

**KANISA SAVINGS AND
CREDIT CO-OPERATIVE
SOCIETY LIMITED**

Strategic Plan



2015 to 2019

***Building Our Economic Base Through
Saving and Borrowing***

Kanisa SACCO
Strategic Plan for
2015 to 2019

Foreword

The Kanisa SACCO Limited strategic plan for 2015 to 2019 is the second formal framework to be developed since the SACCO's establishment in 1981. The plan is well-timed as it endeavours to provide guidance to the leadership and management and staff in offering efficient services to members within the continuously changing and competitive economic environment.

The economic landscape, in general, and the cooperatives sector, in particular, is likely to continue experiencing significant changes over the lifespan of this plan. Members' expectations as well as the market in which Kanisa operates will undoubtedly shift against the expected changes. There is no doubt, whatsoever, that responding to and meeting the expectations of members, in this milieu, while ensuring that Kanisa SACCO remains competitive, requires development of well-defined time-bound strategic actions against the backdrop of a critically analysed environment. This also requires a clear and widely shared vision and mission which is soundly owned by members and all stakeholders.

In order to ensure that the above scenario is captured, the management adopted a consultative process in developing the plan. Several working sessions that also realized direct and indirect participation of members as well as other stakeholders were convened. A questionnaire, that sought to collate members' feelings and expectations, was developed, disseminated and feedback analysed, the outcome of which were used in the realization of this plan. Situational analysis was done and strategic agenda developed taking into cognizance the challenges, risks and opportunities that exist. This plan, therefore, defines how Kanisa SACCO will be successful within a challenging cooperatives sector and the ever-changing social-economic environments.

The plan has been developed with a focus to harmonize synergies; enrich experiences; and challenge all (the society membership, leadership and all stakeholders) into action. In order to do this, the plan outlines the need of integrating research and continuous learning into day to day improvement of internal business processes as well as investments and improvement of the capital base.

The SACCO has great aspirations to be the leading one-stop financial institution providing diverse products and services for members' economic empowerment. This can be confirmed by the numerous products and services already in use and the endeavours, by the management, to develop (new) and review the existing products and services. This is done to respond to members' expectations.

While the ultimate implementation of the plan rests on the shoulders of the management, it is our expectation that all stakeholders including the society's membership, will participate in the process. We look forward to fulfilling this plan together.

Bernard Okok Obuoga
Chairperson, Kanisa SACCO Society Limited.

Acknowledgement

The development of the Kanisa SACCO strategic plan for 2015 to 2019 has been possible through the active participation of all stakeholders including: members, staff, the Central Management Committee (CMC), Supervisory Committee (SC), Cooperative Development Department of Nairobi City County and collaborating and strategic partners.

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

Abbreviations

AACC	All Africa Conference of Churches
AGM	Annual General Meeting
BOSA	Back Office Savings Activities
CAK	Cooperative Alliance of Kenya
CMC	Central Management Committee
CRB	Credit Reference Bureau
CSR	Corporate Social Responsibility
IEC	Information, Education and Communication
ICT	Information Communication and Technology
KES	Kenya Shillings
KHL	Kanisa Holdings Limited
KUSCCO	Kenya Union of Savings and Credit Cooperative Societies
LPO	Local Purchase Order
MFIs	Microfinance Institutions
MOU	Memorandum of Understanding
NGOs	Non-Governmental Organizations
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
SACCO	Savings and Credit Cooperative Society
SASRA	SACCO Societies Regulatory Authority
SC	Supervisory Committee
SMEs	Small and Medium Enterprises
SMS	Short Messaging Services
SWOT	Strengths, Weaknesses, Opportunities and Threats

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1 Introduction

This section presents the background of Kanisa SACCO, the rationale for the strategic plan, the methodology of developing the strategic plan and its organization.

1.1 Organizational Background

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, corporate institutions 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 1,222 and a financial base of over Kenya Shillings 165 Million as at the end of 2014. It has also diversified its products and services to members. The number of products and services has increased from 3 in 1981 to over 11 loan and loan-related products and over 5 services as at the time of development of this plan.

1.2 Products and Services

The current products and services comprise of Back Office Savings Activities (BOSA) as outlined below:

1.2.1 Products

The following is the products portfolio of the society:

- Principal/development loan;
- Emergency loan;
- Mjengo loan;
- Motor vehicle loan;
- Instant loan;
- Elimu (Scholar's) loan;
- Sukuma Mwezi loan; and
- Interest on Deposits loan.

The loan-related products are:

- Refinancing;
- Factoring; and
- Consolidation

Table 1: presents the society's products and some of their key features.

Table 1: Kanisa SACCO Products

Product	Loan Amount (KES)	Interest (%)		Maximum Repayment Period	Loan Related Products		
		Per Month	Per Annum	Period (Month)	Refinancing	Factoring	Consolidation
Principal/ Development Loan	1 to 3,000,000	1	12	48	Yes	Yes	Yes
Emergency Loan	400,000	1	12	12	No	No	Yes
Mjengo Loan	4,000,000	1.125	13.5	72	Yes	Yes	No
Motor Vehicle Loan	1,000,000	1.167	14	36	No	No	Yes
Instant Loan	100,000	3		6	No	No	No
Elimu (Scholar's) Loan	As per the provided fee structure	0.83	10	24	Yes	Yes	Yes
Sukuma Mwezi Loan	10,000	10		1	No	No	No
Interest on Deposits Loan	50% of projected undeclared interest for the year	5*			No	No	No

* One off interest of 5%. Loan available in the month of February.

Source: Kanisa SACCO Documents.

1.2.2 Services

The following is the current services portfolio of the society:

- Jiokoe savings scheme; and
- Mwanangu (Children's) savings scheme

The following services are offered through strategic partnerships with other corporate bodies:

- Personal motor vehicle insurance;
- Water tanks;
- Solar lighting;
- Pure it water purifier; and
- Telecommunication devices

More details on the products and services are available in the society's brochure and website. In the implementation of this plan, efforts will be made to constantly diversify the products and services on offer and to improve existing ones in order to ensure the society remains competitive and provides members with adequate opportunities of improving their welfare.

1.3 Rationale for the Strategic Plan

The strategic plan for 2015 to 2019 intends to enable Kanisa SACCO 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, Cooperative Development Department of Nairobi City County 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 analysed and this informed the deliberations in the strategic thinking workshop. A one day strategic thinking workshop which kick-started the planning process was held and brought together all the named stakeholders.

