

HDI® 2018

CONFERENCE & EXPO

CONNECTING
THE WORLD
OF SERVICE &
SUPPORT

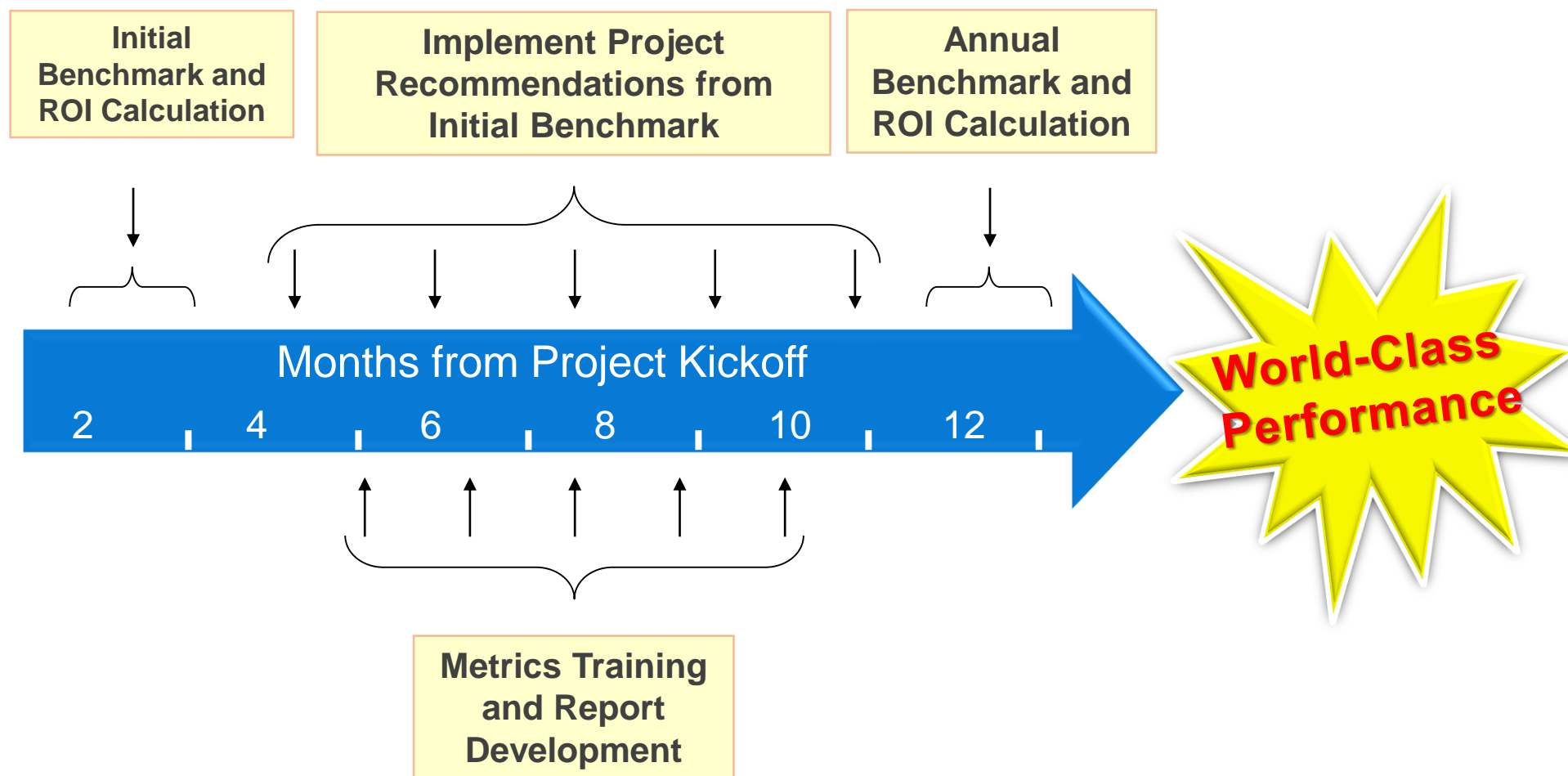
#HDIConf

Leveraging Metrics to Take Southwest Airlines to a Higher Plane

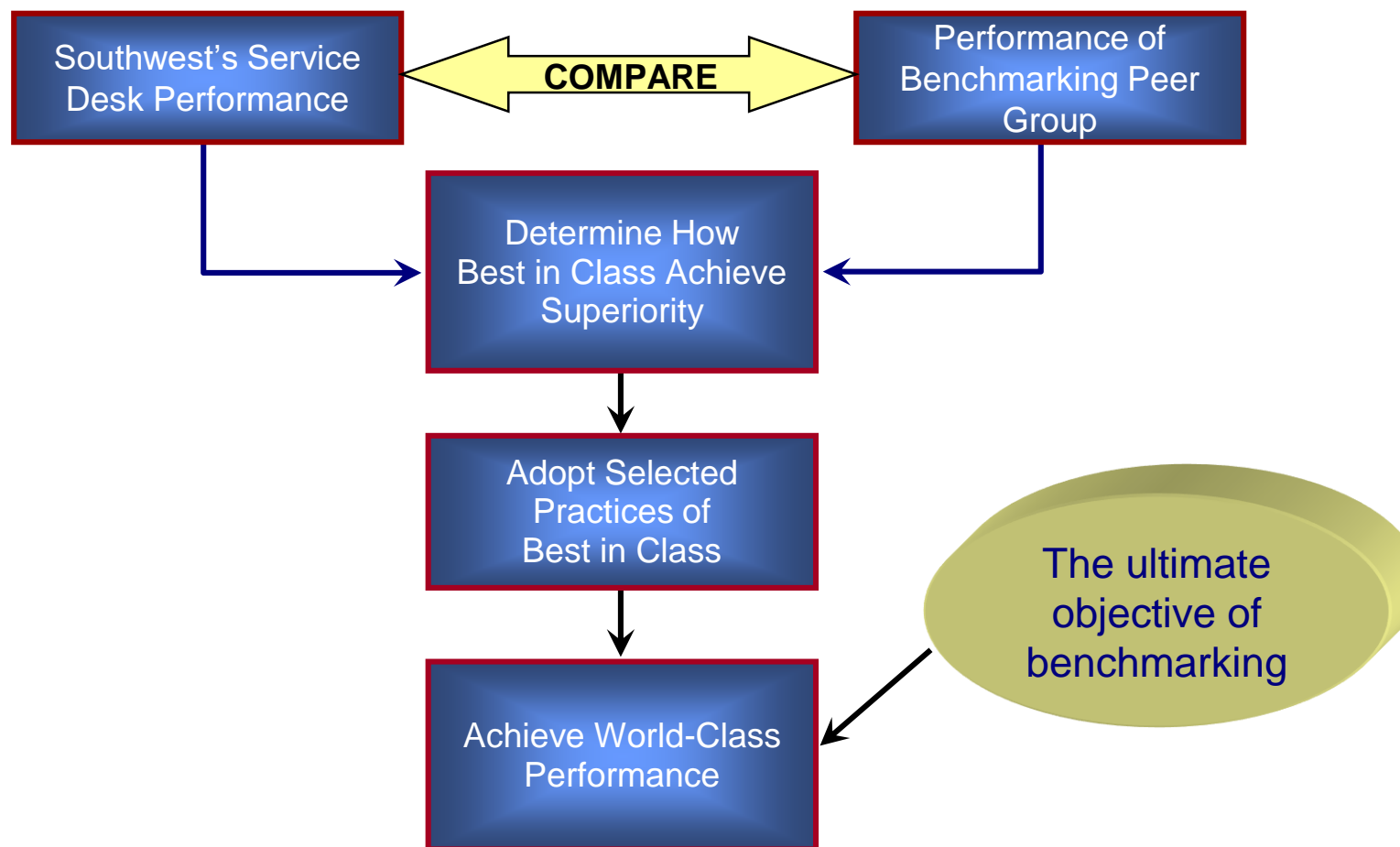
Case Study

Your Speaker: Jeff Rumburg

The One Year Path to World-Class Performance



The Benchmarking Methodology



Southwest Service Desk Overview

Service Desk Locations		Dallas, TX	
Hours of Operation		24 X 7	
Annual Operating Expense*		\$5,154,828	
Monthly Inbound Contact Volume	Voice	11,101	
	Email	278	
	Web Portal	1,218	
	Chat	3,524	
	Other	3,379	
	Total	19,500	
Monthly Outbound Contact Volume		4,324	
FTE Personnel Headcount		Technology Profile	
Technician Level 1	47.0	Trouble Ticket System	ServiceNow Geneva
Lead Tech	3.0	Automatic Call Distributor (ACD)	Avaya G3 Version 11
Supervisor/Team Lead	3.0	Knowledge Management System	ServiceNow Geneva
Manager	2.0	Remote Control Software	Remotely Anywhere
QA/QC	1.0	Call Quality	Click 2 Coach
Training	1.0		
Total	57.0		

Initial Benchmark

- Module 1: Southwest Baselineing / Data Collection
- Module 2: Benchmarking and Gap Analysis
- Module 3: Balanced Scorecard
- Module 4: Best Practices Process Assessment
- Module 5: Strategies for Improved Performance
- Module 6: Report Development and Presentation of Results

Data Collection

6						
7	1. Please report your Service Desk's average performance for each metric specified below.					
8						
9		Metric Category	Performance Metric	Average Performance Level		
10						
11		Quality	Customer Satisfaction (0 - 100%)	92.8	Based on Dash CST - 5.57 out of 6.0	
14			Call Quality (0 - 100%)	93.0	Based on Click 2 Coach Scores	
16		Technician	Technician Turnover (0% - >100%)	35.0	Based on year of 2015 - 18 Techs left (2 employees)	
18			Absenteeism (0 - 100%)	1.0		
20			Agent Occupancy (0 - 100%)	Unknown		
22			Schedule Adherence (0 - 100%)	Unknown		
24			New Hire Training Hours (first year)	200.0	5 weeks of training	
26			Veteran Tech Training Hours per year (after first year)	48.0		
28			Average Tenure (time on the job) in months	66.0		
30			Service Desk Tech Job Satisfaction Rating (0 - 100%)	71.7	Based on Pilot Tech Satisfaction Survey conducted	
32		Service Level	Average Speed of Answer (sec)	99 (sec)	Based on Jan.'16 - Apr.'16	
34			% of Calls Answered within 30 sec (0 - 100%)	59.5	Based on Jan.'16 - Apr.'16	
36			Call Abandonment Rate (0 - 100%)	12.0	Based on Jan.'16 - Apr.'16	
38		Call	Average Inbound Contact Handle Time (min:sec)	13 min. 38 sec.	Based on Jan.'16 - Apr.'16	
40			Average Outbound Contact Handle Time (min: sec)	3:25:00	Based on Jan.'16 - Apr.'16	
42			First Level Resolution Rate (0 - 100%)	76.2	Based on Jan.'16 - Apr.'16	

Personnel Interviews



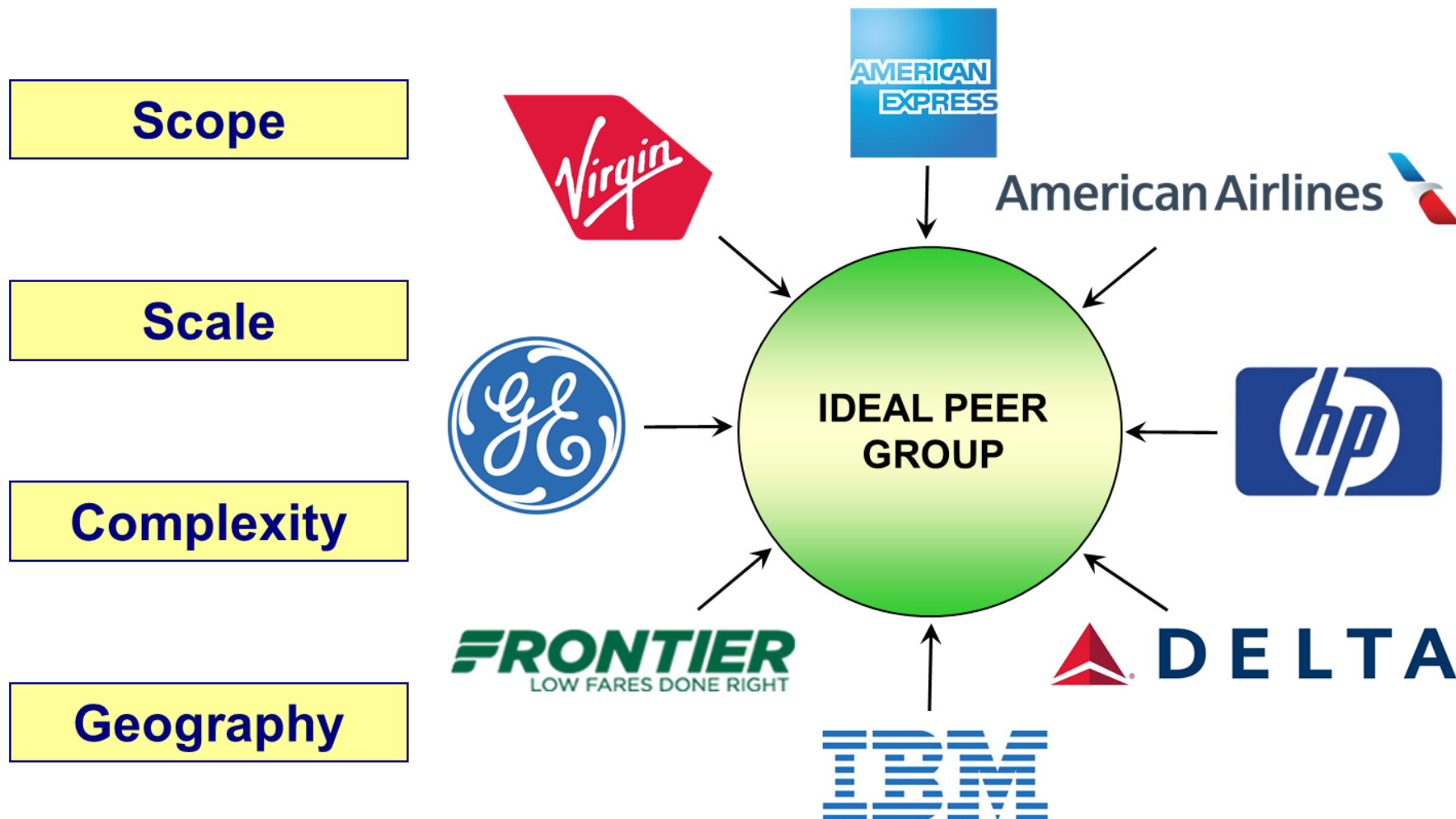
Southwest

Interviews

- Technicians, team leads, supervisors
- QA/QC, workforce schedulers, trainers

MetricNet

Benchmarking Peer Group Selection



Summary of Included Benchmarking Metrics

Cost

- ☐ Cost per Inbound Contact
- ☐ Cost per Minute of Inbound Handle Time
- ☐ Net First Level Resolution Rate

