



# Vision Afrika SACCO

## Strategic Plan 2022 – 2024

*January 2022*

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## LIST OF ABBREVIATIONS

AGM	-	Annual General Meeting
ATM	-	Automatic Teller Machine
BOD	-	Board of Directors
CEO	-	Chief Executive Officer
CRB	-	Credit Reference Bureau
CSR	-	Corporate Social Responsibility
DT	-	Deposit Taking
ERM	-	Enterprise Risk Management
HR	-	Human Resource
ICT	-	Information & Communication Technology
Kshs	-	Kenya Shillings
LAN	-	Local Area Network
M&E	-	Monitoring and Evaluation
MTP	-	Medium Term Plan
NDT	-	Non-Deposit Taking
ROA	-	Return on Assets
ROE	-	Return on Equity
Sacco	-	Savings and Credit Co-operative Society
SASRA	-	Sacco Societies Regulatory Authority
SLAs	-	Service Level Agreements
SMEs	-	Small and Medium Enterprises
SWOT	-	Strengths, Weaknesses, Opportunities and Threats
TNA	-	Training Needs Assessment
VAS	-	Vision Africa SACCO
WAN	-	Wide Area Network

## FOREWORD

**Joseph Mugere**  
Chairman

## PREFACE

Hiram Macharia

**Chief Executive Officer**

## EXECUTIVE SUMMARY

VISION AFRIKA SACCO Ltd (VAS) formerly Gilgil traders Savings and Credit Cooperative (SACCO) Society was registered in 22nd November 2004 CS No. 10624 as a rural based Sacco, with an initial membership drawn from Gilgil town in Nakuru County. The SACCO was initially intended to serve the traders in Gilgil who were excluded from formal financial institutions at the time including Traders, Farmers, Juakali Artisans, Transporters, Bodaboda, shop-owners, among others. The SACCO thus mobilized resources to make this a reality by offering both savings and credit services in a small way. They subsequently were able to pool resources and put-up Front Offices that is the main outreach for members to financial services. However, in order to sustain the same, it became apparent that the common bond (i.e., within the Gilgil region) had to be opened/ expanded in order to accommodate the rest of the residents and possibly other regions. This also informed the aspect of Name change to Vision Afrika in the year 2010 that started the journey to expansion. The SACCO currently serves over 23,000 members drawn from diverse regions and economies in Nakuru and neighboring counties as well as diaspora.

The current SACCO strategy is quasi-based using both brick-and-mortar physical branches with technology support infrastructure. The members are thus able to access services at the four branch locations based in Nakuru, Gilgil, Naivasha and Molo within the working hours. The SACCO has also deployed digital services which were enhanced in the year 2020. Mobile money and Point of Sale (POS) devices are starting to pick up in operations with the close of the year seeing nearly 2000 clients using these services. However, the ATM services seem to have lagged behind. The SACCO is also licensed and regulated by the SACCO Societies Regulatory Authority (SASRA). The newest branch at Molo town that opened its doors in October 2019 is seeing a boost in the transactions and interactions with the local traders and farming communities providing the bulk of its clientele. Its success has seen major financial players including Tier One commercial banks and droves of Microfinance institutions open shop in the town over the last 2 years.

The Sacco has been implementing the 2017 - 2021 strategic plan, its first strategic plan. A review and development of a new strategic plan was occasioned by the changes in the operating environment which present both opportunities and threats. Thus, the development of the new strategic plan has taken into consideration implementation status, lessons learnt and the projected operating environment. This enabled identification of strategic themes, objectives, strategies and activities that will guide the Sacco operations in the next five years.

The Sacco strategic pillars for the planning period are:

- Business growth;
- Customer service;
- Operational efficiency;
- Enterprise Risk Management; and
- Human Resource and Performance Management.

To address these strategic pillars, the following objectives were identified:

- To increase membership from 23,000 in 2021 to 30,000 by 2024.
- To increase loan portfolio from Kshs 0.475 billion in 2021 to Kshs 0.833 billion by 2024.
- To increase savings and deposits from Kshs 0.381 billion in 2021 to Kshs 0.781 billion by 2024 and the share capital to Kshs 0.1 billion
- To conduct a customer rating on quality of service and increase it to 75% by 2024.

- To increase operational efficiency by reducing total operating expenses to total income ratio from 9.35 %to 5% by 2024.
- To ensure business continuity.
- To attract and retain skilled, motivated and productive staff.

Strategies to achieve these objectives were identified and are documented in this plan. Further, for each strategy, the expected outcome, proposed activities, output indicators, time frame and the implementing actors were determined and documented in an implementation matrix presented in this strategic plan. To enhance successful implementation of the strategic plan, a monitoring and evaluation framework has been provided with key performance indicators aimed at enabling an objective measurement and evaluation of the operations of the SACCO till end of the year 2024.



# CHAPTER ONE: INTRODUCTION

## 1.1 Organizational Background

VAS was formed in 2004 as Gilgil Traders SACCO under the Cooperative Societies Act (Cap 490). With the enactment of the SACCO Societies Act 2008 (Cap 490B), the Sacco Societies Regulatory Authority (SASRA) was established to administer the provisions of the Act by providing prudential supervision of deposit-taking Sacco Societies (DT-SACCOs). VAS is currently licensed by SASRA as DT Sacco.

The SACCO is providing a majority of its services in the Nakuru county borders and for this to be fruitful, the Head office was moved from Gilgil to Nakuru City centre in the year 2013. The expansion has seen the opening of the fourth branch in Molo town in 2019.

To boost its offering, the SACCO recognizes the critical role of technology as a critical element in supporting the outreach and service provision. Within the previous strategic period, the SACCO changed its core banking system from Finfinacials, a shared platform from Inet Coop Kenya (ICK) developed and supported by Fintech Kenya, to a standalone ValueMis from Real-time Technology hosted at the SACCO Headquarters. This has enabled the institution to have more control of its data and transaction security.

## 1.2 Role of The Sacco Sub-Sector in Vision 2030

The country's long term development agenda is set out in the Kenya Vision 2030. The aim of Vision 2030 is to make Kenya a globally competitive and prosperous country by transforming it into an industrialized middle income nation, providing high quality of life for all the citizens by the year 2030. The Vision is anchored on three pillars: -

1. **The Economic pillar:** Aims at providing prosperity for all Kenyans by attaining an annual growth rate of 10% per annum and sustaining it through the Vision period. Under this pillar, the key sector focus is in the tourism, agriculture, manufacturing, wholesale and retail, business process outsourcing and financial services.
2. **The Social pillar:** Seeks to build a just and cohesive society with social equity in a clean and secure environment. To achieve this, the priority sectors identified include: education and training; health; water and sanitation; the environment; housing and urbanization; gender, youth, sports and vulnerable groups.
3. **The Political pillar:** Aims to realize an issue based, people centred, result oriented and accountable democratic system. The specific areas identified for achievement of this priority are respect for the rule of law, electoral and political processes, democracy and public service delivery, transparency and accountability, security, peace building and conflict resolution.

In the financial services, Vision 2030 aims to create a vibrant and globally competitive financial sector in Kenya that will create jobs and also promote high levels of savings to finance Kenya's overall investment needs. As part of Kenya's macro-economic goals, savings rates are expected to rise from 17% to 30% of GDP by the year 2030. In addition, the Vision 2030 recommends the streamlining of informal finance, and SACCOs.

### 1.3 Rationale for Strategic Planning

The process of strategic planning is aimed at identifying and selecting the most appropriate ways (strategies) of utilizing an organization's resources to achieve specified objectives, while taking into account the environment in which the organization operates.

The SACCO's first strategic plan 2017-2021 has come to an end hence the need to develop a new strategic plan that will guide the SACCO during the next planning period. It will enable the Sacco to prioritize the most important aspects of its business and choose the most efficient ways of utilizing its resources to effectively deliver on its mission. In developing this strategic plan, an assessment of the implementation of the previous plan was carried out. This enabled the Sacco to build on the lessons learned during its implementation.

The strategic planning process provided an opportunity for the Sacco to examine its operations hence enabled the team to have a broad understanding of the organization. The process also provided a framework for evaluating alternative strategies thus preparing the Sacco for the future by integrating both the short term and long-term plans. By having a strategic plan, the Sacco will be more proactive than reactive to the members' needs.

The strategic planning process helped in enhancing stakeholders' cohesiveness towards achievement of the Sacco core business in that it brought together staff, the Board and the supervisory committee. In addition, the process enhances team work with the stakeholders participating in coming up with the strategy and working together towards achievement of the agreed upon strategies. Further, the plan provides a framework for evaluating progress against set targets which will be critical in the attainment of the Sacco vision and mission.

### 1.4. Expected Operating Environment/ Planning Assumptions

In developing the strategic plan, the following assumptions were made:

- Good relationship between the Sacco and various stakeholders will continue;
- There will be political stability in the country;
- There will be stable fiscal and monetary policies in Kenya; and
- There will be growth in the agriculture sector supported by increased production and stable global prices.
- The current country devolution processes will continue stabilizing realizing more potential locally.

### 1.5 Methodology of developing the Strategic Plan

A participatory strategic planning process was used to ensure ownership of the strategic plan and to enhance effectiveness and efficiency in the implementation of the plan. This entailed involvement of the Board of directors, supervisory committee and staff members. Specifically, the following methodology was used:

#### 1.5.1 Document Review

Various documents were reviewed to extract information used in the strategic planning process. The documents reviewed among others included:

- The SACCO Strategic Plan 2017 - 2021;

- The SACCO Annual activity plans;
- The SACCO financial statements 2017 - 2021;
- The SACCO Bylaws;
- Organization chart and
- Operations report 2021.

### 1.5.2 Pre-Workshop Interviews/discussions

To obtain stakeholders views, the consultants visited all the branches to get first-hand experience in the environment and branch specific operations. A 2-day workshop was also held with the senior members of staff, branch managers, Board of Directors and Supervisory committee to deliberate on key operational parameters. A one on one with various managers was also done digitally to consolidate the report.

