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Virtual Coaching for LGBTQIA* Entrepreneurs in South Africa — Five Challenges and Five Lessons



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who showed great promise from an impact and business perspective but who were not quite investment-ready yet. The programme aimed to provide each entrepreneur with the opportunity to work through their impact and business model, with a view to submitting an investment proposal at the end.

This initial programme is now close to its conclusion. We wanted to take the opportunity to reflect on some of the challenges it faced and the things that we were able to learn from it — not least in light of the extraordinary circumstances of the Covid-19 pandemic.

Programme Design

Instead of setting a fixed schedule, we designed the programme to be driven by the respective entrepreneurs and tailored to their specific needs. After each session, a set of next steps was agreed upon between coach and coachee. Upon completion of those steps, the entrepreneurs would become eligible for another session, and then another — up to a maximum of ten sessions. The aim was for the entrepreneurs to prioritise their actions according to their own schedule, which would generate deeper and more substantive discussions.

We had toyed with the idea of guiding the coachees through a business-plan writing exercise. In the end, we opted for a more pragmatic approach, using the business model canvas to evaluate and discuss the business models. We felt that the canvas provided the necessary depth to think through all aspects of the business without being overly formal.

In return for this mentoring, we asked the entrepreneurs to invest a similar amount of time back into their own communities. We left the format entirely open, to encourage people to think about what would most benefit their respective communities.

The Pivot

The programme was intended to take place via phone, via Skype and in person (more on this below), depending on the person's location and needs. From the beginning, three of the entrepreneurs indicated that they would prefer a two-day workshop over individual sessions.

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virtual setup. By that time, the entrepreneurs had only had an initial meet-and-greet with the coach.

Our primary concern was whether an online-only experience would allow us to build a strong enough rapport with the entrepreneurs. Dissecting your business model and talking about your financials is daunting at the best of times, so to do it virtually with someone you have only just met is particularly challenging. We were also worried about access to digital connectivity, as some of the entrepreneurs either lived in remote areas where mobile infrastructure was patchy or they had to rely on public internet access points (e.g. libraries, universities) for financial reasons.

The Challenges

The original cohort of six entrepreneurs consisted of an events management business, a poultry farm, a launderette, a hospitality enterprise, a catering company, and a conference management firm. They were evenly split between rural and urban areas.

The entire cohort was severely impacted by the lockdown. The entrepreneurs from the events, hospitality, conference and catering industries had to completely shut down operations.

We encouraged all the entrepreneurs to think through the implications of the lockdown for their business model by evaluating different scenarios and considering various options. We wanted to stay close, as a sounding board, but purposely refrained from pushing them in any specific direction.

Over the course of the lockdown, half of the cohort dropped out of the programme. Naturally, we were disappointed, but we were also able to appreciate that each person has their own lived experience. After all, the design of the programme was such that it gave the coachees that option. We identified the five main challenges that the entrepreneurs were grappling with as: (1) mental health issues; (2) technology resources; (3) digital connectivity; (4) timing; and (5) other commitments.

We recognise that it is not easy for us, as outsiders, to understand the complexities and the dynamics that the entrepreneurs are dealing with — and in some cases we may

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Challenge 1: Mental Health

Some of the entrepreneurs faced a very real threat to their livelihood due to a lack of income, resources and options. This immense pressure and stress weighed heavily on the entrepreneurs, and they experienced true helplessness and despair. It was encouraging for us to see that [Queerwell](#) and [Queer Women in Business](#) were offering webinars on mental health and providing people in need with access to the appropriate resources and channels.

Challenge 2: Resources

Early on in the lockdown, we enquired about the entrepreneurs' access to computers and mobile phones. Unsurprisingly, not all of them owned a computer, and some relied on public-access computers at libraries, schools or universities. Of course, these services were no longer available during the lockdown.

In addition, some of the entrepreneurs came under significant financial pressure. They struggled to afford the necessary amounts of mobile data to do the research required for the programme (South Africa has some of the highest mobile data costs in the world). As a small contribution, we provided those in need with a data plan for the duration of the lockdown, and adapted the sessions. Instead of asking the coachees to prepare financial models and slides, the coach talked them through the required data inputting and filled in the missing gaps before sending back the latest version for the entrepreneur to review (often on a mobile phone). In this way, we were able to turn things around!

Challenge 3: Digital Connectivity

Despite the relatively robust infrastructure in South Africa, mobile and internet connectivity remain a challenge in remote areas. With 50 percent of our cohort living in rural areas, this was a real problem, and so significant additional commitment from the entrepreneurs was required for them to be able to continue.

Challenge 4: Timing

We are convinced that all our entrepreneurs joined the programme with the very best intentions. For most, if not all, it was their first coaching experience. For three of them, it was either not what they had expected, or this was not the right time on their journey.

