



Safaricom Sacco
L I M I T E D

STRATEGIC PLAN: 2014 - 2018

Prepared By:

Board & Management



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LIST OF ACRONYMS

AGM	Annual General Meeting
ATMS	Automated Teller Machines
BOSA	Back Office Service Activity
CCS	Co-operative Consultancy Services
CMC	Central Management Committee
CSR	Corporate Social Responsibility
CT	Consumer Trends Ltd
DCO	District Co-operative Officer
FOSA	Front Office Service Activity
HR	Human Resources
IT	Information Technology
ICT	Information Communication Technology
MOCDM	Ministry of Co-operatives Development and Marketing
NSE	Nairobi Stock Exchange
PEST	Political Economic Social and Technological
SACCO	Savings and Credit Co-operatives
SASRA	SACCO Societies Regulatory Authority
SWOT	Strengths Weaknesses Opportunities and Threats

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EXECUTIVE SUMMARY

This document outlines the Safaricom SACCO five year strategic plans for the period starting in the year 2014 and ending on year 2018. The strategy was developed by the Safaricom SACCO board and management with the facilitation of Consumer Trends Ltd.

Following the opening up of the SACCOs FOSA in the year 2011, the Safaricom SACCO has diversified its products and services to accommodate members wishing to open a FOSA account. The opening up of the FOSA placed the SACCO under the regulation of SACCO Societies Regulatory Authority (SASRA); created through the SACCO Act of 2008. The regulatory framework has opened up the business dimensions within the SACCO sector and has brought in new conditions which break away from the traditional way of doing business. This strategic plan aims at addressing these current and foreseen challenges and set up a road map for the planned growth of the SACCO by the year 2018. The objective of the SACCO is to provide members with the opportunity to access loans to develop and improve their economic and social status.

To achieve its all-embracing mission, the Sacco over the next 3 years will focus on the six strategic pillars of: enhancing visionary leadership and Governance, improve on growth of membership, energize engaged human resources, promote customer service and marketing orientation, foster sustainable financial growth and practice and accelerate technology use.

1.0 INTRODUCTION

1.1 OVERVIEW

This document outlines the Safaricom SACCO five years Strategic Plan for the period starting in the year 2014 and ending on year 2018. The strategy was developed by the Safaricom SACCO board and management with the facilitation of Consumer Trends Ltd. The plan takes into account the SACCO's goals for the planning period with consideration of the external and internal environment realities (present and future).

2.0 SACCO BACKGROUND

2.1 HISTORY

Safaricom SACCO was founded in May 2001 to provide members with the opportunity to access loans to develop and improve their economic and social status. The initial membership was 222 all from the parent Company - Safaricom Ltd. After the opening of the common bond, membership has continued to grow and now stands at slightly above 5,200 members. The membership widened to include family members of already present members, employees from related technology companies and also individual membership outside the common bond.

Following the opening up of the Sacco's FOSA in the year 2011, the Sacco has diversified its products and services to accommodate members wishing to open a FOSA account. The opening up of the FOSA placed the SACCO under the regulation of SACCO Societies Regulatory Authority (SASRA); created through the SACCO Act of 2008. The regulatory framework has opened up the business dimensions within the SACCO sector and has brought in new conditions which break away from the traditional way of doing business.

This strategic plan aims at addressing these current and foreseen challenges and set up a road map for the planned growth of the SACCO by the year 2018. It presents strategies that will see Safaricom SACCO grow its membership to 10,000 members and see it among the top ten SACCOs in the country.

2.2 VISION

The new Vision Statement for Safaricom SACCO is:

To be the financial services partner of choice

2.3 MISSION

The mission of Safaricom SACCO is:

We transform our members' lives through provision of affordable, innovative and accessible financial services.

