

Kanisa SACCO Society Ltd.



STRATEGIC PLAN 2020 - 2024

*Building Our Economic Base Through
Saving and Borrowing*



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FOREWORD

I am delighted to present to you Kanisa SACCO 2020-2024 Strategic Plan. Kanisa SACCO vision is to be the leading one-stop financial institution providing diverse products and services for members' economic empowerment. The SACCO intends to realize this vision by implementing this five years strategic plan, covering the period 2020-2024. Following the expiry of the strategic plan for the period 2015-2019, the and management embarked on an all-inclusive process of developing a new plan for the period 2020-2024, taking into account changes in the operating environment as well as the need to align the services with the membership financial needs.

This plan is the third formal framework to be developed since the SACCO's establishment in 1981. It outlines the vision and the goals that have been identified to help the Society realize its full potential and better fulfill its mission to serve the members as well as the wider community of its stakeholders.

The SACCO has great aspirations to be the leading one-stop financial institution providing diverse products and services for members' economic empowerment. This is evident in the strategies envisioned in this plan and the Society will continue to innovate and review the existing products and services with the ultimate goal of responding to our member's needs.

The plan is well-timed as it endeavours to provide guidance to the leadership and management and staff to offer members efficient services within the continuously changing economic environment. It comes at a time when the Society has upgraded its Information and Communication Technology (ICT) infrastructure and invested in a new Enterprise Resource Planning (ERP) System, Microsoft Dynamics 365, which comes together with an Online Members Portal, Mobile Phone Application and a USSD Shortcode. This new system has fully automated and computerized KANISA SACCO processes including receipt of application forms, loans appraisal, approval and transfer/ disbursement, guarantors notification and regular SMS to our members for real time updates.

We are optimistic that Kanisa SACCO will be successful within a challenging cooperatives sector and the ever-changing social-economic environment. We invite all our stakeholders to journey with us in this plan period and together we all participate in building a strong Society. We look forward to fulfilling this plan together and the goals we aspire to accomplish will in time translate into milestones which we can all be proud of. By saving in Kanisa SACCO, we are all building a better future for ourselves and our children and the community at large.

I wish therefore to take this opportunity to emphasize the management's commitment to providing guidance and oversight role to ensure the goals of this strategic plan are realized. I am also convinced that with professionalism, teamwork, creativity, innovation and commitment during implementation and adequate support from all stakeholders, this 2020-2024 Strategic plan will be realized as it lays a strong foundation towards the realization of Kanisa SACCO vision

Ann Kioi

Chairperson

Kanisa SACCO Society Limited.



ACKNOWLEDGEMENT

The development of the Kanisa SACCO strategic plan for 2020 to 2024 has been possible through the active participation of all stakeholders including: members, staff, the Central Management Committee (CMC), Supervisory Committee (SC), Department of Cooperatives of the Ministry of Industrialization and Enterprise Development, and collaborating and strategic partners.

Special gratitude goes to the members of the Adhoc Committee whose dedication and time helped piece up this roadmap for the Society.

The valuable contribution and insights of all stakeholders during the strategic planning process is greatly appreciated.

I sincerely thank all those who participated in the development of this strategic plan.

In particular, I acknowledge the valuable input of the Board, Supervisory Committee, the Ministry officials, Management and Staff.

Ann Kioi

Chairperson, Kanisa SACCO Society Limited.



ABBREVIATIONS

AACC	All Africa Conference of Churches
AGM	Annual General Meeting
BOSA	Back Office Savings Activities
CAK	Cooperative Alliance of Kenya
CBK	Central Bank of Kenya
CMC	Central Management Committee
CRB	Credit Reference Bureau
IEC	Information, Education and Communication
ICT	Information Communication and Technology
KES	Kenya Shillings
KHL	Kanisa Holdings Limited
KPIs	Key Performance Indicators
KUSCCO	Kenya Union of Savings and Credit Cooperative Societies
KYC	Know your Customer
LPO	Local Purchase Order
MFI	Microfinance Institutions
MOU	Memorandum of Understanding
NGOs	Non-Governmental Organizations
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PROCMURA	Programme for Christian-Muslim Relations In Africa
SACCO	Savings and Credit Cooperative Society
SASRA	SACCO Societies Regulatory Authority
SC	Supervisory Committee
SMEs	Small and Medium Enterprises
SP	Strategic Plan
SWOT	Strengths, Weaknesses, Opportunities and Threats



EXECUTIVE SUMMARY

Kanisa SACCO Limited Strategic Plan (SP) for 2020 to 2024 is the third formal framework to be developed since the SACCO's establishment in 1981. The formulation of this Strategic Plan was a very exciting undertaking for the management of Kanisa SACCO. During the process, the management appointed an Adhoc Committee whose main objective was to carry out an end term evaluation of the past 2015-2019 Strategic Plan to assess its performance and extent to which it had achieved its desired results (including, who, what, when, where, and how activities were accomplished) and generate information and learning to inform the formulation of the 2020-2024 strategic plan. The evaluation was successfully done and its outcome informed the development of this strategic plan.

Kanisa SACCO has been operating in a business environment that has been quite dynamic and challenging, and characterized by amongst other things stiff competition hence the need to position the SACCO strategically to grow its market share. This strategic plan will enable the society to clearly conceptualize and understand its vision, mission and objectives as well as formulate appropriate strategic courses of action to realize these objectives.

In the development of this strategic plan, the management held a brainstorming session that amongst other things looked at the evaluation report of the 2015-2019 strategic plan and came up with a detailed analysis of the SACCO's current status, which was conducted using various tools (SWOT, PESTEL, risk, stakeholder and competitor analyses) for a thorough understanding and appreciation of the SACCO's strengths, weaknesses, risks and untapped potential. The issues surfaced served as the basis for identifying the Key Areas of Focus, strategic objectives and the expected key performance indicators (KPIs) that are outlined in this strategic plan.

There are five strategic pillars in this plan which are the foundation stones of the plan. These are the key areas of focus that will enable the Society realise its vision Statement and create the structure that will enable Kanisa SACCO achieve its goals. In this plan's period, Kanisa SACCO's key areas of focus will be; Membership Development, Credit Management, Investments, Research and Innovation and Governance and Compliance.

To realise the above strategic pillars, an implementation matrix has been developed indicating the strategies and specific activities to meet the objectives; highlighting the timelines and responsible people to implement the strategies. During the implementation period, the SACCO is expected to grow its revenues and capital and increase investment opportunities for members. This will finally translate into higher returns for members while at the same time ensuring compliance with prudent standards.

Implementation of this plan rests on the shoulders of the management and the success of any institution largely depends on the governance structure it adopts and the subsequent decisions therein. Therefore, this plans comes with a new organogram which shows the structure in which this plan will be implemented and provides for delegation of responsibilities and authority. This is important for the successful implementation of the strategic plan. The plan also has a section on monitoring and evaluation strategies that the Sacco will adopt in order to keep track of the strategic objectives identified. This plan shall be reviewed annually to ensure least divergence from the stated goals while at the same time looking at how to revamp the objectives to match current economic and market changes. We will ensure compliance as well as good governance in all areas of the Society's operations.



1. CHAPTER ONE: INTRODUCTION

1.1. Background Information

KANISA SACCO was established in 1981 by the staff of the All Africa Conference of Churches (AACC) to promote the welfare of members by enabling them to mobilize savings and facilitate lending. The SACCO has since opened the common bond and has membership from other organizations (international and local non-governmental organizations) and individual contributors. At the time of establishment, KANISA SACCO had a membership of 18 and a financial base of Kenya Shillings (KES) 200,000. This has since grown to over 2900 members and a financial base of over Kenya Shillings 420 Million as at the end of 2019. It has also diversified its products and services to members. The number of products and services has increased from 3 in 1981 to over 18 loan and loan-related products and over 4 services as at end of 2019.

