



Service and Support as a Business

Creating Lasting Value in IT Service and Support

MetricNet Best Practices Series



MetricNet[™]

Performance Benchmarking

Empirical Observations from Our Global Database



Global Database

More than 3,000 IT Service and Support Benchmarks

70+ Key Performance Indicators

More than 120 Industry Best Practices



10 Mega Trends in End-User Support

- ❑ The rise of the Strategic Service Desk
- ❑ Holistic use of KPI's
- ❑ Benchmarking to Improve Performance
- ❑ User Self-Help
- ❑ Marketing the Service Desk
- ❑ Understanding TCO
- ❑ First Contact and First Level Resolution
- ❑ Process Rationalization (ITIL, ITSM)
- ❑ Knowledge Management and Remote Diagnosis
- ❑ Service and Support as a Business



The Maturity Continuum in IT Support

Reactive Stage



- Newer and less evolved support organizations are in this category
- A reactive “fire-fighting” mentality prevails at this stage
- Focus tends to be almost exclusively on service level compliance
- Support is continuously playing catch-up with user needs and expectations

Growth Stage



- Heavy investments in training, tools, and metrics characterize this stage
- A knowledge base of problem solutions is typically established
- An expert network of problem solvers is developed outside of support
- User self-help begins: user-enabled password resets, user searchable knowledge base

Strategic Stage



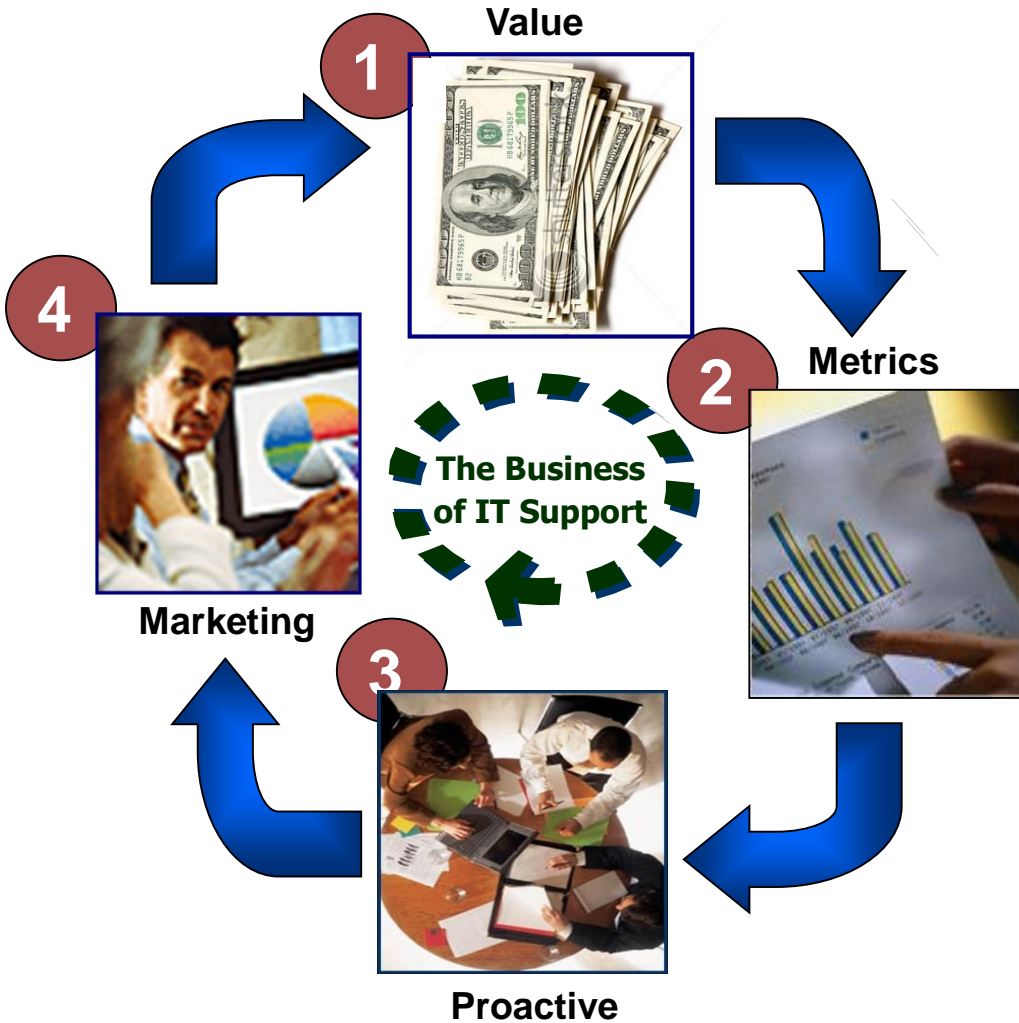
- The primary purpose of a strategic support organization is to make end users more productive, and to drive a positive view of IT
- A preventive, proactive culture prevails
- Support anticipates user needs and expectations, and provides services accordingly
- Customer *enthusiasm* and value creation is the goal!



IT Support as a Business Enterprise



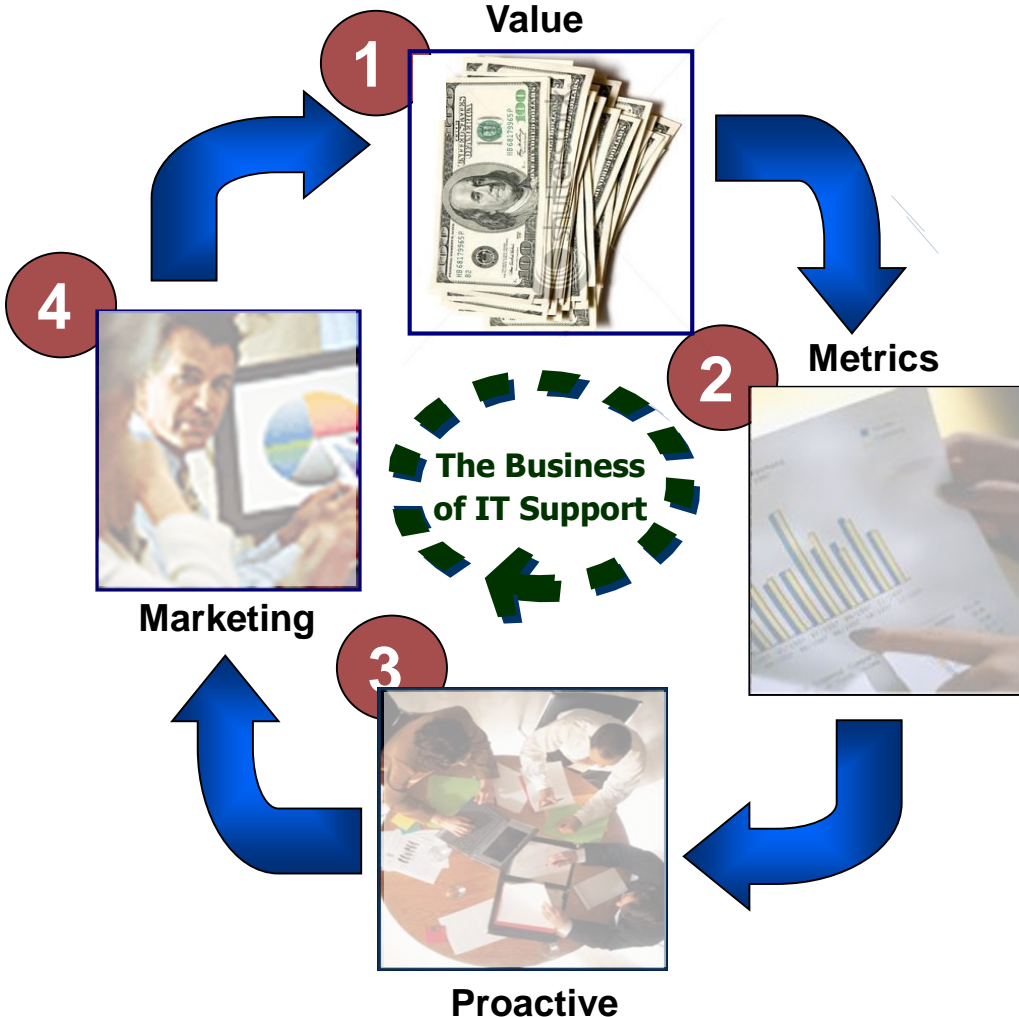
A Business Model for IT Support



Model Component	Description
1. Value	Leverage end-user productivity and TCO
2. Metrics	Holistic and diagnostic application of KPI's
3. Proactive	Anticipate user needs and expectations
4. Marketing	Actively manage stakeholder perceptions



Value: A Business Model for IT Support



Model Component	Description
1. Value	Leverage end-user productivity and TCO
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Sources of Value: IT Service and Support

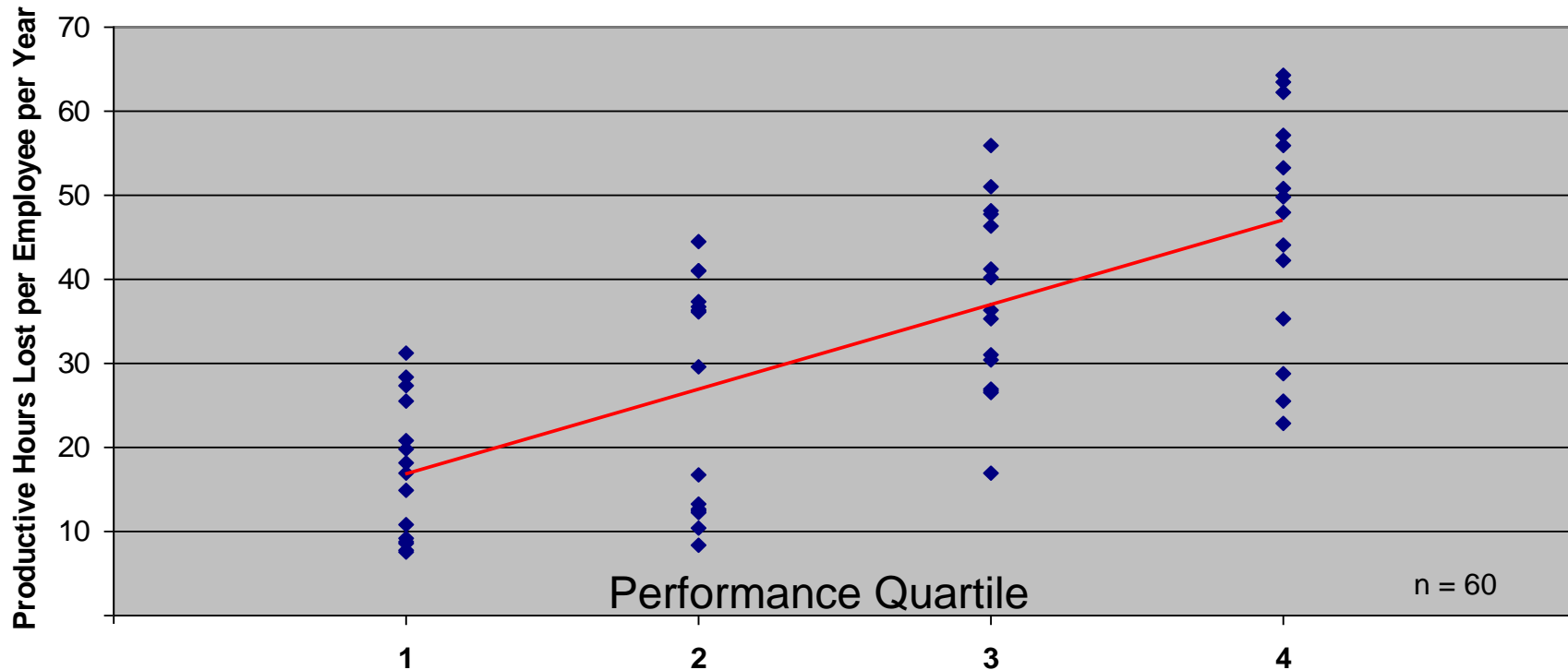
IT Service and Support creates value in a number of ways:

- ❑ Improving end-user productivity by reducing incident resolution times
- ❑ Minimizing Total Cost of Ownership (TCO) by maximizing level 1 resolution rates
- ❑ Mitigating the effects of unplanned downtime through planning, prevention, and aggressive remediation
- ❑ Reducing ticket volume through technology and Root Cause Analysis





Quality of Support Drives End-User Productivity








Support Function	Key Performance Indicator	Performance Quartile			
		1 (top)	2	3	4 (bottom)
Service Desk	Customer Satisfaction	93.5%	84.5%	76.1%	69.3%
	First Contact Resolution Rate	90.1%	83.0%	72.7%	66.4%
	Mean Time to Resolve (hours)	0.8	1.2	3.6	5.0
Desktop Support	Customer Satisfaction	94.4%	89.2%	79.0%	71.7%
	First Contact Resolution Rate	89.3%	85.6%	80.9%	74.5%
	Mean Time to Resolve (hours)	2.9	4.8	9.4	12.3
Average Productive Hours Lost per Employee per Year		17.1	25.9	37.4	46.9





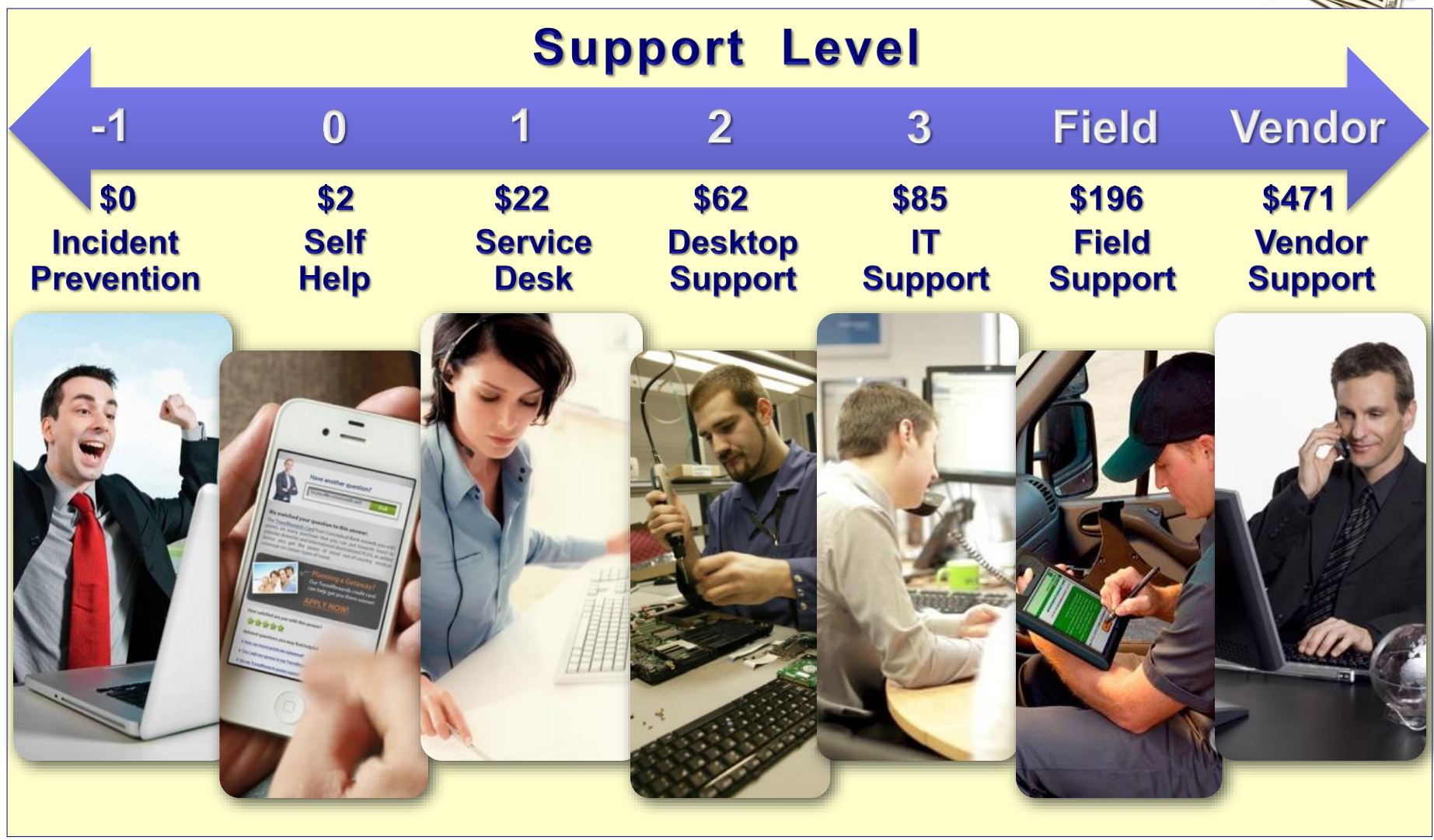
Support Has an Opportunity to Minimize TCO

	Support Level	Cost per Ticket
	Vendor	\$471
	Field Support	\$196
	Level 3 IT (apps, networking, NOC, etc.)	\$85
	Level 2: Desktop Support	\$62
	Level 1: Service Desk	\$22



