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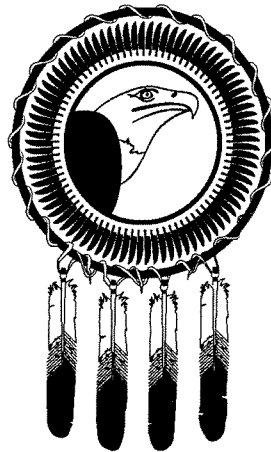
Strategic Analysis: A Practical Tool for Building Indian Nations

by

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PRS 98-10

April 1998



Harvard Project on
American Indian Economic Development

John F. Kennedy School of Government
Harvard University

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STRATEGIC ANALYSIS FOR NATIVE NATIONS

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Strategic Analysis for Native Nations

This instrument is designed to serve as an analytical tool for use by Indian nations, Indian-owned or -operated corporations or companies, Indian entrepreneurs, and other Native entities seeking to promote economic development in Native communities. It is not intended as a substitute for formal market analyses or feasibility studies or for a comprehensive strategic planning initiative. It is instead a relatively quick, self-administered, intermediate step designed to assist Indian entities in thinking through their situations and their options and in improving the quality of their economic decisions.

It is important to understand that this analysis cannot give you all the answers you need. Its purpose is to help you identify strengths and weaknesses as well as areas of opportunity and areas of concern. In a sense, its purpose is to show you where work needs to be done as you pursue sustainable, self-determined economic development.

- The analysis has six sections:
- I. Strategic Vision
 - II. Priorities and Concerns
 - III. External Environment
 - IV. Internal Environment
 - V. Assets
 - VI. Project Analysis

These may be completed independently of each other with the exception that the final section on Project Analysis depends to some extent on information in preceding sections.

Economic development may occur in many ways, from enhanced subsistence activities to retail development to manufacturing to extractive or service industry. It may take many forms, from tribally-owned enterprises to independent household or individual entrepreneurship to joint ventures with non-Indian operators. It may involve traditional activities or entirely new projects. This analysis makes no assumptions about what forms development should take. However, it does assume that decisions about economic development on Native lands should be made by Native nations and that development itself should be designed to meet the goals of the Native communities directly involved.

Note that in this document the terms "tribe" and "state" are meant to include what may be known as First Nations (or bands) and provinces in Canada.

Comments are welcome and may be sent to the Udall Center (see address on previous page) or to the Harvard Project on American Indian Economic Development, John F. Kennedy School of Government, Harvard University, 79 JFK St., Cambridge, MA 02138.

I. Strategic Vision

American Indian nations face many of the same dilemmas faced by sovereign peoples everywhere. Among other things, sovereign peoples have to decide what kind of society they are trying to build for themselves and for those who come after them. Although any strategic analysis ultimately has to answer some very concrete questions—what circumstances do we have to deal with, what resources do we have to work with, and what should we do?—it begins with two questions: who are we, and what are we trying to accomplish?

The first of these questions—*who are we?*—really refers to identifying the nation. This is an easy question for most Native peoples to answer, certainly in much of the United States where the federal government has recognized specific tribes. However, in parts of Alaska and in parts of Canada, and perhaps in a few cases in the lower forty-eight states of the United States, there are disputes between Native peoples and some non-Native authorities on this issue, and there sometimes are disputes within Native communities. It may not be easy to determine the appropriate Native group in whom authority is or should be vested. Is it a particular village or band? Is it the tribe? Is it an association of bands or of tribes? In short, who is the “self” in self-governance?

Answer the following questions as best you can:

Who is the “self” in self-governance in your case (e.g., the Oglala Sioux Tribe, the lower Kuskokwim villages, Cochiti Pueblo, etc.)? _____

Is your answer to this question likely to be disputed by outside authorities?

Yes _____ By whom? _____
No _____

Extensive research indicates that successful economic development in Native communities depends in part on *self-governance*. That in turn depends in part on being able to answer the first question above. This is probably easy. But if you find it is not easy, or if you expect that there will be differences of opinion among the members of the community over where the boundary of the nation is or should be, or if you expect that outside authorities (states, provinces, the federal government, etc.) will have a different view from yours, then there clearly is a fundamental issue here that needs to be resolved. We cannot resolve it with this instrument, but it should be high on your own agenda.

