



NATIONAL SOCIAL SECURITY FUND

CORPORATE STRATEGIC PLAN 2023 - 2027



MISSION, VISION, CORE VALUES

Mission

To protect workers and help them achieve financial security through prudent investments and value adding solutions

Vision

To be the Trusted Social Security Provider delivering exceptional value to our members

Core Values

- a) Member-Centric
- b) Integrity
- c) Innovation
- d) Collaboration

FOREWORD

I am proud to present our strategic plan which reflects our commitment to transform NSSF Kenya into a high-performing member-centric data-driven organization. Our vision is to transform into a trusted social security provider that delivers exceptional value to our members. We have set ambitious goals and objectives to ensure that we remain a reliable partner for our members and stakeholders.

The success of our strategic plan relies on a comprehensive approach that emphasizes operational efficiency, financial sustainability, and customer service. Our focus is on leveraging technology and data analytics to enhance our service delivery, expand our product offerings, and increase our value proposition for our members. We are also committed to ensuring that our governance structures are robust and transparent, and that we adhere to the highest ethical standards.

As we embark on this journey, we recognize that our success will depend on the dedication and commitment of our staff, the support of our stakeholders, and the trust of our members. We are confident that our strategic plan will guide us towards achieving our objectives. The Fund is committed to working tirelessly towards fulfilling its purpose, mission and vision. We are excited about the opportunities that lie ahead, and are certain that we will continue to be a leading force in the pension industry in Africa.

Thank you.

Mr. Anthony Munyiri
Chairman,
Board of Trustees

PREFACE

Dear Stakeholders,

I am honored to present our strategic plan that sets forth our roadmap for the next five years. As a leading organization in our industry, we recognize the need to continually evolve and improve our operations to ensure we are meeting the evolving needs of our members. We are excited to embrace the challenges and opportunities that lie ahead, and are committed to achieving our mission of empowering our members to attain financial security through innovative and sustainable solutions, delivered with exceptional value, service, and member experience.

The Strategic Plan details strategies and activities that will enable the Fund to achieve its goals as identified through participation of all stakeholders in a process that included a review of the 2019 to 2022 Strategic Plan and several national and international performance and Policy instruments among them the Vision 2030 and the Kenya Kwanza Government Bottom-up Economic Transformation Agenda (BETA).

We have also assessed the external landscape, including economic, political, and technological factors. Our analysis has enabled us to identify critical strategic initiatives that will allow us to achieve our goals and drive sustainable growth. By focusing on innovation, collaboration, and continuous improvement, we aim to build a culture of excellence that will enable us serve our members better.

Our strategic plan is a living guide that will inform our decisions and actions in the coming years. We have set ambitious targets, and we are committed to achieving them through a collaborative effort. We understand that success requires the commitment and dedication of every member of our team, and we are committed to providing the resources and support needed to drive positive outcomes. With the support of our stakeholders, we are confident that we can achieve our goals and create a brighter future for our organization and the sectors we serve.

Thank you for your continued support.

Mr. Tito David Koross
Managing Trustee/CEO

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GLOSSARY OF TERMS

AGM	Annual General Meeting
AU	African Union
AWPs	Annual Work Plans
BC	Business Continuity
BETA	Bottom-Up Economic Transformation Agenda
BSC	Balanced Scorecard
COTU	Central Organization of Trade Unions
CCTV	Closed Circuit Television
CRM	Customer Relationship Management
CSP	Corporate Strategic Plan
EAC	East African Community
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
FKE	Federation of Kenyan Employers
GoK	Government of Kenya
HQ	Head Quarters
ILO	International Labor Organization
ICT	Information and Communication Technology
IMS	Integrated Management System
ISMS	Information Security Management System
KES	Kenya Shilling
KM	Knowledge Management
KPIs	Key Performance Indicators
LAN/WAN	Local Area Network/Wide Area Network
MSMEs	Micro, Small and Medium Enterprises
M&E	Monitoring and Evaluation
MTP	Medium Term Plan
NSSF	National Social Security Fund
PESTELE	Political, Economic, Social, Technological, Environmental, Legal, Ethics
QMS	Quality Management Systems
RBA	Retirement Benefits Authority
SCAC	State Corporations Advisory Committee
SLAs	Service Level Agreements
SLOC	Strengths, Limitations, Opportunities and Challenges
SWOT	Strengths, Weaknesses, Opportunities and Threats
SDGs	Sustainable Development Goals
UN	United Nations

EXECUTIVE SUMMARY

This 4th Corporate Strategic Plan (CSP) gives an organizational background of the National Social Security Fund (NSSF) in terms of the mandate and function. The CSP highlights the development challenges in Kenya and evaluates the performance in the outgoing 2019-2022 CSP, including the lessons learnt. This CSP aspires to move NSSF from the traditional approach of offering social security to a more modern approach in line with ILO Convention 102.

The Fund takes cognizance of the transformative government development aspirations as prescribed in the Bottom-Up Economic Transformation Agenda (BETA) and the Kenya Vision 2030 Fourth Medium Term Plan (MTP IV). The transformative agenda, which is envisaged in the BETA encompasses five core pillars of Agriculture; Micro, Small and Medium Enterprises (MSMEs); Universal Health Care; Affordable Housing and Settlement; Digital Superhighway and Creative Economy.

As part of its core mandate, the Fund is also committed to ensuring achievement of Sustainable Development Goals (SDGs) through provision of financial security in old age.

This strategic plan builds on the achievements made under the previous plan period of 2019-2022, and is a combination of interwoven strategies, that the Fund is optimistic will address the anticipated challenges and exploit opportunities.

This strategic plan will focus on the growing number of youth. Based on latest UN estimates, the country's youth population is made up of over 9.5 million people. This translates to more than 20 per cent of all Kenyans, hence the need for the Fund to focus on this segment and other significant social & economic shifts that are affecting the pension industry worldwide, such as technological advances and investment trends, among others. This plan has also taken cognizance of the pensions and social security reforms in Kenya, some of which will enable us to expand our pension coverage.

An evaluation of the 2019-2022 Corporate Strategic Plan was carried out with some of the notable achievements including the following: growth of Fund Value by 23% over the three-year period, an average monthly collection of Kes 1.2 billion, launch of an informal sector product "*habahaba*", attainment of certification to ISO 22301:2019 - Business Continuity Management System, organizational endorsements, implementation of Electronic Document Management Records System and recognition awards from CIO, SAP & Huawei.

The document describes the outcome of the SLOC, PESTEL and stakeholder analysis. The CSP then proposes a customer centric model to be implemented through four strategic themes below:

- a) Financial Sustainability and Growth;
- b) Operational Excellence;

- c) Customer Experience; and
- d) Organizational Resilience.

The implementation of the CSP will be monitored using the Balanced Scorecard tool over the five-year period with quarterly reviews to identify gaps in implementation and come up with mitigating measures.

Chapter 1: Introduction

1.1. Brief History

The National Social Security Fund (NSSF) was established in 1965 by an Act of Parliament CAP 258 Laws of Kenya in order to administer a provident fund scheme for all workers in Kenya. Initially, the Fund operated as a government department under the Ministry of Labor but as its membership grew and its operations became complex, the NSSF Act was amended in 1987 to transform it into an autonomous State Corporation. Therefore, since 1988, the Fund has been operating under a Board of Trustees, which is constituted by representatives of three key stakeholders: the government, workers and employers.

1.2. External Context

The strategic plan is aligned to the external environment. This includes the Kenya Vision 2030, the Fourth Medium Term Plan (2023-2027), the Bottom-up Economic Transformation Agenda (BETA), the UN agenda 2030 on Sustainable Development Goals (SDGs), AU Agenda 2063, and EAC vision 2050.

For the national development agenda more specifically, the strategic plan is aligned to the Kenya Vision 2030, the fourth Medium Term Plan (MTP), and the Bottom-up Economic Transformation Agenda (BETA). In BETA, the Government's priorities were chosen based on the impact of six objectives namely; bringing down the cost of living, eradicating hunger, creating jobs, expanding the tax base, improving our foreign exchange balance and inclusive growth. These criteria led to six sectors that form the core pillars of the *Bottom-Up Economic Transformation Agenda* which include:

- a) Agriculture;
- b) Micro, Small and Medium Enterprise (MSME) economy;
- c) Housing and settlement;
- d) Healthcare;
- e) Digital superhighway and creative economy; and
- f) Environment and climate change.

The bottom-up economic transformation model is premised on Pension Funds doing the heavy lifting on the Affordable Housing Programme (AHP). This presents opportunities and challenges in equal measure. The opportunity to invest in affordable housing and impact lives profitably but also disrupting the existing market. The main challenge is that the key drivers of cost of housing have not been addressed. These include:

- a) Cost of land;
- b) Lack of suitable, serviced land in the right locations with good title at the right cost;
- c) Archaic building codes;

- d) Bureaucratic approval process with different government entities working at cross-purposes e.g. reintroduction of NEMA and NCA fees, laborious and opaque approval processes by county governments;
- e) Escalating cost of building materials; and
- f) High financing costs for both developers and purchasers.

The Fund being the largest pension fund in the country and being the national scheme is expected to take up a large part of the financing burden. Therefore, the Fund being the first port of call is in a unique position to take advantage of emerging opportunities while at the same time being at the risk of churning many, expensive and unproductive feasibility studies. This also introduces the risk of the Fund being derailed from its priority projects.

The Fund's strengths include large balance sheet, current headroom as the property class is underweight and good corporate brand in the property space. The weakness is the long history of poorly executed projects. To address this weakness, the Fund needs to adopt the Fund Management approach to planning and execution of property investments.

1.3. Internal Context

The Fund is committed to achieving its mandate of registering members, collecting contributions, investing members' funds and ultimately paying out competitive benefits. Achievement of corporate objectives has been guided by cycles of Corporate Strategic Plans, which provide focus and direction in all its operations.

In order to effectively undertake its functions, the Fund has established core departments of Registration & Compliance, Investments and Benefits Payment, and other support departments with distinct functions that cut across and support the achievements of the Key Result Areas. The plan addresses the challenges identified during the mid-term review of the Strategic Plan 2019-2022 and incorporates the lessons learnt to inform the planning phase of 2023-2027 Plan as well as the feedback received from various departments and other relevant stakeholders.

The Fund has undergone various regulatory reforms to-date, as summarized below:

Table 1.1: Regulatory Framework and Key Events

Period	Description
1965	Establishment of the Fund by an Act of Parliament CAP 258 laws of Kenya as a Government Department.
1987	Transformed to State Corporation and handover of the Fund Management to Board of Trustees.
1997	Enactment of the Retirement Benefits Act and the setting up of the Retirements Benefits Authority (RBA).
2000	Formulation of a comprehensive framework of subsidiary regulations detailing the roles of the Trustees, Fund Managers,

Period	Description
	Administrators and Custodians. This includes the Investment Guidelines for Pension Schemes.
2011	NSSF outsources fund management to external fund managers in compliance with RBA Act.
2014	NSSF Act, 2013 with new contributory structure set to commence but remains suspended following court ruling.
2015-2016	Schemes can invest up to 10% of their portfolio in Private Equity or Venture Capital that are licensed by the CMA.
2016-2017	Inclusion of Real Estate Investments Trusts (REITs) as an investable asset class as long as it is a REIT incorporated in Kenya and registered with the CMA.
2023	Unlocking of the NSSF Act, 2013 making Pension Plans Mandatory for the formally employed

1.3.1 Methodology of Developing the Strategic Plan

NSSF adopted a robust and participatory methodology in development of the 2023-2027 Corporate Strategic Plan. This methodology is summarized below:

- a) **Data gathering from staff:** Strategic consultations were carried out through workshops around the key strategic planning inputs and outputs, including the organization's mission, vision, values, and environmental analysis, among other areas.
- b) **Planning team:** Creation of a guiding coalition from relevant stakeholders which included Ministry of Labor and Social Protection, Board of Trustees, Senior Managers and Representatives from different departments. This coalition served as the core planning team who were responsible for overseeing the strategic planning process.
- c) **Development of the strategic plan outputs:** The process entailed identification of analysis of both the internal and external environments, development of goals and objectives, formulation of implementation plans, allocation of responsibilities and resources, and establishment of performance measures and monitoring mechanisms.
- d) **Presentations for input:** The draft ideas were presented to the Management and the Board through various workshops. This enabled these stakeholders to provide their input.
- e) **External review:** The CSP was externally reviewed by World Bank with a view to incorporating international Social Security best practices. The draft strategic plan was also reviewed by the University of Nairobi Enterprises Services Ltd with a view to ensure that the Fund's strategic plan is competitive, dynamic and robust.
- f) **Presentations for approval:** The draft strategic plan was presented to management, the relevant Board committee, and the full Board for discussion and approval.

In implementing this plan, NSSF will:

- i. Communicate the purpose and benefit to all employees and stakeholders and emphasize the importance of their involvement in shaping the organization's future direction.
- ii. Communicate and cascade the plan through a communication plan to share the strategic plan with all employees and stakeholders and provide regular updates on progress and achievements to maintain transparency and engagement.
- iii. Foster a culture of participation and learning through creating platforms for employees to share ideas, provide feedback, and contribute to the plan's execution.

Chapter 2: Strategic Direction

The Fund's purpose/mission, its long-term vision, and its core values serve as the foundation and the strategy that will lead to its success. These three constituent elements are at the heart of an organization and should remain constant and solid, like the foundation of a building. The strategic foundations are outlined below:

2.1. Mandate

The NSSF Act, 2013 which came into force on 23rd February 2023 gives the Fund its mandate. The Act establishes a new Pension Fund and a Provident Fund and provides for the ring-fencing of the assets and liabilities of the Old Provident Fund. Section 4 of the Act provides for the Objects of the Fund as to:

- a) Provide basic social security for its members and their dependants for various contingencies as provided under the Act;
- b) Increase membership coverage of the social security scheme;
- c) Improve adequacy of benefits paid out of the scheme by the Fund;
- d) Provide a full opt out at Tier II level of contributions for employers who have or are contributing to pension schemes approved and registered by the Authority;
- e) Bring within the ambit of this Act, self-employed persons to access social security for themselves and their dependants;
- f) Operate and manage a scheme that is value-adding to its members by, inter-alia:
 - i. Ensuring that the Fund and its social security systems are sustainable and affordable; and
 - ii. Retaining the Old Provident Fund for purposes of dealing separately with liabilities, obligations, assets and any matters connected therewith, to avoid transferring the same to the Fund established under this Act.
- g) Ensuring that the liabilities of the Old Provident Fund are settled within five years from the commencement of the new Provident Fund and the close of the Old Provident Fund; and
- h) Do any other thing or take any measure permitted by the Act for purposes of attaining any or all these objects and for purposes of effective enforcement and application of the Act. NSSF must now compete with similar organizations in order to retain its customer base.

2.2. Vision Statement

To be the Trusted Social Security Provider delivering exceptional value to our members

2.3. Mission Statement

To protect workers and help them achieve financial security through prudent investments and value adding solutions.

2.4. Strategic Goals

- i. Increase customer experience from 81% to 95%
- ii. Grow Fund value from 312B to 1Tn
- iii. Reduce administrative costs from 2.1% to 1.5% of Fund value
- iv. Strengthen organizational resilience

2.5. Core Values

Our core values are (MI²C):

a) Member-Centric

The "member-centric" core value is about putting members at the center of everything we do. It involves all people who have direct contact with members, as well as those whose actions directly or indirectly affect member rights, member perceptions, and the sense of community. To be member-centric, NSSF Kenya must know what members really want, talk to them more, and listen to them more. We must challenge ourselves on behalf of members, be proactive in finding the best solutions, packages, and arrangements for members, and not accept too readily that the status quo is the best place to be. This means that the Fund is committed to putting members first in everything they do, recognizing that members are the reason for its existence.

The core value of member-centric is intended to influence all of NSSF Kenya's thinking and actions, whether in call centers, branches or other member-facing roles, back office support, or management. The organization will use its systems to remind everyone that being member-centric is the way they need to be, to make sure they all recognize that they are part of the same community, with no exceptions.

In order to ensure member-centricity, the Fund shall carry out regular member surveys and feedback mechanisms to ensure we are meeting member needs. In addition, NSSF Kenya has launched the "member-centric" initiative, which aims to create a permanent state of mind where all plans, decisions, and actions are taken with the interests of members foremost in their thinking.

b) Integrity

The integrity core value is about acting with honesty and ethically in all our interactions. It is also about taking responsibility for our actions and decisions or being accountable. In summary, this core value encompasses honesty, transparency, and ethical conduct. Integrity is crucial for building trust and credibility with members. As a trusted social security provider, maintaining the highest standards of integrity is essential. The Fund shall achieve integrity by acting in the best interest of members, handling their personal information with confidentiality and security, and ensuring fair and equitable treatment for all. Upholding integrity will build confidence among members and reinforce the organization's commitment to ethical practices.

c) Innovation

Innovation involves embracing new ideas, technologies, and approaches to drive continuous improvement and stay ahead in a rapidly changing landscape. The Fund will adapt to emerging needs, leverage technological advancements, and enhance the quality and accessibility of services. By fostering a culture of innovation, the Fund shall explore and embrace creative solutions, develop user-friendly platforms, and introduce novel programs/projects that address the evolving social security challenges faced by its members.

d) Collaboration

Collaboration emphasizes the importance of working together and fostering a cooperative environment. It will involve promoting teamwork among members of staff, departments, and external stakeholders. The Fund shall encourage regular cross-functional collaboration to identify and implement solutions to complex problems. By encouraging collaboration, the Fund will enhance communication, share knowledge, and pool resources to provide better services to its members. Collaborative efforts will in the long-term lead to improved efficiency, streamlined processes, and innovative solutions to meet the evolving needs of our members.

2.6. Integrated Policy Statement

The National Social Security Fund is committed to protect workers against contingent risks throughout their lives and help them achieve financial security through prudent investments and value adding solutions. To ensure this is achieved, the Fund is keen to having committed staff performing their roles and responsibilities with integrity and accountability, embracing best practice, innovation and appropriate technology in all operations.

2.7. Value Proposition

Table 2.1 shows our value propositions to our various stakeholders.

Table 2.1: Value propositions

Stakeholders	Value Propositions
Member	A competitive return, security of savings and timely benefits payment in time of need
Employer	Cost-effective scheme for managing staff pension needs with effective administration
Staff	A fulfilling work environment that ensures fair compensation and personal growth
Government and Social Partners	Mobilization of domestic savings to support long term economic development within best practice governance

Chapter 3: Situational and Stakeholder Analysis

This chapter gives a review of the previous Strategic Plan (2019-2022). It outlines the key achievements, challenges, emerging issues and the lessons learnt during the implementation of the plan. It analyses the environmental scan using the SLOC and PESTEL analytical tools. The chapter further identifies stakeholders, their roles and responsibilities and highlights lessons learnt for the purpose of improving future performance.

3.1 Situational Analysis

3.1.1 External Environment Analysis

3.1.1.1 UN 2030 Agenda on Sustainable Development

The SDGs are the United Nations' 17 Sustainable Development Goals adopted in 2015. It is the Agenda for Sustainable Development, “an urgent call for action by all countries, developing and developed, in a global partnership.” This call for action being peace and prosperity for all people and the planet from the present to the future. The goals focus on improving inequality regarding health, education, and the economy, with a large focus on helping to tackle climate change and preserve the oceans.

While most of the 17 goals would have some impact on the environment the Fund operates in, we have identified a number that will have the most significant impact on our operations (see table 3.1).

Tables 3.1: Relevant SDGs

SDG	Details
1. No Poverty	With a projected global poverty rate of 7% in 2030, the equivalent of 598,394,116 people, this UN goal aims to end poverty of all kinds.
2. Affordable and Clean Energy	Almost 800 million people lack access to electricity and 1/3 of the population uses dangerous cooking systems. This puts into perspective why this goal aims to ensure affordable, reliable, sustainable, and modern energy.
3. Decent Work and Economic Growth	Especially after the global pandemic, joblessness and unemployment is extremely prevalent, making this goal of promoting inclusive, sustainable economic growth, productive employment and decent work ever more important. SDG Goal 8 objectives include but are not limited to: sustain economic growth, increase economic productivity, improve resource efficiency, achieve full and productive employment, increase working youth population, end forced labor, protect labor rights, promote tourism, and grant access to financial institutions for all.
4. Industry, Innovation, and Infrastructure	Resilient infrastructure, inclusive and sustainable industrialization, and innovation is the objective of this sustainable development goal. Enhancing rural road connectivity, increasing research and

SDG	Details
	development investment, and manufacturing high tech products helps stabilize infrastructure. SDG Goal 9 objectives include but are not limited to: reliable infrastructure for all, sustainable industrialization, increased access of small-scale industries and enterprises in developing countries, rendering industries sustainable, and improving technology in all industries.
5. Sustainable Cities and Communities	This goal promotes making cities and human settlements safer, resilient, and sustainable through use of national urban policies, more access to public spaces, convenient public transportation, and the reduction of slums.

