

# KIMISITU INVESTMENT COMPANY LIMITED

## STRATEGIC PLAN 2018-2022



January 2018

# KIMISITU INVESTMENT COMPANY LIMITED

P.O. BOX 37159-00200  
NAIROBI, KENYA

## Vision

A leading  
investment vehicle  
for economic  
better life

## Mission

To contribute to sustainable  
wealth creation for our  
communities by pooling  
resources for sound,  
innovative and market-driven  
investment products that are  
professionally managed and  
offer optimum returns

## Motto

“Your umbrella in  
fair weather!”

## Core Values

Integrity  
Professionalism  
Passion  
Freedom



**LIST OF ABBREVIATIONS AND ACRONYMS**

AGM	Annual General Meeting
BOD	Board of Directors
CCIA	Co-op Consultancy & Insurance Agency
CSR	Corporate Social Responsibility
GDP	Gross Domestic Product
ICPAK	Institute of Certified Public Accountants of Kenya
ICPSK	Institute of Certified Public Secretaries of Kenya
ICT	Information Communication Technology
KICL	Kimisitu Investment Company Limited
KRA	Kenya Revenue Authority
MOU	Memorandum of Understanding
PESTLE	Political, Economic, Social, Legal & Ecological/ Environment
ROI	Return on Investment
SWOT	Strengths, Weaknesses, Opportunities & Threats

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## CHAPTER 1. - EXECUTIVE SUMMARY

Kimisitu Investment Company Limited (KICL) was registered in August 2010 (No. CPR/2010/29248) under the company's Act (Cap 486) of the laws of Kenya. It is a public limited company offering investment opportunities to the public. The main object of KICL is to take advantage of investment opportunities existing in the country with the ultimate goal of creating shareholder wealth.

The company currently has 1,736 shareholders with a total share capital of Kes. 79.7 million and an asset base of over Kes.160 million. The company's key investment is in real estate and money market.

In order to achieve its vision and continue managing the future growth and performance of the company, the Board of Directors and senior members of staff met at Four Points by Sheraton Hotel, Hurlingham, on 19<sup>th</sup> January 2018 to document the strategic direction of the company for the next five years. The workshop was facilitated by Co-op Consultancy & Insurance Agency (CCIA).

To develop the Strategic Plan, the participants analysed the environment in which the company is operating, from both internal and external perspectives. This was done using the Strengths, Weaknesses, Opportunities, Threats (SWOT) and Political, Economic, Social, Technological, Legal, Ecological (PESTLE) analysis tools. These focused on the company's internal strengths and weaknesses, and an external analysis on the opportunities and threats arising from the impact of political, environmental, social and technological issues.

The company's Vision, Mission, Objectives, Strategies and Action Plans were formulated. The company intends to use the Strategic Plan as a guide and reference document to achieve its overall Mission and Vision.

The objectives and strategies for achieving the Mission and Vision were formulated in seven key areas (Pillars), namely Shareholders /investors, Human Resource, Financial, Systems, infrastructure & Operations, Governance & Leadership, Investments & Services,

and Social Responsibility and stakeholders. The action plans are to be used as a monitoring tool for the Plan. The key objectives for the Society include:

1. To have vibrant shareholders participating actively in the company's projects and activities.
2. To grow our share capital to at least Kes. 200 million by 2022.
3. To efficiently use and grow our assets to at least Kes.450 million by 2022.
4. To expand and diversify the company's investments for optimum returns.
5. To adopt emerging and cost effective technology and continuously enhance the company's risk management framework.

The Strategic Plan also includes a highlight of the monitoring and review process, which helps to assess the progress made towards meeting stated objectives. This process gives feedback to the management and highlights potential problems, which can be addressed before the situation becomes critical, enabling timely corrective action. To ensure this, the Management will continuously discuss the Strategic Plan in its meetings as an agenda, and demystify its importance to the shareholders and staff.

## CHAPTER 2. - INTRODUCTION

Kimisitu Investment Company Limited (KICL) was registered in August 2010 (No. CPR/2010/29248) under the company's Act (Cap 486) of the laws of Kenya. This was after a resolution of the AGM for KIMISITU Sacco Society Limited in February 28<sup>th</sup> 2010. It is a public limited company offering investment opportunities to the public. The main object of KICL is to take advantage of investment opportunities existing in the country with the ultimate goal of creating shareholder wealth. The investment company's investment portfolio will be well diversified in listed equities, private equity, real estate, fixed income and offshore funds.

In order to continue managing the future growth and performance of the company, the Board of Directors appointed Co-op consultancy and Insurance Agency (CCIA) to support the company in developing a five-year strategic plan (2018-2022).

To develop the Plan, the operating environment was analysed from both internal and external perspectives. This was done using the Strengths, Weaknesses, Opportunities, Threats (SWOT) and Political, Economic, Social, Technological, Legal, Ecological Environment (PESTLE) analysis models. These focused on the company's internal strengths and weaknesses, and an external analysis on the opportunities and threats arising from the impact of political, environmental, social and technological issues.

From the SWOT analysis, the company's Vision, Mission, Objectives, Strategies and Action Plans were formulated. The company intends to use the Strategic Plan as a guide and reference document to achieve its overall Mission and Vision.

The objectives and strategies for achieving the Mission and Vision were formulated in seven key areas (Pillars), namely Shareholders, Human Resource, Finance, Leadership & Governance, Products and Services, Operations, ICT & Infrastructure, Social Responsibility and Stakeholders. The participants further developed action plans for each of the objective to be used as a monitoring tool for the five-year Plan.

The Strategic Plan also includes a highlight of the monitoring and evaluation process, which helps to assess the progress made towards meeting stated objectives. This process gives feedback to the management and highlights potential problems, which can be addressed before the situation becomes critical, enabling timely corrective action. To ensure this, the Management will continuously discuss the Strategic Plan in its meetings as an agenda, and disseminate the information to shareholders, investors, clients and staff on its importance to KICL.

## CHAPTER 3. - COMPANY'S VISION, MISSION & CORE VALUES

### 3.1 VISION



*“A leading investment vehicle for economic better life”*

### 3.2 MISSION STATEMENT

*“To contribute to sustainable wealth creation for our communities by pooling resources for sound, innovative and market-driven investment products that are professionally managed and offer optimum returns”*



### 3.3 CORE VALUES



**a) Integrity**

The Company shall always conduct its affairs in a manner that is above reproach. We are committed to acting at all times with honesty, fairness, ethically and without discrimination in all our operations. We inspire our clients to trust us by following our commitments. We are clear in our communication with both our clients and employees.

