Empowering Africa through Sound Cooperatives

ACCOSCA NEWSLETTER, November 2011

ISSUE 3

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Building a Better World through Cooperatives; the Internal Marketing Factor.

By Theo Effah-Manu

The number of service organizations in today’s economy, which is of a service nature, has grown dramatically; as a result, competitions among such organizations (e.g. financial services providers) increase and become more complicated. One of the most important means to satisfy the customers’ needs and ensure their loyalty is service quality.

Cooperatives have played a key role in alleviation of poverty and improvement of the livelihoods of its members. As such, there need for the recruitment, training and retention of highly qualified, motivated as well as committed members of staff to deliver an unparallel quality service to the members of the cooperative movement. It is important for employees to be developed, so that their productivity is aligned with the society’s requirements. The employees’ remuneration should match the market rates to ensure retention of a high calibre of staff. Cooperatives need to find out indigenous ways to challenge employees so as to keep them engaged.

Optimizing use of resources and competencies to convert opportunities into the improvement of the living standards of members is the objective of an efficiently run cooperative enterprise – internal marketing therefore facilitates this by accurately and continually communicating the right message to all stakeholders. Internal Marketing therefore is the process of aligning the core values of your business with those of the employees to facilitate a more efficient service and a better customer service experience for long-term success. Rafiq and Ahmed (2000), defines it as an organized attempt using a marketing-like approach in order to cope with the organizational resistances to changes and balance, motivate and coordinate the employees in line with efficient execution of strategies. All these attempts are aimed at customers’ satisfaction through the process of creating motivated, customer-oriented employees. The underlying goal of internal marketing is to view and treat the staff of the organization as Customers and design marketing programmes to meet their needs. In so doing the staff will remain loyal to the organization by serving their external customers (members) to their satisfaction for a repeat service.

Approaches to Internal Marketing

By far there are three major approaches to effective internal marketing:

The first approach is where the organization focuses on the customer-contact employees...
in the processes of service provision and is based on the assumption that happier employees who have more incentive to provide services to customers will be necessary.

The second approach is based on the process of providing services throughout the organization and is based on the philosophy of a Total Quality Management (TQM) and assumes that service may be created in a chain form for delivery to customers. In this approach to internal marketing, every department treats its output’s receiver as an internal customer and attempts to obtain the satisfaction of the internal customers.

The third approach is focused on the marketing concepts and creation of common values among all employees. In this approach to internal marketing, the internal sections are considered as the receivers of the assignment and strategy of the organization and objective which is attained by proper relations.

Benefits of Internal Marketing

In a research that I conducted on this topic it was revealed that customers preferred to go to banks where the customer-contact employees would treat them well with a deep sense of urgency and seriousness. These staffs that were delighting their customers were highly motivated and trained and as such could deliver superior service quality to their clientele.

Internal marketing helps in the reduction of advertising cost since there will be a lot of referrals (word of mouth) as a result of the high quality caliber of staff serving them. By far, word of mouth advertisement has been acclaimed the most effective and least expensive. It is where a satisfied customer tells others about your services.

Again, internal marketing produces employees who are knowledgeable and confident. Training and development, one of the tools of internal marketing makes members of staff abreast with current best practices and become confident when delivering the service to clients.

Internal marketing will to a greater extent help in the retention of experienced staff and members. Just as in the case of external customers, customers who are satisfied with the services of an organization thus become a robust loyal customer and very unlikely for that customer to take his business elsewhere.

From experience, I have realized that internal marketing ought to be ahead of external marketing. And for cooperatives to be able to achieve its aim of building a better world, cooperatives must see internal marketing as a critical success factor essential for the creation of value for customers, both internal and external ones.
Canadian Cooperative Association Women’s Mentorship Program 2012

By Laurie Tennian

The Canadian Co-operative Association (CCA) Women’s Mentorship Program is an annual training program for women leaders of financial co-operatives that provides a unique opportunity for professional development. The CCA mentorship program is an education and training program for staff working on day to day operations of a savings and credit co-operative (credit union).

Every year since 2002, CCA has organized and delivered a Women’s Mentorship Program for 14 women credit union managers from developing countries where CCA works in partnership with credit union movements.

