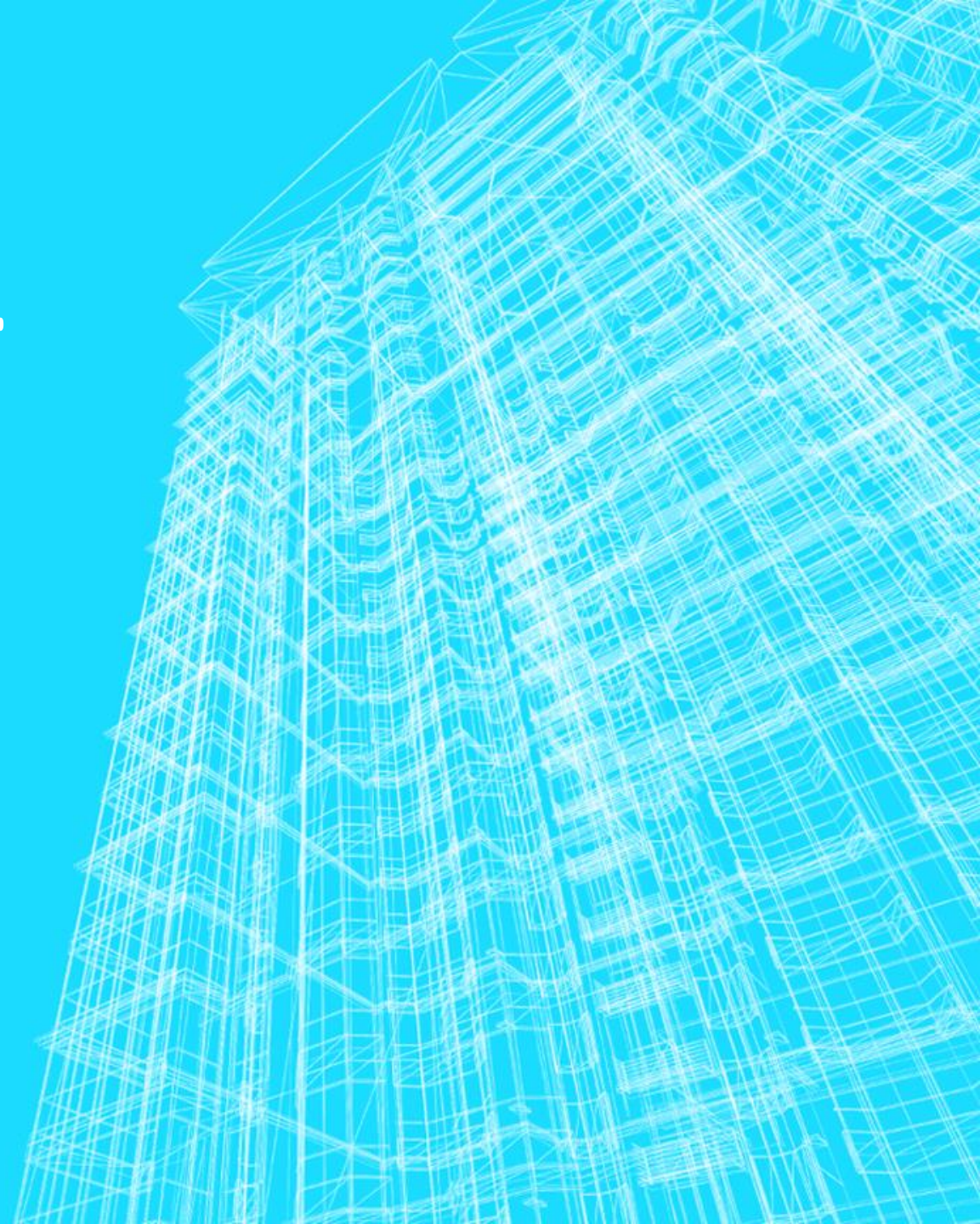


SERVICE LEVEL BENCHMARKS (SLB)

Workshop on service level benchmarks
IIT Madras 18 November 2013



WHAT IS BENCHMARKING?

- Simple question, difficult answers
- If you have been following benchmarking in the past 10 years, you either
 - Think different from the person sitting next to you
 - Do not have a very clear idea of what benchmarking is



bench

+



marker

?

?

WHAT IS BENCHMARKING?

Benchmarking is a tool for **performance improvement** through systematic **search and adaptation of leading practices**



bench

+



marker

?

?

