

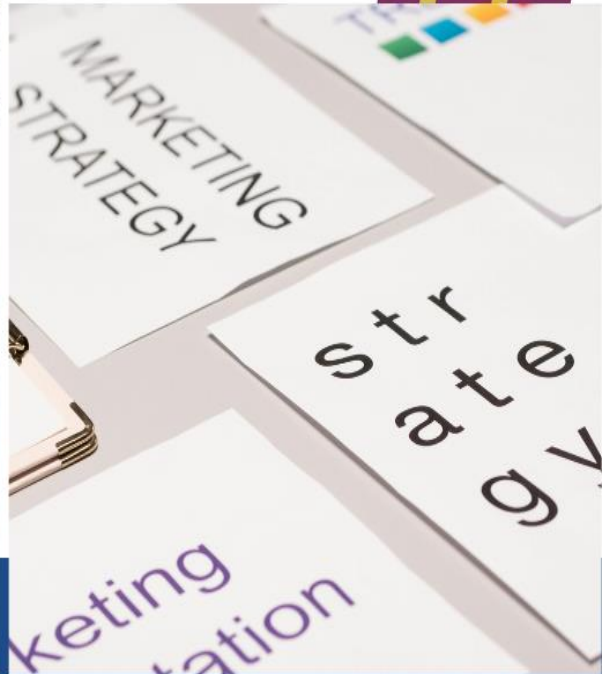
# COCOTECH NWD T SACCO

2024



2028

# STRATEGIC PLAN



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## **ACKNOWLEDGEMENT**

The successful development and documentation of this strategic plan was made possible through teamwork of the Board of Directors (BOD), the Supervisory Committee (SC) and the staff of the SACCO.

I take this opportunity to thank the members of the SACCO for their valuable contributions and suggestions during the process.

I thank the BOD for laying the policy framework and direction on which this strategic plan is based and the supervisory committee for their valuable oversight during the process. Further, we acknowledge and appreciate their dedication in providing the relevant information through the process.

I am also grateful to the members of staff for their effort and commitment during the preparation and development of this strategic plan.

**Mr. Francis Kamwati**

**CHAIRMAN**

## LIST OF ACRONYMS/ABBREVIATIONS

AGM	- Annual General Meeting
BOD	- Board of Directors
CRMC	-Credit and Risk Management Committee
CEO	-Chief Executive Officer
HR	- Human Resource
ICT	- Information and Communication Technology
KSH	- Kenya Shillings
M&E	- Monitoring and Evaluation
SC	- Supervisory Committee
SWOT	- Strengths, Weaknesses, Opportunities and Threats
TNA	- Training Needs Assessment
MMU	- Multimedia University of Kenya
THE SACCO	-COCOTECH SACCO
LO	- Loans Officer
AC	-Accounts Clerk
ITO	- Information Technology Officer
EMC	-Education and Marketing Committee
AO	-Administration Officer
TOR	-Terms of Reference
TKL	-Telkom Kenya Ltd
PCK	-Postal Corporation of Kenya
CAK	-Communications Authority of Kenya
KUSCCO	-Kenya Union of Savings and Credit Cooperatives
KCCT	-Kenya College of Communication Technology
PESTEL	-Political, Economic, Social, Technological, Environmental, Legal
F & A	Finance and Administration Committee
SASRA	Sacco Societies Regulatory Authority

## **THE EXECUTIVE SUMMARY**

The SACCO has registered substantial growth since its establishment in 1994 when it had a membership of 36 and deposits of Ksh. 60,400 to a membership of 388 and deposits of approximately Ksh 115.5million in December 2023. This growth in membership, deposits and other parameters brings with it challenges that the SACCO needs to deal with so as to consistently provide quality service to its members. In addition, the changes in the SACCO's operating environment require clear policies and a strategic direction.

The SACCO is regulated by SASRA since the year 2021 following new government policy (Sacco Regulations 2020) requiring Saccos with an asset base of more than One Hundred Million (KSh. 100, 000,000.00).

Development of a strategic plan thus became necessary to enable the SACCO to effectively deal with emerging challenges in the business environment, reviewable every five years. Having re-examined its mandate and core functions, the SACCO has developed its vision and mission statements, and the core values which will propel it to the future. A situational analysis identified strengths, weaknesses, opportunities and threats to the SACCO, which together with an evaluation of past performance, formed the basis for the identification of the strategic issues and objectives for the next five years.

The identified strategic issues focus mainly on financial sustainability and operational efficiency. The main issues are outlined as follows;

- i. Financial sustainability
- ii. Operational efficiency
- iii. Membership growth and development of new products
- iv. Performance management
- v. Human resource management
- vi. Information and communication technology

The SACCO plans to tackle these issues by:

- i. Identifying innovative ways to increase income
- ii. Increasing the use of information technology in its operations and;

iii. Streamlining and strengthening marketing of the SACCO and its products/services.

To help ensure successful implementation of the strategic plan, a Monitoring and Evaluation (M&E) framework must be in place and duly adhered to. The Board of Directors (BOD) will be responsible for M&E.

This strategic plan document consists of seven chapters outlined as follows;

- a. Chapter one is the introduction which covers the society's background, the rationale for strategic planning, the expected operating environment/planning assumptions, the methodology of developing the plan and organization of the plan.
- b. Chapter two provides the institutional review covering the mandate, core functions, vision, mission, core values, the current organizational structure and the current staff establishment.
- c. Chapter three is about the situational analysis covering, evaluation of the SACCO past performance, the PESTEL, SWOT and stakeholder analysis.
- d. Chapters four and five outline the strategic issues and the formulated objectives, and the implementation matrix. This matrix covers each of the objectives where the strategies, proposed activities, expected outputs, output indicators, implementing actors, time-line and the expected outcomes of the strategy are outlined.
- e. Chapters six and seven present the new institutional structure and the mechanisms for monitoring and evaluation of the implementation process, the key performance indicators and financial projections.

## **B.O.D ACCEPTANCE OF THE STRATEGIC PLAN 2024-2028**

This document was discussed and approved for implementation as COCOTECH Regulated NWDT Sacco Society Ltd Strategic Plan 2024 – 2028 with effect from .....

It is approved under Minute Number ..... of Board of Directors meeting held on .....

Approved by:

<b>S/No.</b>	<b>Name</b>	<b>Designation</b>	<b>Sign</b>	<b>Date</b>
1.	Francis Kamwati	Chairman		
2.	Shadrack Kirunga	Vice - Chairman		
3.	Edwin Kipyegon	Secretary		
4.	Lorna Arende	Treasurer		
5.	Prof. Moses Odeo	Member		
6.	Peter Nganga	Member		
7.	Dr. Martin Magu	Member		
8.	Joshua Nyangweso	CEO		



# **CHAPTER ONE**

## **INTRODUCTION**

This chapter covers the SACCO background, rationale for the strategic plan and methodology of developing the plan.

### **1.1 ORGANIZATIONAL BACKGROUND**

COCOTECH Regulated NWDT SACCO Ltd. was registered on 8<sup>th</sup> July 1994 as an off-shoot of Teleposta SACCO which was serving Kenya Posts and Telecommunications Corporation employees. The Sacco was founded by a group of Ten (10) staff members of the then Kenya College of Communications Technology (KCCT) and the name COCOTECH was derived from the institution's name, College of Communications Technology. The objective of the founding members was to provide a mechanism for KCCT employees to save and borrow at affordable cost in order to meet their socio-economic needs. After registration of the SACCO, the founding members embarked on recruitment of more members in the KCCT workforce.

The SACCO membership grew from 36 members in 1994 to 365 in 2007. In spite of staff retrenchment of over 500 staff members in the year 2007 which resulted in the decrease in membership from 365 to 71 in that year alone, the SACCO membership grew to 388 by the year 2023. Likewise, from 1994, members' deposits grew from Ksh 60,400 to Ksh 115.5M by December 2023. The membership of the SACCO is open to staff of MMU, COCOTECH, TKL, CAK, PCK and other organizations in the ICT Industry corporations that share a common bond. The bond is also open to spouses and children of the existing Sacco members as guided by the by-laws.

### **1.2 RATIONALE FOR STRATEGIC PLANNING**

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

communicating, implementing, monitoring and evaluating an effective strategic plan, the SACCO will benefit in a number of ways.

First is the benefit derived from increased organizational effectiveness resulting from the direction defined for the SACCO by the clearly set objectives in the plan. Through these objectives, the stakeholders can effectively utilize the SACCO resources for service delivery.

A second benefit of strategic planning is enhanced stakeholders' motivation.

Communicating the strategic plan will stimulate positive response from the various stakeholders of the SACCO, as they will feel that they are part of a team that is focused on specific purposes and goals.

Thirdly, strategic planning provides a framework for evaluating alternative strategies. This prepares an organization for the future; hence a focus that integrates both the short and long term plans. Since the planning process includes discussions touching on all functional areas, the planning team will benefit from a better understanding of the SACCO operations. The planning process also provides the CEOs with an opportunity to broaden their viewpoint and thus grow with the organization. Involvement of employees and members enhances commitment and positive attitude towards the SACCO. Further, members also get an opportunity to interact and contribute in defining the direction and manner in which their resources are utilized.

In the recent past, the business environment has been quite dynamic and challenging, characterized by among other things, stiff competition and sluggish growth in membership. The various aspects of the environment have significant impact on the SACCO performance. As a way of addressing these challenges, the SACCO BOD has realized the importance of strategic management, hence the resolve to formulate a strategic plan as a critical tool for mapping its way forward. This strategic plan will enable the society to clearly conceptualize and understand its vision, mission and objectives as well as formulate appropriate strategic courses of action to realize these objectives.

### **1.3 EXPECTED OPERATING ENVIRONMENT/PLANNING ASSUMPTIONS**

In developing the strategic plan, some assumptions have been made, which include:

- i. Political stability that will enable stakeholders to continue operating in the country
- ii. Good relationship between the SACCO and MMU will continue
- iii. No major changes in the relevant legislation that may impact negatively during the planning and implementation period, and
- iv. A stable government fiscal and monetary policy.