### 1.5.3 Strategic Planning Workshops

To facilitate development of the strategic plan, two workshops were held as follows:

- A strategic planning workshop with staff, board and supervisory team to develop the draft strategic plan; and
- A two-day strategic planning workshop with Board of directors and management to present and refine the draft plan.

## 1.6 Organization of the Strategic Plan

This Strategic Plan consists of seven chapters:

- **Chapter One** provides VAS Sacco background, rationale for strategic planning, expected operating environment/ assumptions, methodology of developing the plan and organization of the strategic plan.
- **Chapter Two** covers the mandate, vision, mission, and the core values that will drive the SACCO towards achieving the goals of this planning period.
- **Chapter Three** presents the situational analysis which covers the Sacco sub-sector performance, an evaluation of VAS Sacco past performance, an analysis of internal and external environments, and stakeholders' analysis.
- **Chapter Four** presents the strategic analysis which covers strategic themes, objectives and strategies.
- **Chapter Five** presents the implementation plan, which covers for each of the strategic objectives, the strategies, expected outputs, proposed actions, output indicator, implementing actors and time frame.
- **Chapter Six** provides the institutional structure covering the Board, Office of the Chief Executive Officer, description of departments and their functions, and the organization chart (organogram).
- **Chapter Seven** covers the mechanisms for monitoring and evaluating the implementation process of the strategic plan, and the key performance indicators

## CHAPTER TWO. INSTITUTIONAL REVIEW

### 2.1 Core Business of the Sacco

VAS's core business is to promote the economic interests of its members in accordance with the co-operative principles and values. The objects of the Sacco as outlined in the by-laws are among others to:

- To promote thrift among its members by affording them an opportunity for accumulating their savings deposits and provision of credit to them exclusively for provident and productive purposes, at fair return, and control their money for mutual benefit;
- To ensure personal growth through the introduction of new products and services that will promote the economic base of the members, which include turnkey projects, in a consortium with other firms;
- To ensure the progress of members and society through continuous education programs on savings, proper use of credit, reduction of poverty, human dignity and cooperation; and
- To apply the cooperative principle of cooperation among cooperatives in order to promote members' interests. In furtherance of its objectives, the society may affiliate to the relevant national cooperative unions and the apex societies.

In undertaking its business, the SACCO is guided by the cooperative principles which are:

<b>1. Voluntary and Open Membership</b>	The SACCO is a voluntary organization, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
<b>2. Democratic Member Control</b>	The SACCO is a democratic organization controlled by the members, who actively participate in setting their policies and making decisions. The elected representatives are accountable to the membership.
<b>3. Member Economic Participation</b>	Members contribute equitably to, and democratically control, the capital of the SACCO. Part of that capital is usually the common property of the SACCO called the institutional capital. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership.
<b>4. Autonomy and Independence</b>	The SACCO is an autonomous, self-help organization controlled by the members.
<b>5. Education, Training, and Information</b>	The SACCO will provide education and training to its members, elected representatives, managers, and employees so they can contribute effectively to the development of VAS.
<b>6. Cooperation among Cooperatives</b>	The SACCO will serve their members most effectively and strengthen the cooperative movement by working together

	through local, national, regional and international cooperative structures.
<b>7. Concern for Community</b>	The SACCO will work for the sustainable development of the communities where it is domiciled through policies approved by their members.

## 2.2 VISION, Mission, Motto and Core Values

Vision

***To be the leading SACCO in providing sustainable financial services and products***

Mission

***We exist to provide affordable financial services to our through the mobilization of savings, provision of loans, and other investment avenues that grow the wealth of our members***

Motto

***Pamoja Twashinda***

The Sacco's vision and mission will be achieved through embracing the following core values:

Core Value	Description
<b>Integrity</b>	We are honest and accountable in our dealings. Our stakeholders are key in the achievement of our goals. We have to work with them in a professional manner that includes honesty, transparency and confidentiality
<b>Research &amp; Innovation</b>	For us to deliver for our members and other stakeholders, we have to constantly research and come up with innovative products and services. This in turn increases the stakeholder satisfaction.
<b>Teamwork</b>	We rise together. We live no one behind. The SACCO believes in the individuality of each stakeholder contributing to the overall growth.
<b>Equity</b>	We treat our members justly and fairly.
<b>Sustainability</b>	We are committed to the existence of VAS tomorrow by making the best decisions today. All our decisions are based on a better VAS serving our members.

## CHAPTER THREE: SITUATIONAL ANALYSIS

### 3.1 Sacco Sub-Sector Performance

The Sacco sub sector comprise of both Deposit Taking and non-Deposit Taking (NDT) Saccos duly registered under the Cooperative Societies Act Cap 490. The SACCO Societies Regulatory Authority (SASRA) regulates the SACCOs that have FOSA facilities as well as the NDT SACCOs with over Kshs. 100 million in Share Capital. NDT Saccos with Share capital below Kshs. 100 million are regulated by the Commissioner of Cooperatives. While there exist grey areas in the regulation, this is being addressed by the amendments in the 2021 Cooperatives Bill which is currently in the National Assembly and is expected to address the emerging issues.

	2017	2018	2019	2020
Number of DT-Saccos	174	174	172	175
Total Membership	3,599,200	4,193,158	4,509,316	5,470,192
<b>FINANCIALS</b>				
Assets (Kshs. B)	442.27	495.25	556.71	627.68
Deposits (Kshs. B)	305.30	341.91	380.44	430.11
Gross Loans (Kshs. B)	332.21	374.28	419.55	473.74
Net Loans and Advances (Kshs. B)	320.49	359.02	400.16	450.58
Capital Reserves (Kshs. B)	72.33	83.76	97.55	115.28
Core Capital	64.25	74.37	79.20	97.74
Institutional capital/ Total Assets	8.18%	8.50%	10.63%	11.39%
Turnover (Kshs. M)	63,045			

The Regulated DT SACCOs stood at 175 in number with government based SACCOs making the majority of the number with 37.43% of the number closely followed by Teachers SACCOs comprising 36.9% while community SACCOs only made up 7.65% of the SACCOs.

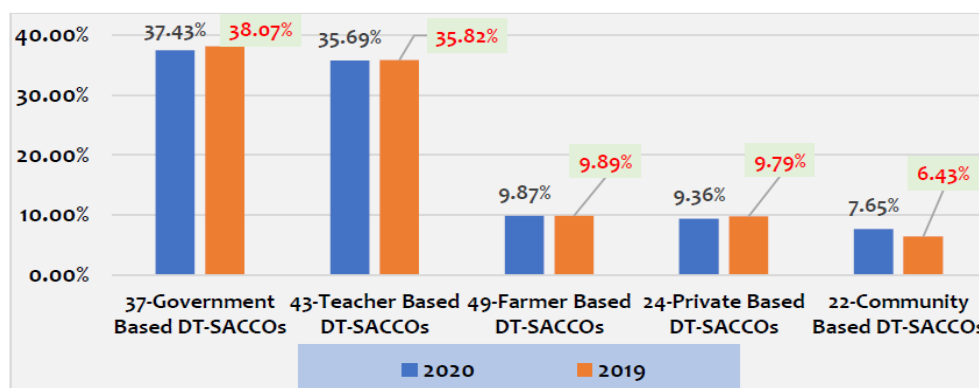


Figure 1: Classification of SACCOs by common bonds Source: SASRA

### 3.2 Clusters of SACCOs

The growth of membership in SACCOs has been steady with a major boost in the years 2019 – 2020 seeing record increase in membership. The growth in SACCO membership and assets slowed in the years 2020 – 2021 mainly because of the effects of Covid-19 pandemic and the economic challenges thereafter. Despite the government SACCOs making the majority of the cluster based on government institutions, financial inclusion is mostly promoted by farmer based SACCOs drawing nearly 42% of the membership of SACCOs followed by teacher based and community based SACCOs.

**Table 10: Distribution of total membership among the Field of Membership clustering of DT-SACCOs**

Cluster of Membership	Total Membership in 2020	Proportion to total membership
49 - Farmer Based DT-SACCOs	2,293,408	41.93%
43 - Teacher Based DT-SACCOs	1,253,418	22.91%
22 - Community Based DT-SACCOs	977,489	17.87%
37 - Government Based DT-SACCOs	639,408	11.69%
24 - Private Sector Based DT-SACCOs	306,469	5.60%
<b>Total Membership</b>	<b>5,470,192</b>	<b>100.00%</b>

Source: SASRA Database

The community-based DT-SACCOs which as per the year 2020 were 22 in number accounted for nearly 18% of the membership of DT-SACCOs which stood at approximately 5.5 million members.

The government based SACCOs though controlling the majority of the assets in the sector performed dismally in financial inclusion probably because of their closed nature of operations and not well resonating with the communities where they are based.

### 3.3 DT-SACCO Societies by total asset size

SASRA has peer-grouped DT-SACCOs in terms of their total assets as shown below. Vision Afrika SACCO is classified in the small category. There was an increase of SACCOs to the Large size (over Kshs 5B) over the period while the medium and small categories are volatile. There are notable increases in asset size over the three categories though in the small size there was a drop in the year 2018 which might be attributed to the elevation of number of SACCOs to the next Asset cluster.

Category of the DT-SACCOs by Total Assets Size	No of DT-SACCOs			Total Assets (Billions)			Proportion to Total Assets 2018	Proportion to Total Assets 2019	Proportion to Total Assets 2020
	2018	2019	2020	2018	2019	2020			
Total Assets above Kshs. 5 Billion	27	31	34	325.87	390.29	452.13	65.80%	70.11%	72.03%
Total Assets between Kshs. 1 Billion and Kshs. 5 Billion	57	58	57	135.54	135.70	142.86	27.37%	24.38%	22.76%
Total Assets below Kshs. 1 Billion	90	83	84	33.84	30.72	32.70	6.83%	5.52%	5.21%
<b>Totals</b>	<b>174</b>	<b>172</b>	<b>175</b>	<b>495.25</b>	<b>556.71</b>	<b>627.68</b>			

Figure 2: Comparative ranking of DT - SACCOs by asset size

### 3.4 Financial Sector Performance

All the deposit taking financial institutions depicted growth in key parameters for the periods of 2018 to 2020 with banks starring in their performance over the period. The microfinance institutions showed a decline in loans and net loans for the year 2020 probably because of the slowing of the economy and their risk assessment. However, banks and SACCOs grew in the said period.

