Foreword

This strategic plan is the second in the history of the Sacco. The first strategy that has just ended prepared the ground towards new heights by formulating policies and procedures that had been lacking for a long time. This strategy builds on gains made in the previous one and comes at a time when there is stiff competition that demands re-engineering and re-defining our destiny.

A visionary institution cannot operate without a strategic plan. The strategic plan defines the path to achieving our desired goals in complex and difficult economic times. The Sacco movement is changing rapidly and members have various alternatives thus justifying the need for a strategic plan that will meet their needs and give them hope for the future. This strategic plan is therefore about our critical path that provides maximum benefits to members.

This strategic plan acknowledges the importance of a functioning institution that delivers its mandate of serving members and availing resources to better their lives through personal loans and returns from interest on deposits and dividends. This will be achieved through six strategic pillars; Financial Performance, Corporate Governance, Human Resource Management and Administration, Operational Efficiency, Infrastructure, and Marketing and Customer Care. These pillars define our priorities.
In order to achieve our desired goals in this strategy, various committees will work in tandem and reach out to willing partners to invest and provide capacity across the board. Our target partners include financial institutions, like-minded Saccos, Non-Governmental Organizations, Institutions of higher learning and other interested groups.

I want to thank the Strategic Planning Committee, the Board of Directors, the Staff and all those others involved during the process. I will forever be indebted for your invaluable time, resources and knowledge. May the Lord bless you as we embark on the implementation of the strategy.

Walter Aoko
CHAIRMAN

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The strategic plan would not have been realized without sacrifices and commitment from the Strategic planning committee comprised of:

1. Thomas Koyier- Chairman
2. Norman Gachoka
3. Humphrey Osore
4. Fred Osoro

Abbreviations and Acronyms

AGM  Annual General Meeting
BOD  Board of Directors
BOSA  Back Office Savings Account
FOSA  Front Office Savings Account
HIV/AIDS  Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
ILO  International Labor Organizations
ICT  Information Communication and Technology
SACCO  Savings and Credit Cooperative
SWOT  Strengths, Weaknesses, Opportunities and Threats
1.0 Introduction

1.1 Organization History

Biblia Sacco Society was formed in 1976 by staff members drawn from United Bible Societies and the Bible Society of Kenya with the aim of bringing together Christian organizations within Nairobi and its environs. It was formed to promote thrift among its members by affording them an opportunity for accumulating their savings and thereby creating a source of funds for providing affordable credit. The Sacco offers credit and savings products in compliance with the Co-operative Societies Act.

Biblia Sacco is registered under the Co-operative Societies Act that together with the rules and Biblia Sacco’s by-laws define the confines within which the Society carries out its operations. The Annual General Meeting, the supreme body of the Society, elects a Board of Directors of nine members which oversees the operations of the Society, and a Supervisory Committee comprising three members. There are four subcommittees—Finance and Administration, Credit and Business Development, Education and Marketing and the Audit and Risk. The board has the mandate to form ad hoc committees from time to time as the need arises.
Biblia Sacco Society considers investment in its employees and ICT as one of the cornerstones of efficient delivery of services to its members. In order to enhance service delivery, Biblia Sacco continues to invest in human resource, appropriate technology and processes.

1.2 Background
Biblia Sacco Society is developing its second strategic plan for the 2012-2016 five-year period. The process of strategic planning will enable the Society to develop appropriate ways of maximizing the use of its resources, after scanning its environment and considering its strengths and weaknesses. The current environment presents new challenges as it is continuously changing.

In order to remain successful, Biblia Sacco recognizes the need to analyze the environment with an aim of identifying the opportunities and threats that it is likely to face in the next strategic planning period. Lessons learnt from the previous strategic period of 2007-2012 are also taken into consideration.

The benefits that will accrue to the Sacco through the implementation of this Strategic Plan will be:

1. Motivation of the staff and the management team as a result of participation in setting the strategies and implementing them, having clearly set objectives to accomplish them and measurable parameters to monitor performance.
2. Positive perception of Biblia Sacco by its stakeholders.
3. Higher level of preparedness in the face of challenges presented by the external environment.
4. Increased levels of operational efficiency which will result in better service delivery to its customers.

In order to achieve the desired goals, the following strategic pillars were identified:

1. Financial performance
2. Corporate governance
3. Human resource management and administration
4. Operational efficiency
5. Infrastructure
6. Marketing and customer care

The overall strategic objectives to cover the pillars are:

1. To build a strong capital base that avails adequate funds for loaning and generating maximum surplus for distribution to members.
2. To strengthen the governance structure that supports the aspirations and values of the Sacco.
3. To build a strong result-oriented team that meets expectation from members.
4. To embrace and institutionalize the use of technology and internal control systems in delivering services.

