

## The water industry as represented by the BDEW

The German Association of Energy and Water Industries (Bundesverband der Energie- und Wasserwirtschaft e. V., Berlin and Brussels – BDEW) represents the interests of approximately 1,800 companies. The spectrum of its members ranges from local and municipal to regional and international companies. They represent 80 percent of drinking water abstraction and approximately one third of wastewater disposal in Germany, around 90 percent of electricity sales, more than 60 percent of local and district heat supply, as well as 90 percent of natural gas sales.

### The water industry as represented by the BDEW

#### Contact

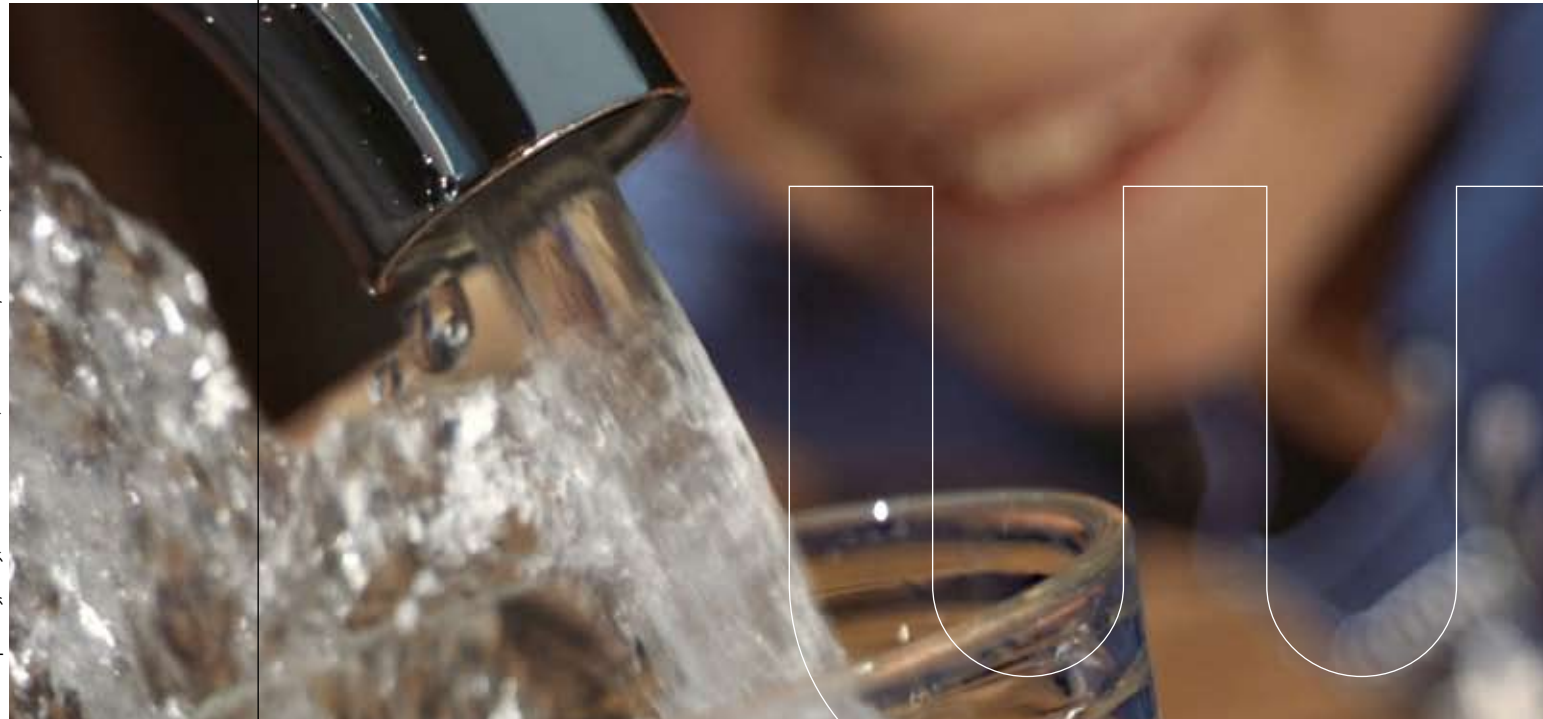
Martin Weyand  
General Executive Manager of Division Water/Wastewater  
Telephone +49 30 300199-1100  
Email martin.weyand@bdeu.de

Vera Szymansky M. A.  
Unit Manager Policy of economic systems  
Division Water/Wastewater  
Telephone +49 30 300199-1212  
Email vera.szymansky@bdeu.de

