

**STRATEGIC RESPONSES OF SACCOS TO CHANGING OPERATING
ENVIRONMENT: A STUDY OF NAIROBI PROVINCE KUSCO
AFFILIATED SACCOS**

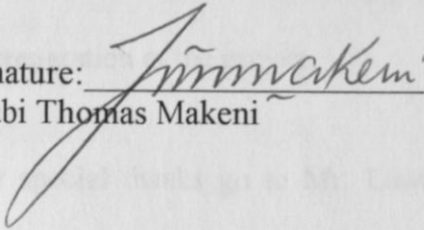
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DECLARATION

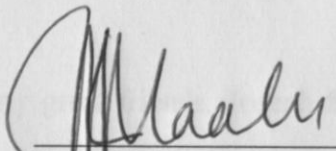
This Project is my original work and has not been presented for a degree in any other University.

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ABSTRACT

Economic and political reforms are sweeping the whole world affecting Europe, Africa, America East Africa, and Kenya. Such reforms have created a fundamental change in the environment in which firms operate. An obvious manifestation of such changes is the liberalization of trade. Such liberalization has meant that SACCOs in Nairobi have to contend with unbearable competitive pressures from the resilient global companies. The study set out to document the strategic responses adopted by Savings and Credit Co-operatives (SACCOS) to environmental turbulence.

The objectives of the study were;

- To determine the changes that have occurred in the SACCO sub-sector with the onset of the liberalization.
- To determine what adjustments in products, process, promotion, distribution, costs structures, market research, staff development and market predisposition the SACCOs have adopted.

Primary data was collected using open and closed-ended questionnaires distributed to senior managers in the selected SACCOs.

The data was thereafter, analysed using descriptive statistics and an appropriate computer package. The analysis revealed that SACCOs have made various changes in their traditional, resource mobilization and lending methods in an attempt to cope with the changed operating environment. The SACCOs have also changed the basic products by adding new features such as front office services (FOSA) among others.

SACCOs require fresh and initiatives to penetrate new market niches. The SACCOs philosophies should be more specific and directed towards enhancing excellence in customer service.

The marketing practice need to be more aggressive to counter competition posed by cheap bank loans and substitute micro finance funds.

The strategic variables have also been adjusted either moderately or significantly. The most adjusted strategies are those of product and promotion. The products range have

been improved in delivery, features and variety. In market research the SACCO need to significantly increase information gathering on competitors and customer needs. Efforts should be directed towards satisfying the identified customer needs.

In cost structure strategies, the study revealed the need to adapt significant improvement in technology and capital investment in information technology. The other strategies such as pricing and distribution have been moderately adjusted..

By undertaking various strategic responses, SACCOs are able to not only defend their market share but also to increase profitability and efficiency. The success of SACCOs in Nairobi is a learning experience for other local SACCOs in the country facing or about to face the effects of changed competitive conditions.

DEDICATION

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LIST OF ABBREVIATIONS

GOK	-	Government of Kenya
SACCO	-	Savings and Credit Cooperative Societies
MFI	-	Micro Finance Institutions
SME	-	Small and Medium Enterprises
NGO	-	Non-Governmental Organization
ROSCA	-	Rotating Savings and Credit Associations
FI	-	Financial institutions
KUSCO	-	Kenya Union of Savings & Credit Societies
WOCCU	-	World council of Credit Unions
ICA	-	International Cooperative Alliance
ACCOSCA	-	African Confederation of Cooperative Savings and Credit Association
KIE	-	Kenya Industrial Estate
SEFCO	-	Small Enterprise Finance Company
CBK	-	Central Bank of Kenya

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CHAPTER I : INTRODUCTION

1.1 Background

The formal segment of Kenya's financial sector is dominated by commercial banks. Some of these banks have roots in the colonial period and were historically oriented towards meeting the financial needs of external trade and large scale commerce. These banks do not therefore have a track record of lending to households and start-up Small Enterprises. Perhaps in recognition of this shortfall, the government of Kenya backed initiatives such as savings and credit cooperatives (SACCOS) Small Enterprises Finance Company (SEFCO), Kenya Industrial Estates (KIE) and other alternatives to formal banks to fill the financing gap (Kimuyu et al 2000).

It has been stated that Kenya's domestic savings rate should be doubled from the official estimate of 14.4% to 30% in order to generate 7% per annum growth rate in gross domestic product, GDP (Wamuyu & et al 1998). The financial market in developing countries typically includes a mix of formal, semi formal and informal components (Germides, Kester and Meghir, 1991). According to Robinson (2001), the formal financial sectors covers a wide range of institutions such as banks and cooperatives societies: these are mostly urban and peri- urban based.

The above scenario is a characteristic of the Kenyan financial sector landscape. The focus of this study is the operations of the savings and credit cooperatives sub sector of the Cooperative Sector specifically, examining strategies adopted by SACCOS to respond to changing operating environment.

A cooperative society can be defined as an association of persons who have voluntarily joined together to achieve a common end through the formation of a democratically controlled organization making equitable contribution to the capital required, and accepting a fair share of the risks and benefits of the undertaking in which they actively participate (Wamuyu 1998).

Cooperatives are based on the values of self help and self responsibility, democracy, equality, equity and solidarity. Cooperative members believe in the ethical values of honesty openness, social responsibility and caring for others.

According to Ouma (1998), thrift and savings cooperatives were first initiated in Kenya in the 1950's and a few cooperatives were then formed. But most of these cooperatives failed because of lack of better methods of operations and management. However since the introduction of Savings and Credit Cooperatives based on employment as a common bond, and following the check off system, these cooperatives have made a break through and have succeeded in a big way. Members of SACCO societies have been able to mobilize sums of personal savings totaling billions of shillings. A very big proportion of this amount is in circulation among the members in form of loans. Members have used these loans for productive purposes i.e. acquiring farms, plots grade cattle, farm machinery or for provident purposes, paying school fees buying cars, bicycles, weddings and household items.

SACCOS respond to peoples needs for food production, housing, education, small enterprises, transport, Medicare, clothing and expenses in Marriage, birth and death (Mudibo Daily Nation May 23rd 2003).

Wamuyu (1998) acknowledges that the cooperative principles are the guidelines by which these values are put into practice.

The seven principles are voluntary and open membership without artificial undue restrictions; democratic administration and control based on one member one vote irrespective of shares held by the individual members; member's financial participation (members contribute to and democratically control, the capital of their cooperative); autonomy and independence (cooperatives are autonomous; self help organizations controlled by members); education, training and information (cooperatives provide education and training for their members, elected representatives, managers and employees so that they can contribute effectively to the development of their cooperatives); cooperation among cooperatives (cooperatives serve their members most effectively and strengthen the cooperative movement by working together with other cooperatives at local national, regional and international levels); and concern for community (cooperatives work for the sustainable development of their communities through policies approved by their members).

1.2 Statement of the problem

Savings and credit societies (SACCOS) play an important role of serving the financing requirement needs of households and small and medium enterprises (SME's). SACCOS encourage individuals to save, thereby creating or accumulating capital which contribute to economic development of the country.

There have been significant changes in the cooperative sector generally and SACCOS in particular in the last ten years. The business environment both locally and globally has undergone tremendous changes over time.

Donor support which was easy coming in 1980 to mid 1990 has been rapidly declining. Government support likewise which was guaranteed to cooperatives generally and SACCOS in particular has tremendously reduced and the enactment of the 1997 cooperative act has reduced the GOK involvement in the SACCOS to regulatory and facilitative. This has left saccos to the vagaries of market forces. Common bond which was previously the basis of creating SACCOS is no longer necessary and now SACCOS can be formed by any willing groups with a common purpose rather than common bond. (Haggen 1998)

The sector has also experienced increase in the number of institutions providing similar services previously only provided by SACCOS. These comprise the formal financial institutions such as Banks, Rotating savings and credit associations (ROSCA), micro finance institutions (MFI) and non Governmental organizations (NGO's). These developments have brought about an environment in which survival of the SACCO depends on the ability of these institutions to effectively compete in the market.

According to the literature reviewed it is clear that sustainability of SACCOS is a priority. Sustainability of SACCOS lies in their ability to rely on the market to mobilize savings and generate enough revenues to cover costs of providing services rather than relying on the check off recoveries of members employees and government support. Therefore, the question of market driven products and ability to beat competition is most critical for survival of SACCOS (Ouma 1990).

The ongoing public sector reforms have resulted in retrenchment of many employees that were members of SACCO. In the private sector businesses in all sectors of the Kenyan

economy have been negatively impacted by the adverse operating environment resulting in mass lay off employees and in turn membership dropouts for SACCOS.

In addition to the problems already cited SACCOS are faced with the problem of attracting, recruiting and retaining skilled manpower, political interference, changing government policy, legal framework, social and cultural dynamics, changing competition and keeping up with technological advancement. SACCOS have in addition, in the last decade experienced severe problems involving mismanagement and corruptions (Haggen 1998).

1.1 Research objectives

There is need for the cooperatives to improve the level of their business capacities. The current training programmes that focus exclusively on cooperative principles and on the detailed requirements of the cooperative law rather than practical business affairs can impair the sound growth of the SACCO (Wamuyu 1998).

2. Establish the challenges encountered by SACCO in Nairobi in implementing

In the light of these problems the following was apparent. There is need to substantially reduce the government involvement in the cooperatives. The cooperatives should be democratized and professionally managed in conformity with internationally accepted cooperative values and principles. The cooperative movement generally and the SACCOS in particular was found to be at the stage of development where future growth and development should come from a self induced development independent of government intervention, especially in the day-to-day management of the sector. In view of the above there is need to rethink the SACCOS modes of operating (wamuyu 1998).

3. Examine the extent to which the SACCOS are heavily controlled by the government which restricts their mode of operation and the regulations within which they

SACCOS have been heavily controlled and operating in a standard, rather "straight jacket" style. Not much research has been done on alternative management approaches. The

proposed research is therefore aimed at finding how the SACCOS are responding to the rapidly changing operating environment which has posed significant challenges, threats and opportunities.

