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 Benchmarking Database

Global Database

More than 3,700 IT Service and Support Benchmarks

70+ Key Performance Indicators

More than 120 Industry Best Practices

MetricNet

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 Centered Service (KCS) and Remote Diagnosis

- ❑ Service and Support as a Business

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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!

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IT Support as a Business Enterprise

Exploit Value

Metrics Focused

Proactive

Marketing

MetricNet

A Business Model for IT Support

Value

Metrics

The Business of IT Support

Marketing

Proactive

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

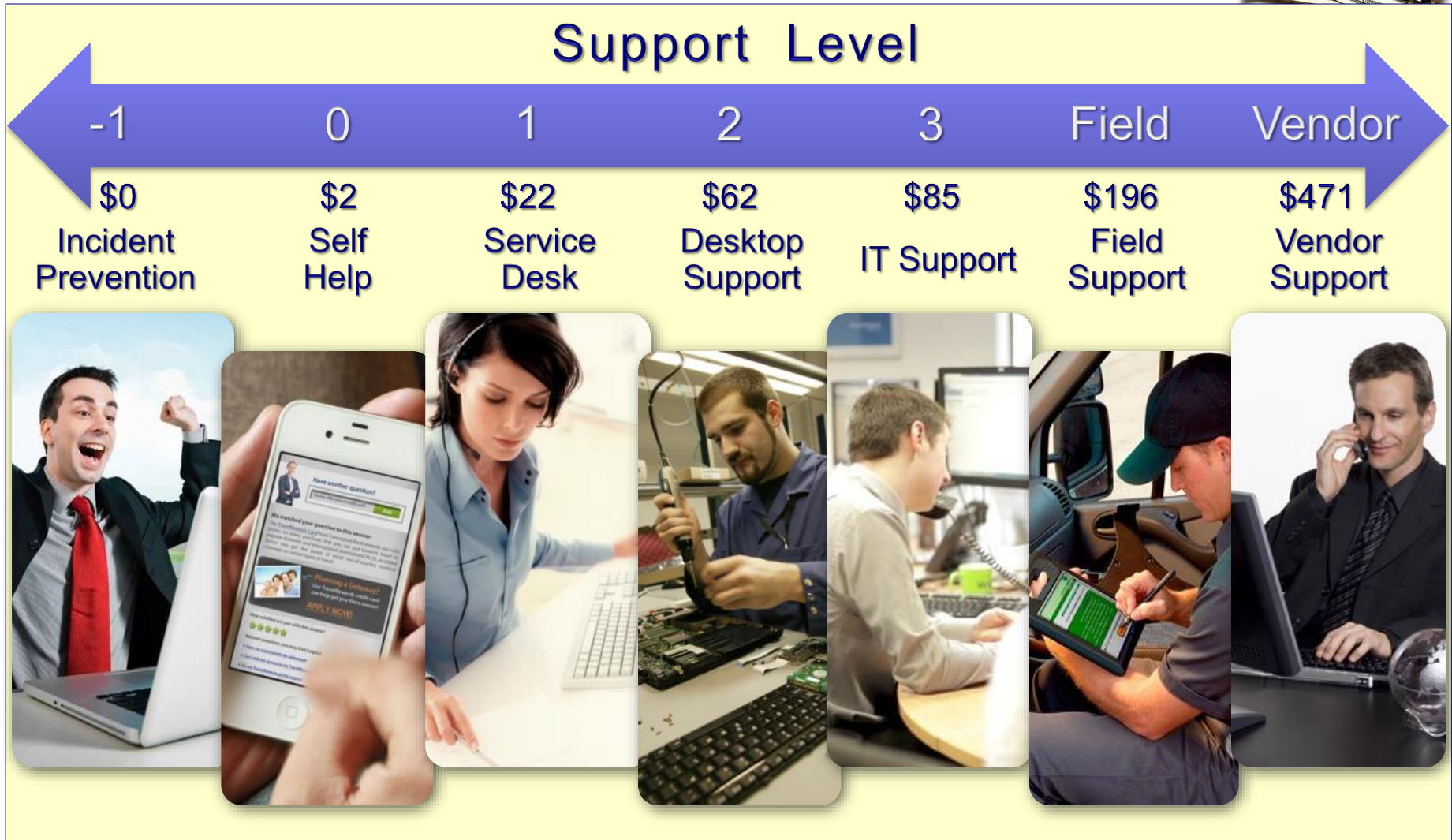MetricNet

Value: A Business Model for IT Support

Value

1

Metrics

2

Proactive

3

Marketing

4

The Business of IT Support

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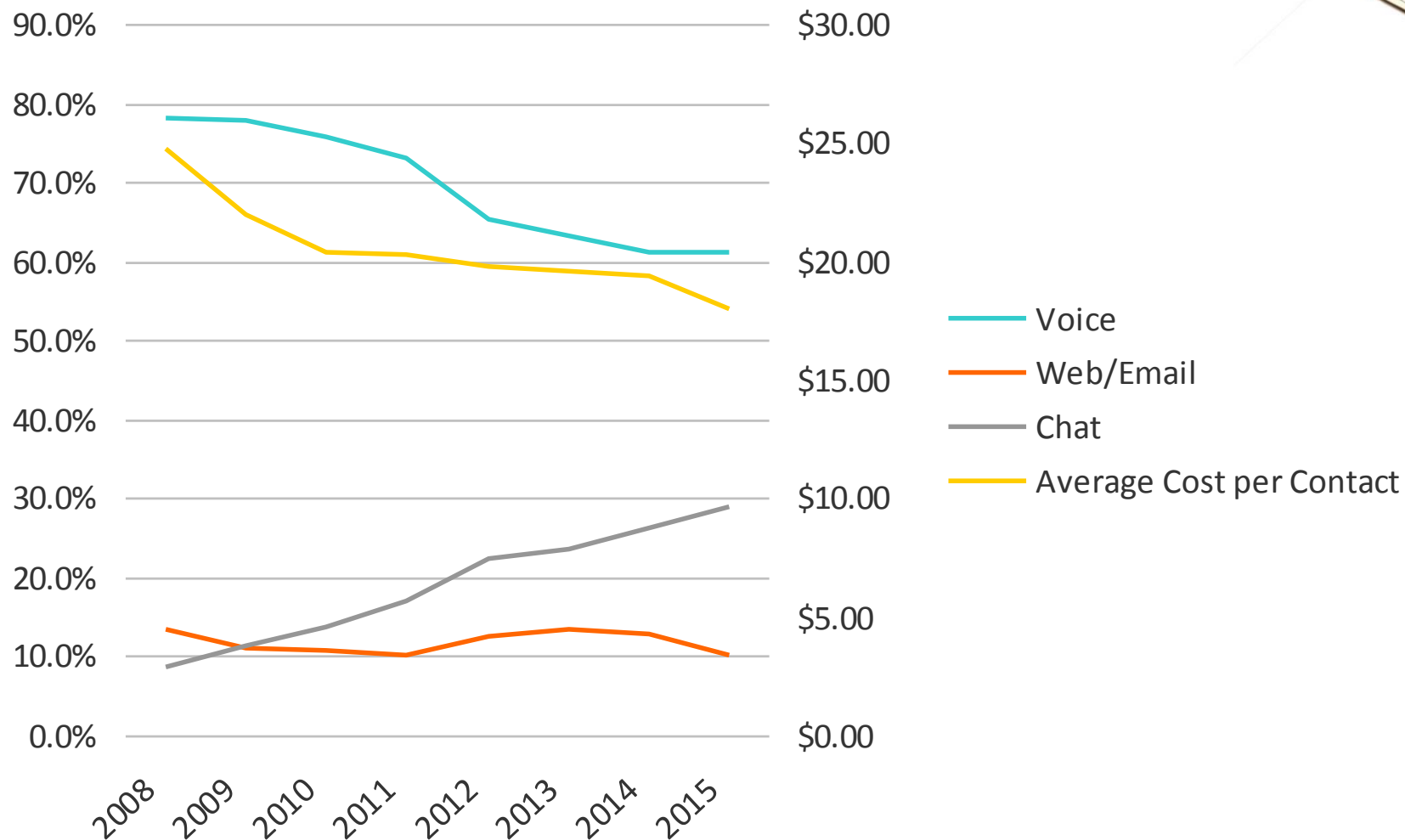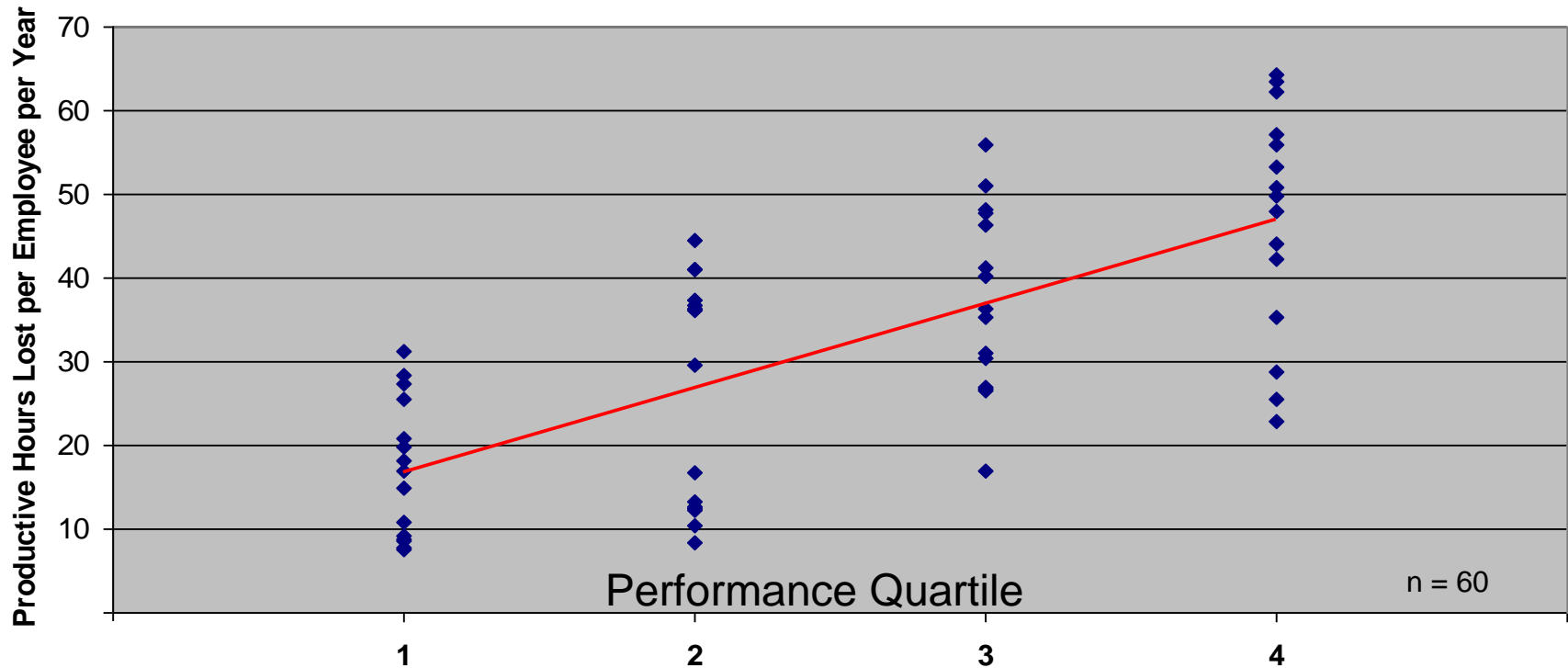# Support Has an Opportunity to Minimize TCO

Support Level

-1	0	1	2	3	Field	Vendor
$0	$2	$22	$62	$85	$196	$471
Incident Prevention	Self Help	Service Desk	Desktop Support	IT Support	Field Support	Vendor Support

Contact Deflection into Lower Cost Channels

Legend:
- Voice
- Web/Email
- Chat
- Average Cost per Contact

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Quality of Support Drives End-User Productivity