The mentorship program is a mutual learning opportunity for Canadian and international co-operators. Canadian credit union managers have a lot to share with their overseas counterparts, but they also learn just as much from them.

CCA will organize a one-month internship /mentorship program for 14 women credit union managers from developing countries from April 30-May 25, 2012. The format of the program is comprised of two components:

- 2 ½ week training program (at CCA offices in Ottawa) which focuses on general leadership issues as well as the loan portfolio. Topics to be covered will be: loan assessment, credit scoring, loan tracking and delinquency control, mergers/amalgamations, human resources, marketing, governance, deposit guarantee funds, change management, among others. A reception will be held inviting embassy representatives during the last week of the program to share highlights of the participants learning’s while in Canada.
- A credit union placement/job exposure - each participant will be assigned to one Canadian credit union for 1½ weeks worth of job-shadowing with a branch manager/general manager as a mentor.

The May 2012 mentorship program will be the 12th offering of the annual program. Since its inception in 2002, the program has seen 151 alumnae from 16 countries in Africa, Asia and the Caribbean and more than 200 Canadian credit unions involved. A video was produced about the program in 2010 – for more details visit our website at http://www.ccacinema.coopscanda.coop

Core funding for this program is provided by the Partnership Program of the Canadian International Development Agency (CIDA). The staff and leaders of Canadian credit unions volunteer their time and Canadian credit unions contribute training materials, local
transportation and accommodation towards the program.

Canadian host credit unions share knowledge and skills with their visiting credit union manager, connecting them to credit union staff, policies and best practices; enables their guest to job shadow staff, meet members and observe day-to-day credit union operations; makes their guest feel at home - greeting them upon arrival and introducing them to people, places and events in the community; and billet their guest in the home of a credit union board member or employee.

**Impact of the Program**

Almost all of the women have changed their loan applications and interview process. More detailed questions, guarantors and stronger policies and procedures have been implemented which is a result of the changes to the loan application process. Loan delinquency rates have dropped significantly (in some cases from 16% to 6% in less than one year).

Other changes and improvements to daily operations include:

- New loans and savings products have been introduced;
- Membership of their savings and credit cooperatives have increased as trust has been created by the manager. The woman credit union managers are now viewed as “internationally trained” persons, with noticeable heightened respect by members.
- Many of the women managers have identified and cultivated a professional relationship with a board member who is very supportive of them and who is influential, applying learning from change management seminars undertaken in Canada. Several of the women managers report having influenced key board members to support important changes for the credit union.
  - Human resources - formal job descriptions and HR policies in place,
  - Several of the women managers have succeeded in increasing their authority to authorize loans up to a higher amount then prior to the training.
  - Many women managers have conducted risk assessments; have marketing plans in place and worked with board of directors and/or national association to develop strategic plans
  - New policies adopted including Asset/Liability policy; Board of Directors policy; Audit policy; Amendment of Bylaws (2); Investment Policy; Human Resources Policy; Code of Conduct and Conflict of Interest

For more updates on past alumnae and changes they have implemented, please visit [http://www.coopscanada.coop/en/international_dev/CCA_International_Programs/Women-Mentorship-Program](http://www.coopscanada.coop/en/international_dev/CCA_International_Programs/Women-Mentorship-Program). Please contact Laurie Tennian, mentorship program manager at laurie.tennian@coopscanada.coop for further details about the program.

For more information about CCA visit [www.coopscanada.coop](http://www.coopscanada.coop)
SACCO’S Code of Conduct

By Moses Musiitwa

The Code of Conduct provides the framework for maintaining the highest standards of professional conduct. The Code of Conduct is a statement of the SACCO’s values and ethical standards. The SACCO requires its employees and directors to adhere to the Code of Conduct. It is the guide that is to be followed to protect the most valuable asset, the reputation of SACCO.

The objectives of the code of conduct are as follows:

- To set down and promulgate the basic ethical principles which committee members and staff should observe.
- To institutionalize member participation in the Sacco matters.
- To secure adherence to principles of good practice.
- To promote and maintain confidence in the Sacco system.
- To assist and prevent the development of undesirable practice.
- To harmonize the concept of profitability and responsibility.

