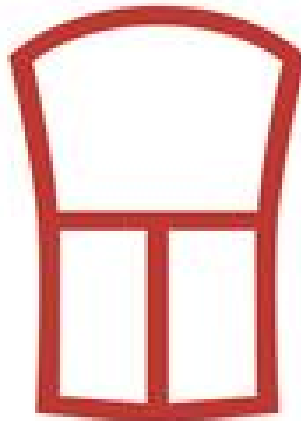


October 2011

# HAIDA ENTERPRISE CORPORATION



## HaiCo

# STRATEGIC PLAN

## 2011-2016

*As a business entity of the Haida Nation, HaiCo is committed to stewardship of its resources, in a manner that provides for future generations. Our focus is on building Haida enterprises that reflect Haida cultural values, creating careers and improving the lives of the Haida People and the economy of Haida Gwaii.*

*Our culture is born of respect, and intimacy with the  
land and sea and the air around us.*

*Like the forests,  
the roots of our people are intertwined such  
that the greatest troubles cannot overcome us.*

*The living generation accepts the responsibility to  
ensure that our heritage is passed on to  
following generations.*

*We owe our existence to Haida Gwaii*

## TABLE OF CONTENTS

1.0	Executive Summary .....	2
2.0	Introduction.....	2
2.1	CHN Expectations .....	4
2.2	Strategic Plan Process.....	6
3.0	Corporate Mission Statement, Vision, Principles and Values .....	7
3.1	Mission.....	7
3.2	Vision .....	7
3.3	Objectives .....	7
3.4	Principles.....	8
3.5	Values .....	8
3.6	Governance Structure.....	10
3.6.1	Limited Liability Partnerships.....	10
3.6.2	Operating Standards and Policies.....	11
4.0	Analysis.....	11
4.1	Where does HaiCo Need to be in 2016? .....	11
5.0	Goals and Priorities .....	12
5.1	Goal 1 - Employment and Career Creation.....	13
5.2	Goal 2 – Acquisition and Management of Resource Tenures .....	14
5.3	Goal 3 – Establish Corporate Capacity and Sustainability Assurance .....	14
5.4	Goal 4 – Create/Acquire Services and Enterprises Sustaining Haida Gwaii .....	15
6.0	Reporting Success.....	15
6.1	Objective Indicators of Expectations.....	16
6.2	Communications Plan .....	17
6.2.1	Communications Goals .....	17
6.2.2	Target Audiences .....	17

## 1.0 EXECUTIVE SUMMARY

HaiCo (the Haida Enterprise Corporation) is a new corporate entity of the Haida Nation, tasked with the management and operations of Haida businesses and the further development of a Haida economy. This first Strategic Plan for the period 2011 to 2016 is intended to clarify the mandate and provide the framework and general direction of the enterprise.

The Goals provide a broad statement on what the Strategic Plan is intended to accomplish, these are intended to be realistic and measureable and reflect short and long-term targets that will lead to strategies and the work plan.

The four goals identified in this Strategic Plan were developed from the Haida Independence Project document, CHN Letter of Expectations, and background materials provided by CHN:

***Goal 1 – HaiCo will generate revenue and provide meaningful employment and career opportunities for Haida People in the management and operations of HaiCo and subsidiary businesses.***

***Goal 2 – HaiCo will provide responsible management practices that always consider the land, waters, life forms and the culture in all enterprises.***

***Goal 3 – HaiCo will develop Haida management and operational capacity to ensure well managed, profitable and integrated businesses.***

***Goal 4 – HaiCo will focus on enterprises that are needed to produce a thriving, sustainable community that enhance the lives of people living on Haida Gwaii.***

## 2.0 INTRODUCTION

More than a hundred years of colonialism with its attendant diseases and devices, had essentially left the Haida Nation without an economy. In recent years, through necessary stands and legal actions that situation has started to reverse. Political success in land and resource matters provided the protection for land and culture, moving the relationship with the provincial Crown to reconciliation and joint management. This also provided the conditions to focus attention on the building of an economy for the Haida people.

