

Development of Performance Improvement Plans

Results Dissemination Workshop on
Benchmarking and Water Utilities Data Book for India
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Presentation Outline

- Use of indicators for performance improvement
- Process mapping and best practices

Performance Improvement Planning

- Performance improvement leading to efficient operations should be the goal of every utility.
- It enhances the chance of utilities getting better financing terms.
- It enhances the utilities' ability to collect payments from satisfied customers.
- Performance improvement should be part of utilities' annual business plans.
- Preparation of performance improvement plans starts from assessment of performance indicators.

Process Benchmarking

- It starts with the information gathered and analyzed from the benchmarking activities in Component 1

From metric benchmarking to process benchmarking

- Process Benchmarking is changing the way things are done ... by comparing to best in class

Process Benchmarking

- Identifying what to benchmark

To identify and prioritize key focus area,
assess the focus area as to

- Financial impact
- Importance to stakeholder
- Ability to change

How important is each parameter to the
utility?

Process Mapping

- Key to Process Benchmarking

Process Mapping – identifies key inputs,
outputs and steps in the overall
process.

- It is essential to refining the topic
area to manageable size
- It is a fundamental tool for all
benchmarking activities

Process Mapping Example

Operating ratio = operating expenses/operating revenues

- should be less than 1.0
- the lower the better

To achieve this:

- reduce operating expense
- increase revenues

Process Mapping Example

What factors, processes, activities affect operating expense?

- energy & power use
- staff productivity
- repairs and maintenance costs
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How do they affect operating expense?

Process Mapping Example

What factors, processes, activities affect operating revenues?

- collection
- tariffs
- revenue base
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How do they affect operating revenues?

Best Practices: Collection Efficiency

- Disconnection policies
- Information campaign
- Collection reminder
- Incentives and penalty systems
- Providing more customer-friendly environment for receiving payment

Best Practices: NRW Reduction

- Metering practices
- Leakage detection and control
- Flushing out illegal connections
- Minimizing human error effect on NRW
- Proper supervision during construction
- Replacement of old pipelines

Best Practices: Metering Practices

- Full metering of production and consumption
- Regular calibration of meters; detection of large discrepancy (from usual average) in readings
- Replacement of meters (i.e. every 5 years)
- Color coding
- Meter protection (from tampering)
- Meter location

Preparing the Performance Improvement Plans

Once the interventions/activities has been decided upon by management and staff the following need to be prepared:

- Implementation strategy
- Responsible unit/staff
- Costs (manpower, equipment, etc.)
- Implementation schedule

Communication of the plan and changes to the organization

Monitoring of plan implementation

Thank you !