LEVEL
OF
DETAIL

TASK

PROCESS

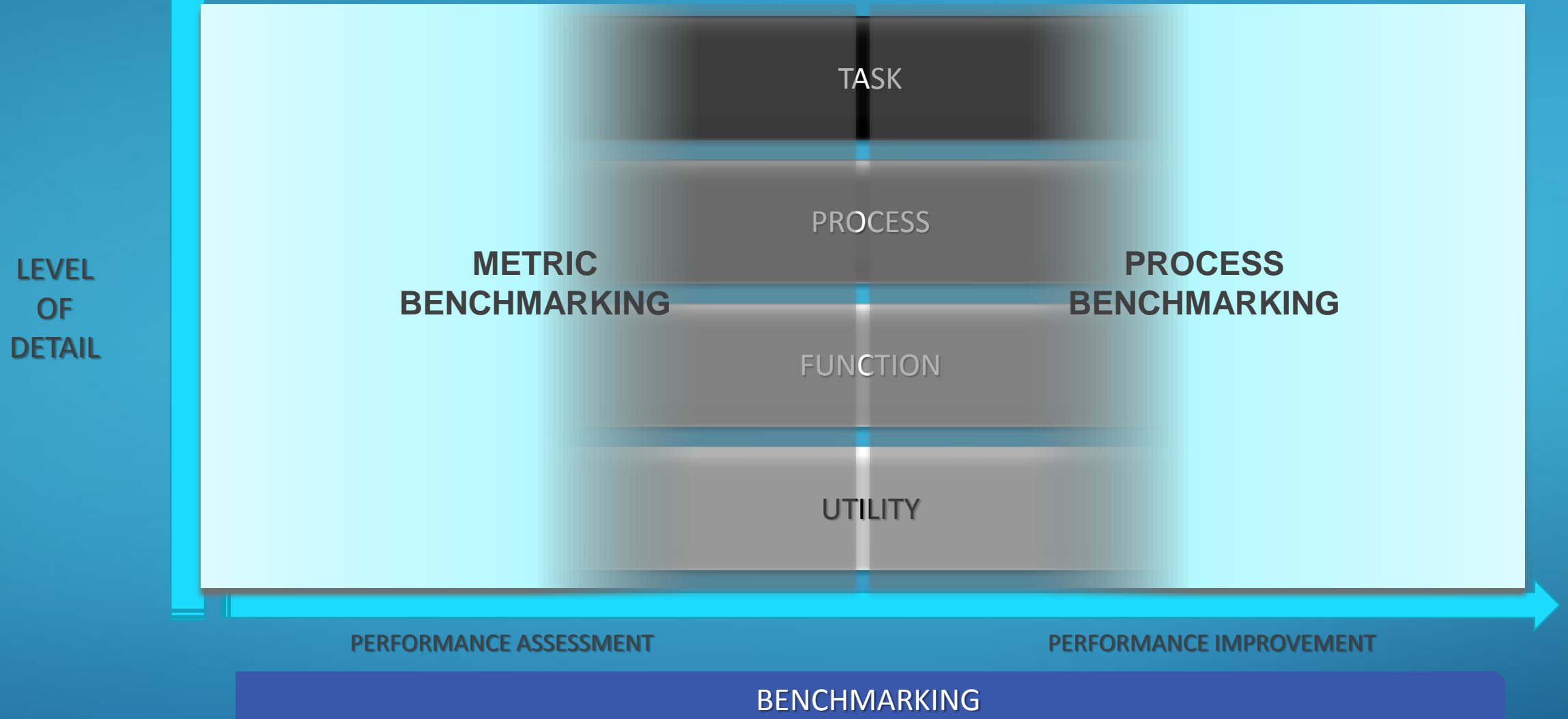
FUNCTION

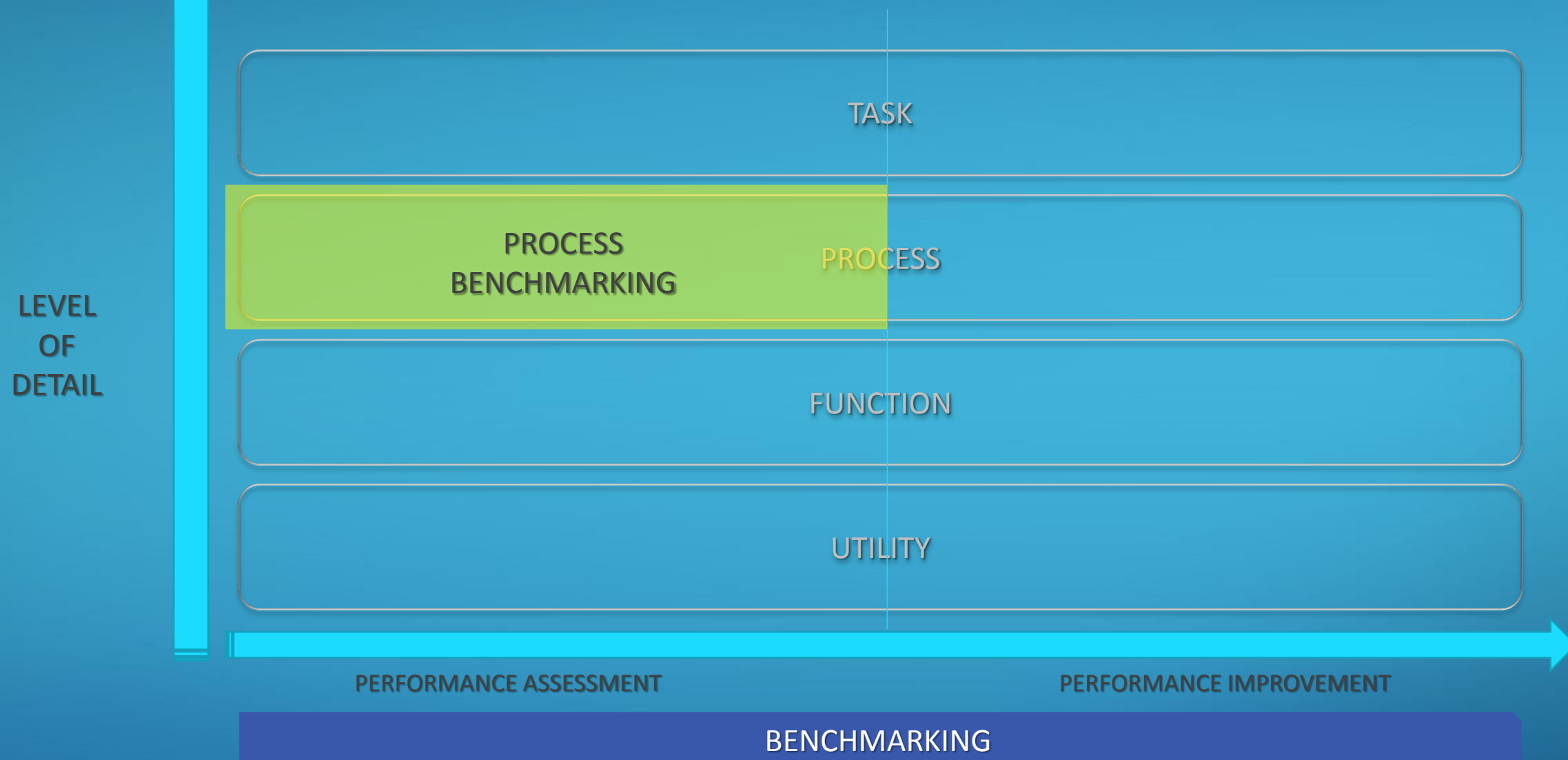
UTILITY

PERFORMANCE ASSESSMENT

PERFORMANCE IMPROVEMENT

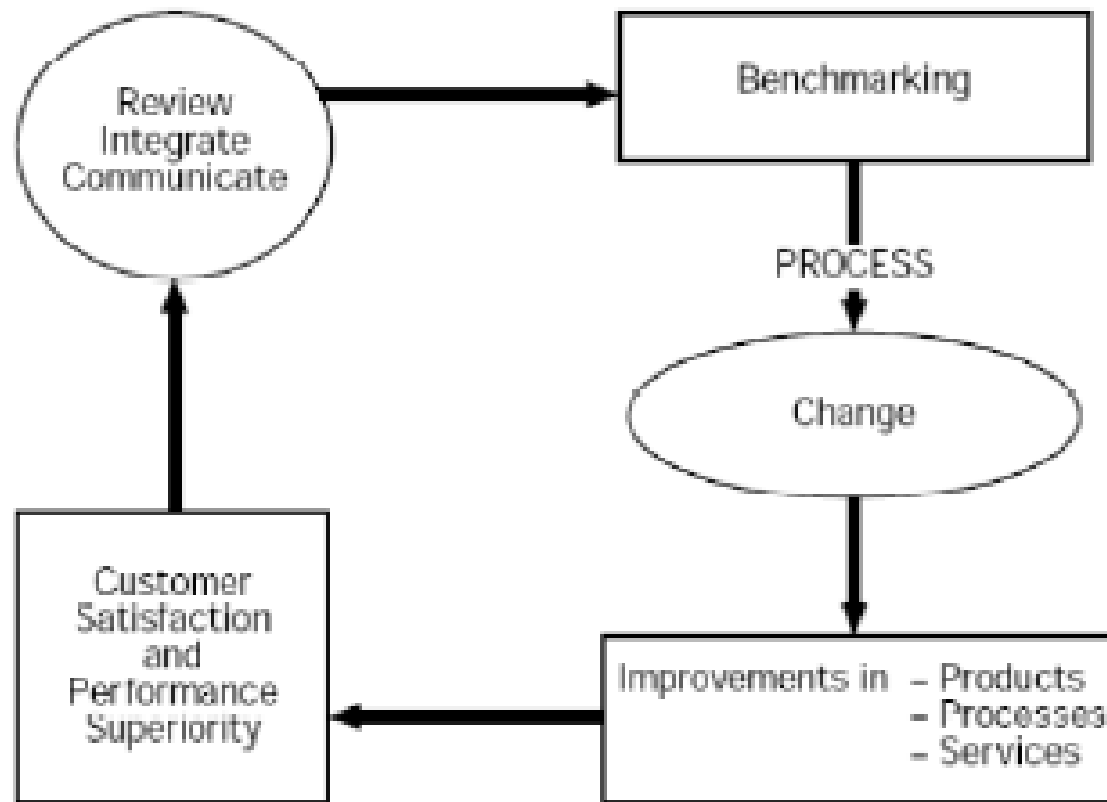
BENCHMARKING





Introduction

Fundamental objective of benchmarking



Source: Booth, 1995

Introduction

How it started: Xerox

- for nearly 20 years Xerox enjoyed a near-monopoly in the copier industry (patent protection/high growth)
- by 1975: 75% of world market share, revenues US\$ 4 billion, but also first time earnings decline since 1951
- by 1980: market share dropped by 50%
- by 1979: start of competitive benchmarking and in 1981 throughout the company: 'every department should be benchmarking itself against its counterpart department at the best companies'
- by 1990: regained market share and competes successfully with over 100 copier makers worldwide



Introduction

Xerox: benchmarking companies and processes

Company	Process
American Express	Collections
American Hospital Supply	Inventory control
AT&T	Research and development
Baxter International	Employee recognition; human resources management
Cummins Engine	Plant lay-out and design; supplier certification
Dow Chemical	Supplier certification
Florida Power and Light	The quality process
Hewlett-Packard	Research and development; engineering
L.L. Bean	Inventory control; distribution; telephonics
Marriott	Customer survey techniques
Milliken	Employee recognition
USAA	Telephonics