5. To initiate infrastructural development initiatives for quality service delivery.

6. To enhance a vibrant marketing and customer care team for overall growth.

This Strategic Plan is based on the assumptions that:

- There will be no political instability for the next five years.
- All the member units will remain viable.
- There will be a stable economic and fiscal environment.
- There will be changes in legislation with the enactment of the new constitution, some of which might affect the society.
- No major socio-cultural changes are expected.

### 1.3 The Strategy Development Process

The Strategic Plan was formulated in a participatory process that involved the staff, the board and the supervisory committee members.

An internal scan was conducted to evaluate the adequacy and comprehensiveness of systems and procedures, identify the operational challenges facing the Society, give recommendations, and establish the Sacco's financial position in order to advise on the way forward and provide input in developing the key strategic pillars. The internal scan reviewed all operational areas including performance management and accounting, governance and administration, human resource management, BOSA, administration, and internal audit. In carrying out the internal scan, the following approaches were used:

- Preliminary discussions with members of the Board and Staff.
- Perusal of the necessary documents provided by the Society.
- Interviews with members of staff using a self-administered questionnaire.
- General observation of various activities within the Society.

Thereafter, the Board of Directors, Supervisory Committee and staff participated in brainstorming sessions and group discussions to formulate the Strategic Plan. The findings of the internal scan formed the basis for formulation of the objectives for the Strategic Plan, as this portrayed the society’s strengths and weaknesses.
2.0 Vision, Mission, Principles and Values

2.1 VISION
To be a model SACCO empowering Christians economically.

2.2 MISSION
To efficiently and effectively promote savings, credit and investment programs amongst our members by offering them high quality and diversified financial products and services at fair and reasonable interest rates.

2.3 MOTTO
Pooling together.

2.4 PRINCIPLES

2.4.1 Voluntary and open membership
The society shall always be guided by the principle of voluntary and open membership in its member recruitment drive without political, ethnic, religious, gender or social discrimination.

2.4.2 Democratic member control
The society will be fully controlled by members who will have equal voting rights on the basis of one member one vote.

2.4.3 Economic participation by members
Members shall contribute equitably to the capital of the society and share in the results of its operations.

2.4.4 Autonomy and independence
The society shall operate on mutually acceptable terms with its stakeholders who will ensure its autonomy and independence.

2.4.5 Education, training and information
The society shall foster reciprocal, on-going education programs for members, leaders, staff and the community so that they can teach and learn from each other or from the appropriate resource persons in understanding and carrying out their respective roles.

2.4.6 Co-operation among co-operatives
In order to better serve the interests of the members and the community, the society shall actively co-operate with other co-operatives locally, regionally, nationally and internationally.

2.5 CORE VALUES
1. The Lordship of Jesus Christ
2. Integrity
3. Accountability
4. Transparency
5. Honesty
6. Teamwork
3.0 Situational Analysis

The Sacco operates in a cosmopolitan environment which has its own strategic advantages and disadvantages. This strategic plan encompasses many factors that bear on the operations of the Sacco as a source of loans for its members, and which constitute its internal and external environments.

3.1 The Internal Environment

As part of the strategic planning process, Biblia Sacco considered all factors, internal and external, that may influence the attainment of its objectives. The Sacco’s internal environment was analyzed using a SWOT analysis, with the aim of maximizing the Society’s strengths and opportunities and minimizing its weaknesses and threats. The PESTEL analysis was further used to analyze the external environment.

3.1.1 Strengths

Significant strengths of Biblia Sacco include among others:
1. An energetic, vibrant, committed and supportive team.
2. Strong practiced Christian values.
3. Multi-disciplinary team among the Board of Directors, Supervisory members and staff.
4. Competent personnel.
5. Goodwill and loyalty from members.
6. A well-defined organizational structure that facilitates policy implementation.
7. A strong, visionary leadership that is able to realize greater strides of Sacco growth.

3.1.2 Weaknesses

The identified weaknesses that face the Sacco include:
1. Inadequate performance management systems.
2. Over-reliance on volunteers from the Board of Directors on administrative matters.
3. Limited financial and human resources.
4. Inadequate policies and procedure manuals.
5. Low membership growth.
6. Inadequate infrastructure.
7. Inadequate marketing strategies.
8. High rate of defaulting members.