Productive Hours Lost per Employee per Year — Performance Quartile

n = 60

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

Metrics: A Business Model for IT Support
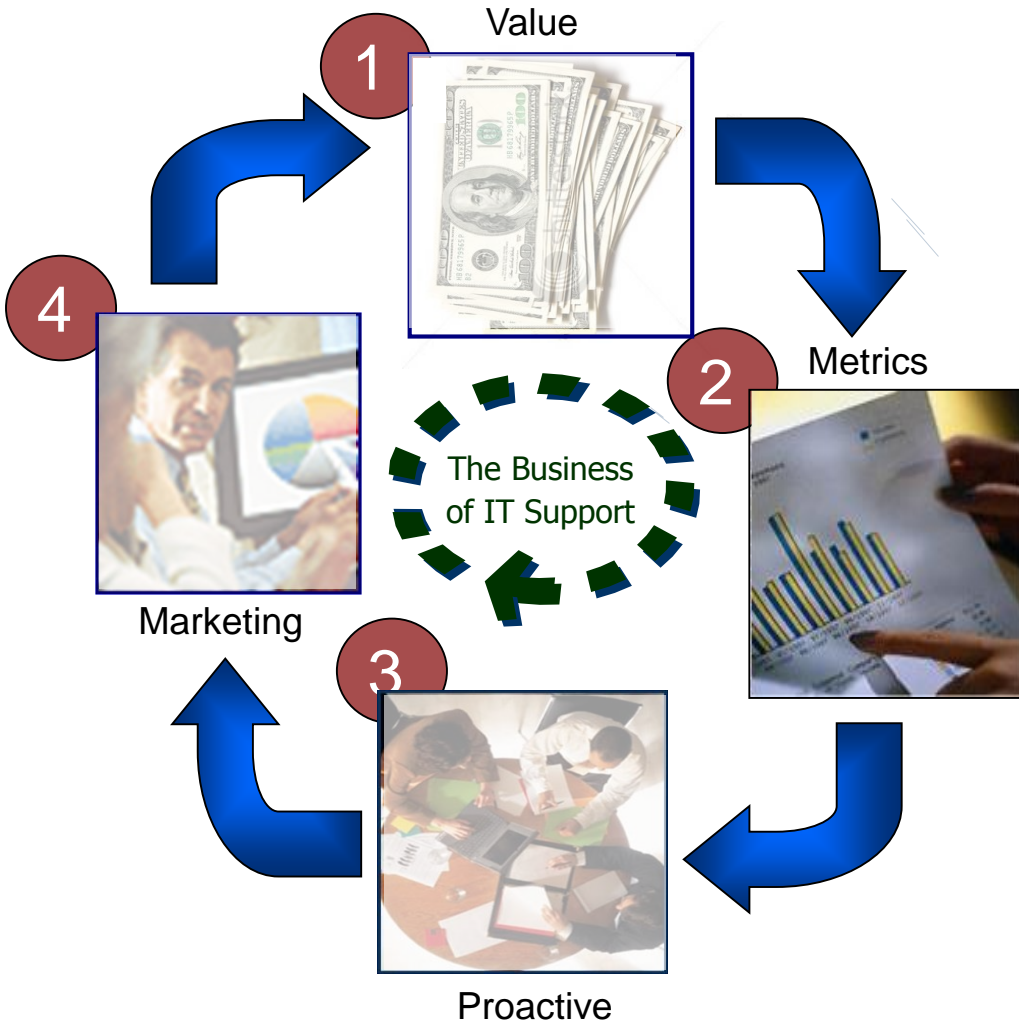
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Some Common Service Desk Metrics

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!!

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The 80/20 Rule for Service Desk KPI's

Cost	■ Cost per Ticket
Quality	■ Customer Satisfaction
Productivity	■ 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!

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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

14

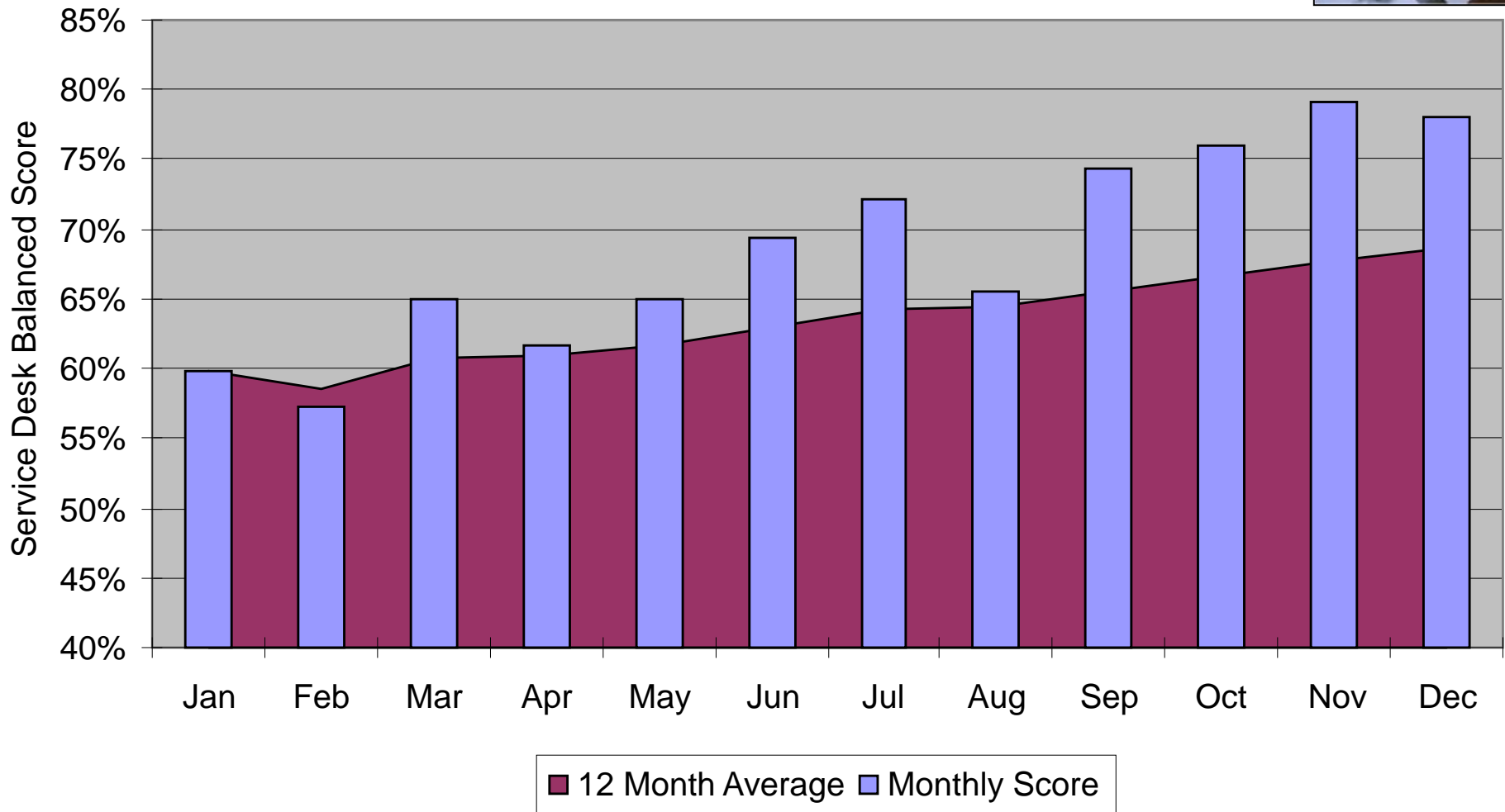MetricNet
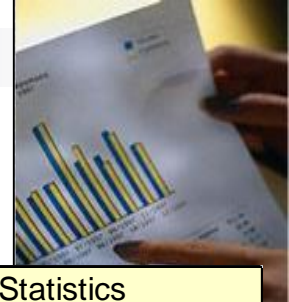
Benchmarking Your Overall Performance
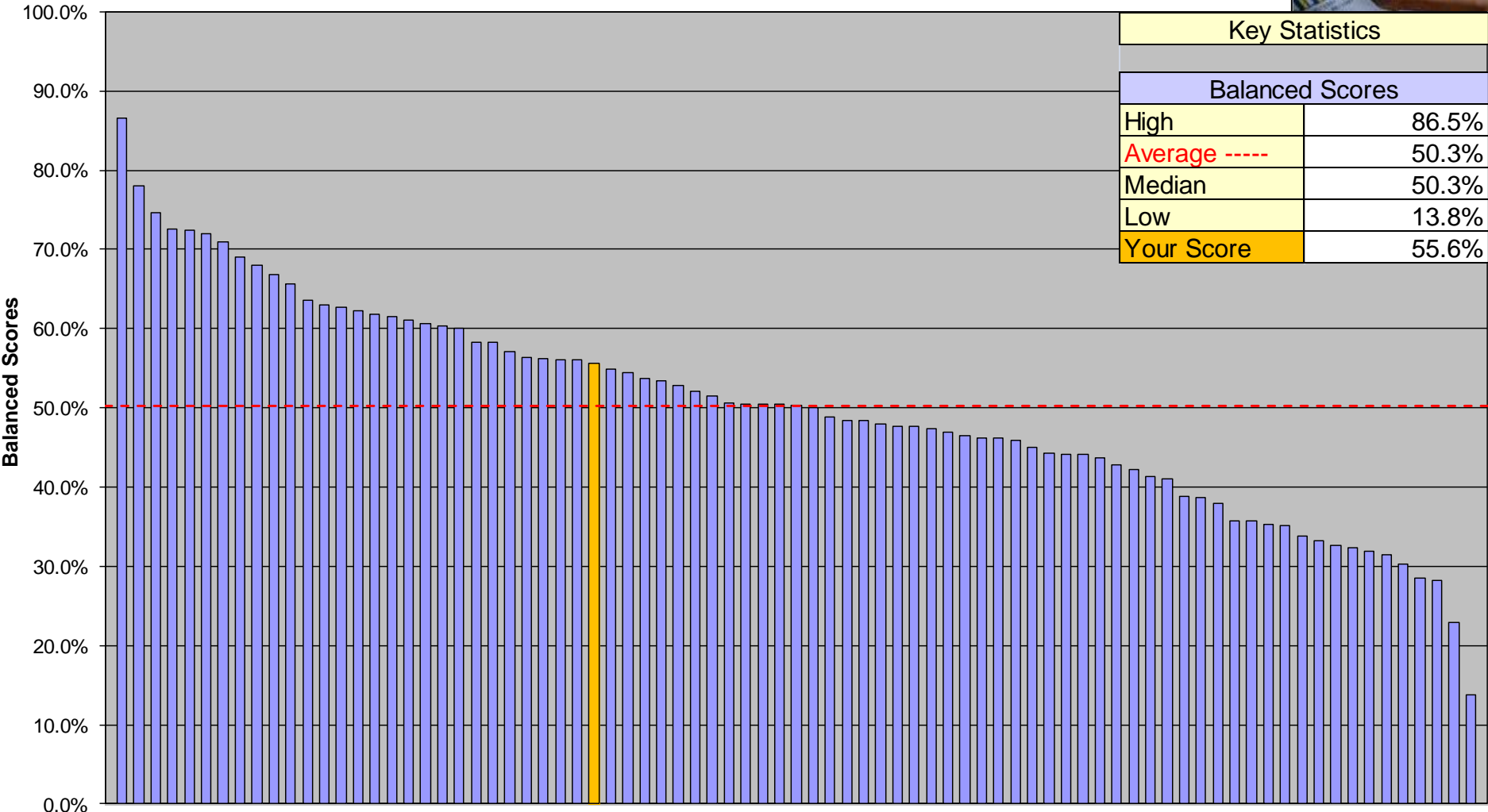
Key Statistics	
Balanced Scores	
High	86.5%
Average -----	50.3%
Median	50.3%
Low	13.8%
Your Score	55.6%