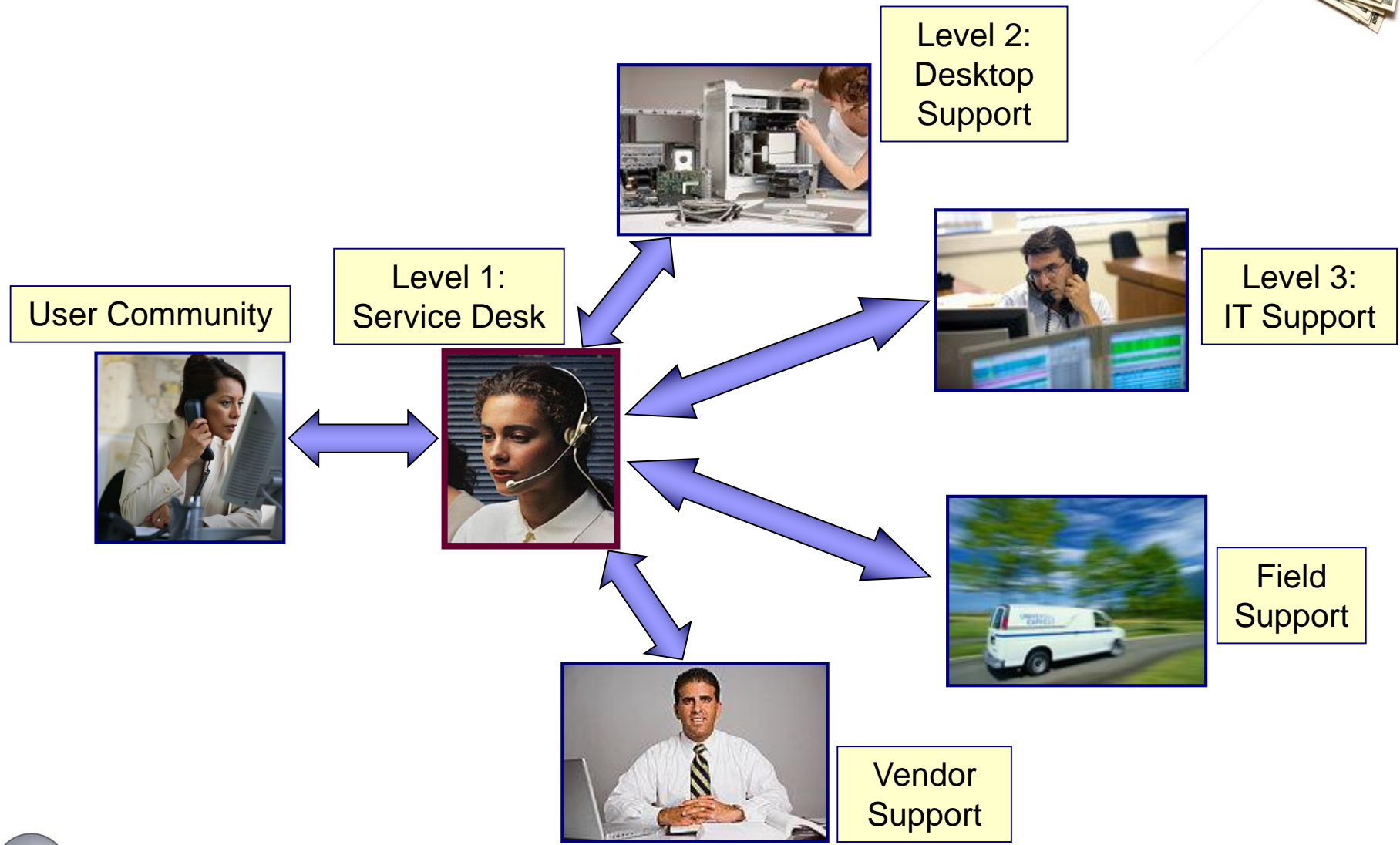


Cost of Resolution: North American Averages



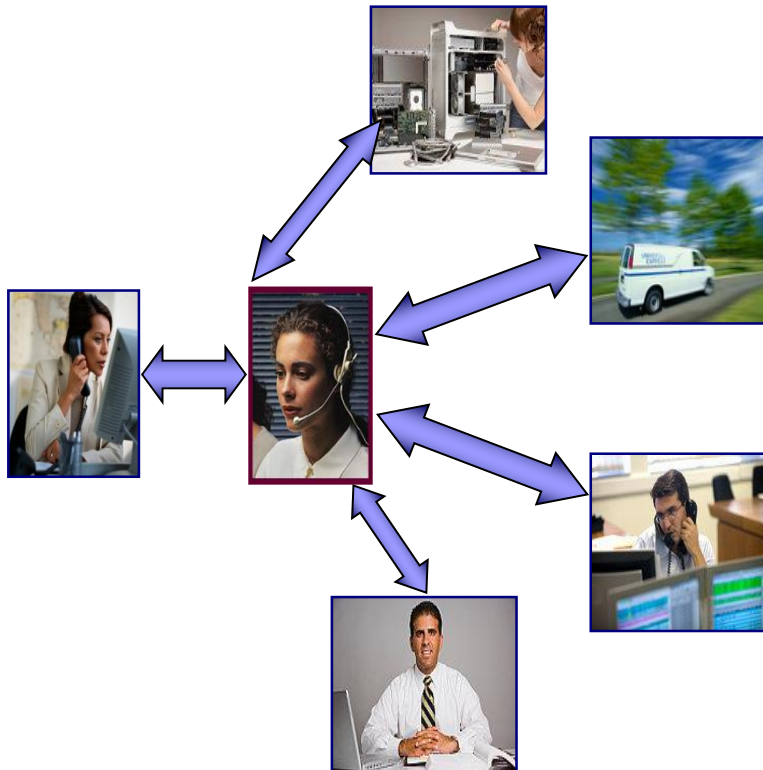


A SPOC Service Desk is Highly Leveraged





Key SPOC Principles



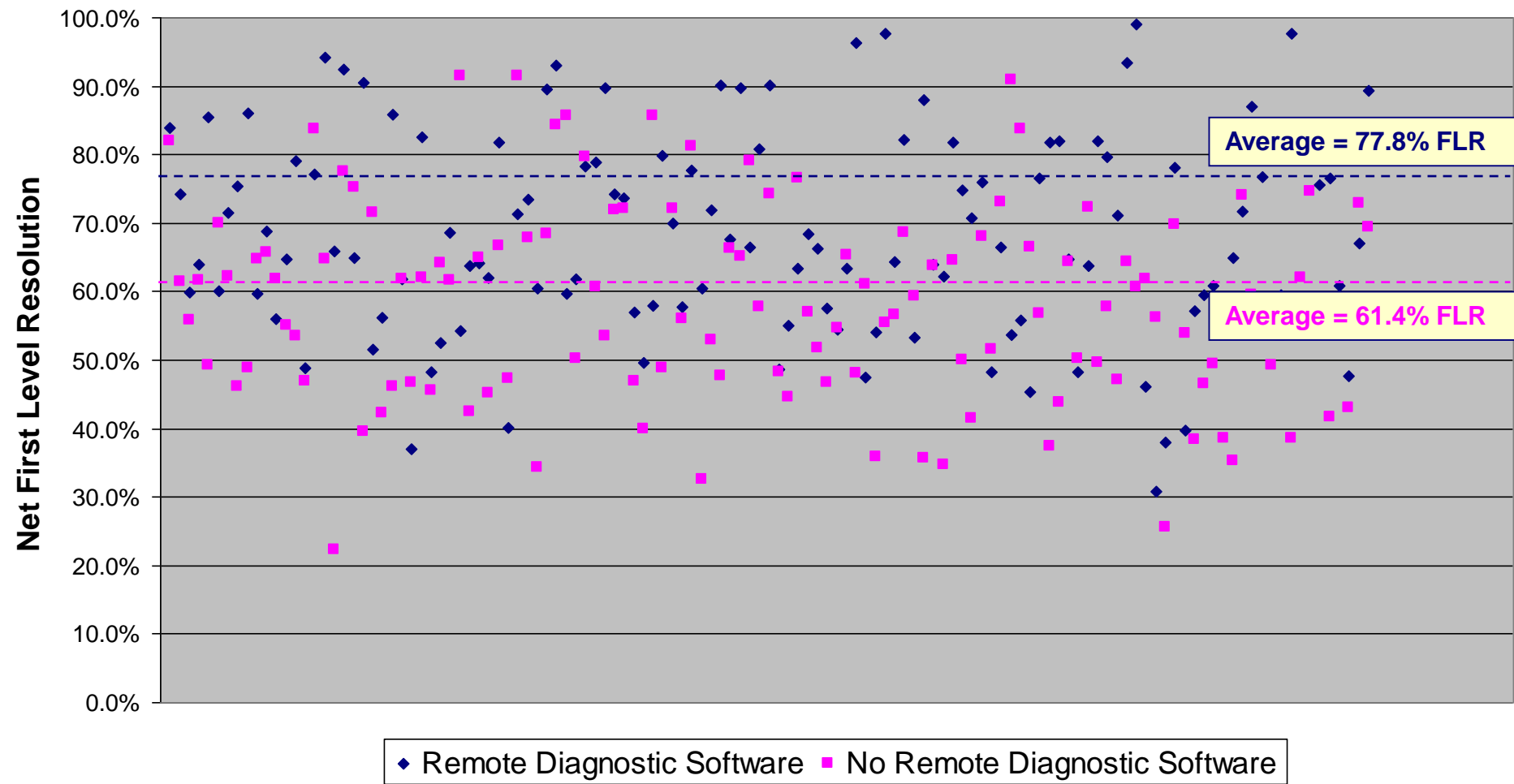
Key SPOC Principles

- Enterprise takes an end-to-end view of user support
- User/Customer has a single point of contact for all IT-related incidents, questions, problems, and work requests
- The Level 1 Service Desk is the SPOC
- Level 1 is responsible for:
 - Ticket triage
 - Resolution at Level 1 if possible
 - Effective handoffs to n level support
 - Resolution coordination and facilitation
 - Ticket closure
- Desktop “Drive-bys”, “Fly-bys”, and “Snags” are strongly discouraged



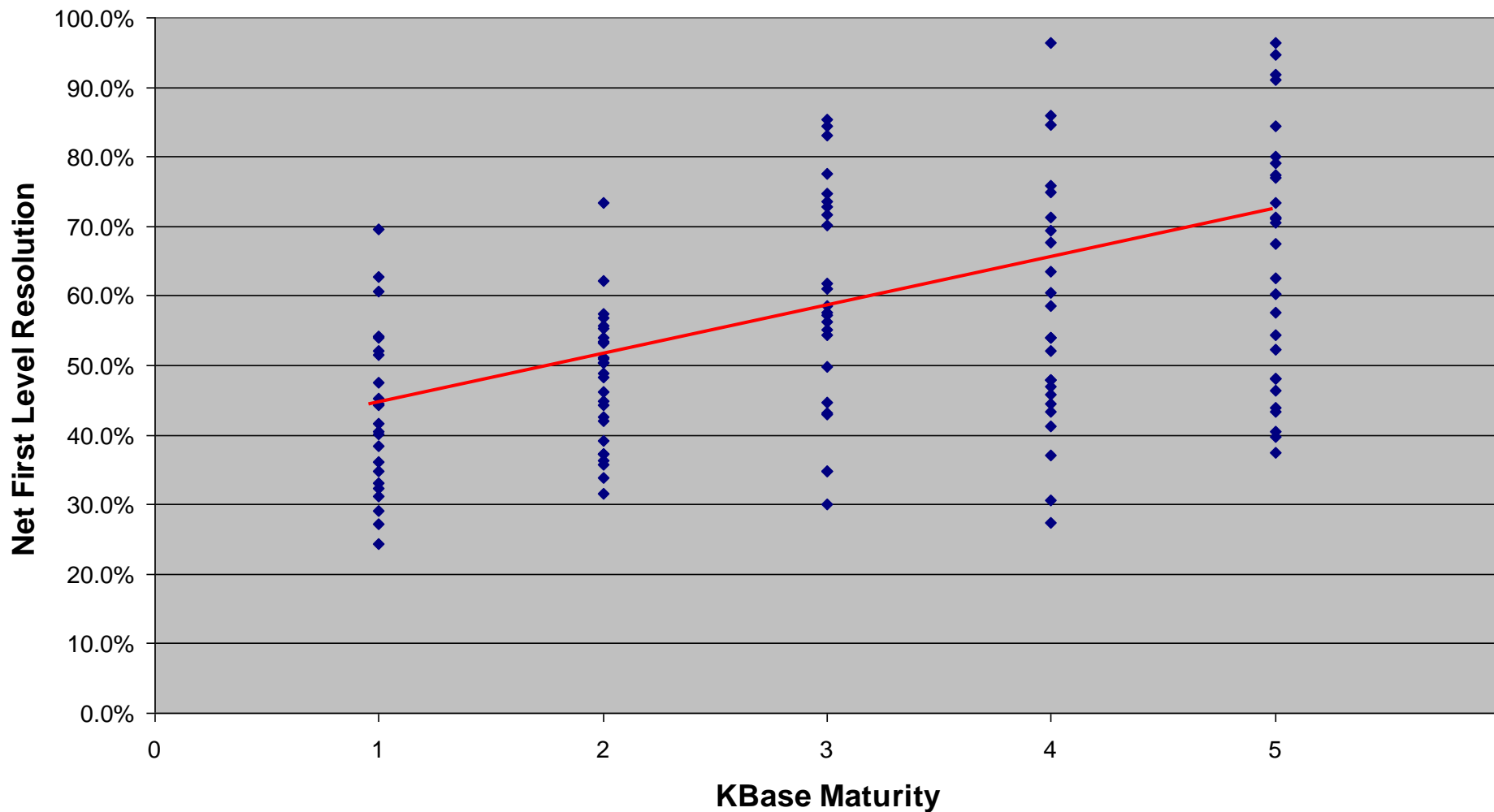


The Effect of Remote Diagnostic Software on FLR

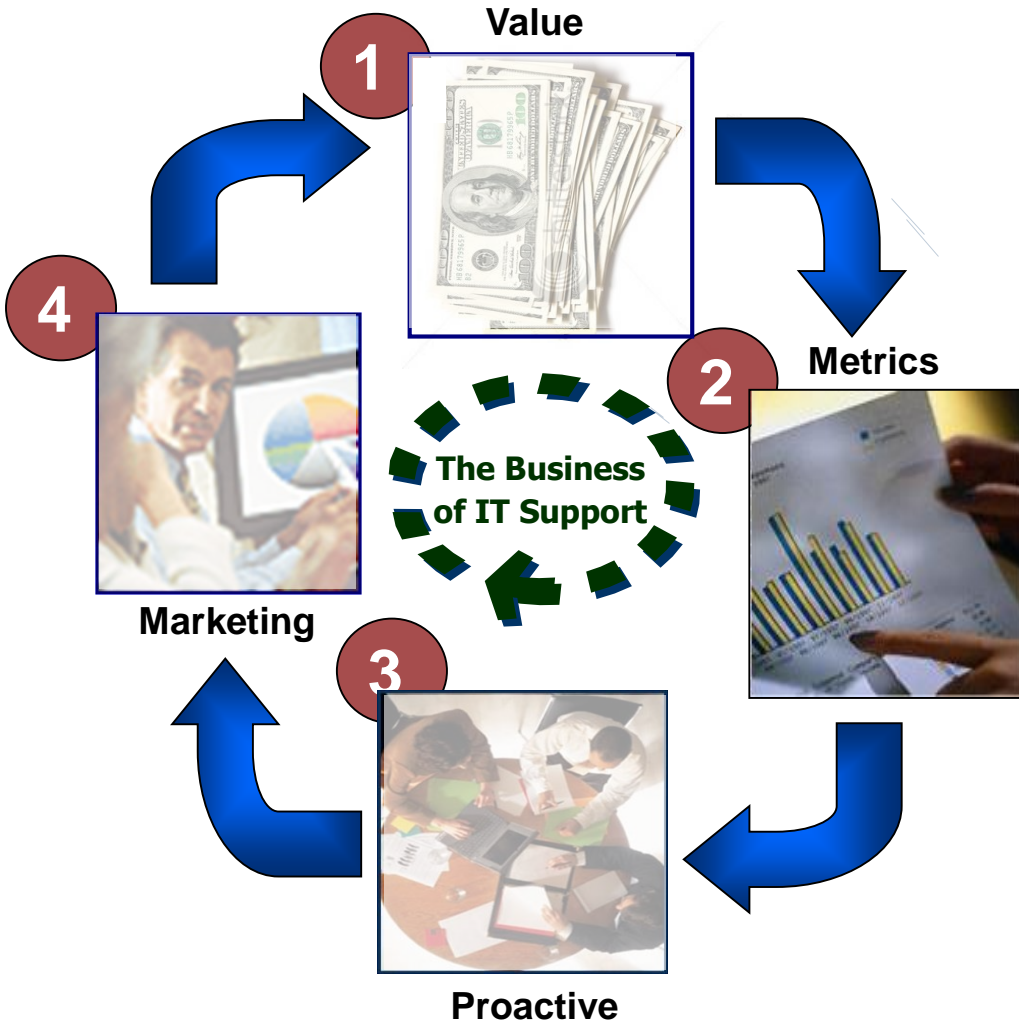




The Effect of KCS Maturity on FLR



Metrics: A Business Model for IT Support



Model Component	Description
1. Value	Leverage end-user productivity and TCO
2. Metrics	Holistic and diagnostic application of KPI's
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Some Common Desktop Support Metrics

Cost

- Cost per Ticket
- Cost per Incident
- Cost per Service Request

Service Level

- Average Incident Response Time (min)
- % of Incidents Resolved in 24 Hours
- Mean Time to Resolve Incidents (hours)
- Mean Time to Complete Service Requests (days)

Ticket Handling

- Average Incident Work Time (min)
- Average Service Request Work Time (min)
- Average Travel Time per Ticket (min)

Quality

- Customer Satisfaction
- First Contact Resolution Rate (Incidents)
- % Resolved Level 1 Capable
- % of Tickets Re-opened

Technician

- Technician Satisfaction
- New Technician Training Hours
- Annual Technician Training Hours
- Annual Technician Turnover
- Technician Absenteeism
- Technician Tenure (months)
- Technician Schedule Adherence

Productivity

- Technician Utilization
- Tickets per Technician-Month
- Incidents per Technician-Month
- Service Requests per Technician-Month
- Ratio of Technicians to Total Headcount

Workload

- Tickets per Seat per Month
- Incidents per Seat per Month
- Service Requests per Seat per Month
- Incidents as a % of Total Ticket Volume

And there are hundreds more!!



