

The double challenge in practice The example of Leipzig

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picture source: <http://www.reisenews-online.de> (01.06.13)

- Leipzig water works
- Quality
- Economical criteria
- Sachsen Wasser
- Conclusion

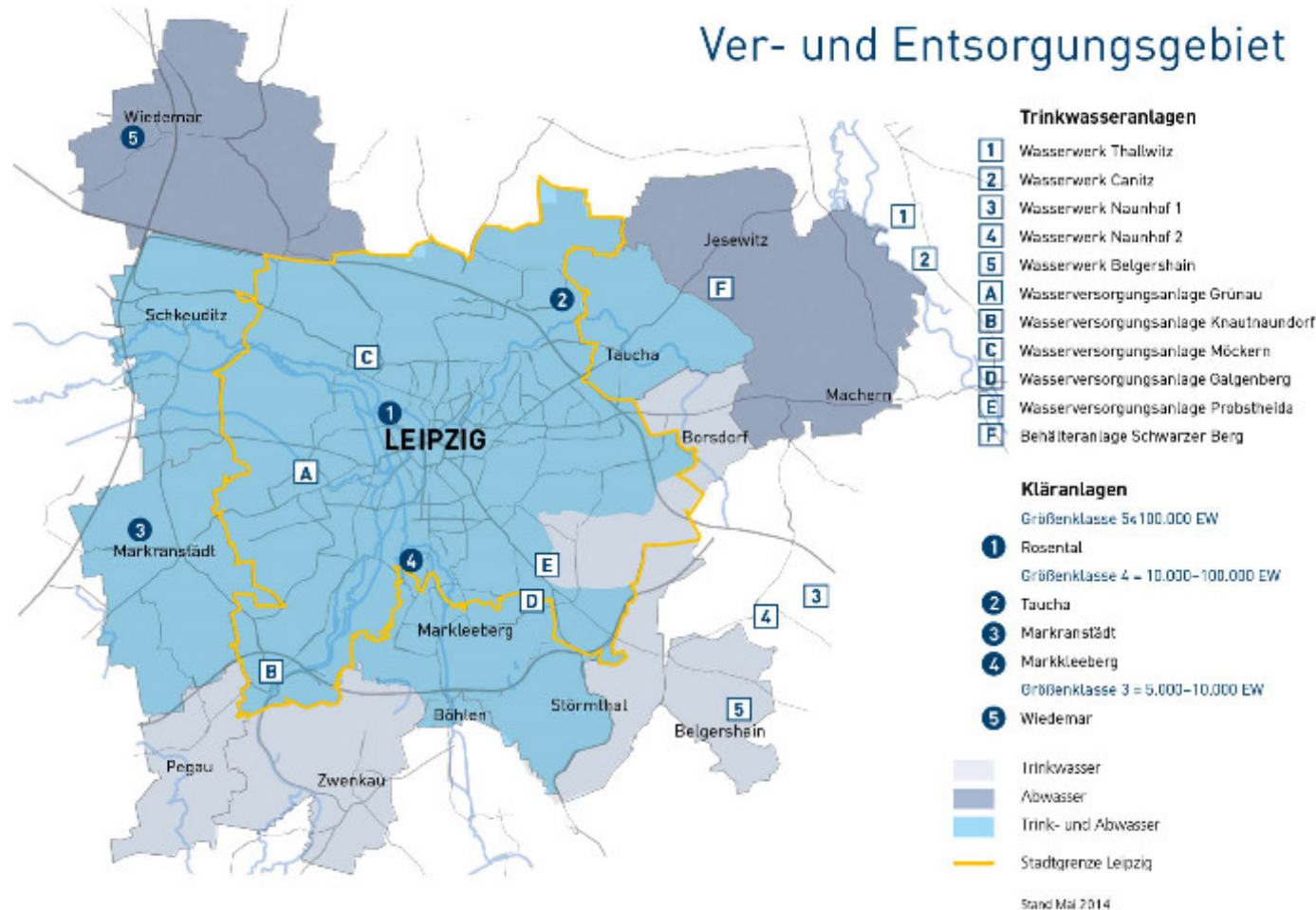


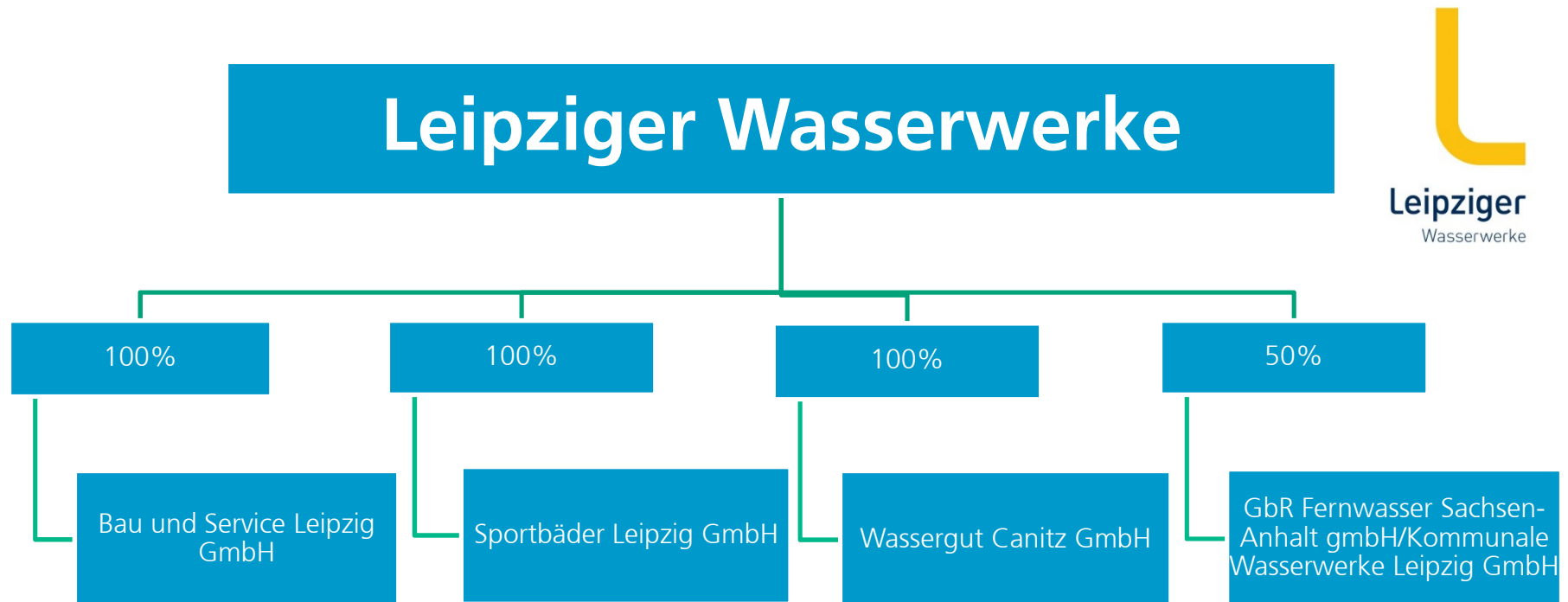
Historic review

- eldest well, around 7 000 B.C.
- 1887 implementation of the water works Naunhof
- until 1990 state-owned company VEB water supply and sewerage treatment Leipzig
- since 1994 Kommunale Wasserwerke Leipzig GmbH
- Concessional contract with the city and the region for water supply and sewerage disposal