1.3 Scope of the study

The scope of the study was limited to identifying strategies used by SACCO's in Nairobi and affiliated to KUSCO to cope with the changing operating environment.

1.4 Research objectives

The research objectives for this study were:

1. Identify the competitive strategies used by SACCOS in Nairobi, in view of the changed operating environment.
2. Establish the challenges encountered by SACCO in Nairobi in implementing competitive strategies.

1.5 Importance of the study

Not much had been researched on strategic responses used by the cooperative societies generally and the SACCOS in particular. This was because of the fact that until the liberalization of the Kenyan economy cooperatives were heavily controlled by the government which determined their scope of operation and the regulations within which they operated. The operating environment was then stable and expectations predictable.

Nevertheless, the scenario has tremendously changed with the public sector reforms undertaken by the government since the 1980's, the consequences of which have impacted directly on the SACCO sub sector. This study was intended to fill the gap of lacking information on the strategies being undertaken by the SACCOS in order remain sustainable in the new environment.

In today's rapidly changing business environment, managing both internal resources and challenges posed by the external environment is essential in the survival of any given organization. To deal effectively with matters that affect growth and profitability executives employ management processes that they believe will position a firm optimally in its competitive environment (Pearce & Robinson 1991). Strategic management plays a critical role in facilitating the deployment of a firm's resources in an efficient manner to facilitate the optimization of long-term performance of the firm (Barnett, 1999).

Strategic decisions are concerned with and affect long term direction of an organization, trying to address what a strategy for the organization's activities, matching of the activities of an organization to the environment in which it operates sometimes known as strategic fit; building on or stretching the organization's resources and competences to create opportunities and to respond to them, which involve identifying existing resources and competencies with might to be used for creating new opportunities in the market place. Strategies require major changes to be required in a range of the extent to which resources can be obtained and controlled to develop a strategy for the future. Strategic decisions are therefore likely to affect operational decisions (Johnson and Scholes 1999).

CHAPTER II: LITERATURE REVIEW

2.1 Introduction

With changing business environment firms find it increasingly difficult to identify industry environment in which there are good enough conditions that allow a rate of return above the competitive level. Competitive strategies provide a framework for the firm to respond to various changes within the firms operating environment. Firms also develop strategic initiatives to maintain competitive edge in the market (Grant, 1998, Macmillan 1998).

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2.2 Competitive strategies

The essence of formulating strategy is to relate a company to its environment, (Porter, 1998). According to Hamel and Prahalad (1994) the essence of strategy lies in creating tomorrow's competitive advantage faster than competitors can mimic the ones you possess today. The goal of competitive strategy is to find a position in the industry where the company can best defend itself against competitive forces or use them in its favour (Porter, 1998). Competitive strategy which is also referred to as business strategy is concerned with how a firm competes in a given industry or market. Jay & Bourgeois (1998) have referred to corporate strategy as domain selection and business/competitive strategy as domain navigation. (Bourgeois 1980). It is therefore appropriate to state at this point that competitive strategies are concerned with one main question; how should we compete?

Grant argues that there are two sources of superior performance: one is to locate an industry where industry conditions are good enough to allow a rate of return above the competitive level. The other option is for a firm to attain a position of advantage vis a vis competitors within an industry to allow it to earn a return in excess of industry average. He further argues that as competition intensifies in almost all industries, very few industry environments can guarantee secure returns. Hence, the primary goal of a strategy is to establish a position of competitive advantage for a firm (Grant 1998).

Porter, (1998) argues that understanding the structure of the industry plays a critical role in the formulation of competitive strategies. According to Porter there are five forces driving competition in the industry, which largely determine the structure of the industry. These

forces are the threats of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitute products and rivalry among competitors

Porter also argues that competitive strategy is about offensive or defensive actions to create a defensible position in an industry, to cope successfully with the competitive forces and thereby yield superior return on investment for the firm.

Faced with the five competitive forces firms, according to Porter, have three potentially successful generic strategies that they can use to outperform other firms in the industry. The generic strategies are cost leadership, differentiation, and focus.

Grant (1998) explains that a firm would normally compete by either supplying an identical product or service at a cost that is lower than competition or can supply a product/service that is differentiated in such a way that consumers are willing to pay a premium price that exceeds the marginal costs of differentiation. The former case represents a cost advantage while the latter a differentiation advantage. The focus strategy is about using either cost leadership or differentiation strategy to targeting a particular buyer group, segment, product line and geographic market, (Porter, 1998).

By pursuing cost advantage the goal of the firm is to become a cost leaders in its industry segment. Cost leadership requires that a firm must find and exploit all sources of cost advantage and sell a standard product (Porter, 1985). Differentiation by a firm from its competitors is achieved when it provides something unique that is valuable to buyers beyond simply offering a low price (Porter, 1980).

The two sources of competitive advantage described above define two fundamentally different approaches to business. A firm that competes on low cost is distinguishable from a firm that competes through differentiation with regard to market positioning, resource and capabilities as well as organizational characteristics (Grant 1998). Porter further argues that cost leadership and differentiation strategies are mutually exclusive and that attempts to pursue both will lead to a firm being stuck in the middle and can subsequently lead to low profitability (Porter, 1980).

Others Scholars such as Johnson & Scholes (1999) have explained that a firm's basic choices to achieve competitive advantage include, a "no frills" strategy combining lower price than competitors at similar added value of product/service to competitors; low price strategy providing lower prices than competitors at similar added value of products/service to competitors; differentiation strategy which seeks to provide products/ services which are unique or different from competitors; a hybrid strategy which simultaneously seeks to achieve differentiation while maintaining prices lower than competition; and focused differentiated "strategy which aims at providing high perceived value justifying a substantial price premium.

The works of Andrews (1971) and Christensen, Andrews and Bower, (1973) provide insight into the classical approach to strategy management. In the classic approach, competitive strategy is seen as a combination of the ends (goals/mission/objectives) for which the firm is striving and the means (policies/tactics) by which it seeks to get there. The essential notion of strategy is captured in the distinction between ends and means.

Porter (1998) on the other hand argues that developing competitive strategies involves development of a broad formula for how a firm is going to compete, what are the goals and policies or tactics necessary for achieving the goals. Competitive strategy includes actions or attempts by a firm to attract customers, retain them, withstand competitive pressures and strengthen its market position and is aimed at gaining competitive advantage. Porter expressed the key aspects of a firm's competitive strategies in what he referred to as the "wheel of competitive strategies", on fig 1 here

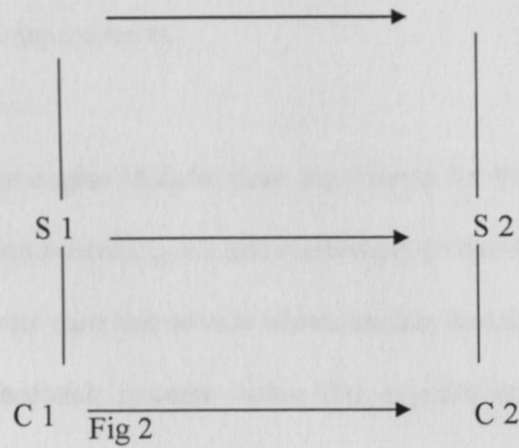
Figure 1 porters five forces of competition



(A source : adapted from M.E. porter, competitive strategy free press 1980)

At the centre of the wheel is competitive rivalry which represent the number of firms in the sector in which a firm must compete for customers and resources. The axis of the wheel are key potential threats against which the firm seeks to protect itself.

ENVIRONMENT STRATEGY CAPABILITY MODEL



Environment – strategy – capability model

E 1 = initial Environment

E 2 = Changed environment

S1 = initial strategy

S2 = changed strategy to suit environment

C1 = initial capability / competency

C 2 = competency level changed to suit changed strategy and environment

In order to address specific issues to this study, it is important to identify specific key aspects that will be used to identify competitive strategies adopted by firms in the SACCO subsector of the cooperative industry. The competitive strategies addressed by this study are put into eight categories of fundamental success factors. These are loans (products) and service offerings, methodologies for delivering services, transaction processes, membership care and customer service, adequate information management systems, efficient cash management, staff and marketing.

The competitive strategies in product and service offering include; offering high quality credit, savings products or those not offered by competition, offering better terms, with regard to loan size, repayment periods, interest rates and flexibility in loan use (Wright, 2000, Hulme, 1999). Strategies for methodologies for delivering service include: ability of clients to

access services in a convenient manner, with minimal transaction costs, collateral/guarantee requirements and savings requirements.

Transaction processing strategies include: easy procedures for becoming a member, quick and simple loan application process, quick and convenient processing of repeat loans. (Rynes & Rotblatt, 1944). Customer care and service which include development of a customer care policy, availability of feedback systems within the organization that allows the firm to continually monitor and works on clients concerns.

Adequate information systems which include: information systems that enable development of appropriate data bases that enable a SACCO to monitor its portfolio, enable quick and timely disbursement of initial and repeat loans: the system would also enable the institution to develop an effective system of monitoring credit officers performance in managing portfolio thus helping in the development of an effective performance incentive system. (Rhyne & Rotblatt, 1994).

Efficient cash management strategies include: management of the firms liquidity position to ensure funds are available for loans and refunds of savings, since SACCOS do not have banking licenses they do not fall under the supervision of Central Bank, thus unlike banks, they do not have to maintain mandatory liquidity levels. SACCOS liquidity levels, is at the discretion of management. Staff strategies include: Hiring competent staff, providing adequate training in operations and customer care, providing incentives for motivation. Marketing include: giving best savers gifts, interest rebates for timely payments and prepayments, advertising, membership recruitment, promotion of members education (Wamuyu 1998).

2.3 Competitive challenges

In their monograph, Box and Watts argue that implementation of competitive strategies is a combination of hundreds or thousands of related activities. They argue that this entire system of activities leads to competitive advantage in the market place (Box and watts, 2000, www.pittstate.edu). In his award winning HBR article Porter illustrates the importance of a well organized network of activities with examples from Southwest airlines. (Porter, 1996).

