

Oweesta (SAGE)⁵⁸ Collaborative, Great Plains Reservations

The Oweesta Collaborative Entrepreneurship Development System is a nine-member collaborative that is focused specifically on three Indian reservations in the Great Plains: the Pine Ridge and Cheyenne River reservations in South Dakota, and the Wind River Reservation in Wyoming. Pine Ridge and Cheyenne River, collectively, are home to five of the seven bands of the Lakota (Sioux) nation, while Wind River is home to members of the Eastern Shoshone and Northern Arapahoe tribes.

Context

The work of the Oweesta Collaborative takes place within the context of extreme and longstanding poverty, and social and economic disenfranchisement that exists on the three reservations. The reservations lack almost all the infrastructure required for enterprise and economic development: basic physical infrastructure, private banking institutions,⁵⁹ laws and codes that support private investment, economic development organizations, and government resources. In the latter case, tribal governments do exist, of course, but they were created and historically have functioned largely as a means for distributing government benefits and resources, not to support development. As tribal governments have moved to support enterprise, their approach typically has been to operate tribal businesses, not to create an environment that supports individual private enterprise. Furthermore, the U.S. government's treatment of these tribes – stripping away their land and other resources, providing grants and service to support subsistence which has created a culture of dependency, forbidding the practice of their traditional religion and the use of their language for many years – again has fostered a sense of helplessness and alienation. As a result, the rates of poverty, teenage pregnancy, and teen suicide in several of the counties on these reservations are among the highest in the nation. Further, while the Lakota and other Plains tribes have a strong history of entrepreneurship prior to reservation formation, and although many residents of the reservations engage in informal economic activity to generate income, within the current economic context there is a dearth of formal Native-owned businesses.

These three reservations are among the largest in the United States in terms of land area: Wind River with over 4,200 square miles is the fourth-largest in the country; Cheyenne River and Pine Ridge, each at around 3,500 square miles are the seventh- and eighth-largest respectively. The populations of the reservations are also relatively small; ranging from approximately 28,000 on Pine Ridge to around 9,600 on Cheyenne River.⁶⁰ As a result, population densities are quite low; in most cases below 3 people per square mile. Although poverty and unemployment are significant challenges on the reservations, out-migration is not an issue – and in fact, Shannon County, where the Pine Ridge reservation is primarily located, is one of the fastest-growing counties in South Dakota.

Structure and Strategy

The Oweesta Collaborative model took a very specific approach to supporting entrepreneurship on Native reservations that sought to:

⁵⁸ At the end of the grant period, the Oweesta Collaborative changed its name to the SAGE (Starting and Growing Entrepreneurs) Collaborative.

⁵⁹ For example, there are no banks on the Pine Ridge Reservation. A mobile bank visits one afternoon a week; otherwise residents drive 90 miles to Rapid City, or to other border communities, to do their banking.

⁶⁰ Population figures for Pine Ridge Reservation from http://villageearth.org/pages/Projects/Pine_Ridge/pineridgeblog/2005/07/hud-accepts-new-census-numbers.html#figures; for Cheyenne River from <http://www.crchamber.org/commprof.html>.

- Support entrepreneurship through the circle of community, recognizing that entrepreneurs are not separate from the families, communities and cultures in which they live, and that their businesses are integral to the vitality of the larger community.
- Support efforts to create Native community development financial institutions (CDFIs)
- Identify and cultivate a significant number of entrepreneurs who can create quality companies and jobs. This identification and cultivation process involves the provision of long-term, client-centered technical assistance.
- Create and connect multiple organizations and service providers to create a comprehensive, flexible and integrated system for entrepreneurship development.

The goal of this approach was to help build entrepreneurs from the inside out, and economies from the bottom up, not from the top down. This bottom-up, client-centered approach centered around the implementation of the Wawokiye Business Institute model, created by The Lakota Fund, in which business “success” coaches provide long-term technical assistance to Native entrepreneurs.

Around this core model of technical assistance, the Oweesta Collaborative also undertook initiatives to build broader community support for entrepreneurship. Its two major efforts in this area involved convening the first South Dakota Indian Business Conference, which brought together tribal, state and federal elected officials and agency staff to discuss and learn about issues related to Native entrepreneurship, and the creation and continued development of chambers of commerce on the three reservations.