Ver- und Entsorgungsgebiet

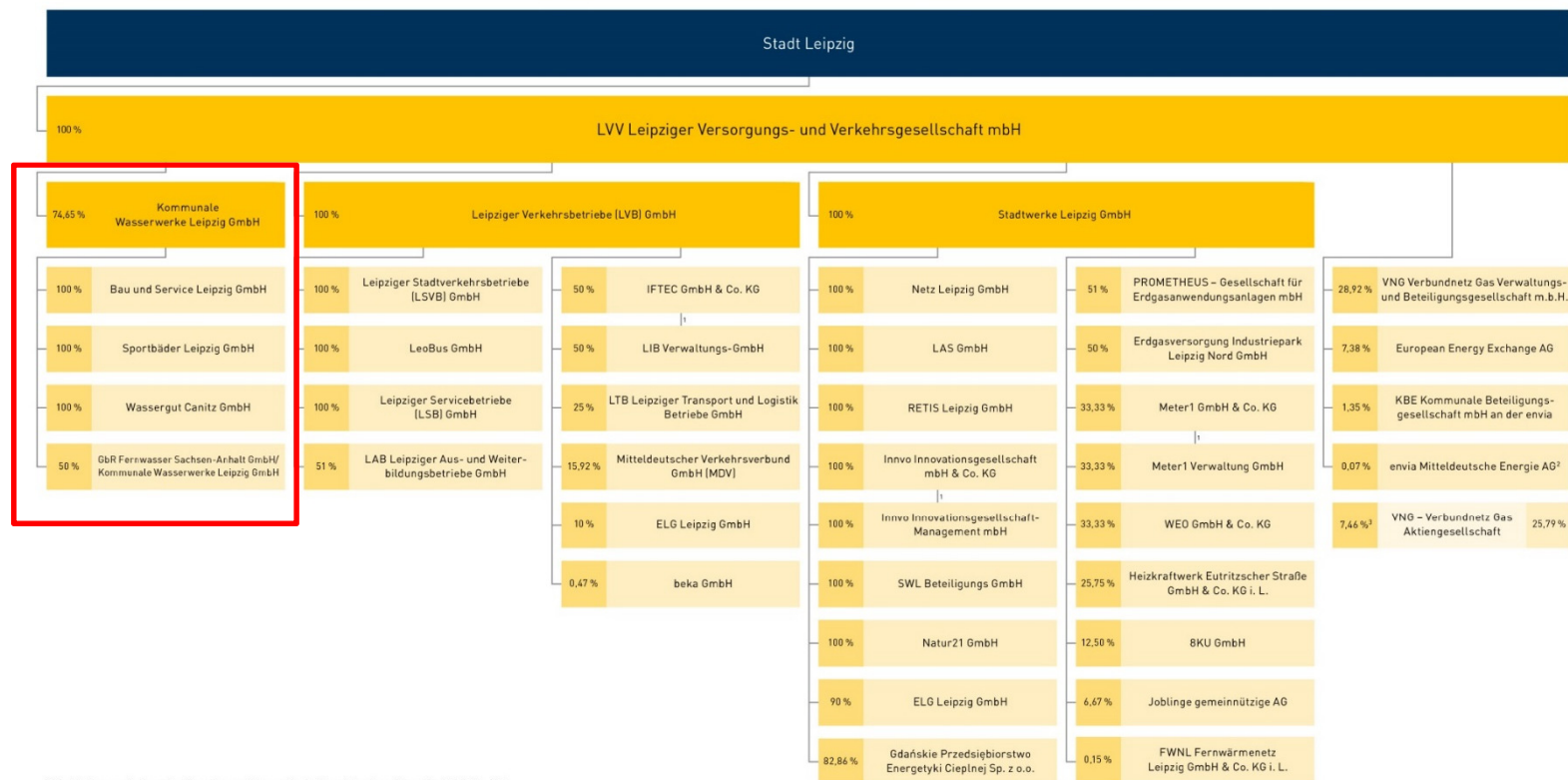




Organisation

overall view (31.12.2015)

Stand: 31. Dezember 2015. In dieser Übersicht sind ausschließlich die direkten Beteiligungen aufgeführt (außer VNG – Verbundnetz Gas Aktiengesellschaft).



¹ Verbindung zwischen der Komplementärgesellschaft und der jeweiligen GmbH & Co. KG

² treuhändisch von der Kommunalen Beteiligungsgesellschaft mbH gehalten

³ über VNG Verbundnetz Gas Verwaltungs- und Beteiligungsgesellschaft m.b.H. gehalten

		2014	2013	2012	2011	2010
Ergebnis vor Gewinnabführung/ Verlustübernahme	TEUR	30.346	89.268	-64.234	18.334	16.666
Umsatz	TEUR	142.956	137.189	125.316	124.562	132.651
Investitionen	TEUR	44.613	37.771	41.615	37.787	33.815
Mitarbeiter GmbH/ Gruppe (inkl. GmbH) ²		522/ 761	518/ 781	525/ 809	528/ 810	543/ 838
Leistung						
Bereitgestellte Menge	Mio. m ³	32,9	32,8	32,8	32,4	32,5
davon: Eigenförderung	Mio. m ³ /Jahr	25,9	25,3	25,8	24,0	24,5
davon: Fremdwasserbezug	Mio. m ³ /Jahr	7,0	7,5	7,0	8,4	8,0
Trockenwetterabfluss	Mio. m ³	35,3	41,8	36,7	41,8	44,9