Some Common Service Desk Metrics



Cost

- Cost per Ticket
- First Level Resolution Rate

Quality

- Customer Satisfaction
- Call Quality
- First Contact Resolution Rate

Productivity

- Contacts per Agent per Month
- Agent Utilization
- Agents as % of Total FTE's

Agent

- Agent Occupancy
- Annual Agent Turnover
- Daily Absenteeism
- New Agent Training Hours
- Annual Agent Training Hours
- Schedule Adherence
- Agent Tenure
- Agent Job Satisfaction

Service Level

- Average speed of answer (ASA)
- Call abandonment rate
- % Answered within 30 Seconds
- Average hold time
- Average time to abandon
- Percent of calls blocked

Call Handling

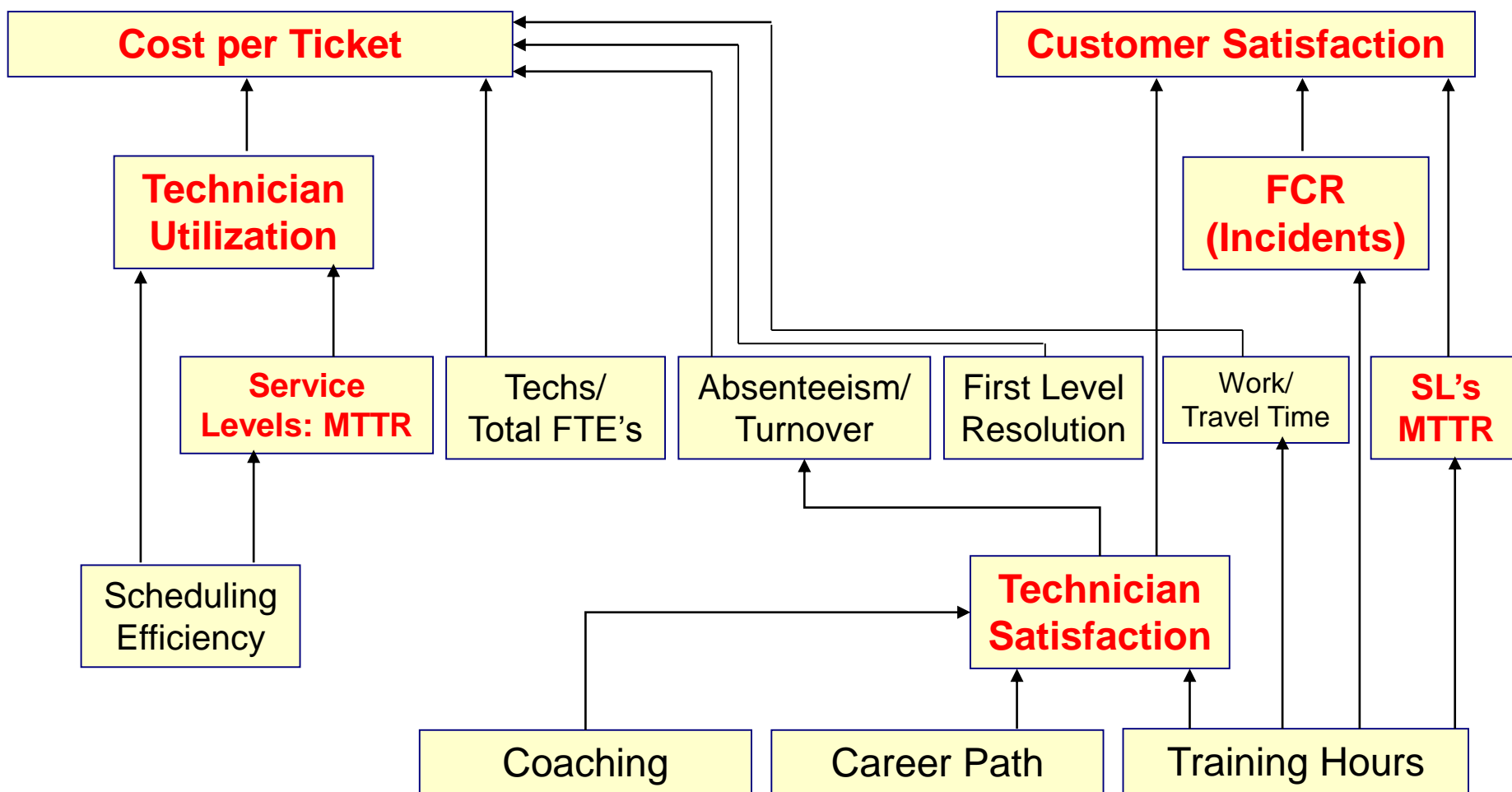
- Contact Handle Time
- % Escalated Level 1 Resolvable
- User Self-Service Completion Rate

And there are hundreds more!!



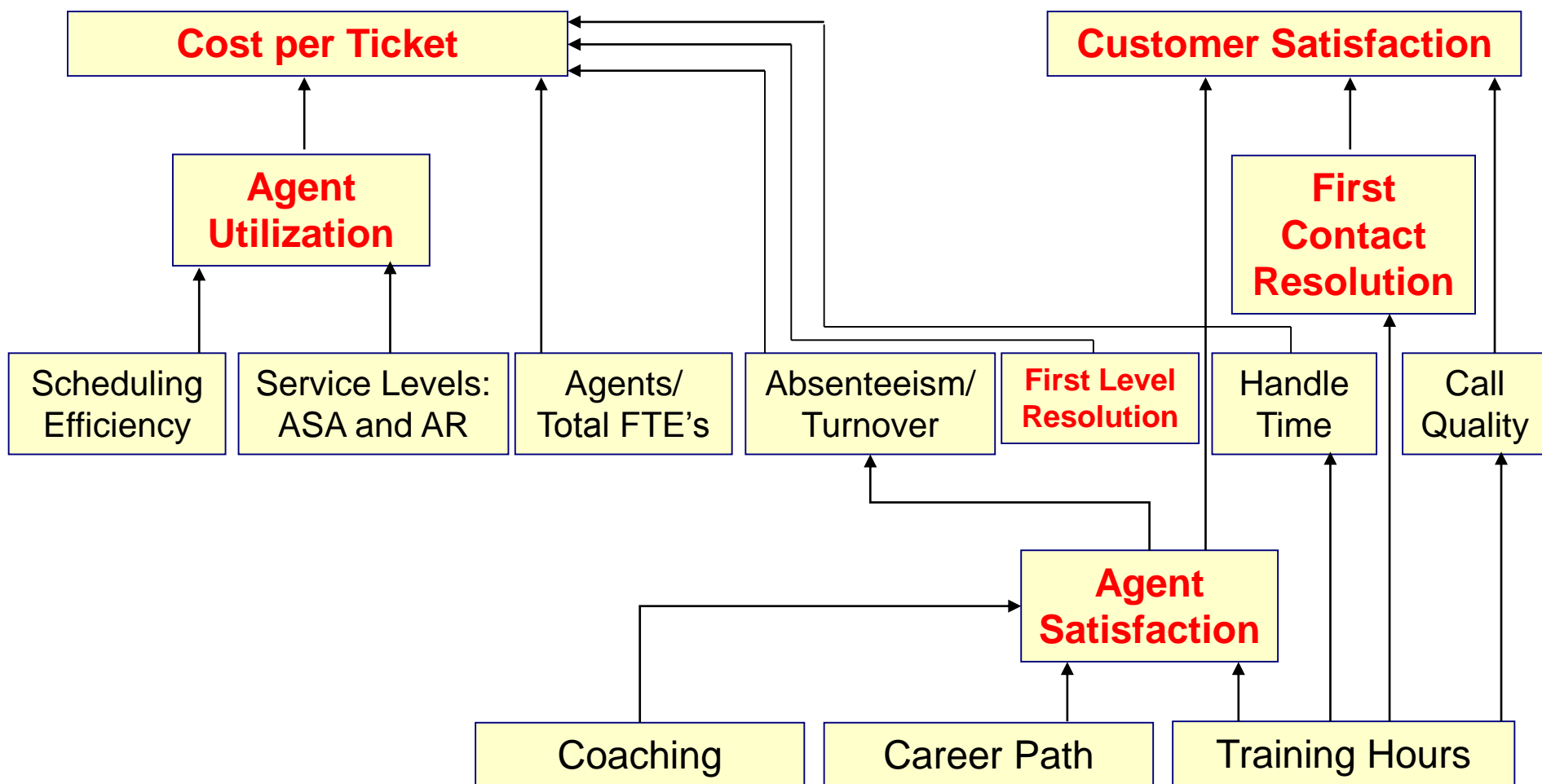


A Summary of KPI Correlations for Desktop Support





A Summary of KPI Correlations for the Service Desk



The Premise Behind Support KPI's



We've all heard the expression...

*“If you're not measuring it...
you're not managing it!”*

But there's more to the story...Lots more!





The Dilemma with IT Support KPI's

Lots and Lots of data

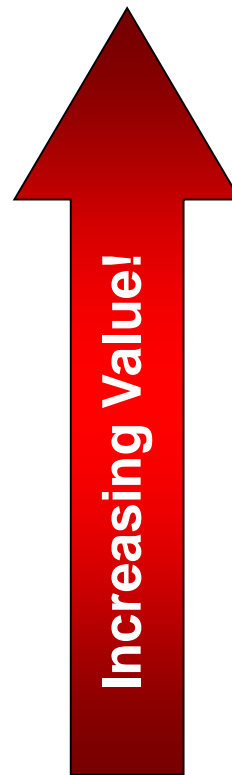
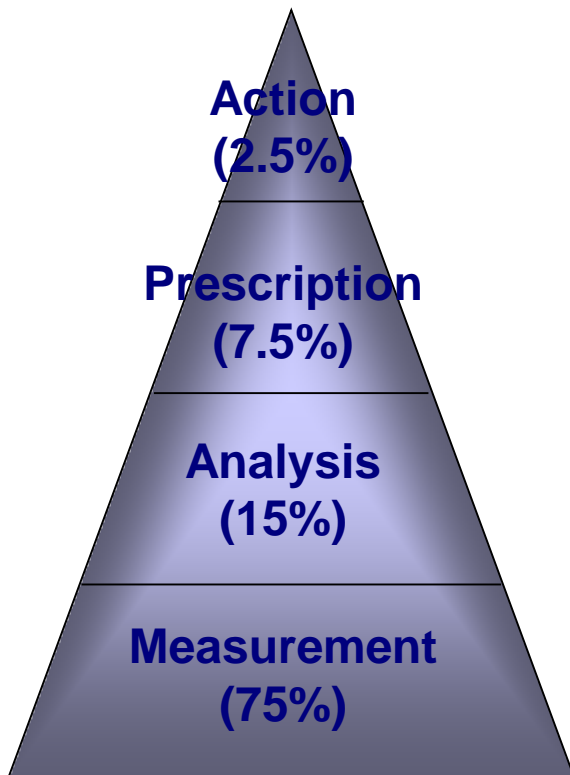
- But not enough analysis...
- Not enough Insight...
- And not enough Action!!



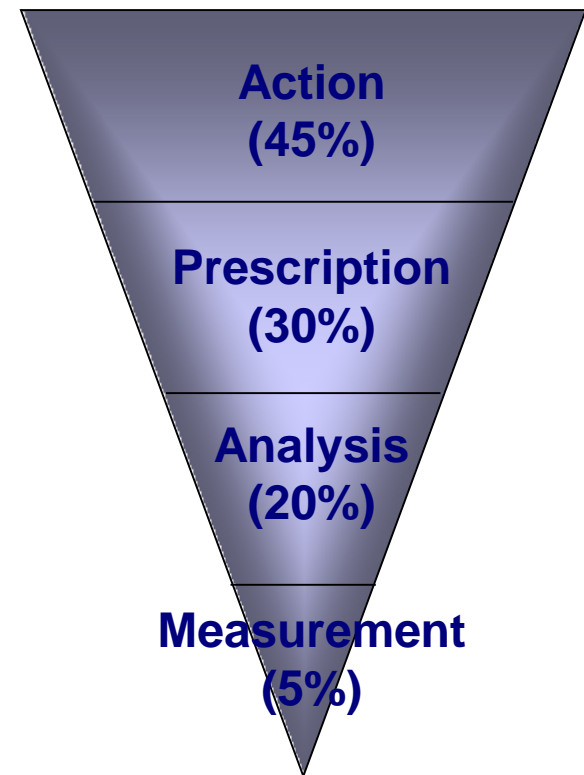


Two Paradigms for IT Support Metrics

The Historical Approach



The Holistic Approach



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And there are hundreds more!!





Desktop KPI's: Which Ones Really Matter?

Cost

- Cost per Ticket

Quality

- Customer Satisfaction

Productivity

- Technician Utilization

Call Handling

- First Contact Resolution Rate

Service Level

- Mean Time to Resolve

TCO

- % Resolved Level 1 Capable

Technician

- Technician Satisfaction

Aggregate

- Balanced Scorecard



Some Common Service Desk Metrics



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- Agent Utilization

Call Handling

- First Contact Resolution Rate

TCO

- First Level Resolution Rate

Agent

- Agent Job Satisfaction

Aggregate

- Balanced scorecard

Read MetricNet's whitepapers on IT Support KPI's. Go to www.metricnet.com to download your copy!



Two Metrics You Should Know

First Level Resolution Rate (FLR)

The number of tickets resolved at level 1 divided by all tickets that can potentially be resolved at level 1.

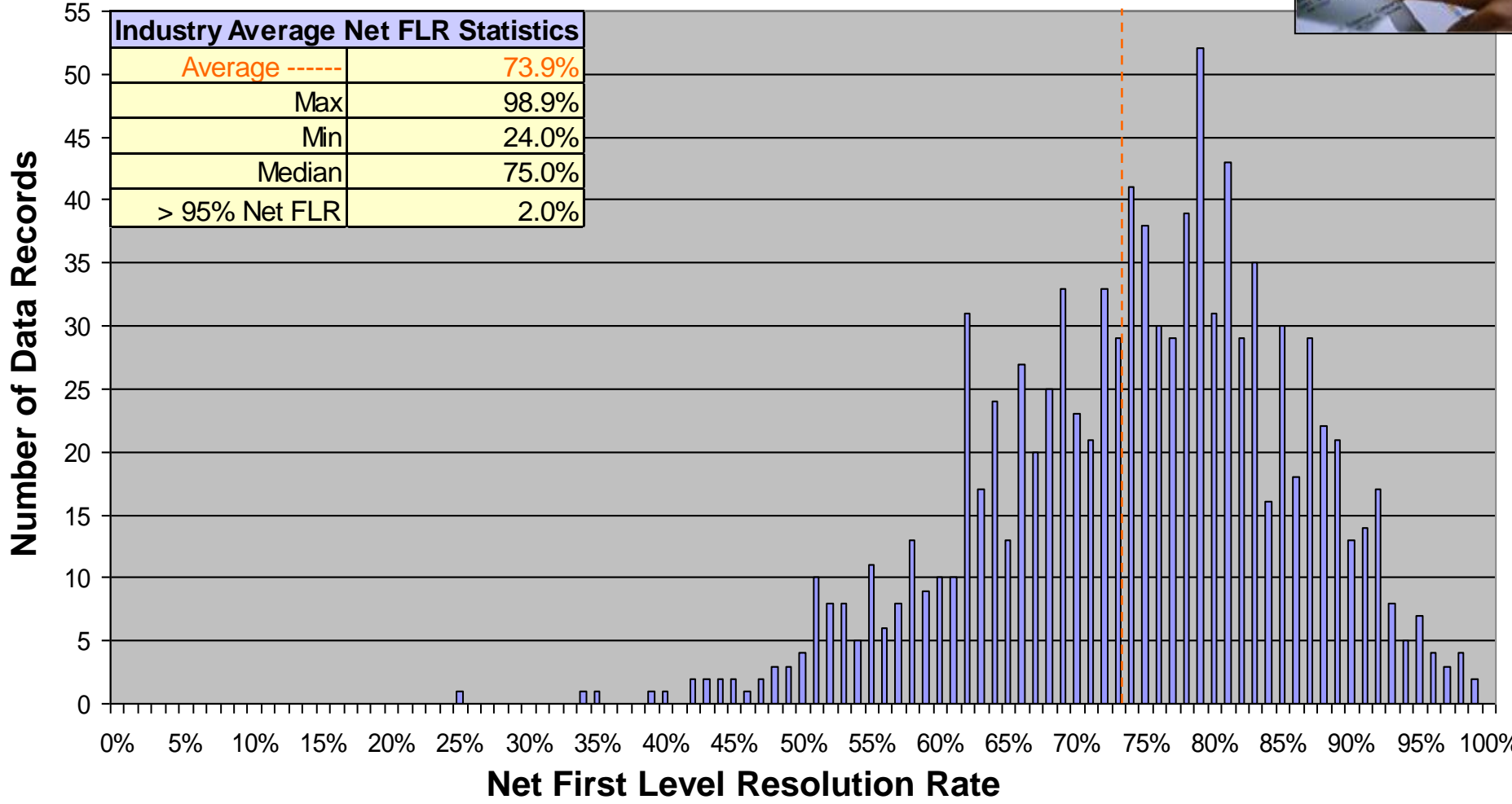
% Resolved Level 1 Capable (PRLC)

The percentage of tickets resolved by desktop support that could have been resolved at level 1 support.



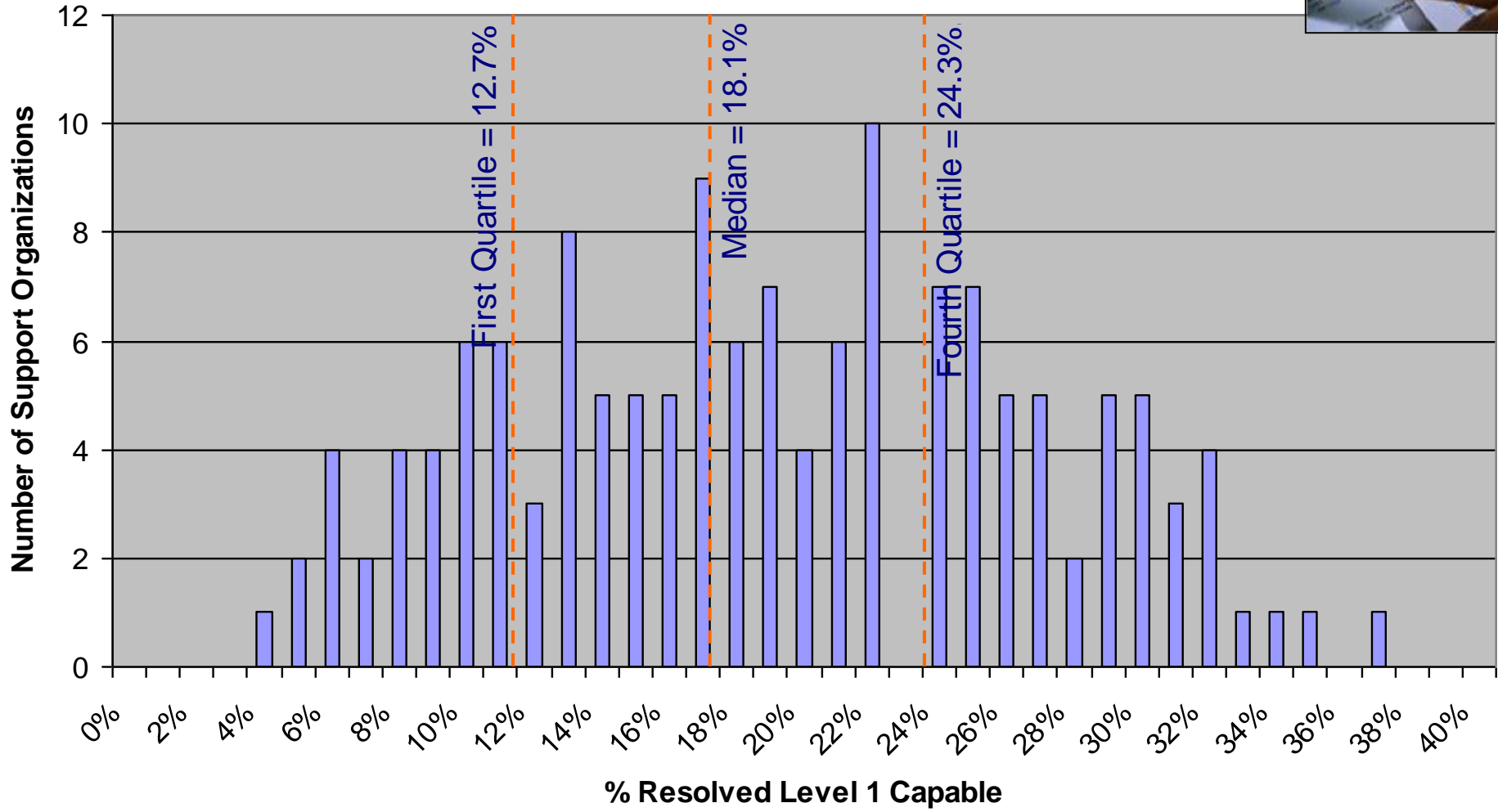


Industry Data for Level 1 Resolution





Industry Data for % Resolved Level 1 Capable





Service Desk KPI's: Which Ones Really Matter?

