

# THE ABC VISION

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## How to Run a Successful Small Business

From managing to marketing and everything in between, the world of small business can be both exciting and overwhelming. It's a place where no two workdays are exactly the same and where unpredictable things happen. If you're thinking about starting (or you already run and manage) your own business, consider the following list of tips to improve your chances of success.



### Choose the right business

Your success in business may be directly related to how well you choose. Select a business in which you can use your skills and talents. For example, if you have artistic talents, a gift basket or floral arranging business may be a good choice. It's also important to consider the demand for the type of business you want to start. If you want to start a convenience store and there are several in your area, you may have trouble getting customers.

### Make a business plan

A business plan may help you launch your business and keep track of your goals and objectives as you work to expand it. It may also prove important if you need to apply for a business loan, as a lender may request a copy of it.

### Select the right location for your business

If your business will depend on foot traffic, you will typically want a storefront or other commercial space in a busy area that is accessible by major roadways and public transportation. If you will sell your services primarily by phone, over the Internet or through the mail, your location may be less of a concern. In such a case, you may run your business out of your home or lease or buy the commercial space that best fits your business budget.

### Know which hats you wear best.

In the early months and years of your business, you'll have to acquire many skills. Gain the background you need to oversee all the facets of your business, but also determine what tasks you should outsource or hire employees to manage.

### Watch your finances

When you are planning your startup budget, make sure that you have enough money to cover not only your startup expenses, but also operational expenses for a several months in case you do not make a profit right away. Keep some money on hand for emergencies and large orders as well.

### Choose your employees carefully

With a small business, you will likely have the opportunity to hire your own employees and get to know them. Since your employees may influence your success in business as well as the comfort level in your business environment, it makes sense to hire workers who are skilled and have a solid work ethic. Pleasant personalities are also desirable in employees.

### Pay attention to your customers

After all, you have to see a customer to know one. No matter how busy you are, especially in the early years of your business, be sure to spend at least 25 percent of your time with customers. You can't make the right business decisions without understanding the customer's viewpoint.

### Solve your customers' problems

The best way to satisfy your customers is not by selling them products or services but by providing solutions to their problems. Understand the difference and market your products and services accordingly.

### Take advantage of opportunities to expand your small business

This may mean looking for new products to add to your list or extra services to offer your clients. In some cases, it may even mean expanding your business to include additional physical locations.

### Fast, good, or cheap - pick any two

Serious trouble awaits those business owners who attempt to be all things to the marketplace. Focus on what you do best.



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**Greetings to you, esteemed ABC Bank customers!**

I wish to start by appreciating you for making us number one in a recent Customer Satisfaction Index survey by Infotrack Harris and Think Business. The survey, which was carried out among Bank customers, showed that you, our customers, value greatly the investments we have made in innovation and our commitment to delivering to your expectations.

I am also glad to inform you that we launched this year's edition of our flagship Corporate Social Responsibility initiative, the ABC Bank Baringo Half Marathon. The marathon will be on November 1st, in Kabarnet, Baringo County. Let me take this opportunity to invite you all to register for this marathon and come share in the fun.

Over this past quarter, we have continued with our innovative ways. We launched two revolutionary products, designed with you in mind- B2C money transfer service and ABC Bank USD Debit Card. The Bank or Business-to Customer (B2C) service enables you to transfer funds from your ABC Bank account to any Mpesa account using our upgraded Internet Banking platform. On the other hand, ABC Bank USD debit card makes it easier for you to make payment and withdrawal transactions in hundreds of countries.

We believe that these payment solutions will make it much more convenient for you to transact anytime, anywhere. We will soon launch a multi-currency card that will be an ideal travel companion. It will allow you to transact in many countries in any currency without incurring related conversion costs.

I encourage you to take advantage of our many products and services to enjoy a unique hassle-free banking experience. And you can rest assured we will not lag behind as your needs continue to evolve; we will walk with you every step of the journey to help you achieve the extra-ordinary in your personal and business aspirations.