Quality

- ☐ Call Quality
- ☐ Net First Contact Resolution Rate
- ☐ Customer Satisfaction

Productivity

- ☐ Inbound Contacts per Technician per Month
- ☐ Outbound Contacts per Technician per Month
- ☐ Technician Utilization
- ☐ Technicians as a % of Total Headcount

Technician

- ☐ Annual Technician Turnover
- ☐ Daily Technician Absenteeism
- ☐ Technician Occupancy
- ☐ Schedule Adherence
- ☐ New Technician Training Hours
- ☐ Annual Technician Training Hours
- ☐ Technician Tenure (months)
- ☐ Technician Job Satisfaction

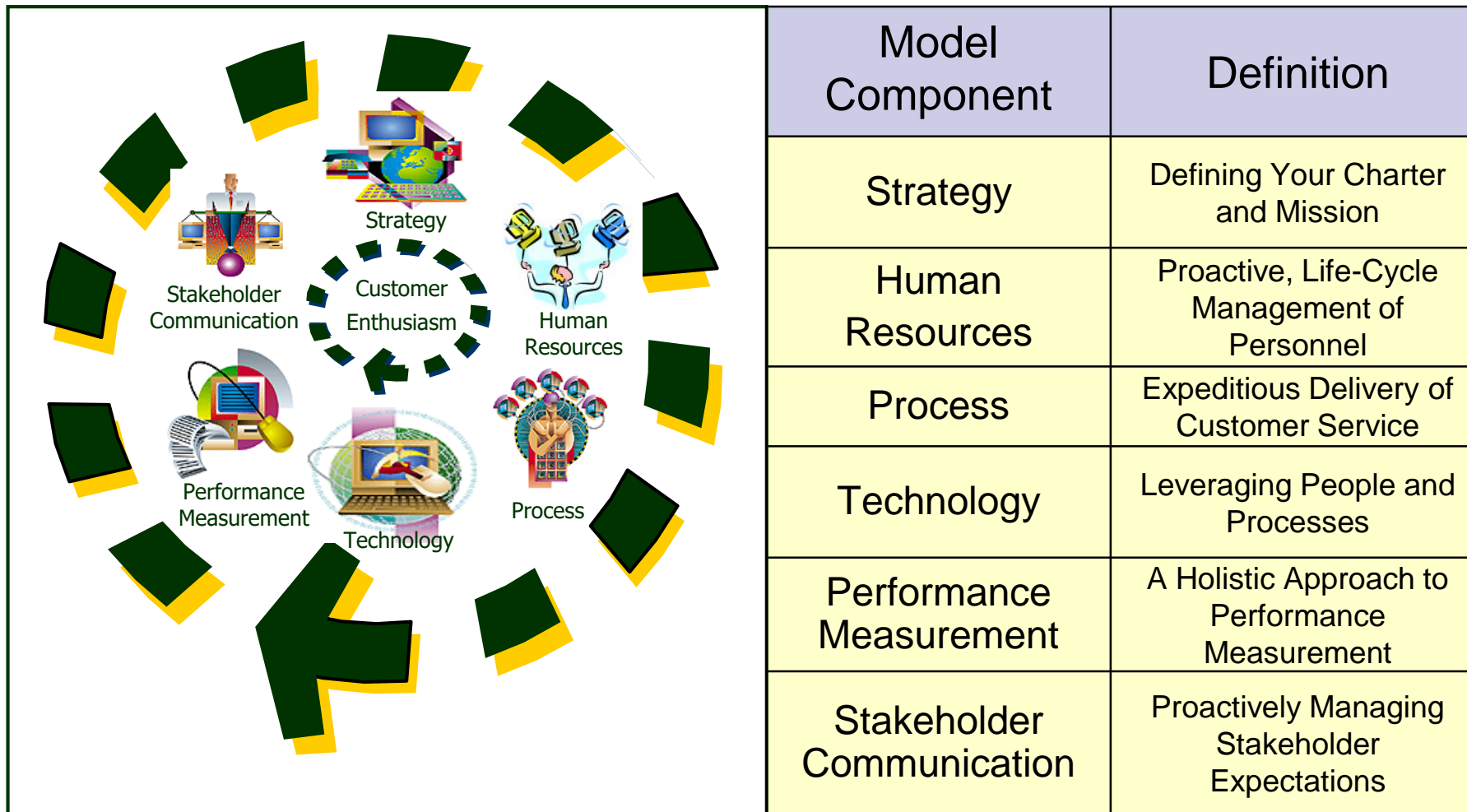
Service Level

- ☐ Average Speed of Answer (ASA)
- ☐ % of Calls Answered in 30 Seconds
- ☐ Call Abandonment Rate

Contact Handling

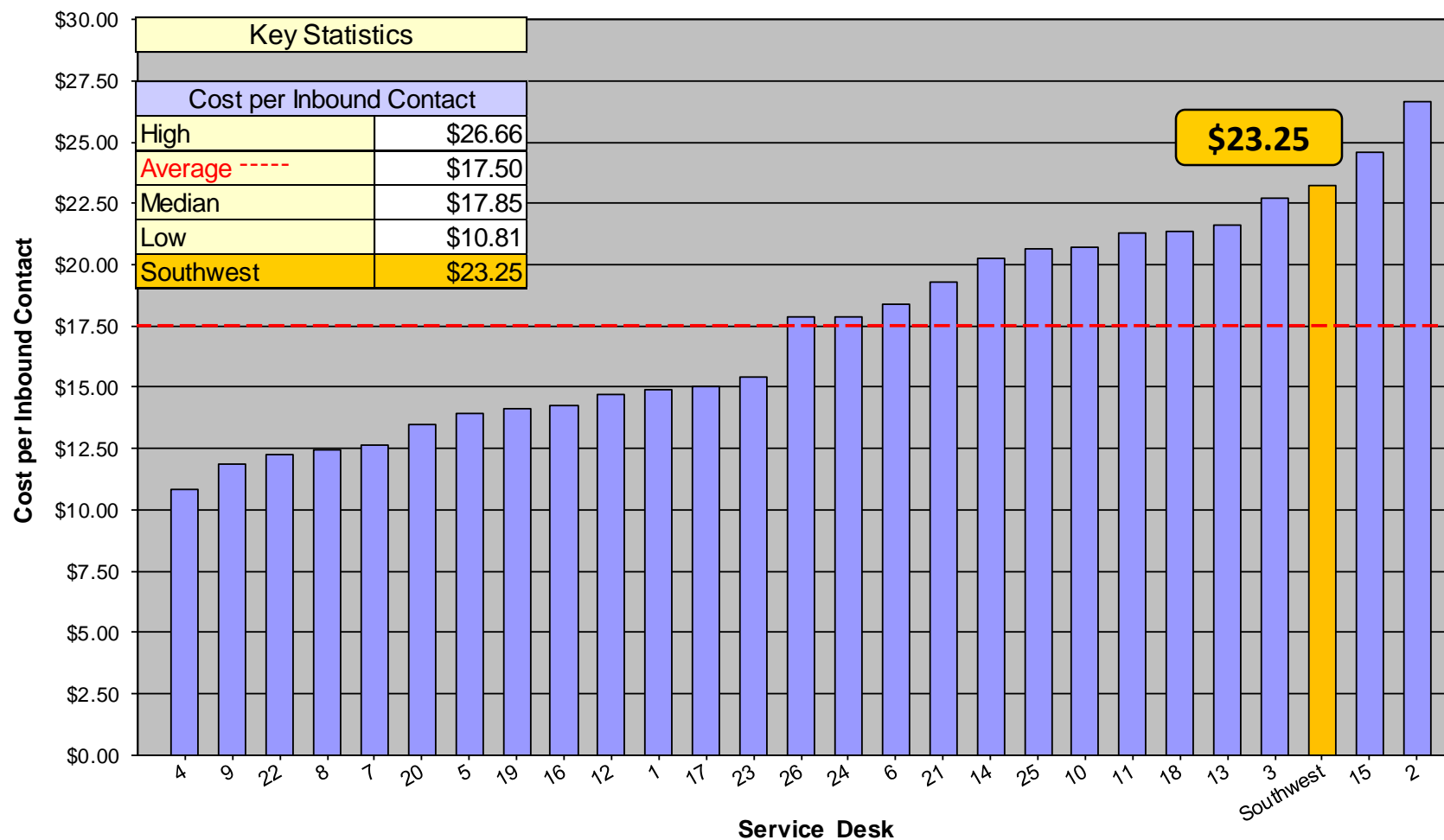
- ☐ Inbound Contact Handle Time (minutes)
- ☐ Outbound Contact Handle Time (minutes)
- ☐ Inbound Contacts as a % of Total Contacts
- ☐ User Self-Service Completion Rate