The Service Desk Performance Trend

Chart: Service Desk Balanced Score (Y-axis, 40% to 85%) by month (Jan–Dec)
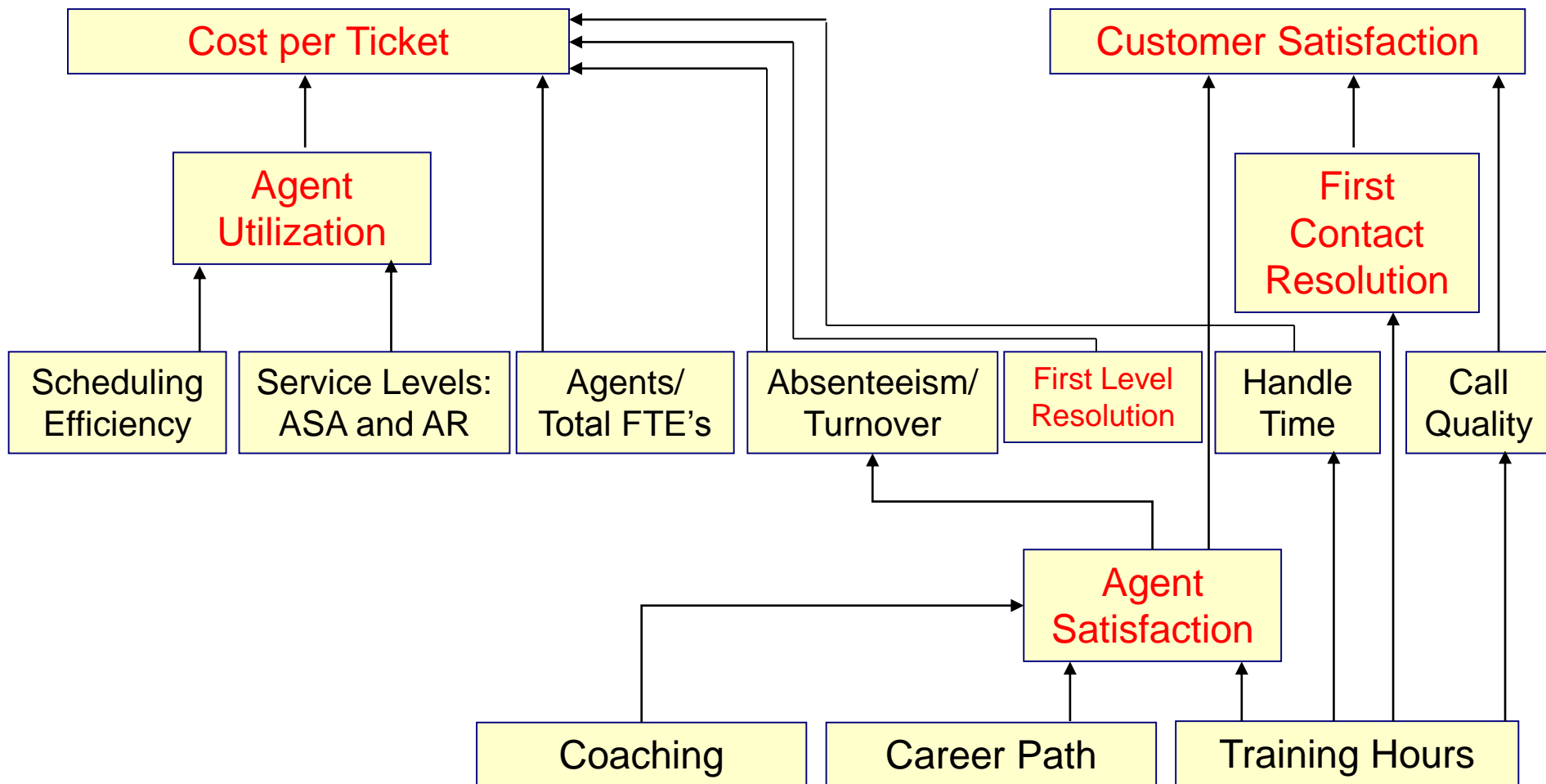
Legend:
- 12 Month Average
- Monthly Score

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A Summary of KPI Correlations for the Service Desk

Some Common Desktop Support KPI's

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!!

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The 80/20 Rule for Desktop Support KPI's

Cost	■ Cost per Ticket
Quality	■ Customer satisfaction
Productivity	■ Technician Utilization
Call Handling	■ First contact resolution rate (incidents)
Service Level	■ Mean Time to Resolve
TCO	■ % Resolved Level 1 Capable
Technician	■ Technician Satisfaction
Aggregate	■ Balanced scorecard

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A Summary of KPI Correlations for Desktop Support

Cost per Ticket

Customer Satisfaction

Technician Utilization

FCR (Incidents)

Service Levels: MTTR

Techs/ Total FTE's

Absenteeism/ Turnover

First Level Resolution

Work/ Travel Time

SL's MTTR

Scheduling Efficiency

Technician Satisfaction

Coaching

Career Path

Training Hours

© MetricNet, LLC, www.metricnet.com
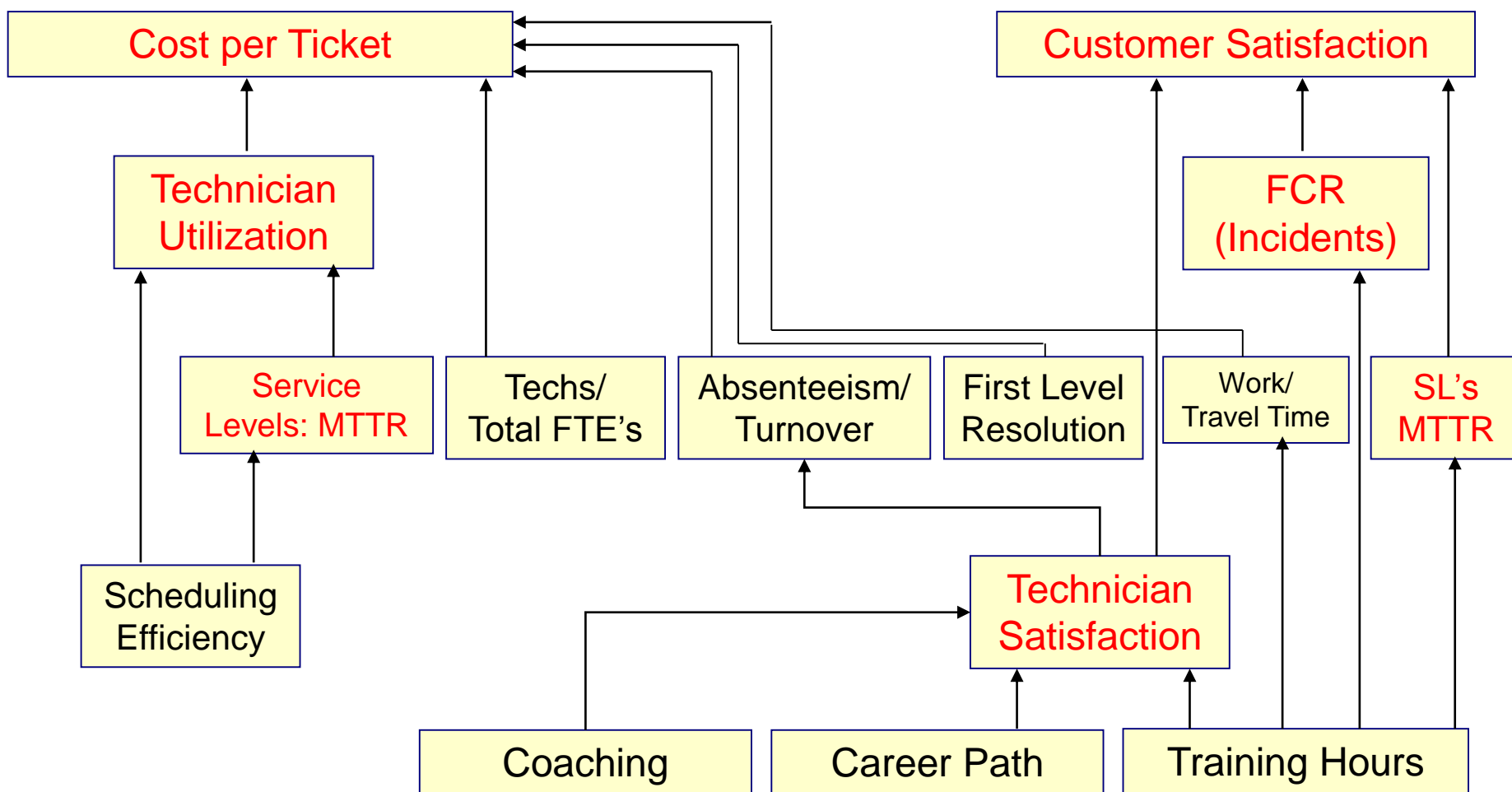
Proactive: A Business Model for IT Support
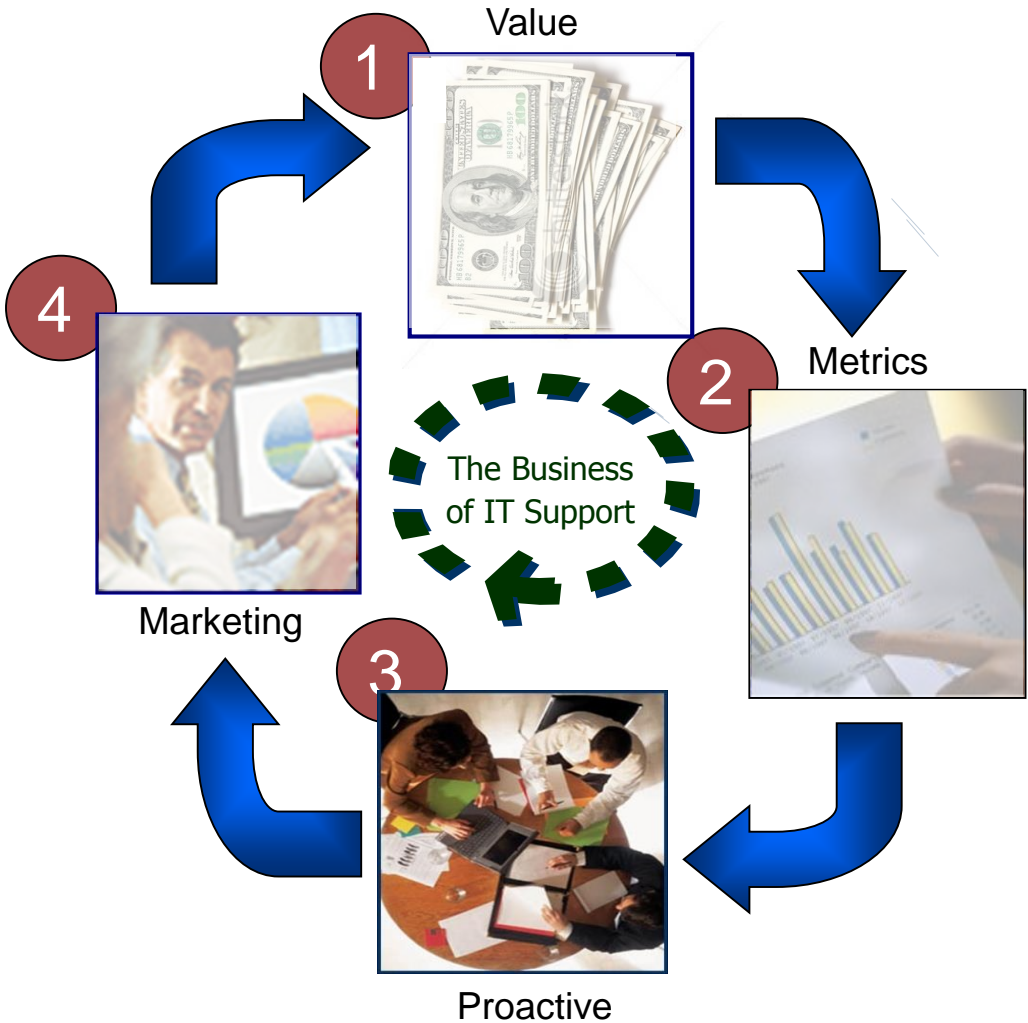
Value

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Marketing

The Business
of IT Support

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Proactive

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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

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The Widespread Adoption of Benchmarking

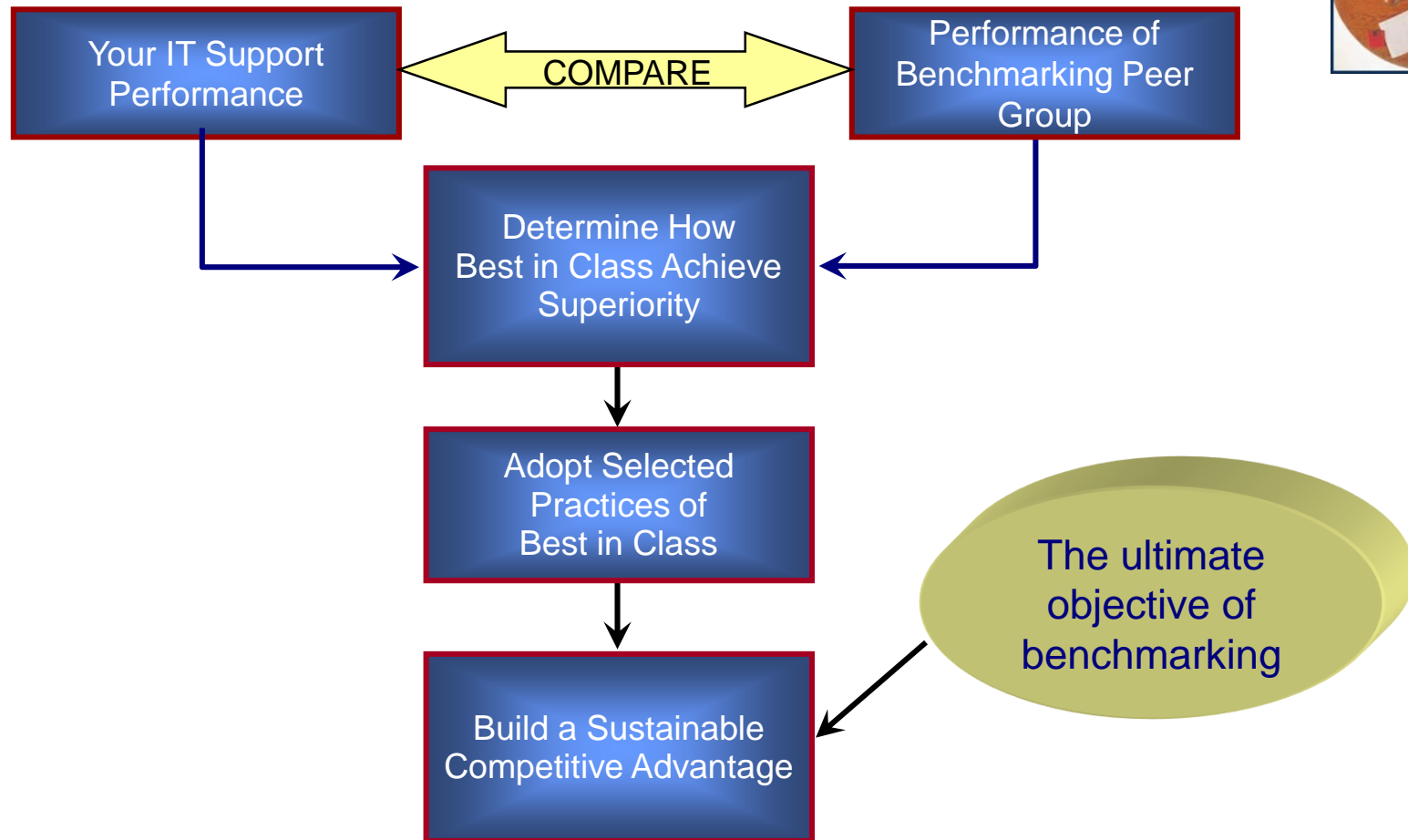**Fewer than 20% of all IT support groups engage in benchmarking.**

