



MURANG'A WATER & SANITATION CO. LTD.

# STRATEGIC PLAN 2020-2025

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Strategic direction for the next 5 years

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## EXECUTIVE SUMMARY

This Strategic Plan presents the strategic direction of MUWASCO for the period 2020-2025. It is important to note from the onset that, it is not the intent of this document, or strategic management practice, to prescribe ‘straight-jacket’ actions for the 5-year plan period. The Board, Heads of departments and Heads of sections are expected to come up with high-impact, innovative key results actions to achieve the desired objectives set herein. The plan highlights strategic opportunities, internal and external issues, objectives and strategies that will be pursued by the company to fulfill its mandate as provided for under the Service Provision Agreement between TWSB and the Water Act of 2002. The Strategic Plan identifies only certain key activities that will be carried out to achieve the set objectives and the national development agenda in line with key policy documents, particularly Kenya Vision 2030 Second Medium Term Plan, the Constitution of the Republic of Kenya and the previous Strategic Plan 2015-2020. The framework for the management of strategic opportunities and risks are detailed within the Muwasco *ISO 9001:2015 opportunities and risk management policies and procedures*.

This is the fourth strategic plan. The process of this plan development involved initial pre-planning discussions and information gathering and a strategic planning workshop involving Senior Management held at the Company Boardroom on October 4<sup>th</sup> and 5<sup>th</sup> 2019 where the participants, with the guidance of an external facilitator, Excel Consultant had a chance to reflect on lessons learned and map out the strategic direction to be taken by MUWASCO in the next five year.

Within this strategic plan period, the company will be guided by its mission which is ‘to provide water and sanitation services in an efficient and sustainable manner’. The vision will be ‘To become a world-class water and sanitation service provider that exceeds customers’ expectations now and in the future’. The previous motto of “Thirsty? Think MUWASCO” will be reviewed.

It was noted that to be a world class service provider, an organization MUST operate in full conformance with applicable international standards so, against which global standards is MUWASCO to operate in the next 5 years?

To achieve this mission the company will be guided by its core values of

- Customer focus
- Integrity-ethical conduct
- Teamwork and cohesion among staff
- Networking and collaboration with external IPs
- Commitment to duty and Professionalism
- Equity
- Transparency and Accountability

In order to realize its vision and fulfill its mission, the company has established six strategic issues that will be addressed during this strategic plan period. From these issues, specific objectives have been derived and SMART strategies aimed at achieving these objectives have been formulated. The strategic issues identified are:

1. Enhance Financial performance and institutional sustainability
2. Technology and innovation
3. Human capital development
4. Customer and stakeholder relations management
5. Standardization of processes and operations to meet global standards
6. Infrastructure development and improvement

To ensure timely realization of the aspiration of the company, the Board will provide strategic direction and guidance while the management will implement their respective components of the plan, evaluate and report on the progress.

The company will continuously equip its employees with the requisite skills to enable them to discharge their functions appropriately. It shall also continue to improve its financial and accounting system by investing in better financial management systems.

A Committee will be set up to continuously monitor and evaluate all strategies, activities and outputs with a view to advising the Management, board and relevant stakeholders on the implementation status as well as offer feasible strategic alternatives.

Monitoring will be based on objectively verifiable indicators set out in the implementation matrix. The Committee will verify whether or not the planned activities and strategies are on course.

Successful implementation of this Strategic Plan will result in a more effective and efficient delivery of services.

## LIST OF ACRONYMS

<b>FQSHE</b>	Food Quality, Safety, Health and environment
<b>CDF</b>	Constituency Development Fund
<b>HIV/AIDS</b>	Human Immune-Deficiency Virus/Acquired Immune Deficiency Syndrome
<b>ICT</b>	Information and Communications Technology
<b>KPIs</b>	Key Performance Indicators
<b>M&amp;E</b>	Monitoring and Evaluations
<b>MDGs</b>	Millennium Development Goals
<b>MTP</b>	Medium Term Plans
<b>MUWASCO</b>	Murang'a Water and Sanitation Company Limited
<b>NRW</b>	Non Revenue Water
<b>PESTLE</b>	Political, Economical, Social, Technological & Legal
<b>SMART</b>	Specific Measurable Achievable Realistic Time bound
<b>SWOT</b>	Strengths, Weaknesses, Opportunities and Threats
<b>TQM</b>	Total Quality Management
<b>TWSB</b>	Tana Water Services Board
<b>UFW</b>	Unaccounted For Water
<b>WT</b>	WT-Water tribunal
<b>WASREB</b>	Water Services Regulatory Board
<b>WRA</b>	WRA -Water Resource Authority
<b>WWD</b>	WDA -Water Works Development Agency
<b>WSP</b>	Water Services Provider
<b>WSTF</b>	Water Sector Trust Fund

**CHAPTER ONE:**

**INSTITUTIONAL BACKGROUND**

## **1.1 Background of MUWASCO**

The Murang'a Water and Sanitation Company (MUWASCO) was established in 2006 as a body corporate with a mandate of providing water and sewerage services to Murang'a town and its environs. Tana Water Services Board is the asset holder and licensor.

MUWASCO's area of coverage includes Murang'a town and its environs. The total area covered is 145 Kilometres square with an estimated population of about 75,000 people. The area covered includes Mbiri, Township, Kimathi and Mugoiri wards. Water supply in the town has come a long way from the pre colonial days when supply was via four bore holes. With the increased demand, there has been a need to improve the quantity and quality of water provided to the residents. The company currently has 82 permanent staffs and some on secondment.

Currently, MUWASCO has over 15,000 registered connections out of which 8500 are active. The main water source is Kiawambeu with a production capacity of 15000m<sup>3</sup> but currently producing 11000m<sup>3</sup>. The other water sources are Kayahwe which produces 4000 m<sup>3</sup> and a borehole at Embassy in Kiangage. Mathioya intake was stopped with the commissioning of the Kiawambeu Water Project in March 2014.

The initial Sewerage treatment plant had a capacity of 178 cubic meters per day but was decommissioned after the completion of the current plant. The current sewerage treatment plant was constructed between 1991 and 1992 and commissioned in 1999 and an extension done in 2013. There are currently 4000 sewerage connections.

### **1.1.2 Location, Size and Work Force**

MUWASCO has its head office in Murang'a town, at the junction of Nairobi – Murang'a road and Kangema road. The town lies 85 kilometres North-East of Nairobi, capital City to Kenya. Most of the area covered by the Company is hilly. Murang'a town is surrounded by two rivers, Mathioya and Maragwa and three streams - Murari, Gathamba and Njonguini.

MUWASCO's area of jurisdiction includes Murang'a Municipality and its environs stretching an area of 145 Kilometers square, with an estimated population of about 75,000 people.

MUWASCO has 96 employees with 83 being permanent and pensionable and 13 on contracts. The Managing Director is the Company Chief Executive who is assisted by a Commercial Manager and a Technical Manager.

### **1.1.3 Institutional Mandate and functions**

Murang'a Water and Sanitation Company (MUWASCO) was established in 2006 as a body corporate with a mandate of providing water and sewerage services to Muranga town and its environs. The company operates under a Water Services Provision Agreement (SPA) signed with Tana Water Services Board who is the Asset owners and licensors. Under the SPA, MUWASCO is mandated to provide water and sewerage services to all residents within its jurisdiction in an

efficient and economic manner and within the confines of the Water Act 2002. The implementation of the devolved system of government which introduced county water boards. The County Government of Murang'a is represented in the Board of Muwasco.

### **1.1.4 Core Functions**

The core functions of MUWASCO are:

- a. To source, treat and manage all the town's water supply & sewerage
- b. Supplying good quality water in sufficient quantities to meet various needs while ensuring, safe disposal of waste water and environmental protection,
- c. Bill and collect water and sewerage revenue
- d. Allocation of water in a sustainable, rational and economic way

### **1.2 The Water Sector in Kenya**

The Kenya Population Census, 2019 indicated that 27.9% of the population obtained piped water from water service providers while 37.2% obtained their water from either improved or un-improved springs, wells or boreholes. Over 29% received their water supply from other unsafe sources like streams, lakes, ponds and 5.9% received water from water vendors. The sector is faced with high levels of non-revenue water (45%) water that is produced but is not accounted for.

The development of water supplies and water distribution networks has not been matched by a corresponding increase in facilities for sanitary disposal of waste water. The policy framework for implementing sanitation and hygiene activities in rural and urban areas is provided in the National Environmental Sanitation and Hygiene Policy. The policy places emphasis on sanitation components in both rural and urban water supply for all projects.

Several efforts have been made by successive governments to increase access to water and sanitation facilities for Kenyans. The National Water Master Plan of 1992 pointed out several weaknesses that hindered the development of the water sector in Kenya. One of these constraints was the lack of a comprehensive policy, institutional and legal framework. Policy formulation, regulation and provision were not separated. There arose a need for reforms that would develop and operationalize comprehensive water management policies and strategies in the country. The Water Resource Management Plan 2030 was unveiled in 2014.

National Policy on Water Resources Management and Development was developed in 1999. It set a framework that promoted comprehensive water resources management and development. In order to guarantee sustainability, the private sector and community participation was incorporated as the prime movers in the process. The enactment of the Water Act of 2002 introduced further reforms in the sector. The purpose of these reforms is to improve the management of water resources, improve access to water and sanitation services, enhance accountability for water resource management through decentralized provision of service and



improve utilization of water resources, for both domestic and irrigation purposes.

Reforms in the water sector are an essential pillar in the government's poverty reduction strategies. Among the key principles of the reforms is poverty orientation and human rights to water and sanitation. The reforms take cognizance of government policy papers especially the Economic Recovery strategy for Wealth and Employment Creation (2003 – 2007) and the Poverty Reduction Strategy Paper (2002) which outlines the priority measures that are necessary to achieve the twin objectives of poverty reduction and economic growth.

The reforms are also hinged on the government's commitment to the achievement of Millennium Development Goals (MDGs) on water and sanitation by the year 2015 as well as the Kenya Vision 2030. Key milestones of the reforms so far are the completion of the establishment and operationalization of all the new key institutions in the Water Sector. These include the Water Resources Management Authority which is responsible for regulation of Water Resources issues such as water allocation, source protection and conservation, water quality management and pollution control and international waters. The Water Services Regulatory Board which is responsible for regulation of water and sewerage services provision including issuing licenses, setting service standards and guidelines for tariffs and prices and providing mechanisms for handling complaints has also been established.

Eight regional Water Services Boards have been licensed by the Water Services Regulatory Board to be responsible for the efficient and economical provision of water and sewerage services within their areas of jurisdiction. However, direct provision of water and sewerage services is undertaken by Water Services Providers who are agents of Water Services Boards except where the Water Services Regulatory Board is satisfied that the procurement of such agents is not possible or that provision of services by such agents is not practicable. Water Services Trust Fund has been established to assist in financing the provision of water services to areas without adequate water services. The Water Appeals Board is responsible for the determination of appeals and disputes.

1.3 Role of MUWASCO in the attainment of various national, regional and global goals

### **1.3.1 The Constitution of Kenya**

The right to clean and safe water in adequate quantities is enshrined in the Bill of Rights within the Kenyan constitution. The government is therefore obliged to put in place mechanisms that will ensure that all Kenyans across all regions in the country have access to water.

The Water Act of 2002 provides for the management, conservation, use and control of water resources. The Act also provides for the regulation and management of water supply and sewerage services. The Act gives the responsibility of efficient and economical provision of water services to regional water services boards. The boards in turn license water services providers to provide water within specified areas.

### **1.3.2 The Jubilee Government Manifesto and Big 4 Agenda**

Provision of water services feeds into the second pillar of the Jubilee Government Manifesto-Uchumi. The realization of the industrial revolution envisioned in the manifesto will require the provision of infrastructure including water supply. The government also committed itself to developing special Industrial Parks and clusters in the counties that will target young people and women who start small businesses. This will boost growth at the county level and help to stem rural-urban migration, itself a significant strain on Kenya’s major towns. Implementing institutions within the water sector such as MUWASCO will therefore need to prepare themselves to ensure that these parks will have adequate water supply when they are established.

The manifesto also proposes a raft of measures towards safe clean water for all. It proposes the improvement of the funding of water infrastructure, by obliging counties to contribute through their new CIFs, in addition to the current service levy on WSP. It also proposes the introduction of a system of flat rate water charges on an area basis, with informal settlements receiving services for free.

### **1.3.3 The Kenya Vision 2030**

Kenya Vision 2030 is the country’s development blueprint covering the period 2008 to 2030. It aims to transform Kenya into a newly industrializing middle-income country providing a high quality life to all its citizens by the year 2030. The Vision was developed through an all-inclusive and participatory stakeholder consultative process, involving Kenyans from all parts of the country. It has also benefited from suggestions by some of the leading local and international experts on how the newly industrializing countries around the world have made the leap from poverty to widely-shared prosperity and equity. The Vision is based on three “pillars”: the economic, the social and the political.

The Kenya Vision 2030 is implemented through successive five year medium term plans, with the first term covering the period between 2008-2012 having been concluded. The Second Medium Term Plan outlines the policies, programmes and projects which the Jubilee Government intends to implement during the five year period starting 2013 to 2017 in order to deliver accelerated and inclusive economic growth, higher living standards, better education and health care, increased job creation especially for youth, commercialized agriculture providing higher rural incomes and affordable food, improved manufacturing sector and more diversified exports. All this is necessary in order to address the acute challenges of poverty, joblessness, and inequality and to facilitate faster realization of Kenya Vision 2030.

The Second MTP is still hinged on the three pillars of the vision 2030 i.e the Political, Social and Economic Pillars. The plan outlines policies designed to implement devolution, accelerate growth, reduce poverty, transform the structure of the economy and create more quality jobs, as the country prepares to achieve middle income status by 2030. It outlines several priority areas that the government will focus on during this planning period. These areas are Constitution and Devolution; National Cohesion; Security; Drought Emergency and Food Security; Equity in access to opportunities and lower cost of living ;Health; Education; Infrastructure;

Industrialization; Improved trade; Investment to support growth; Competitiveness and rebalancing growth; Strengthening social protection; Governance and public financial management reforms; Land reforms; and Arts, sports and culture.

The provision of clean water in adequate quantities for both domestic and industrial use is a recurring issue in this plan. Within the social pillar, water and sanitation, alongside Education and Training; Health; Environment; Population; Urbanization and Housing; and Gender, Youth and Vulnerable Groups have been identified as the key sectors that will help in the realization of this vision.

The overall goal of Environment, Water and Sanitation sector is to attain a “clean, secure and sustainable environment” by 2030. This sector forms critical linkages with the main productive sectors namely agriculture, tourism, manufacturing and energy. These sectors are heavily dependent on use of natural resources that are derived from the environment.

Environmental issues are also closely linked to other sectors of the economy such as development planning, population dynamics, finance, public health and sanitation, and trade. The Economic Survey of 2013 reported that about 42% of the country’s Gross Domestic Product (GDP) is derived from natural resource-based sectors. Environmental conservation and management of natural capital is pivotal to the socio-economic development of the economy hence this calls for sound management and governance structures in the sector. This consideration is even more critical in light of commitments at the RIO+20 Summit held in Rio de Janeiro in 2012.