Process Maturity Assessment

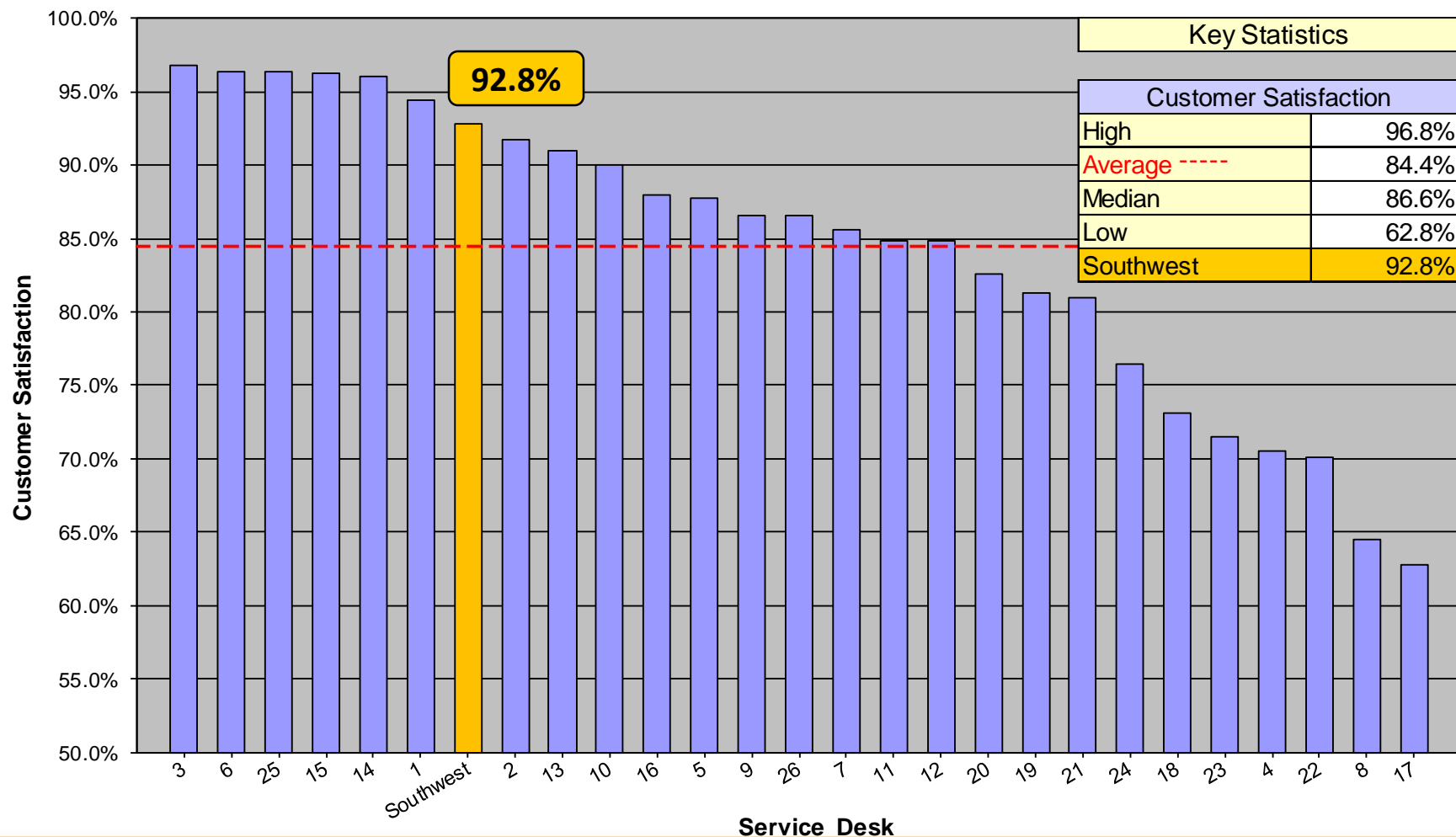


Results of the First Benchmark

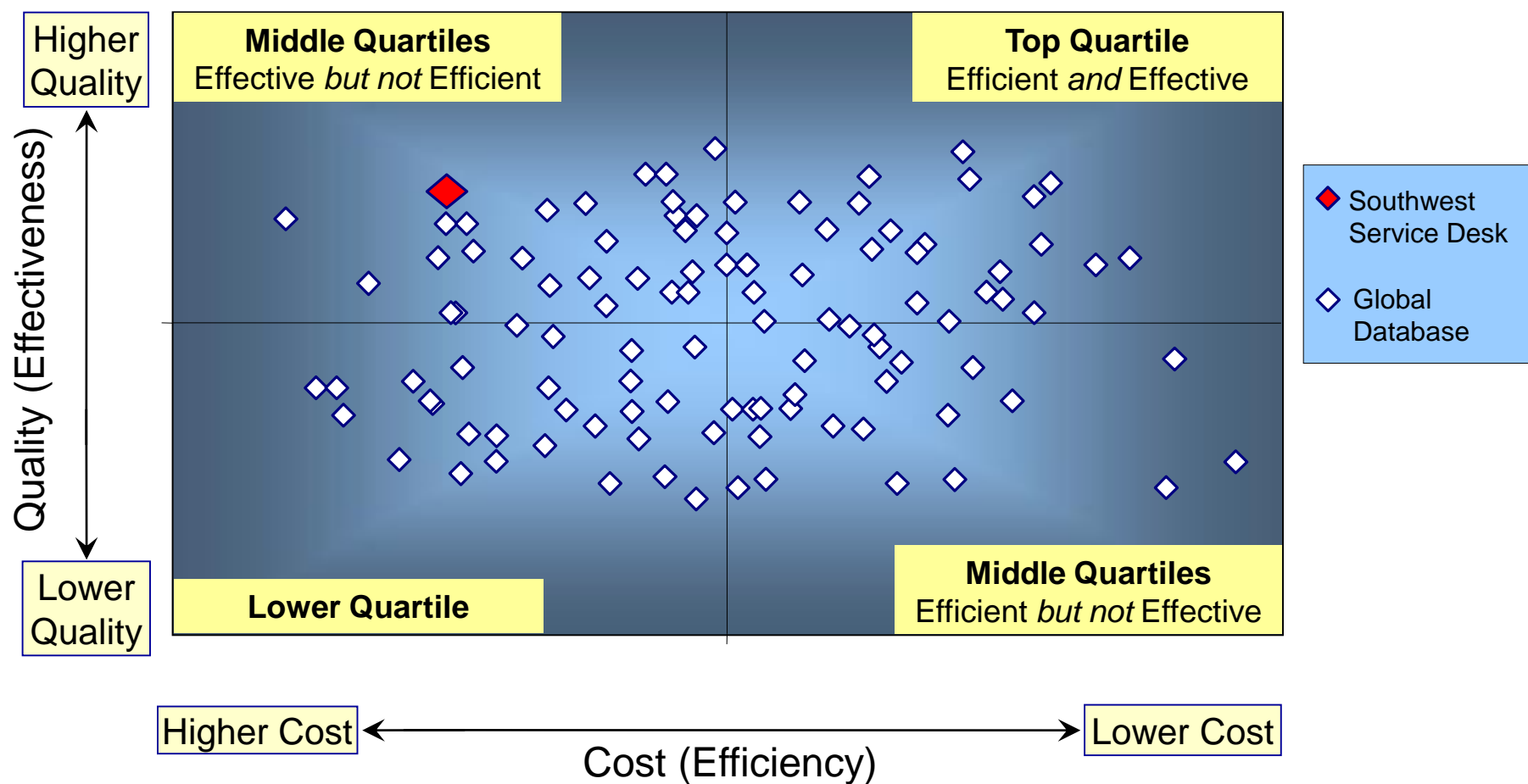
Cost per Inbound Contact



Customer Satisfaction

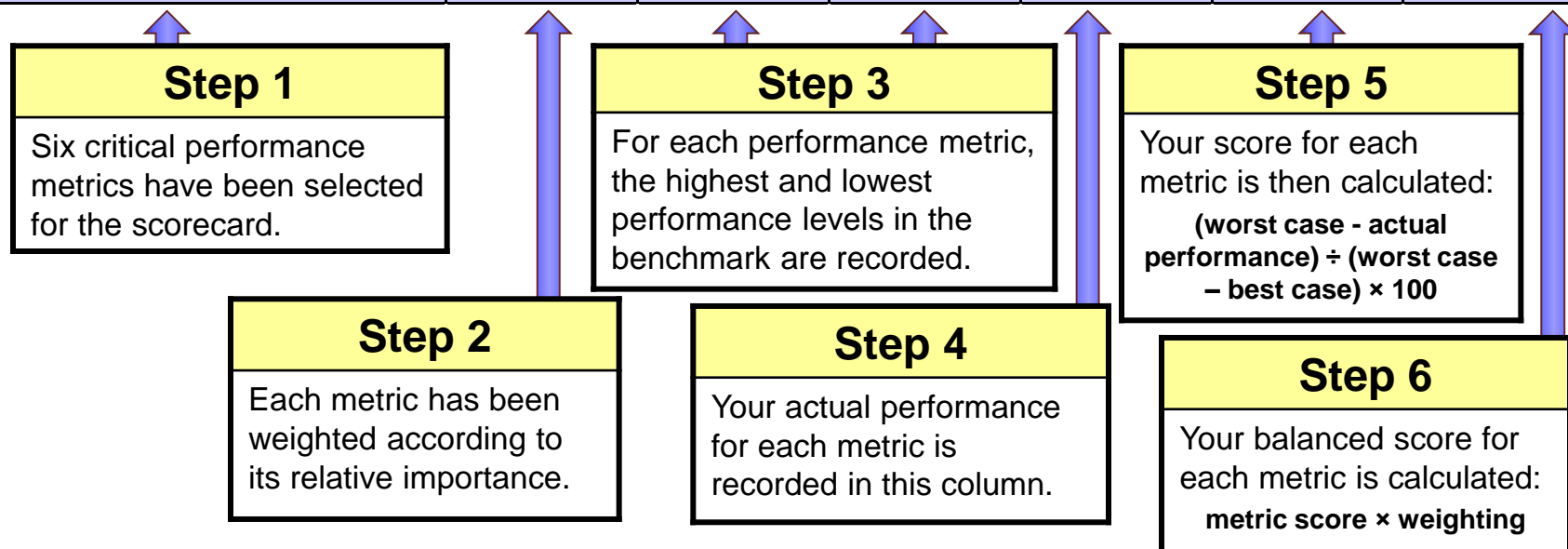


Cost vs. Quality for Southwest Service Desk

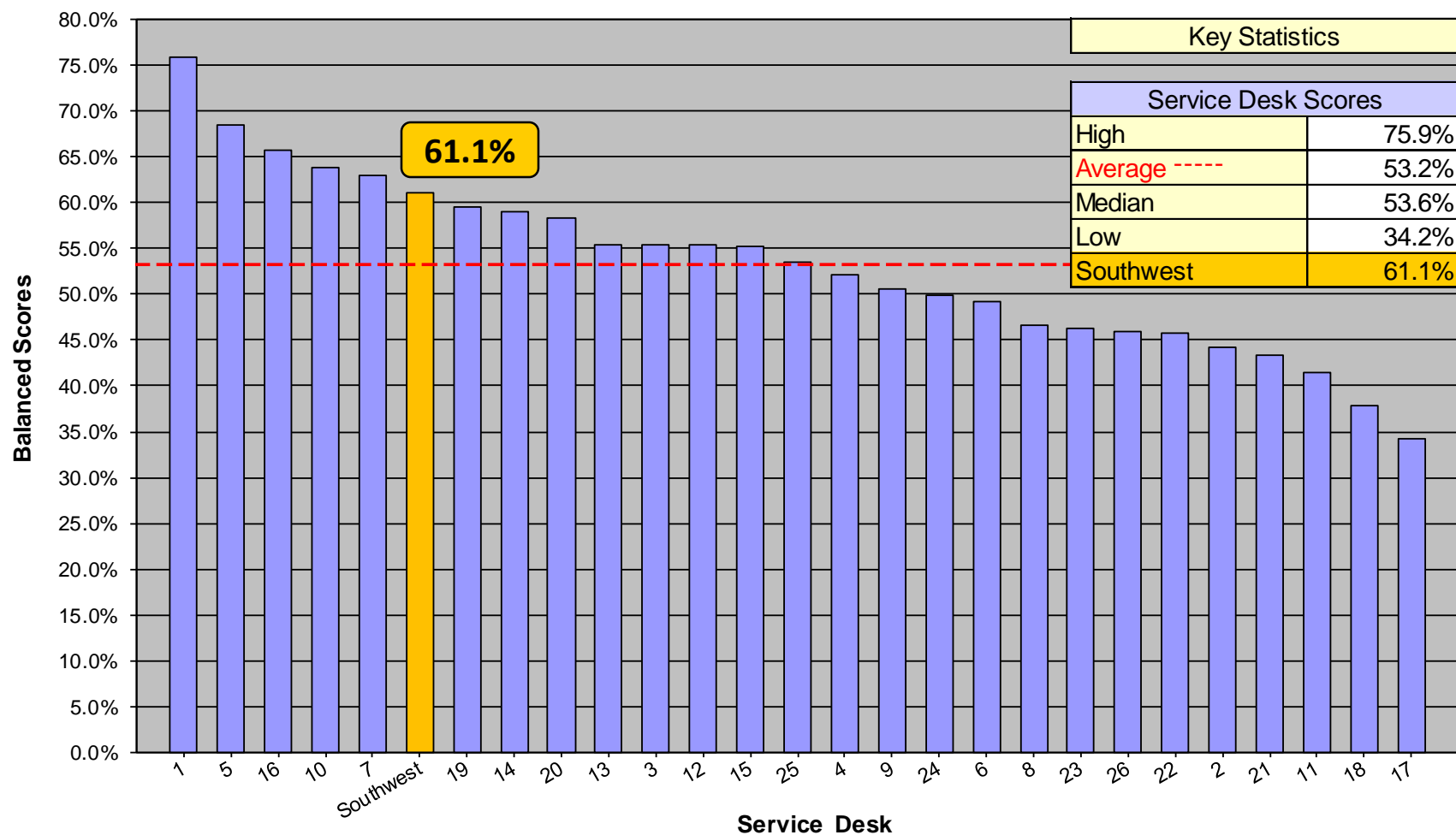


Initial Southwest Airlines Service Desk Balanced Scorecard

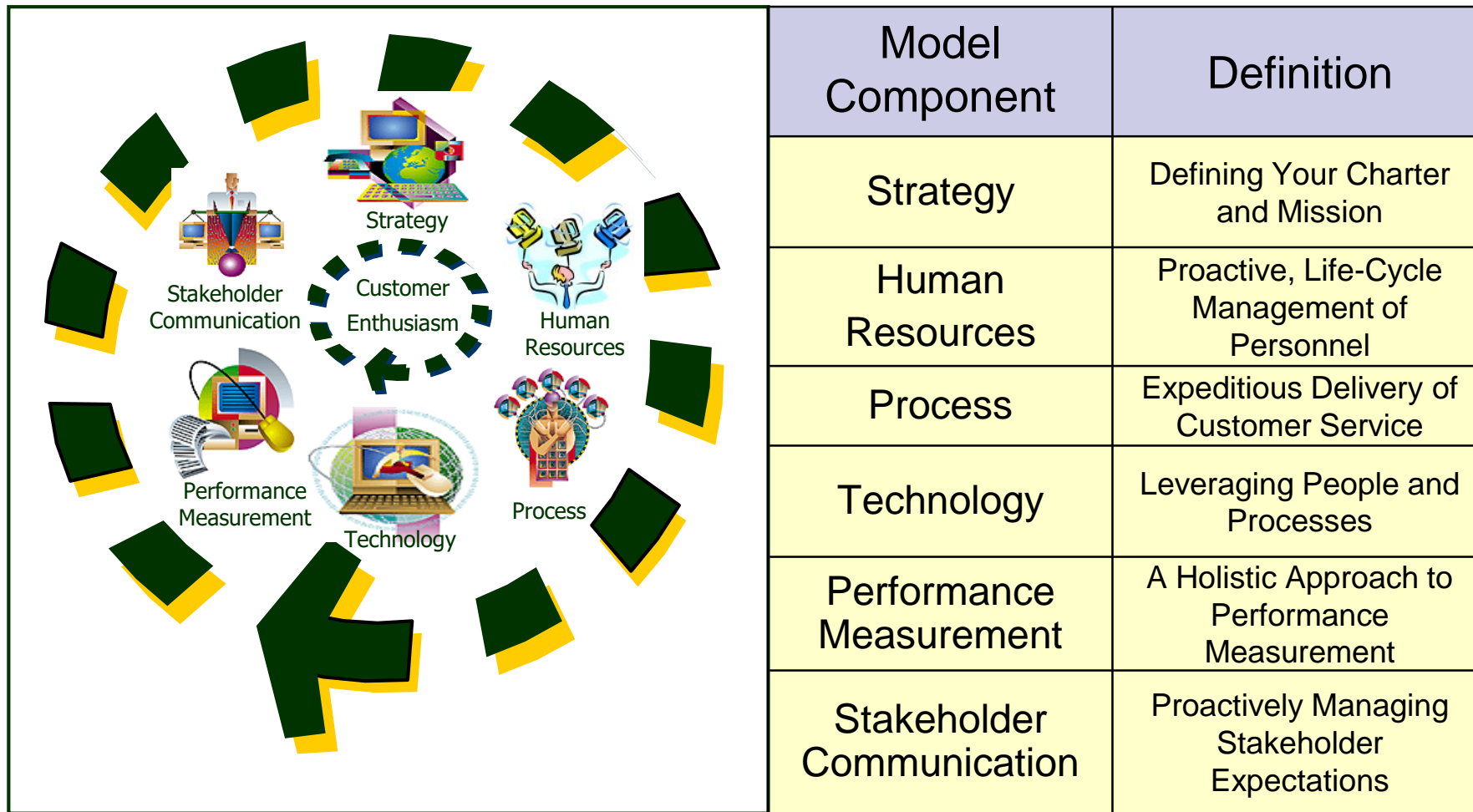
Performance Metric	Metric Weighting	Performance Range		Your Actual Performance	Metric Score	Balanced Score
		Worst Case	Best Case			
Cost per Inbound Contact	25.0%	\$26.66	\$10.81	\$23.25	21.5%	5.4%
Customer Satisfaction	25.0%	62.8%	96.8%	92.8%	88.2%	22.1%
Technician Utilization	15.0%	37.9%	63.8%	61.7%	91.9%	13.8%
Net First Contact Resolution Rate	15.0%	60.3%	94.1%	76.6%	48.2%	7.2%
Technician Job Satisfaction	10.0%	62.5%	93.9%	80.0%	55.7%	5.6%
% of Calls Answered in 30 Seconds	10.0%	15.1%	77.6%	59.5%	71.0%	7.1%
Total	100.0%	N/A	N/A	N/A	N/A	61.1%



