



STRATEGIC PLAN 2020 – 2024

**Transforming Supply Chain Management
for Prosperity and Posterity**

A Publication of the Kenya Institute of Supplies Management



Kenya Institute of Supplies Management

Strategic Plan 2020 – 2024

Transformation, Accountability, and Sustainability

“Transforming Supply Chain Management for Prosperity and Posterity”



John Karani
KISM Chairman
October 14th, 2021

The Kenya Institute of Supplies Management (KISM) Strategic Plan 2020-2024 is launched at a time of great uncertainty in the global supply chains because of disruptions from the COVID-19 pandemic. But it coincides with a period of fresh energy and optimism inspired by new leadership within KISM.

The plan is in line with the strategic aspirations set out in the national development agenda – Kenya Vision 2030, the Third Medium Term Plan (2018 – 2022), the “Big Four” Agenda, the Sustainable Development Goals (SDGs), Africa’s Agenda 2063 and other national and international obligations.

It expresses KISM’s commitment and aspiration to be a customer-focused institute, dedicated to enabling its customers achieve their desired goals in the procurement and supply chain management ecosystem, and restore public confidence in a sector at the heart of social economic development. This strategy must guide KISM through the risks and opportunities embedded in today’s volatile, uncertain,

complex, and ambiguous (VUCA) business world. KISM will empower its customers to commit to ethical conduct to achieve amazing results in their professional practice by providing them with the right knowledge, certification, skills, networking, and professional development opportunities.

It will communicate better and listen keenly to stakeholders. It will also be financially more ambitious and disciplined.

We thank all our partners, other stakeholders and, in a special way, Pamela Steele Associates (PSA), who contributed immensely to the development of this plan.



Vision:

Positively transform supplies management to add value to global good.



Mission:

To Register, License, Discipline, Train and Regulate Supply Chain Management Practitioners.



Core Values:

KISM has these values to guide the culture and behaviour of its management and staff.

- Integrity
- Accountability
- Fairness
- Transparency
- Governance
- Professionalism
- Inclusivity
- Innovativeness



Mandate:

TKISM is a public entity established under the “Supplies Practitioners Management Act No.17 of 2007” to promote “learning, development of best practices, and application of the same to the practice of procurement and supply chain management”. It licenses and regulates the procurement and supply chain management (P&SCM) profession in Kenya. Anyone that practises P&SCM in Kenya must be registered by KISM and pay the subscription fees and annual dues.

GOVERNANCE STRUCTURE

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John Karani
KISM Chairman



Grace Catherine Murichu
Council Member



Moses Allan Omondi
Council Member



Jeremiah Kiio Nthusi
Council Member



Nimo Abdullahi Hussein
Council Member



Director Public Procurement Directorate
representing the Permanent Secretary,
National Treasury/Planning



Diana Nadzua Mwacharo Council
Member



Henock Kirungu
Council Member, Rep DG PPRA



Dr. Vincensia Apopa
Council Member



Dr. Martin Gachukia
Registrar

The KISM Strategic Plan 2020-2024 marks a paradigm shift in the way KISM provides services to its customers. Its overall goal is to transform KISM into a high-performing institution that is adaptable to the unpredictability of the operating environment. Before adoption of the new strategy, a number of factors defined the prevailing circumstances:

- Limited sources of funding
- Inadequate capacity of the secretariat
- Poor institutional culture

Despite this, there were a number of notable milestones during the 2015-2019 strategic plan:

- Launched the national examinations in procurement and supply chain management in partnership with KASNEB
- With support from KASNEB, rolled out national examinations of the new syllabus with two sittings of November and May that attracted over 1,800 candidates in both the Certified Procurement and Supply Professional of Kenya (CPSP-K) and the Associate in Procurement and Supply of Kenya (APS-K).
- Trained an average of 9,000 professionals through the Institute's Continuous Professional Development (CPD) program.
- Continued integration and co-option of professionals in key decision organs to guide the process and develop a database of resources for referrals on any PSCM issues.