### **1.4 METHODOLOGY OF DEVELOPING THE PLAN**

The participatory strategic planning process was used to ensure ownership of the strategic plan by all stakeholders, thus enhancing effectiveness and efficiency in the implementation of the plan. It involved the BOD, SC, employees and members. Specifically, the following methodology was used:

#### **1.4.1 Document Review**

The BOD, SC and staff reviewed relevant literature/documents. These included:

- a. Management reports (annual accounts, chairman's reports and supervisory committee reports);
- b. Organisational structure;
- c. Operational plans;
- d. Internal reports;
- e. By-laws; and
- f. Other relevant documents.

#### **1.4.2 Pre-Workshop Discussions**

Discussions amongst BOD, SC and staff were conducted. In addition, research was carried out on similar organizations for bench marking purposes.

#### **1.4.3 Strategic Planning Consultations/Workshop**

The BOD, SC and staff participated in various workshops and meeting to deliberate on the review of the strategic plan.

## **CHAPTER TWO**

### **INSTITUTIONAL REVIEW**

#### **2.1 MANDATE AND CORE FUNCTIONS**

The SACCO derives its mandate from the Co-operative Societies Act cap 490, Sacco Regulations 2020 and any other applicable laws and regulations. The SACCO was formed to promote the economic and social interests of members in accordance with the Co-operative principles. These are:

- a) Voluntary and open membership;
- b) Democratic member control;
- c) Economic participation by members;
- d) Autonomy and independence;
- e) Education, training and information;
- f) Co-operation among co-operatives; and
- g) Concern for community in general.

The mandate of the SACCO is as follows;

- a) Encourage thrift among members by affording them an opportunity for accumulating their savings
- b) Create a source of funds at a fair and reasonable rate of interest
- c) Provide an opportunity for each of its members to improve the member's respective economic and social conditions
- d) Provide members with credit.
- e) Offer members complementary savings and credit services and other financial products as may be required from time to time
- f) Ensure safety and soundness of the members' funds through a risk management programme or appropriate insurance coverage
- g) Enhance progress of its members by educating them continuously on the proper use of credit, and,
- h) Perform the functions and exercise the powers designated for savings and credit co-operative societies under the applicable law for the benefit of the members.

#### **2.2 MISSION**

The Sacco Mission is:

To promote a safe pool of members' savings and be able to offer loans at affordable rates, thereby empowering members' socio-economically in accordance with the applicable laws, regulations, principles and values.

## **2.3 VISION**

The Sacco Vision is:

To be a world class Sacco in offering dependable and reliable financial solutions in an efficient and transparent manner.

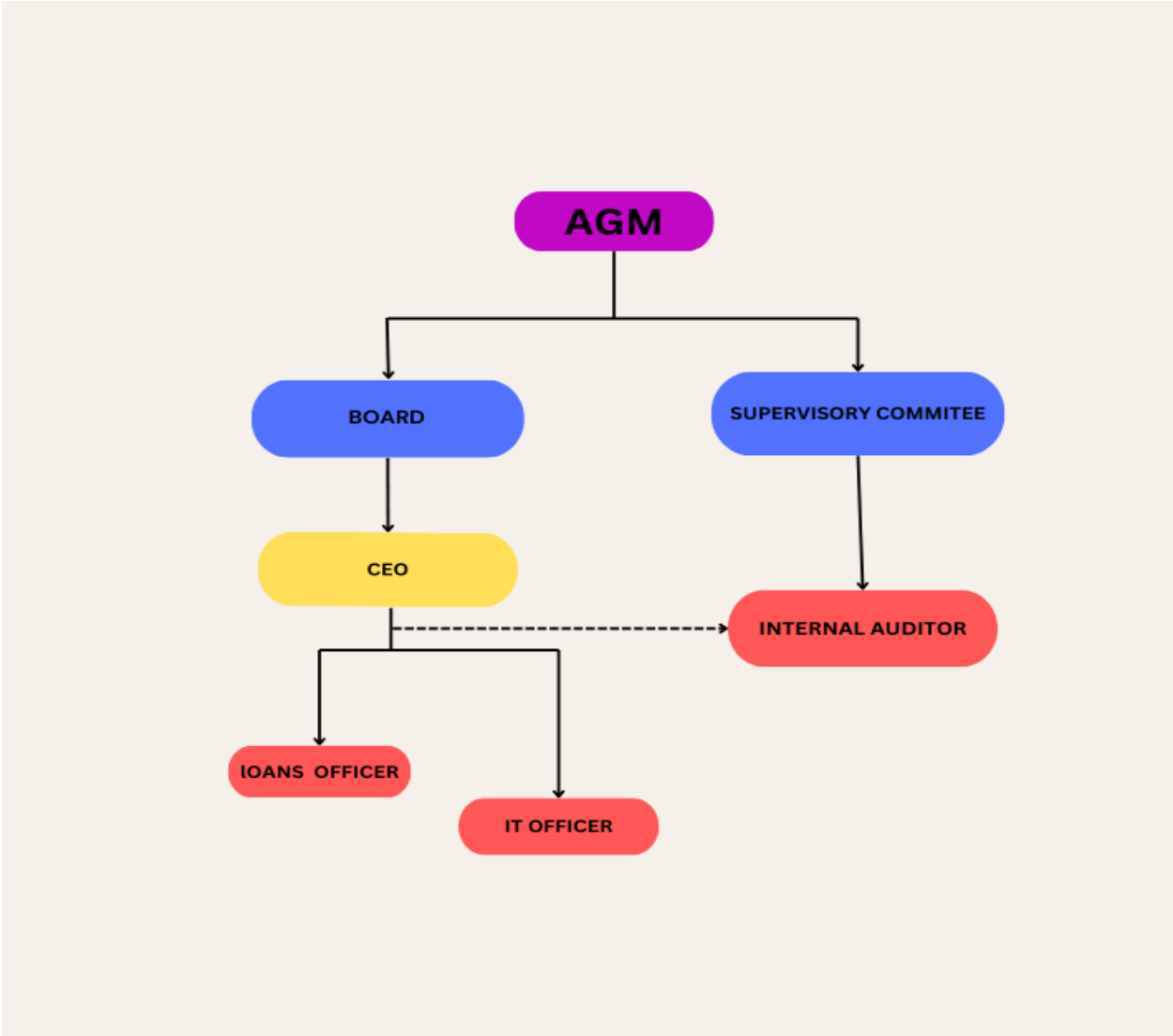
## **2.4 CORE VALUES**

The SACCO in its endeavour to realise the vision and mission upholds the following core values:

- a) Teamwork
- b) Accountability
- c) Customer focus
- d) Transparency
- e) Professionalism
- f) Mutual responsibility
- g) Honesty
- h) Commitment
- i) Equality and Equity
- j) Equal opportunity employer
- k) Corporate Social responsibility

**2.5 CURRENT ORGANIZATIONAL STRUCTURE**

The current organizational structure is as in Fig 1 depicted below.



**2.6 CURRENT STAFF ESTABLISHMENT**

The staff establishment as at December, 2023 is shown in Table 1.

Position	In Post
CEO	1
Loans Officer	1
IT Officer	1
Internal Auditor	1
TOTAL	4

**Table 1: Current staff establishment**

## CHAPTER THREE

### SITUATIONAL ANALYSIS

#### 3.1 INTRODUCTION

Situational analysis is a critical step in the strategic planning process. It enables an organization address the question: Where are we now? Situational analysis for the SACCO was undertaken through an assessment of the past performance and the operating environment to answer the key questions of “*where the society has come from?*” and “*where is it now?*”

In order to answer these questions, the following analyses were undertaken:

- i. A review of the SACCO’s past performance;
- ii. An analysis of the political, economic, social, technological, environmental and legal factors in the country (PESTEL)
- iii. An analysis of the internal and external environment of the society so as to identify the SACCO’s strengths and weaknesses (SWOT), and,
- iv. Stakeholder analysis

#### 3.2 EVALUATION OF PAST PERFORMANCE

A review of the SACCO’s past performance was undertaken in order to understand where the society is coming from and to identify factors that have contributed to either favourable or unfavourable results. This was carried out through an analysis of the SACCO’s performance trend for selected indicators over the past five years. The results are as follows:

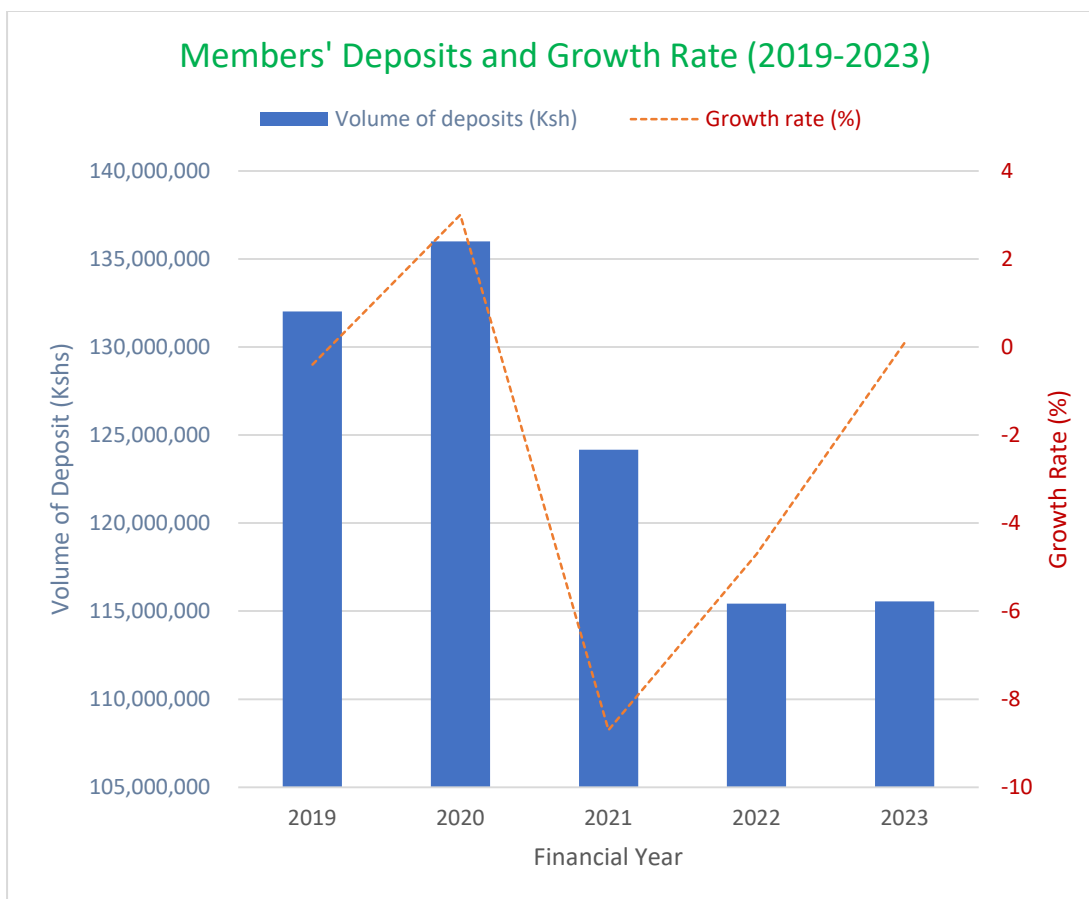
##### 3.2.1 Members’ Deposits

This refers to the total amount of contributions by members in the SACCO at the end of a particular year. Table 2 and chart 2 show the trend in the last five financial years.

**Table 2: Members’ deposits**

Financial year	2024	2023	2022	2021	2020
Volume of deposits (Ksh)	114,180,267	115,557,330	115,432,886	124,158,926	135,991,310
Growth rate (%)	1.2	0.1	-4.7	-8.7	3





**Figure 1: Members' Deposits**

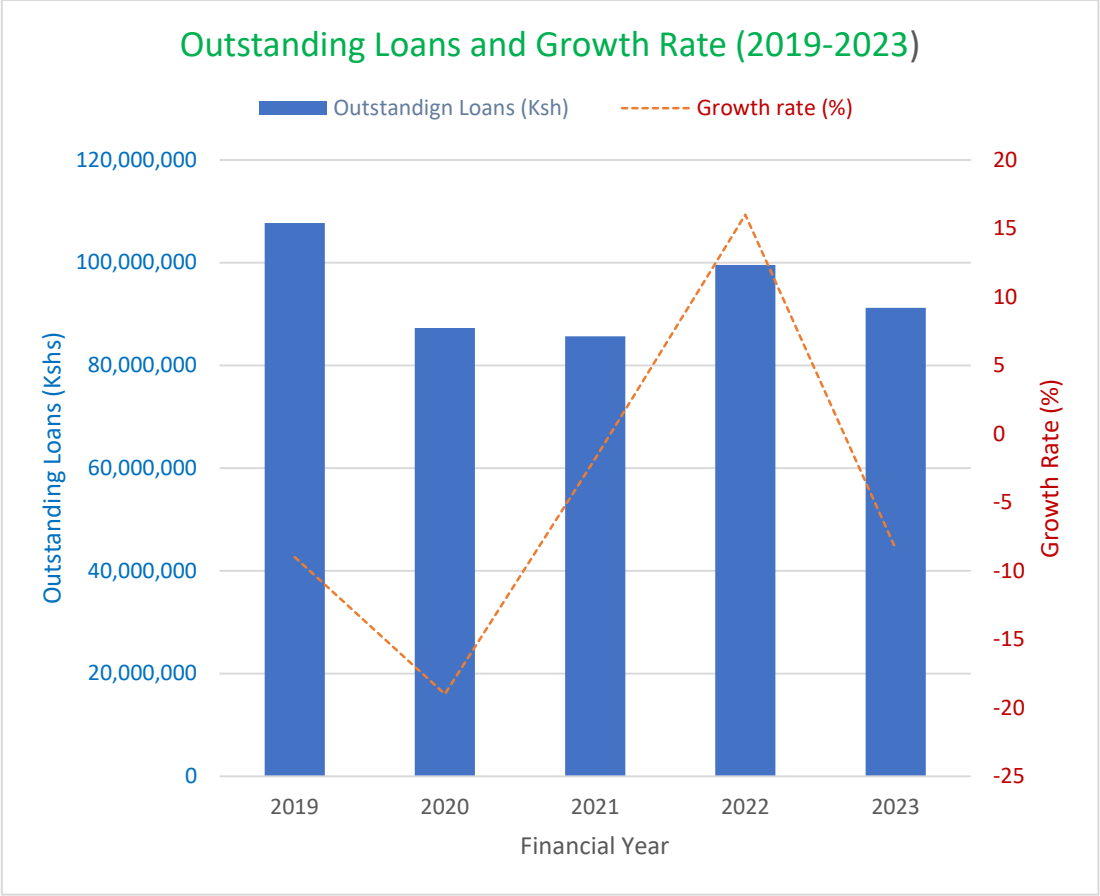
Members' deposits have been fluctuating over the last five years. This was due to the effect of Covid 19 pandemic and non-remittance of deductions by MMU.

### 3.2.2 Outstanding Loans;

This refers to the total amounts of outstanding loans in a particular financial year. Table 3 and Figure 3 show the trend in the last five financial years

**Table 3: Outstanding Loans**

Financial year	2024	2023	2022	2021	2020
Outstanding Loans (Ksh)	101,359,007	91,191,531	99,568,952	85,626,603	87,265,217
Growth rate (%)	11	-8.4	16	-1.8	-19



**Figure 2: Outstanding Loans**

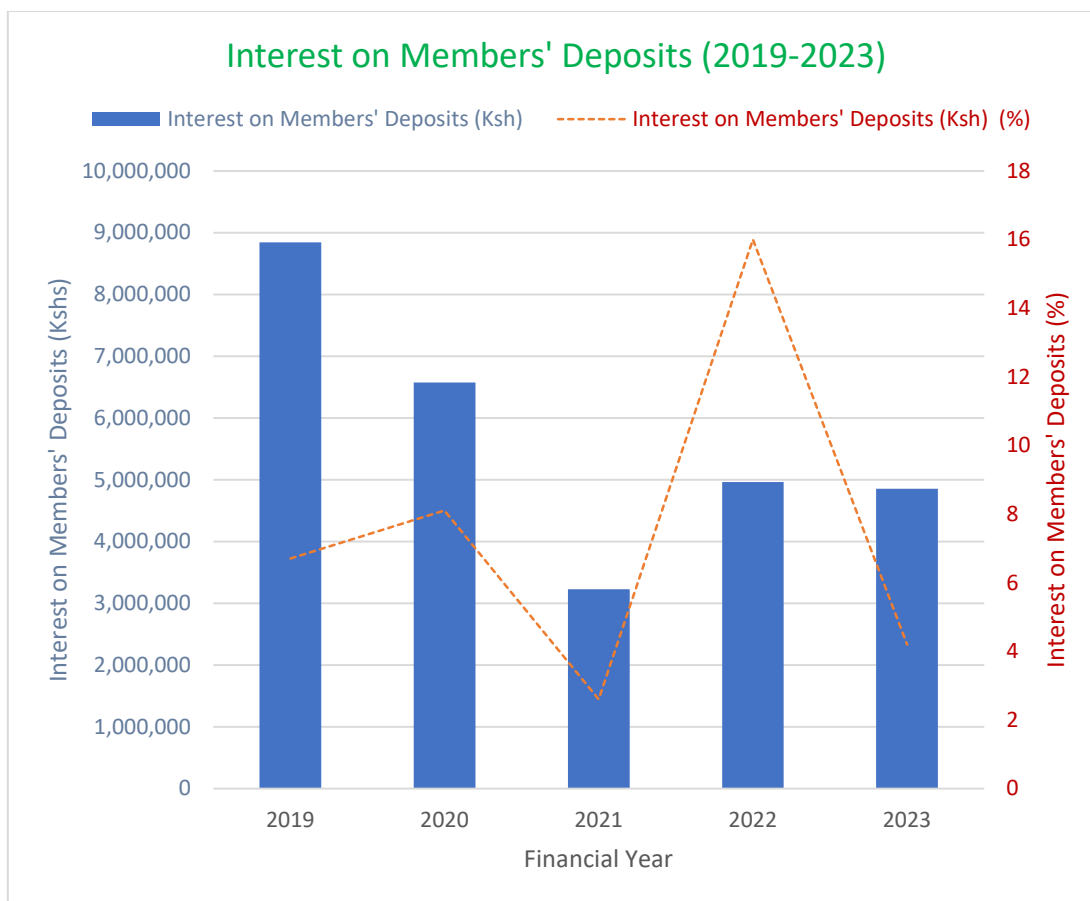
As shown in figure 3, there has been a Decline in outstanding loans. This is a pointer to the relative decrease in borrowing activity due to delayed remittance from the employer

**3.2.3 Analysis of Interest on Deposits**

The interest paid to members as a return on their deposits is as summarized in Table 4 below. The analysis shows that the rate of interest on members’ deposits has been fluctuating.