The Haida House of Assembly approved the “Haida Independence Project” document and the creation of the Haida Enterprise Corporation (HaiCo) as a National Corporation to manage, develop and operate the business enterprises of the Haida Nation with the objective of developing a sustainable economy on Haida Gwaii with two specific goals:

- Generate revenue to attain financial independence
- Improve the quality of life for the collective benefit of the Haida people



*HAICO'S ENGLEFIELD BAY LODGE ON THE WEST COAST OF HAIDA GWAII*

HaiCo was assigned three principal objectives:

- To balance societal, environmental and economic interests of the Haida Nation
- To provide business and career opportunities for Haida people
- To generate increased revenue that will assist the Haida Nation in investing in future opportunities and benefits for the Haida people

The Haida Enterprise Corporation was incorporated under the BC Business Corporations Act on July 20, 2009 and the first Board meeting was held on December 6, 2010.



*HAIDA HOUSE AT TLAALL -A HAICO ECOTOURISM/CULTURAL LODGE ENTERPRISE*

## 2.1 CHN Expectations

The CHN provides the following mandate to HaiCo:

- In the conduct of its businesses, HaiCo will provide responsible, respectful management and stewardship where enterprises effect Haida Gwaii's lands, water and life forms
- HaiCo will conduct its operations and businesses within the bounds of approved Strategic and Business plans and this letter and will other otherwise seek further approval of the Shareholder.
- HaiCo will generate revenues for the Treasury of the Haida Nation for the benefit of the Haida people.



*HAICO DIRECTORS AND TAAN FOREST STAFF AT FERGUSON BAY DRYLAND LOG SORT-MASSETT INLET*

- Will set objectives to make HaiCo businesses Haida managed and operated, providing employment and career opportunities to the Haida people to the greatest extent possible.
- In cooperation with Haida and other entities HaiCo will build capacity for Haida people at all levels of the Corporation
- Where necessary, HaiCo will employ the best candidates available for the positions with the understanding that there will be succession planning and capacity building for all positions.
- Operation of its businesses in a socially, culturally, economically and environmentally responsible manner
- Commitment to a high standards of operations through independent certification of its products, through credible third party certification
- Capitalize on opportunities that arise from Haida negotiations to develop new business ventures.
- HaiCo and the CHN will develop formal protocols for use of profit revenues for reinvestment in new businesses.

In meeting CHN's performance expectations HaiCo will:

- Set a primary objective of moving HaiCo enterprises to Haida managed and operated businesses.
- Manage its business interests for the long term benefit of the Haida people focussed on creating careers and employment opportunities for greater family incomes.
- Create revenues to enhance the well-being of the Haida people.
- Establish fiscally responsible business policies, processes, mission statement, vision, and codes of conduct for Directors, officers and employees.
- Establish a thriving, diverse and sustainable economy on Haida Gwaii.
- Develop and maintain a Strategic Plan for HaiCo in cooperation with CHN that reflects Haida values, interests and expectations.



*HAICO'S WALTER'S COVE RESORT IN KYUQUOT SOUND, NORTHWEST VANCOUVER ISLAND*

- Be guided by principles of sustainability and following core operating elements:
  - Transparency
  - Efficiency
  - Clarity
  - Accountability
  - Fiscal discipline
  - Confidentiality
- Identify and manage risks through effective internal controls and provide timely reporting to the shareholder.
- Establish business development processes including new business checklists.
- Communicate proactively through newsletters, website and other media and ensure that processes for effective input from Haida people are established.

- Advertise all career and employment opportunities in a manner than reaches out to qualified Haida people.
- Work with Haida and other entities to implement capacity building and succession action plans.

