

The 80/20 Rule for Service and Support KPIs: The Metrics of Success!

Prepared by:

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October 2, 2018



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Service Desk KPIs

Definitions & Correlations



Learn how each of the Service Desk metrics that we benchmark is defined, why it's important, and how it correlates with other metrics. We include metrics from the following six categories:


- > Cost
- > Productivity
- > Service Level
- > Quality
- > Agent
- > Contact Handling

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Desktop Support KPIs

Definitions & Correlations



Learn how each of the Desktop Support metrics that we benchmark is defined, why it's important, and how it correlates with other metrics. We include metrics from the following seven categories:

- > Cost
- > Productivity
- > Service Level
- > Quality
- > Technician
- > Ticket Handling
- > Workload

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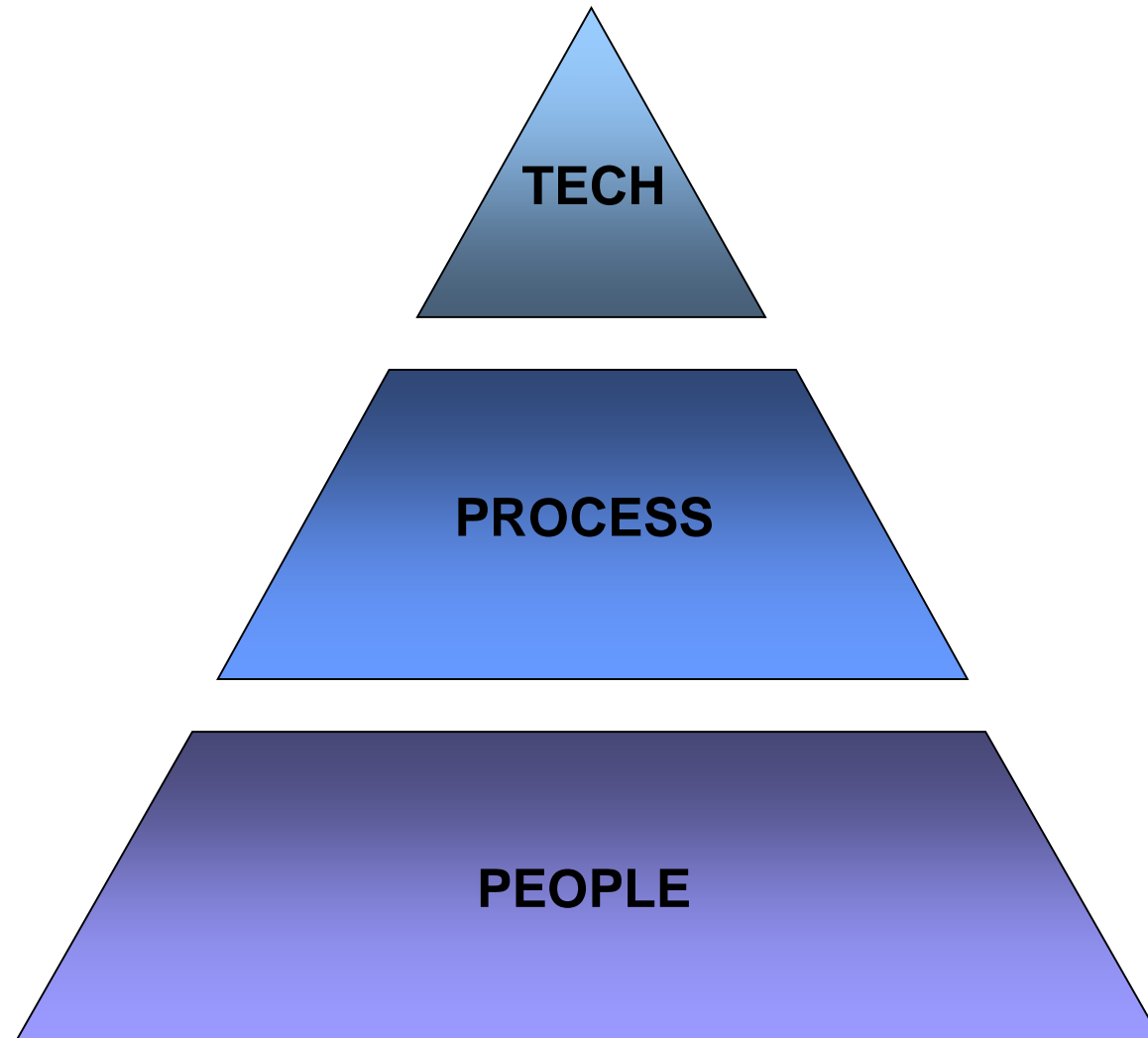
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IT Support Benchmarking Database



- **Global Database**
- **More than 4,000 IT Service and Support Benchmarks**
- **70+ Key Performance Indicators**
- **More Than 120 Industry Best Practices**