**Table 4: Interest on members’ deposits**

Financial year	2024	2023	2022	2021	2020
Interest on members deposits (Kshs)	5,024,154	4,853,408	4,963,614	3,228,132	6,574,607
Interest on members’ deposits (%)	4.4	4.2	4.3	2.6	8.1



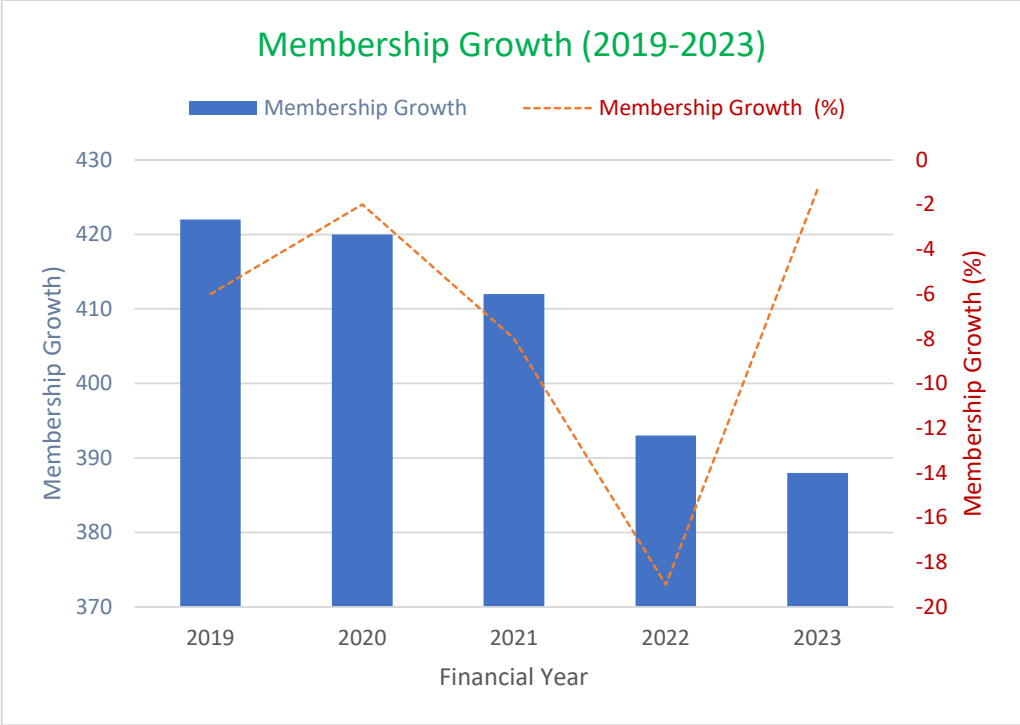
**Figure 3:** Interest on members' deposits

### 3.2.4 Analysis of Growth in Membership and Net Assets

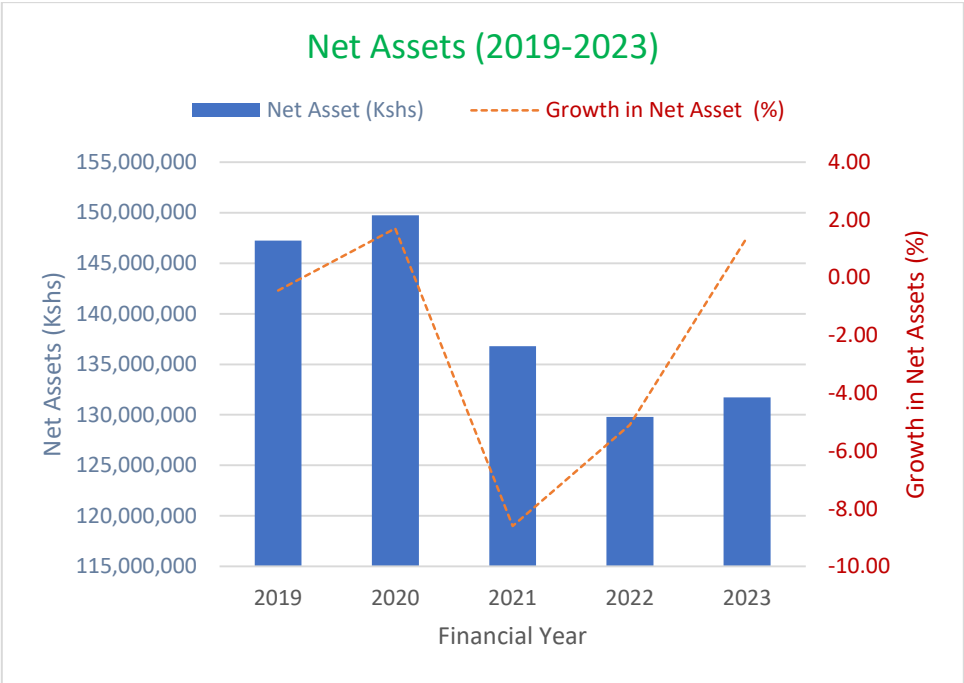
A review of the SACCO's growth was carried out in terms of the membership (active and dormant members) and total assets. The results of this analysis are summarized in Table 5 below.

**Table 5: Analysis of the growth of SACCO**

Financial year	2024	2023	2022	2021	2020
No. of members	398	388	393	412	420
Growth in membership (%)	2.5	-1.3	-19	-8	-2
Net assets (Ksh)	132,317,232	131,716,784	129,790,478	136,798,076	149,748,472
Growth in net assets (%)	0.45	1.4	-5.1	-8.6	1.7



**Figure 5: Membership Growth**



**Figure 6: Net Assets**

### 3.2.4 Analysis of Income and Expenditure

An analysis of the SACCO's income indicates that the income has been fluctuating over the period 2019 - 2023. The results of this analysis are summarized in Table 6 below.

**Table 6: Analysis of the SACCO's income and expenditure**

Financial year	2024	2023	2022	2021	2020
Income (Ksh)	12,273,606	12,065,747	11,463,710	9,556,152	12,088,534
Growth in income (%)		5.2	20	-21	-17.7
Staff costs (Ksh)	4,101,092	3,629,658	3,036,812	3,423,671	3,233,357
Staff costs/Income (%)		30	26	35	26
Operating costs (Ksh)	868,252	925,116	1,027,067	1,021,048	617,295
Operating costs/Income (%)	-6.1	-9.9	9	10.6	0.7
Financial costs (excluding interest on members deposits in Kshs)	85,433	80,742	69,811	82,134	68,338
Financial costs/Income, % (excluding interest on members' deposits)	0.7	0.7	0.6	0.8	0.5

From the table, the trends on some key areas have been graphically represented as follows;

#### 3.2.4.1 Analysis of the Income and Expenditure

Outstanding MMU Arrears in KSh.

Financial year	2024	2023	2022	2021	2020
Amount Outstanding	27,368,712	36,079,970	29,708,581	49,540,641	59,768,705

### 3.2.4.2 Operational Costs;

The operational costs have been on an upward trend. This is mainly due to the staff expenses which have undergone periodic reviews over time.

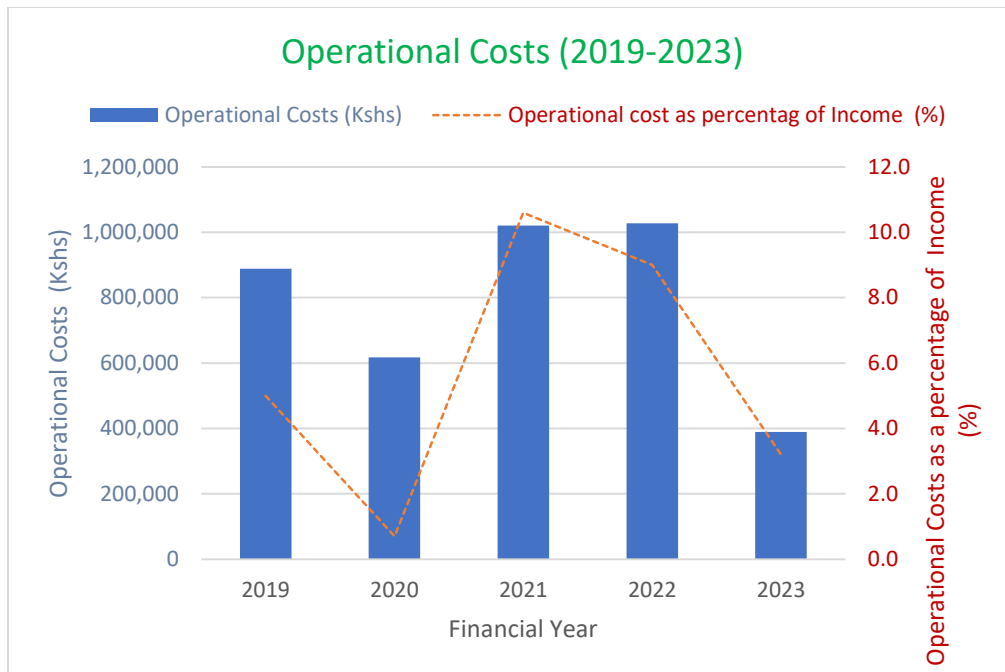


Figure 7: Operational Costs

### 3.2.4.3 Interest on Members' Deposits;

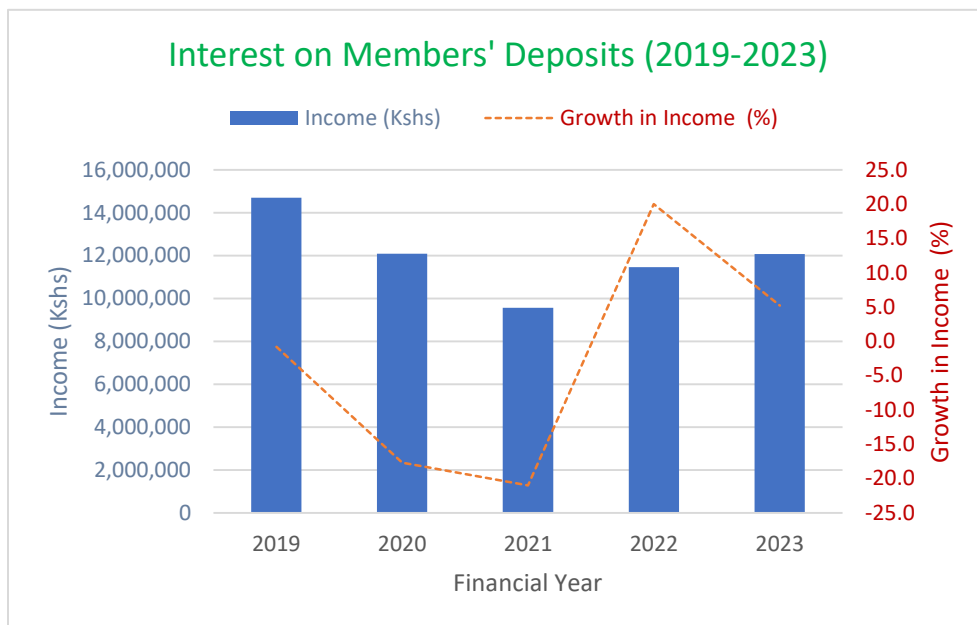


Figure 8: Interest on Members' Deposits

There was a sharp drop in interest on members' deposits in the period 2019-2023.