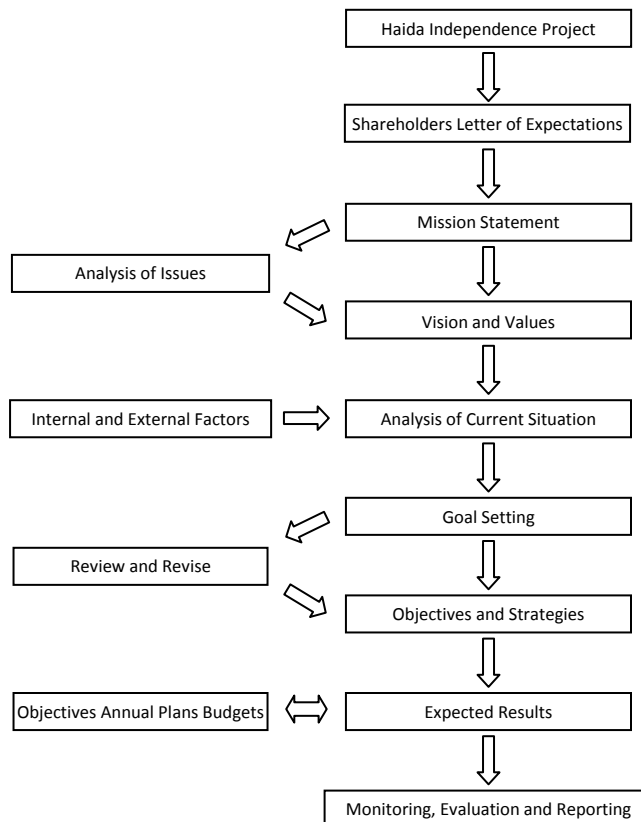
HaiCo will develop verifiable key performance indicators (KPIs) for each of the above expectations and report on their progress annually.



HAICO'S TAAN FOREST LOGGING IN CEDAR HEMLOCK STAND TFL 60

## 2.2 Strategic Plan Process

The following diagram illustrates the process for preparing this HaiCo Strategic Plan:





From the goals, corporate objectives and strategies are developed. These outline the direction and scope of the organization over the long term to achieve advantage for the corporation through its configuration of resources within a challenging environment to meet the needs of markets and to fulfill stakeholder and shareholder expectations.



*HAICO WILL HONOUR AND PROMOTE HAIDA CULTURE IN ITS OPERATIONS*

### 3.0 CORPORATE MISSION STATEMENT, VISION, PRINCIPLES AND VALUES

#### 3.1 Mission

To generate a diverse, functioning and sustainable economy on Haida Gwaii for the long term well-being of the Haida People and Haida Gwaii.

#### 3.2 Vision

A well-governed, diverse and financially successful group of Haida companies that is a model of stewardship, balancing the environmental, social, cultural and economic values upholding the pride of the Haida Nation.

#### 3.3 Objectives

- Sound Governance
- Long Term Financial Well Being
- Fiscal Prudence
- Creation of new careers and employment for Haida people
- Sound Stewardship and Recognition of Inherent Limit
- A safe and healthy working environment

### 3.4 Principles

The Haida have a well-established concept of respect referred to as **Yah'guudang** that encompasses all things and this concept is extended to HaiCo to:

- Ensure the condition, and the ability of the land and waters to function and provide for the long-term well-being of the Haida people for generations to come.
- Fair and transparent treatment of human resources.
- Respecting the Haida Nation's right to determine the use and management of Haida territories.
- Application of integrity, responsibility, prudence, and accountability to the use of funds, assets and resources.
- Corporate governance and operations, which is based within integrity, honesty, accountability, and openness.
- Respecting and upholding the Haida Nation's governance legislation, regulations, policies, processes, and decision-making.
- Appreciation for the contributions made by others that have supported and contributed to the establishment of HaiCo through business partnerships and agreements.



*HAICO'S TAAN FOREST LOGGING IN TFL 60 IN A 50 YEAR OLD SITKA SPRUCE STAND*

### 3.5 Values

HaiCo's values have been specified in the Letter of Expectations and background documents leading to its formation:

## Transparency

HaiCo will conduct its affairs in an open, frank, and candid manner without compromising its business objectives.