The second question—*what are we trying to accomplish?*—has to do with goals. Answer the following questions as best you can:

As you imagine your society twenty-five years from now, what do you hope will be different in the way your people live, work, interact with each other, and interact with the non-Native world around them? Identify at least four items that you hope will be different twenty-five years from now.

What in your society today do you hope will last? What do you hope will still be a characteristic of your society? Identify four things that you hope will still be part of the way your people live, work, interact with each other, or interact with the non-Native world around them twenty-five years from now.

What do you think are the most important positive changes that have taken place in your society in the last twenty-five years?

What are the most important negative changes that have taken place in your society in the last twenty-five years?

When you measure the changes that have occurred—positive and negative—against the vision you articulated in your answers to the first two questions, would you say that your community is moving forward (toward that vision) or moving backward (away from it)?

Forward _____
Backward _____
Why? _____

What kind of society are you trying to build for your children, their children, and all those who come after? Be specific:

Strategic visions can sound like dreams, but their purpose is very concrete. They give you a basis on which to consider choices. Does a particular development option or relationship or initiative move you closer to the society you want to build? Does it introduce positive changes? Does it reverse negative ones? Do your decisions reflect your long-term goals? How can you, as leaders, as policymakers, as managers, keep this vision in front of you as you deal with the pressures of day-to-day life?

II. Priorities and Concerns

Strategic vision is a source of broad, long-term guidelines for decision-making and policy. However, the task of achieving that vision involves establishing shorter-term priorities and identifying specific concerns. Knowing your priorities and concerns allows you to figure out which of the various options you have are most likely to achieve your goals.

A. Priorities

As you consider economic development or business activity, you may have a number of things in mind that you hope to accomplish or to produce. Among the possibilities are these (there may be others):

jobs for tribal members
increasing household income
tribal business ownership
provision of goods and services
stimulation of new businesses
strengthening sovereignty
strengthening indigenous culture

increasing tribal income
increasing tribal tax revenue
member business ownership
training and skills development
reducing dependence
long-term growth
a stronger public image

Which of these are most important to you or your community? List your top three priorities (you can include goals not on this list):

1. _____
2. _____
3. _____

If you are considering a specific project, which, if any, of these goals does it support?

Project 1 _____	Supports	_____
Project 2 _____	Supports	_____

B. Concerns

Most business activities have costs of one sort or another. Most also create change in the communities where they take place. These costs and changes sometimes raise concerns for the community or its members. For each of the following, indicate *the level of impact you are willing to accept*:

Indebtedness	Lots	Some	None
Environmental deterioration	Lots	Some	None
Natural resource depletion	Lots	Some	None
Social impacts			
presence of non-Indians	Lots	Some	None
disruption of cultural activities	Lots	Some	None
disruption of social relations	Lots	Some	None
Reductions in sovereignty	Lots	Some	None
Participation in certain economic sectors (specify which sectors, if any, are of concern—e.g., gaming, tourism, mining—and how much concern they raise)			
Sector _____	Lots	Some	None
Sector _____	Lots	Some	None

Other concerns _____

If you are considering a specific project, which, if any, of these concerns does it raise?

Project 1 _____ Concerns _____

Project 2 _____ Concerns _____

Again, the purpose of answering these questions is to help establish guidelines and criteria for decisionmaking. Some projects may raise concerns that are overshadowed by the benefits they produce—that is, by their ability to bring you closer to your goals. Others that have obvious benefits may also raise significant concerns that persuade you that they are not worth the price. But you have to ask these questions before you know what the trade-offs are. Knowing what the trade-offs are can help you decide which projects or directions or relationships make the most sense.