3.1.3 Opportunities

The Sacco has identified its opportunities as:
1. Goodwill from current leadership creating conducive environment to review the governance system.
2. Large population of Christians with low proportion joining the Sacco.
3. Location of the Sacco within the city with viable income-generating opportunities.
4. Abundance of Information Communication Technology (ICT) environment for efficient services.
5. Increasing demand for new products and other investments within the Sacco.
6. Availability of diverse skills within the membership that can be tapped for Sacco development.
7. Existence of partners with diverse capacity to support the Sacco.
8. A devolved government that provides an opportunity for closer collaboration with the Sacco.

3.1.4 Threats
The threats that have been identified are;
1. Emergence of alternative means and sources of cheap, unsecured loans.
2. Increasing levels of poverty in Kenya.
3. Stiff competition from financial institutions and other Saccos.
4. Retrenchment and declining employment opportunities.
5. Increasing external commitment by the Board of Directors leaving less time for the Sacco.

3.2 The External Environment
The external environment encompasses the Sacco's sphere of influence and operation which is outside its own control yet it affects its ministry operations. It includes the Political, Economic, Social, Technological, Environmental and Legal (PESTEL) factors that influence the activities and programs of the Sacco on a day to day basis.

3.2.1 Political environment
The implementation of the new constitution is likely to pose challenges which may impact on the Sacco in its operations. The promulgation of a new Constitution in August 2010 ushered in a new political dispensation. It introduced a national government, 47 county governments and a bicameral parliament with a national assembly and a senate, to in-build checks and balances in the government. Uncertainties brought about by the 2013 elections impacted on Sacco members. Political climate reduces investment in the country due to uncertainties leading to slow economic growth.

3.2.2 Economic environment
Since the 2007/8 post-election violence, the Kenyan economy has not done very well but has been recovering slowly. The high interest rates experienced in the year 2011 as a result of the global recession adversely affected the economic growth. The Kenya Vision 2030 blueprint targets an economic growth rate of 10% per annum. The goal is to transform Kenya into a globally middle income country by the year 2030 which presents an opportunity for economic empowerment.

The country faces several economic challenges such as high unemployment rates leading to high crime rate, substance abuse, and increased cost of borrowing that undermines investor confidence. Sacco members will need to be more vigilant and work harder in order to make savings and also deal with these economic challenges.
3.2.3 Social environment

Biblia Sacco is at the heart of Nairobi city that houses Kenyans and non-Kenyans from all corners and walks of life. The allure of urban life and the promise of better prospects attract people from across the geographical divide. The rural-urban migration and unmatched economic opportunities lead to increased poverty and a strain on available financial resources. This may lead to an increase in loan delinquency as incomes are lost, and loans are diverted into non-income generating uses.

3.2.4 Technological environment

The vast advancement in information communication technology has changed people's way of life and doing business and without exception how the Sacco business is carried out. Well-harnessed technology usage and application does improve penetration into new catchment areas at minimal cost. The future of any business lies in ICT, but acquisition of the same is restrained by cost, availability and rate of obsolescence. With the use of ICT, increased fraud and threats of data and information insecurity remain a challenge. The Sacco is up to task to leverage this opportunity that technology presents while addressing the challenges that come with it.

3.2.5 Environmental

Like any other world economy, Kenya is faced with a lot of environmental challenges, among them climate change and global warming which have resulted in poor rains, erratic weather patterns and consequently drought, famine, unreliable food and water supplies. This has had an adverse effect on the overall cost of living leading to less disposable income for the Sacco members.

3.2.6 Legal environment

As with all other institutions, the Sacco is subject to the laws and statutes of the country and especially the Sacco Act. The Sacco has a moral obligation to ensure adherence to these laws. The fast and ever-changing legislation that regulates and governs the Sacco poses a challenge due to the changing reporting and operating conditions that require increase in personnel and ultimately the cost of doing business.
4.0 Strategic Pillars

The strategic pillars provide the focus of the Sacco strategy. They anchor the broad objectives of the Sacco and a frame of reference in determining the implementation milestones. They include:

4.1 Financial performance

This pillar will determine the ultimate success of the Society and draws its strength from the performance of the other pillars. A large member base will result in higher capital and assets base for the Sacco leading to increased surplus and returns to members.