The following are key SDG goal opportunities for NSSF:

Goal No. 1: No Poverty - This is the reason for existence of the National Social Security Fund. It was created specifically to address the issue of Old Age Poverty. To meet this objective, the Fund shall have to create products that address poverty during the entire life-cycle of our members, from cradle to grave, not just in old age, e.g. Haba haba and proposed unemployment benefits.

Goal No. 7: Affordable and Clean Energy - With the push for cleaner energy, the Fund shall have to proactively scout for investments opportunities in Clean Energy.

Goal No. 11: Sustainable Cities & Communities (Affordable Housing) - The opportunity to invest in affordable housing and impact lives profitably in the proposed Mavoko, Machakos and Kisumu housing projects.

3.1.1.2 African Union Agenda 2063

The Fund’s 2023-2027 Strategic Plan is in harmony with the African Union Agenda 2063, which serves as the guiding framework to shape Africa’s transformation into a prominent global force by 2063. The Fund is dedicated to realizing the African Union Agenda, by striving for a prosperous Africa through inclusive economic expansion and lasting progress. It also recognizes the need for strong partnerships with the International Community, African Diaspora and various Diaspora to support the continent’s development efforts.

The Fund aligns itself with the following African Union Agenda 2063 aspirations:

Aspiration 1: “A prosperous Africa based on inclusive growth and sustainable development.” This aspiration aims for a prosperous Africa grounded in comprehensive growth and enduring development. A continent where poverty is eradicated in one generation and shared prosperity is built through social and economic transformation of the continent through provision of sustainable and competitive social security benefits to our members.

Aspiration 6: “An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children.” The Fund is committed to working with women and Youth through its partnership projects and affirmative action.

3.1.1.3 East Africa Community Vision 2050

The Vision 2050 outlines a broad perspective for East Africa, focusing on optimizing the region’s resources to reduce disparities in social well-being and productivity. The EAC Vision 2050 highlights the need to enhance the value of Social Security and transform the economy of the EAC region.

The Vision also underscores the importance of strengthening the institutional framework for sustainable development, effectively addressing current and future social security gaps in implementing the sustainable development agenda.

The Fund shall endeavor to align its operations and processes with the East Africa Vision 2050.

3.1.1.4 National Sector Policies and Laws

The strategic plan is aligned to Pensions Act, Retirement Benefits Act, NSSF Act and Regulations, Tax and Labor Laws. Table 3.2 shows the sector policies and laws.

Table 3.2: Sector Policies and Laws

Sector Policies and Laws	How they integrate to Fund Strategy
NSSF Act, 2013	<ul style="list-style-type: none"> Provides for the Pension Fund and Provident Fund. Provides for the benefits to be paid out to the members under the Pension Fund and Provident Fund. Provides for the qualifications required under each benefit type.
RBA Act	<ul style="list-style-type: none"> Regulates the Fund's Pension and Provident Fund and how the benefits are paid out whilst safeguarding the members' interests.
Constitution of Kenya, 2010	<ul style="list-style-type: none"> Provides for national values and principle of governance binding the Fund. Provides for state officers to be guided by principles of Leadership and Integrity. Fund's Values. The Kenyan Constitution of 2010, Section 43 (1) (e), stipulates that all individuals are entitled to social security. The Fund's Corporate Strategic Plan 2023-2027, in accordance with the constitution, will ensure the delivery of Social Security Benefits to its members as outlined in the NSSF Act, 2013.
Finance Act	<ul style="list-style-type: none"> Ensures Fund's financial practices are aligned accordingly to the various financial laws under the act.
Employment Act	<ul style="list-style-type: none"> Ensures the Fund and staff members are fully aware of all fundamental rights of employees.

Sector Policies and Laws	How they integrate to Fund Strategy
	<ul style="list-style-type: none"> Also ensures the Fund provides the basic conditions of employment of its employees.
Mwongozo Framework, All relevant laws, statues and regulatory requirements to the Fund	<ul style="list-style-type: none"> Ensures the Board of Trustees incorporates the principles of corporate governance in the management and governance of the Fund.

3.1.1.5 Customer Analysis

An analysis of how products and services offered by NSSF meet or surpass customer expectations is important. This is defined by their experience in service delivery reported through feedback forms and survey research carried out by the Fund on its Products and services with a focus on exceeding their satisfaction levels.

The overall customer satisfaction index is at 81.44% as of 31st December 2022 compared to the previous year's index which was 79.48%. There was an increase of the index by 1.96% which is a great improvement by the Fund.

The findings indicated that 82% of the customers were satisfied with how NSSF implemented its mission statement across the various segments. On the extent of satisfaction with how NSSF staff implemented the NSSF core values; the findings indicated that 82% are satisfied across the various segments. On the extent to which customers were satisfied with "NSSF having a good corporate image among her stakeholders", 83% were satisfied, 18.3% were neutral while 0.36% were dissatisfied.

3.1.1.6 Industry Environment

Table 3.3 demonstrates industry performance against inflation over a 10-year period. It shows that over a 3-year period, pension outperformed inflation by about 3%.

Table 3.3: Pension Schemes Performance over 10-year Period

In the table below, we set out a summary of the median performance of schemes for each of the years from 31 December 2013 to 31 December 2022.

Period Ending 31 December	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of Schemes Participating	127	314	378	384	374	415	419	421	420	423
Total Assets K Shs Bn	217.1	479.4	535.8	596.5	677.3	756.9	885.0	951.8	953.1	1,028.9
1 Yr Median performance	20.2%	15.3%	1.9%	8.2%	18.1%	5.4%	17.1%	7.3%	12.4%	2.4%
3 Yr Median performance	11.4%	20.8%	11.8%	8.4%	9.3%	10.6%	13.5%	10.0%	12.2%	7.2%
Overall 1 year Inflation ¹	7.1%	6.0%	8.0%	6.4%	4.5%	5.7%	5.8%	5.6%	5.7%	9.1%
Overall 3 year Inflation ²	9.6%	5.4%	7.1%	6.8%	6.3%	5.5%	5.3%	5.0%	5.3%	6.0%

Notes:

1. Based on KNBS Statistics 2013 – 2022: www.knbs.or.ke/
2. Calculated geometric average over 3 years.

Source: Pension Funds returns performance – Zamara

Table 3.4 shows industry size by asset base held by key industry players. This shows that the Pension industry is the second largest player after banks.

Table 3.4: Financial Sector Assets and Share of GDP

YEAR	2018		2019		2020		2021	
Nominal GDP (Thousands)	8,904,984		9,740,400		10,716,034		12,098,200	
Industry/Indicator	Total Assets (Kshs. B)	Share of GDP (%)	Total Assets (Kshs. B)	Share of GDP (%)	Total Assets (Kshs. B)	Share of GDP (%)	Total Assets (Kshs. B)	Share of GDP (%)
Banks (excluding MFBS)	4,408.59	49.51%	4,832.30	49.61%	5,420.10	50.58%	6,022.15	49.78%
Microfinance Banks	70.75	0.79%	76.35	0.78%	74.88	0.70%	73.96	0.61%
Insurance	637.41	7.16%	705.84	7.25%	761.34	7.10%	845.83	6.99%
Pensions	1,166.34	13.10%	1,298.19	13.33%	1,398.95	13.05%	1,547.43	12.79%
DT-SACCOS	493.82	5.55%	556.71	5.72%	627.68	5.86%	691.09	5.71%
NWDT-SACCOS	-	-	-	-	106.54	0.99%	116.02	0.96%
TOTALS	6,776.91		7,469.39		8,389.49		9,296.48	

Source: Data in respect of Commercial Banks and Microfinance Banks from the Bank Supervision Annual Report, 2021. The data for Pensions and Insurance sectors obtained from RBA and IRA quarterly reports respectively

Source: Financial Industry Performance Report by SASRA

3.1.1.7. Market Analysis

Table 3.5 shows a summary of analysis of competition and the markets in which NSSF operates.

Table 3.5: Analysis of Competition and Markets

Existing and New Products	Market	Competitors	Market Share	Challenges	Opportunities
Tier 1	All employers	None	100%	Change of legislation	• Improve service delivery to offer

Existing and New Products	Market	Competitors	Market Share	Challenges	Opportunities
					exceptional service to members
Tier 2	All employers	Occupational and umbrella schemes	100% for now	Some employers will opt out	<ul style="list-style-type: none"> • Mechanism to retain existing employers
Voluntary Contributions	Informal and formal Sector workers	Occupational, Insurance and umbrella schemes, Saccos, banks cooperative societies	Unknown	Fierce competition	<ul style="list-style-type: none"> • Provide attractive returns • Offer bundled incentives • Offer exceptional service • Member sensitization
Unemployment Benefit	Informal and formal Sector workers	Insurance	New	Inadequate agility	<ul style="list-style-type: none"> • New Product yet to be launched
Maternity Benefit	Informal Sector workers	None	New	Sustainability after withdrawal of funder	<ul style="list-style-type: none"> • New Product yet to be launched

3.1.1.8 PESTELE Analysis

A review of the external environment in the form of a PESTELE analysis (i.e., Political, Economic, Social, Technological, Environmental, Legal and Ethics), ESG (Environmental, Social and Governance) and Green & Blue economy has provided the Fund with a greater understanding of the broader dynamics as summarized in Table 3.6.

Table 3.6: Summary of the Fund's PESTELE analysis

Factors	Effects	Mitigation / Opportunity
Political		
Government agenda	Enhanced social security coverage and adequacy	Use of digital platforms and informal sector product
Political environment	Peace and stability in the business environment	Government intervention
East African Community	Portability of pension funds across EAC	Regional pension growth
Post-election environment	Businesses instability, erosion of investor confidence, business closures and job losses, consequently reducing social protection coverage	Enhance e-service and other online services
Social protection policies	Inadequate coverage in both formal and informal sectors of the economy	Strategic Marketing & Partnerships
Economic		
Russia-Ukraine Conflict	Slowdown in global growth due to High inflation rate, Severe double-digit drop in GDPs and rapid increase in commodity prices.	Use of alternative commodities Digital transformation Diversification of investment portfolio

Factors	Effects	Mitigation / Opportunity
Kenyan Economic growth	Economic expansion by 7.5 per cent in 2021 compared to a contraction of 0.3 per cent in 2020.	Enhance market intelligence and deploy cost optimization approaches
Inflation	Kenya's annual inflation rate increased to 7.1% in May 2022, up from 6.5% the month before. Commodity prices continue to increase substantially.	Diversify investment portfolio
Foreign Exchange Market	On a YTD basis, the Kenya Shilling has weakened by -3.08% against the dollar.	Diversify investment portfolio
Green and Blue Economies	Creation of employment leading to enhanced membership and collections in Fisheries and aquaculture, Maritime transport and logistics services, Culture and tourism; and Extractives (oil and gas, minerals and energy)	Invest in the alternative asset classes in the emerging industries
Legal, Regulatory Framework and Ethics		
Retirement Benefits Authority (RBA)	Sanction on late submissions of Contributions and late submission of Actuarial Evaluation Report; Pension backed Mortgage; Delayed declaration of interest on members account and benefit process	Compliance to the Legal, Regulatory Requirements Enhance compliance levels in the Fund
Labor Laws 2021	Penalty of 5% for non-compliance enables timely update of member accounts	Member statement accuracy
Hybrid & Virtual Meeting	Public and private companies can hold virtual & hybrid meetings. This has enhanced Business continuity and Reduced costs	Increased compliance to regulatory and legal requirements
Tax Laws	Reduced member pension because Provident Fund benefit is also subjected to taxation. Withdrawal of funds by members from registered schemes is subject to tax at pension withholding tax rates. Monthly pension granted to a person who is sixty- five years of age is exempt from monthly taxation but is subject to taxation of lump sum above Kshs. 600,000	Lobby to increase nontaxable pension bracket or reduce pension tax
High Court ruling on Bounced Cheques	issuance of bounced cheques is considered a misdemeanor and not criminal offence hence increased default rate	Accounts reconciliation
Ethics	Increased loyalty, transparency, collaboration and good governance	Increased compliance to regulatory and legal requirements
Technological Environment		
Digital uptake, Data Analytics and Emerging Technologies	Adoption of modern technologies such as cloud, artificial intelligence, and machine learning to increase efficiency, enhance customer experience and reduced cost	Integrate with other platforms and continually improve technology

Factors	Effects	Mitigation / Opportunity
Cyber Security	Exposure to cybercrime	Put safeguards and regularly test resilience against cyber-attacks
Environmental, Social and Governance		
Unprecedented environmental changes	Approximately one (1) billion poor people in the world lack essential services, making them especially vulnerable to environmental and socio-economic changes.	Develop and implement Environmental, Social and Corporate Governance (ESG) policy.
Demographics, lifestyle and cultural trends towards saving	Demographic such as age, lifestyle and cultural trends such as attitudes toward working conditions, technology uptake or Consumer beliefs may impede savings.	Shaping the attitude towards saving by including Social Security in the education curriculum

3.1.2 Summary of Opportunities and Challenges

Table 3.10 shows a summary of the opportunities and challenges from a review of the external environment.

Table 3.10: Summary of Opportunities and Challenges

Factors	Opportunities	Challenges
Political		
Supportive Government agenda	Enhanced social security coverage and adequacy	Reduced market share due to competition
Peaceful Political environment	Peace and stability in the business environment	
East African Community	Portability of pension funds across EAC Regional pension growth	
Negative Post-election environment	Enhance e-service and other online services	Businesses instability, erosion of investor confidence, business closures and job losses, consequently reducing social protection coverage
Social protection policies	Strategic Marketing & Partnerships	Inadequate coverage in both formal and informal sectors of the economy
Economic		
Russia-Ukraine Conflict	Digital transformation Diversification of investment portfolio	Slowdown in global growth due to High inflation rate, Severe double-digit drop in

Factors	Opportunities	Challenges
Inflation	Diversify investment portfolio	GDPs and rapid increase in commodity prices.
Foreign Exchange Market		
Kenyan Economic growth		
Green and Blue Economies		
	Enhance market intelligence and deploy cost optimization approaches	
	Invest in the alternative asset classes in the emerging industries	
	Employment opportunities	
Legal, Regulatory Framework and Ethics		
Retirement Benefits Authority (RBA)	Compliance to the Legal, Regulatory Requirements Enhance compliance levels in the Fund	Sanction on non-compliance
Labor Laws 2021	Enhanced contributions (Penalty of 5% for non-compliance enables timely update of member accounts)	
Tax Laws	Lobby to increase nontaxable pension bracket or reduce pension tax	Reduced member pension because Provident/Pension Fund benefit is also subjected to taxation.
High Court ruling on Bounced Cheques	Auto reconciliation of accounts Enhance e-service and other online services	Increased default rate (Issuance of bounced cheques is considered a misdemeanor and not criminal offence)
Ethics	Enhanced collaboration brought about by good governance, transparency and loyalty Increased compliance to regulatory and legal requirements	
Technological Environment		
Digital uptake, Data Analytics and Emerging Technologies e.g Hybrid & Virtual Meeting	Adoption of modern technologies such as cloud, artificial intelligence, and machine learning to increase efficiency, enhance customer experience and reduced cost Integrate with other platforms and continually improve technology Opportunity to hold virtual & hybrid meetings enhancing Business continuity and Reduction of costs	Exposure to cybercrime
Cyber Security	Put system safeguards and regularly test resilience against cyber-attacks Capacity building	

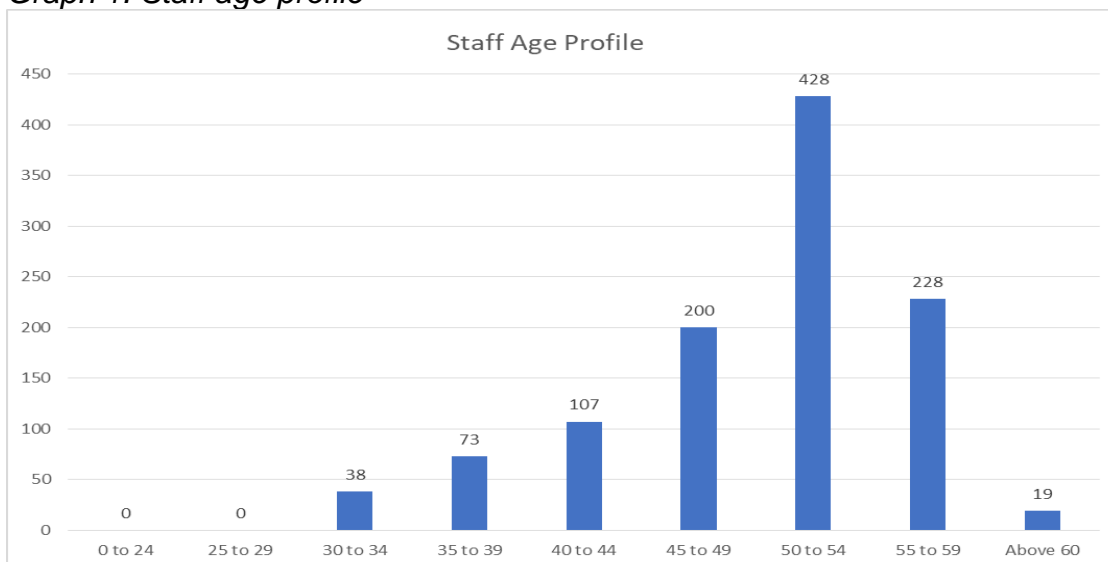
Factors	Opportunities	Challenges
Environmental, Social and Governance		
Unprecedented environmental changes	Develop and implement Environmental, Social and Corporate Governance (ESG) policy.	Approximately one (1) billion poor people in the world lack essential services, making them especially vulnerable to environmental and socio-economic changes.
Demographics, lifestyle and cultural trends towards saving	Shaping the attitude towards saving by including Social Security in the education curriculum	Demographics of age, lifestyle and cultural trends such as attitudes toward working conditions, technology uptake or Consumer beliefs may impede savings.

3.1.3 Internal Environment Analysis

3.1.3.1 People

Graph 1 is an analysis on the number of staff and distribution by age. It illustrates an ageing workforce. There is therefore need for succession planning and replacement.

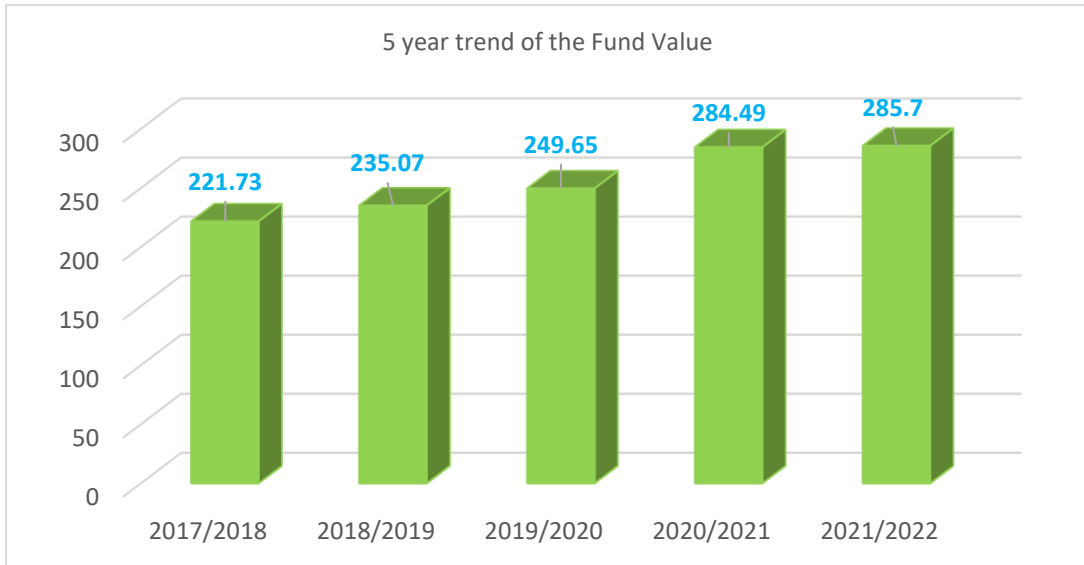
Graph 1: Staff age profile



3.1.3.2 Fund Growth

The Fund grew from KES 222B in 2017/2018 to KES 286B in 2021/2022 as shown in graph 2.