III. External Environment

The external environment consists of the economic and political/legal conditions under which the nation or entrepreneur has to operate. These conditions constrain or facilitate self-determined economic and business activity, making some activities impossible and making others more or less likely to succeed. Evaluating the external environment is a crucial part of strategic decision-making. It is a way of asking yourself, "what are we up against, and where do the opportunities lie?"

A. Political/Legal Conditions

DEGREE OF "DE FACTO" SOVEREIGNTY

Substantial research in the United States and around the world indicates that development controlled by outsiders seldom succeeds. Therefore, a critical question has to do with who actually controls many of the major decisions affecting the life of the community. "De facto" sovereignty simply means sovereignty in practice. The appropriate question is: regardless of what the law says, who *really* makes the decisions in tribal or community affairs?

In your community, who *really* calls the shots when it comes to (circle one for each line; if the answer is "Other," indicate who):

Land use within Native lands	Tribe	Feds	State	Other _____
Use of other natural resources (e.g., water, wildlife, subsurface)	Tribe	Feds	State	Other _____
Economic development strategy	Tribe	Feds	State	Other _____
Whether to start a tribal business	Tribe	Feds	State	Other _____
What tribal business to start	Tribe	Feds	State	Other _____
Use of tribal funds	Tribe	Feds	State	Other _____
Contracts between the tribe and non-Indian vendors or joint venture partners	Tribe	Feds	State	Other _____
Administration of social programs	Tribe	Feds	State	Other _____
Distribution of housing	Tribe	Feds	State	Other _____

If, in most cases, you circled "Tribe," then de facto sovereignty is high. If you didn't, de facto sovereignty is low. Considering how many of each you circled, and realizing that this may oversimplify a complex situation, how would you describe de facto sovereignty in your community? Would you say de facto sovereignty is (circle one):

High Medium Low

INTERGOVERNMENTAL RELATIONS

Intergovernmental relations are complex, vary, and may change. From a strategic point of view, the appropriate question has to do with whether tribal initiatives are likely to encounter support, opposition, or indifference from other governments.

At the risk of oversimplifying, how would you describe relations between the tribe or community and the federal government (circle one)?

Confrontational Cooperative Non-existent

How would you describe relations between the tribe or community and the state government (circle one)?

Confrontational Cooperative Non-existent

REGULATORY ISSUES

What regulatory advantages, if any, does your community have (for example, is the community free of certain state or federal taxes, environmental regulations, or other legal constraints that non-Native communities experience)?

The answers to these questions tell you something about your chances of success in economic development. To the extent that you are making decisions for yourselves, those chances rise. The most important reason is simple: When a tribe makes its own governing decisions, it pays the price of bad decisions and reaps the benefits of good ones. As a result of this discipline, the quality of decisions improves, enhancing the chances of successful development. These answers also tell you something about where you have comparative regulatory advantages, and this may help you make development choices.

B. Economic Conditions

MARKETS

Markets are for specific products or services. It makes sense to ask questions about the state of the market for a particular product or service. If you know what product or service you wish to offer, you may answer the following questions with that in mind. If you don't have a particular product or service in mind, answering these questions can still give you an overview of your market situation.

To the best of your ability, describe each of the following markets (circle "yes" or "no" or fill in the blanks):

The internal market (the community itself)

Significant in size	Yes	No	Specific mkt. needs _____
Accessible	Yes	No	
Has buying power	Yes	No	

Regional markets (nearby but outside the community)

Significant in size	Yes	No	Specific mkt. needs _____
Accessible	Yes	No	
Has buying power	Yes	No	

Distant markets (more than 100 miles away)

Significant in size	Yes	No	Specific mkt. needs _____
Accessible	Yes	No	
Has buying power	Yes	No	

If distant markets are inaccessible, is there any evidence that persons in those markets can be persuaded to come to you in search of a product or service (for example, eco-tourism, hunting/fishing)?

Yes No

If so, for what product(s) or service(s) _____

What export opportunities might you have in which distance to markets is of minor importance (for example, graphic design services, computing services, arts and crafts, herbal or other Native foods, etc.)?

Do you have evidence that there are, in fact, markets for such export products or services (circle one)?