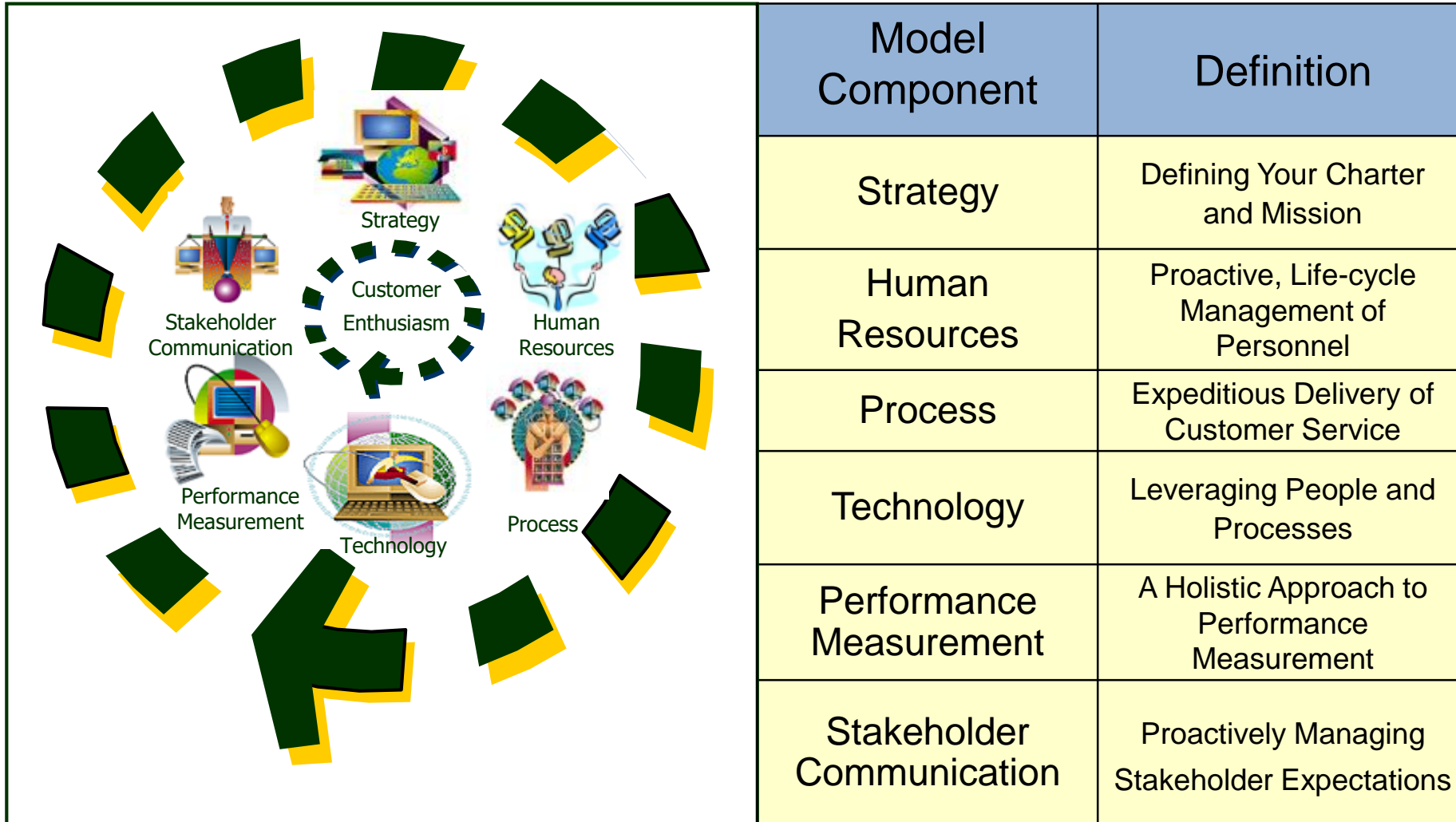
The Traditional Paradigm for Technical Support



