BUSINESS PLAN
2013 - 2017

Songambele Savings and Credit Cooperative Society Limited

Prepared by The Pwani Project

P.O. Box 89
PANGANI
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ACRONYMS

SACCO  Savings and Credit Cooperative Society
FOSA   Front Office Savings Activities
BOSA   Back Office Savings Activities
ICT    Information Communication Technology
MFI    Microfinance Institution
SWOT   Strengths, Weaknesses, Opportunities and Threats
PAR    Profit at Risk
TCMP   Tanzania Coastal Management Partnership training
SCCULT Savings and Credit Cooperatives Unions League of Tanzania
1. EXECUTIVE SUMMARY

This business plan covers five years and provides detailed explanations of actions proposed to accomplish the primary functions of the Savings and Credit Cooperative Society (SACCO) to fulfill its members’ economic and social needs. In preparing this business plan, the Board considered the strategic directions of the Society services and has determined that the Society business plan provides an overview of the SACCO and identifies the strategic issues and goals set out for the next five years. Therefore, the Board is accountable for the preparation of this plan and for the achievement of the specific issues and goals contained therein.

The business plan is an integral part of the management and oversight of the Society’s field of membership expansion as it establishes the SACCO’s goals and objectives for the proposed expansion. The plan forecasts market demand, member base, competition and economic conditions variations.

There are four important benefits of having a formal business plan. First, it will be an essential part of any request for financing and improves the chances of getting desired funding. Second, it can serve as a guide for policies and actions for a firm over a number of years. Strategies and statements are well thought-out, unambiguous and achievable. Third, the process of preparing the plan will enable, if not force, Society members to focus on issues that are essential for the future success the business. Fourth, the plan will identify the role of the SACCO in environmental conservation and sustainable use of natural resources.

The task, therefore, is to focus on the key cooperative principle: Members own and control SACCOs. To achieve its goals, the Society will strengthen capacity as the SACCOS need to be commercially viable enterprises, able to survive and prosper in the marketplace.

2. INTRODUCTION

The Songambele SACCO has nine Board members. Three supervisory committee members received business plan training from the cooperative officer and TCMP–Pwani, after which they established goals and a strategy for the coming five years. The board members considered short-term actions needed to prepare the Society to meet its long-term objectives and assessed long-term impacts of short-term plans. In addition, because a SACCO’s main business is money, the plan must provide a basis for financial strategy and a control device against which to compare actual progress. Findings from an internal review formed the basis for the plan objectives and portrayed the Society’s strengths and weaknesses.

The board members’ participation in setting and implementing the strategies indicates that they are responsible for accomplishing them and will use measurable parameters to monitor performance. This approach helps the SACCO attain a higher level of preparedness in the face of external challenges. This helps to increase levels of operational efficiency that will result in better service to its customers.
This business plan was established using a participatory process that involved executives, Board members, supervisory committee members and village leaders.

Initially, an internal scan helped to assess the adequacy and completeness of systems and procedures; to identify the operational challenges facing the SACCO; to give recommendations; and to establish the SACCO’s financial position. The internal scan reviewed all operational areas including performance management and accounting, governance and administration, Back Office Savings Activities (BOSA) and internal audit.

The process included the following approach: the Board, supervisory committee and village leaders participated in a two-day workshop that included discussions among the groups followed by a review of SACCO and cooperative department documents and concluded with brainstorming sessions and group discussions to formulate the business plan.

3. BACKGROUND

The law established Songambele SACCO Ltd. Its founder members include beekeepers, food vendors and crab fattening groups in Pangani villages. The Tanzania Coastal Management Partnership (TCMP), the Savings and Credit Cooperatives Unions League of Tanzania (SCCULT) and the district cooperative department facilitated its implementation. In addition, TCMP provided 2,000,000/= in seed funding on the agreement that the capital should not be used in environmental activities. The starting capital was 200,000/= for 20 members. The district commissioner officially opened the SACCO in 2008. It currently has 98 members with a total capital of 22,000,000/=.