Box & Watts further argue that the real challenge in implementation of a generic strategy is in recognizing all supportive activities and putting them in place properly. Porter also argues that most of what many management trends in the 80's and 90's – such as TQM, reengineering, empowering the workforce, lean production, outsourcing and time based competition were a matter of operational effectiveness rather than strategy. Therefore in implementing strategies firms may be pursuing operational effectiveness in the name of strategy yet Porter points out that operational effectiveness though necessary is not sufficient to bring about advantage. He concludes by arguing that achieving competitive advantage means adopting the appropriate generic strategy and implementing the strategy with a network of supportive activities (Porter, 1996).

Other challenges in the implementation of generic strategies in terms of risks are technological change that renders investment in technology and learning worthless; low cost industry learning by new comers through imitation and the use of new technology; inflation which increase firms' costs; the consumer's needs for differentiating factor falls; imitation can narrow perceived differentiation; differences in desired products between the strategic target and the market; and competitors break into the target market (Porter, 1988)

In implementing strategy firms face challenges such as inadequate financial resources, costly sources of funds, skills and ability of staff, marketing abilities changes in customer needs, government requirements and the complexity of coordinating all firms activities in pursuit of the agreed strategy (Porter 1998, Grant 1998, Ansoff 1990).

In the Kenyan cooperative industry just as in the other parts of the world the challenges faced in the implementation of competitive strategies are numerous. They include problems of capitalization, accessing financing needs to help sustain operations in the light of reduced donor funding and government subsidies (Market intelligent journal 2000).

Human Resource weaknesses and limited management capacity has been noted as another challenge. Market research and product design. High staff turnover and unattractive staff incentive structures have been noted to be a key issue within the industry. High cost structures and high membership drop out rates coupled with limited market knowledge have also been cited as a significant challenge for SACCOS.

CHAPTER 3: RESEARCH DESIGN

3.1 Introduction

This was a study of Savings and Credit Co-operative Societies in Nairobi affiliated to KUSCO. It aimed at identifying the strategic responses of the Nairobi based SACCO to the changed operating environment.

3.2 The Population

The population of this study was the SACCO societies institutions in Nairobi affiliated to KUSCO. According to records at the KUSCO Head Office which maintain records of SACCOS in Kenya 1533 were affiliated to KUSCO and 257 are based in Nairobi by May 2003. It is believed that this population would give findings which may be useful in understanding all Saccos in the country since most of the Saccos are homogeneous.

3.3 Sample size

Since the population was big, the study adopted a sample method of study. A sample of 30 Saccos were required for the study. However since the researcher expected some respondents not to fill the questionnaires a total of fifty questionnaires were sent to randomly selected Saccos. The size of thirty was chosen because it was expected to be representative of the population since the sector was largely homogenous. The simple random selection was used because it is easy to administer and was capable of giving a representative sample for detailed analysis.

3.4 Data collection

Data was collected using a questionnaire method. The researcher conducted personal interview where possible. Where this method was not possible a drop and pick later method was used. The respondents from each organization were the chief executives or persons designated by CEOs to respond. Literature review carried out by the researcher and research objectives formed the basis of the questionnaire design. The questionnaires were dropped at the selected SACCO offices from where they were distributed to the respondents. In total thirty fully filled questionnaires were received from the respondents. The incomplete questionnaires were not used in the analysis.

3.5 Data analysis

Data collected was analyzed using descriptive statistics. A narrative summary of the open ended questions was carried out. An appropriate statistical computer package was used to analyze responses that were secured from likert scale type of questions. Data collected on the various strategic responses was analyzed by cross-tabulation to compare relationships of the variables covered. These descriptive analytical techniques have been exclusively used in related studies in the past by Steel and Webster (1992), Bett (1995), Kombo (1997) and Koyio (1999).

The number of questionnaires received at the end of the collection period was 30. These represents a response rate of 60%. Therefore this can be taken as sufficient response from this study as observed by Oyoo (2002).

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

Data analysis entailed analyzing data collected using descriptive statistics and an appropriate statistical computer package. The objective of carrying out data analysis was to indicate the correlation between the responses received and what the research set out to establish.

4.2 Profile of Responses

The responses received were analyzed for the profile to determine common characteristics among the respondents. The profile examined included; the years the SACCO has been in operation, the branch network and services offered.

4.2.1 Years of Operation

The analyses of the demographic characteristics of the studies indicated fifty percent of the Saccos have operated for more than 21 years and the remaining less than 20 years. Most of the Saccos that have operated for less than 20 years have actually been in existence for between one to ten years. The profile of years in operations is shown in the table below.

Table 4.01 Years of operation

Years of Operation	Frequency	Percent
0-10	13	43
11-20	2	7
21-30	5	17
31-40	10	33
Total	30	100

Source: Research data

The demographic characteristics was relevant to the research since it was expected that many young Saccos may not pay much attention to competitive strategy and may not have experienced enough challenges to call for it. The conclusion drawn from the responses on

years of operation is that the SACCO researched have been in operation for years ranging from 1 – 40 years. Regardless of the years in operation the SACCO bear similarities in their basic structures.

4.2.2 Branch distribution

The study found out that most of the Saccos (63%) have no branches. this was because most of the Saccos (73%) are employee owned and the employers operate only in Nairobi. The study found out that presence of branches of the SACCOs depended on the type of employer and the location of its offices. The explanation for this was that those Saccos affiliated to employers who have a national network have the highest possibility of having more than one branch of SACCO. The SACCO's tend to be concentrated where the employer was located. The following table shows the nature of branch distribution of the Saccos sampled.

Table 4.02: Branch Network

Branches	Frequency	Percent
No Branch	19	63
1-10 Branches	9	30
Over 10 branches	2	7
Total	30	100

Source: Research data

The interpretation of the distribution network is that the branch network of the Saccos studied was dependent on the affiliated employer network in Nairobi.

The conclusion drawn from the findings was that Saccos studied tended to have branches according to the branch network of the affiliated employer.

4.2.3 Services offered by SACCOS.

It was found out that all the SACCOS studied offer similar services. The main objective of these SACCOS was to offer cheaper savings and loans its members. The savings was normally in form of deduction of a fixed amount (recommended by the employee) from the members salary by the employer every month. The amount deducted is then remitted to the SACCO account. The total contribution by each member is popularly referred to as the member's shares. Loans to members are cheap in the sense that interest rates are very low compared to the commercial banks (normally twelve percent per annum or one percent per month) and does not require collateral. All the SACCOS sampled give to the members depending on their "shares". Members are allowed to borrow up to three times their contribution. Each member was allowed up to three loans at a time. These are emergency loan, school fees loan (both payable within one year) and business development loan. The types of loans offered are shown in table 4.03 below.

Table 4.03 Services offered by SACCOS.

Services offered by SACCOS	No. of SACCOS	Percentage
Business (Development) loans	30	100%
Personal/Consumer loans	30	100%
Savings	30	100%
Insurance	NONE	0
Money transfer	NONE	0
Leisure	NONE	0
Others	30	100%

Source: Research data

The development loan can be used for projects like building a house, starting a business, buying a car, furnishing a house etc. the repayment period was not fixed but where the

employee is on contract repayment will be based on the remaining contract period. Each loan is guaranteed by at least three members of the SACCO.

Other services offered by the SACCOS included the front office services. The members are allowed to operate an account where they can receive their salaries, deposit and withdraw cash and clear cheques. These accounts are independent of the member's contributions.

The interest rates charged to the loans is the basic form of income for the Sacco especially the young ones. However, many big SACCOS have invested in property like commercial land and buildings which generates rental income. Short term excess cash was invested in government securities and short term fixed deposits.

Most SACCOS disburse the loans directly to members by way of cheques.. This may be to allow the members enjoy their freedom. The farmers SACCOS however disburse loans to the suppliers in cases where the loans are meant to buy farm inputs.

4.3 Findings

The researchers had expected that the competitive strategies used by the SACCOS would target those core services and products offered by the SACCOS. The strategies used would realign the SACCOS to the operating environment. These would be intended to give strategic advantage to the SACCOS as compared to the competitors. The objective would be to position the SACCOS studied where they could best defend themselves against competing firms. Such strategies were expected to cover the core areas of: types of products and services, efficiency in transaction processing, customer care, adequate information systems, competent staff and marketing of products

Analysis of these competitive strategies indicated that only the following strategies are used by the SACCOS. Responses for all the strategies are shown in the appendix attached.

4.3.1 Types of products and services

In terms of the products the SACCOs indicated that they allow their members to withdraw from their savings accounts and also minimize the size of loans. The responses are tabulated below.

Table 4.04 Higher savings withdrawal frequencies

	Frequency	Percent
Not used at all	10	33
Averagely used	5	16
Used to a great extent	15	51
Total	30	100

Source: Research Data

The major product of SACCOs is the savings schemes. The ability to withdraw the savings portion would be a working strategy as there is need to access funds regularly and, in particular for those who are employed. The response indicates over 67% have adopted this strategy and only 33% have not used it at all.

The size of the loans also affects the ability to access the loans. SACCOs being based on savings by members the size of the loans are based on the savings built and the ability to repay. The ability to repay is also based on the disposal income which is computed by the SACCOs. Reducing the size of the loans would therefore enable members to access the loan facility based on their small savings and disposal income. The response indicates that over 80% of the saccos use this strategy to enable more members to access the loans. The responses as per table 4.05 indicate that 20% do not use this as a strategy.

Table 4.05 Minimizing types of loans.

	Frequency	Percent
Not used at all	6	20
Averagely used	8	26
Used to a great extent	16	53
Total	30	100

Source: Research Data

Most of the SACCOs studied, 53%, allowed members to minimize the size of loans. This was to enable members keep their borrowing within prescribed borrowing limits while at the same time allow access to additional borrowing as dictated by circumstances

The interviewees mentioned employment of competent staff was dictated by the aims of the

4.3.2 Employment of competent staff

Most Saccos indicated that they hire competent staff and in addition offer further training after carrying out a staff training needs assessment. This is intended to enable the staff to develop and offer high quality products and services to satisfy the members and at the same time out do the competitors.

