A SURVEY OF STRATEGIC PLANNING PRACTICES IN SAVING AND CREDIT COOPERATIVE SOCIETIES (SACCOS) IN NAIROBI, KENYA

By

GREG MUTINDA NGUTA

A management Research Project Submitted in Partial Fulfillment of the Requirements for the Award of the degree of Master of Business Administration, School of Business, University of Nairobi

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DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

Signed..................................   Date 11/11/2009.......................................

Name: GREG MUTINDA NGUTA

D61/7432/2006

This research has been submitted for examination with my approval as university supervisor.

Signed..................................   Date 11-11-2009.......................................

for

Supervisor: DR. MARTIN OGUTU

Department of Business Administration,

School of Business, University of Nairobi

DEDICATION

To my wife Regina, my son Kevin and my daughter Bernice for their understanding, support, encouragement and prayers during the period of my study.

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First of all I would like to thank the Almighty God without whose blessings this project would not have succeeded.

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ACRONYMS AND ABBREVIATIONS

CEO	Chief Executive Officer
CMC	Central Management Committee
FOSAS	Front Office Savings Accounts
GDP	Gross Domestic Product
ICA	International Cooperative Alliance
KES	Kenya Shillings
PEST	Political Economic Social and Technological
SACCO	Savings and Credit Cooperative Society
SWOT	Strengths Weaknesses Opportunities and Threats

ABSTRACT

The purpose of the study was determine the strategic planning practices in Saving and Credit Cooperative Societies in Nairobi, Kenya. Chapter one contains the background information concerning the study. Strategic planning is discussed in this chapter. The objective of the study was to determine the strategic planning practices of SACCOs in Nairobi. The Research question was What are the strategic planning practices of SACCOs in Nairobi?

A survey design was used for the study so as to collect data from a large number of respondents. The population of interest was all the Savings and Credit Cooperative societies in Kenya. A sample of 50 SACCOs was used for the study. The targeted respondents were the General Managers and the Central Management Committee members of the SACCOs who are directly involved in strategic planning of the SACCOs.

.The findings of the study indicate that strategic planning has been embraced by SACCOs of diverse ages and sizes. The findings of the study show that most of the SACCOs in Nairobi practice formal strategic planning. All the 38 SACCOs (100%) that responded to the research questionnaire indicate that they have developed a vision and mission statement. The General Manager being the CEO of the SACCO plays a key role in strategic planning whereas the Central Management committee which is equivalent to the Board of Directors of any other organization and also are representative of the members take a leading role strategic planning of the SACCO. The study findings also show that the majority of strategic plans are of medium term with 42% of the respondents indicating that plans cover a period of 1 to 3 years. 32% of the respondents indicated that the plans cover periods of 5 years and above.

All the SACCOs acknowledge that there are various challenges in strategic planning and implementation. Inadequate resources, inadequate training and shortage of qualified staff and political legal factors where identified as posing great challenges to strategic planning and

implementation. However the SACCOs are responding to some of those challenges posed by environmental changes through a number of ways. Some of the responses include diversification of loan products, improving management information systems and opening up the common bond of the SACCO in order to attract more members.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organizations today operate in very turbulent and dynamic environments which require strategic management. Part of top executive's responsibilities is that of managing various and multifaceted internal activities. The firm's immediate environment poses challenges. Top executives and decision makers of organizations must always think strategically about the future of the organizations. Environmental turbulence necessitates equal and rapid recognition of appropriate strengths and opportunities to be exploited, threats to be countered and weaknesses to be overcome (Pearce and Robinson, 2002).

Strategic management is a continuous process that involves attempts to match or fit the organization with its changing environment in the most advantageous way possible (Pearce and Robinson, 2002). Strategies are the means by which long-term objectives will be achieved. A strategy is a unified, comprehensive, and integrated plan that relates the strategic advantages of the firm to the challenges of the environment. It is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization (Pearce and Robinson, 2002). The role of strategy is to identify the general approaches that the organization utilize to achieve its organizational objectives. Therefore, the choice of strategy is so central to the study and understanding of strategic management.

1.1.1 Strategic Planning

Strategic planning has been associated with the field of strategic management from its earliest foundations. These early developments significantly include those of Learned, Andrews *et al.*, (1965). Strategic planning has also been known under various labels encompassing long range planning, corporate planning, strategic management in addition to strategic planning (Steiner 1963, Ackoff, 1970; Ansoff *et al.*, 1976). From the perspective of classical strategic management theory, strategy is considered a deliberate planning process (formal), initiated by top management (top-down), based on an elaborate industry analysis (rational) and aimed at designing a cohesive grand strategy for the corporation (consistency). Mintzberg and Lampel (1999) point out that when the term strategic planning is used the intent is to convey that a firm's strategic planning process involves explicit systematic procedures used to gain the involvement and commitment of those principal stakeholders affected by the plan.

For purposes of this study, strategic planning is considered as a label to describe an organizational managerial process, which can be broadly defined as the process of determining the mission, major objectives, strategies, and policies that govern the acquisition and allocation of resources to achieve organizational aims (Pearce *et al.*, 1987). To assist in this process a number of analytical tools and techniques were developed, such as strengths, weaknesses, opposition, threats (SWOT) analysis, Porter's five forces industry analysis, the BCG growth-share matrix and McKinsey's 7S model. Consistent with this approach is the assumption that the chief executive officer (CEO) can design a "grand strategy" for the entire enterprise.

An additional strategic planning system characteristic is the extent to which strategies within organizations result from a deliberate or an emergent process. Whether strategy formulation is, or can be, a deliberate process and the extent to which strategy emerges without any formal planning has been subject to debate. If strategies emerge within an organization, it might be expected that some of the standard tools and techniques of the strategic planning process would not be explicitly utilised or reported by such an organization.

Strategy is a term that virtually every business person believes they know and understand. Despite numerous studies there is no commonly accepted and universal definition (Quinn, 1980). In fact, the term "strategy" is often used in a contradictory manner (Ghobadian, 1993). To date, the definitions of strategic planning encompass terms such as strategic thrust, corporate focus or strategic intent (Mintzberg, 1993; McDonald, 1996; Chararbaghi and Willis, 1998). Generally, common aspects of most definitions are concerned with the long-term direction of the organization, defining what business the organization should engage in, matching the activities of the business to the environment in order to minimize the threats and maximize opportunities, as well as matching the organization's activities to the resources available (McDonald, 1996). As the environment is continually changing, it is also necessary for strategic planning to continually change in order to maintain a "balance" or "fit" with the external environment (Wright *et al.*, 1996; Proctor, 1997).

Strategic planning thus implies an attempt to alter a company's strength relative to that of its competitors, in the most efficient and effective way. Strategic planning focuses on the direction of the organization and actions necessary to improve its performance. It is the process by which firms derive a strategy to enable them to anticipate and respond to the changing dynamic environment in which they operate (Hewlett, 1999). Johnson and Scholes (1997) encapsulate the meaning of strategic planning as: the direction and scope of an organization over the long term: which achieves advantage for the organization through its configuration of resources within a changing environment, to meet the needs of markets and to fulfill stakeholder expectations.

Strategic planning can be considered from content or a process viewpoint. The content relates to the distinct elements of the strategic plan which differ from firm to firm. On the other hand, the process relates to the mechanisms for the development of the strategic plan and its subsequent deployment. Stacey (1993) argues that strategies should emerge from the "self organizing activities of loose, informal, destabilizing networks". In a dynamic business environment, the plans of many managing directors are constantly in the course of modification, revision and refinement, often in the minds of the top management (Henderson, 1989). This implies that plans can be modified until they are implemented and often result in changed or unrealized content (Mintzberg, 1987).

While the substance of the strategic plan is unique to a firm, there is "no logical reason why organizations can not deploy a common process in the establishment of "strategic plans" (Ghobadian, 1993). Accordingly, for the purposes of this paper, the strategic planning process is used as a surrogate measure of strategy. Researchers have adopted a number of independent characteristics to delineate the strategic process (Ramanujam et al., 1986; Ramanujam and Venkatraman, 1987; Veliyath and Shortell, 1993; Kargar and Parnell, 1996). Following those researchers, we adopted the following characteristics to describe the strategic process: the external environment, internal environment, functional integration, the use of analytical techniques, resources for the strategic planning process, systems capability/creativity and a focus on control. The business environment in which firms operate is dynamic and turbulent with constant and fast paced changes that often render yester-years strategies irrelevant. Top management and decision makers of firms must constantly think strategically about the future of their organizations. The environmental turbulence necessitates an equal need for rapid recognition of appropriate strengths, opportunities to be exploited, threats to be countered and weakness to be overcome (Pearce and Robinson, 2002).

Strategic management calls for the determination of the basic long term goals and objectives of an enterprise and the adoption of courses of action and allocation of resources necessary to carry out the goals. Planning is a conscious systematic process during which decisions are made about mission, values, goals , strategies, priorities and activities that an organization, and by extension industry players will pursue if they are to survive and remain relevant in the future, amidst a constantly volatile environment. Strategic planning therefore is not a matter of coming up with a detailed plan or program but it is a "unifying theme that gives coherence and direction to actions and decisions" (Grant 1998).

The use of strategic management enables firms define their strategies which provide a central purpose and direction to its activities to people who work in the firm and often to the outside world. Strategic planning and implementation enables firms to adapt under conditions of external pressure caused by changes in environment. Firms can and often do create their environment besides reacting to it. Strategic management helps firms develop competitive strategies (Johnson & Scholes 2002). In developing strategy, firms carry out an analysis of their environment, their industry and competitors and gauge how they can outperform their competitors. Strategic planning also helps firms focus their efforts and resources on their key success factors and cultivate a culture of being proactive. By implementing strategic plans firms are able to respond to the turbulent environment in an appropriate manner, to ensure their continued survival and profitability hence providing the shareholders with value for money invested (Porter 1998).

In today's highly competitive business environment, budget -oriented planning or forecast -based planning methods are insufficient for a large organization to survive and prosper. The firm must engage in strategic planning that clearly defines objectives and assesses both the internal and external situation to formulate strategy, implement the strategy, evaluate the progress and make adjustments as necessary to stay on track.

