



**REPORT ON
LGBTI BUSINESS NETWORK WORKING GROUP**

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1. Executive Summary

During the first meeting of the LGBTI Business Network Working Group, participants engaged in serious discussions about supporting the economic empowerment of LGBTI persons and workplace groups in businesses. Some key priorities were identified to build a foundation that will determine the way forward.

This report demonstrates commitment by the LGBTI Business Network Working Group in pursuing the key priorities identified, and, reporting quarterly on progress. The key priorities were identified out of ideas, and, leadership provided by participants during the first meeting held in Cape Town. The expected deliverables that are considered critical are outlined as follows:

- Vision, Mission and Value Statements for the Business Network;
- Articles of Association;
- Scoping report/ feasibility study / business case;
- Draft Brand and name of Network;
- Draft co-financing proposition;
- Recruit a Project Officer and technical assistance;
- Launch of the Brand;
- Plan a regional roadshow linked to the upcoming meetings of the Working Group.

These priorities will form the foundation of the LGBTI Business Network in terms of governance, marketing, funding and relevant resources.

The second meeting of the LGBTI Business Network Working Group was held in Johannesburg to provide input to work done on key priorities and to ratify, where possible, decisions about the brand identity and way forward. Each priority was presented by participants who volunteered (in Cape Town) to assist in the development of draft documents / presentations.

The discussions on each priority were stimulated by the diversity of knowledge and expertise in different areas of business, of participants. Some decisions were taken and other priority issues, with input from participants, will be presented again during the next quarterly meeting.

During discussions it was mentioned that the Other Foundation has been engaging with Stonewall about possible partnerships. The Other Foundation has already partnered with the Ford Foundation to focus on LGBTI economic inclusion.

The discussions of the meeting also included inclusion of LGBTI persons in matters related to economic growth and legislation that focus on those areas. Some of the areas are diversity, procurement, enterprise development and Black Economic Empowerment (BEE) Codes.

It was also mentioned that Xhanti Payi has written an article about the legal basis for LGBTI inclusion in business. This article will be published in Business Day. A panel discussion, regarding the topic, under the banner of the LGBTI Business Network, will be organized.

In addition, participants expressed their commitment to the LGBTI Business Network in terms of availability, contributing in their areas of expertise and membership. They, however, proposed that meetings be held bi-monthly instead of quarterly to facilitate progress.

1.1 Objectives

The Working Group will provide input to work done on key priorities identified during the meeting that was held in Cape Town and to ratify, where possible.

1.2 Process

Participants will be allowed to engage in discussion during and after each presentation, to create common understanding, and, to include some of their inputs prior to approval

2. Presentations of Identified Key Priorities

2.1 Vision, Mission and Values Statements

The inputs from participants will determine the way forward in terms of the end state of the work that the Business Network will be doing. It was clear to all that:

- The **Vision** will provide strategic direction to the LGBTI Business Network and describe what needs to be achieved in the medium and long term future. In other words, it answers the question: “where do we see the Business Network going?”
- The **Mission** will determine the reason the Business Network exist and further guide the actions by allowing all to work towards one common goal, that benefits the LGBTI Business Network and members.

The debate on this item was very long and focused mainly on the following areas:

- The word “empowerment” of LGBTI businesses and workplace groups must be included in the mission statement;
- Sustainability of the LGBTI business network;
- The + on the vision and mission statements created a long debate that was resolved by the brand strategy presentation;
- Diversity came out very strongly especially in terms of inclusion of LGBTI persons in all spheres of economic development;
- It was proposed that the economic injustices of the past form part of the Mission statement to indicate commitment to address them;
- Visibility of the LGBTI businesses and entrepreneurs must be emphasized to support the purpose of the Business Network;

2.2 Scoping Report/Feasibility Study/Business Case

There was no presentation on this item.

The Other Foundation has committed to seek expert/s to assist with this item. Participants agreed that there is a business case to establish the LGBT Business Network. It is therefore important that the **Feasibility Study** focus on:

- Lessons learnt by other similar established chambers such as the National Gay and Lesbian Chamber of Commerce of the United States of America and other local business chambers;
- What steps must be taken to sustain the business network, with emphasis on next generations;
- Even though there is agreement about a business case to establish the LGBT Business Network, more information must be gathered to strengthen this motivation;
- Identify potential obstacles especially in terms of funding and retention of members;
- Determine if the business network will meet the goals intended by the founders and what needs to be done if not;
- Propose whether the LGBTI business network should include all economic sectors or focus on a few specific sectors in the first instance;
- What steps were taken by other chambers to be established, especially regarding legislation and choosing a model; and
- What governance structure is ideal for such an organization.