Yet there is a 1:1 Correspondence Between Benchmarking and World-Class Performance!
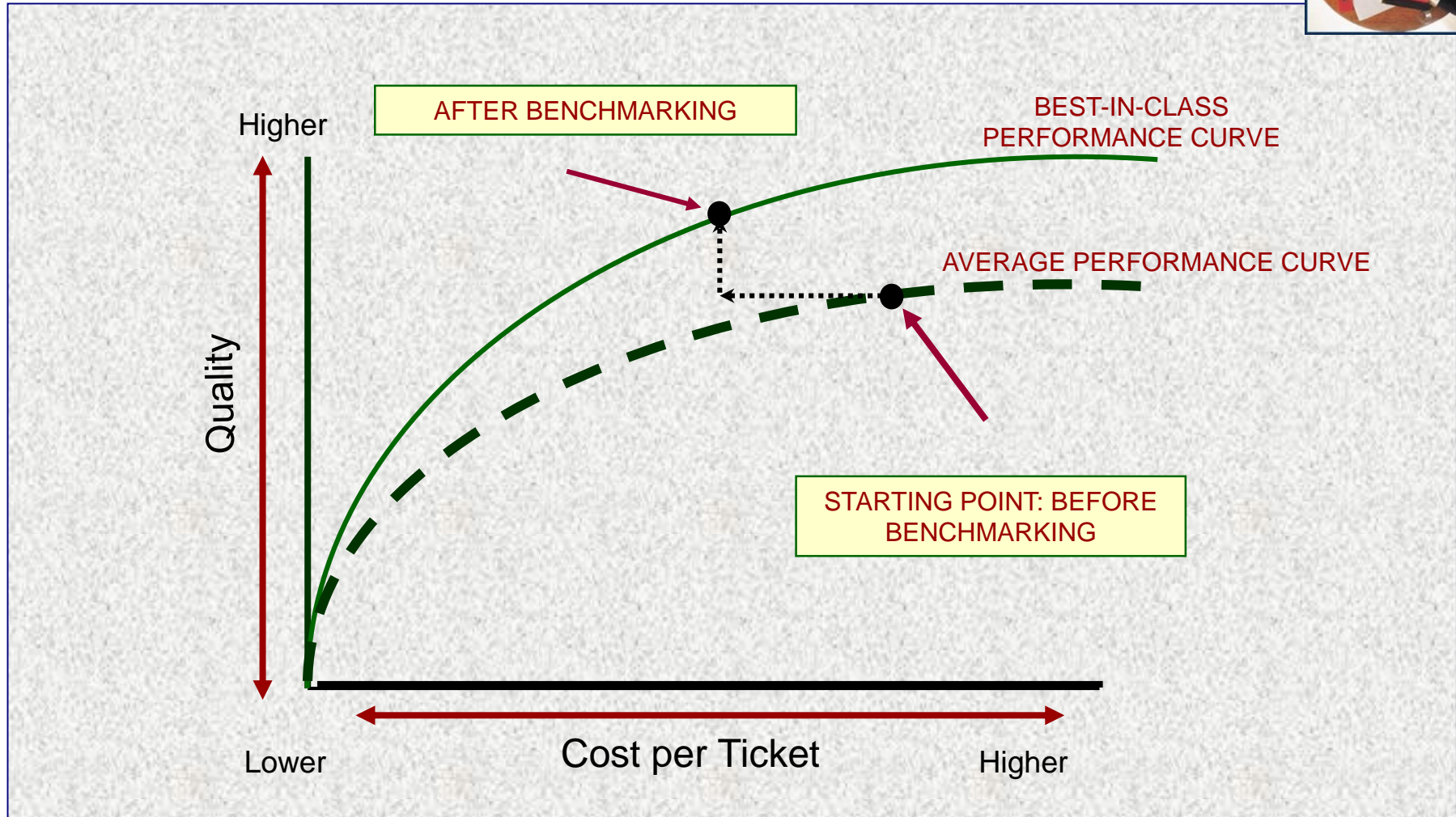
The Benchmarking Methodology

Your IT Support Performance	← COMPARE →	Performance of Benchmarking Peer Group

Determine How Best in Class Achieve Superiority

Adopt Selected Practices of Best in Class

Build a Sustainable Competitive Advantage

The ultimate objective of benchmarking

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

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The Goal of Benchmarking

Higher

AFTER BENCHMARKING

BEST-IN-CLASS PERFORMANCE CURVE

AVERAGE PERFORMANCE CURVE

Quality

STARTING POINT: BEFORE BENCHMARKING

Lower

Cost per Ticket
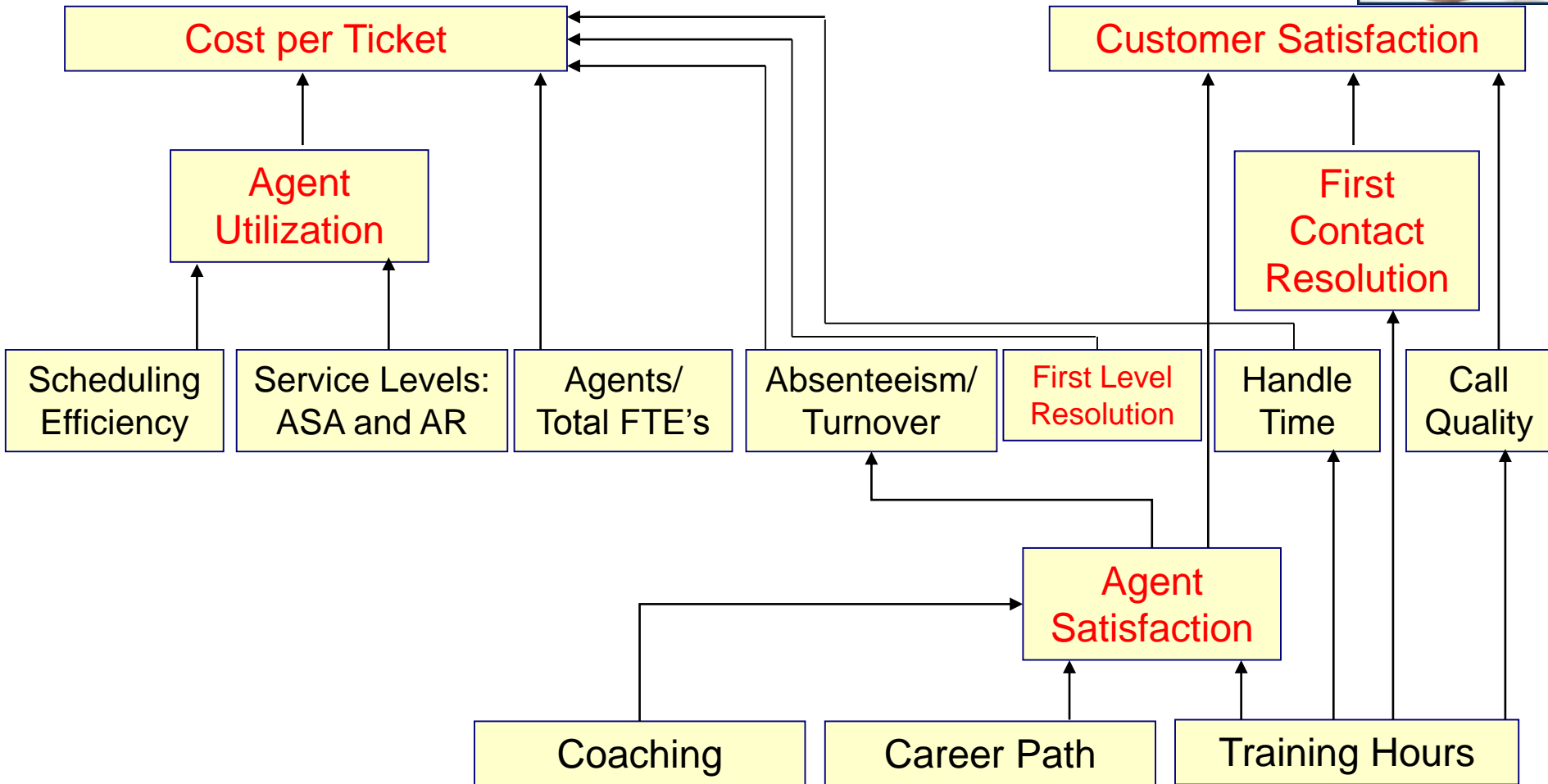
Higher

A Proactive Culture in IT Support

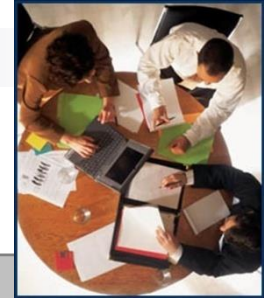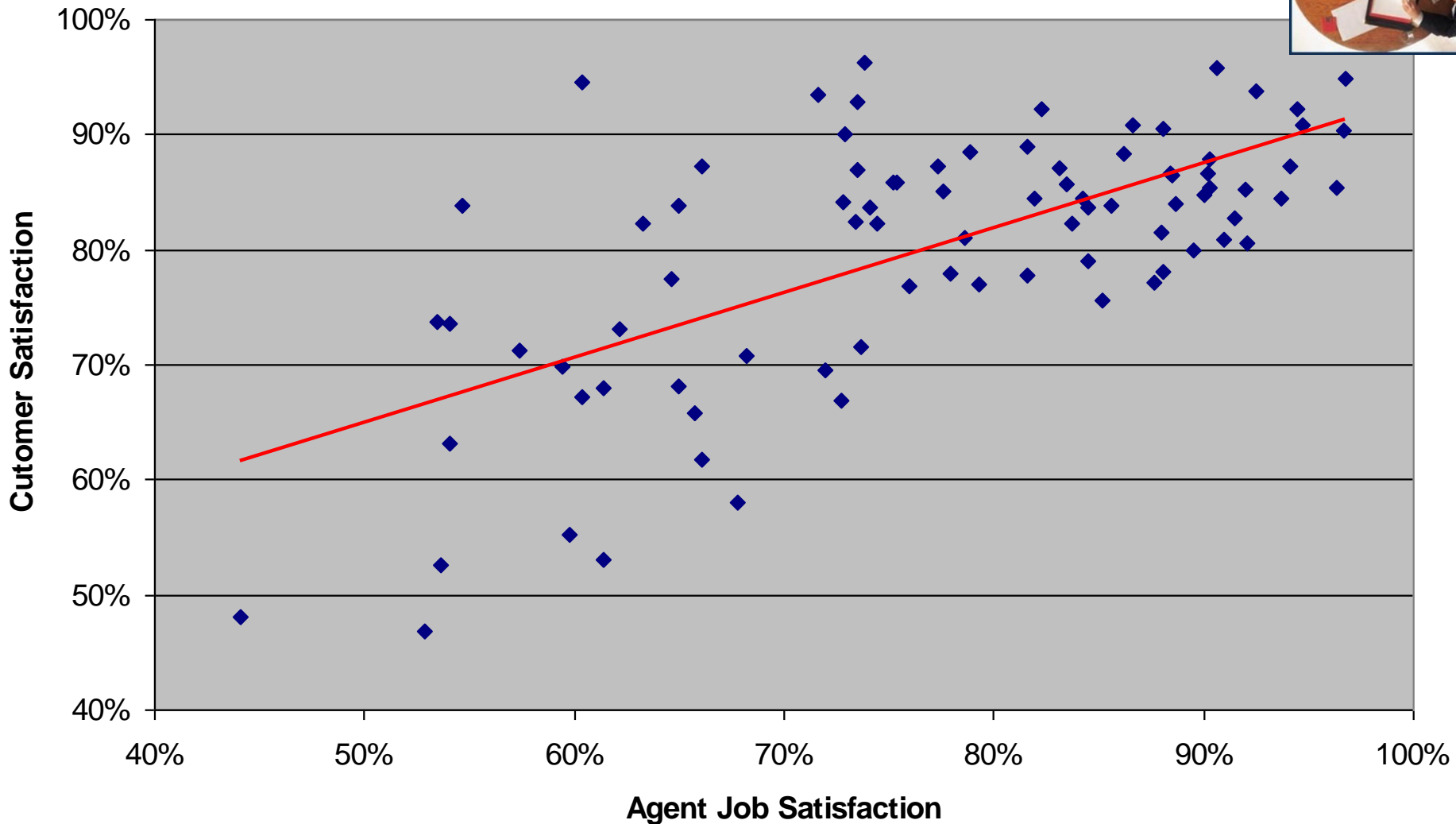| Some Common Proactive Behaviors |
| --- |
| ❑   Root Cause Analysis / Closed Ticket Analysis |
| ❑   Marketing / Brand Management |
| ❑   Business Case Analysis for New Investments |
| ❑   Benchmarking |
| ❑   Goal-based Training |
| ❑   Cause-and-Effect Decision-making |
| ❑   Manage Agent Morale / Agent Job Satisfaction |
| ❑   Agent Scorecards |