Introduction

Xerox benchmarking results:

- Reduced machine defects by 90%
- Increased marketing productivity by one-third
- Raised level of incoming parts acceptance to 99.5%
- Reduced service labour costs by 30%

International experiences in mainstreaming UWSS performance assessment

TYPES OF GLOBAL EFFORTS - 1

Five main types of performance benchmarking /assessment efforts

1. Led by **Utility Associations** — Africa, South-East Asia, Netherlands, South Arica, Canada, etc
2. Led by **Governments for performance monitoring** — Brazil, Australia, Tanzania, South Africa
3. Led by **Governments for 'performance-based funding'** — Ecuador, Uganda, Tanzania
4. Led by **Regulators** — UK, Zambia, Philippines, Kenya
5. As a part of **Performance-based contracts** — Senegal, Uganda, Burkina Faso, Malaysia

TYPES OF GLOBAL EFFORTS - 2

	Utility Associations	Government	Regulation
Coverage	<ul style="list-style-type: none"> •Regional •National 	<ul style="list-style-type: none"> •National •State (province) 	<ul style="list-style-type: none"> •National •Utility/Projects
Objectives	<ul style="list-style-type: none"> •Sharing information •Process benchmarking 	<ul style="list-style-type: none"> •Support decision making •Funding as incentive for improved performance 	<ul style="list-style-type: none"> •Comparative regulation •Review against agreed performance targets in contracts
Major themes	<ul style="list-style-type: none"> •Service levels, finance, consumer services, environment 	<ul style="list-style-type: none"> •Service levels, finance, consumer services, environment, health, asset management 	<ul style="list-style-type: none"> •Service levels, finance, consumer services
Examples	<ul style="list-style-type: none"> •Australia, Netherlands, Africa, South East Asia, South Africa, Vietnam, Indonesia 	<ul style="list-style-type: none"> •<u>Monitoring</u>: Brazil, Tanzania, Australia, South Africa •<u>Perf based funding</u>: Ecuador, Uganda, Tanzania 	<ul style="list-style-type: none"> •<u>Regulators</u>: UK, Zambia, Kenya, Philippines •<u>Performance-based contracts</u>: Senegal, Uganda, Burkina Faso, Malaysia, Bangkok

NATIONAL WATER INITIATIVE IN AUSTRALIA

2004

- Signing of **National Water Initiative (NWI)**, centre and state govts
- **National Water Commission (NWC)** set up to advice on performance standards and establish benchmarks

2005

- **Water Smart Australia (\$1.6 billion)**: for smart technologies in water use
- **National Water Standards (\$250million)**: to improve capacity to measure, monitor and manage water resources

2007

- States to benchmark performance of water delivery agencies through annual reporting
- preparation of **1st National Performance Report (NPR)** for urban utilities

2012

- **NWC Amendment Bill 2012 to continue NWC's role past the sunset** date of June 2012
- refocusing operations on core functions of **monitoring, audit and assessment**

AUSTRALIAN WATER RESOURCES INFORMATION SYSTEM (AWRIS)

Purpose: Consistent and easily accessible information through agreed and common standards and formats

Data collection agencies
(state/ city governments)