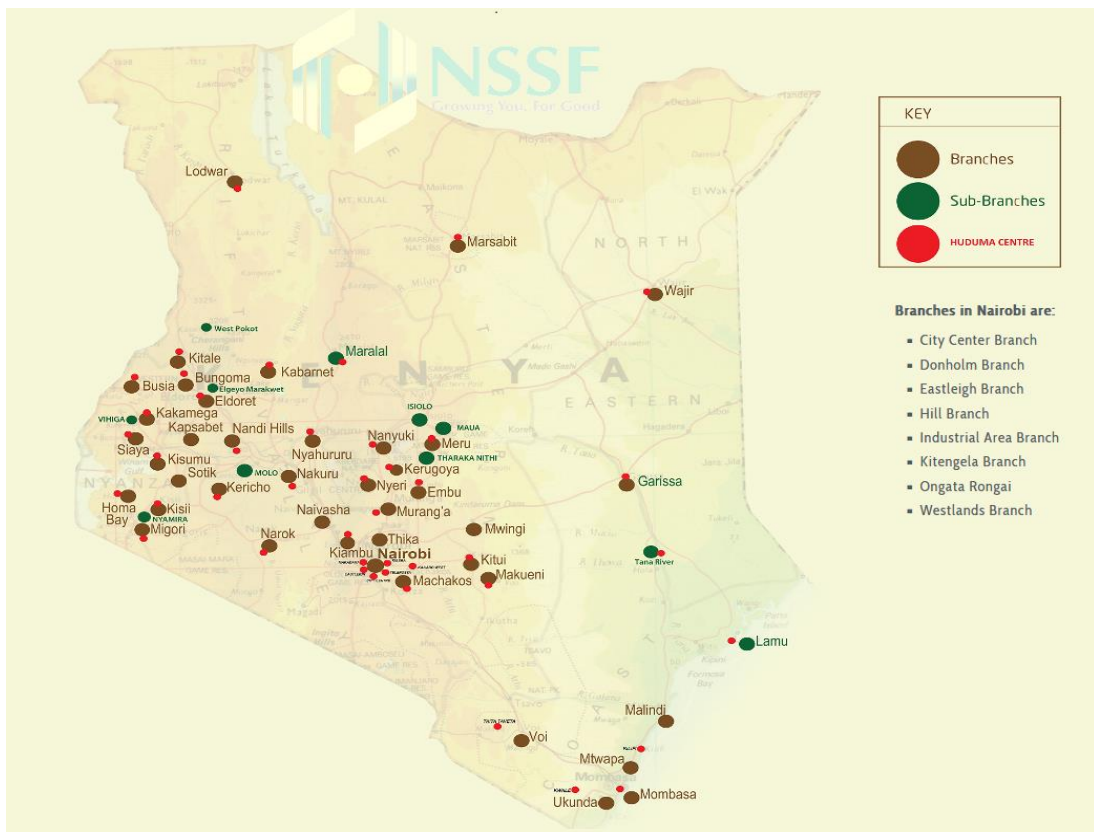
Graph 2: Fund growth



3.1.3.3 National Footprint

NSSF is obligated to ensure that its services are available and accessible to all Kenyan workers, regardless of their location. In service of this goal, the Fund has its footprints in all Counties in the country as shown in figure 1. NSSF services are also available at all Huduma Centres countrywide.

Figure 1: NSSF footprint



3.1.3.4 Processes, Policies and Procedures

There are several operational processes aimed at assisting the Fund to provide social security to her members. Key processes include employer registration process, employee registration process, contributions collection process and payment of benefits process. Currently these processes are quite lengthy.

These processes will require structured review and enhancement to offer exceptional customer service delivery especially in benefits processing to attain a one (1) week turnaround time as envisaged in this strategic plan.

3.1.3.5 Product Offerings

Currently the Fund is offering six types of benefit under the provident fund, namely: Age Benefit, Withdrawal Benefits, Invalidity Benefit, Funeral Grant, Survivors' Benefits and Emigration Grant.

Following the unlocking of the NSSF Act, 2013, the above named benefits will translate into pension benefits, namely;

- a) Retirement Pension;
- b) Invalidity Pension;
- c) Survivors' Benefit;
- d) Funeral Grant; and
- e) Emigration Benefit.

The NSSF Board may from time to time recommend to the Cabinet Secretary any additional benefits that may be provided under this section, and any such additional benefits may obtain from the date provided or phased in gradually as circumstances may require. All the benefits derived from contributions made by a member and by an employer in respect of a member shall immediately vest in the member.

Hence there is need for additional benefits in order to position the Fund in the competitive pension space. Some of these benefits will include; voluntary benefit (Haba haba), unemployment benefits and maternity benefits.

3.1.3.6 Governance and Administrative Structures

The National Social Security Fund (NSSF) was established in 1965 by an Act of Parliament CAP 258 Laws of Kenya in order to administer a provident fund scheme for all workers in Kenya. Initially, the Fund operated as a government department under the Ministry of Labor but as its membership grew and its operations became complex, the NSSF Act was amended in 1987 to transform it into an autonomous State Corporation. Therefore, since 1988, the Fund has been operating under a Board of Trustees, which is constituted by representatives of three key stakeholders: the government, workers and employers.

The initial legislative framework governing the operations of the Fund CAP 258 laws of Kenya has since been replaced by the NSSF Act, 2013 which came into

force on 23rd February 2023. The Act establishes a new Pension Fund and a Provident Fund and provides for the ring-fencing of the assets and liabilities of the Old Provident Fund.

The Fund is committed to achieving its mandate of registering members, collecting contributions, investing members' funds and ultimately paying out competitive benefits. In order to effectively undertake its functions, the Fund has established core departments of Registration & Compliance, Investments and Benefits Payment, and other support departments with distinct functions that cut across and support the achievements of the Key Result areas.

3.1.3.7 Internal Business Processes

Covered under Table 3.11: Summary of strengths and limitations below.

3.1.3.8 Resources and Capabilities

Covered under Table 3.11: Summary of strengths and limitations below.

3.1.4 Summary of Strengths and Limitations

Summary of emergent strengths and limitations is provided in Table 3.11:

Table 3.11: Summary of strengths and limitations

Factor	Strengths	Limitations
Governance and Administrative Structures		
Leadership and Governance	<ul style="list-style-type: none"> Competent top leadership 	<ul style="list-style-type: none"> Long decision making cycles
Structure	<ul style="list-style-type: none"> Fit for purpose structure 	<ul style="list-style-type: none"> Structure yet to be fully implemented
Strategy Execution	<ul style="list-style-type: none"> Achieved 70% of the planned activities/ targets 	<ul style="list-style-type: none"> Inadequate monitoring and evaluation tools
Internal Business Processes		
Policies	<ul style="list-style-type: none"> Policies that cover most areas of business 	<ul style="list-style-type: none"> Weak implementation of policies Policies not agile to allow exploitation of emerging opportunities
Processes and Work Instructions	<ul style="list-style-type: none"> Well documented Processes and Work Instructions 	<ul style="list-style-type: none"> Ineffective implementation of Processes and Work Instructions
Resources and capabilities		
People	<ul style="list-style-type: none"> Highly skilled and competent staff 	<ul style="list-style-type: none"> Ineffective succession planning and management Inappropriate placement of skills Ineffective management of human resources

Factor	Strengths	Limitations
ICT Systems	<ul style="list-style-type: none"> High level of digitization of business processes 	<ul style="list-style-type: none"> Data integrity challenges Legacy systems that do not conform to changing business requirements
Culture		<ul style="list-style-type: none"> Fear to make decisions in line management Centralization of decision making Inadequate harnessing of team work Personalization of organization issues Poor top down bottom up communication
Financial Resources	<ul style="list-style-type: none"> Adequate budgetary allocation 	<ul style="list-style-type: none"> Poor execution of budgets

3.1.5 Analysis of 2019-2022 Performance

During the period under review, the operating environment was interrupted by the Covid-19 pandemic, Ukraine-Russia conflict and the attendant sanctions.

3.1.5.1 Key Achievements

a. Growth

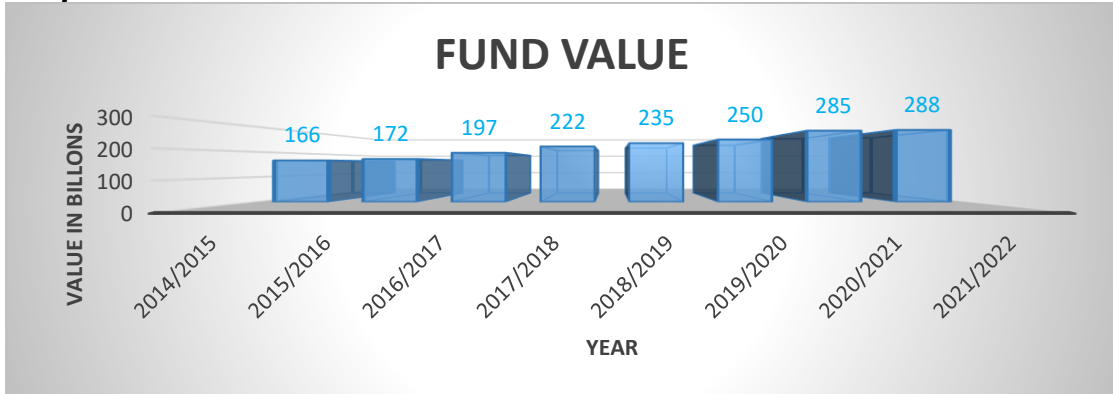
The Fund grew by 23% over the three-year plan period from KES 235B in 2018/2019 to KES 288B in 2021/2022. The fund growth over the last five-years was 46% from KES 197B in 2016/2017 to KES 288B in 2021/2022.

The cost ratio to Fund value reduced drastically from 2.6 % in 2018/2019 to 2.1 % in 2021/2022 as shown in table 3.12 and graph 3.

Table 3.12: Fund Value, Staff Costs, Administration Costs & Cost to Fund Value Ratio

	Unit of Measure	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22
Fund Value	Kes (BN)	197	222	235	250	285	288
Staff Cost	Kes (BN)	3.4	3.9	4.2	3.8	3.9	3.8
Administration Cost	Kes (BN)	2.1	2.5	1.8	1.57	2.5	2.4
Cost to Fund Value	%	2.8%	2.9%	2.6%	2.2%	2.2%	2.1%

Graph 3: Fund Value



Graph 4 shows that the cost to fund value has generally been coming down. By 2021/22, this ratio was about 2. Graph 4 shows that the gross return on members funds was way below double digits in 2018/19 and 2019/20. There was recovery in 2020/21 but went to zero in 2021/22, largely due to harsh economic times.

Graph 4: Cost to Fund Value

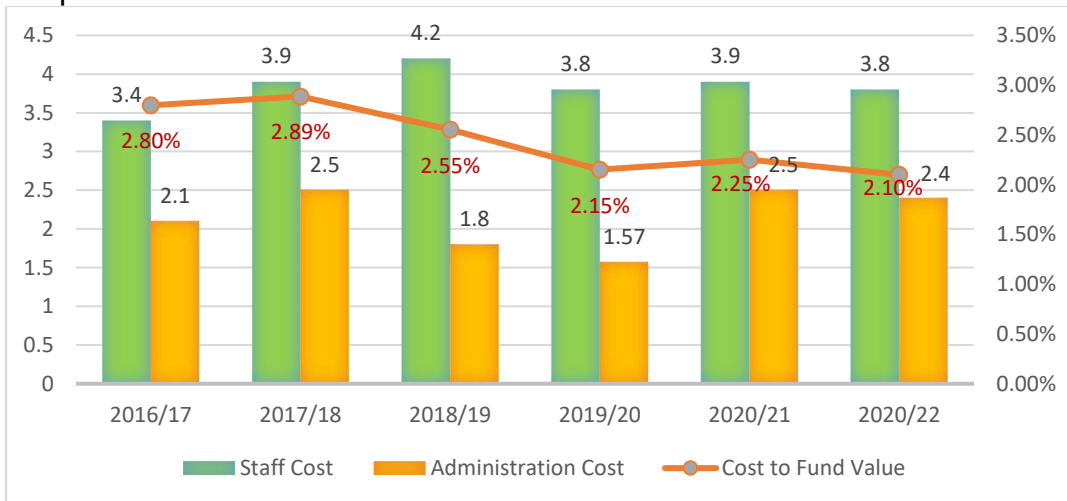


Table 3.13 Investment income, Net Return on Investment, Fund Value & Gross Return on Members funds.

Ratios	Year					
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Investment Income (KES B)	14.29	17.66	18.29	20.39	21.64	25.40
Net Return on Investments (KES B)	20.41	20.67	8.93	9.61	32.73	(0.36)
Fund Value (KES B)	196.57	221.73	235.07	249.65	284.49	288.30
Gross Return on Members funds	10.4%	10.5%	4.0%	4.1%	13.1%	0%

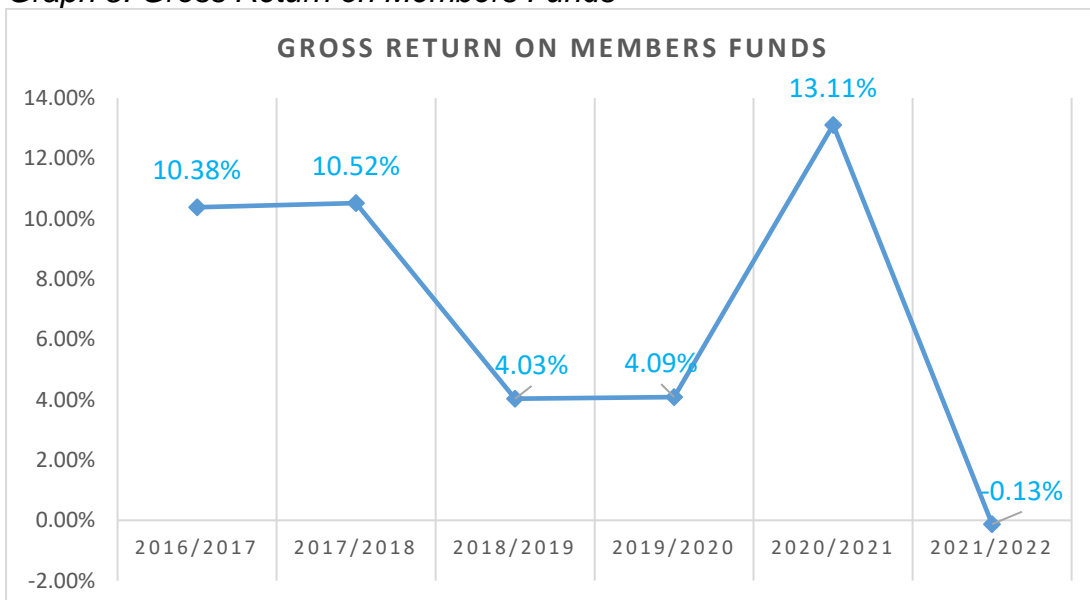
Table 3.14 shows the Fund's return performance against the industry average. It illustrates that the Fund is on average about 2.5% below the industry performance and just about matches the banks performance on deposits.

Table 3.14: NSSF performance against industry

NSSF Performance Against Industry						
Item	2018	2019	2020	2021	2022	AVERAGE
NSSF Assets (KES B)	222	235	250	284	286	
Industry Assets (KES B)	1,166	1,299	1,399	1,547	1,576	
NSSF Investment Return - Gross	10.73%	4.05%	4.14%	13.17%	-0.13%	6.39%
NSSF Investment Return - Net	7.32%	1.40%	1.78%	10.49%	-3.20%	5.90%
Industry Median Return - Net	5.40%	17.10%	7.30%	12.40%	2.40%	8.92%
NSSF Interest Rate Declared	7.00%	3.00%	3.00%	10.00%		6.00%
Bank Interest Rates	7.41%	7.11%	6.30%	6.50%	7.17%	6.90%
Inflation	5.71%	5.82%	5.62%	5.73%	9.10%	6.40%

In the period under review, gross return on investment decreased from 4.03% in 2018/2019 to -0.13% in 2021/2022, with an increase to 13.11% in 2020/2021 as shown in graph 5.

Graph 5: Gross Return on Members Funds



b. Haba haba

During the period under review, The Fund in line with the NSSF Act, 2013, came up with Haba haba arrangement with short term maturity period targeted for the informal sector. The Fund targeted five segments: Market Vendors, Matatus, Boda Bodas, Athletes and Taxis. The implementation was planned for roll out progressively within the three-year period and messaging and incentives for each market segment was planned to be different. During the period under review, the Fund engaged various partners to offer incentives to each sector

with the aim of holistically addressing the needs of the workers in the informal sector.

The COVID-19 pandemic affected the planned roll out of activities due to restrictions, lock downs and curfews. However, thus far 742,779 members have been registered as at 2022/2023 against a target of 1,200,000 in 2021/2022.

During implementation of this product, some of the lessons learnt include:

- i. The importance of engaging the local leadership when carrying out public member education and strategic partnerships specifically the Know Your Customer Validation process in partnership with Safaricom;
- ii. The behavioral pattern of intent and action which can be remedied through an Auto-Debit process to enhance compliance;
- iii. The need to offer a better returns to members; and
- iv. The importance of Corporate Social Investment and stakeholder engagements to demystifying myths about the Fund.

c. People

The overall Employee Satisfaction Index was 68.56% in 2020/2021 compared to 61.23% in 2019/2020. The work environment index was 74.24% in 2020/2021 compared to 68.24% in 2019/2020. The employee satisfaction and work environment index increased by 7.33% and 6% respectively.

The highest score for the employee satisfaction survey was staff wellness program at 89.81% followed by Staff Welfare and Pension Scheme at 86%, Performance Management Review at 79.27%, Communication at 77.34%, Disciplinary Mechanisms at 74.89%, Medical Care Scheme at 73.6%, Grievances Handling at 71.1%, Training and Development at 69.14%, Employee Involvement in Decision Making at 68.43%, Motivation at 65%, Remuneration, and Benefits at 63.93%, Staffing and Workload at 62.28%, Interpersonal Relationships at 60.19%, Recruitment and Promotion at 57.39%, Recognition and Reward System at 55.24% and job placements and Transfers at 43.29%.

d. Customer Engagement and Service Delivery

During the period under review, the customer satisfaction index for the financial year 2019-2020 stood at 79.48% - an improvement from 77% in 2018/2019. Index for the year 2020/2021 stood at 81.44% against the target of 80%. Infrastructure was put in place to ensure that the recommendations of these surveys are monitored regularly and some of its implementation will be captured in the 2023-2027 Corporate Strategic Plan.

e. Internal Processes

During the period under review, The Fund improved on its internal processes through certification to ISO 22301:2019 - Business Continuity Management System being the first organization in the public sector to achieve this certification. Other notable achievements include introduction of new channels such as availability of the USSD services on Mpesa application, introduction of the USSD code *303* where members can be able to check their statements, validate their details, register and make payments. This increased member registration by 50% during the review period. Other initiatives include payment of benefits through Mpesa upto Kes.10,000, SMS notification when payment

process is complete. In addition, there was registration and automation of compliance certificates. Finally, the Fund commenced classification of records and the electronic document records management system.

f. Corporate Image

During the period under review, the Fund carried out stakeholder engagement with a view to enhancing relations. NSSF achieved organizational endorsements and media appearances in both print and electronic media. The Fund also enhanced its presence on social media through engagement of social media influencers.

g. Culture and Governance

During the period under review, the Fund remained committed to zero-tolerance to corruption through adherence to governance and anti-corruption related legislations, implementation of Chapter Six requirements of the Constitution of Kenya, and carrying out respective surveys to assess the levels of compliance. The Fund also implemented the ISO 30401:2018 - Knowledge Management System standard to enhance the culture of knowledge management.

3.1.5.2 Challenges

During the implementation of the 2019-2022 Corporate Strategic Plan, some of the challenges faced include:

- a) COVID-19 pandemic affected the Fund's business in terms of reduced collections, an upward surge of benefit withdrawal requests and poor performance of investments;
- b) Delayed implementation of the organizational structure whose objective was to right fit staff and enhance productivity levels;
- c) Delay in the appointment of the Board of Trustees which resulted in delays in the necessary approvals;
- d) Increased turnaround time in processing of claims due to huge claims backlogs as a result of reduced staff capacity and manual biometric identification of members; and
- e) Poor member data management.

3.1.5.3 Lessons Learnt

During the implementation of the 2019-2022 Corporate Strategic Plan, the Fund learnt numerous lessons, which will form the basis for the formulation of the 2023-2027 strategies. The salient lessons include:

- a) The need to mainstream property development projects as any other asset class as per RBA guidelines;
- b) The need to position the Fund and collaborate with other Government agencies in order to participate in other key initiatives such as housing, unemployment and pension;
- c) The need to offer additional products such as unemployment benefit to address contingencies;
- d) The need to prioritize data cleaning of member primary data and contribution records which would reduce redundant processes which increase process turnaround time;

- e) The need for separation of Funds/Accounts with a view of offering competitive returns to members; and
- f) The need to invest in institutional capacity and staff development so as to ensure the right competence levels for implementation of this strategic plan.