PARAMETERS	DT-SACCO SOCIETIES			COMMERCIAL BANKS*			MICROFINANCE BANKS*		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Total Assets (Kshs. B)	495.25	556.71	627.68	4,446.1	4,832.30	5,405.75	70.75	76.35	74.88
Gross Loans & Advance (Kshs. B)	374.28	419.55	473.74	2,567.3	2,774.60	3,006.10	49.36	50.45	48.85
Net Loans & Advances (Kshs. B)	359.02	400.16	450.58	2,273.45	2,454.07	2,658.71	44.18	46.52	44.18
Gross NPL/Gross Loans (%)	6.30%	6.15%	8.39%	12.03%	12.01%	14.50%	20.04%	19.50%	26.60%
Customer Deposits (Kshs. Billion)	341.91	380.44	430.11	3,332.4	3,554.40	4,011.32	40.96	43.94	49.36
No. of Institutions	174	172	175	40	39	39	13	14	14
No. of Branches	504	526	537	1,505	1,490	1,502	118	123	120

Source: SASRA database

Figure 3: Performance of DT institutions in Kenya

Source: SASRA

### 3.5 Comparative SACCOs performance

Comparative growth and performance Trends of DT-SACCOs (2018 – 2020)					
Parameter	2018	Y-to-Y Change % (2018/2019)	2019	Y-to-Y Change % (2019/2020)	2020
# of SACCOs	174		172		175
Financials	Kshs. Billions		Kshs. Billions		Kshs. Billions
Total Assets	495.25	12.41	556.71	12.75	627.68
Total Deposits	341.91	11.27	380.44	13.41	431.46
Gross Loans	374.29	12.09	419.55	13.16	474.77
Allowance for loans Loss	15.27	26.95	19.38	24.78	24.19
Net Loans & Advances	359.02	11.46	400.16	12.60	450.58
Capital Reserves	83.76	16.47	97.55	18.18	115.28
Core Capital	74.37	6.49	79.20	23.41	97.74

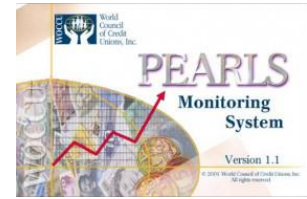
Table 1: Comparative growth for DT SACCOs

Source: SASRA



### 3.6 Vision Afrika SACCO performance

The growth of VAS over the years is notable hence the making of an ambitious strategic plan that will enable the SACCO reach greater heights. With the high notable performance in net loans, savings deposits and total assets, the SACCO also strived to meet prudential regulatory standards with a mix of results. This section details the standards that were met, not met and the analysis based on prudential standards using PEARLS Monitoring System. This is a system more stringent than the local SASRA standards. The goal of using this system is to enable the SACCO shift to international level assesment having met many of the local standards.



Key Ratios that meet prudential standards:

Ratio	Target	Performance 31-Dec-2021	Growth 2020-2021	
<b>E1: Net Loans / Total Assets</b>	70-80%	85.85%	S1: Net Loans	27.11%
<b>E5: Savings Deposits / Total Assets</b>	70-80%	71.19%	S5: Savings Deposits	27.66%
<b>E6: External Credit / Total Assets</b>	0-5%	4.02%	S6: External Borrowings	7.64%
<b>S11: Total Assets</b>	>Inflation + 10%	25.95%		

Table 2: Key ratios meeting prudential standards

Key Ratios that did not meet international PEARLS prudential standards:

Ratio	Target	Performance 31-Dec-2021
<b>P6: Solvency</b>	>=111%	109.66%
<b>E9: Net Institutional Capital / Total Assets</b>	>=10%	8.13%
<b>A1: Total Delinquency / Gross Loan Portfolio</b>	<=5%	18.74%
<b>A2: Non-Earning Assets / Total Assets</b>	<=5%	14.09%
<b>L1: Liquid Assets - ST Payables / Total Deposits</b>	15-20%	11.59%
<b>R10: Operating Expenses / Average Assets</b>	<=5%	9.35%

Table 3: Key ratios not meeting prudential standards

#### P-Protection;

Adequate protection of assets is a basic tenet of the new SACCO model. Protection is measured by 1) comparing the adequacy of the allowances for loan losses against the amount of delinquent loans and 2) comparing the allowances for investment losses with the total amount of non-regulated investments. Protection against loan losses is deemed adequate if a SACCO has sufficient provisions to cover 100% of all loans delinquent for more than 12 months, and 35% of all loans delinquent for 1-12 months.

Inadequate loan loss protection produces two undesirable results: inflated asset values and fictitious earnings. Most SACCOs are not anxious to recognize loan losses, and much less, to charge them off against earnings. That unwillingness leads to widespread abuse of the principles of safety and soundness. Reported net income is overstated, asset values are inflated, provisions for loan losses are inadequate, and member savings are not adequately protected. Many SACCOs are not concerned about the inadequacy of their allowances for loan losses since they view their capital reserves as the primary source of protection against loan losses. This erroneous idea is gradually changing as management becomes convinced that it is much easier and less painful to use the allowances for loan losses as the primary source of protection, rather than having to get approval from the membership to diminish capital reserves because of losses.

## **E-Effective Financial Structure**

The financial structure of the SACCO is the single most important factor in determining growth potential, earnings capacity, and overall financial strength. The financial structure is the most important variable which affects growth, profitability, and efficiency. The Financial Structure is constantly changing and must be managed closely, particularly under rapid growth scenarios. Prudential Norms must be strictly followed. While the SACCO has exceeded the minimum prudential ratios in Loans and Savings deposit, the savings are not enough to meet the loan demands, leading to external borrowings.

Institutional Capital can be defined as all legal (statutory) reserves and surplus created either from the accumulation of net income or capital donations. The current year's net income that will be transferred to the statutory reserves is also included. These reserves are NOT expendable and no member may present an individual claim. The society's Net institutional Capital stands at 8.13% which is higher than the SASRA recommended 8% though internationally it's below the recommended minimum of 10%. By the end of this strategic period, VAS will have achieved this ratio.

## **A-Assets Quality**

Asset Quality is the main variable that affects institutional profitability. This calls on the minimization of non-productive assets to less than or equal to 5% of the total assets of the SACCO. To achieve this, there is need to enhance the adoption of technology as well as other efficiencies. The current 14.09% of the Non-Earning Assets to Asset ratio is quite high though it's also contributed by the rapid expansion including branch network as well as other outreach mechanisms. Delinquency must be correctly measured and zealously pursued. Non-earning assets should be minimized.

Savings, External Credit, or Shares should never be used to purchase Non-Earning Assets. Delinquency is calculated at 18.74% against the recommended maximum of 5%. Non-earning assets make up 14.09% of the total assets against the recommended maximum of 5%.

As the non-earning asset ratio is very high it makes it more difficult for the SACCO to generate sufficient earnings. As the SACCO is in dire need of improving its physical image, the non-earning asset ratio can increase in the short run. An improved image is more important to the success of aggressive marketing programs than it is to keep a ratio within its limits. As new members join and deposit their savings with the SACCO, the non-earning asset ratio begins to decrease as a result of increased public confidence. Its thus a necessary evil for growth.

## **R-Rate of Returns and Costs**

Yields and Costs directly affect the Growth rates of the Institution. Investment Yields are measured on each of four alternative investments. Share Dividends are considered as interest expense and are a reduction of net income. Allowances for Loan Losses are considered as a separate Operating expense.

The SACCO has achieved rapid growth of assets, income, institutional capital which are all key in its strengthening. The growth of VAS from 2019 has been higher than the sector average which at times drives up the costs associated with such growth. Of key concern

is the Operating expenses have been kept at a reasonable 9.35%. However, this is necessary to achieve growth though should be frequently monitored to reduce to accepted standards.

### **L-Liquidity**

Effective liquidity management becomes a much more important skill as the SACCO shifts its financial structure from member shares to more volatile deposit savings. In many movements following the traditional model, member shares are very illiquid and most external loans have a long payback period, therefore there is little incentive to maintain liquidity reserves. Liquidity is traditionally viewed in terms of cash available to lend - a variable exclusively controlled by the SACCO. With the introduction of withdrawable savings deposits, the concept of liquidity is radically changed. Liquidity now refers to the cash needed for withdrawals--a variable the SACCO can no longer control.

The SACCO has attained Liquidity ratio of 11.59% against a target of 15-20% which implies that the SACCO does not fully comply with the liquidity reserve requirements. This is also evidence that the SACCO is not fully maximizing their earning potential by having too much liquidity in non-interest-bearing accounts. The solvency ratio, which is obtained by dividing Net Value of Assets by Total Shares and Deposits, gives 109.66% as at 31 December 2021, which is lower than the recommended minimum of 111%. This figure represents the relative worth of the shilling based on the SACCO's viability on an ongoing basis.

### **S-Signs of Growth**

The only successful way to maintain asset values is through strong, accelerated growth of assets, accompanied by sustained profitability. Growth by itself is insufficient. The advantage of the PEARLS system is that it links growth to profitability, as well as to the other key areas by evaluating the strength of the system as a whole.

While the growth in assets, loans and savings deposits is impressive, the SACCO is characterized by erratic fluctuations in growth in membership, or a business plan maybe non-existent or non-functioning. Society membership is in decline due to dormancy and the Management needs to make a concerted effort in turning the operation around or the very viability of the SACCO is in question

### 3.7 Evaluation of Implementation Status of 2017 – 2021 Strategic Plan

A review of the implementation status of the 2017 - 2021 strategic plan was undertaken with a view of establishing performance levels and isolating factors that may have had favorable or unfavorable influence on the Sacco. The Sacco had five pillars each with specific objectives and strategies. Some of the strategies were implemented while others were not. The following were accomplished under each pillar:

1. **Membership:** This pillar was founded to address the member operations for the SACCO. This implied the direct focus of VAS in member recruitment and acquisition with the goal of attaining 22,000 by the end of the strategic planning period. 3 specific strategies were proposed for acquisition, retention and education.

