

KEMU SAVINGS & CREDIT COOPERATIVE SOCIETY LTD

STRATEGIC PLAN 2019 – 2023

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Message from the Manager



Kenya Methodist University SACCO (KEMU SACCO) was established in 1997 with the sole objective of uplifting the members' social economic wellbeing. Since its inception, we have seen growth in membership, members' growth through various personal investments by utilizing the different SACCO products and growth in the economy which is our sole purpose.

We are privileged to have great sound governance from the Management which has seen all our service providers and clients satisfied, growth in share capital, introduction of innovative products and indeed great team work displayed is a recipe for great the success.

As our motto defines us 'Together we build one another' let us continually encourage each other and build each other just as we are already doing for better greater lives ahead of us.

Selmith Murugi
Manager

Message from the Chairman



Kenya Methodist University SACCO (KEMU SACCO) was formally established on 10th July 1997 by the forward-looking vision of its founders. Today as we build on hope and the foundation of SACCO for character, and our anchored mission, we recognize that we need to adapt to the needs of our ever-changing world. Through prayer, diligence and collaboration, we have identified our six strategic priorities for the next five years, and boldly commit to taking the steps necessary to achieve these desired goals. Engaged members, we are committed to providing for our entire membership and staff the ability to grow and develop within their areas of participation, enabling them to reach their greatest potential. To that end, we will align with nationally recognized benchmarks to determine the development, growth and processes needed to achieve a vibrant SACCO culture. We expect this alignment to produce a flourishing SACCO culture and members engagement, along with revenues and increased efficiencies.

However, it will require development and investment in our membership and staff, innovative Growth in order to remain viable and relevant as an organization in the changing landscape of SACCOs, our infrastructure must be refreshed. By diversifying and launching strategic SACCO products to meet changing external and internal SACCO needs, we will become a leader in accessible, affordable products. We will provide a thriving online environment with carefully selected products. The expected increase will build upon our strong SACCO success and support our sustainability efforts and bring actual operational dollars to our members.

In SACCOs, change is the only constant, and the pace of change continues to accelerate. There has never been a more critical time to plan for the future; to lay down an aspirational path that ensures continued success for years to come.

We are pleased to introduce you to Kemu SACCO society ltd strategic plan 2019 - 2023– a bold and clear plan that outlines where we’re going, how we’ll get there and what it means to you. The six strategic pillars will keep us focused on our future direction, as well as our day-to-day work.

On behalf of Kemu SACCO society ltd, we would like to thank all those who shared their wisdom, thoughts and vision in the development of this strategic plan. We asked challenging questions, you answered and we were inspired. Together, we are creating the Kemu Sacco of tomorrow.

Jason M. Anampiu
Chairman

Abbreviations

ATM	Automated Teller Machine
BCP	Business Continuity Plan
BOD/BOARD	Board of Directors
BOSA	Back-office Savings Activity
CSA	Cooperative Societies Act
CSR	Corporate Social Responsibility
FOSA	Front Office Services Activity
HR	Human Resource
ICT	Information and Communication Technology
KEMU	Kenya Methodist University
KUSCCO	Kenya Union of Savings and Credit Co-operatives
MFI	Microfinance Institution
Ministry	Ministry of Industry, Trade & Co-operatives
NACOs	National Co-operative Organizations
NBFIs	Non-Bank Financial Institutions
PESTEL	Political, Economic, Social, Technological, Ecological and Legal Factors
SACCO	Savings and Credit Co-operative
SASRA	SACCO Societies Regulatory Authority
SWOT	Strengths, Weaknesses, Opportunities and Threats
TNA	Training Needs Assessment

Executive Summary

The Board of Directors and Staff of KEMU Savings & Credit Cooperative Society resolved to prepare Strategic Plan for the period 2019 to 2023. The document will reference and outline objectives, strategies and activities to achieve the Society's targets in various fields including marketing, financial resource mobilization, leadership and governance, training, service delivery and information technology as key business drivers.

Thus, Kenya Union of Savings and Credit Cooperative Ltd (KUSCCO) was identified and appointed as consultant organization to guide the process of developing the document. Strategic Planning Workshop was consequently held on 9th and 10th November 2018 in Nanyuki. The Board and Staff of the Society actively participated in the conceptualization process, course activities, and group work sessions.

The Society's brief profile—its history, Strategic Focus incorporating Mission, Vision, and Core Values, Achievements and challenges are discussed in Chapter 1. The SACCOs performance is highlighted in chapter 2; A scan of the Society's business environment was carefully evaluated and is presented in SWOT Matrix, PESTEL Analysis, Stakeholder & Competitor Analysis as well as GAP analysis in Chapter 3. 6-fundamental business pillars that support its business are discussed in Chapter 4 under "Strategic Pillars". Chapter 5 provides some of the operational strategies that the SACCO will need to put in place so as to meet its objectives. In addition, a Monitoring and Evaluation matrix has been built into the plan whose objective is to measure implementation, appraise performance of each business unit, and ensure the pace of implementation is on course as well as identify, eliminate and reduce any constraints towards realization of the objectives.

The plan will be reviewed mid-course in 2021 and redesigned in 2023.

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Chapter 1: Introduction

Background

Kenya Methodist University SACCO (KEMU SACCO) was formally established on 10th July 1997 when it was granted a certificate of incorporation from the then Ministry of Co-operatives Development. The registration of the SACCO was the culmination of efforts of Kenya Methodist University staff members who had a vision to bring together members of staff to pool their financial resources to assist each other.