The staff, the Central Management Committee, and the Supervisory Committee held further brainstorming sessions to develop the strategic plan. It is anticipated that the participatory strategic planning process will foster ownership of the strategic plan among all stakeholders.

1.5 Organization of the Strategic Plan

This strategic plan consists of seven chapters.

Chapter one	provides the introduction and covers the background of Kanisa SACCO, the rationale for the strategic plan and the methodology of developing the strategic plan.
Chapter two	presents mandate, vision, mission, core values and motto of the society.
Chapter three	provides an evaluation of the past performance of Kanisa SACCO, an analysis of the internal and external environment and a stakeholder analysis.
Chapter four	presents the strategic issues, objectives and strategies the society will focus on during the strategic plan period.
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.
Chapter six	provides the institutional structure within which the strategic plan will be implemented.
Chapter seven	outlines the mechanisms for monitoring and evaluation of the implementation process of the strategic plan.

2 Institutional Review

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

2.1 Identity Statement

Kanisa SACCO was established in 1981 by the staff of the All Africa Conference of Churches (AACC) to provide an opportunity for members to accumulate their savings and in turn create a source of funds for providing affordable credit. The SACCO has grown and currently has membership from many international and local non-governmental organizations, private sector companies and individual contributors. The membership has grown from 18 in 1981 to over 1,222 as at the end of 2014.

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 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 laws 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:

Integrity: The society's operations are characterized by mutual respect and openness; impartiality, independence and honesty and upholding of the highest ethical and professional standards in an open and consistent way;

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;

Professionalism: The society maintains high standards and adequate level of knowledge and skills to enable the provision of quality services; and

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).

2.5 Motto

Building our economic base through saving and borrowing

3 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 discern the factors that may influence the attainment of the society's objectives.

3.1 Evaluation of Past Performance

3.1.1 Members' Deposits

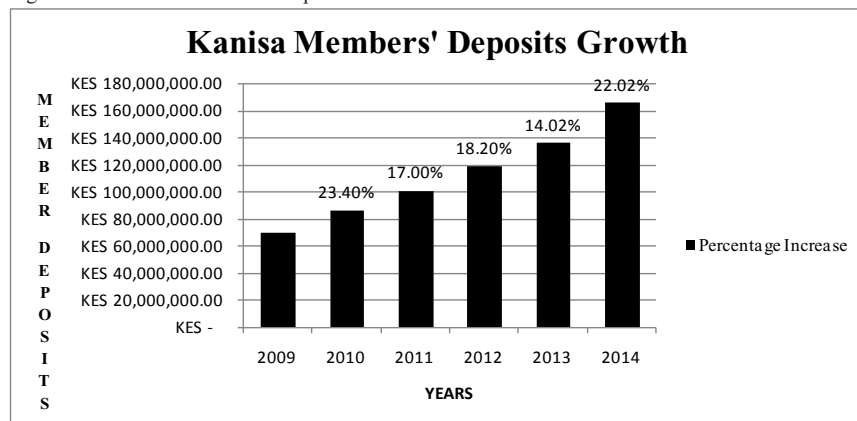
This refers to the total contributions made by members to the society at the end of a particular financial year. Table 2 and figure 2 below show the trend in the last 6 financial years.

Table 2: Growth in Members' Deposits

Financial Year	2009	2010	2011	2012	2013	2014
Deposits (KES)	67,977,833.30	83,533,563.22	100,605,478.19	118,919,068.77	135,588,314	165,438,319
Growth (%)		22.9%	20.4%	18.2%	14.02%	22.02%

Source: Kanisa SACCO Documents.

Figure 2: Growth in Members' Deposits



Source: Kanisa SACCO Documents.

Kanisa SACCO has reported a significant increase in members’ deposits. This may be attributed to, among others, increase in membership over the six year period. The average increase in the members’ deposits is 18.9% per year. Of note is the significant percentage increase in 2014 as compared to the other years.

3.1.2 Loans Portfolio

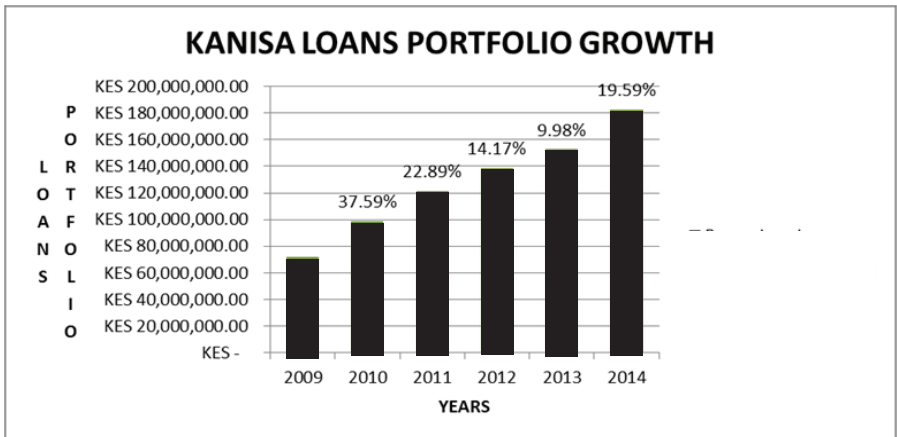
Between 2009 and 2014 loans to members increased from Kenya Shillings (KES) 71.9 Million to KES 220.6 Million. This is illustrated below.

Table 3: Growth in Members’ Loans

Financial Year	2009	2010	2011	2012	2013	2014
Loans Disbursed (KES)	71,964,847.25	99,381,371.41	108,392,446.42	125,622,300	193,834,295	220,665,001
Growth (%)		37.59%	22.89%	14.17%	9.98%	19.59%
Outstanding Loans (KES)	71,964,847.25	99,019,998.81	121,681,564.14	138,920,117.80	152,786,536	182,712,582

Source: Kanisa SACCO Documents.

Figure 3: Growth in Members’ Loans



Source: Kanisa SACCO Documents.

Kanisa SACCO reported an increase in the loans portfolio, with an average increase of 20% per year over the last six years. In 2014, there was an increase of 19.59%.