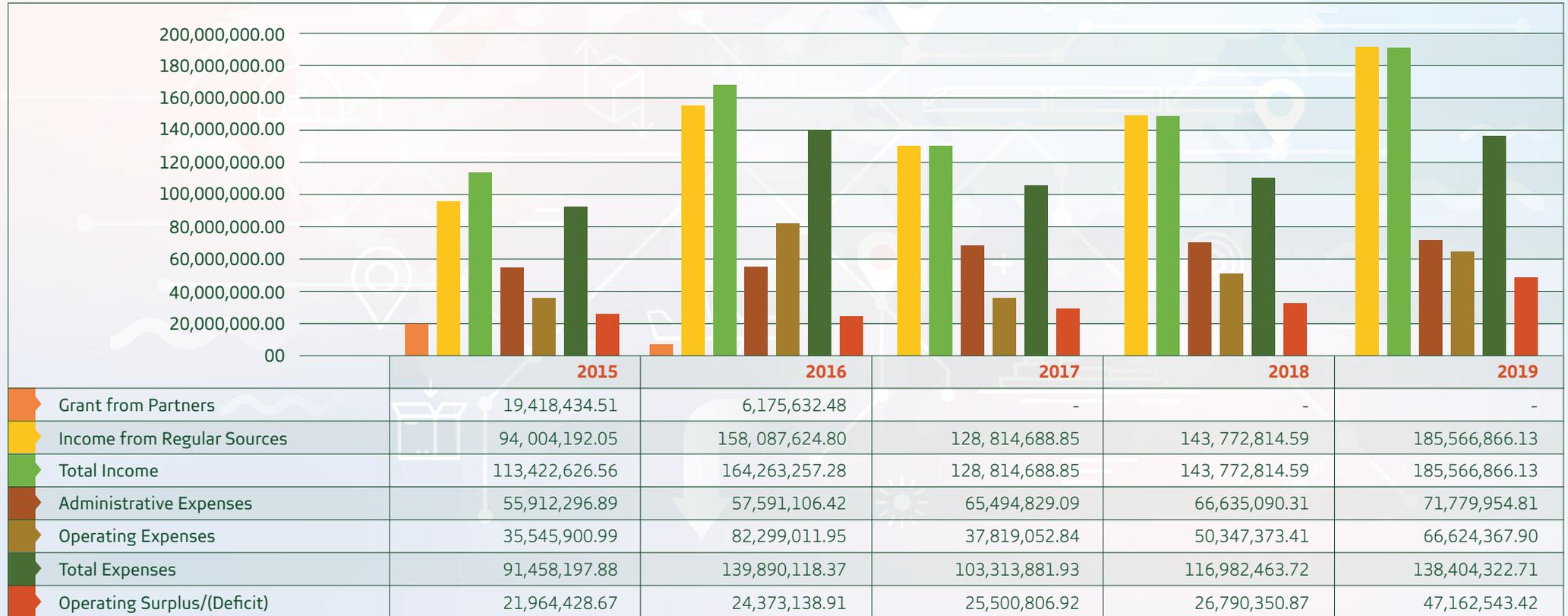
- With the technical support of the Ministry of Public Works and Urban Development, started construction of KISM headquarters with a total cost of Kshs. 1 billion.
- Established certification training programs in procurement and supply with increased enrolment of over 2,000 students annually.
- Supported a review of the PPADA law 2015 and aligned it to the 2010 Constitution.
- Membership grew from approximately 7,996 in 2014 to 16,000 by end of 2019, while total income grew from Kshs. 107.9 million in 2014 to Kshs.185.6 million in 2019 and the operating surplus from Kshs. 27.5 million to Kshs. 47.1 million over the same period.