The co-operative industry in Kenya has benefited from special training facility developed and maintained by the ministry of Co-operative development. Most Saccos source and train their employees at the Co-operative college of Kenya. The challenges have been fast and the need for specialized and competent staff from other background of training is necessary. The response indicate this need as 53.3% have not employed competent staff and only 23.3% have realized this critical need (Table 4.06)

Table 4.06 Employment of competent staff

	Frequency	Percent
Not used at all	16	53.3
Averagely used	7	23.3
Used to a great extent	7	23.3
Total	30	100

Source: Research Data

Majority of the SACCOs studied, 53%, did not consider recruitment of competent staff important while 23% considered it important. The rest of the SACCOs about 23%, considered competence to a great extent.

The researcher concluded employment of competent staff was dictated by the size of the SACCO and the ability of the SACCO to hire competent staff.

4.3.3 Staff training in customer care

The customer is the king and thus those who handle them need to understand how to treat them. Staff training in customer care is very necessary. The response as per table 4.07 indicates that over 48% have not trained their staff on customer care. It is worth noting that already a good proportion of the respondents 52% have recognized this important need and offered the training in customer care.

	Frequency	Percent
Not used at all	16	53.3
Averagely used	7	23.3
Used to a great extent	7	23.3
Total	30	100

Source: Research Data

Table 4.07: Staff training in customer care

	Frequency	Percent
Not used at all	14	46.7
Averagely used	6	20.0
Used to a great extent	10	33.3
Total	30	100

Source: Research Data

The study found that 46.7% of the SACCOs sampled did not train staff in customer care. The study also found that 20% of the SACCOs on the average trained staff in customer care while the rest, 33.3%, used training to great extent. This was probably because customer care was not offered by the traditional training institution the Co-operative college and or, could also be due to budget limitations.

4.3.4 Provision of incentives

The staff also needs incentives in order to perform. A number of organizations feel that salary alone is enough. The trend to introduce the use of incentives has picked up and according to the response over 73% give incentives to their staff with only 27% having not used at all this strategy to boost employee/staff performance (refer table 4.08).

Table 4.08: Provision of incentives to staff

	Frequency	Percent
Not used at all	8	26.7
Averagely used	10	33.3
Used to a great extent	12	40.0
Total	30	100

Source: Research Data

In terms of using incentives to motivate staff 26.7% of the SACCOs studied did not use it at all, 33.3% used it on average while 40% used incentives to a great extent. The interpretations of the findings was that the use or non-use of incentives to increase staff performance was determined by the size and the resources available to the SACCO. The findings of the study indicate that provision of incentive to staff is an avenue many Saccos have not yet embraced.

4.3.5 Marketing of services

The Saccos indicated that they do market their services to the members and non members. According to the responses, the methods of marketing identified by most Saccos were gifts to outstanding borrows, interest rebates and advertisement. The responses are tabulated below.

Table 4.09: Gifts to outstanding borrowers

	Frequency	Percent
Not used at all	4	13.3
Averagely used	3	10.0
Used to a great extent	23	76.7
Total	30	100

Source: Research Data

The study found that the 13.3% of the SACCOs did not use gifts to outstanding borrowers as a strategy. 10% used gifts as a strategy while 76.7% used gifts to outstanding borrowers as a strategy. The interpretation of this was that the use or nonuse of gifts was dictated by the availability of resource to the SACCOs.

4.3.6 Interest rate rebates

Interest rebates are provided for those who pay before the stipulated time of repayment. This encourages members to seek other sources to repay their loan and thus be in a position to get more loans. Table 4.10 indicate that nearly all the responses 97% have embraced this strategy.

Table 4.10: Interest rate rebates

	Frequency	Percent
Not used at all	1	3.3
Averagely used	5	16.7
Used to a great extent	24	80.0
Total	30	100

Source: Research Data

From the findings interest rates rebates are used to a great extent (80%) as a strategy to encourage members to repay loans.

A major proportion of income for Saccos comes from the interest they charge members on loans borrowed. Therefore, Saccos need to encourage members to borrow. One of the ways of promoting this is through gifts to outstanding borrowers, the response as per table 4.09 indicate that 87% of the respondents use this as a strategy to encourage more borrowings and only 13% have not used this strategy at all.

4.3.7 Use of advertisements

For same time the Saccos had belief that their members knew of their services and products which they offered. The saccos saw no need for advertisement. The need to attract more and

new members have formed the sacco to develop marketing programs. The response, Table 4.11 indicates that 83% of the respondents have resorted to advertisement campaigns.

Table 4.11: Use of advertisements

	Frequency	Percent
Not used at all	5	16.7
Averagely used	11	36.7
Used to a great extent	14	46.7
Total	30	100

Source: Research Data

The fact that only 47.6% used advertisement as a promotion strategy is indicative of the fact that SACCOs have not yet embraced marketing promotional strategies.

Saccos draw their membership from specific groups within the society who eventually own membership. The ownership is this based as members and because of their background they may pose different challenges. It can therefore be cited as a challenge as reported y 80-0% of the respondents.

4.4 Analysis of challenges in the implementation of competitive strategies

The researcher found out that there are several challenges impeding the implementation of the strategies. The critical challenges identified were: ownership structure, the ability and skills of employees, cost structure, member dropout and knowledge of the market.

4.4.1 Ownership structure

The ownership is very prescriptive most SACCOs, because they are owned by people with a common bond meaning that, the employee owners must have a common employer which is restrictive.

Analyses of the responses are as the table 4.12 below.

Table 4.12: Ownership structure

	Frequency	Percent
Not used at all	6	20.0
Averagely used	6	20.0
Used to a great extent	18	60.0
Total	30	100

Source: Research Data

Majority of respondents think that ownership structure is a major challenge. The ownership structure determines the source of funding of the SACCO. The common bond determines the size of the Saccos and extension the scope of the source of finding and cliental.

4.4.2 Ability and skills of the employees

As observed in the previous section on training, the ability to implement different programs would to some depend on the skills of the employees. The response on the challenges facing implementation of strategies in so far as ability and skills of employees is concerned is that 84% feel it is a challenge. The response when further analyzed indicate that 57% feel it is a major challenge while 27% as an average challenge,. The rest of the respondents, 16% see ability and skills of employees not as a challenge at all.

Table 4.13: Ability and skills of the employees

	Frequency	Percent
Not used at all	5	16.7
Averagely used	8	26.7
Used to a great extent	17	56.7
Total	30	100

Source: Research Data

The ability to attract and retain employees depend, on amongst other issues, the challenges, remuneration, upward mobility, only to mention a few. These would also depend on resources available. Therefore Saccos face major challenges in so far as staff turnover is concerned.

4.4.3 Staff turnover

The ability of a SACCO to retain staff determines stability of implementation of programs. Most SACCOs (63%) studied indicated that staff turnover is a challenge they recognize. The findings in this area are indicated in the table 4.14 below.

Table 4.14: Staff turnover

	Frequency	Percent
Not used at all	6	20.0
Averagely used	5	16.7
Used to a great extent	19	63.3
Total	30	100

Source: Research Data

The high staff turnover can be explained by the fact that most SACCOs are not able to pay competitive salaries to the employees. This means that most staff may initially be attracted to SACCOs as an employer of last resort rather than employer of choice.

4.4.4 Cost structure

The rising cost of doing business has affected saccos too. The saccos have not been spared by the high rising cost of doing business. 87% percent of the respondents feel the high cost structure is a challenge whereas only 13% do not consider cost structure as a challenge. The summarized response is as per table 4.15 below.

Table 4.15: Cost structure

	Frequency	Percent
Not used at all	4	13.3
Averagely used	6	20.0
Used to a great extent	20	66.7
Total	30	100

Source: Research Data

Most SACCOs have limited source of funding mostly confined to employees of the organizations the Saccos are affiliated to. This tends to limit the scope to which the SACCOs can mobilize resources to finance a basic structure.

4.4.5 Member dropout

Majority of Saccos are employer based. The turbulent environment has resulted in many organizations restructuring leading to job losses. The Saccos particularly those who are employer based become victims. This explains the response on the high member drop out as a challenge. Table 4.16 is a summarized response.

Table 4.16: Member dropout

	Frequency	Percent
Not used at all	7	23.3
Averagely used	5	16.7
Used to a great extent	18	60.0
Total	30	100

Source: Research Data

Following liberalization the high member dropout can be explained by the fact that many enterprises that employ SACCO members have been forced to cut down on staff and this has contributed to member dropout.

4.4.6 Knowledge of market

The focus on members alone has resulted in some saccoes not seeing the great effect of competitors coming. The challenge therefore resulting from limited knowledge of the market, was reflected in the response as per table 4.17. The majority 90% feel it is a major challenge. The issue of the market is further addressed by lack of marketing abilities which 77% feel is a challenge with only 23% feeling otherwise as per Table 4.18

Table 4.17: Knowledge of market

	Frequency	Percent
Not used at all	3	10
Averagely used	9	30
Used to a great extent	18	60
Total	30	100

Source: Research Data

The lack of marketing knowledge may be attributed to the fact that SACCOs normally served people of the same characteristics (same employer, same community) therefore they saw no need of marketing their services. With the number of competitors coming into the market,

marketing awareness of the SACCOs need to be sharpened. This will not only enable them retain their current membership but also attract new membership.

The research was carried out on 30 SACCOs in 2018. The majority of the SACCOs

4.4.7 Marketing abilities

Marketing ability is crucial for the SACCO to be able to cope with increasing competition.

50% of SACCOs indicated they used marketing as a strategy to sell their services. The other 50% either did not use it at all or used it on average. The table below (4.18) shows the responses on this aspect.

Figure 4.18

Table 4. 18: Marketing abilities

	Frequency	Percent
Not used at all	7	23
Averagely used	8	27
Used to a great extent	15	50
Total	30	100

Source: Research Data

SACCOs have been operating in a very regulated environment. The lack of marketing abilities as indicated in the responses is a testament to this fact. Additionally, this may also be due to the fact that marketing was not an area of training at Co-operative College until recently.