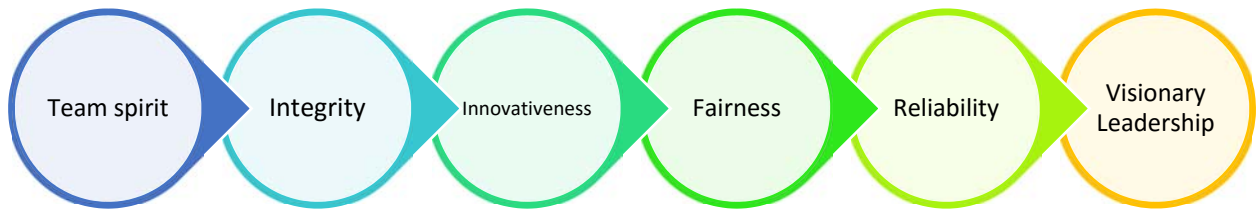
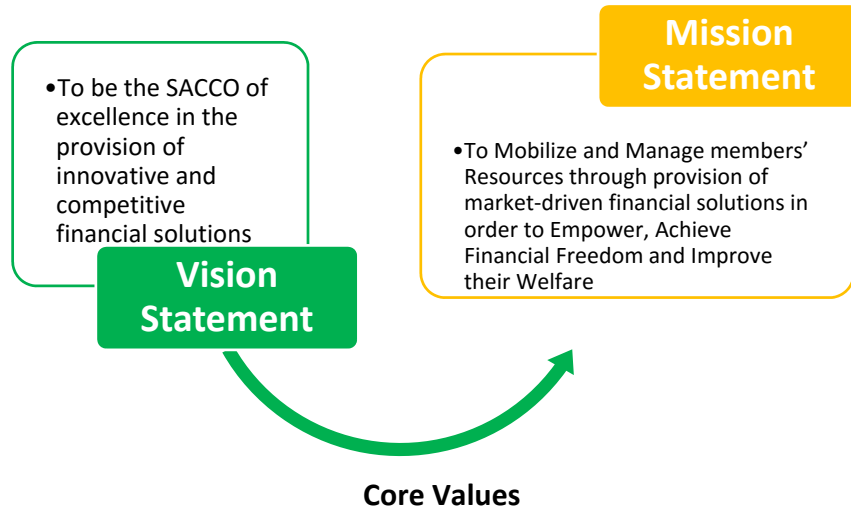
The SACCO was initially registered with 47 members as founder members. Currently the SACCO has 215 active members who are fully dedicated to its course.

Initially the SACCO had the sole aim of giving development, school fees and emergency loans but later expanded the products to include Christmas fund, education fund, Fixed Deposits (Bingwa), Children Fund, Recreation Fund, Leave Fund, retirement fund, instant Loans, Mkombozi loans, Agricultural Loans, Development Loans, Top-up Loans, School Fees Loans, Refinancing Loans and household loans which are meant to improve the living standards and welfare of members.

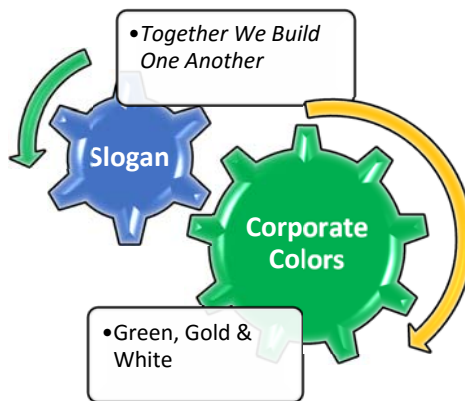
Since inception, the society has experienced steady growth in key areas. The deposits portfolio has grown to Kshs. 73, 799,168. The share capital stands at Kshs. 8, 532,904.

The SACCO's Governance structure comprises of the members (who pass resolutions during A.G.M), the Board of Directors led by a Chairman and eight other members, the Supervisory Committee which has three members and staff members employed by the SACCO. All management and supervisory committee members are elected in an Annual General meeting of members convened every year. Members of the different committees serve for varying periods as stipulated in Kenyan laws governing SACCOs.

Strategic Direction & Identity Statements Vision & Mission Statement



Corporate Colors & Slogan



Products & Services

In order to meet the needs of members, KEMU SACCO offers a variety of products and services to members. These include;

S.NO.	Product Name	Details / Features
	FUNDS	
1.	Education Fund	-It is a savings that enables members to accumulate funds for education purposes. It's accumulated for a period of one year. -It earns interest once dividends & interest are declared.
2.	Children Fund	-It's a saving with a minimum monthly contribution of Kshs.500, which enables a member to accumulate funds for their children for future use. -One can access 70% of the savings after the second year. Administrative cost of Kshs.500/= charged on withdrawal of funds. Premature withdrawal of funds (before two years are over, an administrative cost of Kshs.2, 000/= will be charged. -Can access full amount saved after the 5 th year.
3.	Christmas Fund	-It's a one year saving which enables a member to accumulate funds on a monthly basis for use during the end of year festivities. -Its refundable in December every year. -An administrative cost is charged for premature withdrawal of funds.
4.	Leave Fund	-It's a saving with a minimum monthly contribution of Kshs.500/= -To be accessed when one is going on leave with a two weeks' notice. -Administrative cost of Kshs. 200/= is charged. No interest earned once dividends & interest are declared.
5.	Recreation Fund	-This is a savings that enables members to accumulate savings on a monthly basis for use on organized trips or personal get-aways. -Its accumulated for a year & is refundable upon request so long as the savings have completed a calendar year. - It earns interest every year once declared.
6.	Retirement Fund	-It is a saving that enables members to accumulate funds for retirement. It is a token to carry home at the end of employment service. -This earns interest every year once declared.

S.NO.	Product Name	Details / Features
	LOANS	
7.	Development Loans	These are designed to meet the cost of capital development. It's given three times one's savings. It is payable within 48 months.
8.	Agricultural Loans	-This is a loan given to farmers to enable them buy irrigation products. -The loan is repayable within 12 months.
9.	Fixed Deposits (Bingwa)	-It's a saving where members deposit their money with the Sacco (fix) for a specified period and earn an interest of 8% p.a. The period range from 3month to one year. The minimum amount is Kshs. 50,000/=.
10.	Household Loans	-This is a loan offered on household goods on member request. The items are usually ordered from a reputable dealers & manufacturers. -The loan repayment period is 36 months.
11.	Emergency Loans	-These are loans meant to sought out emergencies such as hospital bills, court fines, etc. Support documents to prove an emergency must be provided. The loan is payable within 12 months.
12.	Instant Loans	-It's a loan usually given in cash. -The maximum loan amount is Kshs.80,000/= repayable within six months with an interest of 5% per month.
13.	Mkombozi Loans	-It's a salary advance usually given to a member and repayable by 5 th of the next month. It has an interest of 4%. -Default on repayment of the advance attracts a penalty of Kshs.500/=
14.	Refinancing Loans	-The facility is given to a member who is already servicing a development loan so as to complete the development. -The repayment period is 48 months.
15.	School Fees Loans	-This is a loan meant to assist members meet the obligation of educating their children. -Payable in 12 months. -A fee structure must be attached.
16.	Top-Up Loans	-This is a type of loan given as a top up of other loans already borrowed. -The loan is payable within 48 months.
17.	I.P.O Loans	-This is a loan designed to help members acquire shares through IPOs. -They are payable in 24 months.