The core model and strategy of the Oweesta Collaborative was built upon the experience of The Lakota Fund (TLF), a Native CDFI on the Pine Ridge Reservation. At 20 years of age, TLF is the oldest Native CDFI in the country. Just prior to the creation of the Oweesta Collaborative, TLF was struggling with a lack of capacity and poor loan performance. Its leadership brought in two nationally known organizations with expertise in Native entrepreneurship: the Oweesta Corporation and Rural Community Innovations (RCI). It was by working through TLF’s challenges and experiences that the Wawokiye Business Model was born. When the Kellogg Foundation EDS RFP was released, these three partners saw an opportunity to create a model for Native-focused entrepreneurship development efforts that they hoped could be replicated on other reservations.

Seeking to test this approach, and to build models and tools that could be used in and adapted to other Native communities, the Oweesta Collaborative incorporated partners with strong capacity and a history of earlier collaboration. In addition to the Oweesta Corporation, Rural Community Innovations and the Lakota Fund, the partners include two other local Native CDFIs (Wind River Development Fund and Four Bands Community Fund), the Pine Ridge Area Chamber of Commerce, Oglala Lakota College (the tribal college on the Pine Ridge Reservation), the First Peoples Fund (which works with Native artists across the Great Plains region), and the Wawokiye Business Institute (a program of TLF that houses its coaching and technical assistance activities). The responsibilities of these partners are as follows:

- Rural Community Innovations: Developed the Wawokiye Business Institute coaching manual and trains new success coaches. Provides administrative reporting and grant management functions. RCI also now houses the newly-created position of Collaborative coordinator and coaches’ coach.
- Oweesta Corporation: A national Native CDFI intermediary that provides expertise to Native CDFIs. Maintained the key communication vehicles for the Collaborative (VPN, Web site, listserv). Played a key role in organizing the South Dakota Indian Business Center.
- The Lakota Fund: Native CDFI providing microlending and matched savings services to residents of Pine Ridge. Home of the Wawokiye Business Institute.
- Four Bands Community Fund: Native CDFI operating on the Cheyenne River reservation. Services include microloans, business training, coaching (based on Wawokiye Business Institute model), matched savings and youth entrepreneurship activities.
- Wind River Development Fund: Native CDFI operating on the Wind River reservation. Services include microloans, coaching (based on Wawokiye Business Institute model),

- Oglala Lakota College: Tribal college located on the Pine Ridge Reservation. Provides training to Native entrepreneurs using the Core Four entrepreneurial curriculum. Is also working to expand the college's involvement in economic and entrepreneurship development.
- Pine Ridge Area Chamber of Commerce: Provides a voice for businesses on the Pine Ridge Reservation. Has provided assistance to other reservations in their efforts to form local chambers of commerce and implement Uniform Commercial and Secured Transactions codes. Also works with Four Bands Community Fund to create and operate the Native Discovery tourism promotion efforts on Pine Ridge, Cheyenne River and Rosebud reservations.
- First Peoples Fund: Works with Native artists across the Great Plains region. Has provided specialized assistance and training to coaches in working with Native artists.

The original structure of the Oweesta Collaborative was very flat and democratic. Initially, there was no formal organizational home, although some members played key administrative and organizational roles. A committee structure was created for work on specific issues; however, this was somewhat ineffective. Recently, although decision-making remains decentralized with the members seeking to achieve consensus on key issues, the Collaborative has added some new roles. There is now a formal coordinator for the Collaborative. In addition, after finding it challenging to find and retain skilled coaches, the Collaborative has added the role of the coaches' coach (both the coordinator and coaches' coach positions are currently filled by a single individual who works for RC1). The Collaborative is also exploring whether to create another new position of youth entrepreneurship coordinator. This individual would be available to support the development and expansion of youth entrepreneurship activities across the three reservations.

At the end of the Kellogg grant period, the Collaborative changed its name to the SAGE (Starting and Growing Entrepreneurs) Collaborative. The goal was to select a name that had meaning and resonance within traditional Native cultures, yet was less specific to a particular organization.