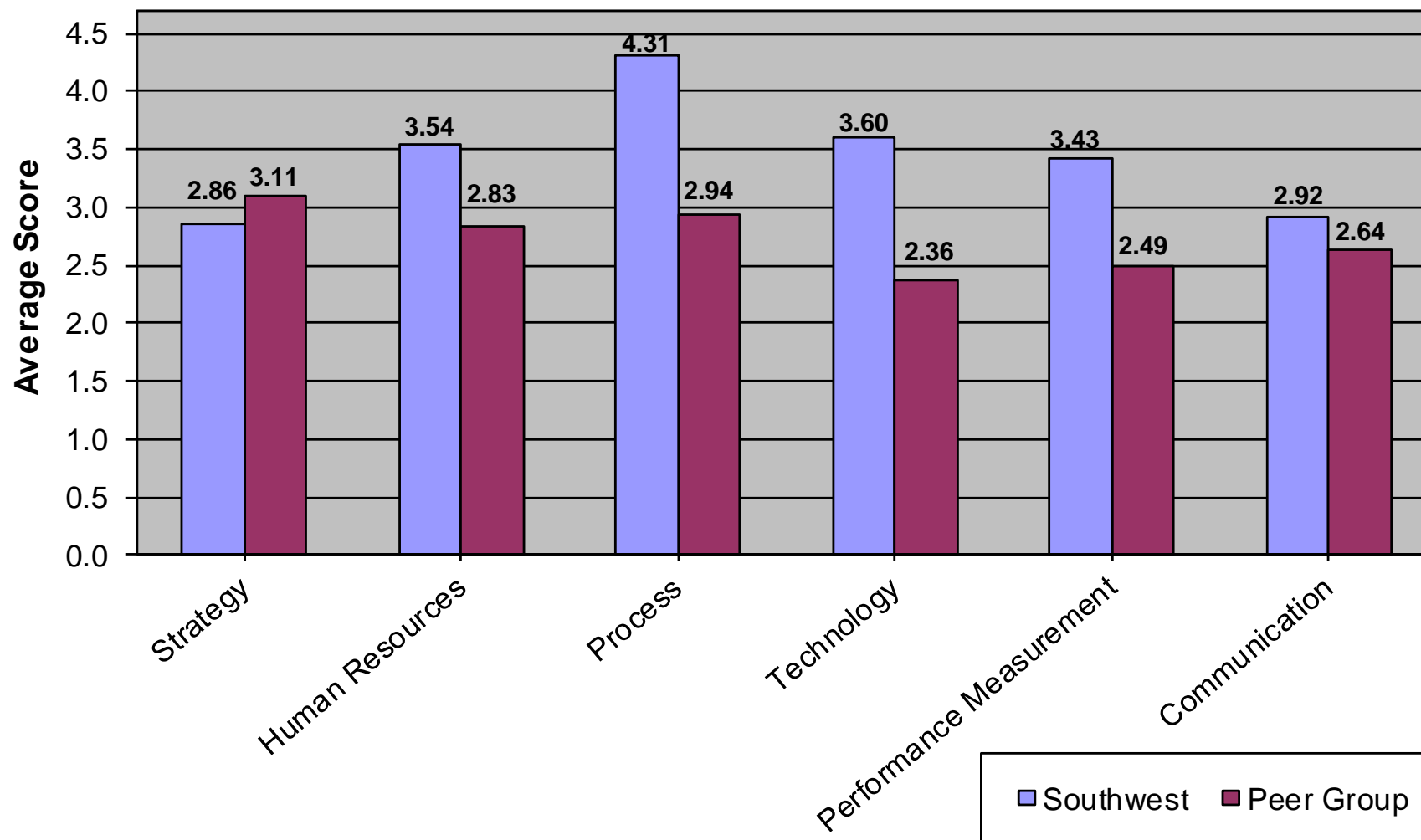
Balanced Scorecard Summary



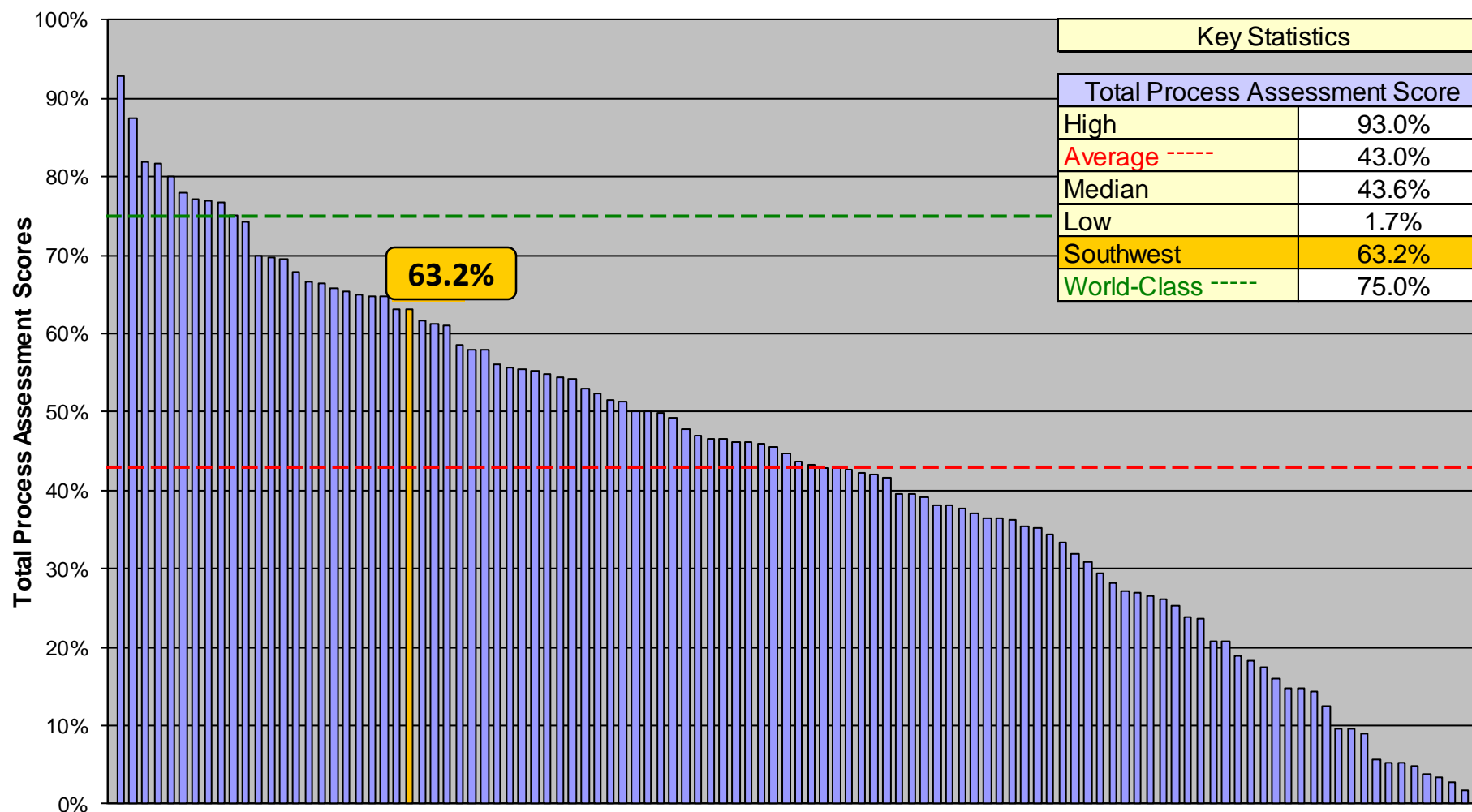
Six-Part Model for Service Desk Best Practices



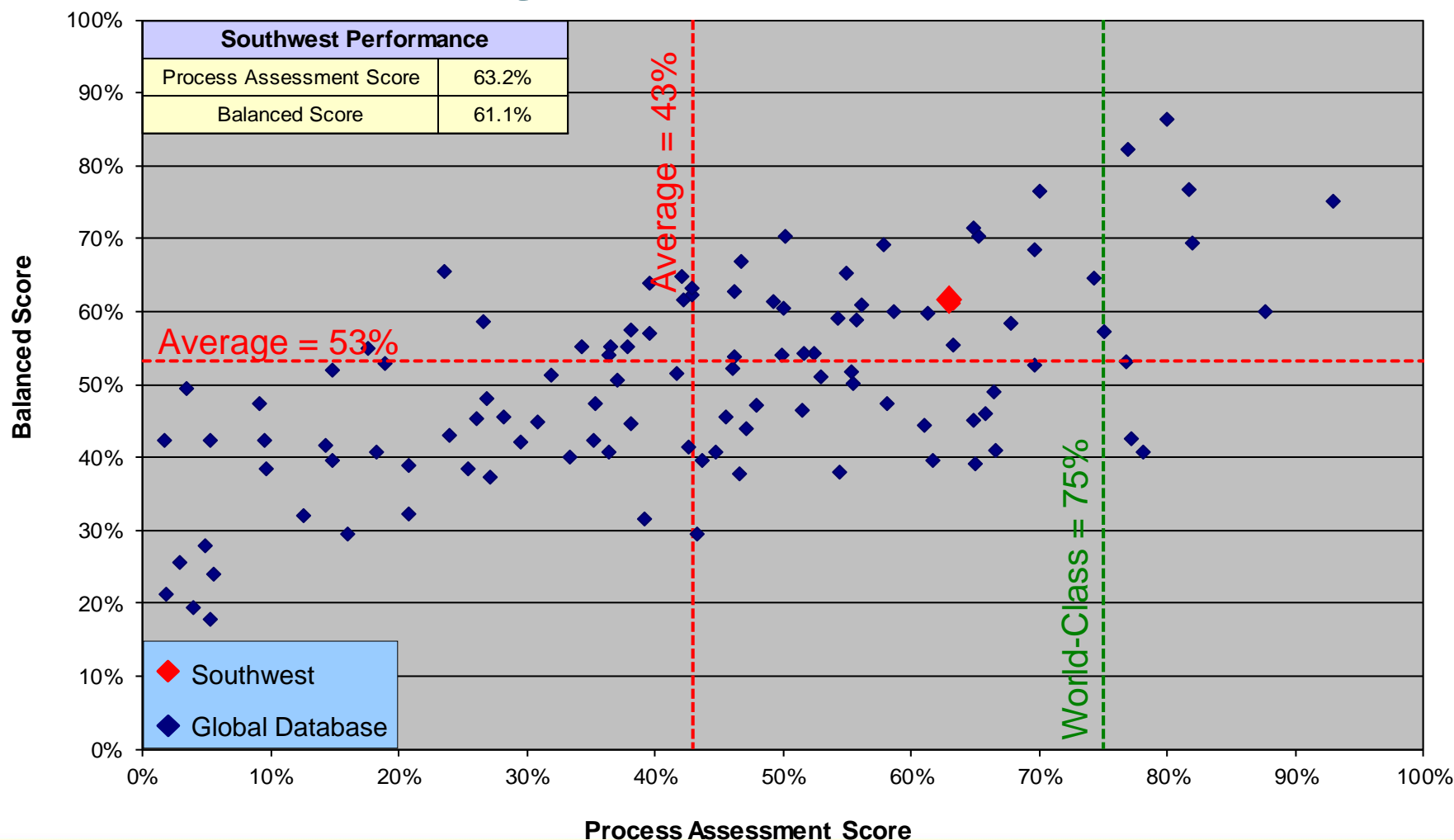
Best Practices Process Assessment Summary



Overall Process Assessment Score



Process Maturity vs. Scorecard Performance



Notable Strengths

The Southwest Service Desk has a number of notable strengths.

