

## Benefits from the December 1, 2011 Business Exchange Day – Summary of the Study

The Secretariat to the Cree Nation – Abitibi-Témiscamingue Economic Alliance commissioned AECOM to conduct a quantitative and qualitative assessment of the benefits from the Business Exchange Day held December 1, 2011 in Val d'Or. As in previous years, the Business Exchange Day brought together businesses<sup>1</sup> owned by First Peoples<sup>2</sup> (primarily Cree) and businesses located in Abitibi-Témiscamingue and the municipalities of Lebel-sur-Quévillon and Matagami (hereafter "the Region").

Participants at the Business Exchange Day were surveyed between May 28 and August 21, 2012, to assess benefits from the event. A total of 95 Region businesses and 30 First Peoples businesses responded to the survey, for participation rates of 84% and 63% respectively. Region respondents represented all RCMs in Abitibi-Témiscamingue (primarily Vallée-de-l'Or, followed by Rouyn-Noranda). Businesses from 8 of the 10 Eeyou Istchee Cree communities participated in the survey, with higher participation rates by Mistissini and Waskaganish businesses.

### Number of survey respondents - 2012

	Region	First Peoples
Number of businesses that attended the Business Exchange Day	113	48
Number of businesses that responded to the survey	95	30
Survey participation rate	84%	63%

Source: AECOM

Region respondents represented the following sectors: professional, scientific and technical services (19%), construction (14%), mining and forestry, wholesale trade and development agencies. First Peoples respondents included 10 construction companies (33%) and six community governments (20%).

### NETWORKING AND CONTACTS

Networking is clearly the main benefit of the Business Exchange Day, for both Region and First Peoples respondents. Several businesses reported that they were able to meet with existing clients and partners and others stated that the event was an opportunity to seek out new contacts. Many appreciated the fact that they could meet with a number of key stakeholders within a short period of time. For over half the participants, the Business Exchange Day was a chance to build on existing relationships, and for 75% of Region businesses and 87% of First Peoples businesses, the event provided an opportunity to establish new business relationships

### Key benefit of the Business Exchange Day - 2012

Benefits	Region	%	First Peoples	%
Networking or contacts	91	96%	25	83%
Contracts	8	8%	7	23%
Jobs / Training	5	5%	8	27%
None	0	0%	1	3%
<b>Total number of respondents</b>	<b>95</b>	<b>100%</b>	<b>30</b>	<b>100%</b>

Source: AECOM

<sup>1</sup> In this document, the term "business" includes commercial businesses, municipalities, Indian bands (within the meaning of the Act) and any other organizations that participated or could have participated in the Business Exchange Day.

<sup>2</sup> The expression "First Peoples" is used in this document to mean businesses owned by Eeyou Istchee or Ontario Cree and members of the Algonquin Nation.

The following comments are revealing:

*It is a big return for us. We are able to understand different networks and develop business strategy.*

*We met new suppliers and do business with them. We got new relations.*

*First we establish new relationships and then we build on them.*

## **JOBS AND TRAINING**

Most of the respondents reported that the Business Exchange Day did not have any impact on their employee numbers. However, according to 46% of Region businesses and 73% of First Peoples businesses, the event opened up new employment opportunities. Job creation depends on whether new contracts or agreements are signed. Four Region respondents and six First Peoples businesses stated that new jobs were created as a result of the Business Exchange Day.

The majority of Region businesses did not implement any training following the Business Exchange Day. Generally, those businesses that consider training important already had programs in place prior to the Business Exchange Day. However, some took advantage of the event to add participants to their training programs. A total of nine businesses reported that they trained between one and five employees; some reported training 10, one trained 30 and another, 140.

Training is very important to First Peoples businesses, and 73% of them reported that they organized training after the event. Half of them reported training for one to 30 persons.

## **CONTRACTS**

Most of the businesses that responded (75% of Region respondents and 90% of First Peoples respondents) reported that the Business Exchange Day mainly opened up opportunities for new business in the future.

It is still significant that 21% of Region businesses and 27% of First Peoples businesses reported that they had developed new business and, in similar percentages, that they had consolidated existing operations.

## **SALES FIGURES ASSOCIATED WITH CONTRACTS**

Of the Region businesses, 19 (20%) reported obtaining contracts in 2012 with an estimated value of \$9.4 million, which resulted partly from the Business Exchange Day. The actual figures are higher because 32% of respondents did not give amounts and of that number, some do a substantial amount of business with the Crees. Construction and wholesale businesses account for the largest percentage of the total amount, and consulting, mining and forestry and manufacturing businesses make up the remainder.

