

STRATEGIC PLAN

2017 – 2020



St Paul's Self Help Group

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ABBREVIATIONS

CRM	Customer Relationship Management System
ICT	Information Communication Technology
KUSCCO	Kenya Union of Savings and Credit Co-operative
PESTEL	Political, Economic, Social, Technology, Environment
STRAP	Strategic Action Plan
SHG	Self Help Group
SWOT	Strengths Weaknesses Opportunities Threats
USSD	Unstructured supplementary service data

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1.

Introduction





The St. Pauls Self Help Group (SHG) was registered in August 2000 as an organisation to carry out socio-economic development with the aim of empowering Christians under the archdiocese of Nairobi Social Promotion Registered Trustees i.e. CARITAS NAIROBI.

Over time, the Self Help Group membership has grown to over 700 members as at December 2016. The members' savings have created a pool from which they can borrow to meet their social and economic needs as well as invest excess funds through CARITAS to earn dividends.

Lending to members is secured by their shares and by other member's shares through guarantorship. To strengthen the guarantorship system, the SHG has

14 investment groups that enhance the social fabric amongst members. The SHG exists to empower members through savings mobilization, provision of credit, investment, training and technical support.

2.

Situational Analysis



KEY GROWTH INDICATORS





The SHG has registered tremendous growth in various institutional facets in the last seventeen years. There has been substantial growth in membership, loan portfolio, investments and the return on members' shares. The day to day operations have also improved as a result of digitalisation of the accounting processes, investment in information communication technology and staffing. Under leadership and governance; the SHG organizational structure consists of a management board with working committees. These committees include the capacity building & development committee, the credit committee, and the supervisory committee.

The table below shows the growth in the selected key indicators over the past four years.

GROWTH IN KEY INDICATORS

ITEM / YEAR (ENDED JULY)	2012/2013	2013/2014	2014/2015	2015/2016
Membership	330	365	470	578
	KSHS	KSHS	KSHS	KSHS
Loan Portfolio	8,012,000	11,116,135	11,934,832	17,232,001
Members Shares	22,489,125	27,430,225	32,426,290	43,799,467
Investments	16,412,954	17,129,773	22,140,360	28,758,363
Current assets	25,454,772	31,230,007	36,924,239	49,399,229
Current Liabilities	1,304,145	1,723,526	345,068	663,441
Income	1,854,526	2,443,256	2,940,508	4,952,905
Expenditure	275,294	353,774	672,172	1,118,902
Surplus	1,579,232	2,089,482	2,268,336	3,833,996
Return on Equity (surplus/equity)	7.0%	7.6%	7.0%	8.8%
D.P.S (surplus/shares)	4.6%	5.1%	4.7%	5.9%

While SHG has registered admirable growth over the years there is room for accelerating its growth through focusing on growing some of the key drivers which are listed below;

			
Membership and savings mobilization	Loan portfolio	ICT innovation	Products and services

EXTERNAL ENVIRONMENT ANALYSIS

This analysis was conducted to identify factors outside the SHG and their impact on the growth of organisation.



POLITICAL ENVIRONMENT

The impact of the political environment to SHG is dependent on prevailing government policies and other factors that may affect economic development in the country.



ECONOMIC ENVIRONMENT

It directly affects the growth of the SHG as it either increases or decreases the disposable income of the members. Some economic policies as listed below affect the demand and supply of money in the economy and have both positive and negative effects on the group.

- Capping of bank interest rates tightened the credit market and created a higher demand for SHG loans which are cheaper and readily available to members.
- Introduction of the minimum interest rate paid for bank deposits at guaranteed minimum return on savings and therefore translated to pressure for SHGs to meet the same rate as a minimum return on members shares.



SOCIAL CULTURAL ENVIRONMENT

St. Paul's SHG membership consists of both old and young members with high level of education and who expect to receive excellent customer experience. Most members prefer to use digital technology to access services from the group. This has resulted to the group's increased investment in ICT and development of products to suit its members.