### **3.3 PESTEL Analysis**

Below is the PESTEL analysis that covers factors and situations that are generally beyond the SACCO's scope of control. These are the political, economic, social, technological, environmental and legal situations. Any significant changes within the envisaged implementation period may have an impact in the running of the SACCO, and cause a significant deviation from intended path of achieving the desired goals and objectives in the plan.

#### **3.3.1 POLITICAL**

The Kenyan political climate as witnessed at various times has the potential of affecting the general business environment, either positively or negatively. This strategic plan is based on the premises that political climate will be reasonably and fairly stable, in line with the aspirations of Kenyans as outlined in the constitution promulgated in 2010.

#### **3.3.2 ECONOMIC**

Multimedia University of Kenya as a middle level and potential university is expected to have a phenomenal growth in terms of business, and workforce in particular, in the immediate future, especially due to the growth in demand of education. The national economy is expected to grow at an average of 5.26%% for the next 5 years. If this is realised and steadily maintained, the effect may be an increase in disposable income. This may both increase membership and the average savings per member. However, in view of the revised income tax Act Cap 470 in 2021 increased taxes and levies may affect members' savings and their ability to repay loans.

#### **3.3.3 SOCIAL**

The SACCO, just like other SACCOs, will be expected to be mindful of the society social attributes. It will always endeavour to participate in, and on its own, initiate relevant and beneficial activities, in fulfilling its obligations in corporate social responsibility. This will however be guided by its financial position. It may also partner with other interested organisations in undertaking such activities. Such gestures improve the image of the SACCO.

#### **3.3.4 TECHNOLOGICAL**

Technological evolution, especially in the IT sector in the world at large has been very dynamic. The SACCO shall endeavour to continuously embrace new technology, especially that which affects its business operations, and also strive to improve its operations in line with the any changes in technology within the scope of its financial capability.

#### **3.3.5 ENVIRONMENTAL**

The SACCO will be expected to be environmental-friendly by way of participating in environment conservation activities. It is hoped that such activities will, in the long run, go a

long way in sustaining a favourable environment that will widen the scope of economic activities that members may engage in to boost their economic power.

### **3.3.6 LEGAL**

The SACCO, being a legal entity, is expected to operate within the confines of the Cooperatives Act Cap 490, the SACCO by-Laws, Cooperative Alliance of Kenya guidelines, SASRA Act, and any other Government guidelines. It is the hope of the SACCO management that any legislative change(s) in the legal framework in which the SACCO operates will not be such as to disrupt its mode of operation, but rather to enhance the same. The SACCO shall at all times comply with the laws of the land and shall seek legal advice when need be.

## **3.4 THE SWOT ANALYSIS**

The SWOT analysis (strengths, weaknesses, opportunities and threats) was duly carried out. Both the internal and external operational environments were considered with a view to establishing issues within the organization that positively or negatively affect its performance. A review of the functions of marketing, finance and accounting, operations, human resources, information and communication technology and the general management within the SACCO was undertaken and the following were the results;

### **3.4.1 Strengths**

The strengths of the SACCO include the following:

1. Committed and capable BOD and staff
2. Existence of a loan protection scheme
3. Strategic and secure location
4. Knowledgeable and supportive members
5. Efficient processing and disbursement of loans
6. Good working relationship between the SACCO and MMU
7. Accountability and transparency within the SACCO
8. Relatively low operational costs
9. Good customer relations
10. Low staff turnover
11. Good co-operation with other stakeholders.
12. Good communication between staff, BOD and members
13. Adequate confidentiality of members' information



14. Prompt update to guarantors on defaulted loans
15. Adequate variety of products for members to patronise
16. Adoption of technology in operations and control
17. Adoption of relevant policies

### **3.4.2 Weaknesses**

The weaknesses of the SACCO include the following:

1. Lack of online system accessible outside the MMU premises;
2. Inadequate marketing of SACCO products and services;
3. Inadequate data security measures;
4. Poor saving vis-a-vis borrowing culture;
5. Insufficient office infrastructure;
6. Limited catchment area
7. Inadequate compensation of the BOD and SC

### **3.4.3 Opportunities**

The opportunities available to the SACCO include the following:

1. Existence of potential market that is currently not exploited by the SACCO:
  - i. Staff members of the SACCO's common bond organisations who are not members of the Sacco
  - ii. SACCO members' spouses and children
  - iii. Students and other staff from out sourced companies
  - iv. Other corporate entities neighbouring MMU.
2. Engaging in strategic partnership with other organizations e.g. COCOTECH Housing Co-operative Society, Insurance companies, KUSCCO, Co-operative bank and other financial institutions, welfare organizations in MMU
3. Demand for new products, including those that are suitable for various categories of membership, e.g. retirees, short-term employment contracts with MMU, etc
4. Advances in ICT which can help in improving service delivery through technology
5. Support from the MMU management which could help in recruitment of new members
6. New methods of collecting monies i.e standing order, direct debits

### **3.4.4 Threats**

Some of the threats to the SACCO business include the following:

1. Delay of remittance of members' contributions from the employer
2. Political instability and insecurity
3. Significant MMU staff turnover
4. Increased competition from commercial banks, financial institutions, micro-finance, individuals and other lending institutions offering similar services
5. Lack of agreement with employers on how to charge employees benefits in case of unplanned exit /end of contract while there is an existing loan
6. Poor performance of the national economy
7. Alcohol and substance abuse
8. Low returns on investment
9. High membership turnover
10. Change of Government fiscal policy
11. Unfavourable taxation regime
12. Cyber insecurity
13. Effect of large scale health emergencies e.g. Covid19, Cholera etc.

## **3.5 STAKEHOLDER ANALYSIS**

The SACCO has many stakeholders. Some of the key stakeholders includes:

- Cocotech members
- Members' dependants
- SACCO employees
- Co-operative institutions
- Banks & financial institutions
- Suppliers
- MMU community
- Government of Kenya
- Global community

### **3.5.1 COCOTECH Members**

These are the individuals who apply and register as members of the SACCO by paying the requisite fees. The members are expected to patronize the products and services of the society, and to give input on management issues and types of products/services in the Annual General

Meetings (AGMs), or in any other forum, as may be designated by members, Co-operative Societies Act and COCOTECH By-laws.

**3.5.2 Members’ dependants**

The SACCO members’ dependants relate with the SACCO through products designed for them and are possible members of the society. The society must maintain cordial relations with these individuals and give prompt service when required.

**3.5.3 SACCO employees**

Human resources are critical determinants of an organization’s performance. The employees constitute a major asset of COCOTECH SACCO and their welfare and motivation are of utmost importance to enhance the SACCO success.

**3.5.4 Co- operative institutions**

These are institutions recognized by the Ministry of Co-operatives and Micro, small and medium enterprises, that work with SACCOs towards growing the co- operative movement. They include SASRA, County Co-operative Commission, KUSCCO, CAK and the Ushirika Council. It is important for the SACCO to play its part in the National Co-operative movement by paying the requisite fees to such organisations as required, participating in their activities and patronizing their products and services.

**3.5.5 Banks & Other Financial Institutions**

These are commercial banks and other financial institutions with whom COCOTECH SACCO relates in three major ways:

- i. Banking of the SACCO funds and possible advancement of credit.
- ii. Purchasing of members’ loans and requests for recommendations on members.
- iii. Standing order, direct debit and online payments.

Good working relationships and effective operational linkages with banks should be nurtured and maintained.

**3.5.6 Suppliers**

These are individuals or organizations that supply the SACCO with either materials or services. The SACCO needs to develop and implement non-discriminative procurement policies guided by the Public Procurement ACT. This will ensure that the services/products provided by suppliers are competitive and meet the expectations of the SACCO as they will have an impact on the overall performance of the SACCO.

### **3.5.7 MMU Community**

The MMU community includes MMU management, staff, students and various business operators, some of who are not members of the SACCO, but enjoy mutual benefit with the SACCO in services each has to offer. The SACCO should co-exist with the entire MMU community by honouring its obligations and providing competitive services so as to attract and retain these clients as customers of the society.

### **3.5.8 Government of Kenya**

The SACCO operates under the supervision of the Ministry of Co-operative and micro, small and medium enterprises. The Ministry formulates policies and legislation to govern the operations of cooperative societies, and provides an enabling environment for their growth and development. The SACCO should develop good working relations with the ministry and other relevant government ministries or departments.

### **3.5.9 Global community**

The SACCO interrelates with the global community through national apex organizations and should therefore play its part towards maintaining the strong position Kenya holds in the global cooperative movement.

## **CHAPTER FOUR**

### **STRATEGIC ISSUES AND OBJECTIVES**

This section identifies and highlights the key strategic issues and objectives arising from the situational analysis.

#### **4.1 STRATEGIC ISSUES**

A strategic issue is a fundamental factor relating to, or affecting an organization's mandate, mission, products, services or clients. The SACCO needs to focus on the strategic issues in order to create and maintain competitive advantage, and prosper.

The strategic issues for the SACCO are:

- i. Financial sustainability
- ii. Operational efficiency
- iii. Membership growth and retention
- iv. Products development and patronage
- v. Performance management
- vi. Human resource management
- vii. Information and communication technology

These strategic issues form the basis for the formulation of objectives and strategies that will ensure the SACCO achieves its mission and goals. These issues are explained below:

##### **4.1.1 Financial Sustainability**

To ensure financial sustainability of the SACCO into the future there is need to build a strong institutional capital base. This can be achieved by:

- Membership growth
- Increased members' contributions and savings
- Introduction of new and innovative products
- Continuous improvement in service delivery
- High returns on members' deposits and savings

##### **4.1.2 Operational Efficiency**

To improve efficiency and effectiveness in the SACCO, there is need to review the current processes, policies and procedures to make them relevant and consistent with the changes in

business environment, technology and members’ needs. The processes and procedures need to be reviewed so as to pave way for more efficient ICT based processes especially in the areas of loan applications, processing, communication, accounting, auditing and record management. In addition, existing policies and procedures should be reviewed or new ones developed so as to address the changes in the operating environment of the SACCO.