## Water and Sanitation Flagship Program and Projects:

During the planning period, the government undertook to the following programs and projects:

- i. **Strengthening Environmental Governance :** This will entail harmonization of sectoral policies, legislation, regulations and strengthening of institutions.
- ii. **Waste Management and Pollution Control:** This will involve research, legislation, viable technologies and enforcement of statutory mechanisms for the disposal of human and industrial waste, elimination of harmful emissions including those from factories and motor vehicles.
- iii. **Rehabilitation of Urban Rivers:** This will involve full rehabilitation of the Nairobi River and other major urban rivers' catchment basins in order to make them recreation sites.
- iv. **Rehabilitation and Protection of the Water Towers:** This programme will entail rehabilitation and protection of Kenya's five water towers namely; the Aberdares, Cherangany, Mau, Mt. Kenya and Mt. Elgon. In addition, other smaller significant water towers and catchment areas in the country such as; the hills in Machakos and Kitui, the Chyulu, Igembe, Manga, Maragoli, Ngong, Shimba and Taita Hills, and Mt. Kulal, Marsabit, Ndoto, Nyiru and Shella Dunes of Lamu, and oases in the arid areas such as Loiyangalani in Marsabit will be rehabilitated.
- v. **Rehabilitation of Storm Water Drainage Systems in Selected Towns:** Undertake rehabilitation of storm water drainage systems in selected towns.
- vi. **Water Resources Management Programme:** The programme will entail the review of six catchment management strategies; preparation of 200 sub-catchment development plans; construction of 50 sand dams and/sub-surface dams along seasonal rivers especially in ASALs; up-grading of 100 gauging stations to telemetric stations complete with data-loggers; rehabilitation or establishment of 100 water quality monitoring stations; and development of a national water allocation plan. The water policy will be made more accountable and the current eight regional water service boards will be combined into a single national water services authority with devolved units at county level.
- vii. **Urban Water Supply Sub Programme:** This will involve clustering of water supply in the counties to improve on the sustainability of the county water supplies; undertake a study on introduction of flat rate water charges on area basis; improve water supplies in the major urban towns of Nairobi, Mombasa, Kisumu, Nakuru and their surrounding satellite towns; and strengthen WASREB to regulate water price.  
 In addition, there will be expansion of water supply and sanitation in the proposed resort cities of Isiolo and Lodwar; expansion of water supply for the new port at Lamu under Lamu Port, Southern Sudan and Ethiopia Transport (LAPSSET) corridor; and expansion of water supply and sanitation in 15 medium sized towns (Chuka, Maua, Chogoria, Homabay, Runyenjes, Murang'a, Naivasha, Narok, Ol kalao, Maralal, Moyale, Machakos, Wote, Kitui, Mavoko, Matuu, Wajir, Lamu, Hola, Moi's Bridge, Matunda, Malava, Nyahururu, Kajiado, Kirinyaga, Marsabit and Nanyuki).

- viii. **Rural Water Supply Sub Programme:** During the plan period, the sector will construct and rehabilitate 150 rural water schemes annually, drill an average of 70 boreholes annually in areas lacking adequate surface water and construct 160 small dams/pans in ASALs.
  
- ix. **Operationalisation of Water Research and Resource Center (WARREC) Programme:** The WARREC programme in collaboration with other stakeholders will hold an annual national and international scientific conference to capture new and emerging issues, trends and technologies in the broader water sector.
  
- x. **Provision of Water to Poor Un-Served Areas Including Informal Settlements:** The programme will entail strengthening the Water Services Trust Fund (WSTF) in order to ensure that the less fortunate and vulnerable members of society who mostly live in the rural areas and the informal settlements are catered for. The interventions will include building of water kiosks and yard taps, development of water supply pipeline systems and sewers, and a comprehensive mapping of all water supplies systems in the informal settlements. It will also explore opportunities of providing subsidized water through WSPs to meet the basic water services supply in the informal settlements.

**CHAPTER TWO:**  
**REVIEW OF PAST PERFORMANCE 2015-2020**

## **2.1 Extent of implementation of Strategic Plan 2015-2020**

The MUWASCO strategic plan 2015-2020 was hinged on four strategic issues with various objectives, strategies and key activities. These issues included:

- i) Accessibility to adequate water and sanitation services
- ii) Financial resources
- iii) Human Resource Capacity
- iv) Corporate Image

### **General observation:**

There have been tremendous achievements especially on increasing the number of active connection.

General achievements and shortfalls:

## **2.2 summary of Strategic issues and outcomes 2015-2020**

- i. Accessibility to adequate water and sanitation services
- ii. Financial resources
- iii. Human Resource Capacity
- iv. Corporate Image

## 2.3 Review of strategic plan period 2015-2020

Objective 1 Accessibility to adequate water and sanitation services Strategic Objective 1:	To provide 80% of population access to water services and 60% of population to sewerage services population access to sewerage services	Strategic Target	Extent of implementation Implementation	Remarks
Strategy 1:	Expand Water and Sewerage Network			
	<b>Activities</b>			
	Expand Water Reservoir system ---4 additional tanks	4	4 100%	2No. new 2No. reha
	Increase water connections to 15,000 active connections	15,000	12,500 (83%)	There is no area of jur
	Increase sewerage connections to cover 60% of area of population	6,000	5,000 (83%)	Gap 1,500 Governme
	Construct additional water kiosks--target 4 new ones	4	4 (100%)	Mbombo, Kabuta(2)
	Construct additional ablution blocks - target 2 new ones	2	1 50%	1No. at K not done
	Remove spaghetti connections and install larger pipes to serve more customers	100%	40%	-Kiharu D -Sourcing
	Embrace new technology in block mapping of sewerage system	100%	80%	Remaining almost co
	<b>Average</b>		<b>83%</b>	
Strategy 2:	Enhance service delivery			
	Provide necessary tools and equipment	100%	80%	Continuo
	Adopt Quality Management System based on ISO Standards	100%	80%	Applied fo
	Setting up 24 hrs response team	100%	70%	Only stan
	Increase payment points (E-Bills, M-Payments)	100%	100%	Done
	Automate meter reading	100%	100%	Integrated Managem
	Conduct customer satisfaction surveys every 2 years and implement recommendations	100%	100%	Done
	<b>Average achieved</b>		<b>81%</b>	
<b>Average for the strategic issue</b>			<b>82%</b>	



		Strategic Target	Extent of implementation	
<b>Strategic Objective 2: Financial</b>	<b>Increase revenue base to 150,000,000 per annum</b>	150m	100%	200 M p.a
Strategy 1:	Reduce Unaccounted for water to 20% by 2020	20%	Current 26% (60%)	Regional demarcation strengthened
	<b>Activities</b>			
	Carry out block mapping and zoning of meters	100%	80%	-Continued
	Rehabilitate sections of water system prone to leakages	100%	30%	Working on rehabilitation
	Use modern technology for leak detection	100%	60%	More equipment acquired
	Take legal action against staff and customers making illegal connections	100%	75%	At least 6 cases every month are heavily
	<b>Average achieved</b>		<b>68%</b>	
Strategy 2:	Improve revenue collection			
	<b>Activities</b>			
	Ensure accuracy and timeliness of bills to all active water and sewerage customers	100%	75%	Bills sent to billing system implemented
	Formulate and implement mechanisms for collecting old debts	100%	75%	Debt collection mechanisms formulated
	Commission water bottling plant	100%	100%	Operational
	Write funding proposals to potential donors, government and development partners- atleast 2 proposals every year	10	6 done (60%)	Proposal for Marys, M... Kayahwe
	<b>Average achieved</b>		<b>78%</b>	
<b>Average for the strategic issue</b>			<b>73%</b>	

<b>Strategic Objective 3: HR capacity</b>	<b>To Attract, Recruit, Retain and Develop Human Resources for Quality Service Delivery</b>	<b>Strategic Target</b>	<b>Extent of implementation</b>	
Strategy 1:	Improve employee motivation and morale			
	<b>Activities</b>			
	Undertake training needs assessment and implement results	100%	30%	Current T due to lac
	Undertake employee satisfaction surveys every 2 years	2	80%	Survey do
	Staff team building workshop annually	5	2 (40%)	Only 2 co of funds
	Give permanent and pensionable terms to long serving casual staff	90%	70%	Planned e previous y are pendin funds
	Review and implement HR policy every 3 years	2 reviews	1 review 50%	One review
	Develop and implement effective performance management appraisal	100%	85%	Quarterly performan done
<b>Average achieved for the strategic issue</b>			<b>59%</b>	

<b>Strategic Objective 4: Corporate Image</b>	<b>Enhance MUWASCO corporate image</b>	<b>Strategic Target</b>	<b>Extent of implementation</b>	
Strategy 1:	Enhance Publicity			
	<b>Activities</b>			
	Carry out electronic media campaigns--at least 2 annually	10	6 (60%)	-SMS and
	Carry out print media campaigns -brochures and annual newsletter	5	3 (60%)	Brochures done
	Participate in exhibitions and other forums organized for the water sector-- at least once annually	5	4 (80%)	Kenya wa WASPA
	Mount publicity events---at least 4 annually	20	12 (60%)	Clinics co
	Brand MUWASCO materials and facilities	100%	85%	Banners, t
Strategy 2:	Institute Corporate Social Responsibility			
	<b>Activities</b>			
	Formulate MUWASCO CSR policy	100%	80%	Policy in
Strategy 3:	Enhance Corporate Governance			
	<b>Activity</b>			
	Holding annual Board Retreat	5	3 (60%)	3 BoD stu
<b>Average achieved for the strategic issue</b>			<b>69%</b>	

## 2.4 Summary of strategic issues delivery

### 2.4.1 Achievement by strategic goals

<b>Strategic issue no.</b>		<b>% achievement</b>
1	Accessibility to adequate water and sanitation services	82%
2	Financial Sustainability	73%
3	Human resource capacity	59%
4	Corporate Image	69%

### 2.4.2 Achievement by timeline

<b>Performance Review Period</b>	<b>% achievement</b>
October 2019	70%
June 2017	64%

**CHAPTER 3.0**  
**SITUATIONAL ANALYSIS**

### **3.1 Background**

The company has determined external and internal issues that are relevant to its purpose and its strategic direction and that affect its ability to achieve the intended strategic result(s).

Over the next five years, the company shall continually monitor and review information about these external and internal issues. These issues include positive and negative factors or conditions for consideration.

These issues include internal factors like core values, cultures, past performance of the organization, strengths, weaknesses and external factors like opportunities and threats ( SWOTs as well as issues arising from political, legal, technological, competitive, market, cultural, social and economic environments, whether international, national, regional or local (PESTEL)

### **3.2 Core Values (See 5.4 Core Values)**

### **3.3 SWOT Analysis**

#### **3.3.1 Summary of Strengths and Weaknesses**

Strengths are internal factors that ultimately help MUWASCOS to realize its goals. In analyzing the strengths, it is necessary to assess resource availability and other capabilities from the internal environment which can propel MUWASCO to excellence.

A weakness is a condition from the internal environment putting the organization in a disadvantaged position. A weakness limits the degree to which an organization can achieve its strategic goals.

The following is a summary of MUWASCO strengths and weaknesses identified.

#### **Strengths and opportunities**

- Competent Board of Directors and Management Team
- Well-designed organizational structure which requires alignment with existing regulatory requirements
- Committed Staff
- Gravity water system installed that minimize cost of distribution
- Approved plans for transmission of water treatment system-opportunity
- Customer good will and support
- Support from development partners
- Good customer base-opportunity, including Un-unded sewage systems

- Reliable safe treated water supply
- Availability of ICT infrastructure and data collection mechanism-opport.
- Reliable Source of Water-opportunity
- Internal Capacity to formulate policy documents and SOPs
- High staff retention rate

## **Weaknesses**

- Un-healthy balance sheet
- Political interference-threat
- Inadequate revenue base for investing/ Financial constrains to invest in sewerage systems
- Unfavorable terrains for sewer system
- Inadequate water storage and treatment system
- Inadequate raw water transmission,
- Outstanding bad and doubtful debts
- Dilapidated reticulation infrastructure
- High Non Revenue Water above 20%
- Financial constraints

### **3.3.2 Summary of Opportunities and Threats**

Opportunities are current or potential favorable conditions in the external environment that can be satisfied to enhance an organization's capacity.

Threats are unfavorable external situations that may impact on business. They could be barriers, constraint, or anything that might cause problems, damages, harm, financial loss or injury to the business.

## **Opportunities**

- High demand for water and sewerage services
- Being the only licensed water service provider in Murang'a town and its environs.
- Availability of modern ICT
- Existing Development Partner Goodwill
- Availability of Adequate Water Resource
- Existing Regulatory Framework
- Drive to achieve Kenya's Vision 2030
- Global Technological Advancement
- Opportunity to Increase Area of Coverage

## **Threats**

- Existing Political hostility and ill-will from specific quarters
- Uncoordinated water resource management policy framework by the Water Sector Institutions
- Depletion of water resources and environmental degradation
- Increased water and sewerage services compliance requirements
- Damage of infrastructure by construction works
- Rising inflation affecting consumer purchasing power
- High taxation
- Poverty and Proliferation of informal settlements
- Social evils – theft, vandalism
- Inadequate sector investment
- Legal mandate limits the company on how far it can provide services
- Irrigation lines competing for MUWASCO's domestic supply in some areas

### **3.4 PESTL Environment**

The external environmental analysis involves the assessment of Political, Economic, Social, Technological, Legal and competitive environment forces which can affect the company's operations either positively or negatively and hence the ability to achieve its objectives. An individual organization may have no or limited control over such forces. This environment should continuously and proactively be monitored and evaluated because it is the source of threats and can also create opportunities to exploit.

#### **3.4.1 Political- Legal Environment**

Political-legal factors have a significant influence on MUWASCO as a body. More often than not, a change in Government might require a change in policy and orientation. The functioning of the Company is greatly influenced by its Principal and the Company Act. A number of policy decisions are undertaken through the Principal. The national political environment which has been favorable to MUWASCO operations is undergoing major changes that are bound to impact on MUWASCO operations. Promulgation of the New Constitution and its implementation, the Review of Administrative/ Constitutional Boundaries and Land Policies guidelines currently in the process of implementation are issues of governance that MUWASCO strives to keep abreast with. It is prudent therefore that the Board and the management staffs are well informed of the political interferences in water sector and expansion of county governance.

#### **3.4.2 Economic Environment**

Economic factors have a great influence delivery of MUWASCOs mandate. Poverty levels, switch from decentralized government comes with shift in population migration. MUWASCO has taken into account issues of economic growth; and liberalization that are bound to affects its

ability to sustain its operation.

### **3.4.3 Social-cultural Environment**

Several factors such as the population growth levels, urban migration, levels of awareness have marked impact on the MUWASCOs core functional areas. Issues of youth and poverty levels are important to MUWASCOs operation.

### **3.4.4 Technological Environment**

In formulating strategies, technological considerations have been given serious consideration. This is because they represent major opportunities and threats. Developments in Information Communication Technologies (ICT) are dynamic and there is need for the Company to keep abreast with emerging trends. MUWASCO will undertake an internal audit of its ICT capacities and capabilities. Networking and use of ICT water related technology will be enhanced and encouraged. Appropriate and environmentally sound technologies will be adopted whilst undertaking the core functions of the Company.

### **3.4.5 Legal and Environmental Issues**

The regular changes in the environment including global warming, deforestation, waste management and pollution have an impact on MUWASCO resource which is water. The Company will put in place policies contributing to protection and preservation of the environment while adopting national and international policies.

Changes in the Legal frameworks including implementation of the Constitution are some of the legal issues that continue to influence MUWASCO operation and the company will align itself with such developments

### **3.4.6 Competitive Environment**

The customer is asking for value for money. In order to attract the customers, service delivery must be of high quality.

Although the Company has no direct competitors, there are quasi-competitors in terms of individual and other institutions that complement MUWASCO services. The different firms dealing with the same commodity whether located within or outside MUWASCO area proves to be a challenge as the customers seek equal of better services.



## **CHAPTER 4.0**

# **STAKEHOLDERS ANALYSIS**

#### **4.1 Understanding the stakeholder needs and expectations**

In its ISO 9001:2015 Quality Management (QMS) Manual, MUWASCO also refers to its stakeholders as **INTERESTED PARTIES**. Refer to Muwasco COTOX log Forms for list of interested parties, their interests, Processes of interest, risks and opportunities associated with stakeholder categories.

Due to their effect or potential effect on the organization's ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements, the organization has determined:

- a) the interested parties that are relevant to the company products, services and processes;
- b) the requirements of these interested parties that are relevant to the company products, services and processes.
- a) The company shall monitor and review information about these interested parties and their relevant requirements.

These shall be achieved through the ISO 9001:2015 QMS processes already established and implemented. Every department shall fulfil the requirements in a, b and c above.

The key stakeholders and interested parties include:

- a. Water Sector Institutions
- b. Other Government Ministries/Departments
- c. Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs) and Faith Based Organizations (FBOs)
- d. Suppliers and contractors
- e. MUWASCO employees
- f. The local community
- g. Statutory and regulatory bodies
- h. Certification bodies

The analysis of these interested parties is available in the Context of the Organization (COTOX) register of the ISO 9001: 2015 Quality Management systems Manual. The COTOX register will be reviewed periodically to update the key issues stakeholder issues ads they emerge.