The SACCOs have not fully embraced the importance of competent staff and the need to take them in customer care. The need to employ and train competent staff in customer care has gained prominence in all sectors and SACCOs have not identified these two as critical to their survival and service and product delivery.

CHAPTER V: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The research was carried out on SACCOS based in Nairobi. The majority of the SACCOS surveyed being those which have operated for less than ten years. The groups surveyed were mostly employer based with no branches in the other parts of the city or the country. The SACCOS offer similar services with the aim of offering cheaper savings and loans to members.

5.2 Summary

This research clearly identified that the use of competitive strategies has not been popularly embraced by the SACCOS. The most competitive strategy used by the SACCOS was marketing of services. The SACCOS do this in form of gifts to outstanding borrowers, interest rebates where repayments are on schedule or even faster, and advertisements. Thus Saccos mainly use personal advertisement to attract more members and more borrowers.

Other strategies used include the allowing of higher savings withdrawal, giving of gifts to outstanding borrowers, interest rebates, and minimizing the size of loans in order to allow members to borrow more. On the other side, SACCOS have also identified the need to offer incentives to their staff to improve their performance. On the marketing front the SACCOS have resorted to advertising of their services and products.

The SACCOS have not fully embraced the importance of competent staff and the need to train them in customer care. The need to employ and train competent staff in customer care has gained prominence in all sectors and Saccos have not identified these two as critical to their survival and service and product delivery.

Another strategy found to have been ignored by the SACCOs was the information technology. The SACCOs sampled were found to use manual method of transaction processing and most employees are computer illiterate. Information technology should be adopted by the saccos not only as a means of cutting the operating cost but also as a means to quality service to the customers. Embracing information technology would require training of staff, linking of saccos with branches and purchase of more computers.

On challenges to the implementation of competitive strategies, the research discovered that the saccos face several bottlenecks in the implementation of their strategies. High cost structure and staff turnover were identified as the most common challenge by all the saccos. Saccos cost of operation mainly include rent and salaries. Some saccos occupy offices in the CBD where rent is normally expensive. Other challenges were as follows;

A major stumbling block to the SACCOs is access to finance their operations. A number of SACCOs have grown in size and the educational level of members towards the benefits associated with SACCOs has grown to its highest. The SACCOs therefore require funds to give out as loans to the members whose demand for loans have gone higher than the SACCOs can contain and this resulted in some cases of forced savings

At the same time SACCOs require funds to put up operational structures like IT and training of manpower. They critically need funds to refurbish the decaying structures that were set up some years ago.

The lack of marketing abilities may be attributed to the fact that SACCOs normally served people of same characteristics (e.g. same employer, same community) therefore they saw no need to marketing their services. With a number of competitors coming into the market, marketing abilities of the SACCOs need to be sharpened. This will not only enable them retain their current membership but also attract new membership.

The SACCO movement has been highly regulated and controlled by the government over some years. The Government has shown its intention of removing some of the negative control mechanisms. The involvement of the SACCO sector in a number of seminars to come up with a new SACCO Law through a SACCO bill is one of the positive moves so far initiated by the Government.

The Government should therefore remove all the structures that hinder the development of the SACCOs. At the same time the Government must maintain a supervisory role in the activities of SACCO, as it is an important one in the economic development of the country generally and the financial sector in particular.

For some time the consumers of SACCO services have been neglected to such an extent that the management have to design the products as they feel will be required by the consumers. In essence, there is a critical need to empower the SACCOs to assess the performance of their competitors and at the same time identify the taste of their consumers. This can be done through market research as it will go a long way in helping the SACCOs in the design of this product to the consumers.

5.3 Recommendation for policy and practice

Longer repayment period for loans will ease the loan burden on members taking substantial development loans. The current practice is to allow members the prescribed repayment period of 36 months or in exceptional cases 48 months. Giving customers flexibility in the repayment period of loans will help borrowers adapt to changing financial circumstances.

Higher savings withdrawal frequencies will provide easy exit for members who want to use their savings to invest in other profitable opportunities that may arise. Another area to look into is forced savings to guarantee loans and boost the capital base. This will mobilize more savings for more borrowings. SACCOs can also consider providing service to non-members at a premium fee. This can include saving facilities or and providing guarantees.

Application of ICT by the SACCOS may help cut down on cost and offer fast and efficient services to members like providing internet and web advertising services. Incentive to staff can also be explored. Incentive to the staff can help boost their morale and thus performance. The financial market in which SACCOs operate is a very volatile market. In order to catch up with the other key players, the SACCO manager needs to be trained and informed about the market. Such incentives can take the form of car loans, furniture, loans, amongst others.

Incentive to outstanding borrowers can take the form of prizes and special recognition. If used, this can boost savings more and borrowing simultaneously. Another area that can be used is giving incentives for timely repayment. Timely loan repayment can lead to improved SACCOs' cash flow and therefore accelerate the circulation of funds among the members.

Allowing repayment through cheques and or direct deposits can give members chance to increase savings and borrowings which may not be possible if the member's pay-slips is

committed. This should target members who have income outside and or, additional to employment income which they may like to use to increase their savings or service loans.

Promotional activities may be employed in view of the intensive competition. SACCOs may consider using Public Relations (PR) and Sales promotion/Advertising. This can sensitize members on services available, Project a positive image of their SACCO in the market and create positive awareness among the members.

5.4 Areas for Further Research

In the past and even at the time of this study SACCOs have been riddled with mismanagement, fraud and even outright theft by the executive management committee officials and senior managers. Unlike Commercial Banks who have industry code of conduct and prudential guidelines and are close supervision by the Central Bank CBK, SACCOs have no centralized supervising authority that instills discipline. Issues of corporate governance need to be researched on.

The world is now a global village. The search for resources should not be restricted to membership deposits and shares. Provided there is opportunity, the search for resources should go beyond employee members and national boundaries. Off-shore resources can facilitate society's search and exploitation of opportunity globally.

Taxation of SACCOS income is detrimental to this sector which is still young. Tax relief to members on dividends and interest on deposit can encourage more people to invest in SACCOS.

Application of cutting edge technology can improve efficiencies in the operations of SACCOs. Work is needed in this area to determine the scope of the potential of ICT in SACCOs.

The current trend all over the world is for companies and co-operatives to merge and integrate in order to enjoy economies of scale. Like is the case in the airline industry for airlines to form strategic alliance, research need to be done to determine the potential benefits of SACCOs working in strategic partnerships. In fact working in strategic alliance will be in line with co-operative principle of 'co-operation among cooperatives'.

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APPENDIX 1

LETTER OF INTRODUCTION

NDUBI T. MAKENI
FACULTY OF COMMERCE
UNIVERSITY OF NAIROBI
P. O. BOX 30197
NAIROBI

Dear Sir/Madam,

I am a Masters Student at the University of Nairobi's Faculty of Commerce. In partial fulfillment of the requirements for the Masters of Business Administration (MBA), I am conducting a study on Strategic Responses Adopted by SACCOs in Nairobi and to changed operating environment..

Your firm has been selected to form part of this study. To this end, I kindly request your assistance in completing the attached questionnaire, which forms the integral part of this research project. The information and data is needed for academic purposes and will be treated in strict confidence. A copy of the research project will be made available to your firm on request.

Please find attached a copy of my introductory letter. Your cooperation is highly appreciated. Thank you.

Yours Sincerely,

T.N. Makeni

APPENDIX 2

QUESTIONNAIRE

SECTION A

1. How many years operating? _____

2. Please indicate the nature of ownership of your SACCO

Employees Farmers

Other (please specify) _____

3. How many branches does your SACCO have?

4. What is the distribution of your branches?

Number of branches in Nairobi _____

Number of branches outside Nairobi _____

5. What was loan portfolio by the end of 2002?

Kshs. _____

6. What was the volume for your deposits by the end of 2002? Please indicate whether they are voluntary savings or forced savings.

Kshs. _____

7. What services does your SACCO offer?

Business Loans

Agricultural loans

Personal/consumer loans

Savings

Insurance

Money transfer

Leasing

Training (business and technical)

Other (Please specify)

8. What do your customers consider the interest rate of your services to be (please tick as appropriate)

I). Higher than competition

II). Similar to competition

III). Lower than competition

9. Please give reasons why your interest rate is as indicated above

i). _____

ii). _____

iii). _____

SECTION B

10. What methodology do you use to disburse loan products? (Please tick as appropriate)

i). Highly competitive

- ii). Average
- iii). Not competitive
- iv). Not sure

12. What are your reasons for five above?

- i). _____
- ii). _____
- iii). _____

13. Name your 5 main business competitors

- i). _____
- ii). _____
- iii). _____
- iv). _____
- v). _____

14. Position held by respondent in the Company

SECTION B

Please indicate (tick) to what extent you have used the following action plans to beat competition in the market

Indicate by circling as appropriate on the scale on a scale of 1-5,

Where 1 = used to a great extent and 5 = not used at all

Products and services

1. Offering products and services not offered by Competitors
2. Offering high quality services
3. Offering better terms services
4. Offering higher loan sizes
5. Providing a longer repayment period for loans
6. Giving customers flexibility in the yes of the loan
7. Offering refinancing arrangements when required by Borrowers
8. Offering lower minimum deposit for savings
9. Higher saving withdrawal frequencies
10. Charging lower interest rates loans

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

Approaches for delivering service

11. Keeping transaction costs lower than that of Competitors
12. Minimizing size of loans
13. Making collateral requirements for loans easier than that of competitors

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

14. Declining savings from loans i.e. No forced savings to guarantee loans

Transaction processing

15. Easing the process of becoming a customer
16. Making the loan application process quick and simple
17. Making repeat loans processing quick and convenient

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

Customer Care and Services

18. Have a good system of receiving feedback from Clients
19. Serve specific type of customers only
20. Serve all customers

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

Adequate information systems

21. The use of an information system that makes Customer service quick and reliable
22. Investment in an information system that supports an Effective staff performance monitoring

1	2	3	4	5
1	2	3	4	5

Efficient cash management systems

23. Ensuring loans are available by clients when needed

1	2	3	4	5
1	2	3	4	5

24. Ensuring that there sufficient funds at all times to
make payments to holders of savings accounts
(voluntary and forced)

Staff

25. Employing competent staff

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

26. Training staff in customer service

27. Giving staff incentives e.g. bonus

Marketing

28. Gifts to outstanding borrowers

29. Offering interest rebates and other incentives for
timely payments

30. Allowing repayments by cheque, direct deposit

31. Use of public relations, sales promotions or
advertising

32. Differentiating from competitors in terms of names

our services, appearance of our premises, use of brochures
and other marketing tools different form those used by
competitors

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

Other action plans

33. ACTION C

1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5
1	2	3	4	5

34.