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1.1.2 Savings and Credit Cooperative Societies (SACCOs) in Kenya

Devis (1997) perceive cooperative societies as autonomous associations of people united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Cooperative societies are based on values of self help, responsibilities, democracy, equality, equity and solidarity. International Cooperative Alliance (ICA), statement on the cooperative identity elaborated in 1995 , states that, the values are put in practice through the seven cooperative principles namely; voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives, and concern for community.

Investments are the base of economic development and mostly these investments are the result of savings. Savings and credit cooperative societies (SACCOs) are the instruments for mobilization of the savings of people, which are thereafter channeled into investments for economic growth. The cooperative sector has become a very significant force in the global civil society in terms of membership and impact and has a proven track record of facilitating consumer choice, economic justice and market leverage for the small producer, worker and consumer. SACCOs play a major role in resource mobilization, agro processing and marketing of agricultural produce in Kenya.

Bett (2006) states that the traditional role of cooperative societies include; promoting gender, where all members are equal regardless of sex, race or tribe; promote social alliances; lobby for an appropriate legal and regulatory environment that will allow them invest in the path of profit making. Ongore (2001) argues that the role of cooperative societies has changed overtime from member welfare to profit seeking.

Revised Sessional paper (2004), by the Ministry of Cooperative Development shows that the cooperative sector in Kenya could contribute as much as 40-45% of the GDP. Currently, there are over 12,000 registered cooperative societies with a membership of over 7 million. The sector has mobilized over KES 170 billion in savings which is about 31% of the national savings. Cooperative societies traverse all sectors of the economy with about 63% of the Kenyan population deriving their livelihood directly or indirectly through cooperatives and cooperative based activities.

According to a report by the Ministry of Cooperative Development and marketing in 2008, there is an estimated 5,000 registered SACCOs in Kenya reaching an estimated 1.7 million members. There is considerable heterogeneity in the sector which include a large a large number of relatively small organizations and a small group of very large SACCOs. Over the last decade due to the growing significance of the SACCOs as providers of financial services to their membership, there has been a diversification of the product offer. It is worth noting that large SACCOs are now offering similar financial services as offered by commercial banks through Front Office Savings Accounts (FOSAS).

According to the revised strategic plan (2004-2008) for the Ministry of Cooperative Development and marketing, savings in SACCOs and FOSAs stand at over Ksh110 billion. The sub-sector has in the past operated under the Societies Act. The SACCOs in Kenya fall under the ministry of Cooperative Development and Marketing. All savings and credited cooperative societies are registered under the Cooperative Act CAP 490 of 1966 which changed to the new Cooperative Societies Act No. 12 of 1997 as a result of liberalization in Kenya. To address the problems that faced the cooperative movement due to the inadequacies of the 1997 Act, the Ministry of Cooperative Development and Marketing embarked on a major initiative which has resulted in amendment of the 1997 Act through enactment of the 2008 SACCO Act. The enactment of this Act has provided a legal framework that will enhance accountability and incorporate best practices in management of cooperative societies. The Act has also led to the operationalization of a SACCOs Deposit Protection Fund and set up prudential standards to inculcate professionalism in the sub sector. With liberalization and the enactment of the SACCO Act of 2008, SACCOs have to adopt practices that promote efficiency and greater response to customer requirements if they are to survive ever increasing competition.

1.2 Research problem

Today, all businesses face challenges as they interact with turbulent environments in which they operate. Strategic planning positions and relates the organization to the environment to ensure its success (Ansoff and McDonnel, 1990). Strategic management is necessary for managing the relationship between an organization and its environment. A good strategy is one that that enables an organization to effectively match its capabilities with its environment i.e. matching the organization strengths and weaknesses to the environmental opportunities and threats. Ansoff and McDonnell (1990) assert that all organizations are environment serving. They depend on the environment for their inputs and outputs. Strategic management is important because it leads to better performance for the organization due to the guidance or radar it provides to the organization, the rationale it provides to management in the allocation of resources, and from the stand point of coordination it provides to the organization. In addition, strategic management gives organizations a proactive rather than reactive posture. Organizations are increasingly facing severe competition and have to counter that through strategic management in order to strive to gain competitive advantage over the competitors. Customer needs and preferences are constantly changing due to increased awareness and variety of choices available.

Following the enactment of the Cooperative Act of 1997, SACCOs were able to operate in a liberalized environment with no or very little government interference. There was serious competition as a result of the liberalization. This led to serious challenges in the cooperative sector with many cooperative societies almost collapsing due to mismanagement, anarchy and leadership wrangles. In order to cope with these challenges, SACCOs have had to adopt practices that promote greater efficiency and greater response to customer requirements. They have had to adopt strategic planning in their management in order to succeed and prosper.

Various researchers among them Bahati 2006,Ndungu 2006, Maina 2007 and Mwangi 2008 have undertaken studies on the strategic management practices in various organizations in Kenya. Bahati (2006) looked at the strategic planning practices & challenges involved in strategic planning in Micro Finance Institutions in Kenya, Ndungu (2006) studied strategic planning practices at Shell BP Kenya Ltd while Maina (2007) looked at strategic planning practices in Management Consultancy firms in Kenya. Several studies done on the SACCO sub sector include Ongore (2001) who looked at managerial response to deregulation of the cooperative sector, the case for SACCOs in Nairobi, Mwangi (2008) who looked at responses of SACCOs to the challenges of competition in the Kenya financial sector.
No known study has been done on strategic planning practices in SACCOs in Kenya. This study sought to answer the following question: What are the strategic planning practices of the SACCOs in Kenya?

1.3 Research Objective

The objective of the study was to determine strategic planning practices in SACCOs in Nairobi.

1.4 Importance of the study

The findings of this study will be of importance to various stakeholders in a number of ways. It will provide the government through the Ministry of Cooperative Development and Marketing with insights on the strategic planning practices in SACCOs. This is important since it is the desire of the government to see to it that there is professionalism in the running of SACCOs leading to safeguarding of member interests.

The study will also be beneficial to SACCOs who have not adopted strategic planning in their organizations as it will document the practices already adopted by some of the SACCOs. SACCOs wishing to adopt strategic planning in their management will be able to evaluate the findings of this study and see how best to tackle the challenges encountered in strategic planning. The research will benefit future researchers who would wish to carry out further studies on strategic planning practices in organizations as it will add to the existing literature on the same.

CHAPTER TWO: LITERATURE REVEW

2.1 The concept of strategy

Strategy is a multi dimensional concept that is hard to define in a few words. Various authors have however identified certain aspects of strategy. Thompson and Strickland (1998), state that strategy is a game plan that management has for positioning the company in its chosen market arena. This enables the company to compete successfully and please its customers while achieving good business performance.

Ansoff and McDonnel (1990) see strategy as a set of decision making rules for guidance of organizational behavior. They give the rules as objectives and goals, product markets or business strategy, organizational concept and operating policies. In 1984, Ansoff described strategy as the positioning of an organization in its environment in a way that ensures its success.

Strategy is a unifying theme that gives coherence and directions to actions and decisions of an organization. It guides an organization to superior performance by helping it to establish competitive advantage. Porter (1980) argued that strategy was about positioning a company in its industry leading to its competitive advantage over its rivals. The goal of strategic management is therefore to build and maintain sustainable competitive advantage and create stakeholder wealth.

Mintzberg (1996) looked at strategy from four perspectives. He states that strategy is a plan, a ploy, a position and a perspective as it specifies consciously the intended course of action. He states that Strategy as plan should be seen as specifying a consciously intended course of action. It is a deliberate or purposeful way of doing things within the organization. As a ploy, Miltzberg sees the concept of strategy as a specific maneuver intended to outwit a competitor. As a pattern, he looks at strategy as something that emerges from a stream of actions that is strategy as something that develops without specific intentions and without any preconditions. Therefore, strategy is seen as emergent in nature. It emerges from the natural growth from an organization working to achieve its potential or merely out of necessity. His model of strategy development shows that a company's realized strategy is the result of what is planned, intended and any emergent strategy. As a position, strategy is seen as a means of locating an organization within its environment by endeavoring to establish some sort of fate with that environment. As a perspective, strategy is seen as a phenomenon that gives an organization an identity and perspective by revealing the way an organization perceives itself to the outside world. Overall, the concept of strategy should typically be viewed as all the above perspectives. In essence the concept of strategy should be viewed as a highly multi dimensional concept.

Different persons see situations in different ways. Similarly people tend to view strategy in different ways. These different perspectives have been seen as strategy lenses of design, experience and ideas (Johnson and Scholes 1999).Strategy as a design is the view that strategy development can be a logical process in which the forces and constraints on the organization are carefully weighed through analytical and evaluative techniques to establish clear strategic direction. The experience lense views the future strategy of an organization as being as a result of adaptations of past strategies influenced by the experience of managers and others in the organization strongly driven by the taken- for –granted assumptions and ways of doing things embedded in the culture of the organization. Different views and expectations are resolved not only through rational analytic process but also through a process of bargaining and negotiation. Neither the design nor the experience lenses is helpful in explaining innovation. The ideas lense emphasizes the importance of variety and diversity in and around organizations, which can potentially generate new ideas. Strategy is seen not as planned from the top but as emergent from within and around the organization as people cope with an uncertain and changing environment in their day-today activities. The ideas lense provide insights into how innovations might take place in organizations.

2.2 Strategic Planning Process

In today's highly competitive business environment, organizations must engage in strategic planning that clearly defines objectives and assesses both internal and external situation to formulate strategy, implement strategy, evaluate the progress and make adjustments as necessary to stay on track. Strategic planning is a process rather than an event because it involves a number of stages as opposed to being a one spectacular event. There is general agreement among strategic planning researchers that the strategic planning process consists of three major components (Hopkins and Hopkins, 1997): (i) Formulation (which includes developing a mission, setting major objectives, assessing the external and internal environments, and evaluating and selecting strategy alternatives); (ii) Implementation; and (iii) Control.

