

Performance Management and Tools for Continuous Improvement

In today's tough economy, with numerous challenges facing the water industry, utilities are being asked to "do even more with less." Utilities can view this challenge as an opportunity to look within their organizations to find ways to also "do more with what they have." One area that holds a wealth of potential for improvement is how you establish, collect, and manage performance data.

Measuring Performance: Why It Matters

Your utility's performance data holds tremendous value. When managed strategically, the information serves as valuable feedback upon which you can gauge your performance enterprise-wide. The data can also establish greater accountability and transparency throughout your organization and provide information to identify ways to cut costs, increase efficiency, and make more informed business decisions.

To improve performance, measures must truly be in line with the established strategic direction of the organization. And while what gets measured does not automatically get managed, it should get attention and therefore can lead to the next steps toward improvement. In short, performance measures can be a way to continuously improve, in good times and in bad.

True Performance Management

There is an important link between performance reporting and actual performance management. Performance management takes reporting to the next, more strategic level. It is a process that moves a utility to action based on what the data indicates. It is data-driven decision making at its best, which requires utilities to look closely at what is being measured and make sure this data captures meaningful measurements that will help identify what a utility is doing right and where the organization needs to improve.

Tools and Resources for Utilities

There are several industry resources that provide valuable tools to help utilities implement or further develop performance measurement practices.

Effective Utility Management. Several performance management tools have evolved out of the collaborative efforts between the U.S. Environmental Protection Agency and six water sector associations to help utilities with more effective utility management.

In their report *Findings and Recommendations for a Water Utility Sector Management Strategy*, the collaborating organizations identified "Ten Attributes of Effectively Managed Water Sector Utilities," which serve as reference points for utility leaders to focus upon to improve overall utility management. The "Five Keys to Management Success" identified in this report – leadership, strategic business planning, organizational approaches, measurement, and continual improvement management framework – are all critical components of performance management.

Additionally, a supplemental primer to the report emphasizes the importance of meaningful performance measurement and management. Available to all utilities, the primer includes numerous sample measures to help improve performance measurement practices.

Finally, a website created by the collaborating organizations (www.watereum.org) contains a variety of resources, including a web-based, interactive version of the primer for utilities that supports their continuous improvement efforts.

QualServe Continuous Improvement Program.

The QualServe program (sponsored by the American Water Works Association and Water Environment Federation) has served as a voluntary continuous improvement program for water and wastewater utilities for more than 10 years. Designed to help utilities improve overall operations and enhance customer satisfaction, QualServe offers tools to help utilities with continuous improvement.

Enhancements to QualServe's performance measurement framework give utilities greater flexibility within the program. Existing key performance indicators have been improved and new benchmarks have been added. Just as important, the Ten Attributes now have direct measures within the QualServe program.



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