For 2013, 19 Region businesses forecast contracts totalling \$88 million, including one \$50 million contract and one \$25 million contract.

Of the First Peoples businesses, 12 (40%) reported contracts with an estimated value of \$9.8 million in 2012, resulting wholly or in part from the Business Exchange Day. Construction companies and Cree Nation agencies accounted for the largest contracts. While the total value is almost equal to the amount reported by Region businesses, the categories are not all the same.

Seven First Peoples businesses projected contracts totalling \$23 million for 2013.

In sum, for 2012, 31 Region and First Peoples businesses reported a total of \$19.2 million in contracts resulting in part from the Business Exchange Day. A portion of this total is accounted

for twice, because it is included in sales for both Region and First Peoples businesses. The projected total for 2013 is clearly higher at \$111 million, which includes two very large contracts.

Of the Region respondents, 29 (30%) reported that 10% or more of their sales are to Cree businesses, 9% reported that Algonquin businesses account for 10% or more of their sales and 9% reported that Inuit businesses account for 10% or more of their sales.

It is interesting to note that 11 Region businesses do business with the Crees, the Algonquin and the Inuit. The percentage of sales from business with the Crees is generally much higher.

Region respondents reported over \$60 million in sales to Cree businesses, close to \$10 million to Inuit businesses and over \$2 million to Algonquin businesses (see table below).

#### Region businesses – percentage of sales from partners - 2012

Percentage of sales	To Cree businesses	To Algonquin businesses	To Inuit businesses
50-100%	5	0	0
25-49%	7	1	1
15-24%	6	4	4
10%	11	4	3
1-8%	27	22	15
0%	20	44	53
Not applicable; Don't know; No answer	19	20	18
<b>Total</b>	<b>95</b>	<b>95</b>	<b>95</b>

Source: AECOM

Thirteen (13) Cree respondents reported sales to Abitibi-Témiscamingue businesses: for three of them, Abitibi-Témiscamingue accounts for 80% to 100% of their total sales, for seven that figure is 15% to 50% and for two it is 5%.

Three (3) Cree businesses reported sales to Algonquin businesses: for one, Algonquin businesses represent 33% of their sales; for another that figure is 20%; and for the third, 5%.

Six (6) Cree businesses reported sales to Inuit businesses: for one, Inuit businesses account for 100% of their sales; for another, 33%; for a third, 20%; and for the rest, 5%.

First Peoples businesses reported sales of \$27.4 million to Abitibi-Témiscamingue businesses; \$22.5 million to Inuit businesses; and \$2.5 million to Algonquin businesses.

#### PARTICIPATION AT THE NEXT BUSINESS EXCHANGE DAY

Approximately 60% of Region and First Peoples respondents stated that they will participate in the next Business Exchange Day organized by the Secretariat, and almost all of the remaining respondents said there is a 50% chance that they will attend. Only one person said they will not attend. These responses are an important indicator of the level of importance that both Region and First Peoples businesses attach to this activity, given the time required and expense incurred to attend.

The survey included the following question: “[Translation] If the Business Exchange Day had not been held, what difference would that have made for your company?” A large majority of respondents stated that the main difference would be networking. Both Region and First Peoples respondents indicated that the event is important because it allows them to establish contacts easily. Without such an event, it would not be possible to meet business decision-makers in the same location on the same day, and for Region companies interested in doing business in the North, making contacts would entail much greater effort and expense. They would have to invest

more time and money to travel to the Eeyou Istchee territory and meet with decision-makers. Also, without the event, some Region businesses would have no contact with First Peoples businesses. According to some respondents, “[Translation] we would not even know where to begin to establish contact with the communities.” The Business Exchange Day is also an opportunity to strengthen ties with Northern communities and provides Region businesses with visibility.

In all, 67 Region businesses (71%) reported that the Business Exchange Day made a positive difference. Only one participant, who was attending this type of event for the first time, said that he would not return for another business exchange. He was also the only one who responded “Don’t know” when asked if the Secretariat contributed to Northern development.