3.1.3 Interest on Members' Deposits

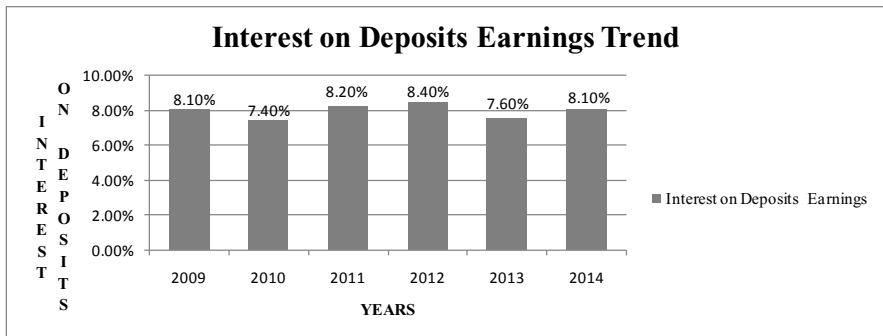
The interest paid to members for their deposits is summarized in Table 4.

Table 4: Growth in Interest on Members' Deposits

Financial Year	2009	2010	2011	2012	2013	2014
Interest (KES)	5,695,000	6,388,800	8,200,000	10,000,000	10,350,000	13,400,000
Growth (%)		12.2%	28.3%	22%	3.5%	29.5%
Income (KES)	8,717,496.40	9,965,009.95	13,548,900.73	16,329,548.60	17,354,930.10	20,506,693
Interest as a % of Income	65.3%	64.1%	60.5%	61.2%	59.6%	65.3%

Source: Kanisa SACCO Documents.

Figure 4: Growth in Interest on Members' Deposits



Source: Kanisa SACCO Documents.

During the last six year period under review, the society maintained an average interest on deposits of 8% per annum. The highest declared interest was in 2012, when the interest paid out stood at 8.4%.

Cumulatively, amounts paid out as interest on deposits have been increasing year on year. A significant drop was noted in the percentage increase of amounts paid out in 2013 - at 3%. However, the amounts paid out in 2014 increased by 29.5%.

3.1.4 Membership

Table 5 and figure 5 summarize the society’s membership growth.

Table 5: Growth in Membership

Financial Year	2009	2010	2011	2012	2013	2014
Membership	299	414	537	746	947	1, 222
Growth (%)		38.4%	29.7%	38.9%	26.9%	29%

Source: Kanisa SACCO Documents.

Figure 5: Growth in Membership



Source: Kanisa SACCO Documents.

There has been a steady membership growth averaging at 32% per annum. This membership growth is a positive sign that the business plan of the SACCO is on the right course.

3.1.5 Income and Expenditure Analysis

Table 6 and figure 6 present an analysis of society’s income and expenditure.

Table 6: Analysis of Income and Expenditure

Financial Year	2009	2010	2011	2012	2013	2014
Growth Rate in Income (%)		14.3%	36%	20.5%	6.3%	18.2%
Growth Rate in Operating Cost		15%	22.6%	16.7%	32.2%	(2.4%)
Growth Rate in Interest on Members' Deposits		12.2%	28.3%	22%	3.5%	29.5%

Source: Kanisa SACCO Documents.

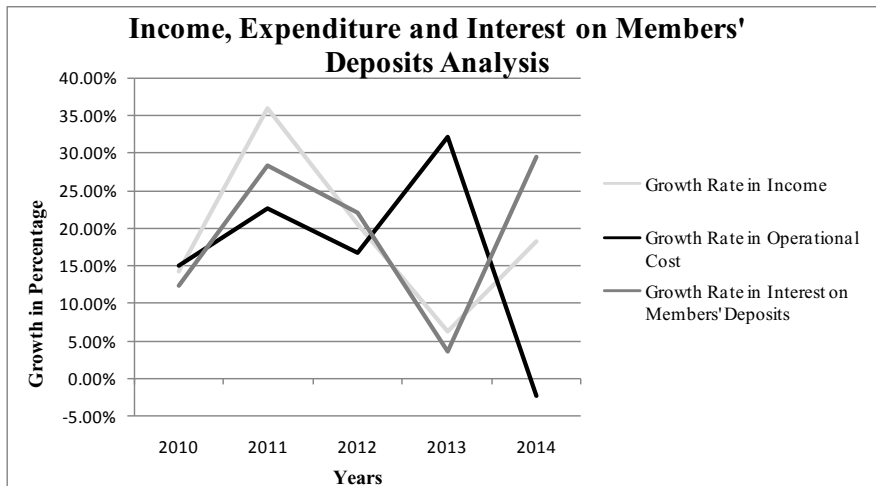


Figure 6: Analysis of Income and Expenditure

Source: Kanisa SACCO Documents.

Between 2011 and 2013, there was an increase in the operational costs year on year, and this translated to reduced percentage growth on the income and thus, a reduced percentage in the interest paid to members' deposits. However, a notable change occurred in 2014 and this can be attributed to increased efficiency.

3.1.6 Key Performance Benchmarks

The following table shows the current performance indicators for the society.

Table 7: Kanisa SACCO's Current Key Performance Indicators

Year	2009	2010	2011	2012	2013	2014
Performance Indicator						
Number of Members	299	414	537	746	947	1, 222
% Growth in Members per Annum		38.4%	29.7%	38.9%	26.9%	29%
Loan Portfolio	71,964,847.25	99,019,998.81	121,681,564.14	138,920,117.8	152,786,536	182,712,582
% Increase in Loans		37.6%	22.9%	14.1%	10%	19.6%
Number of Products and Services	7	7	7	8	10	13
% Increase in products and services		0%	0%	14%	25%	30%

Source: Kanisa SACCO Documents.

In general, there has been a significant increase in the performance of Kanisa SACCO. This is greatly attributed to the increase in membership and introduction of new products and services. During the period under review, efforts were made to mobilize resources from other sources that increased the society's income and enhanced marketing and public relations and timely service delivery to members.

3.2 External Environment

3.2.1 Political Environment

Kenya's political landscape is defined by the current constitutional dispensation (as per the *Constitution of Kenya (2010)*). In addition to this, various developments including the 2007/8 post-election violence and subsequent events such as the on-going cases at the International Criminal Court (ICC) have implications on business and investments.

The devolved system of governance creates two levels of government: National and County Governments as per the provisions of the constitution. While the overall regulation of Cooperative Societies still lies in the hands of the National Government, the County Governments, as per the Fourth Schedule of the *Constitution of Kenya (2010)*, have authority over those societies that operate within their respective jurisdictions. While the new system of governance creates opportunities for business and investments, power struggle within and between the two levels of government as well as poor legislation, are some of the challenges that hinder investments. Emergence of power elites and rent-seekers at the County government level, on one hand, and political dynamics including the current push for referendum by a section of politicians including some governors, on the other hand, have contributed to an environment of political anxiety.