- Customer Satisfaction is in the top quartile
 - Customer Satisfaction is the most important measure of quality
- Productivity metrics are outstanding
 - All productivity metrics are in the top quartile
- Most technician metrics are strong
 - All but two technician metrics are in the top quartile
- Growth in the chat and portal channels is excellent!
- Southwest scored very well on the process maturity assessment
- The Southwest Service Desk scored above average on the balanced scorecard
 - Second quartile performance overall



Opportunities for Improvement

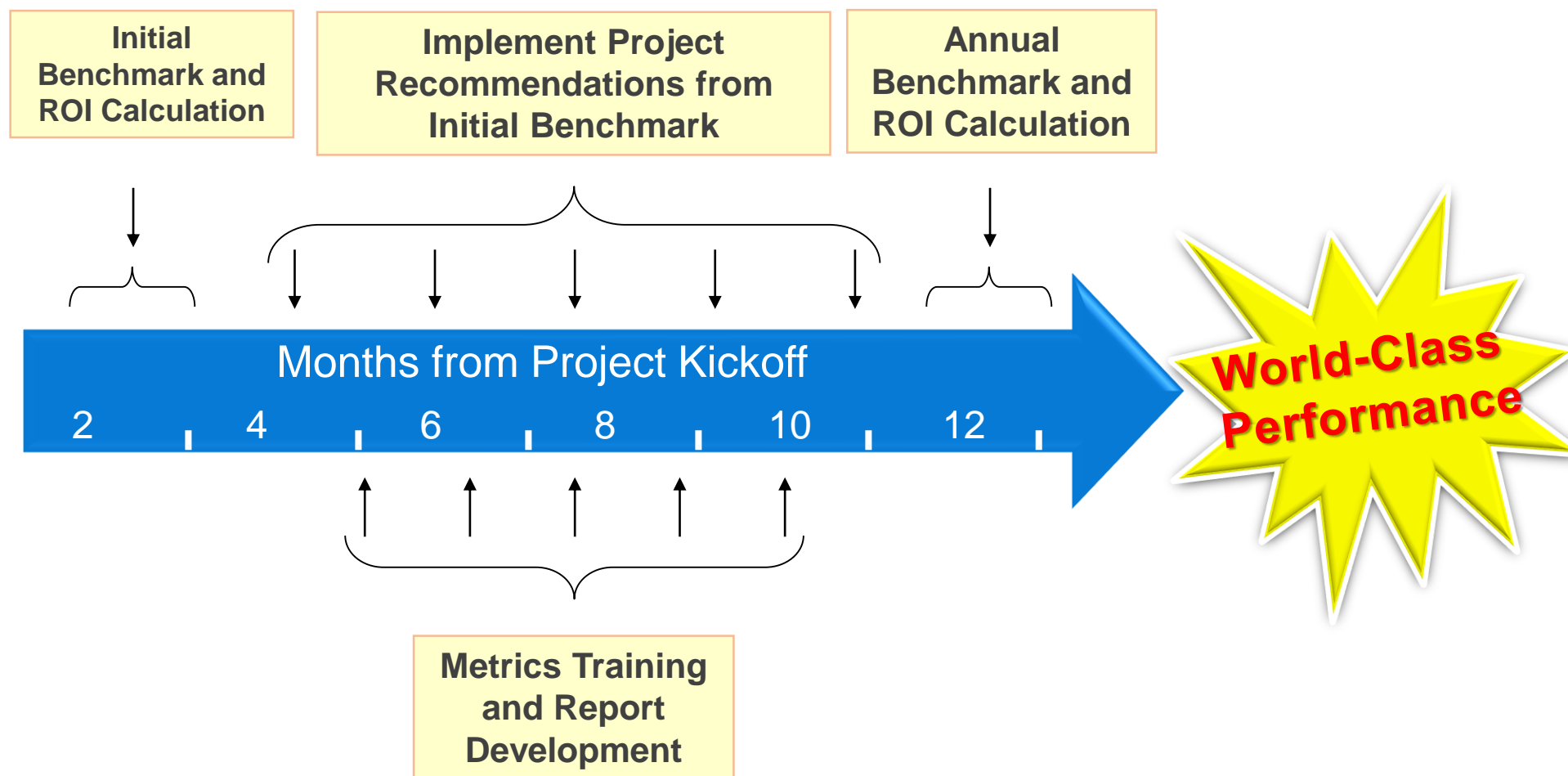
- Southwest's costs are above average
 - Cost per Inbound Contact and Cost per Minute of Inbound Handle Time are in the bottom quartile
 - This is most likely due to the high tenure and wage rates of the technicians
- Some key service level metrics are weak
 - Average Speed of Answer is in the third quartile, and Call Abandonment Rate is in the bottom quartile
 - This may be the result of high technician utilization levels
- Interviewees expressed concern in the following additional areas:
 - The inability to retain new technicians long-term
 - A perceived lack of opportunities for career advancement

Recommendations were Made

1. Develop a formal career path for service desk personnel
2. Take steps to increase contact volume in lower cost channels – e.g., chat, and user self help
3. Adopt the MetricNet Service Desk Balanced Scorecard
4. Establish stretch goals in key areas to improve performance
5. Improve process maturity in compliance with industry best practices

The Continuous Improvement Phase

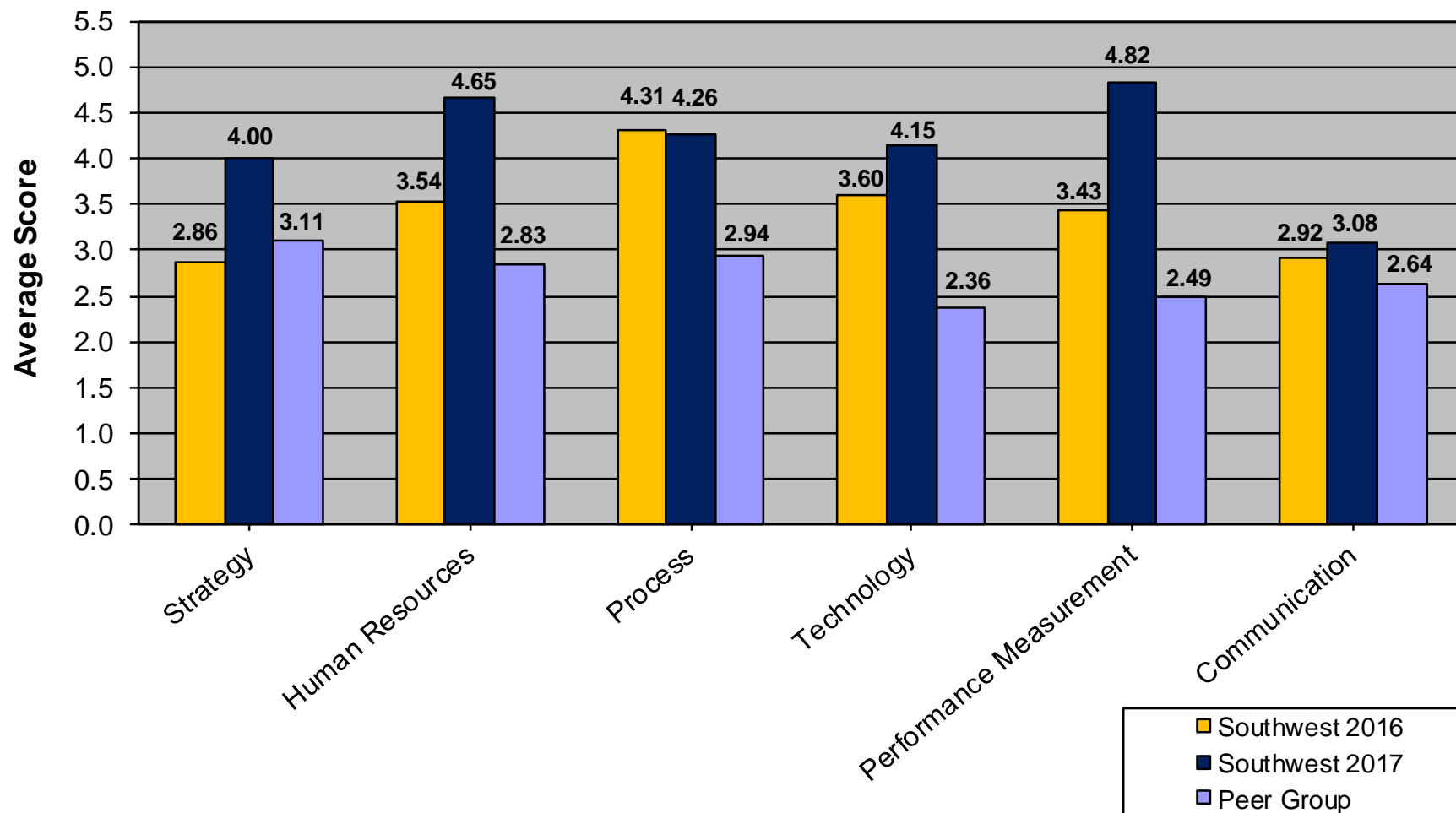
The One Year Path to World-Class Performance



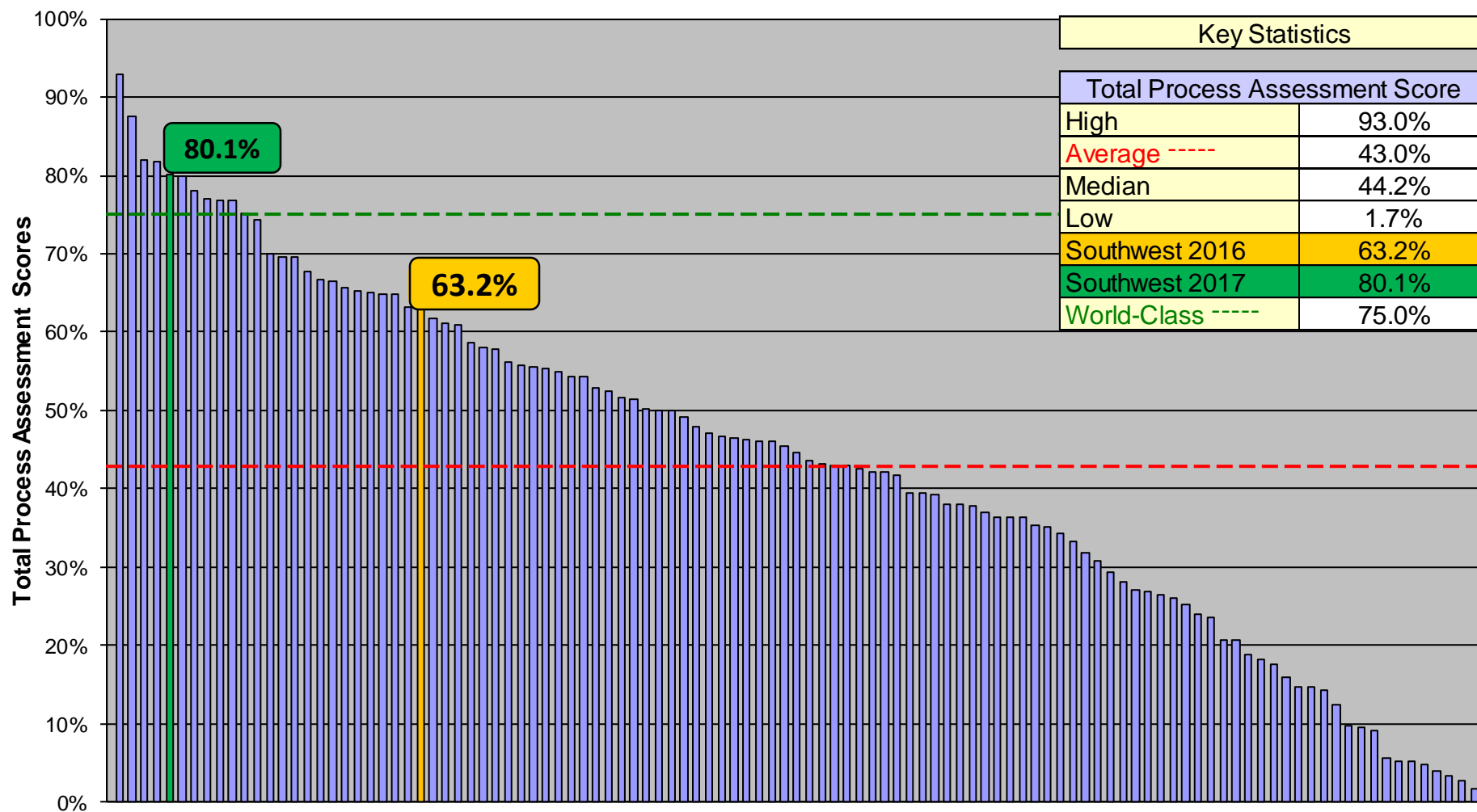
Key Initiatives

1. The Balanced Scorecard was Adopted
2. A Technician Career Path was Established
3. Chat Volume Increased Dramatically
4. Technician Scorecards were Implemented
5. Processes Matured Significantly
6. Metrics Matured Significantly