KANISA SACCO is registered under the Cooperative Societies Act, 2004. The SACCO derives its mandate from its By-Laws, the Cooperative Societies Act, 2004 and the Rules. The vision of Kanisa SACCO is to be the leading one-stop financial institution providing diverse products and services for members' economic empowerment (Section 2.1 of KANISA SACCO By-Laws). Whereas the Mission is to promote thrift, prudent management, members' participation, regular education, development of dynamic systems that will ensure growth, security of funds and encourage a positive organizational culture (Section 2.2 of KANISA SACCO By-Laws).

To achieve its mission, KANISA SACCO developed its first strategic plan in 2009-2013 and the second Strategic Plan (2015-2019). These have been instrumental and have provided strategic directions over the years during which the Society has undergone major transformation and evolution processes in terms of growth, membership development and institutional strengthening.

Kanisa SACCO Strategic Plan 2020 – 2024 is therefore expected to spur the Society's growth as it continue to offer value to its members as well as respond to the ever changing socio-political and economic environment. This plan will guide the growth and sustainable development of the Society in the SACCO's competitive environment in Kenya.



1.2. Products and Services

Kanisa SACCO offers the following products and services to its members through its Back Office Savings Activities (BOSA). As at the end of 2019, the following products and services were on offer by the society namely: -

Loan Products	Loan related products and strategic partnership services	Savings Products
<ul style="list-style-type: none"> • Principal/development loan; • Emergency loan; • Mjengo loan; • Malimali Loan; • KHL property Loan; • Car Loan; • Vision Loan; • Motor vehicle insurance loan; • Instant loan; • Elimu (Scholar’s) loan; • Sukuma Mwezi loan; • Karibu Loan; • Trustee Loan; and • Interest on Deposits loan. 	<p>a) Loan related products</p> <ul style="list-style-type: none"> • Refinancing; • Factoring; • Consolidation; • Deposit Boosting Facility; and • Zidisha Deposit Boosting Facility <p>b) Strategic Partnerships Services</p> <ul style="list-style-type: none"> • Personal Motor Vehicle Insurance • Water tank • Mobile devices • Jikokoa 	<ul style="list-style-type: none"> • Jiokoe Savings scheme • Mwanangu (Children’s) Savings Scheme

Table 1: Loan Products and savings products

1.3. Rationale for the Strategic Plan

The development of the strategic plan for 2020 to 2024 enables Kanisa SACCO to deal with emerging challenges in the business environment for the next 5 years and to also re-examine its mandate and core functions. It assists in anticipating changes in the operating environment and determining how to best position the society for continued growth and profitability. The major achievements and performance of the SACCO since inception are highlighted and a road map for future growth is charted.

The strategic plan takes into consideration the external environment in which the SACCO operates and identifies appropriate strategies of utilizing its resources to achieve its objectives. Current and future challenges are identified and addressed including the increased competition in the cooperatives and financial services sectors.

1.4. Methodology of Developing the Strategic Plan

This strategic plan was developed in a participatory process that involved: members, staff, the Central Management Committee, Supervisory Committee, the Department of Cooperatives of the Ministry of Industrialization and Enterprise Development, and collaborating and strategic partners.

A survey tool was developed and shared with all members to elicit their input into the planning process.



Members' responses were analyzed and this informed the deliberations in the brain storming workshop which kick started the development of this plan and brought together all the named stakeholders.

The staff, the Central Management Committee, and the Supervisory Committee held a validation meeting that reviewed the draft plan and worked towards finalizing this strategic plan. It is anticipated that the participatory strategic planning process will foster ownership of the strategic plan among all stakeholders.

1.5. Structure of the Plan

This strategic plan consists of seven chapters.

- 1) Chapter one is the introduction and covers the background of Kanisa SACCO, the rationale for the strategic plan and the methodology of developing the strategic plan.
- 2) Chapter two presents mandate, vision, mission, core values and motto of the society.
- 3) Chapter three provides an evaluation of the past performance of Kanisa SACCO, an analysis of the internal and external environment and a stakeholder analysis.
- 4) Chapter four presents the strategic issues, objectives and strategies the society will focus on during the strategic plan period.
- 5) Chapter five provides the implementation plan and matrices that cover for each of the strategic objectives the strategies, activities, timeframe, performance indicators and the responsible actors in the implementation process.
- 6) Chapter six provides the institutional structure within which the strategic plan will be implemented.
- 7) Chapter seven outlines the mechanisms for monitoring and evaluation of the implementation process of the strategic plan.



2. CHAPTER TWO: INSTITUTIONAL REVIEW

This section presents the mandate, vision, mission, and core values of Kanisa SACCO.

2.1 Identity Statement

Kanisa SACCO is registered under the Cooperative Societies Act, 2004. The SACCO derives its mandate from its By-Laws, the Cooperative Societies Act, 2004 and the Rules. The objectives for which the society is established are:

- To promote thrift among members by affording them an opportunity for accumulating their savings and deposits and to create thereby a source of funds from which loans can be made to them exclusively for providence and productive purposes at fair and reasonable rates of interest;
- To provide an opportunity for each of its members to improve his/her respective economic and social status;
- Carry out investment activities, under the authority of General Meetings, which should: increase the volume of output of the society; improve and sustain a healthy liquidity position; increase the level of surplus to the society; and benefit members and their families;
- Offer members complementary savings and credit services and other financial products and services or withdrawable savings/deposits accounts as may be required by members from time to time;
- Ensure the safety and security of members' funds through risk management programme or any other appropriate insurance scheme;
- Ensure progress of its members by educating them on proper methods of credit administration;
- Perform all those functions and exercise those powers designated for savings and credit cooperative societies under the relevant law for the benefit of members; and
- Cooperate with other cooperatives and be affiliated to apex cooperative bodies like the Kenya Union of Savings and Credit Cooperative Societies (KUSCCO) and Cooperative Alliance of Kenya (CAK). (Section 2.3 of Kanisa SACCO By-Laws).

2.2. Vision

To be the leading one-stop financial institution providing diverse products and services for members' economic empowerment (Section 2.1 of Kanisa SACCO By-Laws).

2.3. Mission

To promote thrift, prudent management, member participation, regular education, development of dynamic systems that will ensure growth, security of funds and encourage a positive organizational culture (Section 2.2 of Kanisa SACCO By-Laws).

2.4. Core Values

In addition to the cooperative values and principles, Kanisa SACCO adheres to the following core values:

- a) **Integrity:** The society's operations are characterized by mutual respect and openness; exhibit



impartiality, independence and honesty and upholding of the highest ethical and professional standards in an open and consistent way.

- b) **Transparency:** The society remains committed to serve members with openness in all her transactions while maintaining good communication links and adherence to rules and regulations.
- c) **Professionalism:** The society maintains high standards and adequate level of knowledge and skills to enable the provision of quality services.
- d) **Teamwork:** The society harnesses synergies of members to realize set goals through commitment towards organizational goal attainment and ensuring that interests of the society supersede those of individuals and that everyone's contribution and participation is valued (Section 2.4.3 of Kanisa SACCO By-Laws 2012)