*HAICO'S HIPPA ISLAND FISHING LODGE ON WEST COAST OF HAIDA GWAIH*

## Efficiency

HaiCo will operate with the concept of producing the desired effects and results with a minimum of effort, expense or waste.

## Clarity

In all aspects of its operations HaiCo will act in an open and transparent manner with clarity of purpose and actions so that the Haida People have a clear understanding of the Board and staff decisions.

## Accountability

Policies and procedures in HaiCo governance will focus on ensuring that both the Board and staff are accountable and responsible for their decisions and subsequent actions including respect for the company's assets and financial well-being.

## Fiscal Discipline

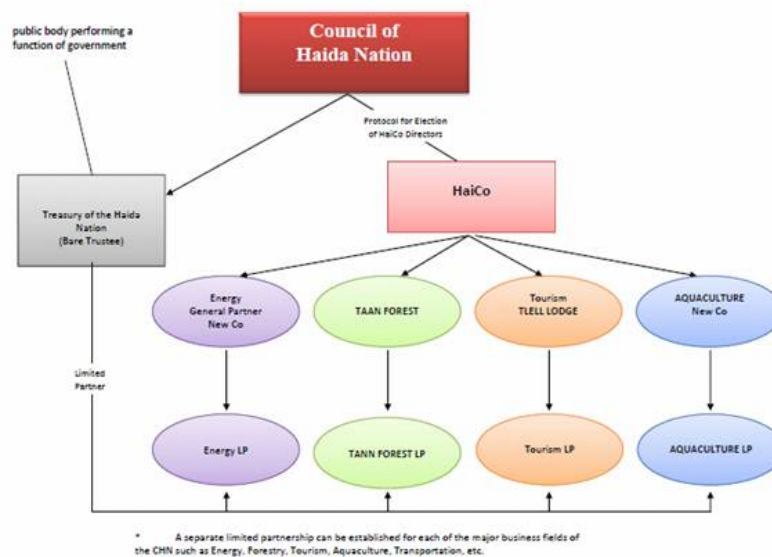
Board and staff development of budgets and financial forecasts of positive surplus of net profits from HaiCo's operations on a long term basis

## Confidentiality

Many elements of business decisions, including acquisition of new assets and engagement of staff require that certain objectives and facts remain confidential until final actions or decisions are taken. Organizational Structure

### 3.6 Governance Structure

HaiCo fits into the overall governance and operating structure of the Haida Nation while conducting its operations independent from the Council of the Haida Nation. The chart below illustrates the overall structure in which HaiCo operates.



#### 3.6.1 LIMITED LIABILITY PARTNERSHIPS

To minimize tax and liability HaiCo serves as the general partner to the Limited Partnerships. HaiCo will generate its own revenue to finance its operations by charging management fees to the various wholly owned subsidiaries.

This structure will result in the remission of 99.9% of net profits to the Haida Treasury for distribution or re-investment in HaiCo operations. The above example and diagram illustrates the situation with HaiCo's subsidiary company, Taan Forest Limited.

### 3.6.2 OPERATING STANDARDS AND POLICIES

HaiCo will be developing its own operating standards and policies in addition to those required by the Haida Nation, governments and certification bodies. As well as accountability the issue of safety and health policies affecting customers, employees and contractors will be a focus.



*ONE YEAR OLD SCALLOPS PLANNED FOR HAICO AQUA FARMS IN HAIDA GWAII*

## 4.0 ANALYSIS

### Where does HaiCo Need to be in 2016?

From 2011		To 2016
Managing Board	→	Governing Board, effective framework and policies
Limited Board Functioning	→	Board committees in place and active
Transition of Legacy Businesses	→	Well-functioning businesses
Startup businesses	→	Established effective and profitable businesses
Limited Management Capacity	→	Full Management Capacity
No joint venture businesses	→	Mix of wholly-owned and effective JVs
Businesses not meeting community needs	→	Businesses enhance Haida Gwaii life and living
Lack of Capital	→	Adequate Capital
Limited contract opportunities	→	Creating new contractors and Haida entrepreneurs
Haida People apprehensive	→	Full confidence of Haida People
Board-CHN relations developing	→	Accountabilities/responsibilities/independence
Limited job and career opportunities	→	Increase in career opportunities-entrepreneurial
Limited business/culture integration	→	Businesses reflect and promote Haida culture