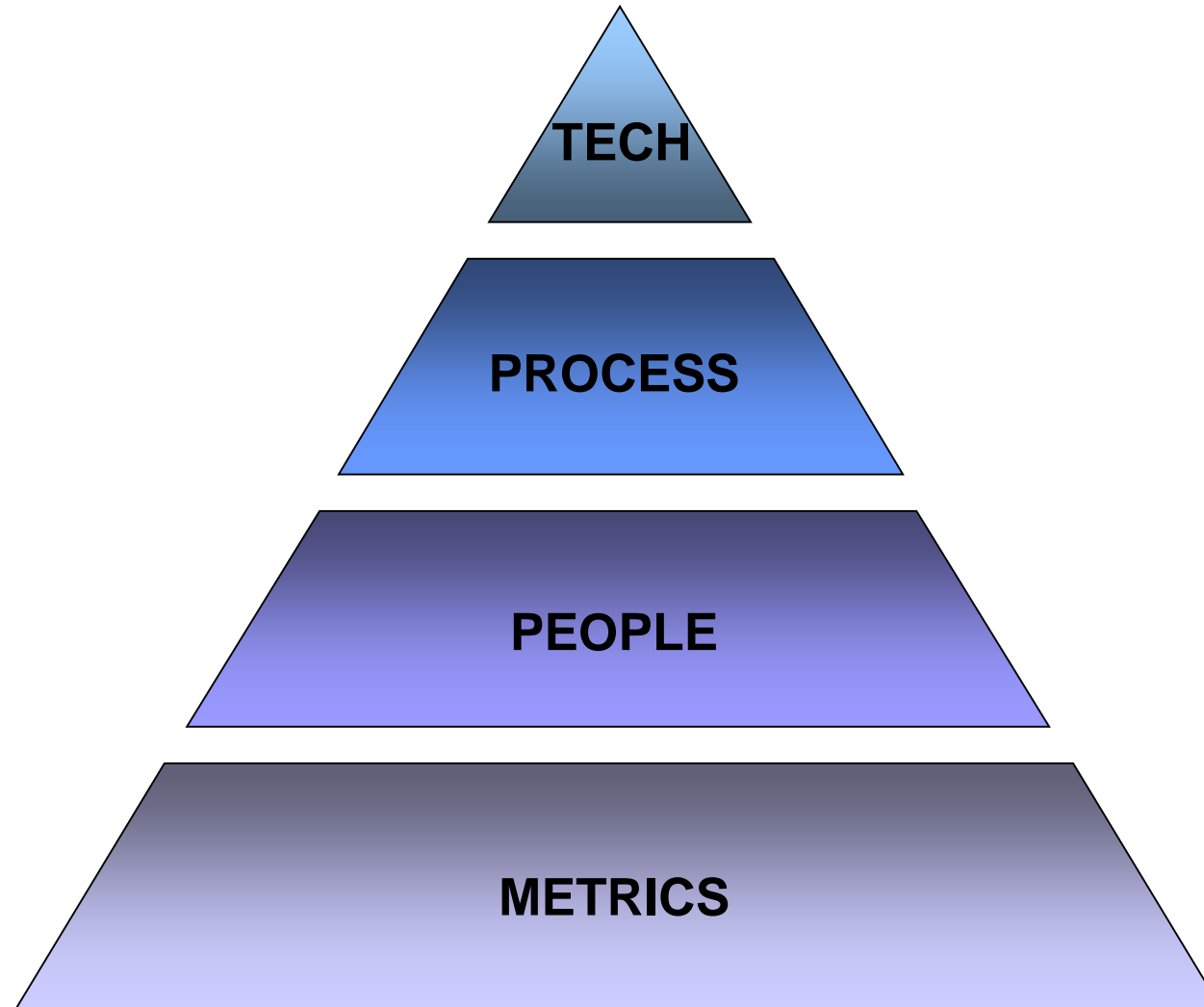
World-Class Performance Defined

- Service consistently exceeds customer expectations
 - Result is high levels of Customer Satisfaction
 - Top Quartile Customer Satisfaction
- Costs are managed at or below industry average levels
 - Cost per Ticket below average
 - Bottom quartile Cost per Ticket
- Service Desk follow industry best practices
 - Practices and Procedures are well defined and well documented
 - Service Desk follows industry best practices
- Every transaction adds value
 - A positive customer experience
 - Creates ROI > 100%