## 4.2 Stakeholder value proposition

Interested party/stakeholder	Interest	Value proposition and Ways to address the interests
Water Resources Authority (WRA)	-Policy guidelines & Control of water resources -remittances of abstraction fee	-Compliance with requirements -Self assessment
Water Services Regulatory Board (WASREB)	-Regulate the water services(quality , tariffs, customer protection -Advisory & policy guidelines	Providing regular reports
Athi Water Works Development Agency	Asset development	Proposal for funding Submit monthly reports Asset
Water Sector Trust Fund	Financing of water sector	Writing proposals for funding
Water Tribunal	Arbitration of water conflicts	Yet to be established
Ministry of Water and Irrigation (MWI)	Overall policy formulation and guidelines	Compliance.
Kenya Revenue Authority (KRA)	Taxes	- Comply - Lobby through WASPA and other stakeholders for policy change
Kenya Bureau of Standards (KEBS)	-Reports on Quality of drinking water -	Liaising for finances with Athi Water Works Development Agency - Accredite our laboratory
National Environmental Management Authority (NEMA)	-Quality of sewer discharge -Environmental conservation	- Pollution Control measures - Improvement of sewer infrastructure (Athi)
County Government	- Increased coverage	- to review
Development Partners	Funding of projects	-Proposals -Reports -Strategic Plan document
Religious organizations	-Consumption of water -Contribute in consultative meetings	- Engagement for consultation -Supply clean water -Community sensitization

Community Based organization (CBOs)	Consumption of water -Contribute in consultative meetings	- Engagement for consultation -Supply clean water -Community sensitization
Private Enterprises (SME)	- Sale of bottled water	
Trade Unions	Employees welfare	
Channel partners	Sellable quality products	Produce high quality products and services
KNEC	Curriculum training, policies, approvals, registration Certification of trainees	Recruitment of learners Training infrastructure development
KEWI	Curriculum training, policies, approvals, registration Certification of trainees	Recruitment of learners Training infrastructure development
EPRA	Feasibility study for LPG	Prepare proposals
NITA	Curriculum training, policies, approvals, registration Certification of trainees	-Recruitment of learners -Training infrastructure development -Contribution
<b>Institution</b>	<b>Interest</b>	<b>Ways to address the interests</b>
FKE	_Promote industrial relations _Fair labour practices	Membership registration Compliance with employment Act
Employees	-Safe work environment -Rewards & benefits -Training & development	Provide All HR functions as par standards
BOD	Provision of Strategic Direction Corporate Government	

**CHAPTER 5.0**  
**STRATEGIC ISSUES AND DIRECTION**  
**2020-2025**

## **5.1 Introduction**

This chapter provides the strategic direction to be adopted during the Strategic Plan period 2020-2025. From the situational analysis, the company has identified six strategic issues to be addressed during the plan period. Based on these issues, strategic objectives have been drawn and initiatives or activities aimed at achieving these objectives have been formulated. These strategic issues are:

1. Enhance Financial Health and institutional sustainability
2. Adoption of Technology and innovation
3. Human capital development and support
4. Customer and stakeholder relations management
5. Standardization of processes and operations to meet global standards
6. Infrastructure and work environment development and improvement

## **5.2 The vision and strategic direction**

Muwasco's strategic direction for 2020-2025 is guided by its vision, mission and the six Thematic or Strategic issues to be pursued during that period, and, culture codes in form of core values and principles. This direction is described below:

### **5.2.1 The Vision 2025**

The organization has retained the same vision of becoming and remaining a world-class operator. However, the organization has set forth clear criterion for being a world-class operator.

This strategic vision and the criteria clarify the strategic intent, and, the desired future state of the organization. The Company vision will serve two major purposes. One, it will provide aspiration, a sense of direction and encouragement by communicating the intention of the management in the general strategy development. Two, it will act as a pre-requisite to effective and results-oriented leadership by providing a desirable challenge to staff in terms of performance standards and targets.

The vision of MUWASCO therefore is:

***'To become a sustainable world-class water and sanitation services provider***

### 5.2.2 The Criteria and implications of the vision

In order for the vision to pave way for clear strategic direction and actions, the company has set clear criteria for understanding and communicating the concept of ‘*A sustainable World-class water and sanitation services provider*’ and developed a seven-point criterion for the vision.

In order to be a truly sustainable world-class services provider, the criteria includes the following Big Seven agenda:

1. Planning and consistently providing *affordable Clean, Safe, and Reliable water that meets or exceeds national and international standards, and, applicable regulatory requirements* for human consumption and other uses.
2. Management of *sanitation services to meet or exceed recognized global and local standards for collection, transportation and treatment*
3. Adoption of current world-class technologies; automation of key processes, and continual innovation
4. Development of human capital fit to serve world-class quality-conscious interested parties (trained, educated, experienced, skilled, competent, motivated workforce). Develop sustainable Local and global partnerships, networks and linkages with key interested parties
5. Creating a conducive work environment for staff and other interested parties (OSHE)
6. Attaining Global standards in control of NRW
7. Operating in strict compliance with local statutory and regulatory requirements

### 5.3 Mission

From the 7-point agenda, MUWASCO has formulated its mission statement in order to effectively fulfil its mandate.

The Mission of MUWASCO is:

“To provide quality water and sanitation services in a reliable, efficient and sustainable manner”.

### 5.4 Core Values

Core values are the fundamental Beliefs that shape an organization’s culture and seek to achieve and sustain the confidence of interested parties in engaging with the organization. The core values should seek to translate the stakeholder value propositions into visible stakeholder results.

A good set of core values should cover three organizational value systems. These include *MEANS VALUES* (how the organization goes about its business), *ENDS VALUES* (how an organization handles its results, whether positive or negative) and *EXISTENTIAL VALUES* (the quality of characters to work with or partner with the organization). Whatever set of core values selected, they should not appear to violate the common norms or value systems acceptable by the

interested parties or applicable regulatory requirements.

During the core values audit for the pervious strategic dispensation, the next strategic period of 2020-2025, Muwasco shall be guided by the following core values:

- Customer focus retained as required by the QMS international standard manual and quality statement
- Integrity & ethical conduct, including statutory & regulatory compliance
- Teamwork & cohesion among staff
- Networking & Collaboration with external interested parties
- Equity- means unbiased treatment internal and external
- Transparency and Accountability
- Professionalism and Commitment to duty

**a. Customer focus**

Customer focus, as defined in the Muwasco Quality Policy shall include ensuring that:

- Customer and applicable statutory and regulatory requirements are determined, understood and consistently met;
- the risks and opportunities that can affect conformity of products and services and the ability to enhance customer satisfaction are determined and addressed;
- the focus on enhancing customer satisfaction is maintained.

**b. Integrity**

The organization shall uphold the highest level of personal and professional integrity. We promote honesty, forthright and ethical practices in all our dealings.

The staff and management of MUWASCO embrace professionalism and honesty in discharging their responsibilities. The Company will always strive to treat its customers and conducts its operations in an open and transparent manner.

**c. Teamwork and cohesion**

Our vision and mission shall provide the basis for our team spirit. We shall work harmoniously among ourselves and with all our stakeholders. To forester the team spirit, we shall treat all our internal and external interested parties equitably without bias or discrimination.

MUWASCO staff and management work as a team in service delivery by supporting each other and harnessing different skills to create a superior performance culture.



**d. Networking & Collaboration with external interested parties**

We shall establish and sustain viable and ethical networks and collaborations with our key stakeholders on relevant issues

**e. Commitment**

Everyone at MUWASCO is committed to offering high quality services to all always regardless of their standing in society.

**f. Responsiveness**

The staff and management are sensitive to the needs of the stakeholders and proactively address their concerns.

**g. Equity**

MUWASCO acknowledges diversity of views, opinion and ones status in society and promotes equity and considers regional balance in service delivery.

**5.5 SLOGAN**

Previous slogan: *THIRSTY? ...THINK MUWASCO*

New slogan: *DRINK.CLEAN.SANITIZE*

## 5.6 STRATEGIC ISSUES AND GOALS

### Issue no. 1: Financial stability and institutional sustainability

#### Strategic Goal # 1:

*To enhance financial performance and management for sustainable institution*

#### Issue justification

Failure to achieve the previous strategic objectives 2015-2020 was directly attributed to financial constraints. The previous strategic Plan 2015-2020 did not deliver the planned financial result. The organization experienced significant financial constraints that hampered the realization of other objectives. The political hostilities directed at the company during the last few years seriously affected the revenue-generating processes and tariffs.

This strategic direction has two closely interlinked, mutually enforcing issues: improving financial results and ensuring sustainability. This dual-carriage direction seeks to guide the company towards determining the organization's financial needs and establish the necessary financial resources and their sources for current and future operations. Financial resources can take many different forms such as cash, securities, loans or other financial instruments.

For the purpose of this strategic plan, sustainability means consistently doing well with minimum financial and other material support from external support.

The company shall establish and maintain processes for determining new revenue streams, monitoring, controlling and reporting the effective allocation and efficient usage of financial resources related to the strategic and operational objectives.

Reporting of such matters shall also provide means for determining ineffective or inefficient activities, and initiating suitable improvement actions. Financial reporting of activities related to the performance of the management systems and product conformity shall be used in management reviews.

Improving the effectiveness and efficiency of management systems can positively influence the financial results and sustainability of the organization in many ways.

Strategic objectives include

No.	Objective	Responsibility
1	<i>Reduce NRW by 15 % and, targeting globally accepted NRW levels</i>	
2	<i>Train staff on NRW</i>	
3	<i>Enhance resource mobilization</i>	
4	<i>Adhere to budgetary lines</i>	
5	<i>Enhance resource conservation through ERP</i>	
6	<i>Cost optimization</i>	
7	<i>Prepare, Implement and review annual workplan</i>	
8	<i>Prepare and implement resource mobilization strategies and policies</i>	
9	<i>Review service tariffs to sustainable levels</i>	
10	<i>Improve revenues through additional revenue streams or income-generating activities</i>	

## **Issue no. 2: Technology Adoption, learning and innovation**

### **Strategic Goal # 2:**

*Enhance Technology adoption, institutional learning and innovation*

### **Issue justification:**

Any organization that fails to continually mainstream technology and innovation into its operations must soon find it self irrelevant and out of business. The PESTEL analysis undertaken for the purpose of developing this strategic Plan revealed significant changes in the organization's environment that require continual learning and technology innovation in order to meet the changing needs and expectations of interested parties.

Over the next five years, all departments and sections in Muwasco shall:

- translate lessons learnt into new ideas,
- identify the need for innovation,
- establish and maintain an effective and efficient innovation process, and
- plan and provide the related resources to support organizational learning and innovation.

Innovation shall be applied to issues at all levels, as appropriate, through changes in:

- **Technology or product** (i.e. innovations that not only respond to the changing needs and expectations of customers or other interested parties, but also to anticipate potential changes in the organization's environment and product lifecycles),
- **processes** (i.e. innovation in the methods for product realization, or innovation to improve process stability and reduce variance),
- **the organization** (i.e. innovation in its constitution and organizational structures), and
- **the organization's management system** (i.e. to ensure that competitive advantage is maintained and new opportunities are utilized, when there are emerging changes in the organization's environment).

Strategic objectives earmarked for goal no. 2 include the following:

No.	Objective	Responsibility
1	Digitization of customer care by procuring querying machine	
2	Automate key operations including FBI, treatment works,	
3	Implement an organization-wide ERP system	
4	Move with technology and times	
5	Encourage innovation ideas	
6	Product R& D	
7	Diversification of product and service portfolio	
8	Automate disconnection and reconnection	
9	Integration of management systems and software	

### **Issue no. 3: Human Capital development and support**

#### **Strategic Goal # 3:**

Plan, provide and develop strategic Human Capital and support them to deliver world-class performance

#### **Issue justification:**

People are a significant resource of Muwasco and their acquisition, development and full involvement enhances their ability to create value for interested parties. This strategic issue seeks to guide the top management, through its leadership, create and maintain a shared vision, shared values and an internal environment in which people can become fully involved in achieving the organization's objectives.

As people are a most valuable and critical resource, it is necessary to ensure that their work environment encourages personal growth, learning, knowledge transfer and teamwork. People management should be performed through a planned, transparent, ethical and socially responsible approach. The organization will consistently ensure that the people understand the importance of their contribution and roles; establish processes that empower people to

- translate the organization's strategic and process objectives into individual job objectives, and to establish plans for their achievement,
- identify constraints to their performance,
- take ownership and responsibility to solve problems,
- assess personal performance against individual job objectives,
- actively seek opportunities to enhance their competence and experience,
- promote teamwork and encourage synergy between people, and
- Share information, knowledge and experience within the organization.

#### **Management of organizational knowledge**

The Human resource department of the company shall determine the knowledge necessary for the operation of its processes and to achieve world-class conformity of water and sanitation products and services.

This knowledge shall be maintained and be made available to the extent necessary. When addressing changing needs and trends, the organization shall consider its current knowledge and determine how to acquire or access any necessary additional knowledge and required updates.

**Note 1** Organizational knowledge is knowledge specific to the organization; it is generally gained by experience. It is information that is used and shared to achieve the organization's objectives.

**Note 2** Organizational knowledge can be based on:

a) internal sources (e.g. intellectual property; knowledge gained from experience; lessons learned from failures and successful projects; capturing and sharing undocumented knowledge and experience; the results of improvements in processes, products and services);

b) external sources (e.g. standards; academia; conferences; gathering knowledge from customers or external providers).

Strategic objectives and initiatives identified for this direction include, but not limited to the following:

<b>No.</b>	<b>Objective</b>	<b>Responsibility</b>
<i>1</i>	Conduct baseline strategic skills and competence audit	
<i>2</i>	Develop long-term human capital plans	
<i>3</i>	Undertake Job Evaluation, job analysis and job design	
<i>4</i>	Conduct continuous and structured Training Needs assessment (TNA)	
<i>5</i>	Provide trainings and development initiatives	
<i>6</i>	Undertake Training impact assessment	
<i>7</i>	Enhance employee relations	
<i>8</i>	Review and implement HR Policy Manual	
<i>9</i>	Enhance employee welfare programs	
<i>10</i>	Standardize HR operations to global standards	
<i>11</i>	Create departmental assistant positions	
<i>12</i>	Undertake teambuilding activities	
<i>13</i>	Train staff on productivity improvement	

**Strategic Issue #4: Standardization of Key management systems and processes to world-class standards**

**Strategic Goal:**

Establish, implement and continually improve selected international standards for Food Quality, safety, health and environment (FQSHE) management systems as part of becoming world-class water and sanitation services.

**Issue justification:**

Muwasco has set out the criteria for being a world-class provider of water and sanitation services as to establish; implement and achieve compliance against the requirements of selected globally recognized international standards. Compliance with key international standards, especially the ISO-Based international standards provide the most viable routes for international benchmarking and recognition. The following standards have been earmarked for benchmarking against:

- Product and services Quality management system (ISO 9001:2015 QMS) Food Quality and Safety Management system (ISO/FSSC 22001:2018)
- Occupational Safety and health management system (OSH) 45001:2018
- Environmental Management system (EMS) ISO 14001:2015
- Human Resource management system (ISO 30400 series)
- Information technology management systems (ISO 27000 series)
- Sustainable Procurement (ISO 20400 series)

All these international standards do not require Certification as a mandatory proof of compliance. The organization may seek to implement them as part of best-practice and in fulfillment of the vision statement and commitment.

Strategic objectives and initiatives identified for this direction include, but not limited to the following:

<i>No.</i>	<i>Objective</i>	<i>Responsibility</i>
1	Attain ISO 9001 QMS compliance certification	
2	Construct micro biological lab at KIARIE Treatment works	
3	Standardize water and microbiological laboratory	
4	Improve infrastructure for operations	
5	Establish an integrated institutional risks and opportunities management system based on global standards	
6	Compliance with local regulatory and statutory requirements	
7	Standardization against occupational safety, Health and environment(OSHE) and Food safety (FSSC)	

**Strategic issue #5: Stakeholder relations management and engagement:**

**Strategic Goal #5:**

Establish, implement, and monitor policy frameworks for building shared synergies and heading off any major confrontations or misunderstanding between the company and its key stakeholders.

**Issue justification:**

During the last strategic period, the company has experienced un-warranted but costly confrontations with certain stakeholder groups. The management of such confrontations succeeded largely because of the distinguished fire –fighting skills by the company’s corporate affairs and the executive. The lessons learned have given rise for his desire for a formal stakeholder relations management and engagement.