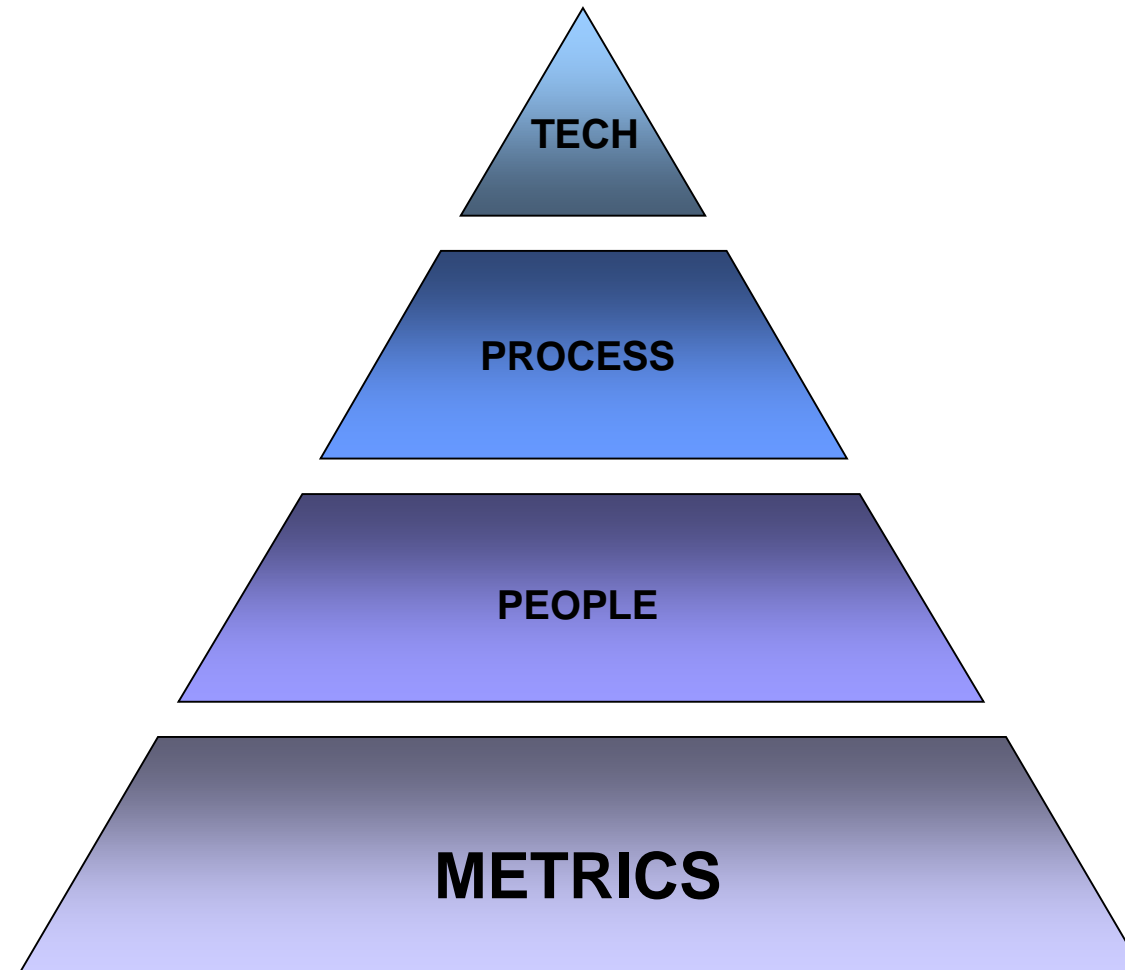
Processes Matured Significantly



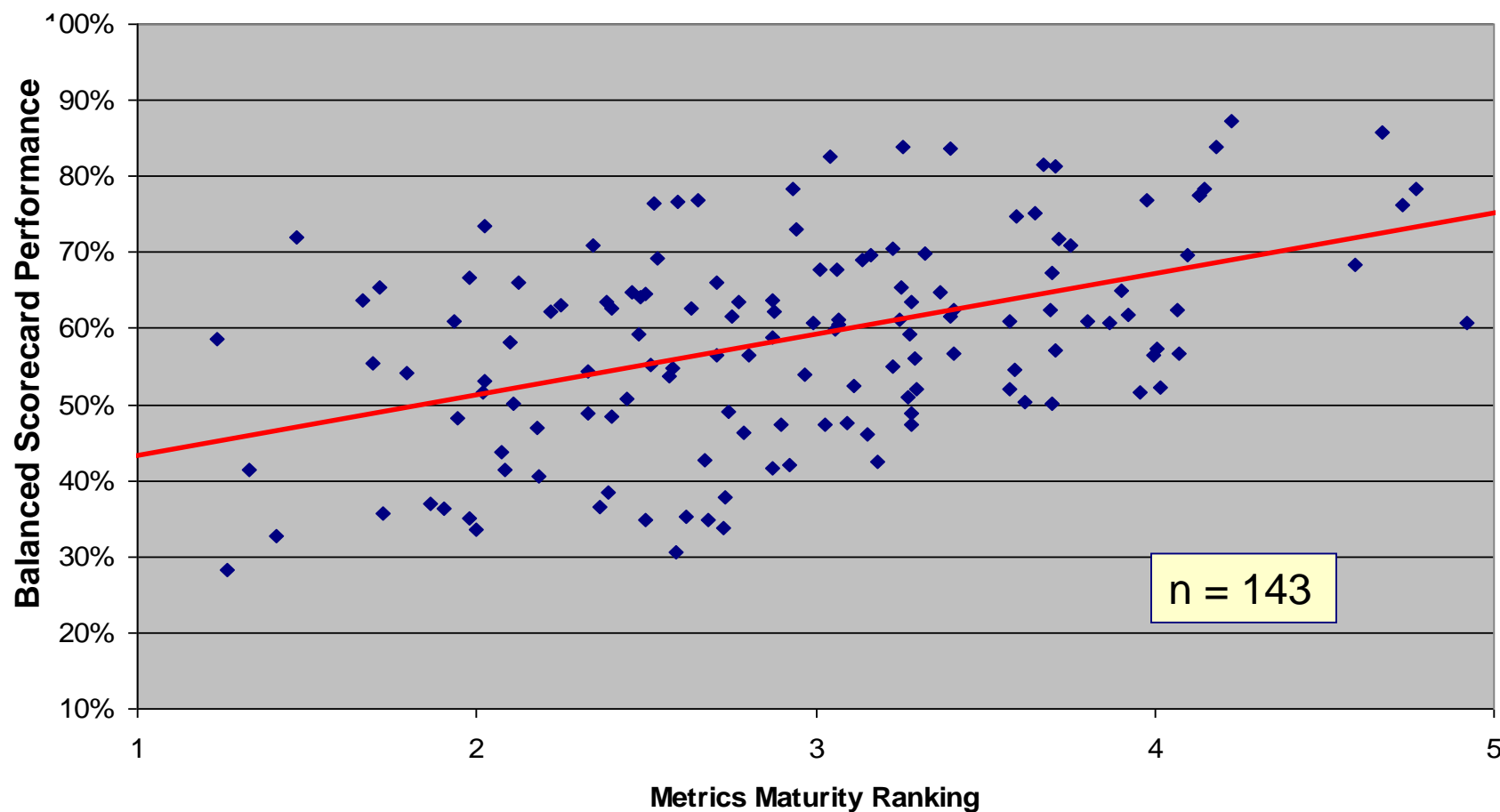
Overall Process Assessment Scores



Maturing the Metrics

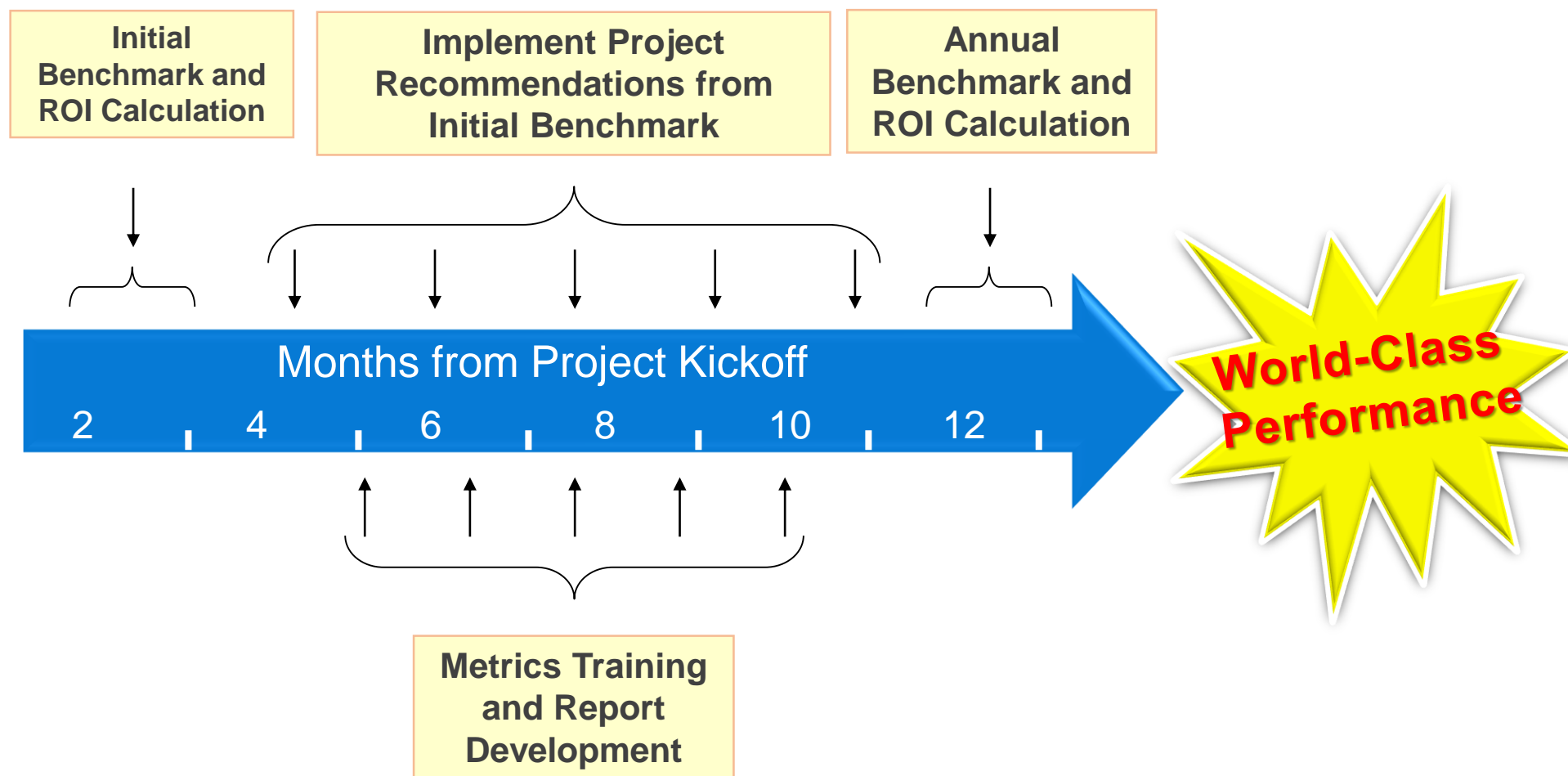


Metrics: The Linchpin of Success

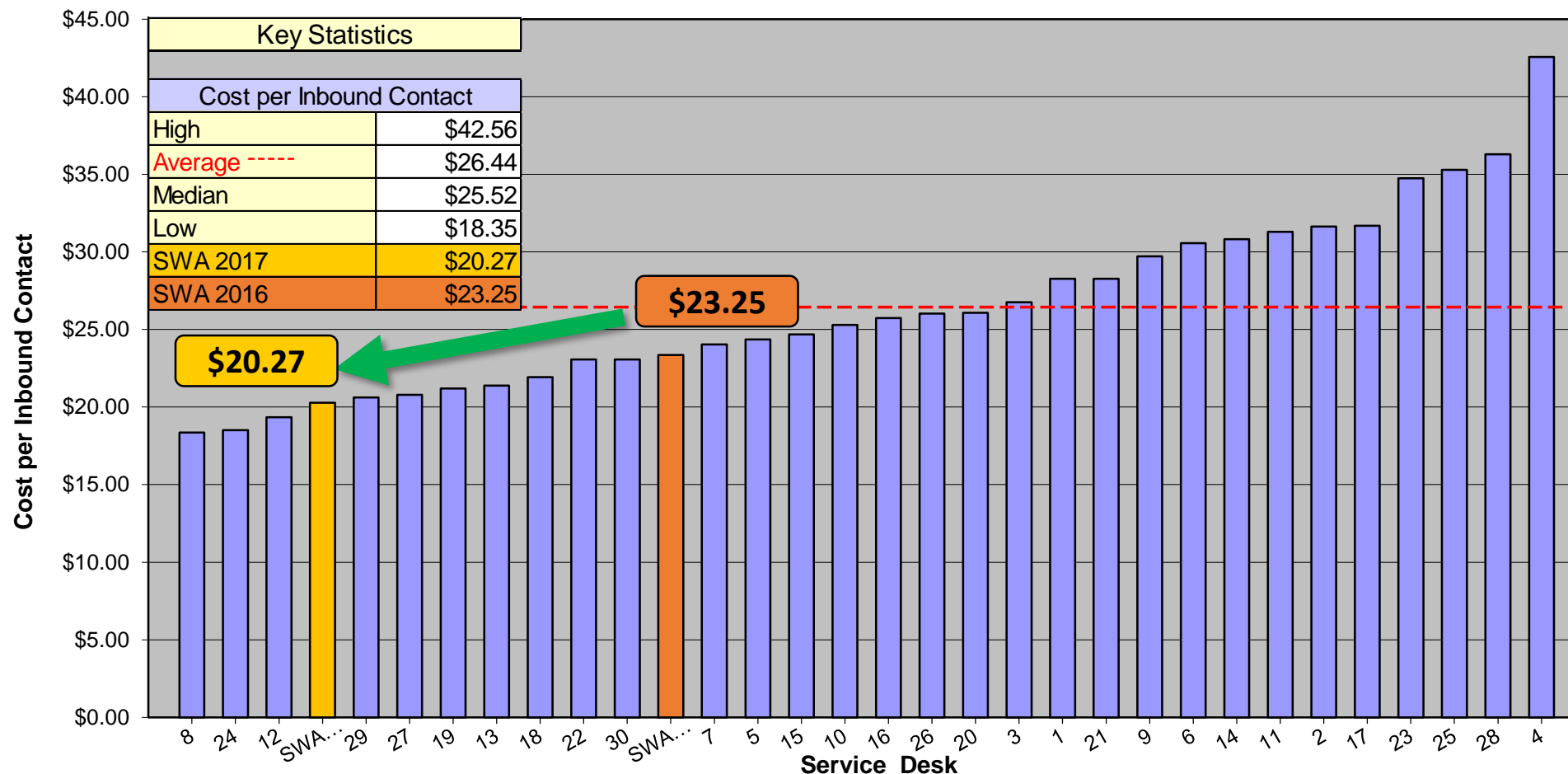


The Second Benchmark: One Year Later

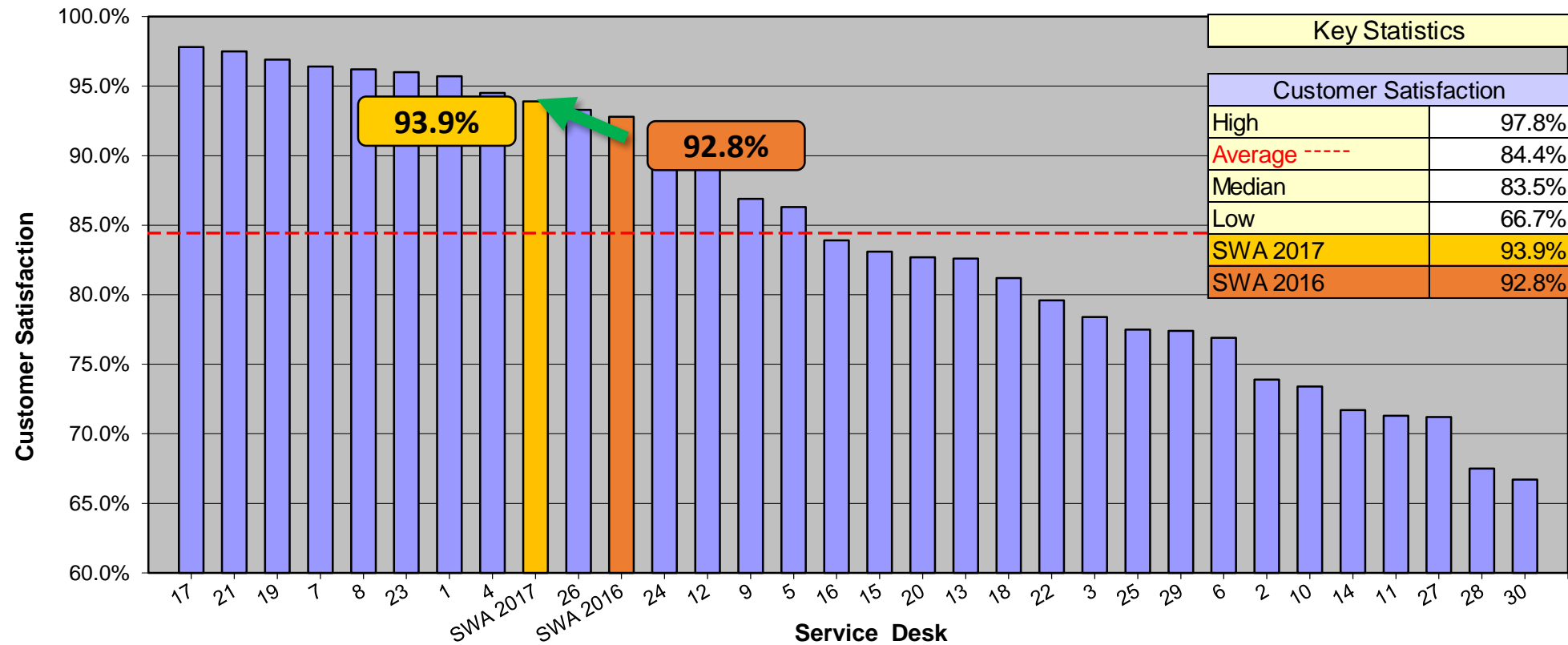
The One Year Path to World-Class Performance