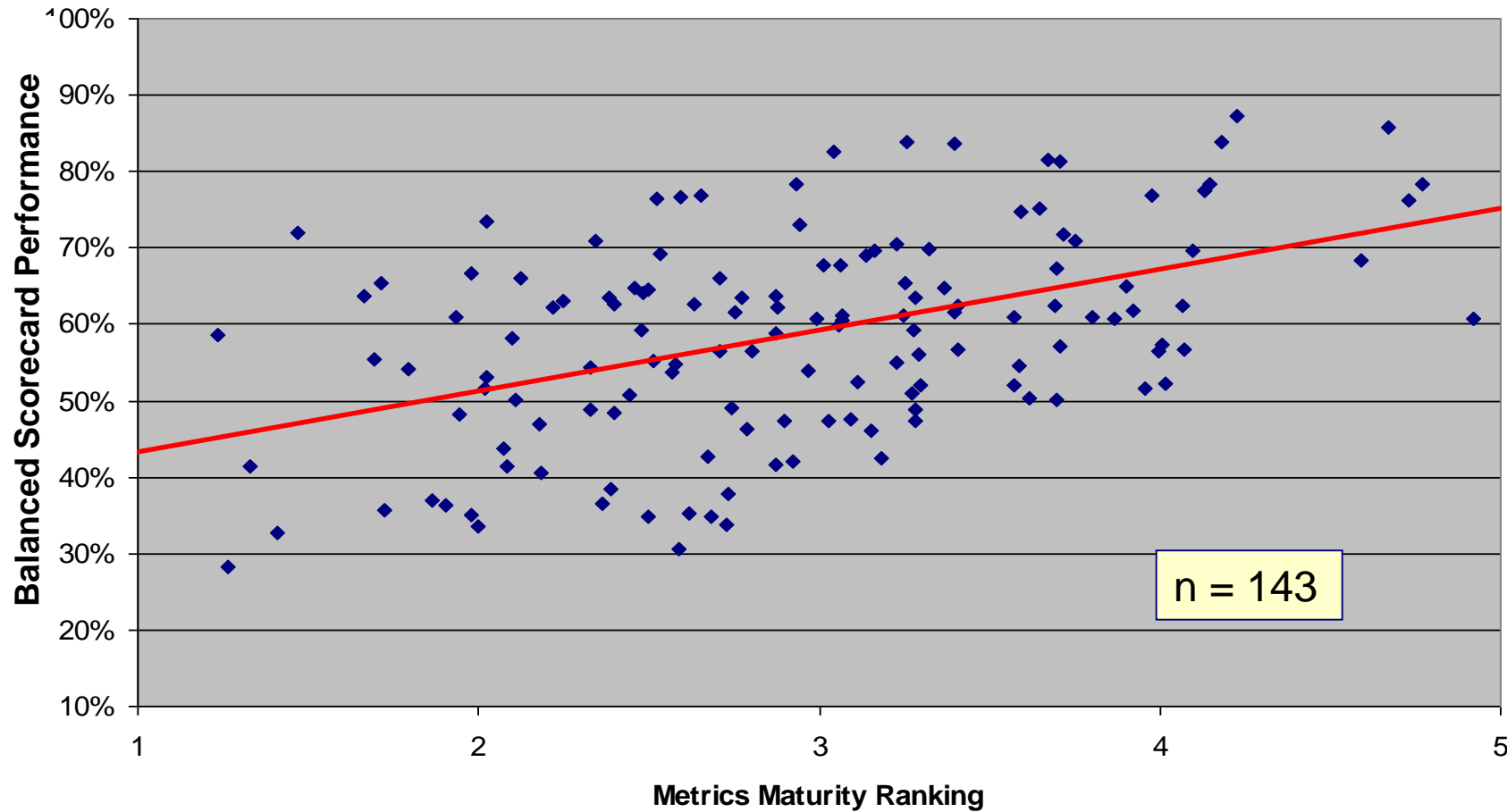
Six-Part Model for IT Service and Support Best Practices