S.NO.	Product Name	Details / Features
18.	Mobile Money	-This include airtime, Mpesa services.

Achievements

- i. The SACCO has remained afloat despite the many challenges it has faced
- ii. The SACCO has remained innovative in several ways and this has kept its clients satisfied. This includes M-pesa pay bill number and development of the Financial Management System.
- iii. Sound governance from both the board members and the staff which has brought about members' loyalty
- iv. Team work.
- v. FOSA development-the SACCO has taken several steps towards implementation of the FOSA and foundation has been laid towards the same.
- vi. Growth in Financial investment.
- vii. Growth in the share capital
- viii. Introduction of New products.

Challenges Faced

- i. Cash flow.
- ii. Inadequate use of ICT
- iii. Restricted location
- iv. Partial implementation of the strategic plan
- v. Loan default
- vi. Members apathy
- vii. Withdrawal of members

Sources of Funding

To fulfil its mandate, the SACCO funds its activities from the following sources;

- i. Entrance Fees
- ii. Share Capital
- iii. Loan interest income
- iv. Members' Savings
- v. Fees and penalties
- vi. Investment income

Chapter 2: Contextual Analysis

Structural Framework of the Cooperative Movement in Kenya

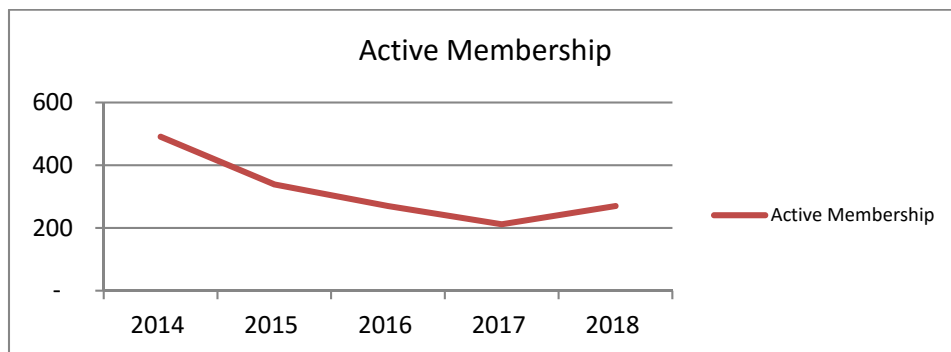
The structure of the cooperative movement is a four-tier structure. The Cooperative Societies Act recognizes these four specific categories of society, namely:

- i. The primary
- ii. The secondary
- iii. The national cooperative organizations (NACOs)
- iv. The apex societies

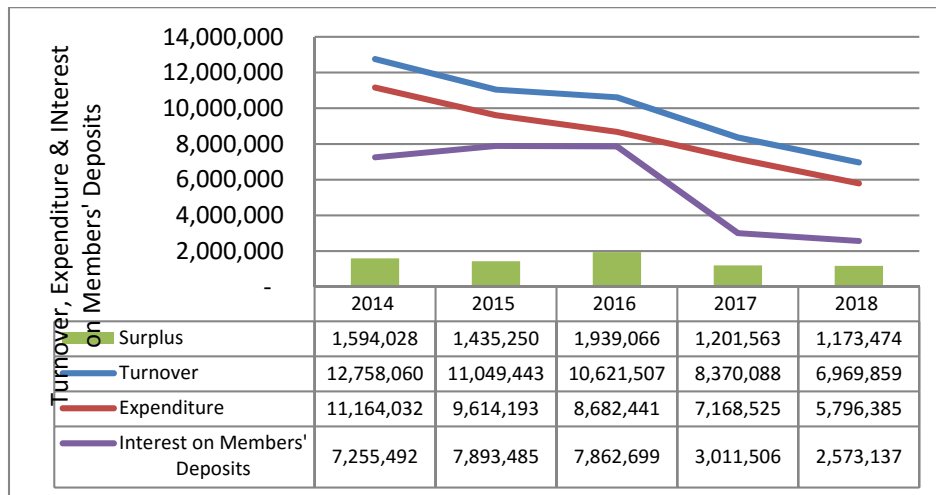
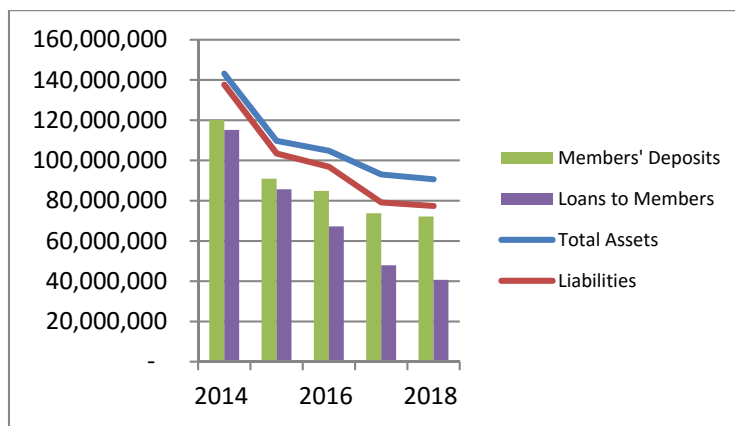
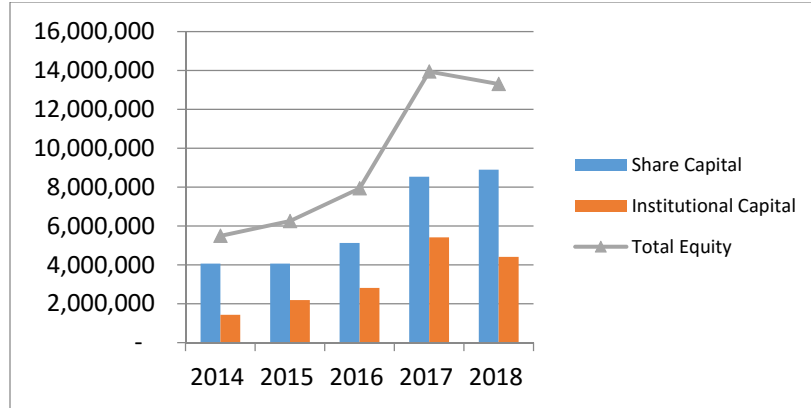
KEMU SACCO falls within the category of primary societies.