Some challenges

Prolonged legal battle delayed the annual general meeting and holding of elections;

- Slow increase of annual membership renewals and push the retention rate towards the 100% best practice target;
- How to widen the regular revenue streams to contribute over 80% of annual total income and reduce reliance on grants and external support;
- How to attract and retain optimal, qualified, competent and committed staff;
- Challenge of meeting the needs of members, employers and other key stakeholders in the procurement and supply chain management profession;

KISM Financial Performance 2015 - 2019



This new strategy is organized under seven Key Strategic Focus Areas:

1. Membership Registration & Licensing

- Establishment of a Membership Professional Register, Quality Assurance
- Establishment of a Registration & Licensing Policy, Oath of Office, Compliance Survey
- Validation of Membership Qualifications & Cleaning up of Register
- Automation of Membership Registration: self-service portal

2. Membership Discipline

- Disciplinary Policy
- Disciplinary Procedure Guidelines
- Code of Conduct

3. Membership Welfare and Advocacy

- Recognition and excellence awards scheme
- Establishment of formal strategic partnerships
- Repackaging of member benefits portfolio
- Procurement & Supply Chain Management Brand Image and Visibility
- Devolution of the Institute's service to members (KISM Mashinani)
- KISM Mentorship, Coaching and Internship Program [KMCIP]

4. Professional Standards Committee

- Practical CPD Points Training, End-to-End Supply Chain School
- Credible Examinations Body: KISEB operationalization

- Transformation of SCM's Image & How it is Perceived
- Capacity Building, Skills & Competencies, County Government focused training

5. Legislative Review Committee

- SPMA 2007 Review
- PPDA 2015 Review
- Regulations Review

6. Corporate Services

- Strategic Plan Performance Review
- Financial Sustainability
- Human Capital Engagement
- Institutional Strengthening

7. Audit & Risk

- Risk Management
- Governance Structures
- Internal Control Processes,

Effective implementation of the planned strategic initiatives is estimated to cost about **Kshs 2.7 billion** spread over five years.

KISM Internal and External Health

The table below lists the strengths that KISM will leverage and opportunities it will capitalise on. It also identifies some of the key weaknesses and threats it must contend with.

SWOT ANALYSIS OF KISM

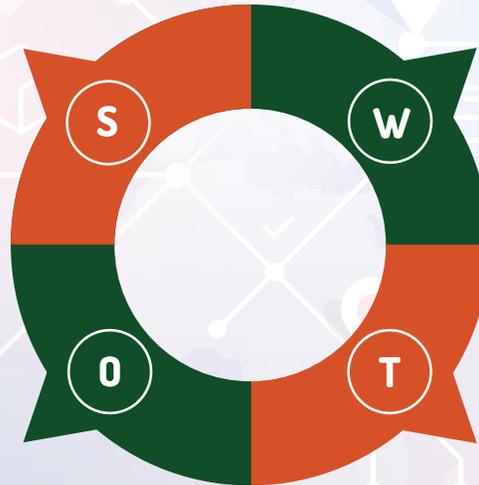
STRENGTHS (+)

- Core mandate for professionalization of P&SCM profession
- Statutory body enacted by the SPMA,2007
- Examine and certify practitioners through its examination board
- Ownership of assets
- Ability to develop training content and execute training
- Enjoys credibility from Government and Public
- Elected Council
- KISM is a strong brand
- Strong and diverse membership
- Leadership to KISEB

OPPORTUNITIES (+)

- Emergence of supply management needs in all businesses
- Large latent membership
- Expanded mandate
- Technology
- Donor funding
- Partnerships with like-minded professional bodies, training institutions, and organizations
- Growing membership and regional chapters
- Increasing relevance of P&SCM to drive supply chain excellence in both public and private sectors
- Income from KISEB

INTERNAL FACTORS



EXTERNAL FACTORS

WEAKNESSES (-)

