



Partnerships Fuel Business Growth in Northern Alberta

Partnerships can often pay big dividends for companies, not least in the booming economy of Northern Alberta.

That was the case for Empire Industries, a Winnipeg-based, publicly traded steel fabrication and construction company that services markets across the country. Having set its sights on expanding its business activities in Northern Alberta, it purchased a 49% interest in a small steel fabrication business owned by a member of the Athabasca Chipewyan First Nation (ACFN) band near Fort McMurray.



Terry Quinn, Director, Empire Industries poses for photos in his Oakville home, July 4, 2014. (J.P. Moczulski / Postmedia News)

This deal – along with a number of strategic acquisitions of other small local firms – subsequently led to the creation of Athabasca Chipewyan Empire (ACE) Industrial Services Ltd., which has grown to become a key supplier of services to oil and gas operations through four fabrication and machine shops. Since the first deal was struck in 2005, ACE also managed to quintuple the size of its operations, with more growth expected in the years to come.

According to Empire Industries and ACE Industrial director Terry Quinn, working with the aboriginal community provided the perfect foundation for expanding Empire's interests in a rapidly evolving market.

"The oil and gas market in Fort McMurray was growing quickly, and plant owners were encouraging aboriginal partnerships as a means to improving job skills in their communities. At the same time it allowed us to establish a local physical presence we didn't have before. Everything we do in the region is now through ACE, rather than through our wholly owned Edmonton facility."

He credits the Northeastern Alberta Aboriginal Business Association (NAABA), which encompasses the expansive Wood Buffalo Region, with playing a key role in developing the skill sets and services needed by the oil and gas industry. "As activity grows, more and more oil sands projects will be developed on their traditional territories. We all see the potential for growth through engagement and partnering with the ACFN band."

Today ACE accounts for 10% of Empire's operations, Quinn adds. "It's still a small percentage, but we are actively focused on growing it even more. We needed time to pull all the businesses together. That's been done and we're now looking for greater growth opportunities ahead."

Industry partnerships have helped the aboriginal business community grow significantly over the past two decades, says Debbie Hahn, general manager with NAABA in Fort McMurray.

"We have a very close relationship with industry up here, and they in turn are very supportive of us in getting their contractors to use local aboriginal businesses. In that way, we can all benefit from this economy."

The aboriginal community also represents a rich resource given the employment challenges in the region, Hahn adds. "It costs businesses considerably more to bring people in from outside the region."

When NAABA started 21 years ago, there were two industry partners – Suncor and Syncrude. It now has 17 and with more on the horizon.

NAABA membership has also grown considerably, Hahn adds. Today NAABA comprises 106 aboriginal businesses (each at least 51% aboriginal owned) that provide services to the oil and gas industry, ranging from construction and electrical to welding, machining and materials supply.

"When we started, it was a bunch of smaller businesses who wanted to join together to participate in more work opportunities and make themselves more marketable. Now some of those businesses hire up to 1,000 employees and have been very successful economic players."

CIBC Tips: Support Growth Through Partnerships

1. **Start with Your Strategy** Partnerships can play a key role in creating extended distribution networks and new revenue streams for your business. Before entering into a partnership, take the time to reexamine your goals, including core strengths and weaknesses, to ensure a potential partnership will complement your existing strategy.
2. **Find the Right Partner** With a clear picture of what your company is trying to accomplish, adopt a focused approach to identifying prospective partners. Only consider those that align with your business goals and allow you to enhance your capabilities, expand your reach or create operational efficiencies. When entering new markets, look for local partners that have credibility in the marketplace and the customer insights you need to give you the competitive edge you're looking for.
3. **Build a Strong Partnership** Successful partnerships are those based on synergies and trust. Once a partnership is formed, carefully assess, compare and align your business plans to create clear expectations and understanding of each other's needs and capabilities. Together, work to identify unmet client needs that will give you additional opportunities to grow and be sure to set measures to monitor and evaluate your successes. Keep communication channels open, which builds closer ties and helps better sustain the relationship over the long-term.

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As seen in the Financial Post

Published July 14, 2014 in English.

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