The first question to be asked in strategic planning process is where do we want to be? This question is usually addressed through the organization's vision which is incorporated in the firm's mission statement. Vision refers to what a firm is trying to do or to be. In other words, vision refers to what the organization aspires to be in the future and it is a dream reflecting the best that an organization can be. The mission of a business is the fundamental, unique purpose that sets it apart from other firms of its type and identifies the scope of its operations in product and market terms (Pearce and Robinson 2002). The mission is a general, enduring statement of intent. While a statement of vision focuses on the future, a mission statement is concerned with the present. A good mission statement is unique and gives identity to the organization as it distinguishes it from other organizations. Uniqueness is important because it implies that the organization activities or what the organization exists for is unique and may help in gaining competitive advantage. A mission statement declares the reason for the organization's existence, establishes boundaries around planning, holds strategic planning within these boundaries and defines direction of the company (Wardsworth and Staiert, 1993).

Ansoff and McDonnel (1990) assert that organizations are environment serving, they interact with the environment in such a way that they get their inputs from the environment , process them and give them back to the environment in form of goods and services. An organization therefore has to relate with the environment for success. A firm's external environment consists of all the conditions and forces that affect its strategic options but are beyond the firm's control. The firm's environment could be both operating environment and the remote environment. Operating environment is the environment the firm relates to more directly and on a day to day basis. It consists of forces and conditions within a specific industry and a specific competitive operating situation external to the firm that influence the selection and attainment of alternative strategy combinations. It may consist of the following; competitors, creditors, customers, and suppliers. The operating environment also called competitive environment is in more control of the firm than the remote environment. Changes in the operating environment may result from strategic actions taken by the firm or its competitors, consumers, suppliers or creditors.

Michael Porter developed the five forces model of industry analysis. Porters five forces model helps strategic managers in understanding industry dynamics and to correctly anticipate the impact of remote factors on a firms operating environment. Porter (1980) contends that the nature and degree of competition in an industry hinges on five forces: the threat of new entrants in the industry, the bargaining power of customers, the bargaining power of suppliers. the threat of substitute products or services and the degree rivalry among the firms in the industry. Organizations should carry out industry analysis in their strategic planning in order to identify opportunities and threats posed by the state of the industry so as to match strategy to the industry conditions. Remote environment refers to forces and conditions that originate beyond the firm and the firm has little control. The remote environment includes political, legal, economic, technological, social economic and ecological factors. Environmental scanning will include internal analysis of the firm, analysis of the firms industry and external macro environment analysis. The internal analysis can identify the organization's strengths and weaknesses while the external analysis reveals opportunities and threats spinning from the environment. The organization can therefore develop strategies to counter the threats and take advantage of the opportunities arising from the environment.

Strategic objectives are usually a top down rather than a bottom up process. A strategic objective is an objective of medium and long-term nature and aims either exploiting an opportunity or strength or deals with threat or weakness facing the organization. Strategic objectives are therefore based on the factors identified in environmental analysis. They take advantage of favourable factors and deal with unfavourable factors identified in external and internal analyses. Theses provide guidance to lower level managers and units, support company wide interests. Wadsworth and Staiert (1993) observe that objectives should be created having in mind both short and long term planning horizons. Short term objectives are defined as bench marks results designed to achieve short term objectives and long term objectives are defines as long range results (usually 3 to 5 year planning horizons) that the company will strive to achieve. Objectives should be clearly, concisely and accurately written.

Strategic analysis, according to Johnson and Scholes (1999), includes the environment, the resources, and the culture and the stakeholders' expectations. The examination of the environment is the first step in strategic analysis and involves the identification of the organization's current strategic position. This procedure may also be called environmental scanning, which Pashiardis (1996) believes is essential for an effective planning. One needs to know the environment in which one operates before making any decisions about the organization, so as to be able to match one's capabilities with the environment in which the organization operates. A very useful framework that allows gathering and analyzing complicated information in an organized way is what is known as political, economic, sociological and technological influences (PEST), after Boyett (1996). The political influences cover both the legal and political environment, whereas the economic influences involve the economic climate in which any organization or business operates. The sociological influences involve demographic issues, income distribution, lifestyle changes or even attitudes to work or leisure and the technological influences bear in mind the technological changes. In brief, we could say that organizations perform better if they have the ability to sense changes in their environment, since they have the opportunity to modify their strategy in time.

The second domain is the resources. Successful organizations should constantly review and analyze the quality and quantity of their resources, which include human, financial, physical and intangible ones. Resource analysis will provide the way for assessing the organization's strategic capability (Johnson and Scholes, 1999). This is necessary if sensible choices about the future strategy are to be made. Dobson and Starkey (1994) suggest that a resource audit can be undertaken through a SWOT analysis. SWOT stands for Strengths and Weaknesses, which involve the internal environment, whereas Opportunities and Threats involve the external environment of the organization. Holmes and Davies (1994) claim that, if strategic planning is successful, then it will help organizations to build on their strengths, overcome their weaknesses, take advantage of the opportunities and minimize the effect of threats.

The last area to investigate in strategic analysis is the culture of the organization and the stakeholders' expectations. One way of finding out the culture of an organization is by using the cultural web, which examines six different issues. Johnson and Scholes (1993) explain the web as follows: Organizational structures – the ways organizations work; Power structures – those who hold the power/ the decision-makers; Symbols – present the nature of the organization; Stories – they are told by the members of the organization and provide an insight into its beliefs; Routines and rituals – things that usually happen every day; and Control systems – what is important to the organization?

With the cultural web we can describe the organization's culture as a whole and decide in what ways we might need to change it to meet the objectives set by management (Boyett 1996). We should also have in mind the stakeholders' expectations, since, as Fidler (1996) argues they are those who have a special interest in the performance of the organization and their views and ideas should be borne in mind when thinking about a possible future strategy.

Strategic choice follows strategic analysis and includes three areas. As expressed by Fidler (1996) these are: generating options, evaluating options, making a choice. By generating options we mean the courses of action that are available to the organization and which derive from strategic analysis. The strategic options that management faces are numerous. Finding a way to evaluate these options is the next step. In evaluating an option Dobson and Starkey (1994) suggest the following three broad criteria: Suitability – the ability of the strategic option to overcome the difficulties identified in the strategic analysis; Feasibility – an assessment of how this option might work in practice; and Acceptability – consequences of the risk to interested parties by selecting this particular option. The last step is to make a choice, that is to select a strategy or strategies that prove to be the most viable. Dobson and Starkey (1994), point out that three different ways can be used: competitive strategies (try to achieve a superior profit compared with rivals), development strategies (decide the most appropriate direction or method in which the organization must move) and portfolio strategies (maintain a portfolio of activities). Bearing all these things in mind, management has to generate some choices, evaluate them and select those strategies that the organization will pursue. In the following section an attempt will be made to discuss strategy implementation in some detail.

Strategy implementation is concerned with the translation of strategy into organizational actions through organization structure and design, resource planning and management of strategic change. Successful implementation of strategy is likely to be depended on the extent to which these various components are integrated to provide in themselves competences which other organizations find it difficult to match (Johnson and Scholes 1999). Possible questions to be answered in strategy implementation are: Who is responsible for carrying through the strategy; what changes in organization structure and design are needed to carry through the strategy.

Pearce and Robinson (1999), assert that an implemented strategy must be monitored to determine the extend to which objectives are achieved. Strategic managers must watch for early signs of market place response to their strategies. Managers must also provide monitoring and controlling methods to ensure the strategic plan is being followed. Strategic control is therefore concerned with tracking the strategy as it is being implemented, detecting problems or changes in underlying premises and making necessary adjustments.

Approaches to strategic planning range from top-down, bottom-up and negotiated approach. The tools and techniques used in strategic planning include SWOT analysis, Portfolio analysis, Porters Five Forces Model, Scenario planning, Value Chain analysis and Functional analysis. The process of strategic planning involves situational analysis, development of mission statement, external analysis, internal analysis development of objectives, development of strategies, and development of appropriate budgets, reward systems, information systems, policies and procedures (Muriuki 2005).

2.3 Strategic Planning Practices

The question regarding the nature of strategy formulation in organizations has centered on the so-called design versus process debate, which emphasizes the difference between deliberate and emergent strategies (Mintzberg and Waters 1985). Deliberate strategies are defined as intentions rebased from strategies that are formulated in advance, whereas an emergent approach produces evolving strategic patterns despite or in the absence of intentions. One side advocates a formal, systematic, rational, strategic planning process (Ansoff 1991; Goold 1992). Others support an emergent process (Mintzberg 1991, 1994; Mintzberg and Waters, 1985; Pascale, 1984). Grant

(2003) argues that this debate has occurred in the context of a lack of empirical investigation of the phenomenon itself as it has concentrated on a few case examples of dubious validity. Further, Grant maintains that much of the debate between the "strategy-as-rational-design" and "strategy-as-emergent-process" schools has been based upon a misconception of how strategic planning works in the real world. From his investigation of the strategic planning practices of the major oil companies, Grant (2003)) found that the strategic planning systems of the international oil majors "could be described as processes of "planned emergence." The primary direction of planning was bottom-up – from the business units to the corporate headquarters – and with business managers exhibiting substantial autonomy and flexibility in strategy making. At the same time, the structure of the planning systems allowed corporate management established constraints and guidelines in the form of vision and mission statements, corporate initiatives, and performance expectations.

Johnson and Scholes (1999) have identified three views of strategy development in organizations. These are the planning view, the command view and the logical incremental view. According to the planning view, strategic planning is a sequence of analytical and evaluative procedures to formulate an intended strategy and the means of implementing it. These include setting of objectives, or goals, analysis of the environment and the resources of the organization so as to match environmental opportunities and threats with resource base strengths and weaknesses, the generation of strategic options and their evaluation, and the planning of implementation through resource allocation processes, the structuring of the organization and the design of the control system. This is a highly systematic approach referred to as the rational approach to strategy formulation. Advantages of the planning mode include provision of structured means of analysis and thinking about complex strategic problems requiring managers to question and challenge what they take for granted. The planning mode can be used as a way of involving people in strategy development therefore helping to create ownership of the strategy. Strategic planning mode can also be used to communicate intended strategy. Another advantage is that it can be used as a means of control by regularly reviewing performance and progress against agreed strategic direction. It acts as a useful means of coordination for example bringing together various SBU strategies with overall corporate strategy or ensuring that resources within a business are coordinated to put strategy to effect. The planning mode encourages longer term view of strategy than might otherwise occur.