**b) Professionalism**

The company strives to carry out all its duties with the highest level of proficiency, teamwork and dedication with a view to exceeding the expectations of our staff, customers and stakeholders. We adhere to good investment and Management practices. We shall portray

professionalism when interacting with customers in person, on phone, social media or email.

c) **Passion**

We are zealous at everything we do. We are committed to meeting our clients' needs

d) **Freedom**

We need freedom to shape our future and wealth to remain free.  
We are dynamic and embrace innovation and resilience.

### 3.4 SLOGAN (MOTTO)

*“Your Umbrella in fair weather”*



**CHAPTER 4. - SITUATIONAL ANALYSIS**

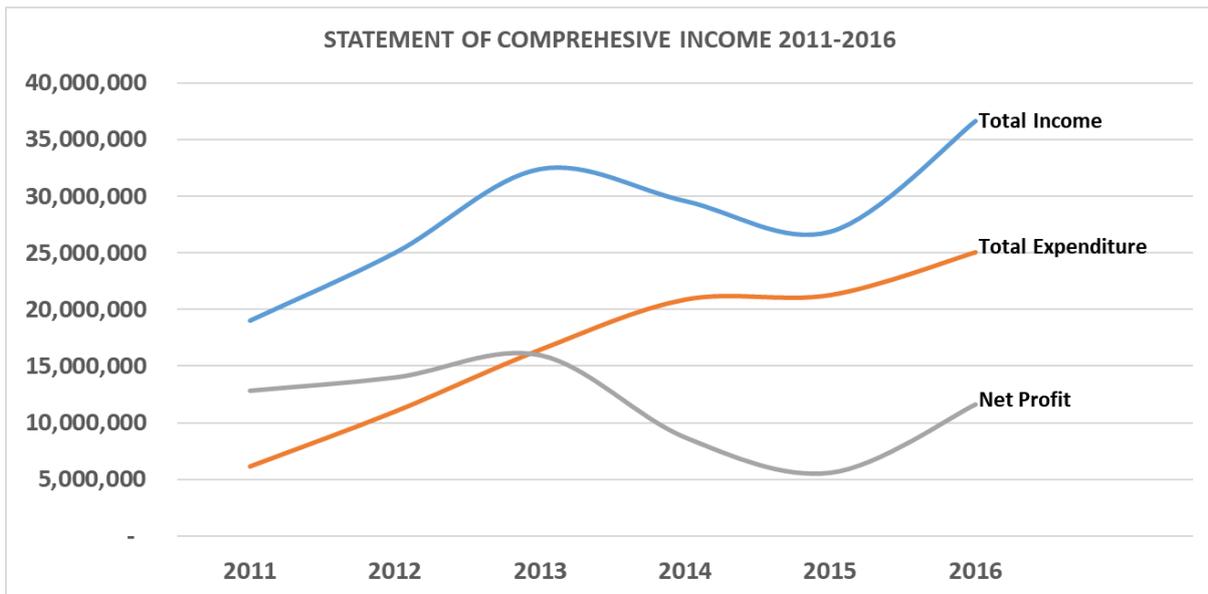
**4.1 Shareholders**

The company has 1,736 shareholders in the register as at the end of November 2017 and are drawn majorly from Kimisitu Sacco Society who is the single major shareholder.

**4.2 Statement of Comprehensive Income**

The Company’s income has been growing from 2011 except in 2014 and 2015 when the income dropped by 9%. This is as a result of low business and competition in the industry. In 2016, the company’s income grew by 36% as a result increased sales.

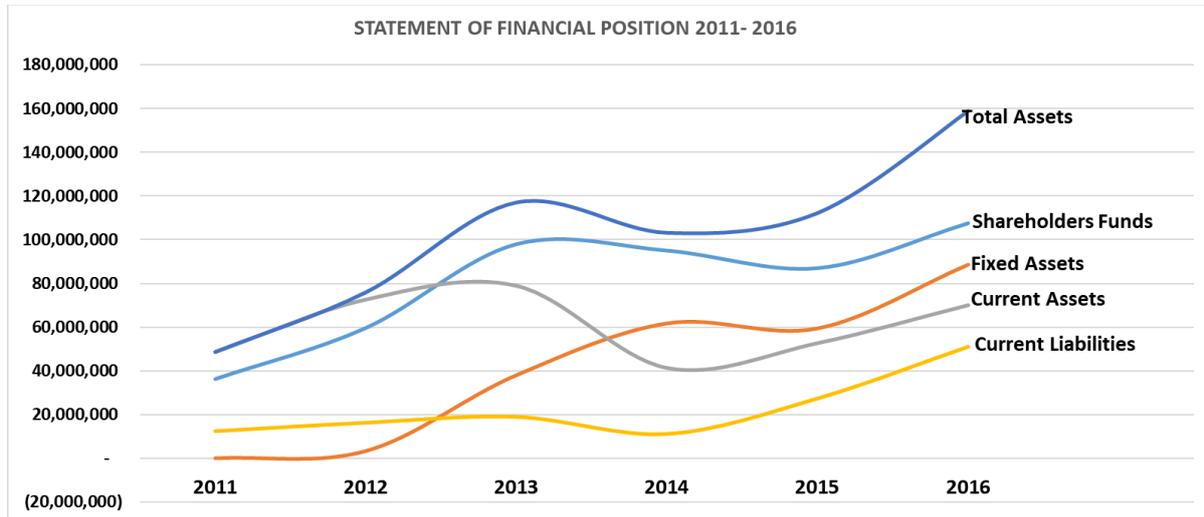
The company’s cost to income ratio improved in 2016 to 68% from 79% in 2015. The lowest cost income ratio was in 2013 at 44% compared to the other years of operation. The net company had a sharp increase in income (36%) and net profit (113%) in 2016. The chart below illustrates the trend in total income, total expenditure and net profit.



### 4.3 Statement of Financial Position

The Company’s assets and shareholders’ funds have grown by 226% and 197% respectively since 2011. The company’s fixed assets have grown from Kes.102, 617/- in 2011 to Kes.88.67 million in 2016.

The statement of financial position for the last six years is graphically presented below.



### 4.4 SWOT ANALYSIS

In developing a strategic plan one needs to consider all factors, internal and external, that may influence the attainment of the stated objectives. One method of



doing this is through conducting an analysis, which is based on the assumption that effective strategy is derived from a combination of the company’s internal capabilities and its external situation. The best combination is one which maximizes the company’s strengths and opportunities and minimizes the Company’s weaknesses and threats. This analysis is called a SWOT analysis, an acronym derived from Strengths, Weaknesses Opportunities and Threats.