3.1.6 Summary of Situational Analysis

An analysis of the Fund’s internal and external operating environment was undertaken by carrying out a SLOC (Strengths, Limitations, Opportunities, and Challenges) analysis. Analysis of the internal environment entailed identification of issues within the Fund that may impact positively (Strengths) or negatively (Limitations). An analysis of the external environment identified factors outside the Fund that may impact positively (Opportunities) or negatively (Challenges). Table 3.15 shows a summary of situational analysis from the sections reviewed above. This summary has incorporated the challenges experienced in implementing the 2019/2022 corporate strategic plan and the lessons learned.

Table 3.15: Summary of the Fund’s Situational Analysis

STRENGTHS	LIMITATIONS
<ul style="list-style-type: none"> 1. Extensive coverage with the widest service delivery network across the country 2. Competent and experienced workforce 3. Diversified Fund asset portfolio accounting for close to 20% of Asset Under Management in the pension industry 4. Implementation of Integrated Management System 	<ul style="list-style-type: none"> 1. Negative historical publicity 2. Limited stakeholder engagement 3. Data integrity and quality challenges 4. Legacy ICT systems and weak integration of internal and external systems 5. Ineffective succession plan 6. Low staff morale
OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> 1. Growing Informal sector 2. Diversified product offerings and markets 3. Large population of dormant members 4. Leverage on Government projects and initiatives e.g. affordable housing 5. Leveraging on emerging technologies 6. Strategic partnerships 7. Full utilization of property class head room 	<ul style="list-style-type: none"> 1. Increasing competition in different markets 2. Contracting out of Tier II contributions under the NSSF Act, 2013 3. Possible legislation change with adverse effects and many legacy cases in court 4. Negative perception of NSSF 5. Disruptions to business operations e.g. cyber security, insecurity, pandemics and endemics

The above SLOC elements are the basis of the strategy to be developed in subsequent chapters.

3.2 Stakeholder Analysis

Stakeholders are relevant interested parties who have vested interest in the Fund business, and have impact on achievement of Fund`s objectives. The undertaking of Stakeholder analysis is imperative in identification and needs assessment. The Strategic Plan recognizes various stakeholders in Social Security.

Table 3.16 shows an analysis of the key stakeholders in terms of their roles/functions, what the stakeholder should do to support the Fund, their expectations from the Fund, what the Fund should do to meet the stakeholder expectations, and the Priority Rating.

Table 3.16: Stakeholder Analysis

Key Stakeholders	Roles/Functions of Stakeholder	What the Stakeholder should do to Support the Fund	Stakeholder Expectations from The Fund	What the Fund Should Do To Meet Stakeholder Expectations	Priority Rating
Government Ministries: <ul style="list-style-type: none"> • The National Treasury and Planning, • Labor • Public Service, Gender and Affirmative Action • Legislature • Judiciary • Lands and Physical Planning • Transport, Infrastructure, Housing and Urban Development 	<ul style="list-style-type: none"> • Policy guidance • Provision of accurate and timely information • Supporting legal framework • Facilitate technical assistance • Provision of infrastructure for housing projects • Lobbying for better legislation & policies. • Support the Fund initiatives especially full implementation of the New Act. 	<ul style="list-style-type: none"> • Professionalism, transparency and accountability in execution of the Fund's functions • Compliance with policies, regulations and other commitments. 	<ul style="list-style-type: none"> • Prudent use of resources • Proper internal policies • Stakeholder engagement • Implement relevant ILO Conventions and Labor laws • Effective and efficient management of the Fund • Lobby for unlocking of NSSF Act, 2013 	Provide policy guidance in implementing strategic and operational policies	High Priority
FKE and other Employer organizations	<ul style="list-style-type: none"> • Lobbying for better legislation & policies. • Support the Fund initiatives especially full implementation of the New Act. • Sensitive its membership in the new 	<ul style="list-style-type: none"> • Create awareness among its membership for the need to support the Fund's initiatives. • Lobby with an aim of enhancing 	<ul style="list-style-type: none"> • Consistent engagement with FKE and other employers and its membership. Adhere to governance in running the Fund. Information sharing 	<ul style="list-style-type: none"> • Comply with the law and regulations set by RBA and other agencies to grow the Fund. Open and sound investment decision making • Set up meetings/engagement sessions 	

Key Stakeholders	Roles/Functions of Stakeholder	What the Stakeholder should do to Support the Fund	Stakeholder Expectations from The Fund	What the Fund Should Do To Meet Stakeholder Expectations	Priority Rating
	rates. Ensuring governance on the Fund Board	compliance, timely submission	<ul style="list-style-type: none"> Keeping them updated on progresses in the Fund 	<ul style="list-style-type: none"> Capacity building. Annual/quarter/monthly information sharing Holding regular sessions to appraise them on ongoing updates. Equip them with tools. 	
Workers Organizations	<ul style="list-style-type: none"> Central Organization of Trade Unions (COTU) as the workers' umbrella body represents the interests of workers. Ensuring the Fund observes sound governance and sound investment decisions in accordance with the law. 	<ul style="list-style-type: none"> Assess and Support the Fund initiatives for its growth. Effective Board representation and participate in top-level decision making. Ensure the Fund makes sound decision to meet its strategic objectives. 	<ul style="list-style-type: none"> To ensure the Fund observes sound investments, governance and regulations from the regulator (RBA). To operate open and consistently engage with its affiliates and workers in its initiatives. 	<ul style="list-style-type: none"> The Trade Unions to support its initiatives to help it grow the Fund. Engage in stakeholder initiative to help the Fund compliance activities. 	High Priority
Suppliers	Supply of quality goods and services	<ul style="list-style-type: none"> Provide good, safe products and services. Compliance with relevant laws and standards. Guarantee best prices and quality to ensure repeat business/trust 	<ul style="list-style-type: none"> Prompt payments. Streamline supplier agreements so it's the same for all suppliers 	<ul style="list-style-type: none"> Pay within the stipulated time period. Build lasting and cordial relationships to ensure full understanding of the supplier's capabilities. Invest in technology (Supplier management software) 	Medium Priority
Development Partners	<ul style="list-style-type: none"> Capacity building, project planning, lobbying and advocacy, 	Share global experience, capacity support and technological transfer	<ul style="list-style-type: none"> Avail staff and data for analysis to gauge gaps and provide suggested 	Engage in strategic partnership, share challenges and financial commitment for such initiatives	Medium Priority

Key Stakeholders	Roles/Functions of Stakeholder	What the Stakeholder should do to Support the Fund	Stakeholder Expectations from The Fund	What the Fund Should Do To Meet Stakeholder Expectations	Priority Rating
	resource mobilization and financing (Where necessary). <ul style="list-style-type: none"> Contribution to social welfare 		solutions. To have Systems Integration to best practice to the Social security sector. <ul style="list-style-type: none"> Open to partnership. 		
Media	<ul style="list-style-type: none"> Provide information, Influence decisions Shape member attitudes 	Provide factual information to allow our members to be better informed about NSSF	Provide information in a timely manner. Operate in line with regulations	Be available, open and transparent in its operation. Be available to provide information when needed.	High Priority
Staff	<ul style="list-style-type: none"> Contributing to the long-term success and performance of the organization. Commitment to best practice workplace ethics 	<ul style="list-style-type: none"> Manage Fund resources effectively. Be dependable, responsible and performance 	<ul style="list-style-type: none"> Appropriate wage and job security Healthy and secure work environment Job satisfaction Meaningful work Development/growth 	<ul style="list-style-type: none"> Create a culture that promotes growth and development. Provide a clean, safe working environment that is free from all forms of discrimination. Provide job security. Give leadership eliminates silo-working styles. 	High Priority
Retirement Benefits Authority (RBA)/ Central Bank, CMA and NSE other regulators	<ul style="list-style-type: none"> Providing pension industry regulations that create healthy growth in the sector. Ensure adherence to the regulations. Maintain best practice in regulating the pensions industry. 	<ul style="list-style-type: none"> Provide regulations that grow the pension sector without biases. Support the Fund initiative that support its growth. 	<ul style="list-style-type: none"> Adherence to Regulations in the industry. Support RBA by ensuring payment of regulatory dues and fees. 	<ul style="list-style-type: none"> Provide accurate data to the regulator. Total collaboration with the regulator. 	High Priority

Key Stakeholders	Roles/Functions of Stakeholder	What the Stakeholder should do to Support the Fund	Stakeholder Expectations from The Fund	What the Fund Should Do To Meet Stakeholder Expectations	Priority Rating
The Pensions and Investment Industry players	To create a competitive environment and set standards in the industry.	Cooperate and share information to support each other	Reciprocal initiatives and cooperation in the industry.	Forge for productive initiatives to create conducive environment in the sector	High Priority
Members	Make contributions to ensure adequate benefits in retirement.	Pro-active following up ensuring their remitted contributions reach the Fund.	<ul style="list-style-type: none"> Update their contributions statements. Provide adequate information on new products and services for easy interaction. 	<ul style="list-style-type: none"> Keep member statements well updated, pay benefits on time without delays. Open communication channels for easy interactions. 	High Priority
County Governments	Approvals for property projects and payment of rates	<ul style="list-style-type: none"> Facilitate requested approvals. Support Fund infrastructure development in the Counties. Supporting 1st Pillar Pension through IPPD in the Counties. 	Requested collaboration and partnership for the benefits of the Counties and the Fund.	Cultivate mutuality and partnerships with the Counties through its Regional network.	High Priority
TPS customers/Tenants	Meeting the TPS agreement obligations.	Adhering to the TPS requirements and agreements during the purchase period.	<ul style="list-style-type: none"> Provide timely statements. Provide information on new products and services. Ensuring service charge funds give expected services in the premises. 	Ensure Service Providers meet their obligations in service provision. Maintain mutual relationship with the customers/Tenants.	High Priority

Chapter 4: Strategic Options

This chapter identifies the strategic options arising out of the situational analysis provided in the last chapter. The summary of the situational analysis is the basis of developing strategic options for choice and implementation. The confrontation matrix shown in table 4.1 is used to generate strategic options.

Table 4.1: Confrontation Matrix for developing Strategic Options

	Strengths	Limitations
Opportunities	Q1: How will we use our strengths to take advantage of the opportunities?	Q3: How will we tackle our limitations to prevent ourselves from missing opportunities?
Challenges	Q2: How will we use our strengths to reduce probability and impact of the challenges?	Q4: How will we act on our limitations to mitigate the challenges?

We can use the questions in table 4.1 to create all possible SLOC combinations and generate their attendant strategic options as the answers to these questions. The options generated from each of the four questions are shown in table 4.2.

Table 4.2: Generating Strategic Options from the Confrontation Matrix questions.

Q1: How will we use our strengths to take advantage of the opportunities?

STRENGTHS	OPPORTUNITIES	STRATEGIC OPTIONS
1. Extensive coverage with the widest service delivery network across the country	Growing informal sector	1. Create strategic partnerships with organizations that target the informal sector and leverage on their extensive networks – A
	Diversify product offerings and markets	2. Empower and incentivize branch management to create relationships and market product offerings to different groups – T
	Leverage on Government projects and initiatives e.g., affordable housing	3. Create a government liaison function within the region management to leverage on government projects and initiatives – B
	Leveraging on emerging technologies	4. Upskill branch management to be able to effectively use implemented corporate systems to serve members better - T
	Strategic partnerships	5. Set up dedicated prosecution units at HQ and in the Regions - T Addressed above
	Full utilization of property class head room	Addressed above
2. Competent and experienced workforce	Growing informal sector	6. Empower and incentivise staff to onboard informal sector members - T

STRENGTHS	OPPORTUNITIES	STRATEGIC OPTIONS
		7. Develop and integrate KPIs on marketing products and growing membership into departmental work plans - A
	Diversify product offerings and markets	Addressed above
	Leverage on government projects and initiatives e.g., affordable housing	8. Create a structured mechanism to actively engage national and county governments - A
	Leveraging on emerging technologies	9. Commit all departments to innovate and take advantage of emerging technologies - B
	Strategic partnerships	10. Develop a strategic partnership framework and cascade to departments for implementation - A
	Full utilization of property class head room	11. Develop and implement a property development strategy – A 12. Reduce the cost of running the Fund’s buildings through ESG - T
3. Diversified Fund asset portfolio accounting for close to 20% of Asset Under Management in the pension industry	Growing informal sector	13. Review the portfolio offerings to guarantee competitive returns to members to attract and retain the informal sector – A 14. Mitigate brand injury from early withdrawals of Habahaba - T
	Diversify product offerings and markets	15. Exploit the asset portfolio to fund the diversification of product offerings and markets - C
	Leverage on government projects and initiatives e.g., affordable housing	16. Exploit the asset portfolio to partner with the government on new projects and initiatives that maximises our returns – C 17. Partner with Government to leverage on relevant initiatives, e.g. affordable housing – T 18. Create a structured mechanism to actively engage national and county governments – T
	Leveraging on emerging technologies	19. Invest in tech companies to further diversify the asset portfolio - C 20. Exploit the asset portfolio to invest in emerging technologies and provide better services to members - C
	Strategic partnerships	21. Partner with other industry players for mega infrastructure projects to maximise returns – A
	Full utilization of property class head room	Addressed above
4. Implementation of Integrated Management System	Growing informal sector	22. Reengineer business processes and implement IMS to improve efficiency and service delivery - T

STRENGTHS	OPPORTUNITIES	STRATEGIC OPTIONS
	Diversify product offerings and markets	23. Exploit ICT to come up with quality products and services that meet the needs of emerging markets – T 24. Review and upgrade SSPAS to implement customer relationship functionalities – T 25. Review, upgrade and integrate SSPAS and SAP systems to meet current and future business needs – T
	Leverage on government projects and initiatives e.g., affordable housing	Addressed above
	Leveraging on emerging technologies	Addressed above
	Strategic partnerships	26. Integrate our systems with partner systems to facilitate update of member records - T
	Full utilization of property class head room	Addressed above

Q2: How will we use our strengths to reduce probability and impact of the challenges?

STRENGTHS	CHALLENGES	STRATEGIC OPTIONS
1. Extensive country-wide coverage	Increasing competition in different markets	27. Reduce benefits turnaround time - A 28. Reengineer benefits payment process - T 29. Enhance automation of benefit payment process - T 30. Equip and enhance capacity of branch management - T
	Contracting out of Tier II contributions	31. Improve service delivery across the branch network – A 32. Develop institutional capacity to grow Tier II and voluntary contributions - A 33. Reengineer business processes to improve efficiency and service delivery in the following areas: Registration, Compliance, Benefits, Contributions, and Receivables and payables - T
	Possible legislation change with adverse effects and many cases in court	34. Encourage ADR to reduce number of court cases - T Addressed above
	Negative perception of NSSF	35. Enhance the brand of the organization – A 36. Profile the existing employers then target them for engagement - T

STRENGTHS	CHALLENGES	STRATEGIC OPTIONS
	Disruptions to business operations e.g., cyber security, insecurity, pandemics and endemics	37. Develop, test and implement business continuity measures against known key business disruptors - A
2. Competent and experienced workforce	Increasing competition in different markets	38. Retain experienced staff – T 39. Create a culture of brand patriotism among internal stakeholders - T 40. Regularly monitor competition and device mitigation strategies – T 41. Design and implement a culture and attitude change program – A 42. Carry out a Culture Assessment Survey – T 43. Define the desired culture – T 44. Create strategies to achieve the culture change – T 45. Institutionalize the new culture – T 46. Manage Tier II as a segregated Fund with an investment strategy, policy and cost structure - T 47. Brand and market Tier II - T
	Contracting out of Tier II contributions	Addressed above
	Possible legislation change with adverse effects and many legacy cases in court	Addressed above
	Negative perception of NSSF	Addressed above
	Disruptions to business operations e.g. cyber security, insecurity, pandemics and endemics	Addressed above
3. Diversified Fund asset portfolio accounting for close to 20% of Asset Under Management in the pension industry	Increasing competition in different markets	48. Develop and implement a fit for purpose business operating model - A 49. Develop and implement a property projects pipeline and master plan – T 50. Develop and implement a home ownership savings product – T 51. Invest in alternative asset classes to further diversify the asset portfolio – T 52. Develop capacity to manage annuity and draw down funds – T 53. Develop capacity to administer segregated funds – T 54. Segment customers and formulate differentiated service provision – T 55. Partner with other industry players for mega infrastructure projects to optimize returns and minimize risks – T
	Contracting out of Tier II contributions	Addressed above

STRENGTHS	CHALLENGES	STRATEGIC OPTIONS
	Possible legislation changes with adverse effects and many legacy cases in court	56. Influence for favourable changes in legislation in the pension industry – B 57. Operationalization of the NSSF Act, 2013 – A 58. Establish policies, procedures, systems and structure to manage segregated funds – T 59. Establish a Risk Fund – T 60. Carry out an audit/evaluation of the assets and liabilities of the old Fund – T 61. Execute the outcomes of the evaluation/audit – T 62. Review NSSF regulations – T
	Negative perception of NSSF	63. Set a percentage of the asset portfolio in corporate social investment initiatives in collaboration with strategic partners – A 64. Increase media presence – T 65. Enhance capacity of internal stakeholders on media interactions – T 66. Deliberately enhance organization endorsements – T
	Disruptions to business operations e.g., cyber security, insecurity, pandemics, and endemics	Addressed above
4. Implementation of Integrated Management System	Increasing competition in different markets	Addressed above
	Contracting out of Tier II contributions	Addressed above
	Possible legislation changes with adverse effects and many legacy cases in court	N/A
	Negative perception of NSSF	Addressed above
	Disruptions to business operations e.g., cyber security, insecurity, pandemics, and endemics	Addressed above

Q3: How will we tackle our limitations to prevent ourselves from missing opportunities?

LIMITATIONS	OPPORTUNITIES	STRATEGIC OPTIONS
1. Negative historical publicity and limited stakeholder engagement	Growing informal sector	Addressed above
	Diversify product offerings and markets	Addressed above
	Leverage on Government projects and initiatives e.g., affordable housing	Addressed above

LIMITATIONS	OPPORTUNITIES	STRATEGIC OPTIONS
	Leveraging on emerging technologies	67. Adopt emerging technologies to improve service delivery and solve legacy system challenges - A
	Strategic partnerships	Addressed above
	Full utilization of property class head room	Addressed above
2. Data integrity and quality challenges	Growing informal sector	68. Update and clean member data - T 69. Re-engineer the onboarding process to ensure accurate and complete member data - T
	Diversify product offerings and markets	Addressed above
	Leverage on Government projects and initiatives e.g., affordable housing	Addressed above
	Leveraging on emerging technologies	Addressed above
	Strategic partnerships	70. Integrate our systems with partner systems to facilitate update of member records - B
	Full utilization of property class head room	Addressed above
3. Legacy systems and weak integration of internal and external systems	Growing informal sector	71. Upgrade legacy systems to meet current and future business needs - A
	Diversify product offerings and markets	Addressed above
	Leverage on Government projects and initiatives e.g., affordable housing	Addressed above
	Leveraging on emerging technologies	Addressed above
	Strategic partnerships	Addressed above
	Full utilization of property class head room	Addressed above
4. Low staff morale	Growing informal sector	72. Implement mechanisms to raise staff morale - T
	Diversify product offerings and markets	Addressed above
	Leverage on Government projects and initiatives e.g., affordable housing	Addressed above
	Leveraging on emerging technologies	73. Leverage on emerging technologies to improve the work environment for improved staff morale - B Addressed above
	Strategic partnerships	Addressed above
	Full utilization of property class head room	N/A

Q4: How will we act on our limitations to mitigate the challenges?