35.

36.

37.

38.

1. Increasing turnover by sales expansion and sales promotion	1	2	3	4	5
2. Cost-price changes	1	2	3	4	5
3. Advertising and sales promotion	1	2	3	4	5
4. Market share with financial support management and board of directors	1	2	3	4	5
Objectives					
5. Staff reduction	1	2	3	4	5
6. High-overhead costs	1	2	3	4	5
7. High transfer charges	1	2	3	4	5
8. Limited knowledge of the market	1	2	3	4	5
9. Limitation of services by competitors	1	2	3	4	5
10. Government regulations	1	2	3	4	5
11. Marketing difficulties	1	2	3	4	5
12. Market research and product design	1	2	3	4	5

Please indicate and rank (1 being the greatest) the challenges you face (ranked as you operate in SACCO sub sector of the low-income market

SECTION C

The following are some issues identified as challenges in the implementation of action plans. Please indicate the extent to which the following factors are a challenge in operating efficiently in the market.

Indicate by circling as appropriate on the on a scale of 1-5, where 1= major challenge and 5 = minor challenge

1. Accessing finance to fund operations and loan portfolio	1	2	3	4	5
2. Ownership structure	1	2	3	4	5
3. Ability and skills of employees	1	2	3	4	5
4. Shared vision and mission between management and Board of Directors	1	2	3	4	5
5. Staff turn over	1	2	3	4	5
6. High cost structures	1	2	3	4	5
7. High member drop out	1	2	3	4	5
8. Limited knowledge of the market	1	2	3	4	5
9. Limitation of services by competitors	1	2	3	4	5
10. Government regulations	1	2	3	4	5
11. Marketing abilities	1	2	3	4	5
12. Market research and product design	1	2	3	4	5

Please indicate and rank (1 being the greatest) the challenges you have experienced as you operate in SACCO sub sector of the finance market.

Services of interest

Service of interest	Frequency	Percent
Personal/Commercial loans	30	100%
Realty	30	100%
Insurance	NONE	0
Money transfer	NONE	0
Liquor	NONE	0
Others	30	100%

Offering rate products

View	Frequency	Percent	Valid Percent	Cumulative Percent
Not used at all	12	40.0	40.0	40.0
Average used	7	22.7	26.7	70.0
Used to a great extent	11	36.6	30.0	100.0
Total	30	100.0	100.0	

High quality products

View	Frequency	Percent	Valid Percent	Cumulative Percent
Not used at all	14	46.7	46.7	46.7
Average used	6	20.0	20.0	66.7
Used to a great extent	10	33.3	33.3	100.0
Total	30	100.0	100.0	

Better terms of service

View	Frequency	Percent	Valid Percent	Cumulative Percent
Not used at all	20	66.7	66.7	66.7
Average used	4	13.3	13.3	80.0
Used to a great extent	6	20.0	20.0	100.0
Total	30	100.0	100.0	

APPENDIX THREE: TABLE OF RESPONSES

Services offered by SACCOs

Services offered by SACCOs	No. of SACCOs	Percentage
Business (Development) loans	30	100%
Personal/Consumer loans	30	100%
Savings	30	100%
Insurance	NONE	0
Money transfer	NONE	0
Leisure	NONE	0
Others	30	100%

Offering rare products

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used all	13	43.3	43.3	43.3
Averagely used	8	26.7	26.7	70.0
Used to a great extent	9	30.0	30.0	100.0
Total	30	100.0	100.0	

High quality products

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	14	46.7	46.7	46.7
Averagely used	6	20.0	20.0	66.7
Used to great extent	10	33.3	33.3	100.0
Total	30	100.0	100.0	

Better terms of service

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	20	66.7	66.7	66.7
Averagely used	6	20.0	20.0	86.7
Used to a great extent	4	13.3	13.3	100.0
Total	30	100.0	100.0	

Higher loans sizes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	17	56.7	56.7	56.7
	Averagely used	4	13.3	13.3	70.0
	Used to a great extent	9	30.0	30.0	100.0
	Total	30	100.0	100.0	

Longer repayment periods

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	21	70.0	70.0	70.0
	Averagely used	3	10.0	10.0	80.0
	Used to a great extent	6	20.0	20.0	100.0
	Total	30	100.0	100.0	

Offering flexible repayment of loans

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	15	50.0	50.0	50.0
	Averagely used	6	20.0	20.0	70.0
	Used to a great extent	9	30.0	30.0	100.0
	Total	30	100.0	100.0	

Offering refinancing facilities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	17	56.7	56.7	56.7
	Averagely used	6	20.0	20.0	76.7
	Used to a great extent	7	23.3	23.3	100.0
	Total	30	100.0	100.0	

Offering lower minimum deposits for savings

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	17	56.7	56.7	56.7
	Averagely used	6	20.0	20.0	76.7
	Used to a great extent	7	23.3	23.3	100.0
	Total	30	100.0	100.0	

Higher savings withdrawal frequencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	10	33.3	33.3	33.3
	Averagely used	5	16.7	16.7	50.0
	Used to a great extent	15	50.0	50.0	100.0
	Total	30	100.0	100.0	

Charging lower interest rates

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	18	60.0	60.0	60.0
Averagely used	5	16.7	16.7	76.7
Used to a great extent	7	23.3	23.3	100.0
Total	30	100.0	100.0	

Keeping transactions cost lower

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	18	60.0	60.0	60.0
Averagely used	7	23.3	23.3	83.3
Used to a great extent	5	16.7	16.7	100.0
Total	30	100.0	100.0	

Minimizing size of loans

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	6	20.0	20.0	20.0
Averagely used	8	26.7	26.7	46.7
Used to great extent	16	53.3	53.3	100.0
Total	30	100.0	100.0	

Collaterals easier

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	16	53.3	53.3	53.3
Averagely used	2	6.7	6.7	60.0
Used to a great extent	12	40.0	40.0	100.0
Total	30	100.0	100.0	

Easing of membership processing

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	20	66.7	66.7	66.7
Averagely used	4	13.3	13.3	80.0
Used to a great extent	6	20.0	20.0	100.0
Total	30	100.0	100.0	

Quick loan processing

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	21	70.0	70.0	70.0
Averagely used	4	13.3	13.3	83.3
Used to a great extent	5	16.7	16.7	100.0
Total	30	100.0	100.0	

Quick repeat loans processing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used all	19	63.3	63.3	63.3
	Averagely used	4	13.3	13.3	76.7
	Used to a great extent	7	23.3	23.3	100.0
	Total	30	100.0	100.0	

Efficient feedback system

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	14	46.7	46.7	46.7
	Averagely used	6	20.0	20.0	66.7
	Used to a great extent	10	33.3	33.3	100.0
	Total	30	100.0	100.0	

Specific customer service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	17	56.7	56.7	56.7
	Averagely used	4	13.3	13.3	70.0
	Used to a great extent	9	30.0	30.0	100.0
	Total	30	100.0	100.0	

Efficient information system for customer service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	19	63.3	63.3	63.3
	Averagely used	6	20.0	20.0	83.3
	Used to a great extent	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

Investment in information system for employee monitoring

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	16	53.3	53.3	53.3
	Averagely used	5	16.7	16.7	70.0
	Used to a great extent	9	30.0	30.0	100.0
	Total	30	100.0	100.0	

Availing of loans

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not used at all	20	66.7	66.7	66.7
	Averagely used	6	20.0	20.0	86.7
	Used to a great extent	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

Availing of funds for savings

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	20	66.7	66.7	66.7
Averagely used	5	16.7	16.7	83.3
Used to a great extent	5	16.7	16.7	100.0
Total	30	100.0	100.0	

Employment of competent staff

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	16	53.3	53.3	53.3
Averagely used	7	23.3	23.3	76.7
Used to a great extent	7	23.3	23.3	100.0
Total	30	100.0	100.0	

Staff training in customer care

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	14	46.7	46.7	46.7
Averagely used	6	20.0	20.0	66.7
Used to a great extent	10	33.3	33.3	100.0
Total	30	100.0	100.0	

Provision of incentives to staff

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	8	26.7	26.7	26.7
Averagely used	10	33.3	33.3	60.0
Used to a great extent	12	40.0	40.0	100.0
Total	30	100.0	100.0	

Gifts to outstanding borrowers

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	4	13.3	13.3	13.3
Averagely used	3	10.0	10.0	23.3
Used to a great extent	23	76.7	76.7	100.0
Total	30	100.0	100.0	

Interest rebates

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	1	3.3	3.3	3.3
Averagely used	5	16.7	16.7	20.0
Used to a great extent	24	80.0	80.0	100.0
Total	30	100.0	100.0	

Repayments modules

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	22	73.3	73.3	73.3
Averagely used	3	10.0	10.0	83.3
Used to a great extent	5	16.7	16.7	100.0
Total	30	100.0	100.0	

Advertisement

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not used at all	5	16.7	16.7	16.7
Averagely used	11	36.7	36.7	53.3
Used to a great extent	14	46.7	46.7	100.0
Total	30	100.0	100.0	