The Company’s Strengths, Weaknesses, Opportunities and Threats were analysed and applied in strategy development to maximise on the internal organizational strengths and opportunities and minimise its weaknesses and threats.

#### a) Strengths



Strength	Possible impact
1. Strategic partnership with Kimisitu Sacco Society	This will improve the visibility and business of the company. It also provide ready market for the company projects.
2. Loyal customers	This is an indication of satisfaction and good customer service and leads to repeat business.
3. Committed and competent members of staff	Excellent customer service. The company will be run professionally.
4. Goodwill with financial institutions	The Company can access loan facilities and negotiate with ease during times of financial distress.
5. Robust ICT system	The company is currently using Navision which enables the company to have accurate records and assist the management in making proactive and sound decisions.
6. Strong brand name	The company has a strong brand name which has enabled it gain confidence of their clients’ hence good participation in the company projects.

7. Consistent in dividend payment	The company has been paying dividend to the shareholders since 2011. This has created confidence and trust in the company by the shareholders. The shareholders are likely to actively participate in raising the share capital in future for better returns.
8. Competent and dedicated board	The board of the company is drawn from shareholders who are from different professional fields and are competent and dedicated.
9. Clear governance structure	The governance structure has streamlined the processes and operations of the company. This has led to quick decision making.

## b) Weaknesses



Weakness	Possible impact
1. Inadequate marketing of the company projects	This may lead low sales hence low performance of the company.
2. Inadequate market research	This may lead to the company coming up with projects that are not market-driven hence low sales. This may lead to high non-earning assets.
3. Inadequate staffing	This may compromise service delivery to the clients and growth of the company.
4. Inadequate capital base	Inability to expand and diversify the company operations
5. Limited communication channels	Inability to reach a wide potential market.
6. Unclear succession plans	Disruption of the company activities if some members of staff leave the company.
7. Diminishing client base- Kimisitu sacco	The company has been relying on Kimisitu Sacco member to take-up projects. Diminishing client base may lead to low sales and performance. There is need to carry out a survey and segment the clients before rolling out new projects.
8. Long turnaround time for new projects	Potential clients may opt for other projects by competitors. There is need to have deal pipeline projects.
9. Lack of logistics to projects sites	This may lead to low sales and project uptake. There is need to organise site visits for clients to appreciate the location.
10. Inadequate diversification of company investments	The company has been involved in buying large parcels of land and selling it in terms of plots. There is need to think of

	other revenue generating ventures e.g. bonds, commercial buildings, residential houses, agribusiness etc.
11. Inadequate benchmarking	Inability to understand the trends in the industry and learning from others.
12. Inadequate staff training and exposure	Inability to offer better services. The Company may make investment decisions that are less informed and sound. There is need to organise both in-house staff training and external staff training for staff development.
13. <b>Inadequate performance monitoring as institution and staff</b>	Late or non- implementation of proposed projects. This may impact on the growth and performance of the company.

### c) Opportunities



Opportunities	Possible impact
1. Diversification of investment options	The company will have sustainable cash flows and income.
2. Market research to provide market driven products	The company will be in a position to understand client needs and preferences and will improve projects uptake once projects are rolled out.
3. Grow our capital base	Strong capital base will help the company to take up bigger projects that require high capital investment hence high returns.
4. Source for cheap finance	The company has the ability to source for cheaper funds to invest in big projects with whose returns are long-term.
5. Explore new markets	The company has the opportunity to expand its clientele base by inviting the public to participate in their projects.
6. Partnerships with other organizations and institutions	There is an opportunity to partner with other organization in various projects. These include construction of residential houses, commercial building etc.

7. Relationship management.	Relationship management will enable the company to market their projects easily and improve project up take.
8. Brand name growth	The company has a strong brand name that can be further promoted to enhance visibility.
9. Segmentation of customer base	This will enable the company to identify specific client need for different clients with different income levels.
10. Utilization of our ICT system	To data mine more information to understand our customers. The ICT system will also enhance communication.
11. Lobby and advocacy groups	There in opportunity to joint lobby / advocacy associations to protect the interests of the company. i.e. Kenya Alliance of Resident Associations (KARA)

#### d) Threats



Threats	Possible impact
1. Competition	There many organizations in real estate business. The company may lose potential clients. The company should roll out competitive projects.
2. Changes in legislation and the regulatory environment e.g. taxation, laws and regulations/ rules	Pressure on the company to comply hence incurring extra expenses.
3. Inflation	This may lead to general increase in prices hence affect clients' income to participate in the company projects. The value of the company assets may also be eroded.
4. Interest rates	This will affect the company's ability to borrow externally for projects if the financial institutions review the rates upwards. Clients who buy into the company projects through borrowing may also be affected.

5. Loss of key staff	This is likely to have a negative effect to the company. Key projects may stall and growth may stagnate. There is need to establish a clear succession plan.
6. Impact of Social Media	Kenyans are very active on social media and any negative information may adversely affect uptake of the company projects and loss of business.

#### 4.5 PESTLE

PESTLE analysis was undertaken to assess the macro-environment under which the company is operating as regards to Political, Economic, Socio-cultural Technological, Legal and Environmental (ecological) issues.

##### a) Political

The political scene in Kenya has been full of activities this year, 2017. The country went into General Election in August 8<sup>th</sup> 2017. The elections have been lauded as the largest and most transparent and fair.

However, the presidential election was nullified by the Supreme Court after the opposition launched a petition. This has led to sluggish economy with many business and business persons adopting a wait and see approach. The country went elections in October 26<sup>th</sup> 2017 in which the opposition boycotted citing unaddressed election malpractices. The Supreme Court however cleared the election free and fair leading to the coronation of the president on 28<sup>th</sup> November.

It has been noted that the Kenyan economy growth slows down every five year as a result of General elections. The elections create uncertainty in the economy especially after the 2007 post-election violence where many citizens lost their lives and businesses burned.

This current political environment in the country may lead to slow down in investments and growth of the economy.



## b) Economic

According to the National Bureau of statistics (KNBS) the inflation rate increase from 6.99% in January 2017 to 8.04% in August 2017. This was as a result of drought being experienced in many parts of the country and the increasing fuel prices. The current inflation rate is 4.73% as the end of November 2017. However, it is likely to be maintained below 10% in the coming years.



Kenya remains as an attractive investment destination for both domestic and foreign investors in real estate consumer goods, health and education subsectors (World Bank). The GDP growth in 2017 was 4.9%. The Treasury estimates that GDP growth is likely to oscillate between 5 and 6 per cent in the next five years. Both the World Bank and the International Monetary Fund

have also predicted an estimate of about 5-6 per cent, with a chance for higher growth if economic and political conditions are more favourable.