2.4 CORE VALUES

The following are the core values of Safaricom SACCO (abbreviated as **CIRI**):

- 1) Customer focus** The SACCO shall focus its resources to meeting the financial services needs and expectations of its members in its service delivery.
- 2) Integrity** the SACCO and its staff shall be truthful and transparent while serving the members. The SACCO shall be responsive and proactive in solving issues that come up in the process of its service delivery.
- 3) Reliability** Safaricom SACCO shall endeavour to meet the expectation of its members and seek to deliver on its brand promise.
- 5) Innovation** Safaricom SACCO shall strive to develop products and services that effectively meet the current and future financial needs of its members. The SACCO shall encourage and support innovation and initiative among its staff members in the improvement of its processes, products and service delivery

2.5 TAG LINE

Safaricom SACCO Society Ltd brand tag line is:

Empowering You

2.6 OVERALL GOALS

Safaricom SACCO growth strategy will be leveraged on member mobilisation, products and service offering as well as improved efficiency in service delivery. At the end of this planning period, the SACCO aims at achieving several overall goals, which include:

- 1) Attain a top 10 ranking Sacco in Kenya in asset base.
- 2) Grow the SACCOs member base from the current 5,200 members to 10,000 members.
- 3) Mobilise a member saving base to over 10 billion Kenyan Shillings
- 4) Attain a loan portfolio of over 10 billion Kenyan Shillings.

- 5) Raise FOSA patronage from the current 40% to 90% active patronage.
- 6) Develop a feasible branch network that facilitates operation efficiency.
- 7) Recruit and retain skilled staff.
- 8) Be a one-stop shop for financial services for the members.

To achieve the overall goals, Safaricom SACCO will seek to develop and implement strategies to facilitate the SACCO penetrate the competitive financial services sector. The SACCO shall develop innovative financial products and services that will encourage uptake among the members and be attractive to potential SACCO members.

2.7 STRATEGIC OBJECTIVE

The main objective of the SACCO is to promote a saving culture among our members as well as provide members with the opportunity to access loans to develop and improve their economic and social status.

2.8 FOCAL POINT

In the next 5 years we shall continue being agile by applying our internal capabilities to exploit opportunities existing as we effectively deal with the fast changing business environment.

The SACCOs SWOT analysis was centred on six areas which include:

- 1) Membership (Savings mobilization)
- 2) Marketing (Products and Services)
- 3) Leadership and Governance
- 4) Human Resource
- 5) Technology
- 6) Finance
- 7) FOSA(Front Office Services Authority)

4.0 STRATEGIC PILLARS

4.1 THE PREVIOUS (2003 – 2011) STRATEGIC PLAN

The Society reviewed its Strategic Plan for the second time since it was developed in the year 2009. The review was intended to accommodate changes into the Plan that may have an impact on the overall attainment of the objectives set therein as shown in the table below:-

% IMPLEMENTATION OF STRATEGIC PLAN

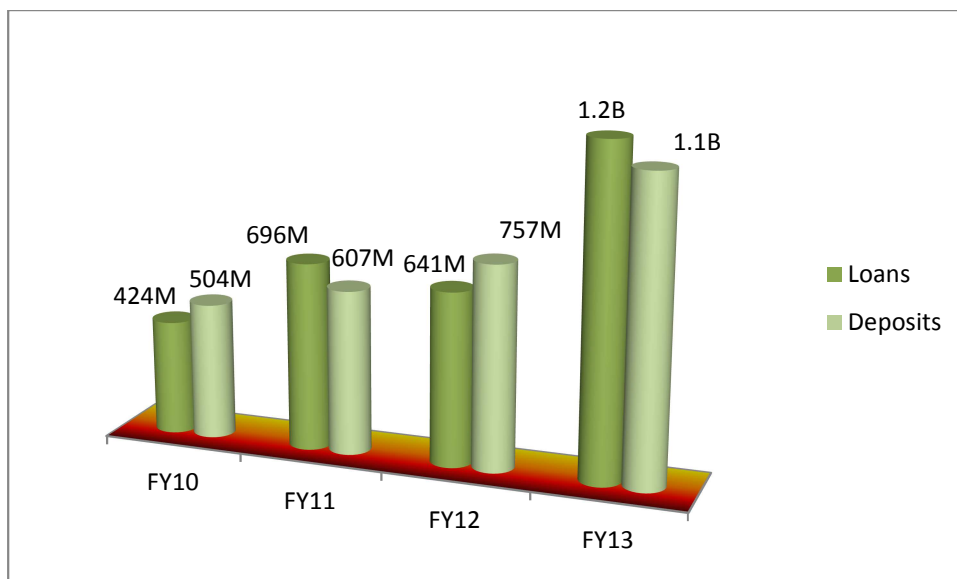
STRATEGIC OBJECTIVE	% IMPLEMENTATION
PILLAR: PRODUCTS AND SERVICES	
Diversification and development of new products and services	75%
Increase Loan disbursements by 50%p.a	115%
Offering exceptional customer experience	82%
FINANCIAL PILLAR	
Increase gross income by 40% per annum	85%
Raise share capital of Kes 37.5M I by end of year 2012 and Kes 60 million by Dec 2014	50%
Increase deposits by 30% per annum	110%
OPERATIONAL PILLAR	
Reduce the PAR to below 1% by Dec 2009	60%
Improve operational efficiency	60%
HUMAN RESOURCE PILLAR	
Enhance staff capacity	75%
Improve the welfare of the members of staff	75%
GOVERNANCE AND ETHICS PILLAR	
Enhance the capacity of the Board of Directors	60%
Adherence to legal and regulatory requirements	70%
Improve overall image of Sacco	75%
Increase level of participation in Sacco	75%

