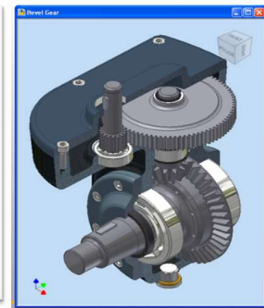




NUMERICAL MACHINING COMPLEX LIMITED

“Your Partner in Engineering Solutions”



STRATEGIC PLAN 2023 – 2027



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VISION

To be the center of excellence in engineering and manufacturing.

MISSION

“To provide quality engineering products and services that are market driven through research, design, development and production using modern technology”

CORE VALUES

Customer focus

Innovation

Excellence

Integrity

Professionalism

Sustainability

Teamwork

Foreword

I am pleased to present the updated Numerical Machining Complex (NMC) Strategic Plan for the 2023-2027 period on behalf of the Board of Directors. This plan follows the 2018-2022 Strategic Plan (MTP III) themed "Transforming Lives: Advancing socio-economic development through the 'Big Four Agenda'.

The new strategic plan is anchored on the MTP IV theme Acceleration of Social Economic Transformation to a More Competitive and Resilient Economy, the Bottom-Up Economic Transformation Agenda (BETA) and other government initiatives. Despite encountering several challenges in implementing the 2018-2022 strategic plan, including strategies beyond the company's mandate, the Board acknowledges that a significant number of strategies were successfully implemented. Throughout the plan period, the Board successfully implemented structural reforms, re-engineered the business model, upgraded Foundry production, Computer Numerical Control (CNC) & Fabrication workshop, and increased the capacity of the galvanizing plant. These initiatives enabled the company to undertake previously subcontracted jobs and conduct in-house galvanizing of power transmission parts for the energy sector.

The Strategic Plan 2023-2027 will be guided by the Memorandum of Association (MoA) and Articles of Associations (AoA), The Constitution of Kenya 2010, Kenya Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA) 2022-2027, the Fourth Medium Term Plan (MTP IV) and its Sector plans, whose theme is the "Acceleration of Social Economic Transformation to a more Competitive and Resilient Economy". The public service commission (performance management) Regulations, 2021, Public Finance management Act, 2012 and the National Spatial Plan, 2045 and other National Government priorities will also be incorporated in the strategic plan.

The Board is determined to ensure that NMC contribute to the achievement of the MTP IV through manufacture of quality machinery, automotive, equipment and parts, and setting up of a competitive Integrated Iron and Steel Mill Plant, invest in Scrap Metal and Mineral Value addition and green manufacturing programme. The investment is expected to increase the manufacturing sector level of contribution to the GDP from 7.2 percent to 15 percent by the year 2027. Whereas the plan is developed on the backdrop of a declining economy during

the latter phase of the plan period 2018/2022 due to COVID-19 pandemic, the Board acknowledges the Government of Kenya (GOK) commitment to rebuild back the economy through the Bottom-Up Economic Transformation Agenda (BETA), which will create a sustainable pool of Micro, Small and Medium Enterprises. The Board has identified this opportunity and commit to develop the capacity of MSME's specifically in the areas of Computer Numerical Control (CNC) and Conventional machines operations, Foundry Operations, Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) to enable them to design and manufacture quality standard products that are defined by their functionality and create huge opportunities for self-employment.

During the plan period the Board commits to focus on quality engineering products and services that are market driven through research, design and development and production using modern technology to build on the momentum placed on the manufacturing sector towards sustainable high economic growth and improved quality of life for the citizenry. This is in sync with the sector vision that envisage a robust, diversified and competitive micro and macro-economic environment. It is for this reason that the Ministry of Investment, Trade and Industry has identified NMC as one of its Agency that will efficiently engage in the manufacturing initiatives and also support programmes in health, food security and affordable housing in accordance with the industrial transformation Programme aspirations.

The process of reviewing and formulation of this plan involved considerable introspection by management and the Board of Directors to truly achieve a business model, organizational structure and setting the goals, objectives and strategic actions that resonate with the GOK Agenda and intent of the bottom-up economic model. It is for this reason that the Board has revised the goals, mission, vision and adopted a new strategic direction that is designed to win the trust and unify the interest of the shareholder and stakeholders. The plan therefore incorporates the urgency of priorities which the GOK has placed on the Company to achieve a sustainable manufacturing sector. It is against this background that the Board will relocate its manufacturing hub from the current Kenya Railways Central Workshops to NMC Engineering Park in Mavoko, Machakos County to accelerate large scale commercial production of steel,

engineering design and manufacture of machinery and components. The new site will enable the Board to diversify into competitive wide range of industrial parts/spares to capture the growing opportunity in manufacturing engineering and increase internally generated revenue streams for the company to be financially sustainable

We have confidence that this plan will be alive and trans-formative and will address challenges that may arise during the execution. A robust risk management and mitigating framework and an elaborate monitoring, evaluation and reporting system will be put in place to easily track the extent of the implementation of the plan while providing the necessary leadership, resources and support management during the plan period.

Finally, the Board is certain that with the continued support by the Ministry of Trade, Investments and Industry which is responsible for funding, policy direction and general oversight and support from the stakeholders, we will live up to our Vision.

Capt. Mohamed M. Abdi
Chairperson, Board of Directors.

Preface.

The Strategic Plan articulates the shared vision, mission, and core values and sets out policy priorities, strategic objectives and resource requirements for the period 2023-2027. The review and formulation of this plan have come at a time when most countries globally are recovering from the COVID-19 pandemic and are coping strategies to build back their economies and develop resilient institutions. Kenya is not an exception and the GOK has equally come up with far-reaching strategies that are articulated through the Medium-Term Plan MTP IV 2023-2027 whose theme is: “Acceleration of Social Economic Transformation to a More Competitive and Resilient Economy’. Besides, the Government through its Agenda is committed to implementing programmes and projects that will enable the masses to have a greater chance to participate in the country’s economic activities and create a sustainable pool of Micro, Small and Medium Enterprises.

This plan is therefore critical to propelling NMC towards the achievement of its mandate of *commercial production of steel, engineering design and manufacturing of machinery and components*, and increase the company's contribution to the national development agenda of creating a globally competitive and prosperous country that provides high quality of life to all its citizens. During the MTP III 2018/2022 plan period, NMC achieved modest modernization of the Foundry, CNC & Fabrication workshop which improved the institution's capacity to undertake a variety of jobs, manufacturing, testing, installation and commissioning of Mini hydropower plant in Gatanga is currently serving 50 households and producing 22KVA of power. Further, the Board established a galvanizing plant enabling NMC to conduct in-house galvanizing of power transmission parts. The Strategic Plan 2023-2027 takes into account the government policy direction on the role and contributions of the NMC in the manufacturing sector and the need to play a bigger role in the industrial transformation of the country as well as creating ample opportunities for self-employment. To realize NMC mandate, the Board has strengthened the Institutional capacity with a robust governance and organizational structure, business model, core values and a management team with the required expertise,

skills and competencies to turn around the company to profitability and long-term financial sustainability thereby freeing it from the need for continued government funding. In addition, this plan takes cognizance of NMC internal and external business environment, contributions from key stakeholders and the lessons learned from the Strategic Plan 2018 - 2022 (MTP III). The set goals and strategic objectives will be monitored through the implementation matrix that integrates them on one platform, whereas KPIs will continuously be tracked through M&E to ensure that NMC delivers on its mission and vision.

I thank the Chairman and the Board of Directors for supporting the process with their contribution and resources, the Cabinet Secretary Ministry of Investments, Trade and Industry, Ms. Rebecca Miano, MBS, EGH for the policy guidance and the support extended by the Permanent Secretary, State Department for Industry, Dr. Juma Mukhwana, PhD, CBS. Similarly, to our most valuable stakeholders who contributed either directly or indirectly to the successful preparation of the plan, we thank you most sincerely. Lastly, I would like to extend my sincere gratitude to the NMC Strategic Plan Committee for their role in drafting the plan, facilitating and coordinating the entire plan preparation processes.

We shall endeavor to sustain the participatory approach of promoting collaborative and harmonious working relationships with other Government Institutions and development partners to ensure the full realization of this plan and mandate.

Mr. George Makateto

Managing Director

Concepts and Terminologies

CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
Industry 4.0	Transformation of industry through intelligent networking of machines and processes with the help of ICT to help in automation, data exchange enhanced cyber-physical systems.

DRAFT

Acronyms and Abbreviations

3D	3 Dimensions
AGOA	African Growth and Opportunity Act
AM	Additive Manufacturing
AoA	Articles of Associations
CAPEX	Capital Expenditure
CNC	Computer Numerically Controlled
COMESA	Common Market for Eastern and Southern Africa
COVID	Coronavirus disease
EAC	East African Community
EMCA	Environmental Management and Coordination Act
FAB	Fabrication
FDI	Foreign Direct investment
FDI	Foreign Direct Investment
FM	Finance Manager
FY	Financial Year
GDP	Gross Domestic Product
GoK	Government of Kenya
HIV/Aids	Human Immunodeficiency Virus Acquired Immunodeficiency Syndrome
HR	Human Resources
ICT	Information Communication Technology
IoT	Internet of Things
ISO	International Organization for Standardization
KNBS	Kenya national Bureau of Statistics
KRAs	Key Result Areas
KRC	Kenya Railways Corporation
KVA	Kilovolt-Ampere
MD	Managing Director

ME&L	Monitoring, Evaluation & Learning
MoA	Memorandum of Association
MSME	Micro, Small and Medium Enterprises
MSMI	Micro, Small and Medium Industries
MITI	Ministry of Investments, Trade, and Industry
MTP	Medium Term Plan
OEM	Original Equipment Manufacturer
OPEX	Operating Expenditure
PC	Performance Contract
PESTELE	Political, Economic, Social, Technological, Legal and Environmental
PSC	Public Service Commission
PTA	Preferential Trade Area
R&D	Research and Development
SCAC	State Corporations Advisory Committee
SCM	Supply Chain Management
SDG	Sustainable Development Goals
SMART	Specific, Measurable, Attainable, Relevant, Time-bound
SO	Strategic Objective
SP	Strategic Plan
SWOT	Strengths Weaknesses Opportunities Threats
TVET	Technical And Vocational Education and Training
UNDP	United Nations Development Programme
USD	United States Dollar
WTO	World Trade Organization

Executive Summary

Numerical Machining Complex (NMC) was incorporated in 1994 as a limited liability company under the Ministry of Investments, Trade, and Industry which is responsible for funding, policy direction and general oversight. The strategic plan 2023-2027 provides the roadmap for short and long terms goals to be achieved within the term plan which is aligned with the Government policy and legal framework specifically the Bottom-up Economic Transformation Agenda (BETA), MTP IV of the Kenya Vision 2030 agenda aimed at industrial transformation of Kenya. Other Key economic policy considerations include the sustainable development Goals (SDGs) and the African Union Agenda 2063 and East Africa Community 2050

The Strategic Plan provides for a detailed Situational analysis provides for the NMC achievements, challenges and lessons learnt during the implementation period of the 2019-2022 revised Strategic Plan. The objectives of the previous strategic plan were not fully implemented because the plan strategic plans that were beyond NMC's capacity. Environmental analysis was undertaken using the Strengths, Challenges, Opportunities and Threats (SWOT) and Political, Economic, Social-Cultural, Technological, Environmental (PESTELE) models to identify factors influencing NMC's business. The Stakeholders' analysis was identified NMC's key stakeholders, their expectations and strategies needed to be implemented in meeting their expectations.

It stipulates the implementation and coordination framework with detailed a scope of the resources required which include the organizational structure, human resource management development strategies, financial resources requirements, resource mobilization strategies, anticipated risks and mitigation measures. It provides the business strategic models that will be pursued during the plan period and provides for the implementation plan and resource requirement and mobilization strategies as detailed in chapter seven.

During the previous strategic plan, NMC achieved; modernization of the Foundry, CNC & Fabrication workshop which enables the organization to undertake jobs that were initially being subcontracted, establishment of galvanizing plant enabling NMC to commence galvanizing of power transmission parts internally

for the energy sector. The Strategic Plan 2023-2027 will be achieved through the following five (5) key strategic goals namely:

1. To enhance development & production of engineering parts and machinery in support of Government initiatives.
2. Strengthen NMC's institutional capacity
3. Achieve financial sustainability
4. Achieve excellence on manufacturing and service provision.
5. Develop linkages with MSMEs and strategic partners.

Bench marking study was conducted from the leading manufacturing countries namely: China, Japan, India, Germany and South Africa steel, machines, equipment and parts including currency fluctuations, trade barriers, weak regional blocks and insecurity within COMESA. The company governance, skills and competencies is critical in the achieving the strategic plan objectives. NMC will require a total of Kshs. 47.5 billion to actualize the five years plan.

The strategic issues with potential impact on the organization's overall effectiveness, ability to meet stated goals and objectives as well as effectively execute on the mission and vision included:

- ❖ Mobilization of financial resources key in implementing the plans programs.
- ❖ Replacement of old machines to reduce downtime and increase efficiency.
- ❖ Capacity building of human resource for new equipment and machines

With the implementation of this Strategic Plan, the company will enhance its financial sustainability and provide quality engineering products and services as envisaged in the company Mission Statement.

1.0. CHAPTER ONE: INTRODUCTION

This chapter highlights the rationale for strategic planning in achieving organizational success. It reviews national, regional and international industrial policies and strategies that are relevant to the mandate of NMC. The chapter also provides a brief history of the organization and the methodology adopted in developing the strategic plan.

1.1. STRATEGY AS AN IMPERATIVE FOR ORGANIZATIONAL SUCCESS

Strategy is indeed imperative for organizational success. It serves as a roadmap, a guiding framework, and a tool for aligning an organization's efforts toward achieving its goals and objectives. Strategy is crucial as it provides a clear sense of direction, allows an organization to identify and leverage its strengths while addressing weaknesses, involves a thorough assessment of internal and external factors that may impact the organization, encourages innovation and provides a basis for measuring an organization's performance. A well-communicated strategy ensures that everyone in the organization understands the overarching goals and their role in achieving them. This alignment of purpose and action enhances teamwork and employee engagement. It looks beyond short-term gains and focuses on sustainable success. A well-defined strategy takes into account the needs and expectations of customers and stakeholders. By meeting these needs, organizations can enhance customer satisfaction and build stronger relationships with stakeholders.

Organizations that prioritize and execute effective strategies are better positioned to succeed in a competitive and dynamic business environment. Strategy is not just a luxury; it is a necessity for organizational success.

1.2. THE CONTEXT OF STRATEGIC PLANNING

The development of this Strategic Plan has taken into consideration major national, regional and international development priorities, frameworks and policies. The ones that are relevant to NMC's mandate are outlined below:

1.2.1. United Nations 2030 Agenda for Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nation in 2015 as a universal call to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. There are 17 SDG's which are universal set goals and indicators that the UN member states are expected to implement to further their development agenda and policies by 2030.

NMC will therefore endeavor to integrate and actualize the aspirations of the SDGs in its operation with the relevant goals being as follows:

No	Sustainable Development Goal	NMC's Contribution
1	Goal Number 9: Industry, Innovation and Infrastructure	<ul style="list-style-type: none"> • Design and manufacture of machines and machinery for MSMI's. • Capacity building for MSMI's.

Table 1. Sustainable Development Goals

1.2.2. African Union Agenda 2063

The African Union's Agenda 2063 is a strategic framework for the socio-economic transformation of the African continent over a 50-year period, from 2013 to 2063. It outlines a vision for Africa's development, with an emphasis on integration, prosperity, and unity.

The AU Agenda 2063 has set seven aspirations to be pursued and achieved namely:

Aspiration 1: A prosperous Africa based on inclusive growth and sustainable development.

Aspiration 2: An integrated continent, politically united.

Aspiration 3: Good governance, democracy, human rights, justice and rule of law.

Aspiration 4: A peaceful and secure Africa.

Aspiration 5: Strong cultural identity, values and ethics.

Aspiration 6: People driven development.

Aspiration 7: A strong and influential global player and partner.

NMC will strive to contribute to the following pillars as follows;

Industrialization and Economic Diversification:

Aspiration 1 & 9:

This is highly relevant to NMC, as it promotes the development of a robust industrial base in Africa, leading to job creation, economic growth, and a more diversified economy. NMC will contribute by manufacture of machinery & equipment, support of MSMEs and cottage industry leading to job creation and economic diversification.

Intra-African Trade and Infrastructure Development:

Aspiration 2 & 7:

Agenda 2063 envisions a more interconnected Africa, and this includes improving infrastructure and trade links between African countries. NMC will take advantage of the better access to regional markets, reduced trade barriers, and increased opportunities for export and import.

Science, Technology, and Innovation:

Aspiration 4&6:

Agenda 2063 seeks to promote research and development, which can lead to technological advancements and greater innovation in the manufacturing sector.

Human Capital Development:

Aspiration 2&6:

A skilled and educated workforce is critical for the success of the manufacturing industry. NMC will emphasize on human capital development, which aligns with the need for a well-trained and capable manufacturing workforce.

Sustainable Development and Environmental Protection:**Aspiration 5 &7:**

Agenda 2063's commitment to sustainable development and environmental protection aligns with these expectations, encouraging the manufacturing sector to adopt more sustainable practices. With government support through the Ministry of Investment, Trade and Industry NMC will set up green manufacturing hub that will promote design and development of products that are organic, ecological, recyclable and energy saving.