However, 13 Region businesses reported that the Business Exchange Day made no difference and 14 said it made little difference, for a total of 28% of participants. Some had already established relationships with First Peoples businesses and regularly visit the Eeyou Istchee territory to meet with their partners. Some respondents said that they derived no benefit at all from the event because it had no impact on their sales figures. However, they also indicated that the main benefit of the event was the opportunity to network. It should also be remembered that some organizations do not do business directly with Northern Quebec businesses, such as municipal governments.

Among First Peoples respondents, 24 reported positive impacts from the Business Exchange Day and five stated that the event made little or no difference.

### **THE SECRETARIAT’S CONTRIBUTION TO ECONOMIC DEVELOPMENT OF THE EYYOU ISTCHEE AND NORTHERN QUEBEC REGION**

Respondents were asked the following question: “[Translation] In your opinion, does the Secretariat contribute to the economic development of the Eeyou Istchee and Northern Quebec region?” Almost all answered yes. One participant said, “[Translation] I’ve known about the Secretariat for two years and my vision of the North and of the Crees has changed.” The activities organized by the Secretariat benefit everyone because business exchanges are so successful at opening markets and creating links. And in the words of one respondent, it is even too effective: “[Translation] It brings in competition”.

#### **Secretariat’s contribution to economic development of the Eeyou Istchee and Northern Quebec region – 2012**

<b>The Secretariat contributes</b>	<b>Region</b>	<b>%</b>	<b>First Peoples</b>	<b>%</b>
Yes	89	94%	29	97%
No	1	1%	0	0%
Don’t know	4	4%	1	3%
No answer	1	1%	0	0%
<b>Total</b>	<b>95</b>	<b>100%</b>	<b>30</b>	<b>100%</b>

Source: AECOM

### **IN SUMMARY**

The 2002 signing of the Paix des Braves (Agreement concerning a New Relationship between the Cree Nation and the Government of Quebec) opened up many opportunities for business development between Region and First Peoples businesses. These opportunities are based not only on geographic proximity, but also on the leaders’ understanding that it is in their economic interest to develop business relationships with the other region. The survey results clearly show that the Business Exchange Day participants share this vision and are striving to make it a reality.

**ECONOMIC BENEFITS FROM THE SECRETARIAT'S BUSINESS EXCHANGE DAY**

by Luc Blanchette, Economist, Service Canada

**Methodology**

- 95 representatives of regional businesses and 30 representatives of Aboriginal businesses responded to the survey, which was conducted six months after the December 1, 2011 Business Exchange Day.
- Businesses from all Abitibi-Témiscamingue RCMs responded, with Val d'Or accounting for the highest percentage of respondents. Representatives of eight Eeyou Istchee Cree communities responded to the survey.
- The businesses that reported the highest sales resulting partly from the Business Exchange Day are mainly in the construction, natural resources and wholesale and retail trade sectors. The highest rate of participation was by businesses in the professional, scientific and technical services sector.

**Qualitative benefits**

- The most significant economic benefits were in the area of business development, i.e., the strengthening of existing relationships and the development of new business contacts. In fact, 75% of regional businesses and 87% of Aboriginal businesses reported making new contacts or developing new business relationships.
- Regional businesses reported that they saved time and money by attending the Secretariat's Business Exchange Day, where buyers had an opportunity to meet vendors.
- Several Aboriginal businesses expressed satisfaction not only with the volume of business they obtained but also with the positive impacts of the resulting training for their employees. Indeed, 73% of Aboriginal businesses said they had trained employees as a result of the Business Exchange Day.

**Economic benefits**

- From a sales perspective, 20% of regional businesses obtained contracts with a minimum value of \$9.4 million in 2012 and \$88 million in 2013; 40% of Aboriginal businesses obtained contracts worth \$9.8 million in 2012 and 25% of them anticipate \$23 million in contracts for 2013. Actual sales figures are understated because several businesses did not report their sales figures.
- Most businesses reported stable job figures as a result of the event, and a minority said they had to increase their work force following the event. A high percentage (46% of regional businesses and 73% of Aboriginal businesses) stated that their employment numbers could go up if new agreements resulting in part from the Business Exchange Day were signed.
- Six months after the Business Exchange Day, 21% of regional businesses and 27% of Aboriginal businesses had developed new operations, and these percentages could grow to 75% and 90% respectively if the new contracts discussed at the event were signed.

Pinpointing a relationship between sales figures and the number of jobs created is risky, particularly given the extent of job consolidation. However, according to the survey respondents, the Business Exchange Day produced significant economic benefits, which in turn contributed to business development in the two regions involved.