Membership growth

The membership of the SACCO has continuously risen from 222 members during conception in 2001 to approximately 4,500 members by 2013. Figure 1 below shows growth membership in the SACCO from the year 2010-2013



PAST GROWTH OF LOANS AND DEPOSITS

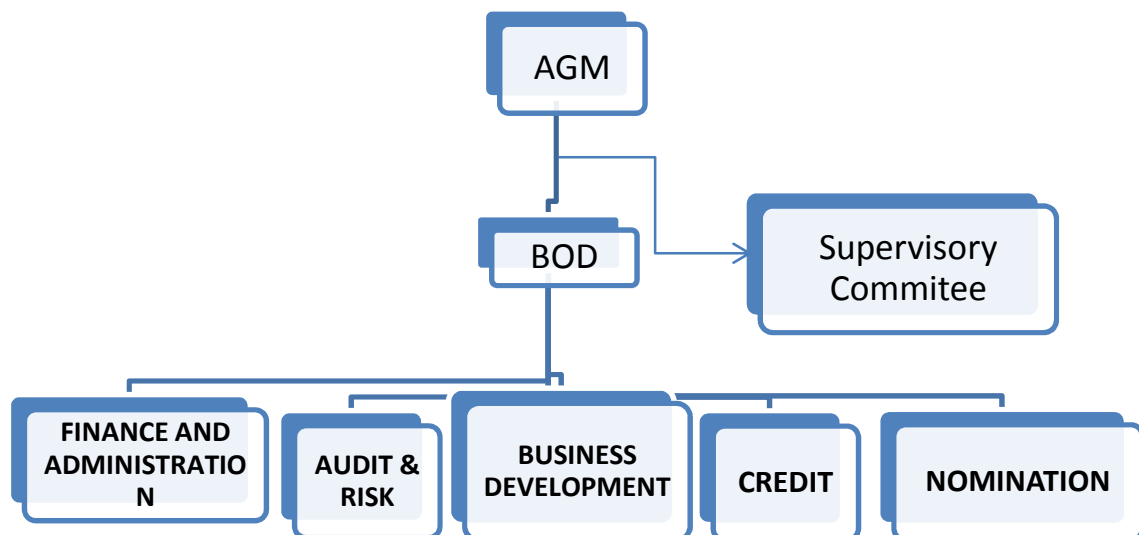


5.0 BUSINESS STRUCTURE MODEL

The SACCO has strong management structure that has facilitated its performance to date. The structure enables it to execute its duties and guarantees accountability and transparency in the SACCOs activities. Safaricom SACCO has FOSA, Operations, Finance and Marketing and Internal Audit. To realize its strategic intentions, the Plan proposes a total review and re-organization of the business structure. The following strategic business model explains this thinking:-

