



European Benchmarking Co-operation

Benchmarking & the information pyramid

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INTERNATIONAL SEARCH FOR BEST PRACTICES IN MANAGEMENT AND OPERATIONS



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- civil engineer
- 25 year in the water industry (utilities)
- manager international benchmarking at Vewin, Association of Dutch Water Companies
- programme manager European Benchmarking Co-operation (EBC)
- management team member of IWA's Specialist Group on Benchmarking & Performance Assessment



Agenda

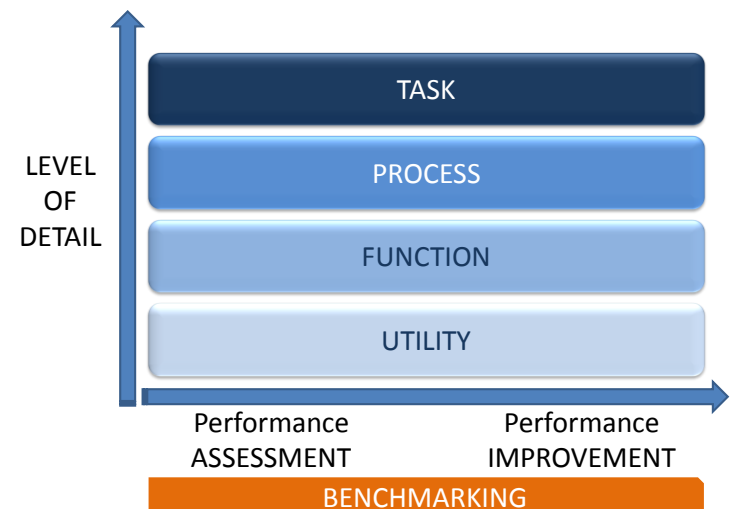
- What is benchmarking?
- Benchmarking around the globe & in Europe
- EBC's benchmarking programme
- The Information Pyramid



What is benchmarking?

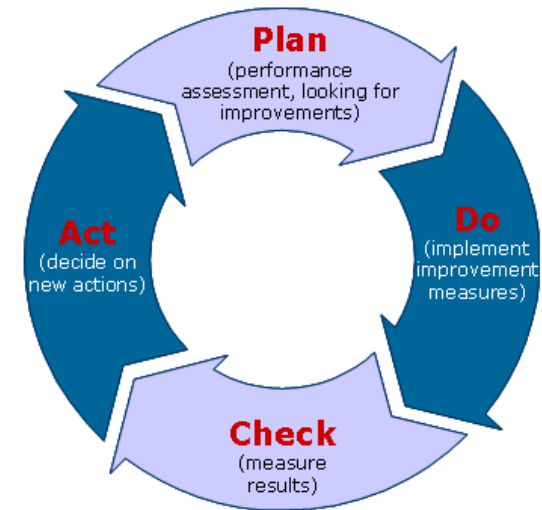
IWA's Task Group on Benchmarking:

- “benchmarking is a tool for performance improvement through systematic search and adaptation of leading practices”
- 2 consecutive steps:
 - performance assessment
 - performance improvement

