

“Entrepreneurship is the opposite of being a victim.” These were the first words from Chad Smith, principal chief of Oklahoma’s Cherokee Nation, the second-largest tribe in America, after I finished my presentation to him on creating a more entrepreneurial economy across the tribe. Smith went on to underscore his point: “So I have a short answer and a long answer to the entrepreneurship programs you’ve been proposing. The short answer is, *We’re in!* And the long answer begins with the Cherokee’s ‘Trail of Tears’ back in 1838.”

years that I’ve been chairman of the Yavapai-Apache Nation.” The speaker was Jamie Fullmer, the young leader of the famous Arizona tribe that created and has managed the state’s top-rated gambling casino for eight years running. They are so good at starting up and running their own gaming businesses that they now have a consulting arm that advises other tribes on how to do the same.

So in just one week in March, I had the unforgettable experience of meeting with three visionary American Indian chiefs to overview the entrepreneur-

neers within their tribes—despite their historic communal culture—and extending that entrepreneurial spirit well beyond the borders of their own world.

At least part of their optimistic attitude comes from the recognition that for the first time in history, the best tool ever invented for creating individual and family prosperity is about to be instilled in their young people. These three chiefs have the will—and their tribes have the financial resources—to kick-start a new entrepreneurial age that can change many of their people’s lives forever. And to

Beyond Casinos

BY LARRY FARRELL



How American Indian tribes are working to create new businesses.

Thereupon, the chief of this fabled tribe gave me and the others in the room a history lesson of economic oppression and broken promises that I’ll never forget.

The next day, Gov. Bill Anoatubby, the leader of Oklahoma’s Chickasaw Nation and the chief architect of what is arguably the country’s most successful tribe at creating tribal-owned businesses, echoed those sentiments: “We’ve done well with creating tribal businesses, but now we need to create individually owned businesses. So let’s get started!”

At the end of the week of meeting with American Indians, I heard another similar response: “This is the best economic-development idea I’ve seen in the five

development projects we’re implementing in partnership with their respective tribes. Common to these three elected leaders—and their economic advisory teams, with whom we’ve been working—is their abiding commitment to the long-term economic development and prosperity of their people. They also share a profound determination not to squander the wealth that their hugely successful gaming businesses are currently generating. They all understand that the casino business is not, and should not be, the long-term answer to their nations’ economic well-being. Most interesting, even surprising, was their extreme enthusiasm for the notion of developing entrepre-

put it more bluntly, they are simply sick and tired of seeing American Indians at the bottom of the heap on most of the country’s key economic indicators.

Of course, trying to develop a more entrepreneurial economy is a very different proposition from the paternalistic welfare state that America’s indigenous population has suffered at the hands of the infamous Bureau of Indian Affairs and other government institutions set up to “help” the American Indian. The BIA’s bureaucratic paternalism, a grim reminder of its original purpose of relocating and controlling the tribes, has done nothing to inspire young Native Americans to participate in the wealth-

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entrepreneur

creating, free-enterprise system that most of us take for granted. As Neal McCaleb, Anoatubby's top economic adviser and a former BIA director, told me: "It was the worst three years of my life. Even for the Native American staff there, who may be very committed to the free-enterprise system, when they walk through the doors at BIA they all become just more government bureaucrats engulfed in a sea of policy-driven paternalism."

Needless to say, the upside potential for trying to create a more entrepreneurial economy is enormous, especially in areas of high unemployment. But it has to be done carefully, and the process has to cover every base. Here are the key components that I believe must be addressed in any community-based entrepreneur-development project:

Phase one: Involve the local leadership. The objective here is to both inform and inspire the community's key influencers—specifically, the government, business, financial, and educational (academic *and* vocational) leadership. We want to introduce them to the project's goals as well as gain their commitment to the project generally and the program participants specifically. In this regard, we seek to gain specific kinds of local and ongoing support, mentoring, and professional advice for the entrepreneur hopefuls graduating from the program.

Phase two: Inspire the potential entrepreneurs. High-profile promotion campaigns, announcing a series of entrepreneur expos or traveling road shows, are launched to reach the largest possible audience of potential entrepreneurs. There is no charge to attend these events, and everyone should be invited: currently employed managers, professionals, and workers in all fields; university students; high-school juniors and seniors; and even the unemployed. While all potential entrepreneurs are welcomed, special efforts should target applicants with interest in high-growth, high-technology, and high-job-creation markets of opportunity. The tribal-wide promotion campaigns can be re-scheduled periodically to ensure a

"You can't help your tribe if you're living in poverty yourself."

steady stream of entrepreneur applicants to join the program.

Phase three: Develop the entrepreneurs. All aspiring entrepreneurs are enrolled in an introductory training program to learn the basics. The goal is to give each the confidence and the basic skills to become a successful business owner. Participants will be helped to pick products and markets that carry the highest chance of success and match their individual interests and skills. They'll also be told about how to acquire further market knowledge and start-up financing, an area in which the tribes themselves can be very helpful. The end result is that all students will leave the training phase with their own start-up action plan. This phase also includes additional training at thirty- and ninety-day intervals to refresh their entrepreneurial skills and deal with any obstacles they've encountered—product, marketing, financial, legal, and so on.

"This is the kind of training our young people need to participate in the American dream," says Jay Hannah, who is chairman of Cherokee Nation Enterprises and whose day job is executive VP of Bankfirst, Oklahoma's third-largest bank. "Indian culture says our most important obligation is to help our tribe, but we've learned you can't help your tribe if you're living in poverty yourself."

Phase four: Provide ongoing support services. Critical to the graduates who make it through the education and train-

ing phase, this is where we can draw on the community leadership, enlisted earlier to provide such help—often in the form of pro-bono advice and purchased services. The kind of support most programs require ranges from a fully functional "incubator" site to start-up capital to ongoing mentoring support by experienced entrepreneurs in the community.

All four of these phases are required. In Arizona, Donna Nightpipe, head of the Yavapai-Apache Nation's small-business initiative, said it best: "Now I can see why we've not been so successful up to now. The tribe would give seed money to members who asked for it, and their businesses would fail. There was no leadership support, no education or training, no product or market expertise, and no follow-up. We just gave them the money and then watched them fail."

Chairman Fullmer, holder of three university degrees and part of the new generation of tribal leaders seeking to guide members to be successful beyond traditional tribal boundaries, concurred: "In the past, we'd send up these businesses all on their own, and they all came back down. That's not going to happen anymore."

Some critics may say these homegrown economic-development projects are doomed to failure. But knowledgeable supporters say the American Indian community is at a tipping point. The number-one challenge facing forward-thinking chiefs like Smith, Anoatubby, and Fullmer is how best to invest their enormous, newfound gaming profits for the long haul. Bill Largent, who runs the Small Business Administration's Office of Native American Affairs, is a fierce advocate of these entrepreneur-development projects and has a blunt answer to naysayers: "Of course it will be challenging. If it were easy, it would have been done a long time ago. But being challenging cannot be a reason for not trying an idea with such great promise." And I might add: Being challenged is nothing new to American Indians. If you want to learn about surviving tough challenges, just read up on the Trail of Tears. 🍌