- Inadequate internal capacity to execute key programs
- Weak monitoring and evaluation system
- Policy gaps
- Lack of work plans
- Poor communication
- Ethical issues from the perceived actions of practitioners
- Poor public relations
- Poor organizational culture and lack of strategy
- Lack of standardized processes and SOPs due to non-adoption of ISO standards
- Poor customer service and membership experience
- Limited networking and mentorship opportunities
- Limited financial resources
- Manual systems

THREATS (-)

- Political and Government interference
- Victimization of practitioners and the Institute
- Rigid public sector operating procedures
- Covid-19 pandemic
- Sluggish economy
- Rogue supplies practitioners
- Managerial inadequacies
- Poor practice standards
- Corruption
- The Act backing the Institute is outdated
- Competition from global professional bodies
- Poor brand image and public perception of the profession
- Competition from other professional bodies

The PESTEL (Political, Economic, Social, Technological, Environmental and Legal) analysis identified external factors that would influence KISM's behaviour, responses and actions.

PESTEL Analysis of KISM

POLITICAL

FACTOR



- National Treasury
- Political interest in procurement
- Political engagement and networking
- KISM elections conducted every 3 years
- KISM is a public entity
- P&SCM is a key pillar in economic development of the country
- Weak economy and global economic recession from the effects of Covid-19

W



- Regulatory stick
- Lobby for increased funding for projects
- Improve public perception to drive KISM agenda
- Electing credible and visionary leadership
- Take lead in the fight against corrupt practices in P&SCM
- Create efficient SC systems for economic growth and development
- Process improvement, build local capacity by thinking global and acting local

THREAT



- Control
- Political pressure and vested interests in procurement awards
- Negative political interferences that affects objective decisions/judgement
- Disruption of programmes
- Delay in amending SCM laws and applicable regulations
- Corruption in P&SCM activities
- Poor uptake of KISM's programs, financial challenges, and limited funds

PESTEL Analysis of KISM

ECONOMIC

FACTOR



- Taxation burden and effect on income of practitioners – low disposable income
- Low income affecting the membership base
- Limited funding to drive activities of KISM
- Entrenched culture that is resistant to change
- Poor public perception of P&SCM practice

OPPORTUNITY



- Revenue increase, increased membership, and improved employment conditions
- Improved linkages and collaborations with private sector organizations
- KISM Towers as a revenue stream and diversification of multiple revenue streams
- Cultural transformation
- Robust communication with stakeholders and adoption of technology of processes

THREAT



- Expensive training, reduced enrolment, and lack of job opportunities
- Slow registration of new and affiliate members which affects KISM's revenue
- Covid-19 affecting the leasing/renting of spaces in KISM's Towers & training
- Resistant and change
- Stereotyping of the P&SCM profession and the membership of KISM

PESTEL Analysis of KISM

SOCIO-CULTURAL

FACTOR



- Low moral values/ lack of trust of the management by the leadership/governance
- Corruption and lack of morals, beliefs and taboos
- P&SCM has impact in ensuring the appropriate use of tax payers funds

OPPORTUNITY



- Prudent management of resources and value driven processes
- Mindset change of P&SCM practitioners and improved access to quality education
- Carry out CSR activities and build the P&SCM capacity of public institutions

THREAT



- Lost resources due to mismanagement
- Resistance to change, hinders performance, few job opportunities
- Negative image on the P&SCM profession

PESTEL Analysis of KISM

TECHNOLOGICAL

FACTOR



- SCM drives innovation by creating efficiency in systems and processes
- Technological advancement
- Social media
- Underutilization of infrastructure and lack of staff capacity on ICT
- Manual systems

OPPORTUNITY



- Availability of technology solutions that can be adopted by KISM
- Process automation, improved access to members, and networking opportunities
- Wide outreach, low cost, used for training, networking and sensitization
- Set automation of all the Institute's process and services as a legacy project