1.2.3. EAC Vision 2050

The East African Community (EAC) Vision 2050 is a long-term development plan that outlines the strategic objectives and aspirations for the East African region up to the year 2050. It is a framework for regional integration, economic growth, and social development among the EAC member states, which include Burundi, Kenya, Rwanda, South Sudan, Tanzania, Democratic Republic of Congo (DRC) and Uganda

The manufacturing agenda of EAC Vision 2050 is based on the EAC Industrialization Policy (2012-2032) whose theme is structural transformation of the manufacturing sector through value addition and product diversification based on comparative and competitive advantages of the region. The policy aims to create a modern, competitive and dynamic industrial sector, fully integrated into the global economy by investing in six strategic industries in which the region has potential comparative advantage. These are iron-ore and mineral processing, fertilizers and agrochemicals, pharmaceuticals, Petro-chemicals and gas processing, Agro-processing, and energy and bio-fuels.

Kenya, as a member state of EAC, is expected to play a key role in realizing the social, political and economic aspirations outlined in EAC Vision 2050.

The availability of the infrastructure to move raw materials to feed the envisaged expanded manufacturing will benefit from efficient and high-speed transport network from the sources of raw material to the manufacturing point. These include raw materials needed for integrated iron-steel industrialization envisaged

for the region such as coal, iron ore and limestone. With NMC's being the implementor of Kenya's Vision 2030 flagship project for the establishment of Iron-steel plant, it will go a long way in contributing to the EAC Vision 2050.

NMC will also benefit from the vision's emphasis on economic growth, industrialization, infrastructure development, and innovation, as it creates an environment that is conducive to business expansion and competitiveness. Additionally, the vision's focus on sustainability and social inclusion aligns with contemporary business values and expectations.

1.2.4. Constitution of Kenya

The Constitution of Kenya is a fundamental legal document that governs the rights and responsibilities of citizens, as well as the structure and functions of the government.

NMC will ensure that the company complies with all the constitutional provisions relevant to businesses, engage in corporate social responsibility initiatives that benefit the community and the country at large and contribute to the economic development of Kenya by creating jobs, supporting local businesses, and driving innovation and technological advancement.

1.2.5. Kenya Vision 2030, Bottom-Up Economic Transformation Agenda (BETA) and Fourth Medium Term Plan

1.2.5.1. Vision 2030

The Kenya Vision 2030 is the country's long term national blue print to create a globally competitive and prosperous country by 2030. It aims to transform Kenya into a newly industrializing middle-income country providing a high quality of life for all its citizens by 2030 in a clean and secure environment. The Economic Pillar of the vision aims to maintain a sustained economic growth of 10 per cent per year in order to improve the country's global competitiveness. This is to be achieved by having a robust, diversified, and competitive manufacturing sector through restructuring key local industries and exploiting opportunities in value addition.

Development of an Integrated Iron and Steel Mill is a Vision 2030 flagship project which NMC is the implementer. An integrated Steel mill will enable Kenya to produce and use locally available raw materials namely iron ore, coal and limestone. With the establishment of an integrated steel mill, it will minimize importation of steel grade, meet increasing demand of steel in the country, creation of employment and contribution to GDP.

1.2.5.2. Fourth Medium Term Plan (MTP IV)

The Fourth Medium Term Plan (MTP IV) aims at building upon the foundation laid in the previous plans, completing programmes and projects that were not fully achieved in MTP III and transforming the manufacturing sector through the bottom-up value chains approach. MTP III on the other hand aimed at increasing the manufacturing contribution to Gross Domestic Product (GDP) to 15%, creating one-million additional jobs annually, increasing the level of Foreign Direct Investment (FDIs), improving business environment and promoting the Buy Kenya Build Kenya Initiative.

The MTP IV plan prioritizes implementation of economic recovery strategies to build back a better economy on a steady and sustainable growth trajectory. The manufacturing sector will focus on increasing its share of contribution to GDP from 7.2% to 15% by the year 2027.

1.2.5.3. NMC's role in Fourth Medium Term Plan (MTP IV)

The Fourth Medium Term Plan (MTP IV) aims at building upon the foundation laid in the previous plans, completing programmes and projects that were not fully achieved in MTP III and transforming the manufacturing sector through the bottom up and value chains approach. NMC is expected to contribute to the MTP IV plan in the following areas namely:

- Manufacture of machinery, automotive, equipment and parts
- Integrated Iron and Steel Mill Plant, Scrap Metal and Mineral Value Addition
- Green Manufacturing Programme
- Automotive and Auto parts manufacturing
- Machinery

- E-Mobility and parts manufacturing

1.2.5.4. Bottom-up Economic Transformation Agenda

BETA is the development agenda for the current government (2022-2027). This agenda is cognizant of the critical role played by enterprises at the bottom of the economic pyramid in employment and wealth creation. Consequently, BETA seeks to direct the limited national resources to sectors with the highest economic impact by supporting economic activities at the bottom of the pyramid. The BETA has identified five priority sectors for economic transformation: agriculture and agro-processing, MSMI economy, universal housing and settlement, universal healthcare, digital superhighway and creative economy. The government will adopt a value chain approach to support growth of the manufacturing sector. Other priority areas of focus in BETA include assembly of automotive components and electronics; chemicals and pharmaceuticals industries; manufacture of metals and engineering products; petroleum and petrochemical processing; ICT and software engineering; and clean and renewable energy.

NMC has identified areas in which it will contribute to the Governments bottom-up economy enhancement approach namely:

(i) MSME's Development Programme (transforming the Micro, Small and Medium Industries (MSMI) Economy

To transform the Micro, Small and Medium industries (MSMI's) Economy, the programme provides interventions to promote the development, growth and sustainability of the sector. With NMC's immense experience in the use of Computer Numerically Controlled (CNC) and conventional machinery including being a manufacturer of some of the machines, it will undertake capacity building for MSME's in the following areas:

- CNC and Conventional machines operations
- Foundry Operations
- Computer Aided Design (CAD) and
- Computer Aided Manufacturing (CAM)

NMC will focus its capacity building for MSMI's in the manufacturing field. The training will impact the MSMI's with knowledge that will enable them to design and manufacture quality standard products that are defined by their functionality.

The National and County Governments will develop policies and related institutional structures that support establishment and marketing of cottage industries and products. NMC will promote the cottage and micro industries through the manufacture of machinery that will be used to manufacture products namely: wood working machinery, metal working and fabrication machinery, construction and agro machinery.

NMC will also boost the cottage and Micro industries by subcontracting parts that MSMI's have the capacity to manufacture. NMC will also empower MSMI's through subcontracting, partnerships and exchanges.

1.2.6. Sector Policies and Laws

1.2.6.1. Kenya Industrial Transformation Programme

The Ministry of Investment, Trade and Industry (MITI) developed this strategic, comprehensive and integrated programme to guide Kenya on its journey to industrialization. The programme is guided by Kenya Vision 2030 economic blue print that aims to transform Kenya into a newly industrializing, "middle-income country providing a high-quality life to all its citizens by the year 2030". The programme is based on industrialization opportunities to increase manufacturing contribution to the GDP, increase industrial exports, foreign direct investment, job creation and economic growth.

The programme aims to create one Million Jobs, increase contribution of manufacturing to 15% of GDP, create an enabling environment to accelerate industrial development through industrial parks/zones along infrastructure corridors, technical skills, supporting infrastructure and ease of doing business and launch sector-specific flagship projects in agro-processing, textiles, leather, construction services and materials, oil and gas and mining services and IT related sectors that build on Kenya's comparative advantages

1.2.6.2. Buy Kenya Build Kenya Initiative

The overall objective of Buy Kenya Build Kenya Strategy is to increase competitiveness and consumption of locally produced goods and services. The strategy aims to promote and enhance the consumption of Kenya's own products and services in both figures and as proportion of the GDP.

In order to grow the manufacturing sector, there is need for increased purchase of locally produced goods and services by both the Public and Private sectors. "The Buy Kenya - Build Kenya Strategy" is aimed at inculcating in the mind of all Kenyan citizens, patriotism and preference for Kenyan goods and services as a means of supporting the domestic economy. This Buy Kenya - Build Kenya Strategy, therefore, provides not only a road map but also a suitable framework to stimulate Kenya's economy by strongly encouraging public and private sector expenditure that favour goods and services produced locally.

NMC will capitalize on the strategy to promote its own locally manufactured products namely: machinery, equipment and industrial parts.

1.2.6.3. National Automotive Policy

This policy is developed in consultation with stakeholders to address the challenges affecting vehicle industry including the lack of dedicated legal, institutional regulatory framework, importation of parts by Franchise holders instead of procuring from local parts manufacturers, influx of used fully built units, among others, the National Automotive Policy was developed. The overall objective of this policy is to provide the domestic industry with opportunities to achieve competitiveness in manufacturing of automotive products. The policy proposes measures that aim at unlocking the industry potential across the entire value chain and related sectors of the economy.

The policy therefore aims to;- provide legal, institutional and regulatory framework for the development of the automotive industry; support motor vehicle and motorcycle Assembling; harmonize standards; forge collaboration mechanisms in the industry; facilitate market Access for sector products and services including access to preferences and reservation in public sector procurements; promote innovation, research and development and technology;

facilitate local component/parts manufacturing; and support development of incentive schemes for investments and reinvestments.

1.2.6.4. Scrap Metal Act

The Scrap Metal Act 2015 was enacted on 7th January 2015 and its purpose is to: regulate dealings in scrap metal, provide for the establishment of Scrap Metal Council and for connected purposes. The Act also proposes framework for dealing with scrap metal as one of the valuable industrial commodities.

To operationalize the Scrap Metal Act, 2015, the Ministry of Trade, Investments and Industry developed the Scrap Metal Dealers Rules, 2022 through Kenya Gazette Supplement No.78. The rules will be followed by all dealers /agents while buying and selling of scrap metal.

Scrap metal is a vital raw material in NMC's operation especially during casting process of Steel, Bronze, Brass and Aluminum products for customer. NMC has been buying scrap metal from open market at high prices thus increasing the cost of production. Scrap Metal Rules 2022 also enable NMC purchase the raw materials from local licensed dealers and government agencies. All public entities should give NMC scrap within their premises.

1.3. HISTORY OF NUMERICAL MACHINING COMPLEX (NMC)

In the drive to have a Kenyan car in the early eighties, NMC was formed as a research institution whose mandate was mainly to undertake the research & development of motor vehicles and motor vehicle accessories in Kenya. The project was undertaken jointly by the University of Nairobi, Kenya Railways and the Ministry of Defence.

On 4th of January 1994, NMC was incorporated as a limited liability company under the Company's Act CAP 486. The operations of the company are guided by the Memorandum and Articles of Association (MoA). NMC is a semi-autonomous government agency domiciled in the Ministry of Trade, Investments and Industry. The ministry is responsible for funding, policy direction and general oversight. NMC is owned by Kenya Railways Corporation with 51% and Kenya Shipyard Limited 49% shares in trust of the Government of Kenya. Its

mandate is the commercial production of steel, engineering design and manufacturing of machinery and components.

NMC produces a wide range of products such as machines, machine tools and industrial parts/spares. The company is equipped with high precision and state of the art equipment and machinery to undertake machining, fabrication, foundry works, design, heat treatment and metallurgical testing. NMC supports various sectors such as the automotive, food, energy, construction, MSME's and mining among other industries. NMC is an appointed reseller and trainer of Autodesk engineering design software for manufacturing and infrastructure.

NMC currently has largely depended on jobbing orders that involves making of industrial replacement parts and automotive parts, a practice that has proven to be financially unsustainable. To overcome this challenge and set the company on a growth and self-sustainable path, NMC's five-year strategic plan (2023-2027) gives guidance towards growth and long-term financial sustainability.

NMC has positioned itself to be the center of excellence in engineering and manufacturing solutions. The company is ISO 9001:2015 certified ensuring consistent delivery of services in line with globally recognized standards.

1.4. METHODOLOGY OF DEVELOPING THE STRATEGIC PLAN

A participatory process was followed in the development of this Strategic Plan. This was aimed at enhancing ownership and effective and efficient implementation of the Strategic plan. The Board of Directors and NMC management developed the mission and vision of the company and established a committee to conduct situation analysis and develop strategic framework. Stakeholders were invited to submit their input and comments on the draft strategic plan, before validation through a stakeholders' forum.

2. CHAPTER TWO: STRATEGIC DIRECTION

This chapter provides an overview of the organization's mandate, vision and mission. Strategic goals to guide the organization direction have been formulated for implementation in the plan period. In this section the company has also identified its core values and set the quality policy statement.

2.1. Mandate

The mandate of NMC is outlined in The Memorandum and Articles of Association as the commercial production of steel, engineering design and manufacture machinery and components.

2.2. Vision Statement

To be the center of excellence in engineering and manufacturing.

2.3. Mission Statement

"To provide quality engineering products and services that are market driven through research, design, development and production using modern technology".

2.4. Strategic Goals

The new Strategic Plan 2023-2027 envisages that NMC's Vision shall be achieved by targeting five (5) key strategic goals namely:

1. To enhance development & production of engineering parts and machinery in support of Government initiatives.
2. Strengthen NMC's institutional capacity
3. Achieve financial sustainability
4. Achieve excellence on manufacturing and service provision.
5. Develop linkages with MSMEs and strategic partners.

2.5. Core Values

i. Customer focus

Clearly defining and meeting customer expectations.

ii. Innovation

Continuous adoption of leading edge thinking and practices that are of practical use to NMC.

iii. Excellence

Continually learning, improving in all spheres and striving to do more to ensure that everything associated with NMC is distinguished

iv. Integrity

Upholding honesty, fairness, transparency and shall be accountable for our decisions- and actions

v. Professionalism

Use skill, good judgement and polite behavior to achieve excellence in serving customers

vi. Sustainability

Continuously managing financial, social and environmental risks, obligations and opportunities to promote the resilience of NMC

vii. Teamwork

Working with colleagues and clients to deliver desired results, accept responsibility, remain positive and cooperative to encourage progressiveness and creativity.

2.6. Quality Policy Statement

NMC is ISO 9001:2015 certified and this confirms its committed to produce high integrity steel, design, develop and manufacture machinery and components that are defined by their functionality, aesthetic appeal and safety to the satisfaction of our customers.

NMC shall achieve this by benchmarking NMC standards, against the recognized, acceptable international standards and best practices by continually improving the effectiveness of the quality management systems. We will also continuously improve the performance of our internal processes through research, innovation, business process re-engineering and human resource development to meet our customers' requirements.

3. CHAPTER THREE: SITUATIONAL AND STAKEHOLDERS ANALYSIS

This chapter provides a review on the performance of the previous Strategic Plan 2017-2021, analysis of the key achievements, challenges encountered and lessons learnt. The situational analysis was done using PESTELE, SWOT and RBV considering the context in which NMC operates. Stakeholders' analysis was carried out considering the interested parties and their interest in NMC.

3.1. Situational Analysis

Analysis of internal and external environment identified factors that influence NMC's operation. The internal environment explores strengths and weaknesses while external environment reviews opportunities and threats that may affect the operations.

3.1.1. External Environment

The external environment refers to factors and forces outside NMC that can impact its operations, performance and strategic decision. A comprehensive analysis of the external environment indicates opportunities and threats facing the organization as indicated below.

3.1.1.1. Macro-environment

Macro-environment refers to external factors which have a direct and indirect impact in realizing the mandate of the organization.

PESTELE Analysis (Political, Economic, Social, Technological, Environment, Legal and Ethics).

Using the PESTLE Analysis framework to evaluate NMC's operating environment within Kenya, key opportunities and threats for NMC were identified to help in defining strategic objectives to be achieved and the initiatives to be adopted.

Political

Kenya's political environment is generally stable and particularly following the peaceful 2022 elections. The political stability in the country enables a conducive environment for businesses to operate. "Kenya Vision 2030" Kenya's development programme from 2008 to 2030 is geared at transforming Kenya in

to a "newly industrializing, middle-income country that provides a high quality of life for its citizens. The vision encompasses various social, economic and political objectives to achieve this overarching goal.

With the GoK commitment to transformation of the industrial sector, NMC has the mandate to spearhead the transformation, leveraging on existing capability and technology. This is to be done through manufacture of components and assemblies, tooling and eventually developing motor vehicles locally.

Economic

According to Kenya National Bureau of Statistics (KNBS) Economic Survey 2022, Real Gross Domestic Product (GDP) is estimated to have grown by 7.5 per cent in 2021 compared to a contraction of 0.3 per cent in 2020. Economic growth in 2021 was supported by improved performance in key sectors of the economy including; Manufacturing (6.9%), Wholesale and Retail Trade (7.9%), Real Estate (6.7%), Transportation and Storage (7.2%), and Financial and insurance activities (12.5%).

NMC is going to tap in to manufacturing sector by establishing strategic partnerships with relevant investors to fast-track industrial transformation in Kenya

There has been a general increase in the cost of living over the past one year with consumer price index registering an increase. This implies there is a declining purchasing power of consumers hence NMC will come in to increase production of local content for import substitution hence strengthening the purchasing power of consumers and to reduce on the balance of trade deficit.

Kenya is a member of multilateral and bilateral trade agreements. In the region, its a member of the East African Community (EAC) with a population of approximately 145 million. It is also a member of the Common Market for Eastern and Southern Africa (COMESA) with a population of approximately 400 million. Exports and imports within member countries enjoy preferential tariff rates. NMC anticipates to venture in to manufacturing of industrial products for the region and take advantage of the preferential trade practices.

Social

According to the Kenya National Bureau of Statistics, Kenya's population stands at over 49 Million people. UNDP expects a growth rate of 2.9% per annum in future. The government is actively committed to increase its skill base through the establishment of technical schools and polytechnics through TVET institutions. These will provide a stable source of skilled labour to sustain Kenyan industries. NMC is geared towards manufacture and workshop machinery and equipment for the Institutions.