**4.1.3 Membership growth and development of new products**

One of the challenges faced by the SACCO is how to increase and maintain membership that saves regularly, borrows wisely and repays promptly. This calls for aggressive marketing of the SACCO as well as its products to the members and non-member employees of MMU, spouses and children of the eligible members as a way of increasing membership and patronage. To retain and satisfy its membership, the SACCO will need to continuously develop new products and services. Development of a marketing plan and research & development policies are critical in ensuring the success of the SACCO.

**4.1.4 Performance Management**

Performance management system (PMS) is important in ensuring that the SACCO attains its goals and objectives. The SACCO lacks a comprehensive PMS to evaluate its performance as a whole, the BOD, the SC, sub-committees and the employees. There is need for a PMS which will incorporate a balanced scorecard approach in performance management. This approach takes into account both financial and non-financial aspects of performance by working from four perspectives, namely, financial, customer, business process and learning and growth perspectives.

**4.1.5 Human Resource Management**

The success of the SACCO is dependent on availability of highly skilled and motivated staff members who will ensure smooth running of the SACCO activities. The SACCO needs to attract and maintain adequate and high quality staff that are capable of supporting the diversified products at all times. Towards this, the SACCO needs to develop a comprehensive human resource strategy and policies for performance improvement.

**4.1.6 Information & Communication Technology**

The SACCO has adopted the use of Information Communication Technology (ICT) in its operations and communication to serve members. However, the current system is in the process of being overhauled. Efficient and effective use of ICT requires coordinated implementation of an ICT policy. The SACCO needs to develop an ICT policy to guide the acquisition, use and disposal of ICT hardware and software.

## 4.2 STRATEGIC OBJECTIVES

In addressing the strategic issues there is need to formulate a set of relevant strategic objectives. Strategic objectives specify what an organization expects to fulfil within a given time period. They give an indication of “what” and “how much” is to be accomplished. Once developed, they help in the design of strategies.

The strategic objectives for the SACCO for the next five years are:

1. To grow membership by 10% per annum.
2. To increase patronage of the under-utilised SACCO products and services to a minimum of 10% of total products annual uptake.
3. To improve efficiency and effectiveness of the operations of the SACCO.
4. To attract, develop and retain highly skilled, motivated and disciplined staff.
5. To maintain a minimum annual growth of 0.5% on the return on members’ deposits.
6. To have all SACCO operations automated by 2028.

Strategies are the vehicles that enable an organization to achieve its objectives, thereby accomplishing its mission. Once strategies are documented, specific activities/actions that need to be undertaken are identified. For each activity, there is need to document time-lines, responsible persons and the expected performance indicators. These will help in the implementation and monitoring of strategies. The identified strategies and activities are presented in chapter 5.

## CHAPTER FIVE

### IMPLEMENTATION MATRIX PLAN

This chapter presents the implementation matrix, which covers the strategic objectives, the strategies, proposed activities, expected outputs, output indicators, implementing actors, timeline and the expected outcome of the strategy.

#### Objective 1:

#### To grow membership by 10% per annum.

Strategy	Activity	Expected output	Target	Budget	Implementing actors	Timeline	Expected outcome of strategy
Attract new members	Conduct member recruitment drive(s), including one on one campaign targeting MMU staff	No. of new members	Non-members	50,000	BOD/EMC/ CEO	Quarterly	Increased no. of new members
	Produce brochures, pamphlets and flyers.	No. brochures, pamphlets and flyers distributed to potential members No. of new members	Non-members	10,000	BOD/CEO/EMC	December 2024 & continuous	
	Digital marketing	No. of Online flyers, WhatsApp messages, Animations and emails	Non-members	10,000	BOD/CEO/EMC/I TO	December 2024 & continuous	
Retention of members	Provide efficient and timely service	Improved Customer satisfaction Reduced member turnover	All members	Nil	BOD/CEO/EMC	December 2024 & continuous	



	Train staff on public relations and customer care	No of training sessions.  % reduction in the no. of customer complaints/complements held.	All staff	50,000	BOD/CEO	December 2024 & continuous	
	Review & develop suitable products & services	No. of new/reviewed products and services introduced	All product and services	Nil	BOD/CEO	December 2024 & continuous	Member satisfaction Retention of existing members  Better customer relations diverse products
Enhance communication with customers	Design and implement a physical and online feedback mechanism	Comprehensive feedback system in place  Statistics on feedback	All customers	Nil	BOD/EMC/CEO /ITO	December 2024 & continuous	Enhanced communication  Customer satisfaction  Increased participation of members in SACCO activities
	Review the customer service Charter	Updated Customer service charter	All customers	20,000	BOD/CEO	Every five years	Informed membership
	Set up a notice board/online bulletin for the SACCO	Notice board/bulletin/ in place	All stakeholders	5,000	BOD/CEO	Once	
	Introduce SACCO email system	Email system in place	All stakeholders	10,000	BOD/CEO	Once	
	Introduce an online biannual newsletter	Online newsletter published	All stakeholders	10,000	BOD/CEO	Biannual & continuous	

Member Education	Develop a member education programme	Members education programme in place	All members	Nil	EMC/CEO	December 2024 & continuous	Increased member participation
	Implement the education programme	No. of members trained	All members	100,000	EMC/CEO	December 2024 & continuous	

## Objective 2:

**To increase patronage of the under-utilised SACCO products and services to a minimum of 10% of total products annual uptake.**

Strategy	Activity	Expected output	Target	Budget	Implementing actors	Timeline	Expected outcome of strategy
Enhance product attractiveness of the underutilised products	Reviewing the terms and conditions of the underutilised products	Reviewed terms and conditions	All underutilised products	Nil	CC/ CEO/ LO	December 2024	Increased patronage of SACCO products and services
Strengthen marketing operations	Develop a comprehensive marketing plan	Marketing plan developed	All products	Nil	BOD/ LO/CEO	December 2024 and Biannual	Prudent marketing management
		% increase in the use of SACCO products and services	All products	20,000	BOD/ CEO/LO	December 2024 and continuous	
Create awareness of the SACCO products and services	Encourage members to share success stories during education days	% increase patronage of SACCO products and services	All products	Nil	BOD/ LO/ CEO	September 2024 and continuous	Increased patronage of SACCO products and services.
	Undertake intensive marketing	% increase awareness of SACCO products and services	All products	20,000	BOD/ LO/ CEO	December 2024 and continuous	

	Develop SACCO website with current products and services	Up –to- date information on the website	All products	Nil	CEO/ITO	December 2024 and continuous	Increased membership  Public awareness of the SACCO
Introduce new products/ services and transaction	Carry out customer survey	Customer survey report	All customers	Nil	BOD/ CEO	Annually	Growth in volume of business
	Undertake product review	Number of new products/services	New products	Nil	BOD/ CEO	December 2024 & continuous	
	Introduce partnerships with transaction institutions  e.g. Western Union, ATM service providers, M-Pesa, Banks	No. of partnerships created	External partners	50,000	BOD/ CEO	December. 2028	New products/ services and channels introduced

### Objective 3:

#### To improve efficiency and effectiveness of the operations of the SACCO

Strategy	Activity	Expected output	Target	Budget	Timeframe	Responsibility
Review and update business processes	Evaluate existing processes, workflows, and resource allocation.	Processes review report	All operational processes	50,000	December 2025	CEO/ BOD
	Develop and implement policies and Operational procedures in all areas.	Procedures and policies in place	All operational policies and processes	500,000	December 2024 and Continuous	BOD
	Address Bottlenecks	% increased operational efficiency	All operational processes	200,000	Continuous	BOD/CEO
Establish Key Performance Indicators (KPIs)	Define measurable metrics that reflect operational efficiency and effectiveness	List of measurable metrics	All operational processes	20,000	December 2024 & continuous	BOD/ CEO
	Regularly track and analyze KPIs to monitor progress and make data-driven Decisions	KPIs' reports and actions taken	All operational processes	Nil	Every quarter	CEO
	To develop a comprehensive annual SACCO work-plan	Annual work-plan	All structures of the Sacco	20,000	January of Every year	CEO
Leverage Automation and Digital Technologies	Implement tools and software that automate repetitive tasks	Implemented tools and software	100% of repetitive tasks	1 million	2025-2028	BOD/ CEO
Maintain low operational costs	Develop a cost control plan	Cost control plan in place	Whole Sacco operations	20,000	Annually	CEO
	Develop procurement plans and budget.	Procurement plan in place	All procurement	20,000	Annually	CEO

**Objective 4:**

**To attract, develop and retain highly skilled, motivated, and disciplined staff.**

Strategy	Activity	Performance Indicator	Target	Budget	Timeframe	Responsibility
Capacity Building	Training needs assessment	Training needs assessment report	Staff	100,000	Annually	CEO/Board
	Prequalify trainers	List of prequalified trainers	Minimum of 3	Nil	Every Two years	CEO/Board
	Schedule training	Approved training calendar	All Staff	Nil	Annually	CEO
Performance management	Conduct and implement job evaluation	Job evaluation Report  Job descriptions	All Staff	20,000	June 2025 and annually	CEO/Board
	Conduct performance Appraisal	Performance Appraisal report	1	Nil	Annually	CEO/Board
Staff Motivation	Conduct and implement salary review	Salary review report.	All staff	Nil	July 2024 and every three years	CEO/Board
Institutionalizing succession planning	Establish mentorship and coaching programs	No. of mentorship and coaching programs. Benchmarking follow-ups	All staff	20,000	Annually	CEO/Board