Strategic objectives and interventions planned for this period include:

<i>No.</i>	<i>Objective</i>	<i>Responsibility?</i>
1	Lobby for Review of restrictive water legislations	
2	Lobby for merger of WSPs in Murang’a	
3	Prepare policy guidelines on IPs/stakeholder relations management	
4	Expand service coverage	
5	Increase water and sewerage connections by 75%	
6	Reach out the unnerved areas	
7	Develop good working rapport with customers	
8	Improve customer service desk	
9	Conduct customer awareness clinics	
10	Minimize meter reading errors	



**Strategic issue #6: Infrastructure development and work environment improvement**

**Strategic Goal #6:**

Establish, implement, and monitor policy frameworks for building shared synergies and heading off any major confrontations or misunderstanding between the company and its key stakeholders.

**Issue justification:**

In order to deliver world-class water and sanitation services, the company plans to continually determine, provide and maintain the infrastructure necessary for the operation of its processes and to achieve conformity of products and services.

The targeted infrastructure include buildings and associated utilities; equipment, including hardware and software; transportation resources; information and communication technology.

The organization shall also determine, provide and maintain the environment necessary for the operation of its processes and to achieve world-class conformity of water and sanitation products and services. The suitable environment is a combination of human and physical factors, such as: social (e.g. non-discriminatory, calm, non-confrontational); psychological (e.g. stress-reducing, burnout prevention, emotionally protective); physical (e.g. temperature, heat, humidity, light, airflow, hygiene, noise).

These factors can differ substantially depending on the work stations, products and services provided

Strategic objectives to pursue during the period include, but not limited to the following:

<i>No.</i>	<i>Objective</i>	<i>Responsibility?</i>
1	Increase raw water intake and transportation infrastructure	
2	Increase water production to 25,000 m <sup>3</sup> per day	
3	Improvement of fleet and transport infrastructure	
4	Improvement of office facilities	
5	Purchase survey equipments	
6	Procure effective customer billing systems	
7	Procure stores management software	
8	Separate stores from procurement	

**CHAPTER 7.0**

**IMPLEMENTATION, MONITORING AND EVALUATION OF  
THE RESULTS**

## 7.1 Implementation methodologies and approaches

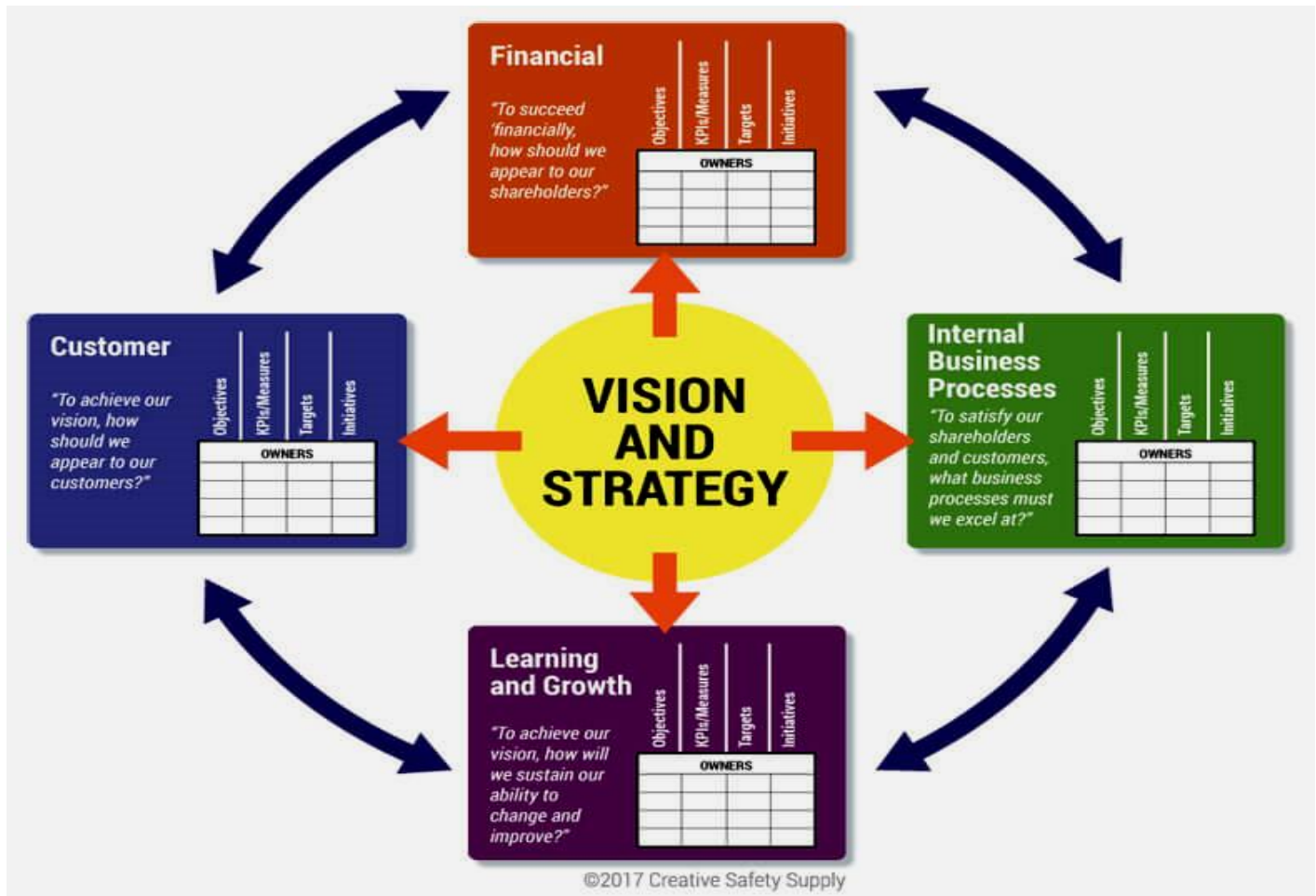
Strategy formulation accounts for only 30% of an organization's success. Effective implementation accounts for 70% of sustainable success. The Balanced Score card is the most powerful and recommended strategy implementation tool globally. There is no evidence that the Muwasco key staff have been trained in effective strategy implementation, performance monitoring and review during the past strategic periods. *It is strongly recommended that key staff be trained on effective strategy implementation using the BSC tools*

The organization has adopted the Balanced score card (BSC) as the strategy implementation, monitoring, analysis and reporting tool. In order to achieve this, staff will be trained on the strategy implementation using the BSC

In tracking the performance against each strategic goal, all departments shall monitor measure and report their performance with the following BSC perspectives in mind:

- **Financial perspectives**-in order to achieve and sustain world-class water and sanitation services, what financial results (revenues and cost management related to the strategic goal) should we achieve
- **Customer perspective**- in order to achieve and sustain world-class water and sanitation services, what customer service results (satisfaction, numbers, complaints, compliments) should we achieve
- **Internal processes perspectives**- in order to achieve and sustain world-class water and sanitation services, what internal processes should we establish and excel at to support the goal achievement?
- **Learning and growth perspective**- in order to achieve and sustain world-class water and sanitation services, what skills and competencies must we acquire, develop or retain and how shall we handle the lessons learnt and innovate?

7.2 Figure 1: A strategy implementation using Balanced Scorecard approach



### **7.3 Monitoring, Analysis and evaluation**

The Heads of department shall establish appropriate KPIs, collect, analyse and evaluate appropriate data and information arising from performance monitoring and measurement.

The results of analysis shall be used to evaluate progress against each strategic goal and objective, including:

- Conformity of products and services to world-class standards, local regulatory requirements ;
- The degree of customer satisfaction;
- The performance and effectiveness of the strategy implementation by objectives;
- If business plans have been implemented effectively;
- The effectiveness of actions taken to address business risks and opportunities;
- The performance of external providers;
- The need for improvements and innovation to the business processes and systems.

NOTE Methods to analyse data can include statistical techniques.

Monitoring and evaluation will be done at three levels; corporate strategic level, functional business units, and individual performance level. The BSC system to be adopted by MUWASCO will target the three levels, as follows: -

- Individual performance targets will be agreed upon between the departmental heads and staff concerned. This will be part of the institutional performance appraisal system. This system will be linked to performance contract. Performance appraisal will be carried out yearly. An important role of performance appraisal system is to identify staff training and development needs. This is in addition to the reward aspects of performance appraisal.
- Weekly departmental meetings will be held to monitor the implementation of the departmental plans.
- At management level, a monthly meeting will be held to monitor the implementation of operational plans against the Strategic Plan.
- The Board will monitor the implementation of Corporate and the Strategic Plan in quarterly meetings
- Annual strategic review workshops will be held to evaluate the impact of operational plans at both Corporate and Strategic levels. These evaluation meetings will involve Management and Board of Directors.

Some of the key indicators of performance (KPIs) may include: -

- Customer satisfaction;
- Reduction in UFW;
- Timely and accurate billings;
- Increased revenue collection;
- Increased staff morale hence production;
- Increased service delivery in terms of doubling quality water availability;
- Timely production of reports;
- Attraction and retention of high qualified personnel;
- Increased community participation including reporting;
- Increased connections both water and sewerage;
- Corruption prevention and eradications

### **7.3 Review methods**

Review and evaluation shall be conducted at planned intervals by the M&E department, by the senior management during management review meetings or the QMS internal audits.

#### **7.3.1 Benchmarking**

Benchmarking is a method of making systematic comparisons in specific areas with other comparator organizations and especially with those organizations with best performance. The aim is to determine areas where improvements can be made. Three types of benchmarking will be done, internal, national and international benchmarking.

- **Internal benchmarking:**
  - This will be done by comparing results from different departments and sections with reference to such things as timeliness, user satisfaction. This will make it possible to monitor departments and sections that have high or low performance. The benchmarking will form a basis for assessing performance in some departments and Sections of MUWASCO and for improvements.
- **National benchmarking:**
  - This will be done to compare MUWASCO's performance with that of high performing WSPs in the country. The adequacy of the MUWASCO's products and services will be compared with those of other similar service providers in the country.
- **International benchmarking:**
  - This will be done to compare MUWASCO's performance with that of high performing service providers in the world. This will be done by comparing the

adequacy of the MUWASCO's products and services with those of other bodies offering the same similar services in the world.

### **7.3.2 Management review**

Top management shall review the organization's strategy implementation and results , at planned intervals, to ensure its continuing suitability, adequacy, effectiveness and alignment with the strategic direction of the organization. The Framework for this review is available in the oISO 9001:2015 QMS Manual

### **7.3.3 Internal audits**

The company shall conduct internal audits at planned intervals to provide information on whether the strategy implementation:

a) Conforms to:

- the organization's own strategic direction and requirements;
- the changing requirements of interested parties;

b) is effectively implemented and strategic direction is maintained.

As part of its M&E programs, the company shall:

a) plan, establish, implement and maintain a strategic performance audit programme(s) including the frequency, methods, responsibilities, planning requirements and reporting, which shall take into consideration the importance of the processes concerned, changes affecting the organization, and the results of previous audits;

b) Define the audit criteria and scope for each strategic Goal audit;

## **7.4 Roles and responsibilities**

In order to successfully implement the objectives and activities provided for in this Plan, appropriate structures will need to be put in place.

Key considerations in implementing the strategy are: -

- An appropriate organization structure aligned to the regulatory requirements and internal demands
- Staff competencies and complement
- Financial resources to support implementation and planned improvements
- Operational Business Plans aligned to strategic direction and goals
- Effective Monitoring and Evaluations

### **7.4.1 Board of Management**

The BOM shall be responsible for creating and approving the corporate strategic and policy direction, approving the resource allocation and monitoring the corporate performance of the company

### **7.4.2 The Managing Director**

The MD shall be responsible for implementing the Board resolutions and providing top management support to the HODs, oversight on strategy implementation, guide policy formulation and provision of resources, as well as reporting of performance results to the Board.

### **7.4.3 Heads of Department and Heads of sections**

The HODs shall be responsible for preparing business plans aligned to the strategic goals, establishing appropriate unit level KPIs, ensuring resource utilization, supervising and monitoring performance and reporting progress, while guiding their teams towards achieving the departmental objectives.

### **7.4.4 Other employees and General staff**

These are the actual shop-floor implementation team. They are responsible for strategy implementation, give feedback on progress and provide results of their actions.



## **7.5 Organizational Structure (see annex 1)**

Departments are designed to focus on key roles, functions and responsibilities whilst removing ambiguities and overlaps currently evident. Similarly, functions should be strengthened to give MUWASCO the impetus to become relevant in the water sub-sector. Key functions will be instrumental in developing and implementing policy in the specific areas.

The organizational structure will be reviewed to align the key functions of MUWASCO to the strategic objectives identified for the MUWASCO strategic Plan 2020-2025.

## **7.6 implementation risks and opportunities**

All risks and opportunities related to the implementation of this strategic plan shall be managed as per the requirements of Clause 6.2 of the ISO 9001:2015 already in place.

**CHAPTER 8.0**  
**BUSINESS PLANS & PERFORMANCE PROJECTIONS**

The company's financial and other departmental performance projections have been based on the departmental business plans and statements of accounts available at the time of preparing this plan. To this extent the projections are provisional. For detailed projections, see the departmental and business plans

MURANGA WATERAND SANITATION COMPANY

# Strategic Business Plans

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Business Unit Plans aligned to Corporate  
Strategic Plan 2020-2025

With Budgetary estimates

## 8.0 Strategic Issues, Goals and Business plans

### Issue no. 1: Financial stability and institutional sustainability

#### Strategic Goal # 1:

To enhance financial performance and management for sustainable institution

#### Issue justification

Failure to achieve the previous strategic objectives 2015-2020 was directly attributed to financial constraints. The previous strategic Plan 2015-2020 did not deliver the planned financial result. The organization experienced significant financial constraints that hampered the realization of other objectives. The political hostilities directed at the company during the last few years seriously affected the revenue-generating processes and tariffs.

This strategic direction has two closely interlinked, mutually enforcing issues: improving financial results and ensuring institutional sustainability. This dual-carriage direction seeks to guide the company towards determining the organization's financial needs and establish the necessary financial resources and their sources for current and future operations. Financial resources can take many different forms such as cash, securities, loans or other financial instruments.

For the purpose of this strategic plan, sustainability means consistently doing well with minimum financial and other material support from external support.

The company shall establish and maintain processes for determining new revenue streams, monitoring, controlling and reporting the effective allocation and efficient usage of financial resources related to the strategic and operational objectives.

Reporting of such matters shall also provide means for determining ineffective or inefficient activities, and initiating suitable improvement actions. Financial reporting of activities related to the performance of the management systems and product conformity shall be used in management reviews.

Improving the effectiveness and efficiency of management systems can positively influence the financial results and sustainability of the organization in many ways.