² Angaben im Jahresdurchschnitt; Werte gerundet

Net income

Sales

Investments

Personal

Provided quantity

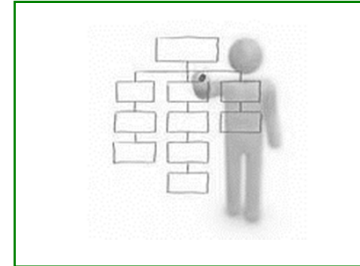
Own abstraction

Treated dry weather discharge

Leipzig water works

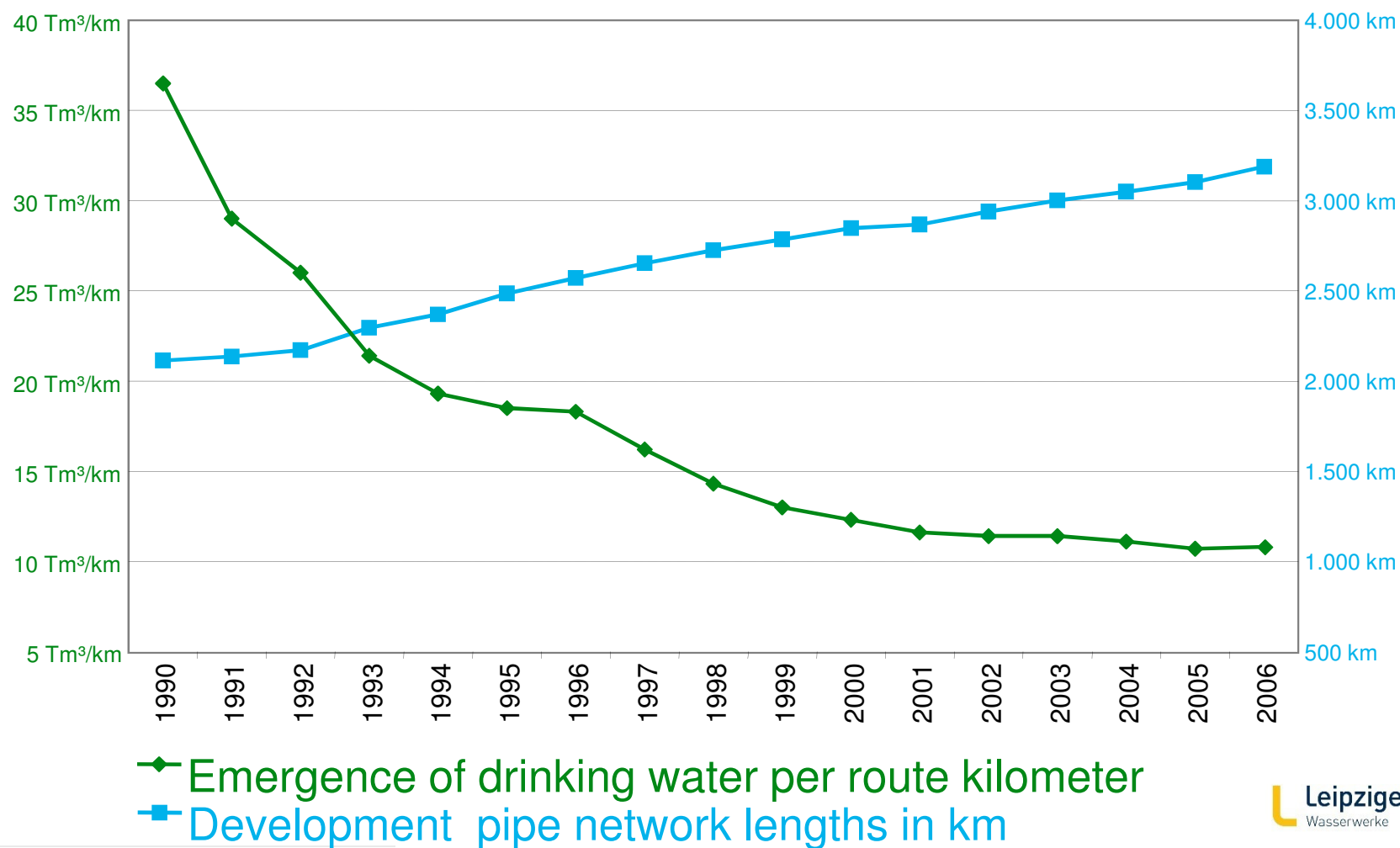
- Technical Quality

- Economic criteria
 1. Adapt organization
 2. Optimize processes
 3. Enhance employees
 4. Increase profitability
 5. Improve customer service
 6. Adapt Tariff

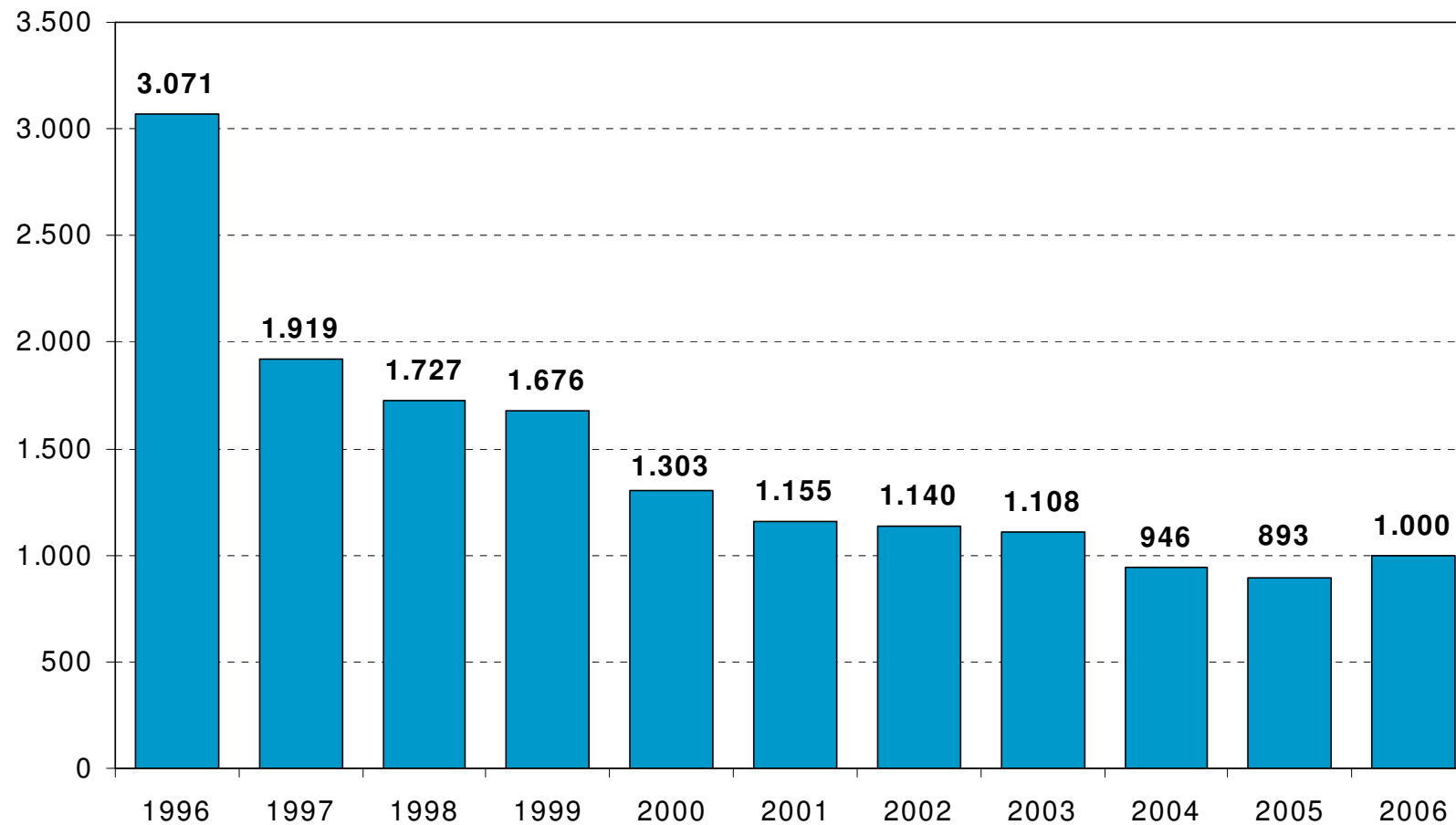


**Quality is an extensive claim for us.
We set high standards at the quality and processes of our product
as well as at the qualification of our employees.**