Performance

	2014	2015	2016	2017	2018
Membership	511	530	547	547	
Active Membership	491	339	270	212	270
Share Capital	4,064,500	4,064,500	5,130,000	8,532,904	8,896,047
Members' Deposits	120,126,727	90,973,256	84,853,155	73,799,168	72,184,290
Other Deposits	4,246,983	3,185,927	3,468,030	2,255,654	2,334,236
Loans to Members	115,195,071	85,688,414	67,240,389	47,898,020	40,684,746
Turnover	12,758,060	11,049,443	10,621,507	8,370,088	6,969,859
Expenditure	11,164,032	9,614,193	8,682,441	7,168,525	5,796,385
Interest on Members' Deposits	7,255,492	7,893,485	7,862,699	3,011,506	2,573,137
Surplus	1,594,028	1,435,250	1,939,066	1,201,563	1,173,474
Dividends	731,100	812,900	1,026,000	853,290	711,684
Total Assets	143,177,774	109,758,325	104,842,561	93,093,449	90,721,765
Liabilities	137,681,233	103,500,468	96,900,483	79,143,876	77,413,111
Financial Assets	3,336,596	3,336,596	3,336,596	3,422,728	3,422,728
Institutional Capital	1,432,041	2,193,357	2,812,079	5,416,669	4,412,607
Total Equity	5,496,541	6,257,857	7,942,079	13,949,573	13,308,654



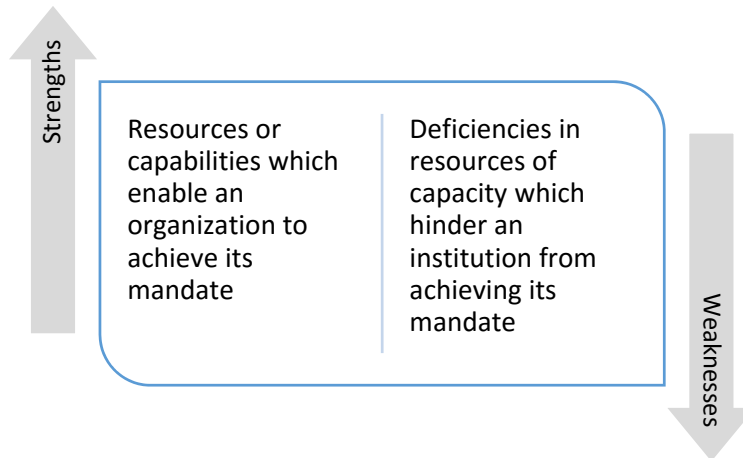
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Strategic Plan 2019 - 2023



Chapter 3: Environmental Analysis

Environmental scanning is the acquisition and use of information about events, trends and relationships in an organization's external environment, the knowledge of which would assist management in planning the organization's future course of action. Organizations scan the environment in order to understand the external forces of change so that they may develop effective responses which secure or improve their position in the future. Environmental scanning enables a firm to avoid surprises, identify threats and opportunities, gain competitive advantage, and improve long-term and short-term planning and hence adapt to its operating environment by knowing and interpreting the external changes that are taking place around it. The strategic planning team carried out the environmental scanning through the use of SWOT and PESTEL tools as well as Stakeholder Analysis, Competitor Analysis, Risk Analysis and Gap Analysis.

SWOT Analysis





In discussing the SWOT analysis, the planning team also provided insights on the actions required with regard to the SWOT elements. This is because a good strategy builds on its strengths, deals with the weaknesses, takes advantage of opportunities and minimizes the threats. The SWOT Analysis is summarized as below;

Strength	Action Required to take Advantage
Access to short term loans	-Aggressively market product to members -Digitalization of SACCO product.
Opening of the common bond	-Set targets of marketing for recruitment of new members. -Give Motivation to members who recruit new members.
Easy access to a pool of common-bond members	-Improved customer care & attractive products e.g. Household products, ensure customer retention.
New System	Enhance the information system to include bulk sms
Affordable interest rate on loans	-Give more loans & more marketing of the loan products
Relationship with the stake holders(KEMU)	-Marketing (emails, application forms for new employees of the University issued to new employees) -Link SACCO website to the KEMU website
Minimum turn-around time for loan & other operations	- Leverage on SACCO Financial information system - Mobilize funds from alternative sources
Good governance	-Tap the potential & actualize. -Networking -Research & development

Members loyalty	-Continuous provision of products & services - Continuous Quality Improvement
Savings Mobilization	Prorata, Products Diversification

WEAKNESS	ACTION REQUIRED TO MINIMIZE
Low members contribution	Member Education
High member turnover	Exploit other available sources of funds Continuous engagement of the institutions owing SACCO Intensify marketing Come up with innovative products Improved customer service
Restricted access to the SACCO office	Source/identify office outside KEMU premises Intensify marketing – research and go to groups and market our products
Poor networks within KEMU campuses	Orient new members, continuous updates and feedback to the campus representatives and members -Prompt response to members concerns
Communication	-Bi-annual induction of new members -Continuous updates on the SACCO website -Leveraging on the bulk SMS
Poor Marketing	Revive the Campus visits Branding during SACCO meetings Have a SACCO week – pitch a tent, announcements at the Chapel Visibility and active participation during the university events e.g. career week, graduation etc. Participate in CSR activities Actively participate in co-operative movements events Revive household items sale Introduce student based products
Low dividend rates	Education/Inform members the purpose of the SACCO to impress on them the SACCO's core business process
Member apathy – inactive participation	Educate members Call senior university management and inform them of the importance of active participation in the SACCO Increased activities and presence

Weak service delivery	Training of staff Regular meetings with board and staff
Inadequate use of ICT	Complete system and utilize social media platform
Slow implementation of ideas and policies	Embrace monitoring and bi-annual evaluation. Develop monitoring and evaluation tools
Loan defaulters	Engage a debt collector CRB Listing