Yes No Haven't looked into it

What reasons, if any, do you have for thinking that you can effectively compete in those markets?

SECTOR OUTLOOK

Before deciding to commit to a particular business activity, you probably will want to complete some kind of more detailed market analysis. A useful preliminary step, however, is to review what you already know or can easily find out about the sector (for example, tourism, timber, food processing, retailing, arts and crafts, etc.) that you are considering going into.

What sector(s) of the economy are you considering entering?

What is the current condition of that sector(s): growing, stagnant, or declining?

Sector _____	Condition _____
Sector _____	Condition _____
Sector _____	Condition _____

What is competition currently like in that sector(s): heavy (in which case it may be difficult to keep costs low enough to compete), or light (in which case there may be an opportunity for you to be a major player)?

Sector _____	Competition _____
Sector _____	Competition _____
Sector _____	Competition _____

If you do not know the current condition of the sector(s), how might you find out?

This quick-and-dirty survey of market conditions cannot substitute for detailed market or feasibility analysis, but it may indicate areas of economic activity that either make no sense or are promising. At the very least, when you consider a project, you will need to measure it against answers to these questions. If it still looks promising, you may want to move to a more sophisticated market analysis for that product, service, or activity—assuming you have the capability and financial resources to carry out such an analysis or can get it from someone else.

IV. Internal Environment

It is one thing to have sovereignty—it is another to be able to *exercise* it effectively. One of the crucial factors in economic development is the internal environment created by the governing institutions, politics, and culture of the nation or community. These form the environment in which potential investors—including tribal members—decide whether or not to bet their money, time, energy, or ideas on the future of the community. If that environment is unstable, highly politicized, or corrupt, investors will look elsewhere for opportunities. In particular, regardless of how much capital, education, or natural resources are available to you, without sound governing institutions, few businesses will last. Therefore, understanding the internal environment in which business has to operate is a key component of any strategic analysis.

A. Governing Institutions

For businesses to succeed and for lasting economic development to take root, governments have to provide certain things. Among these are:

- A stable institutional environment
- Separation of politics from business operations
- Effective and fair dispute resolution
- An administration that can get things done

STABILITY

When we talk about "investors" we mean not only those with dollars but anyone with energy, time, or ideas that they might be persuaded to bet on the future of the community. Few investors are willing to invest in unstable situations where the rules governing contracts, tribal obligations, personnel decisions, and so forth may change at any time and at any political whim. Instability in governing institutions has undermined economic development in many countries around the world.

Do you have a tribal constitution that specifies how tribal government is organized and operates (circle one)?

Yes No

If you do not operate under a written tribal constitution, what is the basis of tribal government (e.g., traditional government, corporate charter, etc.)

Other things equal, longer terms of office for tribal presidents and council members provide more stability in government than shorter terms do. What is the term of office for your chair or president (check one)?

Two years _____ Four years _____ Other (specify) _____

What is the term of office for members of your council (check one)?

Two years _____ Four years _____ Other (specify) _____

Other things equal, staggered terms of office for council members lead to more stability than terms that all expire at the same time. Do you have staggered terms of office for council members (circle one)?

Yes No

Where tribal presidents or councils control all appointments to tribal government jobs, there tends to be less stability (when the administration changes, more jobs change, and everyone has to consider the political consequences for them in every decision they make). Where at least some jobs are protected from turnover with each new administration, there tends to be more stability. Can a new president or chair in your government replace anybody in the administration if he or she wants to, or is the president or chair limited in the ability to replace people at will (check one)?

Can replace most people at will _____
Limited ability to replace people at will _____

The answers to these questions should indicate whether or not stability is a problem on your reservation. If it is a problem, they also should indicate some of the steps that need to be taken to create a more stable environment in which tribal members and other are more likely to invest time and energy and in which businesses are more likely to last.

SEPARATION OF POLITICS FROM BUSINESS OPERATIONS

Systematic research indicates that those businesses that are insulated somehow from political interference are four times as likely to be profitable as those where tribal governments play a significant role in day-to-day business operations.