The Bank Act was amended in 2016 to cap the interest rates charged by financial institutions in Kenya. The maximum interest that can be charged is (14% on annual basis) four percentage points above the central bank rate which is currently at 10%. This has led to squeeze in credit for SMEs as bank shy away from lending to risky businesses. There has been a spirited efforts by the Kenya bankers association to have the law reviewed and the interest caps lifted.

The central bank has been carrying a study to establish the effect of interest capping to the economy and there is a likelihood of the capping being lifted soon. This will lead to higher interest rates charged by the banks.

## c) Technology

Kenya has experienced exponential growth in the utilization of technology in various sectors of the economy in the last fifteen years. Kenyans are rapidly adopting ICT in most operations e.g. Mobile banking, money transfers, access to government services etc.

However, the high cost of ICT is prohibitive, and the dynamic changes render it obsolete within short periods occasioning increased spending on upgrade versions or new software.

Technology plays a key role in providing a level playing field and in making Societies more efficient, safe and accessible. The growth and expansion of Societies operations leads to more transactions which need to be managed through a robust, centralized Management information system.

The KICL hopes to improve its technology in the next five years in order to increase its capacity as the number of investors increase. To achieve this, the company has to keep abreast with modern technological advancements as the first step, and plans to upgrade its IT system. This will increase efficiency of operations.



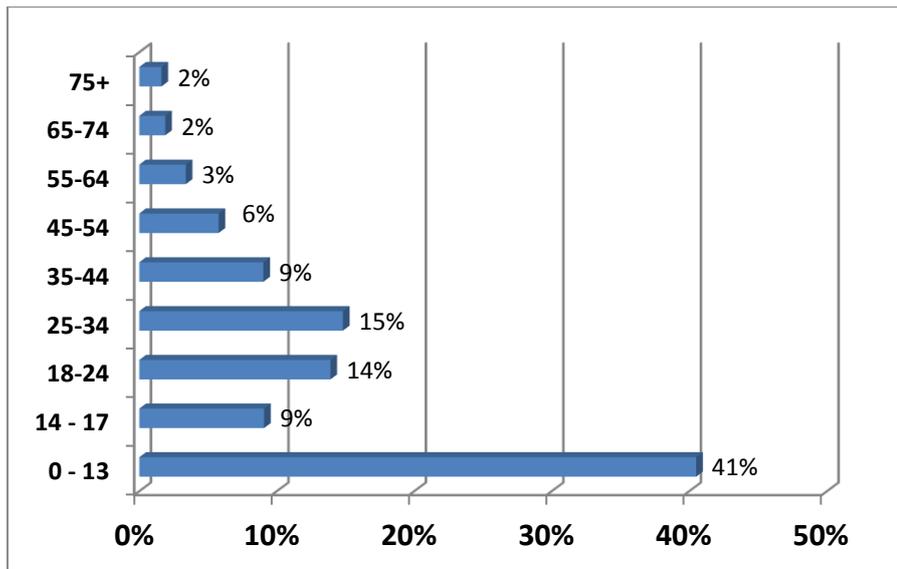
There is need for proper planning to ensure that ICT benefits the company over a long period of time. KICL need to make its presence in the social media platforms such as interactive Websites, Face-book, Twitter, mobile Apps, Telegram, WhatsApp, and You-tube to provide other channels to connect and communicate with a wider audience. With increasing ownership of mobile phones that are internet-enabled, the web has become an ideal platform for disseminating information to a generation which is becoming more technology savvy and shying away from printed media.

With the advancement in technology, frauds have become more sophisticated and the company will have to guard its networks and applications against hackers and computer related frauds which may have far reaching consequences on the operations of company.

#### **d) Socio- Cultural**

The population structure shows that the Kenyan population is relatively young with 79% approximately per cent below the age of 35 years.

The population structure shows that the Kenyan population is relatively young with approximately 50% per cent below the age of 18 years and with approximately 79% per cent below the age of 35 years as per 2009 census. (This group below 18 years is currently estimated to be more than 50% of the total Kenyan population). The table below indicates the distribution of Kenyan population as at 2009.



These young people are ‘the shareholders of tomorrow’ and enhancing their literacy on investment opportunities is important in preparing them to participate in future investments of the company.

There is need to educate the Kenyan public on finance matters since their financial literacy level is central to their level of participation in company affairs. As the Company plans to expand and diversify its investments, shareholders need to be educated to understand and make decisions from an informed perspective. Further, there is need to leverage on opportunities that that will address Kenya’s demographic landscape.

#### e) Legal



The Companies Act was amended in 2015 and has brought many changes on how companies in Kenya are registered and operate. Changes in taxation are also expected as the government tries to raise funds to meet its obligations.

KICL shall at all times comply with the laws of the land at all times. The company shall seek legal advice when need be.

**f) Environmental (Ecological)**

Climatic changes are a phenomenon that has been discussed in key international forums in the recent past. Changes in climate may adversely affect the performance of many companies since Kenyan economy is largely depended on rain-fed agriculture. Lack or inadequate rains may lead to low agricultural production hence lead to high inflation.



The use of plastic paper bags was banned in Kenya from September 2017. This may lead to high cost of doing business as a result of using environmentally friendly packaging materials.

However, KICL is committed in engaging in activities that do not harm the environment and we take care of our environment by using environment friendly items and keeping our environment clean at all times.

## CHAPTER 5. - STAKEHOLDER ANALYSIS

Stakeholders are any parties with an interest in KICL. Their interests can be differing depending on the individual stakeholder. We assessed the possible impact that these stakeholders have on KICL.

	<b>Stakeholder</b>	<b>Role</b>
1.	<b>Shareholders and Board of Directors</b>	<p>Shareholders form the supreme body of the company. They make major resolutions / strategic decisions that must be complied with by all. The shareholders provide the necessary funds in form of shares for investment.</p> <p>The Board of directors oversee the operations of the company on behalf of the investors/ shareholders. The shareholders expect the company to be managed well by the directors and pay good returns annually.</p>
2.	<b>Banks/ Investors</b>	<p>This class of stakeholders want to see proper policies &amp; procedures to ensure repayment and / or proper use &amp; accountability of funds. For investors, they want to get a return on their investment whereas Banks want prompt repayments for credit granted.</p> <p>The company expect the banks and other financial institutions to offer affordable and reliable services and credit whenever the company requires.</p>
3.	<b>Government and Regulatory bodies</b>	<p>The government through various units and regulatory bodies provide enabling environment for the company to operate. These include Capital Markets Authority, Registrar of Companies, Ministry of lands, County governments, NCA, NEMA, WARMA etc.</p> <p>Kenya Revenue Authority (KRA) is the organisation mandated to collect taxes and revenues on behave of the government. KRA requires company to pay taxes promptly as the law and comply with the expected returns.</p>
4.	<b>Kimisitu Sacco</b>	<p>The sacco is the largest investor in the company. Most of the shareholders are members of the sacco. They also offer loans to their member to participate in the company's projects. The sacco expects the company to be run professionally and pay good returns annually.</p> <p>The company expects the sacco to provide the necessary funds in form of shares when needed and also support in marketing the company projects to their members.</p>
5.	<b>Employees</b>	<p>These are members of staff employed by the directors for day to day running of the company affairs. They are also members of the company. The employees expects good and conducive environment to work and also good remuneration. The company expect the staff to be professional, hardworking and adheres to the company rule, policies and regulations to better growth and performance.</p>