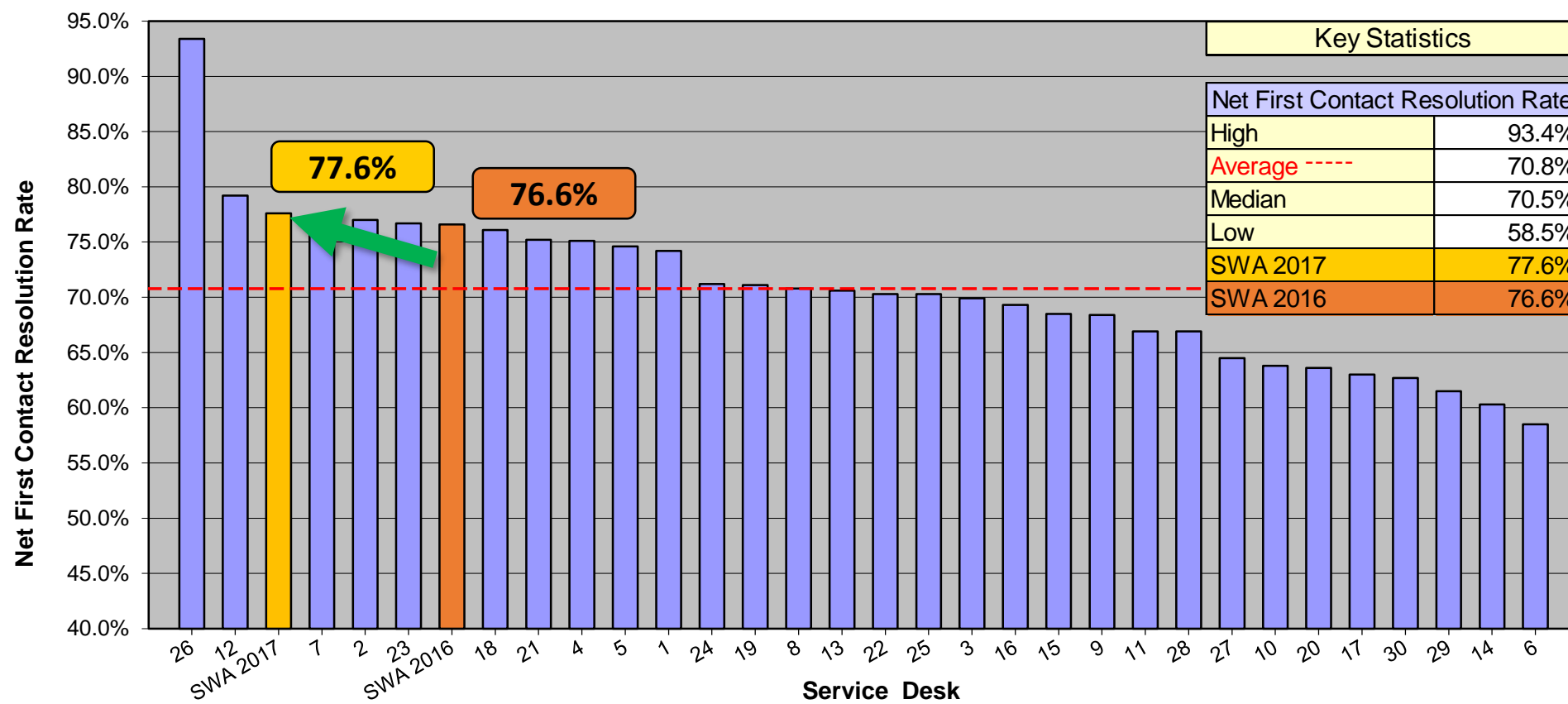
Year over Year Improvement in Cost



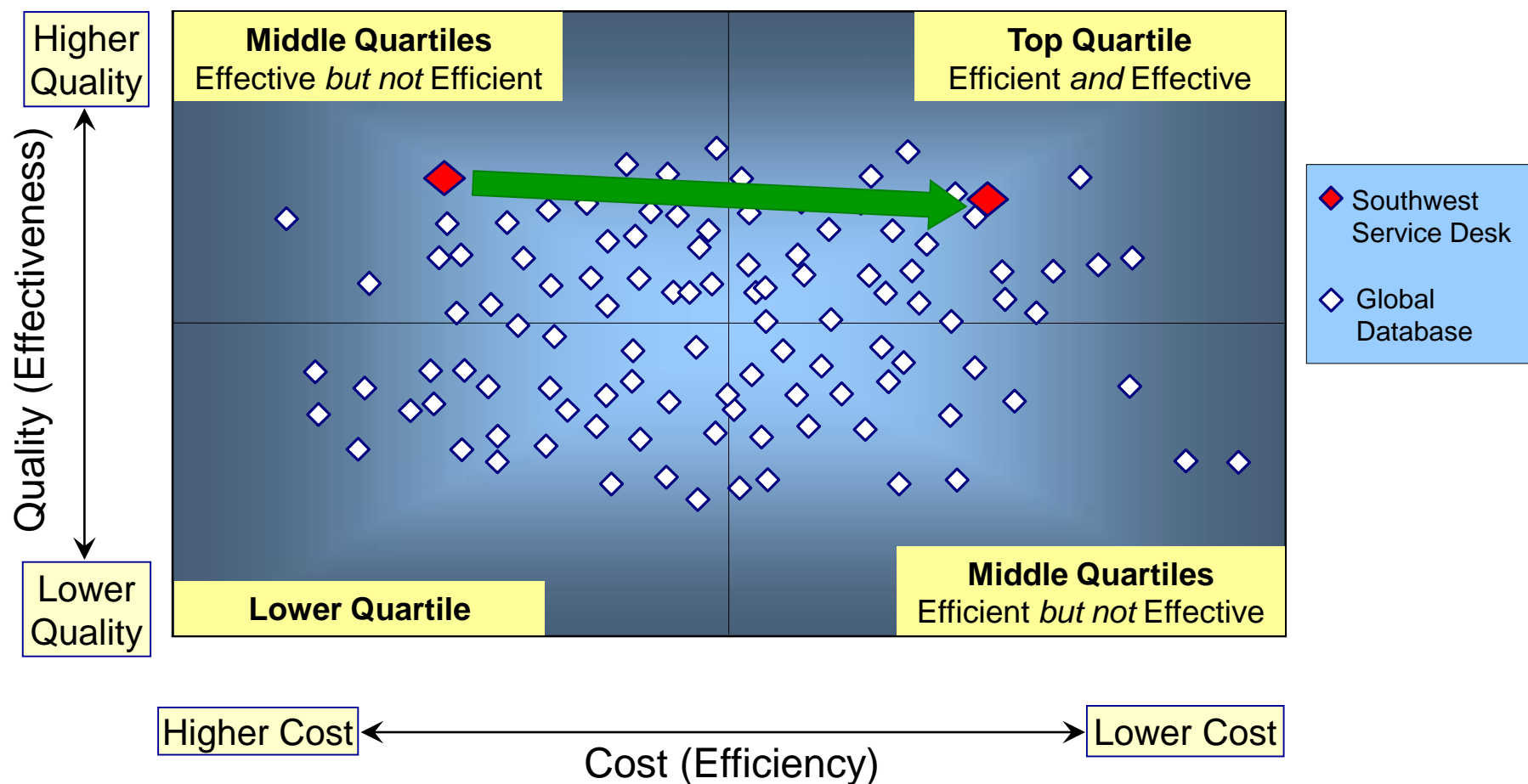
Year over Year Improvement in Quality



Year over Year Improvement in FCR

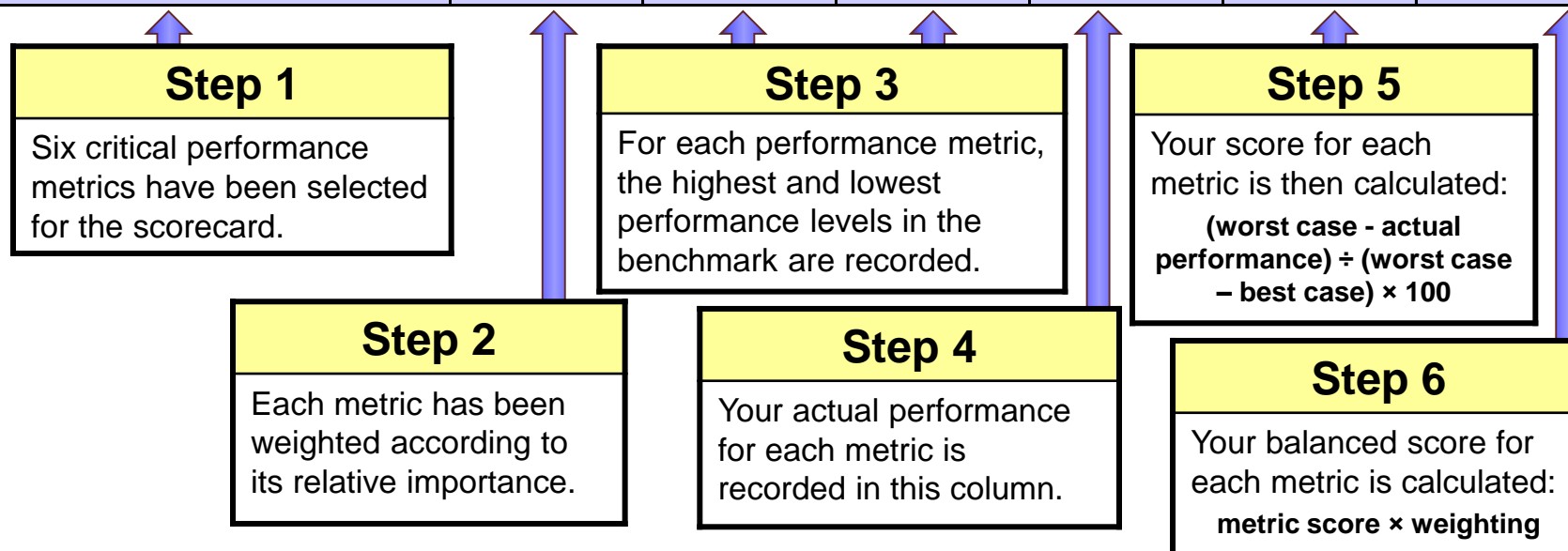


Cost vs. Quality After One Year

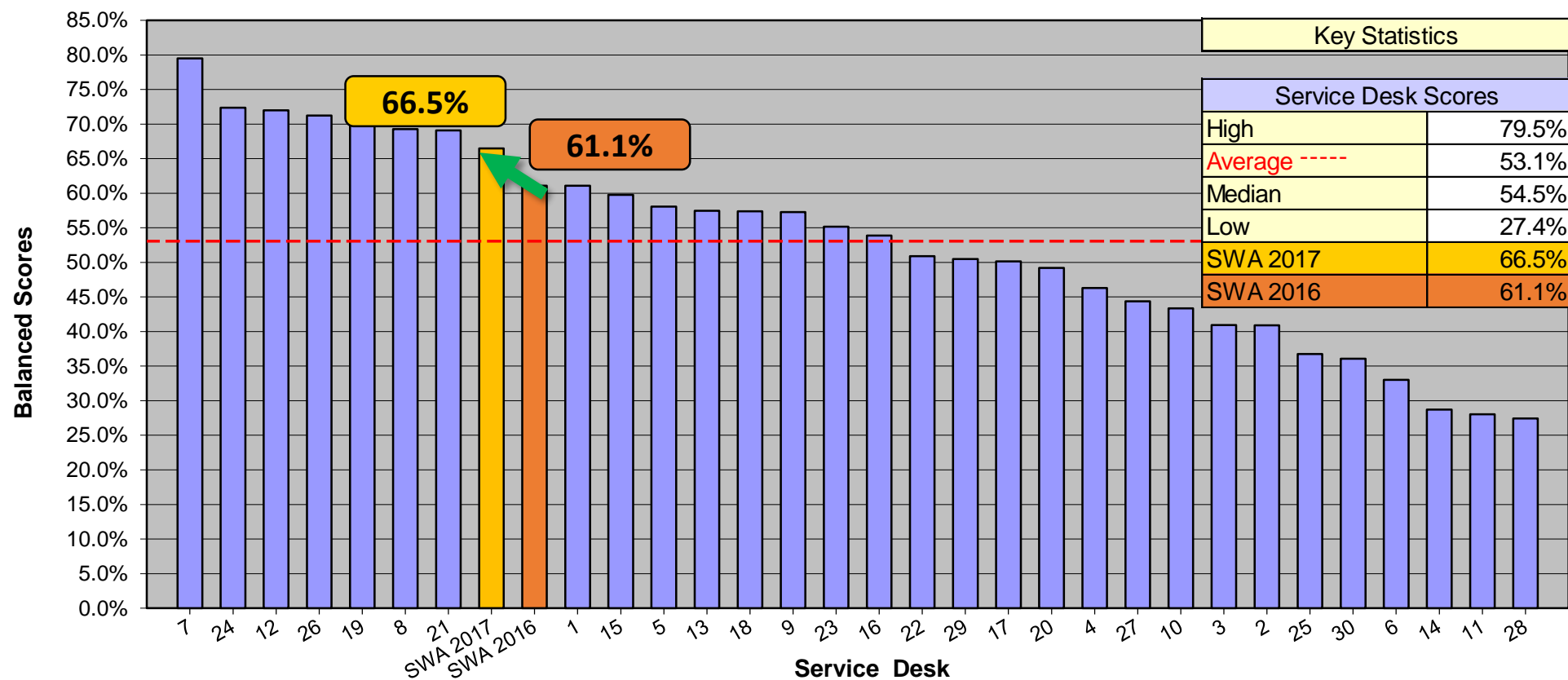


One Year Later: Southwest Service Desk Scorecard

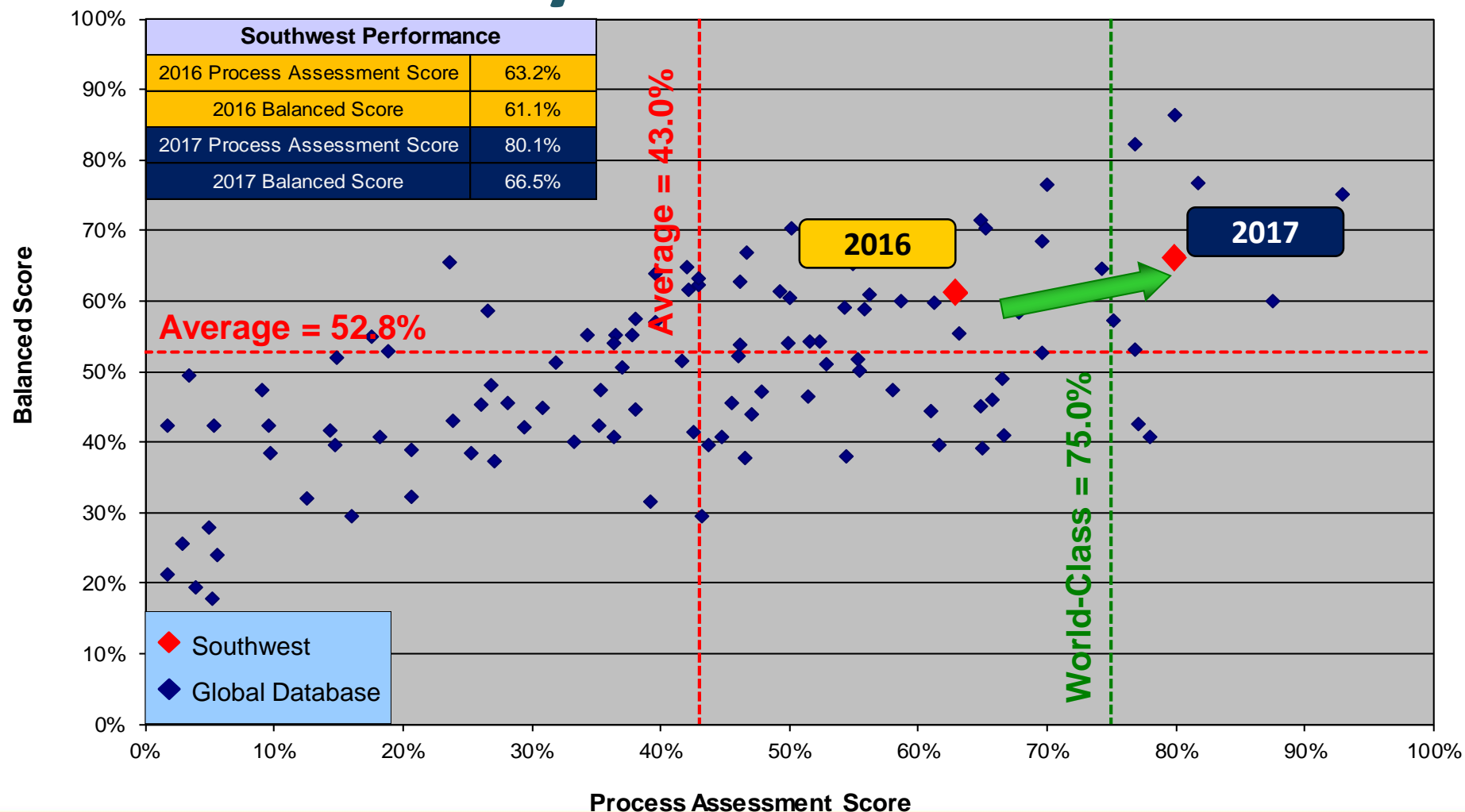
Performance Metric	Metric Weighting	Performance Range		SWA 2017 Actual Performance	Metric Score	Balanced Score
		Worst Case	Best Case			
Cost per Inbound Contact	25.0%	\$42.56	\$18.35	\$21.64	86.4%	21.6%
Customer Satisfaction	25.0%	66.7%	97.8%	93.9%	87.4%	21.8%
Technician Utilization	15.0%	39.5%	63.3%	53.4%	58.2%	8.7%
Net First Contact Resolution Rate	15.0%	58.5%	93.4%	76.8%	52.4%	7.9%
Technician Job Satisfaction	10.0%	61.0%	93.5%	80.0%	58.5%	5.8%
Average Speed of Answer (seconds)	10.0%	125	20	119	6.1%	0.6%
Total	100.0%	N/A	N/A	N/A	N/A	66.5%



Year over Year Improvements in Balanced Score



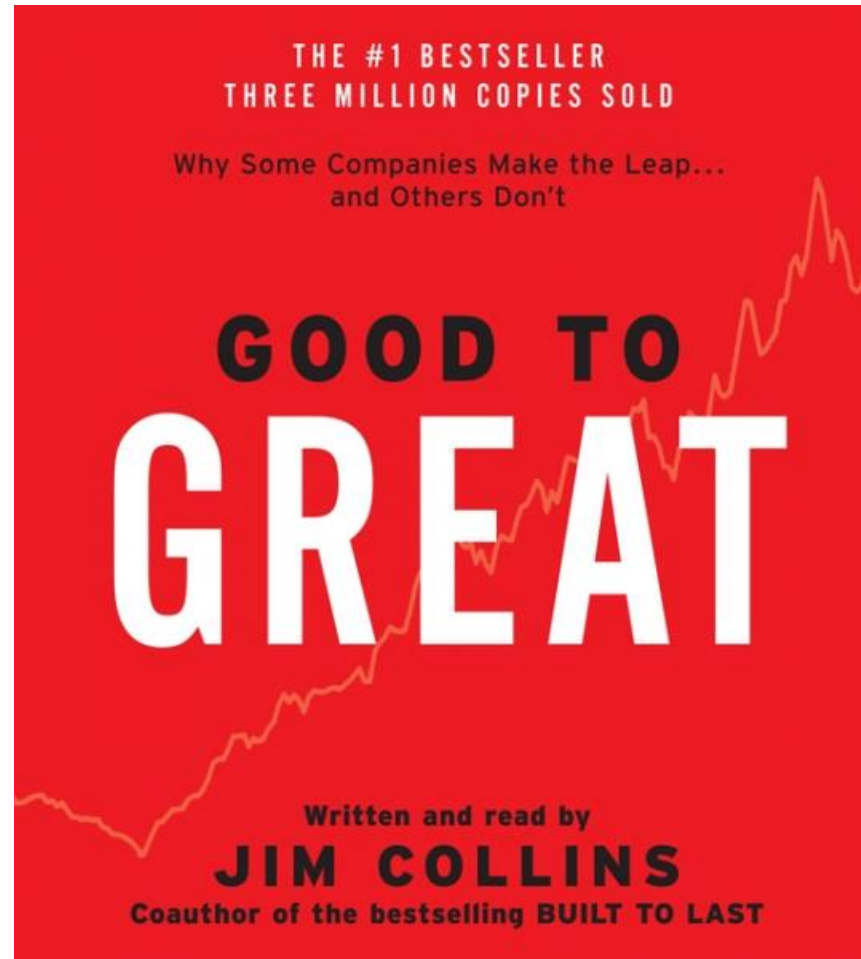
Process Maturity vs. Scorecard Performance



SWA Service Desk is Now World-Class!

		World-Class Performance Criteria	SWA Service Desk	
			Performance	Quartile
✓	1	Top quartile on Cost per Contact	\$21.64	1st
✓	2	Top quartile on Customer Satisfaction	93.9%	1st
✓	3	Top quartile on the Balanced Scorecard	66.5%	1st
✓	4	Overall Process Assessment score of 75% or more	80.1%	
✓	5	ROI of more than 100%	231%	

From Good to Great in One Year!



Questions?

***Thank you for attending
this session.***

Please complete the session evaluation form
www.HDIConference.com/Eval or on the **App.**

Thank You!

Questions?

Thank You!

About MetricNet

Your Benchmarking Partner

Your Speaker: Jeff Rumburg



- Co Founder and Managing Partner, MetricNet, LLC
- Winner of the Ron Muns Lifetime Achievement Award
- Named one of HDI's Top 25 Thought Leaders in 2016 and 2017
- 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

Contact MetricNet...



www.metricnet.com



703.992.8160



info@metricnet.com

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



Meet a Sampling of Our Clients

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



Thank You!