While the membership number has been achieved, the quality of the members in the SACCO is wanting. VAS acquired members whose activeness and withdrawal is a concern for the current operating period. The focus was drawn to acquisition and training of members for the strategic period.

The Sacco was not able to conduct customer needs assessment which was intended to help determine the demand-driven products and services.

2. **Finance:** Driven by balance sheet growth, income growth and financial management, it was to reflect the aspirations of balance sheet prudence. Market diversification was to help the SACCO move into new markets thus acquiring new territories in the process. The implication was to have a balance sheet growth that wasn't clearly tied to the activities of the SACCO.

The SACCO has faced challenges trying to address the balance sheet growth with lessons learnt on the non-wholesomeness of some of the strategies. The asset size stands at over Kshs. 0.5 Billion by end of 2021.

3. **Human Resource:** This was mostly to help the SACCO in training staff and attaching performance management to the goals of the staff. The SACCO staff was able to grow in tandem with business growth and increased branch network.

It became apparent that some of the positions had to be created within the staff to bridge the gaps created by the growth, weaknesses, opportunities and threats faced by VAS. The SACCO also acquired the Performance Management System which hasn't been fully implemented.

4. **Operations.** This pillar comprised of ICT, the location of the service points, risks and service delivery channels. This were to work and support the growth of the balance sheet though the relationship wasn't mapped out.

This area continues to face daily challenges with the service points, inadequacies in technology capability being pointed out. The process mapping for the SACCO has also not been done to ensure optimal performance.

5. **Governance:** This pillar was given the activities of ensuring capacity building, compliance and maintaining stakeholder relations. This pillar gave rise to the development of the annual action plans in 2019 which has helped focus the SACCO to triple digit growth over the period.

### 3.8 Lessons Learnt from the 2017 – 2021 Period

Through the implementation of the 2017 - 2021 Strategic Plan, the following lessons were learnt:



1. Adequate and competent staff is imperative in facilitating effective implementation of the Strategic Plan.
2. The introduction, development and follow-up of the annual work-plan is a game changer in the growth of the SACCO and should be embraced.
3. Monitoring and evaluation (M&E) framework is key in assessment of the status of the strategic plan. Therefore, the Sacco will put in place M&E framework that will provide for quarterly and annual assessment of implementation status.
4. Team work among key stakeholders is important in ensuring effective discharge of Sacco's core business. Thus, the Sacco board, supervisory committee and staff will continue to work as a team to enhance quality service delivery.

### 3.9 SWOT Analysis



SWOT Analysis focuses on strength, weakness, opportunities and threats for a particular institution. It critically helps analyze the operating environment for the SACCO by splitting the factors affecting the services and growth into internal and external factors. Strength and weakness are the internal factors opportunities and threats are external factors.

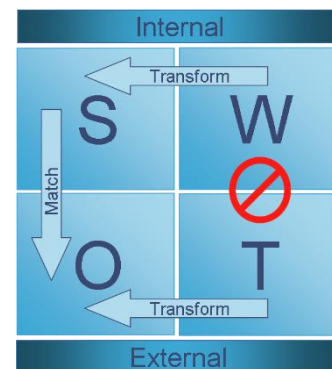
#### INTERNAL ENVIRONMENT

Analysis of internal environment was carried out to identify factors within the organization that may positively (strengths) or negatively (weaknesses) influence its future performance.

#### Strengths

The strengths of VAS Sacco are:

- 1) The open nature of the SACCO allowing clients from a diverse base.
- 2) Good reputation, positive image and brand.



- 3) Widely-located branch network in the area of operation allowing for spiral growth.
- 4) Support from the board of directors and professional staff.
- 5) Product Diversity covering many aspects of people's needs.
- 6) The SACCO is native hence easily identified with the locals.
- 7) Vibrant and competent workforce.
- 8) Good working environment.

### **Weaknesses**

The following are the weaknesses of VAS:

- 1) Weak internal controls.
- 2) Lack of commitment to implement performance management system.
- 3) Ineffective functional structure leading to role conflicts and overlapping.
- 4) Lack of customer service index.
- 5) Inadequate planning and monitoring leading to reactive strategies.
- 6) Inadequate utilization of technology.
- 7) Inadequate flow of information.
- 8) Inadequate monitoring of day-to-day activities.
- 9) Inadequate team work.

## **EXTERNAL ENVIRONMENT**

External environmental analysis identified external factors that may influence the Sacco's performance favorably (opportunities) or unfavorably (threats). The analysis resulted in the identification of the following opportunities and threats.

### **Opportunities**

The opportunities available to VAS Sacco include:

- 1) Diversification to new markets such as the youth, other niches including marketing cooperatives, corporates, agriculture and the employed.
- 2) Strong regulatory framework for the Sacco sub-sector.
- 3) The Sacco operates in an agricultural productive area.
- 4) Linkages with other financial institutions.
- 5) Growth in the SME sector.
- 6) Credit reference bureau.
- 7) Wide catchment area within Nakuru county
- 8) Technological advancement enabling use of internet banking, mobile banking and agency banking
- 9) Active events within the operations area
- 10) Expansive economy with completion of the Naivasha dry port

### **Threats**

Threats to VAS Sacco include:

- 1) Stiff competition owing to entry of new players in the market with some clearly following the VAS footsteps.

- 2) Environmental threat from adverse climate conditions affecting agricultural produce.
- 3) Political factors with the 2022 election and beyond. This is more so because the SACCO operates in Nakuru county which is cosmopolitan.
- 4) Technological Threats with the ever-present cyber threats and obsolescence.
- 5) Price fluctuations in the agricultural sector coupled with government policy on core agricultural activities that entails the SACCO membership.
- 6) Political interference in the management of co-operative societies.
- 7) Aging membership as the SACCO finds challenges in attracting young people.

### 3.10 Stakeholder Analysis

A stakeholder is any person, group or institution that has an interest in the activities of an organization. VAS Sacco has a diverse range of stakeholders as outlined below.

Stakeholder	Expectation of the stakeholders from VAS Sacco.	VAS Sacco Expectation
<b>National and County Governments</b>	<ul style="list-style-type: none"> <li>• Operate within the legal framework</li> <li>• Provide the necessary statistical information</li> <li>• Support economic growth</li> <li>• Enhance financial access</li> <li>• Adhere to cooperative principles</li> </ul>	<ul style="list-style-type: none"> <li>• A conducive and predictable operating environment</li> <li>• Support to the cooperative movement</li> </ul>
<b>SASRA</b>	<ul style="list-style-type: none"> <li>• Compliance with the regulatory framework and guidelines</li> <li>• Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Equity and fairness in regulation</li> <li>• Prompt approvals</li> </ul>
<b>Members/ customers</b>	<ul style="list-style-type: none"> <li>• Security to their savings and investments, and stability of the Sacco.</li> <li>• Availability of credit whenever they need it</li> <li>• Competitive pricing of products/ services</li> <li>• Quality services and convenient access to services</li> <li>• Quality members'/ customers education</li> <li>• Clear communication and regular updates</li> <li>• Good investment returns</li> <li>• Fast settlement of transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing of VAS Sacco to potential members and customers</li> <li>• Maintaining healthy accounts</li> <li>• Integrity</li> <li>• Brand loyalty</li> <li>• Savings deposits with the SACCO</li> <li>• Participate in member education forums</li> </ul>

	<ul style="list-style-type: none"> <li>• Diversified range of products and services</li> <li>• Confidentiality</li> </ul>	
<b>Suppliers/ service providers</b>	<ul style="list-style-type: none"> <li>• Prompt payment for services offered</li> <li>• Adherence to fair and ethical business practices</li> <li>• Cordial relationship and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Right quality and quantity of supplies/services</li> <li>• Honour terms of reference</li> <li>• Competitive pricing</li> <li>• Favorable terms and conditions</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• Adherence to policies</li> <li>• Implementation of Board decision and policies</li> <li>• Capacity building on Sacco human resource</li> <li>• Guidance by the management on strategic decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Policy direction</li> <li>• Adherence to good corporate governance and management practices</li> <li>• Commitment to the objectives of the Sacco.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Favourable terms and conditions of service,</li> <li>• Job security,</li> <li>• Good work environment</li> <li>• Adherence to good corporate governance and management practices</li> </ul>	<ul style="list-style-type: none"> <li>• Commitment to the objectives of the Sacco</li> <li>• Integrity</li> <li>• Creativity and innovation in the provision of services</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Corporate Social responsibility</li> <li>• Equal employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Peaceful co-existence</li> </ul>

### 3.11 PESTLE Analysis

The SACCO sub-sector within the larger financial services sector operates as a network of financial institutions, that offers savings, loans, investments and other transactions. The SACCOs use the deposits to make loans, and earn profit from them. These savings/deposit mobilization and loans created are linked to the various economic and life cycles of the areas that the SACCO operates.

The vision 2030 blueprint implies that local resources driven by savings will constitute 30% of the GDP of the country. These deposits will be mobilized through the financial services sector with the major player being the SACCO sub-sector. As we know that financial institutions do not operate in a vacuum and must operate within the country's laws. Some factors that impact the functionality of this sector like; political, economic, social, technical, legal, and environmental comprise the PESTLE factors that need to be considered in the design of the strategic direction of the SACCO.



### **3.11.1 Political Factors**

Political influence has a great role in the financial services industry. The government has launched a high level of regulations to scrutinize the operations of deposit-taking SACCO. This is because they manage large sums of money from the members. Therefore, SACCOs should operate within the laws affecting their sector. The government through its monitoring and wanting to achieve its agenda introduces laws which either favor or challenge the SACCO operations. For instance, in an effort to fight money laundering in the country, the government introduced new currency notes and phased out the old Kshs. 1,000 note in 2020. This involved the introduction of new bills with more security marks in the market which brought forth other monitoring and evaluation challenges. This necessitated the need for training of the SACCO staff to ensure compliance.