A nine-member Board, led by a chairperson, as well as a manager and a treasurer govern the SACCO. The Board worked with stakeholders to develop a biodiversity conservation mission targeting sustainable use of coast and marine resources as one of its objectives.

4. BUSINESS DESCRIPTION

Customers of the SACCO’s micro-finance services are residents from Kipumbwi ward and other near villages.

**Products and Services:** Loan and savings facilities

**Services:** The Society currently provides BOSA. A long-term strategy is to introduce Front Office Savings Activities (FOSA) in which members will walk in and get full banking services at a service counter. Members deposit their cash into savings accounts at the SACCOS office. For credit activities, the Society offers loans to eligible members at an interest of three percent per month based on the declining method.
5. CURRENT PRODUCTS

5.1 LOAN PRODUCTS

Business Loans

This is a planned loan disbursed by the loan committee once in a month. The highest amount disbursed is two times the savings held in the Society by the respective member. Currently repayment period is not to exceed 24 months with the interest rate of three percent based on a declining balance. The aim of this loan is to assist members in their business development projects.

Education Loans

This loan is granted to members in an amount not exceeding 2,000,000/= to the respective member. The interest rate is three percent on a declining balance method with a maximum repayment period of 12 months.

Emergency Loans

This loan is granted to members based on the type of emergency with a maximum amount of Tshs 100,000/= and is charged a six percent interest rate with a repayment period not to exceed one month. The aim of the loan is to assist members facing an unexpected personal problem.

Agriculture Loans

This loan is granted to members to support their agricultural activities. The loan repayment period six months with an interest rate of 18 percent.

NB: Loan defaults are charged at three percent.

5.2 COMPOSITION OF LOAN PORTFOLIO (2011 & 2012)

Loans disbursed during the above quoted years according to each type of loan were as shown on next page:
6. NEW FORECAST IN POTENTIAL LOAN PRODUCTS

Business loan

In future, the SACCOS intend to introduce the other new loans products such as a Business loan. The Society intends to introduce such type of loans to enable members improve their working capital. This will include coastal livelihoods and other business based on the efficiency and sustainability of the business. The SACCOS expected to assess the members loan needs and their security/mortgage and apply for the loan in favor the members to other financial and social security funds.

Agricultural loan

In addition, agricultural loans will be strengthened as the SACCO intends to enable members who are interested in agricultural activities to purchase agricultural inputs and be able to repay the loans as per agreement. The loans provided after a thorough feasibility study has been done.

Membership

The Society currently has 98 and 2 group’s members and the number will increase as membership is opened up to the public and planned internal promotional activities are implemented. Membership based on:

Democratic Style

Equal rights exist for each member to use all the services of the Society, which are available only to members. Members are also encouraged to serve actively as volunteers in the running of their Society as well as voting and deciding on its organization and policies.

7. VISION, MISSION AND OBJECTIVES

In developing its mission statement, the SACCO considered the economic, financial and technological trends in the Society system nationally and regionally and the financial industry as a whole. The Society identified its internal strengths and challenges and external
opportunities and challenges. Finally, the SACCO identified those areas that it could reasonably influence:

Vision

Our long-term vision is to become a SACCO that is competitive, viable and sustainable with capacity for fulfilling members’ economic and social needs.

Mission

To be a strong, member-only financial cooperative providing innovative financial services and products while increasing the community’s savings, providing loans and offering financial education to support to our members and their communities in poverty alleviation efforts.

SACCO Objectives

Songambele SACCO is committed to being a sound, progressive and growing financial institution by providing the members with superior financial services and products while maintaining our traditional values of sustainable use of marine and coastal resources.