5.1 ROLE OF BOARD MEMBERS

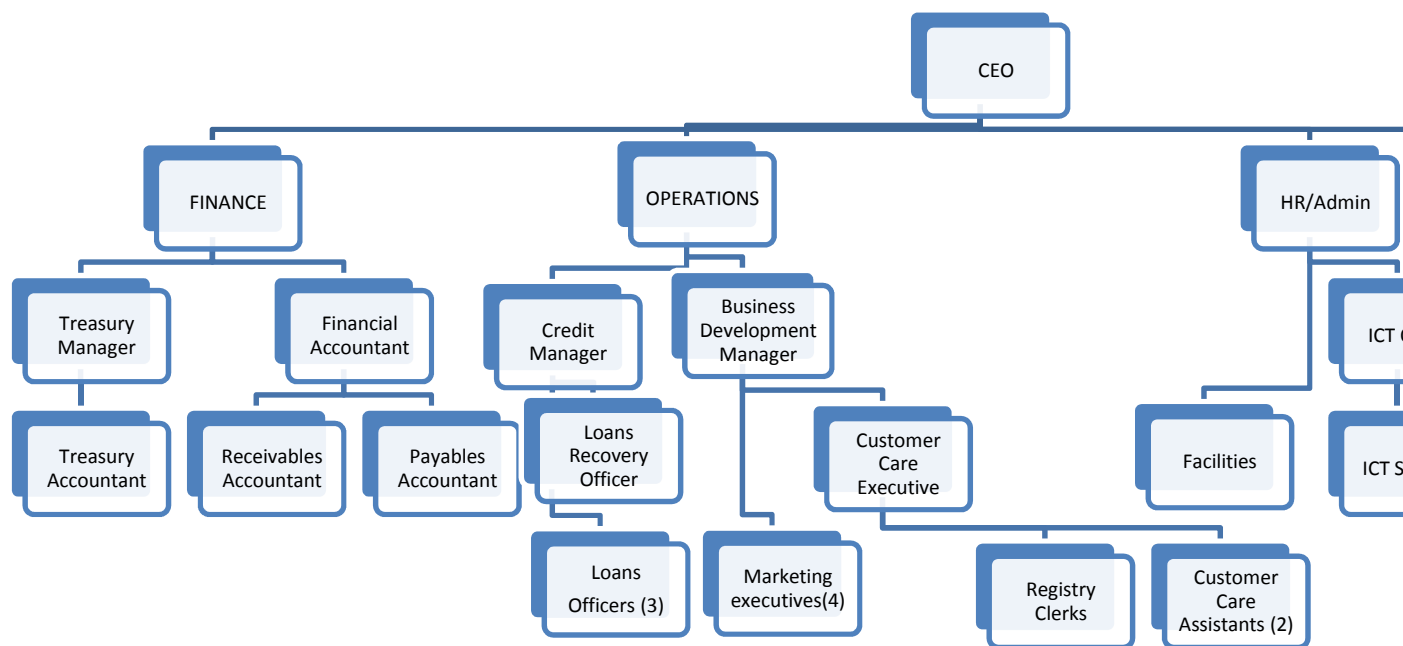
Safaricom SACCO is governed by a 9 Management and 3 in supervisory member board of directors elected by members at the Annual General Meeting (AGM) as per the SACCO by-laws. Each member is eligible for re-election in compliance with the SACCO Act 2008. The board consists of members with respective skills and experience to effectively drive the SACCO to achieve its vision and deliver on its mission.



5.2 ROLE OF MANAGEMENT

The day-to-day running of the Sacco is the responsibility of CEO and his/her team. Once the policies have been set and key strategies approved, management is expected to implement the strategies and the policies.

Internally the role of CEOs office is to ensure overall co-ordination and harmonization of various key business activities and for the overall efficiency and effectiveness of the Sacco.



CONCLUSION

Following this review, the board of directors will update the strategic plan as necessary to take account of the above rolling over basis.

Where a significant event occurs outside of the formal review process that could affect implementation of the strategic plan, the strategic plan should be reviewed and updated to take account of this event.

Safaricom Sacco will use a variety of measurements to determine progress towards its strategic objectives. Given the subjective nature of the strategic objective statement Safaricom Sacco may rely on various measures.