TECHNOLOGICAL ENVIRONMENT

Increased internet connectivity and the growth in mobile phone technology within the business environment have informed St. Paul's SHG adoption of technology so as to facilitate the delivery of seamless customer service. Some of the challenges that the group faces include high cost of automation of services and maintaining data security.



ENVIRONMENTAL FACTORS

St. Paul's SHG is not directly affected by environmental conditions although we remain conscious of the impact vagaries of nature have on the economy and business.



LEGAL AND REGULATORY ENVIRONMENT

SHGs are regulated by CARITAS Nairobi under the Social Promotion Trustees Programme. Caritas Nairobi oversees compliance of SHGs to stipulated guidelines. This strategic plan is prepared in compliance with set guidelines.

3.

SWOT Analysis



SAVINGS AND MEMBERSHIP MOBILIZATION

	STUDENTS
 STRENGTHS	<ul style="list-style-type: none"> • Large numbers of students across the Campuses • Tech savvy • Receptive to new ideas • Innovative • High affinity to spend • Small percentage work on part-time basis
 WEAKNESSES	<ul style="list-style-type: none"> • Transitional • Low disposable income • Low sense of belonging because of transitional nature
 OPPORTUNITIES	<ul style="list-style-type: none"> • Saving mobilisation through customised products targeting students. • Non-financial services - e.g. training on running start-ups, investment, money management & business counselling
 THREATS	<ul style="list-style-type: none"> • Potentially high default risk • IT based financial services by competitors • Transitional natures
 PROPOSED WAY FORWARD	<ul style="list-style-type: none"> • Continuous membership mobilization through education to the different student's groups and in the various campuses. • Innovate ways of connecting with students e.g. through products, promotional activities like engaging them during the induction week of campus. • Enhance service delivery through IT. • Increase loan uptake.

COMMUNITY	PRODUCTS AND SERVICES
<ul style="list-style-type: none"> • Diversity of the community. • Ability to generate income. • The community trusts the SHG due to established adherence to set core values. • Tech savvy. • Strong small Christian communities. • Strong support accorded by the church, Caritas and parish priests. 	<ul style="list-style-type: none"> • Low interest on loans • All loans are secured by shares hence the risk associated to loan repayment defaults are minimised. • Availability of investment groups to assist members get guarantors
<ul style="list-style-type: none"> • Disconnected due to the absence of a common bond • Low awareness of product offering • Low social interaction. 	<ul style="list-style-type: none"> • Absence of diversified products. • Low product awareness. • Loans can only be guaranteed using shares as use of collateral is in the guideline.
<ul style="list-style-type: none"> • Explore ICT based products & solutions • Tap on large numbers of both Catholics & non-Catholics in our community. • Identify champions of our products within the various church groups. 	<ul style="list-style-type: none"> • Survey and identify members unmet needs and develop customised product to address the said needs. • Continuous capacity building for members about the St. Paul's Self Help Group (SHG).
<ul style="list-style-type: none"> • The people are widely banked. • Highly informed community • High expectation of service delivery 	<ul style="list-style-type: none"> • Competitors with diversified products • Limitation of product offering due to the regulating policies. • Competitors with higher rates of dividends returns
<ul style="list-style-type: none"> • Continuous education to members and non-members in the church to create awareness of product offering. • Innovate ways of connecting with community e.g. creation of business clubs and investment talks. • Enhance service delivery using ICT. • Developing products that meet the needs of our members. 	<ul style="list-style-type: none"> • Understand members' needs and meet them through our products. • Continuous capacity building of members and management on products available. • Benchmarking with industry leaders.