According to the command view of strategy development, strategy develops through the direction of an individual or group but not necessarily through formal planning. At the extreme strategy could be seen as a product of autocratic leader. A dominant leader becomes personally associated with strategy development of the organization. This could be because such an individual turned round the business in times of difficulty; and as such personifies the success of the organization. Charismatic leaders are also often seen as central to strategy of their organizations. Their personality or reputation may be seen as a positive force. In some organizations, especially the small ones, an individual is central because he/she is the owner or founder. This is the case for small businesses.

Quinn (1980) states that management processes could best be described as logical incrementalism, a deliberate development of strategy by 'learning through doing'. Organizations move forward but incrementally .Big change is introduced as a series of several changes. Here strategic management is seen not as a formal planning process but rather in terms of processes by which strategies develop in organizations on the basis of managers' experience, their sensitivity to changes in environment, and what they learn from operating in their market.

Mintzberg (1973) advanced three strategy making modes; entrepreneurial mode, adoptive mode and planning mode. According to the entrepreneurial mode, strategy is developed by a powerful individual usually the CEO or owner manager. There is usually heavy reliance on intuition, experience and personal judgment. Entrepreneurial firms can move forward quickly decisively and successfully. According to the adoptive mode, strategy formulation is reactive. Process is characterized by 'muddling through' and there are no quantum leaps in strategy development. Under the planning mode strategy is deliberate and pro active. There is usually conscious planning ahead of action and strategy is the outcome of formal and deliberate planning efforts.

Johnson and Scholes (1999) state that there are different ways in which the process of strategic management can be explained including rational planning process, process of crafting or logical incrementalism , complexity and chaos theory , cultural or institutional and ecological or natural selection. The rational planning process is the view that strategy can and should be managed through rational planning processes in the form of a sequence of steps involving setting objectives , the analysis of the environment, trends and resource capabilities, evaluation of different options and ending with careful planning of the strategy's implementation. Under the rational view, strategies are the outcome of careful, objective analyses and planning. In this way, managers are able to make decisions which establish the future direction of their organization.

According to the chaos and complexity theory (Stacy 1993), the world in which organizations exist is highly complex and unpredictable. Managers therefore cannot know about this complexity let alone predict its outcome specifically. However, it is possible that peoples' experience within a particular context can help them become sensitive to the complexity and uncertainty around them. They do this by becoming familiar with patterns in the complexity and uncertainty. When there are deviations from these patterns, they are able to sense them intuitively. Strategic management should therefore be seen as more to do with building the capacity to be intuitive and taking action based on that.

The other view is that on the whole, managers think that they have more choice in developing strategies than they really do. Scott (1995) argues that organizations exist in relation to other similar organizations; accountancy firms are similar, universities are similar and so on. Overtime, similarities develop in terms of the way people in their organizations see their organization and the environment in which the organization operates, including the nature of customers, suppliers, competitors and so on. They also have ways of doing things which are similar. These ways of seeing the world, and ways of doing things can be so taken for granted and institutionalized such that it becomes difficult for people to question them.

Hannan and Freeman (1989) argue that organizations build up ways of doing things whether institutional frameworks or not. They further state that the success of organizations depend on the extend to which these ways of doing things coincides with the needs of the organization. If they coincide, the organization prospers, if they do not, the organization suffers or may be even dies. It is like natural selection.

Approaches to strategic management can also be classified into two groups: analytical and behavioral. These approaches are based on their view of dominant variables in strategy development. The focus is on the various strategy importance techniques such as portfolio planning, forecasting, competitor analysis, strengths, weaknesses, opportunities and threats. The rational – analytical view to strategy formulation provides one of the process organizations can use to formulate their strategies (Ansoff 1984). Using this process, managers make strategic decisions after carrying out a rational analysis.

The behavioral approach lays its emphasis on the behavior of people in the organizations. This has gained prominence over the years. It focuses on the behavioral and political aspects of strategic management. This process states that strategy is influenced by the power relationships and behavioral factors in a firm (Kottler 1982; Mintzberg 1989). Emphasis is on multiple goals of the organization, the political aspects of strategic decisions, and the importance of bargaining and negotiation and the role of coalitions in the strategy making process.

None of the above two process would explain the strategy formulation in isolation. They are both necessary in order to maximize on the benefits of strategy making and should be combined in the strategic management process (Hax and Majluf, 1991).

2.4 Challenges in Strategic Planning

Johnson and Scholes (1999) pointed out two key issues underlying challenges in strategic planning. The first is the evident influence of managerial experience within a political and cultural organizational context. The second key issue is the difficulty that organizations face in developing strategies in complex, changing environments and the possibility that traditional mechanistic ways of doing so are inadequate especially in organizations which seek to innovate.

For organizations to be able to function effectively, they develop a degree of coherence in their culture. At its best, a cultural system in which the various parts of the organization are all working towards a common end can be a basis for competitive advantage because it may prove difficult to imitate. Organizations are capture by their own cultures which are the product of history or the product of institutional forces that exist across organizations. The evidence is that organizational culture is difficult to change and hence they can impair the development of organizational strategies.

The other challenge is strategic planning is the risk of strategic drift. Strategic drift occurs when the organization's strategy gradually move away from relevance to the forces at work in the environment. The organization becomes a victim of its past success. Faced with pressures from change, managers will try to minimize the extent to which they are faced with ambiguity and uncertainty by looking for that which is familiar. During period of change, managers of organizations are expected to change the core assumptions and routines. This is difficult and does not occur easily. Managers are likely to deal with the situation by searching for what they can understand and cope with.

Fast changing and turbulent environment in which organizations exist poses another challenge to strategic planning. According to chaos and complexity theory (Stacy 1993), organizational world appears to be so turbulent and chaotic that, it is not possible to predict what will happen or when it will happen. The traditional approaches to strategic management are therefore not appropriate. There is therefore no need of formalized planning approaches with pre determined fixed objectives. The idea that top managers can formulate strategies to be implemented by others becomes redundant because top managers are less in touch with such complex and turbulent world than those in the organization.

Lack of rigorous analysis is another challenge facing organizations as they do their strategic planning. Many managers believe their business experience and knowledge base alone equips them with enough information to conduct effective strategic planning. In reality this belief is untrue and serves to undermine the kind of critical thinking required for truly creative strategies. A good strategic planning process takes full advantage of the numerous tools of strategic analysis such as the five forces model, strategic group maps, or the value chain to gain key insights regarding how the industry is evolving, how competitors are changing positions, and where an individual firm's sources of competitive advantage lie.

Regardless of the steps involved in the planning process, one of the most important steps is implementation. Picken and Dess (1996) stated that "The best of business strategies, if poorly implemented, is doomed to fail". It is not the plan itself that is important, but the action that the plan elicits. In fact, Mintzberg (1993) acknowledged that placing too much focus on the "plan" could actually hinder action instead of promoting action. Therefore, it appears that plans should be designed with specific attention to details associated with implementation to insure that the plan serves a purpose beyond collecting dust on someone's bookshelf.

Implementing a strategy includes various problems of which management needs to be aware and to plan how to handle them. Johnson and Scholes (1993) believe that the main ones are planning and allocating resources, organizational structure and design and managing strategic change. Knights *et al* (1994), states that, to achieve a strategy, resources will be required and will need to be allocated. Therefore, organizations need to consider ways of acquiring resources and deploying them in the best possible way to support the strategies. Furthermore, they need to consider the issue of how resources should be allocated between the different parts or departments of the organization. As far as organizational structure is concerned, it could be said that it is a very significant aspect, since the way people are organized is crucial to the effectiveness of strategy.

Finally, strategic planning is concerned with the management of strategic change. Fullan (1992) considers change as a process of learning new ideas and things. Management should have the ability to realize when the present strategy is no longer adequate and be aware of when change is necessary. Kotter and Schlesinger (1991) claim that change usually brings some form of human resistance. They suggest that one way to overcome this resistance is to educate people beforehand and try to avoid the two most common mistakes managers make, which are: to use only one approach or a limited set of them, regardless of the situation, and to approach change in an incoherent way that is not a part of a clearly planned strategy. When these ideas are implemented, then it is believed that the success of the organization is ensured to a large extent.

2.5 Strategic Planning practices in Kenya

Several studies have been done in the filed of strategic Management in Kenya. The last few years have seen several fundamental changes in the economic scene in the country. Liberalization of the economy has led to the establishment of a free market economy which has led to heightened competition Globalization has also brought its own challenges and opportunities. This means that firms have had to adopt new ways of doing business and rethink their strategies. Some of the studies on strategic management practices in Kenya include Aosa (1992), Karemu (1993), Mbayah (2001) and Busolo (2003) and commonly focus on strategy practices in the industrial and private sector firms. Studies done on public sector in Kenya include Kangoro (1998) and Otete (2003).

Aosa (1992) carried out a study on strategy formulation and implementation within large, private manufacturing companies in Kenya and found out that there were variations in the degree of strategic management practices by the companies with foreign companies being more involved in strategy development than the indigenous ones. Companies which maintained links between strategies and budgets were significantly more successful in implementing strategy than those not maintaining such links (Aosa 1992). Karembu (1993) looked at strategic management aspects in the large-scale retail sector. The study established that supermarkets practice minimum budgetary forms of strategic management. Mbayah (2001) studied strategy practices within commercial Internet service providers (ISPs) in Kenya and noted that ISPs practiced some form of strategic management in that they had written mission statements, set organizational plans and objectives and were involved in some form of competitor analysis, industry analysis and environmental scanning. Busolo (2003) studied corporate strategic planning among motor vehicle franchise holders in Nairobi and found that they all engaged in corporate strategic planning and that top management had active interest in planning and overseeing implementation of planned activities.

