



Veolia Water Uses Balanced Scorecard to Drive North American Strategy

Veolia Water North America is a geographically diverse business, spread across the United States and Canada. It is the leading provider of comprehensive water and wastewater partnership services to municipal and industrial customers, providing services to more than 14 million people in approximately 650 communities. By necessity, the business is very local and in addition to its geographical diversity is also culturally diverse.

In 2008, the company transitioned to a new CEO. Newly arrived from Japan, Laurent Auguste needed a winning strategy with a very high goal of increased revenue. However, successful implementation of this strategy would require a partner who could help implement and guide Veolia Water through the balanced scorecard process.

Some Veolia Water executives were familiar with the balanced scorecard, as it was used in the Japan office and some had used it at previous companies. At the direction of Auguste, the executive leaders of Veolia Water North America approached the Balanced Scorecard Institute to define a strategic planning and management system based on the balanced scorecard.

Working closely with the Institute, Veolia Water was able to implement a system designed to help translate organizational strategy into something employees could understand and use. At Veolia Water, the balanced scorecard is designed to boost organizational performance, break down communication barriers between business units and departments, increase focus on strategy and results, budget and prioritize time and resources more effectively, and help the company better understand and react to customer needs.

After successfully implementing the balanced scorecard in its Business Unit, Veolia Water started integrating the balanced scorecard deeper into its organization, using an e-learning tool developed to train key staff. The e-learning course, a customized version of an Institute overview e-learning program, consists of six modules that together take no more than an hour to complete. The e-learning course has helped familiarize employees with the balanced scorecard and demonstrate how they contribute to the company's objectives when they achieve their personal objectives.

"The balanced scorecard is a critical part of our strategy. It offers a framework for achieving our business goals, through clear, understandable metrics. It's more than standard corporate-speak — it actually works!"

- Brian Clarke, Executive Vice President, Business Systems



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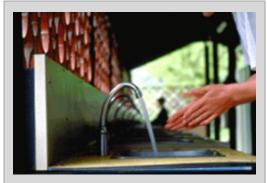
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The development of this e-learning course was considered the next step in Veolia Water's balanced scorecard implementation and was intended to help employees not involved in the first round of balanced scorecard development. The program helped employees develop an understanding of terminology and best practices related to balanced scorecard strategic planning and management, so that they can contribute to further development and use of the balanced scorecard system at Veolia Water.

Ultimately, the balanced scorecard has helped Veolia Water develop a framework for measuring the progress of its geographically diverse facilities while at the same time helping to maximize resources. The Institute was instrumental in helping to develop clear, understandable metrics that help Veolia Water better manage and work across its individual projects.

Veolia Water is now continuing to refine and implement the balanced scorecard system to support internal and external growth initiatives.

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"We are very pleased with the help provided by the Institute. We are aiming for high revenue targets in a geographically diverse market, and the Institute helped us translate our strategy into something that employees can actually use."

- Laurent Auguste, President and CEO, Veolia Water Americas.



About Veolia Water

Veolia Water, the water division of Veolia Environnement, is the world leader in water and wastewater services. Specialized in outsourcing services for municipal authorities, as well as industrial and service companies, it is also one of the world's major designers of technological solutions and constructor of facilities needed in water and wastewater services. With 82,800 employees, worldwide, Veolia Water provides water service to 78 million people and wastewater service to 53 million. Its 2007 revenue amounted to €10.9 billion.

Veolia Environnement (Paris Euronext: VIE and NYSE: VE) is the worldwide reference in environmental services. With more than 319,000 employees the company has operations all around the world and provides tailored solutions to meet the needs of municipal and industrial customers in four complementary segments: water management, waste management, energy management and freight and passenger transportation. Veolia Environnement recorded revenue of €32.6 billion in 2007. www.veolia.com

About the Balanced Scorecard Institute

The Cary, NC based Balanced Scorecard Institute provides training, consulting, technology and certification services to commercial, government, and non-profit organizations in applying best practices in balanced scorecard, strategic performance management and measurement, and transformation and change management. For more information, call (919) 460-8180 or visit www.balancedscorecard.org



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