Limited control of local businesses	→	Expansion into multi-business sectors
No integration between businesses	→	Central accounting, full integration of businesses, achieving synergies
Limited business control of Haida Gwaii tenures	→	Extensive control/ownership of local resource tenures
Limited capacity building/partnerships	→	Active partnerships and programs for capacity building.
No succession planning	→	Succession planning and mentorship at all levels
Limited communication with Haida people	→	Strategic and effective communication with all
Limited human resources development	→	Strategic and effective human resource development programs
No profits for business growth & distribution to Treasury	→	Generating significant profits for business and Treasury
Limited product processing	→	Optimum margin added to products and services
No market/sector recognition	→	Wide recognition/respect for successful businesses
Limited Independent result verification	→	Third party certification of all businesses/processes



*HAICO'S WHALE CHANNEL FISHING LODGE-NORTH CENTRAL MAINLAND COAST*

## 5.0 GOALS AND PRIORITIES

Strategic goals are broad business results that must be achieved over the next five years providing direction without being overly constrictive. Four primary goals are identified in the HaiCo strategic plan.



## 5.1 Goal 1 - Employment and Career Creation

***Goal 1 – HaiCo will generate revenue and provide meaningful employment and career opportunities for Haida People in the management and operations of HaiCo and subsidiary businesses***

### **Objectives:**

- a) employment and careers for Haida people
- b) Promoting Haida entrepreneurship in Haida Gwaii
- c) Capacity building and succession planning

HaiCo will prepare Capacity Development and Succession Plans through a four-pillar approach:

- Providing employment readiness training for those with multiple barriers to employment
- Supporting demand-driven labour market development and industry-specific training strategies
- Strengthening management, administrative and supervisory capacity as a key factor in succession planning including recruitment of a Skills Development Coordinator
- Strengthening , leadership development, business acumen and literacy including ability to create small businesses and new entrepreneurs willing to provide services to HaiCo



***HAICO'S LODGES AND HOTEL OPERATIONS CREATE SIGNIFICANT OPPORTUNITIES FOR MARKETING HAIDA ARTISANS' PRODUCTS AND HONOURING HAIDA CULTURE***

HaiCo will facilitate and encourage training for Haida and others in developing small businesses that can respond to HaiCo needs for contracting of supplies and services to meet its business needs.

- a) HaiCo and its subsidiaries will implement a *Haida Gwaii first* policy that promotes local purchasing and processing of HaiCo products creating local employment.
- b) HaiCo will continue to seek viable business opportunities that create jobs and careers for Haida people. HaiCo will undertake assessments of various businesses that fit into its corporate model as per Goal 4.

## 5.2 Goal 2 – Acquisition and Management of Resource Tenures

***Goal 2 – HaiCo will provide responsible management practices that always considers the land, waters, life forms and the culture in all enterprises.***

### **Objectives:**

- a) Increased beneficial returns from the Haida Gwaii natural resource base
- b) Ensure sound stewardship and management of HaiCo tenures and businesses

### **Strategies:**

- a) Acquire a significant component of local resource tenures with assistance of CHN and government as well as direct acquisition where financially viable.

## 5.3 Goal 3 – Establish Corporate Capacity and Sustainability Assurance

***Goal 3 – HaiCo will develop Haida management and operational capacity to ensure well managed, profitable and integrated businesses.***

### **Objectives:**

- a) Sound governance and management of HaiCo and its subsidiaries
- b) Operations supporting sustainable management

### **Strategies:**

- a) Develop a matrix of management positions and engage competent personnel including development of Haida capacity
- b) Establish an effective accountability system for HaiCo covering all aspects from Board governance to operations management
- c) Establish and implement health and safety programs for employees and contractors



- d) Achieve third party independent certification of the company's operations and business processes.



