

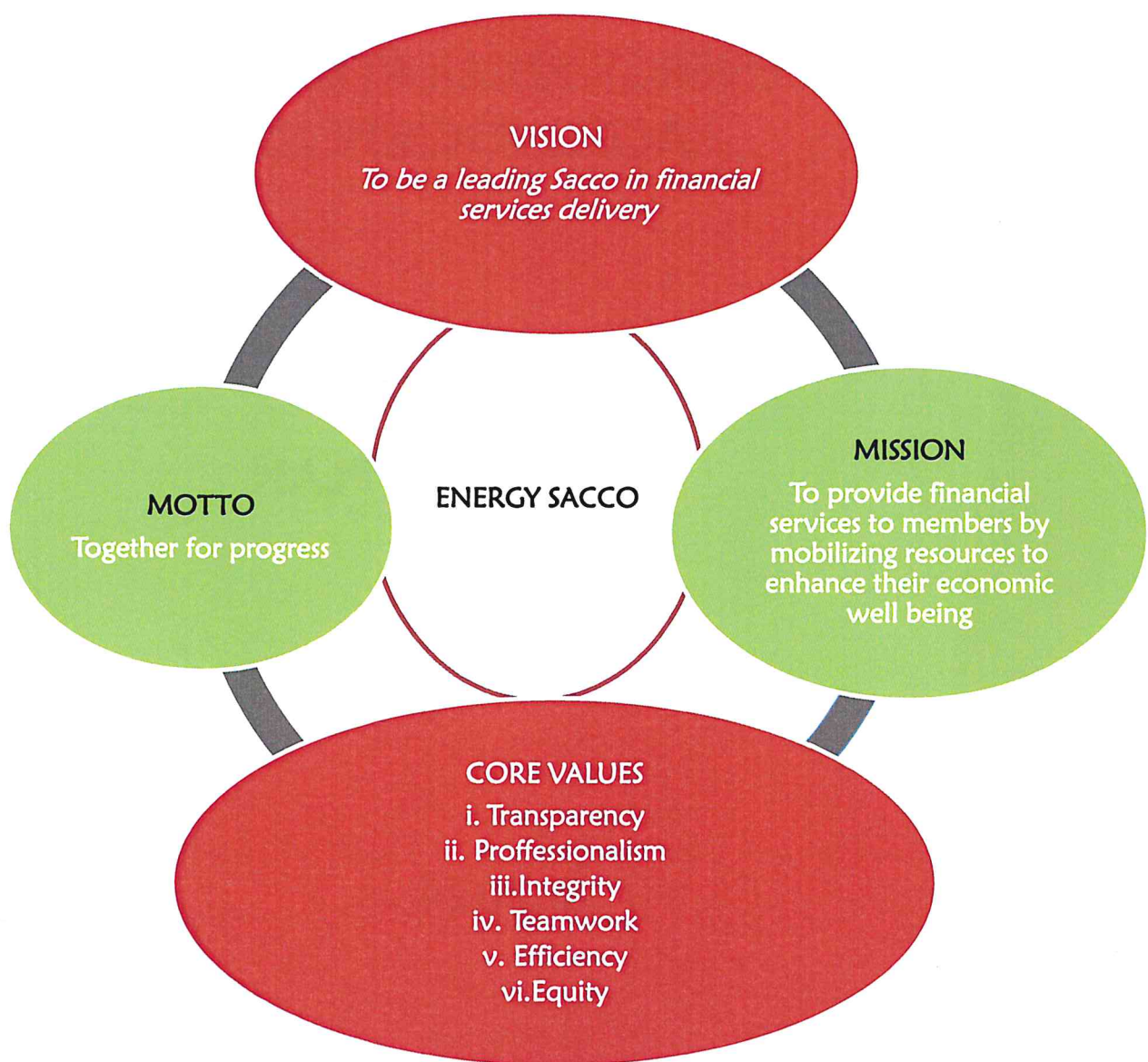


**ENERGY REGULATED NON-WDT
SACCO SOCIETY LIMITED**

**2024 - 2028
STRATEGIC PLAN**

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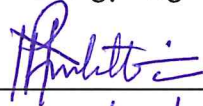
**ENERGY REGULATED NON-WDT
SAVINGS AND CREDIT
CO-OPERATIVE SOCIETY LIMITED
P.O. BOX 10585-00100
NAIROBI, KENYA**



ADOPTION OF 2024- 2028 STRATEGIC PLAN


We, the undersigned elected officials of Energy Regulated NWDT Savings and Credit Co-operative Society Limited, do hereby approve and support the implementation of this Strategic Plan on behalf of our members for sustainable growth and effective management of the Society.

Name Paul N. Mbuti
Chairman – Energy Regulated NWDT Sacco Ltd


Sign 
Date 10/08/2024




.....
Name NAFTALI GITOMLAM
Vice Chairman – Energy Regulated NWDT Sacco Ltd

Sign 
Date 10/08/2024

.....
Name TOM OTIENO OLOO
Treasurer – Energy Regulated NWDT Sacco Ltd

Sign 
Date 10-08-2024

.....
Name: STELLAH NAUMI WILLIAM
Honorary Secretary– Energy Regulated NWDT Sacco Ltd

Sign 
Date 10/08/2024

.....
Name: STANLEY MWAELI
Manager– Energy Regulated NWDT Sacco Ltd


Sign 
Date 10/08/2024

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ABBREVIATIONS AND ACRONYMS

AGM	–	Annual General Meeting
BOSA	–	Back Office Services Activity
DT	–	Deposit Taking
HR	–	Human Resource
ICT	–	Information and Communication Technology
Kes	–	Kenya Shillings
M&E	–	Monitoring & Evaluation
NWDTS	–	Non-Withdrawable Deposit Taking Sacco
SACCO	–	Savings and Credit Co-operative Society
SASRA	–	SACCO Societies Regulatory Authority
SLA	–	Service Level Agreement
TAT	–	Turn-Around-Time

FOREWORD

I am delighted to present to you the Strategic Plan 2024–2028, which outlines our vision and the goals we have identified to help the Society accelerate the realization of its full potential and better fulfil its mission to serve the members as well as the wider community of our stakeholders. The process of formulating the 2024-2028 Strategic Plan has given us the opportunity to take stock of our past successes and failures, determine our vision and set future goals in the light of challenges ahead, and to put forward strategies for our development. The Strategic Plan represents the concerted efforts of the Society's stakeholders, whose valuable input has been incorporated in this document. I would like to thank, in particular, the Board of Directors for approving the Strategic Plan and taking up the responsibility for overseeing and monitoring its implementation. The Strategic Plan will be expected to provide multiple accrued benefits in various ways. First is the benefit derived from increased organizational effectiveness resulting from the clear direction provided for the SACCO through setting objectives in the strategic plan so that the stakeholders can more effectively utilize the SACCO's resources and services. Secondly, it will stimulate improved stakeholders' motivation. Communicating the strategic plan will stimulate positive response from the various stakeholders of Energy SACCO, as they will feel that they are a part of a team that is focused on specific purposes and goals. Thirdly, strategic planning has also provided a framework for evaluating alternative strategies. This prepares the SACCO for the future; hence a focus that integrates both the short term and long term plans. Finally, since the planning process included discussions touching on all functional areas, the deliberations provided the planning team with a clear understanding of the SACCO operations. The process thus provides us with an opportunity to broaden their viewpoint, enhance commitment and positive attitude towards the SACCO. In the recent past, the business environment has been quite dynamic and challenging, and characterized by amongst other things stiff competition hence the need to position the SACCO strategically to grow its market share while addressing the persistent cash flow challenges.

