

LAKOTA FUNDS

Investing in the Oyate

Newsletter

June 2008

www.lakotafunds.org

BADLAND BOY ADVENTURES

Lakota Funds assisted Chris Cuny to start his new business, Badland Boy Adventures, with one of the loan products. Chris used the Core Four Business Planning Course to start his plan. Chris began his road to entrepreneurship with Harvey White Woman as his small business success coach four years ago, now David White Bull is assisting in getting his entertainment business up and running. Badland Boy Adventure is possibly the first portable rock climbing wall entertainment in Indian Country. It will be set up at pow-wows, local schools, local trade shows, and various tribal programs, with the first appearance at the trade show in Rapid City the 3rd week in March. Chris stated, *"If you have your dream, okay it's possible to find resources here, give it a shot."*

Entrepreneurs like Chris are offered Lakota Funds loan products here on the reservation. There are free classes offered: Core Four Business Planning, Financial Literacy, and Homebuyers Training just to name a few. Wawokiye Business Institute also has small business success coaches who assist future business owners like Chris with resources and technical assistance.



Tony Taylor, Loan Officer, Chris and Michelle Cuny, Owners, David White Bull, Small Business Success Coach

Badland Boy Adventures shows there are opportunities for tribal members desiring their own business. Call Chris at 441-3876 or email him at blbadventures@hotmail.com for more information regarding his exciting new business.

S & S VIDEO RENTAL

Seth Bracken became a first time borrower from Lakota Funds loan products to expand his video rental business, S & S Video Rental. Seth's family owned enterprise renting DVD movies and games is located north of Porcupine on the west side of the highway, along with satellite rental sites in Manderson at Pinky's and Reddy Mart east of Pine Ridge. With hopes to add further satellite sites in various other communities, Seth strives to provide quality customer service with a large selection of movies and games to meet customers' needs, all at the price that is the lowest on the Pine Ridge Reservation. Lakota Funds loans are just one of the services Lakota Funds has to offer, assisting entrepreneurs like Seth with renovations and adding to inventory. S & S Video Rental is providing the reservation with the convenience of video rental right here locally.



Tony Taylor, Loan Officer and Seth Bracken, S & S Video Owner

SPIDER TOWING AND SALVAGE

Spider Towing and Salvage owner Mr. Michael Spider Jr. took advantage of one of the five loan products offered by Lakota Funds. He purchased a wrecker for his towing and salvage business. Michael was actually a previous loan client back in 2000 and has been working his business for the past 10 years. The Spider family carried on their towing and salvage business since it was established in 1960 by Michael's father, Michael Spider Sr. The vehicle towing and used car parts business are available right here on our Pine Ridge Reservation awaiting our tribal members' patronage. *Spider Towing and Salvage is located in Porcupine District just seven miles north of Porcupine CAP office and operates 24 hours daily.* Should you have the need for towing or used parts service the option of buying locally is right here in the heart of our reservation so call **454-6740** or **455-2062** for service.

Lakota Funds loan products are offered for entrepreneurs like Michael here on the reservation. There are also free classes offered: Core Four Business Planning, Financial Literacy, and Homebuyers Training just to name a few.

Wawokiye Business Institute also has small business success coaches who assist future business owners like Michael with resources and technical assistance. Spider Towing and Salvage is proof that there are possibilities of successful business opportunities for the individuals desiring their own business.



Tony Taylor, Loan Officer, Micheal Spider, Owner of Spider Towing & Salvage, and Jo White, Wawokiye Business Institute Director



EXECUTIVE DIRECTOR'S COMMENTS



Harvey White Woman

At five o'clock am Monday March 31, **Harvey White Woman** passed away after almost two years of valiantly fighting cancer. Harvey was a very important part of Lakota Funds for many years as a board member and then as a founder and Director of the Wawokiye Business Institute. But, he was much more than these roles according to the people he worked with as fellow board members, staff, and aspiring entrepreneurs. Harvey was a leader and an inspiration to us all. He was able to tell the Lakota Funds' story in a way that showed the historical and cultural roots and the profound importance of the work Lakota Funds is doing for the future of the Oglala Oyate. Harvey was especially powerful in passing on his wisdom and insights to reservation youth. To Harvey,

entrepreneurship was the essence of being a Lakota in history and the most important ingredient of a viable future for the reservation. We have been grieving and praying for Harvey these past two years and we really appreciated his visits and support for the work we are doing. He has certainly already been missed and now he is at rest. We will remember him each time a tribal member asks for help in starting and growing a business and I, for one, will think of his wonderful smile.