LIMITATIONS	CHALLENGES	STRATEGIC OPTIONS
1. Limited stakeholder engagement	Increasing competition in different markets	74. Develop differentiated products and value propositions for different customer segments - A
	Contracting out of Tier II contributions under the NSSF Act, 2013	Addressed above
	Possible legislation change with adverse effects (Finance Act) and many legacy cases in court	75. Develop and implement active stakeholder engagement - A
	Disruptions to business operations e.g. cyber security, insecurity, pandemics and endemics	76. Develop and implement a robust and resilient business operating model - A
2. Data integrity and quality challenges	Increasing competition in different markets	77. Develop and implement a records management strategy - A 78. Develop and implement a data strategy - T 79. Develop a record centre - T Others addressed above
	Contracting out of Tier II contributions under the NSSF Act, 2013	Addressed above
	Possible legislation change with adverse effects and many legacy cases in court	N/A
	Disruptions to business operations e.g. cyber security, insecurity, pandemics and endemics	80. Review and implement a risk management strategy - T Others addressed above
3. Legacy ICT systems including weak integration of internal and external systems	Increasing competition in different markets	81. Modernize technology to make NSSF integrations and data to create partnerships – A 82. Exploit third party channels for enhanced service delivery - T
	Contracting out of Tier II contributions under the NSSF Act, 2013	Addressed above
	Possible legislation change with adverse effects and many legacy cases in court	Addressed above
	Disruptions to business operations e.g. cyber security, insecurity, pandemics and endemics	Addressed above
4. Negative publicity	Increasing competition in different markets	Addressed above
	Contracting out of Tier II contributions under the NSSF Act, 2013	Addressed above
	Possible legislation change with adverse effects and many legacy cases in court	Addressed above
	Disruptions to business operations e.g. cyber security, insecurity, pandemics and endemics	Addressed above

LIMITATIONS	CHALLENGES	STRATEGIC OPTIONS
5. Low staff morale	Increasing competition in different markets	83. Embed good corporate governance practices – A 84. Carry out capacity building for Senior Management and Trustees - Trustees Development Program - T 85. Increase morale and productivity of staff - T 86. Review and implement the performance appraisal framework - T 87. Leverage on emerging technologies to improve the work environment for improved staff morale - T 88. Train staff on relevant skills - T
	Contracting out of Tier II contributions under the NSSF Act, 2013	Addressed above
	Possible legislation change with adverse effects and many legacy cases in court	Addressed above
	Disruptions to business operations e.g. cyber security, insecurity, pandemics and endemics	Addressed above

In order to prioritize the options, we used the ABCD framework¹. This involves assigning each option a letter according to the following parameters:

- A: Options that are vital to survival as an organization
- B: Options that are not critical to survival but appear to be important for success
- C: Options that have some but not primary importance
- D: Options that have unknown or no importance

Some of the options are not strategic but are rather tactical. These have been marked in the above table with 'T'. The ones that are deemed to be strategic have been marked with A, B, C or D.

¹ Waema et al. (2022). Optimizing strategy for results

Chapter 5: Strategic Themes, Goals and Objectives

This chapter outlines the strategic themes, objectives and choices, which provide the Fund's aspirations over the medium term (2023-2027). The plan has four strategic goals, 25 objectives and 90 strategies or tactics. The strategic goals, objectives and strategies align with the Fund's Vision, Mission and Core Values.

The strategic issues, goals and key result areas are shown in table 5.1.

Table 5.1 Strategic themes, goals and key results areas

Strategic Themes	Goal	KRAs
Customer Experience	Increase customer experience from 81% to 95%	<ul style="list-style-type: none"> ▪ Attractive value proposition ▪ Great customer experience ▪ Diversification of products ▪ Corporate brand enhancement
Financial sustainability and growth	Grow Fund value from 312B to 1Tn	<ul style="list-style-type: none"> ▪ Growth and retention of Tier I, II and Voluntary contributions ▪ Competitive investment returns
Operational excellence	Reduce administrative costs from 2.1% to 1.5% of Fund value	<ul style="list-style-type: none"> ▪ Innovations ▪ Business process re-engineering ▪ Reduction of benefits processing turnaround time
Organizational resilience	Strengthen organizational resilience	<ul style="list-style-type: none"> ▪ Development of institutional capacity ▪ Staff morale and productivity ▪ Stakeholder relations management ▪ A fit for purpose business operating model ▪ Periodic strategy review ▪ Culture and attitude change program ▪ Good Corporate governance ▪ Develop and implement a data strategy ▪ Develop a records centre ▪ Operationalize the NSSF Act

Strategic themes are broad categorizations or buckets of the strategy. We have adopted the four perspectives of the balanced score card: Customer Experience, Financial Sustainability and Growth, Operational Excellence, and Organizational Resilience. All the options generated in the previous chapter were grouped into these four perspectives. After this, goals, objectives and tactics were developed for each theme from the options as shown in table 5.2.

Table 5.2: Goals, Objectives and Tactics

Goals	Objectives	Tactics
Strategic Theme 1: Customer Experience		
1. Increase customer experience from 81% to 95%	1.1 Develop an attractive value proposition	<ol style="list-style-type: none"> 1. Develop differentiated products and value propositions for different customer segments 2. Adopt account management model for differentiated customer segments
	1.2 Deliver great customer experience	<ol style="list-style-type: none"> 1. Improve service delivery across all channels 2. Streamline benefits payment process 3. Ensure timely declaration of interest on member accounts 4. Process existing preserved benefits

Goals	Objectives	Tactics
		<ol style="list-style-type: none"> Review and upgrade SSPAS to implement customer relationship functionalities Carry out a Customer Satisfaction Survey
	1.3 Diversify product offerings	<ol style="list-style-type: none"> Develop, brand and grow Tier II, HabaHaba, unemployment benefit, maternity benefit, and home savings scheme Develop new product offerings and markets
	1.4 Enhance corporate brand	<ol style="list-style-type: none"> Enhance the brand of the Fund Set a percentage of the asset portfolio in corporate social investment initiatives in collaboration with strategic partners Enhance capacity of internal stakeholders on media interactions
Strategic Theme 2: Financial Sustainability and Growth		
2. Grow Fund value from 312B to 1Tn	2.1 Grow Fund value	<ol style="list-style-type: none"> Review the portfolio offerings to increase contributions Diversify investment portfolio to optimise returns Management of revenue or costs
	2.2 Grow Tier I contributions	<ol style="list-style-type: none"> Enhance compliance levels Reorganize compliance function to create prosecution units at HQ and in the Regions Increase access channels
	2.3 Onboard Government T1 contributions	<ol style="list-style-type: none"> GOK SBU as an initiative Create systems and processes for handling of Government employer contributions Ensure government amends the IPPD payroll to accommodate NSSF number
	2.4 Grow and retain Tier II contributions	<ol style="list-style-type: none"> Profile the existing employers then target them for engagement Manage Tier II as a segregated Fund with an investment strategy, policy and cost structure Brand and market Tier II Develop capacity for member-driven compliance
	2.5 Grow voluntary contributions	<ol style="list-style-type: none"> Manage voluntary contributions as a guaranteed fund Diversify to external markets Leverage on Strategic partnerships to grow this sector (<i>through bundled incentives, direct debit and matching contributions</i>) Mitigate brand injury from early withdrawals of Habahaba
	2.6 Generate competitive investment returns	<ol style="list-style-type: none"> Develop and implement a property projects pipeline and master plan Develop and implement a home ownership savings product Invest in alternative asset classes to further diversify the asset portfolio Reduce the cost of running the Fund's buildings through ESG Partner with other industry players for mega infrastructure projects to optimize returns and minimize risks
	2.7 Turnaround non-performing assets	<ol style="list-style-type: none"> Review all non-performing assets (land, quoted equities, and unquoted equities) Develop and implement an exit strategy for each non-performing asset

Goals	Objectives	Tactics
Strategic Theme 3: Operational Excellence		
Reduce administrative costs from 2.1% to 1.5% of Fund value	3.1 Develop and implement innovative ideas that add value to the business	<ol style="list-style-type: none"> 1. Develop and implement a Fund-wide innovation strategy 2. Lobby to have Social Security introduced in the school curriculum 3. Adopt emerging technologies to improve service delivery and solve legacy system challenges 4. Exploit ICT to come up with quality products and services that meet the needs of emerging markets 5. Develop and implement business innovation challenges 6. Encourage ADR to reduce number of court cases
	3.2 Review existing systems and implement new systems to effectively serve the business	<ol style="list-style-type: none"> 1. Integrate our systems with partner systems to facilitate update of member records 2. Reengineer business processes to improve efficiency and service delivery in the following areas: Registration, Compliance, Benefits, Contributions, and Receivables and payables 3. Review, upgrade and integrate SSPAS and SAP systems to meet current and future business needs 4. Review SSPAS, SAP, Oracle BI and develop dynamic business intelligence capabilities to aid management decision making 5. Develop, test, and implement business continuity measures against known key business disruptors
	3.3 Reduce benefits turnaround time	<ol style="list-style-type: none"> 1. Reengineer benefits payment process 2. Enhance automation of benefit payment process
	3.4 Reduce preserved benefits	<ol style="list-style-type: none"> 1. Data cleansing of member personal data 2. Recapture historical benefits 3. Automate processing of interest arrears 4. Proactively reach out to members 60 years 5. Transfer pension credits to Capital Preservation Fund
Strategic Theme 4: Organizational Resilience		
Strengthen organizational resilience	4.1 Develop institutional capacity to grow Tier II and voluntary contributions	<ol style="list-style-type: none"> 1. Incentivise and empower customer facing functions to create relationships and market product offerings to different groups 2. Realign and restructure customer facing functions to be more responsive to different member needs 3. Develop and integrate KPIs on marketing products and growing membership into departmental work plans 4. Create and implement a commission agency framework for Tier II and voluntary contributions 5. Develop a strategic partnership framework and cascade to departments for implementation 6. Exploit third party channels for enhanced service delivery
	4.2 Enhance staff morale and productivity	<ol style="list-style-type: none"> 1. Review and implement the performance appraisal framework 2. Leverage on emerging technologies to improve the work environment for improved staff morale 3. Train staff on relevant skills

Goals	Objectives	Tactics
	4.3 Enhance stakeholder relations management	<ol style="list-style-type: none"> 1. Equip and enhance capacity of branch management 2. Create a structured mechanism to actively engage national and county governments 3. Influence for favourable changes in legislation in the pension industry 4. Develop capacity to manage annuity and draw down funds
	4.4 Develop and implement a fit for purpose business operating model	<ol style="list-style-type: none"> 1. Segment customers and formulate differentiated service provision 2. Develop capacity to administer segregated funds 3. Develop a relationship management model
	4.5 Regularly review strategy to remain competitive	<ol style="list-style-type: none"> 1. Regularly monitor competition and devise mitigation strategies 2. Regularly monitor changing needs of the customers and create appropriate strategies 3. Review and implement a risk management strategy
	4.6 Design and implement a culture and attitude change program	<ol style="list-style-type: none"> 1. Carry out a Culture Assessment Survey 2. Define the desired culture 3. Create strategies to achieve the culture change (<i>incorporate core values, Chapter six of the constitution, policies etc</i>) 4. Institutionalize the new culture
	4.7 Embed good corporate governance practices	<ol style="list-style-type: none"> 1. Carry out capacity building for Senior Management and Trustees - Trustees Development Program 2. Conduct and implement a governance and legal audit 3. Ensure compliance to institutional policies 4. Carry out Corruption Perception Survey
	4.8 Develop and implement a records management strategy	<ol style="list-style-type: none"> 1. Develop and implement a data strategy 2. Develop a record Centre
	4.9 Operationalize the NSSF Act, 2013	<ol style="list-style-type: none"> 1. Establish policies, procedures, systems and structure to manage segregated funds 2. Establish a Risk Fund 3. Carry out an audit/evaluation of the assets and liabilities of the old Fund 4. Execute the outcomes of the evaluation/audit 5. Review NSSF regulations

Chapter 6: Strategy Implementation and Coordination Framework

This Chapter highlights how the Strategic Plan will be implemented through the operationalization of the implementation plan, action plan, annual work plans, budgeting and performance contracting. It also highlights the principles of the organization structure, staff establishment, business process re-engineering and risk analysis and mitigation measures.

6.1 Outcomes and KPIs

The objectives in table 5.2 were cascaded into outcomes and KPIs. These are shown in table 6.1.

Table 6.1: Outcomes and KPIs

Objectives	Tactics	Outcomes	KPIs
Strategic Theme 1: Customer Experience			
Goal 1: Increase customer experience from 81% to 95%			
1.1 Develop an attractive value proposition	<ol style="list-style-type: none"> 1. Develop differentiated products and value propositions for different customer segments 2. Adopt account management model for differentiated customer segments 	Competitive advantage	Tier II market share (%)
1.2 Deliver great customer experience	<ol style="list-style-type: none"> 1. Improve service delivery across all channels 2. Streamline benefits payment process 3. Ensure timely declaration of interest on member accounts 4. Process existing preserved benefits 5. Review and upgrade SSPAS to implement customer relationship functionalities 6. Carry out a Customer Satisfaction Survey 	Enhanced customer experience	Average benefits payments turnaround time (days) Overall customer satisfaction index (%)
1.3 Diversify product offerings	<ol style="list-style-type: none"> 1. Develop, brand and grow Tier II, Haba Haba, unemployment benefit, maternity benefit, and home savings scheme 2. Develop new product offerings and markets 	Product diversity	Value of new products (KES M)
1.4 Enhance corporate brand	<ol style="list-style-type: none"> 1. Enhance the brand of the Fund 2. Set a percentage of the investment income in corporate social investment initiatives in collaboration with strategic partners 3. Enhance capacity of internal stakeholders on media interactions 4. To carry out Brand Survey to determine Brand affinity and Market share. 	Enhanced corporate image	Media tonality (%) Overall brand affinity (%)

Objectives	Tactics	Outcomes	KPIs
Strategic Theme 2: Financial Sustainability and Growth			
Goal 2: Grow Fund value from 312B to 1Tn			
2.1 Grow Fund value	<ol style="list-style-type: none"> 1. Review the portfolio offerings to increase contributions 2. Diversify investment portfolio to optimise returns 3. Manage costs 	Increased Fund value	Total Fund value (KES B)
2.2 Grow Tier I contributions	<ol style="list-style-type: none"> 1. Enhance compliance levels 2. Reorganize compliance function to create prosecution units at HQ and in the Regions 3. Develop prosecution capacity in branches 4. Increase access channels 	Increased Tier I contributions	Tier I contributions (KES M)
		Increased compliance	Weighted compliance to default ratio (%)
2.3 Onboard Government T1 contributions	<ol style="list-style-type: none"> 1. GOK SBU as an initiative 2. Create systems and processes for handling of Government employer contributions 3. Ensure government amends the IPPD payroll to accommodate NSSF number 	Increased Government contributions	GoK Contributions (KES B)
2.4 Grow and retain Tier II contributions	<ol style="list-style-type: none"> 1. Profile the existing employers then target them for engagement 2. Manage Tier II as a segregated Fund with an investment strategy, policy and cost structure 3. Align organizational structure to manage segregated funds 4. Brand and market Tier II 5. Develop capacity for member-driven compliance 	Increased Tier II contributions	Tier II contributions (KES M)
			Tier II market share (%)

Objectives	Tactics	Outcomes	KPIs
2.5 Grow voluntary contributions	<ol style="list-style-type: none"> 1. Manage voluntary contributions as a guaranteed fund 2. Diversify to external markets 3. Leverage on Strategic partnerships to grow this sector (<i>through bundled incentives, direct debit and matching contributions</i>) 4. Mitigate brand injury from early withdrawals of <i>Habahaba</i> 	Increased voluntary contributions	Voluntary contribution (KES M)
2.6 Generate competitive investment returns	<ol style="list-style-type: none"> 1. Develop and implement a property projects pipeline and master plan 2. Develop and implement a home ownership savings product 3. Reduce the cost of running the Fund's buildings through ESG 4. Invest in alternative asset classes to further diversify the asset portfolio 5. Partner with other industry players for mega infrastructure projects to optimize returns and minimize risks 	Profitable projects	Return on investment (%) Project fund absorption per year (KES B) Projection schedule attainment (%)
		Reduced cost of running buildings	Number of initiatives (#) Savings in utility costs (%)
		Enhanced portfolio diversification	Return on investment (%) Alternative asset allocation (%)
2.7 Turnaround non-performing assets	<ol style="list-style-type: none"> 1. Review all non-performing assets (land, quoted equities and unquoted equities) 2. Develop and implement an exit strategy for each non-performing asset 	Reduced assets that are non-performing	Value of non-performing assets (KES B)
Strategic Theme 3: Operational Excellence			
Goal 3: Reduce administrative costs from 2.1% to 1.5% of Fund value			
4.1 Develop and implement innovative ideas that add value to the business	<ol style="list-style-type: none"> 1. Develop and implement a Fund-wide innovation strategy 2. Lobby to have Social Security introduced in the school curriculum 3. Adopt emerging technologies to improve service delivery and solve legacy system challenges 4. Exploit ICT to come up with quality products and services that meet the needs of emerging markets 5. Develop and implement business innovation challenges 6. Encourage ADR to reduce number of court cases 7. Carry out a Customer Satisfaction Survey 	Pipeline of innovative ideas	Implementable innovative ideas (#)
		New products and services	New products and services (#)
		Enhanced customer satisfaction	Customer satisfaction index (%)
		Enhanced compliance	Weighted compliance default ratio (%)
		Reduced legal costs	Cases resolved via ADR (#)

Objectives	Tactics	Outcomes	KPIs
4.2 Review existing systems and implement new systems to effectively serve the business	1. Integrate our systems with third party systems to facilitate update of member records	Improved efficiency	Value of outstanding to value of transactions (%)
	2. Reengineer business processes to improve efficiency and service delivery in the following areas: Registration, Compliance, Benefits, Contributions, and Receivables and payables	Improved data quality	Data integrity (%)
	3. Review, upgrade and integrate SSPAS and SAP systems to meet current and future business	Reduced transit and allocation	Transit and allocation as a percentage of collection (%)
	4. Review SSPAS, SAP, Oracle BI and develop dynamic business intelligence capabilities to aid management decision making	Improved systems uptime	System availability (%)
5. Develop, test and implement business continuity measures against known key business disruptors			
4.3 Reduce benefits turnaround time	1. Reengineer benefits payment process 2. Enhance automation of benefit payment process	Reduced benefits payment turnaround time	Average benefits payments turnaround time (days)
Strategic Theme 4: Organizational Resilience			
Goal 4: Strengthen organizational resilience			
4.1 Develop institutional capacity to grow Tier II and voluntary contributions	1. Incentivize and empower customer facing functions to create relationships and market product offerings to different groups	Growth in membership	Tier II active members (# M)
	2. Realign and restructure customer facing functions to be more responsive to different member needs		Rate of retention of Tier II members (%)
	3. Develop and integrate KPIs on marketing products and growing membership into departmental work plans		Voluntary members (# M)
	4. Create and implement a commission agency framework for Tier II and voluntary contributions		
	5. Develop a strategic partnership framework and cascade to departments for implementation		
	6. Exploit third party channels for enhanced service delivery		
4.2 Enhance staff morale and productivity	1. Review and implement the performance appraisal framework 2. Leverage on emerging technologies to improve the work environment for improved staff morale 3. Train staff on relevant skills 4. Carry out Employee Satisfaction and Work Environment Survey	Increased staff productivity	Fund value per capita (Kshs. M)

Objectives	Tactics	Outcomes	KPIs
4.3 Enhance stakeholder relations management	<ol style="list-style-type: none"> Equip and enhance capacity of branch management Create a structured mechanism to actively engage national and county governments Influence for favorable changes in legislation in the pension industry 	Improved corporate image	Media tonality (%)
4.4 Develop and implement a fit for purpose business operating model	<ol style="list-style-type: none"> Segment customers and formulate differentiated service provision Develop capacity to administer segregated funds. Develop a relationship management model Develop capacity to manage annuity and draw down funds 	Better customer service	Customer satisfaction index (%) Net promoter score
		Customer retention	Average persistency for voluntary contributions (%)
4.5 Regularly review strategy to remain competitive	<ol style="list-style-type: none"> Regularly monitor competition and devise mitigation strategies Regularly monitor changing needs of the customers and create appropriate strategies Review and implement a risk management strategy 	Improved market share	Tier II market share (%) Voluntary contributions (KES M)
		Robust business resilience	Aggregate risk level (%)
4.6 Design and implement a culture and attitude change program	<ol style="list-style-type: none"> Carry out a Culture Assessment Survey Define the desired culture Create strategies to achieve the culture change Institutionalize the new culture 	Improved corporate culture	Employee engagement (%)
4.7 Embed good Corporate Governance practices	<ol style="list-style-type: none"> Carry out capacity building for Senior Management and Trustees - Trustees Development Program Conduct and implement a governance and legal audit Ensure compliance to institutional policies Carry out Corruption Perception Survey after every two years 	Improved corporate governance	Corruption perception index (%) Governance and legal compliance (%)
		Improved organizational performance	Performance contract rating (%)
4.8 Develop and implement a records management strategy	<ol style="list-style-type: none"> Develop and implement a data strategy Develop a record centre 	Improved decision making	Benefits payments turnaround time (days)
4.9 Operationalize the NSSF Act, 2013	<ol style="list-style-type: none"> Establish policies, procedures, systems and structure to manage segregated funds Develop and implement a framework for segregation of funds and ringfencing of the old funds Establish a Risk Fund 	Compliance with the NSSF Act, 2013	Compliance (%)

Objectives	Tactics	Outcomes	KPIs
	<ol style="list-style-type: none"> 4. Carry out an audit/evaluation of the assets and liabilities of the old Fund 5. Execute the outcomes of the evaluation/audit 6. Review NSSF regulations 		

6.2 Implementation Plan

Tables 6.2 to 6.5 show the implementation plan for each of the strategic themes.