Paul N. Mbuti

Chairman,

Energy Regulated NWD T Sacco Society Limited.

EXECUTIVE SUMMARY

Energy Savings and Credit Co-operative Society was registered under the Co-operative Society's ACT in 1981. It draws its membership from Ministry of Energy and other Ministries. The current level of membership is 710 as at December 2023. Outside of Nairobi, Energy SACCO members are scattered in several stations, the main ones being Bukura, Busia, Garissa, Jamhuri, Kericho, Kisii, Kitui, Lodwar, Marsabit , Mitunguu, Mirangine, Migori, Mtwapa, Nyeri, Uasin Gishu, and Wajir. The Sacco offers Back Office Services Activity (BOSA) to its members.

Following the expiry of the 2019-2023 Strategic Plan, the Sacco has developed the 2024-2028 Strategic Plan to guide its operations for the next five years. The Strategic Plan development has been undertaken through a participatory approach, which ensured that views of the key stakeholders were incorporated.

A situational analysis was carried out to evaluate the past performance, and the internal and the external environments in which the Society operates. The situational analysis enabled the isolation of the key strategic issues that require management intervention during the planning period.

The 2024 – 2028 Strategic Plan is expected to assist the Sacco expand to new performance levels, touching on Sacco membership, loan book, deposits, revenue and shareholders' funds. Other areas of interest are efficiency in operations, staff productivity and welfare, and effective governance. The Sacco's strategic issues are addressed under the following pillars:

- i. Finance
- ii. ICT and Operations
- iii. People
- iv. Governance

To deliver on the identified strategic themes, the following objectives have been set out:

1. Grow revenue by 25% per annum
2. Reduce cost to income ratio to below 45 %
3. Improve liquidity
4. Improve capital base
5. Improve efficiency in Sacco operations

6. Adopt the use of modern technology that is cost-effective in the delivery of services and information to members
7. Design & implement a risk management framework
8. Enhance visibility
9. Enhance member commitment and loyalty
10. Grow membership by 15% per year
11. Maintain a motivated workforce
12. Enhance staff professionalism
13. Compliance with regulation
14. Empowered leadership
15. Enhance code of conduct

For achievement of the objectives, strategies and the appropriate activities for each strategy have been crafted. In addition, an implementation framework capturing implementing actors and timeframe has been put in place.

To ensure success in implementation of the strategic plan, a monitoring and evaluation framework has been provided aimed at enabling an objective measurement and evaluation of the operations of the Sacco in the next five years.

CHAPTER ONE

INTRODUCTION

1.1 Organizational Background

Energy Savings and Credit Co-operative Society was registered under the Co-operative Society's ACT in 1981. It draws its membership from Ministry of Energy and other Ministries. The current level of membership is 710 as at January 2023. Outside of Nairobi, Energy SACCO members are scattered in several stations. These are: Bukura, Busia, Garissa, Jamhuri, Kericho, Kisii, Kitui, Lodwar, Marsabit, Mitunguu, Mirangine, Migori, Mtwapa, Nyeri, Uasin Gishu, and Wajir. The main objective of forming the Society was to promote thrift among its members by affording them an opportunity for accumulating their savings thereby creating a source of funds from which loans can be made to them exclusively for provident and productive services.

Energy Regulated NWDT Sacco is managed through officials who are elected by the members at the Annual General Meeting (AGM) and full time Sacco Secretariat who oversee the day-to-day operations of the Sacco. Two key organs run the Sacco; the Board of Directors and the Supervisory Committee.

Over the years the SACCO has witnessed inconsistent growth in its assets, resources, and membership. The Sacco closed 2023 with 379 active members and an asset base of Kes. 204.5 million. Total deposits for the same period were Kes. 155.8 million and a loan book of Kes. 122.5 million.

1.2 Vision, Mission, Core Values and Slogan

1.2.1 Vision Statement



“To be a leading Sacco in financial services delivery”

1.2.2 Mission Statement

“To provide financial services to members by mobilizing resources to enhance their economic well being”



1.2.3 Core Values

In its endeavor to realize its vision and mission, Energy Regulated NWDT Sacco espouses the following core values:



i. Transparency

We shall be transparent in our dealings with all stake holders of the Sacco as well as ensuring we fulfil the promises made to our members.

ii. Integrity:

We shall be guided by the highest level of honesty, fairness and strong moral principles in all actions to all stakeholders.

iii. Professionalism:

We shall be efficient and effective in our service delivery while upholding proficiency

iv. Teamwork

We encourage collaboration, teamwork and coordination in the implementation of all activities with both internal and external stakeholders. This is aimed at fostering the culture of innovation.

v. Equity

We shall treat all our members equitably and without discrimination.

vi. Efficiency

The society shall optimize processes, minimize waste and maximize output while maintaining quality standards.

Motto

“Together for progress”

1.3 Rationale for Strategic Planning

Energy Regulated NWDT Sacco’s 2019 – 2023 Strategic Plan has lapsed hence the need to develop a new strategic plan that will guide the Sacco in the next five years. The Strategic Plan will enable Energy Regulated NWDT Sacco to choose the most efficient ways of utilizing its resources to effectively deliver on its mission. In developing this strategic plan, an assessment of the Sacco’s performance in the last five years was carried out. This enabled the Sacco to build on the lessons learned.

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 Sacco while evaluating progress made towards achieving its broad objectives. Thus, the developed strategic plan will enable Energy Regulated NWDT Sacco to respond effectively and efficiently to the identified stakeholders’ needs.

The purpose of this Strategic Plan therefore is to give strategic direction to the Sacco for its operations over the next five years. It outlines how the Sacco’s resources (human, financial and equipment) will be harnessed and utilized in the most effective and efficient manner to realize Energy Regulated NWDT Sacco’s Vision and Mission. It also provides a mechanism to be used to direct the operations, delivery processes and track performance through regular monitoring, evaluation and reporting framework.

1.4 Methodology of Developing the Plan

The Strategic Plan review has been undertaken through a participatory process. This was used to ensure ownership of the outcome of the planning process by the stakeholders and enhance effective and efficient implementation of the plan.

The process entailed involvement of the members, Board, Supervisory Committee and management staff of Energy Regulated NWDT Sacco, and an external consultant

(Co-op Consultancy and Bancassurance Intermediary) to facilitate the planning exercise. Specifically, the methodology entailed the following:

- i. Online questionnaires to members, Board members and staff of the Sacco
- ii. Discussions with board and management staff.
- iii. Desk review of the Society's performance reports;
- iv. A Strategic Planning workshop with Board Members, Supervisory Committee Members and Sacco Staff; and
- v. Documentation of the Strategic Plan.

1.5 Expected Operating Environment/Planning Assumptions

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

- i. There will be political and economic stability in the country;
- ii. Good relationship between the Sacco and various stakeholders will continue.

CHAPTER TWO

SITUATIONAL ASSESSMENT

2.1 Evaluation of Past Performance

As part of development of Energy Regulated NWDT Sacco's 2024-2028 Strategic Plan, a review of the Society's performance was undertaken. The review aimed at identifying and isolating factors that may have had favorable or unfavorable influence on the results and drawing lessons thereof. The review was carried out through an analysis of both financial and non-financial performance indicators.

