



**BUSINESS CARD:** Miroslav Mitkov is Master-Engineer in Economics and Management from the University of Chemical Technology and Metallurgy, Sofia. He acquired additional educational qualifications in international bookkeeping standards from the University of National and World Economy in Sofia. Mitkov has a rich experience as an employee of international companies. Since the end of 2008 he is fully engaged in the water sector as an employee of the biggest Bulgarian private water company. He has taken the positions Financial Director and Commercial Director. His specialized knowledge areas cover finance, management, legislation and regulation.

*Eng. Miroslav Mitkov, manager of project "Process Benchmarking in the Water Operators in Bulgaria"*

# The aim is operators to exchange valuable experience

Violeta Mihaylova

**Dear Mr. Mitkov, what precisely mean "benchmarking" and from how long it is being implemented?**

More and more often we see the implementation of the concept "benchmarking" (comparative analysis) in different business areas. If we have to give a definition I think that the most precise one is this of the International Water Association (IWA): "Benchmarking is an instrument for improving the performance of an organization through systematic searching and adoption of best practices. It is not a single action but rather a continuous,

cyclic process". In other words, the aim of the instrument is to stimulate the operators to interact and support each other rather than oppose to each other.

The comparative analysis has been used since a long time and in different sectors as a powerful instrument in the hands of the managers for improving the main processes in their companies. In the field of water, benchmarking has been used internationally still at the end of 1990s. There have been some attempts to implement such a system in Bulgaria but due to various reasons its real-



ization hasn't been accomplished in the type seen today.

#### **When the work on the project started in Bulgaria?**

#### **And who is the "driver" of the process?**

The work on the benchmarking in Bulgaria began in 2013. Thanks to the efforts of the Bulgarian Water Association (BWA), an agreement was concluded at the beginning of the past year to start a project "Process Benchmarking in the Water Operators in Bulgaria". So, BWA namely is the "driver" of the project, and the Association plays the main role in it. Firstly, it is a beneficiary and contributes with co-financing. Jointly with BWA we organized recruitment of experts observing the procedures of the International Association of Water Supply Companies in the Danube River Catchment Area (IAWD). BWA makes the necessary arrangements for setting up task forces and events related to the project.

#### **Tell us more about the project itself.**

The project is being realized within the frames of the Competitive Grant Scheme, governed by the provisions of Agreement TF012722, signed between the World Bank (WB) and IAWD. The main financing parties are WB and IAWD, and BWA provides co-financing. The methodology used is that of the Europe-

Plovdiv, Ruse, Sofiyska Voda JSC, Stara Zagora, Yambol.

I am satisfied to stress on the fact that we managed to adhere to all agreed terms in the project and to become the first regional center which succeeded to analyze the project outcomes at internal level. In parallel to this, data has been submitted to EBC, the respective checks have been made and we expect soon their analysis.

And last but not least, at the end of 2014 we organized an internal meeting with the project participants, representatives of the Danube Programme and BWA, where the results (with data from 2013) were presented.

#### **What inspired and stimulated you to start working on the project?**

#### **Tell us something curious from the process of work.**

The main incentive for me in every project is the challenge. In this specific case my curiosity was instigated by the fact that benchmarking is something relatively new for the Bulgarian water sector. I was attracted by the opportunity to work with colleagues from the water companies who are real professionals, and to monitor closely the realization of key processes of the activities in the sector.

The most interesting thing to me is that part of the participating companies managed to achieve a lot in their work with minimum resources. This is a manifestation of ingenuity and com-

“The most interesting thing to me is that part of the participating companies managed to achieve a lot in their work with minimum resources. This is a manifestation of ingenuity and competitiveness on their part.”

an Benchmarking Cooperation (EBC), standard level. It is based on the one of IWA but is upgraded with additional variables and indicators in order to allow an overall analysis of the activities of the water operators.

#### **What are the benefits for the water operators which take part in the project voluntarily?**

It is very important that the participation of the water operators in the project is on a voluntary basis. And this participation is not accidental. They have the chance to share good practices and to help each other to implement them in the everyday operations.

It is very important too that there is no "ranking" in the project. The outcomes of the comparisons are used for analysis of functional areas and for stimulation of improvements in the work of the water operators as well as for coordination between them.