Technological

The fourth industrial revolution which is technology driven, is rapidly changing the way businesses are run. Industry is tapping in to these technologies such as additive manufacturing and Internet of Things (IoT) with aim to achieve efficiency and competitive edge. According to KNBS economic survey, in 2022, the value of ICT output increased by 6.9 per cent. The penetration rate for mobile subscriptions grew to 131.88 per 100 inhabitants in 2021. Mobile money subscriptions increased to 71.34 per 100 inhabitants over the same period. Internet subscriptions increased from 91.70 per 100 inhabitants in 2020 to 93.33 per 100 inhabitants in 2021. Advances in technology have had a major impact on business success, with "Big Data" and Cyber Security becoming critical decision factors for companies to innovate and stay in business. NMC intends to adopt additive manufacturing and IoT.

Government is keen on Renewable energy sources as it seeks to lower the cost of energy which is a component that affects cost of production and foreign direct investments. NMC will upscale the production and adoption of mini hydro power plants.

The motorcycle industry continues to be one of the promising sectors, with a huge contribution to the country's economy. In 2018, the industry contributed over Ksh.2.2 billion in form of direct taxes only. Through its assembly plants and distribution network, the industry also continues to offer employment opportunities to over 100,000 Kenyans. Motorbikes, especially those plying the trade popularly known as 'boda boda', have become an important feature in Kenya's transport sector,

most importantly creating jobs to many Kenyan youths especially in the rural areas. Electric motor bikes is an emerging technology that will phase out the motorcycles, NMC is keen to tap in to this emerging industry which will be driven by electricity as the prime mover.

Environmental

The National Environmental Management Authority (NEMA) licenses all business in compliance with the environmental standards put in place. The Authority is keen on promoting investments while maintaining a high level of environmental safety standards. NMC will ensure compliance with the Environmental Management and Coordination Act (EMCA), 1999. NMC hopes to venture into green manufacturing as well as engage relevant stakeholders in Environmental Management in its projects.

In the pursuit of NMC goals, NEMA is a key stakeholder and NMC will engage the authority in compliance and advisory issues

Legal

The legal environment under which NMC operates has been undergoing changes in the recent past to promote industrialization through manufacture of local products.

The Local Content Bill 2016 seeks to promote value addition and job creation with the use of local expertise, goods and services; Scrap metal Act 2015 which is meant to safeguard local raw materials; Draft Automotive policy 2019 intended to create right environment for local manufacture of auto parts and automotive; Kenya Trade Remedies Act 2017 enacted to impose anti – dumping, countervailing and safeguard measures and the Public Procurement and Asset Disposal Act 2015 which advocates for at least 40% local content. The changing legal environment provides great opportunities for NMC to increase the production and consumption of local content.

3.1.1.2. Micro -environment

NMC has skilled and experienced workforce to deliver NMC mandate and meet the set objectives. NMC serve a wide market and its customers drawn from automotive,

energy, cement, mining, aviation, government agencies and TVETs/SMEs. These customers require industrial parts and steel fittings.

NMC has prequalified list of suppliers whose responsibility is to supply quality materials that facilitate execution of customer orders. In regard to distribution, NMC uses its in-house marketing team to deliver the products to its customers at the right time.

3.1.1.3. Industry Environment

These are external factors and conditions that directly affect the industry in which NMC operates. Porters 5-Force Industry analysis was used to understand the competitive forces within the industry which NMC operates in. From the analysis, it identifies the main actors and the key competitive forces.

Table 2 Porters Five Forces Industry Analysis

Forces	Actors	Key competitive forces
Rivalry with existing competitors	Fabricators, machining workshops, casting foundries, Other Engineering Software resellers	<ul style="list-style-type: none"> • Cheap imports • Affordable and easily available manufacturing technology • Faster market response • Less bureaucracy
Bargaining power of Customers	<ul style="list-style-type: none"> • Government agencies • Industries • Citizens • Universities 	<ul style="list-style-type: none"> • Quality products • Better customer service • Competitive pricing • Timely delivery • Other options available like importing
Bargaining power of Suppliers	Approved suppliers Adhoc suppliers PPDA 2015	<ul style="list-style-type: none"> • Business culture • Inflated pricing • Public Procurement process
Threat of New Entrants	<ul style="list-style-type: none"> • Industrial parks • Special Economic Zones • Incubation hubs • Private sector players 	<ul style="list-style-type: none"> • Easy to enter as a local player • Change of Competitive environment • NMC Brand • Proprietary technology

Threat of Substitute Products	<ul style="list-style-type: none"> • Second hand car dealers and importers and parts • Other Engineering software • Counterfeits and pirated software 	<ul style="list-style-type: none"> • Cheap imports • Unfair competition
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3.1.1.4. Market Analysis

NMC operates in a very competitive market environment and just like its competitors it has built a name in the market. NMC has several competitors in industrial parts, fabrication, machine tools & machinery, foundry castings, laboratory services and engineering design software & training. A SWOT analysis was conducted to assess NMC's internal and external factors in which the strengths were identified to leverage, weaknesses to be addressed, opportunities to be pursued and threats to be mitigated.

3.1.2 SWOT Analysis

Table 3. SWOT Analysis

Strengths	<ul style="list-style-type: none"> ❖ Government support to drive NMC mandate through financial support. ❖ High precision machines ❖ Availability of company's land for future expansion ❖ Technical expertise ❖ High production capacity in the foundry for steel, ferrous and non-ferrous castings ❖ Casting and manufacture of high-quality steel products. ❖ Engineering design capability ❖ Modern CNC machining and Fabrication Facility
Weaknesses	<ul style="list-style-type: none"> ❖ Inadequate funding and financing to support operations and growth initiatives; ❖ Weak corporate identity and visibility; Perceived as a high-cost supplier due to stiff competition from imports of finished products; ❖ Process inefficiencies such as procurement, production process, customer relations and delivery; ❖ High turnover of skilled staff especially in design and production. ❖ Machinery with major breakdown, poor capacity utilization and inadequate auxiliary equipment; ❖ Ageing Workforce ❖ Inadequate legal and regulatory framework
Opportunities	<ul style="list-style-type: none"> ❖ Government initiatives e.g. Buy Kenya Build Kenya, Local content policy, automotive policy, banning of scrap metal export and Government to government procurement,

	<ul style="list-style-type: none"> ❖ Huge market for industrial related products i.e. power distribution, telecommunications and railway transport. ❖ Huge machinery capacity capable of producing line products in mass ❖ Government to Government procurement opportunities ❖ Planned expansion of technical education to increase quality and quantity of technical staff; ❖ Leveraging on customer confidence in quality products which NMC is capable of producing ❖ Tapping to the prime ICT sector, electrical and electronics industry ❖ Increased regional integration providing opportunity to widen the market for products ❖ Collaboration with SMEs to drive industrialization in the country ❖ Availability of modern technologies that can be utilized to transform manufacturing ❖ Import substitution of cement grinding media balls ❖ Increased electricity connectivity programme is a market for NMC Power transmission fitting production.
Threats	<ul style="list-style-type: none"> ❖ Unclear long-term programme /policy for replacement of machines and equipment ❖ High energy costs ❖ Liberalization and globalization allowing competition from cheap imports ❖ Entrants of foreign players seeking to fill the gap in the industrial landscape ❖ Heightened regional competition as countries seek to be industrial hubs ❖ Illegal encroachment in NMC Land at Athi River

3.1.2. Summary of Opportunities and Threats

Table 4: Summary of Opportunities and Threats

Environmental factor	Opportunities	Threats
Political	GoK commitment to transformation of the industrial sector	Changes in national priorities that affects funding for the implementation of projects.
Economic	Demand for industrial products within EAC and COMESA	<ul style="list-style-type: none"> ❖ Increase in tariff rates and stiff competition. ❖ Increase cost of living which will lead to decline in purchasing power of consumers
Social	Qualified and experienced workforce	<ul style="list-style-type: none"> ❖ Ageing Workforce ❖ High turnover of skilled staff especially in design and production
Technological	E-mobility is an emerging technology and NMC is keen to tap in to this emerging industry.	Rapid technological advancements can render existing manufacturing equipment and processes obsolete.
Legal	<ul style="list-style-type: none"> ❖ Increase production and consumption of local content- PPAD Act 2015 advocates for at least 40% local content. ❖ Increase in production of auto parts as envisage in draft Automotive policy 2019 	Continued encroachment in NMC Land at Athi River meant for company expansion

Ecological	Green manufacturing	Environmental degradation due to manufacturing activities.
Micro factors	Prequalified suppliers and close network of customers.	Difficulty in funding for investments and operations
Industry environment	Extensive market for industrial parts.	Cheap imports, counterfeit
Market environment	Government initiatives Buy Kenya Build Kenya, Local content policy, automotive policy, banning of scrap metal export and Government to government procurement	Stiff competition

3.1.3. Internal Environment

These are factors within NMC that directly affect its manufacturing processes, operations and overall performance. Managing and optimizing these factors is essential for the success and competitiveness of the company. Analysis of NMC internal environment was done through Resource Based View (RBV) and the key resources identified: -

- **Physical Resource-** this includes machinery, equipment and inventory that enables NMC to execute customer orders thus meeting its set objectives. NMC is installed with computer numerical controlled machines (CNC) and state of the art foundry for precision machining and casting thus assuring quality of products.
- **Technological Resource-** the company uses computer aided design & computer aided manufacture (CAD/CAM) technology in its manufacturing operations. For design, NMC uses the latest computer aided design (CAD) software for its design work where it involves prototyping and simulations of

designs to demonstrate its functionality before they are manufactured. On computer aided manufacture (CAM), the company uses CNC machines ranging between 3-axis and 5-axis.

- **Human Resource-** NMC has skilled and experienced workforce that are able to undertake design and operate the installed machinery and execute the company's mandate.
- **Financial Resource-** With government support on development funds, NMC invests on the latest machinery to support its mandate. One of the identified resource gaps include the need for working capital and fund for modernization of NMC workshops.

From Resource Based View (RBV) analysis, there is emphasis for NMC to focus on leveraging its internal strength, unique resources and capabilities to gain a competitive advantage. Human resource being a key valuable asset, requires continuous training and exposure to improve product quality, reduce costs and meet customer expectations.

3.1.3.1. Governance and Administrative Structures

NMC's governance and administrative framework ensures structured decision-making that focusses on achievement of its objectives. The top decision-making organ is the Board of Directors (BOD) whose composition is outlined in the company's Memorandum and Articles of Association. The BOD is responsible for setting the company's strategic direction, approves major decisions, policies, protection of employees interest and coordination of stakeholders.

The BOD also undertakes recruitment of the Managing Director and senior management who are responsible for the day-to-day operations of the company.

3.1.3.2. Internal Business Processes

Strengthening of NMC internal business processes is crucial for efficiency, quality and competitiveness. The organization will acquire an ERP system for automation of its processes, undertake rebranding of the company, productivity mainstreaming, performance management, enhance brand visibility and marketing for purposes of meeting the company's goals.

3.1.3.3. Resource and Capabilities

NMC's resources includes both tangible and intangible namely; human resource, skills, experience, machinery, patents, brands, technology, raw materials that facilitates the achievement of the set objectives. NMC's manufacturing facility is equipped with modern computer numerical controlled (CNC) machines for precision machining, fabrication equipment, metallurgical laboratory for material analysis, foundry plant, heat treatment and galvanizing plant.

To ensure that the installed capacity is put into good use, the company has skilled and experienced workforce both technical and support.

3.1.4. Summary of Strengths and Weaknesses

Table 5: Summary of Strengths and Weaknesses

Factor	Strengths	Weaknesses
Governance and Administrative Structure	<ul style="list-style-type: none"> ❖ Existing policies and manuals to guide decision making ❖ Clear chain of command 	Legal framework of formation of NMC
Internal Business Processes	Standard Operating Procedures in use	Low level of automation - manual processes
Resource and Capabilities	<ul style="list-style-type: none"> ❖ Competent and diverse human resource ❖ High precision machines ❖ Availability of company's land for future expansion ❖ Technical expertise 	Financial constraints

3.1.5. Analysis of Past Performance

In the previous Strategic Plan 2017-2021, NMC had identified four key result areas namely; catalyze industrialization in Kenya by leveraging natural resource endowment, strengthening NMC's institutional capacity, achieve excellence in manufacturing & service provision and achieve long term financial stability.

Evaluation of NMC's achievements in the implementation of the previous Strategic Plan 2017-2021 was undertaken and key achievements, challenges and lessons learnt were identified as elaborated below.

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3.1.5.1. Key Achievements

Table 6: Key Achievements

KRA	GOALS	STRATEGIC OBJECTIVES	ACHIEVEMENT
KRA 2	Strengthen NMC's institutional Capacity	<ul style="list-style-type: none"> To strengthen governance, restructuring and human resource transformation to support NMC mandate To achieve operational excellence 	<p>During the implementation period of the Strategic Plan, NMC managed to reconstitute the Board committees, undertook staff rationalization in 2017, hired MD, Internal Audit Manager, HR Manager, 2 Senior Superintending Engineers, Finance manager, SCM manager, ICT I, ten (10) technicians in order to boost the mandate for the achievement of its core business.</p> <p>A CAB memo was prepared and approved to change the legal status of NMC. Shareholding changed to 51% KR and 49% to Kenya Shipyards Ltd.</p>
KRA 3	To achieve excellence in manufacturing and service provision	<ul style="list-style-type: none"> To enhance innovation in product development, production and manufacturing To enhance marketing and customer service effort. To develop and enhance organizational brand visibility 	<p>The company undertook the modernization of the Foundry, CNC & Fabrication workshop. NMC now has a modern fabrication facility to undertake any fabrication job. The company established an inhouse galvanizing plant enabling NMC to undertake inhouse galvanizing of power transmission fittings.</p> <p>NMC also managed to design, develop and manufacture brick making machines, saddles and power transmission</p>

KRA	GOALS	STRATEGIC OBJECTIVES	ACHIEVEMENT
			<p>parts, micro hydro power plant, manufacture four-wheel tractor (Shujaa tractor) in collaboration with JKUAT to support scale farming. NMC also manufactured biodiesel plant to extract oil from jathropa seeds, process the oil and convert it to bio-diesel and three crank hospital beds for use in Intensive Care Units (ICU).</p> <p>To improve on customer interactions, the company implemented an online interaction portal with customers.</p>
KRA 4	To achieve long term financial stability	<ul style="list-style-type: none"> • Enhance financial management practice to optimize costs. • To mobilize resources to finance NMC operations and growth initiatives 	Procurement & financial manuals were developed and operationalized. Costing template was also revised to ensure profitability and implemented.

3.1.5.2. Challenges

During the implementation of 2018-2022 Strategic Plan, there were challenges encountered that hindered its execution. These include;

- The unprecedented impact Covid-19 affecting implementation of the plan.
- Low targeted sales revenues as a result of stiff competition
- Unavailability of production inputs locally and machine spares
- Inadequate working capital
- Insufficient or no credit terms from suppliers of raw materials.
- Fluctuating cost of material inputs especially steel and foundry inputs.
- Down time due to plant/machinery down time.
- Inadequate funds to train staff as a best practice

3.1.5.3. Lessons Learnt

While implementing the 2018-2022 Strategic Plan, there were several lessons learnt which will assist in preparation of future strategic plans.

- Timely mobilization and diversification of resources to facilitate implementation of planned activities.
- Goodwill by stakeholders is essential in implementation of the Strategic Plan.
- To be realistic and objective while planning for activities within the strategic period under consideration focusing on activities to be realized in the short, midterm and long-term periods. Planned activities should have progress markers that are encompassed within SMART objectives for purposes of monitoring and evaluation.
- The management needs to develop initiatives that are geared towards realization of internally generated revenue to offload some burden on the exchequer, avoid over reliance on traditional funding and enhance realization of more financial resources. Use of appropriate technologies in revenue collection and management will be an important facet in

enhancing efficiency and cost reduction. Development of fundable development proposals should be sought out and implemented.

- There is need to build and enhance capacity of human resources in areas that are crucial for delivery of company's mandate and create a unique competitive advantage within the industry.
- The need to develop and implement an elaborate monitoring and evaluation system based on key result areas so as to inform on the extent of the implementation of the strategic plan.
- The need for finalization of key national policies e.g National Automotive Bill and local content policies which will enable NMC produce substantial parts and components for the industry for future sustainability and import substitution.

3.2. Stakeholder Analysis

The stakeholder analysis is geared towards capturing views and opinions of the key people that NMC interacts with therefore understanding NMC's operating environment. The broad category of stakeholders included parent Ministry, The National Treasury, Parliament, other Government authorities, customers, policy makers, and potential customers.