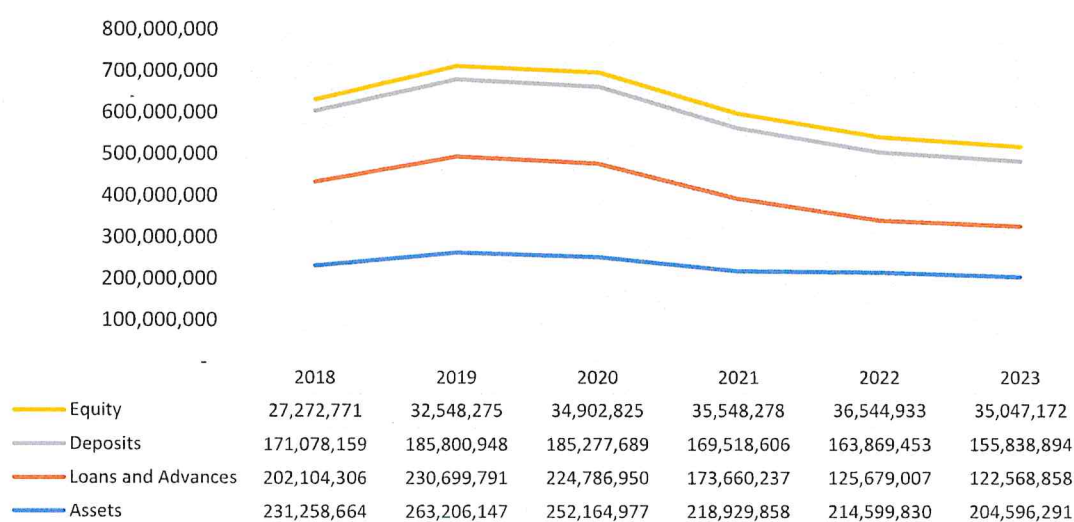
2.1.1 Financials

The Sacco's performance on some key financial indicators is captured below:

i. Financial Position

The Sacco's financial position has consistently declined over the past six years with total assets reduced to Kshs 204.5 million as of 2023 from Kshs 231.2 million in 2018. Loans and advances to members constitute the larger proportion of the assets also reduced to 122.5 million in 2023 from 202.1 million in 2018. Liabilities also recorded a decrease over the years, mainly propelled by a reduction in member deposits. Figure 1 captures the trends.

Figure 1: Statement of Financial Position



ii. Income and Expenses

The Sacco recorded a decrease in income over the six years. Over the same period, operating expenses registered growth, albeit at a high rate resulting in an increased cost-to-income ratio over the years. The distribution is shown in Figure 2.

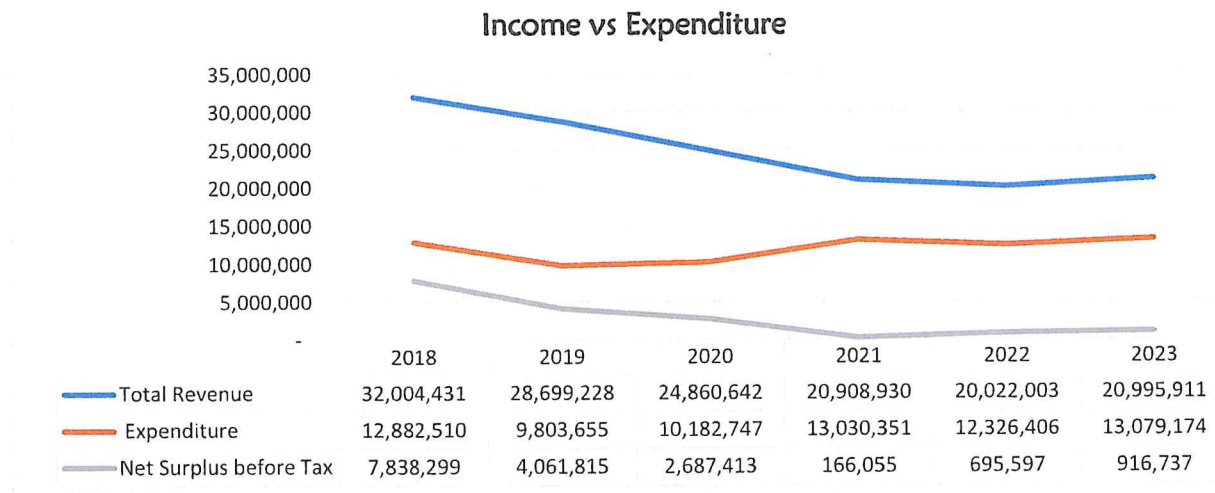


Figure 2: Income and Expenses Distribution

iii. Key Financial Soundness Indicators

The key financial soundness ratios for the last 6 years are shown in Table 1. Most of the ratios were not within the benchmarks over the years.

Table 1: Key financial soundness ratios

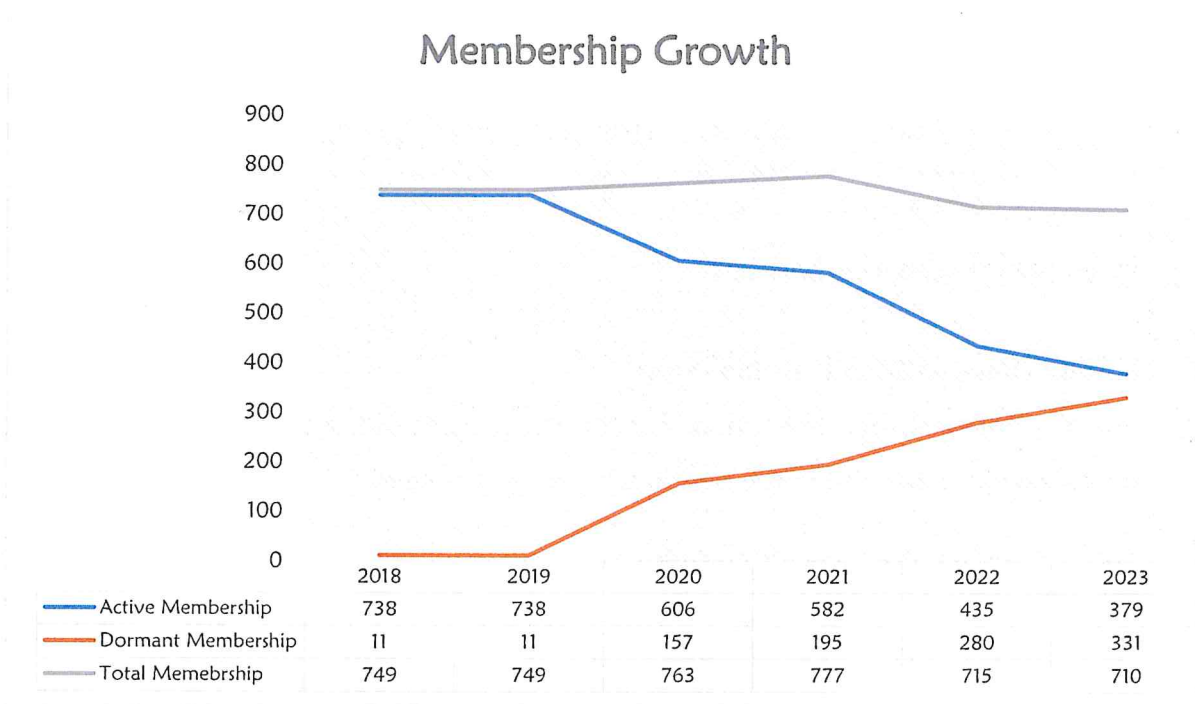
Year	2018	2019	2020	2021	2022	2023	Benchmark
Core Capital to Assets Ratio	12%	12%	14%	16%	17%	17%	≥10%
Core Capital to Deposits Ratio	16%	18%	19%	21%	22%	22%	≥8%
Institutional Capital to Assets Ratio	6%	6%	7%	8%	8%	8%	≥8%
External Borrowing to Total Assets	0%	0%	0%	0%	0%	0%	≤25%
Deposits to Total Assets	74%	71%	73%	77%	76%	76%	70-80%
Loans to Total Assets	87%	88%	89%	79%	59%	60%	70-80%
Loans to Total Deposits	118%	124%	121%	102%	77%	79%	80-110%
Operating Expenses to Total Revenue	33%	33%	32%	37%	46%	52%	≤30%
Staff Costs to Total Revenue	16%	14%	15%	16%	21%	22%	≤15%
Total delinquency loan to Gross Loan Portfolio	5%	5%	5%	5%	9%	11%	<5%
Interest rate on members' deposits	5.85%	7.27%	5.40%	4.13%	4.27%	4.49%	≥5%

2.1.2 Membership

a) Membership growth

The Society's membership declined from 749 in 2018 to 710 in 2023. However, the dormancy rate has increased over the years due to membership withdrawal after retirement. The growth in members across the years is captured in Figure 3.

