

Working Group II

Benchmarking of Utilities for Performance Improvement

Capacity Building Workshop on Partnerships for Improving the
Performance of Water Utilities in Africa Region

6-8 December 2006, Nairobi, Kenya

Highlights by the Lead Speaker

- Principles of benchmarking -
- Existing benchmarking initiatives
- What approaches are suitable in Africa

What is Benchmarking ?

“Benchmarking is the search for industry best practices that lead to superior performance.”

- Robert C. Camp

It is understood as the process for identification, understanding and adaptation of remarkable practices and processes of other organizations to help the improvement of its own performance

BENCHMARKING has been used as a tool by the water sector industry over the last twenty years

Key Concepts

- Better service quality
- Higher resources productivity
- Higher satisfaction by Consumers
- Higher general return for the company
 - Environment improvement
- Basically higher operational efficiency

Objectives and Incentives of Benchmarking

- **Benchmarking of utilities should be based on in-house interest motivated by the need to improve performance and satisfy customers.**
- **Data collection and analysis should translate into enhanced performance by utilities contributing the data.**
- **Benchmarking is a managerial tool**
- **A process of learning from others - exchange of knowledge experiences exchange of knowledge experiences exchange of knowledge experiences**
- **Should be linked to a particular project - motivated by ISO certification.**
- **How is the data going to be used – blind data is another option.**
- **What value does benchmarking add to utility performance.**
- **Standardization and validation of data**

Key Issues in Benchmarking

Priority 1: Identify and set customer service levels and quality

- **Response time to customer complaints**
- **Time taken to connect new customers, etc.**
- **Time frame of service – dealing with problems.**
- **Citizens' report card – consumer perception on services – score sheet**
- **Citizens Action – Lobby and advocacy with the utility managers – Bridging the gap – Urban areas**
- **Gauge customer satisfaction then work backwards to benchmark- indicators related to customer satisfaction – dynamic from 15 to 24 hours of service.**
- **Servicing the poor – how many of the new customers are from the poor neighbourhoods.**
- **Gender in utility performance.**

1. **Priority 1: Benchmarking of individual managers**
or employees- **managers** – to submit strategic plan,
targets – Board approves, the manager will then be
benchmrked – reflect in the org’s benchmarking –
collection efficiency, actions to be taken to improve
bill collection – Individual managers are responsible –
efficient use of resources, capability to achieve
performance targets