So as to implement the Code of Conduct, the SACCO is to endorse the following principles:

 Compliance with all applicable laws, regulations, and SACCO’s policies. This is essential to the SACCOs to ensure success and is required of every employee and director.

All of our decisions and actions are proper, in terms of integrity and how they are perceived by others. Honesty, trustworthiness, and fairness in all actions and relationships with, and on behalf of, the SACCO should be exhibited.

The books of accounts and records are maintained honestly, accurately, and in accordance with acceptable accounting practices.

We avoid conflict of interest with the interests of the SACCO or our members.

Business is only to be secured for the SACCO’s on the basis of an honest competitive market process, which results in the SACCOs’ earning a profit by providing members with appropriate financial products and services.

Maintain the appropriate level of confidentiality at all times with respect to information or data pertaining to members, suppliers, employees, or the SACCO itself.

Protection of all the SACCO assets, including facilities and equipment, and help maintain their value to the SACCO’s and our members’ who own the SACCO.

Act professionally, and respect the dignity of others.
The whole team contributes to the effectiveness of the Code of Conduct by notifying management or the directors if violations or possible violations are observed.

Maintain sound personal financial conditions by exercising good judgment in our own financial affairs.

Employees and directors must apply the principles of the Code of Conduct in all of their business dealings and in every aspect of their employment by or directorship of the SACCO. They must apply the principles of the Code of Conduct to their communication in all media, including E-mail and the Internet. Employees and directors must consider their actions in light of how they might be interpreted by others and whether they are behaving appropriately and performing in the best overall interest of the SACCO. Compliance with the spirit as well as the letter of the Code of Conduct is vitally important to us.

The key rules to ensure effectiveness of the Code of Conduct are set forth below. More extensive direction to employees on how to interpret and apply the principles of the Code of Conduct is provided throughout the SACCO Code of Conduct Policy and Procedures, which is cascaded to all employees.

**CONFLICT OF INTEREST / CODE OF ETHICS POLICY**

It’s general Policy that members of the board of directors, committee members, management officials, and employees of this SACCO are expected to:

Conduct the business of the SACCO in full compliance with both the letter and the spirit of the law and the guidelines established by this policy.

Use confidential information properly.

Recognize and avoid conflicts of interest.

Protect the SACCO property, including information, products, services, and assets.

Properly manage personal finances.

Treat fairly and with respect all SACCO employees, members, and others with whom they have dealings.

The purpose of this policy is to enumerate the high standards of conduct associated with ethical business standards and practices, and to subsequently identify areas and situations in which public trust and confidence could be compromised or a law violated. The policy sets forth guidelines governing such situations to help each employee self-monitor his or her personal conduct so as not to bring discredit to the SACCO or to oneself. The general objective of the policy is to spell out the standards of conduct expected of the directors, officers, and staff. The intent of the policy is to provide guidance to those performing SACCO business to ensure that such activities are performed in compliance with the letter and the spirit of the law.
Prohibited Activity

As stipulated in SACCO Bills, SACCO employees, officers, directors, agents, and attorneys are prohibited from soliciting, offering, promising, or accepting anything of value in connection with any transaction or business conducted by the SACCO if that individual expects to be rewarded for performing the transaction.

Standards of Business Conduct

It should be SACCO policy to conduct its business in accordance with applicable laws of its country in which it conducts business and in accordance with ethical standards of business conduct. All managers, other employees, directors, committee members, or others associated with the operation of the SACCO shall adhere strictly to this policy.

Review and Reporting – This policy is to be reviewed and reaffirmed annually by the board of directors. Evidence of the review and affirmation will be entered in the minutes of the board meeting for the date of the review.

Additionally, each member of the board and committee members as well as the senior management of the SACCO will, on an annual basis, execute a code of conduct affirmation form which will be kept on file by the supervisory committee. The supervisory (audit) committee is responsible for follow-up on any suspicious activity evidenced from its review of the affirmation form. The committee will report to the board of directors any findings that might compromise the integrity of the SACCO or be in violation of the code of conduct requirements of this policy.

SACCA Congress 2011

Accra, Ghana — the need to recognize the role played by cooperatives, highlights of the celebration of the International Year of Cooperatives 2012 amidst discussion of topical issues affecting cooperative growth were key areas of dialogue at the just concluded 12th SACCA Congress. The 3 day event held 2-5 October 2011 was organized by ACCOSCA in conjunction with the Credit Union Association of Ghana.

