BRAND MEMBERTOU: WALKING IN TWO DIFFERENT WORLDS

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Bernd Christmas, CEO of Membertou First Nation near Sydney, NS, ponders some obstacles which he and his staff have encountered over the past number of years, in their quest to establish a strong brand and strong brand recognition for this First Nation community of 1100. They realize Membertou’s journey from a community with a massive operating deficit and escalating welfare costs, to one with budget surpluses and economic renewal has been seen as a model for First Nations development in Canada. It took determination and a vision by these community leaders, in the face of seemingly insurmountable odds, to bring the vision to life. Christmas knows that his most difficult challenge is to balance the competing and at times differing world views. He and his staff walk a very fine line to project a professional image to corporations while supporting their cultural integrity to Membertou residents. Christmas knows this on-going concern needs to be addressed as Membertou forges ahead with other development plans, business partnerships and the reinvestment of profits to meet community objectives.

Background

Membertou First Nation has a population of approximately 1100 residents (See Exhibit 1). This reserve was developed in 1915 and was originally located along a main artery, Kings Road in Sydney, Nova Scotia. Known then as the Kings Road Reserve, residents remained at this location until in 1916. Some citizens of Sydney did not want a Mi’kmaw community on the periphery of Sydney and by an order from the Exchequer Court of Canada the settlers were relocated to their current area.

During the past decade or so Membertou has undergone a dramatic change from a state of economic despair to one of economic prosperity. The key players in the successful economic development and branding of Membertou are CEO, Bernd Christmas and Chief Terry Paul. They have taken Membertou from its former position of financial hardship to its current situation as one of the most economically sound First Nation communities in Canada.

Membertou has become the first aboriginal community in Canada to become ISO 9001:2000 compliant. This designation has opened many doors for this small community and allowed Membertou to explore business opportunities in various industries that otherwise would not have been possible. This ISO standardization is recognized worldwide as the benchmark of quality management systems.

1 Acknowledgement, Nathan MacKinnon, Cape Breton University student researcher.
The establishment of Membertou’s Corporate Offices at Purdy’s Wharf Tower on the Halifax waterfront, projects a strong brand image for Membertou. Located on the 17th floor in this prestigious office building, Membertou is ready to do business. The CEO’s office in Membertou is located in an aging band administration office.

The Key Players

Bernd Christmas – Chief Executive Officer

Bernd Christmas has been CEO. Chief Terry Paul targeted Christmas as someone who could make a difference at Membertou and convinced him to take on this position in 1994-95. He was educated at York University’s Osgoode Law School and previously worked on Bay Street, Toronto with Lang Michener where he implemented the firm’s aboriginal law practice group and specialized in corporate/commercial and aboriginal law. He had a vision for Membertou, which could take the small Aboriginal community from economic despair to national leader in economic development and sustainability. From his past experiences, Christmas was accustomed to negotiating deals with government and business officials. He has been a key participant as one of the faces of Membertou for the media, always taking the “high road” to present a positive image of Membertou. Christmas says he has been conscious to present alternatives and potential collaborations rather than confrontation on issues of importance to Membertou. There has been a clear goal to brand Membertou as a First Nation Community ready to solidify partnerships with government and business.

Chief Terry Paul

Chief Paul has been recently re-elected Membertou’s Chief for the 21st year. The message that has been sent to Chief Paul from his community is clear- the redevelopment of Membertou is working and the community is supportive of his direction. Chief Paul is a corporate strategist dealing with government and business officials. He is the “face of the people” and key negotiator between Membertou, non-Aboriginal communities and federal, provincial and municipal governments. His vision for Membertou of self sufficiency has been at the core of the community’s journey towards economic prosperity.

Dan Christmas – Senior Advisor

Although Dan Christmas takes a less visible role in media relations, he is still a very skilled negotiator and bridges the gap between middle-management and the Aboriginal community. Christmas, originally from Membertou, is the Senior Advisor for non-Aboriginal
partners in government and business. Christmas also represents the Band on the Mi’kmaq Treaty Rights Committee, and serves on the Union of Nova Scotia Indians’ Technical Committee.