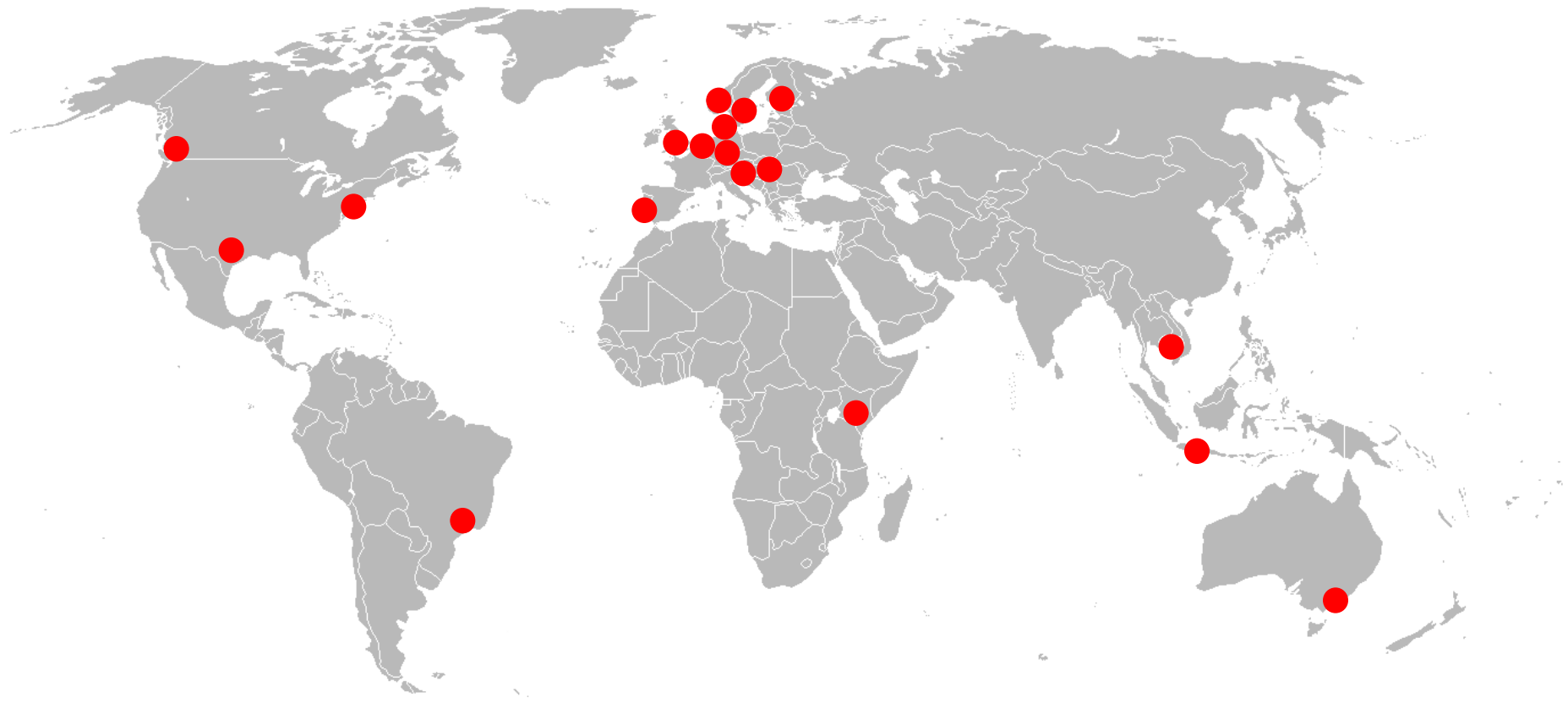


What is benchmarking? (2)

- not a single action!
 - management tool for **continuous improvement**
 - preferably embedded in yearly business planning cycle



Major initiatives



- 2006 Eureau-survey identified some 20 regional/national initiatives
- single action projects and regular programmes
(A, D, DK (1997), FIN, ~~H~~, N, NL (1997), P, S, ~~UK~~)
- organisers:
 - associations
 - consultants
 - regulators
- very different, few interconnections



- water industry can benefit from:
 - extending number of initiatives
 - standardisation
 - connecting initiatives (internationally)
- EBC (2007), RO (2012)

European Benchmarking Co-operation (EBC)

- initiative of national water associations and several utilities from DK, FIN, NL, N, S (2005)
- mission: to facilitate water utilities in the continuous process of improving performance and transparency
 - by offering a web based, international benchmarking programme for water services and
 - providing a platform to learn from best practices in management and operations from peer utilities

