

The Purdy Crawford Chair

In Aboriginal Business Studies

Case Studies in Aboriginal Business

Manitobah Mukluks

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Cape
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**Shannon School
of Business**

**Purdy Crawford Chair in
Aboriginal Business Studies**

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The Purdy Crawford Chair in Aboriginal Business Studies was established at Cape Breton University in 2010 in response to Aboriginal community leaders' expression of the need for entrepreneurship, business investment, and corporate skills training for the purpose of creating a model of self-reliance.

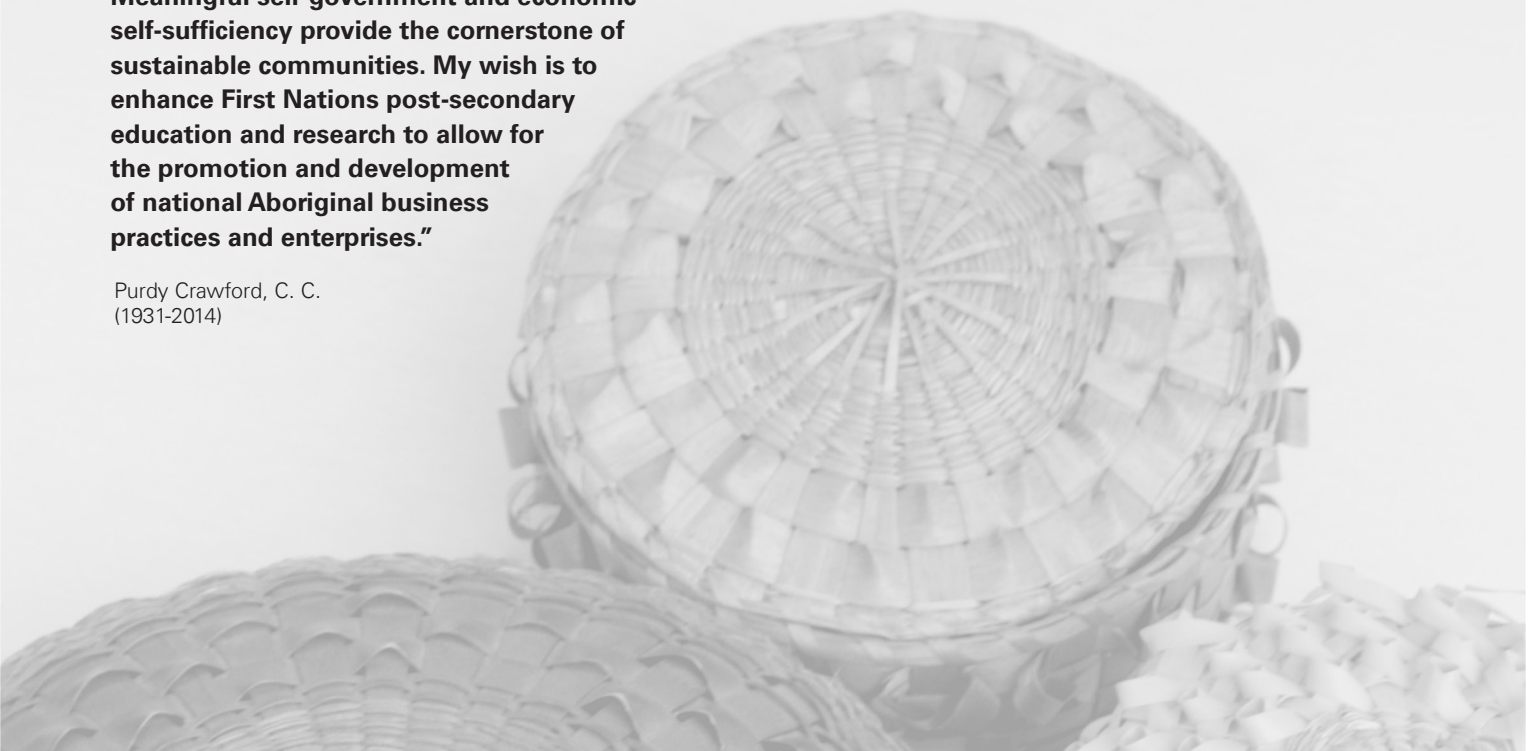
Named in honour of Canadian lawyer and corporate boardroom leader, the late Mr. Purdy Crawford, the Chair aims to promote interest among Canada's Aboriginal people in the study of business at the post-secondary level.