Chief and Band Council

Membertou’s Band is comprised of competent managers and residents of Membertou. The Band’s activities rest in the hands of the Chief and Council operate like a Board of Directors of a commercial organization (See Exhibit 2). There are divisional managers at Membertou who have assumed a problem-solving role. Band members are encouraged to consult these managers, using the Chief and Council as their last resort to resolve issues. The same Chief and Council have occupied most of these roles at Membertou for over twenty years.

Building the Brand

Divisions and Departments

Over the past number of years, the Band administration has developed thirteen departments. Most of these divisions operate under direct governance by the Chief and Council.

The Membertou Human Resource Department (HR)

This department was established in 2002 due to the rapid growth and the number of people employed within Membertou. HR is responsible for hiring, job posting and applications, overseeing payroll and managing all employees’ files. This department provides staff orientation and staff training (WHMIS, First Aid, Computer applications, etc.). HR has also conducted an employment/population survey and keeps records of employment statistics. This data will be used to assist Membertou in enhancing its services and employment opportunities.

Health Department

The Health Department (The Membertou Wellness Centre) was established to enhance the health services of Membertou. This centre is actively involved in addressing the health needs in the community. These concerns were discovered in the health needs assessment and include programs that address heart disease and hypertension, healthy weight programs, crisis prevention, wellness/mental health diabetes, reparatoriy, pre-natal and chronic disease.

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The Membertou Wellness Centre also organizes regular healthy lifestyles sessions, including prenatal care information sessions, diabetes education, smoking cessation, healthy bites cooking classes and more.

Education Department

The Membertou Education Department plays a very significant role within the community. Through Membertou’s own elementary school, valuable programs and services are offered that are not available elsewhere. The Membertou Education Department provides culture and conversational Mi’kmaw classes to the youth, offers state of the art technology such as laptops for all children, hosts after school homework clubs and other extra curricular activities.

Membertou’s Cap Site Program offers online computer skills enhancement programs, cyber camps for children, aboriginal small business information kiosk, and is available to anyone to simply browse the net, check emails and to assist with homework and school projects.

In the fall of 2005 Membertou opened a $275,000 youth centre. This facility is dedicated to the encouragement of cultural, academic, social and recreational programs to youth. The Membertou Youth Centre will support Membertou’s long term goals of promoting active, educational and cultural activities to the future of Membertou.

Finance Department

Over the past eleven years, Membertou’s budget has grown exponentially from $4 million to $65 million today. The Finance Department manages Membertou’s entire $65 million dollar budget and oversees all expenditures which include administration and government programs, capital projects and economic development.

Social Services Department

The Membertou Social Services Department has been working hard to change the norms of social spending in Membertou. The number of community members requiring social services funds has dramatically decreased. A program entitled, Social Training Assistance Initiative Reinvestment Strategy (STAIRS) has enabled social clients to access education and training programs by private and public. This program has been recognized as one of the “best practices” model by other First Nation communities for social reform and reinvestment. Since 2002, 75% of STAIRS clients have successfully completed training and have entered into the workforce.

Public Works Department

The Public Works Department's daily responsibilities include snow removal, grounds work, spring cleaning, and community safety. They also are responsible for the upkeep and repairs to most homes in the community, upgrades to Membertou owned buildings. This department’s duties also include the construction of new development, such as the Membertou
Trade and Convention Centre, gaming pavilions, new homes, roadway enhancement and parking lot upgrades.

Membertou Corporate Division (Halifax)

Membertou Corporate Division (See Exhibit 3) opened in 2000 and is located in a very prestigious office building at Purdy’s Wharf in Halifax, NS. The location of this office was an aggressive move by Membertou to pursue partnerships, joint ventures and new opportunities with government and the private sector. Such relationships formed to date are with Lockheed Martin Canada, Sodexo Canada, Clearwater Fine Foods, SNC Lavalin, Grant Thornton, Nova Scotia Community College, Jacques Whitford, Techlink Entertainment, Laurentian Group.