OPPORTUNITY	ACTION REQUIRED TO TAKE ADVANTAGE
Innovative products	Design a specific savings product for students Open bank agency services Negotiate with parent institution Open FOSA
Marketing	Engage a marketing officer
Surrounding institutions	Inviting and visiting surrounding institutions for recruitment of non-members from the common bond
Expand services to other campuses	Online, mobile services, embrace technology
Partnership with other organizations	Embracing KUSCCO and Banks to favorable products to assist the SACCO grow
Repayment period flexibility	Less pressure on members on repayment period having shifted from contract to permanent employment
Check off system	Leverage on loan recovery
Institution of higher learning	Utilizing available resources from the parent institution

THREAT	ACTION REQUIRED TO MINIMIZE
Competition from other financial institutions	-Innovative products -Proper positioning
New rules & regulations	-Compliance to the regulations -Education to members
Change in business environment(fraud)	-Proper positioning & risk management.
Non remittance of deductions by the employer of the common bond members	-Opening FOSA & alternative financial resource mobilization
The going concern of employers	-Repackage ourselves by rebranding, FOSA & improve accessibility to non-common bond members

PESTEL Analysis

Political	Laws, global issues, legislation and regulations which may have an effect on the SACCO's business either immediately or in the future.
Economic	Taxes, interest rates, inflation, the stock markets and consumer confidence all need to be taken into account.
Social	The changes in lifestyle and buying trends, media, major events, ethics, advertising and publicity factors, age, gender, religion and demographic information
Technological	Innovations, access to technology, licensing and patents, manufacturing, research funding, global communications.
Environmental	Environmental issues either locally or globally and their social and political factors.
Legal	Legislation which have been proposed and may come into effect and any passed legislation's.

Factor	Positive	Negative
Political	Political stability-enable environment for business. Government structures - Ease of doing business e.g. registration of audited books Mitigation of risk-IFRS9 Changes in regulations-	Taxes – increase in tax due to political mitigations Influence of county government due to devolution Political instability Terrorism
Economic	Capping of the interest rates-banks not lending to check off employees giving SACCO an upper hand Inflation the price of commodities is high hence increase in borrowing to increase the purchasing power	Corrupt government officials requesting for bribes Inflation Interest rate GDP growth rate is slow – cost of living high Unemployment Redundancy Volatile Kenyan currency
Social	Age-middle class members borrow more. Education- more people a going to school Changes in lifestyle	Lifestyle - lack of saving culture Negative perceptions and attitudes towards saving with SACCO Religion
Technological	Availability of MIS, mobile phone coverage hence improved transactions	increase in cyber-crimes - internet Fraud Change of technology – extinct of invested MIS and technologies Cost of acquiring and maintaining systems

Factor	Positive	Negative
Environmental	The SACCO has an opportunity of offering credit for Farming products given the rich agricultural endowment of its area of operation	Change of climate Waste Management Competition
Legal	Introduction of CRB & tribunals Legal Requirements-employment act, deductions submission by a particular date.	Change of regulation policies Weak laws making investors shy away from investing in SACCOS Corrupt legal system

Stakeholder Analysis

The strategic planning team also carried out a stakeholder analysis. This was necessary for the purpose of ascertaining the various players in the society's operating environment that they can partner with to achieve certain specific goals.

Stakeholder	Stakeholder Expectations	KEMU SACCO's Expectations
Members	Loyalty, contributions	Efficient and effective service delivery, returns, governance Equal treatment Guidance
National Cooperative organizations (KUSCCO, CIC, COOP Bank)	Advocacy and advisory services Insurance service Training and consultancy services	Annual subscriptions and patronage of products and services Business in relation to training and consultancy services
Government	Policy formulation/supervision Provision of trading license Enabling legislation, Security Enabling working environment	Comply with government policies/regulations Pay and remit the relevant fees Timely reports and returns
Suppliers	Negotiable credit facilities and quality, reliable, dependable service	Prompt payments
Staff	Productivity and creativity	Motivation, training, good terms & conditions of service and job security
Public	Cooperation Membership	Corporate Social Responsibility
Other SACCOS	Exchange programmes and benchmarking	Fair competition
Board	Good policy formulation	Recognition and remuneration

Competitor Analysis

Competitor	Why they do Better	How to Counter them
Banks	Liquidity/quick service Better marketing strategy Credit Rules/Security	Market segmenting Broaden market strategy Review bylaws
Other SACCO's	Product innovation High Liquidity ratio Membership strength	Products patronage/re branding Borrowing Recruitment from other institutions
Micro financial institutions (SME)	High liquidity Micro finance bill/Act	Borrow and invest in earning products Non diverting of loan intended purpose
Shy locks	Quick service delivery They are not regulated hence they give money at very minimal benefits to favour them	Improve liquidity status Improve customer service Marketing effectively on available credit facilities