In her study of strategic planning in public sector in Kenya, Kangoro (1998) concluded that there existed established missions, objectives and strategies in the public sector but there was lack of top management and employee commitment towards their implementation. Otete (2003) found that formal strategic planning is practiced in public sector with top down communication channels being used while the government influenced strategic planning process. These studies done in Kenya focused on strategy practices in the different industries that they are based at. As a result they have made contributions in the area of strategy formulation and implementation in different industries.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

A survey design was used for the study so as to collect data from a large number of respondents. A survey design approach allows the researcher obtain data from a broad category of respondents to be able to do comparison based on demographic characteristics. It requires collection of primary quantitative data necessary to facilitate comparison. Primary qualitative data is also necessary to get some deeper insights from the respondents. Cooper and Emory (1985) contend that surveys are more efficient and economical than observations. Maina (2007) and Ntara (2007) used descriptive studies in related research successfully.

3.2 Target Population

The population of interest consisted of all the Savings and Credit Cooperative Societies in Kenya. According to the Cooperative directory by the Ministry of Cooperative Development and Marketing, there were 5,000 registered SACCOs in Kenya out of 12,000 registered cooperatives as at end of 2006.

3.3 Sampling Design

From the cooperatives directory from the Ministry of Cooperative Development and Marketing, a sampling frame consisting of SACCOs in Nairobi was extracted. This consisted of one thousand and forty nine (1,049) SACCOs. Judgmental sampling was used to select a sample of 50 SACCOs included in the study (See Appendix II). This was aimed at avoiding dormant SACCOs and was representative of the SACCOs in Nairobi. Oyoo (2002) used judgmental sampling to select 30 SACCOS used in his study.

3.4 Data Collection Method

Primary data was collected by use of a structured questionnaire (See Appendix I). The questionnaire contained both open and closed ended questions and was divided into three sections. Section A captured details of the SACCO and the demographic profiles of the respondents; section B, Strategic planning practices while section C captured the challenges of strategic planning.

The targeted respondents were the General Managers of the SACCOs and Central Management Committee members of the SACCOs who are involved in the process of strategy development in the SACCOs. Mail Questionnaire data collection method was used. A letter of introduction to the respondents accompanied the questionnaire. The researcher personally delivered the questionnaire to the sampled SACCOs within the Central Business District and collected them later (Drop and pick method) as this was convenient.

3.5 Data Analysis

Simple descriptive statistics such as tables, frequencies and percentages was used to analyze primary data collected and derive meanings from them. Descriptive statistics are used to describe the basic features of the data in the study. They provide simple summaries about the sample and the measures. Descriptive statistics help to simplify large amounts of data in a sensible way. Each descriptive statistic reduces lots of data into a simpler summary.

Content analysis was used to analyze qualitative data collected. Content analysis is defined as a technique of making inferences by systematically and objectively identifying characteristics of messages and using the same to relate to trends (Nachmias and Nachmias 1996). Statistical Package for Social Sciences (SPSS) was used to aid in analysis.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATIONS

4.1 Introduction

This chapter discusses the findings of the study. The study utilized a combination of both quantitative and qualitative techniques in data collection. Out of the 50 questionnaires send out, 38 were returned completed representing 76%. One respondent declined to complete the questionnaire insisting that the information requested was confidential and thus could not be shared with outsiders. The 38 who responded are considered representative of the total sample. This high response rate can be attributed to the effort put in by the researcher in following up on the questionnaires sent out.

Data analysis was done by use of descriptive statistics such as frequency tables, percentages and charts. Statistical Package for Social Sciences (SPSS) was used to aid in data analysis due to its ability to cover a wide range of common statistical and graphical data analysis in a systematic way. The data is presented in form of tables, charts and bar graphs. The information is presented and discussed as per the objective of the research question and objective of the study.

4.2 Profile of respondent SACCOs

4.2.1 Number of respondent SACCOs

Out of the 50 questionnaires send out, 38 were returned representing 76% response rate and 24% non response rate. Results are tabulated in Table 4.1

Table 4.1 Number of Saccos that respondent

	Frequency	Percentage
Responded	38	76
Did not respond	12	24
Total	38	100

Source: Research Data

4.2.2 Period of operation of the SACCO

The respondents were asked to indicate when the SACCO was established. From this the period of operation of the SACCO was worked out. The longer the period of operation of the SACCO, the more experience it has in strategic planning practices.

Table 4.2 Period of operation of the SACCO

Period of operation	Frequency	Percentage
0 - 5 years	-	-
6-10 years	6	16
11-15 years	8	21
16 years and above	24	63
Total	38	100

Source: Research Data

From Table 4.2, it is clear that out of the 38 SACCOs that responded, none had been in operation for five years and below. 6 SACCOs (16%) have been in operation for between 6 and 10 years whereas 8 or 21% of the total have been in operation for period between 11and 15 years. 24 of the SACCOs or 63% of the total have been in operation for more than 15 years. From the analysis a vast majority of the SACCOs have been in operation for many years and therefore have gained a lot of experience in strategic planning.

4.2.3 Size of SACCO in terms of membership

The researcher sought to determine the size of the SACCO in terms of membership. The size of the SACCO may indicate the extent of complexity of strategic planning. The respondents were asked to indicate the size of the SACCO in terms of membership. The results are given in Table 4.3

Table 4.3 Number of members of the SCCO

Number of members of the SACCO	Frequency	Percentage
Less than 50	1	3
51 to 100	2	5
100 to 150	5	13
150 and above	30	79
Total	38	100

Source: Research Data

The results indicate that 79% of the SACCOs that responded are quite big and have a membership of over 150 members. Only 3% are small with membership of less than fifty members.

4.2.4 Number of full time employees in the SACCO

The respondents were asked to give the number of full time employees of the SACCO. The results are summarized in Table 4.4

Table 4.4 Number of full time employees of the SACCO

Number of full time employees	Frequency	Percentage
Less than 10	15	39
11 to 20	5	13
21 to 30	10	26
30 and above	8	21
Total	38	100

Source: Research Data

The researcher related the number of full time employees to size of the SACCO in that the higher the number of full time employees the bigger the size of the SACCO.

4.3 Strategic Planning practices

The objective of this study was to establish the strategic planning practices of SACCOs. Various questions were put to the respondents in order to achieve this objective. The following are the findings.

4.3.1 Developed a Vision and Mission Statement

The first question to be asked in strategic planning process is where do we want to be? This question is usually addressed through the organization's vision which is incorporated in the firm's mission statement. Vision refers to what a firm is trying to do or to be and is the starting point in strategic planning.

Table 4.5 Developed a Vision and Mission statement

Developed Vision and Mission statements		
Response	**Frequency**	**Percentage**
Yes	38	100
No	-	-
Total	38	100

Source: Research Data

All the SACCOs that responded had developed both vision and mission statements as is shown in the table above. Further questioning indicated that the SACCOs had their vision and mission statements in written form. The researcher observed that a number of the SACCOs had displayed prominently their vision and mission statements on their premises.

4.3.2 Stakeholder influence on development of Vision and Mission statements.

The respondents were asked to rate the extent of participation of the various stakeholders on the development of the vision and mission statement of the SACCO using a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend.

The results are summarized in table 4.6 below.

Table 4.6 Stakeholder influence of development of vision and mission statement

Stakeholder	Mean Score	Standard deviation
SACCO General Manager	3.5	1.9
SACCO Members	2.9	1.8
Central Management Committee	3.9	2.9

Source: Research Data

According to the respondents who obliged to fill the questionnaire and as shown in Table 4.6 above, the Central Management committee and the SACCO general manager with mean scores of 3.9 and 3.5 respectively have the highest influence on the development of vision and mission statement for the SACCO. The dispersion among the respondents is highest in the case of the Central Management committee. SACCO members have the least influence of the development of the vision and Mission statements. This could be because the members are usually represented by the central management committee.

4.3.3 SACCO has set objectives

The respondents were asked to indicate whether their SACCO had any set objectives. The findings are given in Table 4.7

Table 4.7 SACCO has set objectives

Response	Frequency	Percentage
No	9	24
Yes	29	76
Total	38	100

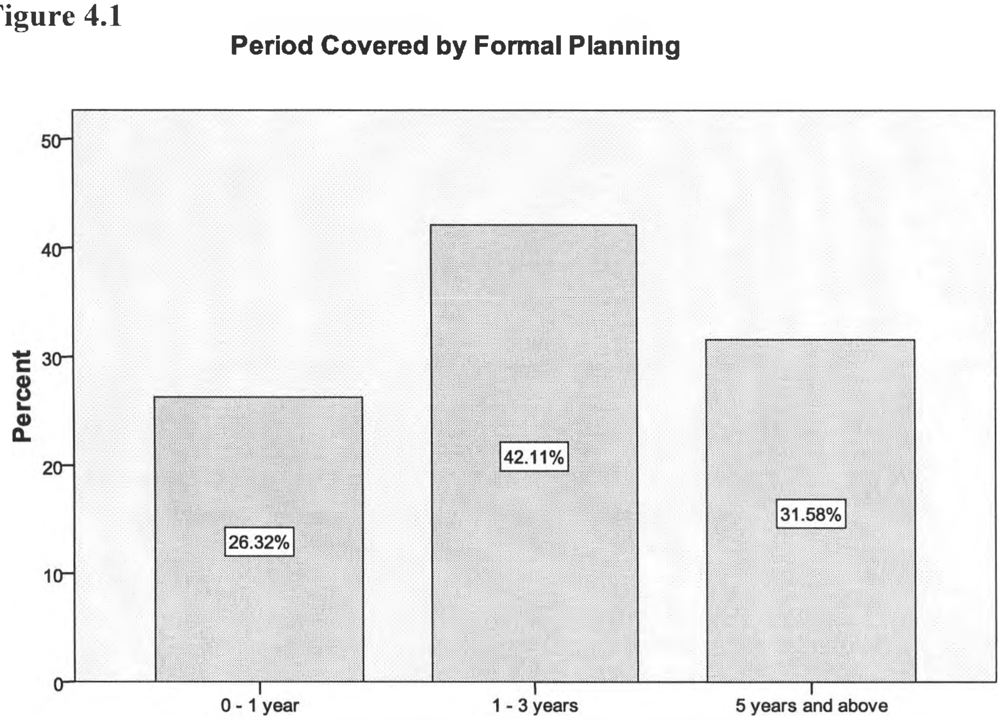
Source: Research Data

The results indicate that 29 (76%) of the SACCOs had set objectives and they could remember some of the objectives. 24 % said the SACCO did not have set objectives.