2.5 Motto

Building our economic base through saving and borrowing



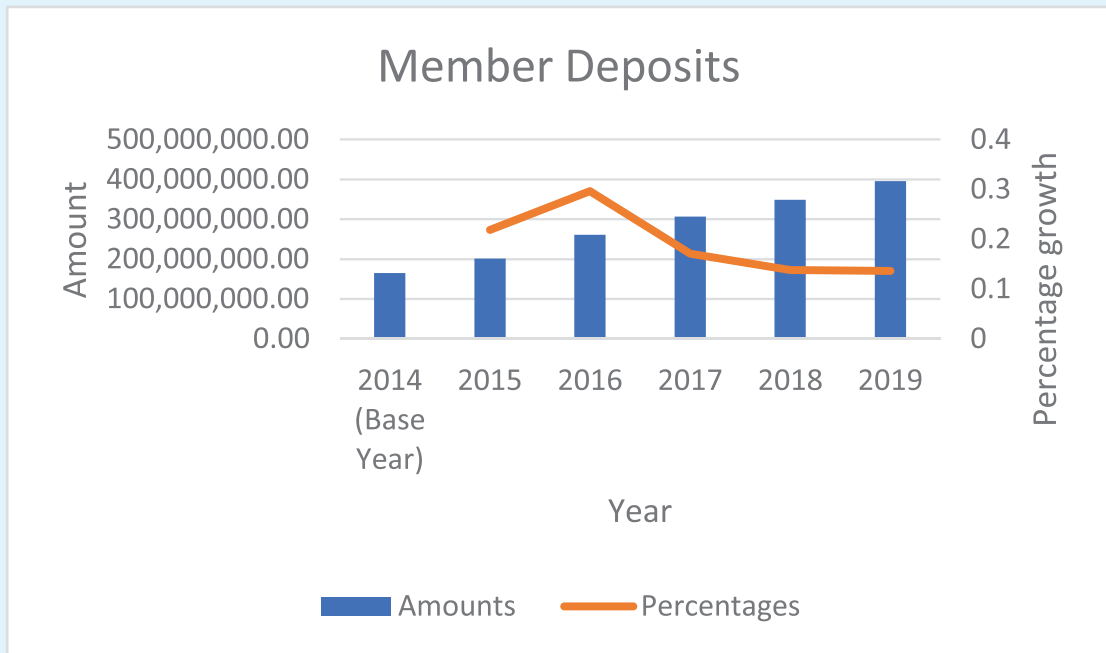
3. CHAPTER THREE: EVALUATION OF PAST PERFORMANCE

3.1. Situational Analysis

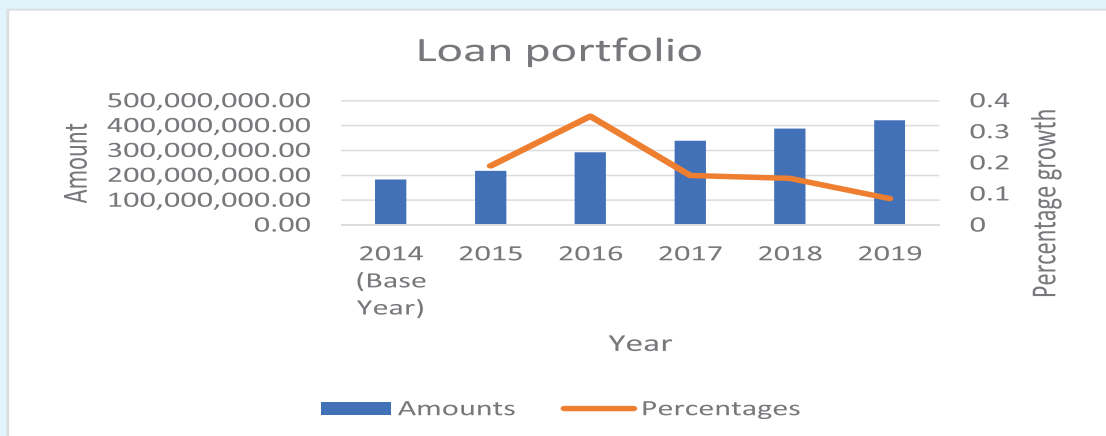
This section presents an evaluation of past performance of Kanisa SACCO, an analysis of the internal and external environment and a stakeholder analysis. Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis and Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis are used to determine the factors that may influence the attainment of the society’s objectives.

3.2. Evaluation of Past Performance

3.2.1. Members deposits

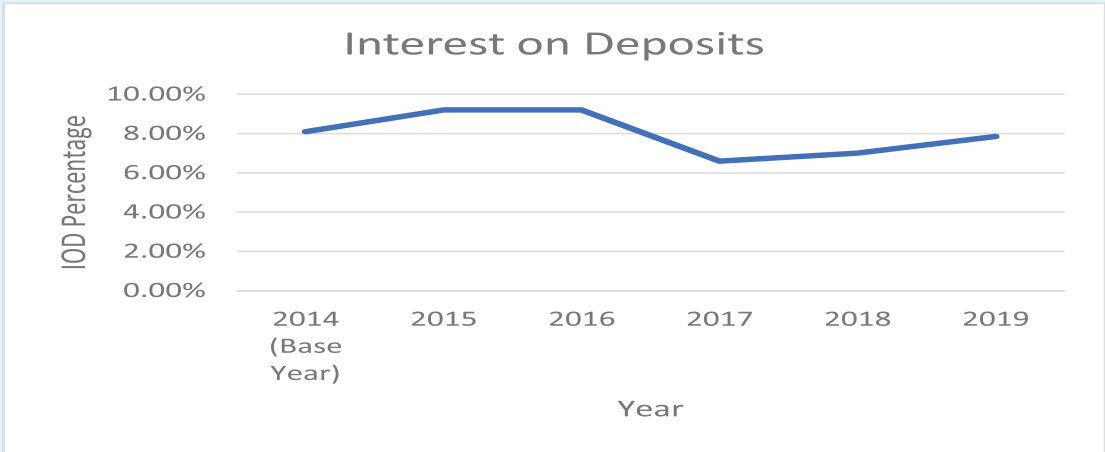


3.2.2. Loan Portfolio





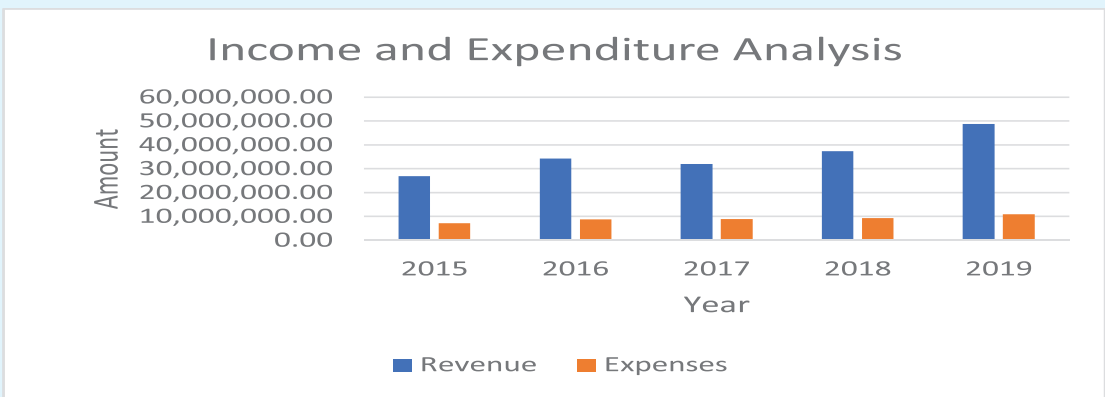
3.2.3. Interest on Members' Deposits



3.2.4. Membership



3.2.5. Income and Expenditure Analysis





3.2.6. Performance Benchmarks

Year	2014	2015	2016	2017	2018	2019
Performance Indicator						
Number of Members	1,222	1,503	1,828	2,219	2,474	2,933
% Growth in Members per annum	29%	23%	21.6%	21.4%	11.5%	18.6%
Loan portfolio	182,712,582	217,486,057	292,681,800.40	339,181,150.54	388,492,713.54	421,628,357.58
% increase in loans		19%	35%	16%	15%	8.5%
Number of products and services	13	17	19	20	20	20

Source: Kanisa SACCO Documents

3.3. External Environment

3.3.1. PESTEL Analysis

3.3.1.1. Political Environment

Kenya has been politically stable since its independence in 1963. However, the enactment of CoK (Constitution of Kenya), 2010 brought fundamental changes in the management of government affairs by creating two levels of government: The National and the County Governments. Arising from this constitutional mandate, the national government role is to spearhead policy formulation, capacity building and ensuring standardization and uniformity. Further, The CoK, 2010, devolved co-operatives function to the counties. The devolved government provides opportunities for the SACCO that can be utilised to spur growth. The national government affirms its commitment to uphold the sanctity of the co-operative principles and values as a way of safeguarding while ensuring that the interests of the general membership are safeguarded. Further the government of Kenya recognizes the co-operative movement as a critical player in pursuit of its national, social and economic objectives, of rapid economic growth, equitable and sustainable development.