#### **What is the progress so far?**

I am proud to say that we completed successfully the first year of the project. I would like to sincerely thank the managers and experts from the 12 companies that took part in the project: Blagoevgrad, Burgas, Vidin, Vratza, Gabrovo, Lovech, Pazardzhik,

petitiveness on their part. Besides, the water operators are quite flexible. They managed to submit over 90% of project data for a very short period of time. In some of the "pilot" companies this data was collected for two days with our assistance. You should have in mind that we speak about variables and indicators which for the most part are new to the companies.

#### **What is ahead? Will a comparative analysis be made between the countries participating in the project?**

As I mentioned before, the benchmarking is a cyclic process. In connection to this, we will continue to work in 2015 with the 12 operators and will try to attract some 8-10 new participants this year. Our long-term goal is benchmarking to continue and to be imposed in Bulgaria as an instrument with the help of which the water operators improve their performance.

We expect the analyses carried out under the EBC methodology with data from 2013 to be ready within this month (January 2015). In parallel to them the analyses of the other regional centers (Serbia, Macedonia, Kosovo, Albania, Bosna and Herzegovina) are being prepared as well. In March 2015, an international meeting is scheduled which is expected to be attended by representatives of operators in Bulgaria, neighboring regional centers and leading companies from the Netherlands. ■

# Бенчмаркингът на ВиК дружествата представя първите резултати

Виолета Михайлова



**РЕЗУЛТАТИТЕ** от сравнителния анализ за съпоставка на ВиК операторите у нас, бяха разгледани на годишна среща. Събитието събра дружествата, доброволно участващи в проекта, през декември 2014 г. в с. Чифлик, община Троян.

Двудневният форум започна с представяне на вътрешния доклад-анализ за изпълнение дейностите на операторите, за 2013 г. Това е първият етап от проекта „Процесен бенчмаркинг във ВиК дружества в България“, с бенефициент Българската асоциация по водите. За неговата реализация е избрана методиката на Европейската бенчмаркинг кооперация (ЕБК), която определя набор от входящи данни, характеризиращи дейността на операторите, на база на които се изчисляват показатели за изпълнение на дейността.

По време на срещата ВиК дружествата споделиха ценен опит и добри практики помежду си, застъпвайки ключови процеси като отчитане на водомери, фактуриране и събиране на приходите, намаляване на търговски загуби и др.

Методологията на ЕБК разглежда няколко функционални области. Една от тях, „Надежност“ дава добър пример за това как работи бенчмаркингът и защо е необходимо неговото прилагане в България. Показателен пример от тази функционална област е свързан със загубите на вода- изключително значим проблем за всички оператори в страната.

Докладът, изготвен от управляващите проекта експерти, можете да прочетете на стр... в списанието.

**Резултатите от сравнителния анализ можете да прочетете на стр.90**





**THE RESULTS** of the comparative analysis (benchmarking) amongst water supply and sanitation (WSS) utilities in the country were presented at an annual meeting which took place in December 2014 in the village of Chiflik, Troyan municipality and was attended by representatives of the WSS utilities participating in the project mentioned below.



The two-day forum began with a presentation of the internal report-analysis for the performance of the operators' activities in 2013. This is the first stage of the project "Process Benchmarking in the WSS Utilities in Bulgaria" with the Bulgarian Water Association acting as beneficiary. Its implementation follows the methodology of the European Benchmarking Cooperation (EBC) which defines a set of input data describing the operator's activity on the basis of which are calculated performance indicators for the activity.

During the meeting the WSS utilities shared valuable experience and best practices, focusing on key processes like water metering, invoicing and col-

lection of receivables, apparent losses reduction, etc.

The EBC methodology considers several functional areas. One of them, "Reliability", gives a good example how benchmarking operates and why its application in Bulgaria is necessary. An indicative example of this functional area is related to water losses, quite a significant problem for all the operators in the country.

The report prepared by the project management can be read in this issue of Bulaqua journal.

**You can read more about the results of the comparative analysis (benchmarking) amongst water on p.90**

# The WSS utility benchmarking presents its first results

Violeta Mihaylova