Table 7: Stakeholder Analysis

S/No	Stakeholder	Role	Stakeholder's expectations from NMC	NMC expectations from stakeholder
1	Ministry of Investments, Trade & Industry	❖ Support the institution in aligning with sector policies and disbursement of funds	<ul style="list-style-type: none"> ❖ Compliance with policies, legislation and guidelines ❖ Effective coordination of sectoral activities ❖ Collaborations for technical and professional input ❖ Information dissemination ❖ Performance reporting ❖ Efficient and accountable utilization of funds ❖ Involvement in NMCs governance 	<ul style="list-style-type: none"> ❖ Support of NMC's mandate ❖ Policy and legislative direction
2	The National Treasury and Planning	Funding	<ul style="list-style-type: none"> ❖ Timely submission of budgets and required reports. ❖ Prudent utilization of resources 	<ul style="list-style-type: none"> ❖ Adequate funding of NMC's activities ❖ Timely release of financial resources
3	The National Assembly	<ul style="list-style-type: none"> ❖ Legislation and allocation of budget ❖ Establishment of NMC as State Corporation through an Act of Parliament. 	<ul style="list-style-type: none"> ❖ Timely implementation of projects, ❖ Prudent use of the allocated funds 	Appropriation of adequate funds for NMC projects

S/No	Stakeholder	Role	Stakeholder's expectations from NMC	NMC expectations from stakeholder
4	Shareholders	<ul style="list-style-type: none"> ❖ Strategic decisions ❖ Funding 	<ul style="list-style-type: none"> ❖ Shareholders wealth and investment ❖ Involvement in NMCs governance 	<ul style="list-style-type: none"> ❖ Financial support ❖ Promote effective corporate governance in the company and ensure that the corporate governance practices meet high standards of accountability, transparency and fiduciary responsibility. ❖ Ensure that the affairs of the company are being conducted by the management, in the best interests of the shareholders.
5	Customers	<ul style="list-style-type: none"> ❖ Primary beneficiaries of company products & services. ❖ Source of revenue ❖ Provide feedback 	<ul style="list-style-type: none"> ❖ Provision of quality ❖ Adherence to NMC service charter timelines in all processes ❖ Timely resolutions of complaints 	<ul style="list-style-type: none"> ❖ Timely payment for the goods and services ❖ Clear and precise specifications
6	Kenya Association of Manufacturers	<ul style="list-style-type: none"> ❖ Advocate for better policies for manufacturers ❖ Implement industrial policies 	NMC as a Government program implementing agency	Favorable manufacturing policies

S/No	Stakeholder	Role	Stakeholder's expectations from NMC	NMC expectations from stakeholder
7	Other regulators/government agencies such as NEMA, KRA, OAG, AG, KEBS, KENAS, ACA	❖ Formulate, enforce and oversee policies and laws governing standards, IP and accreditation	<ul style="list-style-type: none"> ❖ Compliance with relevant laws and regulations such as paying of taxes, environmental laws etc ❖ Information dissemination ❖ Timely remittance of statutory deductions 	<ul style="list-style-type: none"> ❖ Guidance on compliance with applicable laws ❖ Use of participatory approaches in ensuring compliance by NMC
8	Board of Directors	Provide oversight, leadership and strategic direction	<ul style="list-style-type: none"> ❖ Timely implementation of approved policies ❖ Effective and efficient delivery of services ❖ Achievement of set targets ❖ Continuous performance improvement 	<ul style="list-style-type: none"> ❖ Strategic leadership and direction ❖ Good governance ❖ Support in resource mobilization ❖ Management coordination
9	Staff	<ul style="list-style-type: none"> ❖ Delivery of goods and services to meet stakeholders expectations ❖ Implementation of policies 	<ul style="list-style-type: none"> ❖ Job security ❖ Conducive work environment ❖ Capacity building/skill development ❖ Provision of resources ❖ Fair appraisal 	<ul style="list-style-type: none"> ❖ Commitment to NMC's mandate ❖ Achievement of set targets ❖ Adherence to policies, rules and legal provisions ❖ Efficiency
10	Development Partners	<ul style="list-style-type: none"> ❖ Capacity building ❖ Financial support ❖ Technology transfer 	<ul style="list-style-type: none"> ❖ Partnerships based on transparency and accountability ❖ Information dissemination 	<ul style="list-style-type: none"> ❖ Financial and capacity building/human resource development support ❖ Participation in NMC's activities

S/No	Stakeholder	Role	Stakeholder's expectations from NMC	NMC expectations from stakeholder
11	Suppliers	Provision of goods and services	<ul style="list-style-type: none"> ❖ Procurement opportunities ❖ Transparency and fairness in procurement practices ❖ Timely payments for provision of goods, works and services 	<ul style="list-style-type: none"> ❖ Quality goods, works & services ❖ Adherence to procurement laws ❖ Participate in tendering process ❖ Timely delivery of goods, works and services ❖ Competitive prices
12	Professional Bodies	Maintain industry standards, code of ethics and best practices	<ul style="list-style-type: none"> ❖ Information dissemination ❖ Registration of membership by NMC staff ❖ Adherence to professional codes of conduct ❖ Consultation on manufacturing issues 	<ul style="list-style-type: none"> ❖ Participation in NMC's activities ❖ Professional skill development of NMC staff. ❖ Instill professionalism among the members ❖ Provision of annual practicing licenses for the professional members.
13	Social Partners and Trade Union (SACCOS, FKE, COTU)	<ul style="list-style-type: none"> ❖ Negotiating collective bargaining agreements ❖ Employees representation ❖ Mediation and conflict resolutions 	<ul style="list-style-type: none"> ❖ Comply with agreed collective bargaining agreement ❖ Adherence to labor laws and regulations ❖ Maintain positive and constructive labour relations ❖ Timely remittance of Saccos and Union dues. ❖ Authority to hold meetings 	<ul style="list-style-type: none"> ❖ Represent the interests of employees while considering the company ability to remain competitive and financially sustainable ❖ Maintaining labour peace by preventing strikes and other forms of industrial action. ❖ Engage in constructive dialogue to address concerns and find mutually beneficial solutions.

4. CHAPTER FOUR: STRATEGIC ISSUES, GOALS, AND KEY RESULT AREAS

This chapter delves into the strategic issues, goals, and key result areas that are central to the Numerical Machining Complex (NMC) Strategic Plan. It explores the critical strategic facets within the Strategic Plan, encompassing strategic issues, goals, and key result areas that drive NMC's growth and development.

4.1. Strategic Issues

NMC has identified key strategic issues that underpin the thematic areas of the strategic plan. These strategic issues encompass various aspects vital to NMC's growth and development:

1. Funding to support operations and growth initiatives: To enhance revenue and sales, NMC will assess and enhance production workflows to maximize efficiency and output, devise tactics to stimulate sales and appeal to new customers, and consider alternative approaches to augment revenue, such as developing line products and diversifying into new markets.

2. Corporate identity and visibility: NMC is scaling up marketing strategies and brand visibility to grow the business and meet the customers expectations.

3. Staff skills and competence: The company will invest resources in talent management and development to meet the business needs.

4. Modernization: NMC will adopt latest technologies to improve production processes, efficiency, quality and delivery of products and services.

5. Business processes and service delivery: NMC will re-engineer business processes to improve turnaround time in product and service delivery and enable the company meet its customer expectations.

6. Partnership and linkages

NMC will establish a formal partnership agreement that defines the scope, objectives, deliverable, timelines, responsibilities and metrics of the collaboration. NMC will foster regular communication with its partners and review the progress and performance of the partnership.

4.2. Strategic Goals

With these strategic issues in mind, NMC has set the following strategic goals:

1. Achieve excellence and enhance the manufacturing of products in key sectors.

At the core of this strategic issue lies a robust demand for dependable, cost-effective, locally manufactured automotive and motorcycle parts, industrial and Agro-machinery, equipment, tools, and aerospace and marine components. This demand is intricately tied to Kenya's Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and various other government initiatives. NMC, with an astute recognition of the role that research, innovation, and local manufacturing play in propelling economic development, is poised to lead the way.

Our strategy pivots on the pillars of research, innovation, and local manufacturing. Through modernizing machinery, enhancing foundry workshops, and fostering collaborative partnerships with research institutions, we aim to revitalize and amplify our efficiency. This reinvigoration is the linchpin for achieving our ultimate objective: to produce high-quality, competitively priced products, thus facilitating mass production and commercialization for both local and international markets.

2. Enhance good corporate governance, corporate image, culture, and competencies.

The vital task of fortifying our corporate governance sets the stage for this strategic issue. Through a comprehensive re-engineering of our business processes, we seek to attain efficiency and effectiveness essential for NMC's growth. This transformation is aimed at addressing a multitude of concerns, from bolstering our institutional capacity to ensuring transparency, accountability, and policy alignment.

Our strategy encompasses a multifaceted approach. We are dedicated to elevating communication, instilling a culture of ethics, enhancing workforce productivity, and implementing a rigorous monitoring and evaluation system. This collective endeavor will serve to fortify NMC's corporate governance, ensuring it aligns seamlessly with our broader goals.

3. Attain long-term financial sustainability.

In our pursuit of long-term financial sustainability, we acknowledge the critical role it plays in NMC's ability to provide industrial solutions, shape the industrial sector, and meet our ambitious goals. This challenge is met head-on by addressing process inefficiencies, securing funding, and optimizing financial resource management.

NMC's history has seen us struggle with meeting financial obligations, but our current focus is set on a comprehensive transformation. This strategic shift is pivotal in ensuring NMC's viability. The strategy addresses the aforementioned process inefficiencies, secures funding through various channels, and adopts a prudent approach to financial resource management. In this journey, financial sustainability will be intrinsically linked to stakeholder engagement, policy advocacy, and expanding our market reach.

4. Elevate the customer experience and quality in manufacturing.

Elevating NMC's operations to new heights is the central objective of this strategic issue, which focuses on enhancing production capacity and expertise. Our strategy revolves around innovation, marketing, customer service, and research and development. Central to this effort is the improvement of customer relations, the reduction of turnaround times, and the alignment of service and outreach activities.

We aim to create an environment of Manufacturing Excellence by fostering innovation and strengthening our customer-centric approach. This strategy directly addresses challenges related to skill shortages in the job market by emphasizing workforce development. Through innovative training, recruitment strategies, and enhanced employee retention, NMC is determined to usher in an era of Manufacturing Excellence.

5. Leverage on Synergies with partners and promote innovation and learning.

To overcome the challenges posed by inadequate investment in manufacturing and engineering services, NMC seeks to establish strategic partnerships and

linkages. Our objective is to leverage the vast potential offered by Technical and Vocational Education and Training (TVET) institutions, universities, research organizations, and Micro and Small Medium Enterprises (MSMEs) in the development of local manufacturing capacity.

We are committed to creating a network of partnerships that transcend local, regional, and international boundaries. These collaborations will be informed by the unique considerations at each level. Our dedicated efforts include the formulation of clear collaboration policies, close cooperation with our partners, and the continuous monitoring and evaluation of these relationships to ensure they thrive and drive mutual success.

4.3. Key Result Areas

NMC has identified five key result areas, each aligned with the respective strategic issues and objectives to ensure effective implementation of the Strategic Plan. These key result areas are as follows:

1. Development and production of engineering parts and machinery in support of Government Initiatives.
2. Strengthen NMC's institutional capacity.
3. Achieve financial sustainability.
4. Achieve excellence in manufacturing and service provision.
5. Develop linkages with MSMEs and strategic partners.

These key result areas provide a clear roadmap for NMC's strategic plan, ensuring that the organization's efforts are directed toward achieving its overarching goals while addressing specific strategic issues.

Table 8: Strategic Issues, Goals and Key Result Areas

Strategic Issue	Goal	KRA
Business Processes and Service	To achieve excellence and	Development and production of engineering parts and

Delivery, Modernization	enhance manufacturing of products in key sectors	machinery in support of Government Initiatives
Corporate identity and visibility, Staff Skills and Competencies	To enhance good corporate governance, corporate image, culture and competencies	Strengthen NMC's institutional capacity
Funding to support operations and growth initiatives	To attain long term financial sustainability	Achieve financial sustainability
Business processes and service delivery	To enhance customer experience and quality in manufacturing	Achieve excellence in manufacturing and service provision
Partnership and linkages	Leverage on Synergies with strategic partners, MSMIs, TVETs Universities and counties Governments to promote innovation, learning and funding	Establish linkages with MSMI's and strategic partners.

5. CHAPTER 5: STRATEGIC OBJECTIVES AND STRATEGIES

In this chapter, we outline the strategic objectives that will drive our organization forward. These objectives are aligned with our vision, mission, and core values to ensure we achieve our goals.

5.1. Strategic Objectives

The table below details our expected annual projections for each strategic objective. This table provides a clear picture of our intended outcomes and helps us track our progress over time.

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Table 9: Outcomes annual projections

KRA 1. To enhance development and production of engineering parts and machinery in support of Government Initiatives

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
To Manufacture automotive, locomotive and motorcycle components and parts.	Enhanced output in the produced automotive parts	Number of Automotive parts produced	500	800	1200	1800	2500
	Enhanced output in the produced locomotive parts	Number of Locomotive parts produced	6000	8000	8000	10000	12000
	Enhanced output in the produced motor Cycle parts	Number of Automotive parts produced	10	50	100	150	200
	Reduction on the production Turn Around time (TAT)	Turn around time	17 days	14 days	12 days	10 days	10 days

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	Development and roll out of fast-moving line products	Number of Line Products Developed	2	2	2	2	2
b. To manufacture Industrial machinery, equipment, tools and parts.	Increase business from various Government agencies	Value of the products purchased by Government Agencies (KES)	KES 50,000,000	KES 75,000,000	KES 100,000,000	KES 150,000,000	KES 230,000,000
	Increased number of power and distribution fittings produced	Number of power and distribution fittings produced	300000	350000	450000	600000	750000
	Increased Tonnage of Foundry Castings	Tons of Foundry Castings	150	180	250	300	400

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	Production of complete machinery and equipment	Number of Equipment /Machinery Produced	51	60	80	100	120
	Develop Market driven Machinery and equipment in collaboration with institutions	Number of Equipment/ Machinery Developed	1	1	1	1	1
c. To manufacture Agro-Machinery, equipment and tools	Development and implementation of a distribution strategy for Agro equipment, tools and machinery	Distribution strategies Developed, implementation of the strategy	-	1	-	-	-

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	Develop Market driven Agro Machinery and equipment in collaboration with institutions	Number of Agro Machinery and Equipment Developed	1	-	1	-	1
	Increased uptake and sales of NMC Produced machines and equipment	Financial collaboration Programs established targeting financing NMC products	-	1	-	1	1
d. Manufacture of aerospace and ship components and parts.	Developed marine and aerospace parts	Number of Marine and aerospace parts developed	5	10	15	20	25
	Line products for Aerospace and Marine industries	Number of Line Products Developed	1	1	1	1	1

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
e. Establish an engineering and manufacturing excellence center in Athi River land.	Masterplan for utilization of NMC Land	NMC Land use Masterplan	-	1			
	Investment and development of the land	Project Completion Rate	0%	20%	50%	80%	100%
f. To establish an integrated iron and steel mill.	Operational Integrated iron steel mill installed and commissioned	Percentage project Completion	0%	5%	10%	12%	15%
	Strategic Partnerships for steel mill project	Number of established partnerships and Joint Ventures			1	-	-
g. Increase NMC product portfolio through research, design and development.	Equip the Research and development with modern state of the art equipment	Number of equipment and facilities purchased for R&D	1	1	1	1	1

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	MOU's with various institutions for R&D Projects	Number of Research projects undertaken	1	1	1	1	1
	Joint fundable proposals for R&D projects	Number of funded/fundable proposals written and submitted	1	1	1	1	1
KRA 2. Strengthen NMC's institutional capacity							
a. To enhance good corporate governance	Review and implementation of Service Delivery Charter	Service delivery charter reviewed	review	Implementation	Implementation	Implementation	Implementation

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	Risk management policy framework	Completion of development and implementation of the risk management framework	50%	100%	100%	100%	100%
	New organizational structure and Human resource policies	Organizational Structure and HR policy documents developed	50%	100%	-	-	-
b. To promote a positive corporate image	NMC brand awareness and promotional programme	Number of promotional programmes undertaken	1	1	1	1	1
	Establishing of corporate communications department	Establishment and operationalization of corporate communications department	20%	70%	100%	-	-

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	brand awareness and promotional strategy	comprehensive brand awareness strategy	15%	40%	75%	100%	100%
c. To have a versatile, highly performing and motivated workforce.	Revised human resource policies and procedures	Revised human resource policies and procedures	-	1	-	-	-
	Training and Development Programme for NMC Staff	% Number of Staff Trained	80%	100%	100%	100%	100%
	Comprehensive performance management programme	Performance Appraisals	1	1	1	1	1

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	Enhanced job satisfaction	% job satisfaction	55%	60%	70%	70%	70%
	Development and implementation of grading structure, salary progression in collaboration with SRC	Revised grading structure and salary structure	1	-	-	1	-
d. To attract, develop and retain competent staff.	Comprehensive stock of the knowledge and skills	Skills inventory audit report	-	1	-	-	-
	Human Capital plan and policy	Human Capital plan and policy	-	50%	100%	100%	100%

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	Development and implementation of Performance and Recognition policy	Performance and recognition policy	50%	100%	-	-	-
	Succession planning and management framework	Succession planning and management policy	50%	100%	-	-	-
d. To achieve operational excellence	Annual Workplans	Costed Workplans	100%	100%	100%	100%	100%
	Automation and integration of processes	Enterprise Resource Planning (ERP) implementation	-	50%	100%	-	-
	Review of internal process controls	Reviewed internal control procedures	100%	100%	100%	100%	100%
	Implement a comprehensive	Implementation of Kaizen and 5 S	25%	50%	75%	100%	100%

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	Continuous improvement program (Kaizen)						
	Business process redesign plan	Development and Implementation of Business Process Plan %	25%	50%	50%	100%	100%
e. To leverage on information, communication technology	Establishment of an operational resource centre	% Completion rate of the Resource centre	20%	50%	80%	100%	-
	Collaboration with engineering software developers	Number of Partnerships and collaborations	1	1	1	1	1
KRA 3. Achieve financial sustainability							
Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
a. Mobilize resources to finance NMC growth initiatives.	Develop a budget for CAPEX and OPEX and	Developed CAPEX and OPEX Budgets	100% Completion and implementation	100%	100%	100%	100%

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	submit for financing						
	Fundable proposals submitted to GOK for donor funding	Number of Proposals	1	1	1	1	1
b. Review and institutionalize a sound financial Performance Management Framework	Financial management policy framework	Completion of development and implementation of the financial management framework	1	-	-	-	-
	Collection of NMC Debt	Outstanding Account Receivable	>50 M	30 M	20 M	10 M	<5 M
c. Enhance Collaboration with key stakeholders for financing and resource support.	Collaboration with key private sector players for financial, technological	Number of MOU's	1	1	1	1	1

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	and human resource support						
	Linkages with strategic partners and collaborations on projects	Number of Partnerships established	1	-	1	-	1
	Policies to promote market uptake of NMC products	No. of Policies developed and forwarded	-	1	-	1	-
KRA 4. Achieve excellence in manufacturing and service provision							
Strategic Objective	Output	OutPut Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
d. To enhance marketing and	Successful customer engagement forums	Number of Forums conducted	2	2	2	2	2

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
customer service effort.	Development and implementation of a market Distribution Strategy for NMC Products and services	Market Distribution Strategy for NMC Products and services	-	1	-	1	
	Broader market channels for NMC products	Number of new market channels established	10	10	10	10	10
	Better Customer satisfaction	Customer satisfaction index	60%	70%	80%	90%	>90%
	Classification of customers and market Segments, Market Focusing and targeting	Market segmentation, Target markets	20%	80%	100%	100%	100%

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
e. Compliance with Local and International quality standards.	Compliance to Standards	Number Certifications	1	1	2	2	2
KRA 5. Establish linkages with MSME's and strategic partners.							
Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
a. Develop a comprehensive stakeholder engagement and management strategy.	NMC Engagement, Mapping and management framework	NMC Engagement, Mapping and management framework	25%	50%	100%	-	-
	Engineering capacity building program	Percentage Completion and implementation of the program	-	50 %	100%	-	-

Strategic Objective	Outcome	Outcome Indicators	Projections				
			Y1	Y2	Y3	Y4	Y5
	Subcontracting of NMC parts and capacity building in MSMEs	Number of Strategic MSMEs engaged	1	2	2	2	3
	Capacity building forums for MSMEs TVET's and Universities	Number of Capacity building forums conducted	1	1	2	2	2
	Joint Research Projects with Universities or research institutions	Number of Joint Projects	1	1	1	1	1

5.2. Strategic Choices

In this section, we discuss the strategic choices we have made to achieve our objectives. We delve into the rationale behind these choices and how they align with our organization's vision and mission.