GAP Analysis

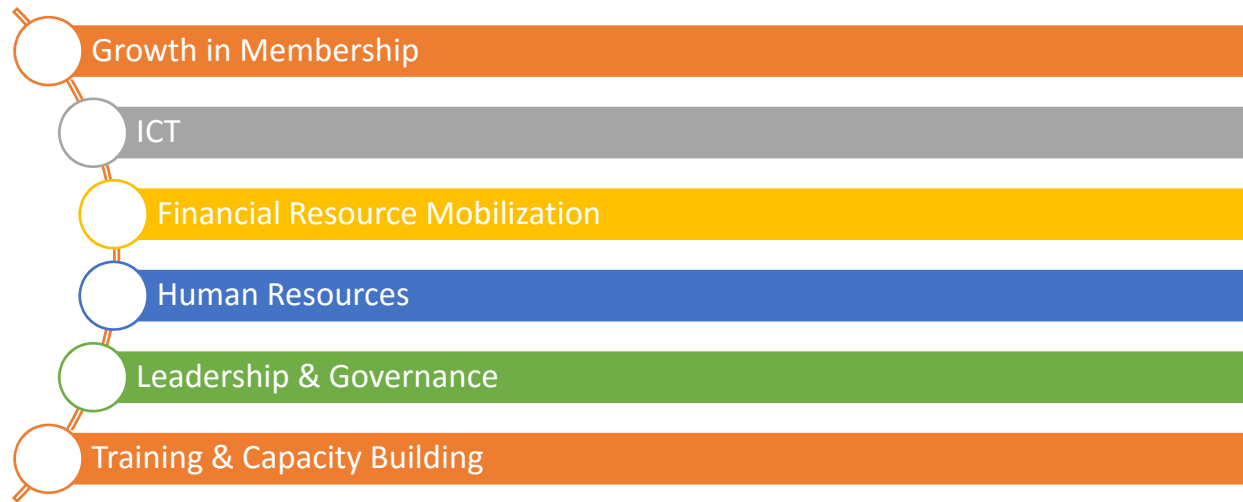
Area of Focus	Objective	Strategy	Status / Remark
Membership Mobilization	To grow membership by 20% annually and retain 100%	Aggressive recruitment drive within and without common bond	Not done due to Non prioritization. Lack of commitment
		Retention of members	Response to grievances and education to members done Publicity and incentive scheme not done Lack of implementation due to poor follow up
		Enhance communication	Not regularly done. No IP phone installed due to technical hitches experienced Lack of clear JDs on who should update social media No prioritization and follow up
Corporate Governance	To continuously align management processes and policies to the	Review organization structure as necessary	Benchmarking done for FMIS Other activities were overtaken by events and were thus not necessary
		Embracing KEMU SACCO values in management	Signed confidentiality Signed indemnity

Area of Focus	Objective	Strategy	Status / Remark
	strategic direction		Reviewed by laws on guarantor ship and new member admission Code of conduct not done
		Embrace strategic plan objectives in management	partially implemented due to changes in business environment & liquidity challenges
		Review and develop appropriate policies	Done but no implementation, the process has been initiated
Human Resource	To recruit and retain skilled Personnel in line with the SACCO's mission and vision	To Recruit qualified Staff	Policy and recruitment guide developed Staff recruited
		To retain skilled personnel	Terms reviewed Low staff motivation Conducive work environment
		Performance Management	Partially Done No handover for exiting mgt
Financial Sustainability	To improve and prudently manage the SACCO's Financial Resources	Diversify Revenue	FOSA not yet operational Bingwa-fixed deposit product is underutilized
		Capital mobilization	Raised from KShs. 5,000 to 10,000 for all members 50% of members are at KShs. 20,000 and above Annual member education
		Aligning interest on loans with market rates	Interest rates aligned to the market currently at 12%
		Mobilization of members savings	Borrowed from external sources Co-op Bank and KUSCCO
Service Delivery	To continuously provide services in a manner that exceeds customer expectation	Improved Service Delivery	Conducted annual customer service training to staff Introduction of suggestion box
		Embrace ICT for efficient Service Delivery	Introduced the Management Information System which is in use

Area of Focus	Objective	Strategy	Status / Remark
			Implemented the online batch mailing Acquired the ICT Software and have a maintenance contract with the vendor
		Renovate and Acquire Own Facilities	Renovated the current facilities Not acquired own facilities Land not yet purchased
Marketing and CSR	To continuously diversify products & services and enhance the corporate image	Aggressively promote products and services	Brochures are not updated New products introduced – Smart Farm and Bingwa product Monitoring and evaluation of products is done regularly Non Implementation promotion drives
		Improve our Corporate Image	Intensive marketing through word of mouth and the SACCO Website CSR activities – visited Meru school for the Mentally challenged and SOS Children Home Enhanced collaborations with key partners Safaricom, KUSSCO, CIC, Coop bank
		Enhance Communication Processes	Updated face book page Use of horizontal and vertical communication Improved turnaround time for feedback to members
		To improve the Processing of Loans	Ceiling on loans removed Reduced loans disbursement turnaround time Member contribution maintained

Chapter 4: Strategic Pillars

Given the results of the strategic direction setting as well as the analysis of trends, the external and internal environment as well as the GAP and stakeholder analysis, the planning team identified the following areas as being of key importance of the next five-year period;



Action Plan
Growth in Membership

Objective	Strategy	Activity	Performance Indicator	Timeframe	Responsibility
To increase growth in active Membership by 15% annually and retain 100%	Marketing	Promotion (advertising through word of mouth, print or electronic media)	Number of times pitching of tents done Number and frequency of advertisement	Three times a year	Education and Training Committee / SACCO Manager
		Develop the marketing Policy	Marketing policy	2020	Board
		Develop the marketing Plan	Marketing Plan	2019	Education and Training Committee / SACCO Manager
		Creating awareness	Number of inquiries recorded Reports	Daily Quarterly reports	Staff
		Recruit a marketing Officer	Recruited Marketing Officer	Q2, 2019	Board
		Actively Participate in the Cooperative movements activities (Ushirika Day)	Number of activities attended and Participated	Annually	Education and Training Committee
		Conduct CSR	Participate in one CSR activity	Annually	Board
	Rebranding	Change the SACCO Name	Name Change	2022	Board
		Blending the cooperative colors effectively	Proper corporate Color Schemes usage	2019	Board
		To have all SACCO members branded during key SACCO events	Number of members Branded	Annually	Education and Training Committee

Objective	Strategy	Activity	Performance Indicator	Timeframe	Responsibility
		Develop branding materials (Banners, T-Shirts, Brochures)	Promotional materials developed	Annually	Education Committee
	Recruitment within and without the common bond	Identify the prospective members	Increment of new members	Daily	Board, staff and Members
		Carry out a recruitment process	Number of recruited members	Daily	Staff
		Develop incentive scheme	Types of incentives Developed	Annually	Board
		Award incentives	Number of incentives given	Annually	Board
		Opening FOSA	FOSA opened and Operational	2023	Board
		Retention of Members	Ensure customer satisfaction	Minimized withdrawals	DAILY
	Prompt response to customer requests		Minimal turn-around-time (TAT)	DAILY	Staff / Board
	Education and training to members		Number of trainings held	Annually	Board
	Develop incentive scheme		Types of incentives Developed	Annually	Board
	Award the incentives		Number of Incentives awarded	Annually	Board
	Product diversification and Innovation	Periodically review the existing products with a view to aligning to customer demand	Number of reviews done	Annually	Board
		Develop a new product	Number of new products introduced	Annually	Board
		Marketing Research	Number of Product	Annually	Board