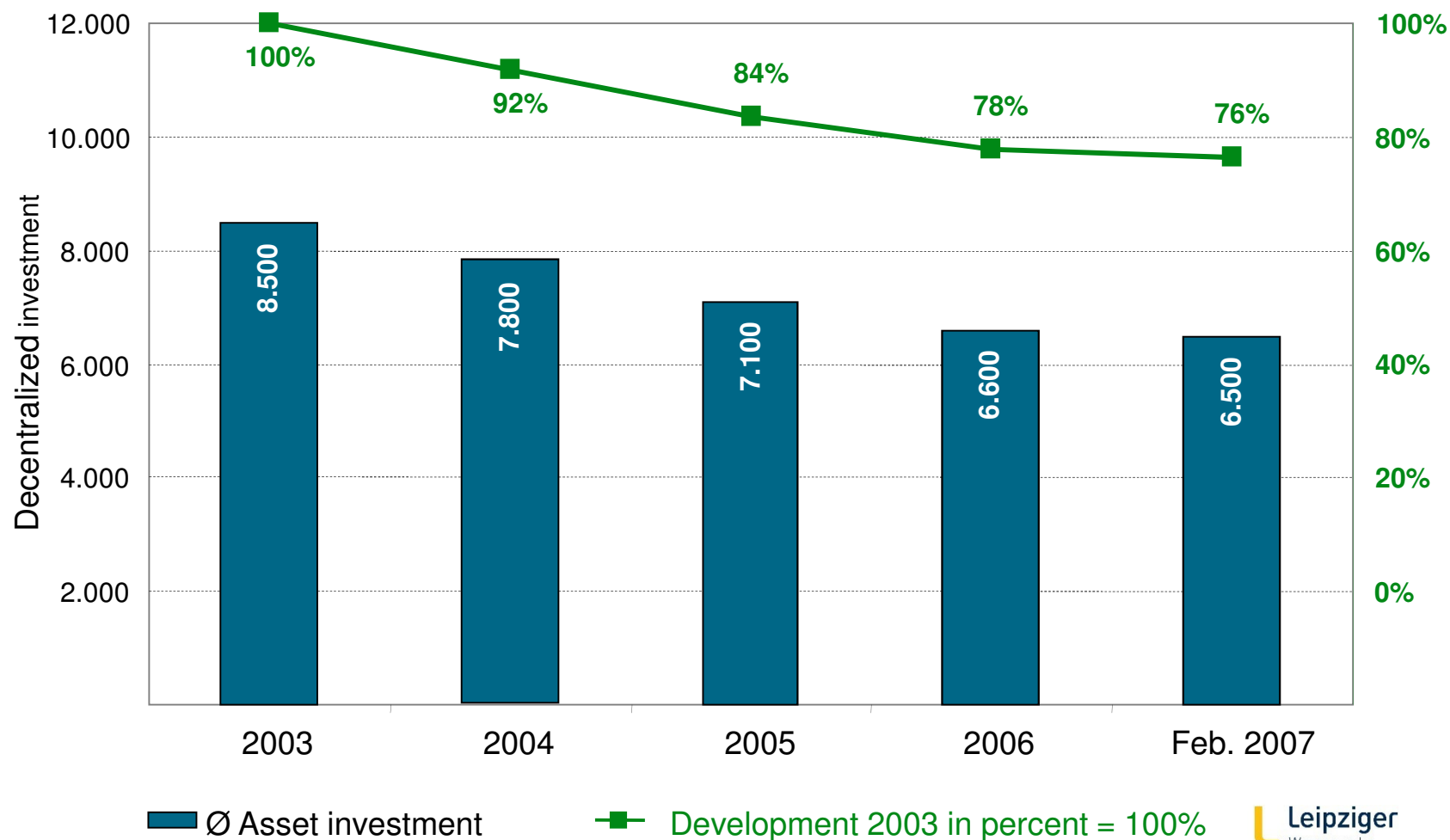
Drinking water emergence/route kilometres