**Objective 5:**

**To maintain a minimum annual growth of 0.5% on the return on members’ deposits**

Strategy	Activities	Expected output	Target	Budget	Implementing actors	Time line	Expected outcome of the strategy
Ensure stable and sustainable financial growth	Raise minimum deposit contribution from 2,000 to 3,000	Increased monthly deposits/savings	All SACCO Members	Nil	CEO/BOD/LO	June 2025	Improved liquidity  Increased rebates and dividends
	Review terms and conditions of existing saving products	Reviewed products	Saving products	Nil	CEO/BOD/LO	Continuous	
Manage risks	Identify emerging financial risk areas	Reduced risk to members’ funds	SACCO Operations	Nil	CEO/BOD/LO/AUDITOR	Continuous	Reduced loan defaulters
	Develop internal risk and control policy	Developed risk control policy	SACCO Operations	Nil	CEO/BOD/LO/AUDITOR	Continuous	Protection of members funds
	Mitigate financial risks	Cases detected and mitigated	SACCO Operations	Nil	CEO/BOD/LO/AUDITOR	Continuous	

## Objective 6:

### To have all SACCO operations automated by 2028

Strategy	Activities	Expected output	Implementing actors	Target	Budget	Timeline	Expected outcome of the strategy
Approve and Implement ICT Policy	Present the ICT draft policy for approval	Approved ICT policy	EMC	BOD, SC & Staff	Nil	December. 2024	Increased and better use of ICT
	Training Staff	100% use of ICT in SACCO operations	BOD/CEO	All staff	100,000	December. 2028	
	Train members on use of ICT	50 % growth of services accessed online	BOD/CEO/ITO	All members	50,000	December. 2026	
Procure and install ICT Infrastructure	Undertake ICT hardware/software needs assessment	Review report	CEO/ITO	All ICT infrastructure	Nil	Annually	Optimal operation of ICT services.
	Upgrade necessary software, hardware and licences	Necessary hardware and software installed	BOD/CEO	Obsolete/old software and hardware	1 million	December 2024 and Continuous	
	Maintain ICT system	Maintenance Schedule in place	CEO/ITO	ICT system	100,000	Annually	
Enhance ICT system Security	Develop and approve cyber security policy	Cyber security in place	BOD/CEO/ITO	ICT system	20,000	December 2025	Integrity of SACCO data and transactions
	Acquire Antivirus and network security software	Antivirus and network security software in place	BOD/CEO/ITO	ICT system	1 million	Continuous	
	Conduct regular security audits	Cyber security audit report	Supervisory committee	ICT System	50,000	Continuous	

	implement the approved Disaster recovery plan on ICT	Implemented ICT disaster recovery procedures	BOD/CEO	ICT System	Nil	December 2024 and continuous	
Develop and enforce business continuity plan	Develop Data Backup and recovery procedures	Disaster recovery plan	BOD/CEO/ITO	ICT System	Nil	Annually	Integrity of SACCO data
	Install and test backup Power Supply	Installed and tested UPS	CEO/ITO	ICT System	50,000	Continuous	
	Develop and maintain an up-to-date website	Functional Website	BOD/CEO/ITO	Website	20,000	December. 2024 & continuous	
Comply with Data protection Act	Register with data protection Act of Kenya	Acquire Compliance certificate	BOD/CEO/ITO	Sacco	30,000	December 2024	Compliance with legal requirements.



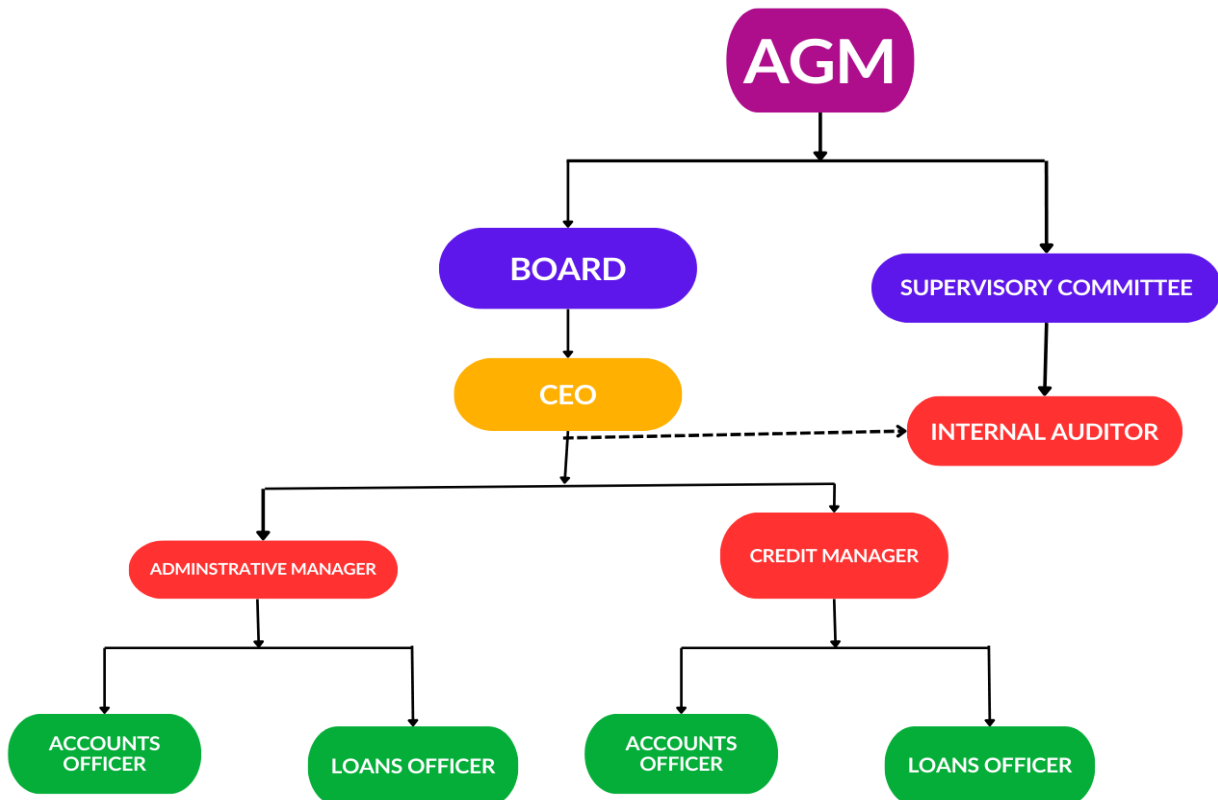
## CHAPTER SIX

### THE PROPOSED ORGANISATIONAL STRUCTURE

This chapter presents the organisational structure, a description of the various roles and functions at the different levels, and the proposed staff establishment as shown in table 7.

The new organization structure is as depicted in figure 9. However, some of the positions will be filled as the need arises. HR and administration issues will be handled by the CEO assisted by the administrative assistant as per the current practice.

#### 6.1 THE PROPOSED NEW ORGANOGRAM



## **6.2 ROLES AND FUNCTIONS**

### **6.2.1 THE GENERAL MEETING**

The supreme authority of the SACCO is vested in the general meeting of members. The powers of the general meeting are provided in the By-law no.13.

### **6.2.2 BOARD OF DIRECTORS**

The BOD is the governing authority of the SACCO as directed by the members at the general meetings. The BOD is responsible for policy direction of the affairs of the SACCO. The functions and responsibilities of the BOD are provided in By-law no.17

The BOD discharges its responsibilities through delegation to sub-committees made up of the members of the BOD. Currently, there are three sub-committees namely: The Finance and Administration, Credit & Risk management and Education & marketing.

### **6.2.3 SUPERVISORY COMMITTEE**

The SC is responsible for ensuring the SACCO's compliance with applicable laws and internal controls. In addition, it has the role of establishing the truth and accuracy of the SACCO's financial condition as well as ensuring that the administrative practices and procedures are adequate to safeguard member's and the SACCO's rights and interests. The powers and duties of the SC are provided in By-law no.23.5.

### **6.2.4 CHIEF EXECUTIVE OFFICER**

He shall be the chief executive of the Society. His powers and duties shall be assigned by the BOD and in particular: -

- a. To manage the affairs of the Society in a competent and professional manner.
- b. To cause to be kept proper records and registers.
- c. To ensure on a monthly basis the accounting records are in balance and the individual accounts subsidiaries are up-to date and the income statement, balance sheet and delinquency lists are complete and correct.

- d. Ensure that the account records are maintained in accordance with the internationally accepted accounting standards.
- e. To attend BOD meetings and the General Meetings in an advisory capacity but has no voting rights.
- f. To prepare and analyze on quarterly basis the Society's business plan and budget.
- g. To represent the Society in business transactions and any other transactions authorized by the BOD.
- h. To provide information required by the Supervisory Committee in time.
- i. To propose to the BOD of new positions arising at the Society, and the revision of the salary schedule for all Society staff under him.
- j. To implement recommendations set forth in the audit reports and those issued by the Supervisory Committee.
- k. To establish a pricing strategy for products and services, in which the interest rates structure will seek a balance between the loans available to the members, and the long-term viability of Society.
- l. For this purpose, the CEO should register:
  - i. Costs, particularly those related to members' savings, dividends, the allowances for loan loss, and operating expenses.
  - ii. The need for a strong capital position, which is essential for the SACCO's long term viability and future growth.
  - iii. To assist the BOD in determining acceptable types of collateral that can be used to secure the SACCO's loans.
- m. To ensure there is adequate liquidity to meet loan demands, savings withdrawal, and operating expenses.
- n. To ensure a job description of each employee is drawn up and updated.
- o. To ensure that he/she is a member of the SACCO.
- p. To ensure implementation without delay of all decisions of all committees of the Society and the General Members' Meetings.
- q. To carry out such other duties as prescribed in the Rules or directed by the BOD.
- r. Guides the BOD meeting and advises them on the loan policy, defaulted loans and recovery methods from the guarantors.
- s. Serve guarantors with letters on defaulted loans.