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Objective	Strategy	Activity	Performance Indicator	Timeframe	Responsibility
			innovation made		
	Enhance Communication	Disseminate regular updates of SACCO Information	Availability of SACCO updates on Website, Social media and Bulk SMS	Monthly	Staff
		Use push and Pull methods	Number of messages sent and receiving	Monthly	Staff
		Educate and Train members	Number of members trained	Annually	Education Committee
	FOSA	Meet the FOSA opening requirements by SASRA	Requirements met	2021	Board
		Acquire a premise for FOSA	Premise acquired	2022	Board
		Open the FOSA	FOSA Opened	2023	Board
	Customer satisfaction	Create Customer interaction avenues	Availability of communication avenues	2019	BOARD
		Conduct a customer satisfaction survey	Number of survey conducted	Annually	Education Committee
		Analyze survey feedback	Number Feedback Reports	Annually	BOARD
		Put in place a customer survey tool in SACCO website, Use SMS	Availability of the Survey tools	Annually	STAFF

ICT

Objective	Strategy	Activity	Performance Indicator	Timeframe	Responsibility
To enhance ICT level in the SACCO for increased efficiency	Embrace ICT for efficient service delivery	Automate all SACCO services	Real time processing services	Annually	Board
		Upgrade and maintain ICT hardware and software	Technologically updated	Annually	Board
	Improve Security of Data, Information and of all ICT Infrastructure	Enhance security within the Data, Network and Systems	Reduced number of security issues	Quarterly	Staff
		Backup	Number of backups created	Weekly	Staff
	Implement alternative channels of service delivery	Deploy/activate Mobile Banking service channels	Use of mobile banking services	2019	Staff
		Develop online loan application with key requirements like biometric signature on guarantorship	Functional online applications	2019	Staff
		Update SACCO website with current information	Update Website Information	Weekly	Staff
		Upgrade of the current SACCO information System	Improved ICT Reports generated	Annually	Staff
	Capacity Building to staff on ICT	Training Needs assessment	Number of Assessments report	Annually	Education Committee
		Training all staff on ICT usage	Training report	Annually	Education Committee
	Acquire and Maintain ICT Infrastructure	Purchase ICT equipment	Acquired ICT Equipment	Quarterly	Board
		Maintain ICT equipment	Well Maintained ICT Equipment Maintenance reports	Annually	Board

Training and Capacity Building.

Objective	Strategy	Activity	Performance Indicator	Timeframe	Responsibility
To enhance performance of board, supervisory, staff and retention of members	Board, supervisory and Staff orientation	Training in governance and leadership	No. of trainings done Training Reports	Bi-annually	Education committee
		Development of Training calendar	Training manuals (soft and hard) Attendance Certificates	Annually	Education committee
	Enhancement of operational performance and retention of staff	Training of staff in efficiency performance	Attendance certificate Performance appraisals Cascade reports	Annually	Education committee
		TNA	Training Calendar Progressive reports and certificate	Annually	Staff.

Financial Resource Mobilization

Objective	Strategy	Activity	Performance Indicator	Time frame	Responsibility
Aggressive fund mobilization and prudent fund management	Resource mobilization	Increase minimum monthly contribution from Kshs. 1,000 to 2,000 in five years	AGM Approval	2020 - 1,500 2022 – 2,000	Board
		Diversification of shares	Number of redeemable preference shares introduced	2019	Board
		Voluntary Dividend and interest retention to be accumulated as non-withdrawal deposit	AGM approval	Annually	Board
		Create a general reserve account (10% of the net profit)	AGM approval	2019	Board
	Diversification of income	Agency Subscription e.g. Bank Agency	Active agency services	June 2019	Board
		Introduce withdrawal fee on all saving that are withdrawn prior to maturity, and penalties on short term loans defaulted	Number of approved new terms and conditions for all products	2019	Board
		Education to members	Number of educated members	annually	Education committee
		Increase trading income e.g. photocopy services and stationery selling	Up and running business	June 2019	Board and the staff
		Implement the standard amortization method on long term loans	Number of loans amortized	2019	Board
		Increase entrance fee from	Amount changed	2019	Board

Objective	Strategy	Activity	Performance Indicator	Time frame	Responsibility
		Kshs. 500 to Kshs. 1,000			
	Prudent utilization of funds	Planning (Benchmarking)	Reports and implementation strategies	2019	Board
		Investment in short and long term securities e.g. T. bills, commercial papers, T. bonds	Investment portfolio	annually	Board
		Revival and Implementation of attractive products e.g. Super-loan, Bingwa, household products etc.	Consumption of the product by members	annually	Board
	Internal controls	Implementation of internal control policy	policy	2019	Board
		Monitoring and evaluation	reports	quarterly	Board
		Internal Audit office	establishment	2021	Board
		Budget implementation	Budget variance reports	Quarterly	Board
		Risk management	Risk management table and training	2019	Board

Human Resource

Objective	Strategy	Activity	Performance Indicator	Timeframe	Responsibility
To recruit, motivate and retain highly qualified personnel to achieve the organizations goal	Recruitment and staffing	Implement HR policy	Policy	2019	Board
		Equal employer	Market survey	2019, 2021, 2023	Board
		Staff establishment	Report	2019	Board
		Job description	Develop and implementation	2019	Board
		Creating of HR committee	Addition / inclusion in the policy / by laws	2019	Board
	Retention of personnel	Reward /Motivation	Staff performance	2019	HR committee
		Job grading and terms of service	Staff placement	2019	HR committee
		Work environment	conducive	annually	Board
		Medical scheme	Medical cover	2019	Board
	Performance management	Performance contract and appraisal tool	Filled and Evaluated appraisal tool	Annually	Board
	Training and development	Team building	Team bonding	Annually	Board
		Training and development	workshops	Annually	Board
		Professional affiliation	Registration and renewal	Annually	Board
		scholarships	awarding	Annually	Board