Figure 3: Membership Distribution



2.2 Environmental Analysis

The analysis looks at the macro environment that Energy Regulated NWDT Sacco operates in and which the Sacco has limited control over.

Table 2: PESTEL Analysis

Factor	Indicators	Implications
Political	Government policy directives and proclamations	Strong regulators and clear policies enable stability in the Sacco sector. With proper regulatory framework and policies and procedures, SACCOs have to strengthen their governance processes to comply
	Political stability and goodwill	Political stability creates a conducive environment for the Sacco and members to do more business. There is also room for collaboration with stakeholders and international partners. However, any form of instability is likely to affect the Sacco negatively. Such instability may lead to destruction of property, relocation of people, and reduced economic activities
Economic	Interest rates	Fluctuating interest rates from financial institutions make it a challenge for Societies in loan pricing since their product prices are usually fixed.
	Inflation	With high inflation rates, the propensity to save is likely to decrease as essential products become more expensive. Decreased disposable income with increasing inflation is likely to hamper Sacco businesses
	Competition	SACCOs are expanding their common bonds thus increased competition for members. In addition, banks and mobile phone companies are coming up with products targeting the same clientele of SACCOs
	Increased taxes	High taxes are likely to kill business incentive thus low economic participation by members
Social	Diversified tastes and	Different age groups have different tastes and

Factor	Indicators	Implications
	preferences	preferences thus products development is essential to accommodate them
	Literacy levels	As the population gets more educated and aware, they stand a better chance of choosing and deciding from the options available to them. The customers have become more demanding and are causing organizations to constantly improve their competitiveness
	Savings culture	This makes groups pull resources together and hence the belief in spirit of co-operating among individuals
	High poverty levels	Low savings culture accompanied with a high cost of living creates the need for cyclical loans among members of SACCOs
	Diseases and pandemics, e.g., Cancer, COVID-19, etc.	Cost of sickness/treatment can be high burdening the members.
	Trends and fashions	Urbanization comes with trends and fashions that affect the needs of people. Product diversification is essential
Technology	ICT advancement	When embraced, may result to: <ul style="list-style-type: none"> ➤ Reduced work processes through automation, operational costs and time ➤ Timely decision making ➤ Enhanced service delivery ➤ Customer satisfaction ➤ Timely reports
	Negative effects of ICT	<ul style="list-style-type: none"> ➤ High cost of technology e.g. on automation ➤ Inadequate knowledge on ideal ICT systems among Societies ➤ Crime acts and frauds by fraudsters ➤ Technology changes very fast calling for frequent adjustments ➤ Skill gaps in technology especially among staff members

Factor	Indicators	Implications
Legal	Improved regulatory framework	Conducive for doing business and instils better confidence among Co-operative Societies members
	Compliance with various legal provisions, e.g. Public Ethics Act, Anti-Money Laundering	<ul style="list-style-type: none"> ➤ This ensures good ethical practice among the Board and management of the Co-operative Societies ➤ Non-compliance is likely to have negative consequences for the Societies
Environmental/ Ecological	Climate changes/Global warming	Change in weather patterns leading to droughts, rising temperatures and flooding. These affect the work environment and food supply and ultimately affects the savings and borrowing patterns among members

2.3 SWOT Analysis

The following strengths, weaknesses, opportunities and threats have been identified for Energy Regulated NWDT Sacco:

Table 3: SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> i. Committed board members ii. Wide network of membership through the energy centers countrywide iii. Timely loan processing iv. Liquidity v. Enlightened membership vi. Loyal membership 	<ul style="list-style-type: none"> i. Rapid change in technology ii. Inadequate patronage of Sacco products iii. Delinquent Loans iv. Inadequate Office Space v. Declining membership
Opportunities	Threats
<ul style="list-style-type: none"> i. Officers employed by parent Ministry and not yet Sacco members. ii. Tapping into spouse market iii. More products for retired members and children's account iv. Development of member-driven products v. Alternative security lending option vi. End to end Digitization of loans vii. Retention of members who leave the parent Ministry viii. Technology exploitation ix. Strategic partnerships. x. Fluctuating interest rates on commercial bank loans. 	<ul style="list-style-type: none"> i. Changes in laws and regulations ii. Competition from both licensed and unlicensed financial institutions. iii. High cost of living iv. Fast changing technology v. Changing digital landscape that comes with challenges like cybercrime, cost of implementing new changes, etc. vi. Frauds. vii. Political risk viii. Natural disaster e.g., Pandemics (Covid), climate change which destabilizes the economy like drought, floods ix. Taxation

2.4 Stakeholder Analysis

Energy Regulated NWD T Sacco has identified the following groups as key stakeholders of the Sacco:

Table 4: Key stakeholders of Energy Regulated NWD T Sacco

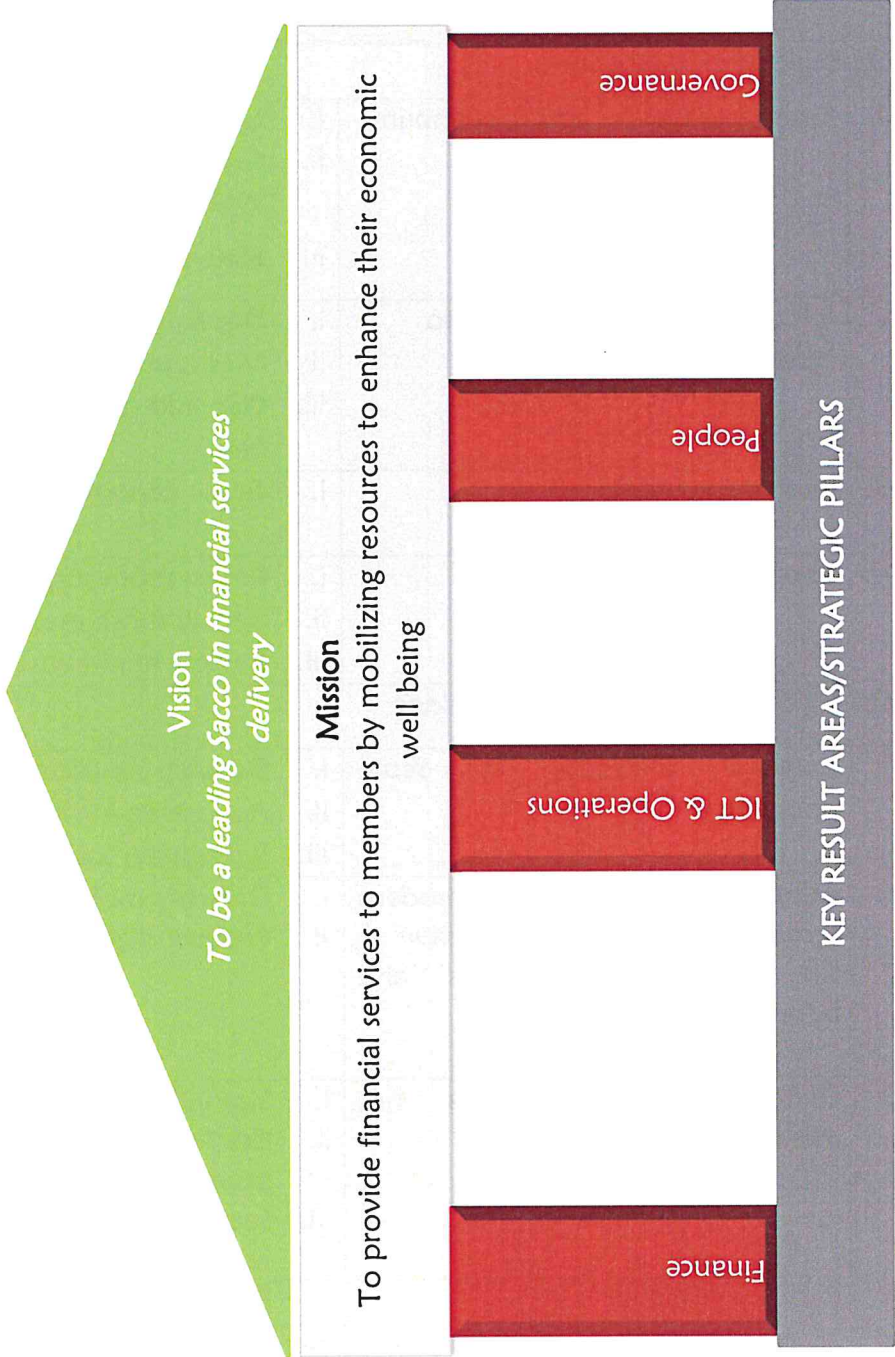
Stakeholder	Expectation of stakeholder from Energy Regulated NWD T Sacco	Energy Regulated NWD T Sacco's Expectations from stakeholder
1. Members	<ul style="list-style-type: none"> • Security of their savings and investments • Stability of the Sacco • Availability of credit facilities • Competitive interest rates • Quality services and convenient access to services • Continuous member education • Timely communication and regular updates • Good investment returns • Diversified range of products and services 	<ul style="list-style-type: none"> • Marketing of Energy Regulated NWD T Sacco to potential members • Maintaining healthy accounts • Integrity • Prompt repayment of loans • Uptake of Sacco products and services • Attendance to members' education forums • Adherence to Sacco by-laws
2. Employer Institutions	<ul style="list-style-type: none"> • Stability of the Sacco • Security of members' savings • Continuous member education • Diversified range of products and services that meet members' financial needs • Availability of affordable credit to members 	<ul style="list-style-type: none"> • Timely remittance of members deductions • Support the Sacco during recruitment drives • Provision of accurate information
3. Government	<ul style="list-style-type: none"> • Operate within the legal framework • Provide the required information • Support national development agenda • Contribute in enhancing financial access • Adhere to cooperative principles • Compliance with taxation policies 	<ul style="list-style-type: none"> • A conducive and predictable operating environment • Support to the cooperative movement
4. SASRA	<ul style="list-style-type: none"> • Compliance with the regulatory framework and guidelines • Adherence to good corporate governance practices • Provide the required information 	<ul style="list-style-type: none"> • Equity and fairness in regulation • Prompt approvals • Conducive operating environment • Championing the interests of the Sacco sector

5. Development partners	<ul style="list-style-type: none"> • Good working relationships • Adherence to terms of the partnership • Transparency and accountability • Efficient use of resources 	<ul style="list-style-type: none"> • Cordial working relationship • Working within the terms of the partnership • Financial and technical support • Mutual benefit/respect
6. Suppliers/ service providers	<ul style="list-style-type: none"> • Free and fair tendering process • Effective contract management • Prompt payment for services rendered • Cordial relationship and cooperation 	<ul style="list-style-type: none"> • Provision of quality products and services • Adherence to contractual terms • Competitive pricing
7. Apex bodies	<ul style="list-style-type: none"> • Patronize their services • Cooperation with other cooperatives • Agency • Prompt subscriptions 	<ul style="list-style-type: none"> • Advocacy for SACCOs issues • Exhibit models for Saccos • Strong leadership • Sponsorship
8. Community	<ul style="list-style-type: none"> • Participate in Corporate Social initiatives • Equal employment opportunities 	<ul style="list-style-type: none"> • Peaceful co-existence
9. Sacco Officials	<ul style="list-style-type: none"> • Adherence to policies and procedures • Prompt implementation of Board decisions and policies • Capacity building on Sacco governance 	<ul style="list-style-type: none"> • Policy direction • Adherence to good corporate governance practices • Commitment to the objectives of the Sacco.
10. Employees	<ul style="list-style-type: none"> • Favorable terms and conditions of service • Job security • Conducive work environment 	<ul style="list-style-type: none"> • Adherence to Sacco rules, regulation & policies • Commitment to the Sacco objectives • Integrity • Creativity and innovation in the provision of services • Increased productivity

CHAPTER THREE
STRATEGIC PILLARS

3.1 Key Result Areas

Key result areas are the strategic pillars/themes in which an organization must excel to achieve its mission and vision and deliver value to customers. They are the organization's pillars of excellence. In its 2024 – 2028 strategic focus, Energy Regulated NWDTS Sacco has identified the following Key Result Areas:



3.2 Strategic Objectives and Strategies

Strategic objectives specify what an organization expects to fulfil within a given time period while strategies are initiatives that enable an organization achieve results. Arising from Energy Regulated NWDT Sacco's key result areas, the following strategic objectives and strategies have been identified:

Table 5: Objectives and strategies

Objective		Strategy
Strategic Pillar 1: Finance		
1.	Grow revenue by 25% per annum	<ul style="list-style-type: none"> i. Grow loan book by 20% per year ii. Grow non-funded income streams by 10% per year iii. New members recruitment
2.	Reduce cost to income ratio to below 45 %	<ul style="list-style-type: none"> i. Digitization of processes ii. Maintain PAR at 3% iii. Plan and monitor expenditures on monthly basis
3.	Improve liquidity	<ul style="list-style-type: none"> i. Grow deposit by 25% per year
4.	Improve capital base	<ul style="list-style-type: none"> i. Retain more surplus ii. Recruit more members iii. Review minimum share capital
Strategic Pillar 2: ICT and Operations		
1.	Improve efficiency in Sacco operations	<ul style="list-style-type: none"> i. Develop service charter ii. Acquire and install ICT security systems iii. Reengineer loan processing
2	Adopt the use of modern technology that is cost-effective in the delivery of services and information to members.	<ul style="list-style-type: none"> i. Diversify mobile phone based products ii. Product digitization
3	Design & implement a risk management framework	<ul style="list-style-type: none"> i. Strengthen internal controls ii. Continuous review of the standard operating procedures (sops) for services iii. Security operation enhancement (Managed security services)
4	Enhance visibility	<ul style="list-style-type: none"> i. Publicize Sacco ii. Member testimonials iii. Review, priorities and implement CSR activity

Objective		Strategy
Strategic Pillar 3: People		
1.	Enhance member commitment and loyalty	<ul style="list-style-type: none"> i. Develop customer-centric products ii. Effective member education and training iii. Efficient service delivery iv. Effective customer feedback mechanism
2	Grow membership by 15% per year	<ul style="list-style-type: none"> i. Improve the Society visibility and communication ii. Develop marketing strategy iii. Improve retention strategy
3.	Maintain a motivated workforce	<ul style="list-style-type: none"> i. Provide a conducive working environment ii. Provide competitive terms of service iii. Enhance Performance Management System
4	Enhance staff professionalism	<ul style="list-style-type: none"> i. Enhance staff skills ii. Recruit competitively iii. Support Staff to join professional bodies
Strategic Pillar 4: Governance		
1.	Compliance with regulation	<ul style="list-style-type: none"> i. Implement statutory regulatory programs
2.	Empowered leadership	<ul style="list-style-type: none"> i. Conduct board and delegate orientation ii. Board performance management iii. Enhance leaders engagement iv. Enhance leadership capacity building
3.	Enhance code of conduct	<ul style="list-style-type: none"> i. To enhance delegate code of conduct