Under financial performance pillar, the Sacco will focus on:

- Loan default management
- Core capital growth
- Share capital growth
- Loan portfolio management
- Cost management
- Investment

4.2 Corporate governance

For the effective implementation of the strategy, the Sacco will review the policies, procedures and regulations, and align its organizational structures to facilitate the implementation.

Under this pillar, the Sacco will focus on:

- Code of conduct
- Education
- Communication and decision making
- Networks and partnerships
- Compliance and supervision
4.3 Human resource management and administration
Properly managed human resource complement is the most valuable resource in the Society. Committed BOD, supervisory and staff members will assist the Society achieve its Vision and Mission. This pillar will focus on:
- Staff recruitment, productivity and compensation
- Performance management
- Training and development
- Time management

4.4 Operational efficiency
The attainment of the efficient ICT system will enhance the strength of internal controls, integrity of financial management reporting and risk management program. Customer care will also be enhanced through efficient operations. Risk management structures will be enhanced through a vibrant internal audit function and policy development and implementation.

4.5 Infrastructure
To meet its current and future needs, the Society needs to ensure that it has adequate space, tools and equipment. This will include the acquisition of adequate space to operate a Front Office Savings Activity, recruit additional staff, and ensure that the working atmosphere is conducive. This will involve putting in place the following:
- Space
- Management Information System: Hardware, tools and equipment
- Marketing and public relations resources
4.6 Marketing and customer care

In an extremely competitive and robust financial market, the winning team will be the one that pushes its products and services very aggressively, and offers exemplary customer care to recruit and retain its members and customers. Biblia Sacco is no exception. To remain relevant, the Sacco will ensure that customer service is world class and offer products and services that are member-driven and relevant using the following strategies:

- Membership
- Products and services
- Customer care
5.0 Implementation Plan

The strategic plan will be launched at the AGM and will become effective on the 1st January 2012 through December 2016. An all committee meeting will be held to sensitize and extract relevant objectives assigned to them for implementation. Implementation will be based on a comprehensive matrix (Printed separately) that clearly spells the objectives, strategies, activities, timelines and responsible person as well as the budget.

**Critical Success Factors**

For the strategic plan to be implemented the following shall be required;

1. Organizational audit - The organizational audit will assess all areas of the Sacco operations to determine existing capacity to deliver the strategy and identify gaps for the board of director’s attention and action. It is envisaged that this will lead to structural adjustments.

2. New information technology infrastructure - This is required in order to improve Sacco efficiency in all operations. Specific requirements will be established through organizational audit and internal assessment of current IT infrastructure.
3. Capacity Building - New thinking and approaches require capacity building at all levels. A systematic capacity building program will be developed after the organizational audit.

4. Re-organizing board committees - The increasing number of ad hoc committees is a clear indication that formal standing committees are required to address emerging issues. The board will re-organize the current set up and revise the committee’s tasks and responsibilities.

5. Resource mobilization - Implementation of the strategy requires a significant amount of resources both human and finance. Budgets will be aligned to the strategy while investment opportunities will be explored to increase cashflows.

6. Monitoring and Evaluation

Monitoring and evaluation of the Strategic Plan will be a continuous process to assess the degree to which set objectives are being achieved. This will highlight issues for management to take corrective measures promptly. Any required amendments or allocation of additional resources will be effected as the need arises. This control mechanism requires the involvement of all members of Society. The mechanism for monitoring and evaluation will include:

6.1 Board of Directors

This committee will oversee the overall Strategic Plan implementation process through a steering committee of the board, and will hold reviews on quarterly basis.
If no progress is recorded, the Board will review the plan and map the way forward to avoid loss of time and other resources.

6.2 Society Manager
The Society’s Manager is a key person in the monitoring and evaluation of the implementation process. He/She will be concerned with the overall performance, noting and correcting deviations from the plan, and will ensure that all the set objectives in the key areas mentioned are achieved in the stipulated time frame. He/she will be at the forefront to encourage and support all staff in the monitoring and evaluation processes and 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 BOD to take appropriate action.

The Manager will report the Society’s progress to the BOD on quarterly basis. Failure to make satisfactory progress towards accomplishing the set objectives will signal a need for corrective action.

6.3 Supervisory Committee
The Supervisory Committee will be responsible for reviewing deviations from implementation and raise red flag to the Chairman of the BOD and AGM.

6.4 Strategy Revision
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:
- Strategic Plan implementation should be an agenda item for all staff and board meetings.
- There should be official handover of the Strategic Plan to a new BOD. This will ensure continuity in implementation.

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.
The Strategic and Implementation Committee

Biblia Sacco organogram