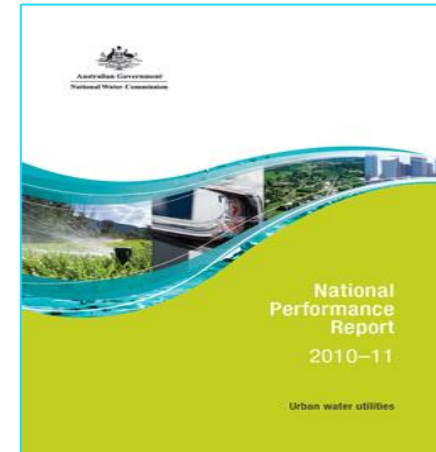
Mandated by Water Regulations Act 2008

AWRIS: Centralised
repository of water data

**Guidance on water investments and policy
decisions**

**Preparation of annual National Performance
Reports**

Monitoring states on performance indicators

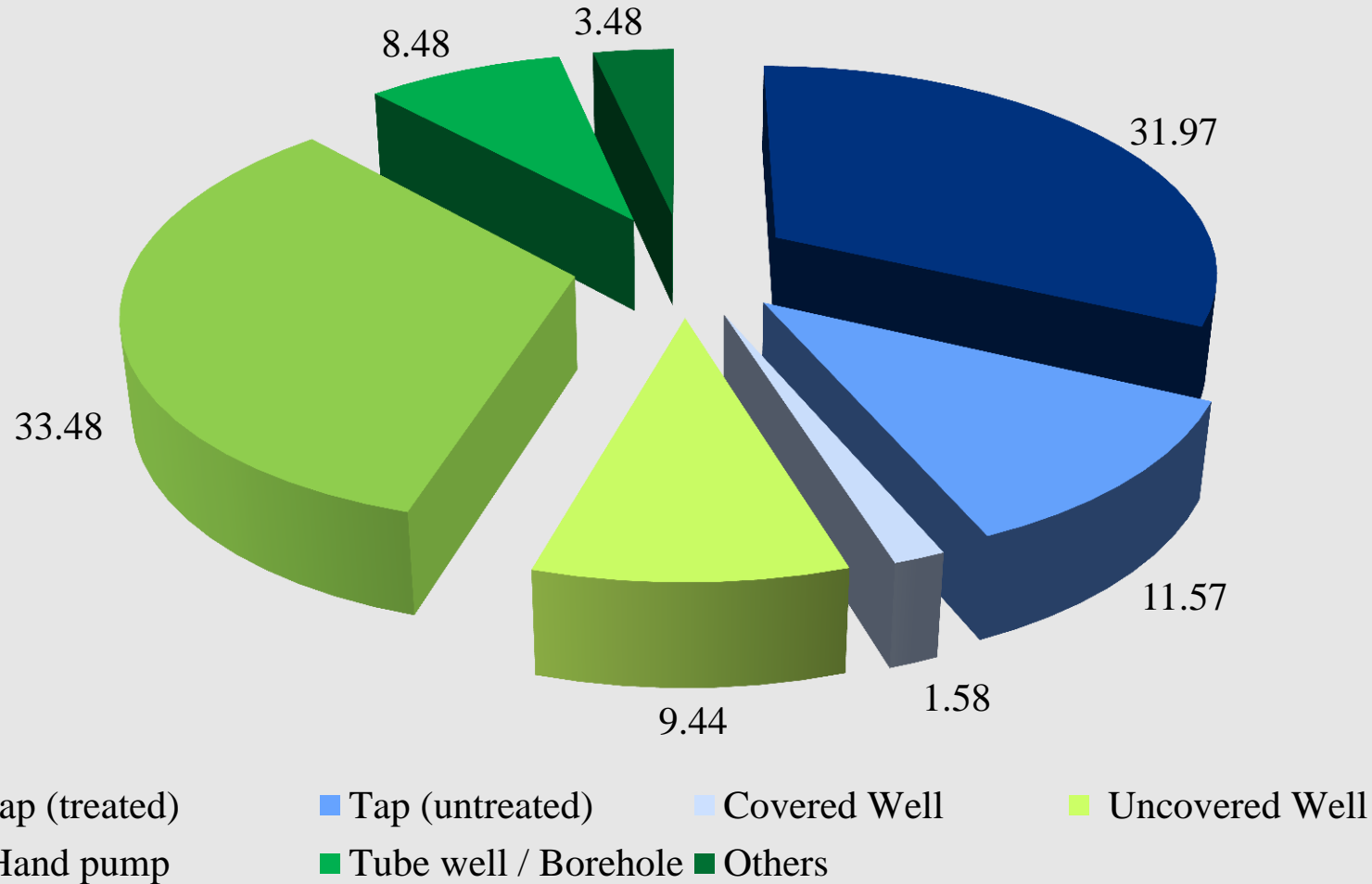


KEY LESSONS: GLOBAL EFFORTS

- ❑ Adequate time required to set up robust systems – may range from **5 to 10 years**
- ❑ Once fully set up can be used for both **outcome monitoring and making rational investment decisions**
- ❑ In the initial period **support and funding are required** to agree on and set up systems
- ❑ A **consultative process** is needed for broad agreement on approach and implementation at national and state levels
- ❑ **Government ownership and regular reviews** are essential