The year 2022 is a political year in the country. Nakuru county where VAS predominantly operates is cosmopolitan in nature and a center of the tussle between the competing factions for the leadership in the country. Being cosmopolitan, this tussle cascades to the county government which also sets laws within their jurisdiction. While the Cooperative bill 2021 being discussed in parliament seeks to harmonize some of the bottlenecks and grey areas between the counties and national government, this hasn't been passed by the National Assembly.

The presidency of Uhuru Kenyatta is set to expire in August 2022. He pushed his big four agenda that included affordable housing, food security, and manufacturing that the SACCO identified with. As the government pushed for the achievement of the agenda, there were policies and subsidies put in place that the next government might remove leading to more expensive ventures within those industries. The SACCO needs to be proactive to identify key agenda pillars for leading candidates and position itself adequately.

Nakuru is now a city, an upgrade from a municipality. This will transform the standing of the county and the city as a number of infrastructural projects will begin to be developed. This will translate to many opportunities for the Small and Micro-Enterprises which are the core target for the SACCO. The city status will also mean the cost of living for the residents' will mostly likely go up complimented by the new market being created.

The political factors also include the level of advocacy that is achieved by the unions. Cooperative Alliance of Kenya (CAK), and Kenya Union of Savings and Credit Cooperatives (KUSCCO) are the main advocacy platforms in the country. KUSCCO also hosts the African Confederation of Co-operative Savings and Credit Associations (ACCOSCA) and World Council of Credit Unions (WOCCU) that advocate for SACCOs in Africa and globally, respectively. These organizations work to provide an advocacy channel of all factors affecting member SACCOs and should be approached for partnership to assist in mitigating some of the challenges in the SACCO.

### **3.11.2 Economic Factors**

Financial services and economy of the country have interrelated relations with each other. A healthy economy of the country is good for the financial services industry,

and vice versa. Local or foreign investments are also good for the economy because it would create many job opportunities.

A healthy economy will depend on the smooth running of the financial services industry. SACCOs can't run their operations if the economy of the country isn't working positively and so the government will be at odds to meet their responsibilities.

The upgrade of Nakuru to city status will most likely have an economic impact to the residents and the SACCO needs to be ready to pounce. The infrastructure projects will mean the disposable income will be higher as materials, labour and land for development will be bought from the residents. The SACCO needs to analyze these aspects to reflect product offering for the specific niche involved.

The county is mostly driven by agriculture and SMEs with over 77% of the land within the county, arable. Part of the main agricultural activities include potato farming, cattle farming and chicken farming. These are done both in small and large scale. Other crop farming such as tea farming are in close proximity with the catchment area of the SACCO. The recent developments within the potato and milk sectors serve as boosters to service offering by the SACCO with the need to properly position itself to take full advantage of the developments. The SACCO needs to have a strategic team that will constantly review development within the economic zones of the SACCO to advice on proper responses. Besides creating many job opportunities through the value chain model, the SACCO will also support and benefit from the small businesses.

### **3.11.3 Social Factors**

As we know the socio-cultural factors have a great impact on the financial services industry. The Changing preferences and choices of the people would make businesses and financial services providers to change their planning and brand strategies. If we look at the attitude and behavior of the people in a certain demographic, then you would see that it has changed a lot in recent times.

As the demographics of the population serviced changes, so is the SACCOs approach towards serving them. The challenge within the SACCO sub-sector has been the slow change to address a given niche or emerging niche. For instance, the people born in the 90's and 2000's prefer smart phones which come with tech-driven applications. The USSD might not be attractive to them hence little appeal in case it's the prime mover for mobile banking.

Many things have changed and transformed in the service provision especially in the country. The modern tech-savvy youth and business people prefer convenience and customer service. That's why many financial service providers courting this niche keep research and development as a key aspect to a stellar customer service. The SACCO should strive to research and development, especially on behavioral research and convenience to be able to adequately serve these niches.

### **3.11.4 Technological Factors**

The technological revolution of the 21st century has brought mobile banking, digital marketplaces and online transactions. The Covid-19 pandemic opened the tech-

world further by enhancing the virtual operations for both individuals and organizations. Now, a good percentage of financial transactions are carried out through mobile and other technology driven mechanisms like online banking, PoS devices and agencies. Technology has made the services much easier for the customers' reach. Every financial service provider has a mobile application, which a customer can use to facilitate their needs.

While this is a plus for the financial institution as it implies less investment in physical staff and stationary, there is also a danger that the same technology can serve as a gateway for bad actors to gain access to the SACCO systems. Technological development has raised some serious issues like privacy, security, trust, and confidentiality with reports of data breaches. Personal data has become more fragile than ever before in history. With this occurrence, there is need for the SACCO to invest in redundancies of all sorts covering communication, data storage and human resource.

The key linkage between financial institutions allowing the easy transfer of money between accounts and institutions without physical presence is a game-changer in the achievement of customer satisfaction. It creates an avenue for the SACCO to use "Big-Data" in the design of the financial products for the customers.

### **3.11.5 Legal Factors**

As a deposit-taking SACCO, VAS is regulated by SASRA and has to meet set reporting standards and requirements. While being a regulated SACCO is great for marketing as it assures members that their funds are safe, it also comes with obligations and reporting challenges that have seen over 20% of the pioneer regulated SACCOs close their FOSAs. The upcoming Cooperative Bill will have new requirements for cooperatives and must be studied diligently and Bylaws updated accordingly. The data protection Act of 2019 requires the SACCO to appoint a data protection officer to ensure that member data, or data subjects information is protected. The failure to appoint a data protection officer when one is required or the SACCO experience a breach can result in fines up to a maximum amount of up to five million shillings or one per centum of its annual turnover of the preceding financial year, whichever is lower.

The legal factors are also bound to change depending on the incoming county and national government. While the impact from the county government might not be direct to the SACCO, it can affect the ease of doing business, the regulations around small businesses thus affecting the amount of traction the SACCO can have in its operations. The national government policy will affect the national operations of financial institutions or can affect SACCOs in isolation. There is thus the need to review the new policies after the next dispensation is in power.

### **3.11.6 Environmental Factors**

The SACCO members especially in Molo are predominantly farmers. Farming is a risky business especially with erratic climate, lack of market, pre-harvest losses and high cost of inputs. In order to shield the farmers from losses, and protect its funds, the SACCO should embrace contract farming, and ensure that all crops, and livestock if finances are adequately insured against all risks. The SACCO will need to engage an Agronomist to support agribusiness credit management, and manage partnership

with processors, input suppliers and agrovets. This model can be domiciled in the SACCO and be used in future expansions to other neighboring counties of Nyandarua, Baringo, Kericho, Uasin Gishu and Narok.

The environmental factors will also affect the one-off events that are brought about by the locality of an institution. The successful Safari rally event hosted within the county in the year 2021 opened up to a 5-year contract for Kenya to host the same. The event will be hosted in the county in the year 2022 and more. There will be need to map entrepreneurs that need support at this time to be able to sell merchandize and other trade. A team to be set up by the SACCO to monitor this event and others for business mapping.

## CHAPTER FOUR: STRATEGIC ANALYSIS

### 4.1 Strategic Themes / Key Pillars

Strategic themes or pillars are the key areas of performance for an organization that enables it to achieve its objectives in a given time period. The strategic themes for the planning period, are informed by the Sacco's mission, vision, values and the situational analysis. It calls for bold approaches within the strategic planning period to enable the meeting of its goals. Based on these, the following key pillars/themes are identified:

- Business growth.
- Customer service.
- Operational efficiency.
- Enterprise Risk Management.
- Human resource and performance management.

#### 4.1.1 Business Growth

The Sacco plans to grow its business over the next three years. To achieve this, there is need to increase membership, activate the dormant accounts membership and work towards increasing member retention rate. These will be achieved through targeted recruitment drives, provision of innovative, enhanced research and development, competitive products as well as quality service delivery.

To support the planned growth, there is need to mobilize enough resources for onward lending to members. Towards this, the Sacco should develop products that will help attract member savings and deposits. The SACCO has been seen to have many products, but low usage or no patronage. Thus, there is need to restructure the current savings products to make them competitive as a way of attracting more deposits from members.

Savings is the best and cheapest sources of finance for a SACCO. It forms the main foundation from which the SACCO can lend to potential loan seekers. The savings deposits so mobilized to attract savers will be the driver to lending and a solution to liquidity challenge. This is one of the main challenges of VAS and there is need to review the marketing strategy of the SACCO that ensures prudent marketing is being done by its human resource.

To grow the loan portfolio, the Sacco needs to diversify to sectors not currently served. To achieve this, The Sacco will need to undertake value chain analysis and feasibility studies for these sectors so as to inform development of products that meet customer needs. Further, there is need to create awareness of the loan products the Sacco is offering especially the business loan products which have a low level of awareness and usage.

#### 4.1.2 Customer service

Customer service is important to an organization as it has the ability to differentiate VAS from its competitors. Good customer service will enable the Sacco to nurture good relationships with customers which translates to increased retention and in turn increased patronage of Sacco products and services. For the Sacco to

outperform its competitors, there is need to improve customer experience through quality service delivery. To achieve quality customer service, there is need to achieve proactive customer-centric service. Research will be needed on the key areas that are important to the niche that the SACCO is serving or intends to serve. In addition, there is need to develop, communicate and implement a customer service charter as well as train staff on customer service.

#### **4.1.3 Operational efficiency**

Operational efficiency is the capability of an organization to deliver products or services to its customers in the most cost-effective manner possible while maintaining high quality. For cost-effective operations, the Sacco needs to streamline its business processes to eliminate non-value adding processes/ activities as well as putting in place the requisite operational policies and procedures. Further, to improve service delivery speed and accountability there is need for development and implementation of service level agreements for the various functional areas/ departments, and between the Sacco and external service providers and partners.