**Wishing you well,**

*Shamaz*

**Shamaz Savani, Group Managing Director.**



ABC Bank General Manager Peter Kinyanjui presents a cheque donation to Kenyatta University Vice Chancellor Prof. Olive Mugenda in support of the university's Centre for Innovation Incubation. With him is ABC's Head of Information Martin Mutiga (right) and Head of Corporate Banking Mary Mulili (centre). On the left is the centre's Director Dr. George Kosimbei.



ABC Bank Group CEO Sridhar Natarajan speaks during the Retail Traders Association of Kenya (Retrak) forum sponsored by the Bank on 21st August 2014



ABC Bank Head of Corporate Banking Mary Mulili (right) presents the Bank's sponsorship cheque to Kenya Rural Sacco Societies Union Managing Director Mercy Njeru (center).



Left-right: Former athlete Wilfred Bungei, Athletics Kenya Official Barnabas Kitilit and Baringo County Sports Executive Edwin Riamangura register for the Baringo Half Marathon to be held on 1st November in Kabarnet, Baringo County.

## ABC Bank Baringo Half Marathon 2014 Launched



ABC Bank Group MD Shamaz Savani (centre) presents the sponsorship cheque to the Paul Tergat Foundation Chairman and marathon Patron Paul Tergat (left), flanked by Baringo County Governor Benjamin Cheboi during the launch. The Bank doubled the sponsorship kitty to Sh. 10 M this year, to go in to organizing the race and athletes development.

The ABC Bank Baringo Half marathon is on, bigger and better than ever! A colourful launch was held on September 25, with ABC Bank committing Kes 10m towards the event and athletes development. ABC Bank Baringo County Governor, H.E Benjamin Cheboi graced the launch, which also marked the beginning of the registration drive.

The marathon, to be held on 1st November, is our flagship Corporate Social Responsibility initiative, whose objective is to identify and develop young athletic talent to produce world champions. We have enhanced the stature of the marathon this year by introducing a schools category. Schools are registering teams of ten, both boys and girls, to compete in the 6 kilometer cross country race.

We are also working much more closely with the Baringo County Government and local communities at different levels. This is in line with our plans for cultivating ownership and sustainability of the initiative.

The Baringo Half Marathon is the brainchild of the renowned international athlete Paul Tergat through his Paul Tergat Foundation many years ago, and saw ABC Bank take up the title sponsorship last year. We have since transformed the marathon in to more than just a running event. Our main agenda is to identify and develop young talented individuals to become the next generation of athletics champions who will keep the Kenyan athletics torch burning on the international arena.

In last year's event, we identified 12 young promising athletes whom we have since placed under dedicated coaches in reputable training camps for preparation to become world champions. Some of them have already competed in both local and international events and performed very well.

For example, in the recently concluded Brookside East African Secondary Schools Games in Dar es Salaam, Alfred Barkach clinched the gold medal in the 10,000 meters race in 29 minutes. Others have taken part in international events in

India, Japan, Morocco, and other countries.

Besides nurturing their athletic potential, we are also committed to their holistic development to help them lead successful lives off the track. To this end, we recently conducted a boot camp for them in Iten to equip them with basic life skills such as public speaking, handling media interviews, personal finance and investments and handling of legal/ sponsorship contracts.

We invite you to register for this year's marathon and follow our updates on our website

<http://www.abcthebank.com/baringohalfmarathon> or our Facebook Page ABC The Bank/ ABC Baringo Half Marathon.



Alfred Barkach, one of the ABC Bank-sponsored athletes shares his experience during the launch. Barkach recently won the 10,000 meters race in the East African Schools championships held in Dar es Salaam, Tanzania

## Best in customer satisfaction!



In a recent survey by Infotrack Harris and Think Business, ABC Bank was ranked as Best Bank in customer satisfaction of all Tier 3 Banks. According to the Customer Satisfaction survey, ABC Bank is also the most easily accessible bank. The survey, which was carried out among Bank customers, found that our customers value greatly the investments the Bank has made in innovation.

This is gratifying to us. Over the last two years, the Bank has made significant investments towards virtual banking: our internet banking, Account-to-mobile wallet, Agency Banking and our MasterCard international debit card are revolutionary solutions that give you peace of mind and set you free to make more out of your time wherever you may be in the world.

Thank you all for making us number one!

