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Flathead Reservation, Montana

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Flathead Reservation, Montana

Looking out the window of a crowded office in Polson, Montana, one can picture a tipi village where the employee parking lot is now—a combination tourist attraction and outdoor sales show room for the traditional Plains-style tipis made by a local company that markets them throughout the nation. The company owner, and the person with the idea for selling the tipis, is a Native American who is a “serial” entrepreneur—someone who has started several businesses over time, then sells them off and starts another.

**Flathead Indian
Reservation has nurtured
hundreds of Native**

The Flathead Indian Reservation, which occupies more than one million acres from Montana’s scenic Flathead Lake all the way south to Missoula, has nurtured hundreds of Native entrepreneurs and, at the same time, has multi-million dollar tribal-owned enterprises with multiple locations throughout the nation. One of those enterprises, S&K (for Salish and Kootenai) Technologies, does \$80 million in business with clients ranging from the Smithsonian Institution to the Department of Defense. Another is a Flathead Lake resort with a small casino. Another, Flathead Stickers, makes lath, turns posts and manufactures survey sticks. The tribes also own a hydropower dam currently leased to Montana Power.

The Confederated Salish and Kootenai Tribes of the Flathead Indian Reservation are the 6,800 modern representatives of several Salish, Kootenai and Pend O’Reilles bands who lived in western Montana, northern Idaho and eastern Washington in the early 1800s. Now some 4,000 tribal members and another 2,000 Natives from other tribes live on the reservation, out of a total population of 26,000 or so.

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Traditionally, the Salish and Kootenai hunted buffalo on the Great Plains and gathered wild vegetables and berries that were preserved in season and saved for use later. Today the tribes rely on ranching, logging, tourism, entrepreneurship and employment by the tribe, tribal enterprises and private sector employers.

One of those private sector employers currently owns three businesses. One business, in addition to tipis, makes key chains and beaded chopsticks. A newer business employs 12, producing retrieval bags for civilian and military trauma victims. It has orders for 800 of the trauma bags so far and expects to deliver thousands of them as the business grows, at \$750 a piece. The really big operation is a custom embroidery company. It manufactures aprons and neckties for wait staff for Walt Disney Resorts, Seminole tribal casinos, Eckerd Drug and Darden (owners of several national restaurant chains including Red Lobster and Olive Garden). The business couldn’t keep up with the volume demand in Polson (pop. 4,700 and growing) so manufacturing is now done offshore to fulfill the hundreds of thousands of orders received annually.

These entrepreneurs praise Salish and Kootenai Community College, especially for developing business plans and providing the encouragement to keep going. “The college has such a positive

attitude,” one entrepreneur says, “except when they need to be negative.” Some have also benefited from grant support through the Native American Development Corporation in Billings and business loans through the tribes.

But, on the whole, the Native entrepreneurs are less praiseworthy about the kind of help from other directions, particularly financial institutions. “Everything that I have been successful at someone told me I couldn’t do,” notes one entrepreneur, who adds that, for example, when he wanted to start his first pizza parlor, he was told that “No one eats pizza.” Eventually he owned eight of them, all financed out of cash flow. “Same thing with sewing aprons. We started with a contract for 30 aprons, now we’re making 2 million a year.”

One new vision for this entrepreneur has tipis in it. “We plan to sell tipis more like a car lot—it’s an impulse buy,” he says. And then adds, with a chuckle, “I am looking for someone to tell me ‘no’ again.”

“We bring an age-old human spirit to modern technology and manufacturing methods. The result is quality.”

Enterprises owned by the tribe include S&K Technologies with hundreds of employees and multiple locations and tiny S&K Holdings, which nurtures entrepreneurs. S&K Holdings has helped both to start and to close small businesses. One that closed was known as Post and Pole, which a manager said was a “great case study in why a tribal council couldn’t make those (business) decisions.” The general manager of S&K Holdings says the council set wage rates, made product pricing decisions and made the other management and sales decisions that should’ve been the responsibility of experienced managers operating independently. At the recommendation of S&K Holdings, Post and Pole was closed. As a result of that experience, the tribe began separating tribal and enterprise decisions. Another tribal enterprise is S&K Electronics, which assembles wire harnesses, cables and other electronics products. The company’s brochure promotes Native American values as a competitive advantage: “We bring an age-old human spirit to modern technology and manufacturing methods. The result is quality.”

The company’s president says a key to economic development success is to “keep politics at a reasonable, manageable level. Show the (tribal) council that it is a win-win and that you can’t hire everyone (the council wants) unless you want to subsidize it as a worker training program.” He also says you need experienced, professional managers.

Others point to the SBA’s ANA program, which allows small businesses, female-owned businesses and businesses owned by the disadvantaged or disabled to “go in ahead of the game on the procurement cycle.”

Others point to the SBA’s ANA program, which allows small businesses, female-owned businesses and businesses owned by the disadvantaged or disabled to “go in ahead of the game on the procurement cycle checklist.” Another government program, known as 8A Certification, has benefited both S&K Electronics and S&K Technologies.

Peering into the future, these managers see the electronics industry “changing dramatically world-wide,” adding, “We ARE part of the world.” Ultimately,

they say, the United States has to decide whether it wants to retain an industrial base at home. Yet, as with many other employers, S&K Electronics is feeling the pinch of increasing health insurance costs and, with more than 100 employees, that is a concern.

Other challenges are also part of the business environment on the reservation. Among them were redlining practices of financial institutions, a practice that ended when the tribe filed and won a lawsuit. Now one of the banks has worked especially hard to help tribal members.

Finding qualified workers is another issue, due to the large number of unskilled workers in the area, an unemployment rate among Natives approaching 40% and the fact that most entrepreneurs have to compete directly with the tribe for the small number of qualified workers available.

Even so, 20 years from now will find S&K Holdings continuing to provide support to individual entrepreneurs, according to the company's management staff.

Local officials aren't satisfied that the tribe has the system it needs to evaluate success of tribally owned businesses. Recently, the tribal council adopted 10 "strategic goals." Now each of the tribal enterprises is required to "say how it will work to further those goals." The tribal economic development staff is hoping to double the value of tribal enterprises in 10 years and earn an 8% annual yield on capital. And there are also hopes for more enterprise-development help from the federal government rather than grant-supported programs. "You can't do it with grants," says one staff person. "You need to make money."

Several government programs, such as the federal loan guarantee program for Indian-owned businesses, deserve credit. But the tribal economic development staff still believes that both bankers and federal employees need better training to deal with the challenges faced by reservations. And, they say, the feds could help by supporting more demonstration projects. What the tribes can do better is to find ways to make investments that produce cash and then jobs, say these local experts.

Others echo the importance of separating political from business decision-making, but also see an "opportunity focus" in tribal government.

Others echo the importance of separating political from business decision-making, but also see an "opportunity focus" in tribal government and a "more advanced outlook." One elected leader also points to cultural strengths, among them that members from the Flathead tribes had to become innovators just to get past other tribes to hunt buffalo. Historically, he said, "we are hunters and gatherers" that benefited from a French influence leading to quicker adaptation to "white ways of doing things."

Success, according to these tribal leaders, depends on good overall management and sound financial management, plus determination and what they call "collective knowledge." Tribal entrepreneurs would agree with that: "Many people think we are just lucky— they don't see the hours we put in."