Table 6.2: Customer experience

Strategic Theme 1: Customer Experience

Goal 1: Increase customer experience from 81% to 95%

Objectives	Tactics	Outcomes	KPIs	Responsibility	Baseline 2022/23	Target				
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
1.1 Develop an attractive value proposition	<ol style="list-style-type: none"> Develop differentiated products and value propositions for different customer segments Adopt account management model for differentiated customer segments 	Competitive advantage	Tier II market share (%)	GM SS	85	60	50	50	50	50
1.2 Deliver great customer experience	<ol style="list-style-type: none"> Improve service delivery across all channels Streamline benefits payment process Ensure timely declaration of interest on member accounts Process existing preserved benefits Review and upgrade SSPAS to implement customer relationship functionalities 	Enhanced customer experience	Average benefits payments turnaround time (days)	GM SS	38.82	30	20	10	7	7
			Overall customer satisfaction index (%)	GM SRM	81.44	84	87	89	92	95
1.3 Diversify product offerings	<ol style="list-style-type: none"> Develop, brand and grow Tier II, HabaHaba, unemployment benefit, diaspora, maternity benefit, and home savings scheme Develop new product offerings and markets 	Product diversity	Value of new products (KES M)	GM SS GM SRM	0	200	200	300	400	500
1.4 Enhance corporate brand	<ol style="list-style-type: none"> Enhance the brand of the Fund Set a percentage of the investment income in corporate social investment initiatives in collaboration with strategic partners Enhance capacity of internal stakeholders on media interactions 	Enhanced corporate image	Media tonality (%)	MCC	79	81	83	85	87	88
			Overall brand affinity (%)		74.5	77	79	81	83	85

Table 6.3: Financial sustainability and growth
Strategic Theme 2: Financial
Goal 2: Grow Fund value from 312B to 1Tn

Objectives		Tactics	Outcomes	KPIs	Responsibility	Base-line 2022/23	Yr 1	Yr 2	Target Yr 3	Yr 4	Yr 5
2.1 Grow Fund value	<ol style="list-style-type: none"> Review the portfolio offerings to increase contributions Diversify investment portfolio to optimize returns Management of revenue or costs 	Increased Fund value	Total Fund value (KES B)	MT	312	379	482	630	819	1000	
		Reduced historical debt	Historical Fund debt %	GM SS GM F GM I	100%	90%	80%	70%	60%	50%	
2.2 Grow Tier I contributions	<ol style="list-style-type: none"> Enhance compliance levels Reorganize compliance function to create prosecution units at HQ and in the Regions Increase access channels 	Increased Tier I contributions	Tier I contributions (KES B)	GM SS	14	18	22	27	31	37	
		Increased compliance	Weighted compliance default ratio (%)	GM SS	70	75	80	84	87	90	
2.3 Onboard Government T1 contributions	<ol style="list-style-type: none"> GOK SBU as an initiative Create systems and processes for handling of Government employer contributions Ensure government amends the IPPD payroll to accommodate NSSF number 	Increased Government contributions	GoK Contributions (KES B)	GM SS	0	4	5	6	8	9	
2.4 Grow and retain Tier II contributions	<ol style="list-style-type: none"> Profile the existing employers then target them for engagement Manage Tier II as a segregated Fund with an investment strategy, policy and cost structure Brand and market Tier II 	Increased Tier II contributions	Tier II contributions (KES M)	GM SS	12	19	34	56	68	87	
			Tier II market share (%)	GM SS	121	86	71	71	71	71	

	4. Develop capacity for member-driven compliance									
2.5 Grow voluntary contributions	1. Manage voluntary contributions as a guaranteed fund 2. Diversify to external markets 3. Leverage on Strategic partnerships to grow this sector (through bundled incentives, direct debit and matching contributions) 4. Mitigate brand injury from early withdrawals of Habahaba	Increased voluntary contributions	Voluntary contributions (KES M)	GM SS, GM SRM	800	990	1340	1700	2160	2765
2.6 Generate competitive investment returns	1. Develop and implement a property projects pipeline and master plan 2. Develop and implement a home ownership savings product	Profitable projects	Return on investment (%)	GM I	2	11	13	14	14	7
			Project fund absorption per year (KES B)		0	5	5	5	5	5
			Projection schedule attainment (%)			100	100	100	100	100
	3. Reduce the cost of running the Fund's buildings through ESG	Reduced cost of running buildings	Number of initiatives (#)		0	2	2	2	2	2
			Savings in utility costs (%)		0	0	0	5	10	10
	4. Invest in alternative asset classes to further diversify the asset portfolio	Enhanced portfolio diversification	Return on investment (%)		N/A	15	15	15	15	15

	5. Partner with other industry players for mega infrastructure projects to optimize returns and minimize risks		Alternative asset allocation (%)		0	0	2	5	7	10
2.7 Turnaround non-performing assets	<ol style="list-style-type: none"> 1. Review all non-performing assets (land, quoted equities and unquoted equities) 2. Develop and implement an exit strategy for each non-performing asset 	Reduced assets that are non-performing	Value of non-performing assets (KES B)	GM I, GM F, GM SS						

Table 6.4: Operational excellence

Strategic Theme 3: Operational Excellence

Goal 2: Reduce administrative costs from 2.1% to 1.5% of Fund value

Objectives	Tactics	Outcomes	KPIs	Responsibility	Baseline	Target				
					2022/23	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
3.1 Develop and implement innovative ideas that add value to the business	1. Develop and implement a Fund-wide innovation strategy	Pipeline of innovative ideas	Implementable innovative ideas (#)	GM SRM	1	2	2	2	2	2
	2. Lobby to have Social Security introduced in the school curriculum	New products and services	New products and services (#)	GM SRM	1	1	0	1	0	1
	3. Adopt emerging technologies to improve service delivery and solve legacy system challenges	Enhanced customer satisfaction	Customer satisfaction index (%)	GM SRM MICT	81.44	84	87	89	92	95
	4. Exploit ICT to come up with quality products and services that meet the needs of emerging markets	Enhanced compliance	Weighted compliance default ratio (%)	GM SS	70	75	80	84	87	90
	5. Develop and implement business innovation challenges	Reduced legal costs	Cases resolved via ADR (#)	GM CALS	3	5	7	7	8	9
	6. Encourage ADR to reduce number of court cases									
3.2 Review existing systems and implement new systems to effectively serve the business	1. Integrate our systems with third party systems to facilitate update of member records	Improved efficiency	Value of outstanding to value of transactions (%)	GM SS, MICT, GM F	40	35	30	25	20	15
	2. Reengineer business processes to improve efficiency and service delivery in the following areas: Registration, Compliance, Benefits, Contributions, and Receivables and payables	Reduced transit and allocation	Transit and allocation as a percentage of collection (%)	GM SS, MICT, GM F	1.5	1.4	1.3	1.2	1.0	0.9

	<ul style="list-style-type: none"> 3. Review, upgrade and integrate SSPAS and SAP systems to meet current and future business 4. Review SSPAS, SAP, Oracle BI and develop dynamic business intelligence capabilities to aid management decision making 5. Develop, test and implement business continuity measures against known key business disruptors 		Legacy transit and allocation (KES M)		861	750	700	650	600	550
		Improved systems uptime	System availability (%)	MICT	97	97.5	98	98.5	99	99
3.3 Reduce benefits turnaround time	<ul style="list-style-type: none"> 1. Reengineer benefits payment process 2. Enhance automation of benefit payment process 	Improved decision making	Average benefits payments turnaround time (days)	GM SS, MICT	82	30	20	10	7	7
3.4 Reduce preserved benefits	<ul style="list-style-type: none"> 1. Data cleansing of member personal data 2. Recapture historical benefits 3. Automate processing of interest arrears 4. Proactively reach out to members 60 years 5. Transfer pension credits to Capital Preservation Fund 	Reduced preserved benefits	Preserved benefits (KES B)	GM SS	40	30	20	10	5	5

Table 6.5: Operational excellence

Strategic Theme 4: Organizational Resilience

Goal 4: Strengthen organizational resilience

Objectives	Tactics	Outcomes	KPIs	Respo nsi- bility	Baseline	Targets				
					2022/23	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
4.1 Develop institutional capacity to grow Tier II and voluntary contributions	<ol style="list-style-type: none"> Incentivize and empower customer facing functions to create relationships and market product offerings to different groups Realign and restructure the customer facing functions to be more responsive to different member needs Develop and integrate KPIs on marketing products and growing membership into departmental work plans Create and implement a commission agency framework for Tier II and voluntary contributions Develop a strategic partnership framework and cascade to departments for implementation Exploit third party channels for enhanced service delivery 	Growth in membership	Tier I active members (# M)	GM SS	2.4	2.5	2.6	2.8	2.9	3.0
			Rate of retention of Tier II members (%)	GM SS	85	60	50	50	50	50
			Voluntary members (# M)	GM SS	0.60	0.72	0.86	1.04	1.24	1.49
4.2 Enhance staff productivity and morale	<ol style="list-style-type: none"> Review and implement the performance appraisal framework Leverage on emerging technologies to improve the work environment for improved staff morale 	Increased staff productivity	Fund value per capita (KES M)	GM HR&A	292	270	250	230	200	180

	3. Train staff on relevant skills									
4.3 Enhance stakeholder relations management	1. Equip and enhance capacity of branch management 2. Create a structured mechanism to actively engage national and county governments 3. Influence for favourable changes in legislation in the pension industry	Improved corporate image.	Media tonality (%)	MCC	79	81	83	85	87	88
4.4 Develop and implement a fit for purpose business operating model	1. Segment customers and formulate differentiated service provision 2. Develop capacity to administer segregated funds. 3. Develop a relationship management model	Better customer service	Customer satisfaction index (%)	GM SRM	81.44	84	87	89	92	95
			Net promoter score (%)	GM SRM	22	25	28	31	34	37
	4. Develop capacity to manage annuity and draw down funds	Customer retention	Average persistency for voluntary contributions (%)	GM SS, GM SRM	8	17	25	30	35	40
4.5 Regularly review strategy to remain competitive	1. Regularly monitor competition and devise mitigation strategies 2. Regularly monitor changing needs of the customers and create appropriate strategies	Improved market share	Tier II market share (%)	GM SS	85	70	50	55	60	60
			Voluntary contributions (KES M)	GM SS, GM SRM	875	1,036	1,250	1,535	1,972	2,549
	3. Review and implement a risk management strategy	Robust business resilience	Aggregate risk level (%)	GM A&R	X (Baseline)	X-0.5	X-1	X-1.5	X-2	X-2.5
4.6 Design and implement a culture and attitude change program	1. Carry out a Culture Assessment Survey 2. Define the desired culture 3. Create strategies to achieve the culture change	Improved corporate culture	Employee engagement (%)	GM HRA	X (Baseline)	X+3	X+3	X+3	X+3	X+3

	4. Institutionalize the new culture									
4.7 Embed good Corporate Governance practices	1. Carry out capacity building for Senior Management and Trustees -Trustees Development Program	Improved corporate governance	Corruption perception index (on a scale of 1-10)	GM CSLS	1.8	1.6	1.4	1.3	1.2	1.1
	2. Conduct and implement a governance and legal audit		Governance and legal compliance (%)	GM CSLS	65	75	85	100	100	100
	3. Ensure compliance to institutional policies	Improved organizational performance	Performance contract rating (%)	GM SRM	3.5	3.0	2.8	2.6	2.5	2.4
4.8 Develop and implement a records management strategy	1. Develop and implement a data strategy 2. Develop a record centre	Improved decision making	Percentage of implementation	GM SS	X (Baseline)	X+20	X+20	X+20	X+20	X+20
4.9 Operationalize the NSSF Act, 2013	1. Establish policies, procedures, systems and structure to manage segregated funds 2. Establish a Risk Fund 3. Carry out an audit/evaluation of the assets and liabilities of the old Fund 4. Execute the outcomes of the evaluation/audit 5. Review NSSF regulations	Compliance with the NSSF Act, 2013	Compliance (%)	GM CSLS	70	80	100	100	100	100

6.3 Quick Wins

Table 6.6 shows the quick wins to be implemented using the rapid results initiative (RRI) methodology in the next three to six months.

Table 6.6: Quick wins

No	Priority RRIs	Requirements		Timeframe	Responsibility
1	Benefits payments	• Staff	• Budget	30 June 2023	MRC – Lead, MB, MF, MICT
2	Compliance to NSSF Act	• Board approvals • Staff	• Budget • Consultancy	30 th Sept 2023	ML - Lead, MPM, MICT, MF
3	Tier II retention	• Staff/ consultancy	• Budget	30 th Sept 2023	MRC – Lead, MMB, MCC
4	Staffing/structure	• Approvals	•	31 st Dec 2023	MT – Lead, HRM
5	Relaunch of HabaHaba	• Budget	• Consultancy	30 th Sept 2023	MSCP – Lead, MCC, MRC, MMB
6	Communication	• Budget	• Consultancy	30 th Sept 2023	MCC – Lead
7	Change of business model from compliance to customer relation model	• Staff • Budget	• Capacity building	31 st Dec 2023	MT – Lead, MRC, MMB, MMC, MSCP
8	Culture change	• Consultancy	• Budget	31 st Dec 2023	MT – Lead, HRM
9	Activation of dormant members	• Budget	• Staff	31 st Dec 2023	MRC – Lead MICT, MMC
10	Partnerships	• Approvals • Budget	• Staff/ consultancy	30 th Sept 2023	MT – Lead, MSCP, GM I, MICT

6.4 CSP Budget

Tables 6.7 to 6.10 show the budget for implementing each of the strategic themes.

Table 6.7: Customer experience

Strategic Theme 1: Customer Experience

Goal 1: Increase customer experience from 81% to 95%

Objectives	Tactics	High-level Activities	Target				
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
1.1 Develop an attractive value proposition	1. Develop differentiated products and value propositions for different customer segments	<ul style="list-style-type: none"> • Consultancy services 	0	0	0	0	0
	2. Adopt account management model for differentiated customer segments	<ul style="list-style-type: none"> • Addressed above 	0	0	0	0	0
1.2 Deliver great customer experience	1. Improve service delivery across all channels	<ul style="list-style-type: none"> • Addressed under channels 	0	0	0	0	0
	2. Streamline benefits payment process	<ul style="list-style-type: none"> • Addressed under Benefits 	0	0	0	0	0
	3. Ensure timely declaration of interest on member accounts	<ul style="list-style-type: none"> • Addressed under Benefits 	0	0	0	0	0
	4. Process existing preserved benefits	<ul style="list-style-type: none"> • Addressed under Benefits 	0	0	0	0	0
	5. Review and upgrade SSPAS to implement customer relationship functionalities	<ul style="list-style-type: none"> • Consultancy services • Training of staff • Equipment for staff • Housing space 	0	100	20	20	20
1.3 Diversify product offerings	1. Develop, brand and grow HabaHaba, unemployment benefit, diaspora, maternity benefit, and home savings scheme	<ul style="list-style-type: none"> • Re-launch Habahaba • Complete the development of products • Roll-out the products 	15	3	3	3	3
	2. Develop new product offerings and markets	<ul style="list-style-type: none"> • Carry out market survey • Implement the recommendations of the market survey 	0	0	5	5	0
1.4 Enhance corporate brand	1. Enhance the brand of the Fund	<ul style="list-style-type: none"> • Increase media presence • Create a culture of brand patriotism among internal stakeholders • Deliberately enhance organization endorsements • Addressed above 	0	0	0	0	0

	2. Set a percentage of the investment income in corporate social investment initiatives in collaboration with strategic partners	<ul style="list-style-type: none"> • Develop a CSI/CSR plan • Implement the CSI/CSR plan • Seek partnerships for CSI implementation 	30	30	30	30	30
	3. Enhance capacity of internal stakeholders on media interactions	<ul style="list-style-type: none"> • Carry out media training • Develop a media relations program for internal stakeholders 	5	5	5	5	5
Total Customer Experience Theme			50	138	63	63	58

Table 6.8: Financial sustainability and growth
Strategic Theme 2: Financial Sustainability and Growth
Goal 2: Grow Fund value from 312B to 1Tn

Objectives	Tactics	High-level Activities	Target				
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
2.1 Grow Fund value	1. Review the portfolio offerings to increase contributions	<ul style="list-style-type: none"> • Consultancy • Review IPS • Implement IPS 	5	5	5	5	5
	2. Diversify investment portfolio to optimize returns						
	3. Management of revenue/ costs	<ul style="list-style-type: none"> • Develop policy • Enhance budget controls • Rationalize the branch network • Enhance debt management in the Fund 	0	0	0	0	0
2.2 Grow Tier I contributions	1. Enhance compliance levels	<ul style="list-style-type: none"> • Develop an RRI • Implement RRI • Activate dormant members • Recruit government employees 	5	3	0	0	0
	2. Reorganize compliance function to create prosecution units at HQ and in the Regions	<ul style="list-style-type: none"> • Establish the unit • Enhance capacity 	5	2	1	1	1
	3. Increase access channels	<ul style="list-style-type: none"> • Increase branch footprint (2 per year) • Increase digital channels • Deploy additional agency channels • Increase service offering at Huduma centres 	66	100	140	180	220
2.3 Grow and retain Tier II contributions	1. Profile the existing employers then target them for engagement	<ul style="list-style-type: none"> • Identify employers to target • Allocate relationship managers 	0	0	0	0	0
	2. Manage Tier II as a segregated Fund with an investment strategy, policy and cost structure	<ul style="list-style-type: none"> • Policy approvals • Consultancy services • Create and manage Tier II as a Strategic Business Unit 	20	20	0	0	0

		<ul style="list-style-type: none"> Update interest allocation policy Develop a cost allocation policy Develop capacity for segregated financial reporting 					
	3. Brand and market Tier II	<ul style="list-style-type: none"> Consultancy services Develop and implement a brand strategy Develop and roll-out Tier II product Hold targeted stakeholder engagements Sensitize the public on NSSF value proposition 	80	70	60	50	50
	4. Develop capacity for member-driven compliance	<ul style="list-style-type: none"> Implement a full feature contact center (outsource or inhouse) Develop digital feedback mechanisms Leverage social media channels 	5	10	40	5	5
	2.4 Grow voluntary contributions						
	1. Manage voluntary contributions as a guaranteed fund	<ul style="list-style-type: none"> Policy approvals Consultancy services Create and manage voluntary as a Strategic Business Unit Update interest allocation policy Develop a cost allocation policy Develop capacity for segregated financial reporting Development of benefits preservation rules for voluntary contributions in tandem with the market 	0	0	0	0	0
	2. Diversify to external markets	<ul style="list-style-type: none"> Policy approvals Consultancy services Market survey Implement market survey recommendations 	0	0	0	5	0

	3. Leverage on Strategic partnerships to grow this sector (<i>through bundled incentives, direct debit and matching contributions</i>)	<ul style="list-style-type: none"> • Been addressed 	0	0	0	0	0
	4. Mitigate brand injury from early withdrawals of Habahaba	<ul style="list-style-type: none"> • Develop process for early withdrawal • Develop a risk mitigation plan • Implement the risk mitigation plan • Targeted stakeholder engagement 	0	0	0	0	0
2.5 Generate competitive investment returns	1. Develop and implement a property projects pipeline and master plan	<ul style="list-style-type: none"> • Develop property projects pipeline and master plan • Implement the property projects pipeline and master plan • Develop a more responsive property development framework 	5,000	5,000	5,000	5,000	5,000
	2. Develop and implement a home ownership savings product	<ul style="list-style-type: none"> • Consultancy services • Carry out feasibility study • Implement the recommendations of the feasibility study • Develop an off-take financing mechanism 	0	0	0	0	0
	3. Reduce the cost of running the Fund's buildings through ESG	<ul style="list-style-type: none"> • Carry out energy audit • Implement recommendations of the energy audit 	20	20	20	20	20
	4. Invest in alternative asset classes to further diversify the asset portfolio	<ul style="list-style-type: none"> • Onboard specialist fund managers • Develop an agile approval mechanisms 	0	0	0	0	0
	5. Partner with other industry players for mega infrastructure projects to optimize returns and minimize risks	<ul style="list-style-type: none"> • Policy approvals • Consultancy services 	50	50	50	50	50

		<ul style="list-style-type: none"> Exploit the asset portfolio to partner with the government on new projects and initiatives 					
Total Financial Sustainability and Growth Theme			5,256	5,280	5,316	5,316	5,351