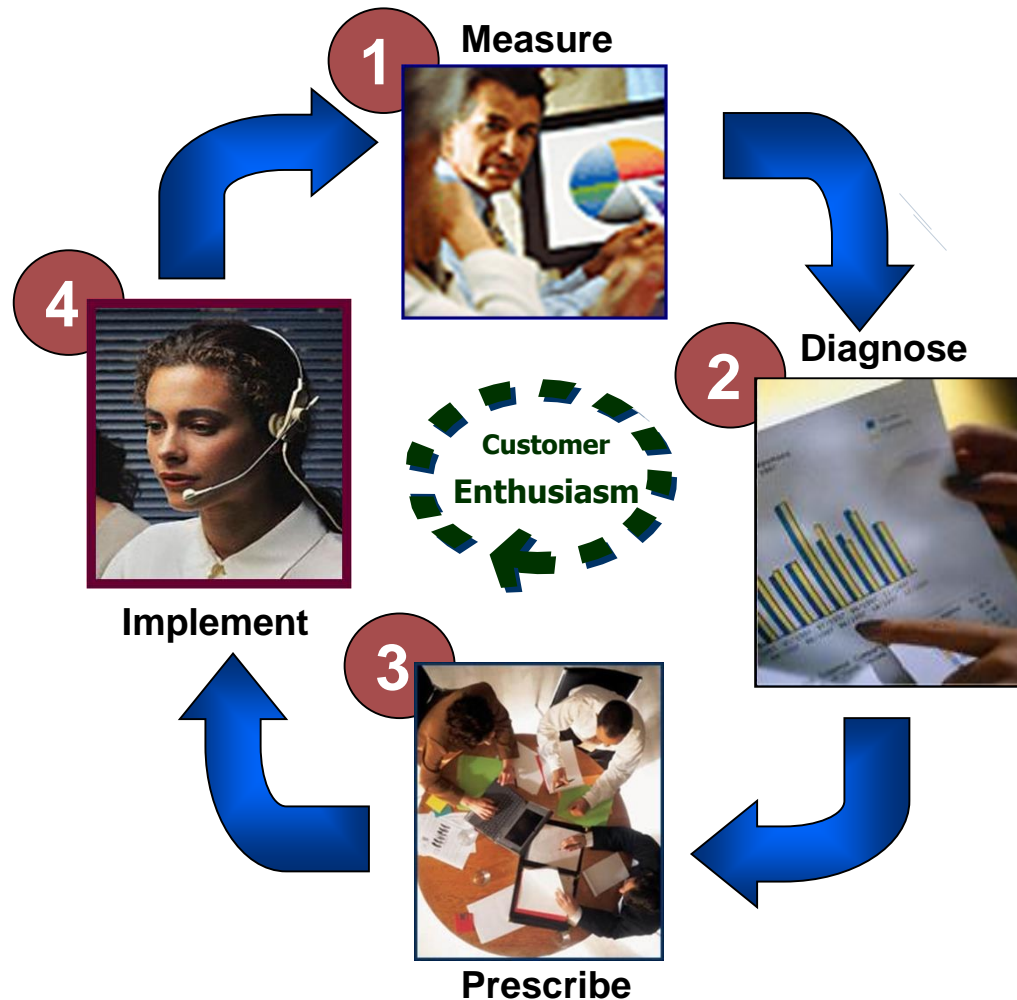
Metrics is a Fundamental Discipline



The Evidence for Metrics as a Foundation Block

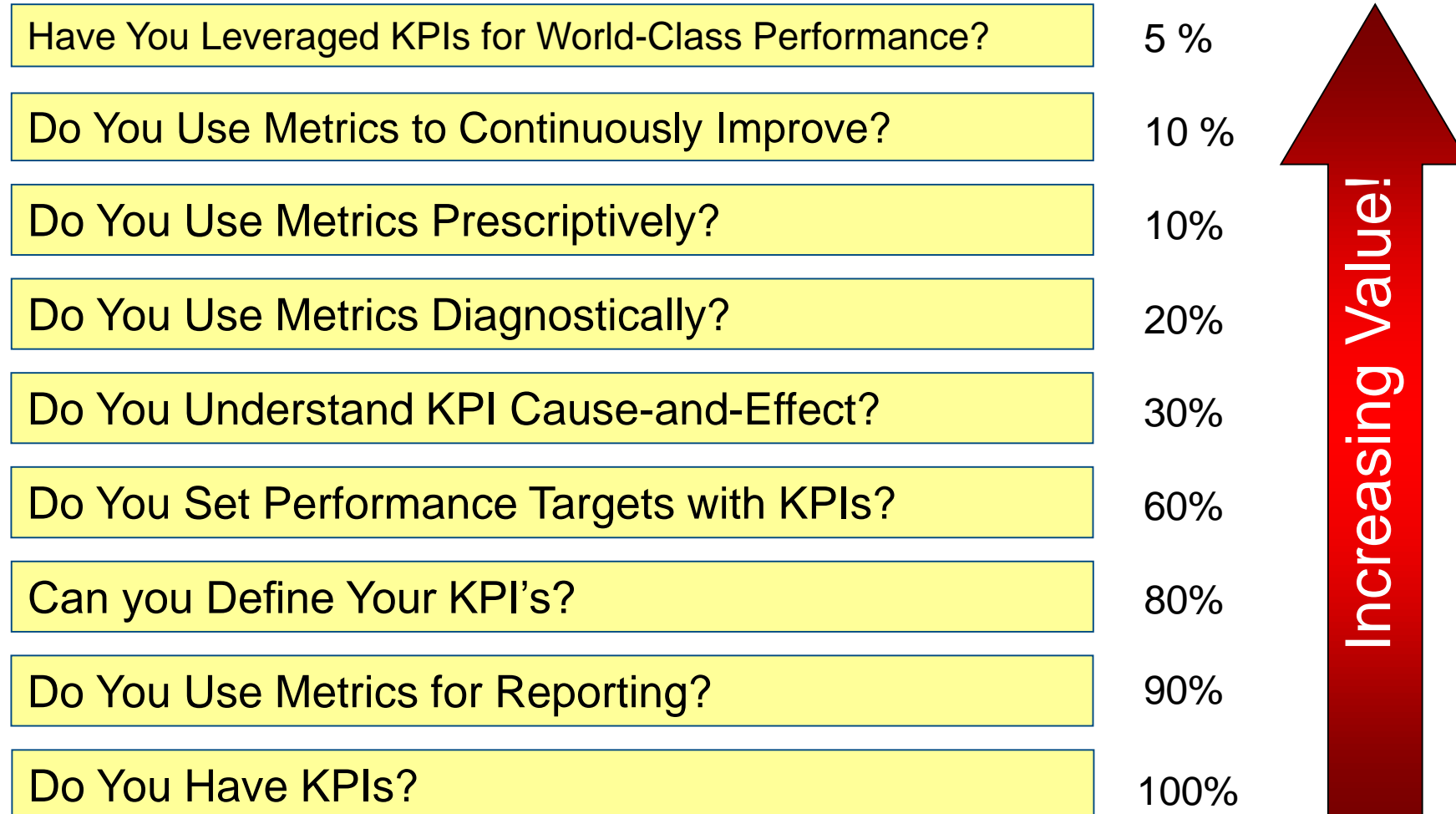


An Industry Megatrend: The Holistic Use of KPIs



Model Component	Description
1. Measure	Measure help desk performance on an ongoing basis
2. Diagnose	Benchmark performance and conduct a gap analysis
3. Prescribe	Define actions to close the gap
4. Implement	Implement your action plan and improve performance