The role and place of negative ethnicity and balkanization of the country into ethnic blocks (which have also been perpetuated by the devolved system of governance) creates fear in people from investing in places other than 'their own areas'. This fear is embedded in the past experiences where people have ended up losing all investments during political electoral contests.

The country's Vision 2030 which aims at transforming Kenya into a prosperous and middle income country in which all Kenyans enjoy a high quality life by 2030 offers a framework through which savings and investment institutions can contribute to the overall economic and political development. This is clear when the three pillars - economic, social and political - are taken into the context of planning. The political pillar, in particular, aims at achieving a democratic political system that is issue based, people centered, results based and accountable to the public. On the other hand, the economic pillar seeks, through the use of formal and informal approaches, to generate

economically-self-sufficient communities. However, the smooth implementation of the development framework faces myriad challenges including increasing levels of national insecurity, high cost of doing business, unfavourable loan terms from banks and other financial institutions and fear of borrowing.

While the above come as political challenges expected to face the operations of Kanisa SACCO, they also offer opportunities for engagement and growth. During the implementation of the strategic plan, efforts shall be taken to engage closely with the relevant ministries of County governments and to influence policy formulation and enactment of favourable legislation for the cooperatives sector by County Assemblies. Further, the society endeavours at taking advantage of the increased development and implementation of regulatory frameworks that seeks to improve governance in the cooperatives sector. This includes legal reforms to encourage the use of non-conventional collateral and the introduction of Credit Reference Bureaus (CRB) which comes as positive developments for SACCO operations in the country. To this extent, the society, in implementing the strategic plan, intends to strengthen its credit control by introducing the services of the CRBs. Additionally, keen and cautious strategies will be developed and implemented to ensure that members' savings and investments do not suffer especially as a result of political turmoils with particular case of those which come during the elections and electoral contestations.

3.2.2 Economic Environment

The World Bank has identified African countries as among the fastest growing economies in the world today. Kenya has been identified as among the three fastest growing economies and ranked third after the Philippines and China. In a recent study¹, the bank notes that the continent's economies have been experiencing annual growth rates well above 5% in the last decade and there is optimism and prospects for steady growth despite general global economic challenges. The study also points out some serious challenges that include the failure of translating this high economic growth into better living standards for the people. This implies that poverty reduction efforts by different countries have not benefited from such growth.

Improved macro-economic conditions, micro-economic reforms, rapid growth of

¹ World Bank (2013) 'An Analysis of Issues Shaping Africa's Economic Future'. Africa's Pulse 8 (October 2013), Washington, D.C: World Bank

information and communication and development and/or strengthened informal sector which subsequently stimulates local entrepreneurship are among factors that have contributed to the improved economic situation in the country.

Kenya's Vision 2030 identifies economic development as a key pillar in driving towards a newly industrialized 'middle-income country providing quality life for all citizens by the year 2030'. The government recognizes the role of cooperative societies when it states, in the document, that it 'will streamline informal finance and savings and credit cooperative organisations, as well as micro-finance institutions' as part of the pathway to overall national development.

The Medium Term Plan of 2013 to 2017 of Vision 2030 provides for attainment of high economic growth and the provision of quality services for Kenyans. It also focuses on improving and modernizing the country's infrastructure and achieving long overdue structural transformation from a factor based economy to a knowledge based economy. Kanisa SACCO will seek to benefit from the dividends that accrue from this infrastructural development. The society also considers County governments as new spaces for economic investments and opportunities.

Kanisa SACCO has a big part of its membership being either employed by Non-Governmental Organizations (NGOs) or self-employed. Non-governmental organizations rely heavily on unreliable funding from foreign agencies. A re-emergence of the global financial crisis could affect the society greatly. The society will need to determine how to take advantage of regional and continental economic opportunities to cushion it against such eventualities.

Increased drought and unpredictable weather patterns due to the effects of climate change will continue to affect food security in the country. This will lead to increase in the cost of living and the inflation rate, which may affect the society's growth due to reduced savings and borrowing by members.

3.2.3 Social Environment

According to the Socio-Economic Atlas of Kenya, 2014², inequality and poverty are still prevalent among the people of the country. The realities of inequality and poverty manifest in increased infant mortality, malnutrition, unemployment, teenage

2 Kenya National Bureau of Statistics (2014) Socio-Economic Atlas of Kenya Nairobi: Kenya National Bureau of Statistics.

pregnancy, illegal drug use, criminality, alcoholism, *gangsterism* and associated social ills. The Socio-Economic Atlas of Kenya, 2014, also highlights an increase in women-headed households especially in urban areas. This presents a challenge and opportunity for Kanisa SACCO to study the needs of its members and seek to meet them through strategically designed products and services.

The prevalence of non-communicable diseases such as diabetes, hypertension and cancer has led to an increase in household expenditure in healthcare. This could, with time, result in reduced savings, low productivity of members and an increased level of members withdrawing from the society. This is likely to impact negatively on the society's profitability and growth. To mitigate this, the society will need to hasten its health education to members and also institutionalize the provision of affordable medical insurance services and promote the savings scheme to cushion members from social challenges that need not be addressed through loans.

From the above, it can be noted that increased social responsibility will continue to dictate members' saving and borrowing patterns. This could lead to a growth in demand for loans to meet the emerging responsibilities. While this may be good for loans' growth, it calls for a constant needs assessment to design products and services that meet members' emerging needs.

Consumerism and a sense of boundless accumulation, that is, the endless expansion of wants on which capitalism rests is already having its effects on the Kenyan society. This is evident in high levels of personal indebtedness mostly from unsecured lending from unscrupulous and exploitative lenders that continues to shackle the middle class and the poor and drive them into the abyss of poverty. Kanisa SACCO will seek to enhance its education outreach to members to liberate them from the yoke of poverty and perpetual indebtedness.

Over 60% of the Kenyan population is youth with 33% of the population aged between 25 and 64 years. Kanisa SACCO has a big percentage of its membership in this age bracket. This challenges the society to design attractive products and services for the various age groups in the society.

The pressure for the society to undertake corporate social responsibility activities that also enhance its visibility and corporate image will contribute to a limited drain on its capital base.