Use of modern technology in Sacco operations will help reduce costs and turnaround time during customer service. Towards this, the Sacco needs to optimize use of technology through automation of processes such as customer interaction. In addition, the Sacco needs to educate its members on the benefits of technology-based delivery channels such as mobile banking, agency banking and the BDO technology aspect. Further, there is need for the Sacco to utilize Human Resource Management System (HRMS) and other system modules as a way of enhancing efficiency in the Sacco.

#### **4.1.4 Enterprise Risk Management**

Enterprise risk management (ERM) enables organizations to effectively deal with uncertainty and the associated risks and opportunities while ensuring the Sacco capacity to deliver on its mission. To ensure business continuity, The Sacco needs to implement an ERM framework that will ensure potential risks are identified and adequately managed. Further, the Sacco needs to ensure that its operational policies, processes and procedures are in line with the regulatory requirements and that they are complied with.

#### **4.1.5 Human Resource and performance management**

Performance of the Sacco is dependent on availability of motivated and highly skilled manpower. The Sacco needs to enhance human resource productivity by putting in place an effective organization structure, deploying the requisite human capital and continuous improvement of skills. In addition, there is need to improve performance management through development and implementation of a performance management system for monitoring productivity and taking remedial action where needed.

## 4.2 Strategic Objectives and Strategies

Strategic objectives specify what an organization expects to fulfil within a given time period while Strategies are initiatives that enables an organization achieves results. Arising from the strategic themes, the following strategic objectives and strategies are identified.

Theme	Objective	Strategy
<b>Business growth</b>	Grow the membership of the SACCO	• Attract new members
		• Enhance member retention
		• Improve on technology
		• Enhance customer service
		• Brand image
		• Tailor-made customer products
	Deposit mobilization	• Introduce Savings oriented products (Savings & loan products)
		• Improve on internal processes
		• Introduce deposit mobilization mechanisms
		• Conducting regular customer surveys
	Loan Portfolio	• Enhance Loan recoveries
		• Regular product reviews through surveys
		• Tailor-made & customer-centric loan products
• Improve on internal loan processes		
• Reducing refinancing costs		
• Increasing BMs loan disbursement amounts		
Share capital	• Introduction of attractive projects e.g. Building the Headquarters	
	• Increasing education to members	
	• Conducting a share drive	
	• Improving branch position by giving high returns on investment	
<b>Customer service</b>	To increase customer rating, customer satisfaction index	• Implement customer-centric approach
		• To improve staff engagement
		• To enhance corporate image
	Enhance the Branding	• Adopt and distribute key merchandise to strategic operations • Brand visibility in areas of operation
Develop uniform customer interaction standards	• Listen to the customers/members • Under promise and over deliver • Design and implement customer service charter (product turnaround times) • Expressing warm welcome, smiling face, etiquette,	
Enhance the customer interaction with SACCO via technology & brand choice	• Embrace modern technology for customer interphase (App, Agency, POS) • Increase branch operating time in key strategic areas • Open at least one branch to increase outreach	
<b>Operational efficiency</b>	Optimize the credit process	• Enhance security and member information
		• Giving quality loans using the 5Cs

		<ul style="list-style-type: none"> <li>Enhance recovery process not waiting for the loan to go to the loss category</li> <li>Reduce loan waiting period with proper appraisal and communication</li> </ul>
	Reduce queues in the customer operations	<ul style="list-style-type: none"> <li>Encourage members to use digital channels</li> <li>Increase mobile limit from 50k to 100k per day</li> <li>Ensure sufficient mobile money float</li> <li>Updating/ Reviewing SLA/ MOUs to service providers (e.g. mobile banking, auctioneers)</li> <li>Introduce satellite and collection centres</li> <li>Optimize system capacity (branch connectivity, channel optimization and EDMS)</li> </ul>
	Improve staff knowledge and capacity to serve	<ul style="list-style-type: none"> <li>Staff trainings both internal and external</li> <li>Staff be given opportunities to attend trainings and benchmarking and furthering their studies</li> </ul>
	Continuous product improvement	<ul style="list-style-type: none"> <li>Customer feedback analysis</li> <li>Regular review of products</li> </ul>
<b>Enterprise Risk Management</b>	To reduce operational risk – system not completing transactions	<ul style="list-style-type: none"> <li>Upgrade / purchasing a robust system</li> <li>Enhance data management – record department</li> <li>Enhance delegation and supervision – loans, bankers checks</li> </ul>
	Reduce Strategic risk	<ul style="list-style-type: none"> <li>Introduce a SACCO think tank - analyse the environment for foreseeable risks</li> <li>Enhancing brand recognition and outreach</li> </ul>
	Reduce Compliance risk	<ul style="list-style-type: none"> <li>Ensure Sacco is updated on changes in regulations</li> <li>Encourage the willingness of the Sacco to comply</li> </ul>
	Reduce Financial Risk	<ul style="list-style-type: none"> <li>Enhancing loan monitoring</li> <li>Introduce a recovery department</li> <li>Giving timely reports in defaults</li> <li>Enhancing loan appraisal – training of employees</li> <li>Mitigate fraud by enhancing authorization process/ internal controls</li> </ul>
		<ul style="list-style-type: none"> <li>Ensure all security measures are in place e.g. armed guards, strong rooms</li> <li>Ensuring insurance is in place e.g. CAT</li> <li>Comply with the budget</li> <li>Compliance with procurement procedures</li> </ul>
	Reducing reputational risk	<ul style="list-style-type: none"> <li>Ensure corporate domain e-mails to ensure communication remain with the institution</li> <li>Train staff on customer service/ handling</li> <li>Enhance compliance with the regulator</li> <li>Safe and good working conditions creating a good image of the office</li> <li>Adequately securing our data</li> <li>Enhancing B2C of C2B communication through social media</li> </ul>
	Reduce liquidity risk	<ul style="list-style-type: none"> <li>Increasing channels of business mobilization e.g. making the Paybill free</li> <li>Introduce attractive savings deposit interest rate</li> <li>Enhance recovery process</li> </ul>



		<ul style="list-style-type: none"> <li>• Enhance Monitoring of cashflow</li> <li>• Explore non-interest income streams</li> </ul>
<b>Human Resource and Performance Management</b>	To attract and retain skilled, motivated and productive staff	<ul style="list-style-type: none"> <li>• Improve organization structure to new positions and aspirations</li> <li>• Enhance the image of the existing staff</li> <li>• Enhance the brand to stand out</li> <li>• Regular training of staff</li> </ul>
	Enhance the service delivery by existing staff	<ul style="list-style-type: none"> <li>• Redesign organization chart for efficiency</li> <li>• Bench marking</li> <li>• In-house training - Above</li> <li>• Team building</li> <li>• Entrenchment of Performance Management system</li> <li>• Develop Vision Afrika SACCO culture</li> </ul>

## CHAPTER FIVE: IMPLEMENTATION MATRIX

### 5.1 Business Growth

#### 1. Increase membership from 24,000 to 45,000 by growing the quality members

Strategy	Outcomes	Activities	Output indicators	Timeline	Implementing actors
<b>Attract new members</b>	Increased market standing and revenue	Undertake market research to identify market expansion and diversification opportunities	Market research report	March 2022	Marketing Manager/ CEO
		Undertake market segmentation	Market segmentation report	May 2022	Marketing Manager
		Develop products targeting each market segment	Approved new/reviewed products	June 2022 & continuous	Marketing, Operations, Finance & Credit Manager
		Increase the points of service by venturing into new regions	Increased points of service	November 2022 & continuous	Marketing / Operations manager
		Undertake awareness creation and recruitment drives	Number of members recruited	Continuous	Marketing Manager
<b>Enhance Member retention</b>	Increased revenue, reduction in cost of dormant account management	Undertake a research on the reasons for dormancy and attraction to other financial service providers	Market research report	March 2022	Marketing Manager/ CEO
		Introduce customer feedback forms in the branches	Customer feedback boxes	April 2022	Operations Manager
		Introduce client exit mechanism to enable	Client exit framework	February 2022	Marketing / Operations manager

		convincing member retention			
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## 2. Increase Savings deposits from Kshs 0.38 billion to Kshs 0.78 billion

Strategy	Outcomes	Activities	Output indicators	Timeline	Implementing actors
<b>Introduce Savings oriented products (Savings &amp; loan products)</b>	To reduce the gearing of the SACCO thus reducing the cost of sources of funding To meet the regulatory financing standards	Review the performance of savings products	Review report of product performance	April 2022, quarterly	Finance manager
		Revamp the performance of the savings products	Savings products revamp framework	May 2022 and continuous review quarterly	Operations manager, marketing manager
		Train the marketing team to focus on savings products Define the model to be Savings and Credit Cooperatives	Marketing team training	Immediately & continuous	CEO
		Introduce reward system for savings and deposits	Defined reward system	May 2022	CEO/ Operations Manager
<b>Savings campaigns</b>	Mobilization of savings from specified niches	Design new savings campaigns every quarter	Savings deposits mobilized	May 2022 and campaigns running every quarter	Marketing manager
<b>Design a savings policy</b>	Clearly defined methodologies of savings mobilization techniques and management	Develop a Savings policy	Savings policy in place	July 2022	Marketing manager
<b>Conducting regular customer surveys</b>	To measure increase in customer	Conduct a deposit customer satisfaction	Number of surveys done	April 2022 and onwards	Marketing manager &

	satisfaction and introduce service that suits customers	survey for both physical and digital users			Operations manager
<b>Develop new Savings products</b>	Increased deposits and savings	Create awareness of multiplier products and tier system to members	No. of members' sensitization meetings held  Amount of savings generated	May 2022 & Continuous	Marketing Manager, Branch Managers
		Develop and implement a tier savings system	Tier system in place  Level of implementation of tier system	June 2022 and continuous	Marketing Manager, Finance manager