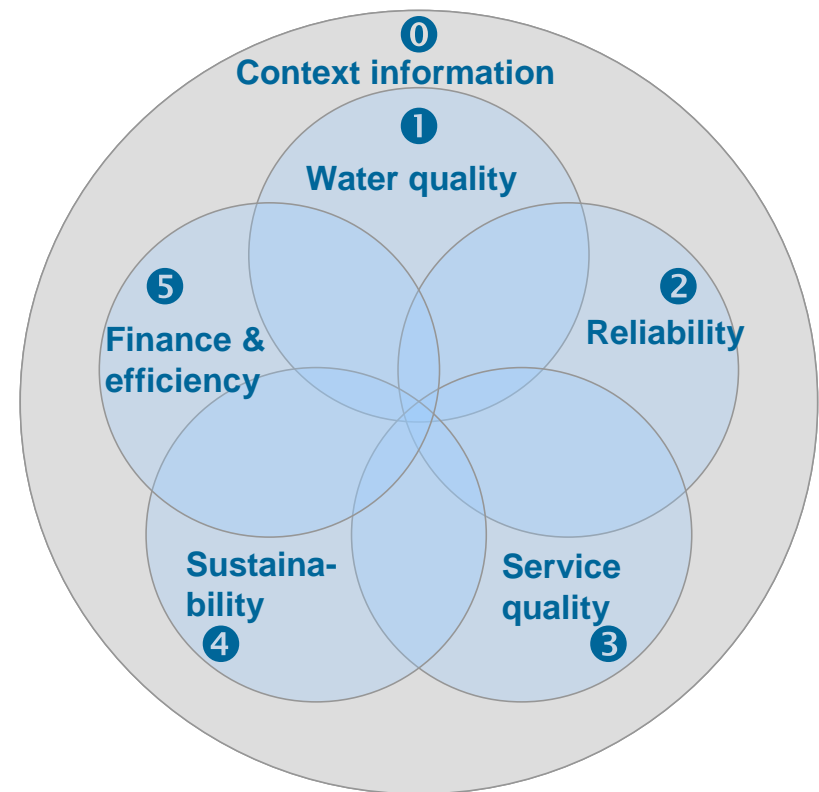


Characteristics

- not-for-profit utility improvement programme - by the water industry, for the water industry
- covers water & wastewater
- extensive data validation and reporting
- governed by Dutch & Scandinavian water associations
- focus on European water utilities, but open to all interested utilities
- partners with national associations/regional partners
- fully supported by  International Water Association

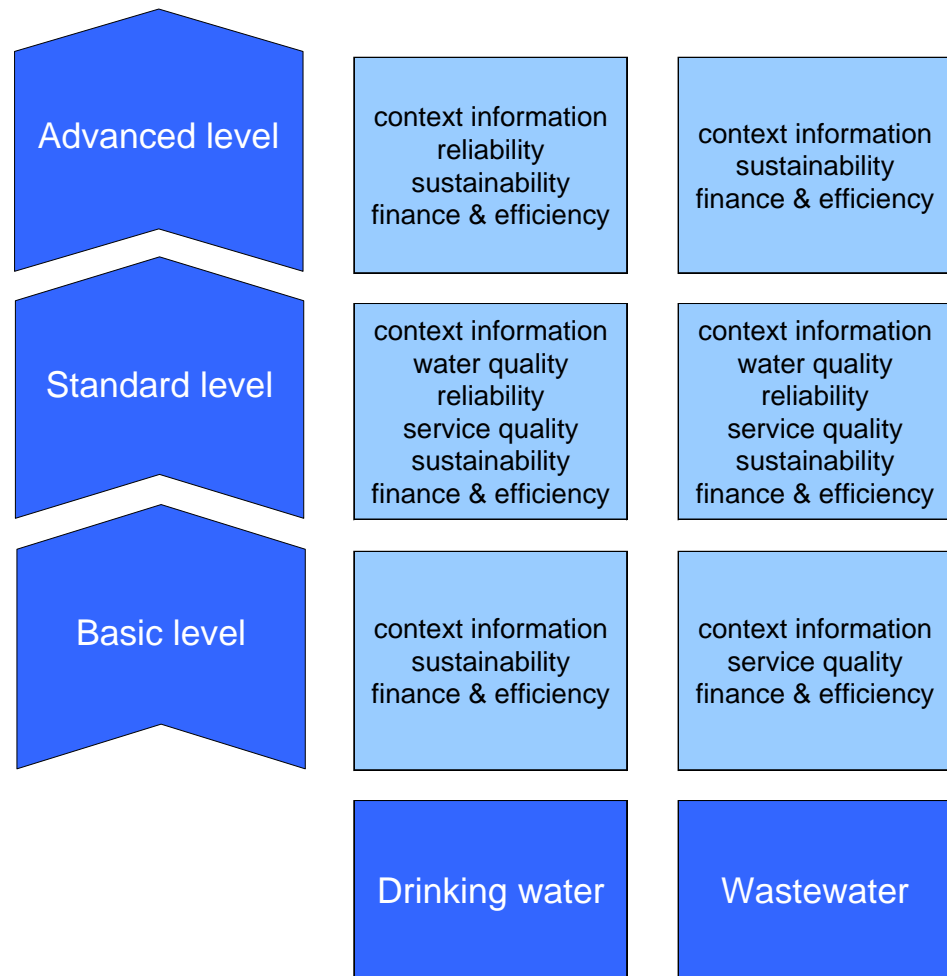
Performance assessment – areas to analyse