CHAPTER FOUR
IMPLEMENTATION PLAN

4.1 Finance Pillar

Objective 1: To grow revenue by 25% per annum

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Grow loan book by 20% per year	Review loan products in terms of interest rates & repayment period to increase turnover	Number of reviewed products	Every year	Chairman Credit Committee
	Leverage on ICT to introduce convenient loan products	Onboard one new product per year	Every year	CEO
	Sending loan pre-qualification SMS to potential loanees	Increased in number of loan applicants	Every week	CEO & Staff
Grow non-funded income streams by 10% per year	Drive multi-products utilization	Increased number of members with at least 2 loans per person	Quarterly	CEO & Staff
	Identify suitable assets & invest e.g. money market, treasury bills, bonds etc.	Asset growth	Quarterly	CEO
New members recruitment	Regularly review of mobile loan limit	Increased loan limit per member by 25% of the member credit score	By end of 2025	BOD
	Recruitment of new members.	Number of new members recruited	Quarterly	BOD, CEO and Staff

Objective 2: Reduce cost to income ratio to below 45 %

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Digitization of processes	Introduce online loan application	Complete the digitized loan application process.	By end of 2025	Board Chairman
	<p>Undertake identification and classification of debts</p> <p>Carryout targeted campaigns with assigned collection targets to staff</p> <p>Use debt collectors/auctioneers</p> <p>Implement automated notifications</p>	Collect 5 Million by end of 2024.	Yearly	CEO and staff
Maintain Port Folio at Risk (PAR) at 3%	Aggressive debt collection			
	Reduce loan Turn-Around-Time	Member satisfaction	By end of 2025	BOD, CEO staff

Plan and monitor expenditures on a monthly basis	i. Adhere to annual budget estimates.	Reduce the current 47% cost-to-income ratio to below 45%	Monthly	CEO
	ii. Evaluate all expenditure lines and cut down unnecessary costs.	Reports	Monthly	CEO
	iii. Automate most of the Sacco processes e.g. loan approval.	Reports	Monthly	CEO

Objective 3: To Improve Liquidity

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Grow deposit by 25% per year	Review minimum monthly contribution	Reviewed minimum monthly contribution increase by 200	By end of 2025	AGM & BOD
	Incentives	TBD	By end of 2026	BOD & CEO
	Encourage recapitalization of interest on deposits.	Growth in deposits	By end of 2027	AGM & BOD

	Recruitment of new members	Recruit 36 members per year with a minimum contribution of Kes 2,200 (3 members per month)	Yearly	BOD & CEO
	Corporate members	Recruit 2 corporate members with a minimum contribution of Kes 5,000 per year.	Yearly	BOD & CEO

Objective 4: To Improve Capital Base

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Retain more surplus	i. Carry out education ii. Review dividend policy	Grow retained earning by at least Ksh.150,000 .	Every year	BOD
Review minimum share capital	Grow share capital to at least Ksh.30,000 per member.	Grow share capital by Ksh.1,200 per year.	Over the next 3 years	AGM & BOD

4.2 ICT and Operations Pillar

Objective 1: Improve efficiency in Sacco operations

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Service charter	Development of service charter	Service charter in place	Within one year	CEO

Acquire financial management system	Procurement of a new system	Signed contract	By Jan 2025	Board Chairman
Reengineer loan processing	End to End online loan processing	Fully automated loan processing	Every three years	Chairman Credit Committee
	Records digitization	50% of records digitized	Every year	CEO

Objective 2: Adopt the use of modern technology that is cost-effective in the delivery of services and information to members.

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Diversify mobile phone-based products	Benchmark with other Sacco's on mobile phone-based products	Number of mobile loan products introduced	One year	Chairman Credit committee
	Customize and launch	Number of products customized, launch report	One year	Chairman Credit committee

Objective 3: Design & implement a risk management framework

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Strengthen internal controls	Continuous assessment of the comprehensive risk register and mitigation measures	Assessment report	Monthly	CEO & BOD

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Continuous review of the standard operating procedures (SOPs) for services.	Identify the gaps, review and update the SOPs manual	Reviewed SOPs manual	Yearly	CEO & BOD

Objective 4: Enhance visibility

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Publicize Sacco	To conspicuously display the office location on the website and pin location	Actual pop up and ads	Weekly	CEO
	Put in place a call back message about Energy Sacco.	Call back message	Half yearly	CEO
	Put in place a toll-free line for easy communication	Actual line installed	By 2025	CEO
	Decentralized information dissemination (use of webinars where possible)	Webinar infrastructure	By 2025	CEO
	Use of social media content (Instagram, Facebook, Twitter)	Webinar training programs Social media contents	By 2025 Continuous	CEO
Member testimonials	Collect and showcase testimonial from satisfied members	Short video and documentary	By end of 2025	BOD, CEO, and staff

4.3 People

Objective 1: To enhance member commitment and loyalty

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Develop customer-centric products	Survey on customers' behaviour and product needs	Two Survey reports	First Survey by end of 2024	Chair Credit Committee
	Conduct member education and training	No. of new products developed and up taken based on the survey	Every three years	BOD
Member education and training	Conduct member education and training	At least one training	Annually	Chair Education Committee
	Reduce Turn-Around- Time (TAT) on all services delivered	Customer service charter	By end of 2024	BOD & CEO
Service Delivery	Set up customers feedback mechanism	Loan Register, Complaints Register, member requests register.	Continuous	CEO
	Analyse and address the customer feedback	Customer feedback mechanism created	August 2024	CEO, BOD
Effective customer feedback mechanism	Set up customers feedback mechanism	Report	By end of 2024	CEO, BOD

Objective 2: To grow membership by 15% per year

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Improve the Society visibility and	Develop T- shirts, Brochures and flyers.	T-shirts, Flyers and brochures developed	By end of 2024	CEO, BOD

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
communication	Participate in talk shows on local radio stations and Television station	Number of talk shows	By end of 2025	BOD
	Introduce bulk SMS communication to members	One message fortnightly	Continuous	CEO
	Purchase branded tents and posters	One branded tent and No. of posters printed.	By end 2025	CEO,BOD
	Form a marketing team	Team formed	By end of 2024	BOD
Develop marketing Strategy	Provide a budget	Amount budgeted	By end of 2024	BOD
	Conduct a market survey	Survey report	By end of 2024	BOD
	Track newly recruited members	No. of newly recruited members	Monthly	CEO
Improve retention strategy	Introduce retirees loan product	Loan product introduced	By End 2024	Chairman Credit committee
	Conduct exit interview and counselling.	Reports on exit reasons	Monthly	CEO
		No. of retained members	Monthly	CEO

Objective 3: Maintain a motivated workforce

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Provide a conducive working environment	Sufficient workspace	New office space	By end of 2024	BOD
Enhance of Performance Management System	Set performance target.	Performance contract	By end of 2024	BOD
	Conduct performance appraisal.	Appraisal report	Yearly	BOD