This strategic plan period is foreseen to be shaped by two major events in the political history of the country. In its initial stages, the political environment will be characterised by a period of political stability with the implementation of the government's "Big Four agenda" being a priority area of the Kenyan President final term in office. On the other hand, the country's political landscape is also likely to change with the electioneering period in 2022. Although elections come with their own challenges, it is expected that either way they will affect the operations of Kanisa SACCO, during the implementation of the strategic plan. The Society will endeavour to take advantage of the opportunities that will be provided by the emerging political

environment while at the same time put in place risk mitigation measures to cushion members savings from the political shocks that may emerge.

3.3.1.2. Economic Environment

Economic growth in the plan period is expected to average about 5-10% per annum, this is dependent on the political environment if it remains relatively peaceful and stable. Sustainable economic growth will be realised if the government maintains sound macro-economic policies.

In the past year, we have had several amendments to tax legislation in a bid to offer a push to the Government's "Big Four Agenda". The Kenya Revenue Authority (KRA) has seen its collection target exponentially increase over the last decade. This has required them to change tact and year on year, they keep adopting new and advanced revenue collection measures. Audits have come back to enforce compliance are at their most technologically advanced level. GDP growth is expected to come from the Big 4 Agenda projects with public infrastructure projects contributing the highest percentage of growth. Budgetary allocation for road construction is expected at Kshs 87.5 bn (domestically financed) and Kshs 34.2 bn (foreign financed). This could be a good opportunity for the SACCO members who would want to invest in these sectors given the government may want to give incentives to encourage investments in these sectors.

The factors that may affect the economic environment and in turn affect the Society's operations include;

1. Global financial crisis which may affect the level of economic growth thus reducing the employment levels for potential members seeking to join the SACCO;
2. Rising inflation rates leading to high cost of living which may in turn affect the members loan recovery;
3. It is expected that the Big 4 agenda will, undoubtedly, spur economic growth, reduce poverty and seek to increase equality in the society. It is hoped that the measures will be fully implemented to realise the goals of uplifting the manufacturing, housing, healthcare and agriculture sectors, which will transform lives of ordinary citizens as a result the SACCO may experience membership increase since more Kenyans will have more savings; and +ve
4. Layoffs and redundancies of members as well as reduce the SACCO's growth prospects.

3.3.1.3. Social Environment

According to the Kenya Population Census and Housing 2019 report, Kenya's population stands at 47.6 million, up from 37.7 million in 2009¹, indicating a population growth of nine million since the exercise was last carried out 10 years ago. These figures will go a long way in guiding the successful planning and implementation of government development initiatives, including the Big Four Agenda, for the benefit of all Kenyans. Further the 2019 census results showed that the overall population growth rate declined from 2.9 percent in 2009 to 2.2 percent in 2019 while the average household size declined from 4.2 people in 2009 to 3.9 people in 2019.

¹ 2019 Kenya Population and Housing Census. Vol 1. November 2019

Thus, Kenya is at the start of a demographic transformation. As fertility declines and Kenyans live longer, we will see a dramatic improvement in the “dependency ratio”: the proportion of the working-age population will grow much faster than the young and elderly population groups that depend on them. This presents an opportunity for Kanisa SACCO to design products and services that target the working age of between the ages of 25-60 because their needs will increase since the elderly and the young population will be depending on them.

The poverty income level, which is not the same for all, is based on family size, age of members and location. For instance, in slum dwellings, most of the families are unable to save enough money for investment and future uncertainties because of many mouths to feed, children to educate, clothe and give health protection. To mitigate this, the Society might be forced to come up with products and services that will target the low income earners that will allow them to save and invest.

According to World Bank (Sep 30, 2019) Kenya has made significant political, structural and economic reforms that have largely driven sustained economic growth, social development and political gains over the past decade. However, its key development challenges still include poverty, inequality, climate change, continued weak private sector investment and the vulnerability of the economy to internal and external shocks.

Devolution ushered in a new political and economic governance system. It is transformative and has promoted greater investments at the grassroots, strengthened accountability and public service delivery at local levels. This is an opportunity for Kanisa SACCO to tap into the special funds given to the counties by the government for development purposes.

Kenya is undergoing an epidemiological transition marked by a decline in morbidity and mortality due to communicable conditions, and an increase in the burden of non-communicable diseases (NCDs), which include diseases such as diabetes, cancers, cardiovascular diseases and chronic respiratory infections. This has led to an increase in household expenditure in healthcare and could result in reduced saving, high dormancy rate, and withdrawal of members from society. To mitigate this Kanisa SACCO has to design products and services that meet members emerging needs.

3.3.1.4. Technological Environment

Technology will be at the core of how Kanisa SACCO will do its business and how the business model will evolve in the coming years. Alvin Toffler said, “The great growling engine of change – technology.” Kanisa SACCO will therefore need to position itself, technologically to ensure competitive advantage and that members receive the services they need promptly.

Some of the technological trends that the Society will need to consider and strategize on include: the increase in the online and mobile transactions (loans, advances, savings and deposits contributions); the need for the customers / members to access SACCO services even during non – office hours; the use of cards for transacting; the use of social media in marketing the SACCO products and services as well as engaging with the members. Kanisa SACCO will also need to continue upgrading the current website into an interactive website, to ensure that the members get up-to-date information about the SACCO.

Technology however comes with its own challenges that the Society will need to address. Some of these

challenges include; cyber-crime, computer viruses, information theft and fraud among others. Kanisa SACCO will need to put the necessary mitigating measures against the above challenges. There will also be a need for regular upgrades for the software and the systems in place as technology becomes obsolete quite fast.

The SACCO should also be on the lookout on the implementation of some of the Laws being introduced, which include; The Data Protection Act and the Proposed Bill on Social Media Regulation. These Laws will limit the sharing of information with third parties by the SACCO.

3.3.1.5. Environmental Factors

Climate change poses grave development challenges to Kenya. There is drought, floods and generally unpredicted weather patterns which continue to affect food security in the country. This will continue to affect food security in the country and will in turn lead to an increased in the cost of living and the inflation rate. This may affect the society's growth due to reduced savings and borrowing. Water pollution from urban and industrial wastes; degradation of water quality from increased use of pesticides and fertilizers and many others continue to be a challenge to Kenya as they affect our health and well-being of the society's membership and could with time result in reduced savings, low productivity and increased number of members withdrawing from the society.

3.3.1.6. Legal / Policy Environment

The Government of Kenya's commitment to established SACCO legislation and to implement international financial performance standards has created a policy environment for supervision of SACCOS with the sole aim of providing the incentive for improvement of SACCO management and performance. The Co-operative movement is currently governed by Sessional Paper No. 6 of 1997 on "Co-operatives in a Liberalised Economic Environment" which is the third co-operative policy. In this policy, the Government reviewed its involvement in the management of co-operatives and provided a legislative framework under which co-operatives could operate in. This led to the enactment of the Co-operative Societies Act No. 12 of 1997. The Act was however amended in 2004, to restore some powers to the government to intervene in the management of cooperatives when necessary. In addition, the rapid growth of financial co-operatives offering front office services necessitated the enactment of the SACCO Societies Act of 2008 to regulate Savings and Credit Cooperatives.

The legal environment in which this strategic plan will operate will be shaped by the increasing demand/need to align cooperatives in the country with Constitution of Kenya 2010. The enactment of CoK, 2010 brought fundamental changes in the management of government affairs by creating two levels of government: The National and the County Governments. Arising from this constitutional mandate, the national government role is to spearhead policy formulation, capacity building and ensuring standardization and uniformity.

There are emerging trends in cooperatives that will require legislation from the government. The national cooperatives policy is being proposed which aims at promoting Cooperative Societies for Industrialization and transforming co-operatives into vibrant social and commercial entities. This policy identifies contemporary challenges that inhibit the growth of the co-operative societies and explores a paradigm shift establishing a more proactive engagement between the national government, county governments, the co-operative movement and other stakeholders in addressing these challenges. It also seeks to rationalize



the role of national and county governments in co-operative development in line with the CoK, 2010 and national development goals set out in Kenya Vision 2030.