Strategic objectives for Goal #1:

No.	Strategic objective	Responsible Business unit	KPIs	Key/Main activities	Proposed Budget (Ksh)	Action Timeline (Year)				
						2021	2022	2023	2024	2025
β.11	Reduce NRW to 15 % ; targeting globally accepted NRW levels	Technical	Level of NRW % Reduction in NRW	Installation of master meters	<u>5,000,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,000,000</u>	<u>500,000</u>	<u>500,000</u>
β.12	Train staff on NRW	Technical	No staff trained	<u>In-house and sponsored training events</u>	<u>1,000,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
β.13	Enhance resource mobilization	Commercial /Corporate affaires	Resource capacity	-Preparation of business proposals -Identify development partners as stakeholders -Formulate development partners engagement policy/frame work -	<u>1,880,000</u>	300,000	500,000	380,000	450,000	250,000
β.14	Adhere to budgetary lines	Accounts/	Expenditure : Budget ration	-preparation of sectional budgets -budget consolidation -Approval by BOD -Monthly analysis of actual vs budgeted	<u>1,000,000</u>	200,000	200,000	200,000	200,000	200,000

				expenditure -budget review						
3.15	Enhance resource conservation through ERP	All	Functional ERP installed	-identification and assessment of needs - Market assessment -end users training -installation -implementation and contract management	<u>9,5000,000</u>	1,500,000	2,500,000	2,000,000	2,000,000	1,500,000
3.16	Cost optimization	All	Level of business % Reduction in COB	<u>-Use of quality materials Acceptance and inspection committee</u>	<u>1,000,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
3.17	Prepare, Implement and review annual workplan	All	Annual workplan developed, implemented and reviewed	<u>-cordination and time frame for annual workplan</u>	<u>100,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
3.18	Prepare and implement resource mobilization strategies and policies	Commercial /Corporate affaires	<ul style="list-style-type: none"> <li>Resource mobilization strategy developed, implemented and updated</li> <li>Resource mobilization policy/leg</li> </ul>	<u>-Draft strategy policy</u> <u>-Approval by BoD</u>	<u>250,0000</u>	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>

			<ul style="list-style-type: none"> <li>al framework developed, implemented and updated</li> </ul>							
β.19	Review service tariffs to sustainable levels	Commercial /Corporate affaires	<ul style="list-style-type: none"> <li>Tariff levels and rates</li> </ul>	<ul style="list-style-type: none"> <li>-cost recovery assessment</li> <li>-preparation tariff review proposals</li> <li>-advertisement and call for proposals</li> <li>-public participation</li> <li>-presentation of the stakeholder views</li> <li>-implementation after approval</li> </ul>	<a href="#">1,200,000</a>	-	-	-	-	1,200,000
β.110	Improve revenues through additional revenue streams or income-generating activities	Commercial /Corporate affaires	<ul style="list-style-type: none"> <li>No. new revenue streams</li> <li>Volume of non-revenue funding secured</li> </ul>	<ul style="list-style-type: none"> <li>-project research and impact assessment</li> <li>-business planning</li> <li>-project execution</li> </ul>	<a href="#">223,000,000</a>	10,000,000	200,000,000	5,000,000	4,000,000	4,000,000

**Notes:**

Business units to add additional objectives related to **financial stability and institutional sustainability** from their mandates, previous unmet goals or other requirements



## Issue no. 2: Technology Adoption, learning and innovation

### Strategic Goal # 2:

Enhance Technology adoption, institutional learning and innovation

#### Issue justification:

Any organization that fails to continually mainstream technology and innovation into its operations must soon find it self irrelevant and out of business. The PESTEL analysis undertaken for the purpose of developing this strategic Plan revealed significant changes in the organization's environment that require continual learning and technology innovation in order to meet the changing needs and expectations of interested parties.

Over the next five years, all departments and sections in Muwasco shall:

- translate lessons learnt into new ideas,
- identify the need for innovation,
- establish and maintain an effective and efficient innovation process, and
- plan and provide the related resources to support organizational learning and innovation.

Innovation shall be applied to issues at all levels, as appropriate, through changes in:

- **Technology or product** (i.e. innovations that not only respond to the changing needs and expectations of customers or other interested parties, but also to anticipate potential changes in the organization's environment and product lifecycles),
- **processes** (i.e. innovation in the methods for product realization, or innovation to improve process stability and reduce variance),
- **the organization** (i.e. innovation in its constitution and organizational structures), and
- **the organization's** management system (i.e. to ensure that competitive advantage is maintained and new opportunities are utilized, when there are emerging changes in the organization's environment).

Strategic objectives for Goal #2:

No.	Strategic objective	Responsible Business unit	KPIs	Key/Main activities	Proposed Budget (Ksh)	Action Timeline (Year)				
						2021	2022	2023	2024	2025
2.1	Digitization of customer care by procuring querying machine	Commercial /Corporate affaires	Digital customer querying machine installed and operational	identification and assessment of needs - Market assessment -end users training -installation -implementation and contract management	<u>4,000,000</u>	<u>2,000,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
2.2	Automate key operations including FBI, treatment works, disconnection/reconnection	Technical	No. automated processes	<u>Procure automatic filling plant</u>	<u>5,000,000</u>	<u>2,500,000</u>	<u>=</u>	<u>=</u>	<u>2,500,000</u>	<u>=</u>
2.3	Implement an organization-wide ERP system	Commercial /Corporate affaires	An organization-wide ERP system installed and operational	<u>Source for a developer to integrate the core activities</u>	<u>5,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>500,000</u>	<u>500,000</u>
2.4	Move with technology and times	All	Level of technology adoption	<u>Adoption of new technologies</u>	<u>1,250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
2.5	Encourage innovation ideas	All	No/ of new ideas generated	<u>Research and award new ideas</u>	<u>500,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
2.6	Product R& D	Technical and commercial	No. New products and services developed	<u>Research on new products, troubleshooting methods and new ways of making customer</u>	<u>2,000,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

				<a href="#">connections through attending trainings and seminars</a>						
2.7	Diversification of product and service portfolio	All	Changes in Product/service portfolio	<a href="#">FBIL – bottling of flavored water</a>	<a href="#">2,500,000</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">2,500,000</a>
2.8	Automate disconnection and reconnection	Commercial /Corporate affaires	<a href="#">Disconnection and reconnection modules</a>	<a href="#">Module activation</a>	<a href="#">500,000</a>	<a href="#">500,000</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">0</a>
2.9	Integration of business management systems and software	All	IMS in place	<a href="#">Software sourced</a>	<a href="#">1,000,000</a>	<a href="#">500,000</a>	<a href="#">500,000</a>	<a href="#">500,000</a>	<a href="#">0</a>	<a href="#">0</a>

**Notes:**

Business units to add additional objectives related to **Technology Adoption, learning and innovation** from their mandates, previous unmet goals or other requirements

### Issue no. 3: Human Capital development and support

#### Strategic Goal # 3:

Plan, provide and develop strategic Human Capital and support them to deliver world-class performance

#### Issue justification:

People are a significant resource of Muwasco and their acquisition, development and full involvement enhances their ability to create value for interested parties. This strategic issue seeks to guide the top management, through its leadership, create and maintain a shared vision, shared values and an internal environment in which people can become fully involved in achieving the organization's objectives.

As people are a most valuable and critical resource, it is necessary to ensure that their work environment encourages personal growth, learning, knowledge transfer and teamwork. People management should be performed through a planned, transparent, ethical and socially responsible approach. The organization will consistently ensure that the people understand the importance of their contribution and roles; establish processes that empower people to

- translate the organization's strategic and process objectives into individual job objectives, and to establish plans for their achievement,
- identify constraints to their performance,
- take ownership and responsibility to solve problems,
- assess personal performance against individual job objectives,
- actively seek opportunities to enhance their competence and experience,
- promote teamwork and encourage synergy between people, and
- Share information, knowledge and experience within the organization.

#### Management of organizational knowledge

The Human resource department of the company shall determine the knowledge necessary for the operation of its processes and to achieve world-class conformity of water and sanitation products and services.

This knowledge shall be maintained and be made available to the extent necessary.

When addressing changing needs and trends, the organization shall consider its current knowledge and determine how to acquire or access any necessary additional knowledge and required updates.

**Note 1** Organizational knowledge is knowledge specific to the organization; it is generally gained by experience. It is information that is used and shared to achieve the organization's objectives.

**Note 2** Organizational knowledge can be based on:

- a) internal sources (e.g. intellectual property; knowledge gained from experience; lessons learned from failures and successful projects; capturing and sharing undocumented knowledge and experience; the results of improvements in processes, products and services);
- b) external sources (e.g. standards; academia; conferences; gathering knowledge from customers or external providers).

Strategic objectives and initiatives identified for this direction include, but not limited to the following:

Strategic objectives for Goal #3:

No.	Strategic objective	Respo. Business unit	KPIs	Key/Main activities	Proposed Budget (Ksh)	Action Timeline (Year)				
						2021	2022	2023	2024	2025
3.1	Conduct baseline strategic skills and competence audit	HR	Baseline strategic skills and competence Profile report  Strategic skills and competence matrix	<a href="#">Audits</a>	<a href="#">250,000</a>	<a href="#">50,000</a>	<a href="#">50,000</a>	<a href="#">50,000</a>	<a href="#">50,000</a>	<a href="#">50,000</a>
3.2	Develop long-term human capital plans	HR	Documented Human Capital Development strategy	<a href="#">-Developing plans</a>	<a href="#">250,000</a>	<a href="#">250,000</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">0</a>
3.3	Train staff on productivity improvement	HR	- No. staff trained - % Productivity improvement	<a href="#">Varius trains conducted</a>	<a href="#">2,000</a>	<a href="#">400</a>	<a href="#">400</a>	<a href="#">400</a>	<a href="#">400</a>	<a href="#">400</a>
3.4	Undertake Job Evaluation, job analysis and job design	HR	- Job evaluation report - Revised job designs	<a href="#">-Job Evaluation</a>	<a href="#">250,000</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">250,000</a>	<a href="#">0</a>	<a href="#">0</a>
3.5	Conduct continuous and structured Training Needs assessment (TNA)	HR	TNA reports	<a href="#">Training assessment</a>	<a href="#">100,000</a>	<a href="#">200</a>	<a href="#">200</a>	<a href="#">200</a>	<a href="#">200</a>	<a href="#">200</a>

3.6	Provide trainings and development initiatives	HR	<ul style="list-style-type: none"> <li>- No trainings conducted</li> <li>- No staff trained</li> </ul>	<ul style="list-style-type: none"> <li>-Training of ICT on new technology</li> <li>-Training Procurement personnel through KISM</li> <li>-</li> </ul>	1000 000	3 0 0 0 0 0	2 0 0 0 0 0	2 0 0 0 0 0	2 0 0 0 0 0	1 0 0 0 0 0
3.7	Undertake Training impact assessment	HR	<ul style="list-style-type: none"> <li>- Training impact assessment report</li> <li>- % change in performance</li> </ul>	<a href="#">Review the impact of conducted trainings</a>	100, 000	2 0 0 0 0 0	2 0 0 0 0 0	2 0 0 0 0 0	2 0 0 0 0 0	2 0 0 0 0 0
3.8	Enhance employee relations	All	<ul style="list-style-type: none"> <li>- Level of Industrial harmony</li> <li>- % reduction in industrial cases</li> </ul>	<a href="#">Benchmarking with peer companies</a> <a href="#">-CBA Negotiated</a>	500, 000	1 0 0 0 0 0	1 0 0 0 0 0	1 0 0 0 0 0	1 0 0 0 0 0	1 0 0 0 0 0
3.9	Review and implement HR Policy framework	HR	- Documented HR Policy framework revised and implemented	<a href="#">Revise the existing policies</a>	200, 000	2 0 0 0 0 0	0 0 0 0 0 0	0 0 0 0 0 0	0 0 0 0 0 0	0 0 0 0 0 0
3.10	Enhance employee welfare programs	HR	- No. welfare programs implemented	<a href="#">Welfare activities</a>	500, 00	1 0 0 0 0 0	1 0 0 0 0 0	1 0 0 0 0 0	1 0 0 0 0 0	1 0 0 0 0 0
3.11	Standardize HR operations to global standards	HR	- No. HR functions standardized	<a href="#">ISO Standization</a>	100, 000	2 0 0 0 0 0	2 0 0 0 0 0	2 0 0 0 0 0	2 0 0 0 0 0	2 0 0 0 0 0

						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3.12	Review organogram to Create departmental assistant positions	HR	- Positions reviewed/created		<u>50,000</u>	<u>50</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>				
						<u>0</u>				
						<u>0</u>				
3.13	Conduct/Undertake teambuilding activities	HR	- No. TB exercises undertaken		<u>500,000</u>	<u>300</u>	<u>0</u>	<u>300</u>	<u>0</u>	<u>0</u>
						<u>0</u>		<u>0</u>		<u>0</u>
						<u>0</u>		<u>0</u>		<u>0</u>
						<u>0</u>		<u>0</u>		<u>0</u>

**Notes:**

Business units to add additional objectives related to **Human Capital development and support** from their mandates, previous unmet goals or other requirements

#### **Strategic Issue #4: Standardization of Key management systems and processes to world-class standards**

##### **Strategic Goal:**

Establish, implement and continually improve selected international standards for Food Quality, safety, health and environment ( FQSHE) management systems as part of becoming world-class water and sanitation services.

##### **Issue justification:**

Muwasco has set out the criteria for being a world-class provider of water and sanitation services as to establish; implement and achieve compliance against the requirements of selected globally recognized international standards. Compliance with key international standards, especially the ISO-Based international standards provide the most viable routes for international benchmarking and recognition. The following standards have been earmarked for benchmarking against:

- Product and services Quality management system (ISO 9001:2015 QMS) already established awaiting certification
- Food Quality and Safety Management system ISO/FSSC 22001:2018
- Occupational Safety and health management system (OSH) 45001:2018
- Environmental Management system (EMS) ISO 14001:2015
- Human Resource management system (ISO 30400 series)
- Information technology management systems (ISO 27000 series)
- Sustainable Procurement (ISO 20400 series)

All these international standards do not require Certification as a mandatory proof of compliance. The organization may seek to implement them as part of best-practice and in fulfillment of the vision statement and commitment.

Strategic objectives and initiatives identified for this direction include, but not limited to the following:



Strategic objectives for Goal #4:

No.	Strategic objective	Respo. Business unit	KPIs	Key/Main activities	Proposed Budget (Ksh)	Action Timeline (Year)				
						2021	2022	2023	2024	2025
4.1	Complete and attain ISO 9001 QMS compliance certification	All	- ISO 9001:2015 Compliance Certification achieved	<a href="#">Audits</a>	<u>500,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
4.2	Construct and equip micro biological lab at KARIE Treatment works	TD	- Micro-biological lab constructed, equipped and operational at KARIE Treatment works	<a href="#">Procurement of lab equipments</a>	<u>1,500,000</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u>
4.3	Standardize water and microbiological laboratory	TD	- Water and Microbiological laboratory operations standardized against selected international testing standard(s) e.g.	<a href="#">Procurement of lab equipments</a>	<u>1,500,000</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>500,000</u>
4.4	Improve infrastructure for operations	All	- Notable/Significant improvements of buildings and associated utilities; equipment, including hardware and software; transportation resources; ICT	<a href="#">Buildings and equipment renewal</a>	<u>5,000,000</u>	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>0</u>	<u>2,000,000</u>
4.5	Establish an integrated institutional risks and opportunities management system based on global standards	All	- An integrated institutional risks and opportunities management policy framework established, implemented and maintained	<a href="#">Risk register</a>	<u>250,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
4.6	Compliance with local regulatory and statutory requirements	All	- Statutory and regulatory management system is established, implemented and n-	<a href="#">-List of regulatory requirement and ensure</a>	<u>100,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

			maintained	<a href="#">compliance</a>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4.7	Standardization against occupational safety, Health and environment(OSHE) and Food safety (FSSC)	All	- FQSHE management system is establishes, implemented and maintained in compliance with selected FQSHE international standards	<a href="#">Procurement safety equipments and adherence to set standards.</a>	<u>1,000,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
4.8	Establish and implement an IMS based upon FQSHE	All	- An IMS of FQSHE management system is , implemented and maintained87	<a href="#">Source for IMS</a>	<u>500.00</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Notes:**

Business units to add additional objectives related to **Standardization of Key management systems and processes to world-class standards** from their mandates, previous unmet goals or other requirements

**Strategic issue #5: Stakeholder relations management and engagement:**

**Strategic Goal #5:**

Establish, implement, and monitor policy frameworks for building shared synergies and heading off any major confrontations or misunderstanding between the company and its key stakeholders.

**Issue justification:**

During the last strategic period, the company has experienced un-warranted but costly confrontations with certain stakeholder groups. The management of such confrontations succeeded largely because of the distinguished fire-fighting skills by the company's corporate affairs and the executive. The lessons learned have given rise for his desire for a formal stakeholder relations management and engagement.