Objective 4: Enhance staff professionalism

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Enhance staff skills	Conduct skills gap analysis	Skills Gap Analysis Report	Yearly	BOD
	Capacity building based on analysis report	Training reports	Yearly	BOD
Recruit competitively	Advertise vacant positions.	Recruitment report	Yearly	BOD, CEO
	Pre-qualify H R Consultancy	HR Consultant	Yearly	BOD
Support staff to join professional bodies	Payment of subscription fees	Professional bodies subscription.	Yearly	BOD, CEO

4.4 Leadership Pillar

Objective 1: Compliance with Regulation

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Implement statutory regulatory programs	Ensure compliance with statutory regulations.	Report	Continuous	CEO, Accountant
	Ensure Internal controls are in place (Checks and balances).	Internal controls reports	Monthly	CEO
	Review, implement, and monitor the compliance checklist	Report	By end of 2024	CEO
	Timely submission of statutory returns	Report	Submission deadlines	CEO, Accountant
	Develop, review, and implement policies periodically	List of Policies developed and review reports	Every three years	BOD CEO

Objective 2: Empowered Leadership

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
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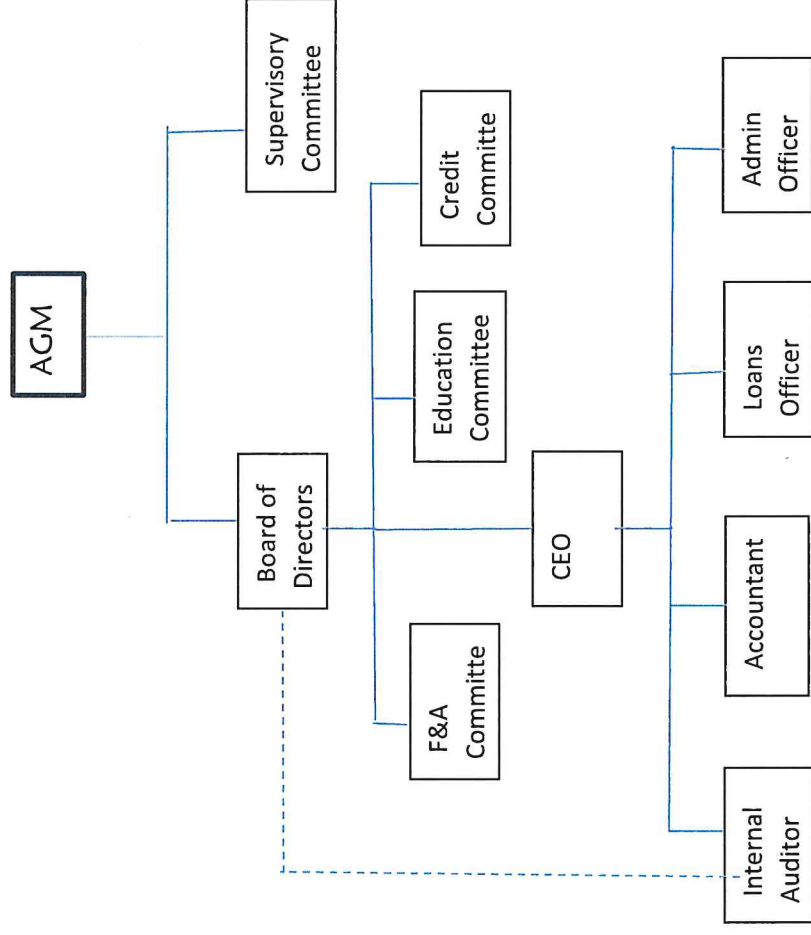
STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Conduct Board and delegate Induction	Develop an induction guide /manual	Induction guide Report on Induction	Annually Annually	BOD BOD
	To review and implement board matrix of skills	Report on matrix of skills	Annually	BOD
Board performance management	Review and implement evaluation tool kit	Reviewed tool kit	Annually	BOD
Enhance leadership capacity building	Review and implement Board capacity building programmes.	Capacity building reports	Annually	Chair Education Committee
	Leadership training	Training reports	Annually	Chair Education Committee
	Benchmarking & exposure visits	Benchmarking reports.	Annually	Chair Education Committee

Objective 3: Enhance Code of conduct.

STRATEGY	ACTIVITIES	PERFORMANCE INDICATORS	TIMELINE	RESPONSIBILITY
Board members code of conduct	Review and implement the code of conduct.	Code of conduct manual	Annually	BOD

CHAPTER FIVE
ORGANIZATION STRUCTURE

Below is the organogram for effective implementation of the Strategic Plan. The Sacco may review the same as things evolve to make the implementation more effective.



CHAPTER SIX

RISK MANAGEMENT

This strategic plan recognizes the fact that there are several risks to the implementation of the Strategic Plan, and Sacco operations in general. The Board of Directors and Sacco Management have thus put in place various measures including policy framework to mitigate the identified risks. The following are some of the risks to be considered:

Type of risk	Description of risk from Sacco's perspective	Rate the level of risk (High, Medium, Low)	Mitigation risk
Credit Risk	Default in loan repayment	Medium	<ul style="list-style-type: none"> • Adequate credit policies and procedures
Operational Risk	Lack of appropriate policies and procedures	Medium	<ul style="list-style-type: none"> • Ensuring adequate policies and control procedures in all business processes
Technological Risk	Failure to keep up with rapid changes in technology leading to an unstable core banking system	High	<ul style="list-style-type: none"> • Investing in modern technological innovations e.g. mobile banking
Market Risk	Risk due to fluctuations in the money and investment market	Medium	<ul style="list-style-type: none"> • Make sound investment decisions that are backed by adequate data
Legal and Regulatory Risk	The risk of loss emanating from non-compliance with the country's regulations. Risk arises out of violations of or non-conformity with laws, rules, and regulations, prescribed by the government or regulators.	Low	<ul style="list-style-type: none"> • Ensuring compliance with all the laws and regulations
Reputation Risk	Sacco's reputation could be negatively impacted by the actions of the officers or agents leading to damage on the position of the Sacco occupies in the minds of stakeholders	Medium	<ul style="list-style-type: none"> • Ensure that there is a proper crisis communication system in place
Financial Risk	Debt penalties	Low	<ul style="list-style-type: none"> • Ensure all financial obligations are fulfilled in good time
Strategic Risk	Failure to deliver on the mandate	Medium	<ul style="list-style-type: none"> • Build capacity of the Board • Link performance management with strategy • Undertake effective oversight • Enhance stakeholders

			engagement
Information security and data risks	Infringements on the integrity of information and data	Low	<ul style="list-style-type: none"> • Develop and implement standards and guidelines • Build institutional resilience
Governance risks	Failure to establish documented governance arrangements setting out clear organization/departmental structures with well-defined transparent and consistent reporting lines and roles, responsibilities and accountabilities	Low	<ul style="list-style-type: none"> • Promote good corporate governance practices • Develop and implement appropriate governance tools • Build the capacity of the Board
Human Capital risks	Inadequate skills to address emerging issues	Medium	<ul style="list-style-type: none"> • Conduct training needs assessment and implement findings and recommendations
Macroeconomic risks	Negative macroeconomic shocks	Medium	<ul style="list-style-type: none"> • Forecast the trends • Assess potential impacts, monitor and manage
Audit risks	Failure of audit to provide effective assurance	Low	<ul style="list-style-type: none"> • Institutionalize International Professional Practice Framework (IPPF) • Build capacity of the Board Audit
Business continuity risks	Failure to institutionalize business continuity and disaster recovery plans	Medium	<ul style="list-style-type: none"> • Develop, institutionalize, and implement business continuity management

The roles and responsibilities of managing risks at Energy Regulated NWDT Sacco are apportioned between the Board and the employees. The board shall put in place adequate policies in place and shall exercise its authority to monitor and review actions of management to ensure that the Manager and his team are proactive in safeguarding Society assets.