The Purdy Crawford Chair in Aboriginal Business Studies focuses its work in four areas:

- Research on what "drives" success in Aboriginal Business
- National student recruitment in the area of post-secondary Aboriginal business education
- Enhancement of the post-secondary Aboriginal business curriculum
- Mentorship at high school and post-secondary levels

"Meaningful self-government and economic self-sufficiency provide the cornerstone of sustainable communities. My wish is to enhance First Nations post-secondary education and research to allow for the promotion and development of national Aboriginal business practices and enterprises."

Purdy Crawford, C. C.
(1931-2014)



MANITOBAH MUKLUKS

In 2008, Sean McCormick, the owner of Manitobah Mukluks, had to decide whether to add a rubber outsole to the Aboriginal mukluks his firm manufactured. The change could expand his market and the rewards could be substantial if the mukluks were still considered Aboriginal and remained popular. However, if the change was not well received, his brand could be ruined.

BACKGROUND

Sean McCormick, a Métis entrepreneur and business owner, was brought up in Winnipeg, Manitoba. His mother's family was from northern Manitoba and, consequently, Sean spent a lot of time in the north. He began wearing mukluks in his childhood. As a young man in the early 1990s, he worked in a tannery that produced leather and furs. He established a trading centre at the tannery and began exchanging finished leathers and furs for mukluks and moccasins that women in the neighbouring First Nation communities made by hand. He resold the mukluks and moccasins to other retailers.

Under that business model, Sean was not able to establish a proper inventory. He rarely had sufficient quantities of products in the right sizes to meet the demands of retailers. It occurred to him that the inventory issue could be solved if the mukluks and moccasins were manufactured on a larger scale in a factory setting. Sean enrolled in the Manitoba Aboriginal Youth Entrepreneurship Training program, where he learned the fundamentals of operating a business and completed courses in marketing, accounting, and other disciplines. Preparing a business plan was a key element of the program and Sean's plan concerned his new business venture. In 1996, Sean took his business plan to the banks and obtained the financing he needed to start his business.

In 1997, Sean's business began producing traditional-style Aboriginal mukluks in a modern factory setting. The manufacturing process employed sewing machines and factory-tanned hides, but the mukluks retained leather soles and were difficult to distinguish from their handmade counterparts. At the outset, he sold the mukluks mainly to gift shops, souvenir shops, and trading posts. As the business grew and Sean matured as an entrepreneur, he came to understand the potential and power that came from having a recognized brand.

HIGH FASHION AND POPULAR CULTURE

A Canadian business woman who worked in England visited Alberta in 2004 and bought some of Sean's mukluks at a gift shop in Banff. She took them back to England

and offered them for sale from a shop in London. A well-known female fashion model bought two pairs of the mukluks and was subsequently photographed wearing them. Sean saw the photograph and recognized the mukluks as being from his factory. A month later, he received an email from the woman who had bought the mukluks in Banff. It was evident from the email that she did not realize Sean's factory had manufactured the mukluks. The email included the photograph of the fashion model and inquired whether his factory could produce mukluks like that. Sean replied, "Yes, I can make those mukluks and, in fact, I did make them." The two of them began discussions about their businesses working together.

The business woman in England recognized the market potential that the photograph had generated and she created a brand around the mukluk. Sean's factory in Manitoba provided products with her brand on them. She then supplied a chain of fashionable boutiques in London and retailers in other countries. The demand for Aboriginal mukluks exploded and launched new phase in the operation of Sean's business. His mukluk production had been running at approximately 1,000 pairs per year but, within four months, it increased to about 1,000 pairs per week. Sean had to open a satellite factory in another city to meet the demand, which, at times, seemed almost insatiable.