Do the tribal president, chair, or members of the tribal council play a significant role in the day-to-day operations of tribally-owned businesses in your community?

Yes No

Can the managers of tribally-owned businesses make most hiring, firing, payroll, purchasing, marketing, and other day-to-day business decisions without checking with the tribal council or tribal president?

Yes No

Does the manager of your tribally-owned business report to a board of directors or to the tribal council / president (for each business indicate board or council/president)?

Business #1 _____
Business #2 _____
Business #3 _____

If the manager reports to a board of directors but the board of directors is made up largely of council members and the tribal president, then there is a high probability of political interference in business decisions. How many members of the board of directors are also either members of the tribal council or the tribal president?

Business #1	all of the board _____	Business #2	all of the board _____
	half the board _____		half the board _____
	only 1-2 _____		only 1-2 _____
	none _____		none _____
Business #3	all of the board _____		
	half the board _____		
	only 1-2 _____		
	none _____		

Separate charters for businesses can help insulate them from tribal politics. Do your tribally-owned enterprises have their own charters that specify how they are to operate and what their relationship to the tribe is?

Yes No

Cultural traditions that are still powerful enough to shut down corruption can help to insulate business from tribal politics. In your tribe, are there cultural constraints that *effectively* prevent the president or council members from introducing tribal politics into business operations, or from using business operations to enrich themselves?

Yes No

Generally speaking, would you say that political interference is or is not a significant problem in your tribally-owned enterprises (circle one)?

Is a significant problem Is not a significant problem

If you are the manager of a tribally-owned business, how much of a role would you say local political issues play in your decisions (check one)?

The primary role _____
A major role _____
Some role _____
Not much of a role _____

No role at all _____

If you are an entrepreneur running your own business on the reservation, how much would you say you have to worry—as a business person—about tribal politics (check one)?

Worry about it a lot _____

Worry about it a little _____

Don't worry about it _____

Answers to these questions should indicate whether or not political interference in the business arena is crippling economic development on your reservation. They also should indicate some of the places to start if interference *is* a problem and you want to change the situation. This doesn't mean that political decisions have no place in economic development. Strategic decisions about the long-term future, about the kinds of development the tribe wants to pursue, and about priorities and concerns belong in the hands of elected leaders and the community at large. But the day-to-day decisions involved in running a business belong in the hands of those with the training and experience to make them effectively.

FAIR ADJUDICATION OF DISPUTES

Fair, effective, and *non-politicized* dispute resolution is a critical component of lasting economic development and business success. It is important that those working for or with the tribe or its enterprises, or those operating businesses with tribal resources or on tribal lands, believe that they will be fairly treated in disputes with others, including disputes with the tribe or its leadership. In general, independent courts, in which it is not easy for the council to get rid of judges or to overrule their decisions, will much better serve economic development than council-controlled courts will.

For each of the next five questions, circle the answer that best describes your situation.

If you have a tribal court, is that court controlled by the tribal council or is it an independent body?

Council controlled

Independent

If judges are appointed by the council or the president, can they be easily removed by the council or the president?

Easy to remove

Difficult to remove

What is the length of judges' terms in office?

Two years

Four years

Other (specify) _____

Are judges' terms of office the same length as the terms of council members and the president or chair, or are they different in length?

Same as council/chair

Different from council/chair

What is the route of appeal?

To the council

To an independent appeals court

Generally speaking, courts that are independent, in which judges are difficult to remove, in which judges' terms of office are both long and different from those of the council or president, and in which appeal is to an independent appeals court instead of to the council or the president, will much better serve the development needs of the nation.

If you do not have a separate tribal court, do you use other means of adjudicating disputes among tribal members or between member-owned businesses and the tribe (check all that apply)?

Board of ethics _____
Traditional dispute resolution _____
Council serves as tribal court _____
State courts _____
Other (specify) _____

If you checked either board of ethics or traditional, are these mechanisms generally free of tribal political interference (circle one)?

Yes No

If you are running your own business, how confident are you that disputes between you and the tribe or its leadership will be fairly dealt with (check one)?