High cost structure

Statistics

	Accessing of funds for loans and operations	Ownership structure	Ability and skills of employees	Shared mission and vision	Staff turnover	High cost structure	High cost structure
N Valid	30	30	30	30	30	30	
Missing	0	0	0	0	0	0	

Accessing of funds for loans and operations

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not a challenge at all	11	36.7	36.7	36.7
Average challenge	7	23.3	23.3	60.0
Major challenge	12	40.0	40.0	100.0
Total	30	100.0	100.0	

Ownership structure

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not a challenge at all	6	20.0	20.0	20.0
Average challenge	6	20.0	20.0	40.0
Major challenge	18	60.0	60.0	100.0
Total	30	100.0	100.0	

Ability and skills of employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not a challenge at all	5	16.7	16.7	16.7
Average challenge	8	26.7	26.7	43.3
Major challenge	17	56.7	56.7	100.0
Total	30	100.0	100.0	

Shared mission and vision

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a challenge at all	8	26.7	26.7	26.7
	Average challenge	9	30.0	30.0	56.7
	Major challenge	13	43.3	43.3	100.0
	Total	30	100.0	100.0	

Staff turnover

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a challenge at all	6	20.0	20.0	20.0
	Average challenge	5	16.7	16.7	36.7
	Major challenge	19	63.3	63.3	100.0
	Total	30	100.0	100.0	

High cost structure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a challenge at all	4	13.3	13.3	13.3
	Average challenge	6	20.0	20.0	33.3
	Major challenge	20	66.7	66.7	100.0
	Total	30	100.0	100.0	

High member dropout

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a challenge at all	7	23.3	23.3	23.3
	Average challenge	5	16.7	16.7	40.0
	Major challenge	18	60.0	60.0	100.0
	Total	30	100.0	100.0	

Limited knowledge of market

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a challenge at all	3	10.0	10.0	10.0
	Average challenge	9	30.0	30.0	40.0
	Major challenge	18	60.0	60.0	100.0
	Total	30	100.0	100.0	

Limited services by competitors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not a challenge at all	6	20.0	20.0	20.0
	Average challenge	9	30.0	30.0	50.0
	Major challenge	15	50.0	50.0	100.0
	Total	30	100.0	100.0	

Government regulations

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not a challenge	11	36.7	36.7	36.7
Average challenge	9	30.0	30.0	66.7
Major challenge	10	33.3	33.3	100.0
Total	30	100.0	100.0	

Marketing abilities

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not a challenge at all	7	23.3	23.3	23.3
Average challenge	8	26.7	26.7	50.0
Major challenge	15	50.0	50.0	100.0
Total	30	100.0	100.0	

Market research and design

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not a challenge at all	5	16.7	16.7	16.7
Average challenge	9	30.0	30.0	46.7
Major challenge	16	53.3	53.3	100.0
Total	30	100.0	100.0	

Statistics

	Years of operation	Nature of ownership	Number of branches
N Valid	30	30	30
Missing	0	0	0

Years of operation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0-10 years	13	43.3	43.3	43.3
11-20 years	2	6.7	6.7	50.0
21-30 years	5	16.7	16.7	66.7
31- 40 years	10	33.3	33.3	100.0
Total	30	100.0	100.0	

Nature of ownership

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Employees	22	73.3	73.3	73.3
Farmers	4	13.3	13.3	86.7
Others	4	13.3	13.3	100.0
Total	30	100.0	100.0	

Number of branches

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Nil	19	63.3	63.3	63.3
1-10 Branches	9	30.0	30.0	93.3
Over 10 Branches	2	6.7	6.7	100.0
Total	30	100.0	100.0	

9 Awa Sacco LTD	P.O BOX	18536 NBI
10 Awa Sacco LTD	P.O BOX	18536 NBI
11 Awa Workers Sacco LTD	P.O BOX	42674 NBI
12 Awa Sacco LTD	P.O BOX	45436 NBI
13 Awa Sacco LTD	P.O BOX	23762 NBI
14 Awa Sacco LTD	P.O BOX	32142 NBI
15 Awa Sacco LTD	P.O BOX	48511 NBI
16 A.P.C.	P.O BOX	41043 NBI
17 Awa Sacco	P.O BOX	47466 NBI
18 Al Shariif	P.O BOX	47362 NBI
19 Akil Sacco	P.O BOX	17534 NBI
20 Banaa Fibres Sacco	P.O BOX	57198 NBI
21 Banaa Sacco LTD	P.O BOX	49326 NBI
22 Banaa Sacco LTD	P.O BOX	30587 NBI
23 Banaa Sacco LTD	P.O BOX	7041 NBI
24 Banaa Sacco LTD	P.O BOX	43371 NBI
25 Banaa Sacco	P.O BOX	21426 NBI
26 Banaa Sacco LTD	P.O BOX	30875 NBI
27 Banaa Sacco LTD	P.O BOX	40078 NBI
28 Banaa Sacco LTD	P.O BOX	47322 NBI
29 Banaa Sacco LTD	P.O BOX	44042 NBI
30 Banaa Sacco LTD	P.O BOX	NBI
31 Banaa Sacco LTD	P.O BOX	17336 NBI
32 Banaa Sacco LTD	P.O BOX	87000 NBI
33 Banaa Sacco LTD	P.O BOX	42740 NBI
34 Banaa Sacco LTD	P.O BOX	42730 NBI
35 Banaa Sacco LTD	P.O BOX	NBI
36 Banaa Sacco LTD	P.O BOX	30580 NBI
37 Banaa Sacco LTD	P.O BOX	27381 NBI
38 Banaa Sacco LTD	P.O BOX	42007 NBI
39 Banaa Sacco LTD	P.O BOX	18286 NBI
40 Banaa Sacco LTD	P.O BOX	38413 NBI
41 Banaa Sacco LTD	P.O BOX	17195 NBI
42 Banaa Sacco LTD	P.O BOX	77195 NBI
43 Banaa Sacco LTD	P.O BOX	17195 NBI
44 Banaa Sacco LTD	P.O BOX	17195 NBI
45 Banaa Sacco LTD	P.O BOX	17195 NBI
46 Banaa Sacco LTD	P.O BOX	17195 NBI
47 Banaa Sacco LTD	P.O BOX	17195 NBI
48 Banaa Sacco LTD	P.O BOX	17195 NBI
49 Banaa Sacco LTD	P.O BOX	17195 NBI
50 Banaa Sacco LTD	P.O BOX	17195 NBI
51 Banaa Sacco LTD	P.O BOX	17195 NBI
52 Banaa Sacco LTD	P.O BOX	17195 NBI

1 Agip Sacco LTD.	P.O.BOX	20400 NBI.
2 Afrosco Sacco LTD.	P.O.BOX	30202 NBI.
3 Aftour Sacco LTD.	P.O.BOX	30471 NBI.
4 AfyaSacco LTD.	P.O.BOX	11607 NBI.
5 AsiliSacco LTD.	P.O.BOX	49064 NBI.
6 Akapulco Sacco LTD.	P.O.BOX	40322 NBI.
7 AEE Sacco LTD.	P.O.BOX	53012 NBI.
8 Agdeco Sacco LTD.	P.O.BOX	47101 NBI.
9 Ades Sacco LTD.	P.O.BOX	18568 NBI.
10 Aurora Sacco LTD.	P.O.BOX	18586 NBI.
11 Allied Workers Sacco LTD.	P.O.BOX	42674 NBI.
12 Apak Sacco LTD.	P.O.BOX	40426 NBI.
13 Ardhi Sacco LTD.	P.O.BOX	28782 NBI.
14 Art Sacco LTD.	P.O.BOX	32142 NBI.
15 Amit Sacco LTD.	P.O.BOX	46511 NBI.
16 C.P.C.	P.O.BOX	41045 NBI.
17 Alico Sacco	P.O.BOX	49460 NBI.
18 Al-Sharrif	P.O.BOX	40382 NBI.
19 Akili Sacco	P.O.BOX	17534 NBI.
20 Banana Fibres Sacco	P.O.BOX	17166 NBI.
21 Besco Sacco LTD.	P.O.BOX	49069 NBI.
22 Biashara Sacco LTD.	P.O.BOX	30587 NBI.
23 Bibilia Sacco LTD	P.O.BOX	7041 NBI.
24 Billet Sacco LTD	P.O.BOX	45371 NBI.
25 Bima ya Taifa	P.O.BOX	20425 NBI.
26 Biswepa Sacco LTD	P.O.BOX	30375 NBI.
27 Block Hotels Sacco LTD	P.O.BOX	40075 NBI.
28 Bookies Sacco LTD	P.O.BOX	47522 NBI.
29 Bunge Sacco LTD	P.O.BOX	41842 NBI.
30 Busco Sacco LTD	P.O.BOX	NBI.
31 Balози Sacco LTD	P.O.BOX	11539 NBI.
32 Benki-Kuu Sacco LTD	P.O.BOX	60000 NBI.
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34 Bunma Fashion Sacco LTD	P.O.BOX	427833 NBI.
35 Catea Sacco LTD	P.O.BOX	NBI.
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37 Bargaen Sacco LTD	P.O.BOX	20001 NBI.
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43 Chui Sacco LTD	P.O.BOX	43436 NBI.
44 Chuna Sacco LTD	P.O.BOX	30197 NBI.
45 Chupa Sacco LTD	P.O.BOX	45788 NBI.
46 Clarkham Sacco LTD	P.O.BOX	42646 NBI.
47 Comfood Sacco LTD	P.O.BOX	46818 NBI.
48 Comoco Sacco LTD	P.O.BOX	30135 NBI.
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50 Concorde Sacco LTD	P.O.BOX	30159 NBI.
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52 Ushuru Sacco LTD	P.O.BOX	55045 NBI.