4.3.4 Period covered by Formal Planning

The researcher sought to find out whether the strategic plans are of long or short term periods. The respondents were asked to indicate the period covered by the SACCOs' plans. The results are given in figure 4.1 below.

Figure 4.1



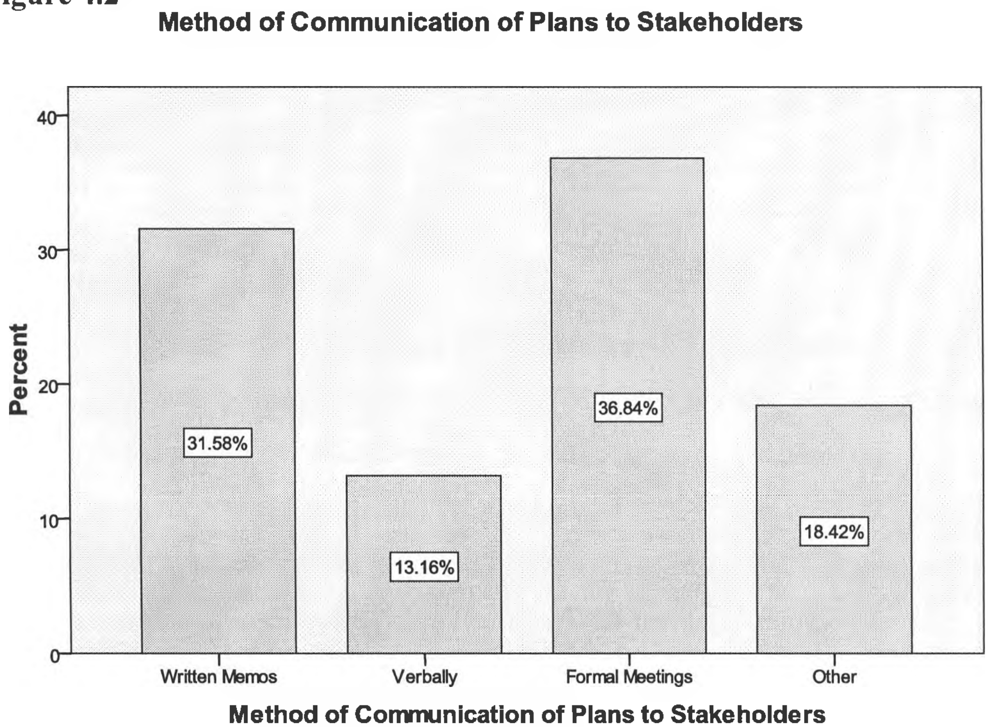
Source: Research data

A majority of respondents reported that they most often plan for the mid-term period of 1 – 3 years (42.11%) followed by the long term period of 5 years and above (31.58%) and 26.32% planning for the short term period of under a year.

4.3.5 How plans are communicated to stakeholders

The researcher sought to find out how formal plans are communicated to the various stakeholders of the SACCO. Clear communication of the strategic plans is import in order for the various stakeholders to understand them. The respondents were asked to indicate which method was used by the SACCO to communicate the plans by choosing between, written memos, verbal communication, formal meeting and specify any other methods used. The findings are given in figure 4.2

Figure 4.2



Source: Research Data

Majority of the SACCOs favored formal meetings as their conduit for transmitting information on their strategic plans to stakeholders (36.84%). Another 31.58% preferred using written memos, 18.42% preferred other methods and a minority of 13.16% favored verbal communication. Other methods specified included using the SACCOs' websites.

4.3.6 Features characterizing the SACCOs' Planning process

The respondents were asked to tick as appropriate against the listed factors the extent to which the given factors characterizes the strategic planning process of their SACCO using a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend.

The results are summarized in table 4.8 below.

Table 4.8 Features characterizing planning process

Features charaterising planning process	Mean Score	Standard deviation
Informal interactions	2.4	2.2
Formal Planning meetings	4.0	2.5
Having a planning department with assigned responsibility for planning	2.7	1.9
Time tables for plan preparation	3.4	1.8
A budget is set aside for strategic planning	3.7	2.4

Source: Research Data

From the analysis, formal planning meetings are the most influential in characterizing the strategic planning process of most of the SACCOs with a mean score of 4.0. Another characteristic common is that a budget is set aside for strategic planning with a mean score of 3.7 followed by existence of time tables for plan preparation with a mean score of 3.4.

Formal planning meetings are popular because they bring people together to share ideas and reach consensus and common understanding of the issues. Strategic planning calls for budgetary allocation to cater for expenses incurred like for meetings.

4.3.7 Factors considered important in the SACCOs' Planning process

The respondents were asked to indicate by ticking as appropriate the extent to which the listed factors are considered in the strategic planning process of their SACCOs' using a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend.

The results are summarized in the table below.

Table 4.9 Factors considered important during strategic planning process

Factors considered important during strategic planning process	Mean Score	Standard deviation
Political and legal developments	3.6	2.1
Environmental scanning	3.7	2.1
Competitor analysis	3.5	1.8
Technological trends	4.1	2.6
Industry analysis and market trends	3.2	1.6
Internal resources	3.9	2.5
Social and demographic trends	2.8	2.3
Others (please specify and rate)	-	-

Source: Research Data

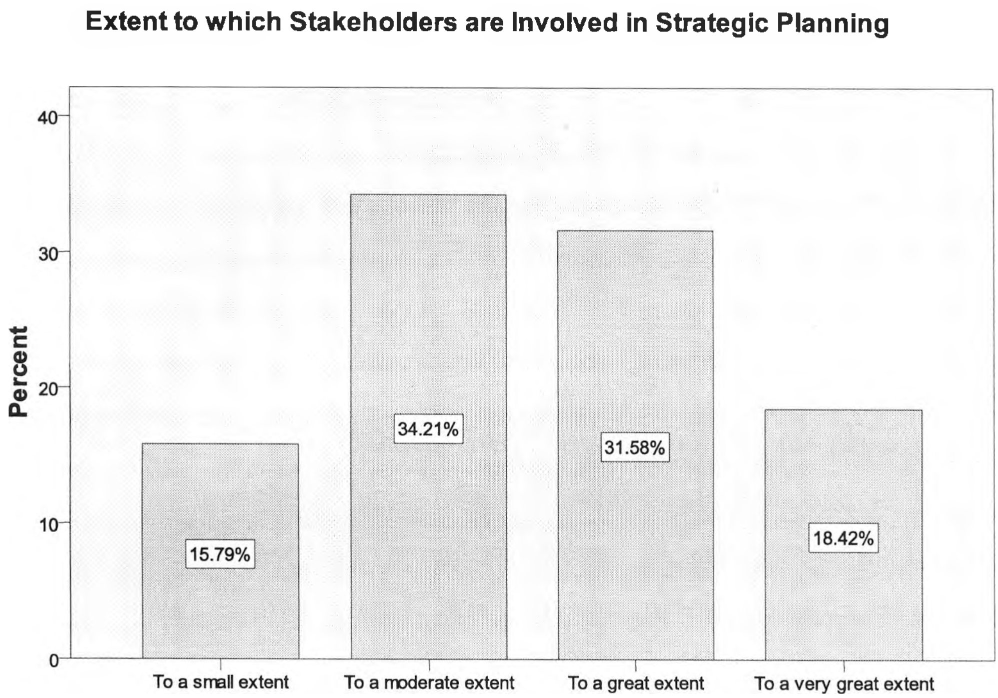
The importance of different factors to the planning process in the sampled SACCOs was as follows: Technological trends, SACCOs internal resources and environmental scanning are all very important with mean scores of 4.1, 3.9 and 3.7 respectively. The least considered factor was social and demographic trends with a mean score of 2.7

4.3.8 Involvement of various stakeholder in the strategic Planning process

The respondents were asked to rate the extent involvement of the various stakeholders on the strategic planning process of the SACCO using a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend.

The results are summarized in figure 4.3 below.

Figure 4.3



Source: Research Data

Involvement of all stakeholders in strategic planning is mostly to a moderate extent according to the respondents questioned with a critical mass of 34.21% percent. Stakeholders mainly not involved in the process of strategic planning were the members of the SACCO. It is only 18.42% who thought that all stakeholders were involved to a very great extent in strategic planning and 15.79% saying that all stake holders were only to a small extent. In all cases, however, stakeholders were involved at least to a small extent.

4.3.9 Flexibility of the Plans

The respondents were asked to rate the extent to which they thought the plans were flexible enough to allow for adjustments using a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend.

The results are summarized in Table 4.10

Table 4.10 Extend of flexibility of plans

Response	Frequency	percentage
To no extend (1)	-	-
To a small extend (2)	-	-
To a moderate extend (3)	12	32
To a great extend (4)	16	42
To a very great extend (5)	10	26
Total	38	100

Source: Research Data

From the findings, all the respondent SACCOs indicated that the plans are flexible to allow for any adjustments brought about by environmental changes though to varying degrees. 32 % thought the plans are flexible to a moderate extend whereas 42% of the respondents felt that the plans are flexible to a great extend. 26% of the respondents consider the plans to be flexible to a very great extend.

4.3.10 Use of various strategic planning tools

The researcher sought to find out the tools mostly used in strategic planning by the various SACCOs. The respondents were to rate the extent of use of the various tools using a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend.

The findings are summarized in Table 4.11

Table 4.11 Factors considered important during strategic planning process

Strategic planning tools	Mean Score	Standard deviation
SWOT Analysis	4.3	2.9
Trend analysis	4.1	2.8
Value chain analysis	3.3	2.1
Portfolio analysis	3.6	2.0
Computer planning models	3.2	1.8
Others (please specify and rate)	-	-

Source: Research Data

The findings indicate that majority of the respondents use SWOT analysis in their strategic planning. This had a mean score of 4.3. The other tools used mostly include trend analysis with a mean score of 4.1 and portfolio analysis with a mean score of 3.6

4.4 Challenges of Strategic planning and implementation

When asked whether they found strategic planning challenging all the respondents (100%) answered the question to the affirmative acknowledging that their SACCOs indeed faced challenges in strategic planning and implementation.

