

**EFFECTIVE STRATEGIES FOR CREDIT MANAGEMENT OF CREDIT
COPERATIVE SOCIETIES IN NAIROBI COUNTY.**

(A CASE Of BIBLIA SACCO SOCIETY LIMITED)

BY

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ABSTRACT

Credit management is one of the most significant undertakings in any company and cannot be disregarded by any economic enterprise engaged in credit regardless of its business nature. Sound credit management is a requirement for a financial institution's stability and continuing profitability, while deteriorating credit quality is the most frequent cause of poor financial performance and. As with any financial institution, the biggest risk in credit cooperative societies is lending money and not getting it back.

The study aims at bringing out the effective credit strategies in a clearer picture to enable the credit managers implement them in the most economical manner. The main concern will be to establish the effective credit strategies for financial performance in the credit cooperative societies in Nairobi County.

In general terms the strategies involve all those measures that involve monitoring to ensure that cooperative societies are stable financially as a result of being effective in credit management. This page highlights the strategies which lead to financial performance. This strategies include:- client appraisal, credit risk control, collection policy and loan product design.

A case study of the Biblia Sacco society limited will be used to research on these strategies. It should be noted that there are many credit cooperative societies in Nairobi County but Bibilia Sacco society Limited will be used as a representation of them. The objectives of this research will be to investigate the effects of client appraisal, credit risk control collection policy and loan product design on financial performance of cooperative societies.

The study will adopt a descriptive research design. A random sampling method will be used to pick a sample of respondents who will be provided with questionnaires. The population will be stratified and the size of each stratum will be determined. The basic expected output will be that effective credit management strategies will help many organizations to realize high levels of financial performance.