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Managing Agent Morale and Job Satisfaction

```
Cost per Ticket            Customer Satisfaction

        Agent                          First
      Utilization                     Contact
                                     Resolution

Scheduling   Service Levels:   Agents/   Absenteeism/   First Level   Handle   Call
Efficiency   ASA and AR    Total FTE's   Turnover    Resolution   Time   Quality

                              Agent
                            Satisfaction

        Coaching        Career Path        Training Hours
```
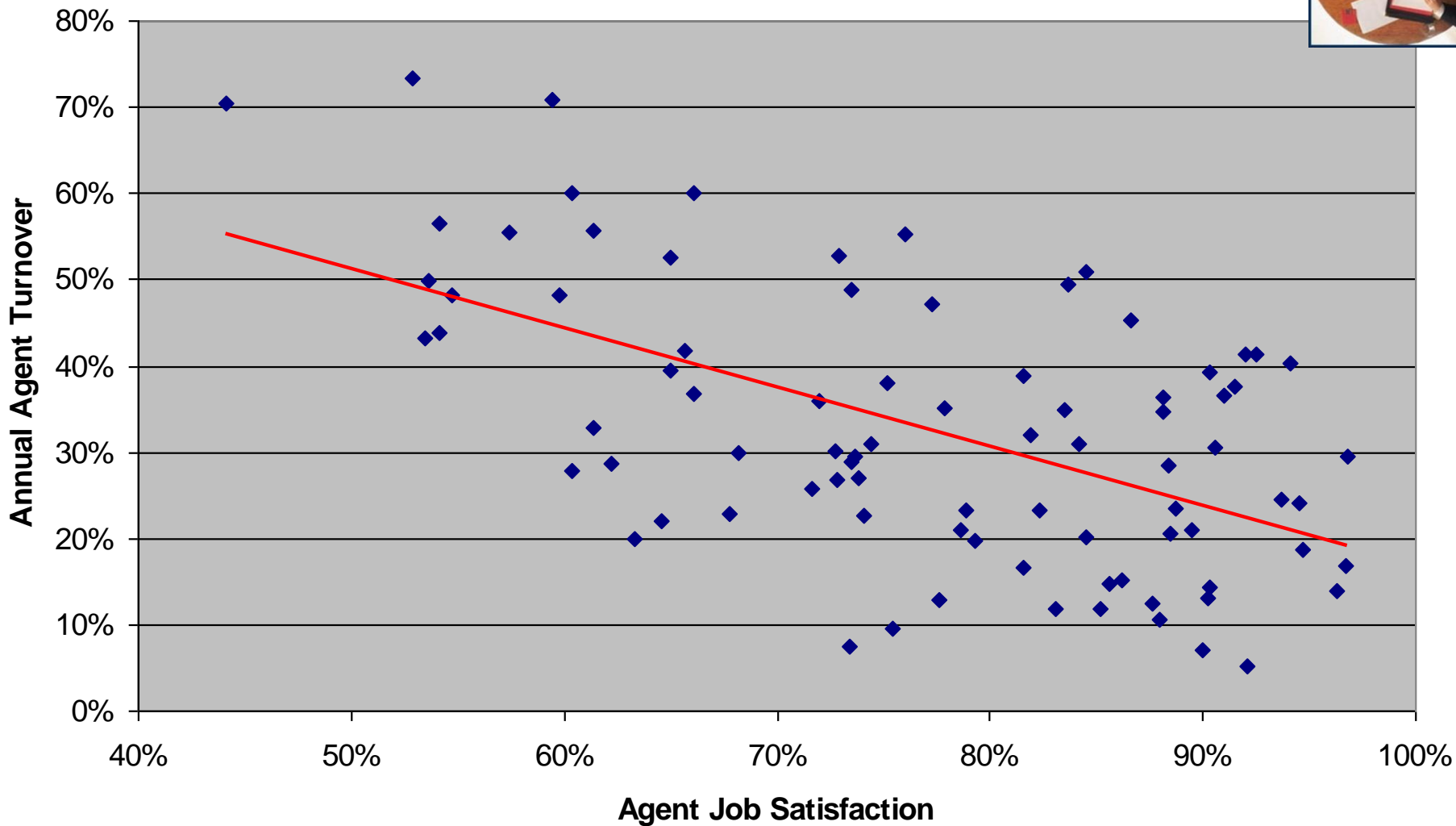
MetricNet

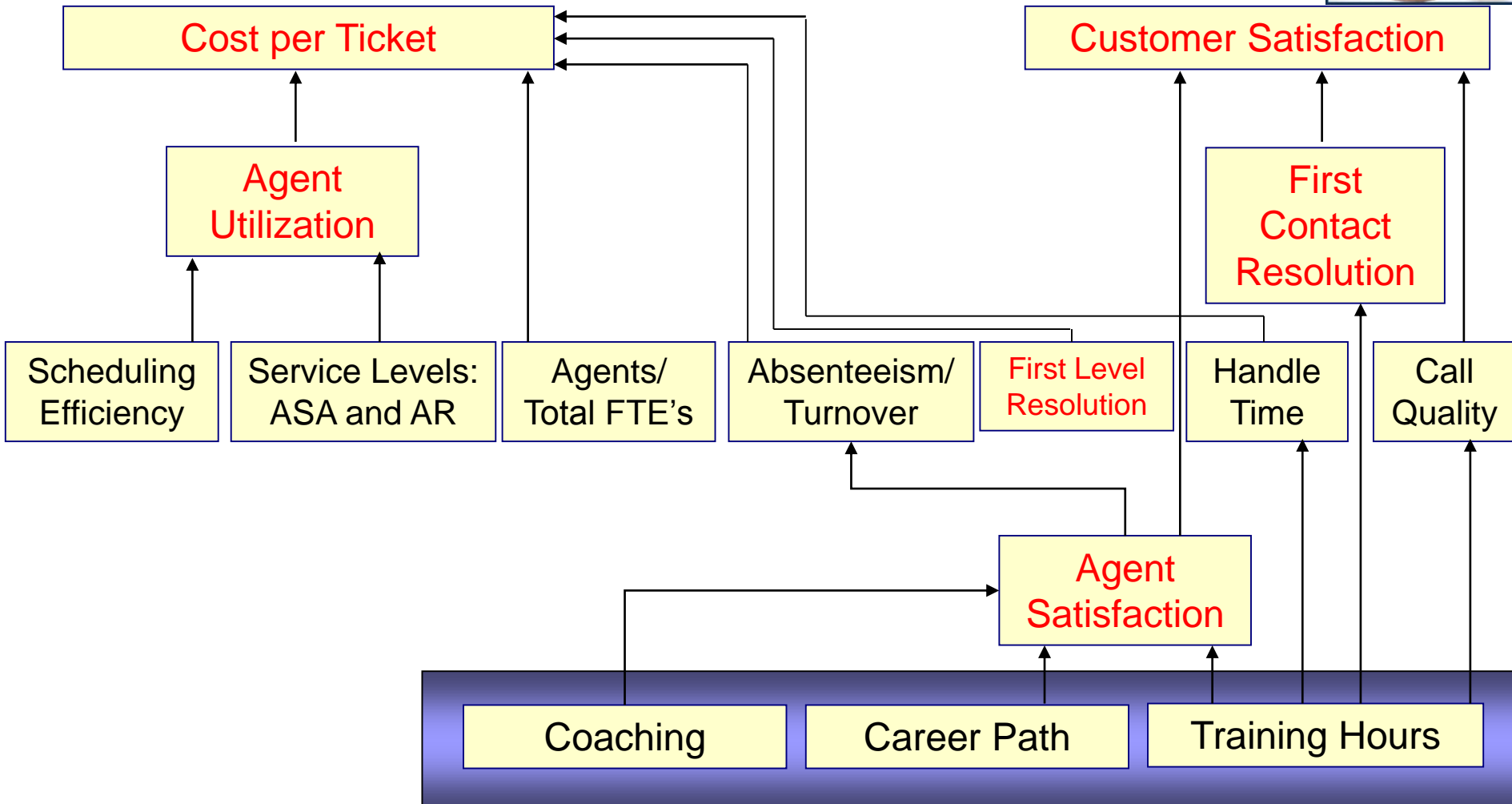# Agent Job Satisfaction vs. Customer Satisfaction

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Agent Job Satisfaction vs. Agent Turnover

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Managing Agent Morale and Job Satisfaction

Cost per Ticket

Customer Satisfaction

Agent Utilization

First Contact Resolution

Scheduling Efficiency

Service Levels: ASA and AR

Agents/ Total FTE's

Absenteeism/ Turnover

First Level Resolution

Handle Time

Call Quality

Agent Satisfaction

Coaching

Career Path

Training Hours

MetricNet
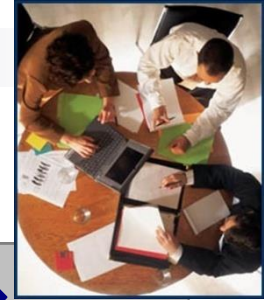
Agent Training Hours vs. Agent Job Satisfaction

MetricNet
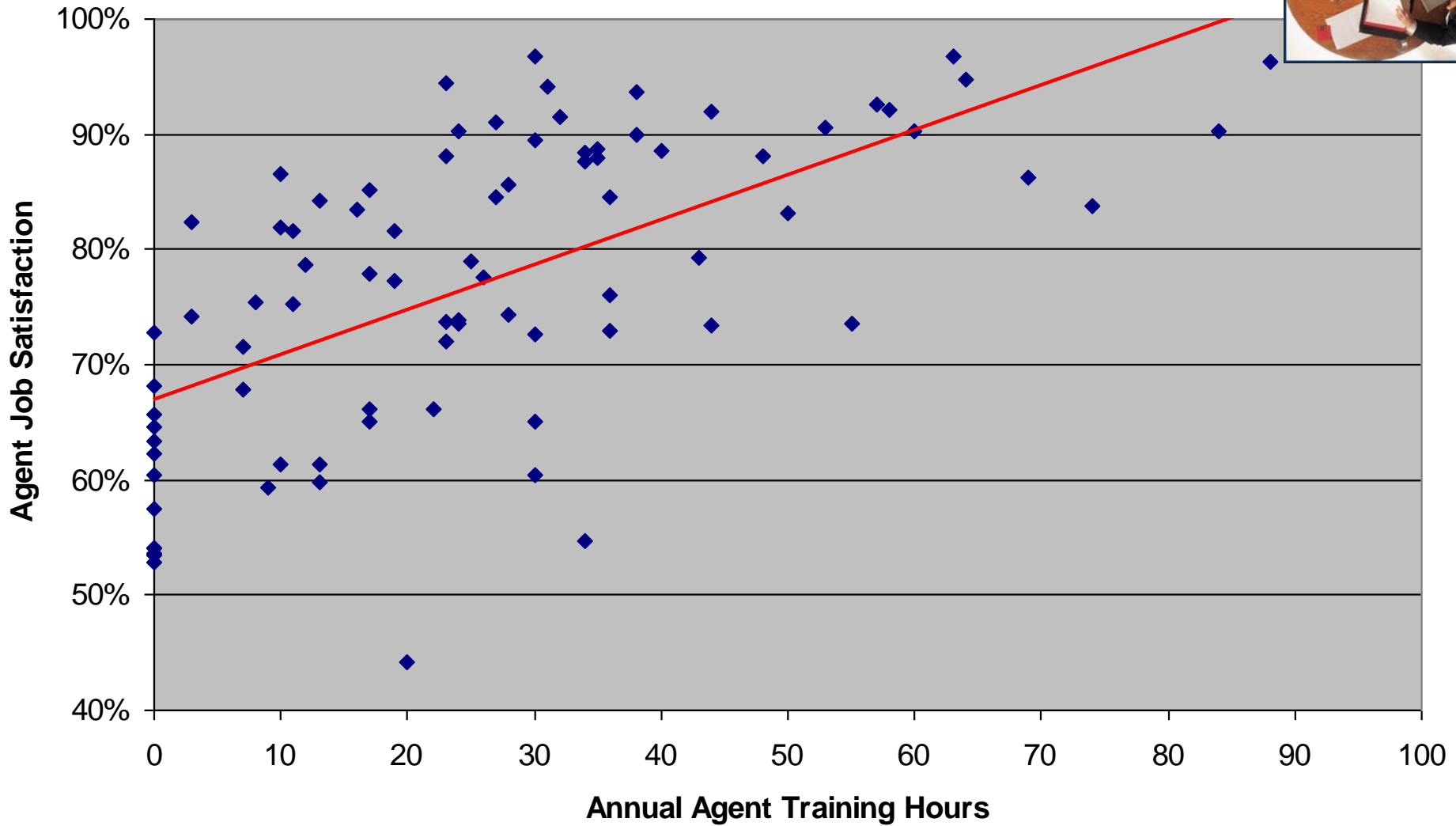
The Impact of Career Path on Agent Job Satisfaction

