European Benchmarking Co-operation

EBC: improving water services by learning from peer utilities

Brussels
9 September 2014
Personal introduction

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European Benchmarking Co-operation (EBC):

- not-for-profit benchmarking initiative for water- & wastewater utilities, initiated by Dutch & Nordic water utility associations
- mission: to facilitate (European) water utilities in their continuous efforts to improve performance and transparency
- annual exercises for water- & wastewater services > 2007
- as of July 2014: EBC Foundation - governed by a Board (DANVA, DWP, EurEau, Norsk Vann, Vewin) and an Advisory Board (stakeholders)
- selected as EIP Water Action Group
IWA’s Specialist Group on Benchmarking

- “benchmarking is a tool for performance improvement through systematic search and adaptation of leading practices”

- benchmarking = 2 consecutive steps:
  - performance assessment
  - performance improvement
• not a single action!
  ➢ management tool for continuous improvement
  ➢ preferably embedded in yearly business planning cycle
The Benchmarking Rationale – why should you?

Benefits of benchmarking for utilities:

😊 provides new view on your utility’s performance

😊 access to peer utility network to learn from best practices & innovations - encourages improvement actions

😊 shows stakeholders your drive for improvement

Benefits for governments/EU:

😊 stimulates compliance with national standards

😊 raises transparency, reduces need for tight, costly regulation

😊 accelerates reaching EU-objectives (resource efficiency)
Clear evidence from programmes in D, DK, NL

• f.e. Dutch case of benchmarking water supply for 16 years:
  ➢ 29% cost reduction (corrected for inflation)
  ➢ still improving the service level
  ➢ maintaining investment levels
Prerequisites to successful benchmarking

- alignment with strategic utility objectives
- commitment of senior management
- stable situation
- good data quality
- sufficient resources
- willingness to share knowledge and experiences/best practices
EBC’s benchmarking programme - process

Benchmarking process: seven consecutive steps

- Project preparation
- Data collection
- Data analysis & validation
- Reporting
- Benchmarking workshop
- Public reporting
- Evaluation & closure
Broad view on performance

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

Individual company reports

- to check data & identify performance gaps
- “dashboard” presentation of results and detailed comparisons
Annual benchmarking workshop

- essential part of the benchmarking exercise
- moving from assessment- to improvement stage
- discussing (draft) results (data check, understanding PI’s)
- exchanging best practices (presentations by peer utilities)
- networking
Key deliverables (3)

Public report

- shows (anonymous) key results, good practice snapshots & participants experiences
- for stakeholder communication, raising transparency & encouraging utilities to join
Why not disclosing all data in the public domain?

- utilities require confidentiality of data (EFQM Code of Conduct)
- offering a safe learning environment leads to best results (classroom)
- not all data relevant for all stakeholders (information pyramid)
- too detailed information: loss of overview, risk of misinterpretation
- challenge: providing the relevant information to different stakeholders
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 control

level of detail

- global statistics, policy reports
- international statistics, policy reports
- national statistics, policy reports
- management reports, performance indicators
- SCADA, laboratory system, financial system, ...
- water meters, sensors, financial accounts, ...

type & amount of information
EBC’s utility network

over 120 different utilities from Europe and beyond

(EU: 15% of population)
EBC’s utility network (2)

• EU: in total about 70,000 utilities
• at present only “frontrunners” participate in EBC programme
• the larger the network, the more to learn from
• challenges to further increase participation:
  ➢ language barriers
  ➢ large performance differences
  ➢ cost barriers
  ➢ how to reach smaller utilities?
• strategy: changing from one single programme to network/hub structure to meet demand for regional benchmarking
• local ownership through national water utility associations
• EBC facilitates methodology, training, joint IT-platform
2014: start of first hubs in Central/Eastern Europe under Danube Water Program

• 4 regional benchmarking programmes:
  ➢ Bosnia-Hercegovina, Croatia, Macedonia, Montenegro, Serbia, Slovenia
  ➢ Albania, Kosovo
  ➢ Bulgaria
  ➢ Ukraine

• standardised methodology & room for local customisation
• opportunities to exchange results / good practices between different benchmarking networks
• includes data exchange with stakeholders like World Bank (IBNET), authorities & national associations (DANUBIS)
Conclusions after 7 years of EBC

• benchmarking is not an easy job – but efforts clearly pay off
• benchmarking by the industry itself best motivates utility management to improve the service
• clear demand for coordinating/facilitating role by the national water utility associations
• EBC’s new hub concept:
  ➢ enables local ownership and learning from best practices in a wider network
  ➢ keeps the network manageable & sustainable
EBC Foundation:

- quality based, proven track record in water utility benchmarking
- large, European wide network of utilities and stakeholders
- EIP Water AG - available as a partner for the European Commission and other stakeholders for a dialogue on transparency & benchmarking water quality and quality of water services
Thank you for your attention!

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