Very confident _____
Confident _____
Not very confident _____
Utterly discouraged _____

ADMINISTRATION

How would you describe morale in the tribal administration (check one)?

High _____ Medium _____ Low _____

When a new president or chair is elected, do most workers in tribal administration worry about being fired?

Yes No

If you are an entrepreneur running your own business, how would you describe the tribal administration (check one for each pair):

Helpful	_____	Unhelpful	_____
Efficient	_____	Inefficient	_____
Easy to deal with	_____	Difficult to deal with	_____

or: I have no dealings with the tribal administration _____

Are administrative procedures clear and consistent?

Yes No

SUMMARY

As you review your answers to the questions about governing institutions (all the questions in IV-A), would you describe the institutions in your community as

Stable (circle one)?	Yes	No
Fair (circle one)?	Yes	No
Effective (circle one)?	Yes	No

What, if anything, do you think needs to change to improve the governing institutions?

Research worldwide shows clearly that governing institutions are the foundation on which successful economic development has to be built. If governing institutions—on reservations as in countries—are characterized by instability, by political interference in business decisions, by politicized court decisions, or by an administration that cannot implement its own decisions and get things done, then all the resources and money and strategic thinking put into development are likely to be wasted. Sovereignty has to be exercised effectively if it is to lead to lasting benefits.

B. Politics

Most communities have disagreements about strategic direction, priorities, people, and other topics. There are two major issues from the point of view of economic development and business activity. Do disagreements tend to be about real issues or do they represent long-standing divisions within the community (as, for example, along family lines)? Do disagreements make the government incapable of effective decisions?

How would you describe politics in your community (check one)?

- Lots of conflict, very tense _____
- Sometimes there's conflict, sometimes not _____
- There are disagreements, but not a lot of serious conflict _____
- Everyone agrees about everything! _____

If there are major conflicts, would you say that they are the products of recent events or current issues and may change, or that they go back farther than anyone can remember and seem to be rooted in long-standing divisions (check one)?

- Products of recent events or current issues, may change _____
- Go way back, tied to long-standing divisions _____

Long-standing conflicts rooted in "ancient" events, disputes, or relationships are likely to be more difficult to manage than those that are tied to recent events or current issues.

When conflict arises within the community, does the community have effective ways of dealing with that conflict and deciding a course of action, or do politics often bring everything to a halt, immobilizing the tribe (check one)?

- We usually deal with conflict effectively _____
- We are often immobilized by internal conflicts _____

If political conflicts regularly immobilize the community, it may be that the political institutions themselves need to be changed. Some forms of government are more effective than others at dealing with conflict, and institutions that people believe in do better at managing societies than those people don't believe in.

C. Culture

Some people claim that Native cultures are obstacles to economic development. Our research suggests that some Native cultural practices may make some kinds of development more or less difficult. But the more important question is: does the development strategy chosen by the tribe or community fit the culture of the people? If there is a good fit, then (other things equal) the chances of successful development rise. If not, they drop.

The following questions may help you determine what kinds of development strategies fit your cultural situation.

Indian communities where primary allegiance among community members is to the tribe as a whole often are good candidates for large enterprises that require the centralization of resources and effort and that are closely identified with the tribe. Communities where primary allegiance among community members is to a district, band, clan, or other subgroup within the community often are better candidates for smaller-scale, locally-run enterprises or for cottage industry.

Where does primary allegiance lie in your community (check one)?

Tribe _____
District _____
Clan or other kinship group _____

Indian communities in which the culture supports hierarchical relationships in which some people have to tell other people what to do are often good candidates for large enterprises in which there are several levels of authority. In such communities, it is not a problem to have one member of the community (a boss) telling another what to do at work. Communities in which the culture resists hierarchies are often poor candidates for large enterprises that require multiple levels of authority.

Does your culture tolerate hierarchy (bosses telling workers what to do) (circle one)?