The Sacco shall use the **T.R.A.P** strategy in treating risk, which includes the following:

- i. **Terminate** the Risk - This is a strategy utilized when a given risk poses a particularly serious threat that cannot be effectively reduced, and the conduct or service giving rise to the risk may perhaps be avoided.
- ii. **Reduce** the Risk - Reduction or minimization involves various loss control strategies aimed at limiting the potential consequences or frequency of a given

risk without totally accepting or avoiding the risk. Strategies include staff education, policy and procedure revision and other interventions aimed at controlling adverse occurrences without eliminating risk activities.

- iii. **Accept** the Risk - Acceptance involves assuming the potential loss associated with a given risk and making plans to cover any financial consequence of such losses.
- iv. **Passing** the Risk - Passing on the risk involves transferring the risk to a third party. Towards this, Sacco will ensure insurance covers are in place and up to date.

Other strategies that shall be pursued by the Sacco in risk mitigation are:

- a) **Risk Sensitization and awareness** – all personnel concerned will be sensitized on risk policies, procedures, and practices.
- b) **Risk monitoring and Control** – Continuous follow-ups on progress in the reduction of risk effect.
- c) **Risk Sharing**- mitigation by creating avenues and opportunities for well-wishers of goodwill to participate.

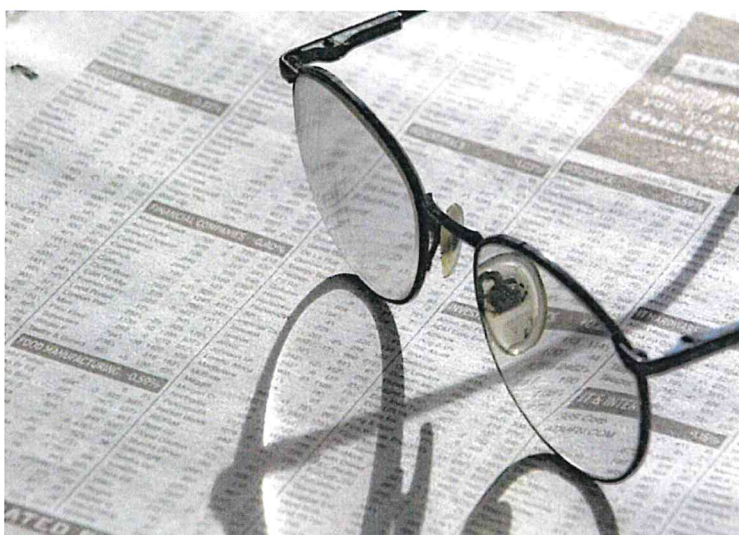
The Sacco may employ any single strategy or a combination of the above Risk Management strategies to best manage a given situation.

CHAPTER SEVEN

MONITORING AND EVALUATION

7.1 Objectives of Monitoring and Evaluation

Energy Regulated NWDT Sacco is cognizant of the fact that identification of strategic pillars and subsequently defining appropriate objectives, strategies and action plans on their own cannot ensure success. To succeed, the Strategic Plan has to be diligently implemented. Successful implementation of the plan requires putting in place an adequate Monitoring & Evaluation (M&E) framework right from the onset.



7.2 Monitoring and Evaluation (M & E) Framework

Monitoring and evaluation of the strategic plan will be undertaken at three levels namely departmental, committee and at the Board level. The following M & E framework will be put in

place in order to ensure implementation of the strategic plan:

- i. A monitoring and evaluation (M&E) committee to be established comprising of the Manager to oversee the implementation of the strategic plan.
- ii. The M&E committee will hold monthly meetings to review the status of the strategic plan implementation as it relates to their respective areas.
- iii. The M&E committee will be reporting quarterly to the Board on the progress of the strategic plan implementation.
- iv. Annual review of the strategic plan will be undertaken to ensure that necessary changes in the objectives, strategies; activities among others are effected informed by new information regarding the Sacco or the operating environment.

7.2.1 Strategy Implementation Team

The Society shall establish a strategy implementation team /Committee to follow up and ensure that strategies are being implemented, performance is being measured, and progress reports are made, and discussed and corrective action taken where necessary. The team shall be composed of head of departments /Managers and the CEO shall be the Chairman. The team shall ensure that all the set objectives in the key areas mentioned are achieved in the stipulated time frame. The team shall be at the forefront to encourage and support all staff in the implementation process. The team shall always be on the lookout for external and internal factors that can inhibit the Society from achieving its objectives such as government actions, changes in the economic environment, and inform the Board of Directors to take appropriate action.

The CEO shall report the Society's progress in terms of the strategic plan implementation to the Board of Directors on monthly basis. Failure to make satisfactory progress towards accomplishing the set objectives signals a need for corrective action.

7.2.2 Board of Directors



This committee shall oversee the overall strategic plan implementation process and should hold reviews during their monthly meetings. If no progress is recorded, the board should agree to review the plan and reach an agreement on the way forward so that time and other resources are not wasted

7.2.3 Supervisory Committee

The Supervisory Committee shall bear the responsibility of reviewing progress made on the strategic plan implementation and reporting in the joint meeting on quarterly basis and at delegates meeting

7.2.4 Staff

The staff led by the Sacco CEO shall be the primary implementers of the strategic plan. The team shall be required to develop annual work plans based on this strategic plan in consultation with the board. The team shall be required to deliberate and take corrective action on areas of implementation that are not meeting the set performance parameters

7.2.5 External Consultant



The strategic plan will be reviewed periodically (on an annual basis) to ensure it remains relevant, feasible and contributes to sustainable growth of the Society. The Society may engage a consultant to facilitate the review. This is important because the review will give an independent objective overview and advice on appropriate action.

Societies operate in an ever-changing environment.

A strategy that is good today may not be good in the future. It is therefore not always that organizations achieve the expected performance while pursuing the same strategy. Where performance is not achieved, corrective action may be needed to modify existing operating strategies.

The following issues are vital to the successful implementation of the strategic plan:

- a. Strategic plan implementation should be an agenda item for staff and board meetings.
- b. There should be an official handover of the strategic plan to a new board where necessary. This will ensure continuity in implementation.
- c. Familiarization with the strategic plan is key for all staff, in order to understand what is expected of them in the achievement of the set strategies and objectives.

7.3 Critical Success Factors for Implementation

For effective implementation of the Strategic Plan, the following critical factors will need to be observed:

- a) Leadership and commitment;
- b) Understanding of the Strategy by all those who are involved in its implementation;
- c) Effective communication between all implementers on activities and outcomes;
- d) Timely implementation of activities;
- e) Appropriate organizational structure and allocation of resources as identified for each activity;
- f) Effective translation of Strategic Plan targets to departmental plans and individual work plans and targets; and
- g) Regular review, performance oversight, monitoring measurement and reporting.

7.4 Strategic Plan Review

The implementation of the strategic plan will be reviewed annually and at the mid-term to ensure that it remains relevant, feasible and delivers outputs that contribute to sustainable development. Annual review will evaluate the year's activities and indicate the extent to which the board has implemented the plan.

7.5 Conclusion

The following measures shall be taken for the successful implementation of the plan:

- i. The strategic plan implementation progress will be part of the agenda of every board and staff meeting;
- ii. The strategic plan will be available to every Board member and member of staff for reference and deeper understanding of what is expected of them;
- iii. Any new board member shall be furnished with the strategic plan to ensure continuity of the plan;

- iv. The performance indicator in the implementation matrix will be the monitored parameter; and
- v. Finally, the various activities itemized in the action tables should be linked to the Sacco's annual budget allocation to avail financial resources necessary to facilitate implementation.