

**STRATEGIC PLANNING AND FINANCIAL PERFORMANCE OF PUBLIC
CORPORATIONS
A CASE STUDY OF ENERGY WATER AND SANITATION AUTHORITY [EWSA]
(2008 -2011)**

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ABSTRACT

The main purpose of this study was to evaluate the strategic planning and financial performance among the contributing factors to the success or failure of a company in general and particularly in EWSA, the state owned corporation. To achieve this objective, data were collected using questionnaires and interview guides administered to a sample of 161 respondents taken from EWSA's workers for primary data source. Then financial statements were gathered from the company under study covering four years to serve as secondary data source. The data were summarized and presented for easy interpretation and analysis. The study followed quantitative approach. This study was considered to be beneficial to the management of EWSA and its workers, subscribers, banks, ministry of infrastructure as the main stakeholders in the company and future researchers. The management may use the findings of this study to improve in developing alternative strategies, implantation and monitoring and evaluation of strategic plan for good financial performance. The subscribers can ensure whether there is continuity in future supply of water and energy. The ministry of infrastructure may use the findings as empirical information to monitor the financial performance of the company and ensure continuity its operations. The major findings were presented in form of descriptive statistics, frequency tables, ratios and graphs. This research has revealed draw backs in strategic planning and implementation process. A strategic plan is done in the company's strategic planning function without the involvement of all workers. Furthermore, the company has no proper system of checking the implementation of its plans and it also has no procedures for anticipating differences between its plans and actual performance. It does not adopt its strategies as per its written strategic plan to guide its operating activities, mission statement not communicated to employees. The Assessment of financial performance of the company from 2008 to 2011 was done using ratios. Profitability ratios have shown the financial position was not sound. Revenue ratios have indicated operating inefficiency due to high operating costs which in return affect negatively the net profits of the company. Activity ratios have revealed under-utilization of its assets. Liquidity ratios have shown that the company is highly liquid, that is it has enough current assets to meet its current obligations when required. Therefore, the overall financial performance of the company for the financial periods covered by the study was found to be poor. The poor financial performance may be associated with weaknesses observed in the strategic planning process, implementation, monitoring and evaluation. Based on research findings, the researcher recommends the following to the management of the company: involve its workers in strategic planning process and communicate its strategic plan to them; implement its strategic plan as per established to guide its operations with a proper system checking the implementation of its strategic plan and other derivative plans; use the assets of the company

efficiently to increase productivity and carefully monitor the costs involved in running activities of the company to increase its revenues.