Yes No

Some Indian communities encourage individual initiative and success, and give high prestige to those individuals who step out of the crowd and build a record of individual achievement, including wealth. Such communities often are good candidates for retail enterprises, which demand high individual commitment to quality of service and market sensitivity, or for individual entrepreneurship more generally. Other Indian cultures are less individualistic, giving more prestige to those who subordinate their own interests to those of the community as a whole. Such communities often are better candidates for tribally-run enterprises.

How would you describe the culture of your community (check one)?

- More individualistic _____
- Somewhere between the two _____
- Less individualistic _____

Some Indian communities encourage relationships with outsiders, find it easy to work with outsiders (including non-Indians), or don't mind having outsiders around. Such communities may be good candidates for tourism, for retail operations that market to non-members, or for operations that involve a mixed member and non-member labor force. Other Indian communities are less tolerant of such relationships, find working with outsiders difficult, or don't like having outsiders around the community in large numbers. Such communities may not be good candidates for these kinds of enterprises, although they may be good candidates for gaming or for resort tourism in which outsiders are concentrated in a single and relatively small geographical area.

How would you describe the culture of your community (check one)?

- Insular (we generally don't like working with outsiders or having them around) _____
- Less insular (we really don't mind working with outsiders or having them around) _____

The answers to these questions should assist you in thinking about development options. Those that fit the cultural preferences of the community along the dimensions described in the questions above are more likely to succeed than those that don't.

V. Assets

By assets we refer to the human, cultural, financial, natural, and other resources that the nation or entrepreneur can contribute to economic development or to specific business activities.

CAPITAL

What funds, if any, does the tribe, community, or entrepreneur control that can be used for a business start-up?

What has to happen for those funds to be made available (e.g., council decision, shareholder decision, managerial decision, etc.)?

What other sources of capital are available or might be available to the tribe or community or to an entrepreneur within the community (e.g., is there a credit association that makes business loans, does the community have a good relationship with a bank, are there federal grant or loan programs that are applicable and that the community might qualify for)?

Other than the trust status of Native lands, are there other obstacles that may prevent the tribe or community from obtaining otherwise available funds?

Given your answers to these questions, how would you describe your capital situation?

Accessible capital (in tribe's hands)	High	Med	Low
Loan possibilities	High	Med	Low
Grant possibilities (bear in mind that there are very few grants to fund for-profit activities)	High	Med	Low

NATURAL RESOURCES

What natural resources does the tribe or community control that can be used in development or as the basis of a business?

What has to happen for those resources to be made available (e.g., land use planning board has to decide, clan has to give permission, council has to approve lease, etc.)?

PEOPLE

What, in general, is the educational level of the community (check one)?

- High (a lot of people have some college or professional training) _____
Medium (most adults are high school graduates) _____
Low (few adults are high school graduates) _____

What, in general, is the skill level of the community (check one)?

- High (a lot of people have worked in skilled jobs or know skilled crafts) _____
Medium (some people have worked in skilled jobs or know skilled crafts) _____
Low (few people have worked in skilled jobs or know skilled crafts) _____

Are there particular skills that are widespread in the community? If so, what are they?

Are there other characteristics, attributes, or qualities that you see in the people of the community or tribe that should be considered a community asset and that might help in economic development or in business activity? If so, what are they?

CULTURE

What cultural resources in the community or tribe may be marketable or otherwise useful in economic development (check all that apply)?

- Artistic or craft abilities _____
- Knowledge of the land or animals _____
- Dense kinship ties and other social relations _____
- Other (specify) _____

LOCATION

Are there reasons, other than the natural resources of the area, why your location may be important in economic development (e.g., a pipeline or railroad or important waterway crosses or will have to cross your land).

The answers to these questions should be useful in thinking about development strategies and in considering development proposals. What resources do you have to work with? Do you have the skills necessary to do the things you are considering? Could you train people in those skills? What advantages do your assets give you? What gaps do you need to fill?

Does it make sense for this
enterprise to be owned by the tribe
(public sector) or by an individual
entrepreneur (private sector)

Public

Private

System fit (is the fit with other
activities in the area good or bad?)

Good

Bad

If bad, why?