"In addition to Lakota Funds and the Wawokiye Business Institute, Harvey had a definite impact on the Kellogg Oweesta Collaborative that involved nine organizations involved with entrepreneurship in the region. And, he was valued nationally by other tribal organizations working to revitalize the entrepreneurial spirit of traditional peoples," said Elsie Meeks, Executive Director of the Oweesta Fund and Chair of the Lakota Funds' Board.

Harvey, we thank you for all you gave us your inspiration, your insights, your dedication and commitment, and your fighting spirit. Pilamiya.

Dowell Caselli-Smith PhD
Lakota Funds Executive Director

LAKOTA FUNDS

BOARD OF DIRECTORS

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Executive Director

LaVonne Randall
Finance Director

WAWOKIYE BUSINESS INSTITUTE

Jo White, *Director*

Small Business Success Coaches:

Tonia Young

David White Bull

Shanelle Bull Bear, *Assistant*

LENDING

Tony Taylor, *Loan Officer*

HOUSING

Darrel Twiss, *Housing Manager*

Judy Rouillard, *Custodian*

OYATE WOABLEZA

OITIPI PROJECT

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Peggy Two Crow,
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Jennifer Richards,
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Lakota Funds

BIA 2 Lakota Trade Center, Suite 201

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Kyle, SD 57752



RESERVATION ECONOMY UNDERGROUND OR FORMAL

Lakota Funds notes that twenty years ago tribal member Richard T. Sherman completed a study of the Pine Ridge Indian Reservation economy for the Aspen Institute. He showed there were around eight thousand six hundred tribal members running small businesses on the reservation at that time. Indeed, he found thirty percent of households on the reservation generated over half their income from these informal and usually home based activities. Obviously, these small businesses were and are a very important part of the economy on the reservation. Small entrepreneurs provide goods and services ranging from child care, firewood, traditional arts, food and other items to appliance repair, taxi services, money lending and over a hundred other activities he identified. Lakota Funds has always taken seriously the challenge of working with these small entrepreneurs to expand and develop by providing training and small loans.

"Children born and raised on the Pine Ridge Reservation from here on can hope to find more and more tribally owned and operated businesses."

In fact, Lakota Funds has lent money to over three hundred and fifty members across every district and has given training and support to over four thousand entrepreneurs. As a result, many of these businesses have expanded and grown dramatically. Some started with a cooler full of burritos and expanded their staff from one to two to vigorous businesses with many family members and others helping out. All of this is very hard work and skill and takes a lot of time for planning, running the business, customer relations, and managing employees.

The energy, creativity, and responsibility shown by the eight thousand tribal members Richard Sherman documented twenty years ago has begun to transition into a vibrant and dynamic economy for the reservation. Children born and raised on the Pine Ridge Indian Reservation from here on can hope to find more and more tribally owned and operated business to employ them and to meet their needs. "All of this takes very hard work and a lot of skill, time, planning, and strategizing as well as excellent customer relations and employee management."

ANA NATIVE AMERICANS



HEATHERSHAW DESIGNS CLIENT SPOTLIGHT

Lakota Funds featured successful entrepreneur is Heathershaw Designs, embroidery business is locally owned by Marquette Heathershaw. Dreaming of owning her own embroidery business for years, she started her home and business on her Dad's ranch. Determined to make her dream a reality she pulled all her resources from an IRA, savings, and investments to get a start on her own.

"If you have a dream, dream it big, and don't let anyone minimize it."

Heathershaw Designs grew from her home to a little shop and now is in need of a bigger shop to get the work needs done. Bookkeeping and taxes are not a favorite part of her business, so she took advantage of Lakota Funds' free technical assistance and coaching from the Wawokiye Business Institute (WBI). Marquette enjoys working with Jo White, WBI Director on her business expansion. She also loved hearing the Pine Ridge Chamber of Commerce guest speakers who come in with their business topics.

Dedication to customer service and self-discipline make her self-employment a huge success in meeting the need for embroidery right here on the Pine Ridge Reservation. She advises future entrepreneurs, "If you have a dream, dream it big, and don't let anyone minimize it."

Core Four Business Class was a nice refresher for Marquette. This course and others are available free of charge, provided by Lakota Funds and Oglala Lakota College.



Marquette Heathershaw, owner of Heathershaw Designs



CORE FOUR GRADUATES



Nicholas Gibbons, Elizabeth Gibbons, and Manual Martin with Tonia Young standing behind them. Tonia is a Lakota Funds Small Business Success Coach.

February 2008 Graduates

Three Graduates of the Core Four Business Planning Course began their path to entrepreneurship, starting their small business dream. Lakota Funds in conjunction with Oglala Lakota College sponsored another Core Four Business Planning Course for the Pine Ridge Reservation finished February 27, 2008. Participants started their journey January 16, 2008 which is completed in six weeks at the Pine Ridge College Center with their instructor Doug Noyes.