Total amount of pipe failures 1996 - 2006



Asset investment of decentralized disposal



**Corporate success is based on an action characterized by
economical criteria.**

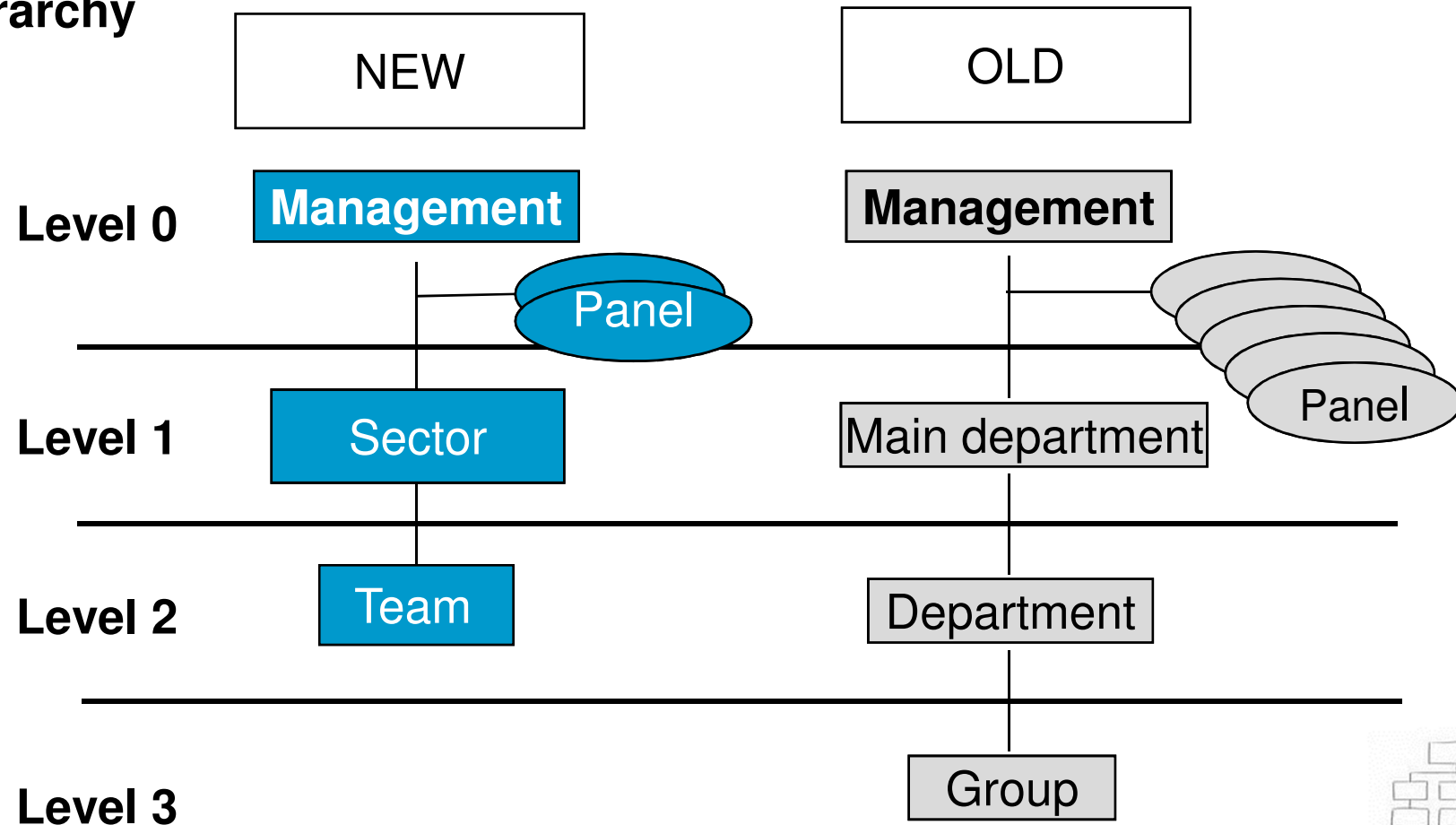
Economic criteria

1. Adapt organization
2. Optimize processes
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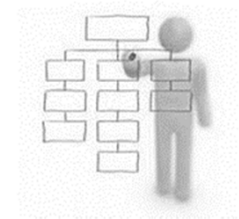
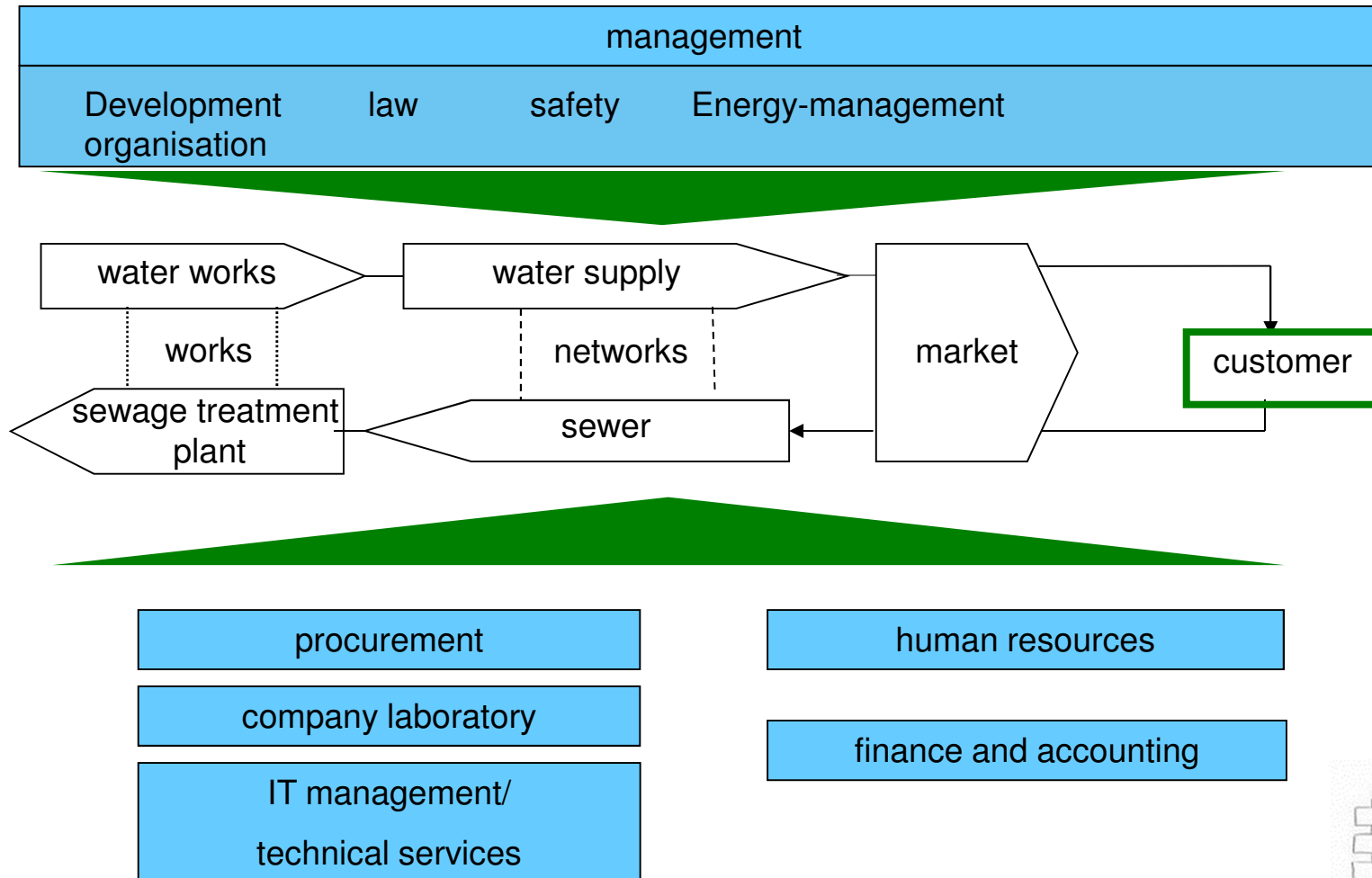


Adapt organization

Hierarchy



Adapt organization



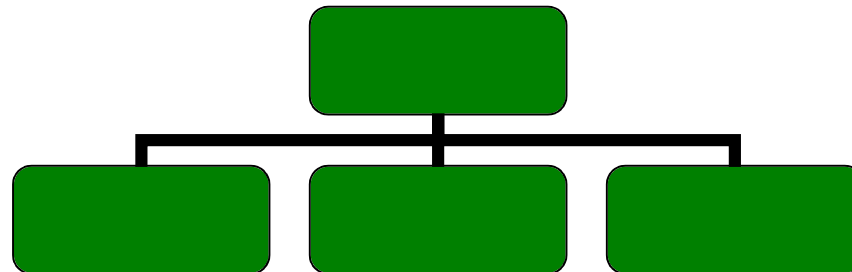
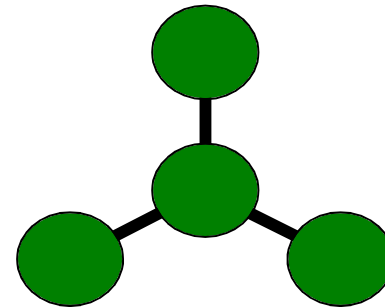
Adapt organization