MAIN SOURCES OF DRINKING WATER -

Main Sources of Drinking Water- INDIA 2011





KEY FACTS FROM CENSUS 2011

18.6% URBAN HHs HAVE **NO** LATRINE FACILITY

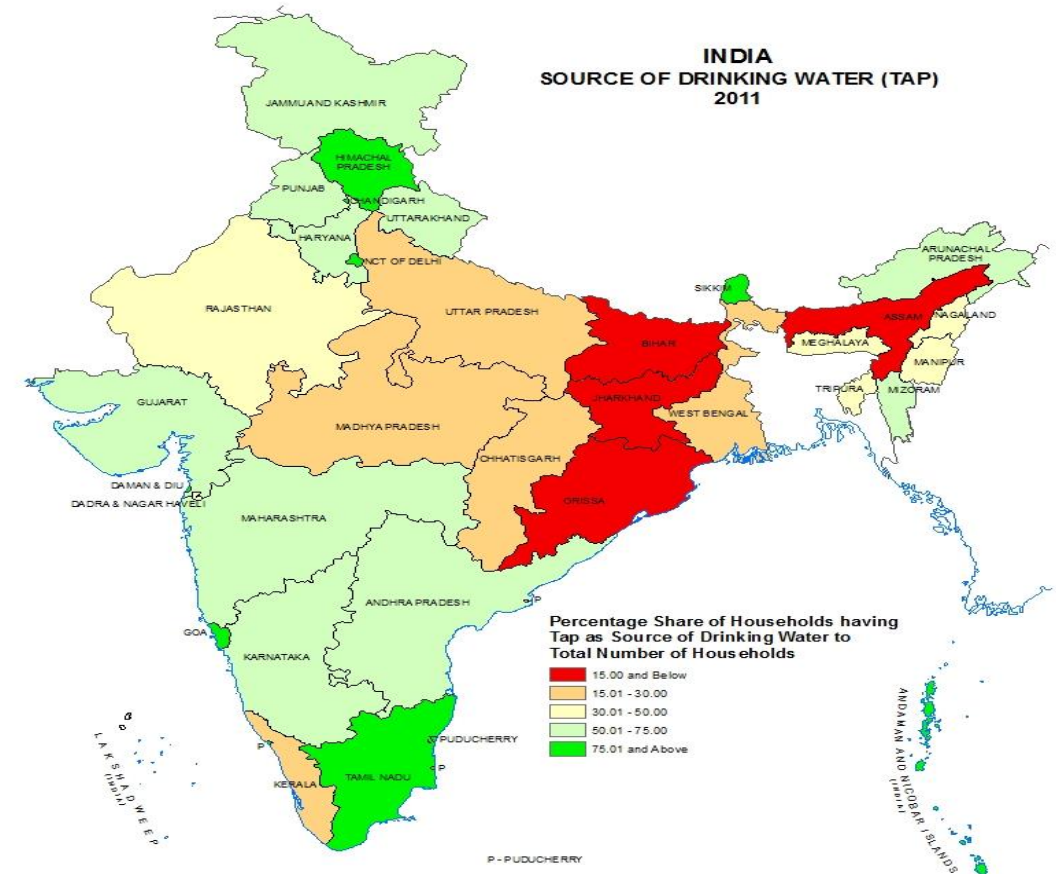
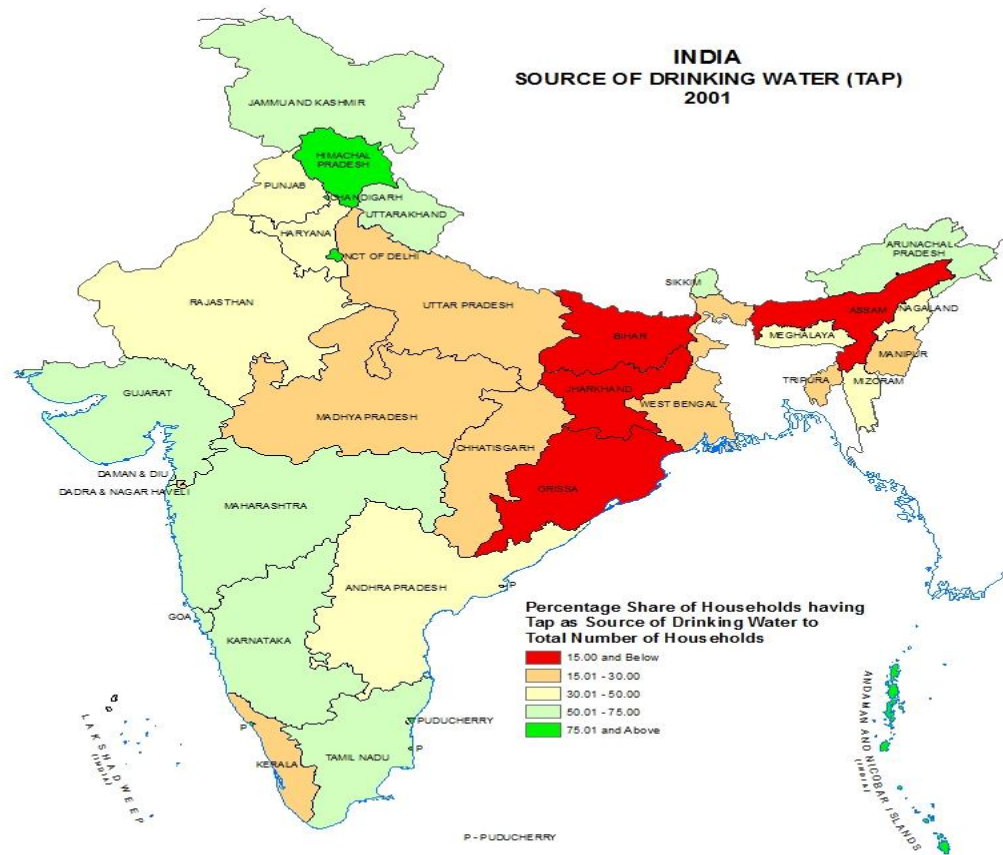
32.7% OF URBAN HHs HAVE ACCESS TO **PIPED SEWER** SYSTEM