B. The Business Context

For each proposed project, answer the following questions as best you can:

Where's the market?

How big is it? (your best estimate)

What's the competition?

Given the size of the market,
would you say there is lots of
competition, some competition,
not much competition?

Lots

Some

Not much

What's the sector outlook?

Growing

Stable

Declining

C. Your Assets

For each project and to the best of your ability, estimate whether the assets you have are adequate *for this project*. Bear in mind that conditions may change over the life of the business (check in appropriate columns).

Assets	Adequate	Inadequate	Likely to Improve	Likely to Deteriorate
Natural resources				
Access to financial capital				
Skills				
Institutional foundation (do your governing institutions protect investments; are they stable; can they get things done?)				

What do you have that gives you a *competitive advantage* over others who are already in the same business or may enter it? (check as many as you think you have)

- | | | | |
|-------------------------------|-------|-------------------|-------|
| Experience | _____ | Access to market | _____ |
| Skills | _____ | Regulatory relief | _____ |
| Labor costs | _____ | Tax relief | _____ |
| Access to materials/resources | _____ | Culture | _____ |
| Other (specify) _____ | | | |

D. Cultural Considerations

Different kinds of enterprises work better using different kinds of organizational forms. For example, capital-intensive extractive industry (such as mining) tends to require large, centralized organization if it is to be efficient. Service-intensive retail operations, on the other hand, often work best on a smaller scale and with private (as opposed to tribal) ownership. But some of these forms work better in some cultures than in others. Other cultural considerations may include the presence of non-tribal members in positions of authority, the presence of non-tribal members on Native lands, and certain uses of natural resources.

For each project, answer the following questions as best you can.

Does the appropriate organizational form for this enterprise meet the cultural preferences of the community?

Scale (large vs. small)	Yes	No
Authority (centralized vs. decentralized)	Yes	No
Form of ownership (tribe vs. individual/family)	Yes	No
Will it require outsiders in management positions?	Yes	No
If yes, is this acceptable to people in the community?	Yes	No
Will it draw outsiders to the tribe's lands?	Yes	No
If yes, is this acceptable to people in the community?	Yes	No
In the view of the community is this likely to be an acceptable use of natural resources?	Yes	No

E. Strategic Priorities and Concerns

Which of the priorities you identified in Section II on Priorities and Concerns (see above) does this project support?

Which of the concerns you identified in Section II on Priorities and Concerns (see above) does this project raise?

F. Comparing Projects

On the final page of this instrument is a matrix that brings together the various pieces of the Project Analysis. It is intended to allow you to quickly and simply compare the various projects you are considering in terms of the questions you have answered in this section. The graph suffers from being compressed onto a single page (you can easily make up a more expansive version of it), but it can be used in the following manner.

1. Number the projects you are considering (1, 2, 3...).
2. Enter those numbers in the left-hand column (Project).
3. For each project, under each of the remaining columns enter a check *if the project looks promising* in terms of that column heading. Enter an **X** *if the project does not look promising* in terms of that column heading. In other words, enter a check (positive) if the project looks good in terms of (for example) skills or system fit or competitive advantage; enter an **X** (negative) if it does not.

4. Compare projects in terms of their overall profiles and in terms of which issues they raise for you or the community.

Note: This method gives equal weight to every consideration. You may wish to weight things differently. Also note that you can expand or reorganize this graph to provide you with more information or to add considerations that are not included here.

Project Selection Filter (PSF)

				Project	
				Initial Capital Investment	Enterprise Requirements
				Continuing Capital Needs	
				Skills	
				Infrastructure	
				Organizational Form	
				Ownership	
				System Fit	
				What Market	
				How Big?	
				Competition	
				Sector Outlook	
				Natural Resources	Tribal Assets
				Financial Capital Access	
				Competitive Advantage	
				Institutional Foundation	
				Skills	
				Organizational/Cultural Fit	Cultural Issues
				Outside Management	
				Draws Outsiders?	
				Acceptable Use?	
				Which Priorities?	Strategic Fit
				Which Concerns?	