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Quality

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Productivity

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Call Handling

- First Contact Resolution Rate

TCO

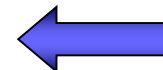
- First Level Resolution Rate

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- Agent Job Satisfaction

Aggregate

- Balanced scorecard



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Aggregate Metrics: The Balanced Scorecard

Performance Metric	Metric Weighting	Performance Range		Your Performance	Metric Score	Balanced Score
		Worst Case	Best Case			
Cost per Contact	25.0%	\$55.28	\$9.15	\$21.83	72.5%	18.1%
Customer Satisfaction	25.0%	63.7%	97.5%	77.2%	39.9%	10.0%
Agent Utilization	15.0%	30.9%	64.4%	47.0%	48.0%	7.2%
Net First Contact Resolution Rate	15.0%	51.8%	87.5%	70.2%	51.4%	7.7%
Agent Job Satisfaction	10.0%	53.5%	91.5%	73.4%	52.4%	5.2%
Average Speed of Answer	10.0%	192	13	60	73.5%	7.3%
Total	100.0%	N/A	N/A	N/A	N/A	55.6%

Step 1
Six critical performance metrics have been selected for the scorecard

Step 2
Each metric has been weighted according to its relative importance

Step 3
For each performance metric, the highest and lowest performance levels in the benchmark are recorded

Step 4
Your actual performance for each metric is recorded in this column

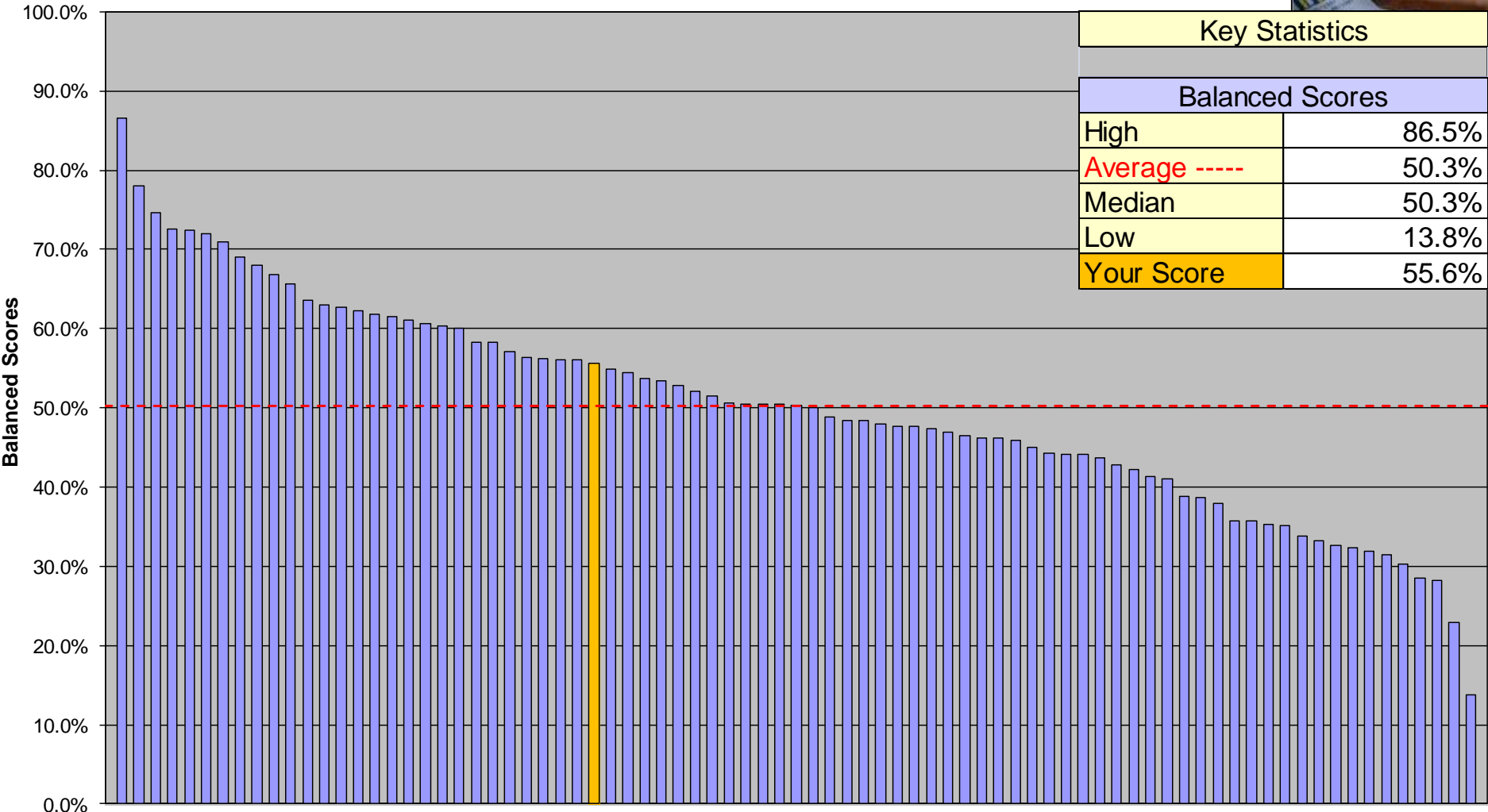
Step 5
Your score for each metric is then calculated:
(worst case – actual performance) / (worst case – best case) X 100

Step 6
Your balanced score for each metric is calculated: metric score X weighting





Benchmarking Your Overall Performance

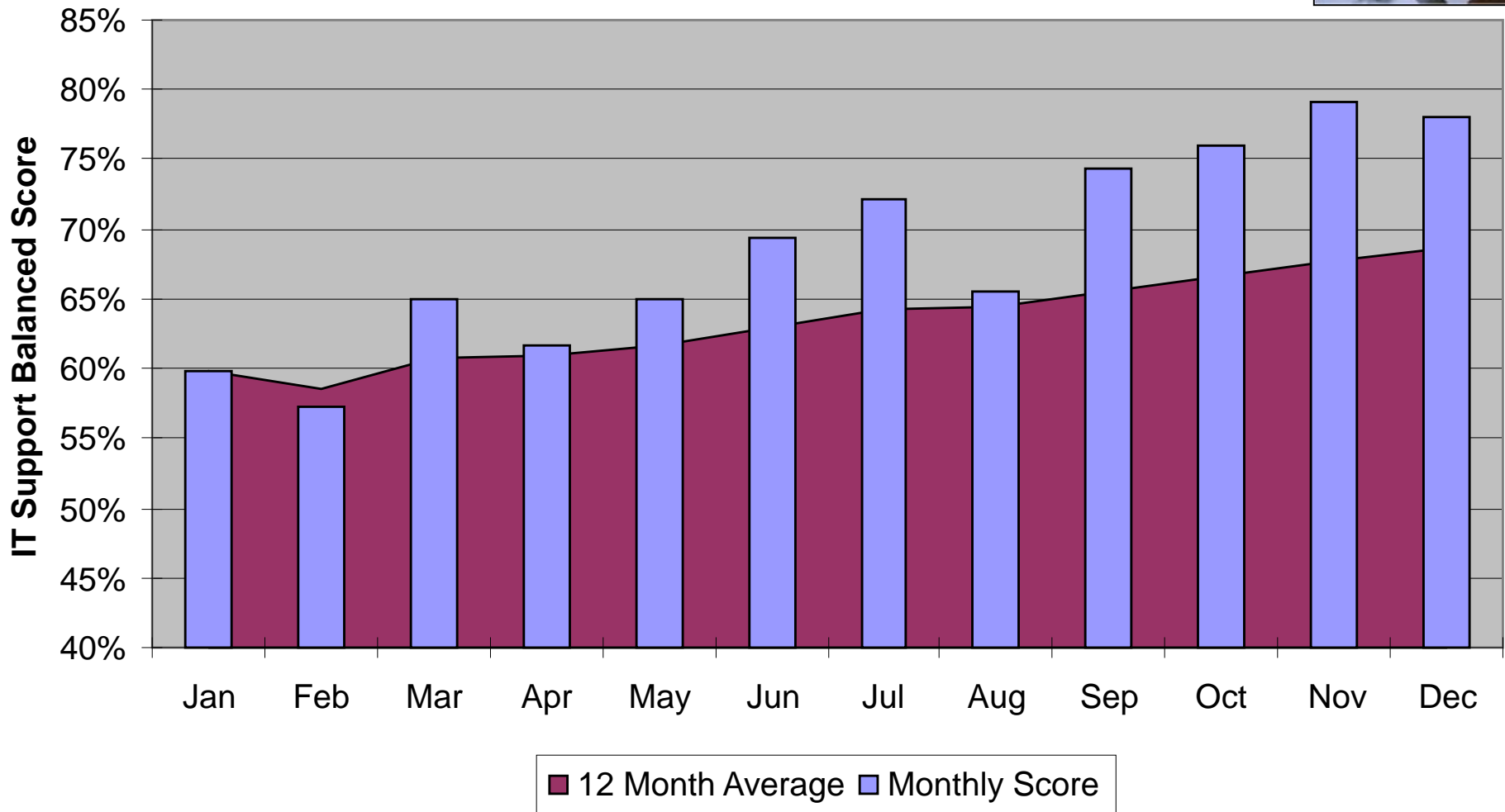


Key Statistics	
Balanced Scores	
High	86.5%
Average -----	50.3%
Median	50.3%
Low	13.8%
Your Score	55.6%

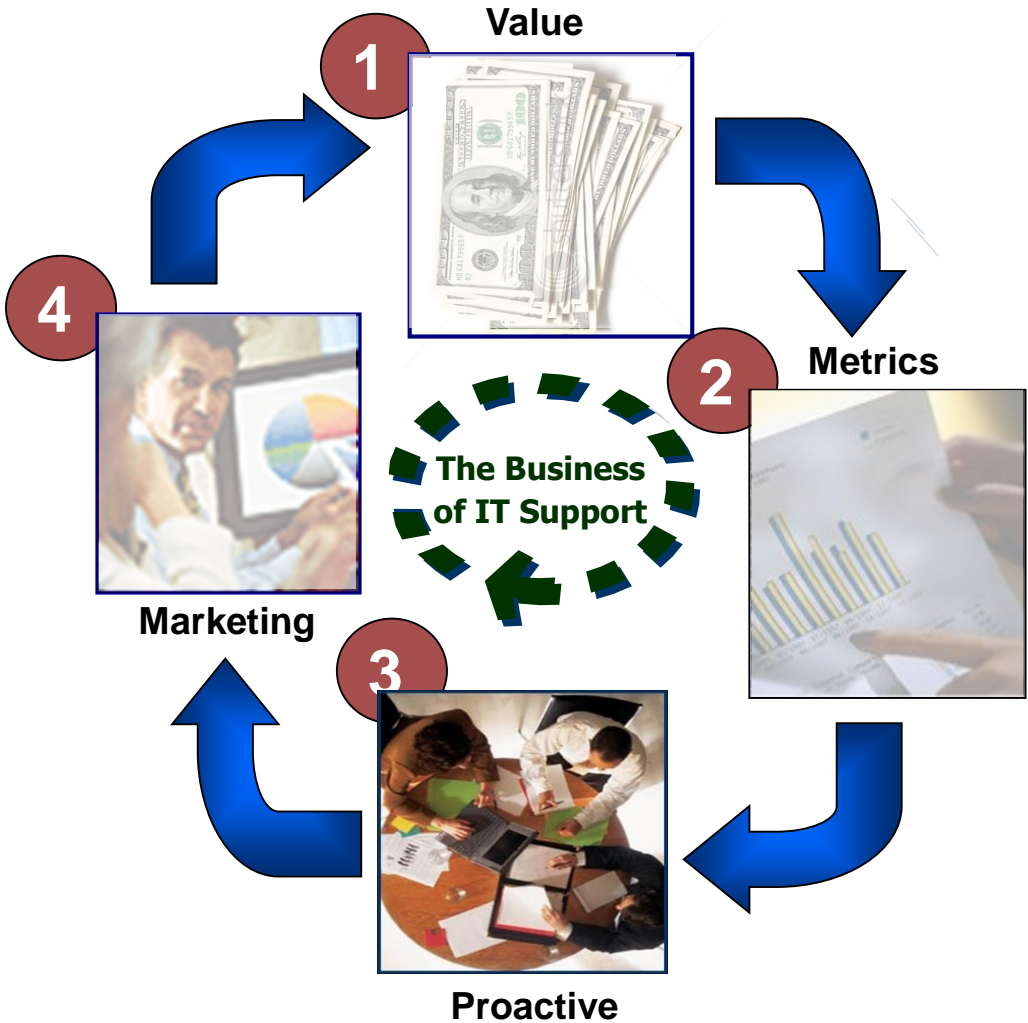




The Performance Trend in IT Support



Proactive: A Business Model for IT Support



Model Component	Description
1. Value	Leverage end-user productivity and TCO
2. Metrics	Holistic and diagnostic application of KPI's
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A Proactive Culture in IT Support

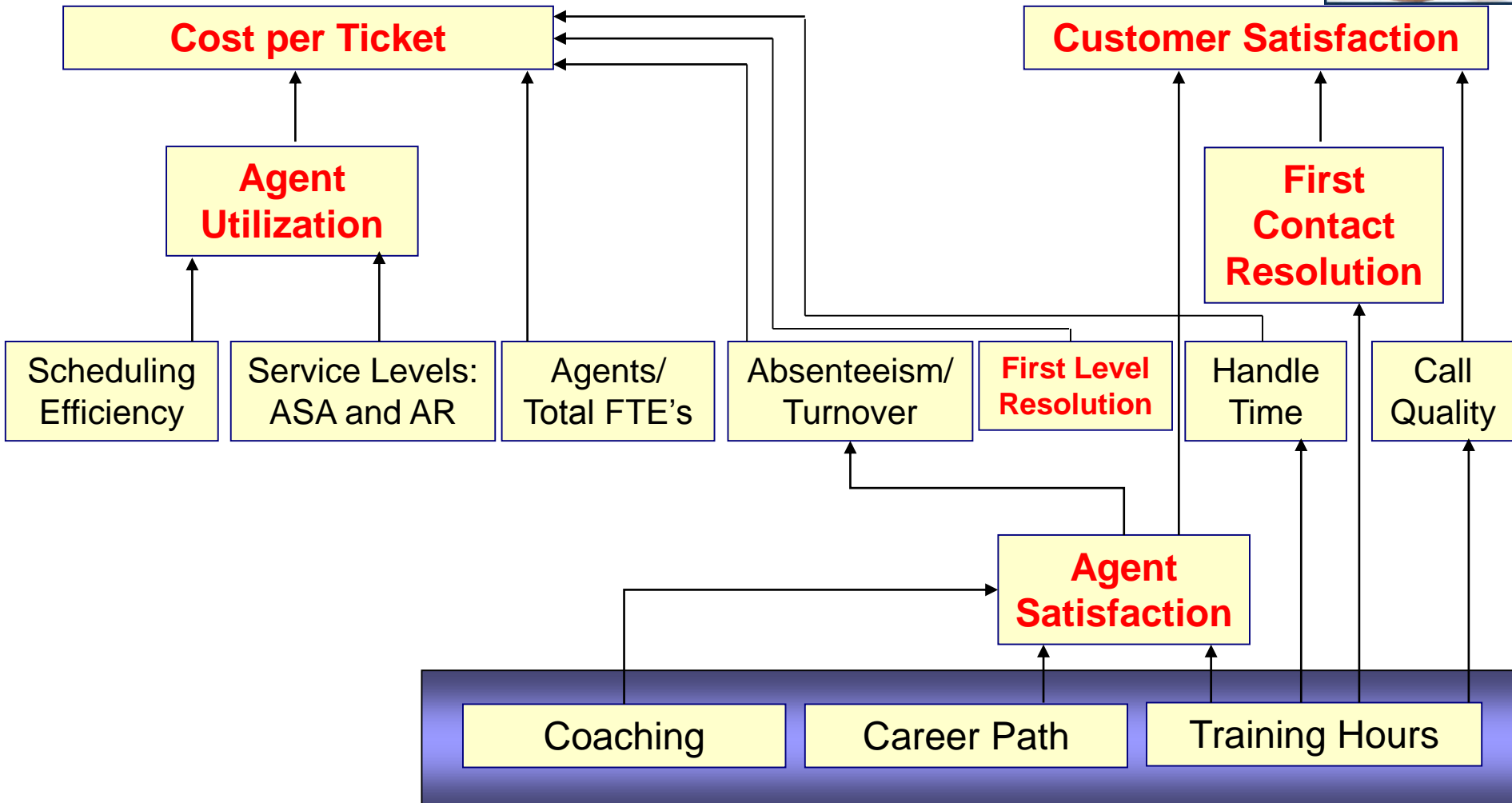
Some Common Proactive Behaviors

- ❑ Root Cause Analysis / Closed Ticket Analysis
- ❑ Marketing / Brand Management
- ❑ Business Case Analysis for New Investments
- ❑ Benchmarking
- ❑ Goal-based Training
- ❑ Cause-and-Effect Decision-making
- ➔ ❑ Manage Agent Morale / Agent Job Satisfaction
- ➔ ❑ Agent Scorecards
- ➔ ❑ Downtime Mitigation

