

BENCHMARKING IN DENMARK

DECEMBER 2019

DANVA Benchmarking

- **Voluntary program** targeting companies wanting to benchmark on a broad range of areas within water and waste water:
 - Cost, service, quality, customer satisfaction, environmental impact
- Objectives:
 - **Support efficiency improvements** in companies
 - Data for decision support at company and sector level
 - Inform customers and public in general about the water sector
- Participants covers approximately 60% of water supply and 80% of waste water supply in Denmark.

DANVA Benchmarking

1998:

- EU regulation on electricity started and Danish energy utilities did the first pilot on benchmarking
- 8 DANVA members started a project on benchmarking

2003:

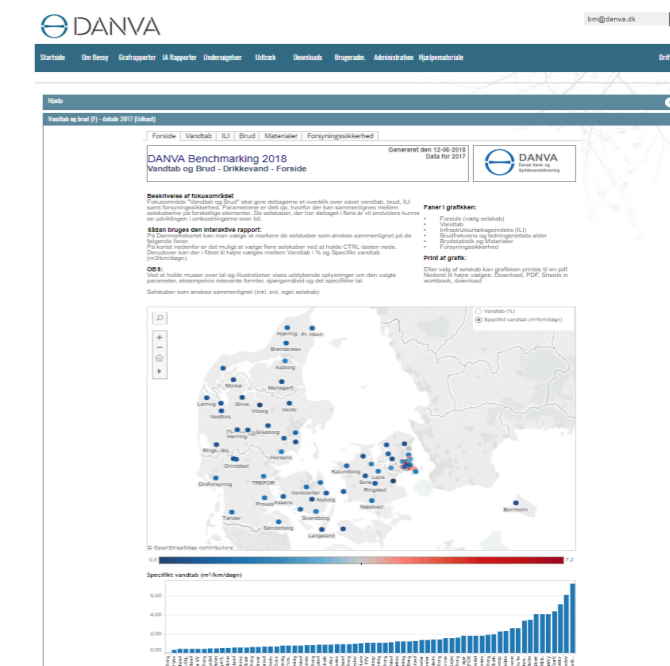
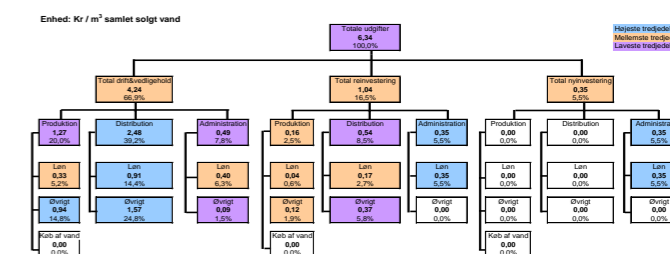
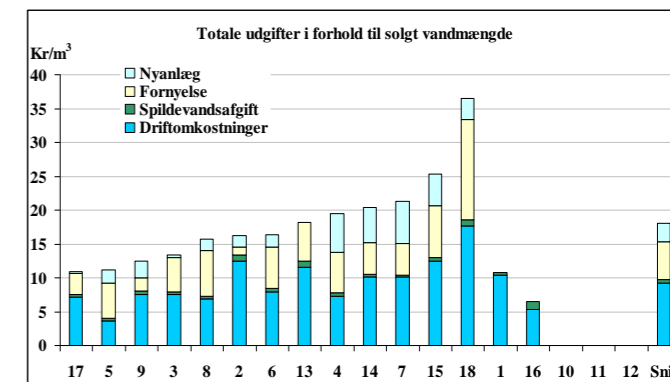
- 2. pilot based on data from 2001 – excel

2004:

- BESSY I: First portal and related database for DANVA benchmarking
- Cooperation among nordic and dutch associations on benchmarking