53 Chalk Sacco LTD	P.O.BOX	30690 NBI.
54 Co-Op. Bank LTD.	P.O.BOX	67881 NBI.
55 Creative Interior	P.O.BOX	78470 NBI.
56 Calet	P.O.BOX	46987 NBI.
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58 Coffee workers Sacco LTD	P.O.BOX	72309 NBI.
59 Carl-Mang Sacco LTD	P.O.BOX	46505 NBI.
60 Convention Sacco LTD	P.O.BOX	NBI.
61 C.P.K.	P.O.BOX	40502 NBI.
62 Dawa Sacco LTD	P.O.BOX	30393 NBI.
63 Diversy	P.O.BOX	41939 NBI.
64 Dudu	P.O.BOX	30772 NBI.
65 Dunlop	P.O.BOX	30102 NBI.
66 Dalabima	P.O.BOX	30076 NBI.
67 Data-Comp	P.O.BOX	30286 NBI.
68 Dhamini	P.O.BOX	30422 NBI.
69 Dagoretii H. School	P.O.BOX	21070 NBI.
70 Deras Sacco Society LTD.	P.O.BOX	14002 NBI.
71 Elimu	P.O.BOX	30040 NBI.
72 Emco Steel	P.O.BOX	48995 NBI.
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75 Esso	P.O.BOX	30200 NBI.
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78 Air-Bus	P.O.BOX	30320 NBI.
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80 City Co-Op.	P.O.BOX	40612 NBI.
81 Fagio CS&CS	P.O.BOX	72634 NBI.
82 Faraja	P.O.BOX	NBI.
83 Funiko	P.O.BOX	46408 NBI.
84 Fundilima Sacco society LTD.	P.O.BOX	62000 NBI.
85 Friendly	P.O.BOX	78300 NBI.
86 Fresh food	P.O.BOX	49655 NBI.
87 Finiko	P.O.BOX	46408 NBI.
88 Flamy	P.O.BOX	44899 NBI.
89 Gala CS&CS	P.O.BOX	30542 NBI.
90 General Motors	P.O.BOX	30527 NBI.
91 Glaxo	P.O.BOX	18288 NBI.
92 Golf	P.O.BOX	40221 NBI.
93 Genesis	P.O.BOX	78012 NBI.
94 Gan-Pan	P.O.BOX	42838 NBI.
95 Haraka	P.O.BOX	40433 NBI.
96 Harambee	P.O.BOX	47815 NBI.
97 Haria	P.O.BOX	45765 NBI.
98 Hazina	P.O.BOX	59877 NBI.
99 Hewa	P.O.BOX	18020 NBI.
100 Hoechem Sacco society LTD.	P.O.BOX	30467 NBI.
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103 Ideal Casement	P.O.BOX	43319 NBI.
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127 Kilele Sacco Society L.T.D.	P.O.BOX	20472 NBI.
128 Kimbo	P.O.BOX	30062 NBI.
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130 Kumbuka Sacco Society L.T.D.	P.O.BOX	42784 NBI.
131 Wasado Sacco Society LTD.	P.O.BOX	18011 NBI.
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133 Kona	P.O.BOX	46175 NBI.
134 Kumbukumbu	P.O.BOX	40658 NBI.
135 Kaja Sacco Society L.T.D.	P.O.BOX	56582 NBI.
136 Kenya farmers(K.N.F.U.)	P.O.BOX	1225 NBI.
137 Kenya Taxi Cab	P.O.BOX	NBI.
138 K.T.T.C.	P.O.BOX	44600 NBI.
139 Kingsize CS & CS LTD.	P.O.BOX	18134 NBI.
140 Kamakisu	P.O.BOX	18009 NBI.
141 Kwaho	P.O.BOX	61470 NBI.
142 Katicol	P.O.BOX	45356 NBI.
143 Kedako	P.O.BOX	43702 NBI.
144 Kenya Bankers	P.O.BOX	73236 NBI.
145 Lee Workers	P.O.BOX	30253 NBI.
146 Leonard Moore	P.O.BOX	45186 NBI.
147 Lions	P.O.BOX	30190 NBI.
148 Lompasago Sacco Society L.T.D.	P.O.BOX	17553 NBI.
149 Lukisimba	P.O.BOX	45367 NBI.
150 Macobo	P.O.BOX	46206 NBI.
151 Magereza	P.O.BOX	30175 NBI.
152 Maharaja	P.O.BOX	43006 NBI.
153 Majanees	P.O.BOX	48033 NBI.
154 Majiko	P.O.BOX	45483 NBI.
155 Maktaba Sacco Society L.T.D.	P.O.BOX	30575 NBI.
156 Man-Out	P.O.BOX	46515 NBI.
157 Mater	P.O.BOX	30325 NBI.
158 Mao	P.O.BOX	43724 NBI.
159 Mataso	P.O.BOX	44717 NBI.
160 Maziwa	P.O.BOX	30131 NBI.

161 Mecol	P.O.BOX	52054 NBI.
162 Mikate	P.O.BOX	40175 NBI.
163 Minet	P.O.BOX	20102 NBI.
164 Mitungi CS& CS LTD.	P.O.BOX	78050 NBI.
165 Mo-Steel CS& CS LTD	P.O.BOX	18310 NBI.
166 Motofari CS& CS LTD	P.O.BOX	NBI.
167 Msafiri CS& CS LTD	P.O.BOX	30475 NBI.
168 Mobuco CS& CS LTD	P.O.BOX	60107 NBI.
169 Motel CS& CS LTD	P.O.BOX	NBI.
170 Musumeno	P.O.BOX	48624 NBI.
171 Mwalimu CS& CS LTD	P.O.BOX	62641 NBI.
172 Mwasiringira CS& CS LTD	P.O.BOX	48638 NBI.
173 Mwito CS& CS LTD	P.O.BOX	56763 NBI.
174 Mucumewo	P.O.BOX	78871 NBI.
175 Machuma Sacco LTD.	P.O.BOX	44067 NBI.
176 Mars CS& CS LTD	P.O.BOX	46354 NBI.
177 Mhasibu CS& CS LTD	P.O.BOX	59963 NBI.
178 Masalo CS& CS LTD	P.O.BOX	15649 NBI.
179 Muthaiga CS& CS LTD	P.O.BOX	41651 NBI.
180 Mvinyo CS& CS LTD	P.O.BOX	30110 NBI.
181 Moto-Staff CS& CS LTD	P.O.BOX	44616 NBI.
182 Mobilia CS& CS LTD	P.O.BOX	NBI.
183 Nacico CS& CS LTD	P.O.BOX	34525 NBI.
184 Nafaka CS& CS LTD	P.O.BOX	30586 NBI.
185 Nahiho CS& CS LTD	P.O.BOX	30624 NBI.
186 Nasca CS& CS LTD	P.O.BOX	19010 NBI.
187 Nation Staff CS& CS LTD	P.O.BOX	49010 NBI.
188 Ngozi CS& CS LTD	P.O.BOX	48425 NBI.
189 Nipa CS& CS LTD	P.O.BOX	30129 NBI.
190 Nosa CS& CS LTD	P.O.BOX	NBI.
191 Notaff CS& CS LTD	P.O.BOX	73758 NBI.
192 Nyati CS& CS LTD	P.O.BOX	30242 NBI.
193 Nyumba CS & CS LTD	P.O.BOX	30088 NBI.
194 Naserian CS & CS LTD	P.O.BOX	46302 NBI.
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196 Pan Africa Staff CS & CS LTD	P.O.BOX	34493 NBI.
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201 Shujaa	P.O.BOX	30390 NBI.
202 Standard CS & CS LTD	P.O.BOX	30080 NBI.
203 Stima Cs & CS LTD	P.O.BOX	30177 NBI.
204 Shirika Staff CS & CS LTD	P.O.BOX	43429 NBI.
205 Tembo CS & CS LTD	P.O.BOX	30161 NBI.
206 Tena CS & CS LTD	P.O.BOX	61535 NBI.
207 Twiga CS & CS LTD	P.O.BOX	30172 NBI.
208 Uchumi CS & CS LTD	P.O.BOX	45519 NBI.
209 Ufundi CS & CS LTD	P.O.BOX	11705 NBI.
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211 Ustawi CS & CS LTD	P.O.BOX	45050 NBI.
212 Utabibu CS & CS LTD	P.O.BOX	30270 NBI.
213 Utafiti CS & Cs LTD	P.O.BOX	30709 NBI.
214 Utalii CS & CS LTD	P.O.BOX	43013 NBI.

215 Unga Employees CS & CS LTD	P.O.BOX	41788 NBI.
216 Uwezo CS & CS LTD	P.O.BOX	78799 NBI.
217 Uzazi Bora CS & CS LTD	P.O.BOX	30581 NBI.
218 USIU Africa CS & CS LTD	P.O.BOX	14634 NBI.
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221 Wana Aerotech CS & CS LTD	P.O.BOX	19222 NBI.
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225 Huruma CS & CS LTD	P.O.BOX	40228 NBI.
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228 Uhora CS & CS LTD	P.O.BOX	54974 NBI.
229 Wana-Anga CS & CS LTD	P.O.BOX	34680 NBI.
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231 Tetra Pal CS & CS LTD	P.O.BOX	78340 NBI.
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233 Ukulima CS & CS LTD	P.O.BOX	44071 NBI.
234 Wauzaji CS & Cs LTD	P.O.BOX	73167 NBI.
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246 Uokoaji Sacco Society Ltd	P.O.BOX	41766 NBI.
247 Hifadhi Sacco Society LTD	P.O.BOX	20110 NBI.
248 Kenya insurers Sacco Society	P.O.BOX	45338 NBI.
249 IDB Sacco Society Ltd	P.O.BOX	44036 NBI.
250 Post Bank Sacco Society LTD	P.O.BOX	30313 NBI.
251 Kenyan Alliance Sacco Society	P.O.BOX	30170 NBI.
252 Nassefu Sacco Society LTD	P.O.BOX	30599 NBI.
253 Jinyime Upate Sacco LTD	P.O.BOX	44038 NBI.
254 AFCO CS & CS LTD	P.O.BOX	42015 NBI.
255 Sabuni Sacco Society LTD	P.O.BOX	48597 NBI.
256 Getrude CS & CS LTD	P.O.BOX	NBI.
257 Naku CS & CS LTD	P.O.BOX	NBI.

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