The formulation of this policy is the first step towards establishing an appropriate and supportive legal and institutional framework to support the growth and development of the co-operative development in the country such as the provision for framework for mobilizing financial and technical assistance for co-operative development, encouraging Public Private Partnerships (PPPs) in the area of value-addition, marketing of co-operative goods and services; and the promotion of cooperative education, training and research.

The adoption of this policy may bring opportunities that the Society will need to tap into to spur growth while at the same time it may come with challenges that the society may need to mitigate to remain relevant and in adherence with the policy regulations.

Kanisa SACCO has By-Laws in place, that are compliant with the government policies and regulations and a leadership and management system that conforms to the requirements of the Constitution of Kenya (2010). In addition, the society has developed and put in place various policies to ensure that it does business in accordance with the laid down procedure. The Society will endeavour to closely monitor the legislative processes both at the National and County government as well as evaluate the effects that these may have in the operations of the Society.

The strategic plan will be implemented in a period when there is a call for a review of the legal and regulatory framework. Some of the key policy interventions being proposed that are likely to affect Kanisa SACCO operations are: -

- Provide a platform for market information sharing and market linkages in the co-operative sector;
- Facilitate creation of credit schemes and revolving funds accessible to the co-operative sector;
- Create an enabling environment for co-operatives to engage in Public Private Partnerships (PPPs) and Business Process Outsourcing (BPO);
- Develop mechanisms to integrate financial co-operatives in the provision of Islamic financial products;
- Establish the Co-operative Development Fund
- Promote the growth of financial cooperatives by channelling through them special purpose funds; and
- Promote new ventures, partnerships and financing opportunities in the co-operatives sector in line with the co-operative principles
- Promote co-operative research in all co-operative institutions, colleges and universities;
- Establish linkages with all institutions of higher learning offering co-operative training

Further the plan will be implemented at a period when the National Cooperative Policy being proposed above recommends restructuring of SASRA to allow it to regulate all financial cooperatives. It will also create a Cooperative Regulatory Authority for non-financial cooperatives. The cooperative tribunal will

be streamlined and strengthened including mainstreaming of ADR (Alternative Dispute Resolutions) mechanisms. All these if adopted will affect the operations of the Society. Reorganization of the business methodology to cope with changing environment particularly meeting the prudential regulatory requirements will be paramount.

The legal environment in which the Society will be operating during the implementation of this plan is likely to experience changes that may define the direction it will take in its functions. While planning, the Society has taken into account possibility of such legislative changes. It is also recognized that the legislation processes tend to be lengthy thus hampering the Society’s performance. Thus, there will be need to put in place adequate measures to ensure limited operational disruptions.

3.4 Internal Environment

This section outlines issues within and without the society that can positively or negatively affect its performance.

3.4.1 SWOT Analysis

Opportunities	Threats
<ul style="list-style-type: none"> ● Availability of credit facilities from other financial institution ● Accessibility/Location of Kanisa SACCO ● Membership growth and emerging formal/informal investments ● The name - Kanisa SACCO is easy to sell. ● Existing ICT infrastructure that is easy to adopt ● ASSET Financing ● Local Purchase Order (LPO) financing and asset financing); ● Potential for Product diversification / revamping ● Investments opportunities ● The unreached market for example the Diaspora ● Strategic Partnerships ● Existing mechanisms of addressing loan default such use of auctioneers (CRB)/ Tribunals/debtors collectors ● Diverse membership that provided a pool for electing skilled and persons of integrity for leadership. ● Membership growth and emerging formal and informal investment groups; ● Existing investment opportunities (Kanisa Holdings Limited). 	<ul style="list-style-type: none"> ● Financial Institutions competitors such as Microfinance Institutions (MFIs), Small and Medium Enterprises (SMEs) and other SACCOs; ● Membership withdrawal ● Mobile Lending and Banking e.g. KCB, Timiza, Mkopa, Mshwari etc. ● Insecure political environment; ● Unfavorable Government policies, Regulations and structures ● Donor dependency of corporate organizations associated with the Society ● Societal attitudes that lead to poor saving culture ● Increase of social welfare groups e.g. Chamas ● Unstable monetary policies; ● Upsurge of lifestyle diseases and other health challenges; ● Urban-rural migration; ● Cyber-crime, fraud and money laundering; Changing technology; ● Exorbitant legal fees and unprofessionalism of service providers; ● Environmental factors that can negatively impede on the society’s affairs. ● Agency Banking / emerging deposit taking facilities e.g. Cooperative Bank Mtaani leading to increase in unidentified receipts. ● High rate of inflation ● Delayed remittance from employer and individual contributors



3.5. Stakeholder’s Analysis

Name of Stakeholder	Role of Stakeholder / Mandate or function	Expectation of Stakeholders from the SACCO	Obligation of the SACCO to the Stakeholder	Expectations of the SACCO from the Stakeholder
Members	Savings and borrowing as the key mandate of the SACCO	<ul style="list-style-type: none"> ● Open, appropriate and targeted communication (business loan information targeted to members in business); ● Timely, regular and relevant communication; ● Service beyond satisfaction; ● Good return on deposits, shares and savings; ● Education, empowerment and advice; ● Investment opportunities; and ● Prudent financial management 	<ul style="list-style-type: none"> ● Better investment of members deposits to ensure maximum return on investment ● Good lending policies as per the law ● World class customer service ● Clear and timely Communication ● Continuous innovation for the business to retain a competitive advantage ● Compliance with regulatory requirements to safeguard business 	<ul style="list-style-type: none"> ● Attending meetings and taking part in decision making ● Repaying loans advanced to them or guaranteed by them promptly ● Complying with by-laws, rules, acts and general meeting resolutions ● Showing good cooperative spirit ● Bring out problems affecting the Society and providing solutions
Employees / Staff	<ul style="list-style-type: none"> ● Execution of the SACCO operations and Activities; ● Support; ● Efficient communication; ● Prudent management of the society; ● Enhanced bilateral relations; 	<ul style="list-style-type: none"> ● Better remuneration; ● Better working environment; ● Better terms for access to the society’s products and services (a subsidized rate for staff); ● Branded attire for special days, occasions and events; and ● Career growth and advancement 	<ul style="list-style-type: none"> ● Proper remuneration and terms and conditions of Service ● Ensure the staff are comfortable staff and their welfare has been addressed 	<ul style="list-style-type: none"> ● Professionalism, ● Diligence ● Integrity ● Hard work



<p>Central Management Committee (CMC)</p>	<ul style="list-style-type: none"> • Strategy implementation by management to ensure members enjoy return on their investments • Implementation of policies 	<ul style="list-style-type: none"> • Branded attire for special days, occasions and events; • Adequate compensation; • Training and capacity development; • Feedback from and strong interaction with members; • Cooperation among co-operators; and • Enhanced relations with corporates, apex bodies and strategic partners 	<ul style="list-style-type: none"> • Ensuring successful implementation of the strategic plan and policies • to ensure members get value for their investments • Safeguarding of the members interests • Efficient customer service 	<ul style="list-style-type: none"> • Providing leadership to the Society • Ensuring AGM decisions and resolutions are in line with the Society Plan/ Strategy • Observing in all their transactions the Acts, Rules and By-laws and prudent business practices
<p>Supervisory Committee</p>	<ul style="list-style-type: none"> • Ensure compliance of the business with the regulations in place • Continuous monitoring and review of the Regulations and operations 	<ul style="list-style-type: none"> • Good record keeping; • Compliance and adherence to the society's By-Laws; and • Prudent financial management 	<ul style="list-style-type: none"> • Compliance with the regulatory requirements • Feedback from the SACCOs on the impact of the regulations to their businesses • Ensuring compliance with the regulatory requirements to safeguard the business 	<ul style="list-style-type: none"> • Professionalism, • Diligence • Integrity • Hard work
<p>Strategic Service Providers</p>	<ul style="list-style-type: none"> • Supply of goods and services to enable smooth running of the Society's business • Support and maintenance 	<ul style="list-style-type: none"> • Prompt payment for goods and services delivered to SACCO satisfaction • More business opportunities • SACCO to have clear specifications of the goods and services they need from the strategic service providers • Good customer relationship • Honesty 	<ul style="list-style-type: none"> • Delivery of goods and services as per specifications and/ or LPOs • Timely vendor support where applicable • Competency on the side of the service provider • Honesty on the side of the service provider 	<ul style="list-style-type: none"> • Supply of quality goods and services • Adherence to supply level agreements