3.2.4 Technological Environment

Technology is central to business and development. Therefore, Kanisa SACCO should keep abreast of technological advancements and changes. Some technological factors that have a bearing on Kanisa SACCO's strategic plan are the impact of internet connectivity (which includes access to and use of the social media) and the mobile telecommunications revolution. Besides investing in these technological innovations, Kanisa SACCO will also need to upgrade its software, build the capacity of the users of the software and invest in computer hardware. The society will need to develop an interactive website and will stand to benefit from these technological advancements through enhanced service delivery and timely engagement with its membership.

However, technology has its challenges. It entails initial high costs in procuring and maintaining the acquired technology. The rate of obsolescence is also very high and there is need for regular updating. The society will need to constantly put secure measures against hacking, fraud, computer viruses and information theft. The society will also acquire software that will meet its current and the future needs.

3.2.5 Environmental Factors

The effects of climate change are being felt in the country in the increased drought and unpredictable weather patterns and flooding. These will continue to affect food security in the country and will in turn lead to an increase in the cost of living and the inflation rate. This may affect the society's growth due to reduced savings and borrowing.

Unchecked pollution especially in urban areas will continue to affect the health and well-being of the society's membership and could, with time, result in reduced savings, low productivity of members and an increased level of members withdrawing from the society.

3.2.6 Policy/Legal Environment

Cooperative societies contribute to poverty eradication, social cohesion and national integration. The government has therefore endeavoured to create a conducive environment for the growth of the sector. It has developed and continues to develop and strengthen the existing laws and regulations to ensure that all the cooperative societies adhere to a common system and standards of management. These laws and regulations

include the Cooperative Societies Act, 1997 (amended in 2004), Cooperative Societies Rules, 2004 and regulations and other policies and legal frameworks developed and applied by government departments concerned with the affairs of the cooperative movement in the country.

These laws and regulations provide the government with powers to direct, control and oversee the affairs of the cooperative societies sector. These powers, nonetheless, do not remove the control of SACCOs from the hands of the membership but only ensure that there is a centralized coordination and principles of conducting the affairs of the SACCOs. The government, in addition to the existing frameworks, also recently, established the Sacco Societies Regulatory Authority (SASRA) under the Sacco Societies Act, 2008 to regulate deposit-taking SACCOs. This is in appreciation of the dynamism and growth in the sector.

Kanisa SACCO has in place By-Laws 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 at the County Assemblies in order to influence the enactment of enabling legislation for the cooperatives sector through the apex bodies. Similar vigilance will also be applied to legislative processes of the National Assembly and Senate.

During the strategic plan period, the society will seek to closely evaluate the effects of the Public Benefit Organizations (PBO) Act, 2013 on its member organizations and take appropriate advocacy actions to ensure it does not affect the growth of the society. The society will also examine the effects of the capital gains tax and other tax regimes that may be introduced during the strategic plan period.

3.3 Internal Environment

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

3.3.1 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Long history and identity (the Kanisa brand); • Diverse membership (different age groups with 25 to 35 year olds as majority; and diverse income levels); • Informed membership; • Online presence and accessibility; • Open membership that is not tied to a common bond; • Quality and stable leadership; • Kanisa Holdings Limited as a vehicle to diversify the society's business; • Share capital and deposits so far mobilized; • Operational tools and physical assets; • Competent human resources; • A continuous learning society (regular training and education to members, staff and management committee); • Positive organizational culture (of engagement, dialogue, transparency and honest dealings); • Internal control systems, structures and policies; • Financial stability leading to timely processing and disbursement of loan products and services; • Quality and efficient service delivery; • Embracing of information, communication and technology (ICT) for efficient communication and service delivery (Sacco Plus Software; MPESA Paybill; electronic communication; SMS; website, social media); • Affordable lending rates; • Accessible SACCO office; • Prompt loan processing; • Cohesion and togetherness of members; • Youthful membership; and • Diverse loan products and services portfolio. 	<ul style="list-style-type: none"> • Low capital base; • Low membership base; • Inadequate and non-structured marketing; • Poor savings culture; • Members' conformity with the existing loan products and services; • Inadequate systems for follow up of loan defaulters (absence of database of positive credit history of members); • Failure to retain and document institutional memory (managing transition in the CMC); • Weak communication; • Members not paying full attention especially on guarantorship; • Members limiting their guarantorship pool; • Poor attendance of the society's events (for example, AGM, Education Day and Charity Day); • Lack of proper member stratification and categorization (absence of member database with key variables such as age that determine preferred products and services); • Lack of a 'know your member' strategy; • Some loan products have short repayment periods; • Underutilization of the website and the social media (website not regularly updated and not interactive); • Recovery of defaulted loans from guarantors that eats into the capital base (failure to have guarantors pay out of payroll); • Unequal representation of individual members in the society's leadership and management; • Low interest on deposits; • Lack of consideration of unique needs of members who are not based in Nairobi; and • Inadequate human resource (understaffing).

Opportunities	Threats
<ul style="list-style-type: none"> ● Availability of credit facilities from other financial institutions; ● The name Kanisa SACCO is easy to sell; ● Existing information communication technology infrastructure that is easy to adopt; ● Membership growth and emerging formal and informal investment groups; ● Improved diplomatic relations; ● Potential for product diversification based on changing trends in the market (for example, Local Purchase Order (LPO) financing and asset financing); ● Existing mechanisms of addressing loan default (Credit Reference Bureaus and debt collectors); ● The unreached market, for example, the Diaspora; and ● Existing investment opportunities (Kanisa Holdings Limited). 	<p><u>External Threats</u></p> <ul style="list-style-type: none"> ● Insecure political environment; ● Unfavourable government policies, regulations and structures; ● Strained diplomatic relations; ● Unstable monetary policies; ● Donor dependency of corporate organizations associated with the society; ● Economic competitors such as Microfinance Institutions (MFIs), Small and Medium Enterprises (SMEs) and other SACCOs; ● Poor saving culture; ● Upsurge of lifestyle diseases and other health challenges; ● Urban-rural migration; ● Upsurge of social welfare groups such as chamas; ● Emerging alternative savings schemes such as mobile banking and lending (M-Shwari, M-Kopa, M-Solar and others); ● Cyber-crime, fraud and money laundering; ● Changing technology; ● Exorbitant legal fees; ● Unprofessionalism of service providers; and ● Environmental factors that can negatively impede on the society’s affairs. <p><u>Internal Threats</u></p> <ul style="list-style-type: none"> ● Poor savings culture; ● Delay in remittances from employers; ● Late submission of members’ contributions; ● Membership withdrawal; ● Limited funds for lending to members; and ● Increasing rate of loan default.