THREAT



- Lack of funds to procure or develop the right technology
- Hacking, expensive to keep abreast with tech. changes, obsolescence, etc.
- Hacking, risk of losing the practical aspects of group trainings
- Lack of resources

PESTEL Analysis of KISM

LEGAL

FACTOR



- Outdated laws that are difficult to change
- Government legislative act that gives the Institute its mandate

OPPORTUNITY



- Formation of internal systems
- Parliamentary caucus
- Anchoring the Institute in strong legal position

THREAT



- Other professional groups have the support of stronger caucuses
- Interference by the political class for selfish reasons

ENVIRONMENTAL

- The membership database
- Member

- Enhance marketing to improve knowledge and skills

Stakeholders or the different audiences and groups that KISM interacts with are critical because the way it handles their different interests defines the kind of organisation that it is. In the 2020-2024 strategy, KISM promises to be a customer-focussed

organisation. The Institute's stakeholders are shown below and types of interactions expected by each.





In the next five years, KISM will focus on its winning aspiration - empowering practitioners and organizations to attain excellence in procurement and supply chain management. This is the thrust of the strategic plan as captured in the vision and mission of the Institute.

1.0 Focus Area 1: Membership Registration and Licensing

1.1 Develop & implement a seamless process for onboarding members

This entails the creation of efficient processes to facilitate registration and licensing of members. Some specific activities include:

- Constitute and establish the Registration Committee by 2020
- Develop a Membership Register by Q4 2021
- Generate membership registration and licensing policy by Q4 2021
- Automate member application and onboarding by Q2 of 2021

1.2 Undertake member database cleanup and member compliance audit

- Validation of membership qualifications by Q4 of 2021
- Leverage technology to update member register by Q2 of 2021
- Update and audit members register annually

1.3 Enhance member registration and achieve 95% retention annually

- Register at least 95% of CPSP finalists by 2022
- Gazette all active members and licenses by 2021
- License all members of the Institute by 2022
- Establish robust member recruitment initiatives quarterly

2.0 Focus Area 2: Membership Discipline

2.1 Enforce compliance to Disciplinary Policy, Code of Ethics, Regulations Guidelines and Standards of Professional Practice through the following initiatives:

- Constitute and establish the Disciplinary Committee by 2020
- Develop and enforce Disciplinary Policy, Code of Ethics and disciplinary procedures by 2021
- Continuously sensitize members on the SPMA, and other rules, laws and regulations applicable to members

3.0 Focus Area 3: Regulation of Practitioners

3.1 To entrench effective Regulation and Standards of Practice for Procurement professionals to safeguard the reputation of the profession.

- Align SPMA and Regulations to 2010 Constitution 2010 by December 2022
- Conduct a comprehensive assessment of procurement professionals in the public sector in partnership with the National Treasury
- Formulate standards of practice for supply chain practitioners by 2022
- Conduct an extensive corporate and member compliance by 2023
- Conduct a perception survey on procurement professionals by 2022

4.0 Focus Area 4: Membership Welfare and Advocacy

Ensure a fully functioning Membership Welfare body that advocates for members' needs.

4.1 Recognition and Excellence award schemes

- Launch the KISM Annual PSCM Awards from 2020
- Increase level of awareness of KISM activities, member services and benefits
- Enhance membership benefit portfolio with a view to repackage member value addition
- Recognize and appreciate annually member's exceptional contribution to the profession and the economy

4.2 Establish formal strategic partnerships

- Create a segmentation matrix for key stakeholders
- Create a suite of personalized products and services
- Create engagement forums for partners, students, corporate
- Create mentorship and internships for PSCM professionals by June 2021
- Publish and circulate quarterly newsletters
- Publish, print and distribute one annual magazine

4.3 Repackage member benefit portfolio

- Transform the plastic membership cards to e-wallets with inbuilt benefits

- Negotiate discounts for member by 2022 (Motor vehicle, Indemnity, benevolence, loyalty clubs, financial institutions)
- Partner with KSSCM on discounted school fees to members and dependents by 2022

4.4 Enhance brand and visibility of procurement and supply chain management The Procurement & Supply Chain Profession has been blamed for all manner of accusations and especially for corrupt practices during procurement of goods and services. There's urgent need to change this negative narrative.