38.2% HHs HAVE **SEPTIC TANKS**

6% OF HHs DEPEND ON **PUBLIC TOILETS**

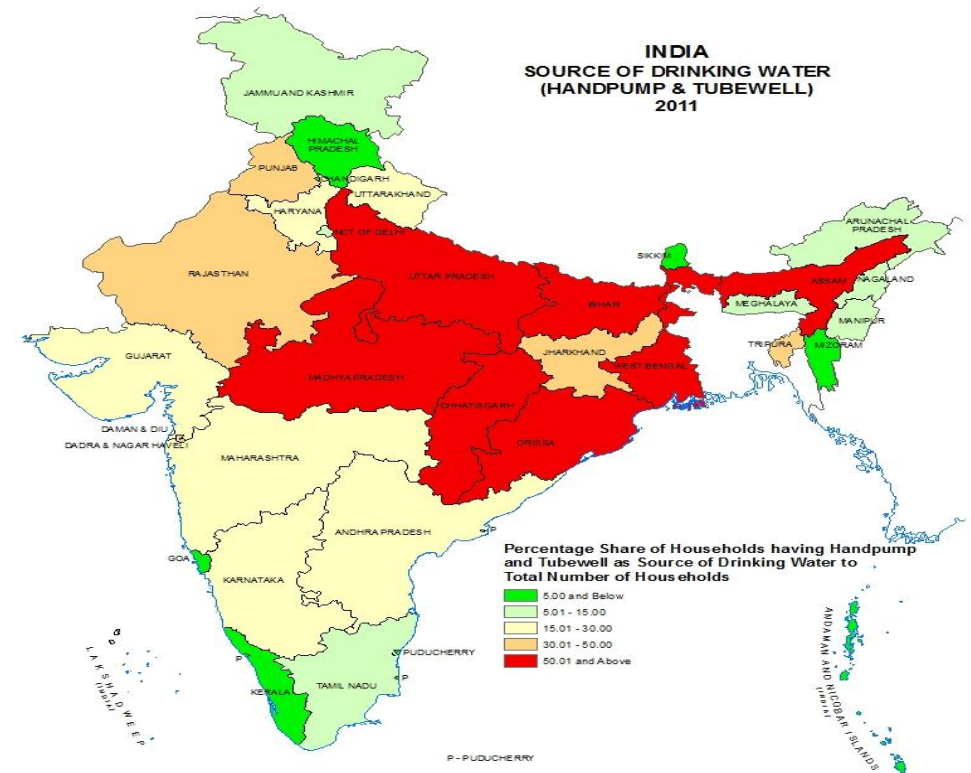
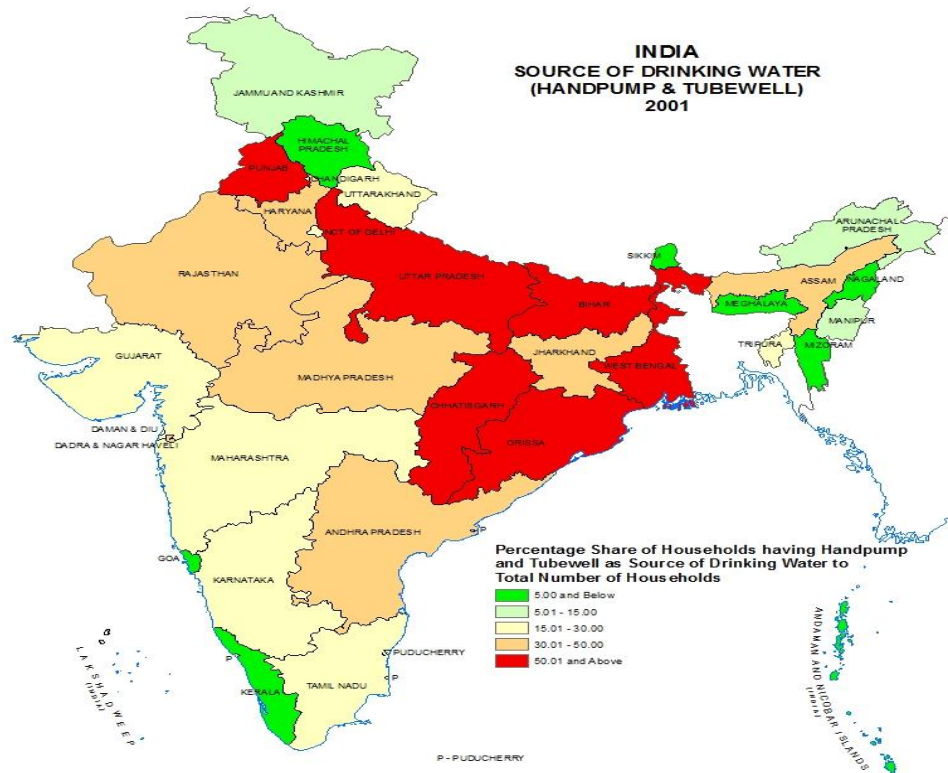
12.6% OF HHs RESORT TO **OD**