3.4 Stakeholder Analysis

Stakeholders	Expectations
Members	<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
Staff	<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
Central Management Committee (CMC)	<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 cooperators; and ● Enhanced relations with corporates, apex bodies and strategic partners
Supervisory Committee	<ul style="list-style-type: none"> ● Good record keeping; ● Compliance and adherence to the society's By-Laws; and ● Prudent financial management
Strategic Service Providers	<ul style="list-style-type: none"> ● Prompt payment; and ● More business opportunities
Employers	<ul style="list-style-type: none"> ● Support; ● Efficient communication; ● Prudent management of the society; ● Enhanced bilateral relations; and ● Comfortable staff whose welfare has been addressed
Regulatory Authorities	<ul style="list-style-type: none"> ● Compliance; ● General welfare of members; ● Timely communication and updates; ● Invitation to events; and ● Education to members
Government Agencies	<ul style="list-style-type: none"> ● Compliance; and ● Education to members

<p>Banks and Other Financial Institutions</p>	<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
<p>Researchers and job seekers</p>	<ul style="list-style-type: none"> ● Information; ● Opportunities for research and development; and ● New ideas and insights
<p>Training Institutions</p>	<ul style="list-style-type: none"> ● Job/placement opportunities for their trainees; ● Internship opportunities; ● Good working relationship; and ● Career enhancement
<p>Apex Bodies</p>	<ul style="list-style-type: none"> ● Communication; ● Cooperation; ● Good working relationship; and ● Patronizing of their products and services

4 Strategic Analysis

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

4.1 Strategic Issues, Objectives and Strategies

From the review of the society, the following issues have been identified as the critical areas of focus for the strategic plan period:

1. Marketing of the Society;
2. Investments;
3. Research and Development;
4. Internal Business Processes;
5. Strong Capital Base; and
6. Credit Management.

Problem	Critical Issue/Key Area of Focus	Strategies
Low brand awareness and low membership	Marketing of the Society	<ul style="list-style-type: none"> • Capitalize on the Kanisa brand; • Marketing to Small and Medium Enterprises (SMEs) and other corporate bodies; • Innovative Corporate Social Responsibility (CSR); • Strengthening communication and information dissemination systems; and • Enhancing membership development and retention
Low return on investment	Investments	Diversification of investments
Limited products and services offering	Research and Development	<ul style="list-style-type: none"> • Product diversification; • Benchmark with other SACCOs and financial institutions; • Exploring product diversification based on changing trends in the market (for example, LPO financing and asset financing); and • Research on members
Low members satisfaction	Internal Business Processes	<ul style="list-style-type: none"> • Leveraging on online presence; • Strengthening use of ICT; • Continuous staff development; and • Strengthening governance structures
Low capital base	Strong Capital Base	<ul style="list-style-type: none"> • Increasing share capital; • Increasing the statutory reserve; and • Building and strengthening members' saving culture
Financial risk	Credit Management	<ul style="list-style-type: none"> • Mitigating loan default rate; • Enhancing members' knowledge about guarantorship; and • Strengthening credit risk management systems

4.1.1 Strategic Issue 1: Marketing of the Society

Strategic Objective: To increase membership by at least 30% annually and reduce withdrawal rate by 25% annually by 2019.

Strategies:

- Capitalize on the Kanisa brand;
- Marketing to Small and Medium Enterprises (SMEs) and other corporate bodies;
- Innovative Corporate Social Responsibility (CSR);
- Strengthening communication and information dissemination systems; and
- Enhancing membership development and retention.

4.1.2 Strategic Issue 2: Investments

Strategic Objective: To increase return on investment by at least 5% at the end of 2019.

Strategy:

- Diversification and strengthening of investments.

4.1.3 Strategic Issue 3: Research and Development

Strategic Objective: To continuously innovate and review the society's products and services offering by 2019.

Strategies:

- Product diversification;
- Benchmarking with other SACCOs and financial institutions;
- Exploring product diversification based on changing trends in the market (for example, LPO financing and asset financing); and
- Research on members and the cooperatives sector.

4.1.4 Strategic Issue 4: Internal Business Processes

Strategic Objective: To improve internal business processes and systems for efficient and effective service delivery by 2019.

Strategies:

- Leveraging on online presence;
- Strengthening use of ICT;
- Continuous staff development; and
- Strengthening governance structures.

4.1.5 Strategic Issue 5: Strong Capital Base

Strategic Objective: To increase the society's capital base by 20% annually by 2019.

Strategies:

- Increasing share capital;
- Increasing the statutory reserve; and
- Building and strengthening members' saving culture.

4.1.6 Strategic Issue 6: Credit Management

Strategic Objective: To maintain a growing and quality loan portfolio by 2019.

Strategies:

- Mitigating loan default rate;
- Enhancing members' knowledge about guarantorship; and
- Strengthening credit risk management systems.

5 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 budgets 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 will 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.

5.1 Implementation Matrices

5.1.1 Marketing of the Society

Objective 1: To increase membership by at least 30% annually and reduce withdrawal rate by 25% annually by 2019.

Strategies	Activities	Timeframe				Performance Indicators	Responsible
		2015	2016	2017	2018 2019		
Enhancing membership development and retention	Continuous member education					<ul style="list-style-type: none"> Increased member and brand loyalty; and Enhanced public image of the society 	Education Committee and Staff
	Regular updates to members					Increase in received feedback from members	Executive Committee and Staff
	Exploration of other acceptable collaterals and modes of guarantorship	Q3				<ul style="list-style-type: none"> Increased loan uptake; and Reduced member withdrawal 	Central Management Committee; Staff; and Members
Capitalize on the Kanisa brand	Institutionalize the society's corporate days; and Use of branded items		Q2			<ul style="list-style-type: none"> Designated corporate days; Increased visibility of the society 	Central Management Committee; Staff; and Members
	Develop Information, Education and Communication (IEC) promotional materials		Q2			<ul style="list-style-type: none"> Increased members and brand loyalty; Increased public awareness of the society; Number of public inquiries and feedback on the society; and Level of content developed and aired through the mass media 	Central Management Committee; and Staff
	Engagement with the media		Q2			<ul style="list-style-type: none"> Increased visibility of the society; and Number of public inquiries and feedback 	Executive Committee; and Staff
Documentation and dissemination of the history and achievements of the society		Q4	Q4	Q4	Q2	<ul style="list-style-type: none"> Number of feedback received; and Increased patronage of the society's products and services 	Executive Committee; and Staff