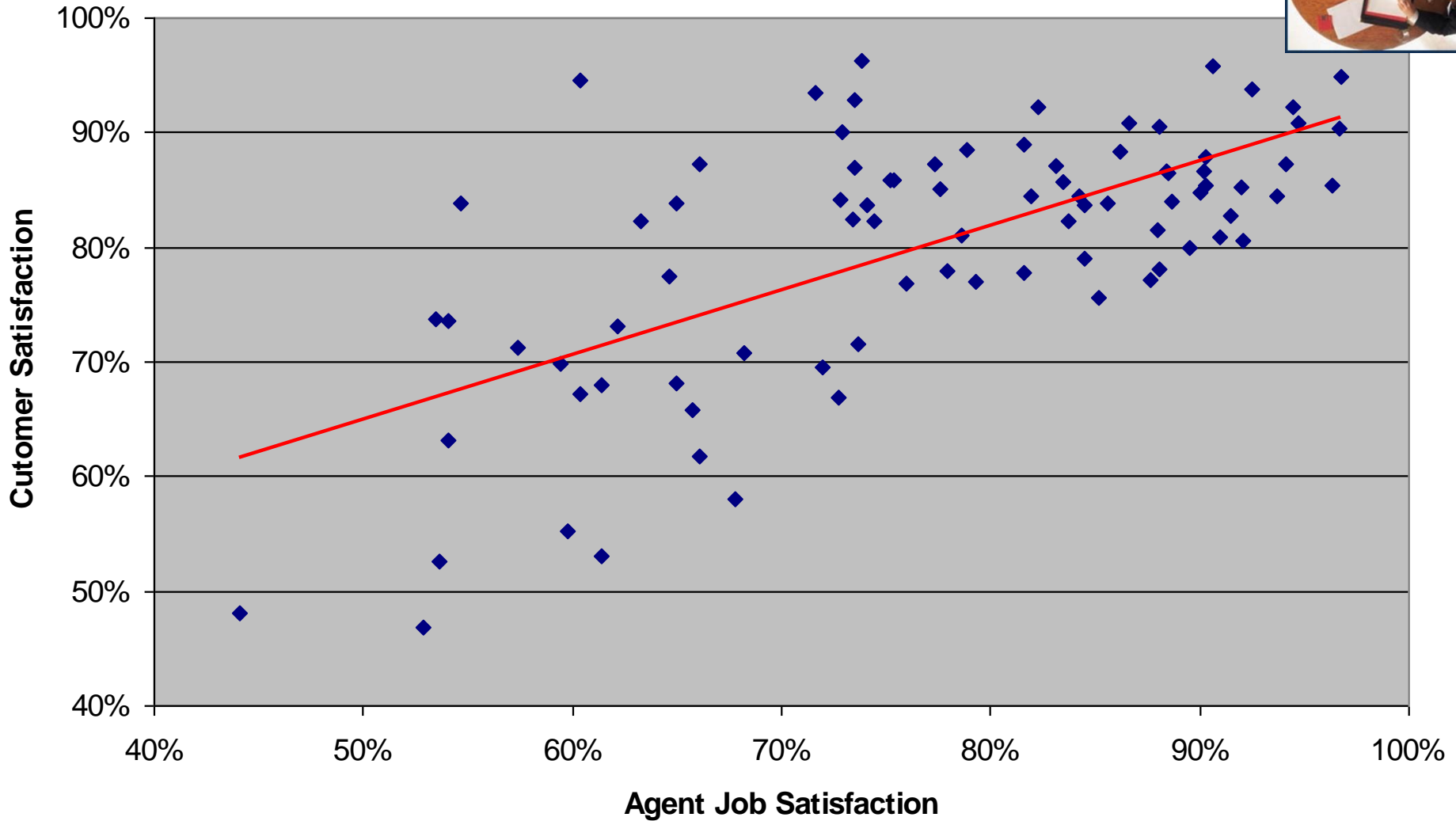




Managing Agent Morale and Job Satisfaction

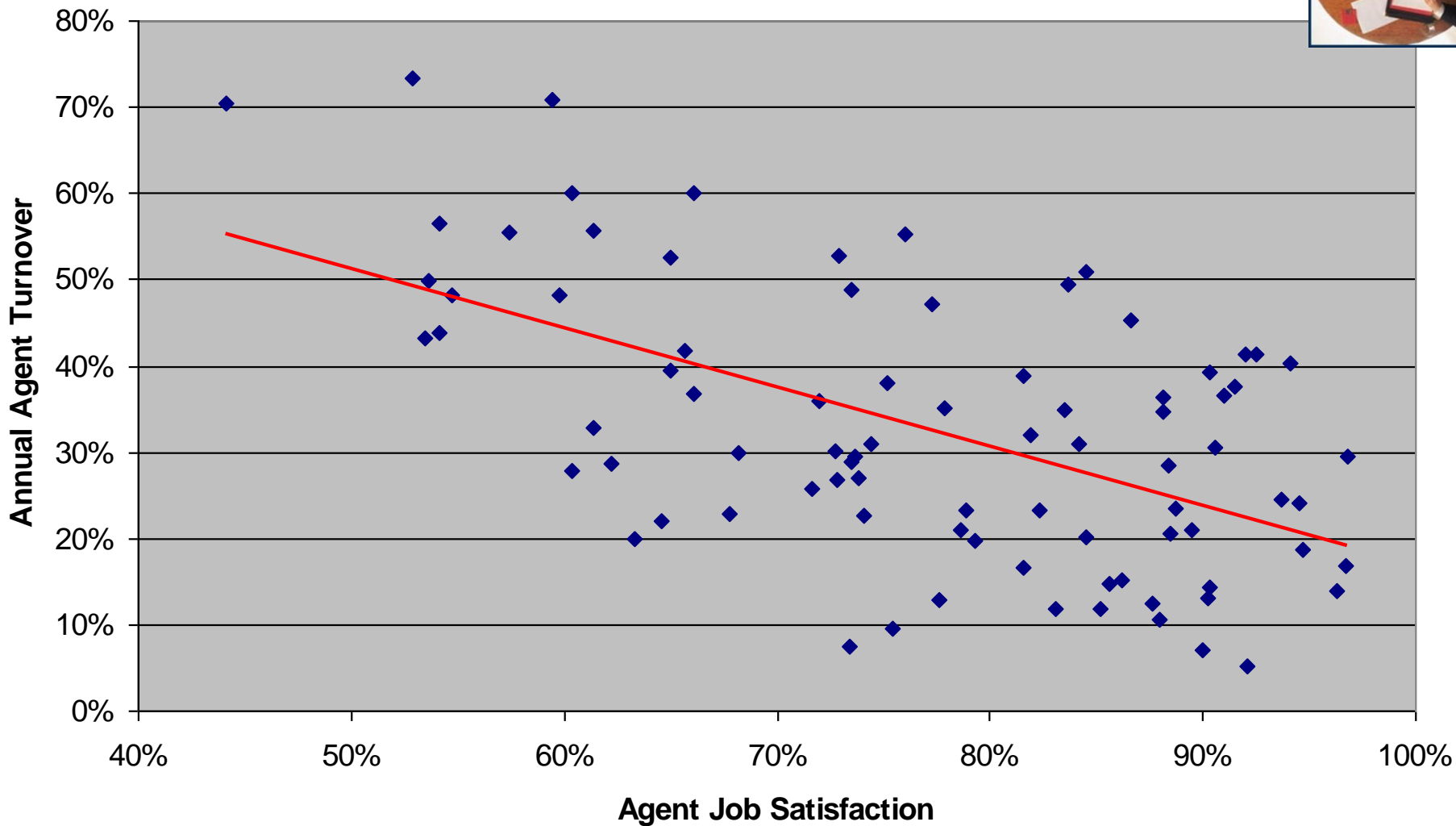


Agent Job Satisfaction vs. Customer Satisfaction



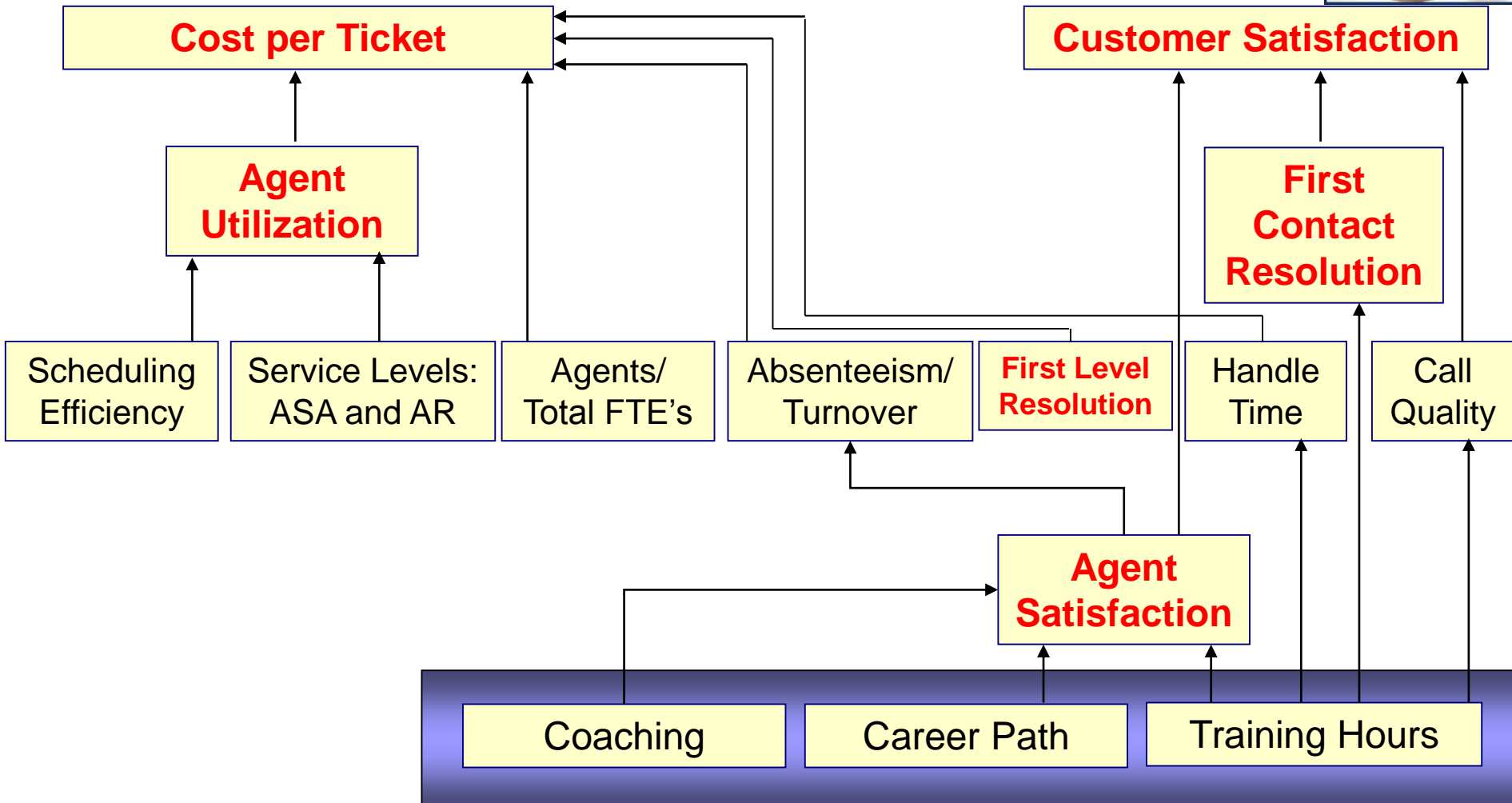


Agent Job Satisfaction vs. Agent Turnover

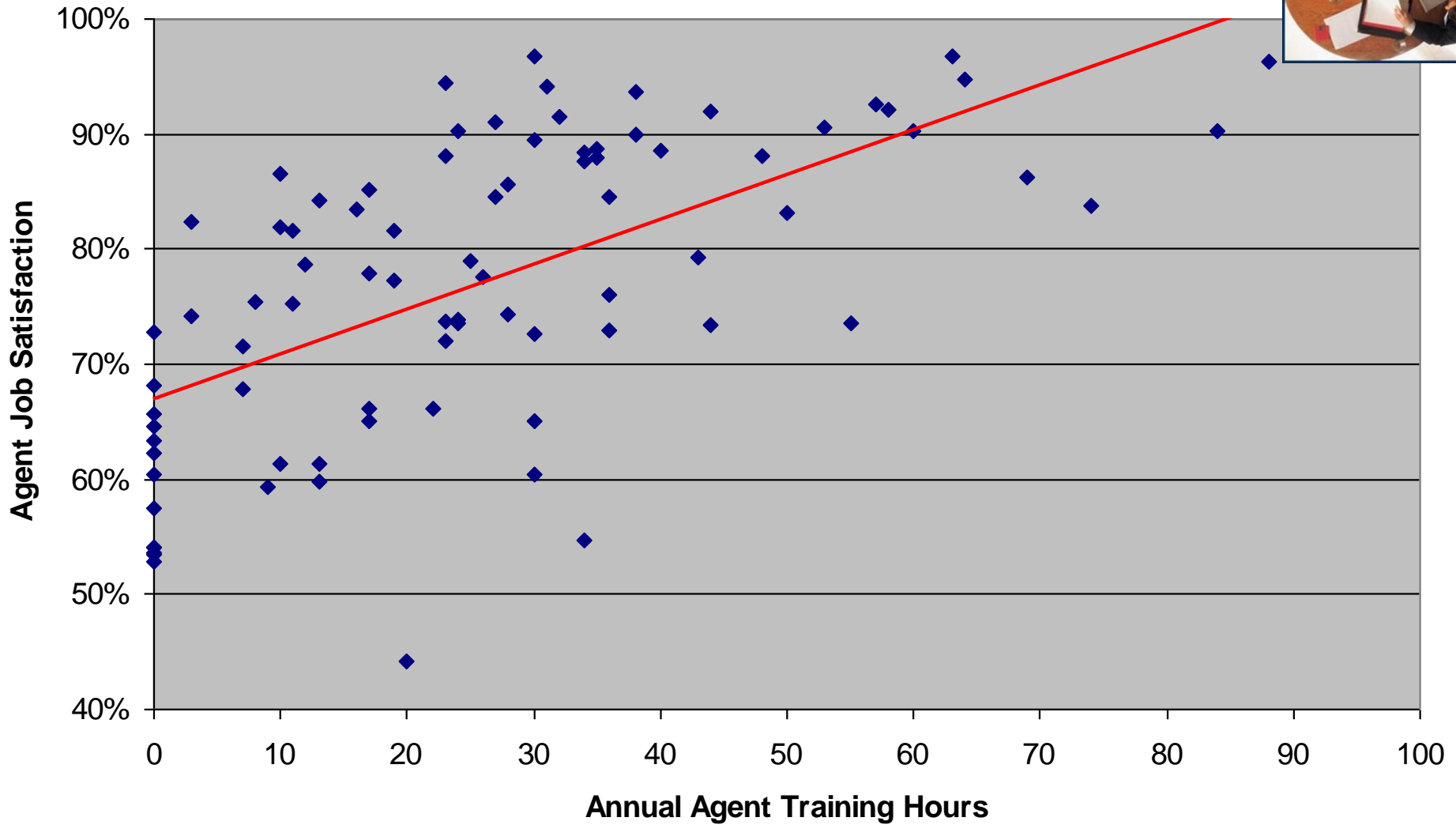


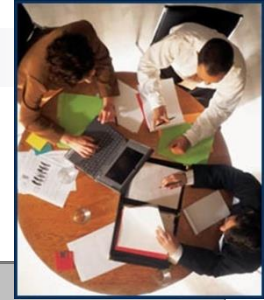


Managing Agent Morale and Job Satisfaction

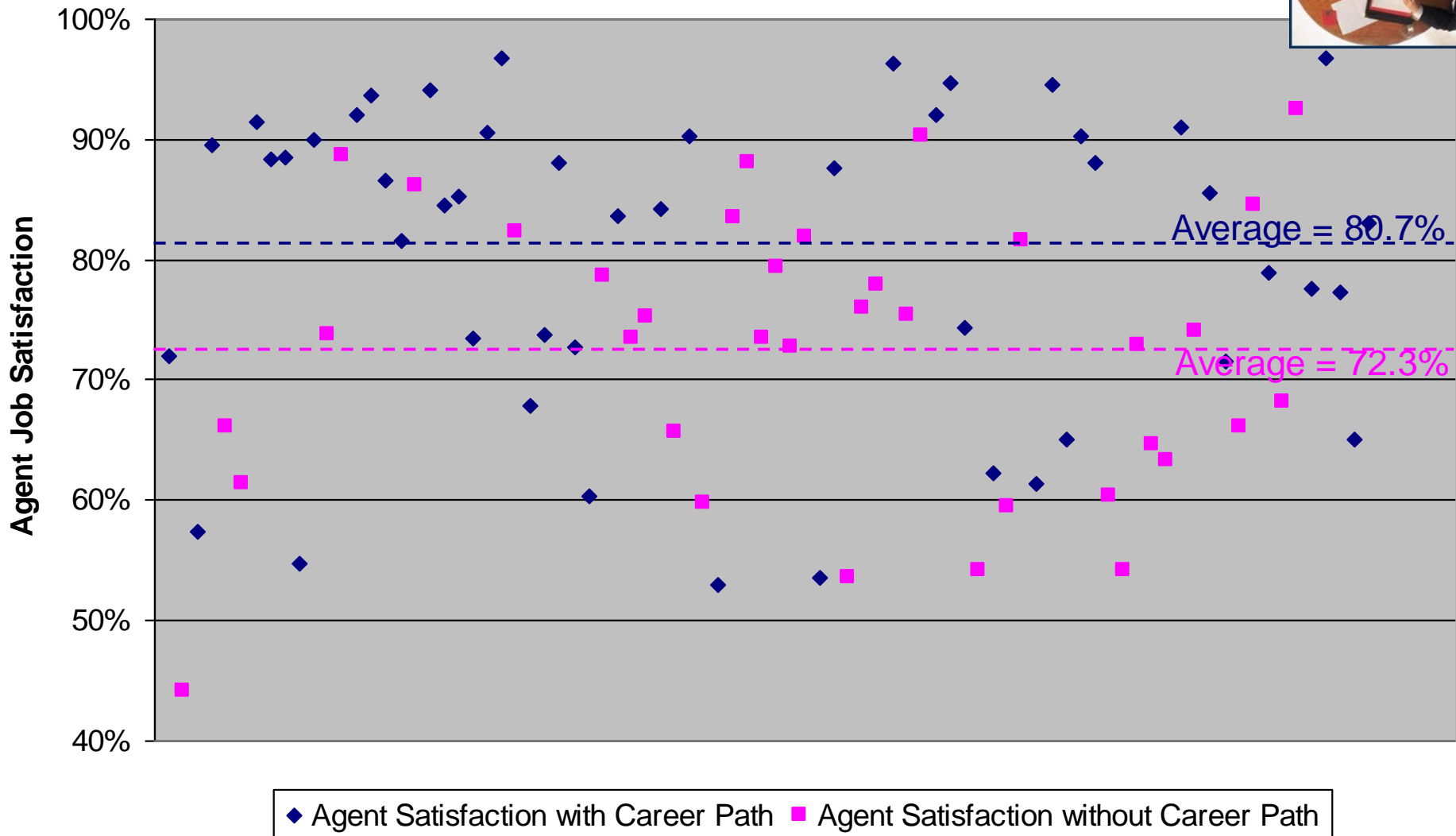


Agent Training Hours vs. Agent Job Satisfaction





The Impact of Career Path on Agent Job Satisfaction





The Agent Scorecard

Performance Metric	Metric Weighting	Performance Range		Your Actual Performance	Metric Score	Balanced Score
		Worst Case	Best Case			
Customer Satisfaction	20.0%	67.0%	94.0%	83.0%	59.3%	11.9%
First Contact Resolution Rate (Incidents)	20.0%	38.0%	84.0%	61.0%	50.0%	10.0%
Incidents Closed this Month	15.0%	19.9	76.9	59.8	69.9%	10.5%
Service Requests Closed This Month	15.0%	15.6	42.2	28.5	48.6%	7.3%
Unplanned Absenteeism	7.5%	0.0%	22.0%	19.0%	86.4%	6.5%
Teamwork	7.5%	0.0	5.0	3.5	69.9%	5.2%
Initiative	7.5%	0.0	5.0	5.0	100.0%	7.5%
Mentoring	7.5%	0.0	5.0	4.5	90.0%	6.7%
Total	100.0%	N/A	N/A	N/A	N/A	43.7%