Chart: Agent Job Satisfaction (y-axis, 40% to 100%)

- Average = 80.7% (dark blue dashed line)
- Average = 72.3% (magenta dashed line)

Legend: ◆ Agent Satisfaction with Career Path ■ Agent Satisfaction without Career Path

MetricNet
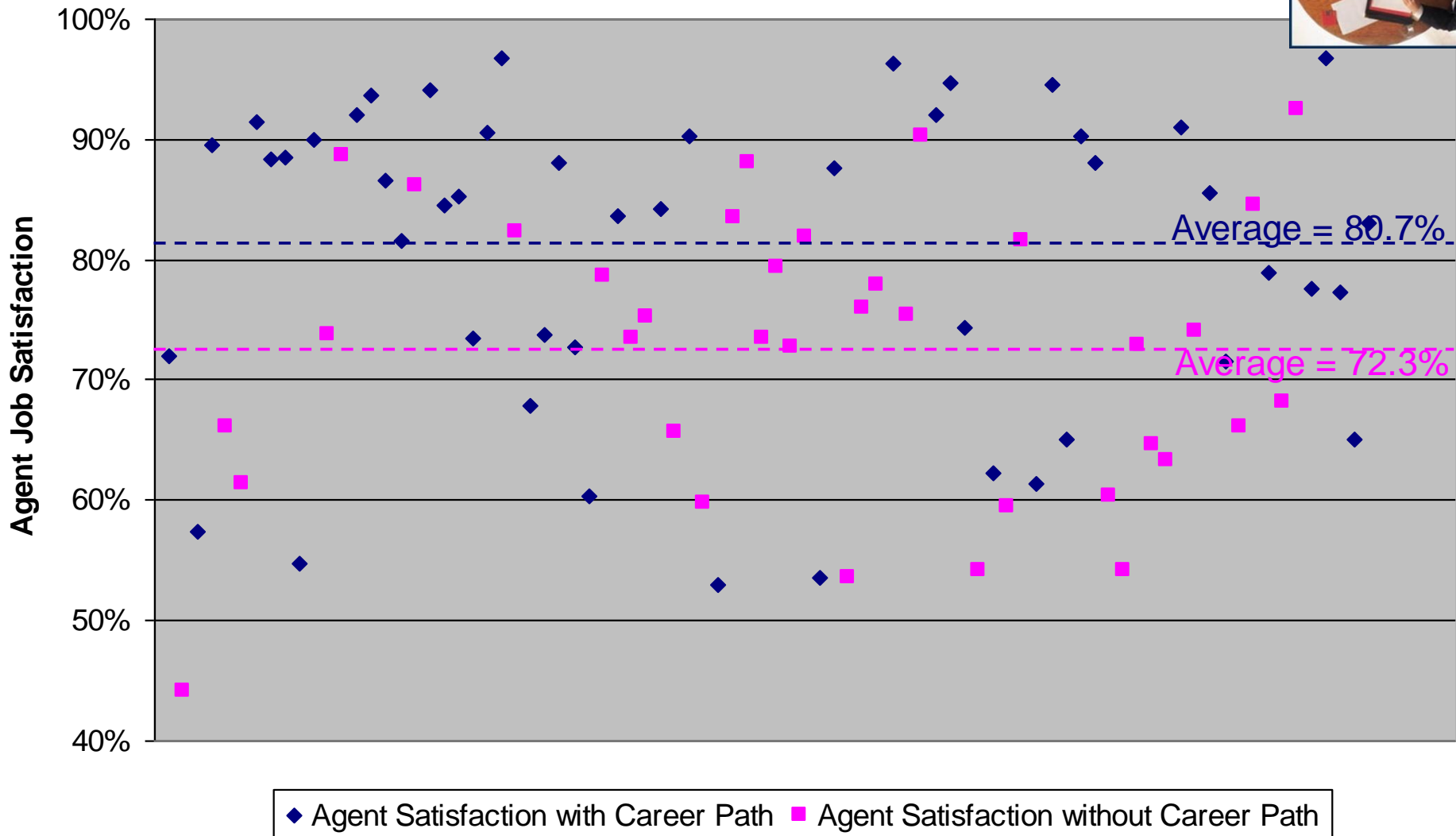
Marketing: A Business Model for IT Support
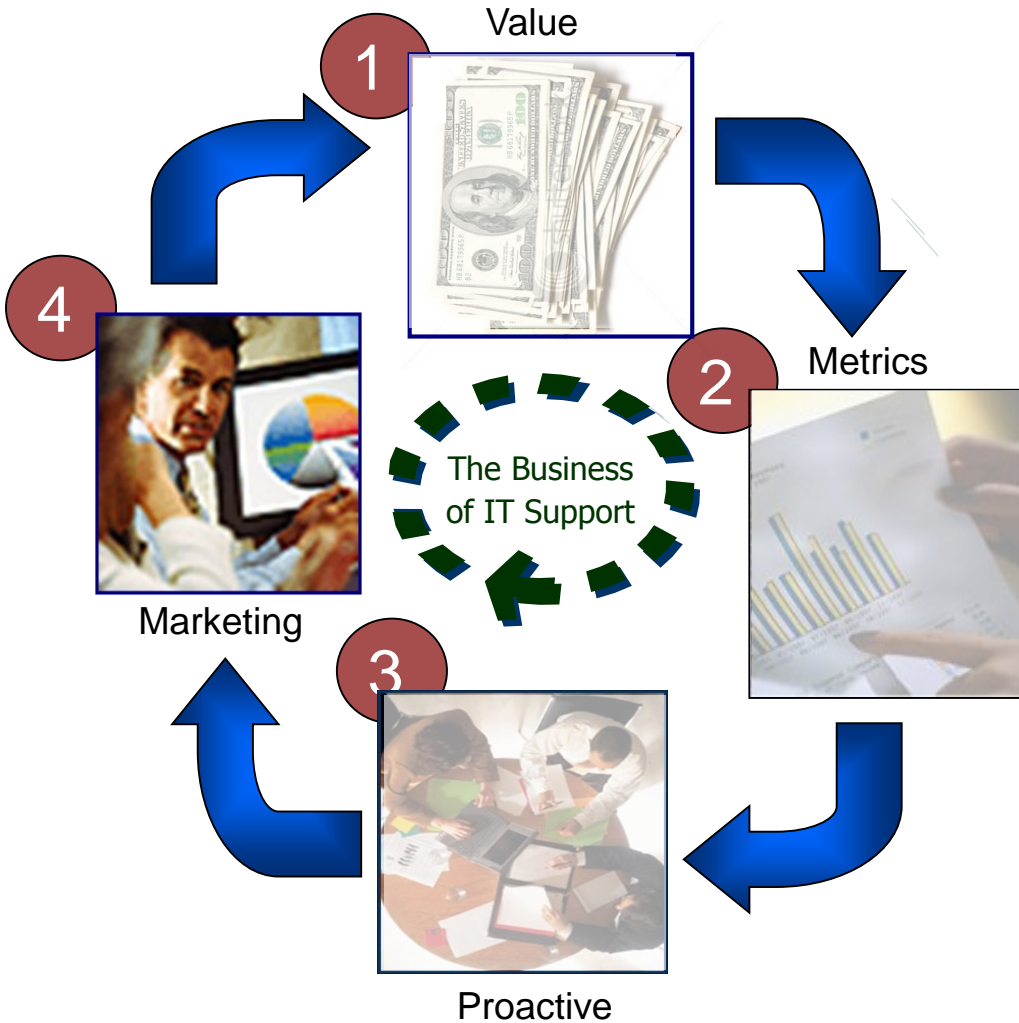
Value

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The Role of Marketing in IT Support

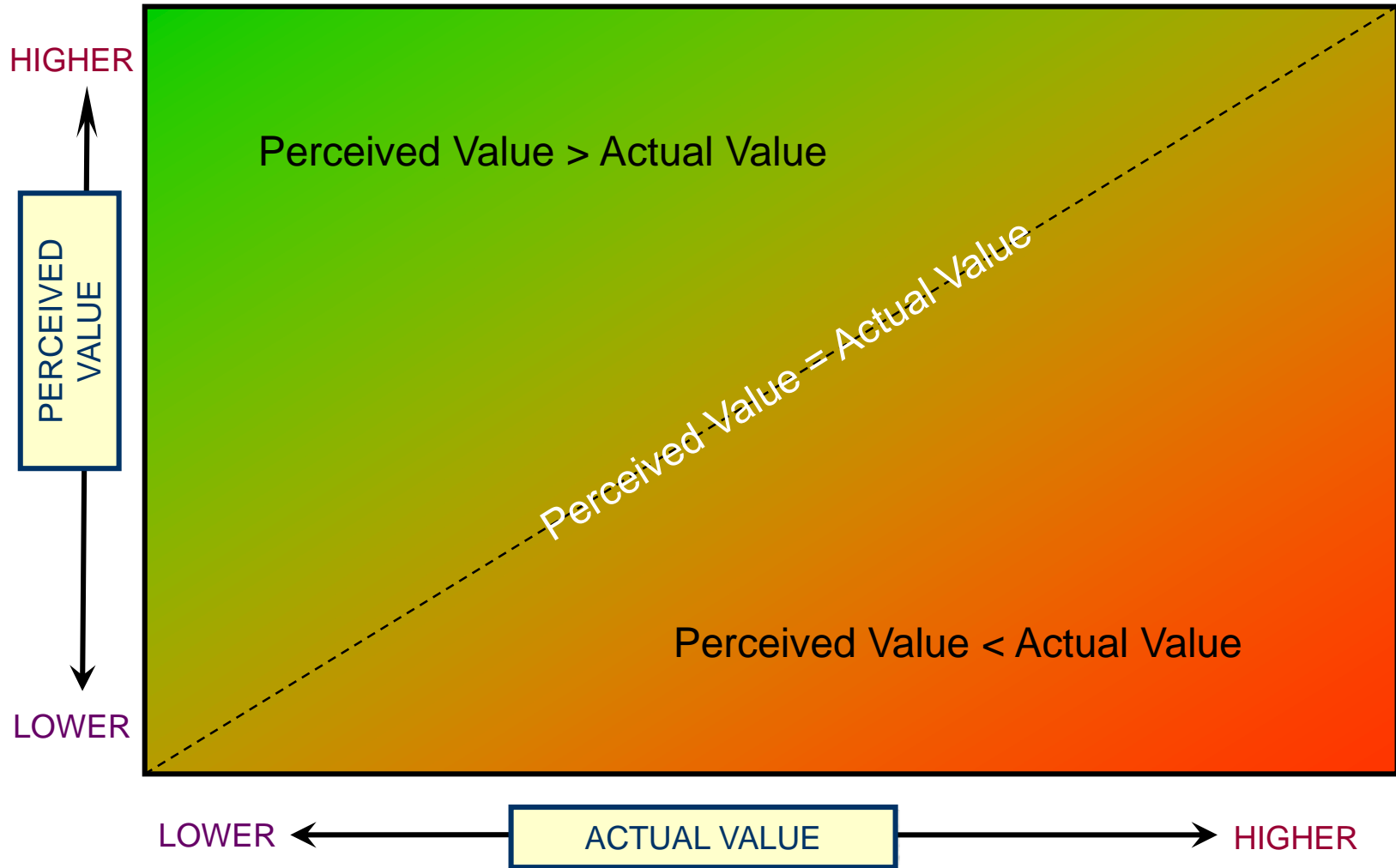We've all heard the expression…

"Expectations Not Set…

are Expectations Not Met!

So, let's get serious about <u>proactively managing expectations</u>!