Marketing to Small and Medium Enterprises (SMEs) and other corporate bodies	Development of a framework for corporate membership	Q4		Number of desks set up in open days of prospective corporate organizations	Central Management Committee; and Staff
	Facilitation of member recruitment/care desks at identified locations	Q3		<ul style="list-style-type: none"> Increased visibility of the society; and Number of public inquiries and feedback 	Executive Committee; Education Committee; and Staff
	Participation in exhibitions and forums of SMEs to market the society	Q2	Q3 Q4 Q1 Q2	<ul style="list-style-type: none"> Increased visibility of the society; and Number of public inquiries and feedback 	Central Management Committee; Staff; and Members
	Regular members' update			<ul style="list-style-type: none"> Number of updates disseminated; and Number of feedback received from members 	Executive Committee; and Staff
Strengthening communication and information dissemination systems	Continuous review of the society's website and brochure	Q3		<ul style="list-style-type: none"> Vibrant discourse on the society's website; and Number of brochures distributed 	Executive Committee; and Staff
	Active engagement with members on the social media	Q2		<ul style="list-style-type: none"> Number of 'likes' on the society's page in the social media; and Vibrant discourse in the society's social media pages and twitter 	Members; Staff; and Central Management Committee
Innovative Corporate Social Responsibility (CSR)	Undertake Charity Day visits and activities in needy social Institutions	Q4	Q4 Q4 Q4	<ul style="list-style-type: none"> Number of members participating in Charity Day visits; and Press coverage of the charity day activities 	Education Committee; Staff; and Members

5.1.2 Investments

Objective 2: To increase return on investment by at least 5% at the end of 2019.

Strategies	Activities	Timeframe					Performance Indicators	Responsible
		2015	2016	2017	2018	2019		
Diversification and strengthening of investments	Kanisa Holdings Limited (KHL)						<ul style="list-style-type: none"> Number of projects initiated and realized; Number of projects advertised and purchased; Amount/increase in returns obtained; Feedback and expression of satisfaction and/or suggestions from members and the public; and Operations of full-fledged Kanisa Holdings Limited office 	Staff; KHL Board of Directors; and Shareholders
	Investment in the Money Market Fund						<ul style="list-style-type: none"> Increased returns from existing portfolio; Number of investment institutions brought on board; Number of agreements or MOUs signed and implemented; Amounts of funds invested in the institutions; Amounts of returns or profits obtained in the new investments; and Records of meetings or discussions with the investment institutions 	Staff; Board of Directors; and Shareholders
	Other investments						<ul style="list-style-type: none"> Number of new investment opportunities; Number of new MOUs and agreements signed; Additional funds and profits to the company; and Records of meetings with (and list of) new institutions enrolled 	KHL Board of Directors; and Staff

5.1.1.3 Research and Development

Objective 3: To continuously innovate and review the society's products and services offering by 2019.

Strategies	Activities	Time frame				Performance Indicators	Responsible	
		2015	2016	2017	2018			2019
Product Development	<ul style="list-style-type: none"> Introduction of new products into the existing market; and Development of new competencies (Human Resource) 	Q2					<ul style="list-style-type: none"> Number of new products and services developed; Number of products appealing to the existing market (membership); and Product and services innovation 	Education Committee; KHL Board of Directors; and Staff
		Q3					<ul style="list-style-type: none"> Number of new markets established /new geographical markets segments established; and Number of new members/ customers taking products 	Central Management Committee (CMC)
Product diversification	<ul style="list-style-type: none"> Marketing strategies and products promotions (advertising) to increase the market share of the current products as well as new products; and Development of new loan products 	Q4					<ul style="list-style-type: none"> Number of products and services reviewed; Number of loan products developed to attract different customers; and Increased uptake of loans and patronage of product and services by members 	Education Committee; and Credit Committee

<p>Benchmarking with other SACCOs and financial institutions</p>	<ul style="list-style-type: none"> Identifying best practices within the industry; Analyse emerging trends in the industry; Forecasting on technologies in the market and determining what breakthroughs exist among these technologies; and Product, financial and operational and benchmarking 	<ul style="list-style-type: none"> Number of best practices in SACCOs identified; Number of reviews and analysis done; High quest for a competitive position among similar SACCOs / businesses High payoff in terms of quality and customer satisfaction; High awareness of industry good practices; Improved financial performance and profitability of the SACCO and its subsidiary; Improvement in various areas at the operational level within the SACCO; and Members' retention and growth 	<p>Education Committee; Credit Committee; KHL Board of Directors; and Staff</p>
<p>Research on members and the cooperatives sector</p>	<ul style="list-style-type: none"> Undertake needs assessment; Gather information on competitors and members' needs; Review By-Laws and policies; Conduct surveys on members and the industry; Create an online feedback form; Create a suggestion box 	<ul style="list-style-type: none"> Number of studies conducted; Feedback received from members; High member satisfaction; Low member withdrawals; and Increased loyalty and patronage 	<p>Education Committee; Credit Committee; KHL Board of Directors; and Staff</p>

5.1.4 Internal Business Processes

Objective 4: To improve internal business processes and systems for efficient and effective service delivery by 2019

Strategies	Activities	Timeframe					Performance Indicators	Responsible
		2015	2016	2017	2018	2019		
Leveraging on online presence	Upgrade website	Q3					Number of visits to the website	Education Committee; and Staff
	Interactive use of social media						Increased enquiries and responses from current and potential members	Education Committee
Strengthening use of ICT	Timely and continuous updates of the website						Increased enquiries and responses from current and potential members	Education Committee
	Develop Kanisa SACCO Web portal	Q3	Q2				Ease of access of statements, loans and guarantorship status by members	Executive Committee and Staff
	Continuous upgrade of SACCO Software System						<ul style="list-style-type: none"> ● Reports that meet the user's expectation; and ● User friendly software and reports 	Executive Committee and Staff
Continuous staff development	Continuous training and education						Competent and informed staff	Executive Committee and Staff
	Provision of good working environment						<ul style="list-style-type: none"> ● Improved service delivery; and ● Number of positive feedback received from members 	Executive Committee and Staff
	Facilitate linkage with professional bodies						Increased participation in professional forums and workshops	Executive Committee and Staff
	Offer competitive remuneration						Staff retention	Executive Committee and Staff