- context information
- key performance areas
 - water quality
 - reliability
 - service quality
 - sustainability
 - finance & efficiency



Performance assessment – different participation levels

- 3-level model to choose at:
 - basic
 - standard
 - advanced



Performance assessment – applying IWA's PI system

Context information

provides information on the inherent characteristics of an undertaking. May account for differences between systems

Variables

data element from the system. Can be considered as a 'Building block' for creating performance indicators

Performance indicators

measure the performance of an undertaking. A PI consists of a value (resulting from a formula) in specific units

Example

CI-014

Supply area (km²)

Example

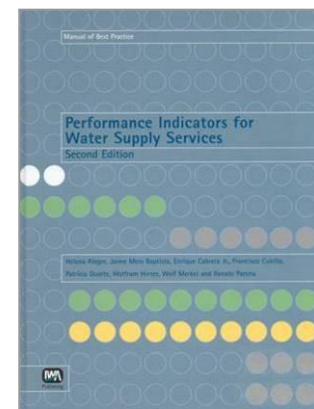
E-010

Registered customers

Example

Ph-012

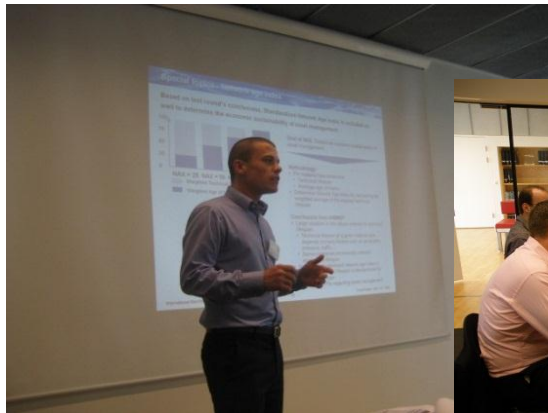
Number of customer meters / number of registered customers
(E-006+E-009)/E-010



IWA PI-
manuals

Project preparation

- defining objectives, composing team, preparing documents, methodology, tools, planning...
- recruiting participants (invitations, registration)
- orientation & training (kick-off)



Data collection, analysis & validation

- good data quality: essential for confidence in results!
- how to arrange this?
 - clear definitions
 - confidence grading
 - extensive data analysis & validation
 - results workshop

Drinking water Production - 94 out of 95			
Drinking water Distribution - 163 out of 164			
ID	Question	Answer	Grade
62	CI-008 Type of system		☆☆☆☆
66	CI-014 Supply area (km2)	2.500,89	☆☆☆☆
350	CI-EBC-001 Responsible for service connection	yes	☆☆☆☆
63	CI-002 Type of activity	Water supply and other (electricity, gas, etc.)	☆☆☆☆
64	CI-003 Type of assets ownership	Public	☆☆☆☆
65	CI-004 Type of operations	Mixed	☆☆☆☆
75	A-007 Exported drinking water (m3)		☆☆☆☆
76	zA-007 Imported drinking water (m3)		☆☆☆☆