Over time, we hope to adapt our selection process so that we can better determine the right point in time for a coaching programme to begin.

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Challenge 5: Other Commitments

A few of the coachees kept their day job while building their business on the side. They didn't see an urgent need to pivot their business model as they could rely on alternative sources of income. Instead, they used this opportunity to focus on other commitments and see the lockdown out.

Lessons Learned

We deliberately made the support we provided flexible because we were very aware of how diverse the businesses and entrepreneurs were and that they were at different stages on their journey.

Lesson 1: Resilience

The level of resilience we saw from some of the entrepreneurs was truly inspiring. Those from the most vulnerable communities and remotest areas demonstrated an incredible ability to adapt quickly to the new reality. Those entrepreneurs were solution-oriented and determined not to be derailed.

The hospitality business transformed itself into a bakery, the poultry farm changed its marketing strategy to a B2C model. Both commented that even before Covid-19 they had constantly been facing obstacles and challenges. Covid-19 was just another in a long line.

One entrepreneur shared her own, very profound, mantra: "I ask myself 'How can I do it?' as opposed to making statements like 'I can't'." She stated that repeating this mantra daily helped her brain set to work differently. With that mindset, she was able to pivot her business and make an opportunity out of what many of us would see as a massive challenge. "Covid-19 was a blessing in disguise," she said. "Something that was permanently disguised as a problem became an opportunity."

Lesson 2: Pick the Right Communication Channel

In our view, one of the key elements to building good rapport with our cohort was the communication channel. In South Africa, most communication happens via WhatsApp, which was the primary channel we used to stay connected. This gave the entrepreneurs

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the formality of email and allowed them to bounce around ideas in an informal manner.

Lesson 3: Let the Entrepreneurs Set the Pace

The pandemic affected the entrepreneurs in different ways. While some had a need to intensify the interaction, others first needed to process the situation on their own. We were happy that the programme had the flexibility that allowed it to accelerate or, alternatively, to give participants a breather. Ultimately, we wanted the coaching sessions to be detailed and substantive.

Lesson 4: Small Contributions Make a Difference

As mentioned above, two of the entrepreneurs struggled to afford the mobile data required to do their research. Providing them with a data plan for the duration of the lock down re-energised their momentum.

One of the entrepreneurs ran into cash-flow difficulties due to the lifecycle of their product and delayed customer payments. We were able to offer an interest-free loan, documented by a one-page IOU. Not only was the loan repaid in full within two weeks, the entrepreneur was able to expand their business by increasing production output.

Lesson 5: Financial Management Adds Tangible Value

Although the content of our mentorship programme was entrepreneur-driven, we did have one focus that was consistent across all of the entrepreneurs: financial management. It comes as no surprise that financial literacy with respect to one's own business is crucial for entrepreneurs. What *was* surprising to us was how much value the entrepreneurs managed to derive from a fairly short session on financial management, and how they were able to immediately apply what they had learned to their own business.

Reflecting on the benefit of gaining a proper understanding of their business's finances, one entrepreneur said: "The only way to know where the money is going and coming is by understanding financial management." We couldn't agree more!

Final Thoughts

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This pandemic highlighted, once again, that the micro, small, and medium enterprises space is a delicate ecosystem in great danger of falling apart during times of crisis. These businesses have not yet had the chance to build foundations strong enough to withstand such an economic shock. Many had to close down, with a huge number of formal and informal jobs disappearing in a matter of weeks. Many entrepreneurs fell back into poverty or lost their livelihoods altogether. The after-effects will be felt for a long time, and it will take patience and dedication to rebuild the businesses — hopefully in such a way that they become more resilient and more sustainable.

Entrepreneurs require various types of support, ranging from strategic, financial and operational advice to different forms of capital — philanthropic, impact and mainstream. No one journey is the same as another, but all entrepreneurs aspire to build sustainable businesses that allow them to make a decent living and that contribute meaningfully to their society and their community. It is down to us as capital holders to ensure entrepreneurs get access to the support they need.

About Stefan Bollier

Stefan is a member of Dreilinden's investment committee. He is the founder of Swiss based Impact Advisors LLC which is advising Dreilinden on the development and implementation of the foundation's impact investment strategy.

About Sawa Nakagawa

Sawa is the Founder and Partner of ThreeArrows Impact Partner, an advisory firm based in Johannesburg, focused on impact investing and social innovation. Sawa is leading Dreilinden's coaching programme.

About Dreilinden

Dreilinden is a Hamburg-based foundation dedicated to advancing societal acceptance of gender and sexual diversity. Founded in 2007, Dreilinden has been at the forefront of supporting sexual orientation, gender identity and expression, and sex characteristics with grants and investments. Kindly note that Dreilinden does not accept any grant applications at this time.