### 3. To increase loan portfolio from Kshs 0.475 billion in 2021 to Kshs 0.833 billion by 2024.

Strategy	Outcomes	Activities	Output indicators	Timeline	Implementing actors
<b>Enhance Loan recoveries</b>	To increase liquidity position, set the brand setting & enhance loaning	Create a collections sub-department under loans for proper follow ups	Reduced delinquency to the prudential 5%	October 2022	Credit manager and CEO
<b>Regular product reviews through surveys</b>	To ensure the updating of products to reflect current market conditions	Product reviews Product mix analysis	Better priced product matching the competitor pricing and internal entrepreneurial rate	August 2022 & Continuous	Operations, credit, marketing and finance
<b>Tailor-made &amp; customer-centric loan products</b>	High uptake of loans by members used for purposes they're intended. Leads to lower default.	Review performance of loan products Research on customer loan needs Review/ design loan products reflecting customer needs	Review report for loan products Customer loan needs research report Redesigned loan products	November 2022	Marketing Manager , Credit manager & Finance manager

<b>Improve on internal loan processes</b>	An efficient well defined loaning process	Moving from multiplier to 5Cs of Credit Development of loaning standards	Reviewed loaning process using 5Cs of Credit	February 2023	Credit manager/ Operations Manager
<b>Increasing BMs loan disbursement amounts</b>	Faster disbursements from the branches	Loan disbursement mapping Risk analysis for disbursements Cost-benefit analysis for loan disbursement amounts increment	Reviewed loan disbursement amounts by BMs	June 2022	Operations, finance, internal audit & credit

## 5.2 Customer Service

**Objective: A stellar customer experience to attract, retain customers by offering service satisfaction**

Strategy	Outcomes	Activities	Output indicators	Timeline	Implementing actors
<b>Implement customer centric approach</b>	Delighted members/ customers	i. Develop a customer service charter	Customer service charter in place	July 2022	Marketing / Operations Manager
	Repeat business from customers	ii. Display the customer service charter in all Sacco premises and on the website	Access to customer service charter Level of adherence to charter commitments	August 2022	Operations / ICT Manager
	Satisfied customers and community	iii. Develop and implement customer feedback mechanism e.g. suggestion box, mobile phone app	Effective customer feedback mechanism in place	August 2022	Marketing / ICT Manager
<b>Improve staff engagement</b>	Improved customer service delivery	i. Train staff on Sacco products and services	Level of product knowledge among employees	May 2022 & continuous	Operations Manager
		iv. Sensitize employees on the content of	Staff sensitized on the content of	October 2022	Operations Manager

		customer service charter	customer service charter		
		ii. Train employees on customer-oriented behavior	Customer responsive employees  Level of customer complaints	October 2022 and continuous	Marketing Manager
<b>Enhance the brand and corporate Image</b>	Delighted customers	i. Undertake renovations for the branches as necessary	Modern branches in place	March 2022	CEO/ Operations Manager
	Uniformity in branch appearance	ii. Brand all branches with Sacco logo and colors	Well branded offices	March 2022	CEO/ Marketing manager
		iii. Adopt and distribute merchandise to key strategic areas	Merchandise distribution framework	December 2022	CEO/ Marketing Manager
		iv. Brand visibility in areas of operation	Identifiable Key brand visibility in service areas	April 2023	Marketing Manager
<b>Embrace modern technology for customer interface (App, Agency, POS)</b>	Drive the clients to self service	Deploy the VAS Mobile App Start the agency network Enhance the existing POS devices	Number of customers using POS, APP and Agency	April 2022 and continuous	ICT Manager/ CEO
<b>Increase branch operating time in key strategic areas</b>	Netting customers and transactions by offering after-hours service	Research on the feasibility of after-hours service Implement after-hours service	Feasibility report  After-hours implementation in select branches	October 2022	Operations Manager/ internal Auditor/ CEO
<b>Increase the SACCO branch network</b>	Increase the number of clients,	Feasibility study to key areas of branch expansion	Feasibility report	November 2022	CEO/ Operations manager/

	transactions and areas of operation		Number of new branches		Marketing Manager
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### 5.3 Operational Efficiency

**Objective: To increase operational efficiency by reducing total operating expenses to total asset ratio from 9.35% to 5%**

Strategy	Outcomes	Activities	Output indicators	Timeline	Implementing actors
<b>Business processes review</b>	Increase service delivery speed.	Undertake business processes evaluation and mapping	Business processes mapping report	April 2022	Operations Manager
	Reduce turnaround time	Review and document operating policies and procedures	Revised operational policies and procedures manual	June 2022	Operations Manager
	Reduce operational costs	Develop and implement SLAs for all functional departments	Departmental SLAs in place	July 2022	Operations Manager
<b>Mainstream ICT in Sacco operations</b>	Reduce operational costs	Identify processes for automation and the requirements	Processes automation requirements identified	April 2022 and Bi-Annual review	ICT manager/ Operations Manager
	Optimal utilization of core banking software	Automate and implement complaints/ case management process	Automated case management module in use	April 2022 & Continuous	ICT Manager
	Optimal use of technology	Automate and implement the SACCO financial Application for client transactions	Deployment of Mobile APP	April 2022	ICT Manager/ CEO
		Adopt online training for feasible SACCO trainings	Training Needs Assessment. Assessment of training split to physical and online	October 2022	Operations & IT manager
	Reduce credit turnaround time	Automate loan appraisal process	Automated appraisal process	December 2022	Credit manager, ICT Manager &

<b>Improve services and processes</b>	<b>credit and</b> Reduced paperwork  Quality loan portfolio				Operations manager
		Train staff on loan appraisal process	No. staff trained	April 2022 & continuous	Credit Manager
<b>Reduce queues in customer operations</b>	Improved customer service	Configure and implement queue management module	Queue management standards in the service charter	March 2023	Operations Manager/ ICT Manager
	Minimize queues in banking hall	Enhance the Points of Service and inform the membership			
	Enhance more customer to SACCO transactions	Reward system for alternative channels	Implementation of reward system	March 2022	Operations manager/ Finance manager
		Implement biometric identification system	Biometric system activated	June 2023	ICT Manager
		Eliminate use of fill-in vouchers	Fill -in vouchers not in use.	August 2023	Operations Manager
<b>Improve staff knowledge and capacity to serve</b>	Knowledgeable staff able to handle challenges in delivery of modern financial services	Staff trainings both internal and external Staff be given opportunities to attend trainings, bench-marking and furthering their studies	Training needs assessment for all staff Training calendars by February of each strategic year	March 2022	Operations manager
<b>Continuous service appraisal and improvement</b>	High customer service index and improved customer satisfaction	Market research, customer satisfaction, institutional satisfaction surveys	Customer / institutional satisfaction index Established customer feedback mechanism	March 2022 and Bi-annually internally	CEO, Operations and marketing managers
<b>Enhance branch, field visits, brand</b>	Easier movement to the operating stations of the	Acquire a SACCO van and brand it	Acquired SACCO van	October 2022	CEO, Board



<b>visibility &amp; customer service</b>	SACCO and higher brand visibility	Develop framework for usage of SACCO van	SACCO van usage framework		
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## 5.4 Enterprise Risk Management

**Objective: To ensure business continuity by strengthening risk management and control**

Strategy	Outcomes	Activities	Output indicators	Timeline	Implementing actors
<b>To enhance the human resources understanding of enterprise risk management</b>	An informed SACCO staff and Board fully understanding enterprise risk and management	Training of the staff and board on Enterprise Risk Management	Number of trainings done on Enterprise Risk management Number of attendants to Enterprise Risk Management training	June 2022	Internal Audit manager & CEO
<b>To reduce the technology operational risk</b>	A versatile stable technology	Assess the system capabilities by a macro and micro system review/audit	System capabilities report  Proper training of the SACCO staff on technology use	May 2022	ICT manager & internal auditor
		Upgrade / purchasing a robust system	Improved System that meets SACCO standards	May 2022 & Continuous	CEO/ ICT manager
		Enhance the data management by adoption of data risk management framework	Developed data risk management framework	February 2022	IT Manager & Internal Audit manager
<b>Introduce a SACCO think tank - analyze the environment for foreseeable risks</b>	A proactive SACCO that addresses strategic risks before they affect the SACCO	Design the SACCO staff think tank to advice on risks Draft the framework of the functionality of the think-tank.	A functional think-tank  A designed framework	July 2022	Operations manager & CEO

<b>Design of the compliance risk framework</b>	SACCO complying with the regulatory mechanism in the areas of operation	Design the regulatory risk framework	Functional framework	August 2022 & Continuous	Internal Audit
<b>Design a financial risk framework</b>	A liquid SACCO that is able to meet its financial obligations	Asset management framework	Liability management framework Finance policy with adequate Asset-Liability Management framework	March 2022	CEO, Finance manager & Internal Audit Manager

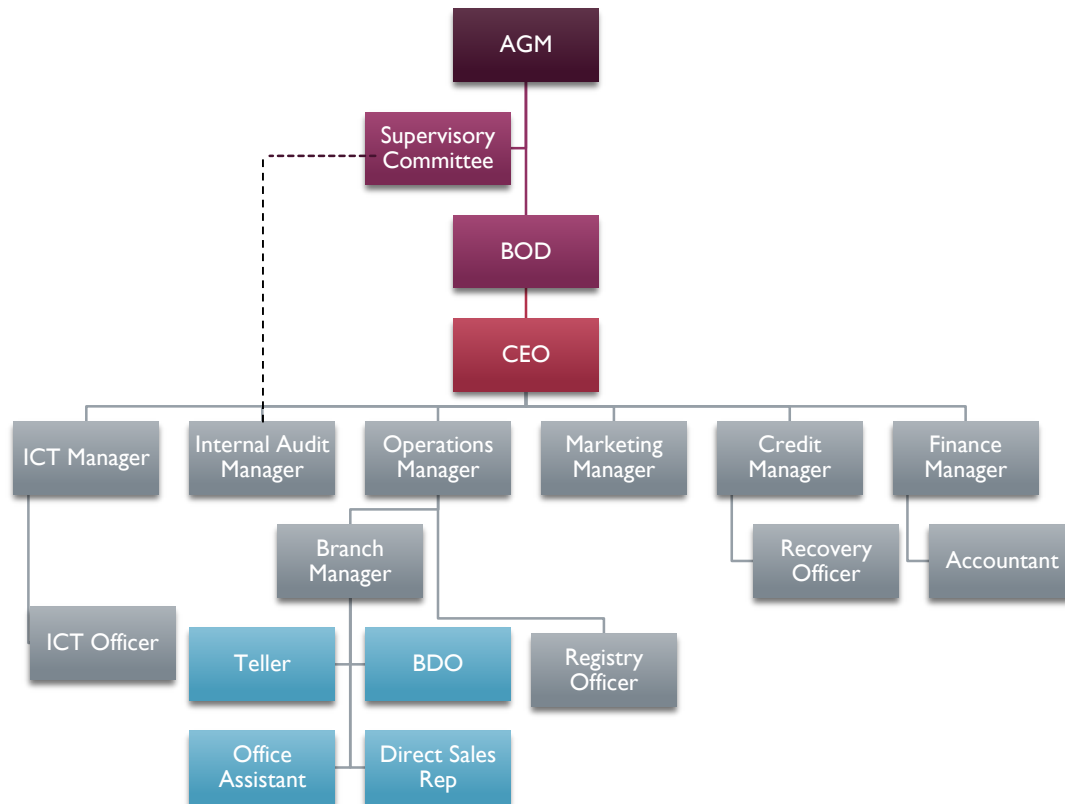
## 5.5 Human Resources and Performance Management