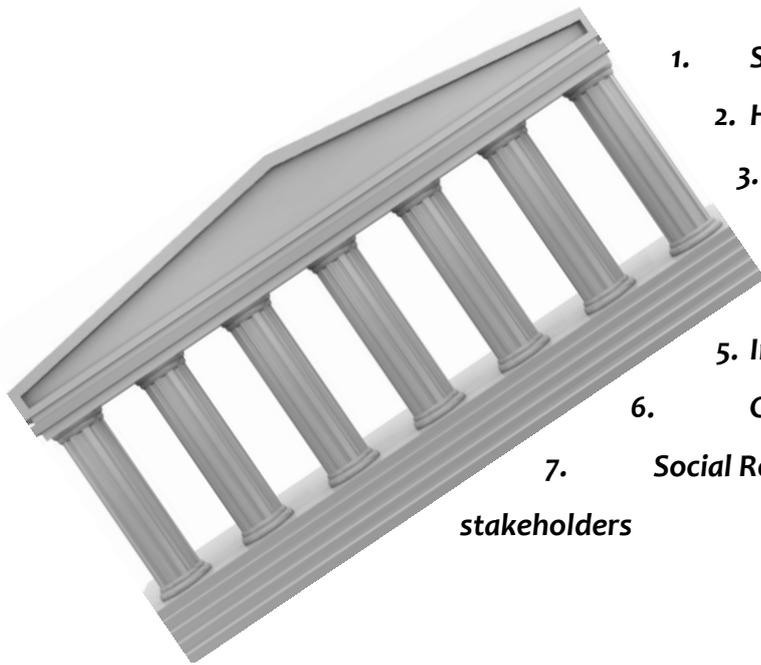
	<b>Stakeholder</b>	<b>Role</b>
6.	<b>Technical service providers</b>	<p>These are third-parties that offer training and corporate advice to the Company on policies and processes. They also include management Information systems service providers who maintain and upgrade the company system. This class of stakeholders are more interested in prompt and timely payment for services rendered. These include Shares Registrars, Valuers, Legal officers, Surveyors, Engineers, Quantity surveyors and Architects</p> <p>External Auditors verify and confirm the books of accounts represent the true and fair picture of the financial status of KICL.</p> <p>Insurance Companies offer risk management services (Insurance) to the company.</p> <p>Suppliers provide goods, works and services to enable the smooth operations of the company and delivery of services to members.</p>
7.	<b>Local Community</b>	<p>The local community refer to the people and organizations who are neighbours to the company office and projects. They provide a conducive environment for the company to carry out its business. The local communities expect the company to conserve the environment.</p>
8.	<b>Professional Bodies – ICPAK, ICPSK etc.</b>	<p>The professional bodies set standards for the organizations and professions. They expect the staff and other stakeholders to uphold professional standards at all times.</p> <p>The company expects the professional bodies to set standards that are practical, implementable and enhance good business environment.</p>
9.	<b>Media</b>	<p>The media provides an avenue for dissemination of information relating to the company and also awareness creation amongst the various stakeholders about the activities of the company.</p> <p>The media expects the company to use their services ethically.</p>

## CHAPTER 6. - OBJECTIVES & STRATEGIES AND IMPLEMENTATION

### 6.1 KEY PILLARS

The participants identified the following as the Key Pillars (areas) on which the Company is founded, and whose prudent management will ensure its success.

These were identified as:



1. **Shareholders /Investors**
2. **Human Resource**
3. **Finance**
4. **Systems ,Infrastructure and Operations**
5. **Investments & services**
6. **Governance & Leadership**
7. **Social Responsibility & stakeholders**

These were seen as the broad areas in which the company needs to set specific objectives that would help realise the company's vision.

Under each of the pillars identified, specific objectives were set to help realise the company's vision. For each of the objectives set, strategies that would be most effective and efficient in meeting the stated objectives were derived. These strategies took into account the resources available to the company, their practicability and acceptability to the shareholders.

a) **Shareholders / Investors pillar**

Objective 1. To have vibrant shareholders participating in the activities of the company.

Objective 2. To retain and attract new shareholders to invest in the company shares

b) **Human Resource Pillar**

Objective 1. To recruit, retain qualified and competent members of staff.

Objective 2. To train, motivate and develop our Members of staff.



c) **Financial Pillar**

Objective 1. To grow our share capital to Kes. 200million.

Objective 2. To grow our profitability while maintaining financially sound company.

Objective 3. To efficiently use and grow our assets to Kes. 450 million by 2022.

d) **Systems, Infrastructure and Operations Pillar**

Objective 1. To adopt emerging and cost effective technology and continuously enhance the company's risk management framework.

e) **Investments and Services Pillar**

Objective 1. To expand and diversify our investments for optimum returns.

Objective 2. To enhance the company brand, marketing and communication

f) **Leadership &Governance pillar**

Objective 1. To ensure the company has proactive and professional leadership.

g) **Social responsibility and Stakeholders Pillar**

Objective 1. Institutionalise Corporate Social Responsibility.

Objective 2. Establish sustainable Social responsibility projects.