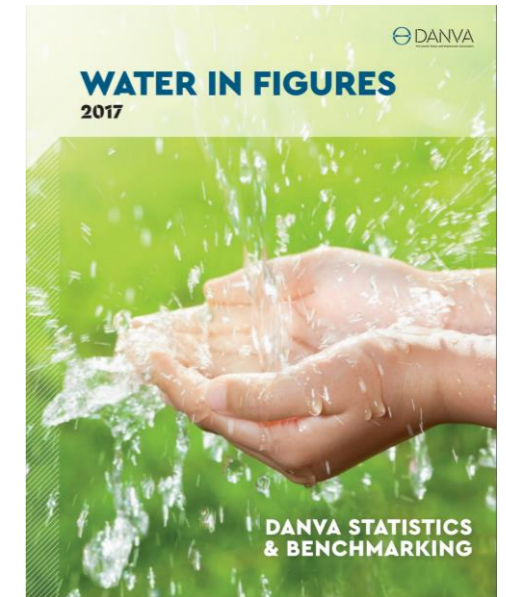
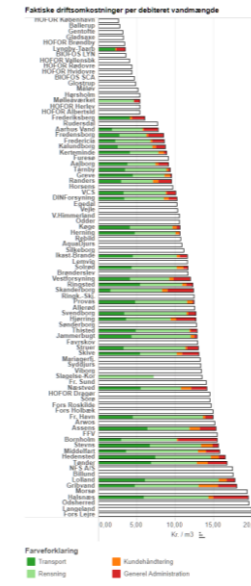
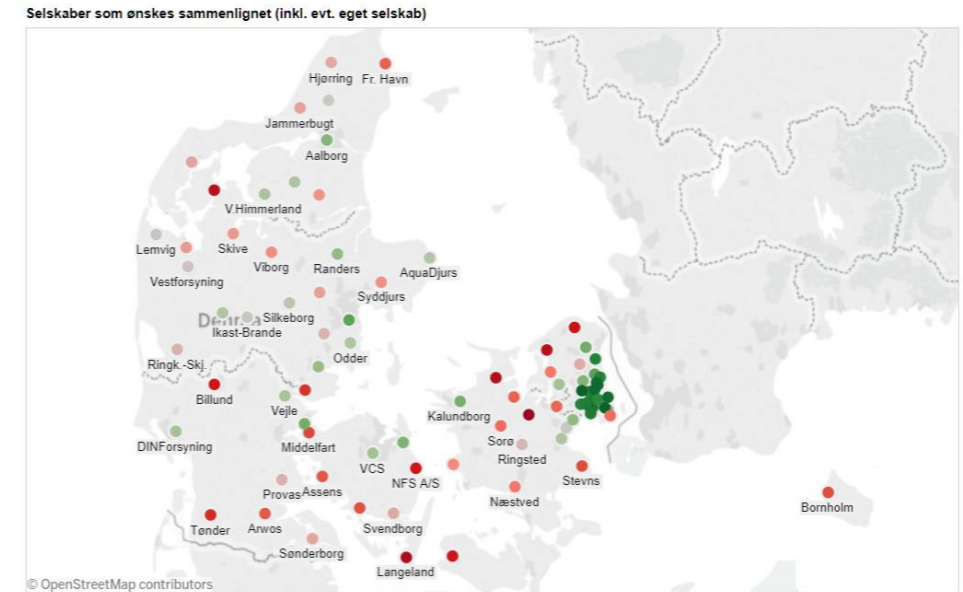
2009:

- BESSY II: Improved portal with new functionalities as automatic reporting and flexible surveys.



Main products

- **Online data reporting system**
 - Updated data at all times
 - Online quality control
 - Data available for all participants.
- **Key performance indicator reports (online and pdf)**
 - Overview for management
 - Details for specific areas
- **Bench-learning**
 - Small group of companies benchmarking a selected area
- **Analysis**
 - Finding best practices/companies doing well
 - Analysis at sector level
- **Public report – water in figures**



Cap on prices/revenue

- **Price cap** – prices not allowed to exceed a given limit (2011-2016)
 - Focus on operational expenses
- **Revenue cap** – revenue not allow to exceed a given limit (2017-?)
 - Focus on total expenses (including capital cost)
- Cap reduced yearly due to
 - **general** requirement for efficiency gains
 - requirement to realize an **individual** determined inefficiency measured via regulatory benchmarking.

Benchmarking of water and waste water companies

Reporting to Secretariat for water supply (2010):

- Economic regulation
- TOTEX Benchmarking => Efficiency requirement
(Economy)

Reporting to Danish Environmental Agency (2018):

- Performance benchmarking – mandatory from 2018
(Environmental parameters)

Reporting to DANVA Benchmarking (2004):

- Danva Benchmarking
(Economy, environmental and much more)

Legal requirement

Legal requirement

Voluntarily
Fee: 2500 C

Why voluntary benchmarking?

- Benchmarking schemes are complementary
 - **Regulatory**: Overall efficiency
 - **Performance**: Overall performance
 - **Voluntary** benchmarking
 - Learning
 - Better understanding of inefficiency and performance - where to look for improvements
 - Access to broader and more detailed data - more datadriven decisions both at company and sector level
 - Cost of data collection only in companies intending to use them

An aerial photograph of a wastewater treatment plant. The facility features several large, circular clarifiers with concrete walls and metal walkways. The water in the tanks is dark blue. The plant is surrounded by lush green trees and grass. In the background, a cityscape is visible under a cloudy sky. The text "Thank you for your attention - Questions?" is overlaid in white on the upper left portion of the image.

**Thank you for your attention
- Questions?**