Table 10: Strategic Objectives and Strategies

Key Result Area	Strategic Objective	Strategy
1. To enhance development and production of engineering parts and machinery in support of Government Initiatives	a. To Manufacture automotive, locomotive and motorcycle components and parts.	i. Carry out market surveys and product value chain mapping
		ii. Prepare and implement a business plan.
		iii. Develop a customer and product mapping program.
		iv. Enhance output in the production of automotive, motorcycle and locomotive parts.
		v. Reduce the turnaround time for manufacture of automotive and locomotive parts.
		vi. Collaborate with relevant stakeholders to develop line products.
	b. To manufacture Industrial machinery, equipment, tools and parts.	i. Engage relevant agencies and prospective customers for manufacture and supply of industrial spares, steel products, machines and equipment.
		ii. Enhance production capacity through improved processes.
		iii. Negotiate with Ministries and government agencies for direct procurement for NMCs' products and services.

Key Result Area	Strategic Objective	Strategy
		iv. Develop a production and market program for manufacture and sale of complete equipment and machinery.
		v. Collaborate with institutions in development of innovative and market driven machinery and equipment.
	c. To manufacture Agro-Machinery, equipment and tools	i. Develop a production and market program for manufacture and sale of complete Agro-equipment and machinery.
		ii. Collaborate with institutions in development of innovative and market driven Agro-machinery and equipment.
		iii. Collaborate with financial institution and MSMEs in facilitating uptake of manufactured machinery.
	d. Manufacture of aerospace and ship components and parts.	i. Collaborate with relevant stakeholders to develop aerospace and marine parts.
		ii. Develop and manufacture line products for aerospace and marine industries.
	e. Establish an engineering and manufacturing excellence center in Athi River land.	i. Develop a master plan for use of Athi River land.
		ii. Engage strategic partners/investors/PPP.

Key Result Area	Strategic Objective	Strategy
	f. To establish an integrated iron and steel mill.	i. Revive the steel mill steering and technical committee to drive the project.
		ii. Collaborate with strategic partners and investors to establish modern integrated iron and steel mill.
	g. Increase NMC product portfolio through research, design and development.	i. Enhance capacity in the research and development through acquisition of modern equipment and system.
		ii. Collaborate with universities and other institutions in research programs.
		iii. Develop linkages with grant institutions for project funding.
		iv. Develop human capacity in research and development through skills transfer and exchange programs.
2. Strengthen NMC's institutional capacity	a. Enhance corporate governance	i. Compliance with regulatory guidelines on governance
		ii. Develop and implement a comprehensive risk management framework.
		iii. Undertake organization and functional structure re-design.
	b. To promote a positive corporate image	i. Strengthen NMC's brand and visibility.
		ii. Enhance corporate communication.
		iii. Formulate and implement NMC Brand Awareness programs.
		i. Strengthen human capital management.

Key Result Area	Strategic Objective	Strategy
	c. To have a versatile, highly performing and motivated workforce.	ii. Enhance staff capacity development.
		iii. Adopt results- based performance management.
		iv. Promote employee welfare through proper placement and grading
	d. To attract, develop and retain competent staff.	i. Undertake human capital planning and policy development.
		ii. Develop and implement a performance management and reward policy.
		iii. Implement a succession planning and management policy.
	e. To achieve operational excellence	i. Develop and implement annual work plans.
		ii. Automation of operational processes.
		iii. Enhance internal control systems.
		iv. Implement a comprehensive continuous improvement program (Kaizen)
		v. Conduct a comprehensive business process re-engineering.
	f. To leverage on information, communication technology	i. Develop an information and knowledge management system.
		ii. Partner with engineering software developers to enhance use of technology in engineering.
3. Achieve financial sustainability	a. Mobilize resources to finance NMC growth initiatives.	i. Develop a financing capex/opex budgets for approval by The National Treasury.
		ii. Develop proposals and submit to The National Treasury on crucial areas of donor and development partner support.

Key Result Area	Strategic Objective	Strategy
	b. Review and institutionalize a sound financial Performance Management Framework	i. Develop and operationalize comprehensive financial management policy.
		ii. Clear all delayed payments and undertake aggressive collection of debt owed to NMC.
	c. Enhance Collaboration with key stakeholders for financing and resource support.	i. Develop a mapping of key private sector players to partner in financial, technological or human resource support.
		ii. Develop linkages with donors and strategic partners for project collaborations.
		iii. Champion policy reforms through the Ministry in order to promote uptake of NMC manufactured and designed products.
4. Achieve excellence in manufacturing and service provision	a. To enhance marketing and customer service effort.	i. Improve customer management through customer engagement and sensitization.
		ii. Develop program for marketing of NMC products and services locally and regionally.
		iii. Establish broader market channels for NMC Products.
		iv. Improve customer satisfaction Index.
		v. Undertake market segmentation.
	b. Compliance with Local and International quality standards.	Promote quality services culture by Implementing internationally accepted standards in production and service delivery.

Key Result Area	Strategic Objective	Strategy
5. Establish linkages with MSME's and strategic partners.	a. Develop a comprehensive stakeholder engagement and management strategy.	i. Conduct stakeholder mapping and develop collaboration programs and activities.
		ii. Develop a program for collaboration and engineering capacity building
		iii. Collaborate with Key players to build capacity for engineering design, machinery and parts manufacture and utilize the capacity to manufacture NMC designed products
		iv. Develop and implement capacity building programs (trainings) to, MSMEs, TVET and universities.
		v. Jointly develop research programs to undertake key joint research projects in collaboration with strategic institutions higher learning and research institutions.

6. CHAPTER 6: IMPLEMENTATION AND COORDINATION FRAMEWORK

In this chapter, we outline our comprehensive implementation plan. This plan includes action items, annual workplans, budgets, and performance contracts, all designed to ensure that our strategic objectives are effectively and efficiently executed.

6.1. Implementation Plan

The following section provides an action plan that details the steps and tasks required to carry out each strategy effectively. This plan includes timelines and responsible parties to ensure accountability and progress tracking.

6.1.1. Action Plan

We provide a table summarizing the implementation matrix, which outlines the specific actions, responsible parties, and timelines for each strategy. This matrix serves as a practical tool for managing and monitoring the implementation process.

Table 11: Implementation Matrix

Strategy	Key Activities	Expected Output	OutPut Indicators	Target For Five Years	Target					Budget KES ('000')					Implementation	
					Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	Lead	Support
Strategic Issue: Business Processes and Service Delivery, and Modernization																
Strategic Goal: To achieve excellence and enhance manufacturing of products in key sectors																
KRA. Development and production of engineering parts and machinery in support of Government Initiatives																
Outcome: Automotive, Locomotive and Motorcycle Components and Parts																
Strategic Objective: To Manufacture automotive and motorcycle components and parts.																
i. Carry out market surveys and product value chain mapping	Undertake market survey	Market Survey Report, Product value chain mapping report	Report completion, Report implementation	Undertake two market surveys and implement the proposals	1	-	1	-	-	2,000	400	2,000	400	400	Managing Director, GM Operations	Sales and Marketing Manager,
ii. Prepare and implement a business plan.	Prepare a business plan for implementation	Business plan	Business plan Document, Implementation of the business plan	Prepare and implement NMC Business plan	-	Prepare a business plan	Implementation	Implementation	Implementation	-	1,000	500	500	500	Managing Director, GM Operations	Sales and Marketing Manager,
iii. Develop a customer and product mapping program.	Develop customer and product mapping programme and develop a market strategy for auto parts	Customer and product mapping programme and enhanced market strategy	Customer and product mapping programme and enhanced market strategy	Develop customer and product map and enhance the market strategy for automotive	Customer and product mapping	100 % Completion of Marketing Strategy	implementation	implementation	implementation	400	300	200	400	200	Managing Director, GM Operations	Sales and Marketing Manager,

				tive parts												
iv. Enhance output in the production of automotive, motor cycle and locomotive parts.	Undertake a modernisation programme to increase production capacity	Increased Production capacity for industrial machinery parts and equipment	Project Completion	100%	33%	40%	60%	80%	100%	49,000	300,000	500,000	451,000	400,000	Managing Director,	Manager, Maintenance Manager Production, GM Operations
v. Reduce the turnaround time for manufacture of automotive and locomotive parts.	Increase the production efficiency in production of Automotive and Locomotive parts through process improvement	Reduction on the production Turn Around time (TAT)	Turn around time	10 days	17 days	14 days	12 days	10 days	10 days	100	100	100	100	100	Managing Director,	Production Managers, GM Operations

vi. Co laborate with relevant stakeholde rs to develop line products.	Engage customer in product developmen t and roll out for fast moving and highly consumed engineering products	Developm ent and roll out of fast- moving line products	Number of Line Product s Develop ed	10	2	2	2	2	2	500	500	500	500	500	Managin g Director.	GM operations, Manager R&D, Sales and Marketing Manager
Strategic Issue: Business Processes and Service Delivery, and Modernization																
Strategic Goal: To achieve excellence and enhance manufacturing of products in key sectors																
KRA. Development and production of engineering parts and machinery in support of Government Initiatives																
Outcome: Industrial Machinery, Equipment, Tools and Parts																
Strategic Objective: To manufacture Industrial machinery, equipment, tools and parts.																
i. Eng age relevant agencies for manufactu re and supply of industrial spares, steel products, machines and equipment .	Engage MDA's and other agencies to purchase spares and components from NMC	Increase business from various Governm ent agencies	Value of the product s purchas ed by Govern ment Agencies (KES)	KES 605 M	KES 50,0 00,0 00	KES 75,0 00,0 00	KES 100, 000, 000	KES 150, 000, 000	KES 230, 000, 000	30,00 0	45,00 0	60,00 0	90,00 0	138,0 00	Managin g Director,	Sales and Marketing Manager, Production Managers, GM Operations

ii. Enhance production capacity through enhanced processes.	Review and improve processes in order to increase the output of power and distribution fitting produced	Increased number of power and distribution fittings produced	Number of power and distribution fittings produced	245000	300000	350000	450000	600000	750000	120,000	150,000	180,000	300,000	480,000	Managing Director,	Sales and Marketing Manager, Production Managers, GM Operations
iii. Negotiate with Ministries and government agencies for direct procurement for NMCs' products and services.	Engage Government agencies and explore direct procurement for purchase of NMC products	Increased orders from MDA's through Direct procurement	Value of the products purchased by Government Agencies through Direct Procurement (KES)	KES 1.435 B	140 M	175 M	210 M	350 M	560 M	84M	105M	126M	210M	336M	Managing Director,	Marketing Manager, GM Operations
iv. Develop a production and market program for manufacture and sale of complete equipment and machinery.	Manufacture Complete machinery and equipment ready for market	Production and sale of machinery and equipment	Number of Equipment /Machinery Produced	411	51	60	80	100	120	5,000	8,000	10,000	15,000	20,000	Managing Director,	Sales and Marketing Manager, Production Managers, GM Operations

v. Collaborate with institutions in development of innovative and market driven machinery and equipment .	Undertake research and development of various equipment and machinery in collaboration with other institutions	Develop Market driven Machinery and equipment in collaboration with institutions	Number of Equipment/Machinery Developed	5	1	1	1	1	1	10,000	10,000	10,000	10,000	10,000	Managing Director,	GM operations, Manager R&D
Strategic Issue: Business Processes and Service Delivery, and Modernization																
Strategic Goal: To achieve excellence and enhance manufacturing of products in key sectors																
KRA. Development and production of engineering parts and machinery in support of Government Initiatives																
Outcome: Agro- Machinery, Equipment and Tools																
Strategic Objective: To manufacture Agro- Machinery, equipment and tools																
i. Develop a production and market program for manufacture and sale of Agro equipment and machinery .	Develop and implement a sales strategy for produced agro machinery, tools and equipment	Development and implementation of a distribution strategy for Agro equipment, tools and machinery	Distribution strategy, implementation of the strategy	Prepare and implement a product distribution strategy for Machinery, tools and equipment	Identify Distribution Channels	Develop a distribution policy and strategy	Implementation	Review and implementation	Implementation	500	1,000	500	500	500	Managing Director,	Sales and Marketing Manager, GM Operations

ii. Collaborate with institutions in development of innovative and market driven Agro machinery and equipment .	Undertake research and development of agro machinery, equipment and tools in collaboration with other institutions	Develop Market driven Agro Machinery and equipment in collaboration with institutions	Number of Agro Machinery and Equipment Developed	3	1	-	1	-	1	10,000	-	10,000	-	10,000	Managing Director,	GM operations, Manager R&D
iii. Collaborate with financial institution and MSMEs in facilitating uptake of manufactured machinery .	Develop funding programs to facilitate sales and uptake of NMC produced Machinery	Increased uptake and sales of NMC Produced machines and equipment	Financial collaboration Programs established targeting financing NMC products	3	-	1	-	1	1	-	100	-	100	100	Managing Director,	Sales and Marketing Manager, GM Operations
Strategic Issue: Business Processes and Service Delivery, and Modernization																
Strategic Goal: To achieve excellence and enhance manufacturing of products in key sectors																
KRA. Development and production of engineering parts and machinery in support of Government Initiatives																
Outcome: Aerospace and Ship components and parts																
Strategic Objective: Manufacture of aerospace and ship components and parts.																

i. Collaborate with relevant stakeholders to develop aerospace and marine parts.	Undertake research and develop assorted aerospace and marine parts	Developed marine and aerospace parts	Number of Marine and aerospace parts	75	5	10	15	20	25	100	200	300	400	600	Managing Director,	GM operations, Manager R&D, Production Managers
ii. Develop and manufacture line products for aerospace and marine industries.	Identify and manufacture fast moving and highly consumed line products for aerospace and marine industries	Line products for Aerospace and Marine industries	Number of Line Products Developed	10	2	2	2	2	2	200	200	200	200	200	Managing Director.	GM operations, Manager R&D, Sales and Marketing Manager
Strategic Issue: Business Processes and Service Delivery, Modernization																
Strategic Goal: To achieve excellence and enhance manufacturing of products in key sectors																
KRA. Development and production of engineering parts and machinery in support of Government Initiatives																
Outcome: Engineering and manufacturing excellence Centre in Mavoko																
Strategic Objective: Establish an engineering and manufacturing excellence center in Athi River land.																
i. Develop a master plan for use of Athi River land.	Develop a masterplan for the utilization of NMC Athi River Land	Masterplan for utilization of NMC Land	NMC Land use Masterplan	100% Completion	-	Develop masterplan 100%	Implementation	Implementation	Implementation	-	10,000	5,000	5,000	5,000	Managing Director,	GMs, Board, Legal

ii. Engage strategic partners/investors/PPP.	Engage Strategic partners for investment in the Athi River Land according to the masterplan	Investment and development of the land	Project Completion Rate	100%	10%	30%	60%	80%	100%	2,000,000	4,000,000	4,000,000	3,000,000	2,000,000	Managing Director,	GMs, Board, Legal department, MITI, Treasury, GoK, Investors
Strategic Issue: Business Processes and Service Delivery, and Modernization																
Strategic Goal: To achieve excellence and enhance manufacturing of products in key sectors																
KRA. Development and production of engineering parts and machinery in support of Government Initiatives																
Outcome: Integrated Iron and Steel Mill																
Strategic Objective: To establish an integrated iron and steel mill.																
i. Revive the steel mill steering and technical committee to drive the project.	Liaise with MITI, and relevant stakeholders to revive the integrated steel mill steering committee	Appointment of an operational Integrated steel mill steering committee	Appointment an operationalization of the committee	Operational Integrated Steel mill steering committee	50%	100%	100%	100%	100%	100	100	100	100	100	Managing Director,	Board
ii. Collaborate with strategic partners and investors to establish modern integrated iron and steel mill.	Prepare and implement proposals for establishment of a modern integrated steel mill by NMC	Partnerships and collaborations for still mill project	Established partnerships and collaborations	Partnerships deeds and collaboration documents			1	-	-	-	2,000	3,000	-	-	Managing Director,	Board , Legal department
Strategic Issue: Business Processes and Service Delivery, and Modernization																