- Engage a PR agency to enhance publicity of the Institute by 2021
- Partner with media houses to change the PSCM narrative and amplify the good work being done by many PSCM Professionals
- Entrench the Disciplinary Policy which will ensure a self-regulating profession

4.5 Devolution of the Institute services to members (KISM mashinani)

KISM will develop regional chapters starting with the original eight (8) provincial administrative structures and growing them into regional hubs.

- Create policy and operational instruments to guide formation of regional chapters by 2020
- Set up regional chapters teams and leads by end 2021
- Progressively establish chapters in all 47 counties by 2024

5.0 Focus Area 5: Financial Sustainability

5.1 Diversify revenue generation streams

- Increase annual income from member subscriptions through member recruitment and retention drives
- Increase annual income from CPD events (workshop, forums)
- Grow income from KISEB in line with the 30% legal requirement
- Grow income from KSSCM by 10% annually
- Lobby for increased grants from GoK in line with our regulatory mandate
- Lobby with development partners and donors for funding
- Ensure 100% occupancy uptake and leasing of the KISM Towers by 2022
- Increase annual income from the research and consultancy hub by 2022

5.2 Control costs and reduce wastage

- Review and enhance financial planning, procurement and control systems
- Sustain a healthy ratio between expenses and income
- Proactively identify and manage risks
- Support value for money procurements

5.3 Entrench Governance and Risk Management Frameworks

- Develop and implement a risk management framework

6.0 Focus Area 6: Institutional Strengthening

6.1 Create a customer centric institution to enhance member experience

- Develop and utilize a comprehensive customer segmentation and research matrix by 2021
- Create a suite of personalized products and services for members
- Implement the Customer Experience Product & Services Plan by 2022
- Attain a 75%-member satisfaction index by 2022

6.2 Institute a corporate governance culture in the organization

- Conduct a legal and governance audit (Review of policies, governance and related operating manuals by December 2021)
- Review and implement a comprehensive corporate governance structure
- Develop capacity of the Council for enhanced service delivery
- Review performance of Council & Council Committees annually
- Benchmark operations of the Institute with leading institutes
- Develop and implement a business continuity plan by December 2022
- Obtain ISO certification by December 2023

6.3 Leverage technology, innovation & best practices to develop the tools to measure, forecast, and execute enterprise operational efficiencies

- Implement a project lifecycle management system and new processes that integrate the planning, design, operational functions
- Establish an enterprise level data capability with analytical tools to allow employees

to make data-driven decisions

- Implement business partner process management systems and processes
- Identify drivers of on-time performance and make strategic investments in infrastructure and equipment
- Strategically invest to improve training and accreditation

6.4 Equip office with modern infrastructural facilities

- Ensure the institute offices and conference rooms are fully resourced and facilitated with modern equipment and furniture
- Upgrade ICT systems, PABX to enhance communication
- Create an interactive e-learning platform to enhance virtual tuition

6.5 Develop and implement KISM community engagement strategy to drive positive public perception

- Develop and implement sustainable and transformative initiatives to benefit communities
- Embed sustainability and social responsibility principles in KISM planning processes
- Create a process to identify, assess and select organizations and programs with which KISM should partner and support

6.6 Ensure that the workforce is diverse, engaged, productive

- Develop and implement policies that drive employee engagement and productivity

- Implement an action plan for diversity and inclusion.
- Sensitize employees on the strategic plan
- Align employee goals and initiatives to the strategic plan
- Create work life balance programs