SAVINGS AND MEMBERSHIP MOBILIZATION

	INFORMATION COMMUNICATION TECHNOLOGY
 STRENGTHS	<ul style="list-style-type: none"> • Availability of a skilled staff. • There is an ICT system in place. • There is a website in place. • There is an M-pesa pay bill number in place • Use of email in communication. • Use of WhatsApp in the investment groups
 WEAKNESSES	<ul style="list-style-type: none"> • Cost of ICT infrastructure. • There is need for data back-up system. • Absence of automated member balance query system.
 OPPORTUNITIES	<ul style="list-style-type: none"> • Mobile based products that includes the use of USSD. • Internet banking channels. • Mobile phone applications. • Embracing social media: Facebook Instagram, twitter, WhatsApp. • Agency banking services.
 THREATS	<ul style="list-style-type: none"> • There is increased competition. Many institutions offering ICT based products. • The dynamic nature of ICT. • Threat of crackers and viruses. • Delays and other inefficiencies caused by ICT service providers.
 PROPOSED WAY FORWARD	<ul style="list-style-type: none"> • Building St. Pauls Self Help Group mobile application. • Ensure that members can access credit on mobile phone. • System upgrade as and when need arises to meet members' needs. • Benchmarking with other players in the sector. • Adopting ICT based channels in service delivery.

LEADERSHIP AND GOVERNANCE

FINANCE AND INVESTMENT

- There is an empowered and able management board in place.
- The board is conversant with their roles.
- There are relevant board committees in place.
- Opportunities for capacity building sponsored by Caritas.
- There is a code of conduct for the board in place.
- A skilled and able staff.

- Low interest on loans.
- Constant growth in annual surplus.
- Skilled staff.
- Constant growth in the loan portfolio and investment options.

- There is need for continuous capacity building for the board.
- Leaders can only serve for 6 years.
- Rigidness of the Guidelines may impede growth.
- Lack of by-laws for the group.

- Limited investment opportunities as regulated by Caritas.
- High liquidity indicating that the SHG would benefit from investing in ICT & using analytics to guide its investment policy.
- Absence of a structured investment policy.
- Absence of share capital.

- There are extensive capacity building opportunities for the board.
- Empowered community eases the ability to recruit able leaders.

- Opportunity to lend small quantity lenders who may be shunned away from banks.
- Growth in earning through improved liquidity management.

- Micro management from Caritas Nairobi.
- Rigidness of caritas guidelines.

- Competitors with higher dividend rates on shares.
- Costs of investing in mobile internet service based on our numbers

- Structured and proper handover to new board member to be carried out.
- Continuous training of board members.

- There is need for diversified investments.
- Use of analytics to guide investment policy.

4.

Strategic Objectives



MEMBERSHIP AND SAVING MOBILIZATION	<ul style="list-style-type: none"> • Aggressive membership mobilization among the student population and non- student parishioners. Notably all the catholic church communities and congregation that do not have self-help groups. • Continuous education to promote a savings and investing culture to the existing membership. • Adapting more targeted communication strategies that leverages digital channels to increase reach. • There is need for branding the Self-Help Group.
PRODUCTS & SERVICES	<ul style="list-style-type: none"> • Carry out market research to understand customer needs and offer products and services to meet the needs. • Enhance product innovation. • Increase efforts to make investment groups functional to facilitate for regular member networking forums. • Carry out community mapping to inform product development.
INFORMATION COMMUNICATION & TECHNOLOGY	<ul style="list-style-type: none"> • There is a need for updating the current ICT system. • Adoption of an ICT solution that can integrate mobile banking, other banking platforms as well as provide some CRM capabilities with the aim of enhancing customer experience, product deployment and simplify our organisational operations.
LEADERSHIP & GOVERNANCE	<ul style="list-style-type: none"> • Continuous capacity building for the board and the committees on leadership, governance and operations. • Introduction of succession planning framework. • Creation of an advisory board that will facilitate continuous leadership support for the board.
FINANCE & INVESTMENT	<ul style="list-style-type: none"> • Develop an investment policy • Creation of non-refundable share capital.

5.