Perception vs. Reality in IT Support

PERCEIVED VALUE

HIGHER

Perceived Value > Actual Value

Perceived Value = Actual Value

Perceived Value < Actual Value

LOWER

LOWER ← ACTUAL VALUE → HIGHER

Perception Is Almost Always Worse Than the Reality

PERCEIVED VALUE

HIGHER

Perceived Value > Actual Value

Perceived Value = Actual Value

A Common (but Dangerous) Operating Position

Perceived Value < Actual Value

LOWER

LOWER ← ACTUAL VALUE → HIGHER
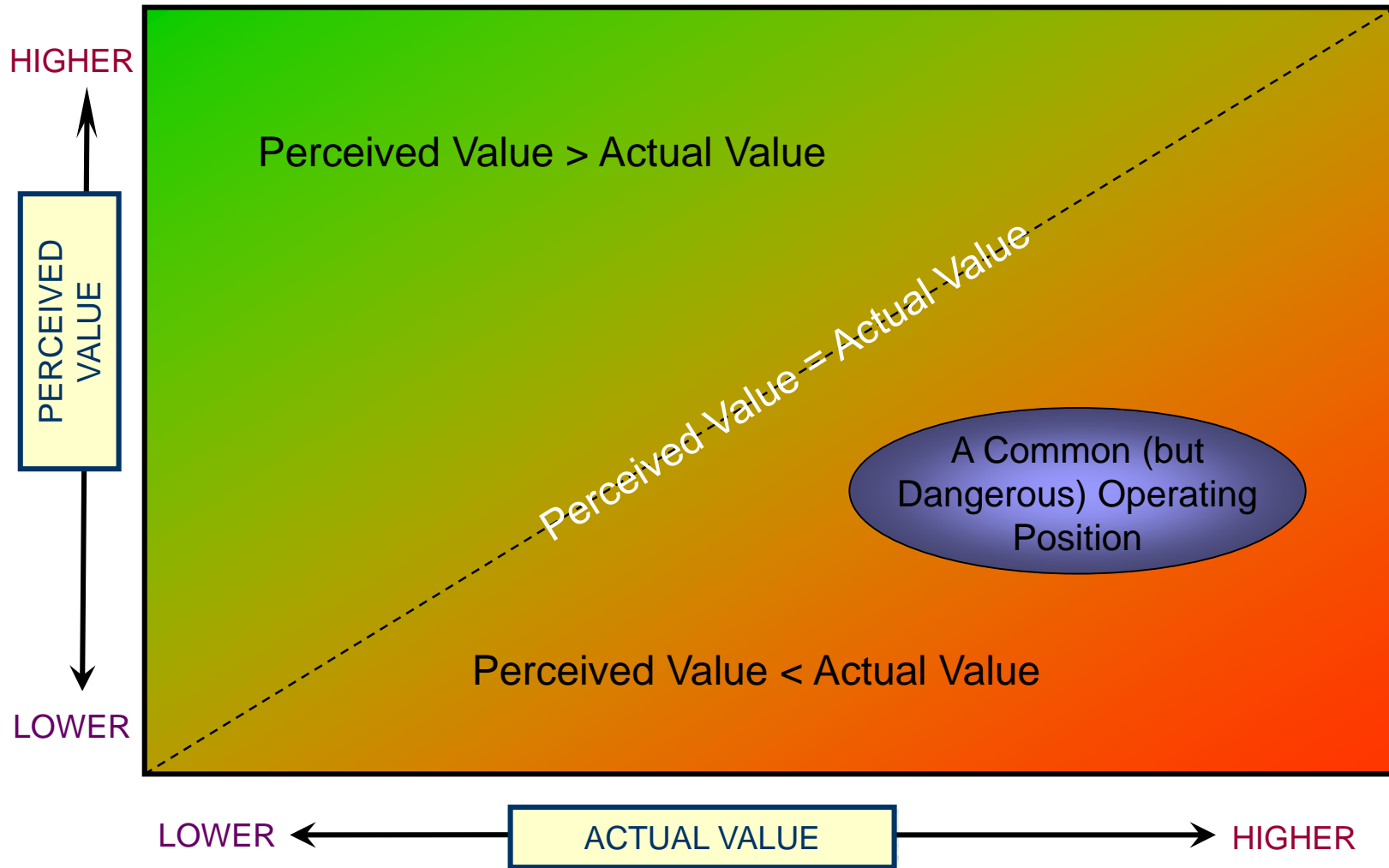
Brand Management in IT Support

HIGHER

PERCEIVED VALUE

Perceived Value > Actual Value

Perceived Value = Actual Value

#2 Brand Management

#1 Operational Effectiveness

Perceived Value < Actual Value

LOWER

LOWER ← ACTUAL VALUE → HIGHER

Closing the Perception Gap

HIGHER

PERCEIVED VALUE

Perceived Value > Actual Value

Where you Should Be

Perceived Value = Actual Value

Closing the Perception Gap

Where you Are

Perceived Value < Actual Value

LOWER

LOWER ← ACTUAL VALUE → HIGHER

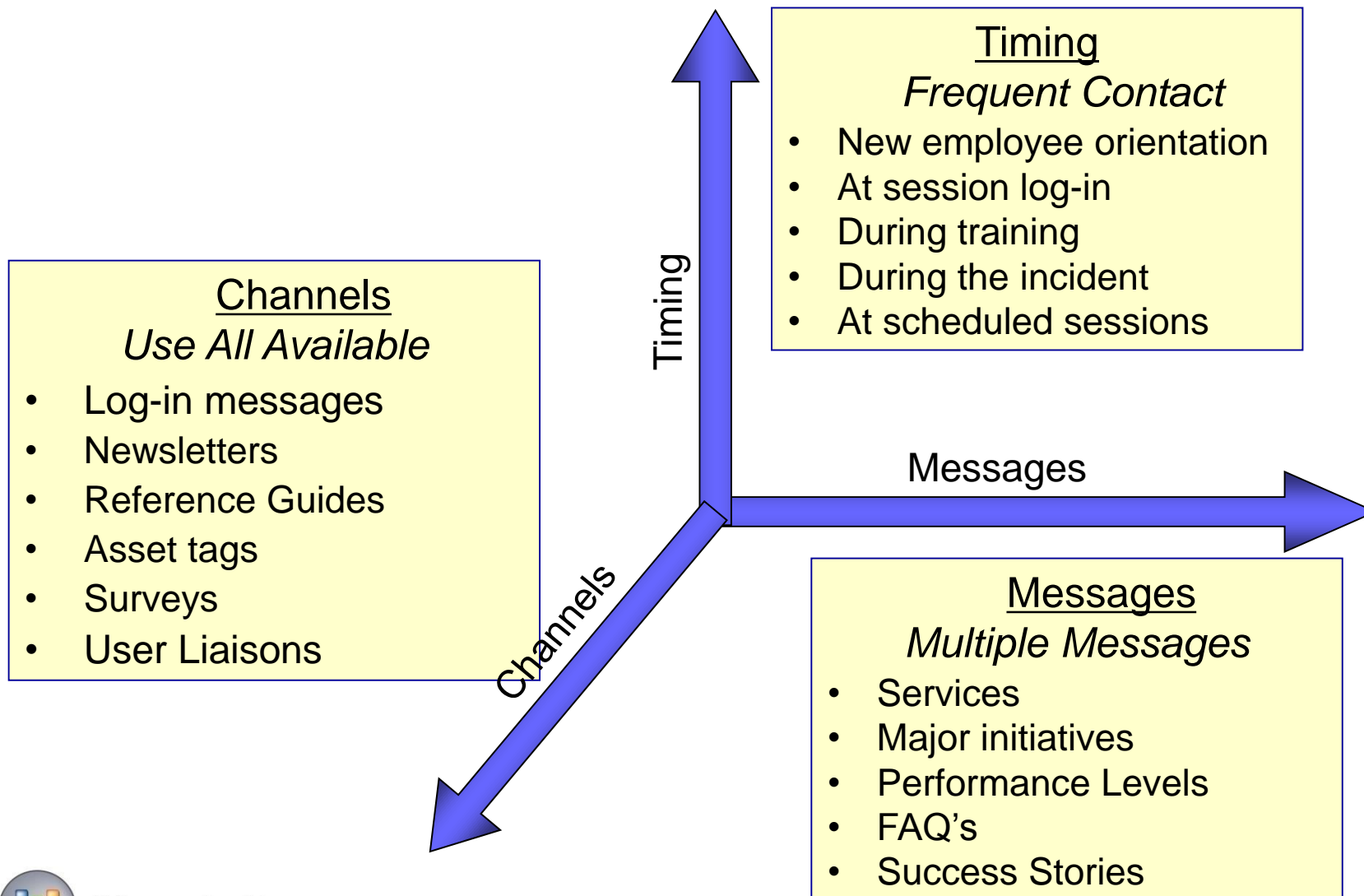MetricNet

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?

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Key Success Factors in Marketing IT Support

Timing
Frequent Contact
- New employee orientation
- At session log-in
- During training
- During the incident
- At scheduled sessions

Timing (axis label)

Messages (axis label)

Channels
Use All Available
- Log-in messages
- Newsletters
- Reference Guides
- Asset tags
- Surveys
- User Liaisons

Channels (axis label)

Messages
Multiple Messages
- Services
- Major initiatives
- Performance Levels
- FAQ's
- Success Stories

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The Most Common Communication Vehicles

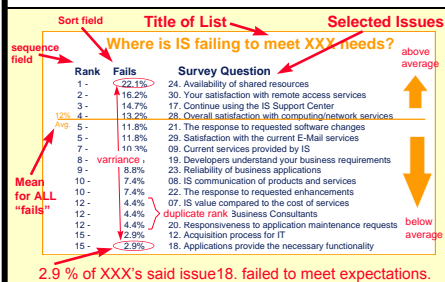| Newsletters	Brown Bag Sessions	Leave Behinds	Business Unit Liaisons
Surveys	Log-in Screens	Webcasts	FAQ Site

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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
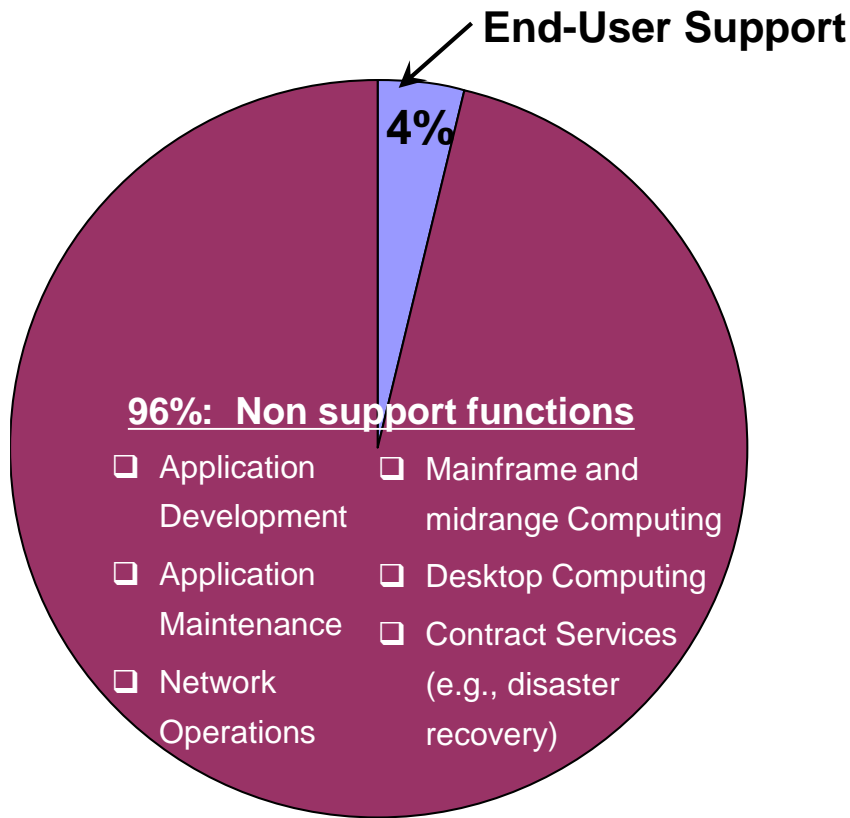 - High levels of Customer Satisfaction