Lakota Funds would like to congratulate Manual Martin, Elizabeth Gibbons, and Nicholas Gibbons for their hard work and finishing the course through to completion. Core Four helps entrepreneurs organize their ideas and start their business planning with adequate and intense instruction. All trainings and courses offered by Lakota Funds are free with the exception of a purchase of a required book for the course. Pine Ridge Sioux Reservation has opportunities for attending financial literacy and other courses right here on the reservation to assist in the knowledge of finance.

Anyone wanting to start or build a business on the reservation can attend Lakota Funds Core Four Business Planning.

The next *Four Core Business Planning* starts on August 5, 2008, and continues for 6 weeks, meeting on Tuesdays from 5 – 8 PM. Located in Eagle Next College Center, Wanblee, SD.

For more information or to register, please call **605-455-2500** or go to www.lakotafunds.org

LAKOTA FUNDS REFINES ITS RISK MANAGEMENT

“Lakota Funds makes loans that most banks will not make. However, we will not stay in business if we are making riskier loans,” says Dowell Caselli-Smith, Executive Director of Lakota Funds. “Banks run the numbers on credit ratings and will kick a loan application out if it falls under six hundred. We collect more information to determine if other factors offset a low credit score. We have to show our industry we are responsible lenders—this means we have to be able to document we are making sound loans. If we expect an investor or their advisors to loan us capital to re-lend, we have to be able to show them we loaned out their money wisely,” says LaVonne Randall, Finance Director.

“Our loan portfolio has to show that clients had sufficient record keeping, cash flow, business planning, owner’s equity, and sufficient collateral to assure we have a high probability of repayment. Yes, we give consideration to community benefits too. But, a failed business or a loan that defaults does not benefit the community. When a loan defaults, that means less money in our revolving loan fund to lend other tribal members. And, it puts up a flag to our industry when it comes to loaning us more capital to expand lending. We want to support more and larger businesses here on the reservation,” says Caselli-Smith. “Simply put, if we do not get repaid then down the road Lakota Funds could face a situation where some of our large investors like Fannie Mae or Trillium Assets might not get repaid. That would likely be the end of Lakota Funds as a resource for reservation businesses.”

To increase the chances for a business to succeed, Lakota Funds asks all loan applicants to take a six week business planning course. In coordination with Oglala Lakota College, the course is offered several times a year across the reservation. A successful business that submits three years of financial records can have the course requirement waived but only if they have a well thought-out business plan. A well supported cash flow projection for the expanded business also needs to show enough income to make consistent payments on the loan.

“While no one thing will stop a loan like it usually does for banks, no one thing will assure the success of a loan application either,” says Jo White, Director of the Wawokiye Business Institute at Lakota Funds.

She goes on to say, “Our success coaching is here to help entrepreneurs get their business plans and loan applications completed. We do not know everything about every business area. But, we do know the basics and we have mentor networks for the coaches and for some of the businesses. We do not do the business plans or the cash flows for you. We do give you tools and support so you can do it yourself. It is very important for the success of your business that you know your plan inside out and that you can analyze your cash flow frequently as you go along. Unexpected things will happen from day one. Quickly adjusting business plans and cash flow can keep unexpected things from pushing the business into trouble.”

Lakota Funds is certified by the United States Department of the Treasury as a Community Development Finance Institution, CDFI. As the first Native American program to be awarded this designation ten years ago, Lakota Funds is recognized as a leader in micro lending and small business lending on a reservation. “When we first started making larger loans a few years ago, we made some mistakes in risk management,” says Elsie Meeks, Board Chair for Lakota Funds. “The staff has revised the policies and procedures with help from industry leaders and the Board Loan Committee has adopted and is implementing them. This transition might be confusing for some of our clients. The bottom line is, we want their business to be successful. To be assured of this, we need good information for our decision making. The great thing is, the same information we need is ultimately information they can use to track and fine tune their businesses. We will be a success when they are a success.”



Mrs. Elsie Meeks,
*Lakota Funds Board of
Directors Chairperson*



LAKOTA FUNDS SERVICES

- **Small Business Success Coaching**
- **Business Skills Training**
- **Micro-lending**
- **Small Business Lending**
- **Matched Savings (IDA)**
- **Business Incubator Office Rentals**
- **Eagle Nest Homes: Lease to Own**
- **Community Development**



LAKOTA FUNDS

**BIA 2, LAKOTA TRADE CENTER, SUITE 201
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OUR MISSION

Lakota Funds is a community development organization actively promoting socioeconomic sustainability of Oglala Lakota people on the Pine Ridge Reservation. It's culturally appropriate strategies include business loans, technical assistance, and targeted community and business development.



Lakota Trade Center, Kyle, SD