The Service and Support Metrics Hierarchy



The Most Common Service Desk Metrics

Cost

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

Quality

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

Productivity

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

Tech

- ☐ Annual Technician Turnover
- ☐ Daily Technician Absenteeism
- ☐ Schedule Adherence
- ☐ New Technician Training Hours
- ☐ Annual Technician Training Hours
- ☐ Technician Tenure
- ☐ Technician Job Satisfaction

Service Level

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

Call Handling

- ☐ Inbound Contact Handle Time
- ☐ User Self-Service Completion Rate

And there are hundreds more!!

The 80/20 Rule for Service Desk KPIs

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

The Most 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!!

The 80/20 Rule for Desktop Support KPIs

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

Service Desk KPIs: Which Ones Really Matter?

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

Aggregate Metrics: The Balanced Scorecard

Performance Metric	Metric Weighting	Performance Range		Your Actual Performance	Metric Score	Balanced Score
		Worst Case	Best Case			
Cost/Price per Inbound Contact	25.0%	\$64.46	\$5.47	\$26.14	65.0%	16.2%
Customer Satisfaction	25.0%	65.3%	99.3%	99.3%	100.0%	25.0%
Agent Utilization	15.0%	34.7%	68.1%	47.1%	37.1%	5.6%
Net First Contact Resolution Rate	15.0%	67.9%	95.1%	79.6%	43.0%	6.5%
Agent Job Satisfaction	10.0%	58.8%	92.3%	80.6%	65.1%	6.5%
Average Speed of Answer (seconds)	10.0%	171	20	171	0.0%	0.0%
Total	100.0%	N/A	N/A	N/A	N/A	59.8%

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

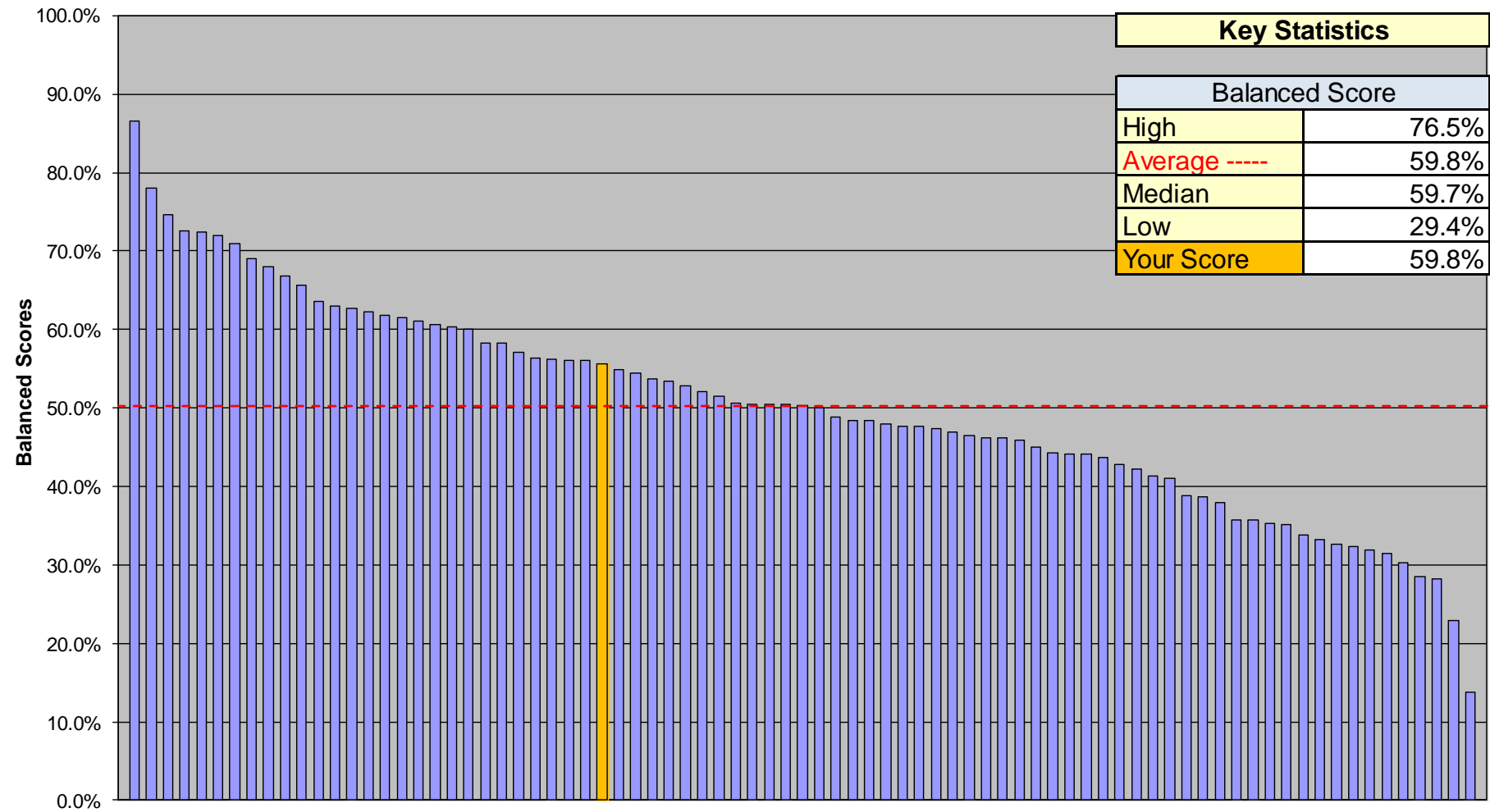
Your score for each metric is then calculated:

$$\frac{\text{worst case} - \text{actual performance}}{\text{worst case} - \text{best case}} \times 100$$

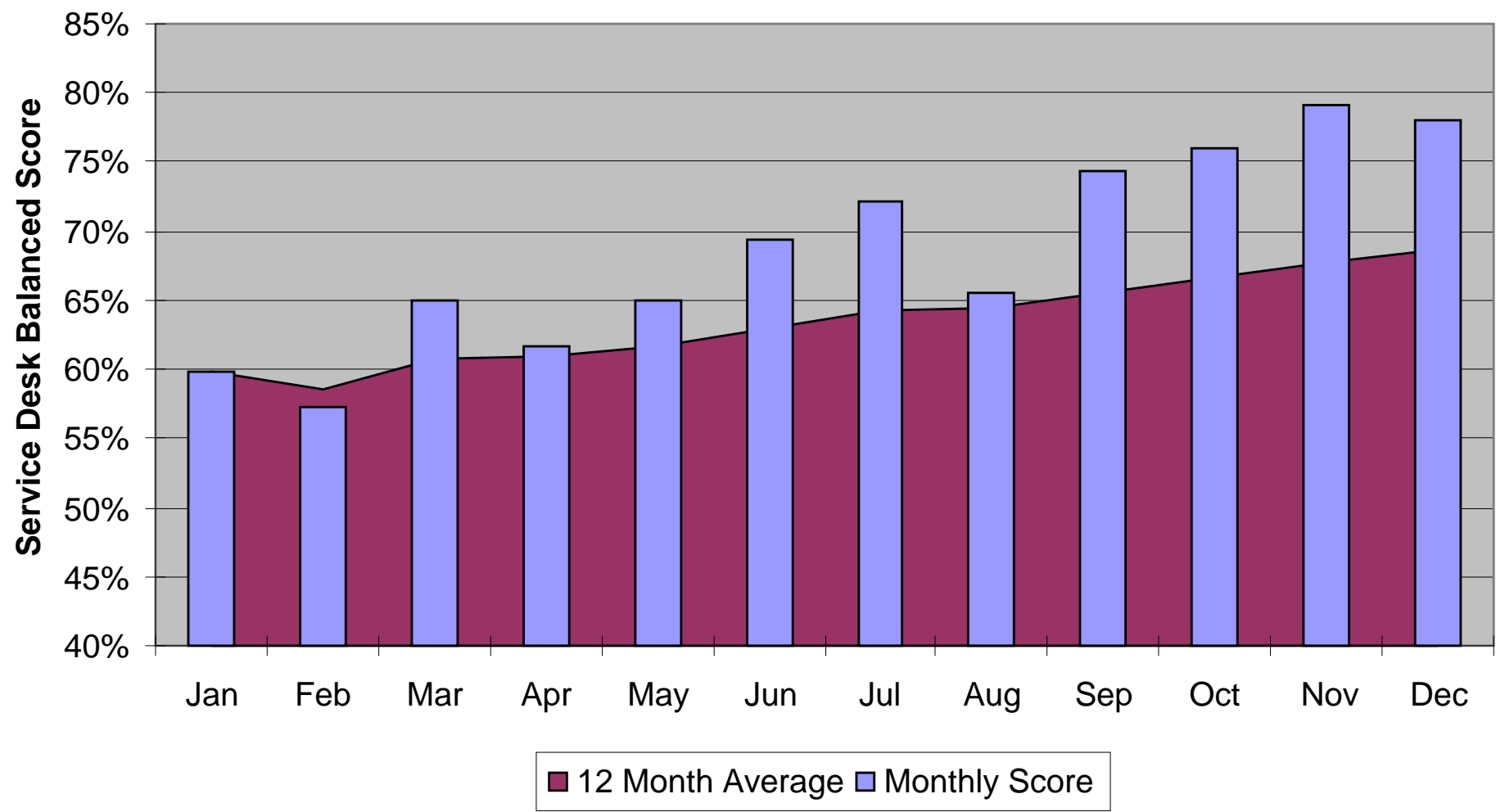
Step 6

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