BDEW Bundesverband der Energie-  
und Wasserwirtschaft e. V.  
Reinhardtstr. 32  
D-10117 Berlin  
Telephone +49 30 300199-0  
Fax +49 30 300199-3900  
www.bdeu.de

February 2010

Printed by: Siebengebirgsdruck GmbH & Co. KG; Illustrations: DVGW energie | wasser-praxis 9/2009, Frank Ossenbrink, Panthermedia/Jens Müller, iStock/Izvorinka Jankovic



## Benchmarking: 'Learning from the best'

Comparison of performance indicators in the German water industry

The German Association of Energy and Water  
Industries (Bundesverband der Energie- und  
Wasserwirtschaft e. V., Berlin – BDEW)

www.bdeu.de

## How does performance benchmarking work? What is benchmarking?

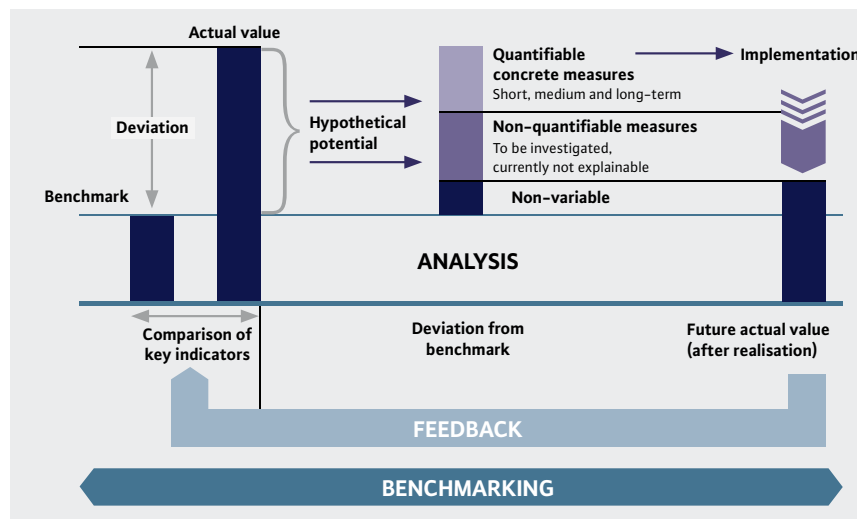
Benchmarking is the process whereby a company compares and improves its performance by learning from the best in a selected group. The process involves identification of, familiarisation with, and adoption of successful methods and processes used by benchmarking partners. This results in an improvement in a company's performance, as well as in reduction of costs.

Benchmarking is carried out on the basis of five key performance indicators (the 5-pillar model):

- Security of supply
- Quality of supply

- Sustainability
- Economic efficiency
- Customer service

Individual key performance indicators can only be compared in conjunction with contextual information and results from the other pillars. The BDEW recommends that its members should participate and promotes implementation (see statements of the Associations made in 2003 and 2005). Two prerequisites have made an important contribution to success: the voluntary basis and confidentiality.



Source: DVGW leaflet W 1100 and DWA leaflet M 1100

## Political background

In 2001, the German Bundestag conducted intensive discussions on whether and how the water industry should be liberalised. Parliament came to the conclusion that it would not be possible to liberalise the sector, but commissioned the Federal Government to develop a modernisation strategy which would also include benchmarking for companies. Two years later, the European Parliament also rejected liberalisation of the European water industry, but came out in favour of modernisation.

### The Federal Government and the Bundestag

In 2006, the Federal Government submitted its modernisation strategy for the water industry. It expressly acknowledged the benchmarking concept developed by the sector, and praised the preparatory work carried out to date.

At the end of 2007, the environment commission of the Bundestag certified that the water industry was implementing the strategy adopted by the Bundestag and thus making an important contribution to achieving the future framework conditions. In summer of 2009, the Federal Chancellor Angela Merkel welcomed voluntary benchmarking in the German water industry.



Handover of the 'Profile of the German Water Industry 2008' to state secretary Peter Hintze, Federal Ministry of Economics

### 'Profile of the German water industry'

Since 2005, the BDEW has regularly reported on the status of benchmarking in association with other associations (ATT, DBVW, DVGW, DWA, VKU).

We will be pleased to send you the 'Profile of the German Water Industry 2008'. It is available in digital form on [www.bdew.de](http://www.bdew.de). The next 'Profile of the German Water Industry' is planned for 2011.