Step 1

Eight critical performance metrics have been selected for the agent scorecard

Step 2

Each metric has been weighted according to its relative importance

Step 3

For each performance metric, the highest and lowest performance levels in the benchmark are recorded

Step 4

Each agent's actual performance for each metric is recorded in this column

Step 5

Your score for each metric is then calculated:
 $(\text{worst case} - \text{actual performance}) / (\text{worst case} - \text{best case}) \times 100$

Step 6

Your balanced score for each metric is calculated: metric score X weighting

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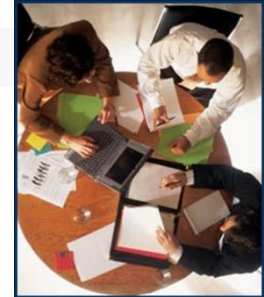




Monthly Agent Performance Rankings

Technician Number	Monthly Ranking	Monthly Scorecard Performance						Six Month Average
		Sep	Aug	Jul	Jun	May	Apr	
11	1	95.8%	98.0%	97.1%	95.7%	98.3%	97.3%	97.0%
32	2	92.8%	92.1%	90.3%	89.3%	84.6%	92.2%	90.2%
21	3	91.5%	88.5%	83.2%	94.0%	93.7%	93.5%	90.7%
35	4	91.0%	86.8%	85.2%	78.5%	80.5%	68.2%	81.7%
14	5	89.5%	89.1%	90.0%	90.1%	92.3%	92.1%	90.5%
26	6	83.8%	84.4%	90.2%	86.5%	77.8%	63.9%	81.1%
25	7	83.0%	73.6%	81.9%	72.1%	84.8%	87.9%	80.5%
15	8	70.4%	66.6%	53.3%	56.3%	56.6%	39.0%	57.0%
20	9	64.9%	66.5%	70.1%	56.9%	40.9%	72.7%	62.0%
31	10	62.3%	47.4%	22.7%	38.4%	26.0%	93.0%	48.3%
16	11	61.0%	62.8%	54.5%	45.9%	41.7%	62.7%	54.8%
17	12	57.9%	42.1%	32.3%	71.6%	60.3%	60.3%	54.1%
33	13	56.8%	75.5%	64.8%	80.3%	79.7%	73.5%	71.8%
13	14	52.2%	34.9%	61.0%	52.8%	58.9%	48.7%	51.4%
24	15	48.9%	66.7%	86.9%	87.7%	83.6%	74.5%	74.7%
28	16	46.4%	45.5%	19.3%	40.3%	28.8%	32.4%	35.4%
27	17	43.7%	26.5%	31.5%	24.3%	22.2%	17.2%	27.6%
19	18	41.5%	28.4%	50.1%	48.1%	71.1%	81.0%	53.4%
23	19	39.1%	52.3%	57.1%	86.4%	87.7%	88.9%	68.6%
22	20	36.8%	18.7%	19.3%	52.9%	66.4%	64.3%	43.1%
12	21	36.6%	43.2%	33.1%	65.7%	69.0%	86.0%	55.6%
30	22	36.3%	22.6%	23.5%	85.8%	81.5%	70.3%	53.3%
29	23	34.1%	44.9%	50.2%	28.3%	48.9%	36.9%	40.5%
34	24	33.4%	37.9%	23.1%	21.7%	29.7%	22.6%	28.0%
18	25	32.6%	68.4%	80.4%	88.4%	83.8%	91.6%	74.2%
Monthly Average		59.3%	58.5%	58.0%	65.5%	66.0%	68.4%	62.6%





Cost of Downtime

Cost of Downtime

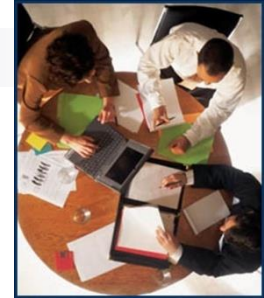
Productivity Losses

- ❑ Lost productivity from employees who are idled or slowed by the outage

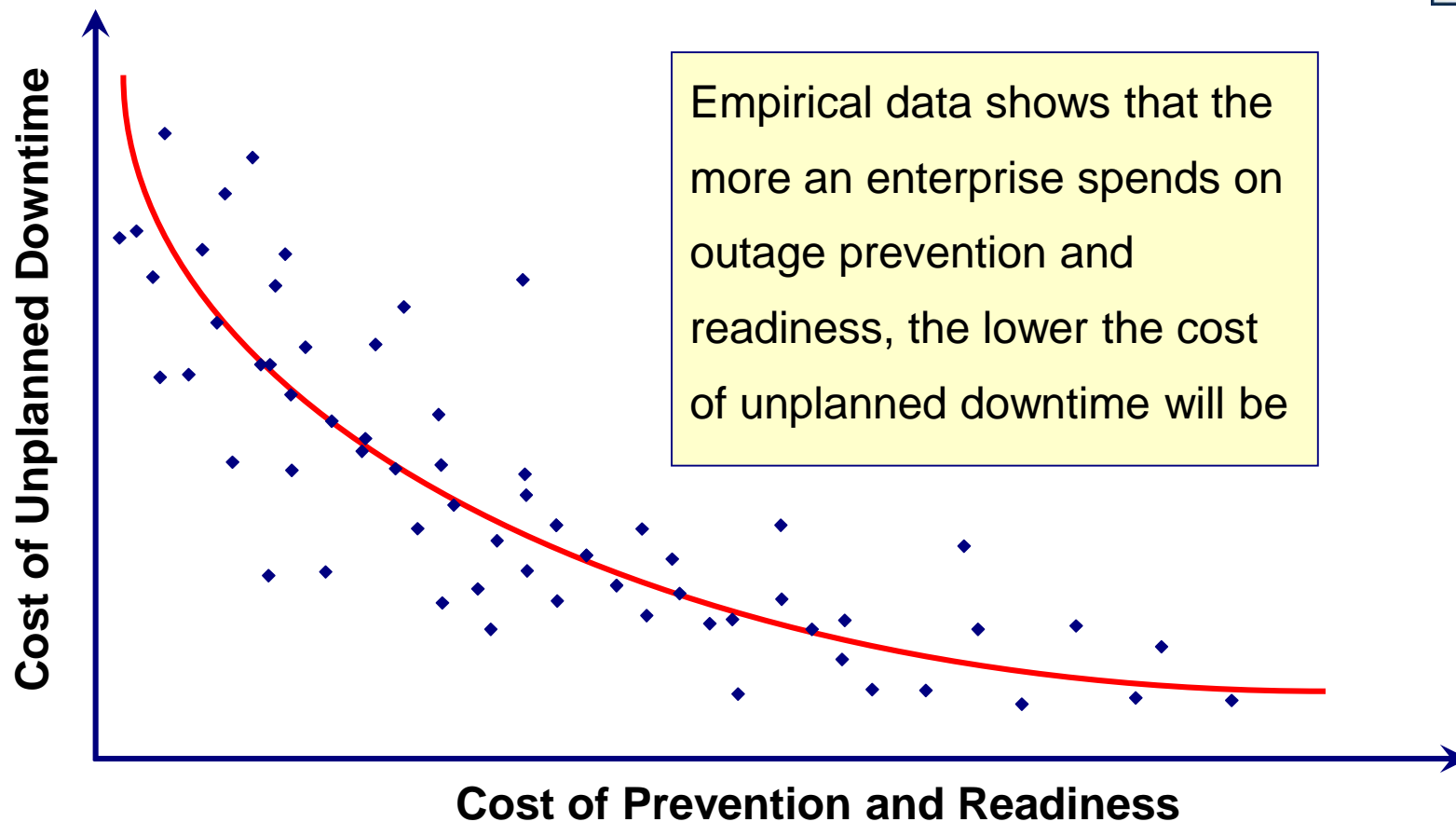
Business Losses

- ❑ Lost sales
- ❑ Lost customers
- ❑ Product spoilage and shrinkage
- ❑ Damage to business reputation



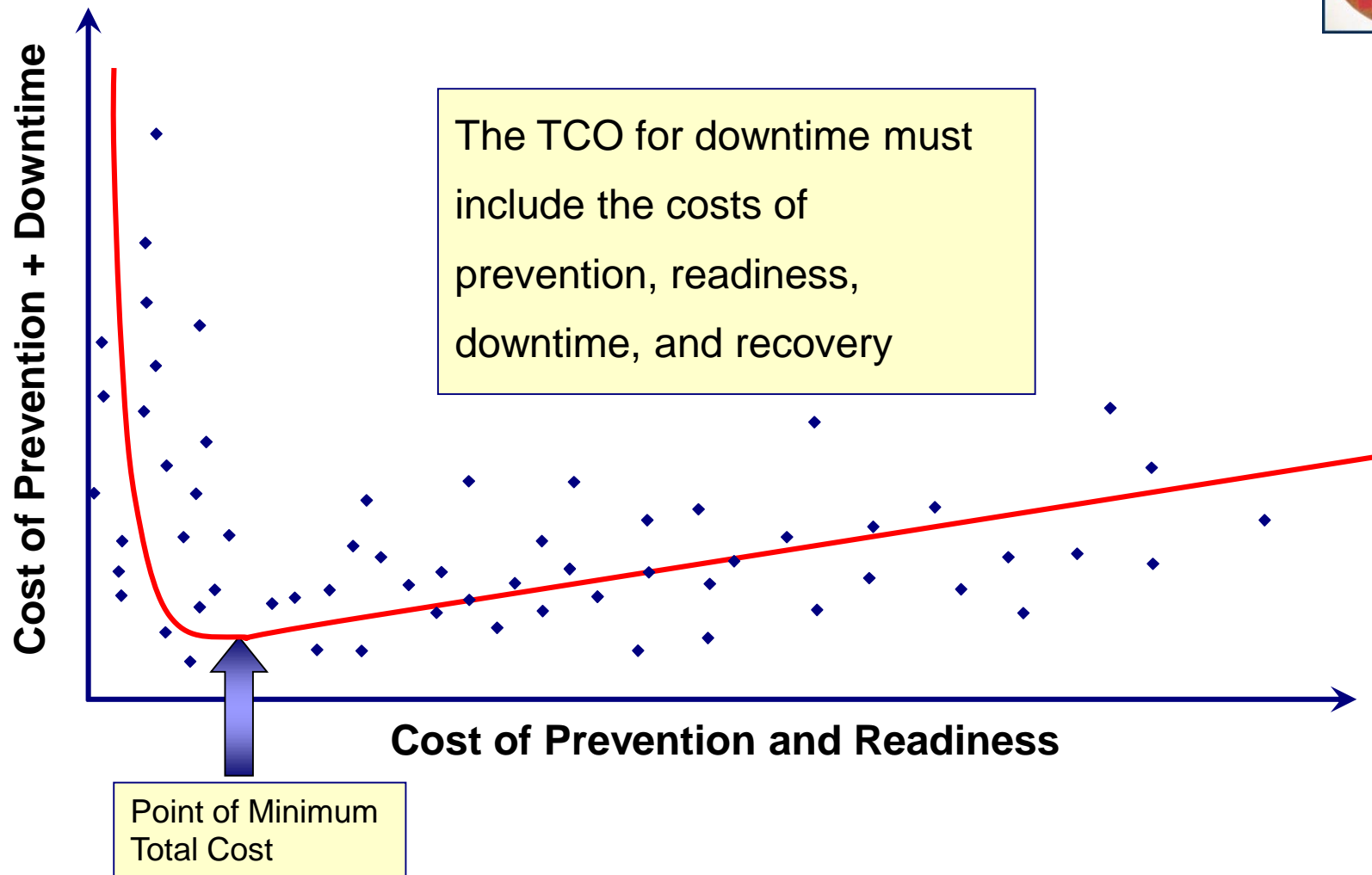


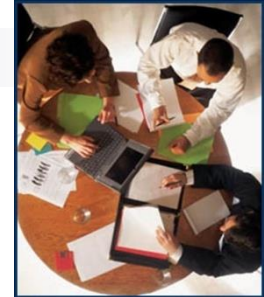
Cost of Unplanned Downtime





Total Cost of Downtime



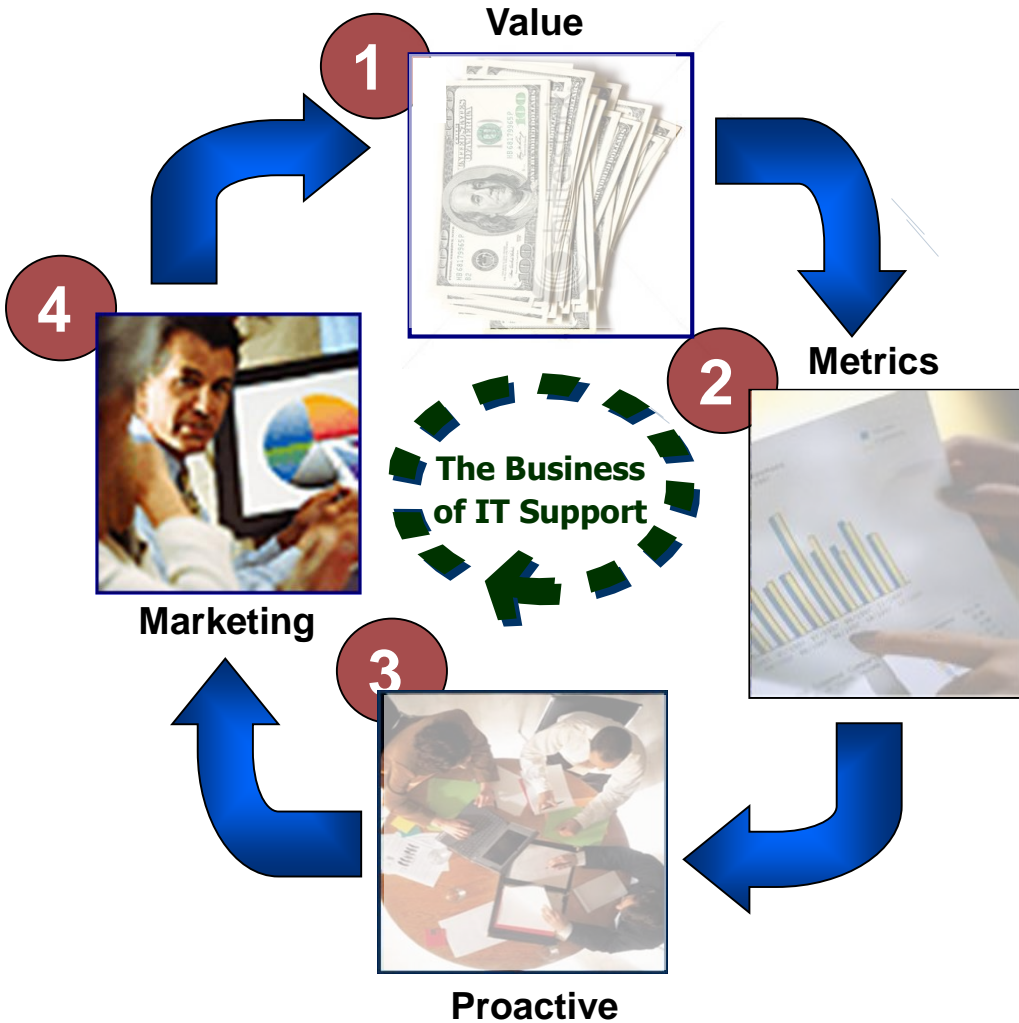


Downtime Mitigation Strategies for Service and Support

- ❑ Disaster Recovery Drills
- ❑ Outbound user notifications for planned outages
- ❑ Outbound user notifications for major unplanned outages
- ❑ Recorded messages to inform inbound callers that service and support is aware of and working to resolve any major issues



Marketing: A Business Model for IT Support



Model Component	Description
1. Value	Leverage end-user productivity and TCO
2. Metrics	Holistic and diagnostic application of KPI's
3. Proactive	Anticipate user needs and expectations
4. Marketing	Actively manage stakeholder perceptions





The Role of Marketing in IT Support

We've all heard the expression...