6.7 Develop a culture of continuous improvement

- Create a learning institution by promoting and enhancing competence and personal development initiatives
- Recruit and retain employees with relevant skills
- Establish minimum annual training requirements for all employees
- Ensure employees have access to learning options to enrich their professional growth through live classes and online learning experiences
- Implement and leverage innovative ideas generated by employees
- Continuously undertake employee satisfaction and work environment surveys

6.8 Develop sustainable leadership capabilities

- Develop leadership gene pool to ensure business sustainability and continuity.
- Analyze the talent base on annual basis
- Develop a managerial skills assessment process for external and internal candidates
- Plan for succession
- Create opportunities and programs for high-potential employees (HPE)

6.9 Review of policies, governance and related operating manuals to support strategy

- Review of policies, governance and related operating manuals to support strategy implementation by December 2021
- Align organization structure with new Strategic Plan by September 2015

6.10 Create desired mix of ambience, technology, and integration to deliver a consistent experience in line with changing customer needs

- Define ambience and facility standards in the Premises Plan.
- Implement a Customer Engagement Management technology platform and develop processes to establish personal relationships with customers
- Complete study of consumers' use of digital products and expectations and implement a Digital Products Strategy

7.1 Focus Area 7: Training and Professional Capacity Development

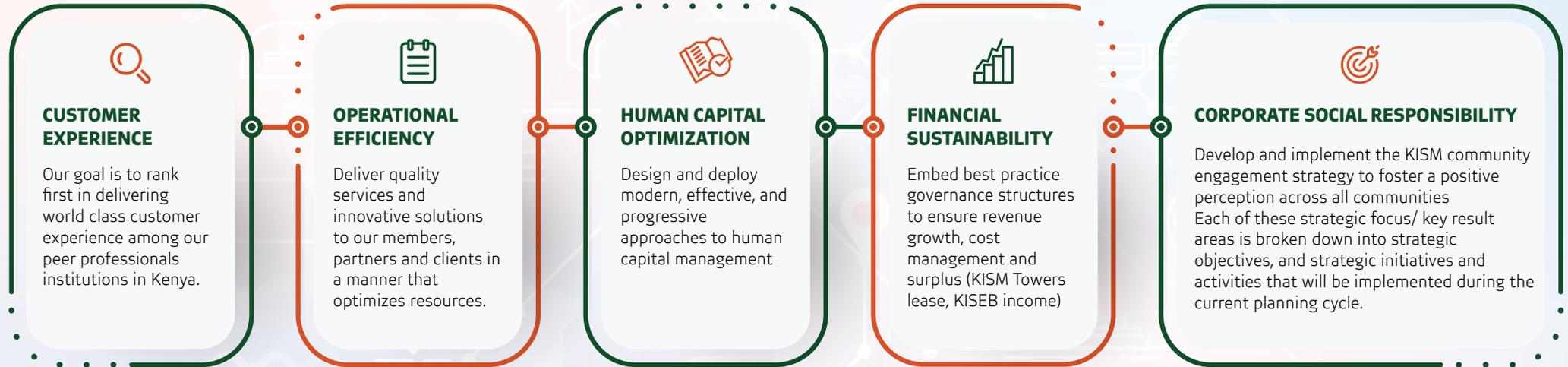
7.1 Repackage CPD program to respond to emerging issues in PSCM profession

- Benchmark KISM CPD program with national and global best practice in CPD delivery annually
- Develop and administer market driven CPD program by May of each year
- Organize at least 2 annual specialized workshops (July/November) addressing emerging issues
- Continuously review the CPD policy

7.2 Form at least 3 capacity building partnerships in the global market by 2023

- Update and expand KISM regional and international marketing database by June 2021
- Profile potential regional and international professional bodies and engage with at least one in joint activities annually
- Identify drivers of on-time performance and make strategic investments in infrastructure and equipment
- Transform KISM School into a Centre of Excellence
- Incorporate KSSCM to offer PSCM and related programs and qualifications
- Increase enrolment in PSCM and other related qualifications.