Strategic objectives for Goal #5:

No.	Strategic objective	Respo. Business unit	KPIs	Key/Main activities	Proposed Budget (Ksh)	Action Timeline (Year)				
						2021	2022	2023	2024	2025
5.1	Lobby for Review of restrictive water legislations	CD	- NO. Legal reforms influenced	- Review the available water legislations - Engage peer companies through waspa	300,000	100,000	100,000	100,000	0	0
5.2	Prepare strategy and policy guidelines on IPs/stakeholder relations management	CD	- S/H R policy framework developed and implemented	- Stakeholders identification and profiling - Stakeholders needs assessment - Policy formulation	100,000	100,000	0	0	0	0
5.3	Establish ,implement and continually review stakeholder management plans	CD	- SHR plans are implemented ,reported reviewed and improved	- Preparation of calendar of events - Preparation of stakeholder management plans - Stakeholder engagement plans review	500,000	100,000	100,000	100,000	100,000	100,000
5.4	Monitor and evaluate stakeholder engagement and satisfaction.	CD	- SH Satisfaction index - SHS survey reports	- Stakeholder satisfaction surveys	500,000	250,000	0	250,000	0	0

								0	0		
5.5	Prepare and implement stakeholder risks and opportunities management.	CD	- SH Risks and Opportunities register and action plans	- Identification of risks and opportunities	<u>100,000</u>	<u>20,000</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
5.6	Expand service coverage	All	- Area covered	<u>-lobby for expansion of S.A</u>	<u>100,000</u>	<u>50,000</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
5.7	Increase water and sewerage connections by 75%	TD	- No. of connections - Ratio of active: Total connections	<u>New Extensions</u>	<u>5,000</u> <u>0,000</u> <u>0</u>	<u>1,000</u> <u>0,000</u> <u>0</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
5.8	Reach out the unnerved areas	TD	- New areas covered	<u>-New proposals</u>	<u>200,000</u>	<u>50,000</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
5.9	Improve customer service desk	CD	- Customer satisfaction index - % customer issue resolution	- Training - Identifications and adoption of new innovative trends - Support and strengthen corporate image	500,000	100,000	200,000	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

5.10	Develop good working rapport with customers	All	<ul style="list-style-type: none"> <li>- Customer satisfaction index</li> <li>- % customer issue resolution</li> </ul>	<a href="#">Customer survey</a>	250,000	0	20	0	0	0
5.11	Conduct customer awareness clinics	CD	<ul style="list-style-type: none"> <li>- No of awareness clinics conducted</li> <li>- No of participants</li> <li>- Distribution of clinics to geographical regions</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct awareness clinics, barazas</li> <li>- Publication</li> </ul>	250,000	50,000	50	50	50	50
5.12	Minimize meter reading errors	TD	<ul style="list-style-type: none"> <li>- % Reading errors logged</li> <li>- No customer complaints</li> </ul>	<a href="#">Use mobile meter reading</a>	100,000	20,000	20	20	20	20

## **Strategic issue #6: Infrastructure development and work environment improvement**

### **Strategic Goal #6.1:**

The organization shall plan, provide and manage its infrastructure effectively and efficiently. It will periodically assess the suitability of the infrastructure to meet organizational objectives.

### **Strategic Goal #6.2:**

The organization shall provide and manage a suitable work environment to achieve and sustain success of the organization and the competitiveness of its products. A suitable work environment is a combination of human and physical factors.

### **Issue justification:**

In order to deliver world-class water and sanitation services, the company plans to continually determine, provide and maintain the infrastructure necessary for the operation of its processes and to achieve conformity of products and services.

The targeted infrastructure include buildings and associated utilities; equipment, including hardware and software; transportation resources; information and communication technology.

The organization shall also determine, provide and maintain the environment necessary for the operation of its processes and to achieve world-class conformity of water and sanitation products and services. The suitable environment is a combination of human and physical factors, such as: social (e.g. non-discriminatory, calm, non-confrontational); psychological (e.g. stress-reducing, burnout prevention, emotionally protective); physical (e.g. temperature, heat, humidity, light, airflow, hygiene, noise).

These factors can differ substantially depending on the work stations, products and services provided

Strategic objectives for Goal #6:

No.	Strategic objective	Respo. Business unit	KPIs	Key/Main activities	Proposed Budget (Ksh)	Action Timeline (Year)				
						2021	2022	2023	2024	2025
6.1	Increase raw water intake and transportation infrastructure	TD	- Length of water delivery systems	<a href="#">Karichiungu</a>	<a href="#">11,000,000</a>	<a href="#">5,000,000</a>	<a href="#">4,000,000</a>	<a href="#">2,000,000</a>	<a href="#">0</a>	<a href="#">0</a>
6.2	Increase water production to 25,000 m <sup>3</sup> per day	CD	-	<a href="#">Intake and Storage tanks</a>	<a href="#">16,000,000</a>	<a href="#">4,000,000</a>	<a href="#">4,000,000</a>	<a href="#">4,000,000</a>	<a href="#">4,000,000</a>	<a href="#">0</a>
6.3	Improvement of fleet and transport infrastructure	CD	-	<a href="#">New Motor vehicles and bikes</a>	<a href="#">10,000,000</a>	<a href="#">2,000,000</a>	<a href="#">2,000,000</a>	<a href="#">2,000,000</a>	<a href="#">2,000,000</a>	<a href="#">2,000,000</a>
6.4	Improvement of office facilities	CD	-	<a href="#">Computers and networking</a>	<a href="#">1,000,000</a>	<a href="#">200,000</a>	<a href="#">200,000</a>	<a href="#">200,000</a>	<a href="#">200,000</a>	<a href="#">200,000</a>
6.5	Purchase survey equipments	CD	-	identification and assessment of needs	500000	<a href="#">200,000</a>	<a href="#">200,000</a>	<a href="#">100,000</a>	<a href="#">0</a>	<a href="#">0</a>



				- Market assessment -end users training -installation -implementation and contract management						
6.6	Procure effective customer billing systems	Procurement	-	identification and assessment of needs - Market assessment -end users training -installation -implementation and contract management	<u>9,000.00</u>	100 0,0 00	200,000	200,000	2 0 0 0	200,000
6.7	Procure stores management software	Procurement	-	identification and assessment of needs - Market assessment -end users training -installation -implementation and contract management	<u>1,100.00</u>	-	500000	600000		-
6.8	Separate stores from procurement	All	-	-Separate procurement function and responsibilities Assign different personnel stores and procurement responsibilities	<u>1,100.00</u>	-	1,000,000	-	- *	100,000
6.9	Expand service coverage	TD	-	<u>Extensions</u>	<u>10,000.000</u>	<u>2.000.000</u>	<u>2,000.000</u>	<u>2.000.000</u>	<u>2.000.000</u>	<u>2,000.000</u>

										0 0 0 0 0 0 0 0	
6.7	Increase water and sewerage connections by 75%	TD	-	<u>-Metering new connections</u>	<u>4,000.00</u>	<u>800.00</u>	<u>800.000</u>	<u>800.000</u>	<u>800.000</u>	8 0 0 0 0 0 0 0	<u>800.000</u>
6.8	Reach out the unnerved areas	CD	-	<u>Marketing</u>	<u>500.000</u>	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>	1 0 0 0 0 0 0 0	<u>100.000</u>
6.9	Improve customer service desk	ALL	-	<u>-Constuction and acquisition of aquarium</u>	<u>200.000</u>	<u>40.000</u>	<u>40.000</u>	<u>40.000</u>	<u>40.000</u>	4 0 0 0 0 0 0 0	<u>40.000</u>
6.10	Develop good working rapport with customers	ALL	-	<u>-Hotlines and website updated</u>	<u>100.000</u>	<u>20.000</u>	<u>20.000</u>	<u>20.000</u>	<u>20.000</u>	2 0 0 0 0 0 0 0	<u>20.000</u>
5.9	Conduct customer awareness clinics			<u>-Clinic schedules</u>	<u>200.000</u>	<u>40.000</u>	<u>40.000</u>	<u>40.000</u>	<u>40.000</u>	4 0 0 0 0 0 0 0	<u>40.000</u>

5.10	Minimize meter reading errors			<u>100,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

**Strategic issue #7: Improved marketing of Bottled water products from FBIL**

**Strategic Goal #7:** *(This Goal is specific to FBIL and related to infrastructure improvement plans)*

Establish, implement, an effective Sales and Marketing strategy and policy frameworks for the FBIL.

**Issue justification:**

One of the main functions within a company is the marketing area and as it is of the utmost importance and relevance of having an already established and well functioning department of marketing within the company, which would implement proper, just-in-time and a step-ahead of competition marketing strategies. Such an established and well functioning marketing department could potentially result in the company getting a better positioning in the market, will increase the company's market share and satisfy customer needs, wants and meet their demands. Thus, creation and implementation of a successful marketing strategy in business is very crucial.

Marketing strategy should help FBIL to grow our business by making sure that our business and production activities are related to market needs.

FBIL should improve our strategies if they are aiming to survive in a very competitive environment. This is a very competitive market because easy entry into this market makes it so. One company wanting to set up a business in the industry can easily do so without needing much financial capital to start off. Apart from having good marketing strategies, it is necessary to expand the business by expanding into new markets and introducing new or modified products, as well as responding quickly to market needs and consumer taste changes.

## **FBIL STRATEGY AND BALANCED SCORECARD**

### **Objective 7.1 Financial perspectives**

Objective 7.1.1: Identify and operationalize cost reduction measures- this will increase profit margins leading to the company growth.

Objective 7.1.2: Price reduction to large order customers

By reducing the prices to such customers, we will get more distributors and wholesalers on board. This will benefit us from horizontal and vertical integration strategy as much as possible in an attempt to lowering the costs of production, by gaining from economies of scale.

### **Objective 7.2: customer and market perspective**

Objective 7.2.1: Monitor customer issues

Resolution period should be daily and weekly depending on the weight of the issue. Should also pay attention to customer feedback to ensure we build good customer relations.

Objective 7.2.2: Market Analyses

We must always conduct market analyses for identifying main competitors in the market and knowing what they offer to customers.

We should continuously modify our products toward the market needs i.e by adding flavors to the water as customers demand;

### **Objective 7.3: Internal processes perspective**

Objective 7.3.1 Bottle Wrapping and Capping Machine-

To improve consistency on production and to produce an attractive and a quality product that will bring new customers and open a new window for marketing into the region and beyond in the near future.

Objective 7.3.2: Automatic Water Filling Machines

Develop and implement automation policy.

The three functions of bottle wash, fill and seal all composed in one, will provide an energy saving, high efficient and a one-stop service.

Objective 7.3.3: Water Sterilizers and Dispensers

This will be achieved by partnering with dispenser manufacturing companies i.e **Ramtos** to provide dispensers to institutions e.g Banks to increase sales in refills and fulfill market demand

#### Objective 7.3.4: Solar system with a converter

By tapping the solar rays and converting it into energy will ensure production does not stop when power goes off. This means that we don't have to fail in delivering given orders in time. It will also reduce cost of production by reduction of electricity bill.

#### Objective 7.3.5: Marketing vans and trucks

The vans will ensure efficient transport to the field ensuring that we reach every customer including the most interior kiosks hence increasing sales. This will also save us time and transport money

**Truck-** This mode of transportation will be delivering large orders to far places cutting cost on fuel and time saving.

#### Objective 7.3.6: Mould Blower machine

By having our own mould we can cut on production cost and also making an extra income by blowing for other interested parties who wish to have their own model.

#### Objective 7.3.7: Commercial Printer

For printing water proof posters, brochures and labels. This will reduce cost of printing externally, giving customers a quality product that can last for long even when in contact with water.

#### Objective 7.3.8: OSHA Requirements

To protect the marketers from harsh weathers while in the field e.g dust coats, rain coats and umbrellas

#### Objective 7.3.9: Advertisement kitty

Electronic media campaigns and print media campaigns. Participate in exhibitions forums organized by different sectors

#### Objective 7.3.10: Prepare and adhere to procurement plans

The purchasing process of raw materials adhering to the reorder level will ensure that customer needs are met for the best possible cost in terms of quality (by avoiding by-passing processes), time, and other relevant factors to support business operations.

#### Objective 7.3.11: Observe strict internal controls and checks

Keeping customer's records i.e ensuring that the refill bottles are in order and are not lost. Checking and rechecking that the end product is well presented to avoid customer complains

#### Objective 7.3.12: Formulate and implement debt collecting policy

This will ensure customers with our debt are reachable and that we are able to collect our debt from defaulters.

**Strategic objectives and implementation matrix for Goal #7:**

No.	Strategic objective	Business unit	KPIs	Key/Main activities	Proposed Budget (Ksh)	Action Timeline (Year)				
						2021	2022	2023	2024	2025
	Identify and operationalize cost reduction measures	BIL Marketing	<a href="#">-Amount of saved costs</a>	<a href="#">Cost saving</a>	<a href="#">100,000</a>	<a href="#">20,000</a>	<a href="#">20,000</a>	<a href="#">20,000</a>	<a href="#">20,000</a>	<a href="#">20,000</a>
	Bottle Wrapping and Capping Machine	BIL Marketing	- <a href="#">Wrapping machine in place</a>	<a href="#">Assessment, benchmarking and proposal</a>	<a href="#">2,000,000</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">2,000,000</a>	<a href="#">0</a>	<a href="#">0</a>
	Automatic Water Filling Machines/ Develop and implement automation policy	BIL Marketing	- <a href="#">Automation process in place</a>	<a href="#">Automation</a>	<a href="#">4,000,000</a>	<a href="#">0</a>	<a href="#">4,000,000</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">0</a>
	Water Sterilizers and Dispensers	BIL Marketing	- <a href="#">Water sterilizers and dispensers in place</a>	<a href="#">Assessment for number required</a>	<a href="#">100,000</a>	<a href="#">5,000</a>	<a href="#">0</a>	<a href="#">5,000</a>	<a href="#">0</a>	<a href="#">0</a>
	Solar system with a converter	BIL Marketing	- <a href="#">SOLAR In place</a>	<a href="#">Proposal and procurement</a>	<a href="#">500,000</a>	<a href="#">0</a>	<a href="#">5,000</a>	<a href="#">0</a>	<a href="#">0</a>	<a href="#">0</a>
	Marketing vans and trucks	BIL Marketing	- <a href="#">Vans TUK TUK and trucks</a>	<a href="#">-Procurement</a>	<a href="#">3,000,000</a>	<a href="#">5,000</a>	<a href="#">0</a>	<a href="#">2,500,000</a>	<a href="#">0</a>	<a href="#">0</a>

								<u>0</u>		
	Mould Blower machine	BIL Marketing	- <u>Machine in place</u>	<u>Procurement</u>	<u>2,000.000</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>
								<u>0</u>		
								<u>0</u>		
								<u>0</u>		
								<u>0</u>		
								<u>0</u>		
								<u>0</u>		
	Commercial Printer	BIL Marketing	<u>Printer in place</u>	<u>-Procurement</u>	<u>50,000</u>	<u>0</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>
							<u>0</u>			
							<u>0</u>			
							<u>0</u>			
							<u>0</u>			
	OSHA Requirements	BIL Marketing	- <u>Training</u>	<u>Training timetable</u>	<u>70,000</u>	<u>4</u>		<u>3</u>		
						<u>0</u>		<u>0</u>		
						<u>0</u>		<u>0</u>		
						<u>0</u>		<u>0</u>		
						<u>0</u>		<u>0</u>		
	Advertisement kitty	BIL Marketing	- <u>no of Advertisements</u>	<u>-Advertisement programs</u>	<u>1,000,000</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Prepare and adhere to procurement plans	BIL Marketing	- <u>Plans in Place</u>	<u>-Annual Procurement Plans</u>	<u>100,000</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Observe strict internal controls and checks	BIL Marketing	- <u>Quarterly audits</u>	<u>Audit reports</u>	<u>50,000</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Formulate and implement debt collecting policy	BIL Marketing	- <a href="#">Policy in place</a>	<a href="#">-Policy proposal and approval</a>	<u>20,000</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>				
						<u>0</u>				
						<u>0</u>				
	Monitor customer issues	BIL Marketing	- <a href="#">Customer management</a>	<a href="#">-Complain handling</a> <a href="#">-sanitization clinics</a>	<u>100,000</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
						<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