DISTRIBUTION OF HOUSEHOLDS BY SOURCE OF DRINKING WATER – TAP – 2001 -2011



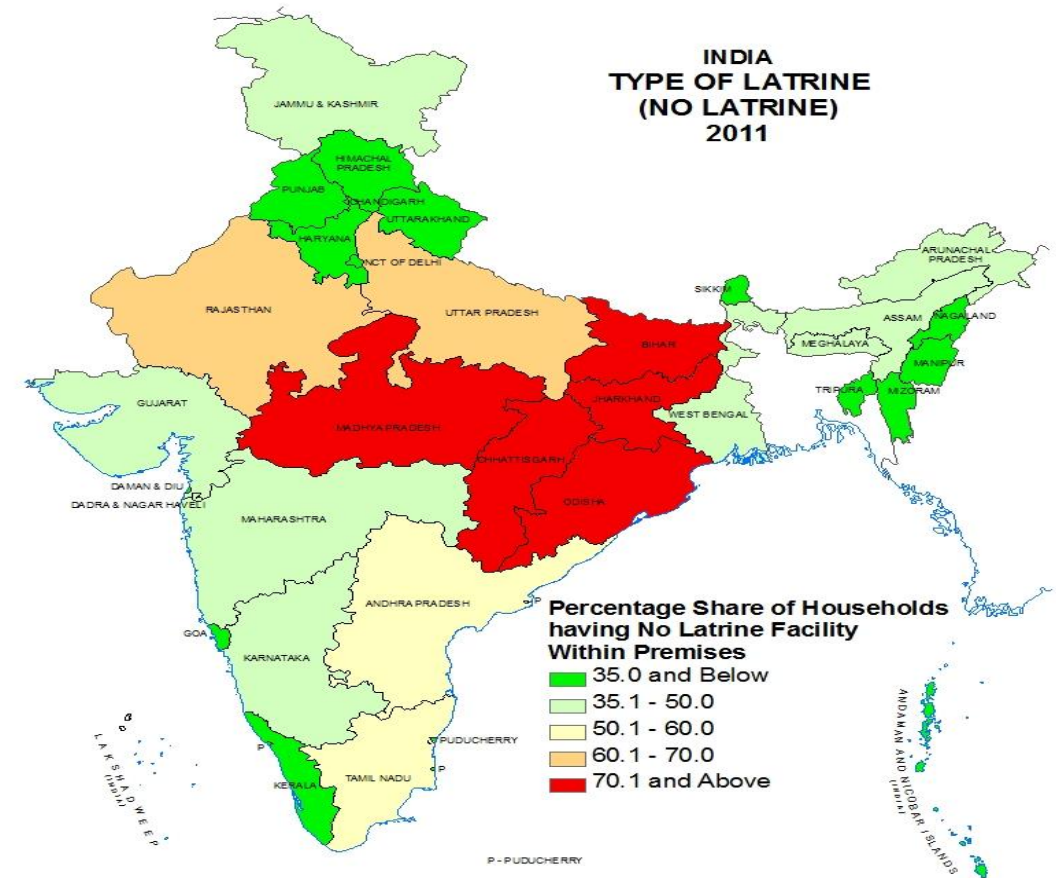
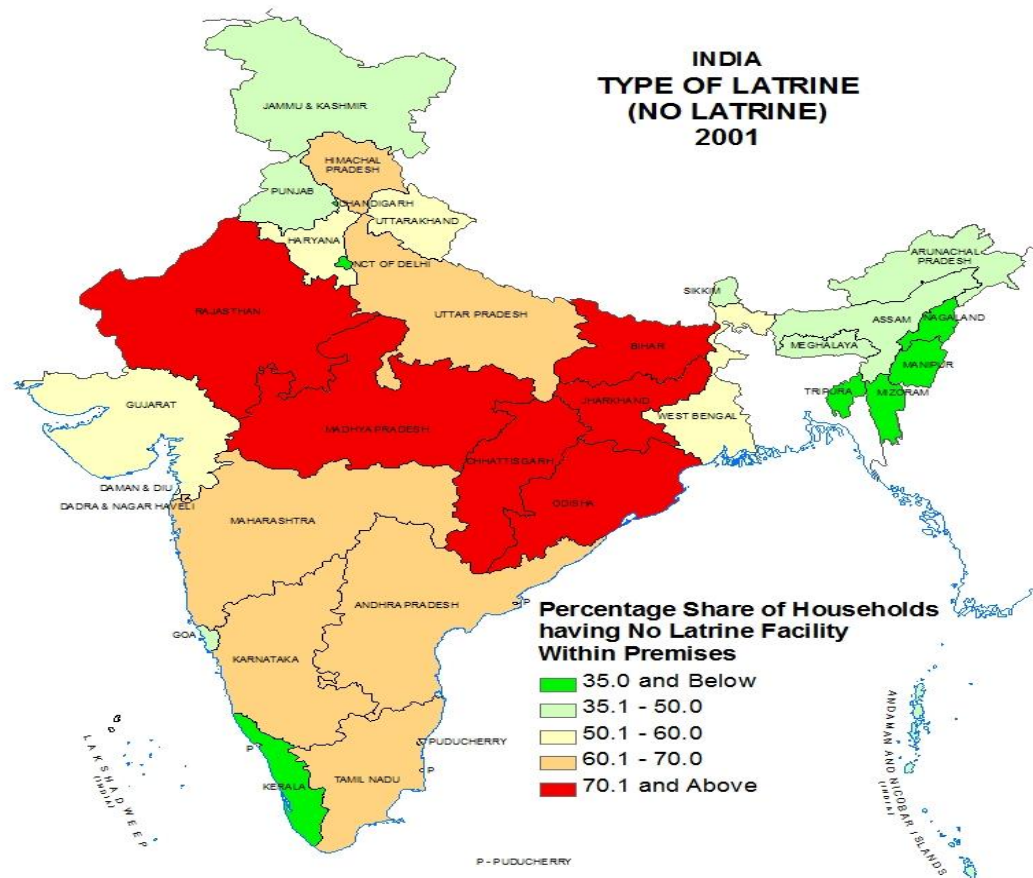
Source: Chandramouli C. (n.d.) "Housing, Household Amenities and Assets: Key Results from Census 2011", presentation by the Registrar General & Census Commissioner, India, slide 38.

DISTRIBUTION OF HOUSEHOLDS BY SOURCE OF DRINKING WATER – HAND PUMP AND TUBEWELL – 2001 -2011



Source: Chandramouli C. (n.d.) "Housing, Household Amenities and Assets: Key Results from Census 2011", presentation by the Registrar General & Census Commissioner, India, slide 39.

HOUSEHOLD HAVING NO LATRINE FACILITY - INDIA: 2001 -2011



Current Situation of WSS Sector in India

**Lack of reliable updated
performance information**



**Lack of comparative performance assessment
and benchmarks for use in fund allocations**



**No use of performance information in
Local Plans**



**UWSS services
Poor quality, inefficient
and financially unviable**

PAS

Performance Assessment System

in over **400+**
cities in two states

covering **76 million**
urban population

**Focus on Water Supply, Sanitation, Solid Waste Management &
Storm Water Drainage**



END