## 6.2 IMPLEMENTATION MATRIX FRAMEWORK

### A. Shareholders /Investors

**Objective 1. To have vibrant shareholders participating in the activities and projects of the company.**

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Enhance communication with our shareholders / investors, clients and stakeholders	Develop a new database to capture more details of our clients especially mobile numbers and emails Review clients details update form Continuous updating of client records	Reviewed forms Updated database	Immediately & Continuous process	Sales Manager
	Introduce bulk SMS service for sending messages to our clients	Working bulk SMS service		
	Establish a robust KICL website and post relevant information at least once every month. Ensure the website is user friendly and interactive	New and up to date information on the Company's website	Fortnightly	Sales Manager
	Establish <i>Twitter, Facebook</i> and <i>WhatsApp, Instagram, Telegram</i> broadcast accounts to interact with potential clients. Indicate the social media accounts in our website, brochures, flyers and advertisements	Social media accounts opened and operational	Annually	Sales Manager
	Hold Talk shows in local media e.g. radio stations, TV stations, <i>Youtube videos</i> etc.	Number of talk shows	Annually	GM
Carryout client satisfaction surveys annually	Engage a consultant to carry out client and shareholders satisfaction survey. Carry out surveys using <i>Survey Monkey</i>	Report	Annually	Sales Manager

**Objective 2. To retain and attract new shareholders to invest in the company shares**

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Consistently offer good returns to shareholders	Pay dividend every year based on the performance of the company	Dividend percentage	Annually	Chairman
Offer bonus shares to shareholders based on the retained earnings	Appoint a consultant to advise on the best way to offer bonus shares to shareholders	Consultant appointed Report	Once - 2019	
	Present a proposal for bonus shares issue to AGM for consideration and approval	AGM minutes	2019	Chairman
Shareholder education and training	Organizing information days for the shareholders annually	Calendar/dates		
	Allocate funds	Budget allocation		
Establishing Shareholders relationship management	Ensure continuous updating of shareholders static information	Accurate and up to date shareholders register	2018 & 2020	Admin Assistant
	Establishing shareholders relationship managers	Appointed relationship managers		

**B. Human Resource Pillar****Objective 1. To recruit, retain qualified and competent members of staff**

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Recruitment of qualified and competent members of staff	Review and Implement recruitment/ selection policy	Policy in use		GM
	Training needs analysis	Training needs report	Annually	GM & HODs

Develop a comprehensive training programme annually	Identify a trainer / institutions	List of trainers and engagements	Annually	
	Allocate funds in the annual budget	Approved budget	Annually	
Staff exchange program- visit to other organizations offering similar services and complimentary services	Members of staff to participate in exchange visits to other investment companies/ institutions at least once every year	List of potential institutions to visit every year Report on exchange visits	Annually	GM

**Objective 2. To Train, motivate and develop our members of staff**

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Review of the human resource policy	Undertake a research on staff policies in the industry to review our human resource policy	Reviewed human resource policy	Immediately & thereafter after 3 years	GM;
	Establish a staff business code of conduct and ethics	Policy signed by all members of staff		
	Review to have clear and comprehensive job profiles and job descriptions	Job profiles and descriptions in staff files	Annually- upon discussion & approval by the Board	
	Review the staff terms of service- Salary, allowances and benefits	Review report and letters to staff	Annually- upon discussion & approval by the Board	
Organising a team building session for all members of staff at least once every year	Budgeting for team building activity Identifying a team building consultant Engaging a team building consultant to carry out the team building activities	Team building session conducted	Annually	GM; Admin Assistant

Organising end of year party for all members of staff and board of Directors	Budgeting for end of year staff party Selection of venue for staff party	End of year party held	Annually	HOD, GM & Assistant Admin
Introduce performance management system	Review all role profiles of the various positions in the company Develop Smart objectives and targets with clear key performance indicators (KPIs)	Reviewed role profiles Well-developed objectives Key performance Indicators	Annually	HODs
	Introduce commendation letters and awards for members of staff who have done exemplary well	Commendation letters Issued Awards Issued		HODs
Improving staff welfare	Review Provident fund	Revised Provident fund in place	Immediately; 3 years thereafter	Operations Committee
	Group Insurance cover for the Members of staff and families	Insurance cover in place	Annually	Accountant
	Approving bonus for members of staff	Board bonus approval	Annually	Operations Committee
	Introduction loan facilities to members of staff e.g. car loans, shamba loans, Education loans, salary advances etc.	Staff loan products in place	2018	
	Discounted KICL products to staff	Products approved	2018	Operations Committee
Brainstorming & Critical Thinking	Introduce quarterly staff meetings to brainstorm and discuss challenges facing the company and available options	Meetings set dates	Quarterly	GM
	Documentation of the brainstorming outcomes and presentation of reports to the board for discussion and adoption	Reports and board minutes	Quarterly	GM

### C. Financial pillar

#### Objective 1. To grow our profitability while maintaining a financially sound company

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Ensure 100% uptake of the company projects especially unsold plots	Identify and engage potential Sacco societies to fund their members to buy unsold plots	List of Saccos MOUs	Annually	Sales Manager
	Media promotion	Number of Promotions,	Monthly Review	Sales Manager
	Review projects terms	Review report	Semi Annually	GM
Reduce the cost income ratio to below 50%	Review the company expenses monthly and explore ways of maintaining minimum expenditures	GENERAL MANAGER report	Monthly review	Accountant ; GM
To grow the retained earnings of the company as follows; Year 1- 0% Year 2 -50% Year 3- 30% Year 4- 30% Year 5 – 15%	Carry out shareholders awareness Review Dividend policy Pass resolutions during AGM	Reviewed dividend policy AGM resolutions	Annually	Chairman
Investment in projects with good returns	Identification of potential projects Carrying out feasibility studies to establish viability before investment	Projects identified Feasibility study reports	Quarterly	Operations Officer; GM
Diversification of investments	Identification of investments in different sectors of the economy.	Projects identified	Quarterly	Accountant; GM
	A comprehensive review of investment policy	Investment policy	2019	
Sell out the remaining 2.1 million shares	Identify strategic investor with a view of engaging to buy shares Carry out a share capital drive campaign	Offloading the remaining shares	2018	GM

Review the authorised share capital of the company to Kes. 200 million.	Seek AGM approval Register with Registrar of companies	Minutes of AGM/ resolution Acknowledgement from registrar of companies	2019	Chairman
Grow the authorised share capital of the company to Kes.200million.	Identify strategic investors with a view of engaging them to buy shares Carry out a share capital drive campaign	Sold out shares	2019-2022	Sales Manager GM
Invest in projects whose Return of Investment (ROI) is above 20%	Carry out thorough feasibility studies before embarking on investment projects	Reports	Quarterly	Operations Officer; Accountant
Establish Joint ventures and partnerships with various organizations.	Engage various organizations for joint ventures and partnerships e.g. developers	List of potential partners MOUs	One Annually	Sales Manager; Operations Officer GM

**Objective 2. To efficiently use and grow our assets to Kes.450 million by 2022**

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Short term investments	Ensure the company does not have idle assets or non-earning assets (not more than 5% of the authorised share capital)	Values of Non-earning assets	Quarterly	Accountant
	Investing in call and fixed deposits	Amount invested		
Plan and monitor expenditures on Monthly basis	Adhere to annual budget estimates. Evaluate all expenditure lines and cut down unnecessary costs	Monthly reports	Monthly	Accountant
KICL plaza	Purchase land in a strategic area / buy a building	Identified strategic plot	2021	Operations Officer
	Engage a consultant to carryout feasibility studies	Feasibility study Report	2021	