Strategic Goal: To achieve excellence and enhance manufacturing of products in key sectors															
KRA. Development and production of engineering parts and machinery in support of Government Initiatives															
Outcome: Enhanced NMC Products portfolio															
Strategic Objective: Increase NMC product portfolio through research, design and development.															
i. Enhance capacity in the research and development through acquisition of modern equipment and system.	Acquire modern equipment and machinery for Engineering research and development	Equip the Research and development with modern state of the art equipment	Number of equipment and facilities purchased for R&D	Project completion rate	-	10%	30%	50%	80%	-	50,000	50,000	50,000	50,000	Managing Director, Board, GM Operations, R&D manager, Procurement and Finance
ii. Collaborate with universities and other institutions in research programs.	Engage training institutions and universities in research and development programmes	MOU's with various institutions for R&D Projects	Number of Research projects undertaken	5	1	1	1	1	1	20,000	20,000	20,000	20,000	20,000	Managing Director, Board, GM Operations, R&D manager
iii. Develop linkages with grant institutions for project funding.	Write joint proposals for R&D projects funding in collaboration with universities and other research institutions	Joint fundable proposals for R&D projects	Number of funded/fundable proposals written and submitted	5	1	1	1	1	1	200	200	200	200	200	Managing Director, Board, GM Operations, R&D manager

iv. Enhance human capacity in research and development through skills transfer and exchange programs.	Develop skills transfer and exchange programmes	Exchange programs	Number of Exchange programmes established	3	1	-	1	-	1	200	-	200	-	200	Managing Director,	Board, GM Operations, R&D manager
Strategic Issue: Corporate identity and visibility, Staff Skills and Competencies																
Strategic Goal: To enhance good corporate governance, corporate image, culture and competencies																
KRA. Strengthen NMC's institutional capacity																
Outcome: Good Corporate Governance																
Strategic Objective: To enhance good corporate governance																
i. Compliance with regulatory guidelines on governance	implement NMC policies on good governance	Policies implementation on good governance	implementation of NMC policies on good governance	100% implementation of NMC policies on good governance	Implementation	Implementation	Implementation	Implementation	Implementation	50	50	50	50	50	Managing Director,	GM Corporate services, Internal audit
ii. Develop and implement a comprehensive risk management framework.	Development of a risk management policy for NMC	Risk management policy framework	Completion of development and implementation of the risk management framework	100%	50%	100%	100%	100%	100%	200	200	50	50	50	Managing Director,	GM Corporate services, Internal audit

iii. Under take organization and functional structure re-design.	undertake an organizational structure redesign	New organizational structure and Human resource policies	Organizational Structure and HR policy documents developed	100% Completion	50%	100%	-	-	-	1,000	1,000	-	-	-	Managing Director,	GM Corporate services, Human Resource manager
Strategic Issue: Corporate identity and visibility, Staff Skills and Competencies																
Strategic Goal:																
KRA. Strengthen NMC's institutional capacity																
Outcome: Enhanced Corporate Image																
Strategic Objective: To Promote a Positive Corporate Image																
i. Strengthen NMC's brand and visibility.	Develop brand awareness content and material	brand awareness communications	Number of brand awareness programmes undertaken	50	10	10	10	10	10	10,000	10,000	10,000	10,000	10,000	Managing Director,	GM Operations, Sales and Marketing Manager
ii. Enhance corporate communication.	Establish enhanced corporate communication channels	Fully established corporate communications department	Establishment of corporate communications department	Fully constituted and operational Corporate communications management	20%	70%	100%	-	-	5,000	5,000	5,000	5,000	5,000	Managing Director,	Board, GM Corporate services

				function												
iii. Formulate and implement NMC Brand Awareness programs.	develop NMC awareness creation and promotional strategy	brand awareness and promotional strategy	comprehensive brand awareness strategy	formulation and implementation of NMC brand awareness strategy	Development of the strategy	Review and implementation	Review and implementation	Implementation	Implementation	1,000	1,000	200	200	200	Managing Director,	GM Corporate services, Sales and marketing manager
Strategic Issue: Corporate identity and visibility, Staff Skills and Competencies																
Strategic Goal: To enhance good corporate governance, corporate image, culture and competencies																
KRA. Strengthen NMC's institutional capacity																
Outcome: Versatile, Performing and Motivated Workforce																
Strategic Objective: To have a versatile, highly performing and motivated workforce.																
i. Strengthen human capital management.	Revise human resource policies and procedures	Revised human resource policies and procedures	revised human resource policies and procedures	100% Completion	50%	100%	-	-	-	2,000	2,000	-	-	-	Managing Director,	GM Corporate services, Human Resource manager

ii. Enhance staff capacity development.	Develop and implement a comprehensive staff training and development program	Comprehensive training and development program	Training and human resource development program implementation	100% implementation	80%	100%	100%	100%	100%	500	500	500	500	500	Managing Director,	GM Corporate services, Human Resource manager
iii. Adopt results-based performance management.	Implement a result based performance management programme	Comprehensive performance management programme	Performance management programme	Implementation of performance management	50%	100%	100%	100%	100%	2,000	2,000	500	500	500	Managing Director,	GM Corporate services, Human Resource manager
iv. Promote employee welfare through proper placement and grading	Develop and review grading structure, salary structure	Development and implementation of grading structure, salary structure	grading structure, salary structure	100% implementation	100%	100%	100%	100%	100%	-	2,000	-	2,000	-	Managing Director,	GM Corporate services, Human Resource manager

Strategic Issue: Corporate identity and visibility, Staff Skills and Competencies

Strategic Goal: To enhance good corporate governance, corporate image, culture and competencies

KRA. Strengthen NMC's institutional capacity

Outcome: Competent Staff pool

Strategic Objective: To attract, develop and retain competent staff.

i. Undertake human capital planning and policy development.	Develop comprehensive human capital plan and policy	Human Capital plan and policy	Human Capital plan and policy	100% completion	-	50%	100%	100%	100%	-	2,000	2,000	-	-	Managing Director,	GM Corporate services, Human resource manager
	Undertake a skills inventory audit	Comprehensive stock of the knowledge and skills	Skills inventory audit report	1	-	1	-	-	-	-	200	200	-	-	Managing Director,	GM Corporate services, Human resource manager

iii. Develop and implement a performance management and reward policy.	Develop and implement a performance recognition policy	Development and implementation of Performance and Recognition policy	Performance and recognition policy	1	50%	100%	-	-	-	1,000	1,000	-	-	-	Managing Director,	GM Corporate services, Human resource manager
iv. Implement a succession planning and management policy.	Develop and implement a Succession planning and management framework	Succession planning and management framework	Succession planning and management policy	1	50%	100%	-	-	-	1,000	1,000	-	-	-	Managing Director,	GM Corporate services, Human resource manager
Strategic Issue: Corporate identity and visibility, Staff Skills and Competencies																
Strategic Goal: To enhance good corporate governance, corporate image, culture and competencies																
KRA. Strengthen NMC's institutional capacity																
Outcome: Enhanced Business Efficiency																
Strategic Objective: To achieve operational excellence																
i. Develop and implement annual work plans.	Develop annual business workplan for implementation	Annual Workplans	Costed Workplans	5	100%	100%	100%	100%	100%	-	-	-	-	-	Managing Director	GMs Managers
ii. Automation of operational processes.	Implement process automation measures and ERP system	Automation and integration of processes	ERP implementation	ERP implementation completion	-	50%	100%	100%	100%	-	20,000	30,000	2,000	2,000	Managing Director, manager	GM Corporate services, ICT

iii. Enhance internal control systems.	Review and implement internal business system controls	Review of internal process controls	Reviewed internal control procedures	Implementation of internal control procedures	100%	100%	100%	100%	100%	-	-	-	-	-	Managing Director,	GM's
iv. Implement a comprehensive Continuous improvement program (Kaizen)	Implementation of Kaizen and 5 S	Implementation of Kaizen and % as continuous improvement programmes	Percentage implementation of the Kaizen and 5 S Programme	100% Implementation	25%	50%	75%	100%	100%	1,000	1,000	1,000	1,000	1,000	Managing Director	, GM Corporate services, M Operations
iv. Conduct a comprehensive business process re-engineering.	undertake current state assessment and redesign of business processes	Business process redesign plan	Business process redesign report	100% Completion	25%	50%	50%	100%	100%	500	500	500	500	-	Managing Director,	Board, GMs
Strategic Issue: Corporate identity and visibility, Staff Skills and Competencies																
Strategic Goal: To enhance good corporate governance, corporate image, culture and competencies																
KRA. Strengthen NMC's institutional capacity																
Outcome: Adoption of ICT strategies																
Strategic Objective: To leverage on information, communication technology																

i. Develop an information and knowledge management system.	Develop a framework for information gathering and knowledge management, and dissemination through a resource centre	Establishment of an operational resource centre	Operational Resource centre	100% operational	20%	50%	100%	100%	100%	2,000	2,000	2,000	2,000	2,000	Managing Director,	Board, GM Corporate services
ii. Partner with engineering software developers to enhance use of technology in engineering.	Collaborate with engineering software developers	Collaboration with engineering software developers	Partnerships and collaborations	1	1	1	1	1	1	2,000	2,000	2,000	2,000	2,000	Managing Director,	Board, GM Operations
Strategic Issue: Funding to support operations and growth initiatives																
Strategic Goal: To attain long term financial sustainability																
KRA. Achieve financial sustainability																
Outcome: Enhanced Resource Mobilization																
Strategic Objective: Mobilize resources to finance NMC growth initiatives.																
i. Develop a financing capex/opex budget for approval by GOK.	iii. Develop a financing capex/opex budget for approval by GOK	Develop a budget for CAPEX and OPEX and submit	CAPEX and OPEX Budget	CAPEX and OPEX Budget Document	100% Completion and implementation	100%	100%	100%	100%	100%	400,000	500,000	600,000	700,000	800000	

		for financing			ntation											
ii. Develop proposals and submit to GOK on crucial areas of donor and development partner support.	Identify crucial areas of donor funding, write and submit proposals to GOK for Funding	Fundable proposals submitted to GOK for donor funding	Number of Proposals	5	1	1	1	1	1	500	500	500	500	500	Managing Director,	GM operations, Manager R&D, Manager Finance
Strategic Issue: Funding to support operations and growth initiatives																
Strategic Goal: To attain long term financial sustainability																
KRA. Achieve financial sustainability																
Outcome:																
Strategic Objective: Review and institutionalize a sound financial Performance Management Framework																
i. Develop and operationalize comprehensive financial management policy.	Development of a comprehensive financial management policy for NMC	Financial management policy framework	Completion of development and implementation of the financial management framework	100% Completion and implementation	100%	100%	100%	100%	100%	200	50	50	50	50	Managing Director, GM	Corporate services, Finance Manager

ii. Clear all delayed payments and undertake aggressive collection of debt owed to NMC.	Undertake aggressive debt collection for the outstanding account receivables	Collection of NMC Debt	Outstanding Account Receivable	< Less than KES 5M	>50 M	30 M	20 M	10 M	<5 M	100,000	100,000	100,000	100,000	100,000	Managing Director,	GM Corporate services, Finance Manager
Strategic Issue: Funding to support operations and growth initiatives																
Strategic Goal: To attain long term financial sustainability																
KRA. Achieve financial sustainability																
Outcome: Collaboration with stakeholders for financing and resources																
Strategic Objective: Enhance Collaboration with key stakeholders for financing and resource support.																
i. Develop a mapping of key private sector players to partner in financial, technological or human resource support.	Map private sector players and develop partnership for financial, technological and human resource support	Collaboration with key private sector players for financial, technological and human resource support	Number of MOU's	5	1	1	1	1	1	-	-	-	-	-	Managing Director,	GMs
ii. Develop linkages with donors and strategic partners for project collaborations.	Forge linkages with strategic partners for project collaboration	Linkages with strategic partners and collaborations on projects	Number of Partnerships established	3	1	-	1	-	1	100	-	100	-	100	Managing Director,	GMs

iii. Champion policy reforms through the Ministry in order to promote uptake of NMC manufactured and designed products.	Work with MITI to develop policies to promote uptake of NMC Products in the Market	Policies to promote market uptake of NMC products	Policies developed	2	-	1	-	1	-	500	500	500	500	-	Managing Director, Board	, GMs, MITI
Strategic Issue: Business processes and service delivery																
Strategic Goal: To enhance customer experience and quality in manufacturing																
KRA. Achieve excellence in manufacturing and service provision																
Outcome: Enhanced customer service and support																
Strategic Objective: To enhance marketing and customer service effort.																
i. Enhance customer management.	Undertake customer engagement and sensitization forums	Successful customer engagement forums	Number of Forums conducted	10	2	2	2	2	2	1,200	1,200	1,200	1,200	1,200	Managing Director,	GM Operations, Sales and Marketing
ii. Develop program to enhance marketing of NMC products and services locally and regionally.	Develop a clear market distribution strategy for NMC products both locally and regionally	Development and implementation of a market Distribution Strategy for NMC Products and services	Market Distribution Strategy for NMC Products and services	100% Development and implementation of a market distribution strategy	50% Development	100% Development	50% Implementation	100% Implementation	100% Implementation	1,000	1,000	1,000	1,000	1,000	Managing Director,	GM Operations, Sales and Marketing Manager

iii. Establish broader market channels for NMC Products.	Identify and pursue wider market channels for NMC products	Broader market channels for NMC products	Number of new market channels established	50	10	10	10	10	10	10,000	10,000	10,000	10,000	10,000	Managing Director,	GM Operations, Sales and Marketing Manager
iv. Enhance customer satisfaction Index.	enhanced service provision in order to increase customer satisfaction, undertake satisfaction surveys	Better Customer satisfaction	Customer satisfaction index	>90%	60%	70%	80%	90%	>90%	2,000	2,000	2,000	2,000	2,000	Managing Director,	GM Operations, Sales and Marketing Manager
v. Undertake market segmentation.	Carry out Market Segmentation. Market Targeting	Classification of customers and market Segments, Market Focusing and targeting	Market segmentation, Target markets	Undertake NMC Market segmentation and targeting	20%	80%	100%	100%	100%	400	300	200	400	200	Managing Director,	Sales and Marketing Manager, GM Operations

Strategic Issue: Business processes and service delivery

Strategic Goal: To enhance customer experience and quality in manufacturing

KRA. Achieve excellence in manufacturing and service provision

Outcome: High quality standards and Systems

Strategic Objective: Compliance with Local and International quality standards.

i. Promote quality services culture by Implementing internationally accepted standards in production and service delivery.	Maintain ISO 9001 and compliance standards	Compliance to Standards	Number Certifications	Compliance and certification standards	1	1	2	2	2	2,000	2,000	5,000	4,000	4,000	Managing Director,	QA Manager, GM Operations
Strategic Issue: Partnership and Linkages																
Strategic Goal: Leverage on Synergies with partners and promote innovation and learning																
KRA. Establish linkages with MSME's and strategic partners.																
Outcome: Enhanced engagement with stakeholders																
Strategic Objective: Develop a comprehensive stakeholder engagement and management strategy.																
i. Conduct MSME Stakeholder mapping and develop collaboration programs and activities.	Conduct Stakeholder mapping and develop collaboration programs and activities	Engagement, Mapping and management framework	Engagement, Mapping and management framework	Stakeholder Mapping, Engagement and management framework development and implementation	20%	80%	100%	100%	100%	2,000	2,000	2,000	2,000	2,000	Managing Director,	GM's

ii. Develop a program for collaboration and engineering capacity building	Develop and implement NMC engineering capacity building program	NMCs engineering capacity building program	Completion and implementation of the program	100% Completion and implementation of the program	50%-development	100% Development	50% Implementation	100% Implementation	100% Implementation	3,000	3,000	3,000	3,000	3,000	Managing Director,	GM's
iii. Collaborate with Stakeholders to build capacity for engineering design, machinery and parts manufacture and utilize the capacity to manufacture NMC designed products	Collaborate with MSMEs, TVETs and Learning Institutions and utilize the capacity and skills to support manufacture of NMC Products through subcontracting	Subcontracting of NMC parts and capacity building	Number of Stakeholders engaged	10	1	2	2	2	3	500	500	500	500	500	Managing Director,	GM's
iv. Develop and implement capacity building programs (training) to MSMEs, TVET and universities.	Develop and implement capacity building programmes for MSMEs, TVET and Universities	Capacity building programmes for MSMEs, TVET's and Universities	Number of Capacity building programmes implemented	8	1	1	2	2	2	500	500	500	500	500	Managing Director,	GM's

iii. Jointly develop research programs to undertake key joint research projects in collaboration with strategic institutions higher learning and research institutions.	Jointly engage in research and development programmes in collaboration with universities and research institutions	Joint Research Projects with Universities or research institutions	Number of Joint Projects	5	1	1	1	1	1	1	10,000	10,000	10,000	10,000	10,000	Managing Director,	GM Operations , Manager R&D
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6.1.2. Annual Workplan and Budget

Our annual workplan and budget will ensure that resources are allocated efficiently and that all activities align with our Strategic Plan. NMC annual work plan and budget will be extracted from the Strategic Plan implementation matrix and will adopt activity-based approach. This workplan provides a roadmap for the years under this plan.