Accomplishments

Building the Pipeline

Because their reservations include significant numbers of Native Americans who engage in informal business activity, but very few larger, formal Native-owned enterprises, the Oweesta Collaborative's definition of pipeline focused on the process of moving entrepreneurs through the business development process (as well as increasing the pool of potential entrepreneurs). Over the three-year period, its key accomplishments were:

- Implemented the Wawokiye Business Institute success coaching model on all three reservations. Collectively the Collaborative has provided almost 3,500 hours of coaching to 711 Native entrepreneurs. Working with First Peoples Fund, the coaches also have provided long-term technical assistance to 36 experienced artist entrepreneurs.
- Provided training to 1,583 adult entrepreneurs.
- Increased entrepreneurship offerings/activities at Oglala Lakota College, including offering of the Core Four entrepreneurship training course. The college also is looking into creating an American Indian Business Leaders chapter, and is assisting other Collaborative members in their efforts to partner more closely with the tribal colleges on their reservations.
- Four Bands Community Fund has worked with South Dakota State University to develop a youth entrepreneurship toolkit for local teachers. Rather than creating a whole curriculum or class, which teachers often resist, tools have been provided to integrate relevant topics or activities into their teaching. The fund currently is working with four schools, and hopes to expand.
- Four Bands also has developed a summer internship and IDA program for youth.
- While youth entrepreneurship activities on the other reservations have been less formalized, there have been outreach and training activities to youth. In total, the Collaborative provided training to 999 youth.

Building a System of Support

Due to the dearth of entrepreneurship and economic development services on the reservations, the Oweesta Collaborative's primary focus in building a system of support was on expanding the capacity of existing players. Its key accomplishments were:

- Raised/leveraged \$8.2 million in lending and equity capital for Native enterprises (its goal was to raise \$10 million). Some of this capital went to the Native CDFIs located on the three reservations; some was used to capitalize a new capital fund (the Native American Investment Group) designed to make mid-stage financing available to Native-owned enterprises across the country.
- Created a network that includes 22 professional service providers, 19 capital sources and 36 volunteer business networks.
- Provided ongoing training and skill-building opportunities to the success coaches.
- Strengthened the Pine Ridge Area Chamber of Commerce (expanding its budget and activities), and supporting the continued development of chambers on the other reservations.
- As noted above, strengthened Oglala Lakota College's involvement in entrepreneurship and economic development.
- Strengthened support for arts and tourism entrepreneurs through collaborative efforts among the partners (Native Discovery Web site and other tools; trainings and other collaborative efforts with First Peoples Fund).

Community and Policy Change

At the core of the Collaborative's work in this area are efforts to create a new understanding and vision of enterprise development on reservations: one that recognizes that entrepreneurship is both feasible and culturally appropriate. The Collaborative achieved the following in support of that desired change:

- Convened the first South Dakota Indian Business Conference, and created the South Dakota Indian Business Alliance.
- Succeeded in passing a Uniform Commercial Code for the Pine Ridge Reservation; work on Wind River reservation to pass a Secured Transactions Code is ongoing.
- The tribal governments on both Pine Ridge and Wind River voted to extend and overlap the terms of tribal council members.
- The state of South Dakota created an Individual Development Account program.
- The Congressional delegations from Wyoming and South Dakota have increased their support for the CDFI Fund and its Native set-aside program.
- Increased contact and collaboration with key state agencies in each state.
- Highlighted success stories of Native entrepreneurs on both the Collaborative's and individual partner's Web sites. This provides the community with clear examples that entrepreneurship can work on the reservation.
- Increased awareness in the community (particularly on the Pine Ridge Reservation), through outreach at powwows and gatherings, systematic stories about programs and client businesses in the regional newspaper, and use of The Lakota Fund's weekly hour on the reservation's local radio station.
- The Lakota Fund developed a slideshow, based on its Wawokiye Business Institute framework, which shows how entrepreneurship is culturally appropriate and imperative, and depicts how entrepreneurship can support the economic sovereignty of the tribe and how asset-building programs can be used to rebuild assets that were stripped from the tribe.

Sustainability

The Oweesta Collaborative and its members remain committed to their joint work in the future. Toward that end, they have raised (and will continue to solicit) funding to support ongoing activities. The extent and depth of collaboration will depend on the level of resources secured. It is likely that some level of peer exchange and support will continue regardless of funding levels. However, the goal of the Collaborative is to have a centralized place that can provide support to the members – in the form of the coaches' coach, ongoing training for success

coaches, maintenance of the mentor network, and establishment of the youth entrepreneurship coordinator. Obviously the existence and depth of those activities will depend on the level of resources that are secured.