### Your email password and You



One common challenge customers experience with their internet banking accounts is password blockage. Mostly, your password will get blocked if you forget it entirely or even just one character and enter the wrong one. The system allows you a maximum of three attempts before it blocks you. This can be a great inconvenience. If it happens to you, all you need to do is write an email to [talk2us@abcthebank.com](mailto:talk2us@abcthebank.com) requesting us to reset your password.

To safeguard your account and your funds against possible fraud, you are also advised not to give the following information to anybody:

- **Email login credentials-** This is because the person you give the details can impersonate you and communicate with the bank requesting for a password reset.

- **Internet Banking Login credentials -** the individual you give the login credentials can log in to your account and access your funds.

No bank official is permitted to request you for your log in details!

In case you access Internet Banking in public places e.g. cyber cafe, you are encouraged to do the following:

- Ensure you log out of your email account
- Log out of the system (computer)
- Ensure that you DO NOT allow the computer you are using to remember your email password.

Also follow the general security measures of handling a password such as:

- Do not write your password anywhere.
- Do not trust your password with any one e.g. friend or family, colleague, etc.

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- Libra House - Mombasa Road
- Industrial Area - Dar es Salaam Road

**Mombasa** - Moi Avenue

**Lamu** - Seafront, Lamu town

**Meru** - Moi Avenue

**Nakuru** - Kenyatta Avenue

**Eldoret** - Oginga Odinga Road

**Kisumu** - Oginga Odinga Road

#### OPENING HOURS:

MON - FRI : 8:30am - 4:00pm

MON - FRI : 8:30am - 7:00pm

(Westlands, Koinange, Eldoret)

SAT: 9:00am - 1:00pm

### For more information contact us



**+254 (20) 4263000**



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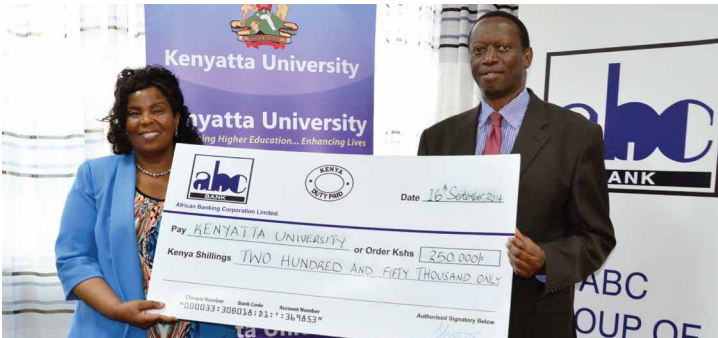
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**ABC Bank partners with Kenyatta University in support of young innovators**



ABC Bank General Manager Peter Kinyanjui presents the cheque donation to Kenyatta University Vice Chancellor Prof. Olive Mugenda.

On September 16th, the Bank joined hands with Kenyatta University by donating Ksh. 250,000 to support inventive students to realize their entrepreneurial potential. The university, through its Chandaria Business Innovation Incubation Centre, nurtures students with innovative ideas to transform them to viable enterprises.

Speaking when he presented the cheque to Kenyatta University Vice Chancellor, Professor Olive Mugenda, ABC Bank's General Manager Peter Kinyanjui underscored the importance of partnerships between corporates and institutions of higher learning, saying this would spur the improvement of educational standards in the country.

On her part, Professor Mugenda hailed ABC Bank for being the first bank to support the incubation program.

The donation is part of ABC Bank's CSR strategy to help the youth to discover and develop their talent. The Innovation Incubation Centre recently organized an investors' confidence to give students under the program an opportunity to show case their ideas and to link them with potential investors.

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**ABC Bank holds inaugural Kisumu golf tournament**

As part of our plans to increasingly connect and interact with customers, we started holding golf tournaments in different towns. We started in Eldoret several years ago and we are taking our golf caravan to more places especially where we have branches.

This September we held our inaugural tournament in Kisumu City, at the invitation of the Nyanza Club Lady Captain Ruth Kwasi. Our customers there gave us a warm welcome and came out in large numbers with their clubs to play with us

This created a wonderful platform for us to talk to, listen, and understand the needs of individual customers and businesses in the lake side city. We will use these experiences and feedback to tailor our services to suit customer needs and aspirations.