**Objective: To attract and retain skilled, motivated and productive staff**

Strategy	Outcomes	Activities	Output indicators	Timeline	Implementing actors
<b>Implement an effective organization structure</b>	Efficient operations	i. Review the organization structure	Revised organization structure	April 2022	Operations manager & CEO
		ii. Deploy appropriate and adequate staff	Optimal staff establishment Deploy Direct Sales Reps (DSR) in branches	March 2022 & Continuous	Marketing Manager, Operations manager & CEO
<b>Strengthen staff capacity</b>	Increased productivity	i. Carry out a training needs assessment (TNA)	TNA report	March 2022 and every September of every year	Operations manager
		ii. Develop a training programme to address need analysis	Training programme in place	March 2022	Operations manager & CEO
		iii. Implement the training programme	Number of staff trained	As per training programme	Operations manager & CEO
<b>Enhance staff motivation</b>	High productivity	i. Review human resource policy	Reviewed HR manual	July 2022	BoD, CEO & Operations Manager

	Increased staff motivation and productivity	ii. Undertake job analysis, evaluation and salary structure review	Job evaluation and salary review report	July 2022	Operations Manager, CEO, BoD
		iii. Develop and implement team building activities	Level of teamwork in the Sacco	Annually	CEO
		iv. Carry out employee satisfaction surveys and implement recommendations	Employee satisfaction survey report	November 2022, Annually	CEO, BoD, Operations Manager
		v. Develop welfare and benefits programme	Welfare and benefits programme in place	On a need basis	Operations manager
<b>Provide a conducive working environment</b>		Increased productivity  Motivated staff	i. Acquire and avail necessary working equipment/ tools e.g. hardware upgrade, working spaces	Adequate working tools in place	Continuous
<b>Enhance staff performance management</b>	Increased staff productivity	i. Review the performance management system	Functional PMS in place	April 2022	CEO, Operations
		ii. Train staff on the PMS	No. of staff trained	May 2022	Operations manager

## CHAPTER SIX: INSTITUTIONAL STRUCTURE



### 6.1 Annual Delegates Meeting (AGM)

The supreme authority of the Sacco is vested in the general meeting of delegates. The powers and duties of the general meeting are provided for in the Sacco By-laws.

### 6.2 Board of Directors

The Board of Directors is the governing body of the Sacco. The responsibility of the Board is to establish and maintain full and effective control over the strategic, financial, operational and compliance matters of the Sacco. The Board has power to establish committees as deemed appropriate to enable it fulfil its role efficiently. The Board of Directors have the following committees to discharge its mandate effectively.

### 6.3 The Chief Executive Officer

The office of the Chief Executive Officer is created under the Sacco by-laws and the regulator, SASRA. The holder of the office shall be responsible for the day-to-day operations of the Society including ensuring:

- i. Compliance of the Sacco's operations with the Sacco Act, Regulations, Co-operative Societies Act, Rules, Sacco By-Laws and any other applicable laws;
- ii. The implementation of and adherence to the Sacco policies, procedures and standards;

- iii. Establishment of systems to facilitate effective and efficient operations in the Sacco;
- iv. Development of plans to facilitate achievement of targets and objective of the Sacco;
- v. All staff matters, particularly human resource development and training are attended to; and
- vi. Adherence to the established code of conduct.

## 6.4 Departmental Functions

The Sacco has the following departments:

1. **Operations Department:** A newly created department based on the strategic direction and business growth of the SACCO. The department will be responsible for coordinating and implementing all operational matters of the Sacco in the headquarter and branches. The overall goal of the department is to promote efficiency of the SACCO by identifying processes that need streamlining, addressing bottlenecks, and allocating of resources as necessary. It will also carry the Human Resources office addressing issues of staff allocation and management. It will be charged with responsibility of customer service excellence. It will be headed by Operations Manager.
2. **Finance Department:** A core department of the SACCO that is mainly responsible for financial control and accounting of funds for the Sacco. It will be headed by Finance Manager. Some of its core responsibilities include ensuring the SACCO meets the regulatory standards, its financially sound, maintains the asset and investment registers, coordinates the design and monitors the implementation of the SACCO budget. The department will play a leading role in ensuring the SACCO continues to progress towards the projected income statement and balance sheet.
3. **Marketing Department:** Headed by the marketing manager, this department will entail creation of awareness to members, potential members and stakeholders of the various products and services offered by the Sacco. The department will also handle customer acquisition, customer care functions, and customer fulfilment. This will entail collaborations with other departments to ensure the necessary resources are allocated for activities like market research, surveys and establishing customer feedback mechanism. It is also charged with undertaking member education on various products/services as well being at the core of the SACCO branding mechanisms.
4. **Credit Department:** This is the engine for business generation for the SACCO. The department is headed by the credit whose main responsibility is to ensure the loaning process for the SACCO funds is done prudently. This involves the development of customer-centric loan products, the smoothening and optimization of the loaning process, the collection of the loans out. The regulator has provided that loans should have a performance of at least 95% with a delinquency of at most 5%. The latter should also be minimized through the adoption of proper products, appraisal and mitigation. This indicates the key of the SACCO business generation.
5. **ICT Department:** The role of the ICT department will consist of management of the information, communication and technology needs of the Sacco and will be headed by ICT Manager. The core functions of the department include formulation and

implementation of ICT policies and procedures, implementation and management of computerized information system, ensuring data integrity, availability and continuity.

6. **Internal Audit Department:** The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively. Headed by the internal audit manager, the department is charged with the responsibility of risk assessment and advice on mitigation measures by the SACCO. These risks are both internal and external to the organization. Internal risks include non-adherence to policies and procedures, inadequate policies, undefined or un-optimized processes among others. The reporting line for this independent department is to the CEO, the Board of Directors, the Supervisory committee of the Board and to the regulator, SASRA

## CHAPTER SEVEN: MONITORING & EVALUATION

### 7.1 Objectives of M & E

To successfully implement this strategic plan, an adequate Monitoring and Evaluation (M&E) framework has been developed. The monitoring and evaluation framework will enable the SACCO to measure performance against set standards so as to ensure effective implementation of the set goals and objectives.

#### 7.1.1 M&E Framework

The monitoring and evaluation process will involve preparation of annual work plans by each department. The work plans will be linked to the objectives, strategies and activities as documented in the implementation matrix. In addition, departmental work plans will be cascaded to individual employees' work plans which will then be linked to the Sacco's performance management system once its activated and functional. Further, the following actions will be undertaken to ensure successful implementation of the strategic plan: -

1. An M&E committee to be established comprising of the CEO and heads of departments to oversee the implementation of the strategic plan.
2. The committee will discuss the strategic plan implementation during their monthly meetings.
3. The committee will be reporting quarterly to the Board on the progress of the strategic plan implementation.
4. Annual review of departmental and individual work plans will be undertaken to determine implementation status of the strategic plan.
5. A review of the strategic plan will be undertaken to identify any necessary changes in the objectives, strategies, activities among others are affected as informed by new information regarding the Sacco or the operating environment.

The key performance indicators will follow each of the key strategic pillar and modelled to finally meet the strategic plan at the end of the implementation period.

### 7.1.2 Vision Afrika SACCO Proforma Balance Sheet 31<sup>st</sup> December 2024

Assets		Liabilities & Capital	
	Kshs		Kshs
<b>Earning Assets</b>		<b>Interest Bearing Liabilities</b>	
Loans		Savings Deposits - Withdrawable deposits	390,898,231.00
Gross Loans	833,916,224.80	Savings Deposits - Non withdrawable	390,898,230.00
Loan Loss Allowances	- 41,695,811.24	Total External Credit	52,119,764.00
<b>Total Net Loans</b>	<b>792,220,413.56</b>	<b>Total Interest Bearing Liabilities</b>	<b>833,916,225.00</b>
<b>Liquid Investments</b>	156,359,292.15		
Deposit with Financial institutions	156,359,292.15	<b>Non -Interest Bearing Liabilities</b>	-
<b>Financial Investments</b>	20,847,905.62	<b>Total Liabilities</b>	<b>833,916,225.00</b>
Accumulated investments in shares & Stocks	20,847,905.62	<b>Capital</b>	
<b>Total Earning Assets</b>	<b>969,427,611.33</b>	Share Capital	104,239,528.00
		<b>Total Member Share Capital</b>	<b>104,239,528.00</b>
<b>Non-Earning Assets</b>		<b>Institutional Capital</b>	<b>104,239,528.00</b>
Cash & Cash equivalents	20,847,905.62	Current Year`s Surplus	55,641,640.00
Property & Equipment	31,271,858.43	Legal Reserves and Retained Earnings	48,597,888.00
<b>Total Non-Earning Assets</b>	<b>52,119,764.05</b>		
<b>Total Assets</b>	<b>1,042,395,281.00</b>	<b>Total Liabilities &amp; Capital</b>	<b>1,042,395,281.00</b>