*HAICO'S SANDSPIT INN WILL BE INTEGRATED INTO ITS LODGE AND TOURISM OPERATIONS*

#### 5.4 Goal 4 – Create/Acquire Services and Enterprises Sustaining Haida Gwaii

***Goal 4 – HaiCo will focus on enterprises that are needed to produce a thriving, sustainable community that enhance the lives of people living on Haida Gwaii.***

**Objectives:**

- a) Improve the long term economy of Haida Gwaii
- b) Identify the elements and services necessary to support a sustainable community

**Strategic Priorities:**

- a) Benchmark indicators of Haida well-being to monitor progress
- b) Pursue new businesses supporting sustainable community

## 6.0 REPORTING SUCCESS

To address the CHN Letter of Expectations HaiCo has developed some initial verifiable key performance indicators for reporting to the CHN and the Haida House of Assembly.

## 6.1 Objective Indicators of Expectations

<b><i>Expectation</i></b>	<b><i>Indicator</i></b>
Creation of Haida Owned Businesses	HaiCo – number of HaiCo owned and Haida based businesses
Creation of Careers and Employment	FTE Haida employment in HaiCo enterprises and HaiCo contracts
Improving Family Incomes	Canada Census data-benchmarked
New Business Opportunities	Lists of businesses assessed
Sound Governance Policies	List Achievements
Creation of Diverse, Sustainable Economy	Benchmark Criteria and monitor
Utilization of Raw Materials	Margin added products/services
Strategic Plan Reflecting Haida Values	Approved Plan
Commitment to Sustainability	Achievement of Third party certification
Sound Risk Management	Risk Management Plan
Business Checklist Development/Use	Use of checklists to assess opportunities
Proactive effective communications	Polling-listing of activities undertaken
Advertising of job opportunities	Total New Jobs–Advertising list-Haida hired
Capacity Building and Succession Plans	Activities and Completed Plans for all positions

HaiCo will refine these indicators and commence reporting to the CHN in fiscal year 2012.



**HAICO'S ACQUISITION OF TREE FARM LICENSE 60 WILL PROVIDE SIGNIFICANT OPPORTUNITIES IN BOTH SECOND GROWTH AND OLD GROWTH FORESTS. TREE GROWING SITES ON HAIDA GWAIL ARE SOME OF THE MOST PRODUCTIVE IN CANADA**

## 6.2 Communications Plan

An important element and outcome of the strategic plan is a communications plan (CP) for HaiCo and its operations. HaiCo will be proactive in communications and ensure that stakeholders are able to provide constructive feedback to support continuous improvement of the corporation.

### 6.2.1 COMMUNICATIONS GOALS

There are several key goals of HaiCo's communications efforts:

- Promotion of business interests and services
- Meet shareholder expectations and progress reporting requirements
- Advertising job vacancies and contracting opportunities
- Maintain close communication with employees and contractors
- Communications in event of accidents, health and safety issues and other crisis events
- Communications with partners, suppliers
- Communicate to Haida people living in Haida Gwaii and elsewhere
- Keep general public informed on HaiCo developments

### 6.2.2 TARGET AUDIENCES

With the diversity of interests that HaiCo will need to communicate there are many target audiences with very different interests and objectives. A random initial listing is as follows:

- Customers for HaiCo Products and Services-marketing focus
- High end fishing experience and past WCR customers
- Eco-Cultural tourism customers
- Foreign and domestic log and lumber customers
- Seafood buyers in the wholesale trade
- Shareholders and Haida Leadership Employees and contractors
- Suppliers and co-operators
- Existing and potential partners/joint ventures
- Job Seekers and contractors

- Haida people on Haida Gwaii and elsewhere
- Young Haida facing career and education choices
- Key Decision-makers and HaiCo funders
- Financiers, capital providers, potential investors
- Creditors when HaiCo faces financial challenges
- General media when crises occur that are of public interest

