

## **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 benchmarked – 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