ABC Bank Group CEO Sridhar Natarajan (2nd left) presents the overall winner's prize to Evans Manono (right) during the prize giving ceremony.



Kisumu Branch Manager Douglas Okiring presents a prize to Nyanza Club Lady Captain Ruth Kwasi

## What is Annual Percentage Rate (APR) and what does it mean to you?

In July this year, Kenya Bankers Association, the umbrella body of Kenyan banks, launched an industry-led consumer protection initiative by commercial banks in Kenya. The industry's adoption of the new loan-pricing mechanism, the Annual Percentage Rate, underscores the commitment by banks to enhance pricing transparency and consequently ease access to credit.

Borrowers will now get the best value in the industry to shop around for the loan products that meet their needs. The enhanced transparency will therefore stimulate competition within the banking industry thus contributing to more competitive interest rates for customers with a good credit track record.

There are various costs associated with a loan. These costs range from bank fees and charges to third party costs, such as legal fees, insurance, and government levies. Banks are now required to provide loan applicants with a breakdown of the Total Cost of Credit (i.e. bank charges and third-party costs associated with the loan facility); and a Loan Repayment Schedule in line with the Central Bank Prudential Guidelines.

Bank customers applying for loans should ask for the Total Cost of Credit, the Loan Repayment Schedule, and finally the Annual Percentage Rate before signing a loan contract. By doing so, customers will be equipped to make a more informed and comprehensive decision.

When taking up a loan, a borrower often focuses on the bank interest rate. However, this is just one of the loan cost components. Therefore, to better determine the total cost, a formula should be used to compute the various elements into a numeric representation (a percentage rate). When this percentage rate is based on a 12 month period, it is called the Annual Percentage Rate (APR).

Here are answers to some commonly asked questions about APR:

### • What do I do when I am not given this information by my bank or if am charged more than was initially in the APR?

This information is the right of every bank customer. Customers should raise any issues with the relevant customer care representatives or the banks' head office. Customers can also email [consumerguide@kba.co.ke](mailto:consumerguide@kba.co.ke) and a Kenya Bankers Association member of staff will facilitate a response from the bank.

### • Can I calculate the APR for myself?

Yes. Every bank customer can access the Total Cost of Credit template and APR calculator on the KBA website at [www.kba.co.ke](http://www.kba.co.ke). You will, however, still need to ascertain the accuracy of the costs from the bank so as to ensure that the self-computed APR is accurate. However, the APR calculator will provide a good indication of what to expect.

### • Is this different from the bank's base lending rate?

Yes it is different. A bank's base lending rate is a benchmark that a bank computes to determine its standard interest rate. Once it has this 'base', the bank will add a premium based on the risk margin of the customer and other factors. While there is one 'base' lending rate for a bank at a given time, the APR is customer-specific, transaction-specific and product-specific.

It is important to note that banks will be transitioning away from quoting the base lending rate in line with the current initiative by the Central Bank of Kenya and Kenya Bankers Association to introduce the uniform reference rate across the industry.

Ultimately, what you should know is the Total Cost of Credit and the APR, and that the reference rate would already be factored in the APR calculation.

### • Is APR the only basis of comparing cost of credit from different banks?

The APR is only one of the factors that a prospective loan applicant can use to make a decision. Other factors are the additional value that the bank is providing including supplementary services and flexible repayment terms.

### • Which other initiatives are banks working on to address high interest rates?

The banking industry is spearheading a number of interventions to enhance credit access in collaboration with Central Bank. These initiatives, which are at different stages of implementation, include: the Credit Information Sharing initiative which will enable banks to price their loan products based on individual customers' risk profile; and development of a Reference Rate upon which banks will replace the Base Rate and serve as a standardized reference rate for all banks.

In case you have any queries or concerns regarding the new loan pricing method, please get in touch with us on [talk2us@abcthebank.com](mailto:talk2us@abcthebank.com) or call our Hotline **0701 700 700**.



ABC Bank Head of SME Banking Lee Gachomba presents Paul Njihia with a Ksh. 10,000 voucher. Njihia was among those recognized for participating in the ABC Bank World Cup Facebook campaign

The Bank used the opportunity to connect with its football loving social media community.