- To promote, attract and encourage 100 new and active memberships, 10 percent per year.
- To provide financial products and services that meet member needs to compete effectively in the marketplace.
- To manage effectively the physical and financial resources of the SACCO, to maximize loaning while reduce bad loans to three percent.
- To provide an environment that will attract and develop coastal biodiversity conservation through enhancement of sustainable livelihoods.
- To maintain a SACCO structure that upholds its vision with integrity and good leadership.
- To advocate for good governance practices and abiding by the cooperatives principles for our SACCO’s growth

8. OPERATING PRINCIPLES

- To provide services in a professional, personal and competitive manner
- To provide a climate in which SACCO members can achieve outstanding performance and personal economic growth.
- To support both social and economic advancement of our community
- To continue the emphasis of the SACCO’s strength through growth of capital and maintaining a surplus
• All of which shall be supported by a program of excellence in products and services while maintaining high standards of ethics and integrity.

9. KEY STRATEGIES

The key strategic pillars are fundamental business drivers that the SACCO must focus on to maximize returns to its members and to meet the expectations of its stakeholders. The strategies, organized by group are:

Financial Performance Strategy

• To increase Society revenue by 25 percent annually
• To increase benefits from loans products.
• To establish FOSA
• To enhance cost-effective management programs.
• To review the minimum monthly deposit contribution and shares every two years
• To develop an operational efficiency strategy
• To establish a fully operational accounting system by 2018
• To ensure a fully computerized operation by 2018
• To enhance ICT competence among all committees/members
• To mobilize resources to facilitate full computerization
• To develop/enhance Membership Growth and Management Strategy
• To recruit new and retain existing membership
• To develop two new SACCO products and two services annually.
• To mobilize and assess current levels of member satisfaction
• To ensure a committed board, supervisory committee and executives who will assist the Society in achieving its vision and mission.

Products and Services Strategy

• To develop two new products and services to meet members’ needs.
• To review current product offerings and to establish new products
• To improve loan turnaround time to match best industry practice.
• To review loan policy to ensure additional security for loans from other financial sources.
• To develop effective credit administration strategy
• To achieve a loan recovery rate of 95 percent per annum.
• To establish and enhance the SACCO’s risk management systems by 20 percent per annum
• To encourage members to save and take loans from the SACCO
• To increase accountability in the Loan Management Committee
• To frequently review loan interest rates.

**Marketing and Development of the New Products Strategy**

• To develop a comprehensive marketing plan.
• To allocate member recruitment targets to existing members.
• To enhance corporate brand image
• To establish comprehensive communication channels with members.

**Leadership and Governance Strategy**

• To develop and enhance training programs
• To comply with all legal and regulatory requirements, e.g. code of conduct, SACCO Act and regulations.
• To promote positive organizational culture

**Enhancement of coastal management Strategy**

• To establish sustainable livelihoods including seaweed farming, crab fattening and beekeeping, etc.
• To restrict use of credits taken from SACCO in biodiversity destructive activities
• To incorporate both genders in sustainable livelihoods
• To advocate for environmental conservation efforts in village meetings

**10. VALUES AND GOALS**

**Values**

The Songambele SACCO values include integrity (truthful, accountable), respect (equality, dignity), excellence (highest standards), flexibility (interactive); safety and security (protect your funds and personal information).

**Songambele SACCO Ethics**

The SACCO in its operations will adhere to the following ethics:

**Member Driven**

We are fundamentally committed to serving our members, who are our foundation, by providing the highest standard of individualized service, always placing members first.

We recognize the importance of listening closely to our members and communities to better understanding their unique requirements, anticipating their needs and providing creative solutions.
Cooperation

We seek opportunities to allow members to contribute to the Society.

We honor each person’s ability to create and contribute toward the goal of delivering quality member services and innovative products, individually or as part of a team, through open communication and mutual trust.

Innovation

We support the courage, creativity and discipline needed to lead change and bring value to the membership and the Society.

We encourage creative thinking and continuous improvement because we must be better than our competition every day in order to attract and retain our members and employees.

Education

We encourage continuing education and training for members, Volunteers, and employees, recognizing that knowledge build confidence and enables innovative thinking and wise financial decisions.