<p>Government Agencies / Regulatory Authorities</p>	<ul style="list-style-type: none"> • Providing a conducive environment for businesses to thrive 	<ul style="list-style-type: none"> • Compliance; and • Education to members • Adherence to the policies, laws and regulations • General welfare of members; • Timely communication and updates; • Invitation to events; and Education to members 	<ul style="list-style-type: none"> • Compliance with laws and regulations 	<ul style="list-style-type: none"> • Provide conducive policy environment
<p>Banks and Other Financial Institutions</p>	<p>Value addition services e.g.</p> <ul style="list-style-type: none"> • Motor Vehicle insurance, • M-Pesa Services, Mortgage provision, ATM services, • Legal services, Valuation Services etc 	<ul style="list-style-type: none"> • Use of their products and services; • Good working relationship; and • Growth in the society leading to increased uptake of services from them 	<ul style="list-style-type: none"> • Business Opportunity 	<ul style="list-style-type: none"> • Timely clearance of cheques and approvals of all financial matters execution
<p>Researchers and job seekers</p>		<ul style="list-style-type: none"> • Information; • Opportunities for research and development; and • New ideas and insights 	<ul style="list-style-type: none"> • Opportunities 	<ul style="list-style-type: none"> • Quality services
<p>Training Institutions</p>		<ul style="list-style-type: none"> • Job/placement opportunities for their trainees; • Internship opportunities; • Good working relationship; and • Career enhancement 	<ul style="list-style-type: none"> • Opportunities 	<ul style="list-style-type: none"> • Quality service
<p>Apex Bodies</p>		<ul style="list-style-type: none"> • Communication; • Cooperation; • Good working relationship; and • Patronizing of their products and services 	<ul style="list-style-type: none"> • Ensuring compliance with the regulatory requirements to safeguard the business 	<ul style="list-style-type: none"> • Guiding the Society in the implementation of regulations • Being responsive to feedback given by the Society to enhance business growth

3.6 Risk Analysis

Kanisa SACCO is exposed to risks in terms of threats to service provision and potential loss of resources and opportunities. The SACCO identified anticipated risks which have a likelihood of negatively influencing the implementation of outlined activities and determined their mitigation measures as summarized in table 3.6. The mitigation measures have been considered in determination of strategic themes. Risks have been categorized depending on their potential impact as high, medium and low. The summary identifies risks that were classified as high and medium and the mitigation measures therein.

Table 3.6: Risk Analysis

Type of Risk	Anticipated Risk	Level of Potential Impact	Mitigation measures
Credit risk	Default in loan repayments	High	Develop adequate credit policies and procedures Engage debt collectors List defaulters with CRB
Operational risk	Inadequate appropriate policies and procedures	Medium	Develop adequate policies and control procedure in all business processes
Political Risks	Political decisions, events, or conditions that significantly affect the market	Medium	Develop adequate policies and control procedure in all business processes
Technological risk	Failure to keep pace with rapid technological changes	High	Investing in modern technological innovations
Market Risk	Risks due to fluctuations in the money and investment market	Medium	Make sound investment decisions that are supported by adequate data
Legal and Regulatory Risk	Risks of Non-Compliance could lead to penalties	Medium	Ensuring compliance with all the laws and regulations
Liquidity Risk	Risks due to the depreciation of the KES, inflation and interest rates	Medium	Ensuring most of the cash is used in lending and investments
Reputation Risk	Loss of reputation in the SACCO sector	High	Ensure that there is a proper crisis communication system in place
Financial Risk	Debt penalties	High	Ensure all financial obligations are fulfilled in good time
Environmental risks	Business Environment risks environmentally-driven impact on the business Climate change	Medium	Develop adequate policies and control procedure in all business processes



Social Risks	Labuor issues Old age Loss of livelihoods High dependency ratio	Medium	Develop adequate policies and control procedure in all business processes
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4. CHAPTER FOUR: STRATEGIC PILLARS

This section presents the strategic pillars, objectives and strategies the Society will focus on during the strategic plan period.

4.1. Strategic pillars

The Society has identified the following strategic pillars to focus on in the next strategic period. These are:

- a) Membership Development
- b) Credit Management
- c) Investments
- d) Research and Innovation
- e) Governance and Compliance

4.2. Strategic Objectives

From each of the above strategic pillar, strategic objectives have been identified that will drive the SACCO into productivity and increase business growth. These are summarized as follows: -

Strategic Pillar	Strategic Objective	Strategies
Membership Development	<ul style="list-style-type: none"> • To recruit at least 1500 members and 10 organizations and groups by 2024 	<ol style="list-style-type: none"> 1. Recruitment and retention 2. Dormancy management 3. Marketing 4. Know your customer/member 5. Communication 6. Member education
Credit Management	<ul style="list-style-type: none"> • Grow loan portfolio by 18% annually and manage credit related risk 	<ol style="list-style-type: none"> 1. Grow loan portfolio 2. Manage loan default 3. Loan Recovery 4. Collateral diversification and verification 5. Managing Technological Risk 6. Management of Operational Risk



<p>Investments</p>	<ul style="list-style-type: none"> To diversify and strengthen income streams to grow capital base to 750 million and increase returns on investments to at least 10% per annum by 2024 	<ol style="list-style-type: none"> 1. Strengthening KHL operations and to ensure sustainable growth 2. New income streams through ICT drive convenience services 3. Grow capital base to increase SACCO's lending power and interest on deposits 4. Explore alternative investment channels to grow income
<p>Research and Innovation</p>	<p>To continually upgrade products and services for member satisfaction</p>	<ol style="list-style-type: none"> 1. Create and improve of financial products and services 2. Business process automation 3. Business partnerships with other stakeholders 4. Benchmarking with other SACCOs and financial institutions 5. Research on the best practices in Cooperative Sector
<p>Governance and Compliance</p>	<p>To ensure 100% compliance to the legal framework, by-laws, policies and procedures.</p>	<ol style="list-style-type: none"> 1. Aligning internal policies to the legal and regulatory framework. 2. Advocacy and participation on SACCO matters 3. Capacity building



5. CHAPTER FIVE: IMPLEMENTATION PLAN

Successful implementation of the strategic plan depends on the communication of the plan to all stakeholders. Annual operational plans will be developed and resources mobilized to support the proposed activities as per the implementation matrix. Annual budgets² of the society will seek to keep track and prioritize activities in light of anticipated changes in the operating environment.

The Central Management Committee (CMC) will determine and facilitate the required financial and human resources for the implementation of the strategic plan. The Committee, in addition, will be charged with the responsibility of ensuring that the implementation of designed actions are not only actualized but also adhere to the approved budget. To this end, the Members General Meeting which is the supreme authority of the Society (Section 6.1 of Kanisa SACCO By-Laws) such as the Annual General Meeting, while receiving reports and status of the plan implementation shall approve budgetary allocation for the plan as part of the financial expenditure of the Society.

The investments functions of the Society under this strategic plan will be undertaken through the Kanisa Holdings Limited (KHL), a fully-owned subsidiary company of the Society. To facilitate this, the Board of Directors (leadership) of KHL may form an investment committee. The Board of Directors (leadership) of KHL will report to the Society's CMC.

The following section presents the implementation matrices.

² The Central Management will prepare annual budget for members approval at the Annual General Meeting.



