Commercial Efficiency in Water Supply and Sanitation Utilities

**GAIN** practical experience on commercial efficiency measures

**LEARN** from other practitioners in the sector

**BE UP TO DATE** on the latest trends in the sector

**BENEFIT** from regional and global experiences from other utilities and experts
Commercial Efficiency in Water Supply and Sanitation Utilities

Understanding the Commercial Principles: “Commercial Efficiency” can be defined as an optimal model of operating the commercial functions within a water utility.

Understanding the water utility commercial cycle, which consists of four sub-processes, and in which the failure in one of these sub-processes results in poor overall performance.

1. Meter Installation and Testing
   - Sizing and selection of meters
   - Installation of meters
   - Maintenance and repairs
   - Calibration/testing

2. Meter Reading
   - Routes and schedules of meter readers
   - Control mechanisms
   - AMR/AMI

3. Billing
   - Data entry and quality controls
   - Actual invoicing
   - Transaction reporting
   - Integration with other information systems

4. Collection
   - Payment methods
   - Periodic control
   - Soft collection
   - Door-to-door collection
   - Outsourced collection

KEY PROCESSES IN EACH PHASE

TOOLS, TECHNIQUES AND TECHNOLOGIES TO BE CONSIDERED

- Customer demand profiling
- High accuracy water meters
- Flow control devices
- New-generation AMR
- PDA-based reading
- Cloud-based systems
- Customized reports
- GIS – billing integration
- Aged-debt reporting
- Remotely-controlled stop valves

Learn how to use a Business Planning Model to quantify the impact of improvements in commercial efficiency.

Business planning helps water utilities to plan technical operations, determine their operational financing needs, and quantify and schedule the capital investments for the utility in a sustainable and affordable way.

Business Planning is decision making

- What is going to happen?
- When will it happen?
- How much will it cost?

Business Planning helps to

- Reduce uncertainty of the utility
- Provide the basis for monitoring/controlling work
- Improve efficiency of the utility
Explaining the Business Planning Cycle helps water utilities to understand every element of it and plan the measurements which should be taken to improve Commercial Efficiency.

Practical exercises:

- Populating and developing your individual Business Planning Model
- Learning how to develop a water balance
- Applying new techniques for mapping your customers, understand their consumption and manage demand accordingly

<table>
<thead>
<tr>
<th>Base Year</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population in the service area registered</td>
<td>87,870</td>
<td>88,309</td>
<td>88,751</td>
<td>89,195</td>
<td>89,641</td>
</tr>
<tr>
<td>Population served by registered connections</td>
<td>73,050</td>
<td>75,063</td>
<td>78,101</td>
<td>80,275</td>
<td>85,159</td>
</tr>
<tr>
<td>% of population provided water service</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
<td>90%</td>
<td>95%</td>
</tr>
<tr>
<td>Registered household water connections</td>
<td>16,000</td>
<td>16,461</td>
<td>17,127</td>
<td>17,604</td>
<td>18,675</td>
</tr>
<tr>
<td>Metered HH connections</td>
<td>14,000</td>
<td>15,144</td>
<td>16,100</td>
<td>16,900</td>
<td>18,302</td>
</tr>
<tr>
<td>Non-metered HH connections</td>
<td>2,000</td>
<td>1,317</td>
<td>1,028</td>
<td>704</td>
<td>374</td>
</tr>
<tr>
<td>% metered HH connections</td>
<td>88%</td>
<td>92%</td>
<td>94%</td>
<td>96%</td>
<td>98%</td>
</tr>
</tbody>
</table>

The worksheet will multiply the no. of registered HH connections with the no. of persons per HH to give the population served by registered connections.

The population in the service area multiplied by the % service coverage ratio.

The increase of the population in the service area for each of the five years in the Business Plan will be calculated from the % growth per year.

These entries will be decided by the company in order to achieve their strategic goal.
Program description and covered topics

The successful management of high cost water infrastructure is essential to operate and deliver the required service as cost effectively as possible. The management of commercial activities is an integral part of achieving this goal.

This Program supports participating utility companies in collecting, auditing and analyzing data related to commercial efficiency and developing actions based on that data to support reduction of costs, increase revenue collection and overall commercial efficiency. It offers a standardized and detailed approach for business planning and provides tools and actions to improve commercial efficiency.

The Program has been developed in cooperation with the Technical Partner Valu Add and is delivered by national or regional Hubs in local language. The duration of the Program is one year and it consists of workshops as well as hands-on exercises at the utilities themselves with support of the trainers. Participating utilities pay a registration fee, which is communicated by the Hub.

Set-up of Program

The Program is designed on learning-by-doing principles. It includes a mix of face-to-face training workshops providing tools and techniques to address the challenges faced and see them applied in practice, followed by on the job training, in which participating utilities apply the tools and techniques to their particular situation and develop concrete products (diagnostics, action plans etc.). The principles of blended learning are applied, i.e. face-to-face training is accompanied by e-learning material provided within the D-LeaP Academy.

For more information on the Program concept and design please visit www.d-leap.org.

Learning goals

How to develop a business plan?
How to establish adequate commercial procedures?
How to design performance improvement plans?

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Hubs

- SHUKALB, Water Supply and Sewerage Association of Albania
- SHUKOS, Water and Wastewater Works Association of Kosovo
- ADKOM, Association of Utility Service Providers of Macedonia
- APA Brasov, Romania

Technical Partner

VALU ADD MANAGEMENT SERVICES
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