11. SWOT ANALYSIS

A SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis is a tool used to provide a general or detailed snapshot of a SACCO’s health. Normally, every business needs a periodic check-up to diagnose and fix what has worn, what is on the verge of breaking down or what is already broken and needs replacement to keep the business robust.
The Songambele SACCO’s SWOT analysis sought to identify key underlying issues:

**Table 1. SWOT Analysis**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The Society has enormous numbers of members</td>
<td>• Membership with a low demand for loans</td>
</tr>
<tr>
<td>• Increase in interest rate on loans increase revenue for growth of the Society</td>
<td>• Inadequate ICT system that can meet the needs of the SACCOS members</td>
</tr>
<tr>
<td>• Presence of the low rate of default loans</td>
<td>• Inadequate professional executives</td>
</tr>
<tr>
<td>• The SACCO has good reputations and a positive corporate image.</td>
<td>• Slow process for various loan product offerings.</td>
</tr>
<tr>
<td>• Trust and good will of members and other Stakeholders</td>
<td>• Lack of certified collaterals for the some loan products</td>
</tr>
<tr>
<td>• Adequate space for future expansion of the Society’s new business lines</td>
<td>• Inadequate communication between members</td>
</tr>
<tr>
<td>• Accountability and transparency</td>
<td>• Delays in informing guarantors when members default and penalty charges</td>
</tr>
<tr>
<td>• Education and trainings in business skills and entrepreneurship</td>
<td>• Low attendance in the SACCO meetings</td>
</tr>
<tr>
<td>• Ability to plan sustainable business activities</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Product and services development by diversification like M-PESA and electronic banking</td>
<td>• Competition from other micro finance institutions and informal moneylenders (FINCA, PRIDE, VICOBA)</td>
</tr>
<tr>
<td>• Expansion of membership base geographically to capture other villages</td>
<td>• Members over-burdened with debts, this limits their ability to borrow.</td>
</tr>
<tr>
<td>• Presence of other financial institutions and Social Security Funds willing to work with SACCOS</td>
<td>• Climate and weather instability in affects agriculture</td>
</tr>
<tr>
<td>• Awareness and publicity campaigns in the sustainable use of available coastal and marine resources</td>
<td>• Lack safe for keeping money</td>
</tr>
<tr>
<td>• Use of additional collateral to include title deeds to disburse higher loan amounts</td>
<td>• Poor timing of inspection and auditing</td>
</tr>
<tr>
<td>• Better relationship management with member organizations</td>
<td>• Lack of insurances covering loans taken by individuals</td>
</tr>
<tr>
<td>• Strengthened stakeholder/partnerships relationships such as TCMP/district government</td>
<td>• Degradation of coastal and marine resources</td>
</tr>
<tr>
<td></td>
<td>• Low attendance of members in the SACCO meetings</td>
</tr>
</tbody>
</table>

**12. MARKET ANALYSIS**

A marketing plan provides realistic support that the SACCO has reasonable prospects to achieve revenue projections, member volume and key marketing and income targets. The Songambele market analysis used the most current available data. It includes a discussion of the major planning assumptions: products, economic and competitive components used to develop plans, objectives and the basis for the assumptions.
Product Strategy

The Society planned to continue offering the following products and services,

- Emergency loan
- Business loan
- Education loan

SACCOs will offer new products and services over the next five years, including FOSA, agricultural loans and large developments loans by linking its members to other financial sources.

12.1 INTERNAL ANALYSIS

Membership

Membership in the SACCO is open to all villagers in the Kipumbwi ward until 31 December 2012. Membership in the SACCO reached 98 over two groups. The projected membership growth shown in Table 1 below; is a result of opening membership to the public and member recruitment of additional sisal plantation workers. In addition, the new loan products and quality services will stimulate membership growth. The projection anticipates an increase of between 20-40 percent per year for the term of the business plan.