Strategic Pillar 1: MEMBERSHIP DEVELOPMENT

Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
Recruitment and retention	Visiting Organizations						<ul style="list-style-type: none"> Number of organization visited 	Education committee and staff
	Group and joint membership						<ul style="list-style-type: none"> Number of groups recruited 	Education committee and staff
	Strengthen membership recruitment and registration process (vetting)						<ul style="list-style-type: none"> Increase 	Executive committee and staff
	Diaspora membership (both inside and outside Africa)						<ul style="list-style-type: none"> Number of diaspora members 	Executive
Dormancy management	SMS/Call to dormant members						<ul style="list-style-type: none"> Increased patronage of the Society 	Education committee
	Regular reports on member activities						<ul style="list-style-type: none"> Customer satisfaction 	Education committee
	System alerts						<ul style="list-style-type: none"> Increased feedback from members 	Education committee
Marketing	Document and showcase member success stories						<ul style="list-style-type: none"> Number of stories and documentaries done 	Education committee



Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
	SACCO documentary						<ul style="list-style-type: none"> Number of documentaries produced 	Education committees
	Media engagement						<ul style="list-style-type: none"> Increased visibility 	Education committee
	Digital marketing (website and social media)						<ul style="list-style-type: none"> Updated website and number of media engagements 	Education committee
	Through member organization events to showcase SACCO products						<ul style="list-style-type: none"> Number of events attended 	Education committee
	Marketing materials (branded products)						<ul style="list-style-type: none"> Increased visibility of the SACCO 	Education committee
Know Your Customer (KYC) / member	Develop KYC guidelines Customer identification procedures; Monitoring of transactions; and. Risk management.						<ul style="list-style-type: none"> KYC policy; Minimal risks Number of feedback received 	Education & Credit Committee



Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
Communication	Quarterly production of Ushirika newsletter magazine						• Number of newsletters published	Education committee
	SMS						• Brand loyalty	Education committee
	Special messages(birthdays, dates of joining)						• Increase patronage	Education committee
	Improve website and social media engagements						• Increased traffic	Education committee
	WhatsApp number for sending receipts						• Reduction of unidentified receipts	Education committee
Member Education	Organizing member education days						• Education day	Education committee
	Periodical website updates with current information						• Number of updates	Education committee
	Chai day (New member orientation)						• Chai day	Education committee
	Develop and update information materials (information booklet, brochures)						• Efficient service delivery	Education committee



Strategic Pillar 2: CREDIT MANAGEMENT

Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
Grow Loan Portfolio	Developing and aligning existing products and services to member needs.						<ul style="list-style-type: none"> High uptake of products and services 	Credit committee and Central Management Committee
	Widening strategic Partnerships						<ul style="list-style-type: none"> Signed MoU's , Increased number of strategic partners 	Credit Committee and CMC
	Leveraging on technology to efficiently process loan						<ul style="list-style-type: none"> Reduced time of loan processing 	Credit Committee and CMC
	Market loan products by engaging marketers						<ul style="list-style-type: none"> Increased Loan Update 	Education and Credit Committees
Manage loan Default	Prudent Loan Appraisal						<ul style="list-style-type: none"> Reduced loan default 	Credit Committee
	Know your customer						<ul style="list-style-type: none"> MoU with Organisations 	Staff
	Strengthen and adherence to credit policies						<ul style="list-style-type: none"> Reduced loan default 	Credit Committee
	Use of Bulk SMS and email alerts on underpayment and default						<ul style="list-style-type: none"> Increased awareness on loan progress 	Staff
	Train of Members, Staff and Management on prudent loan appraisals						<ul style="list-style-type: none"> Efficiency in loan appraisals 	Education Committee



Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
Loan recovery	Use of debt collectors and CRB listings						<ul style="list-style-type: none"> Number of people listed in CRB Amount of money recovered 	Staff
	Timely Communication to Defaulters and Guarantors						<ul style="list-style-type: none"> Amount recovered and resumption of payment by defaulters 	Staff
	Disposal of Collateral						<ul style="list-style-type: none"> Number of Collateral successful disposed and amount recovered 	Credit Committee and Staff
Collateral diversification and verification	Introduction of additional collateral						<ul style="list-style-type: none"> Increase in loan uptake 	Credit Committee and CMC
	Engage SACCO lawyers, staff and valuers for verification						<ul style="list-style-type: none"> Prudent Verifications and ease of disposal 	Staff, CMC and Credit
Managing Technological Risk	Securing system through the use of strong password- onsite and offsite backups and strong servers Use checks and balances through maker – checker up systems Ensure there are firewalls						<ul style="list-style-type: none"> Support Services Upgrades and Updates 	
	Ensure that there are enforceable contracts in place with service providers						<ul style="list-style-type: none"> Number of contracts 	
	Train Staff on technological updates and cybercrime						<ul style="list-style-type: none"> Trained staff 	
	System Audits						<ul style="list-style-type: none"> Reports 	



Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
Management of Operational Risk	Obtain Insurance covers of assets Inventory list Vetting of new members						<ul style="list-style-type: none"> • Reports 	
	Management of co-guarantorship Strengthen Risk Management Policy						<ul style="list-style-type: none"> • Reduced risks 	
	Risk Register constantly updated Succession Planning Policy						<ul style="list-style-type: none"> • Reduced risks • smooth leadership transition 	
	KYC Categorizing members						<ul style="list-style-type: none"> • updated members register 	

Strategic Pillar 3: INVESTMENTS

Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
Strengthening KHL operations and to ensure sustainable growth	Restructure governance to improve efficiency and effectiveness of operations						<ul style="list-style-type: none"> • AGM Resolution • Contribution to KHL Strategic Plan 	Board of Directors Share Holder
	Enhance oversight on the implementation developed strategies						<ul style="list-style-type: none"> • Annual CMC Statement to KHL • Participation in KHL AGM • KHL Annual Report 	Board of Directors Share Holder
	Inject interest-based working capital to support activities						<ul style="list-style-type: none"> • Amount of money disbursed 	Board of Directors Share Holder
	Facilitate external borrowing to spur growth in investments						<ul style="list-style-type: none"> • Amount of loans borrowed 	Board of Directors Board of Directors



Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
New income streams through ICT drive convenience services	Developing mobile loaning products						<ul style="list-style-type: none"> • Increase in loan uptake 	Credit Committee
	Implement a fee tariff for convenience services on digital platforms						<ul style="list-style-type: none"> • Increased use of digital platforms 	CMC
Grow capital base to increase SACCO's lending power and interest on deposits	Develop incentives to encourage retention of interest on deposits						<ul style="list-style-type: none"> • Membership Reward and Motivation Scheme 	CMC
	Increase share value from current KES 20 to KES 50 per share						<ul style="list-style-type: none"> • AGM Resolution 	CMC
	Innovate the Mwanangu Savings Scheme to attract more membership						<ul style="list-style-type: none"> • AGM Resolution • Enhanced Mwanangu savings scheme 	Credit Committee
	Reengineer the Jiokoe Savings Scheme by increasing the minimum monthly amount from current KES 500 to KES 1,000 and enhance accompanying benefits						<ul style="list-style-type: none"> • Enhanced Jiokoe savings Scheme • AGM resolution 	Credit Committee
Explore alternative investment channels to grow income	Conduct periodic market research to inform new investment opportunities						<ul style="list-style-type: none"> • Annual research report • Customer satisfaction surveys 	Education Committee
	Accumulate a Reserve Fund of at least KES 2,000,000 per year to facilitate acquisition of office space						<ul style="list-style-type: none"> • Active Reserve Fund, • Office acquisition plan 	Executive Committee
	Boost investment in money markets to increase returns						<ul style="list-style-type: none"> • % Increase in returns 	Executive Committee
	Enhance insurance related services to increase income from rebates from insurance companies						<ul style="list-style-type: none"> • Motor vehicle • Medical insurance • Funeral Expense insurance 	Credit Committee