Table 6.9: Operational excellence

Strategic Theme 3: Operational Excellence

Goal 3: Reduce administrative costs from 2.1% to 1.5% of Fund value

Objectives	Tactics	High-level Activities	Target				
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
3.1 Develop and implement innovative ideas that add value to the business	1. Develop and implement a Fund-wide innovation strategy	<ul style="list-style-type: none"> Develop innovation strategy. Implement innovation strategy 	0	10	5	5	5
	2. Lobby to have Social Security introduced in the school curriculum	<ul style="list-style-type: none"> Lobbying education sector Drama and music festivals 	0	0	2	2	2
	3. Adopt emerging technologies to improve service delivery and solve legacy system challenges	<ul style="list-style-type: none"> Identify and acquire relevant emerging technologies Implement emerging technologies and integrate with existing systems 	0	40	40	40	0
	4. Exploit ICT to come up with quality products and services that meet the needs of emerging markets						
	5. Develop and implement business innovation challenges						
	6. Encourage ADR to reduce number of court cases	<ul style="list-style-type: none"> Facilitate ADR processes 	3	3	3	3	3
3.2 Review existing systems and implement new systems to effectively serve the business	1. Integrate our systems with third party systems to facilitate update of member records	<ul style="list-style-type: none"> Approvals Develop required interfaces Comply with relevant frameworks e.g., DPA 	5	5	5	5	5
	2. Reengineer business processes to improve efficiency and service delivery in the following areas: Registration, Compliance, Benefits, Contributions, and Receivables and payables	<ul style="list-style-type: none"> Consultancy services 	10	0	0	0	0

	3. Review, upgrade and integrate SSPAS and SAP systems to meet current and future business needs	<ul style="list-style-type: none"> • Consultancy services • Implementation partner services • Manage change associated with new ICT systems 	0	300	300	300	0
	4. Review SSPAS, SAP, Oracle BI and develop dynamic business intelligence capabilities to aid management decision making	<ul style="list-style-type: none"> • Update and clean member data 					
	5. Develop, test, and implement business continuity measures against known key business disruptors	<ul style="list-style-type: none"> • Identify business risks and mitigation strategies • Implement mitigation strategies 	0	0	0	0	0
3.3 Reduce benefits turnaround time	1. Reengineer benefits payment process	<ul style="list-style-type: none"> • Approvals • Develop an RRI for benefits payments • Implement RRI • Develop an expedited mechanism for second payment • Expedite interest declaration • Automate payment of interest arrears 	10	5	5	5	5
	2. Enhance automation of benefit payment process	<ul style="list-style-type: none"> • Develop proof of concept (biometrics) • Procure and implement appropriate technology 	100	0	0	0	0
Total Internal Processes Theme			128	363	360	360	20

Table 6.10: Organizational resilience

Strategic Theme: Organizational Resilience

Goal 4: Strengthen organizational resilience

Objectives	Tactics	High-level Activities	Budget (KES M)				
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
4.1 Develop institutional capacity to grow Tier II and voluntary contributions	1. Incentivise and empower customer facing functions to create relationships and market product offerings to different groups	<ul style="list-style-type: none"> Stratify compliance activities Design a performance based reward program Training and capacity building Implement bonus scheme 	325	325	325	325	325
	2. Realign and restructure customer facing functions to be more responsive to different member needs	<ul style="list-style-type: none"> Reorganize branch operations Standardize and brand offices 	60	60	60	0	0
	3. Develop and integrate KPIs on marketing products and growing membership into departmental work plans	<ul style="list-style-type: none"> Cascade targets 	5	5	5	5	5
	4. Create and implement a commission agency framework for Tier II and voluntary contributions	<ul style="list-style-type: none"> Formulate a framework. Recruit agents and partners 	5	10	5	5	5
	5. Develop a strategic partnership framework and cascade to departments for implementation	<ul style="list-style-type: none"> Develop framework Cascade for implementation Recruit strategic partners 	7	7	7	7	7
	6. Exploit third party channels for enhanced service delivery	<ul style="list-style-type: none"> Joint member sensitization 	6	6	6	6	6
4.2 Enhance morale staff and productivity	1. Review and implement the performance appraisal framework	<ul style="list-style-type: none"> Review existing framework. Implement revised framework 	0	0	0	0	0
	2. Leverage on emerging technologies to improve the work environment for improved staff morale	<ul style="list-style-type: none"> Training and capacity enhancement 	10	20	30	0	0
	3. Train staff on relevant skills	<ul style="list-style-type: none"> Training 	150	150	150	150	150
4.3 Enhance stakeholder	1. Equip and enhance capacity of branch management	<ul style="list-style-type: none"> Staffing 	0	0	0	0	0

relations management	2. Create a structured mechanism to actively engage national and county governments	<ul style="list-style-type: none"> Relationship management Create a government liaison function within the region and HQ 	5	1	1	1	1
	3. Influence for favourable changes in legislation in the pension industry	<ul style="list-style-type: none"> Lobbying workshops Communication 	3	3	10	3	3
4.4 Develop and implement a fit for purpose business operating model	1. Segment customers and formulate differentiated service provision	<ul style="list-style-type: none"> Dedicate staff for specific products 	0	0	0	0	0
	2. Develop capacity to administer segregated funds	<ul style="list-style-type: none"> Addressed above 	0	0	0	0	0
	3. Develop a relationship management model	<ul style="list-style-type: none"> Addressed above 	0	0	0	0	0
4.5 Regularly review strategy to remain competitive	1. Regularly monitor competition and devise mitigation strategies	<ul style="list-style-type: none"> Continuous monitoring of competition 	0	0	0	0	0
	2. Regularly monitor changing needs of the customers and create appropriate strategies	<ul style="list-style-type: none"> Continuous monitoring of customers 	0	0	0	0	0
	3. Review and implement a risk management strategy	<ul style="list-style-type: none"> Review existing strategy. Implement revised strategy 	0	0	0	0	0
4.6 Design and implement a culture and attitude change program	1. Carry out a Culture Assessment Survey	<ul style="list-style-type: none"> Baseline survey 	1	7	0	0	0
	2. Define the desired culture	<ul style="list-style-type: none"> Define the desired culture 	0	3	0	0	0
	3. Create strategies to achieve the culture change	<ul style="list-style-type: none"> Create strategies to achieve the culture change 	0	0	2	0	0
	4. Institutionalize the new culture	<ul style="list-style-type: none"> Create awareness of the new culture Incorporate culture into the performance management system Implement culture change 	0	0	2	50	50
4.7 Embed good corporate governance practices	1. Carry out capacity building for Senior Management and Trustees - Trustees Development Program	<ul style="list-style-type: none"> Local training External training 	60	5	60	5	60
	2. Conduct and implement a Governance and Legal audit	<ul style="list-style-type: none"> Consultancy services 	0	10	0	10	0
	3. Ensure compliance to institutional policies	<ul style="list-style-type: none"> Compliance checks 	0	0	0	0	0
4.8 Develop and implement a	1. Develop and implement a data strategy	<ul style="list-style-type: none"> Develop the data strategy Implement the data strategy 	2	3	3	3	3

records management strategy	2. Develop a record centre	<ul style="list-style-type: none"> • Design record center • Build record center 	0	200	400	400	0
4.9 Operationalize the NSSF Act, 2013	1. Establish policies, procedures, systems and structure to manage segregated funds	<ul style="list-style-type: none"> • Approvals • Consultancy services • Training • Sensitization • System configurations 	100	100	0	0	0
	2. Establish a Risk Fund						
	3. Carry out an audit/evaluation of the assets and liabilities of the old Fund						
	4. Execute the outcomes of the evaluation/audit						
	5. Review NSSF regulations						
Total Institutional Capacity Theme			739	915	1,066	970	615

6.5 Summary of Strategic Plan Cost

Table 6.11 shows a summary of the budget from tables 6.7 to 6.10. The figures have been rounded up.

Table 6.11: Summary of the cost of the strategic plan

Strategic Themes	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Institutional Capacity	4,305	740	915	1,065	970	615
Internal Processes	1,230	130	360	360	360	20
Financial	26,520	5,260	5,280	5,315	5,315	5,350
Customer	370	50	140	60	60	60
Total	32,425	6,180	6,695	6,800	6,705	6,045

6.6 Organization Structure and Governance

The organizational structure should be reviewed to be responsive to the emerging landscape. This includes, but not limited to the following:

- a) Establish prosecution units at the headquarters and the regions;
- b) Create a board committee on alternative investments to expedite diversification into alternative investments;
- c) Create a Project Management Office (PMO) to provide centralized and standardized support for managing projects within the Fund; and
- d) Create Tier II, Government and Voluntary Contributions as strategic business units.

6.7 M&E Framework

Monitoring is an important part of strategy implementation that involves taking a periodic look at how the plan is progressing. This helps to ensure that:

- a) The Fund's efforts conform to the strategic plan
- b) The plan accomplishes its objectives
- c) The mitigation measures put in place enhances improved performance
- d) It allows corrective action in case of deviation

The Fund will endeavour to communicate the strategic plan to all its stakeholders, monitoring implementation through measuring performance against set objectives and evaluating the achievement of the set objectives. The implementation framework will involve preparation of annual work plans by divisions, departments, regions and branches. The work plans will be linked to the objectives, strategies and initiatives as contained in the implementation matrix. In addition, divisional/ departmental/ regional and branch work plans will be cascaded to individual work plans which will be linked to the Fund's

Performance Management System – the balance scorecard which will be aligned to the appraisal process.

For each year, the AWP's will be evaluated to gauge the extent of achievement and lessons learned that year that could be useful in the next year.

Monitoring implementation of the strategic plan shall constitute systematic tracking of activities and actions to assess progress. This monitoring will be quarterly, culminating in Management presenting implementation of the strategy to the Board every quarter. Progress will be measured against specific targets included in the Plan. Table 6.12 shows the M&E framework will must be put in place by the Fund in order to enhance successful implementation of the strategic plan:

Table 6.12: Monitoring and Evaluation framework

Strategic Theme:

Goal:

Objectives	Outcomes	KPIs	Means of Verification	Source	Champion

Means of verification means the tools used and processes followed to collect the data necessary to measure the progress of the KPI towards the target. It might be necessary to establish structures to ensure successful implementation. In addition, it will be necessary for senior management to hold formal quarterly meetings to review the status of the implementation of the strategic plan and identify areas that require attention. The senior management report on strategy implementation is presented to the Board on a quarterly basis. Table 6.13 shows the framework that can be used to monitor strategic plan implementation. This is what Management can use to report the implementation of the strategy to the Board on a quarterly basis.

Table 6.13: Framework for reporting strategic plan implementation

Strategic Theme:

Goal:

Objectives	Outcomes	KPIs	Targets	Achievement	Challenges	Recommendations

In addition, Management will carry out annual, mid-term and end-term evaluations of the implementation of the strategy. The framework in table 6.13 can be used to report these evaluations.

6.8 Risk and Mitigation Strategies

As the Fund seeks to implement this strategic plan, it will be prone to various risks among them, operational, financial, strategic and technological. The specific risks under each of these categories is outlined in table 6.14.

The Likelihood (L) parameter, which quantifies the chances of a risk event occurring, is operationalized at three levels: 1 – Low; 2 – Moderate; 3 – High. Similarly, the Impact (I) parameter, which represents severity of the risk should it occur, is operationalized at same three levels: 1 – Low; 2 – Moderate; 3 – High. The Resultant Risk Level (RL) is the product of L and I as shown in table 6.14.

Table 6.14: Risks and mitigation strategies

Risk Level (I)		Low (L)	Medium (M)	High (H)		
Resultant Score (I)		1, 2, 3	4, 6	9		
Risk Category	Risk and Risk Description	Likelihood (L)	Impact (I)	Risk Level (RL=L*I)	Mitigation strategies	Risk Owner
Legal	Change in NSSF Act, 2013	2	3	6 (M)	<ul style="list-style-type: none"> Lobby key stakeholders to forestall a change ADR 	GM CALS
Competition	Tier II opting out	3	3	9 (H)	<ul style="list-style-type: none"> Re-engineering Tier II processes Aggressive marketing Managing Tier II as a separate SBU 	GM SS, GM SRM, MCC
Financial	Legacy debts (e.g. defunct local authorities) and other debts (e.g. TPS)	2	2	4 (M)	<ul style="list-style-type: none"> Lobbying ADR Aggressive follow-up of debts Enhance appraisal system for purchasers and tenants 	GM I, GM SS
	Delayed contributions from government especially of the employer portion	2	2	4 (M)	<ul style="list-style-type: none"> Amendment of the interest allocation process for government contributions 	GM F, GM SS
Investment	Market volatility	2	3	6 (M)	<ul style="list-style-type: none"> Diversification to alternative investments Diversify markets (e.g. off-shore) 	GM I
	Low returns	2	2	4 (M)	<ul style="list-style-type: none"> Change investment contracts to be performance-based Closely monitor contracts 	GM I
ICT	Cybersecurity threats	3	3	9 (H)	<ul style="list-style-type: none"> Implement holistic cyber security 	MICT

Risk Category	Risk and Risk Description	Likelihood (L)	Impact (I)	Risk Level (RL=L*I)	Mitigation strategies	Risk Owner
	Data integrity risks	2	2	4 (M)	<ul style="list-style-type: none"> • solution to detect, deter and prevent intrusion • Clean member's database to ensure that the members have the correct obligations and the ledger balances 	MICT, GM SS
People	Culture characterized by conservatism, risk aversiveness and in-decisiveness	3	2	6 (M)	<ul style="list-style-type: none"> • Develop and implement a culture change program • Sort out historical injustices 	GM HRA
Governance	Frequent changes in the board	3	2	6 (M)	<ul style="list-style-type: none"> • Adherence to good corporate governance 	MT
	Political interference	3	2	6 (M)		

The above risks should be cascaded to the functional heads and integrated into the enterprise risk framework.

Appendix 1: Financial Model

In developing a financial model to project the contributions receivables in the next five years, it is important to note the following:

- a) The New Rates shall apply starting February Payroll giving 4 months' worth of impact in the first financial year (2022/2023).
- b) The National Average earning is KES 60,000 per month as per 2022 economic survey. This figure shall escalate at around 5% during the plan period. However, the Upper Earning Limit for the first FOUR years shall be based on the 2014 figure of KES 36,000/- This means that the Upper Earning Limit shall be lagging by about ONE year compared to if it was based on the current wage data.
- c) The Employed Voluntary Top-Up amount is expected to rapidly decrease as it gets replaced by adoption of Tier II. The vast majority of the voluntary members are contributing voluntary because they don't consider the KES 400/- adequate. Once that is sorted by the higher rates, the adoption of Voluntary Top-Up is expected to diminish.
- d) The Pure Voluntary which represents mostly the unemployed is projected to grow by 20% driven by Haba Haba, Informal Sector and Diaspora.
- e) Penalties and Arrears are expected to stagnate as the Fund cleans its legacy contribution debtors book
- f) The projections have omitted Central Government employees on the Civil Servants Superannuation Scheme from Tier I and Tier II

It is also important to note that projecting the NSSF share of the open Tier II market is a bit difficult, as the Fund shall be playing in unchartered territories competing directly with Occupational Schemes, Umbrella schemes and Individual Pension Plans. This is space that Fund has never played before.

There are three distinct type of employers/employees in this space:

- a) Employers already with existing pension plans. The model assumes that this represents 30% of the current active NSSF contributors (by membership);
- b) Employers/Employees without an existing pension scheme who shall join NSSF as the default scheme for such employers; and
- c) Employers/Employees without an existing scheme but who shall opt to join an existing umbrella or independent scheme.

Therefore the key assumptions that were made in developing the financial model are shown in table A1.1.

Table A1.1: Summary of key assumptions

PARAMETERS							
FINANCIAL PERIOD	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	
Growth in Employed Members	5%	5%	5%	5%	5%	5%	5%
Growth in Voluntary Membership	20%	20%	20%	20%	20%	20%	20%
NSSF Retention of Tier II	85%	60%	50%	50%	50%	50%	50%
Lower Earning Limit	6,000	6,000	7,000	8,000	9,000	10,000	
Tier I Contributions (monthly)	720	720	840	960	1,080	1,200	
National Average Wage (NAW)	60,000	61,800	63,654	65,564	67,531	69,556	
Upper Earning Limit (UEL)	18,000	18,000	63,654	131,127	202,592	278,226	
Max Tier II Contribution	1,440	1,440	6,798	14,775	23,231	32,187	
Voluntary Persistency	12.0%	17.0%	25.0%	30.0%	35.0%	40.0%	
Growth in Benefits Claims	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Gross Realised Return	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
General Inflation	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Investment Management Expenses	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%

The scenarios outlined below look at different outcomes depending on:

- a) How well NSSF brands and positions its Tier II pension offering;
- b) How insulated the optional Tier II scheme is insulated from the encumbrances and operating costs of the mandatory first pillar Tier I scheme; and

- c) How well the NSSF marketing effort can work against products being pushed by entities with an army of commission driven salesforce.

A total of five scenarios were developed as summarized in table A1.2.

Table A1.2: Summary of key scenarios

Scenario #	Scenario Nature	Key Assumptions
1	Realistic case	<ul style="list-style-type: none"> • Retain 70% of Tier II • 10% investment growth
2	Aggressive investment case	<ul style="list-style-type: none"> • Retain 50% of Tier II • 12% investment growth
3	Base case	<ul style="list-style-type: none"> • Retain 35% of Tier II • 10% investment growth
4	Delayed case	<ul style="list-style-type: none"> • Retain 50% of Tier II • 10% investment growth • Delayed progression of upper earning limit
5	No GOK case	<ul style="list-style-type: none"> • Retain 50% of Tier II • 10% investment growth, • Exclude GOK contributions

A summary of the financial projections for each of the scenarios is shown in table A1.3.

Table A1.3: Summary of the financial projections for each scenario

SCENARIO 1: REALISTIC CASE - RETAIN 70% OF TIER II, 10% INVESTMENT GROWTH				
	BASELINE	YEAR 1	MID-TERM	END-TERM
FINANCIAL PERIOD	2022/2023	2023/2024	2025/2026	2027/2028
Total NSSF Active Contributors	3,000,000	3,740,000	4,366,350	5,163,821
Total Contributions Receivable (KES M)	26,921	42,838	90,445	134,727
Net Surplus from dealings with members	20,243	34,833	79,859	120,726
Gross returns on investments	11,852	34,655	65,623	92,848
Operating Expenses	6,653	7,652	8,925	10,410
Fund Value	311,165	373,000	603,724	979,151
Fund Growth	8.90%	19.87%	29.23%	26.18%
Operating costs to Net Assets (Projected)	2.14%	2.05%	1.48%	1.06%
Net Return on Investment (Return to Members)	1.82%	8.68%	12.14%	10.62%
SCENARIO 2: AGGRESSIVE INVESTMENT CASE - RETAIN 50% OF TIER II, 12% INVESTMENT GROWTH				
	BASELINE	YEAR 1	MID-TERM	END-TERM
FINANCIAL PERIOD	2022/2023	2023/2024	2025/2026	2027/2028
Total NSSF Active Contributors	3,000,000	3,740,000	4,366,350	5,163,821
Total Contributions Receivable (KES M)	26,921	42,838	90,445	134,727
Net Surplus from dealings with members	20,243	34,833	79,859	120,726
Gross returns on investments	11,852	40,887	77,313	114,318
Operating Expenses	6,653	7,652	8,925	10,410

Fund Value	311,165	379,233	630,048	1,043,228
Fund Growth	8.90%	21.88%	30.77%	27.44%
Operating costs to Net Assets (Projected)	2.14%	2.02%	1.42%	1.00%
Net Return on Investment (Return to Members)	1.82%	10.68%	14.19%	12.69%
SCENARIO 3: BASE CASE - RETAIN 35% OF TIER II, 10% INVESTMENT GROWTH				
	BASELINE	YEAR 1	MID-TERM	END-TERM
FINANCIAL PERIOD	2022/2023	2023/2024	2025/2026	2027/2028
Total NSSF Active Contributors	3,000,000	3,740,000	4,366,350	5,163,821
Total Contributions Receivable (KES M)	26,921	42,838	79,292	108,774
Net Surplus from dealings with members	20,243	34,833	68,705	94,773
Gross returns on investments	11,852	34,655	65,623	88,928
Operating Expenses	6,653	7,652	8,925	10,410
Fund Value	311,165	373,000	592,570	916,057
Fund Growth	8.90%	19.87%	26.84%	23.33%
Operating costs to Net Assets (Projected)	2.14%	2.05%	1.51%	1.14%
Net Return on Investment (Return to Members)	1.82%	8.68%	12.14%	10.57%

SCENARIO 4: DELAYED CASE - RETAIN 50% OF TIER II, 10% INVESTMENT GROWTH, DELAYED PROGRESSION OF UPPER EARNING LIMIT				
	BASELINE	YEAR 1	MID-TERM	END-TERM
FINANCIAL PERIOD	2022/2023	2023/2024	2025/2026	2027/2028
Total NSSF Active Contributors	3,000,000	3,740,000	4,366,350	5,163,821
Total Contributions Receivable (KES M)	26,921	42,838	70,344	120,067
Net Surplus from dealings with members	20,243	34,833	59,757	106,066
Gross returns on investments	11,852	34,655	64,498	87,738
Operating Expenses	6,653	7,652	8,925	10,410
Fund Value	311,165	373,000	574,345	916,076
Fund Growth	8.90%	19.87%	25.13%	25.03%
Operating costs to Net Assets (Projected)	2.14%	2.05%	1.55%	1.14%
Net Return on Investment (Return to Members)	1.82%	8.68%	12.11%	10.55%

SCENARIO 5: NO GOK CASE - RETAIN 50% OF TIER II, 10% INVESTMENT GROWTH, EXCLUDING GOK CONTRIBUTIONS				
	BASELINE	YEAR 1	MID-TERM	END-TERM
FINANCIAL PERIOD	2022/2023	2023/2024	2025/2026	2027/2028
Total NSSF Active Contributors	3,000,000	3,240,000	3,815,100	4,556,068
Total Contributions Receivable (KES M)	26,921	38,518	84,095	125,975
Net Surplus from dealings with members	20,243	30,513	73,508	111,974
Gross returns on investments	11,852	34,655	64,221	89,557

Operating Expenses	6,653	7,652	8,925	10,410
Fund Value	311,165	368,680	585,805	939,215
Fund Growth	8.90%	18.48%	28.18%	25.55%
Operating costs to Net Assets (Projected)	2.14%	2.08%	1.52%	1.11%
Net Return on Investment (Return to Members)	1.82%	8.68%	12.10%	10.58%

The adopted financial model assumes the realistic case (scenario 1). The projections of this adopted scenario are shown in table A1.4.