European Benchmarking Co-operation

International Water Benchmark
Methodology Part II:
Reference guide

Version 3.1
April 20, 2011

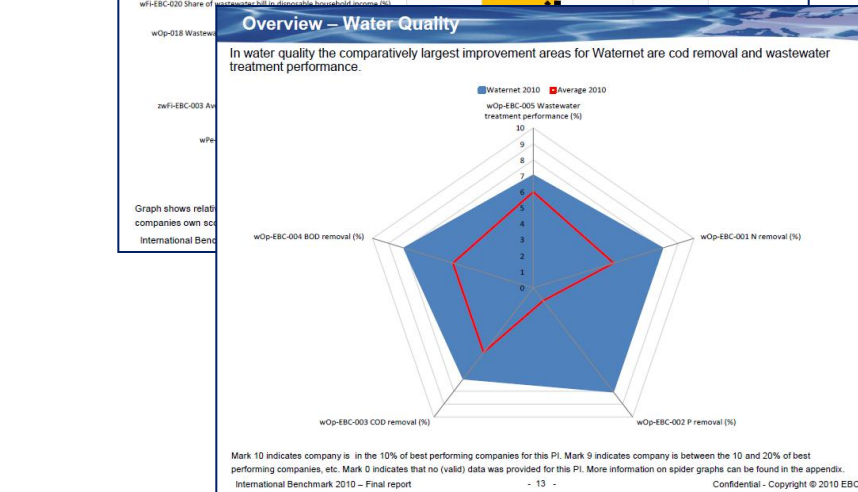
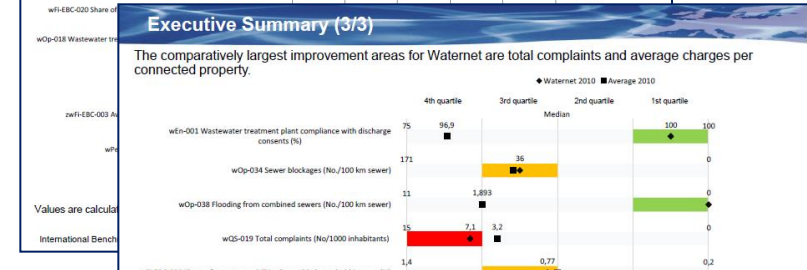
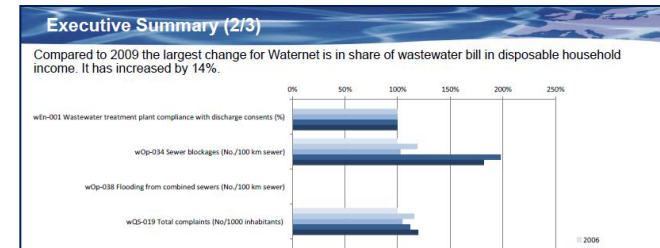
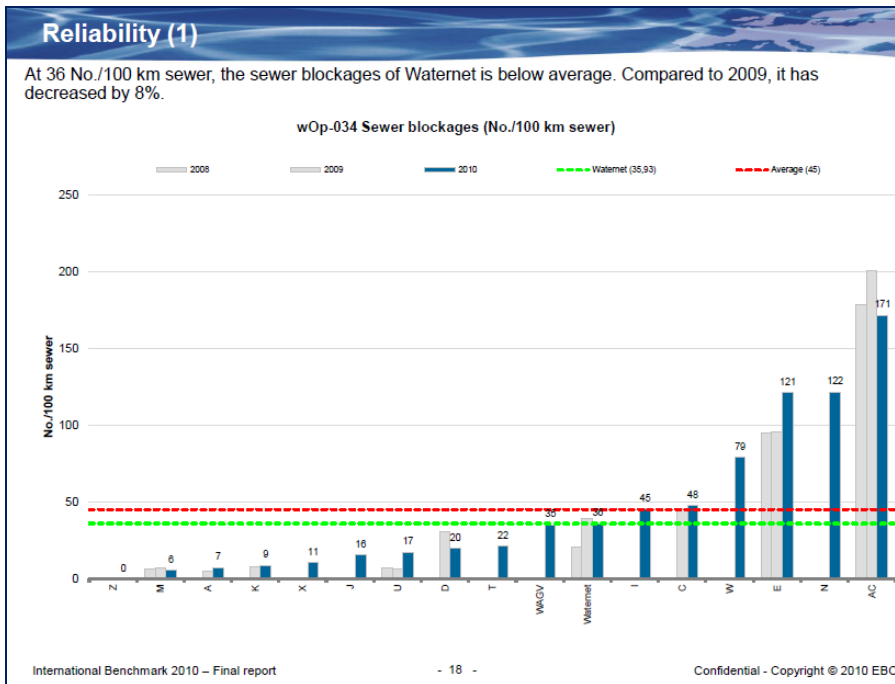
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EBC FIWA Norsk Vann Veolia