After 18 months, however, the partner company in England went bankrupt. Sean was left with inventory valued at approximately one million dollars, which he managed to sell. It occurred to him, however, that his experience with the partner in England had been very useful overall. In addition to opening the door to a distribution network that enabled him to reach a much broader clientele, it taught him about the importance of brands. The brand and distribution network in Europe and elsewhere were the most important contributions that his partner had offered to their working relationship. Sean had the mukluk designs, the production facilities, the trained operators, and the artists. It was Sean's company that procured the inputs, manufactured the products, packaged them, and shipped them. Sean realized that his business could be more profitable if it could successfully brand its own products.

RETHINKING THE BUSINESS AND THE BRAND

Having experienced success in the footwear market, Sean was not prepared to go back to selling mukluks and moccasins in the significantly smaller souvenir market. He and the company's vice president of sales and marketing started working to create the Manitobah Mukluks brand. Sean's connections to Aboriginal communities were important to him. His firm and his products were identifiable by their strongly Aboriginal character. Sean wanted to maintain and foster that connection as much as possible.

Manitoba Mukluks had a policy of hiring qualified Aboriginal employees. It created a "Storyboot" project to preserve and even revitalize the traditional skills of making mukluks and moccasins. The Storyboot project established partnerships with talented

Aboriginal Elders and artisans who made mukluks and moccasins by hand. Manitoba Mukluks featured the high-end products of those artists on a dedicated part of its website and offered them for sale around the world. The Aboriginal artists received all the proceeds from the sales of their Storyboots. In the boardroom of its Winnipeg headquarters, Manitoba Mukluks operated a Storyboot school where Aboriginal artists passed on the skills required for making traditional footwear by hand. Manitoba Mukluks convened similar workshops in other Canadian cities and remote Aboriginal communities. Manitoba Mukluks also offered bursaries for Aboriginal post-secondary students.

Mukluks were developed thousands of years ago and were widely used in the north. While there were regional variations in the materials and methods used for making them, they were usually made from hide and sewn with sinew. In the post-contact period, however, Aboriginal peoples began making mukluks with steel needles and manufactured threads. It seemed to Sean that the Aboriginal character of mukluks had not been diminished when steel needles and thread were adopted. Sean's factories manufactured mukluks in as traditional a manner as possible, while producing them in the quantities that were required for wholesale and retail sales. He was comfortable that the factory style of manufacturing, which involved sewing machines and factory-tanned hides, had not significantly reduced the Aboriginal character of his mukluks.

His mukluks were still popular and his business was prospering. However, traditional mukluks are not suitable for all environments. They are ideally suited for cold, northern climates and dry snow, but they are not entirely waterproof and they begin to show wear more quickly when they are worn on wet concrete or asphalt surfaces. As a result, traditional Aboriginal mukluks are not ideally suited for the warmer and wetter winters of the more southern urban centres where Sean hoped to sell them.

Sean and the VP of sales and marketing identified an Italian manufacturer that could supply an outsole for any kind of footwear. Adding a rubber outsole to the mukluks would solve the water seepage problem and, with an outsole, the mukluks would not show wear as quickly when worn on pavement. However, a rubber outsole would also change the character of the product. They wondered how the market would respond to the addition of a rubber outsole and whether their mukluks would still be regarded as Aboriginal.

There was no question that the modernized mukluks would perform better in southern city winters than the more traditional mukluks, but Sean also knew that fashions changed unpredictably and even whimsically. Mukluks with rubber outsoles might not appeal to his customers, who might see them simply as large, different-looking, boots, rather than Aboriginal mukluks. If the modernized mukluks were not fashionable, they would be difficult to sell. Sean's traditional mukluks had become hugely popular very quickly. His modernized mukluks could fail just as quickly.

CONCLUSION

In 2008, Sean McCormick, the owner of Manitobah Mukluks, had to decide whether to include a rubber outsole to the Aboriginal mukluks he manufactured. If the mukluks were still considered Aboriginal and remained popular, the change could expand his market. However, if the change was not well received, the brand could be ruined.

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