The Native CDFIs similarly appear committed to the Wawokiye Business Institute success coaching model, despite challenges in finding and retaining skilled staff to fill the coaching position.⁶¹ The Collaborative is responding to these challenges through several means: increasing the level of training offered to coaches, creating the coaches' coach position, and expanding the tools available through its "coaches toolkit." These supports, of course, will require some ongoing resources.

Summary

The Oweesta Collaborative is built around a culturally relevant model of long-term technical assistance to Native entrepreneurs. This model is built on the Native CDFIs located on the three reservations, as well as other key partners, including a tribal college, a reservation-based Chamber of Commerce, and three national or regional organizations with expertise in various aspects of Native entrepreneurship. Through this approach, the members of the Collaborative, in fact, are seeking to create market economies – and the institutions and structures that support them – that have never emerged on these reservations, while doing so in a way that supports rather than undermines traditional values and customs.

The model has seen some success, as evidenced by new business starts and growing levels of lending among the Native CDFIs. There have been a number of important policy successes, in terms of changes in tribal laws and the creation of new commercial and secured transactions codes. While there have been some frictions along the way, for the most part the Collaborative members have functioned with a high level of trust and openness, and articulate great value in working together, as they have found ways to leverage and grow their institutional expertise.

At the same time, however, implementation of the model has been challenging. Resources are always scarce on reservations, due to their extreme poverty. And the absence of a market economy has meant that business expertise is hard to find and maintain. Furthermore, as the work has progressed new issues and challenges – such as the importance of financial literacy – have emerged; these in turn demand a response which requires additional resources. As such, while the partners remain committed to working together, they must continue to seek external resources needed to support additional capacity within the Collaborative.

The key strengths and lessons learned from the Oweesta Collaborative experience are as follows:

- The Collaborative was able to achieve significant progress because of the strong experience and capacity of partner organizations, which included national Native support organizations. From the beginning, the strategy was not simply to include any organization with the capacity to affect entrepreneurship on the reservations, but rather those deemed to have strong capacity and to share a set of core values. The relatively small number of partners and their previous history of collaboration also supported progress
- A single focus on Native entrepreneurs allows for a targeted and culturally appropriate approach that focused specifically on the issues and needs facing those on the reservation. The partners believe strongly that collaborative efforts that seek to include Native and non-Native communities often get bogged down as Native-focused organizations seek to explain the very different realities, circumstances and needs of their communities.

⁶¹ This has been the case on two of the reservations. Four Bands Community Fund has had stability in its coaching staff throughout the course of the demonstration project.

- The Wawokiye Business Institute methodology for coaching and technical assistance has provided a methodology for engaging and assisting entrepreneurs that builds on traditional values and culture. It appears to be showing some progress in moving entrepreneurs to higher levels of business success. However, two of the partners have found it challenging to implement the model because of the skill sets required by coaches. The central supports for coaches that the Collaborative is now developing (the coaches' coach; ongoing training for coaches) will likely be important to the long-term feasibility and success of the model.
- Clear numeric goals for the Collaborative helped to set the stage for clear work plans, and helped the partners and the Collaborative as a whole measure and demonstrate progress.
- As other collaboratives have found, creating policy and community change requires changing attitudes about the feasibility and promise of entrepreneurship. The Collaborative has engaged in a range of activities to promote and share its vision of entrepreneurship.
- One of the clear lessons of the Collaborative's engagement with youth (and adults) has been the importance of reaching youth with financial literacy programs. In exploring with youth their goals and aspirations, Collaborative members found that typically students – and their parents – lacked knowledge and experience in how to save (for college, for a business, for a house), and how to manage their money to ensure future credit worthiness. The members now believe that financial literacy must be a key part of their work going forward; the hoped-for youth entrepreneurship coordinator is envisioned to support that work.
- The partners in the Collaborative noted that they found great value in collaborating with individuals from like institutions in different geographic regions. For example, they found a much different dynamic in partnering with other Native CDFIs, than in trying to partner with banks that might be active in their own region. Some of that value came in joint service delivery and capacity-building efforts (e.g., training and support for the success coaches and the Native Discovery work), and some came from the value of peer exchange (sharing lessons around the creation of a chamber of commerce, and issues around Uniform Commercial and Secured Transactions codes).