EBC's benchmarking programme (6)

Draft reporting

- to check data/results
- to identify performance gaps



Benchmarking workshop

- essential part of the benchmarking exercise
- from assessment stage to improvement stage
- discussing (draft) results (data check, understanding PI's)
- special topics (exchanging knowledge)
- exchanging best practices (presentations by peer utilities)
- networking



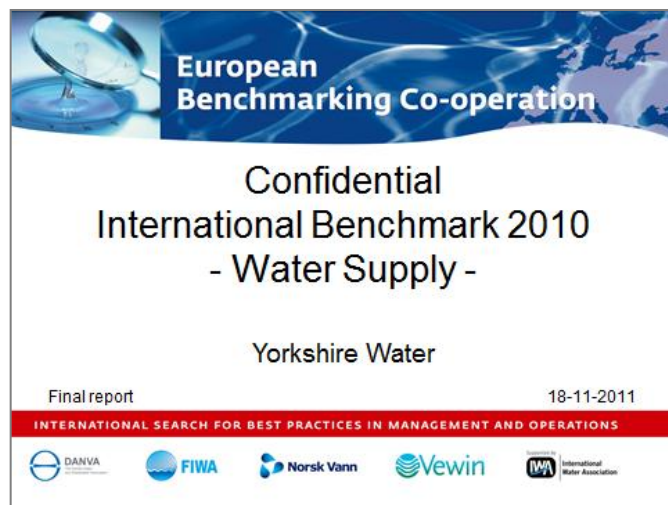
November 2012: IB2011-workshop in Hamburg, Germany

- 85 delegates
- site visit to Hamburg Wasser WWTP



Final reporting

- confidential, individual utility information



Public reporting

- to show (anonymous) key results of benchmarking exercise
- for stakeholder communication & encouraging utilities to participate

Figure 6: Total cost by sales coverage ratio ()

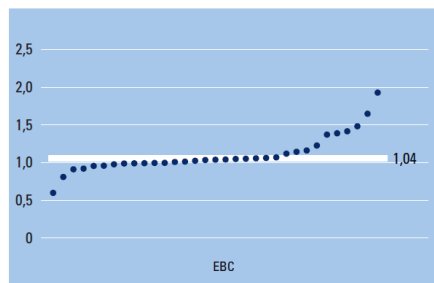
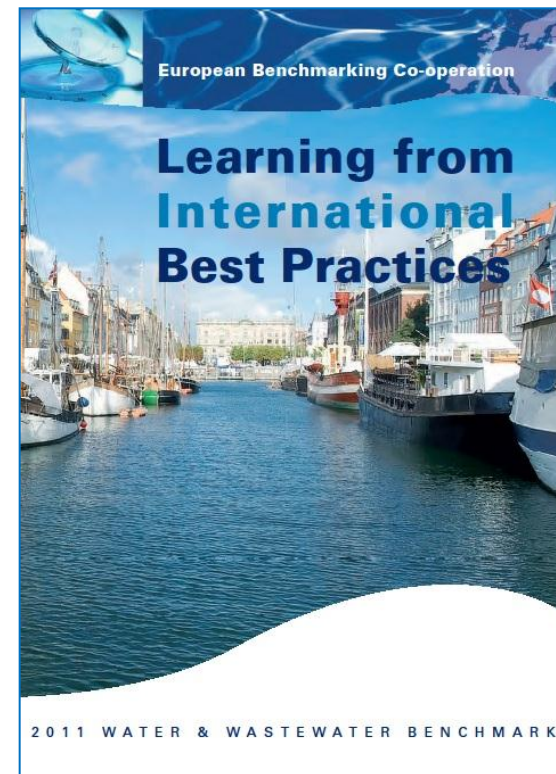
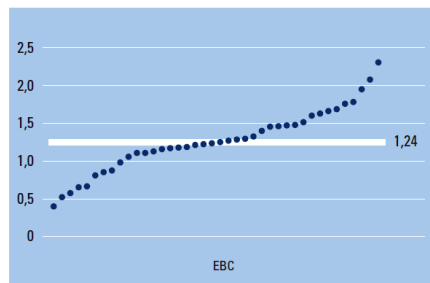