Table 2. Membership Growth Projection

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members</td>
<td>110</td>
<td>100</td>
<td>120</td>
<td>160</td>
<td>200</td>
<td>240</td>
<td>300</td>
</tr>
</tbody>
</table>
Savings

The SACCO aims to increase savings each year as shown in the schedule in Table 3. The projection is for a 42 percent increase per year from new and old members who have not been saving monthly.

Table 3. Savings Growth Projection in TSCCH

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings</td>
<td>6,320,000</td>
<td>5,076,060</td>
<td>7,208,005</td>
<td>9,514,566</td>
<td>13,510,683</td>
<td>19,185,170</td>
<td>27,842,941</td>
</tr>
</tbody>
</table>

Loan Growth

The society aims to achieve a growth rate of 40% per year for the term of the plan with the introduction of new products and anticipated growth in membership.

Table 4: Loan Portfolio Statement and projections (TZS)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Business loan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Start of Year</td>
<td>19,070,000</td>
<td>32,240,000</td>
<td>40,000,000</td>
<td>55,000,000</td>
<td>75,000,000</td>
<td>90,000,000</td>
<td>105,000,000</td>
</tr>
<tr>
<td>Repayment (75%)</td>
<td>21,491,250</td>
<td>27,067,342</td>
<td>30,000,000</td>
<td>41,250,000</td>
<td>56,250,000</td>
<td>67,500,000</td>
<td>78,750,000</td>
</tr>
<tr>
<td>Emergency Loans</td>
<td>150,000</td>
<td>540,000</td>
<td>1,000,000</td>
<td>1,400,000</td>
<td>1,900,000</td>
<td>2,300,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>1 to 90 days (80%)</td>
<td>130,000</td>
<td>500,000</td>
<td>800,000</td>
<td>1,200,000</td>
<td>1,700,000</td>
<td>2,000,000</td>
<td></td>
</tr>
<tr>
<td>Education loan</td>
<td>500,000</td>
<td>4,700,000</td>
<td>6,000,000</td>
<td>8,000,000</td>
<td>10,000,000</td>
<td>12,000,000</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Repayment</td>
<td>450,000</td>
<td>3,000,000</td>
<td>4,000,000</td>
<td>6,000,000</td>
<td>8,000,000</td>
<td>10,000,000</td>
<td>13,000,000</td>
</tr>
</tbody>
</table>
Profit at Risk

The Society is proud of promising loan recovery in spite of members voluntarily paying loans. The SACCO Profit at Risk for the last 360 days is just six percent.

Efficiency and Profitability

Currently SACCOs charge interest on loans of three percent based on the declining method. Using the 2012 reports, the theoretical interest received was TZS, 3,744,515/=, indicating that the Society has a good loan recovery mechanism.

Portfolio Quality

The SACCOs as financial institutions have advantages when it comes to loan management. The ledger cards controlled by the Treasurer manage all individual borrowers’ loan transactions. This method contributes to the promising loan management competency of Songambele SACCOs. Another positive indicator is the collection rate of 94 percent on time (portfolio at risk six percent).

Competitive Advantage

With a growing number of SACCOs looking to expand their membership, Songambele SACCO cannot ignore the fact that increased competition among SACCOs is inevitable. Songambele, as a rural microfinance institution, has faced various competitors, including microfinance banks, FINCA, PRIDE and VICOBAs. In ensuring, the SACCO remains competitive:

- Charges lower interest rates on loans.
- Creates different loan products to meet members need
- Allows money transfers through MPESA, TIGO PESA etc
- Reduces the waiting period to get a loan
- Extends service provision hours/days per weeks
- Is introducing FOSA in a village with no banking services
- Retains much of its profit for future SACCO growth and dividends

12.2 EXTERNAL ANALYSIS

Market Place Analysis

The Tanzanian economy is going through phenomenal changes; the transition from a planned economy to a free market economy has been awakening in people a desire for social and financial rights and independence.

