

# DEVELOPMENT OF A WDM STRATEGY USING BALANCED SCORECARD METHODOLOGY

**R S Mckenzie**

WRP Pty Ltd, PO Box 1522, Brooklyn Square, South Africa 0075, [ronniem@wrp.co.za](mailto:ronniem@wrp.co.za)

Tel: +27 12 346 3496, Cell +27 82 651 7904, PO Box 1522, Brooklyn Square, Pretoria 0075 South Africa

Keywords: WDM Strategy, Balanced Scorecard

## Topic: WDM Strategy

### ABSTRACT

Before any WDM intervention is implemented, it is normal practice to undertake an investigation of the area in question in order to assess the key problems and to propose a strategy to address them. The resulting WDM strategy is usually a range of actions or interventions designed to address the main problems in order to reduce losses and or consumptive use.

Balanced Scorecards have been used for many years to assess and monitor complex situations which involve a wide range of functions many of which cannot be assessed or quantified in a normal manner. It is ideally suited to multi-disciplinary activities such as the operation and management of a water utility for example. In such an organisation there may be various technical issues that must be assessed and monitored as well as different human resources activities and different management activities etc. all of which are important in their own right but cannot be compared with each other. It is therefore difficult to evaluate and measure the overall performance of the utility without resorting to some form of Balanced Scorecard approach.

In 1994, a Balanced Scorecard methodology was adopted in order to evaluate the many aspects of a WDM strategy for a large water supplier. The Balanced Scorecard was ideally suited to the evaluation and monitoring of the WDM activities which included items such as education and awareness, leak location, water auditing, etc. The methodology was quickly modified into a simple spreadsheet comprising 40 items each of which carried a weighting of either 10 or 20 depending upon the importance of the specific item. The Balanced Scorecard approach was used to evaluate the WDM situation in many Municipalities throughout South Africa and also several other countries around the world. It was found to be very helpful in developing comprehensive and pragmatic WDM strategies for all areas in which it was used. The respective Clients also found the process extremely helpful since they were involved directly with the evaluation and scoring of each item.

The methodology is far from complicated and is very simple and straightforward to use. It is extremely flexible and can be modified to suit a specific application or Client or even be colour coded if this is considered easier to understand.. Many variations of the methodology have already been applied and the items included in the scorecard can be reduced or increased where appropriate. From the analysis of have found that 40 items is generally more than sufficient to capture the key elements needed by a specific water supplier to develop a

practical WDM strategy. When more items are included, it tends to become a more academic exercise with a risk of losing focus on the key problem areas.

The paper will explain the methodology and provide a basic balanced scorecard which can be used by anyone wishing to create a simple and pragmatic WDM strategy for a water supplier.