It must be noted that the feasibility study is not limited to the inputs of the participants. The outcome of the feasibility study will further assist to provide more information for the business plan.

The following inputs were proposed for the **business plan**:

- The identity of the business network must be clear. In other words, the business network must have a name, tagline, character, etc. Most of these are covered under the brand strategy;
- The purpose of the business network must be defined;
- A detailed SWOT analysis;
- The status of the business network in terms of whether it is a profit or non-profit organization;
- In order to attract partners and potential donors, the business network must clearly state its competitive edge;
- In order to attract members, benefits (ROI) must be transparent, including a strong value proposition for members;
- There must be externally targeted goals that focus on external stakeholders such as donors, government agencies and internally targeted goals for operations;
- The business network will operate mainly in South Africa. However, Mozambique and Botswana will be considered in the near future.

It was proposed that some inputs will be determined by the draft business plan. Draft copies will be circulated to participants prior to the next quarterly meeting.

2.3 Articles of Association

There was no presentation on this item.

The Other Foundation has committed to seek expert/s to assist with this item. Draft copies will be circulated to participants prior to the next quarterly meeting.

Participants provided the following inputs:

- The discussion was based on the need to have/not have Articles of Association. If not, most of the information will be included in the Business Plan. If there is a need, the Articles of Association must be customized to the purpose of the Business Network.
- Once more, research will be conducted with existing chambers (eg. National Gay and Lesbian Chamber of Commerce in the US) to determine what legal vehicles they are using if they do not use Articles of Association.

2.4 Project Officer and Technical Assistance

There is progress regarding this item. The recruitment process by the Other Foundation will be concluded by the end of July 2016. The project officer will be responsible for all administration and technical duties of the LGBTI business network.

2.5 Co-Financing Proposition

The presentation outlined a roadmap to identify and agree on a framework/model for funding. Funding is one of the key priorities to sustain the Business Network and to reduce dependence on other organisations. It is therefore important that sources of funding are identified during these early stages of the Business Network.

The following are inputs from participants:

- Target market must be SMME's / entrepreneurs, workplace groups, business owners and corporates.
- The package for corporates will include benefits such as mentorship programmes and business support opportunities.
- The ideal annual subscription fee must be between R1,500 and R5,000. R2,000 will be the ideal level, initially.
- The core operating costs must be covered by membership.
- A tier approach that will include significant investors who support the objectives of the business network must be considered.
- Affordability by members must be considered. The business network must not be seen as an elitist forum.

- A fee-based structure is an ideal point of reference to facilitate funding.
- Workplace groups will be included and ideally funded by corporates.
- There is a need to explore how similar organisations have structured their funding models and what can be learnt.

It was agreed that abovementioned inputs will form the basis of the final funding model. In addition, the following will take place:

- The draft funding model will be reviewed and include some inputs from working group members.
- It is important to examine potential revenue and costs to ensure that the Business Network is sustained in the long term.
- The adopted funding model must be benchmarked with best practice prior to implementation.

The reviewed draft co-financing proposition will be sent to participants prior to the next quarterly meeting.

2.6 Draft Brand Strategy

This presentation covered areas that will determine the identity of the Business Network, such as the name, tag line and brand. It will further be a tool to market the Business Network

Participants immediately expressed approval of the name proposed for the network, the logo, and the brand strategy. There following inputs were made:

- It was proposed that the colour of the dot and the + could be pink;
- Instead of “LGBT” The letter “I” will be included to be LGBTI.

Inputs were made about the tag line in the business network name, as follows:

P L U S .
THE LGBTI+ BUSINESS CHAMBER
inclusion, growth, success

The rest of the presentation is attached as an annexure. It was agreed the the Other Foundation will conclude the final text of the vision and mission statements, as well as the tag line in the network name.