4.4.1 Extend to which various factors pose a challenge to strategic planning

The respondents were asked to rate by ticking as appropriate the extent to which they thought the given factors posed challenges to strategic planning and implementation in the SACCO using a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend.

The results are summarized in Table 4.12

Table 4.12 Factors posing challenges to strategic planning and implementation

Factors posing challenge to strategic planning and implementation	Mean Score	Standard deviation
Inadequate resources	3.4	1.9
Inadequate training and shortage of qualified personnel	3.0	1.8
Political and legal factors	3.4	2.1
Social Cultural factors	2.7	2.3
Organizational structure	3.2	2.3
Economic trends	3.8	2.8
Others (please specify and rate)	-	-

Source: Research Data

Economic trends with a mean score of 3.8 was identified as posing the biggest challenge to strategic planning and implementation. This was followed by inadequate resources and legal and political factors with mean scores of 3.4 respectively.

4.4.2 Implementation of the formulated strategic plans

The respondents were asked to indicate the probability that the plans will be implemented by choosing between, high, moderately high, low and very low. The results are given in Table 4.13

Table 4.13 Probability of implementation of formulated strategic plans

Probability of implementation of plans		
	Frequency	**Percentage**
High	17	45
Moderately high	21	55
Very Low	0	0
Total	38	100

Source: Research Data

In terms of the probability of implementation of strategic plans, 55 percent alluded to a moderate chance of implementation, 45 % to a high chance and none to a low chance. Therefore all the respondents (100%) felt that there was a chance that the formulated plans will be implemented.

The respondents were asked whether failure to implement the formulated strategic plans could adversely affect the strategic planning practices in their SACCOs. All the respondents felt that failure to implement plans can adversely affect strategic planning in their SACCOs.

Further, the respondents were asked to rate by ticking as appropriate the extent to which they agree with the given statements as applicable to their SACCOs using a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend.

The results are summarized in Table 4.14

Table 4.14 Effects of strategic planning and implementation on the SACCO

Effects of strategic planning and implementation on the SACCO	Mean Score	Standard deviation
Strategic planning is cumbersome and time consuming	3.1	1.7
Goals and objectives are not clear to everyone	2.3	2.6
There is low teamwork in strategic planning	2.2	2.6
There is resistance from some quarters	2.7	2.4
Strategic planning is a worthwhile investment	4.6	3.6

Source: Research Data

Responses to the statement 'Strategic planning is cumbersome and time consuming', shows that the respondents did not agree to the statement showing a mean score of 3.1 with a standard deviation of 1.7.

Responses to the statement 'Goals and objectives are not clear to everyone' were almost evenly distributed with a mean score of 2.3 and a standard deviation of 2.6.

Responses to the statement 'There is low teamwork in strategic planning' were again evenly distributed with a mean score of 2.2

The respondents disagreed with the statement 'There is resistance from some quarters' with the scores almost evenly distributed with a mean score of 2.7 and a standard deviation of 2.4.

There was agreement among the respondents to the statement 'Strategic planning is a worthwhile investment' with a mean score of 4.6 and a standard deviation of 3.6

4.4.3 Responses of SACCOs to changing environment

The researcher sought to find out some of the responses the SACCOs had adopted in the face of changing environment. The respondents were asked to indicate by ticking appropriately from a given list of possible responses that their SACCOs had adopted and were implementing given the turbulent environmental changes that affect strategic planning.

The results are given in the table below:

Table 4.15 Responses to changing environment by the SACCOs

Method	Percentage
Diversification of Loan Products and Opening up the Common Bond	2.6
Improving MIS and Merger With other SACCOs	2.6
Merger with other SACCOs and changing Loan Pricing	5.3
Merger with other SACCOs and Opening up the Common Bond	2.6
Looking at the Loan Pricing and Opening up the Common Bond	7.9
All but Looking at Loan Pricing and Opening up Common Bond	2.6
All but Merger with other SACCOs and Opening up the Common Bond	5.3
All but Merger with Other SACCOs and Looking at Loan Pricing	5.3
Improving MIS	7.9
All but Improving MIS and Looking at Loan Pricing	2.6
All but Diversification of Loan Products and Looking at Loan Pricing	7.9
All but Diversification of Loan Products and Merger with other SACCOs	2.6
All but Diversification of Loan Products and Improving MIS	2.6
All but Looking at Loan Pricing	2.6
All but Merger with other SACCOs	18.4
All but Improving MIS	2.6
All but Diversification of Loan Products	2.6
All of the Above	7.9
Merger with other SACCOs	2.6
Looking at Loan Pricing	2.6
Opening up the Common Bond	2.6
Total	100.0

Source: Research Data

Most favored applying all other strategies except merging with other SACCOs (13.73%) while improving management information systems and merging with other SACCOs were together the least preferred strategies at 1.98%.

CHAPTER FIVE: SUMMARY, DISCUSSIONS AND CONCLUSIONS

5.1 Introduction

This chapter discusses the findings of the study and draws conclusions from the major findings. It also gives recommendations for further research. The study documents the strategic planning practices of Savings and Credit Cooperative Societies in Nairobi, Kenya. The study had one objective to determine the strategic planning practices of SACCOs in Nairobi. Primary data was collected using a questionnaire using the 'drop and pick later' method to the respective respondents.

5.2 Summary Discussions and Conclusions

Today's turbulent environment in which organizations are operating necessitates an equal and rapid recognition of appropriate strengths and opportunities to be exploited , threats to be countered and weaknesses to be overcome in order for the organization to survive. According to Hewlett (1999) asserts that strategic planning is the process by which firms derive a strategy to enable them anticipate and respond to the changing environment in which they operate. The serious challenges that faced the cooperative sector following the enactment of the Cooperative Act of 1997, which led to liberalization of the sector, resulted to many SACCOs almost collapsing due to mismanagement, anarchy and leadership wrangles. The 2008 SACCO Act meant to address the problems resulting from the inadequacies of the 1997 Act has provided a legal framework that will enhance accountability and incorporate best practices in cooperative societies. As a result SACCOs have had to adopt strategic planning in their operations.
The objective of this study was to determine the strategic planning practices of the SACCOs in Nairobi.

The profile of the respondent SACCOs show that they had in operation for periods ranging from five years to over 16 years. 16% of the respondent SACCOs have been in operation for 6 and 10 years, 8 of them or 24% have been in operation between 11 and 15 years whereas the 24 of SACCOs or 63% have been in operation over 16 years. The study indicates that strategic planning has been embraced by SACCOs of diverse ages and sizes although the older ones have gained more experience in strategic planning while the bigger ones may be faced with more complex strategic planning.

The findings of the study show that most of the SACCOs in Nairobi practice formal strategic planning. All the 38 SACCOs (100%) that responded to the research questionnaire indicate that they have developed a vision and mission statement. Most of them had set objectives. Some of them had prominently displayed their vision and mission statement in their premises.The study also found that the General Manager of the SACCO and the Central Management committee have the greatest influence of development of the Vision and Mission statement of the SACCO with mean scores of 3.5 and 3.9 respectively. The General Manager being the CEO of the SACCO plays a key role in strategic planning whereas the Central Management committee which is equivalent to the Board of Directors of any other organization and also are representative of the members should take a leading role strategic planning of the SACCO.

The study findings show that the majority of strategic plans are of medium term with 42% of the respondents indicating that plans cover a period of 1 to 3 years. 32% of the respondents indicated that the plans cover periods of 5 years and above.
Plans must be understood and supported by all stakeholders if positive results are to be realized from their implementations. This requires effective methods of communication of the plans to the stakeholders. The study found out that 14 (37 %) of the respondent SACCOS communicated their plans through formal meetings, 12 (32%) of them communicated the plns through written memos whereas 5 (13%) communicated them verbally. 7 (18%) communicated their plans through other methods mostly through their websites and intranets.

The study findings indicate that formal planning meetings are the most influential characteristic of planning among the SACCOs with a mean score of 4.0 and a standard deviation of 2.5. Other factors that characterize the planning process of the SACCOs listed in order of influence are as follows; 1)Having a planning department with assigned responsibility for strategic planning, 2)A budget is set aside for strategic planning, 3) time tables for plan preparation and 4)informal interactions.

Formal meetings bring together divergent views from the participating stakeholders meaning the resultant plans will have the support of all the stakeholders who participated in the meetings. A planning department with assigned responsibilities will influence strategic planning in that the department will champion the process by collecting inputs from the various stakeholders and put together the plan or presentation to the stakeholders.

For any strategic planning to be successful, there must be a budgetary allocation to meet the costs involved in the whole process. Timetables for plan preparation will ensure that the various tasks are completed with the schedule time frame. To a lesser extend, informal interaction could bring out ideas from some of the stakeholders who may not wish to express themselves in formal meetings.

The study established that the following factors listed in order of importance are considered in strategic planning. 1) Technological trends, 2) Internal resources, 3) Environmental scanning 4) political and legal developments, 5) competitor analysis, 6) industry analysis and market trends and 7) Social and demographic trends.

The findings of the study show that majority of the SACCOs involve all the stakeholders in the process of strategic planning. This is crucial as it ensures there is buy-in and support of all the stakeholders in the strategic plan. In addition study found out that the plans are flexible enough to allow for adjustments resulting from changes in the environment.

SWOT analysis was found to be the most common tool used in strategic planning by the SACCOs with a mean score of 4.3.Other tools used were found to be Trend analysis, Portfolio analysis, Value chain analysis and use of computer planning models.

All the SACCOs acknowledge that there are various challenges in strategic planning and implementation. Inadequate resources, inadequate training and shortage of qualified staff and political legal factors where identified as posing great challenges to strategic planning and implementation. However the SACCOs are responding to some of those challenges posed by environmental changes through a number of ways. Some of the responses include diversification of loan products, improving management information systems and opening up the common bond of the SACCO in order to attract more members.

5.3 Limitations of the study

The study faced a limitation of time since the time covered by the study did not allow the researcher to collect enough data for comprehensive analysis. The study focused on SACCOs in Nairobi .Further some of the SACCOS sampled did not respond due to various reasons. Some indicated that they could not complete the questionnaire because the information required was confidential. The self administered questionnaire administered through the 'drop and pick later' method does not leave room for clarification of issues hence a limitation to the study.