People are engaging more in establishing small businesses to supplement their incomes and to mitigate unemployment. The demand for affordable credit with fewer awkward lending
conditions is very high as evidenced by the mushrooming of formal and informal microfinance institutions in the country. This trend is likely to continue as market liberalization, globalization and wealth-increasing effects take place.

Marketing Strategies

In order to achieve its financial goals, Songambele prepared to address the obstacles to growth: Specifically, the SACCO’s work to alleviate social and economic problems while taking advantage of its strengths and opportunities in the marketplace. These strategic objectives are stipulated below:

Market Focus

To this end, the SACCO will continuously collect feedback to develop or refine appropriate financial services and products that address the changing needs and wants of current and potential members.

Service Delivery Strategy

The SACCO will improve service delivery by addressing members’ needs, such as timely credit provision and/ or refunds when needed. This will also consider; membership records, proper accounting and enhancing customer care through training and establishment of a customer feedback mechanism.

Build Capital as a Percentage of Assets

The SACCO will pursue the improving Assets Quality and Composition structure that maximizes earnings and reduces holding of resources in assets not directly related to generating more business or have a risk of non-repayment.

Improving Institutional Capital

To strengthen the SACCO’s capital base, members will be educated on the importance of retaining reasonable percentages of profit for future growth. This will address the SACCO’s challenge in increasing institutional capital (retained earnings), which is the member’s preference for cash today rather than wealth tomorrow.

To Build Member Loyalty

The SACCO will work diligently to develop a strong relationship with members and to provide training to committee members and staff. This will build member loyalty.

Sustainable Livelihoods
The SACCO will continue to emphasize the establishment of sustainable livelihoods tied to good natural resource use practices, which include beekeeping, baking and household food services and best agriculture practices.

13. HIV/AIDS PANDEMIC

Over past 25 years, HIV/AIDS has caused unbearable illness and premature death in people during their prime years of life and has devastated members and their families: Further, HIV/AIDS has complicated efforts of SACCOs to fight poverty, improve health and promote development by:

Diminishing a person’s ability to support, work and provide for his or her family: At the same time, treatment and health-care costs related to HIV/AIDS consume household incomes. The combined effects of reduced income and increased costs impoverish individuals and households.

Deepening socio economic, natural resources depletion and gender disparities: Women, particularly in coastal areas, face high risk of infection and have few options in providing for their families. HIV/AIDS affects children through parental illness or death, resulting in loss of education and poor parental care.

Lessons Learned:

SACCOs must work hand in hand in the fight against HIV/AIDS, link members with health insurance and provide a place for those with HIV/AIDS to access credit. This will make SACCOs safe, reliable savings and lending institutions.
Figure 1: Management and Administration

ORGANIZATIONAL STRUCTURE

ANNUAL GENERAL MEETING

BOARD COMMITTEE

MANAGER

SUPERVISORY COMMITTEE

LOAN COMMITTEE

TREASURER
Management Team

The management team consists of the board members and executives. Currently the society has employed nobody to assist the management team to run the SACCO’s day-to-day activities.

BOARD MEMBERS

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salim Juma</td>
<td>Chairman</td>
</tr>
<tr>
<td>Alex Edson</td>
<td>Vice Chairman</td>
</tr>
<tr>
<td>Ramadhan Seif</td>
<td>Member</td>
</tr>
<tr>
<td>Jumanne Joseph</td>
<td>Member</td>
</tr>
<tr>
<td>Mwanahawa Muarabi</td>
<td>Member</td>
</tr>
<tr>
<td>Hadija Mrisho</td>
<td>Member</td>
</tr>
<tr>
<td>Zaina Gungwa</td>
<td>Member</td>
</tr>
<tr>
<td>Mtumwa Ally</td>
<td>Member</td>
</tr>
<tr>
<td>Tatu Ngereza</td>
<td>Member</td>
</tr>
</tbody>
</table>

EXECUTIVES

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laiton Simon</td>
<td>Manager/Secretary</td>
</tr>
<tr>
<td>Kijakazi Fadhili</td>
<td>Treasurer</td>
</tr>
</tbody>
</table>