## What has been achieved as the result of benchmarking?

Companies use benchmarking to determine their position in relation to other companies operating in the sector. They uncover potential for optimisation and learn from the best companies in the sector. For example, companies have improved in the following areas:

### Customer service

- Shorter reaction times for customer enquiries and complaints
- Improved availability of contacts for enquiries
- Optimised complaint management system
- Improved customer contact over the internet
- Improved billing systems

### Safety

- Optimised fault clearance service

### Quality of supply

- Extension of advanced training
- Streamlining of reporting procedures

### Sustainability

- Enhancement of staff's professional skills
- Optimised inspection intervals
- Improved rehabilitation strategy

### Efficiency

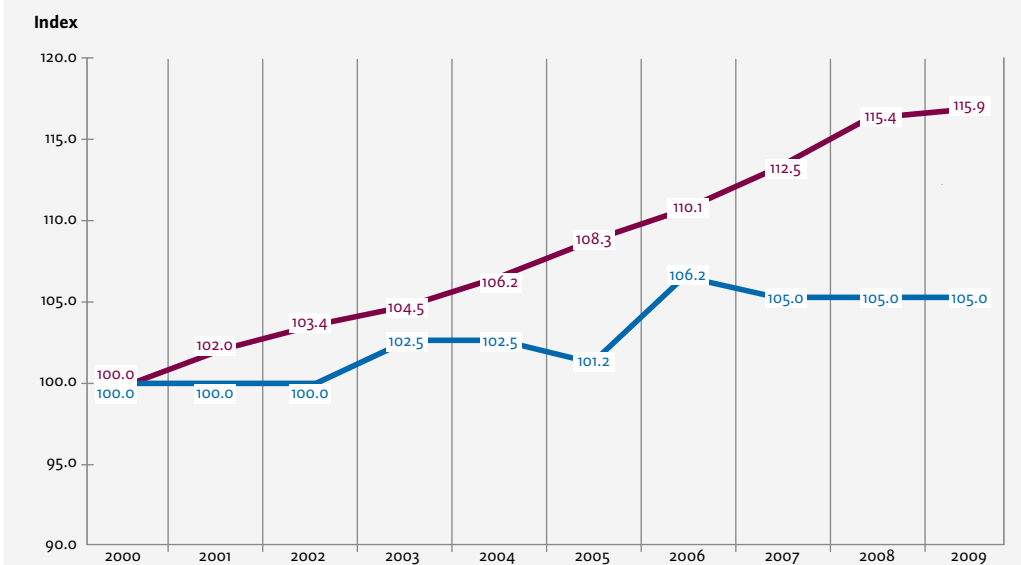
- Reduced energy and laboratory costs
- Economies in terms of purchasing
- Optimised cleaning and maintenance intervals for networks and equipment
- Reduced losses of receivables
- Improved deployment of staff, including in the network area and for changing meters
- More efficient administration processes

These are specific examples of the improvements which have been achieved by companies in the five benchmarking areas.

Furthermore, the improvements contribute towards keeping price adjustments well under the rate of inflation.



Development of per-capita expenditure for drinking water compared with inflation Residents/Year, 2000 to 2009



Source: BDEW, Federal Statistical Office

— Inflation index — Water index

### Satisfied customers

Customers' reactions show that the efforts of the sector are worthwhile: 80 percent of consumers are satisfied or highly satisfied with the companies which provide their drinking water. The situation is similar for wastewater disposal, where the figure is 77 percent.

84 percent of citizens drink tap water occasionally or regularly. The percentage of citizens who are satisfied or extremely satisfied with water quality is as high as 91 percent.

### Internationalisation

The benchmarking concept developed in Germany forms the basis of similar projects in Austria, Hungary, and in the Danube region (<http://ceebi.boku.ac.at>). Additional central European countries consider its implementation.

Moreover, German experts have played a decisive role in developing the key performance indicator system of the International Water Association for both water and wastewater.

## Current public reports on benchmarking projects



## Local benchmarking

The BDEW supports and carries out benchmarking projects through its national organisations. Benchmarking projects are often run on a 'Länder' basis. The contracting entities are companies, Ministries of Economics, Interior Ministries, and Ministries of the Environment, national organisations of the BDEW and/or other associations.

The projects are carried out by independent management consultancies and include the compilation of project reports on the results. These reports are based on the international key performance indicator system of the International Water Association (IWA).

Numerous additional benchmarking projects are taking place throughout Germany. The current 'Profile of the German Water Industry 2008' provides an overview of these projects.

In several Federal German states, four rounds of benchmarking projects have already been completed. This map provides an overview of the proportion of drinking water quantities recorded by the benchmarking projects.