Strategic Pillar 4: RESEARCH AND INNOVATION

Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
Create and improve financial products and services	Engaging with the service provider						<ul style="list-style-type: none"> Engagement contract signed with the service provider 	CMC and Staff
	Develop mobile loan and services applications						<ul style="list-style-type: none"> Number of mobile applications developed 	CMC and Staff
	Communication to members						<ul style="list-style-type: none"> Number of uptakes of the mobile application products and services 	CMC and Staff
Business process automation	Online membership registration						<ul style="list-style-type: none"> Number of applications done online 	CMC and Staff
	Creation of online payment and receipting						<ul style="list-style-type: none"> Reduced paperwork Reduced unidentified receipts 	CMC and Staff
	Creation of online loan applications						<ul style="list-style-type: none"> Number of loans applied online Reduced paperwork 	CMC and Staff
	Activation of real time communication channels						<ul style="list-style-type: none"> Prompt feedback from members Number of emails and messages sent out 	CMC and Staff
Benchmarking with other SACCOs and financial institutions	Identify best practices within the industry						<ul style="list-style-type: none"> Best practices in Sacco's adopted 	
	Analyse emerging trends in the industry						<ul style="list-style-type: none"> Number of reviews and analysis done 	
	Product, financial and operational benchmarking						<ul style="list-style-type: none"> High awareness of industry good practices 	CMC and Staff
Research on the best practices in Cooperative Sector	Undertake needs assessment						<ul style="list-style-type: none"> Number of studies conducted 	CMC and Staff
	Conduct surveys on members and the industry						<ul style="list-style-type: none"> Feedback received from members High members satisfaction Increase loyalty and patronage 	

Strategic Pillar 5: GOVERNANCE AND COMPLIANCE

Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
Aligning internal policies to the legal and regulatory framework.	Polish and finalize on the operational policies that are in draft form.						• Approved policies.	Executive Committee
	Develop and implement policies in line with the new legal framework						• Approved and implemented policies.	Executive Committee
	Monitoring implementation for compliance						• Implementation reports	Executive Committee
	Review existing policies to ensure compliance						• Reviewed policies	Executive Committee
	Governance Audit						• Governance Audit Reports	Executive Committee
	Annual Reporting						• Audited Accounts • Management reports	Executive committee
Advocacy and participation on SACCO matters	Participation in industry consultative meetings						• Consultative meeting report	Executive Committee
	Engagement with industry stake holders						• Meeting and communication records	Executive Committee



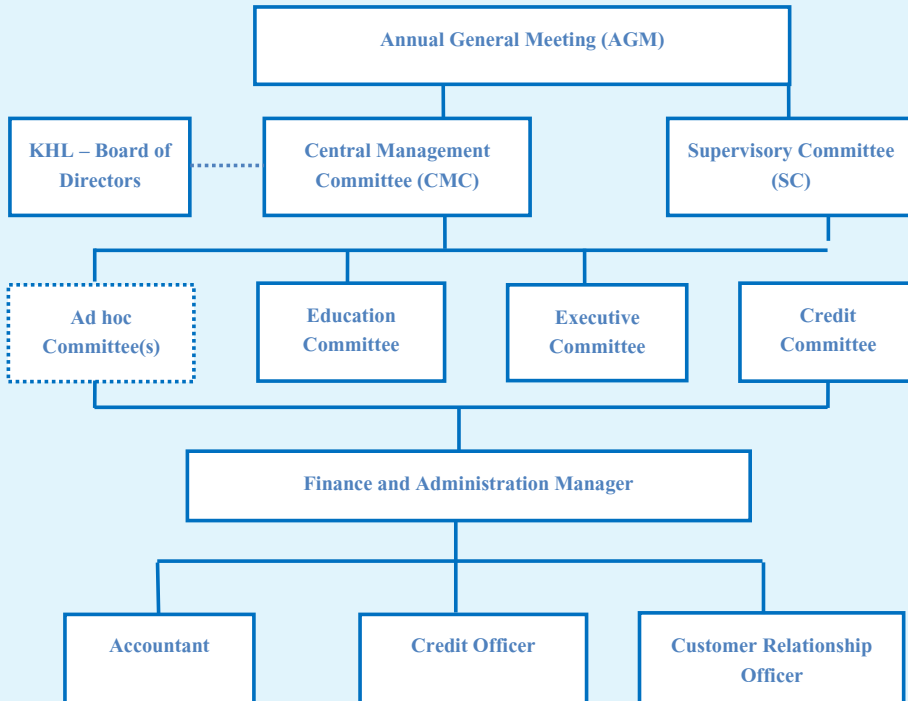
Strategy	Activities	Time frame					Performance Indicators	Responsible Persons
		2020	2021	2022	2023	2024		
Capacity building	Conducting trainings						<ul style="list-style-type: none"> • Training reports 	Education Committee
	Annual work plan development and evaluation						<ul style="list-style-type: none"> • Work plans • Evaluation report 	Education Committee
	Review of strategic plan						<ul style="list-style-type: none"> • Mid and end term evaluation report 	Executive Committee
	Development of 2025-2029 Strategic Plan						<ul style="list-style-type: none"> • 2025-2029 Strategic Plan 	Executive Committee
	Team building for staff, management and members.						<ul style="list-style-type: none"> • Team building report 	Education Committee

6. CHAPTER SIX: INSTITUTIONAL STRUCTURE

This section presents the institutional structure covering the Annual General Meeting (AGM); the Central Management Committee (CMC), the Supervisory Committee (SC) and the Secretariat. It further outlines the place of the leadership of KHL, a subsidiary and fully owned Investment Company of the Society.

6.1 Organizational Structure

The following is the current organizational structure which is important for the successful implementation of the strategic plan.



Source: Kanisa SACCO Documents.

6.2 Annual General Meeting (AGM)

The supreme authority of the society is vested in the general meeting at which members have the right to attend, participate and vote on all matters (Section 6.1 of the Kanisa SACCO By-Laws).

6.3 Central Management Committee (CMC)

The Central Management Committee (CMC) is the governing authority of the society and is subject to the directions from general meetings. It directs the affairs of the society following the procedures, powers and duties prescribed in the Cooperative Societies Act, 2004 and Rules and the society’s By-Laws (Section 8.2 of the Kanisa SACCO By-Laws).

The Central Management Committee (CMC) discharges its responsibilities through delegation to sub-



committees made up of its members. The sub-committees are: executive, credit and education committees. The CMC forms ad hoc committees from time to time as need arises.

6.4 Supervisory Committee (SC)

The Supervisory Committee is the watchdog of the society. It is responsible in ensuring that the society is compliant with all rules, regulations and internal controls of all applicable laws and the society’s By-Laws. The committee ensures that the society’s internal controls and financial matters are maintained in a safe and sound manner.

6.5 Secretariat

The Kanisa SACCO secretariat is headed by the finance and administration manager who reports directly to the Central Management Committee (CMC) and is ultimately responsible for implementing all management policies, procedures, budgets and business plans. Section 10 of the Kanisa SACCO By-Laws outlines the duties and responsibilities of the manager.

Current Staff Establishment

The staff establishment as at 31st December 2019 is as shown below: -

Position	Number of Staff	Gender
Finance and Administration Manager	1	Female
Accountant	1	Male
Credit Officer	1	Male
Customer Relationship Officer	1	Female
Academic Attachee	1	Female
Total	5	

7. CHAPTER FIVE: MONITORING AND EVALUATION

The proposed activities shall be closely and continuously monitored and the stated performance indicators used to verify the progress of each activity and determine if the process is on course or not. This process will involve, on one hand, information and feedback from the members, organizations and corporate bodies associated with the society and other stakeholders and, on the other hand, regular management meetings and other events such as education days, charity occasions and Annual General Meetings (AGM). Tools such as newsletters, committees and auditors’ reports; and visits to organizations and corporate bodies associated with the society shall be utilized to analyse the progress in achieving the intended objectives. Monitoring will involve routine data collection and analysis on the success of the implementation of the strategic plan.

Evaluation will entail assessment of overall performance of the society. Annual and half term evaluation shall be undertaken in addition to the end term comprehensive evaluation. The outcome of these evaluations shall be taken into consideration when drawing the next strategic plan of the society.

The purpose of monitoring and evaluation is to ensure that the strategic plan is implemented in accordance with the schedule and to take timely action to deal with any deviations.



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