Strategic orientation





VISION	MISSION
A socio-economically empowered community.	We dynamically and innovatively promote the social economic welfare of our members by offering diverse and affordable financial services.

CORE VALUES

	TRUST	Honesty in dealings, safeguarding members interests and funds
	INTEGRITY	Fair business practices, Accountability, Transparency, Fairness
	CUSTOMER FOCUS	Passion to go the extra mile to delight our customers, build long term relationship and tailor products to meet their needs
	INCLUSIVITY	Service to all
	TEAMWORK	Cooperate to achieve the purpose of the SHG
	INNOVATION	Technology, product development and partnership

6.

Strategic objectives and goals



MEMBERSHIP

In the SP period to recruit 2100 students, this translates to 700 students per year. Recruit 1500 members from the community which will translate to 500 community members per year. This will mark a total increase of 3600 members for the entire strategic plan period.

YEAR	2014	2015	2016	2017	2018	2019	2020
Projected Membership	365	470	564	1064	2264	3464	4664
Projected Total Increase	35	105	94	500	1200	1200	1200
Total Percentage Increase	11%	29%	20%	89%	113%	53%	35%

SAVING MOBILIZATION

In the next 3 years, raise additional share capital of Ksh 75 million at 25m per year to be raised as follows;

- 10m will be raised from the existing members.
- 12m from the new members joining from the community category.
- 3m from the new members joining from the student's category.

PRODUCTS AND SERVICES

We will develop the following products:

Student products

- Laptop funding
- Settlement loans after graduation
- Meal loans

Community products

- Grandchild package
- Holiday and pilgrimage loans
- SME loans,
- Salary advance loans

ICT

In the next three years SHG will upgrade the current ICT system to offer the following:

- Mobile banking, loan alerts, alternative business channels, CRM, mobile apps, emails.
- Upgrade website to be more engaging and interactive.
- Enhanced system security features.

LEADERSHIP & GOVERNANCE

During the strategic planning period, we will enhance our governance and leadership by generating the following;

- **Operations policy:** covering finance and procurement, Human Resource, ICT and credit management.
- **Governance policy:** addressing board of management nominations, Advisory board nominations and CSR policies.

FINANCE AND INVESTMENT

- Establish a non-refundable share capital of Ksh 500 per member.
- Develop an investment policy.

7.

Key institutional strategies



MEMBERSHIP AND SAVING MOBILIZATION

The SHG will be focusing on the following groupings to increase members and savings mobilization.

- Recruiting from small Christian groups e.g. community of sisters and other catholic bodies for students e.g. ICYCS, Hospitals and schools.
- Recruiting from existing church groups and have champion representing the SHG in these groups.
- Recruit from current and former student Catholics Students Community through the use of existing database and campus orientation weeks.
- Develop an annual calendar for education to create product awareness
- Start saving clubs e.g. millionaires saving club, investment clubs.
- Develop a marketing plan targeting the identified groups.
- Mapping the institutions, we can draw members from e.g. -St. Austin's Church - Muthangari, St. Francis of Assisi Parklands.
- Carry out SHG branding.

Products and Services

- Develop customised savings products and appoint a committee to manage the product deployment.
- Money transfer platforms.
- Insurance products.
- Non-financial services e.g. Income generating paid for events and free events to provide networking forums and platforms to create our product awareness.
- Agency banking.

Information Communication Technology

- Upgrade existing ICT systems to enhance services and analytical assessments.
- E-statement services for members.
- Pay bill payment service.
- Mobile banking services.
- Social media: Website, Twitter Facebook, WhatsApp, Instagram, Slack.
- USSD - Unstructured supplementary service data.
- CRM-Client relationship management system.
- Bulk SMS service.

Leadership and Governance

- Annual internal review of governance and other internal policies.
- Develop an annual calendar for capacity building.

Finance and Investment

- Abolish account registration fees.
- Establish a non-refundable share capital of Ksh 500 per member.
- Develop an investment policy.



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