6.1.3. Performance Contract

Performance contracting aims to enhance efficiency and effectiveness in Public Service management. It follows performance contracting guidelines and aligns with government priorities and organizational core areas of focus. Each year, performance contracts will be developed and integrated with annual work plans, ensuring that the implementation of the strategic plan is closely tied to performance contracts and productivity enhancement initiatives.

The performance contract will hold employees accountable for delivering on the aspirations of the strategic plan. This contract is aligned with the government's broader annual performance contracting framework.

6.2. Coordination Framework

NMC institutional framework for coordination outlines how various departments, divisions, and sections within the organization will work together to ensure effective and efficient execution of the strategic plan. This framework promotes collaboration and synergy.

6.2.1. Institutional Framework

Our institutional framework for coordination, outlines how various departments, divisions, and sections within the organization will work together to ensure effective and efficient execution of the strategic plan. This framework promotes collaboration and synergy.

6.2.2. Staff Establishment, Skill Set and Competence Development

Table 12: Staff Establishment

S/N	JOB TITLE	APROVED ESTABLISHMENT	OPTIMAL STAFFING LEVELS	IN-POST	VARIANCE
1	Managing Director	1	1	1	0
2	General Managers	2	2	0	2
3	Senior Office Administrator	1	1	1	0
4	Office Administrator			0	
5	Principal Driver	1	1	1	0
6	Senior Office Assistant	1	1	1	0
7	Office Assistant			0	
8	Corporation Secretary and Legal Services	1	1	0	1
9	Principal Legal Officer	1	1	0	1
10	Senior Legal officer			0	
11	Legal officer			0	
12	Manager Production Planning	1	1	0	1
13	Manager, Quality Assurance & standards	1	1	0	1
14	Manager CNC&FAB	1	1	0	1
15	Manager Foundry	1	1	0	1
16	Manager, Research and Development	1	1	1	0
17	Manager, Maintenance	1	1	1	0
18	Manager Business Development	1	1	0	1
19	Manager, Performance Monitoring & Strategy	1	1	0	1
20	Manager, Human Resource and Administration	1	1	1	0
21	Manager, Finance and Accounts	1	1	1	0

22	Manager, Supply Chain Management	1	1	1	0
23	Manager, Internal Audit	1	1	1	0
24	Manager ICT	1	1	0	1
25	Senior Engineers	6	6	1	5
26	Graduate Engineer/ Engineers	9	9	6	3
27	Principal Engineering Technicians	23	23	5	18
28	Senior Engineering Technicians	45	50	15	2
29	Engineering Technicians			33	
30	Laboratory Technologists	2	2	2	0
31	Senior Artisan	19	19	2	4
32	Artisan			13	
33	Senior Plant Operator	5	5	0	5
34	Plant Operator			0	
35	Crane Operator/Forklift Driver	3	3	2	1
36	Senior Information Scientist/ Information Scientist	1	1	0	1
37	Principal Asst. Information Scientists	1	1	0	1
38	Senior Assistant Information Scientist /Assistant Information Scientist			0	
39	Principal Business Development Officer	3	3	0	0
40	Senior Business Development Officer			3	
41	Business Development Officer	3	3	1	2

42	Business Development Assistant	2	2	1	1
43	Principal Planning Officer	1	1	0	1
44	Senior Planning Officer			0	
45	Planning Officer			0	
46	Principal Human Resource Officer	1	1	0	1
47	Senior Human Resource Officer	1	1	0	1
48	Human Resource Officer			0	
49	Senior Human Resource Assistant	2	2	1	0
50	Human Resource Assistant			1	
51	Senior Occupation Health & Safety Officer	1	1	0	1
52	Principal Administrative Officer	1	1	1	1
53	Senior Administrative Officer	1	1	0	1
54	Administrative Officer			0	
55	Senior Administrative Assistant	2	2	1	0
56	Administrative Assistant			1	
57	Senior Records Management Officer	1	1	0	1
58	Records Management Officer			0	
59	Senior Driver	4	4	2	2
60	Driver			0	
61	Senior Office Assistant	4	4	1	0
62	Office Assistant			3	
63	Principal Accountant	1	1	0	1
64	Senior Accountant	5	5	1	4
65	Accountant			0	

66	Senior Accounts Assistant	1	1	4	-3
67	Accounts Assistant			0	
68	Principal ICT Officer	1	1	0	1
69	Senior ICT Officer	3	3	1	1
70	ICT Officer			1	
71	Senior ICT Assistant	1	1	1	0
72	ICT Assistant			0	
73	Principal Corporate Communication Officer	1	1	0	1
74	Corporate Communications Officer			0	
75	Senior Customer Care Assistant	2	2	2	0
76	Customer Care Assistant			0	
77	Principal Supply Chain Management Officer	2	2	1	1
78	Senior Supply Chain Management Officer	4	4	0	4
79	Supply Chain Management Officer			0	
80	Senior Supply Chain Management Assistant	2	2	2	0
81	Supply Chain Management Assistant	0	0	2	-2
82	Principal, Internal Auditor	1	1	0	1
83	Senior Internal Auditor	1	1	0	1
84	Internal Auditor II			0	
85	Principal Security Officer	1	1	0	1
86	Senior Security officer	1	1	1	0
87	Security officer			0	
88	Senior Security Assistant	1	1	1	0
89	Security Assistant			0	
TOTAL		190	195	122	73

Table 13: Skills Set and Competence Development

CADRE	SKILL SET	SKILLS GAP	COMPETENCE DEVELOPMENT
NMC GRADE 1 - Managing Director/Chief Executive Officer	Leadership, Strategic Planning, Financial Management, Stakeholder Engagement, Decision-Making	leadership or strategic planning gaps	Develop leadership and strategic planning training programs, mentorship, or coaching
NMC GRADE 2 - General Manager	General Management, Team Leadership, Operations, Project Management	gaps in general management or project management skills	Implement general management and project management training programs, on-the-job training, or workshops
NMC GRADE 3 - Manager	Managerial Skills, Departmental Coordination, Performance Management	gaps in managerial skills or departmental coordination	Provide managerial training and leadership development programs, performance management training
NMC GRADE 4 - Principal Officer/Engineer	Engineering, Technical Expertise, Project Planning	gaps in technical expertise or project planning	Offer advanced technical training, project management courses, or technical certification programs
NMC GRADE 5 - Senior Officer/Engineer	Engineering, Problem-Solving, Quality Assurance	gaps in problem-solving or quality assurance skills	Provide advanced engineering training, problem-solving workshops, or

			quality control programs
NMC GRADE 6 - Officer/Principal Technician/Engineer	Technical Skills, Equipment Maintenance, Safety Procedures	gaps in technical skills or equipment maintenance	Offer technical skill enhancement programs, equipment maintenance training, and safety courses
NMC GRADE 7 - Senior Assistant Officer/Technician	Technical Support, Troubleshooting, Data Analysis	gaps in technical support or data analysis	Provide technical support training, troubleshooting workshops, and data analysis courses
NMC GRADE 8 - Assistant Officer/Technician/Senior Artisan	Technical Skills, Artisanal Expertise, Safety Practices	gaps in artisanal expertise or safety knowledge	Offer artisanal skills training and safety practice programs
NMC GRADE 9 - Senior Office Assistant/Driver/Artisan	Administrative Support, Safe Driving, Artisanal Skills	gaps in administrative support or safe driving practices	Provide administrative support training, safe driving courses, and artisanal skills enhancement
NMC GRADE 10 - Office Assistant	Administrative Tasks, Communication, Computer Skills	gaps in administrative tasks or computer skills	Offer administrative training and computer skills development programs

6.2.3. Leadership

Effective leadership is crucial for the successful implementation of our Strategic Plan. Our leadership team plays a central role in guiding the organization toward achieving its strategic objectives. Leadership responsibilities will be driven through Strategic Theme Teams as guided by the key strategic goals. The role of leadership will include:

- **Setting the Strategic Direction:** Our leaders are responsible for defining the strategic vision and ensuring that it is aligned with the organization's mission and core values.

- **Creating a Supportive Environment:** Leaders will foster a work environment that encourages innovation, collaboration, and commitment to the strategic plan's objectives.
- **Resource Allocation:** They will oversee the allocation of resources, including financial, human, and technological assets, to support the strategic initiatives.
- **Accountability:** Leaders are accountable for the successful execution of the strategies, and they will monitor progress and adapt as necessary to meet the objectives.
- **Communication:** Effective communication is essential. Our leaders will ensure that all stakeholders understand the strategic objectives and their roles in achieving them.
- **Motivation and Engagement:** Leaders will motivate and engage employees, promoting a sense of ownership in the strategic plan's success.

6.2.4. Systems and Procedures

A well-defined set of systems and procedures is essential for the efficient execution of our Strategic Plan. These systems and procedures will support the organization in various ways:

- **Workflow Management:** Clear procedures help streamline processes, reducing bottlenecks and enhancing overall efficiency.
- **Data Management:** Proper data management systems are crucial for collecting, analyzing, and reporting on key performance indicators related to our strategic objectives.
- **Quality Assurance:** Procedures for quality assurance will ensure that our products and services meet the desired standards and customer expectations. NMC Will uphold ISO Standards.
- **Resource Management:** Efficient management of financial, human, and other resources is essential. Procedures for budgeting, procurement, and resource allocation are crucial.
- **Risk Mitigation:** Defined procedures for risk identification, assessment, and mitigation are essential to minimize potential obstacles to achieving our objectives.

- **Continuous Improvement:** The Company will adopt procedures for continuous improvement such as Kaizen to ensure regular evaluation and enhanced processes and strategies to adapt to changing circumstances, customer needs and evolving business environment.

6.3. Risk Management Framework

A robust risk management framework is critical to identify and mitigate potential risks that could impact the successful implementation of our strategic plan. The risk management framework is as outlined below:

Table 14: Risk Management Framework

Risk Class/ Categories	Risk & Description	Likelihood (L/H/M)	Impact (L/H/M)	Overall Risk Level (L/H/M)	Mitigation Measure	Risk Owners*
Financial	Inadequate funding	High	High	High	Lobby for more resources and putting proper mechanism that will increase AIA	Head of finance
	Fund Misappropriation	High	High	High	Effective internal controls	Head of finance
Political	Change in political environment	Low	High	High	Strategic leadership.	MD
Technological	Information security and cybercrime	Medium	High	High	By putting proper access controls	Head of ICT
Operational	Weak internal controls systems	Medium	Medium	Medium	Proper internal control systems	MD
	Infrastructural failure e.g., machinery	Medium	High	High	Maintenance	Head of maintenance
Human Risk	Inadequate manpower, skills and competencies	Medium	High	High	Train staff to increase competency.	Head HR

					Recruit	
	Lack of Proper Knowledge Management leading to loss of Critical institutional Skills	High	High	High	Develop and maintain comprehensive knowledge management program and succession planning	Head HR
Strategic Risk	Not implementing key goals in the SP.	Medium	High	High	Strict monitoring and evaluation	Head Strategy and Planning
Legal & regulatory	Inadequate legal and regulatory framework	Medium	High	High	Implement a legal and regulatory framework that will support NMC business	MD
Security	Loss of NMC resource through security lapses	High	High	High	Develop and implement effective security measures	MD
Brand image	Poor corporate image	High	High	High	Rebranding NMC	MD

7. CHAPTER 7: RESOURCE REQUIREMENT AND MOBILIZATION STRATEGIES

This chapter indicates the financial strategies to applied to raise resources to run the company and increase sustainability. Most of activities will be infrastructural at this level of strategic implementation but the benefits of these will be seen in years after this strategic plan.

7.1 Financial Requirement

The Company receives government funds from exchequer allocation and internally generated revenues. Successful implementation of this plan will depend on availability and efficient utilization of resources. In order to implement all the activities identified for the achievement of the strategic objectives, a total of Kshs47.1 billion is required.

Table 7.1 Financial Requirements for Implementation of the Strategic Plan

Cost Area/Strategic Objective	Projected Resource Requirements (Ksh. Mn)						Source of Fund
	Year 1	Year 2	Year 3	Year 4	Year 5	Total	
Enhance development and production of engineering parts and machinery in support of Government Initiatives.	329	10,600	10,473	10,222	10,165	41,789	GOK & Partners
<i>Modernization of CNC and Foundry</i>	42	500	350	96	0	988	GOK
<i>Relocation of NMC and Establishment of an Engineering Park</i>	0	3,750	3,750	3,750	3,225	14,475	Partners 75%
	200	1,250	1,250	1,250	1,075	5,025	GOK 25%
<i>Establishment of an Integrated Iron and Steel Mill</i>	0	3,750	3,750	3,750	3,750	15,000	Partners 75%
	0	1,250	1,250	1,250	1,250	5,000	GOK 25%
<i>Development and manufacture of parts in support of government initiatives</i>	87	100	123	126	865	1,301	GOK
Strengthen NMC's institutional capacity.	224	285	335	340	364	1,548	GOK

Achieve financial sustainability.	44	760	402	402	315	1,923	GOK
Achieve excellence in manufacturing and service provision.	16	17	19	19	18	89	AIA
Develop linkages with MSME's and strategic. partners.	7	20	20	20	20	87	AIA
Operational Cost	226	262	320	394	487	1,689	AIA
Total	846	11,944	11,569	11,397	11,369	47,125	

7.2 Resources Gap

The company has a resource gap of Kshs3.498 billion as indicated below

Table 15: Resources Gap

FY	Requirement (Kshs. Mn)	Estimated Resource Allocation (Kshs. Mn)	Variance (Kshs. Mn)
Year 1	846	519	-327
Year 2	11,944	10,828	-1,116
Year 3	11,569	10,792	-777
Year 4	11,397	10,701	-696
Year 5	11,369	10,787	-582
Total	47,125	42,829	-3,498

7.3 Resource Mobilization Strategy

Resources mobilization for assured financial sustainability will be pursued during the plan implementation period as provided below.

- i. Efficient utilization of human and capital resources
- ii. Increase in internally generated revenue
- iii. Create linkages with donors and strategic partners.
- iv. Develop and operationalize comprehensive financial management policy.

The table below highlights the funding model.

Table 16: Funding Model

FY	AIA	GOK RECURRENT	GOK DEVELOPMENT	PARTNERS	TOTAL
Year 1	190	327	329	0	846
Year 2	228	1,116	3,100	7,500	11,944
Year 3	319	777	2,973	7,500	11,569
Year 4	479	696	2,722	7,500	11,397
Year 5	622	582	3,190	6,975	11,369
Total	1,838	3,498	12,314	29,475	47,125

7.4 Resource Management

To promote the prudent utilization of resources, the Company will ensure that guidelines on expenditure control are fully applied. The Company will:

- 1) Undertake the initiatives as guided by the Strategic Plan
- 2) Adhere to the approved budgets and procurement plans
- 3) Leverage on technology to enhance efficiency and effectiveness
- 4) Effective time management.
- 5) Increase staff morale and motivation.
- 6) Strengthen internal controls.
- 7) Comply with the all legal and regulatory frameworks.
- 8) Invest on employee skills and competences.

8. CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING

FRAMEWORK

This chapter focuses on the Monitoring, Evaluation & Reporting (ME&R) Framework for assessing progress and monitoring the implementation of the strategic plan within NMC. The ME&R Framework aims to identify obstacles in the implementation process and provide recommendations for addressing them. The framework will be implemented to continuously evaluate progress towards achieving the expected results of the Strategic Plan.

The assessment of progress on the implementation of the strategic plan will be based on various factors, including data collection from various sources, data analysis, specific performance indicators, stakeholder engagement, and review mechanisms, with the collected data being analyzed to evaluate the extent to which the strategic plan's objectives are being achieved and stakeholder engagement playing a crucial role in reviewing progress. Regular review mechanisms will be established to assess progress and ensure that the implementation of the strategic plan is regularly reviewed and adjustments can be made if necessary.

8.1. Monitoring Framework

NMC will develop a monitoring framework to track the progress of its strategic plan's goals and objectives by establishing Key Performance Indicators (KPIs) and baseline data to measure performance. The framework will enable corrective plans if the implementation does not proceed as planned, and KPIs will be determined based on goals and objectives, resources, stakeholders' expectations, and industry standards. This will allow NMC to measure progress over time and identify areas that need improvement.

The Strategic Plan's implementation will begin with retrieving baseline data from the previous plan and establishing new baseline data for new indicators. This process includes collecting data for each indicator before initiating the plan. To enhance performance and reach desired outcomes, NMC will regularly evaluate progress against Key Performance Indicators (KPIs) and craft action plans to address shortcomings. For systematic data collection and monitoring, NMC will adhere to a structured methodology with key steps that include identifying data sources, defining data

collection methods, establishing data collection procedures, setting data collection schedules, validating and verifying data, and conducting data analysis and reporting. Monitoring frequency will vary depending on the complexity of the strategic objective, and performance standards will include KPIs, targets, M&E framework, stakeholder feedback, comparative analysis, and continuous improvement.

8.2. Performance Standards

The performance standards for tracking performance of the Strategic Plan at NMC will be based on internationally accepted norms and standards and will include relevance, efficiency, effectiveness, success, and sustainability. To ensure that these standards are met, clear guidelines will be established to define Key Performance Indicators (KPIs) at the outcome, output, and efficiency levels.

At the outcome level, KPIs will be defined to measure the extent to which NMC has achieved its strategic objectives. These KPIs will be closely aligned with the organization's goals and objectives, providing clear and quantifiable targets to strive towards. At the output level, KPIs will be defined to measure the quantity and quality of outputs produced by NMC. This will enable the company to track progress towards achieving its strategic objectives.

At the efficiency level, KPIs will be defined to measure the efficiency of NMC's operations. This will include measures such as cost-effectiveness, timeliness, and resource utilization. By tracking these KPIs, NMC will be able to identify areas for improvement and make informed decisions.