14. FINANCIAL PROJECTIONS

- Income statement
- Projected balance sheet
- Cash flows projection

Summary of Financial Statements and Projections

Table 5, next page, shows the Society’s financial statements for 2013 to 2017. It illustrates the strength of the financial structure and the thickness of assets. The major income derives from interests charged on financial business with members.
Table 5. Songambele Savings and Credit Cooperative Society Financial Statements (2013 to 2017)

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>1,580,000</td>
<td>0</td>
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<td>12,839,873</td>
<td>11,365,000</td>
<td>9,657,890</td>
<td>10,157,890</td>
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<td>Current Liabilities</td>
<td>1,723,828</td>
<td>1,771,250</td>
<td>32,300</td>
<td>1,580,050</td>
<td>3,160,550</td>
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<td>Net Current Assets</td>
<td>4,933,971</td>
<td>2,449,905</td>
<td>8,323,877</td>
<td>9,017,975</td>
<td>9,679,323</td>
<td>9,000,940</td>
<td>7,298,990</td>
<td>4,260,890</td>
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<tr>
<td>Net assets</td>
<td>6,513,971</td>
<td>2,449,905</td>
<td>8,359,877</td>
<td>8,667,975</td>
<td>9,679,323</td>
<td>9,700,940</td>
<td>7,798,990</td>
<td>4,514,390</td>
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<td>Financed by</td>
<td>6,513,971</td>
<td>2,449,905</td>
<td>8,359,877</td>
<td>9,367,975</td>
<td>12,839,873</td>
<td>9,700,940</td>
<td>7,798,990</td>
<td>4,514,390</td>
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<table>
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<tr>
<th>Income statement</th>
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<tbody>
<tr>
<td>Total income</td>
<td>1,486,471</td>
<td>2,163,805</td>
<td>4,396,217</td>
<td>6,594,326</td>
<td>8,792,435</td>
<td>10,990,544</td>
<td>13,188,653</td>
<td>15,035,064</td>
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<td>Total expenses</td>
<td>556,900</td>
<td>782,800</td>
<td>1,675,400</td>
<td>1,998,500</td>
<td>2,321,600</td>
<td>2,646,624</td>
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<td>6,470,835</td>
<td>8,343,920</td>
<td>10,224,434</td>
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15. IMPLEMENTATION

The implementation plan must form an integral part of the business plan. The board and executives must have a clear idea of the practical impact of the business ideas.

Suggested Steps

- Establishing the business objectives

Defining and assigning the tasks needed to attain the objectives set

- Setting out a timescale
- Monitoring activities and progress

Objectives

The objectives must be set out clearly and briefly, with the planning of key stages and realistic, challenging but achievable goals.
Tasks

Individual tasks must be simple and clearly stated, and not be oppressive. The results predicted should outweigh the time and effort devoted to the tasks.

Timescale

Each task should have a clear timeframe, and the result should clearly display the activities, and deadlines, necessary to perform that task.

Policy Amendments

This policy is subject to change by the board members under the approval of a general meeting in whole or in part, from time to time when considered necessary in the interest of the SACCO’s growth and the members’ needs.

Monitoring Activity and Progress

The monitoring process will highlight and rectify deficiencies. Monitoring plans will be developed for product planning, marketing, financial issues and human resource management.

16. CONCLUSION

Over the past two years, the Songambele SACCO has made remarkable progress towards its long-term goals. It will continue to build a strong and more competitive micro financial institution that provides quality service to its members and a climate in which members can fulfill their personal, social and economic growth.
### SONGAMBELE LIMITED Cash Flow Statement & Projections

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>ACTUAL</th>
<th>PROJECTIONS</th>
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<tbody>
<tr>
<td>Cash Inflows</td>
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<td>Opening Balance</td>
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<td>Income from Investment Building</td>
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<td>Bank Loan</td>
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<td>Other Income (Sales of Shares)</td>
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<td>Net Cash Flow</td>
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