Two departments located at Membertou’s Corporate Office in Halifax are:

1) Membertou Quality Management Services (MQMS) which is uniquely qualified to help business to improve their management systems. Membertou was the first aboriginal government in the country to achieve ISO 9001:2000 standardization, and to benefit from its reputation (See Exhibit 4). The MQMS Division has been operational since 2003, and has been very successful in securing contracts with other aboriginal communities and organizations both locally and nationally.

2) Membertou Geomatics Consultants (MGC) provides GIS services, with access to several other corporate partners of the Membertou Corporate Division in technology and engineering fields. MGC has been involved with international land management projects such as the Jamaica Cadastral Conversion project, and local projects such the Wentworth Ski Hill and the community of Membertou. The MGC offers a range of services such as data capture, analysis & manipulation, community planning, photogrammetry and 3D visualization. MGC has now undertaken the development of a First Nation Community GIS. The system can incorporate information on community infrastructure, community planning, resource management, forestry and environmental issues, as well as cultural and legacy issues. It is designed as a decision making tool and an information platform for First Nation communities.

Revenue Generating Initiatives

Membertou Fisheries

This leading aboriginal seafood company has partnered with Clearwater Seafood’s, a global leader in the seafood business, to expand and develop its seafood interest in Atlantic Canada and beyond. This 50-50 profit split includes contract harvesting (ground fish, shell fish, tuna and swordfish) and branding of high quality Membertou-fished seafood products for the global market place. They have also partnered with Acadia First Nation in western Nova Scotia to harvest and brand scallops. Membertou Fisheries presently has a fleet of six vessels.
The Membertou Market

The Mi’kmaq Gas Bar and Convenience market is a food retailing and gas bar employing 50 people. It opened its doors in 2001 and has been serving 2000 customers per day. The market provides a 24 hour retail service and also houses a fast food outlet.

Membertou Gaming Commission

The Gaming Commission opened in 2002, with 5 gaming pavilions and operates 24 hours a day, 7 days a week. It employs approximately 50 people. Profits gained are used to assist the creation of new business at Membertou, for capital investments and dividends are distributed to all community members on a yearly basis.

Membertou Trade and Convention Centre (MTCC)

This, $7.2 million dollar, 47 thousand square foot meeting and convention facility was officially opened in October 2004. It houses state of the art technology, with video conferencing services, state of the art sound and lighting system, smart board technology, wireless internet, full catering availability, 24 hour on site security, and presents Mi’kmaw cultural features throughout the building.

Mescalero’s Open Grill Steak House

This 140 seat restaurant has been operational since November, 2004. Located in the Membertou Trade and Convention Centre, this restaurant served over 80,000 plates in the first six months of operation. Mescalero’s serves traditional Mi’kmaw foods, fresh Atlantic Seafood and other quality items unique to this restaurant which has quickly developed the reputation as one of Sydney’s finest dining establishments.

The Issue - Walking in Two Different Worlds

As the ideas for transformation of the Membertou First Nation began to take hold and be promulgated, the face of Membertou began to change. A series of new construction projects which are grouped together in the community presents a hugely different face to the outside and internal community than seen before the rapid development. There are some in Membertou who see the focus on business as not fitting with their Aboriginal culture while others see it as the biggest opportunity to celebrate and support culture and heritage. These two worlds come together increasingly as the development continues and even accelerates.

Membertou First Nation is one of the few First Nation Communities within an urban setting. Historically, the City of Sydney and Membertou have had a usually benign relationship. Residents of Membertou lived in their community, went to high school in Sydney and few
worked in their home community. How times have changed. One of the largest sustained commercial building booms in Sydney has been in Membertou, which is removed from the downtown of Sydney and more than 500 of Membertou’s 1100 residents now work for Membertou’s businesses and operations. There are the beginning signs of affluence taking root in Membertou which has some residents of Sydney looking with jealousy towards the development while others celebrate the success. The rules of engagement of these two worlds have changed and continue to be rewritten.