5.4 Recommendations for further research

In order to survive and prosper during times of environmental turbulence, many organizations adopt strategic management and strategic planning as this leads to improved performance. Further research should be carried out to find out whether the performance SACCOs practicing strategic planning is better than that of SACCOs not practicing strategic planning. The study focused only on SACCOs in Nairobi. A similar study covering other parts of the country can be undertaken.

5.5 Recommendations for Policy and practice

Revised Sessional paper (2004) by the ministry of Cooperative development and marketing shows that the cooperative sector in Kenya contributes as much as 40-45% of the GDP. The sector having mobilized over KES 170 billion in savings which is about 31% of the national savings is very key sector of the Kenyan economy. In order to inculcate professionalism in the running of Savings and credit cooperative Societies, it would be beneficial if the government through the ministry of Cooperative Development and Marketing puts in place policies that make it mandatory for all SACCOs to adopt strategic planning.

One of the challenges identified by this study is that of inadequate training and lack of qualified personnel when it comes to strategic planning. There should be training of the members of the Central management Committee and the general managers of all SACCOs in strategic planning.

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Appendix I

QUESTIONNAIRE

SECTION A

SACCO AND RESPONDENT PROFILE

1. Name of SACCO________________________________

2. Title of Respondent______________________________

3. When was the SACCO established? ___________________

4. Size of SACCO in number of members_________________

5. Number of full time employees______________________

SECTION B

STRATEGIC PLANNING PRACTICES

1. Have you developed a vision statement? Yes [ ] No [ ]

2. Does the SACCO have a mission statement? Yes [ ] No [ ]

3. Are the vision and mission statements in written form? Yes [ ] No [ ]

4. How would you rate the extend of participation in developing the vision and mission statements of the SACCO by the following: (Please use a 5 point scale where1=to no extend. 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend)

	1	2	3	4	5
I. General Manager					
II. SACCO Members					
III. Central Management committee					

5. Does the SACCO have set objectives? Yes [ ] No [ ]

6. What are the main objectives of the SACCO?

____

____

____

7. If the SACCO undertakes formal planning, what period do the plans cover?
   a) 0-1 years
   b) 1-3 years
   c) 5 years and above

8. Are the plans reviewed and updated periodically? Yes [ ] No [ ]

9. How are the plans communicated to the stakeholders?
   a) Written memos
   b) Verbally
   c) Formal meetings
   d) Others (specify)______________________________

10. To what extend do the following features characterize the planning process in your SACCO (Please use a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend)

	1	2	3	4	5
I. Informal interactions					
II. Formal planning meetings					
III. Having a planning department with assigned responsibilities for planning					
IV. Time tables for plan preparation					
V. A budget is set aside for strategic planning					

11. Indicate the extent to which the following factors are considered important in the strategic planning process of your SACCO. (Please use a 5 point scale where1=not important 2=less important 3=can't tell 4=important 5= very important)

	1	2	3	4	5
I. Political & legal developments					
II. Environmental scanning					
III. Competitor analysis					
IV. Technological trends					
V. Industry analysis & market trends					
VI. Internal resources					
VII. Social and demographic trends					
VIII. Other (please specify and rate) ________________					

12. To what extend are all stakeholders involved in strategic planning (Please use a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend)

1	2	3	4	5

13. To what extend would you say that the plans are flexible enough to allow adjustments with changes in environmental parameters (Please use a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend)

1	2	3	4	5

14. To what extend are the following strategic planning tools used during planning process in your SACCO (Please use a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend)

	1	2	3	4	5
I. SWOT analysis					
II. Trend analysis					
III. Value Chain analysis					
IV. Portfolio analysis					
V. Computer planning models					
VI. Other (please specify and rate) ______________________________					

SECTION C

CHALLENGES

1. Do you find strategic planning challenging? Yes [ ] No [ ]

2. To what extend do you find the following as posing challenges to strategic planning and implementation in your SACCO (Please use a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend)

	1	2	3	4	5
I. Inadequate resources					
II. Inadequate training and shortage of qualified personnel					
III. Political and legal factors					

IV. Social cultural factors

V. Organizational structure

VI. Economic trends

VII. Other (please specify and rate)

____

3. What is the probability that the strategic plans will be implemented?

   High [ ]
   Moderately high [ ]
   Low [ ]
   Very low [ ]

4. Do you think failure to implement strategic plans can adversely affect strategic planning practices in your SACCO? Yes [ ] No [ ]

5. To what extend do you agree with the following as applies to your SACCO (Please use a 5 point scale where1=to no extend, 2=to a small extend 3=to a moderate extend 4=to a great extend 5= to a very great extend)

	1	2	3	4	5
I. Strategic planning is cumbersome and time consuming					
II. Goals and objectives are not clear to everyone					
III. There is low teamwork in strategic planning					
IV. There is resistance from some quarters					
V. Strategic planning is a worthwhile investment					

6. Below are some possible responses that SACCOs could adopt in a changing environment. Please tick the ones your SACCO has been implementing.

   Diversification of loan products [ ]
   Improving management information systems [ ]

Merger with other SACCOs [ ]
Looking at the pricing of the loan products [ ]
Opening up the common bond of the SACCO [ ]

Thank you for taking time to complete the questionnaire.

Appendix II
List of Sampled SACCOs

	SACCO	Physical Address
1	ACTION AID SAVINGS & C	AACC Building westlands
2	Asili Sacco	Asili Cooperative Building
3	CONCORDE SACCO SOCIETY ltd	Centenary building 4th floor
4	NAIROBI HOSPITAL CO-OP.LTD	Nairobi Hospital
5	KASNEB SAV & CR CS LTD	KASNEB Towers
6	MAKTABA SAV.& CR.CO-OP	KNLS Building
7	KIMISITU SACCO	Off Mamlaka Rd
8	USHURU SAVING & CREDIT	Forodha Hse 2nd floor
9	Kentours CS/CS Ltd	Str Geoges Hse Parliament rd
10	NACICO CO-OPERATIVE SO	NACICO Plaza, Ladhies Rd
11	TETRA-PAK SAV.& CR.SOC	Tetra Pak
12	KENPIPE SACCO SOCIETY	Kenpipe plaza
13	KENYA BANKERS CO-OP SA	3rd Ngong ave
14	Elimu Sacco	South B Mubiru Rd
15	Uokoaji Sacco	South B
16	CHUNA CO-OP.SOC.LTD.	Harry Thuku Road
17	UKULIMA SAV & CR CS LTD	Ukulima cooperative Hse
18	UFUNDI CO-OP SAV & CR LTD.	Ufundi Hse Moi av.
19	UKAGUZI CO-OP SAV & CR LTD	Kencom House
20	MWALIMU CO-OP SAV & CR LTD	Mwalimu Coop Hse, Tom Mboya str
21	MHASIBU C.S.&C.S. LTD.	View Park Towers 6th floor
22	MAGEREZA STAFF SAV.& C	Mageso chambers Moi Av
23	AFYA SAVING AND CREDIT	Afya Centre, 7th floor
24	BALOZI CO-OP SAV & CR	Construst Hse 3rd flor Moi Av.
25	NATION STAFF SACCO Ltd	Camberian building 1st flr Moi av.
26	RELI CO-OP.SAV. & CR.	Haille selasie av.
27	POST BANK SAV. & CR. C	Post Bank Hse
28	KENCOM SACCO	Kencom house
29	HARAMBEE SAVING & CRED	Harambee Plaza Uhuru Hway
30	HAZINA SACCO	Kibera Rd. Off Ngong Rd
31	CHAI CO-OP SAV & CR LTD.	KTDA PLAZA Moi Avenue
32	Energy Sacco Ltd	Nyayo Hse 21st fl
33	Ufanisi Sacco	Devt. Hse 2nd flr
34	Transcom Sacco	Transcom Hse, Latema/tom mboya str
35	IDB Bank Sacco	National bank building
36	Sheria Coop Sacco	Sheria Hse Ist floor
37	Jogoo Sacco	Agriculture House
38	Kenya RE Sacco	Re-Insurance Plaza
39	ARDHI SAVING AND CREDI	Survey Thika Rd.
40	STIMA CO-OP SAV & CR S	Near Stima Plza. Mshembi Rd

41	SHIRIKA STAFF SAV & CR	Kipande/Ngara Rd
42	U.S.I. UNIVERSITY SAV.	Off Thika Rd Kasarani
43	TEMBO COOP.S & CR. LTD.	Off Garden Estate Rd
44	KENVERSITY CO-OP.SOC.L	Kenyatta University
45	Jamii SACCO	South B
46	United Nations SACCO	UN Gigiri
47	NOREL SACCO LTD	AACC Building Waiyaki way
48	KANISA CO-OP SAV CR SO	Waiyaki way
49	Naserian SACCO	Off Mamlaka Rd
50	Kenya Police Sacco	Off Mamlaka Rd

Appendix III

September 23rd 2009,

The General Manager,
………………………………
………………………………
………………………………
Nairobi, Kenya

Dear Respondent,

I am a graduate of University of Nairobi conducting a survey on "Strategic Planning Practices of SACCOs in Nairobi". The study is for the purpose of a research project, a requirement for the award of a degree of Master of Business Administration.

Your SACCO has been selected to be included in the study. I kindly request you to fill the attached questionnaire for me. The information that you provide will make useful contribution to the study and will be treated in confidence and your SACCO will not be referred to by name in the report.

To enable me complete the project in time, I could pick up the questionnaire in 3 days after leaving it. I hope you will find time to complete it.

Your assistance will be highly appreciated.

Yours faithfully,

Greg Nguta — MBA Student, UON

Dr. M Ogutu — Project Supervisor

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAM – LOWER KABETE CAMPUS

Telephone 020-2059162
Telegrams "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE: 23RD SEPTEMBER 2009.

TO WHOM IT MAY CONCERN

The bearer of this letter GREG MUTINDA NGUTA

Registration No: D61/7432/2006

is a Master of Business Administration (MBA) student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA OFFICE
P. O. Box 30197
NAIROBI

DR. W.N. IRAKI
CO-ORDINATOR, MBA PROGRAM