Table A1.4: Adopted Scenario Projections

ADOPTED SCENARIO: REALISTIC CASE: 10% INVESTMENT GROWTH, RETAIN 70% OF AVAILABLE TIER II							
MEMBERSHIP DATA - ACTIVE							
FINANCIAL PERIOD	%	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Tier I Members (Employed)	5%	2,400,000	2,520,000	2,646,000	2,778,300	2,917,215	3,063,076
GOK Tier I Members	5%	-	500,000	525,000	551,250	578,813	607,753
Voluntary Members	20%	600,000	720,000	864,000	1,036,800	1,244,160	1,492,992
NSSF Active Members		3,000,000	3,740,000	4,035,000	4,366,350	4,740,188	5,163,821
TIER II RETENTION							
Approx Members with existing schemes	30%	720,000	756,000	793,800	833,490	875,165	918,923

New Industrywide Tier II Contributors		1,680,000	1,764,000	1,852,200	1,944,810	2,042,051	2,144,153
NSSF Tier II Members	70%	2,040,000	1,512,000	1,323,000	1,389,150	1,458,608	1,531,538
NSSF Share of New TII Members		121%	86%	71%	71%	71%	71%
CONTRIBUTIONS DATA (MILLIONS KES)							
Tier I Contributions		14,238	18,116	22,192	26,631	31,458	36,701
GOK Tier I Contributions		0	4,320	5,292	6,350	7,501	8,752
Tier II Contributions		11,881	19,410	33,968	55,768	68,428	86,509
Additional Voluntary Contributions (Top-Up)		534	534	534	534	534	534
Pure Voluntary		269	457	807	1,162	1,627	2,231
Contributions Receivable		26,921	42,838	62,793	90,445	109,548	134,727
Total Voluntary Contributions		803	991	1,341	1,696	2,161	2,765
NET DEALING WITH MEMBERS (MILLIONS KES)							
Benefits Payable	15%	6,678	8,005	9,206	10,587	12,175	14,001
Net Surplus from dealings with members		20,243	34,833	53,588	79,859	97,374	120,726
INVESTMENT INCOME (MILLIONS KES)							
Investment Income		30,968	31,116	37,300	46,717	60,372	77,599
Fair value gain on revaluation of Investments		(19,467)	3,112	11,190	18,687	24,149	15,520
Realised Gains		457	503	553	608	669	736
Misc Income (Penalties+Fines+Arrears+)		546	546	546	546	546	546
Investment Management Fees	0.20%	(652)	(622)	(746)	(934)	(1,207)	(1,552)
Gross returns on investments	9%	11,852	34,655	48,843	65,623	84,529	92,848

ADMINISTRATION COST (MILLIONS KES)							
Staff costs	8%	4,035	4,825	5,211	5,627	6,078	6,564
Administration Costs	8%	2,618	2,827	3,054	3,298	3,562	3,847
Operating Cost		6,653	7,652	8,264	8,925	9,639	10,410
RETURN ON INVESTMENT & FUND VALUE(MILLIONS KES)							
Net return on Investments		5,199	27,002	40,579	56,698	74,890	82,438
Net Increase/(decrease) in net assets		25,442	61,835	94,167	136,557	172,263	203,164
Fund Value	285,723	311,165	373,000	467,167	603,724	775,987	979,151
KEY RATIOS							
Fund Growth		8.90%	19.87%	25.25%	29.23%	28.53%	26.18%
Operating costs to Net Assets (Statutory Target)		1.90%	1.80%	1.70%	1.60%	1.50%	1.50%
Operating costs to Net Assets (Projected)		2.14%	2.05%	1.77%	1.48%	1.24%	1.06%
Gross return on investments		4.15%	11.14%	13.09%	14.05%	14.00%	11.97%
Net Return on Investment (Return to Members)		1.82%	8.68%	10.88%	12.14%	12.40%	10.62%

Appendix 2: Review of the 2019/2022 Corporate Strategic Plan

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
Develop and implement a performance-based reward system.	1. Review and enhance the KPI gallery	Virtual sensitization was carried out for members of staff.	Enhancement of the KPI Gallery Not yet done	Enhancement of the KPI gallery to be aligned to the implementation of the new organizational structure	50%
	2. Review and implement a Rewards and Sanctions Policy.	SCAC has approved the job evaluation exercise. Rewards and Sanctions Policy is fully covered under the HR manual	Rewards and Sanctions Policy not fully implemented	Implementation of the rewards and sanctions policy not fully implemented	40%
	3. Activate recruitment, performance management, succession planning and training modules in SAP.	The activation of these modules has commenced with training of staff in ICT which will thereafter be cascaded to other units	ICT Department has budgeted for implementation FY 2021/2022	Automation will be factored into the digital transformation strategy	20%
Ensure people are 'right-fitted' to their jobs.	4. Develop and implement a talent development program.	Management is in the process of designing talent management vision, values and goals that are aligned to the Fund's business strategy	Talent development program not in place	Talent management be aligned to the implementation of the new organizational structure	10%
	5. Develop and implement a leadership transformation program.	In partnership with UNES management has developed a proposal to carry out leadership transformation program	Execution of the leadership transformation program	Structured and comprehensive leadership Management Development Program to be implemented in the next strategic cycle	50%
	6. Review of Contractual Engagements to Five years.	Draft proposal for this review has been included in the Human Resources manual which is under review by Public Service Commission	Contractual Engagements to Five years not implemented	Proposal to be submitted to Board of Trustees in order to ensure alignment with other leading State Agencies	50%

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
	7. Review the Organizational Structure and align it to the NSSF Act and to the Corporate Strategic Plan	Reviewed structure, approved by SCAC	Full implementation of organizational structure	Implementation on going	50%
Institutionalize Knowledge Management	8. Develop and implement a Knowledge Management Policy and Strategy	Knowledge management policy developed and implemented following guidelines of ISO 30401:2018	N/A	Certified under ISO 30401:2018	100%
	9. Create a knowledge management repository	Portal developed and in use	N/A	Complete	100%
	10. Create a culture of knowledge sharing	Knowledge sharing carried at departmental, regional and branch level	N/A	Completed	100%
Develop and implement a culture that inculcates the Fund's core values into the behaviour and motivation of employees.	11. Review the tools for assessing employee engagement and/or happiness.	Framework developed and put in place to assess the levels of employee happiness	N/A	Happiness index determined	100%
	12. Review and enhance the ethics and integrity program and align it to strategy.	Ethics and Integrity policies reviewed	N/A	Reviewed policy in place	100%
Adopt best practice efficient-oriented operational model.	13. Balance the interests of critical stakeholders	Management is carrying out stakeholder consultations to balance their interest	Full engagement with all stakeholders	Continuous engagement structured and measurable stakeholder engagement	50%

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
Enhance the Corporate Compliance of the Fund.	14. Seek legal interpretation with respect to contribution payments.	Advice was sought from The Hon. AG on payment of contributions. His response was that a court case is pending and that they would advise on the status vis a vis the court case	Full legal interpretation with respect to contribution payments.	Awaiting determination of court case or out of court settlement by the parties	20%
	15. Review and implement the risk management framework.	ERM framework reviewed and implemented	N/A	ERM framework published	100%
	16. Develop and implement a multi-faceted approach to recover outstanding debts.	Top management support where the CEO had taken lead in seeking to recover outstanding debts. Working with ODPP to prosecute difficult cases and undertaking of payments by instalment where applicable	Full recovery of all debts	Continuous process	50%
Follow through with the court process to conclude the cases.	1. Follow through with the court process to conclude the cases.	The Fund is pushing for amicable settlement by all parties. One party has expressed willingness to withdraw the court case. Engagement process with other parties on going	Full settlement of court cases	Cases still pending in court. Court process on going and a hearing date fixed in March 2022	50%
	2. Increase the NSSF's scanning of its operating environment and proactively take strategic decisions for the benefit of the Fund.	PESTEL & SWOT in place.	N/A	PESTEL & SWOT done biannually	100%
Seek Alternative Dispute Resolution to	3. Work with RBA and other pension funds to develop and publish the contracting out regulations	Contracting out regulations in place.	Full Operationalization of contracting out regulations	Contracting out regulations Will be operationalized once the court case has been determined	20%

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
operationalize Sections 18, 19, 20 & 71 of the NSSF Act, 2013 .					
Grow the coverage of the Informal Sector.	4. Seek strategic partnerships to grow informal sector members.	SMART partnerships with stakeholders in both public and private sector including Safaricom, NHIF, KCB, Equity Bank,	N/A	Continuous	100%
	5. Target specific segments of the informal sector.	Partnered with Matatu, Boda Boda, Market vendors and Taxis	Establishment of partnership with the Sport sector	Review	80%
	6. Develop and implement policy on partial access to saved funds	Policy on partial access through Haba Haba product developed	Full implementation	Drafting of partial access policy and regulations on going	40%
Increase Compliance	7. Implement a Customer Relationship Management model to increase compliance.	Business re-engineering to include the need for introduction of relationship management model	Implementation of Customer Relationship model	The Fund is working with world Bank for business reengineering	0%
	8. Integrate all NSSF systems for improved business intelligence, including compliance reporting.	The world bank has hired Consultant to study at the Funds processes	Implementation of process review not complete	The Fund has partnered with World Bank for Business re-engineering with a view to integrate business processes	20%
	9. Integrate NSSF systems with strategic external stakeholders for data sharing	Integration with stakeholders' in both public and private sector ongoing including Safaricom, and Registration Bureau, KCB etc	Full Integration with Public Service through the payroll system to enhance compliance	Integration with KCB complete which is doing Real time updating	50%
Enhance and diversify	10. Review and re-balance the investment portfolio.	Re balancing has been done according to the prevailing market conditions. The Fund has shifted	Diversification of the investment portfolio	Fund has continuously engaged investors to identify best opportunities	80%

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
Investment Portfolio.		to investing its assets in fixed income investment.			
	11. Grow alternative investments, exploiting opportunities in the "Big Four Agenda".	Identified project to be aligned to the Big four agenda like, Mavoko, Mukuru & Kisumu Housing Projects	Non-Commencement of projects	Projects at formulation stage	10%
	12. Enhance Trustees' capacity in investment	The Board of Trustees has undergone training as per the training calendar	N/A	Continuous	100%
Design customer-focused products and services.	1. Tailor products/services and information to meet customer needs.	Development of Haba Haba product targeting 5 market segments and developing packages for each segment	Implementation of the Haba Haba products to athletes and expand coverage in the sector to include other areas	Accelerate	60%
Effectively deliver information and products/services through multiple channels.	2. Partner with others to enhance service delivery.	Partnership with Safaricom, Equity Bank, KCB, NRB, Huduma centre	N/A	Accelerate and engage more strategic partners with the view of increasing access channels for members	70%
	3. Digitize customer touch points	Development of USSD for ease and convenience of payments of member contributions and TPS. Members can also check their statements online	N/A	Member sensitization needed to increase uptake- OPERATIONS	100%
	4. Develop easy-to-access and dynamic information portal.	The process of developing a dynamic information portal has commenced	Full implementation of the information portal		50%
Ensure benefits portability across EAC countries	5. Develop and implement a Benefits Portability Policy.	N/A	Full Implementation of Benefits Portability policy	Process ongoing	0%

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
Carry out research to enhance existing products and services guided by customer needs	1. Partner with relevant organizations to conduct social security/pension funds studies.	Partnered with	N/A		70%
	2. Simplify, enhance and customize existing products and services.	Customers can register, check statements, make payments via USSD	N/A	Process ongoing to customise other products	100%
Diversify the Fund's products portfolio	3. Develop new products and services that are customer-centric and affordable.	"Haba Haba" product developed and already implemented Development of unemployment benefit on course and expected to be rolled out before end of the FY	Implementation of a package for the athletes	Continuous Process	80%
	4. Develop new channels to distribute and sell products/services	E-registration introduced using USSD Safaricom mini application on Mpesa app in place	N/A	Continuous	100%
	5. Seek partnership in funding informal sector products/services and member education	Partnered with Government ILO and World Bank	N/A	Work in progress	60%
Continuously review business processes for increased efficiency	1. Re-engineer all core and support processes.	The Fund has received technical support from World Bank to commence consultancy to review and make recommendations for process re-engineering and identify Performance Gaps	Re-engineer all core and support processes not yet done	Recommendations for the re-engineering process from the consultancy are yet to be implemented	60%
	2. Review existing service charter to include services provided to internal customers.	Charter has been reviewed with inclusion of services provided to external customers	Services provided to internal customers not included in the	Work in progress	50%

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
			reviewed service charter		
Digitize key manual processes of the Fund and align to Corporate Strategic Plan	3. Automate all manual processes, exploiting developments in technology.	Automation of Benefits payment process, Bank Reconciliation, payment of Benefits through Mpesa up to Kshs 10,000, SMS notification when payment process is complete. Registration - Automation of compliance certificates, Integration with IPRS	Not all processes digitised eg Automation of Fingerprints and records	Phase 1 complete	50%
	4. Implement IMS (ISMS, BC, KM & QMS).	Integration of the four standards complete	N/A	Continuous monitoring	100%
	5. Review existing systems in line with re-engineered processes and changing business needs.	SAP. Interfaces with NBK, SSPAS, SMART, SACCOS and KCB. SSPAS interface with IBRS	SAP upgrade is on-going, on-going. EDMS, SSPAS integration is ongoing	Implementation is continuous	80%
	6. Enhance the ICT user capacity of Senior Management.	Capacity building program has been developed for the Senior Management. Trained on teams and supplied with ICT resources	N/A	All senior management trained	100%
	7. Data migration and cleaning from legacy and manual systems.	Data migration for contributions receipts legacy and manual system is complete	N/A	Migration complete	100%
	8. Manage change	Strategies in place to ensure Business continuity in case of disruption	N/A	BCMS in place	100%
Develop and implement a records Management strategy.	9. Review and implement records management controls tools.	Reviewed policy on records management, file indexing and classification scheme in place, records management process on webtalk, work instruction in place,	Full implementation of classification process	Continuous	80%

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
		draft retention and disposal schedule.			
	10. Develop and implement a records retention and disposal schedule (includes records surveys & appraisals).	Work plan and proposal in place for records disposal and retention	Full implementation of records retention and disposal schedule	Validation by HODs to be carried out	60%
	11. Enhance records management capability in the Fund.	Records management policy in place, training of staff complete	Full implementation of records management policy	N/A	100%
	12. Develop and implement an electronic documents and records management system (EDRMS).	The framework in place is for EDMS. Digital Records in place	Records management system not in place	Work in progress	50%
	13. Develop a records/archives centre.	Joint meetings with property Development. Visibility study recommended	Records/archive centre not in place	Work in progress	10%
Periodic stakeholder engagement.	1. Media engagement for internal customers and external stakeholders.	Media consultative forum held in Naivasha July 2021 Crisis communication Policy posted on Webtalk	Approval for more engagement with media under KUJ	Dispelling myths about biased reporting based on historical events	50%
	2. Engage external stakeholders on the Fund's products and services and obtain feedback	Engagement with various stakeholders has taken place like ,Boda Boda association of Kenya, KUDHEIHA, Kenya Quarry Miners Association, Kenya Sugar cane Plantation workers	N/A	Continuous Process	100%
Brand evangelization and positioning.	3. Review and implement Communication Policies and Guidelines.	Communication policy reviewed and aligned to the four ISO standards. Social media guidelines in place	N/A	Continuous	100%
	4. Align NSSFs vision with its customers' experience.	Customer experience operational efficiency – use of Technology for ease of doing business	N/A	Continuous Process	100%

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
	5. Messaging: Position the NSSF Brand as a safety net in income replacement for customers at their moments of vulnerability.	Haba Haba product implemented, unemployment benefit been developed	Full implementation of the unemployment benefit	Work in progress	70%
	6. Quality Positioning: Reassure customers that NSSF products and services are reliable, relevant, and trustworthy.	Implementation of quality positioning put in place through certification to international standards	N/A	Integration of 4 ISO standards	100%
	7. Value Positioning: Create value for the NSSF Brand that positively influences and impact customers.	Competitive compound interest paid out to members	N/A	Prompt declaration of interest to member accounts required.	50%
	8. Benefit Positioning: Highlight the best features of the NSSF Brand to enhance our customers' propensity to recommend the NSSF Brand.	Increased network for service delivery including all Huduma centres. EDMS in place to enhance benefit processing	Reduction of turnaround time to pay benefits	Continuous monitoring	50%
	9. Celebrity-Driven Positioning: Identify and contract a known, popular and respected personality to endorse and push the NSSF Brand.	Not done	No celebrity identified	Work in progress	0%
	10. Internal and External Perception Audit to determine similarities and discrepancies in perception. Findings will give insights on the gap between where NSSF is and where it wants to be. The insights from the perception audit will also help identify opportunities to	Annual customer satisfaction surveys carried out annually. Corporate image perception survey carried out.	Internal and External Perception Audit	Survey results yet to be communicated	50%

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
	improve and articulate what NSSF aspires to be.				
	11. Engage brand ambassadors and social media influencers	Engagement of Brand ambassadors in the Fund	Engagement with social media influencers	Work in progress	50%
Develop selected resilient product/service brands distinct from the corporate brand.	12. Build independent brands around specific products/services.	Development of Haba Haba Product geared towards the informal sector	Full Implementation	Continuous sensitization	100%
Brand Identity	13. Refresh the look and feel of all signage across the branch networks.	Change of signage undertaken across all Branch Network	N/A	Full Implementation	100%
	14. Re-engineer and up-skill training for Brand Ambassadors and ensure consistent and high quality service delivery across the NSSF business.	Brand Ambassadors trained	N/A	Full Implementation	100%
	15. Compliance with the Brand Guidelines as prescribed in the NSSF Brand Book	Implementation and adherence to the Brand Guideline compliance	N/A	Full Implementation	100%
Partner with relevant third parties in execution of the Communication Strategy	16. Map out and engage relevant third parties for partnerships in execution of the Communication Strategy	Relevant parties mapped out and engaged	N/A	Full Implementation	100%

Strategic Initiative	What we were to do	What we Achieved	What we didn't achieve	Remarks	% Achievement
Reposition the Fund to focus on financial security.	17. Engage the Government to re-position the Fund.	Stakeholder engagement sessions ongoing	Classification of the Fund as a financial institution	Work in progress	0%
	18. Reclassify the Fund within the financial services through policy in line with global best practices.	Benchmarking with global best practices	Policy in line with global best practices.	Work in progress	0%
	19. Review and implement the NSSF Act	Implementation of 68 of the 72 sections of the Act.	Full implementation of the Act	Awaiting unlocking of Act	70%

KEY

	101 and Above	5
	86-100	4
	70-85	3
	50-69	2
	0-49	1