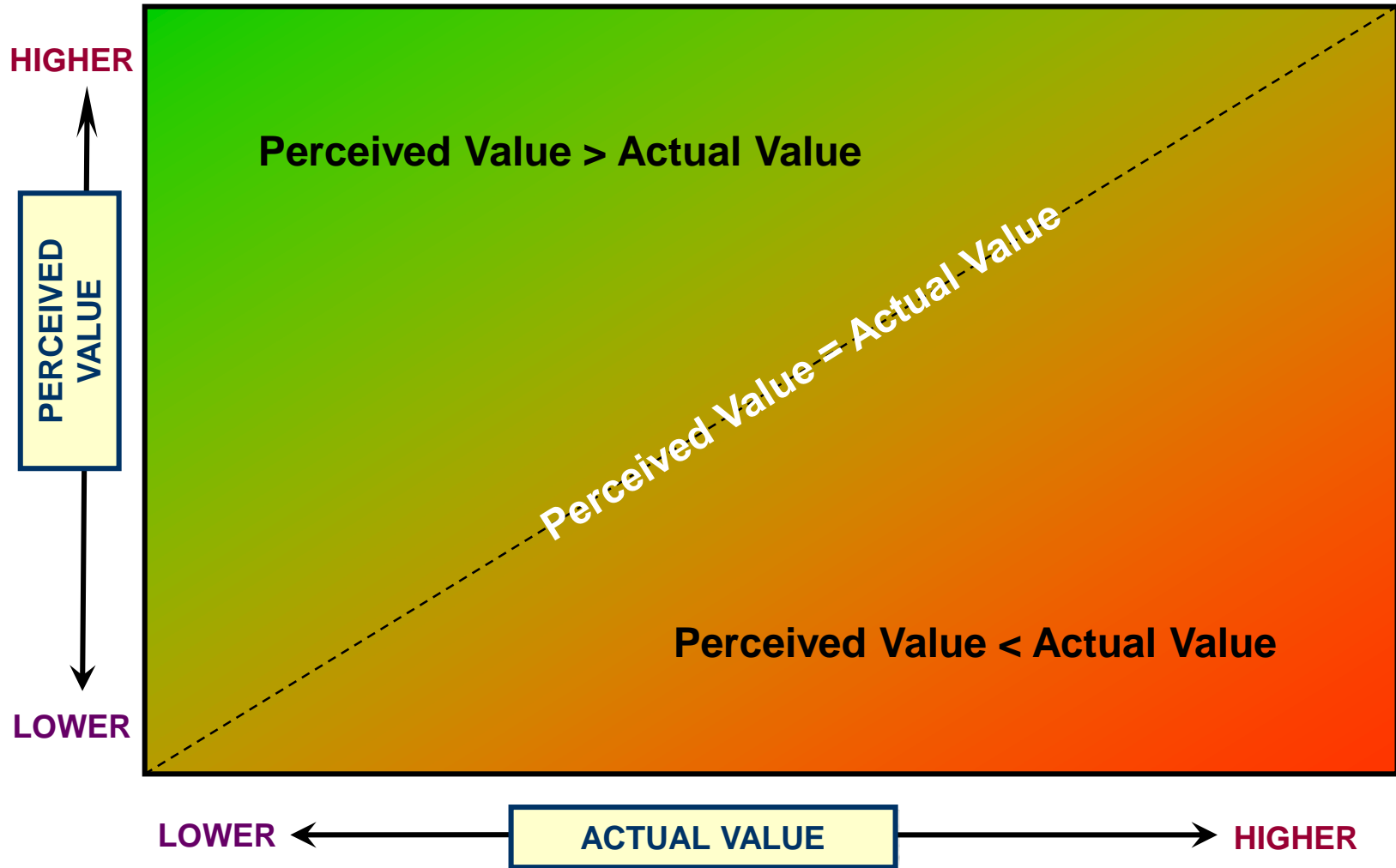
*“Expectations Not Set...
are Expectations Not Met!”*

So, let's get serious about proactively managing expectations!



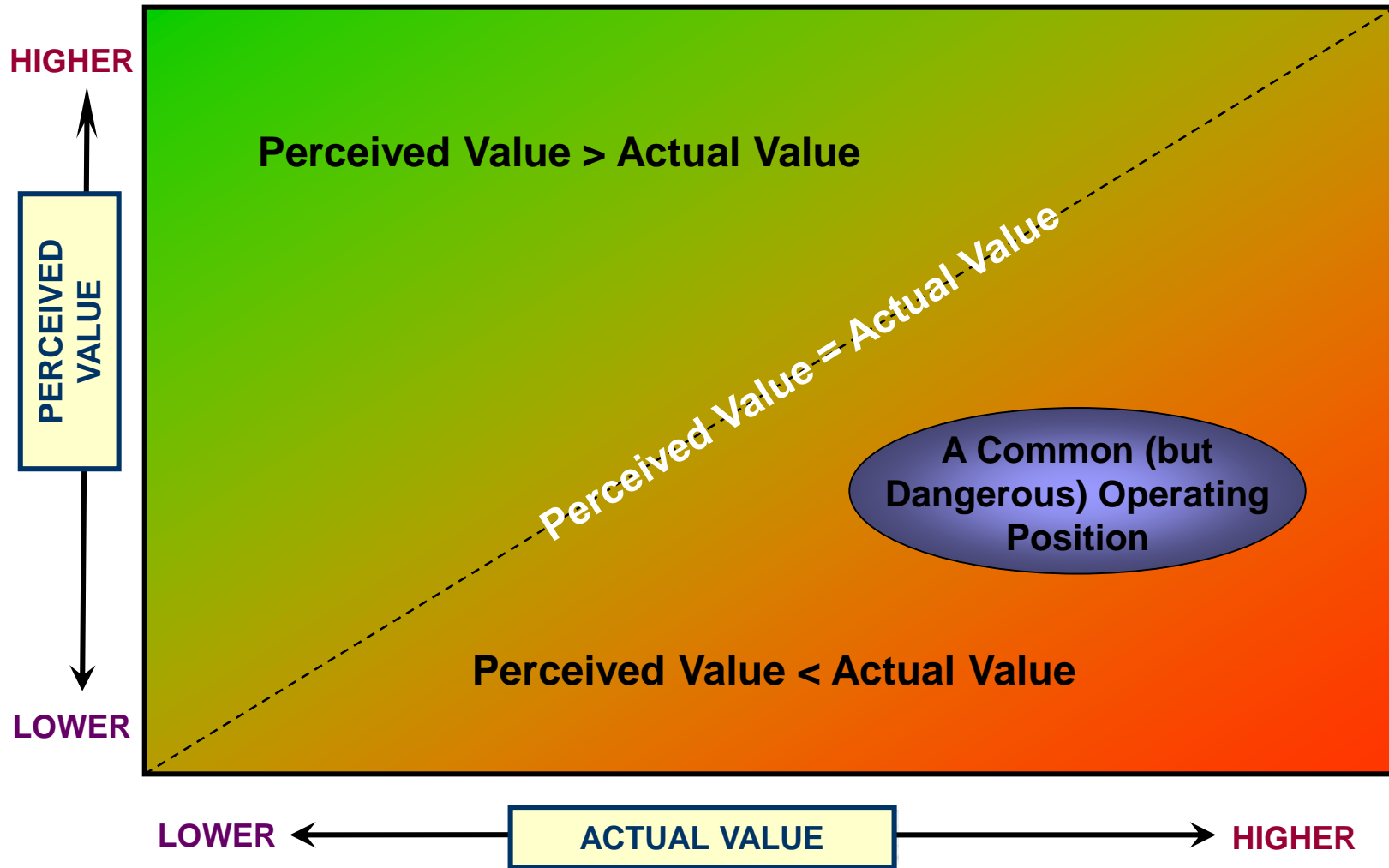


Perception vs. Reality in IT Support



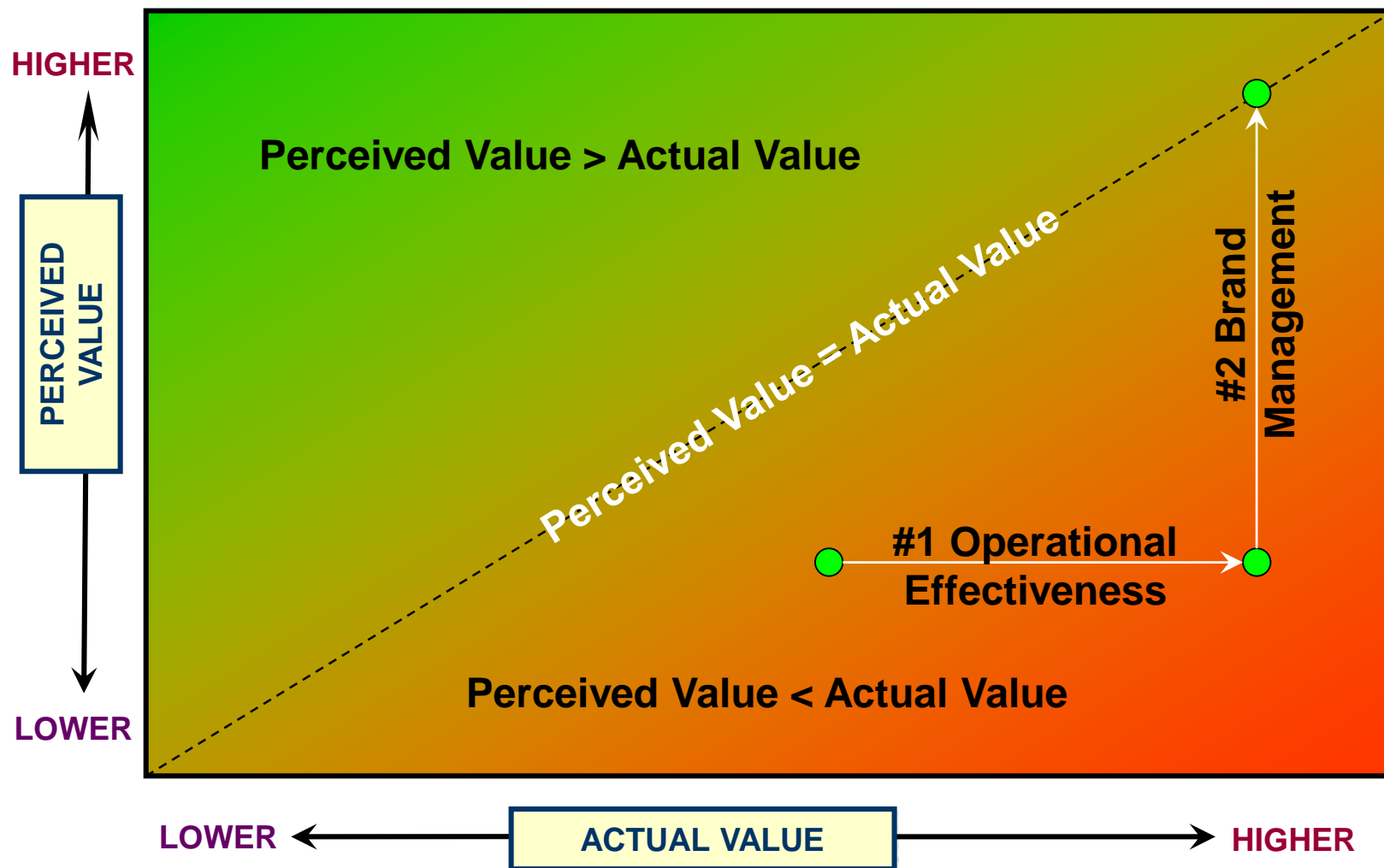


Perception Is Almost Always Worse Than the Reality



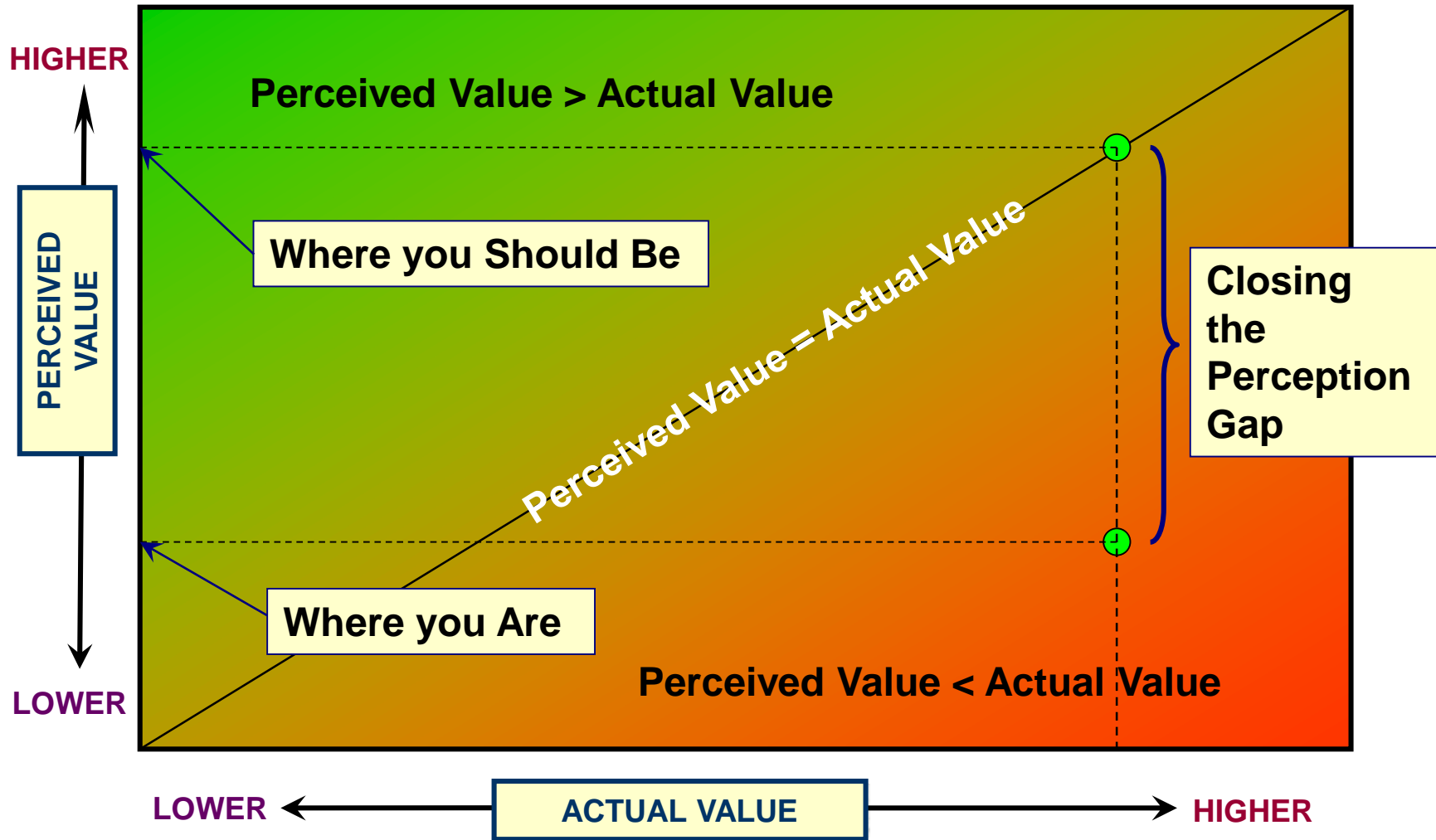


Brand Management in IT Support





Closing the Perception Gap





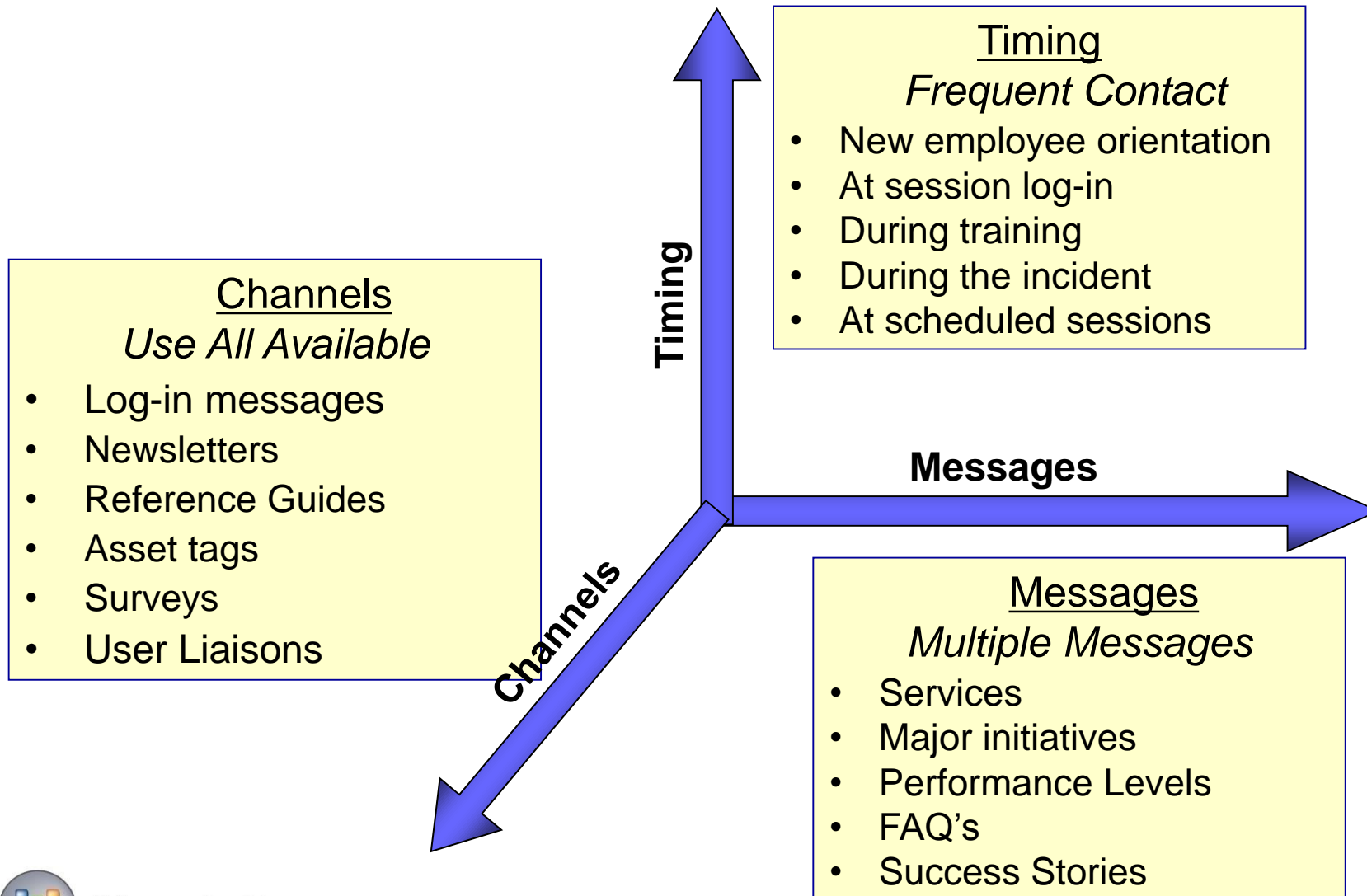
Brand Management: The Five W's

1. Who – Who are the Key Stakeholder Groups?
2. What – What are the Key Messages?
3. When – When are You Going to Communicate Them?
4. Where/How – Where/How do You Reach the Stakeholders?
5. Why – Why are We Doing This?