	Engage a project manager to Construct the building	Project Manager in place, Signed SLA & Approved plans	2022	Operations Officer & GM
	Source for potential clients	Number of purchase commitments	2022	Sales Manager

**D. Systems, Infrastructure and operations pillar**

**Objective 1. To adopt emerging and cost effective technology and continuously enhance the company risk management framework**

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
To put in place a reliable risk management interventions	Identify reliable and reputable insurance company to insure the assets	List of Potential Insurance Companies	2018	Admin Assistant
	Review, Design and implement appropriate policies and procedure manuals i.e. 1. Investment policy 2. Dividend Policy 3. Risk Management Policy 4. Governance Policy 5. Finance and Accounting Policy 6. Audit policy 7. Human Resource Policy	Policies developed	2019	GM/ Operations Committee
Enhance efficiencies in all processes of the company	Continuously review existing policies and manuals. Review our processes e.g. payments to suppliers, payment of dividends etc.	Fully reviewed policies Improved processes	2019	GM / Operations Committee
	Develop a Business continuity and Disaster Management Plan	Business continuity and Disaster Management Plan in place		
Acquire Document Management System (DMS) and digitise the company documents	Make budget allocations	Budget allocation	2019	Customer Care & Assistant Admin
	Identify a consultant	Identified consultant	2019	
	Develop functional specification (FSD) document	FSD document in place	2019	

	Identify suitable DMS vendor	Identified system Vendor	2019	
	Implementation of DMS system	DMS system in place	2019	
Asset tagging	Ensure an updated Fixed assets register and tag the Company's assets.	Tagged assets Updated assets Register in place	2019	Assistant Admin
Upgrade the current system	Upgrade the current system to utilize fully its capabilities e.g. human resource module, document management system, project management, portal access for members etc.	Upgraded system	2018	Customer Care & IT Officer; GM
Expansion of office space and infrastructure	Review the current office space and infrastructure with a view of establishing deficiency.	Report	2018	GM
	Acquire adequate office space and infrastructure	Spacious and fully equipped office	2018	GM

**E. Investments and services Pillar**

**Objective 1. To expand and diversify our investments for maximum returns**

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Land buying and selling (at least 3 projects per year)- Upper Mkt, Middle and lower	To identify potential land to buy, subdivide and sell to the public	Projects done	Semi Annually	Operations Officer
	Source for strategic subdivided land with ready titles and sell to the public	Projects done	Semi Annually	Operations Officer
Construction / buy affordable residential Apartments/Massionettes for sale	Identify potential estate developers and partner in developing an estate	Established residential estate 2020- 9 units; 2021- 14 units; 2022- 9 units	2020 2021 2022	Operations Officer

Construction / buy affordable residential houses for rent	Identify potential estate developers and partner in developing an estate	Establish residential one flat (Apartment)	2018	Operations Officer
Establish agency and Estate management services unit / subsidiary company	Carry out a study and set up a unit to carry our estate management services.	Estate management services offered	2020	Operations Officer/ GM
Construction of KICL plaza	Purchase a strategic land	Identified strategic plot	2021	Operations Officer
	Engage a consultant to carryout feasibility studies	Feasibility study Report	2021	
	Engage a project manager to Construct the building	Project Manager in place, Signed SLA & Approved plans	2022	Operations Officer & GM
	Source for potential clients	Number of purchase commitments	2022	Sales Manager
Start agribusiness / agroforestry unit	Carry out a research in the market	Report	2022	Operations Officer
	Exchange visit to other companies engaged in agribusiness	Report	2022	Operations Officer
	Identify potential partners	List of partners	2022	Operations Officer
	Engage identified partner	MOU/ agreement	2022	Operations Officer
Construction of affordable residential houses / estates for sale	Engage a consultant to carryout feasibility study Purchase of strategic land Identify potential estate developers and partner in developing an estate Construction of houses	Feasibility study report Identified strategic plot MOUs in place  2019- 9 units; 2020- 15 units; 2021- 9 units	2018 2018 2018  2019 2020 2021	Operations Officer

**Objective 2. Enhance the company brand, marketing and communication**

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Enhance the company brand	Participation in real estate forums, conferences and workshops	Number of forums participated	Continuously	Sales Manager
	Sponsoring real estate forums	Number of forums sponsored	2020	Sales Manager
	Erecting billboards where the company has projects	Number of billboards	Semi Annually	Sales Manager
Improve communication channels	Establishing more communication channels e.g. facebook, whatsapp, Instagram, Telegram etc.	Number of channels the company has presence	Continuously	Sales Manager
	Establishment of an information portal in the company website	A working portal	2018	Sales Manager
Establish various marketing Initiatives	Use of various social media platforms	Number of social media platforms	Continuously	Sales Manager
	Erection of billboards at strategic locations	Number of billboards	Annually	Sales Manager
	Placement of banners in various halls e.g. banking halls and offices of various partners.	Number of banners in various partners' offices	Quarterly	Sales Manager
	Hold promotional talk shows in local radio stations	Number of talk shows	Semi annually	Sales Manager/GM
Improve the company image	Identify a public relations company to handle the company's public engagement	Appointed public relations company	2019	Sales Manager

**F. Leadership and Governance pillar****Objective 1. To ensure the company has proactive and professional leadership**

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Align individual competencies in selection of board committees	Election based on competencies Enhance Governance policy	Board of directors election Criteria in place	Annually	Chairman

Enhance board of directors training and exposure	Train Board of Directors on good corporate practices and leadership  Visit to well performing investment companies and organizations for benchmarking	Number of trainings attended Number of exchange visits	Annually	Chairman
Company participation in corporate awards	Participate in corporate awards- e.g. COYA, FIRE, champions of Governance	Number of corporate awards participation	2020	Chairman

### G. Social responsibility & stakeholders Pillar

#### Objective 1. Institutionalise Corporate Social Responsibility (CSR) and identify sustainable CSR projects

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Identify and participate /support social responsibility projects within our area of operation	Engage a consultant to develop as CSR policy Define key CSR activity that the Company should participate in the future Benchmark with other investment companies and societies	CSR policy in place	2019	HODs
	Annual Budget allocation	Amount allocated in annual budget	Annually	
	Sponsor at least one Social activity per year for a Sacco affiliated organisation.	Number of Social activities Sponsored	Annually -1 activity  2 interns annually	
	Offer attachment and internship for students	Number of students		

#### Objective 2. To enter into partnership with more organizations

Strategies	Activities	Performance indicator	Timeline/By when	Responsibility
Identify potential partners	Develop a list of potential partners	List	2019	Sales & Marketing
	Engage the identified organizations	MOUs	When need arises	GM & Board

## CHAPTER 7. - MONITORING AND REVIEW OF THE PLAN

Monitoring and review of the Strategic Plan shall be a continuous process. The Strategic Plan shall be monitored constantly and reviewed periodically to assess the degree to which set objectives are being achieved. The monitoring process highlights issues before they become critical and gives a chance for the management to take corrective action. Review of the



plan shall be done periodically, at which time it can be amended, additional resources allocated, and items which have been achieved dropped off the Plan. This control mechanism requires the involvement of all stakeholders.