<p>Central Management Committee (CMC)</p>	<ul style="list-style-type: none"> • Strong internal control systems; and • Timely and quality decisions 		<p>Enhance management capacity</p>	<p>Strengthening governance structures</p>
<p>Central Management Committee (CMC)</p>	<ul style="list-style-type: none"> • Number of MOUs entered with strategic service providers and member organizations; • Improved business relations; and • Timely and consistent remittances 		<p>Nurture good working relation with strategic service providers and member organizations</p>	
<p>Central Management Committee (CMC)</p>	<p>Timely payment of statutory dues and returns</p>		<p>Timely statutory compliance</p>	
<p>Central Management Committee (CMC)</p>	<ul style="list-style-type: none"> • Adequate, well equipped and well-furnished office; and • General business growth 		<p>Allocate adequate resources</p>	

5.1.1.5 Strong Capital Base

Objective 5: To increase the society's capital base by 20% annually by 2019.

Strategies	Activities	Timeframe					Performance Indicators	Responsible
		2015	2016	2017	2018	2019		
Increasing share capital	Implement the dividend policy						Percentage increase in share capital	Central Management Committee (CMC)
	Educate members on importance of share capital enhancement						<ul style="list-style-type: none"> Increased savings mobilization base; and Number of members educated 	Education Committee; and Members
	Implement revised share capital requirement	Q2	Q2	Q2	Q2	Q2	<ul style="list-style-type: none"> -Number of new members meeting revised share capital requirement 	Staff; and Central Management Committee (CMC)
Increasing the statutory reserve*	Increase retained earnings		Q1	Q1	Q1	Q1	<ul style="list-style-type: none"> Percentage increase of retained earnings; and Status of Reserve Fund Account 	Staff; Central Management Account (CMC)
	Education to Members	Q3	Q3	Q3	Q3	Q3	<ul style="list-style-type: none"> Number of members attending education day; Feedback received from educational articles shared; and Increased uptake of products and services 	Central Management Committee (CMC); and Members
Building and strengthening members' saving culture	Encourage members to increase monthly contributions	Q2	Q2	Q2	Q2	Q2	<ul style="list-style-type: none"> Percentage increase in minimum monthly contribution; and Percentage growth in members' deposits 	Central Management Committee (CMC); Staff; and Members

* Rule 37 (1) of the Cooperative Societies Rules, 2004 provides that "Every cooperative society shall pay into the reserve fund maintained in pursuance to the provisions of section 47 of the Act, one-fifth of any net surplus resulting from the operations of the society during a financial year."

5.1.6 Credit Management

Objective 6: To maintain a growing and quality loan portfolio by 2019.

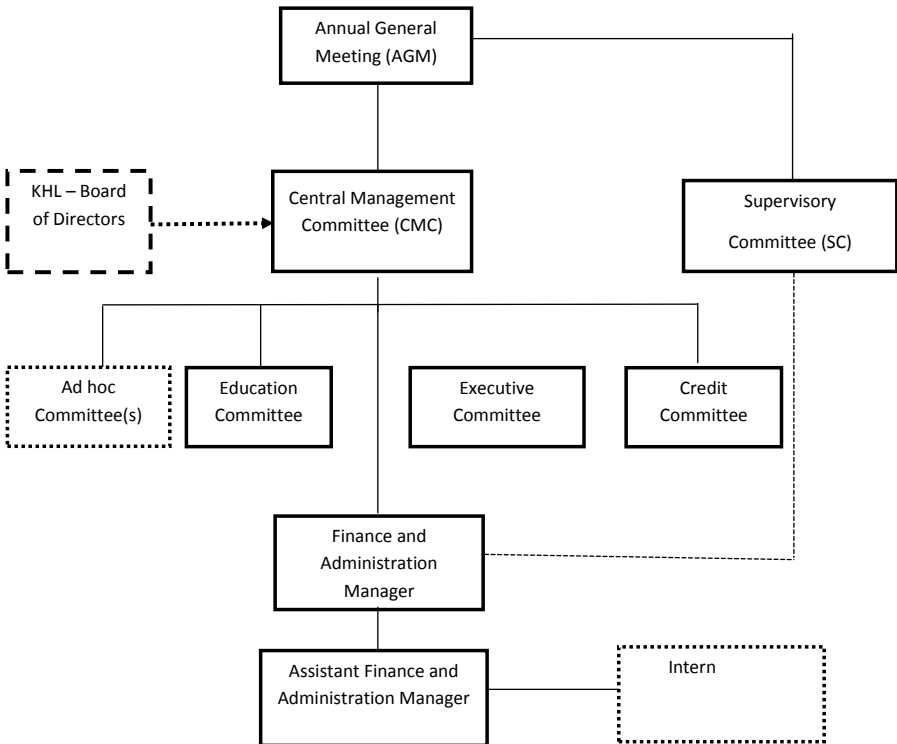
Strategies	Activities	Timeframe				Performance Indicators	Responsible
		2015	2016	2017	2018		
Mitigating loan default rate	Prudent loan appraisal					<ul style="list-style-type: none"> Increased savings mobilization base; and Performing loan portfolio 	Central Management Committee (CMC); and Staff
	Use of alternative security					Enhanced loan recovery	Credit Committee and Staff
	Know your customer					<ul style="list-style-type: none"> Increased member education; Increased member savings; and Performing loan portfolio 	Credit Committee; Education Committee; and Staff
Strengthening credit risk management systems	Enhancing members' knowledge about guarantorship					Performing loan portfolio	Credit Committee; Education Committee; and Staff
	Increase use of alternative security					Increased loan recovery rate	CMC; Members; and Staff
	Engage the services of debt collectors					Increased loan recovery rate	Members; Staff; and Debt Collectors
	Registration with Credit Reference Bureaus (CRBs)					<ul style="list-style-type: none"> Number of defaulters referred to Credit Reference Bureaus; and Increased loan recovery rate 	CMC; and Staff

6 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:-



Source: Kanisa SACCO Documents.

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

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 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 2014 is as shown below:-

Position	Number of Staff	Gender
Finance and Administration Manager	1	Male
Assistant Finance and Administration Manager	1	Female
Intern	1	Male
Total	3	

7 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.