Leadership and Governance

Objective	Strategy	Activity	Performance Indicator	Timeframe	Responsibility	
To align management processes and policies to the strategic direction.	Bench marking	Identify best practices within the industry	Compiled reports No. of SACCOs visited	2019	Education committee	
	Partnership	MoU	Signed Documentation	Annually	Executive committee	
	Transparency and accountability	Code of conduct development	Code of conduct manual	Code of conduct manual	2019	Executive committee
			Code of conduct compliance	Manual	Quarterly	Supervisory committee
		Wealth declaration	Reports	Annually	CEO	
		Proper record management and Safe custody.	Availability and accessibility of Serialized and foliolised documents	Weekly	CEO	
		Verification and validation of documents	Duly authorized documents	Weekly	Treasurer	
		Audit	External Audit reports.	Annually	Treasurer and CEO	
			Internal audit reports	Monthly	Supervisory	
	Adherence to legal and regulatory requirements	Compliance with Regulatory requirements	Timely payment of statutory dues and returns	Annually	Executive committee	
	Teamwork	Two way Feedback/information sharing	Customer satisfaction reports.	Weekly	Management board/staff	
			Stakeholders reports	Annually	Chairman	
	Risk planning	Insurance of loans and property	Timely remittance of Premium.	Annually	Treasurer	
		Anti-burglary	Installed security	2019	Executive committee	

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Objective	Strategy	Activity	Performance Indicator	Timeframe	Responsibility
			system		
		Purchase Firefighting equipment	No. of installed fire extinguishers	2019	
		Cyber security	Security reports	Quarterly	
		Board Indemnity	Signed indemnity forms	Annually	CEO
		Strategic risk analysis	Research report	Annually	CEO
	Implementation of policy	Operationalization of policies	Supervisory report	Quarterly	Supervisory Committee
	Monitoring and evaluation	Meeting to review strategic plan	Reports	Annually	Executive committee

Chapter 5: Operational Strategies

In order to effectively fulfill its mandate, KEMU SACCO needs to undertake the following in its daily operations;

- i. There is a need to maintain growth in active membership. Under the SACCO model, members are the primary customers and source of both capital and deposits. The SACCO must aggressively recruit new members.
- ii. Regular review of products and services to ensure that the SACCO offers financial services which are responsive to the members' needs. There is increasing competition for customers in the financial services sector. As such, KEMU SACCO needs to continuously collect feedback so as to enable it develop or refine appropriate financial services and products that address the changing needs of current and potential members.
- iii. The loan portfolio should be the main earning asset of the SACCO; its quality is of paramount importance. Loaning is the society's core business and any non-repayment may increase SACCO's expenses through engagement of recovery actions and provisions of loan loss that may eventually cause liquidity problems. The SACCO can also reduce loan delinquency and enhance the quality of its loan portfolio by engaging the Credit Reference Bureau.
- iv. The SACCO must improve on service delivery by addressing members needs such as availing credit and/ or refunds when needed. Improvement in service delivery can further be enhanced by improving on membership records, proper accounting and deployment of a working management information system as well as by enhancing customer care through training, establishment of a customer feedback mechanism, revamping the SACCO website and inculcating a culture of uplifting service among employees.
- v. There is a need to maintain growth in reserves and retained earnings. The main challenge here lies in members' preference for cash today than wealth tomorrow. There is a need to educate the members on the benefits of retention of the profits for future growth.
- vi. Risk management is a complex task for all SACCOs and increasingly important in an environment where economic events and financial systems are linked. The society will need to put in place a good risk management system which integrates in the Society's operations

a set of systematic processes for identifying, measuring and monitoring risks with other existing systems in internal control, management information and communication, accounting and finance systems among other operative systems.

- vii. There is need for the society to provide training that promotes service delivery. The training shall assist the management to improve their work performance, efficiency and productivity. The training regime adopted needs to also be geared towards achieving the set objectives of the organization. Each year's Training needs will be identified. In-house Education and training programmes shall be arranged to satisfy specific and other identified needs in the organization.
- viii. There is a need for the society to institute a proper internal control system. Such systems can only be effective and can operate efficiently if:
 - a) There is a well-planned organizational structure with well-defined lines of responsibilities authority and communication.
 - b) There is proper segregation of duties and responsibilities.
 - c) Authorization and approval of actions are delegated to specific levels.
 - d) There is adequate supervision of all activities taking place in the Society.
- ix. The Society must employ competent and qualified personnel as and when required.

Chapter 6: Monitoring & Evaluation

With regard to this Strategic Plan, the purpose for Monitoring and Evaluation is to ensure that the Strategic Plan implementation is done according to schedule and if there is any deviation, it will ensure that appropriate and timely action is taken. The Monitoring and Evaluation process will be undertaken at both the Board and Management level through the following mechanisms:

- i. The Strategic Plan will be reviewed annually and a progress report made to the Board through a Strategic Plan implementation, Monitoring & Evaluation Committee.
- ii. All projects prioritized will be resourced and reviewed annually during the budgeting process.
- iii. The implementation of the Strategic Plan will be closely monitored by the CEO and sub-committees who will be given specific oversight roles of specific projects of the plan.
- iv. A specific monitoring process will be established to ensure that critical aspects of the implementation are not ignored and progress reports for each objective shall be made on a regular basis, preferably at least once a quarter through the CEO.
- v. Monitoring and control systems will be established at all levels. These will include review meetings, budgets and budgeting control systems and progress reports from the organization's Monitoring and Evaluation Committee.
- vi. Quarterly review meetings will be held by the Board. During these meetings, the Board will receive and review progress reports from the CEO indicating overall progress made on key strategic objectives.

The nature and scope of reporting will include a summary of;

- a) Progress made against Plan
- b) Causes of deviation from Plan if any
- c) Challenges and proposed solutions to issues that adversely affect implementation
- d) Corrective measures

Evaluation of Strategic Impacts

The Strategies in this Strategic plan will be tested regularly, at least once a year for continued relevance, efficiency, effectiveness and sustainability. A Midterm review of the plan will also be carried out.

Monitoring & Evaluation Framework

Activity	2019				2020				2021				2022				2023			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
In-House Staff & Board Feedback (monthly)	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊
Quarterly Reviews by Mgt Board	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊
Quarterly Assessment of staff performance	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊
Annual External Audits			😊				😊				😊				😊				😊	
Provision of progress report to strategic partners (Quarterly)	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊	😊
Mid-term review									😊											
End of Term Review																				😊
Review and Preparation of the next strategic plan (2024-2028)																				😊

Appendices

Appendix 1: Strategic Planning Team