Figure 7: Average water charges for direct consumption (€/m³)

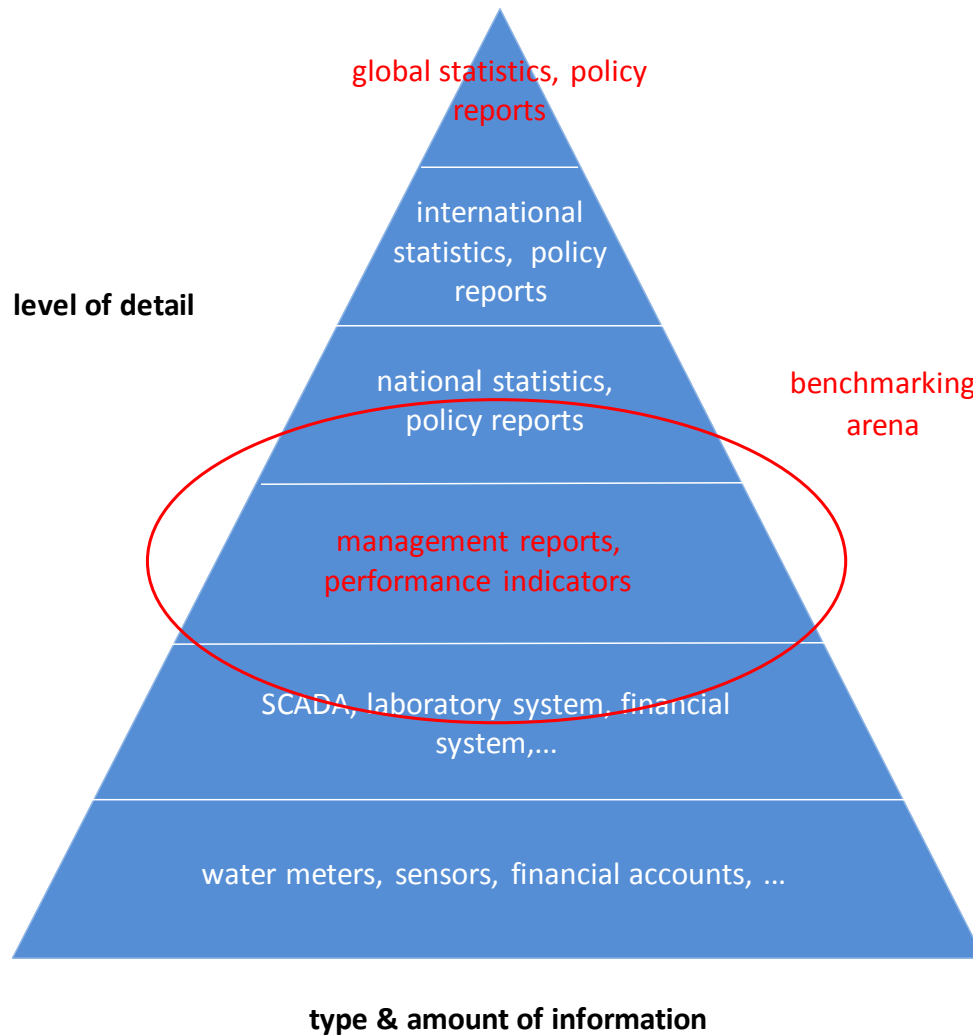


EBC's benchmarking programme (11)



- 94 different utilities participated since 2007
- 2012: 50 utilities from 19 countries + 13 from Romania

The Information Pyramid



stakeholders & information needs

global institutions (Worldbank, UN, IWA) - global monitoring & policy making

international institutions (EU, EUROSTAT, EUREAU) - international monitoring & policy making

national authorities, statistical agencies - national monitoring & policy making

regulators - compliance with national regulations

utility management, supervisory boards, shareholders - utility governance & -efficiency

process managers - process management information & -efficiency

utility staff - technical & administrative process controll