

Solutions to Successful Aboriginal Business Relationships – The Syncrude Story

By *Beverley O'Neil, Ktunaxa Nation*

In 1973 few Aboriginal people in northeast Alberta were employed in the oil and gas industry. As a matter of fact, few Aboriginal people were employed. Unemployment rates, as in many First Nation communities, hovered around 80% (a level completely unacceptable to the non-Aboriginal community). In 1973, the course of change was set when Syncrude and the Native community joined forces to change this. As a result, they have also become the role model of successful Aboriginal business relationships.

Syncrude is *the world's largest producer of light, sweet crude oil from oil sand; and the largest single source of oil in Canada* producing 13 percent of Canada's total oil requirements. The company contributes to the employment of 14000 people directly and indirectly across Canada employing 3500 people directly. When the company moved into northern Alberta, it wanted to “put a human face on the project of the real people in the community.” commented John Barr at the May 25th luncheon of the **Vancouver Aboriginal Business Club**. John was a Syncrude employee at the time the company began creating and implementing the Aboriginal Development Program in 1973. Today, John is President of the **Barr & Wilcox Group** of Vancouver providing media consultation and training to corporations and business involved in doing business with the Aboriginal community.

At the time when Syncrude entered northeast Alberta (as well as throughout Canada), a wide held philosophy by many businesses John recalls was “Aboriginal people were not reliable. Syncrude didn't believe that.” John continued, “It wasn't that Aboriginal people weren't reliable, the reality was there were no reliable employers.” (I'd like to add that once someone I came across in

business suggested that it was better for an employer to pay Aboriginal people not to show up to work.) Syncrude's leaders set out to ensure Natives would be a part of the company and the economy in anything the company did.

Three goals that Syncrude pursued throughout the plant's construction and operations was it wanted to: 1) maximize the number of Native people in construction; 2) maximize the number of Native people in full-time positions in operation; and, 3) encourage economic development in Native communities. This was accomplished by having committed supportive leaders inside the company working with committed supportive leaders in the Native community, locally and provincially. There were common interests. The Native leaders were seeking pragmatic solutions focusing on jobs and opportunities for economic participation, and Syncrude wanted to achieve this. All associated contractors and suppliers were required to comply with Syncrude's policies. Cross-cultural relationships were developed through training programs internally for Syncrude employees of the Native culture, and the Native community learned of the corporate culture.

It wasn't easy to achieve the goals set out. Labour unions and contractors had to be encouraged to support and participate. As well, the Native people had to be ready to compete for the employment and contracting opportunities that would arise. Training programs and workshops were implemented to ensure opportunities at all levels of employment and contracting for all Native people, registered and non-registered, on and off reserve. Contracting opportunities were identified and promoted. One contracting opportunity in dry cleaning services resulted in

a 5 to 10 year contract with the **Good Fish Lake First Nation**. 1999 National Aboriginal Achievement Award Winner and 1998 Financial Post 40 Under 40 Award recipient, **Dave Tucarroo** of **Neegan Development in Ft. Mackay**, built a multi-million dollar construction business employing and contracting Natives from the opportunities arising from Syncrude.

What are the results of this program? Well, Syncrude has reported, “The [Aboriginal] strategy has met its targets for the hiring of Aboriginal people, steadily increased the annual volume of business going to local

Aboriginal contractors to \$54 million in 1998 and implemented many other community development programs including a stay-in-school incentive for Aboriginal adolescents.” John Barr reported, “This 25 year old program is a part of the company now. Of the employees at Syncrude, 14% are of Aboriginal origin.” The percent is higher than that of Aboriginal people living in northeast Alberta.

When asked what John felt was a key factor to success, he replied “I feel success was really built on hiring one person at a time.” For more information on Syncrude see - www.syncrude.com.

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