When Mr. Christmas first began his discussions and negotiations with corporate Canada and the multinationals, many found the notion of aboriginal business development unexpected and even alien. The decision to pursue and obtain the ISO 9001 rating was a clear attempt to speak the language of business. Membertou was clear with its messaging; we are open for business, we are professional, we are accountable and our two worlds are compatible.

The attitudinal change among local Aboriginal and non-Aboriginal residents presents mixed feelings. Some embrace the economic changes happening in the community, while others are more skeptical. To date, the branding image has developed to deliver the same message to these three publics. Do you agree?

A Turn of Events

On July 18, 2006, the front page headline of the Cape Breton Post, in bold type, announced, “Membertou, CEO part company” Bernd Christmas stated there were philosophical differences on plans for further growth and development and that his resignation is effective September 1, 2006. Chief Paul was emotional in his public thank you to Mr. Christmas and thanked him effusively for his contribution to the community growth. What is the effect on Brand Membertou by Bernd Christmas’s departure?
**Exhibit 1**

**Membertou**  
**Age Distribution Chart**

<table>
<thead>
<tr>
<th>Age Characteristics of the Aboriginal Identity Population</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total - All persons ((^3))</td>
<td>595</td>
<td>295</td>
<td>300</td>
<td>17,015</td>
<td>8,320</td>
<td>8,695</td>
</tr>
<tr>
<td>Age 0-4</td>
<td>75</td>
<td>45</td>
<td>30</td>
<td>1,800</td>
<td>890</td>
<td>910</td>
</tr>
<tr>
<td>Age 5-14</td>
<td>160</td>
<td>90</td>
<td>65</td>
<td>3,610</td>
<td>1,775</td>
<td>1,835</td>
</tr>
<tr>
<td>Age 15-19</td>
<td>45</td>
<td>20</td>
<td>25</td>
<td>1,575</td>
<td>840</td>
<td>735</td>
</tr>
<tr>
<td>Age 20-24</td>
<td>40</td>
<td>15</td>
<td>20</td>
<td>1,425</td>
<td>660</td>
<td>770</td>
</tr>
<tr>
<td>Age 25-44</td>
<td>170</td>
<td>70</td>
<td>100</td>
<td>5,185</td>
<td>2,495</td>
<td>2,685</td>
</tr>
<tr>
<td>Age 45-54</td>
<td>60</td>
<td>30</td>
<td>30</td>
<td>1,910</td>
<td>880</td>
<td>1,035</td>
</tr>
<tr>
<td>Age 55-64</td>
<td>30</td>
<td>15</td>
<td>15</td>
<td>835</td>
<td>425</td>
<td>410</td>
</tr>
<tr>
<td>Age 65-74</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>445</td>
<td>235</td>
<td>205</td>
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<tr>
<td>Age 75-84</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>190</td>
<td>110</td>
<td>85</td>
</tr>
<tr>
<td>Age 85 and over</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>35</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Median age of the Aboriginal identity population</td>
<td>23.3</td>
<td>18.5</td>
<td>26.1</td>
<td>25.3</td>
<td>25.0</td>
<td>25.6</td>
</tr>
<tr>
<td>% of the Aboriginal identity population ages 15 and over</td>
<td>61.3</td>
<td>54.2</td>
<td>68.3</td>
<td>68.2</td>
<td>68.0</td>
<td>68.4</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, 2001 Aboriginal Population Profile

http://www12.statcan.ca/english/profil01ab/Details/details1pop.cfm?SEARCH=BEGINS&PSGC=12&SGC=1217008&A=&LANG=E&Province=12&PlaceName=Membertou%2028B&CSDNAME=Membertou%2028B&CMA=&SEARCH=BEGINS&DataType=1&TypeNameE=Indian%20Reserve%202D%20R%E9serve%20indienne&ID=2699 , Retrieved June 12, 2006.
Exhibit 2
Membertou Band Office Organizational Chart