### **6.2.5 INTERNAL AUDITOR**

The Internal Auditor ensures that the internal control systems throughout the SACCO are adequate and are complied with. He is answerable to the BOD through the Supervisory Committee. His core functions include:

- a. Making recommendations for improving internal controls throughout the Society;
- b. Assessing the reliability and integrity of financial and operating information and ensuring they comply with set policies;
- c. Monitoring and constantly reviewing audit programmes;
- d. Investigating irregularities identified and reporting on any wastage of SACCO funds, and;
- e. Performing any other duties incidental to the functions of the Internal Auditor as approved by the BOD.

The new organization structure is as depicted in section 6.3. However, some of the positions will be filled as need arises.

### **6.2.6 ADMINISTRATIVE MANAGER**

- a. An Administrative Manager oversees the day-to-day administrative functions of an organization
- b. Supervise and lead administrative staff, including IT administrator, IT officer, receptionists, office assistants, and data entry personnel, assigning tasks and providing training.
- c. Monitor and control administrative budgets, including office supplies, equipment, and expenses.
- d. Develop, implement, and enforce administrative policies and procedures to maintain consistency and efficiency.
- e. Manage day-to-day office operations, including facilities management, maintenance, and space allocation.
- f. Coordinate meetings, appointments, travel arrangements, and other administrative tasks for executives and staff.
- g. Maintain accurate records and documentation, including employee files, contracts, and important correspondence.
- h. Facilitate communication between departments and stakeholders, addressing inquiries and resolving administrative issues.
- i. Manage new employee on boarding process and departing employee off boarding procedures.

- j. Prepare and present regular administrative reports to senior management on key performance indicators.

#### **6.2.6.1 IT ADMINISTRATOR**

- a. Installing, configuring, and updating operating systems, applications, and network devices on servers and workstations.
- b. Monitoring network performance, troubleshooting connectivity issues, managing firewalls and network security.
- c. Creating, modifying, and deleting user accounts, assigning permissions and access levels.
- d. Providing assistance to employees with hardware and software issues, troubleshooting problems and resolving technical queries.
- e. Implementing and maintaining data backup procedures, ensuring data integrity and disaster recovery capabilities.
- f. Enforcing security policies, monitoring for potential threats, managing access controls, and implementing security updates.
- g. Inventorying and maintaining computer hardware, coordinating repairs and upgrades.
- h. Analysing system performance metrics to identify bottlenecks and optimize system efficiency.
- i. Creating and maintaining detailed documentation for IT systems, procedures, and troubleshooting guides.
- j. Ensuring IT systems adhere to relevant industry regulations and compliance standard
- k. Oversee and implement IT administrative procedures.
- l. Maintaining the SACCO's IT network, server and security systems. This role is absolutely essential within any organisation to ensure business continuity.
- m. On a day to day basis, the IT administrator may be called upon to help colleagues with more basic IT needs.

#### **6.2.6.2 IT OFFICER**

- a. Manage IT systems: Ensure that IT systems run smoothly
- b. Provide technical support: Help users set up accounts, troubleshoot issues, and learn how to use software
- c. Implement IT policies: Create and enforce IT policies and procedures
- d. Manage IT projects: Plan and manage IT projects
- e. Implement new technologies: Implement new technologies and ICT strategies
- f. Manage hardware and software: Manage an organization's hardware and software packages

- g. Administer networks: Administer networks and ensure they are sustainable and relevant
- h. Provide web management services: Manage websites and provide support for web-based applications
- i. Train staff: Organize training for staff on IT-related topics
- j. Provide advice: Advise management, clients, and colleagues on IT-related topics
- k. Develop ICT reports: Develop and submit ICT reports

## **6.2.7 CREDIT MANAGER**

- a. Perform financial management duties including generating financial data, compiling and submitting reports, analyzing industry trends and assessing the financial health of the company.
- b. Oversee the operations and development of the credit and accounts departments including creating and reviewing policies, training and conducting regular assessments of financial procedures.
- c. Supervise the preparation of quarterly and annual account reconciliations, monitor and enforce compliance with tax and financial reporting standards and assist with cash flow forecasting.
- d. Advise colleagues and executive management on decisions related to the company's finances.
- e. Manage and monitor accounts receivable
- f. Establish credit limits and authorize credit exceptions
- g. Manage credit accounting and collections
- h. Lead and mentor the finance and credit team, fostering an environment of cooperation and development.
- i. Prepare detailed reports on credit and risk management for senior management review

### **6.2.7.1 ACCOUNTS OFFICER**

- a. Record keeping: Maintain accurate records of incoming and outgoing payments
- b. Invoice processing: Create and process invoices, and send them to clients
- c. Payment processing: Arrange payment requests and make payments for services
- d. Account verification: Verify accounts payable and receivable
- e. Expense tracking: Track the organization's expenses
- f. Refund processing: Process refunds

- g. Customer service: Provide exceptional customer service

### **6.2.7.2 LOANS OFFICER**

The key responsibility is loan disbursements and recovery. This will be achieved by;

- a. Monitoring and managing all disbursed loans to ensure full repayment.
- b. Ensuring compliance of loan procedures as per the legal requirements and internal lending policies and procedures.
- c. Maintain records of members' loan applications and approvals.
- d. Advises the society on amount of loan to be recovered from each member.
- e. Attends credit committee meetings.
- f. Ensures sample checking of the correctness of interest calculations on loans and act upon discrepancies discovered
- g. Follow up list of overdue loans and debts and ensure that proper recoveries are made.
- h. Advise the CEO on defaulting of loans and means of recoveries.
- i. Compute defaulted loans, reveal how much is defaulted and the number of defaulters

### 6.3 PROJECTED STAFF ESTABLISHMENT

The projected staff establishment for the next five years is shown in Table 7. Other positions will be filled as the need arises.

<b>Position</b>	<b>In post December 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
CEO	1	1	1	1	1	1
Internal Auditor	1	1	1	1	1	1
Administrative Manager	0	0	0	0	0	1
IT Administrator	0	0	0	0	0	1
IT officer	1	1	1	1	1	1
Administrative Officer	0	0	0	0	0	1
Loans Officer	1	1	1	1	1	1
Credit Manager	0	0	0	0	0	1
Accounts Officer	0	0	0	0	0	1
<b>TOTAL</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>9</b>

Table 7: Projected staff establishment



## **CHAPTER SEVEN**

### **MONITORING AND EVALUATION**

#### **7.0 MONITORING AND EVALUATION**

Monitoring and evaluation (M&E) is a critical component geared towards ensuring that the various strategies are implemented. It focuses on measuring all aspects of an organization's strategic plan implementation; inputs, processes (systems and procedures), outputs and impact/consequences. Monitoring, follow-up and control systems will require the involvement of all members of the Society.

Monitoring and evaluation of the Strategic Plan will be a continuous process to assess the degree to which the set objectives are being achieved by examining positive and negative trends, and adjusting their strategies and/or activities accordingly.

The purpose for monitoring is also to ensure that the Strategic Plan implementation is according to schedule and if there is any deviation, appropriate and timely remedial action is taken. The implementation of the Strategic Plan will be closely monitored to ensure its accomplishment.

The effective tools during M&E include review meetings, budgets and budgeting control systems and progress evaluation. Any required reviews which may include a review of resource allocation will be considered and necessary action taken as the need dictates. This control mechanism requires the involvement of all members of the Society.

The roles of the key M&E agents are outlined as follows;

#### **7.1 BOD**

The BOD shall oversee the overall Strategic Plan implementation process, and shall conduct reviews during their monthly meetings. If no progress is recorded, the BOD shall review the plan and map the way forward to avoid loss of time and other resources. To help ensure overall Strategic Plan implementation the following key issues shall be done: -

- Strategic Plan implementation shall be a standing agenda item for BOD meetings.
- There shall be official handover of the Strategic Plan to any new BOD in the event of a change. This will ensure continuity in implementation.
- All staff shall familiarise themselves with the Strategic Plan as they are key players in its implementation.

## **7.2 THE CEO**

The Society's CEO is a key person in the monitoring and evaluation of the implementation process. The CEO shall be concerned with the overall implementation at performance level as follows;

- i. noting and correcting deviations from the plan,
- ii. ensure that all the set objectives are achieved in the stipulated time frame,
- iii. be at the fore-front in encouraging and supporting all staff in the monitoring and evaluation processes,
- iv. be on the look-out for external and internal factors that can inhibit the Society from achieving its objectives such as government actions, changes in the economic environment, etc, and inform the BOD to take appropriate action.

The CEO shall report the Society's progress to the BOD every month. Failure to make satisfactory progress towards accomplishing the set objectives signals a need for corrective action.

## **7.3 SUPERVISORY COMMITTEE**

The Supervisory Committee will be responsible for reviewing progress made on the implementation process and reporting to the BOD on a quarterly basis and the AGM.

## **7.4 EXTERNAL CONSULTANT**

It is important to have periodic evaluations of the plan implementation process by an external person e.g. on an annual basis, to review the Society's progress. This is important because the evaluation will give an independent objective overview and advice on appropriate action.

## **7.5 CORRECTIVE ACTION**

Where performance is not achieved, the BOD shall take corrective action as may be needed to modify existing operating strategies.

## **CONCLUSION**

The strategies identified are expected to revamp the activities in both the short and long term such that by the end of the implementation period, the envisaged achievements and gains shall have been realised.

It would also be of great advantage and benefit if all stakeholders play their defined roles. This does not exempt the general membership as they have the potential of playing key roles in some of the objectives, for example, membership recruitment activity, consumers of existing and new SACCO products, etc. They also have the potential role of being referees of the implementation process by reporting any significant deviations from the expected performance, for example, use of the enhanced IT platform. By also patronising the SACCO products loyally, they can bring about a financial turn-around of the entire SACCO.

Finally, the SACCO banks heavily on the cooperation from MMU, the employer of majority of members, by ensuring that remittance of the members' contributions is prompt. This is despite the fact that it is a legal obligation to do so.

Together, we can all drive the SACCO to the next level of performance in line with the vision of the SACCO.