of ONABEN's total budget. Although the memorandums of agreement differ slightly from member to member, the main services ONABEN offers include entrepreneur's classes, staff and trainer training, consulting to entrepreneurs, access to start-up financing, curriculum materials, and grant-administration support.

ONABEN also recruits and trains a central pool of contract faculty that centers can call upon. It solicits and manages federal, state, and philanthropic funding to complement tribal dues and to support the other ninety-seven percent of the budget. As a central clearinghouse, ONABEN helps to maintain and improve the quality of the tribal SBDC offerings. In return, the member nations commit to nominate a representative to the ONABEN board, support their own SBDCs with funding and personnel, and provide core SBDC support with items such as office space and administrative overhead.

ONABEN has been successful in developing the skills of Native small business owners because of a few key factors. These aspects are embodied in the design and application of ONABEN's services and include a focus on creating a strong network of business-to-business interactions and the development of a Native focused approach to entrepreneurship which strengthens how member nations assist and support small businesses.

Functioning as a network means that factors influencing small business success come from a multitude of activities and interactions large or small. It might be the ONABEN training program, a contact made at Trading at the River, a peer who critiqued a business plan in a group session, a Chamber of Commerce member proposing a sale, or a tribe's SBDC website support page that gets a business over critical hurdles. The member businesses benefit ONABEN just as much as ONABEN benefits its clientele. The most obvious feature of the network is Trading at the River, an annual conference that gathers entrepreneurs, tribal leaders, and experts to share notes about and experiences in small business development. More than just a technical assistance conference, Trading at the River explicitly opens conversations about culture, discussing such topics as whether entrepreneurship is compatible with Native culture. In addition, ONABEN explicitly promote standard business networking, and in the past even rewarded participants who traded knowledge and experience with dentalium shells. ONABEN was also instrumental in founding and supporting the Oregon Native American Chamber of Commerce and the Warm Springs Chamber of Commerce, groups that can advocate for privately owned business interests with tribal governments.

Like most networks, the value of ONABEN to its member nations and their constituent entrepreneurs

grows in value as the network grows in size. Tribal SBDCs and entrepreneurs share strong connections, allowing them to exchange ideas, staffs, contacts, and experiences. For example, one beginning entrepreneur and recent alumnus called ONABEN's main office with a question about getting started in the construction business. ONABEN referred them to an affiliated entrepreneur for business-to-business counseling or mentoring. The entrepreneur mentor took an interest in the fledgling company and even awarded it a subcontract. In the process of fulfilling the contract, the young company received coaching and benefited from the contractor's willingness to accept and help the start-up learn from its mistakes. In this case, the young company received not only the classroom knowledge and training from ONABEN, but more importantly it also connected with a customer who knew the difficult work of being a Native start-up company and was willing to act as a mentor.

ONABEN also understands both the common concerns of small business owners and the unique circumstances faced by Native entrepreneurs. Recognizing that most business development services did not address the holistic needs of Native entrepreneurs, ONABEN focused on growing small businesses with on-the-ground training, coaching, mentoring, and networking while working across a wide range of tribal conditions and levels of business sophistication. Needs vary widely from individual to individual, with some entrepreneurs needing millions of dollars in working capital and others needing help to open a spreadsheet. ONABEN can provide the smallest of Mom-and-Pop businesses with computer literacy training while also meeting the demands of a sophisticated 8(a) contractor that needs help with bank financing.

Recognizing that member nations struggle with a variety of complex factors apart from small business development, ONABEN's services also take into consideration the varying tribal government structures. It is able to support private enterprises while tribal governments are in a state of transition or help large, remote tribal nations with issues of unemployment, poverty, and social problems to develop the skills of their citizens by creating tailored services to support both long-standing businesses and enthusiastic newcomers. However, regardless of the tribal nation or their context, the greatest contributions of ONABEN are the enhanced self-confidence and pride gained by small business owners. These increase the ability of private entrepreneurs to sustain and maintain their small business through many challenges large and small.

While tribal ownership of enterprises is essential for many reasons, empowering the ownership of small businesses by tribal citizens is also a vital step in strengthening a tribal economy and enhancing tribal autonomy and self-sufficiency. Based on principals of self-determination, ONABEN's efforts to support small business ownership have resulted in increased income, expanded employment opportunities, and enhanced development of tribal human capital. In going beyond a policy statement of supporting private entrepreneurship, ONABEN demonstrates how an effective tribal consortium can meet local needs in shaping, growing, and sustaining the development of private enterprise in emerging tribal economies.

Lessons:

- Small business development centers working directly with private enterprises strengthen and promote economic development by supporting business operations. They also build networks for mentoring, business expansion, and market opportunities.
- Native owned businesses operating on and near reservations lands keep tribal dollars circulating in the community, while allowing for an influx of outside cash flow.
- Training and services targeted to specific tribal contexts better encourage small business development both for consumers and entrepreneurs.