The Paradox of IT Service and Support

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Performance Benchmarking

The Paradox of IT Support

End-User Support

4%

96%: Non support functions

- Application Development
- Application Maintenance
- Network Operations
- Mainframe and midrange Computing
- Desktop Computing
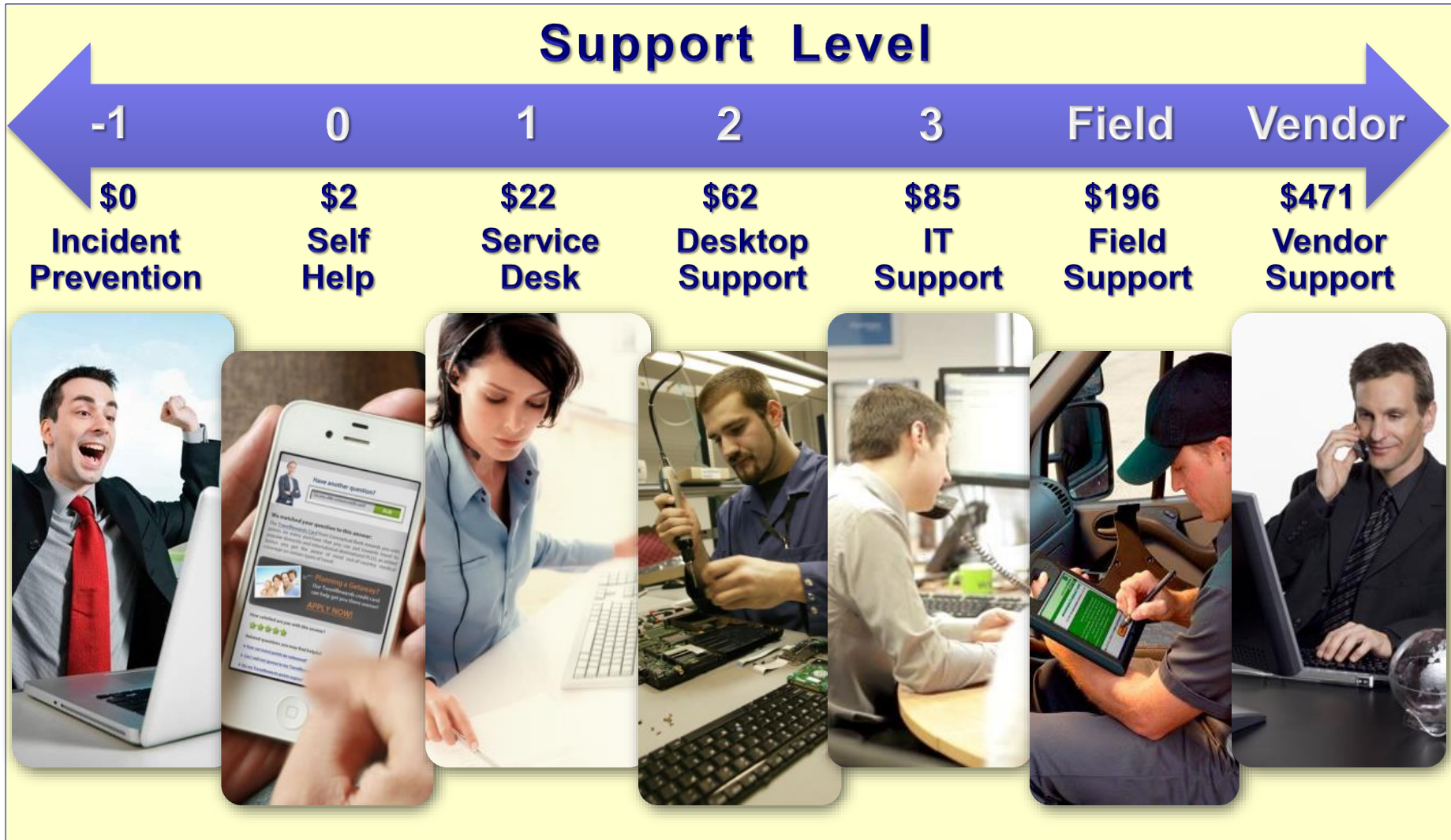- Contract Services (e.g., disaster recovery)
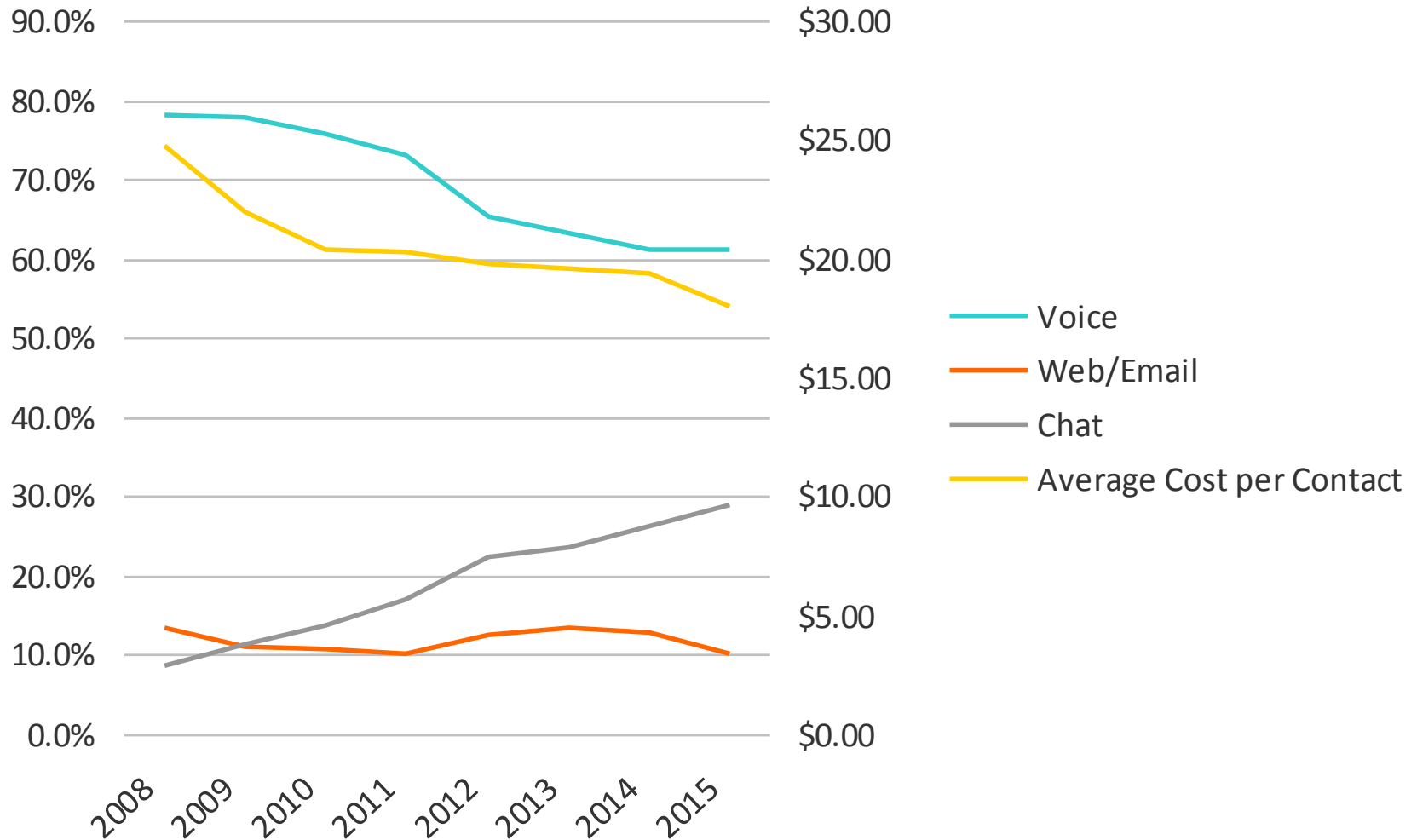
Corporate IT Spending Breakdown

- ❑ 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 <u>maximizing value</u>

Support Has an Opportunity to Minimize TCO

Support Level

-1	0	1	2	3	Field	Vendor
$0	$2	$22	$62	$85	$196	$471
Incident Prevention	Self Help	Service Desk	Desktop Support	IT Support	Field Support	Vendor Support

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Improved Channel Mix Drives Down Costs

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Quality of Support Drives End-User Productivity

Support Function	Key Performance Indicator	Performance Quartile			
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Average Productive Hours Lost per Employee per Year		17.1	25.9	37.4	46.9

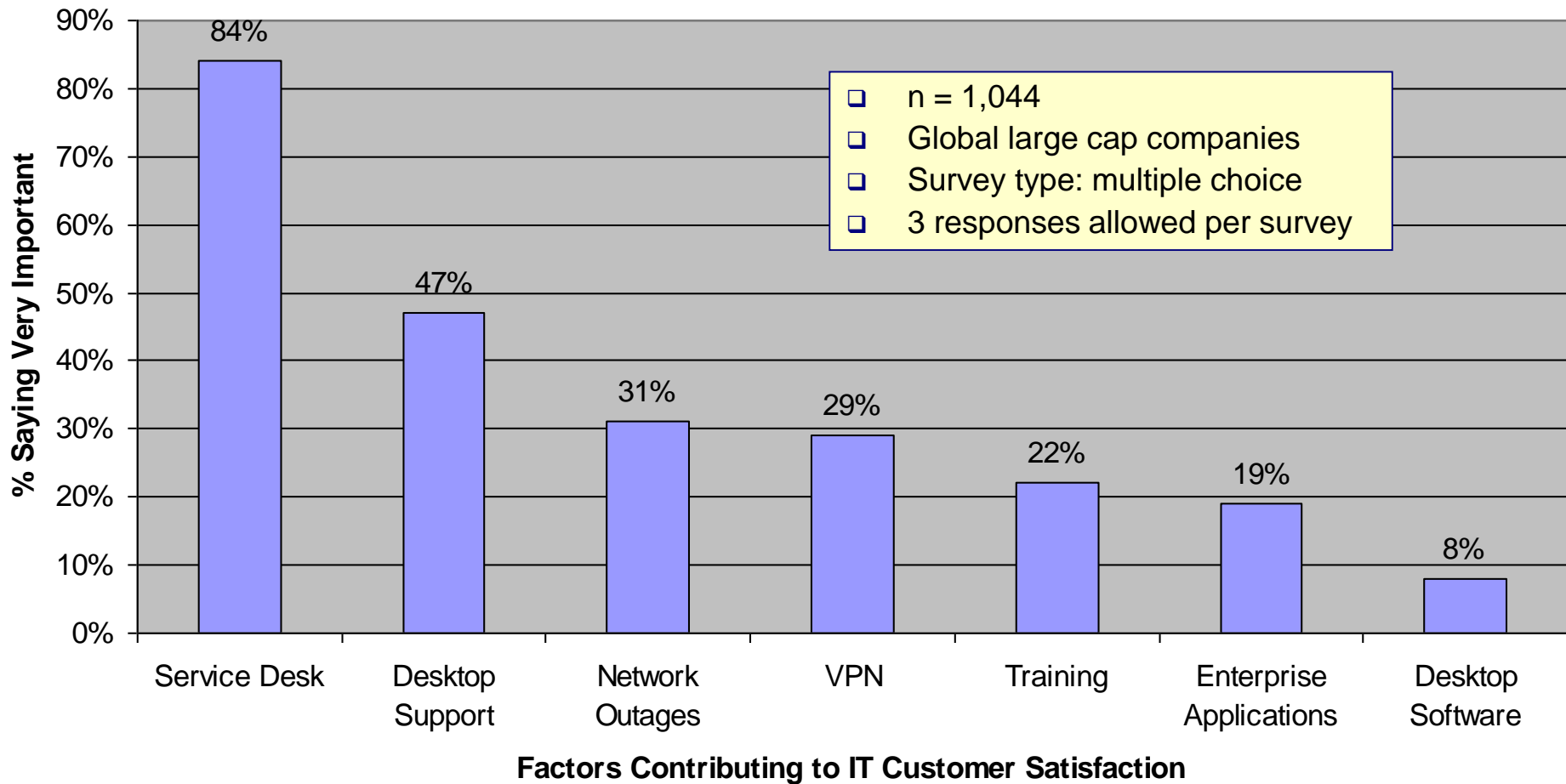"Delight customers?! Why can't we just satisfy them like we used to?"

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

Chart: **% Saying Very Important** vs **Factors Contributing to IT Customer Satisfaction**

- Service Desk: 84%
- Desktop Support: 47%
- Network Outages: 31%
- VPN: 29%
- Training: 22%
- Enterprise Applications: 19%
- Desktop Software: 8%

Callout box:
- ❑ n = 1,044
- ❑ Global large cap companies
- ❑ Survey type: multiple choice
- ❑ 3 responses allowed per survey

- ❑ 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

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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 Centered Service (KCS) and Remote Diagnosis

➡ ❑ Service and Support as a Business

IT Support as a Business Enterprise

Exploit Value

Metrics Focused

Proactive

Marketing

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Questions?

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Performance Benchmarking

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UNITE AND TRIUMPH

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Visit MetricNet at the Annual HDI Conference in Orlando, FL!

More info at metricnet.com/hdiconf16

Session 105: The Future of Desktop Support:

What the KPIs Are Telling Us

Wednesday, April 13 at 10:15 AM

Session 407: The Diagnostic Power of Metrics

Thursday, April 14 at 10:00 AM

Questions?

MetricNet™
Performance Benchmarking

Thank You!

MetricNet™
Performance Benchmarking

About MetricNet

Your Benchmarking Partner

Your Speaker: 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 Service Desk Benchmarking Consortium

- Author of *A Hands-On Guide to Competitive Benchmarking*

- Harvard MBA, Stanford MS

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- Desktop Support
- Field Support

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

Telecom
- Price Benchmarking

Satisfaction
- Customer Satisfaction
- Employee Satisfaction

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

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