The SACCA Congress attracted 369 participants from 22 countries among which were cooperative leaders, government officials, development agencies, policy makers and researchers. The theme of the forum was, ‘IYC2012: Empowering Africa through the Financial Inclusion model of SACCOs’. The participating countries included; Botswana, Burundi, Cameroon, Canada, Ghana, Kenya, Lesotho, Liberia, Malawi, Namibia, Nigeria, Rwanda, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, The Gambia, Uganda, United Kingdom, Zambia, Zimbabwe.
The event was officially opened by the Hon. E.T Mensa, Minister of Employment and Social Welfare, Ghana. In his speech he amicably explained the role of cooperatives in improving livelihoods citing examples from his own experience.

To grace the occasion, there was the Hon. Joseph Nyagah, Minister of Cooperative Development and Marketing who urged members to be assertive and identify key influencing persons in their communes to champion the Cooperative movement agenda. Later in the meeting Hon.Joseph Nyagah was named ACCOSCA goodwill ambassador.

The key topics covered during the Congress were aimed at promoting sustainability and growth of SACCOs in the 21st Century. Notably concerns were raised about the low number of women and youth in the leadership positions in the sub sector. Additionally, members were urged to adopt technologies suitable in the 21st Century, strengthen the raising governance concerns, engage in environmental conservation projects and the small SACCOs were urged to merge so as to enjoy benefits of the synergy.

The resolutions drawn from the congress were: In future ACCOSCA events, there will be a HIV testing stand to promote the Know You Status campaign to create more awareness. Additionally in commemoration of the cooperative day 2012 all participants are to plant trees in their respective countries, to strengthen regulation in of the sector to attain prudent SACCOs, encouraging youth participation in ACCOSCA future events.

From the left is Mr. George Ombado CEO ACCOSCA, Mr. Hlongwane Doctor – Chairman ACCOSCA, Hon. E.T. Menesah, Minister of Employment and Social Welfare Ghana, Dr. Esther Ofei-Aboagye, Director of Institute of local Government Studies, Mr. Basing Chairman CUA

In this picture from the left is Mr. George Ombado CEO ACCOSCA, Mr. George Ototo – Board of Trustee ACCOSCA, Mr. Emile Esparon –Director ACCOSCA, Ms. Josephine Nabuyungo ACCOSCA Director, Mr. Monikivana Mbongeni ACCOSCA Director, and in the forefront is Hon. Joseph Nyagah, Minister Cooperative Development & Marketing Kenya
“The congress has really impacted positively on my aspirations and vision for the development of the A/G Co-operative Credit Union in particular and the co-operative movement at large,” said Mr. Theophilus Effah-Manu the Branch Manager Cooperative Credit Union of Ghana.

At the end of the SACCA Congress Uganda was nominated to host the next 13th SACCA Congress.

ACCOSCA Calendar 2012

We are delighted to inform you of the upcoming year 2012 planned activities as indicated below. The events for 2012 were developed considering the institutional needs as per the assessment carried out by ACCOSCA during this year’s events.

ACCOSCA Planned Activities 2012

<table>
<thead>
<tr>
<th>Date &amp; Country</th>
<th>Planned Event</th>
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<tbody>
<tr>
<td>19th-20th Mar 2012 Botswana</td>
<td>Africa Women Mentorship Program - In partnership with the Canadian Cooperative Association</td>
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<tr>
<td></td>
<td>Credit Risk Management Training (Open to Decision Makers)</td>
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<tr>
<td></td>
<td>Fund Raising/Management Training (Open to Decision Makers)</td>
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<tr>
<td>21st-23rd Mar 2012 Botswana</td>
<td>3rd SACCO Leaders Forum (SLF 2012) - Gaborone,</td>
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<tr>
<td>12th-15th June 2012 Kenya</td>
<td>Regulatory Workshop (Invite Only)</td>
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<tr>
<td>23rd-26th Sept 2011 Uganda</td>
<td>13th SACCA Congress 2012</td>
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<tr>
<td>27-28th Sept 2012 Uganda</td>
<td>Product Development for SACCOS `(Open to Decision Makers)</td>
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