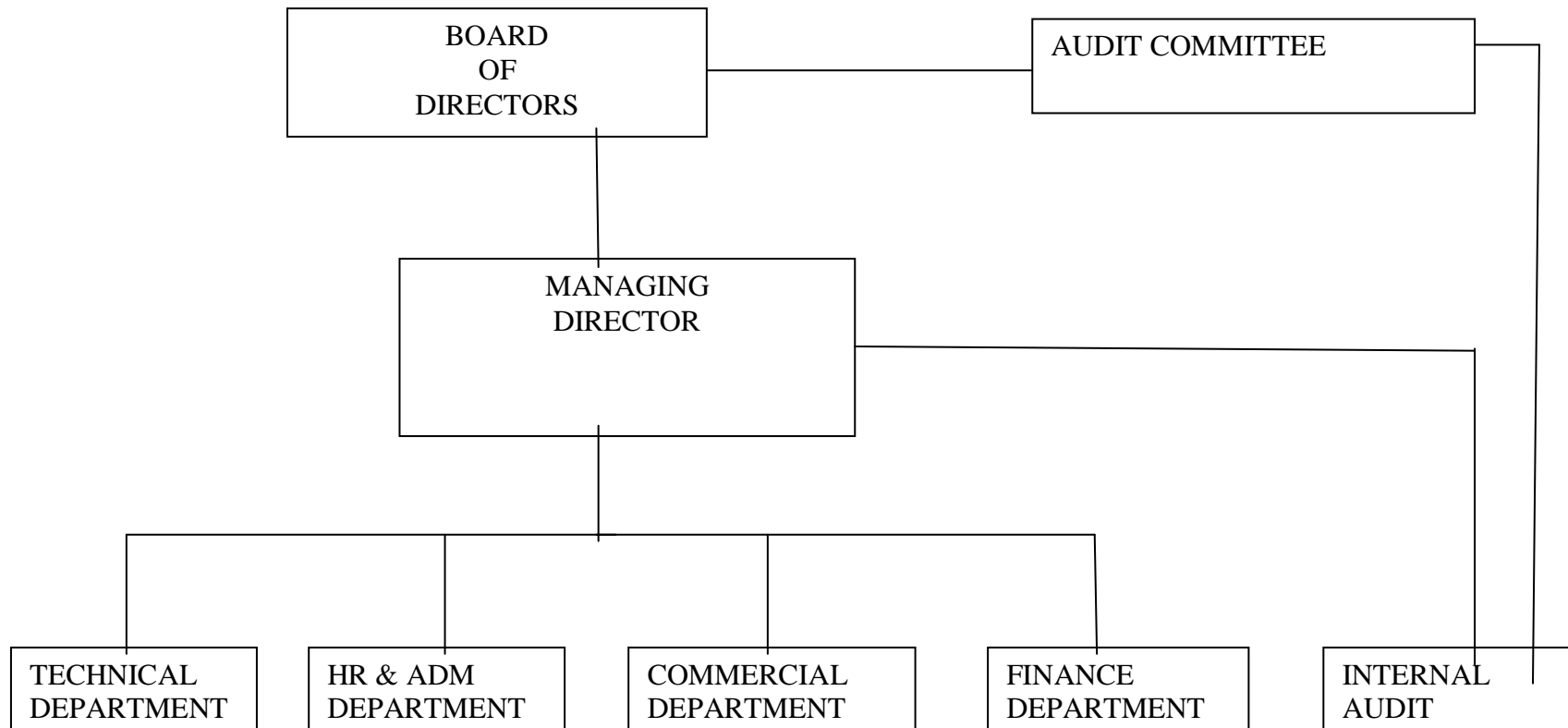
## CHAPTER 9: IMPLEMENTATION MATRIX

(To be completed after agreement on issues and objectives during implementation training workshop)

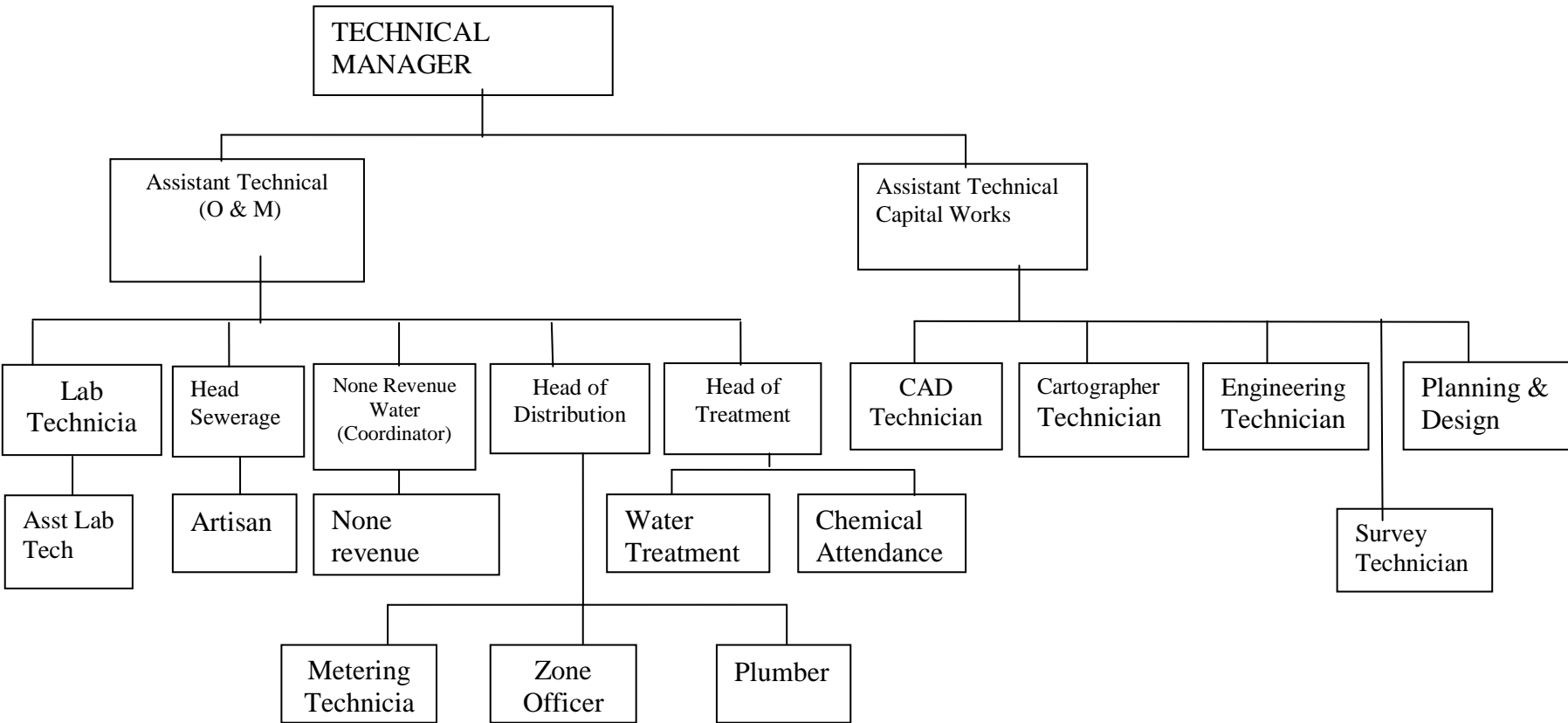
<b>STRATEGIC ISSUE 1:</b>													
<i>Strategic objective:</i>						<b>B U D G E T ESTIMATES</b>							
						<b>Kshs. 000</b>							
<b>Strategies</b>	<b>Activities</b>	<b>Key Performance Indicators</b>	<b>Actor</b>	<b>Time frame</b>					<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
				<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>					
<b><u>Strategy 1:</u></b>			TD										
<b>Expand Water and Sewerage Network</b>			TD										
			TD										
			TD										
			TD										

**CHAPTER 10.0**  
**Annexes**

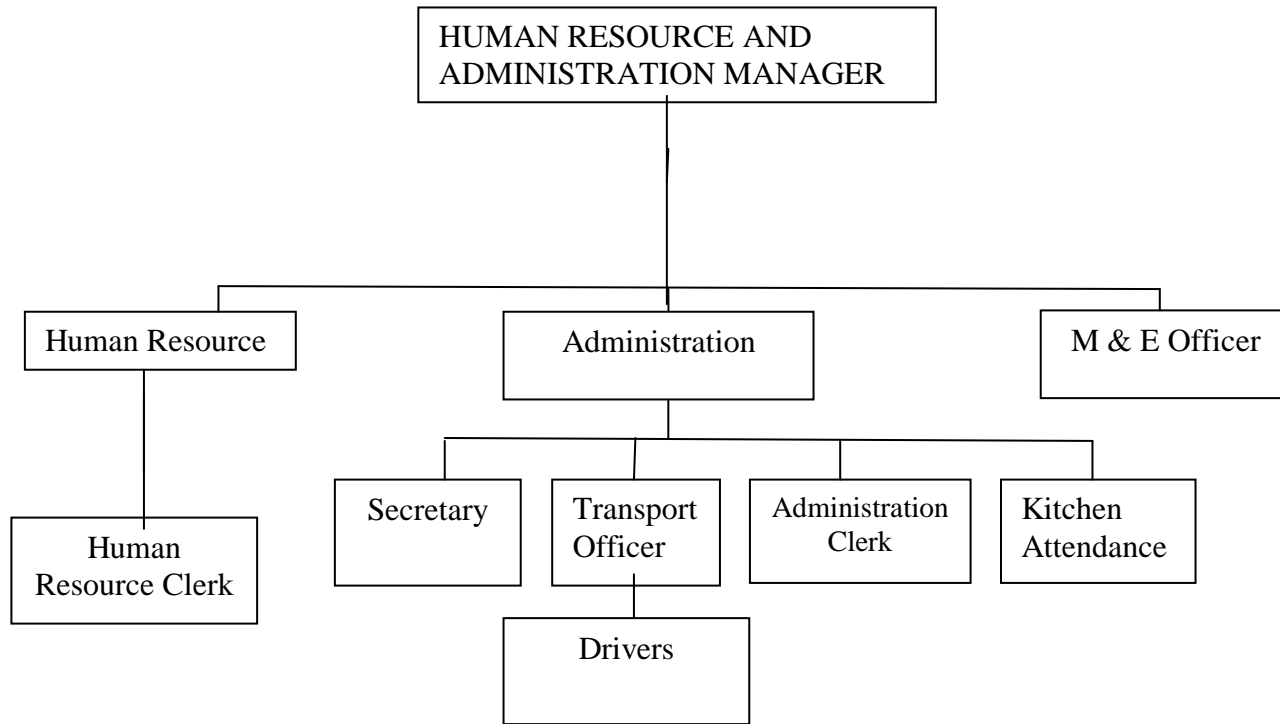
**Annex 1: MUWASCO ORGANOGRAM**



### 7.1.1. 1 PROPOSED TECHNICAL DEPRATMENT

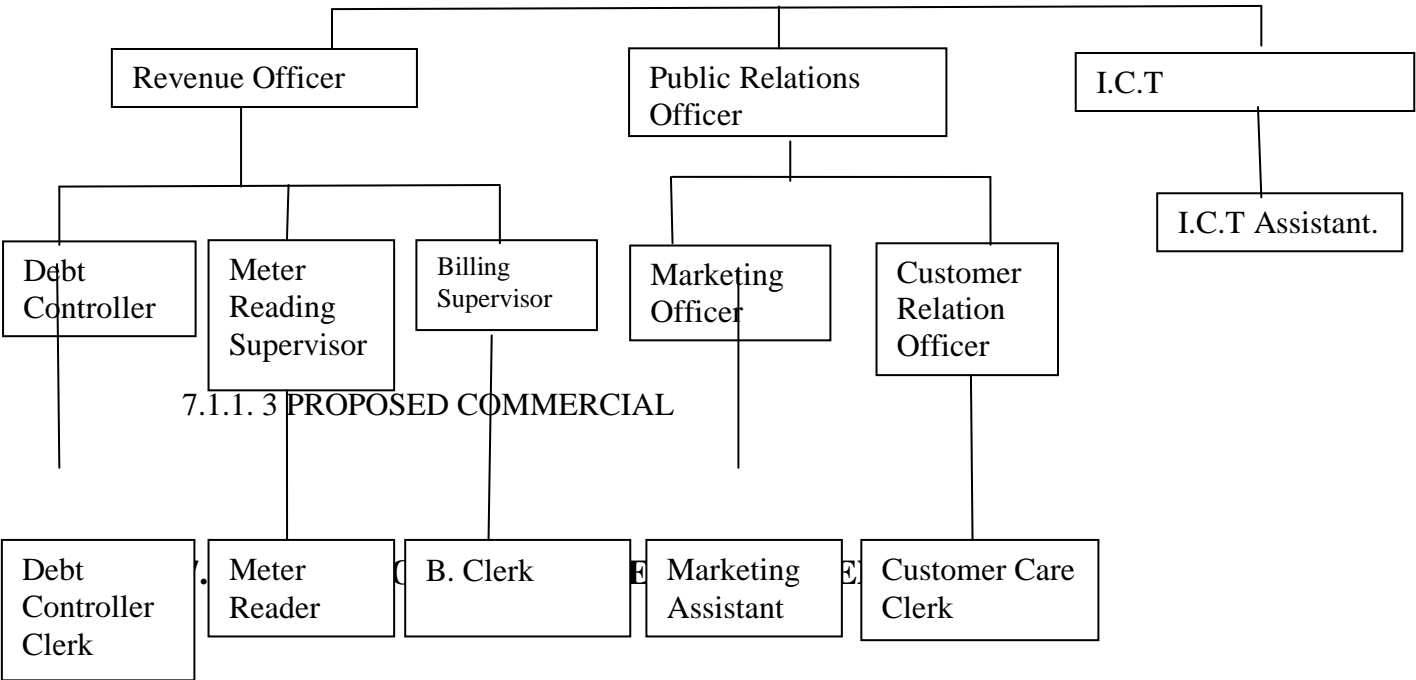


### 7.1.1. 2 PROPOSED HUMAN RESOURCE AND ADMINISTRATION DEPARTMENT

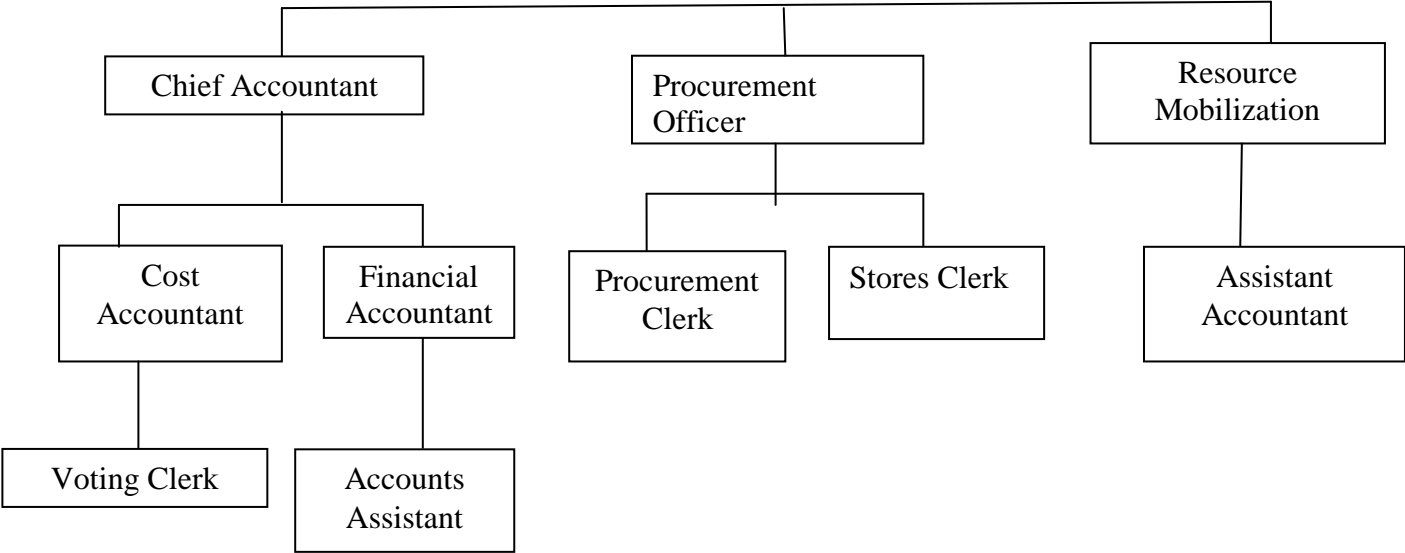


### 7.1.1. 3 PROPOSED COMMERCIAL DEPARTMENT

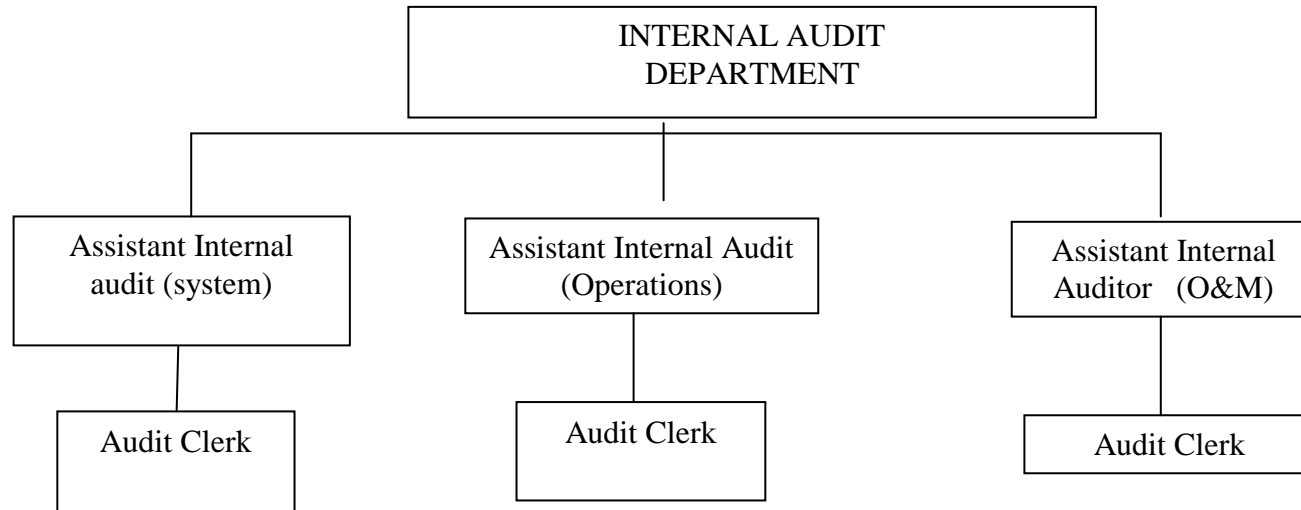




**FINANCE MANAGER**



### 7.1.1. 5 PROPOSED INTERNAL AUDIT DEPARTMENT





## **Annex 2: Summary of functions, roles and responsibilities:**

### **a. Board of Directors**

The B.O.D will provide leadership and governance structures to the operations of MUWASCO. These will be institutionalized through the development and implementation of Good Governance systems and adherence to a Code of Ethics. In particular, the Board has the mandate to:

- Provide leadership in the management of the Company whilst articulating the goals of MUWASCO and planning how these goals will be achieved.
- Ensure the integration of good Corporate Governance at all levels of MUWASCO.
- Provide guidance to management on policy development and compliance thereof in identified key result areas.
- Approve organizational structure and appropriate staffing levels.
- Monitor and evaluate performance against strategic plan, budgets and performance contracts
- Encourage collaborative networks with stakeholders
- Ensure compliance with statutory and regulatory frameworks, and propose mechanisms for continued improvements.

### **Committees of the Board**

The Plan envisages three (3) Board committees whose Terms of Reference is briefly described below,

#### **a. Audit Committee**

The Internal Auditor shall be accountable directly to this committee. This committee will be in charge of stewardship of resources, and risk management.

It will oversee all financial and operational aspects of MUWASCO to ensure compliance with financial and operational rules and regulations.

#### **b. Technical Committee**

Its role is to oversee the mandated functions and responsibilities of MUWASCO. The committee will ensure that technical issues pertaining to water and sanitation are duly met.

It will also provide oversight to the financial analysis, market demand and economic analysis. It will also provide guidelines for the development of private sector participations.

#### **c. Finance and Administration Committee**

This committee will oversee finance, administration and other support services.

They will ensure that proper records of accounts are maintained, sources and utilization of funds are in line with licensor and government policy on financial management.

They also consider all aspects of human resource management and development and integration of good co-operate governance.

#### **d. Management Structures**

The successful implementation of the objectives envisaged in the strategic and corporate plan will be anchored on appropriate management structures. This management structures are depicted in the figure above. MUWASCO has three departments as follows: -

- a) Technical (Production, Distribution and Sanitation)
- b) Commercial (Metering, Billing, Revenue, Accounts, Disconnections, Customer care and Procurement)
- c) Administration & Human Resources  
Internal Audit(has oversight role)

#### **a. Technical Department**

The Technical Business Unit is headed by a Technical Manager who is responsible to the Board of Directors through the Managing Director. The services of this department consist of coordinating various technical functions including:

- Provision of strategic and technical leadership in the technical division to ensure that high quality production of the company's products is maintained at all times;
- Production of quality water and its distribution to customers;
- Oversee preparation of comprehensive departmental reports and budgets for Managing Director to facilitate decision-making;
- Expansion of the water & sewerage network and infrastructure;
- Maintenance of water & sewerage network and meters;
- Mapping
- Connecting new customers;
- Liaising with the commercial department on issues of reconnections of previously disconnected customers;
- Development of staff through training and motivation; and
- Performing any other duties assigned from time to time and/or incidental to the functions of the Technical department.

#### **b. Commercial Department**

The Commercial Business is headed by Commercial Manager who is responsible to the Directors through the Managing Director. The services of this department consist of financial control and procurement. The core functions of this department are:

- Authorization of commitments and contractual obligations;
- Preparation of periodic financial and administrative reports of the company;
- Preparation, implementation, control and coordination of all services related to the budget;
- Coordination of all projects and follow-up on reimbursement of claims;
- Coordination of funding proposals;
- Expenditure monitoring and reporting; and
- Budgeting and general administration
- Developing and implementing systems for positive customer relations management
- Sales and marketing
- Meter reading;

- Billing and dispatch of bills;
- Disconnections and reconnections
- Developing and implementing a marketing strategy;
- Developing and implementing a communication strategy;
- Undertaking public education on various water conservation strategies;
- Undertaking market research of the organisation's services;
- Planning and implementing an aggressive customer drive;
- Employing requisite customer care strategies to recruit and maintain clients;
- Collecting revenues and expenditure control;
- Banking the revenues; and
- Performing any other duties assigned and/or incidental to functions of the Commercial department.

### **c. Customer Care Unit**

The Customer Care Unit will encompass the support services of MUWASCO. MUWASCOs need to increase visibility and dissemination of information critical to regulation in the water services sector is highly acute. This unit's functions will include:-

- Handling media and public relations.
- Providing interface with all stakeholders.
- Liaising with all customers to ensure effective and efficient delivery of water services
- Responding to all customer complaints and opinions with operational speed.

### **d. Human Resource and Administration Department**

The department will be headed by Human Resources and Administration Manager who will be responsible to the Directors through the Managing Director. The services of the department will consist of human resources management and general administration. The core functions of the BU are: -

- Formulation, interpretation and application of human resources policy, rules and regulations and procedures; Managing the processes of recruitment, discipline, promotion, transfers, separation etc;
- Development and implementation of performance management systems, maintaining personnel records, management of staff disciplinary procedures, grievance procedures and staff progression plans;
- Staff training and development i.e. maintenance of staff skills profiles and capacity development processes to meet organization targets;
- Setting up and maintaining administration systems;
- Advising the board on the optimum staff establishment level;
- Regulating the employee remuneration and ensure equity;
- Facilitating the processing of staff benefits and statutory deductions i.e. pension, housing, health, staff loans, NHIF, NSSF etc;
- Advising the Board on changes in industrial relations;
- Controlling and management of all vehicles; and
- Performing any other duties assigned and/or incidental to the functions of the BU.

### **e. The Internal Audit Department**

The Internal Audit Unit services consist of developing and improving the internal control systems throughout MUWASCO. It is headed by an Internal Auditor who is responsible to the Audit Committees, and continuous updates to the Managing Director.

Its functions include:

- a) Providing an early warning system in the process of safeguarding the funds and assets of MUWASCO;
- b) Promoting appropriate ethics and values within the organization
- c) Effectively communicating risk and control information to appropriate areas of the organization
- d) Carrying out timely and continuous audits, verifying and monitoring all financial transactions, etc;
- e) Monitoring and evaluating procedures and processes of receiving, recording and banking of cash;
- f) Vouching and monitoring expenditure;
- g) Carrying out investigations where necessary;
- h) Ensuring accuracy of internal management reports;
- i) Liaising with the external auditors; and
- j) Performing any other duties assigned and/or incidental to functions of Internal Audit Unit.

### **Staff Competency and Complement**

Job enlargement and multi-tasking is envisaged to ensure that MUWASCO is a lean and efficient body. Various human resources strategies will be required to identify knowledge and skills gaps and training programmes instituted. Other programs to develop capacity at MUWASCO include leadership and management development, culture change, governance, Information communication and management technology.

### **7.2 Financial Resources**

To implement the plan, the company will need to mobilize adequate financial resources. This Strategic Plan will be funded from collected water and sewerage bills and grants from the government and development partners. The company also plans to commission a water bottling plant within this planning period.

MUWASCO has an approved tariff adjustment that is anticipated to take effect by July 2015. With the implementation of adjusted tariff, the current revenue is expected to grow by 30% annually.

The expected revenue inflow and cost of implementing this strategic plan and is as presented in the table of projected Income and Expenditure during the Plan Period.

**Annex 3: Financial projections and budgets (To be edited by Finance department during implementation training meeting)**

Year	Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>INCOME</b>							
	Total billing	114,401,986	141,819,310	156,001,241	171,601,365	188,761,501	207,637,651
	GOK grants	7,200,000	0	0	0	0	0
	Other income	9,500,000	9,700,000	910,670,000	11,737,000	12,910,700	14,201,770
	<b>TOTAL INCOME</b>	<b>131,101,986</b>	<b>151,519,310</b>	<b>166,671,241</b>	<b>183,338,365</b>	<b>201,672,201</b>	<b>221,839,421</b>
<b>EXPENDITURE</b>							
	Personnel cost	59,082,621	64,990,883	68,240,427	71,652,448	75,235,071	78,996,824
	Administration & general costs	16,017,251	17,618,976	18,499,925	19,424,921	20,396,167	21,415,976
	<b>Operation/maintenance</b>						
	Production and maintenance cost	19,576,118	20,457,480	21,480,354	22,554,371	23,682,090	24,866,194
	financial expenditure	26,688,093	42,156,902	52,424,748	57,773,724	58,946,924	60,201,039
	<b>TOTAL EXPENDITURE</b>	<b>121,364,083</b>	<b>145,224,241</b>	<b>160,645,453</b>	<b>171,405,465</b>	<b>178,260,252</b>	<b>185,480,034</b>

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Total Cost of implementing the strategic plan	231,590,000	231,590,000	231,590,000	231,590,000	231,590,000	231,590,000

The total cost of implementing this strategic plan is not expected to be over Kshs 1 billion by the end of 5th year.

<b>ADMINISTRATION COSTS</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Advertising	183,508	20,1859	222,045	233,147	244,804	257,044	269,897
Communication Costs	1,096,485	1,206,133	1,326,746	1,393,084	1,462,738	1,535,875	1,612,669
Director, Other Meetings, Conference & Seminars	822,186	1,644,372	1,808,809	1,899,250	1,994,212	2,093,923	2,198,619
Transportation Costs	2,090,640	2,299,704	2,529,674	2,656,158	2,755,966	2,928,414	3,074,835
Sundry Expenses	77,810	85,591	94,150	98,858	103,800	108,991	114,440
Consultancy/Legal/Professional Fees	94,5000	1,039,500	1,143,450	1,200,623	1,260,654	1,323,686	1,389,871
Electricity Cost	4,100,000	,3075,000	2,306,250	2,421,563	2,542,641	2,669,773	2,803,261
Insurances	2,008,000	2,208,800	2,429,680	2,551,164	2,678,722	2,812,658	295,3291
Membership and Subscriptions	428,500	47,1350	518,485	544,409	571,630	600,211	630,222
Newspapers and Periodicals	109,220	120,142	132,156	138,764	145,702	152,987	160,637
Security	720,000	900,000	990,000	1,039,500	1,091,475	1,146,049	1,203,351
Travel cost	258,185	284,004	312,404	328,024	344,425	361,647	379,729
Meetings,conferences	549,622	604,585	665,043	698,295	733,210	769,871	808,364
Stationery, Printing & Photocopy	2,045,000	2,249,500	247,4450	2,598,173	2,728,081	2,864,485	3,007,709
Operations, Repairs & Maintenance	11,755,000	12,920,500	14,223,550	14,934,728	15,681,464	16,465,538	17,288,814
Postage & Delivery	240,510	264,561	291,017	305,568	320,846	336,889	353,733
Catering Services	368,592	405,451	445,996	468,296	491,711	516,296	54,2111
WARMA Permits	648,000	810,000	891,000	935,550	982,328	1,031,444	1,083,016
TWSB & WASREB Fees	14,593,663	2,5490,193	2,8039,212	2,944,1173	30,913,232	32,458,893	34,081,838
Licences	500,000	550,000	605,000	635,250	667,013	700,363	735,381
Uniforms	1,000,000	1,100,000	1,210,000	1,270,500	1,334,025	1,400,726	1,470,763
Chemicals	3,974,157	2,980,618	3,278,680	3,442,614	3,614,744	379,481	3,985,255
Bank Charges	144,000	158,400	174,240	182,952	192,100	201,705	211,790
<b>TOTAL ADMIN. COSTS</b>							

Projected Staff establishment 2020-2025 (To be edited during management meetings)						
TITLE	YR 2020/2021	YR 2010/2022	YR: 2022/2023	YR: 2023/2024	YR: 5024/2025	
<b>Managing Director</b>	1	1	1	1	1	
<b>Secretary</b>	1	1	1	1	1	
<b>Commercial Manager</b>	1	1	1	1	1	
<b>Internal Auditor</b>	1	1	1	1	1	
<b>Accountant</b>	1	2	2	3	3	
<b>Accounts assistant</b>	3	3	4	4	4	
<b>Assistant internal auditor</b>	1	1	2	2	2	
<b>Billing supervisor</b>	1	1	1	1	1	
<b>Customer relations officer</b>	1	1	1	1	1	
<b>Meter reading supervisor</b>	1	1	1	1	1	
<b>Procurement Officer</b>	1	1	1	1	1	
<b>Stores Clerk</b>	1	2	2	2	2	
<b>Meter readers</b>	6	8	9	10	11	
<b>Billing clerks</b>	2	2	2	3	3	
<b>Customer care clerks</b>	2	4	4	4	5	
<b>Debt control officer</b>	1	1	1	1	1	
<b>Debt control clerk</b>	4	5	5	6	6	
<b>Audit clerk</b>	3	3	3	3	3	3
<b>IT Officer/clerk</b>	1	1	1	1	1	1
<b>Sub-Total</b>	31	38	41	45	47	48
<b>Human Resources and Administration manager</b>	1	1	1	1	1	
<b>Kitchen attendant</b>	1	2	2	2	2	2

<b>Receptionist</b>	1	1	1	1	1	1
<b>Registry clerk</b>	1	1	1	1	1	1
<b>Mason</b>	1	1	1	1	1	1
<b>Driver</b>	2	3	4	5	5	5
<b>Sub-Total</b>	7	9	10	11	11	10
<b>Technical manager</b>	1	1	1	1	1	
<b>Assistant Engineer</b>	1	2	2	2	2	2
<b>GIS officer</b>	1	1	1	1	1	1
<b>Water treatment officers</b>	7	11	11	11	11	11
<b>Head sewerage treatment</b>	1	1	1	1	1	1
<b>Non revenue water Supervisor</b>	1	1	1	1	1	1
<b>Head treatment works</b>	1	1	1	1	1	1
<b>Head distribution O/M</b>	1	1	1	1	1	1
<b>Water quality officer</b>	1	1	1	1	1	1
<b>Artisans</b>	3	3	3	3	3	3
<b>Sewerage attendants</b>	7	10	10	11	12	13
<b>O/M plumbers</b>	5	10	11	12	13	14
<b>Lab technologist</b>	1	1	1	1	1	1
<b>Non revenue officers</b>	5	7	7	7	7	7
<b>Zonal Officers</b>	5	10	11	12	13	13
<b>Chemical attendants</b>	1	4	5	6	6	6
<b>Metering supervisor</b>	1	1	1	1	1	1
<b>Metering artisans</b>	3	3	4	5	6	6
<b>Sub-Total</b>	46	69	73	78	82	83
<b>Grand Total</b>	86	118	126	136	141	143