Center principle

Profit Center

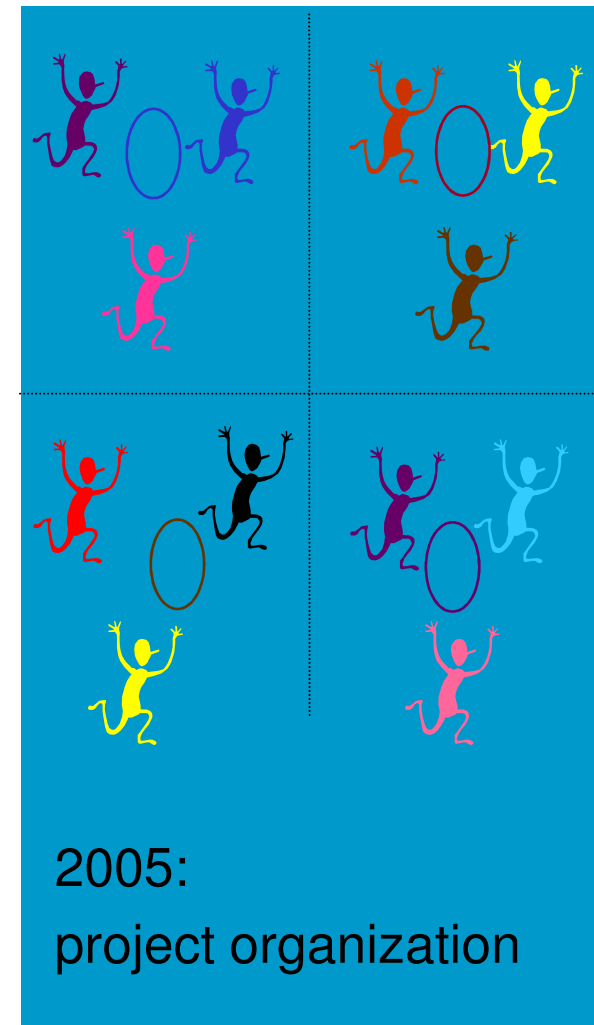
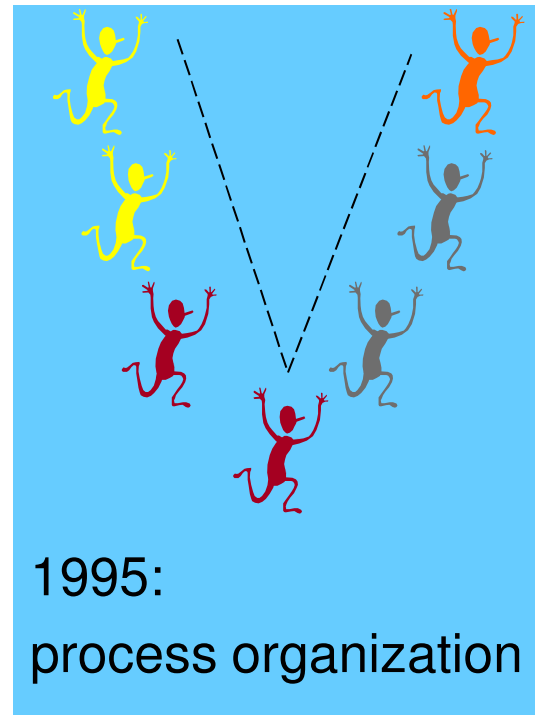
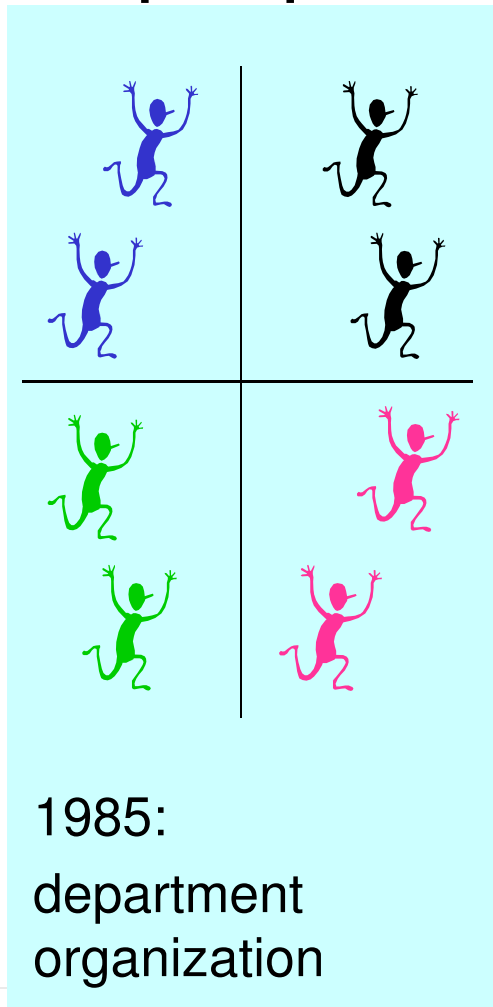
Service Center

Cost Center



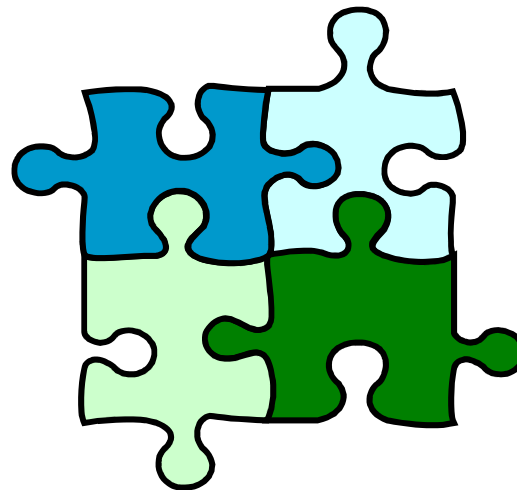
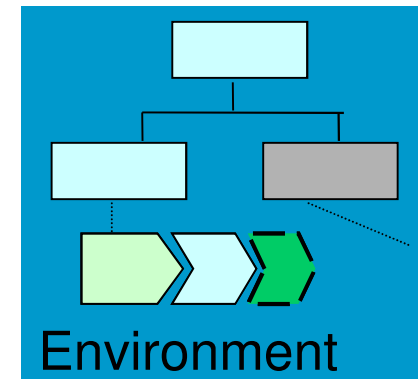
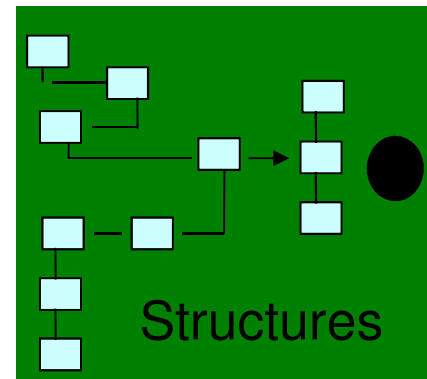
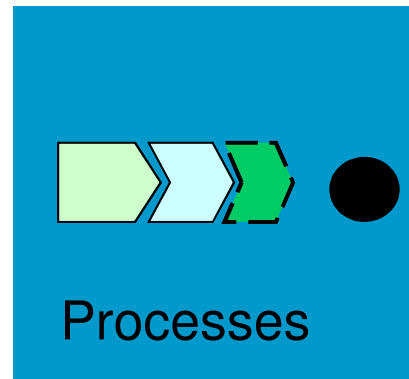
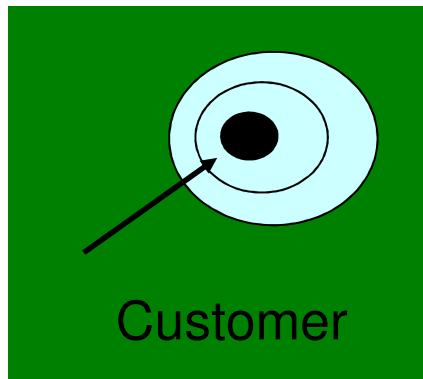
Optimize processes