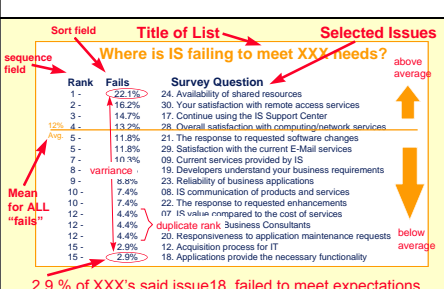





Key Success Factors in Marketing IT Support





The Most Common Communication Vehicles

<p>Newsletters</p>	<p>Brown Bag Sessions</p>	<p>Leave Behinds</p>	<p>Business Unit Liaisons</p>
			
<p>Surveys</p>	<p>Log-in Screens</p>	<p>Webcasts</p>	<p>FAQ Site</p>
 <p>2.9% of XXX's said issue 18, failed to meet expectations.</p>			





Marketing Summary

- Managing the gap between perception and reality is fairly straightforward
 - It doesn't take a lot of time, or cost a lot of money
- But it is critically important
 - The success of your support organization depends as much on your image, as it does on your actual performance!
- The Benefits of effective Image Management Include:
 - Customer loyalty and positive word-of-mouth referrals
 - Credibility, which leverages your ability to Get Things Done!
 - A Positive Image for IT overall
 - High levels of Customer Satisfaction



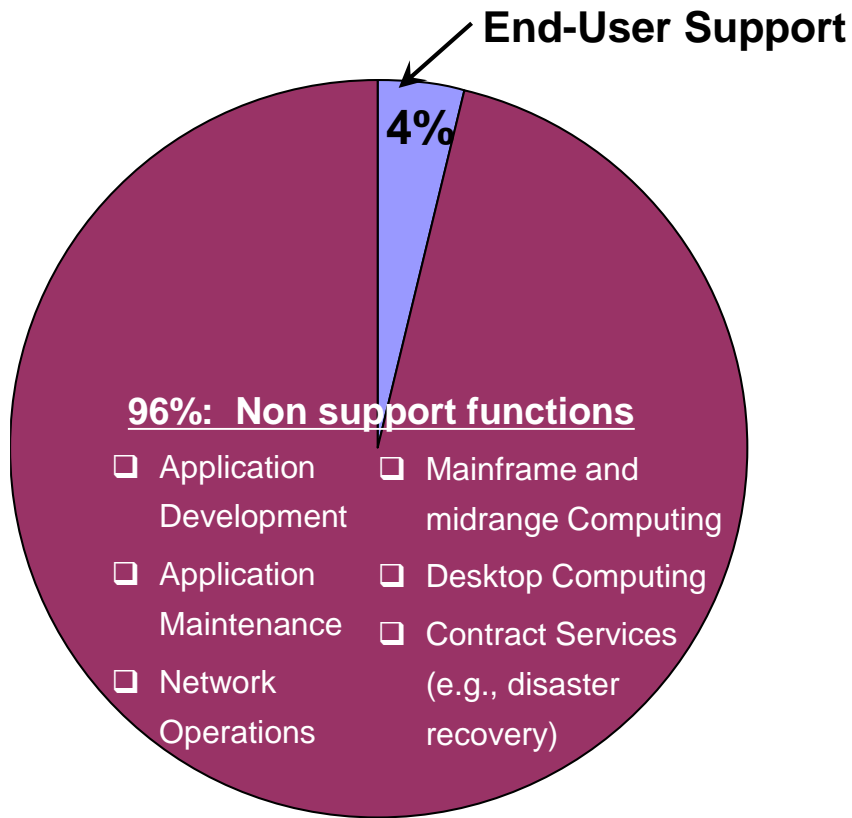


The Paradox of IT Service and Support



MetricNet™
Performance Benchmarking

The Paradox of IT Support

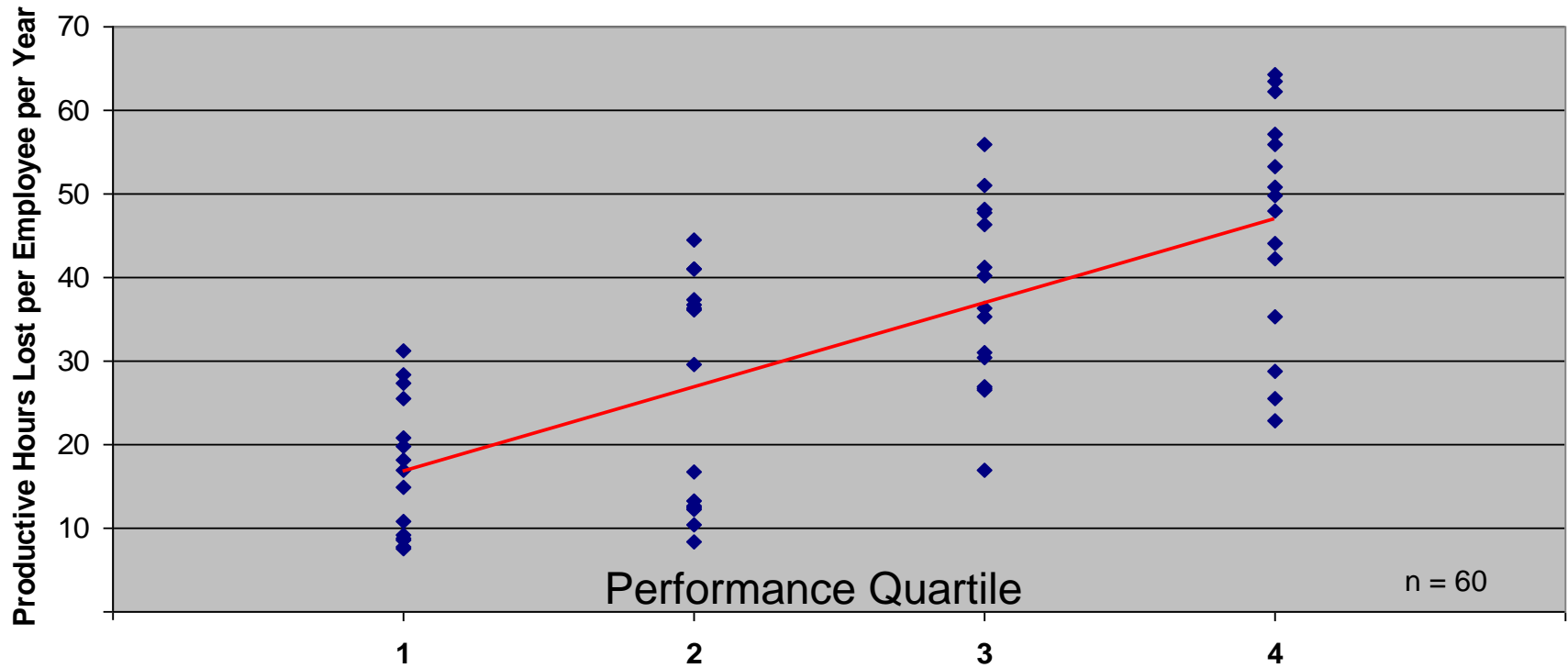


Corporate IT Spending Breakdown

- ❑ Less than 5% of all IT spending is allocated to end-user support
 - Service desk, desktop support, field support
- ❑ This leads many to erroneously assume that there is little upside opportunity in IT support
- ❑ The result is that most support organizations are managed with the goal of minimizing costs
- ❑ But the most effective support strategies focus on maximizing value








Quality of Support Drives End-User Productivity



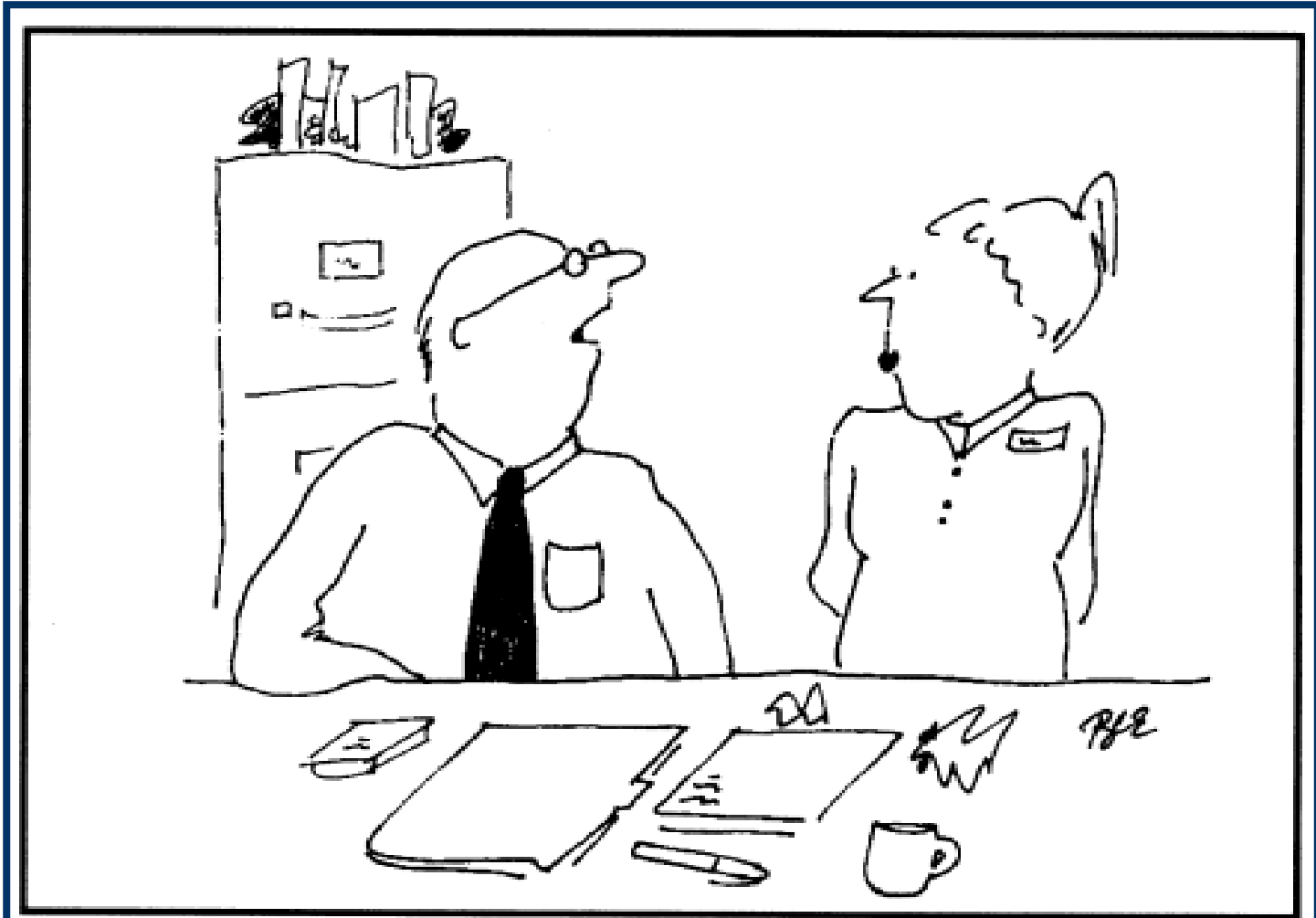
Support Function	Key Performance Indicator	Performance Quartile			
		1 (top)	2	3	4 (bottom)
Service Desk	Customer Satisfaction	93.5%	84.5%	76.1%	69.3%
	First Contact Resolution Rate	90.1%	83.0%	72.7%	66.4%
	Mean Time to Resolve (hours)	0.8	1.2	3.6	5.0
Desktop Support	Customer Satisfaction	94.4%	89.2%	79.0%	71.7%
	First Contact Resolution Rate	89.3%	85.6%	80.9%	74.5%
	Mean Time to Resolve (hours)	2.9	4.8	9.4	12.3
Average Productive Hours Lost per Employee per Year		17.1	25.9	37.4	46.9



Support Has an Opportunity to Minimize TCO

	Support Level	Cost per Ticket
	Vendor	\$471
	Field Support	\$196
	Level 3 IT (apps, networking, NOC, etc.)	\$85
	Level 2: Desktop Support	\$62
	Level 1: Service Desk	\$22

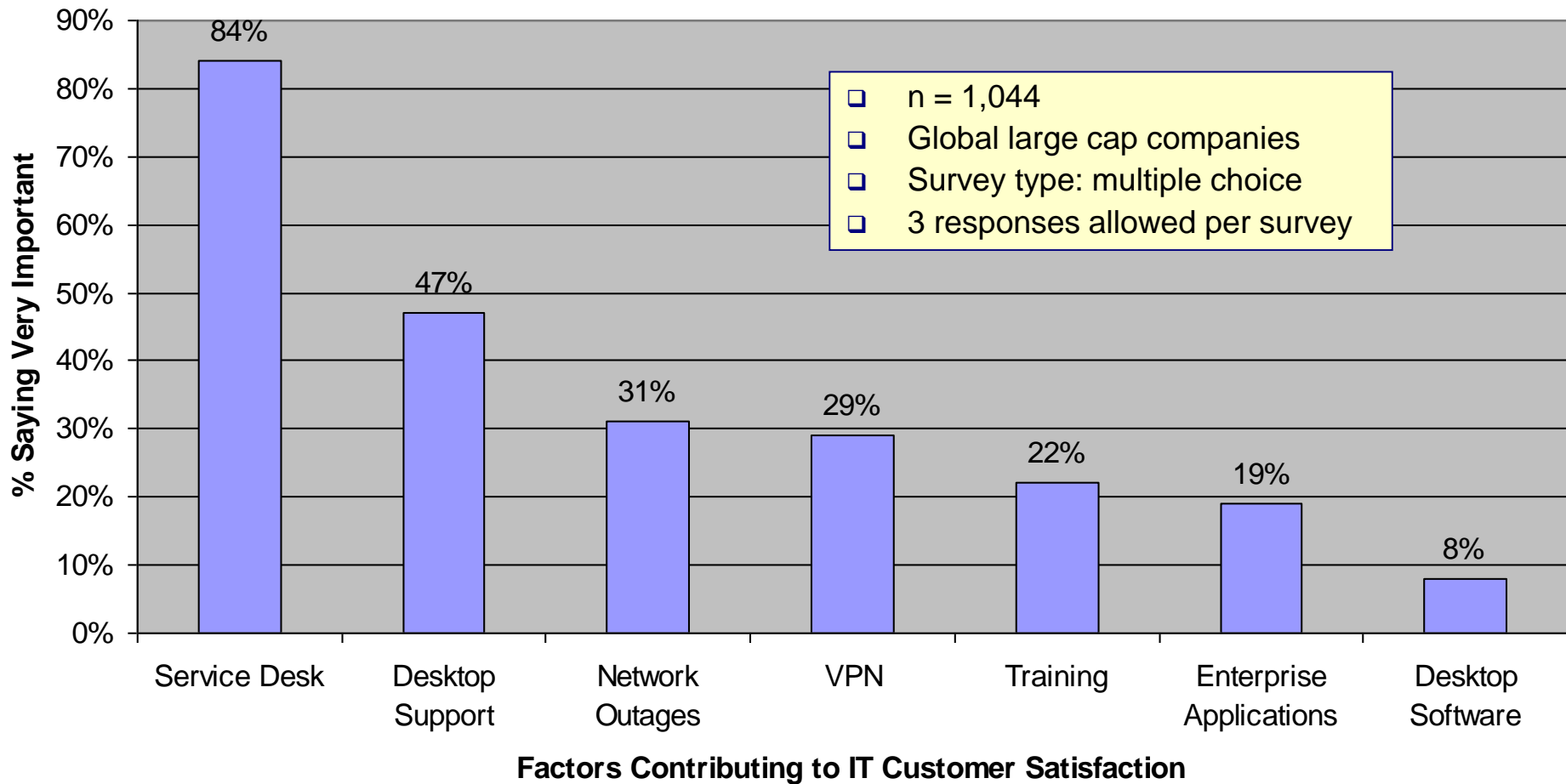




“Delight customers?! Why can’t we just satisfy them like we used to?”



Support is a Key Driver of Customer Satisfaction for *All* of IT



- 84% cited the service desk as a very important factor in their overall satisfaction with corporate IT
- 47% cited desktop support as a very important factor in their overall satisfaction with corporate IT



IT Support as a Business Enterprise



Exploit Value

Metrics Focused

Proactive

Marketing





Question and Answer



MetricNet[™]
Performance Benchmarking



About MetricNet:

Your Benchmarking Partner

Your Presenter: Jeff Rumburg



- Co Founder and Managing Partner, MetricNet, LLC
- Winner of the 2014 Ron Muns Lifetime Achievement Award
- Former CEO, The Verity Group
- Former Vice President, Gartner
- Founder of the IT Service and Support Benchmarking Consortium
- Author of *A Hands-On Guide to Competitive Benchmarking*
- Harvard MBA, Stanford MS



Benchmarking is MetricNet's Core Business

Information Technology

- Service Desk
- Desktop Support
- Field Support

Call Centers

- Customer Service
- Technical Support
- Telemarketing/Telesales
- Collections

Telecom

- Price Benchmarking

Satisfaction

- Customer Satisfaction
- Employee Satisfaction



27 Years of IT Service and Support Benchmarking Data



Global Database

More than 3,000 IT Service and Support Benchmarks

70+ Key Performance Indicators

More than 120 Industry Best Practices



Meet a Sampling of Our Clients

MetricNet Conducts benchmarking for IT Service and Support organizations worldwide, and across virtually every industry sector.



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Thank You!

**We look forward
to serving you!**