NMC's Strategic Plan monitoring team, will be responsible for data collection for respective Key Result Areas. This will ensure consistency and accuracy in data collection efforts, enabling NMC to effectively track its performance against the defined KPIs.

8.3. Evaluation Framework

NMC's evaluation framework for the strategic plan will provide a basis for assessing the level and extent of achievement of the objectives towards the attainment of strategic goals along with their respective Key Result Areas (KRAs). This framework will include

clearly defined indicators, baselines, and targets to ensure a comprehensive evaluation process.

To assess the level and extent of achievement, specific indicators will be identified for each objective and KRA. These indicators will be measurable and relevant to the desired outcomes. They will provide quantitative or qualitative data that can be used to evaluate progress. Baseline data will be established at the beginning of the strategic plan to serve as a reference point for measuring progress. This will provide a starting point against which the achievements can be compared. Targets will be set for each indicator, representing the desired level of achievement within a specific timeframe. These targets will be ambitious yet realistic, reflecting the organization's aspirations and priorities. The evaluation framework will be implemented using the performance matrix below.

Table 17: Outcome Performance Matrix

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
1.	To enhance development and production of engineering parts and machinery in support of Government Initiatives	Enhanced output in the produced automotive parts	Number of Automotive parts produced	300 Pcs	2023		
		Enhanced output in the produced locomotive parts	Number of Locomotive parts produced	8000 Pcs	2023		
		Enhanced output in the produced motor Cycle parts	Number of motor cycle parts produced.	0	2023		
		Reduction on the production Turn Around time (TAT)	Turnaround time.	17 days	2023		
		Development and roll out of fast-moving line products	Number of Line Products Developed	3 products	2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
		Increase business from various Government agencies	Value of the products purchased by Government Agencies (KES)	KES 154,187,982.60	2023		
		Increased number of power and distribution fittings produced	Number of power and distribution fittings produced.	203,444 Pcs	2023		
		Increased Tonnage of Foundry Castings	Tons of Foundry Castings	68	2023		
		Production and sale of complete machinery and equipment	Number of Equipment /Machinery Produced	14	2023		
		Develop Market driven Machinery and equipment in collaboration with institutions	Number of Equipment/ Machinery Developed	0	2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
		Development and implementation of a distribution strategy for Agro equipment, tools and machinery	Distribution strategy, implementation of the strategy	0	2023		
		Develop Market driven Agro Machinery and equipment in collaboration with institutions	Number of Agro Machinery and Equipment Developed	0	2023		
		Increased uptake and sales of NMC Produced machines and equipment	Financial collaboration Programs established targeting financing NMC products	0	2023		
		Developed marine and aerospace parts	Number of Marine and aerospace parts	0	2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
		Line products for Aerospace and Marine industries	Number of Line Products Developed	2	2023		
		Masterplan for utilization of NMC Land	NMC Land use Masterplan	0	2023		
		Investment and development of the land	Project Completion Rate	0 %	2023		
		Operational Integrated iron steel mill installed and commissioned	Percentage project Completion	0%	2023		
		Partnerships and collaborations for still mill project	Established partnerships and collaborations	0	2023		
		Equip the Research and development with modern state of the art equipment	Number of equipment and facilities purchased for R&D	0	2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
		MOU's with various institutions for R&D Projects	Number of Research projects undertaken	0	2023		
		Joint fundable proposals for R&D projects	Number of funded/fundable proposals written and submitted	0	2023		
2.	Strengthen NMC's institutional capacity	Review and implementation of Service Delivery Charter	Service delivery charter	1	2023		
		Risk management policy framework	Completion of development and implementation of the risk management framework	0%	2023		
		New organizational structure and Human resource policies	Organizational Structure and HR policy documents developed	50%	2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
		NMC brand awareness promotional communications	Number of promotional programmes undertaken	0	2023		
		Fully established corporate communications department	Establishment of corporate communications department	0	2023		
		Brand awareness and promotional Strategy	Comprehensive brand awareness Strategy	0	2023		
		Revise human resource policies and procedures	Revised human resource policies and procedures		2023		
		Training and Development Programme	% Number of Staff Trained		2023		
		Staff performance management.	Performance appraisal report	1	2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
		Enhanced job satisfaction	% job satisfaction	-	2023		
		Development and implementation of staff grading structure and salary progression	Grading and salary structure	1	2023		
		Skills and competence gap analysis	Skills inventory audit report	1	2023		
		Human Capital plan	Human Capital plan strategies	0	2023		
		Development and implementation of Recognition policy	Recognition policy	70%	2023		
		Succession planning and management Policy	Succession planning and management policy	1	2023		
		Automation and integration of processes	ERP implementation	0	2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
		Review of internal process controls	Reviewed internal control procedures	1	2023		5
		Develop a comprehensive continuous improvement programme (Kaizen)	Implementation of Kaizen and 5 s	0	2023		
		Business process redesign plan	Development and Implementation of Business Process Plan %	0	2023		
		Establishment of an operational resource centre	Operational Resource centre	0	2023		
		Collaboration with engineering software developers	Partnerships and collaborations	0	2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
3.	Achieve financial sustainability	Develop a budget for CAPEX and OPEX and submit for financing	CAPEX and OPEX Budget	1	2023		
		Fundable proposals submitted to GOK for donor funding	Number of Proposals	0	2023		
		Financial management policy framework	Completion of development and implementation of the financial management framework	1	2023		
		Collection of NMC Debt	Outstanding Account Receivable	KES 79M	2023		
		Collaboration with key private sector players for financial, technological and	Number of MOU's	0	2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
		human resource support					
		Linkages with strategic partners and collaborations on projects	Number of Partnerships established	2	2023		
		Policies to promote market uptake of NMC products	Policies developed and forwarded	0	2023		
4.	Achieve excellence in manufacturing and service provision	Successful customer engagement forums	Number of Forums conducted	1	2023		
		Development and implementation of a market Distribution Strategy for NMC Products and services	Market Distribution Strategy for NMC Products and services	0	2023		
		Broader market channels for NMC products	Number of new market channels established		2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
		Better Customer satisfaction	Customer satisfaction index	69%	2023		
		Classification of customers and market Segments, Market Focusing and targeting	Market segmentation, Target markets	0	2023		
		Compliance to Standards	Number Certifications	1	2023		
5.	Establish linkages with MSME's and strategic partners.	NMC Engagement, Mapping and management framework	NMC Engagement, Mapping and management framework	0	2023		
		Engineering capacity building program	Completion and implementation of the program	0	2023		
		Subcontracting of NMC parts and capacity building in MSMEs	Number of Strategic MSMEs engaged	0	2023		

	Key Result Area	Outcome	Outcome Indicator	Baseline		Target	
				Value	Year	Mid-Term Period	End-Term Period
		Capacity building forums for MSMEs TVET's and Universities	Number of Capacity building forums implemented	0	2023		
		Joint Research Projects with Universities or research institutions	Number of Joint Projects	0	2023		

8.3.1. Mid-term Evaluation

The mid-term evaluation of this Strategic Plan will be conducted two (2) and a half year into its implementation to examine progress toward achieving the set targets (June 202x). The evaluation will allow for a review of the strategies and indicators in order to inform evidence-based changes. Mid-term evaluation recommendations will aid in improving the Strategic Plan implementation process. It will also make necessary adjustments as the situation will dictate.

8.3.2. End-Term Evaluation

The Strategic Plan period will conclude with an end-term evaluation. The process will be led by an independent expert with the guidance of the company's management to assess the progress and accomplishments of the proposed outcomes and impact results. These suggestions will be incorporated into the next Strategic Plan. The accomplishments, challenges, lessons learned, and recommendations will be used to inform the next cycle of strategic planning.

8.4. Reporting Framework and Feedback Mechanism

NMC's reporting framework and feedback mechanism of the Strategic Plan implementation will ensure effective communication and accountability. The mechanism for reporting on the implementation of strategic plan interventions will include different types of reports, such as monitoring and evaluation reports. Monitoring reports will provide regular updates on the progress of strategic plan interventions. These reports will focus on tracking the implementation of activities, outputs, and outcomes against the defined Key Performance Indicators (KPIs). Monitoring reports will be prepared quarterly to provide timely information on the status of implementation.

Evaluation reports, on the other hand, will assess the overall effectiveness and impact of the strategic plan interventions. These reports will be conducted periodically to evaluate the extent to which the objectives and goals of the strategic plan have been achieved. Evaluation reports will provide valuable insights and recommendations for improvement.

The responsibility for monitoring the implementation of the strategic plan interventions lies with the Strategy and Planning Department at NMC. This

department will oversee the collection of data, analysis, and preparation of monitoring and evaluation reports. They will ensure that the reports are comprehensive, accurate, and aligned with the strategic objectives.

The users of the reports will include key stakeholders within NMC, such as shareholders, senior management, department heads, and project teams. These reports will also be shared with external stakeholders, such as funding agencies or regulatory bodies, as required. The reports will serve as a basis for decision-making, performance review, and accountability, providing valuable information to guide future actions and improve the effectiveness of the strategic plan interventions.

The reporting will be done using the templates below.

Table 18: Quarterly progress Template

NUMERICAL MACHINING COMPLEX LIMITED Quarterly Progress Report Quarter Ending.....										
Expect ed Output	Output Indicat or	Annual Target(A)	Quarter of the year			Cumulative to date			Remar ks	Correctiv e interventi on
			Target(B)	Actual(C)	Variance(C-B)	Target(E)	Actual(F)	Variance (F-E)		

Table 19: Annual Progress Reporting Template

Annual Progress Report

Year Ending.....

Expect ed Output	Output Indicat or	Annual Target(A)	Achievement for year			Cumulative to date (Years)			Remar ks	Correctiv e interventi on
			Target(B)	Actual(C)	Variance(C-B)	Target(E)	Actual(F)	Variance (F-E)		

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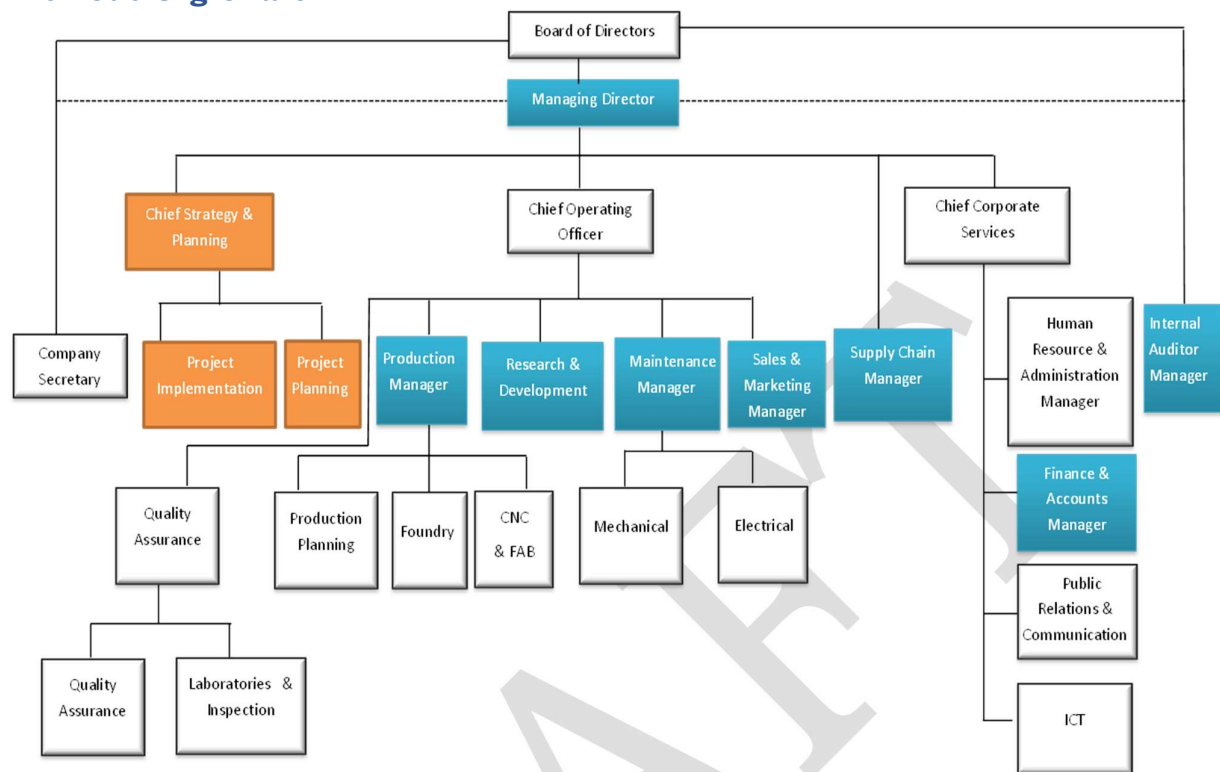
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Table 20: Evaluation Reporting Template

Key Result Area	Outcome	Outcome Indicator	Baseline		Mid-term evaluation		End of plan period achievement		Remarks	Corrective Intervention
			Value	Year	Target	Achievement	Target	Achievement		
KRA1										
KRA1										
KRA1										

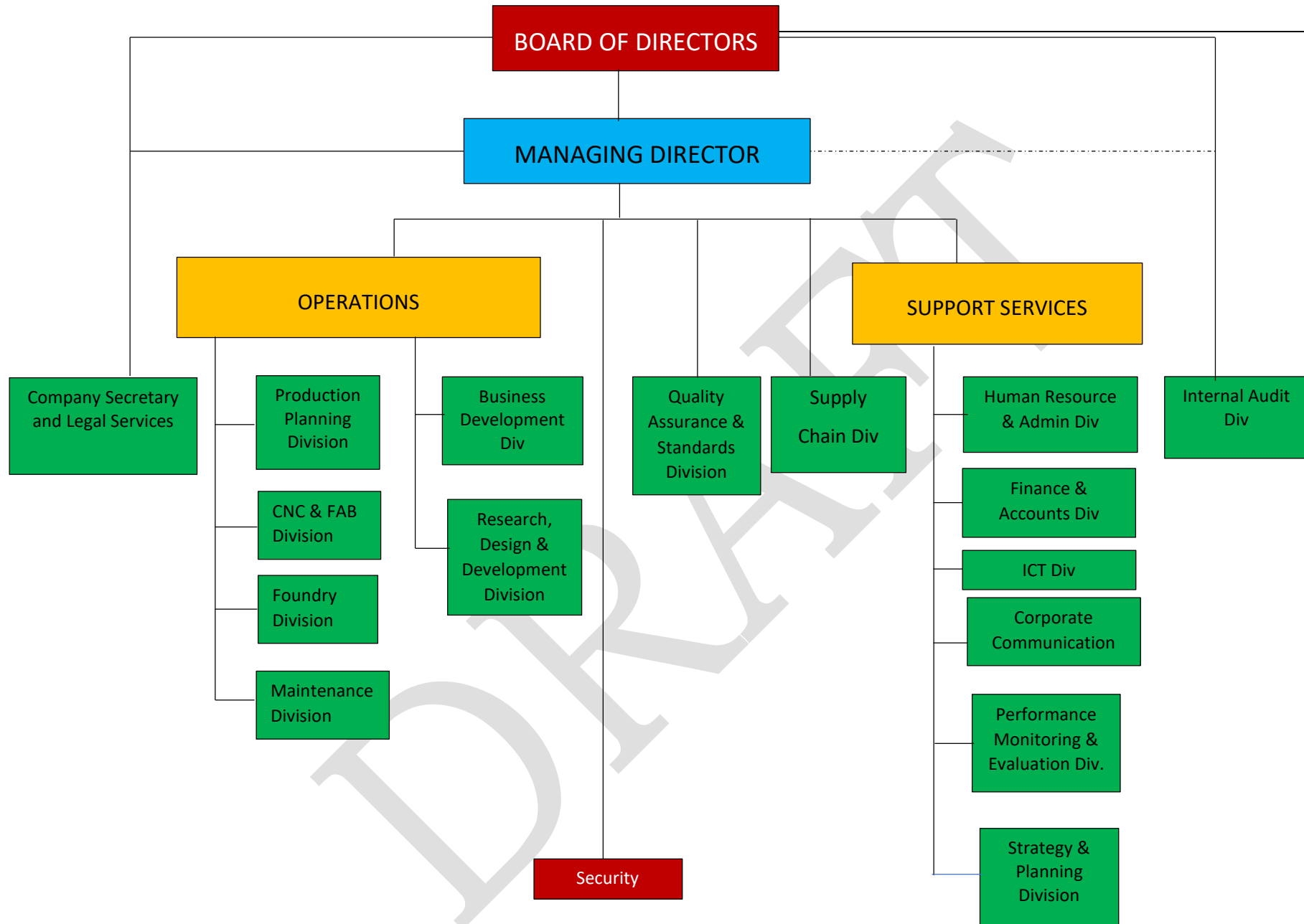
Appendix:

Previous Org Chart



In implementing the previous strategic plan, the developed organizational chart implementation was hindered majorly by financial constraints whereby the substantive positions as recommended were not fully filled as recommended and lack of timely realignment of the organogram to address the challenges.

Despite the setback, the organization exhibited resilience by conducting a thorough review of human resource approach. This encompassed not only the organizational chart but also an assessment of various HR instruments. The leadership team collaborated closely with HR professionals from SCAC to realign these instruments with the revised business strategy, aiming to achieve strategic goals within the confines of limited resources. The successful integration of HR instruments and the subsequent alignment of the organizational chart showcases the organization's adaptability, emphasizing the importance of strategic flexibility in navigating challenges and achieving long-term sustainability. The following revised organisational chart is proposed in line with this.



Approved by SCAC

