With the present DWA Topic the DWA, in the form of requirements on the essential performance indicators, creates a common framework for benchmarking with the disposal of wastewater. Through this, on one hand, the compatibility of the performance indicators is supported and, on the other, the flexibility and diversity of the benchmarking systems remain preserved.

The resulting exemplary performance indicator system describes one possibility of devising characteristics to meet the intentions of the DWA.

With this, the structure orients itself on the objectives of the German water industry. That is

- long-term reliability of supply and disposal
- high drinking water quality and a high standard of wastewater disposal
- high economic efficiency
- high customer satisfaction and
- sustainability.

These five so-called pillars represent the criteria for the evaluation of the effectiveness of the supply of water and disposal of wastewater.

The exemplary performance indicator system proposed in this Topic is already now a basic element of the comprehensive benchmarking initiatives in the DWA Regional Associations in Baden-Württemberg, Bayern and Nordrhein-Westfalen, and is also to be implemented in 2008 within the DWA Regional Association Nord.
Corporate-Metric Benchmarking as Component of the Modernisation Strategy – Performance Indicators and Evaluation Principles

April 2008
The German Association for Water, Wastewater and Waste (DWA) is intensively involved with the development of reliable and sustainable water management. Being a politically and economically independent organisation it operates specifically in the areas of water management, wastewater, waste and soil protection.

In Europe the DWA is the association in this field with the greatest number of members and, due to its specialist competence, it holds a special position with regard to standardisation, professional training and information of the public. The members, approximately 14,000 represent specialists and managers from municipalities, universities, consulting engineers, authorities and businesses.
Foreword

This DWA-Topic is a contribution to the total concept “Benchmarking Water Industry” which is supported by the Arbeitsgemeinschaft Trinkwasser Talsperren e.V. ([German] Association of Drinking Water Barrages) (ATT), the Bundesverband der Energie- und Wasserwirtschaft (German Federal Association of the Energy and Water Industries) (BDEW, formerly BGW), the Deutscher Bund verbandlicher Wasserwirtschaft e. V. (German Association of the Federated Water Industry) (DBVW), the Deutschen Vereinigung des Gas- und Wasserfaches e. V. (German Technical and Scientific Association for Gas and Water) (DVGW), the Deutschen Vereinigung für Wasserwirtschaft, Abwasser und Abfall e. V. (German Association for Water, Wastewater and Waste) (DWA) and the Verband kommunaler Unternehmen e. V. (Association of [German] Municipal Enterprises) (VKU). In their joint declaration on benchmarking in the water industry dated June 2005 the above associations declared themselves for the flexibility and diversity of the benchmarking systems within a joint concept, however point out that compatible structures are necessary within which the respectively tailored benchmarking systems can be applied to the respective problem.

Content and implementation of the benchmarking are described in the Advisory Leaflet DWA-DWA-M 1100 “Benchmarking in water supply and wastewater disposal” [not yet available in English] as well as in the DWA-Topic “Guidelines on benchmarking for water supply and wastewater disposal companies” [Not yet available in English], both of which have been published identically by the DVGW. An essential partial step of benchmarking is the comparison of performance indicators. Requirements on performance indicator systems for water supply and wastewater disposal are given in Advisory Leaflet DWA-M 1100. A concrete proposal how these requirements can be implemented has not been previously available within the DWA. As a result of the concrete work in benchmarking projects, however, it is shown that a common understanding should be supported in the interests of all those involved. This serves the companies who take part in countrywide projects or process benchmarking projects of different providers and serves for the comparison of public reports on performance indicators and/or benchmarking projects, which have been made anonymous (anonymised) and are aggregated. This applies in particular for the positioning of the German industry within the international comparison.

aquabench and CONFIDEON, on behalf of the DWA and attended by the DWA ad hoc Working-Group WI-00.1 “Benchmarking” within the Main Committee “Management”, have put together the notes presented here on the requirements on performance indicators systems, system limitations, reference parameters and evaluation principles. In addition, they have presented a performance indicator system as an example for corporate-metric benchmarking which meets the formulated criteria.

We would like to thank everybody who, through their contribution to discussions and provision of information, has contributed to the success of the work, and hope that the result, in the same way as Advisory Leaflet and the Guidelines, will find its way into project work.

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Hennef, February 2008
Corporate-Metric Benchmarking – Performance Indicators and Evaluation Principles

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1 Objectives and Initial Situation of the Project

1.1 Objectives of Research and Development Projects

Currently, both at national as well as at European level, discussions are taking place under the heading “Modernisation of the water industry” on the possibilities of the definition of future constraints of the water and wastewater industries.

The German Bundestag (Lower House), in 2002, made the decision on sustained water management which foresees voluntary benchmarking as an essential instrument for performance comparison and also for the determination of the location/position between companies.

In a joint declaration the following support this political approach (Association Declaration):

- Arbeitsgemeinschaft Trinkwassertalsperren e. V. – ATT,
- Bundesverband der deutschen Gas- und Wasserwirtschaft – BGW,
- Deutscher Bund der verbandlichen Wasserwirtschaft e. V. – DBVW,
- Deutsche Vereinigung des Gas- und Wasserfaches e. V. – DVGW,
- Deutsche Vereinigung für Wasserwirtschaft, Abwasser und Abfall e. V. – DWA and
- Verband kommunaler Unternehmen e. V. – VKU

To this end DWA and DVGW, in close collaboration, have produced publications on benchmarking. In addition, in team work with the signatories of the Association Declaration, the profile of the German water industry has been put together.

Currently, in numerous German federal states, efforts are being made to develop and/or bring into use, benchmarking systems for the water industry. Due to the federal structure in Germany there are different projects in the individual federal states.

DWA therefore considers it urgently necessary to create a common framework for benchmarking in wastewater disposal in the form of requirements on the important main performance indicators in order, on one hand, to support the compatibility of the performance indicator system and, on the other, to maintain the flexibility and diversity of benchmarking systems as agreed in the Association Declaration of June 2005, and thus to promote voluntary benchmarking. The concept presented here describes a possibility of configuring performance indicators within the meaning of the DWA. Nonetheless this concept represents no recommendation or similar to the wastewater disposal operations.

With this the DWA wishes to make a significant contribution for the further development of voluntary benchmarking in the area of wastewater disposal.