3. Initiatives to be implemented during the coming months

In order to maintain momentum during the coming months, and, prior to the next quarterly meeting, participants proposed that the following initiatives be implemented:

3.1 Stakeholder Management

The stakeholder management process will ensure that stakeholders are involved from the beginning and that key influencers in the LGBTI communities are identified and used to support the project. The process also allows the network to monitor and manage resistance to change and expectations during the process. Stakeholders will be encouraged to demonstrate their commitment through participation and role modelling. The following initiatives will take place:

- Roadshows countrywide and campaigns will take place to lobby and obtain buy-in from business owners and entrepreneurs in the LGBTI communities. This initiative will also assist to manage expectations. This will be done at the time when the working group meetings will be held in different parts of the South Africa.
- Information sessions with groups from different business sectors will be held to share ideas and identify potential partnerships. The purpose of the business network will be shared as well;
- An event for workplace groups to discuss issues of the workplace and potential solutions, will be held in Johannesburg and Durban under the banner of the business network;
- Regular articles about the LGBTI business network will be published.

3.2 Baseline Survey

The need to conduct a survey that will determine statistics of LGBTI business owners, entrepreneurs and professionals was important for the Business Network. This information will provide guidance in terms of membership, the market and future plans.

The baseline survey will determine current statistics of LGBTI business owners, and entrepreneurs.

- The survey will be conducted in a form of a competition to attract a lot of responses. **The Pink Tongue** may be used as a media partner for this competition;
- The Other Foundation committed to source an individual with expertise to assist with the survey.

Luiz De Barros undertook to provide a report about a survey that was conducted recently, that may be relevant to determine the size of the LGBTI market in South Africa.

3.3 Partnerships/Allies

It was agreed that in order for the business network to be sustained and to grow, potential partners (e.g. business, media, and government) with appropriate resources, must be lobbied to form partnerships. The following were mentioned:

- **The Small Enterprise Development Agency (Seda):** Form partnership with SEDA to assist SMME's with basic business resources such as marketing tools, development of business plans and business training.
- **Media:** Negotiate with local newspapers to provide space for publications and information about the LGBTI Business Network;
- **Business and Government Departments** Put pressure on government to include LGBTI people in their enterprise development plans, supply chains, etc.
- **International Donors/Investors:** To seek partners who support the network objectives and engage in programmes and business opportunities.
- **Johannesburg Stock Exchange:** Engage with the Stock Exchange about potential business partnerships with listed entities.

3.4 Events

There are annual local and international events that may be utilized as a tool to lobby key stakeholders, expose members to different areas of business and to share information about the business network. Some of the events will be organised by the business network. However, they need to be prioritized to benefit the business network. The following have been identified:

- Andile Nxumalo who is involved in the SMME sector in Pietermaritzburg, will assist the Network to mobilise potential members to attend the SMME meetign that will form part of the business network roadshow in Durban.
- An event workplace groups, under the banner of the network, will be held in Durban and Johannesburg. The purpose of this event will be to capture the LGBTI workplace groups market.
- The need to attend international meetings/conferences/exhibitions has also been identified as beneficial for the business network. These events may create business opportunities and meeting with potential partners/donors. **Dean** and **Siya** have been tasked to identify such a meeting/event and make recommendations.

3.5 Funding

This funding is applicable to LGBTI business owners and entrepreneurs. The following potential funders were mentioned:

- **Old Mutual:** To be approached and negotiate a preferential interest free funding of women-led businesses. Andrea undertook to be part of the negotiation team.
- **Government:** It was proposed that the government be approached to negotiate an exclusive mandate to fund LBGTI led businesses and entrepreneurs.

3.6 Launch of the LGBTI Business Network

It was agreed that this item will be discussed during the next quarterly meeting that will be held in Durban on 18 October 2016.

4. Next Steps

- Review draft co-financing proposition (Darren Kelly Loulie).
- Produce draft scoping report / feasibility study / business case (The Other Foundation).
- Draft articles of association (The Other Foundation).
- Launch the brand at an event (Reuben Nyoni).
- Activities during coming months.

5. Next Meetings

It was agreed that the next meeting will be held in Durban on 18 October 2016. The meeting will be held in the morning, thereafter, one of the following activities will take place:

- An awareness workshop with business owners.
- Invite a broader group of people / broader community to share ideas about the business network.
- Invite a panel of business owners to discuss supply chain matters.

The meeting after that one, will be held in the Eastern Cape in February 2017.