Basic principle



Optimize Processes

Indication of objectives



Enhance employees



external training



task related training

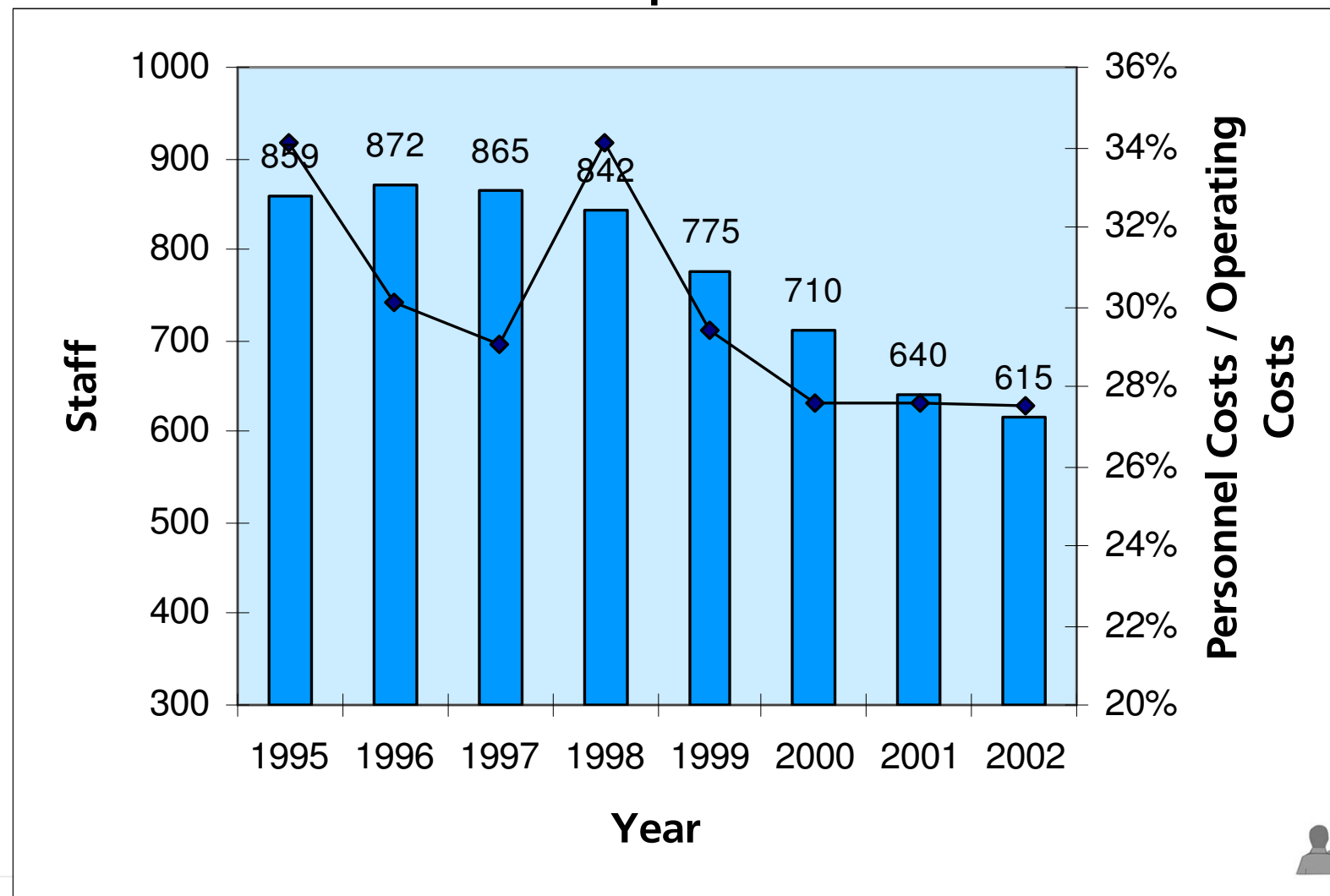


show future prospects



Enhance employees

Here: human resources development



Comparisons

- The perfect and legal way to copy the corporate strategy
- Structured and quantitative comparison, whereas deviations will be explained
- An “only winner game”
- A suitable method to prevent “to stew in the own grease”
- A method to improve the own (bad) position and to save the face



Benchmarking

Approach

Comprehension

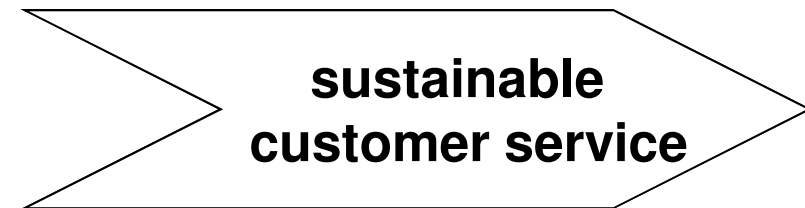
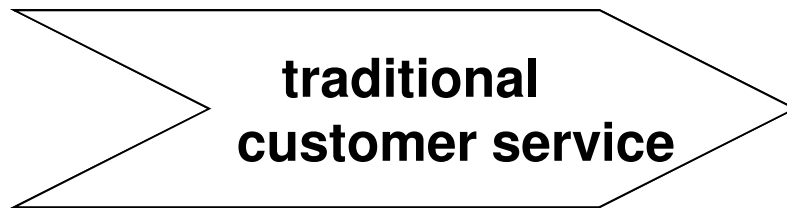
BM is consciously accepted as a type of competition and is used actively and target oriented

Objectives

- Site determination within the sector
- Identification of savings potential
- Stimulate the learning process
- Gain ideas and proposals
- Generate indices for competition activities
- Get the own productivity objectively documented



Interaction with customers



**The customer stands
in the way not in the
center.**

customer = employer



Pursue services

Examples of KWL



training of international professionals



microbiological and chemical laboratory



organic farming



providing schools with educational materials



public swimming pools



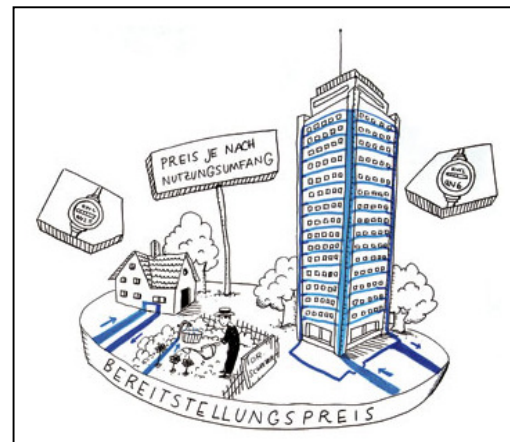
construction and maintenance measures

Price Modell



basic price

+



provision price

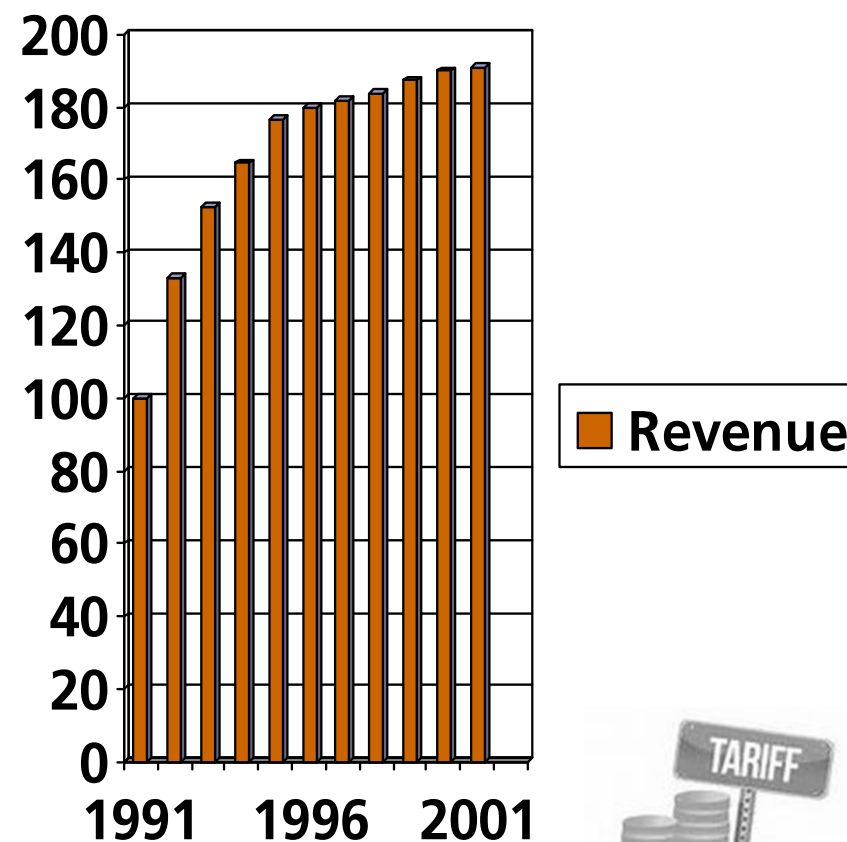
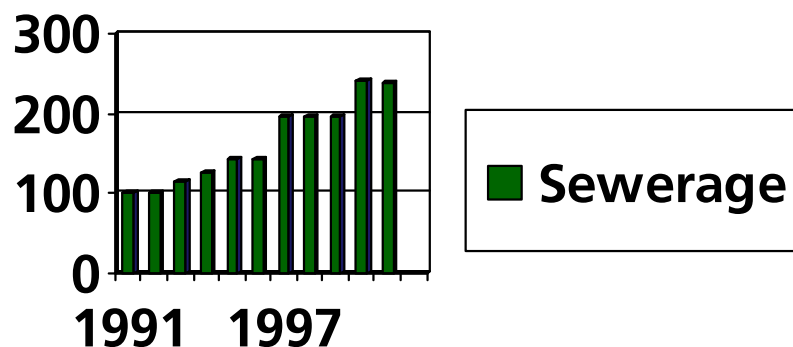
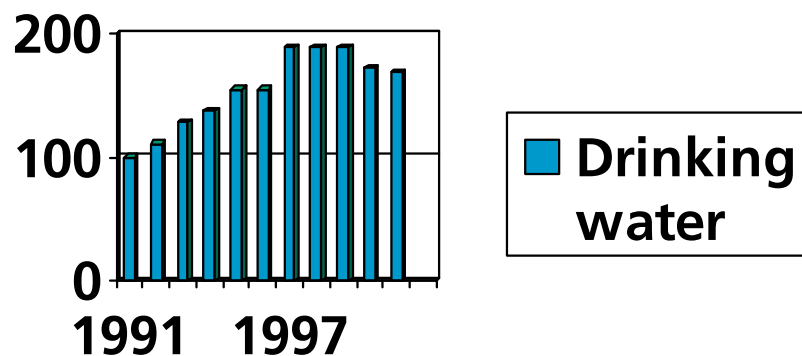
+