To achieve our Key Strategic Focus areas (Pillars) outlined above, we have developed 5 Key Strategic Drivers:



IMPLEMENTATION & COORDINATION FRAMEWORK

The implementation of the strategy will be done to drive execution through performance management; adhere to prudent financial management to ensure positive cash flow; encourage individual and collective responsibility; ensure consistency in action, planning and budgeting. Resource allocation should reflect agenda 2024's strategic priorities and objectives.

The Council shall assume overall responsibility for the implementation and monitoring. Each team leader and departmental head shall prepare monthly status reports. Rewards and sanctions will be determined by the performance management system



The main assumption is that the activities outlined in the Strategic Plan will be carried out within a favourable environment. It is expected that prevailing conditions at any time will not vary significantly from what is known and projected at the start of the plan period. And if they do vary, it is generally assumed that the severity will not be such that they undermine implementation of the Plan. It is therefore assumed that the strategy implementation process will be successful under the following conditions:

- Institutionalise service delivery and the enactment of the new legal regime not later than December 2022;
- Key stakeholders will support the plan implementation processes;
- Necessary organization policy formulation and adoption will be undertaken in time;
- Resources required for the implementation of this strategic plan will be availed in time;

- Staffing levels in the Institute will be improved and optimally maintained over time;
- Continued legal and constitutional changes will not substantially undermine the social-economic dynamics of the country in a negative manner;
- The effect of COVID-19 will not substantially impact the macroeconomic environment to the degree that priorities shift to uncorrelated areas of the economy.

Any substantial deviations from these assumptions constitutes risks. It is important to determine other risks that may arise during implementation. They include adverse changes in the business environment, negative political influence, financial deficits, adverse changes in Government policy, structures and regulatory framework, public apathy, resistance to change, among others.

Annual implementation plans will be prepared to guide the operationalization of the KISM strategic plan. The plans will outline how the strategic focus areas, strategic objectives and strategic initiatives will be realized by indicating through a RACI (Responsible Accountable Consulted Informed) chart on what will be done, by whom, when, and how. The chart will serve as a checklist that is regularly updated, monitored, and shared among the stakeholders. The plans will also help to coordinate and integrate planned actions, support coordinated and collaborated efforts, minimize duplication, and promote synergies.

The implementation of this strategy will be carried out by KISM under the leadership of the Chief Executive Officer and the Change Management Team with collaboration of the relevant stakeholders. The Planning Unit will be responsible for harnessing synergies, ensuring a holistic and sequenced approach to implementation of the strategic interventions, and facilitate the coordination of cross-cutting issues. Specifically, the responsibilities of the Planning Unit will entail the following:

- Ensuring congruence of institutional, department, project, and other work plans with the strategic plan.
- Ensuring that a sound framework for effective coordination of strategy implementation is adhered to at all levels.
- Establishing mechanisms to coordinate intra-departmental and inter-agency linkages in implementing cross-cutting interventions.
- Periodically organizing strategy performance review meetings to ensure that the strategy is being implemented as planned.
- Developing guidelines and reporting formats and databases to support MEAL initiatives.
- Advising senior management on the investment of available resources on prioritized quick wins and high impact intervention areas.

Effective implementation of the planned strategic initiatives is estimated to cost about **Kshs. 2.7 billion** spread over the next five years as tabulated below

Resource Mobilization Strategies

The Institute will adopt the following tactics to mobilize:

- Lobby the National Treasury and development partners for grants and financial support;
- Strengthen partnerships with practising members, key private and development sector players to upscale their participation in KISM programmes;
- Enforce continuous professional development requirements among KISM members to inculcate best practices and position the Institute and the country as a reference point in professionalism;
- Enhance operational efficiency through cost leadership; appropriate pricing policies; proper expense management, strengthening internal control systems and utilization of appropriate technologies;

A summary of the financial needs and their areas of utilisation is outlined below.