- Human Resource Department
- Health Department
- Education Department
- Finance Department
- Social Services Department
- Public Works Department
- Membertou Corporate Division
- Membertou Fisheries
- Membertou Market
- Membertou Gaming Commission
- Membertou Trade & Convention Centre
- Mescalero’s Open Grill Steak House
Exhibit 3
Membertou Corporate Division
Organizational Chart

Chief Terry Paul
&
Band Council

Dan Christmas
Senior Advisor

CEO

Membertou Quality
Management Services

Membertou Geomatics
Consultants
Exhibit 4
Membertou Quality Policy

The Quality Policy will organize the departments of Membertou to deliver their services to the community members through the Director’s meetings. Membertou is committed to comply with the requirements and continually improve the effectiveness of the quality management system. At the regular meetings the effectiveness and suitability of the quality objectives and the quality management system will be reviewed.

The Quality Management System will be communicated and understood within the organization.

Source: Quality Management Services Division, October 25, 2004
ISO – 9001:2000
Case Synopsis

Membertou First Nation near Sydney, NS, has encountered several obstacles over the past number of years, in the attempt to establish a strong brand and strong brand recognition for this First Nation community of 1100. Membertou’s journey from a community with a massive operating deficit and escalating welfare costs, to one with budget surpluses and economic renewal has been seen as a model for First Nations development in Canada. It took determination and a vision by community leaders, in the face of seemingly insurmountable odds, to bring the vision to life. The most difficult challenge is to balance the competing and at times differing world views. It is a very fine line to project a professional image to corporations while supporting the cultural integrity of Membertou residents. This on-going concern needs to be addressed as Membertou forges ahead with other development plans, business partnerships and the reinvestment of profits to meet community objectives.

Teaching Objectives

1. To increase knowledge about branding and brand image
2. To increase knowledge about leadership succession planning
3. To understand unique obstacles to be faced when conducting business in an Aboriginal community
4. To have a better understanding of the “chain of command” in an Aboriginal Corporation

Suggested Courses

This case was written to be used in a marketing course, from the undergraduate to the graduate level. It could also be incorporated into post secondary Aboriginal studies as the case is unique in providing insight into branding and economic development at a Cape Breton First Nation community.

Some of the concepts that could be introduced through the use of this case may include: branding and brand image, organizational growth, succession planning, management issues, promotional tools, leadership styles.

Immediate Issues

1. Narrowing the gap between the corporate and “home based” levels of management
2. Improve marketing efforts to present a professional impression at Membertou
3. Improve business relations with local Mi’maq residents
4. Succession planning
Basic Issues

1. Communication
2. Management Planning
3. Branding Issues

Suggested Student Assignment

1. If you were a senior administrator at Membertou First Nation, how would you balance the three publics?
2. The CEO recognized the need to present a local professional image for Membertou. How would you go about developing such an image?
3. Develop a succession plan for Bernd Christmas and Terry Paul.

Responses to the Suggested Student Assignment

1. To balance the two worlds
   - Keep local residents apprised of decisions made at the Corporate office
   - Chief Terrance Paul should have an office at Purdy’s Wharf to be involved in direct decision making at the corporate level. This may ensure better acceptance of corporate decisions by local residents.
   - Change local attitude about future job prospects and importance of education

2. Professional Image
   - The CEO should occupy an office in the newly built Membertou Trade and Convention Centre to conduct local business dealings
   - Improve road conditions and surrounding area at Membertou
   - Target and attract local service and business clubs
   - Develop a local awareness advertising plan

3. Succession Plan
   - Have someone “second in command” with similar credentials as were identified for Bernd Christmas
   - Provide training for those presently in management (i.e. Dan Christmas) to take over leadership position if needed.