cubic price

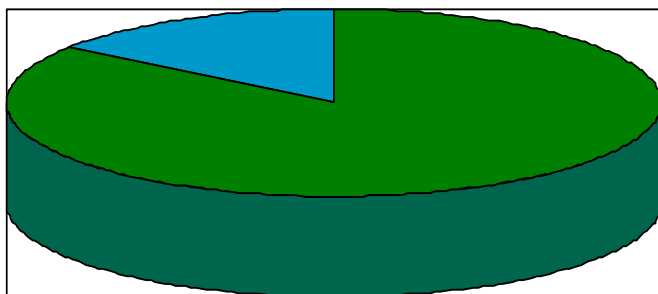


Development of prices and revenues



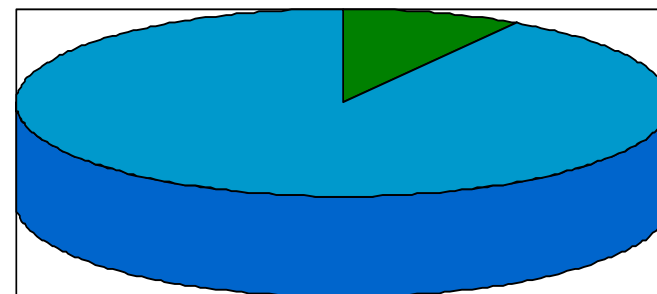
Is the cost structure reasonable?

cost structure



■ Fixed costs ■ variable costs

price structure



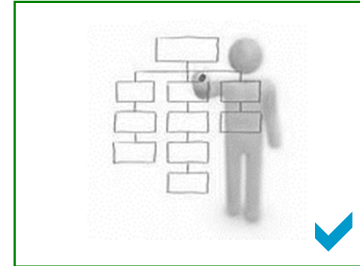
■ Basic price ■ Quantity price



Leipzig water works

- Technical Quality

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Summary

Transformation concept

before 1990 ...

national-owned company (VEB)

subsidized water price

necessary investments were not effected

character of “Public Supplier”, no customer proximity

bureaucratic methods, big “water head”

hierarchical structures

... after 1990

→ corporate entity (GmbH)

→ cost-covering water price

→ high investments in the realm of drinking water and sewage

→ service company, customer orientation

→ slight structures, tightened procedures, flexible employees

→ process oriented structures

The Leipzig Model



profitability



**the legal form is
secondary**



**preparation of
competition**



act private

Thank you for your attention

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Sachsen Wasser: Competences

We advise you on investment and financial questions, we develop sustainable charge models and optimize your organizational structure.

We assume the commercial and technical management, water plants in Germany and abroad as well as the training of your managers.

We use the technical and commercial know-how of the practical experience concerning water supply and sewage disposal.



Sachsen Wasser: References

examples

Germany

Consulting / O&M

Serbia

Feasibility Study



Macedonia

Institutional
Strengthening

Egypt

Utility Staff Training

Romania

O&M Consulting

Albania

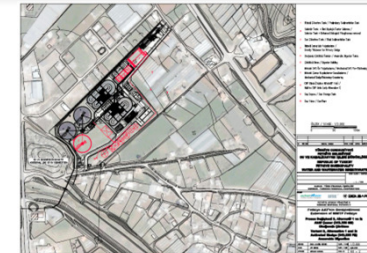
Operational Training

Turkey

WWTP Operator

Training

Institutional
Strengthening

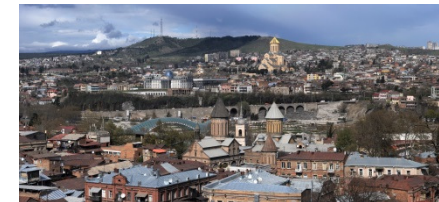


Uzbekistan

Institutional Strengthening;
Utility Staff Training

Georgien

Institutional strengthening,
Utility Staff Training

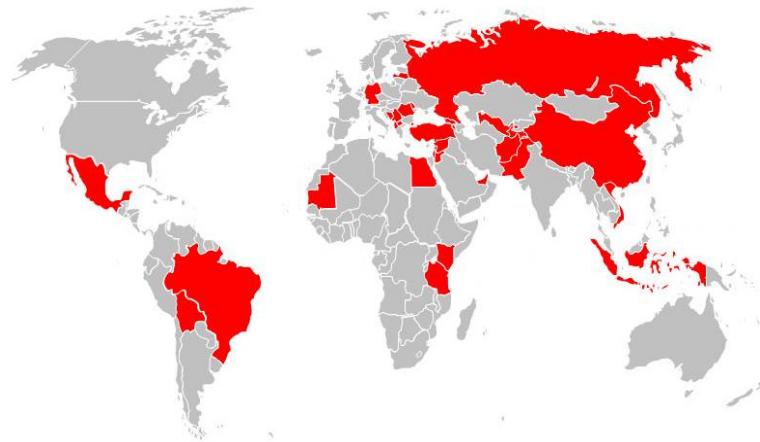


Vietnam

Feasibility Study IWRM
Feasibility Study decentralised
WW Treatment
Utility Staff Training

China

Utility Staff Training
Optimization of WWTP



Consultancy

- Feasibility studies
- Institutional fortification of water economic companies, associations etc., including process and structure optimizing
- Tariff models, cost accounting, pricing
- Corporate consultancy/support of water economic companies, partnerships of convenience etc.
- Development planning for companies and associations of water and sewerage economy
- Tender management



Management

Commercial activities:

- Company controlling, contribution and charge calculation
- Development of economy plans, annual consumption billing
- After sales management

Technical activities:

- Operation of water supply and sewerage disposal plants



Project management

- Project planning
- Project development
- Project management
- Project controlling
- Training of foreign specialized staff and executive managers



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