### A. Board of Directors



This board 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.

#### a. Strategy Implementation Team

The company's investment and business development committee shall be the 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 investment committee shall be the implementation team and the GENERAL MANAGER shall be the secretary. The committee shall report to board on quarterly basis.

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 KICL from achieving its objectives such as government actions, changes in the economic environment, and inform the Board of Directors to take appropriate action.



The GENERAL MANAGER shall report the company's progress in terms of the strategic plan implementation to the Board of Directors on monthly basis.

**b. Development of a Business plan**

The Management shall develop a business plan to project the required cash flow for the next five years. It will ensure the company resources are fairly allocated and efficiently utilised. The business plan will also help the company in preparing the annual budgets for approval by shareholders during general meetings.

**c. Cascading the plan to all members of staff**

The strategic plan will be cascaded downwards to all members of staff. This will help each member of staff understand and plan for their respective roles. Detailed work plans with clear performance indicators and responsibility for their achievement should be developed. The company will adopt performance based management system to link operational actions with the strategic goals.

#### d. 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 company. The company shall engage a consultant to facilitate the review. This is important because the review will give an independent objective overview and advice on appropriate action.

KICL 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 shall be an official handover of the Strategic Plan to a new BOD if there are changes. 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.

## APPENDIX A: STATEMENT OF COMPREHENSIVE INCOME ANALYSIS

YEAR	2011	2012	2013	2014	2015	2016
	Kes.	Kes.	Kes.	Kes.	Kes.	Kes.
<b>INCOME</b>	18,997,323	25,011,462	32,412,897	29,575,578	26,867,293	36,662,414
<b>EXPENDITURE</b>	6,183,193	11,030,525	16,472,743	20,888,786	21,286,598	25,052,742
Financial Expe-interest+bank charges	743,414	3,184,300	6,238,699	7,517,721	8,879,191	12,533,021
Governance Expenses	4,015,987	3,188,953	5,186,110	7,913,413	8,079,936	7,853,555
Staff Expenses	1,423,792	4,657,272	5,047,934	5,457,652	4,327,471	4,666,166
Operation/admi Expenses	4,015,987	3,188,953	5,186,110	7,913,413	8,079,936	7,853,555
	-	-	-	-	-	-
<b>Profit /Loss</b>	12,814,130	13,980,937	15,940,154	8,686,792	5,580,695	11,609,672
<b>GROWTH</b>		9%	14%	-46%	-36%	108%
Interest Members deposit	-	-	-	-	-	-
Dividends						
Year	2011	2012	2013	2014	2015	2016
Staff Expenses to Total expenditure	23%	42%	31%	26%	20%	19%
Staff Expenses to Total Income	7%	19%	16%	18%	16%	13%
Year	2011	2012	2013	2014	2015	2016
Operational expenses to Total expenses	65%	29%	31%	38%	38%	31%
Operational expenses to Total income	21%	13%	16%	27%	30%	21%
Year	2011	2012	2013	2014	2015	2016
Governance Expenses to Total Expenses	65%	29%	31%	38%	38%	31%
Governance Expenses to Total Income	21%	13%	16%	27%	30%	21%
Year	2011	2012	2013	2014	2015	2016
Cost Income Ratio	33%	44%	51%	71%	79%	68%

## APPENDIX B: STATEMENT OF FINANCIAL POSITION ANALYSIS

YEAR	2011	2012	2013	2014	2015	2016
	Kes.	Kes.	Kes.	Kes.	Kes.	
<b>SHAREHOLDERS FUNDS</b>	36,243,229	59,628,074	97,969,560	94,990,522	86,994,407	107,531,400
Share capital	30,370,450	47,214,370	65,796,193	66,318,478	66,447,350	79,733,180
Retained earnings	5,872,779	7,820,501	19,095,201	15,095,695	6,993,304	8,296,429
Share Premium		4,593,203	13,078,166	13,576,349	13,553,753	19,501,791
<b>FIXED ASSETS</b>	102,617	3,382,496	38,117,115	61,794,795	59,478,911	88,670,716
Non current Assets	102,617	420,865	5,634,573	1,420,248	3,218,765	2,562,678
Non current Assets held for sale		2,961,631	32,482,542	60,374,547	53,838,201	82,156,687
Investment Property					2,421,945	2,421,945
Intangible asset- operating software						1,529,406
<b>CURRENT ASSETS</b>	48,660,791	72,623,631	78,909,927	41,372,520	52,737,413	70,080,910
Inventory, Prepayment	492,477			2,874,139	3,060,821	1,894,690
Trade & other receivables	3,284,288	22,438,081	27,475,303	28,490,946	15,648,996	31,439,909
Cash and bank Balances	44,884,026	50,185,550	51,434,624	10,007,435	34,027,596	36,746,311
<b>CURRENT LIABILITIES</b>	12,520,180	16,378,053	19,057,482	11,235,605	27,516,026	51,220,226
Trade & other Payables	5,578,829	7,384,531	18,084,176	11,232,915	27,516,026	49,031,492
Proposed dividend	3,644,454	6,083,448	9,572	2,690	-	-
Tax payable	3,296,897	2,910,074	963,734	-	-	2,188,734
<b>WORKING CAPITAL</b>	36,140,611	56,245,578	59,852,445	30,136,915	25,221,387	18,860,684
<b>TOTAL ASSETS</b>	48,763,408	76,006,127	117,027,042	103,167,315	112,216,324	158,751,626

**APPENDIX C: LIST OF WORKSHOP PARTICIPANTS**

<b>Board of Directors</b>		
1		Chairman
2		Vice-Chairman
3		Board Secretary
4		Director
5		Director
6		Director
7		Director
8		Company Secretary
<b>Senior Management staff</b>		
10		General Manager
11		
12		
13		
<b>Facilitators</b>		
14	Mr. Eliud Nzola	CCIA
15	Ms. Rehama Kewasis	CCIA
16		