Balanced Scorecard Benchmark



Service Desk Scorecard Trend

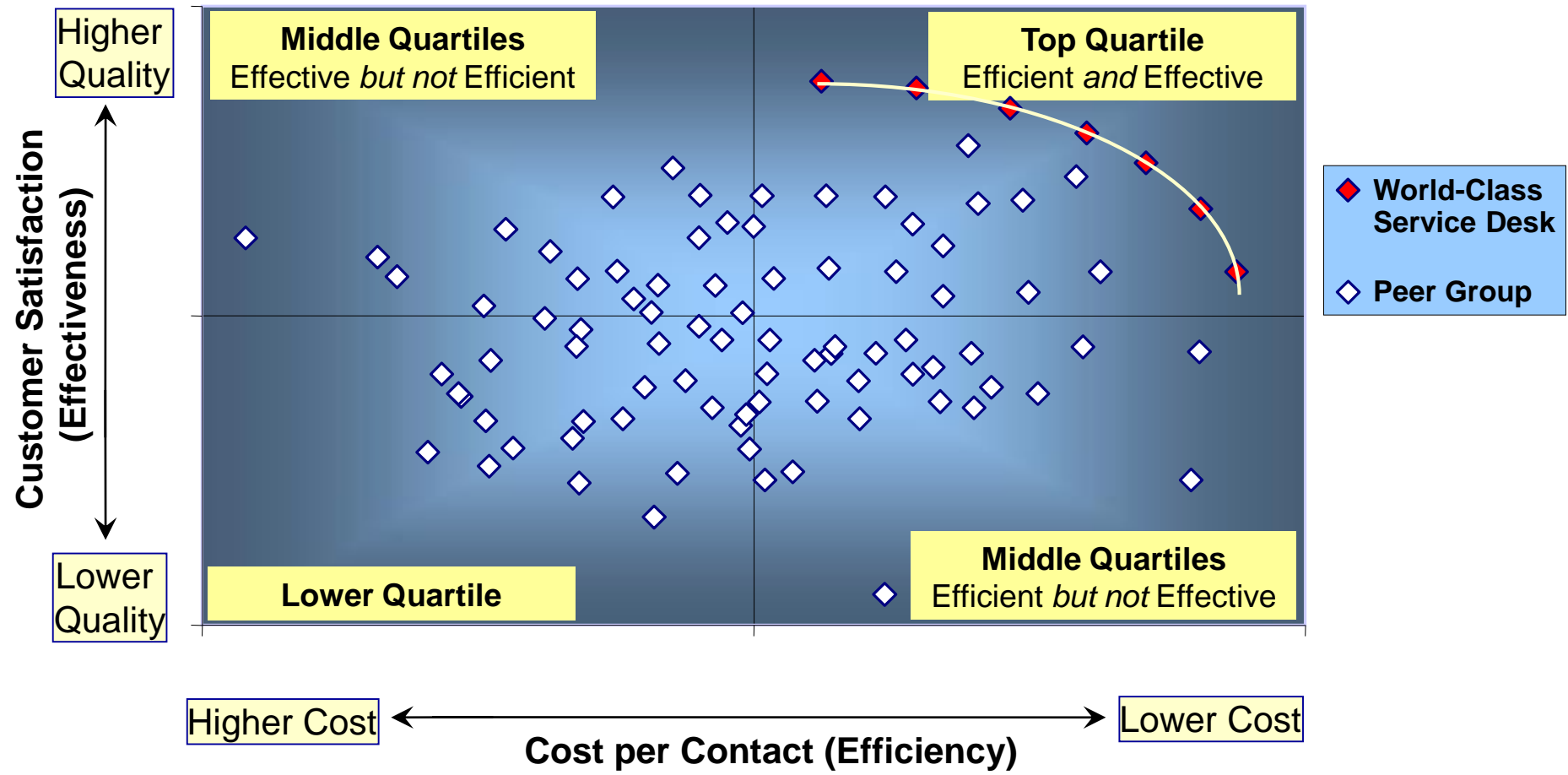


The Two Foundation Metrics: Cost and Customer Satisfaction

Cost per Contact

Customer Satisfaction

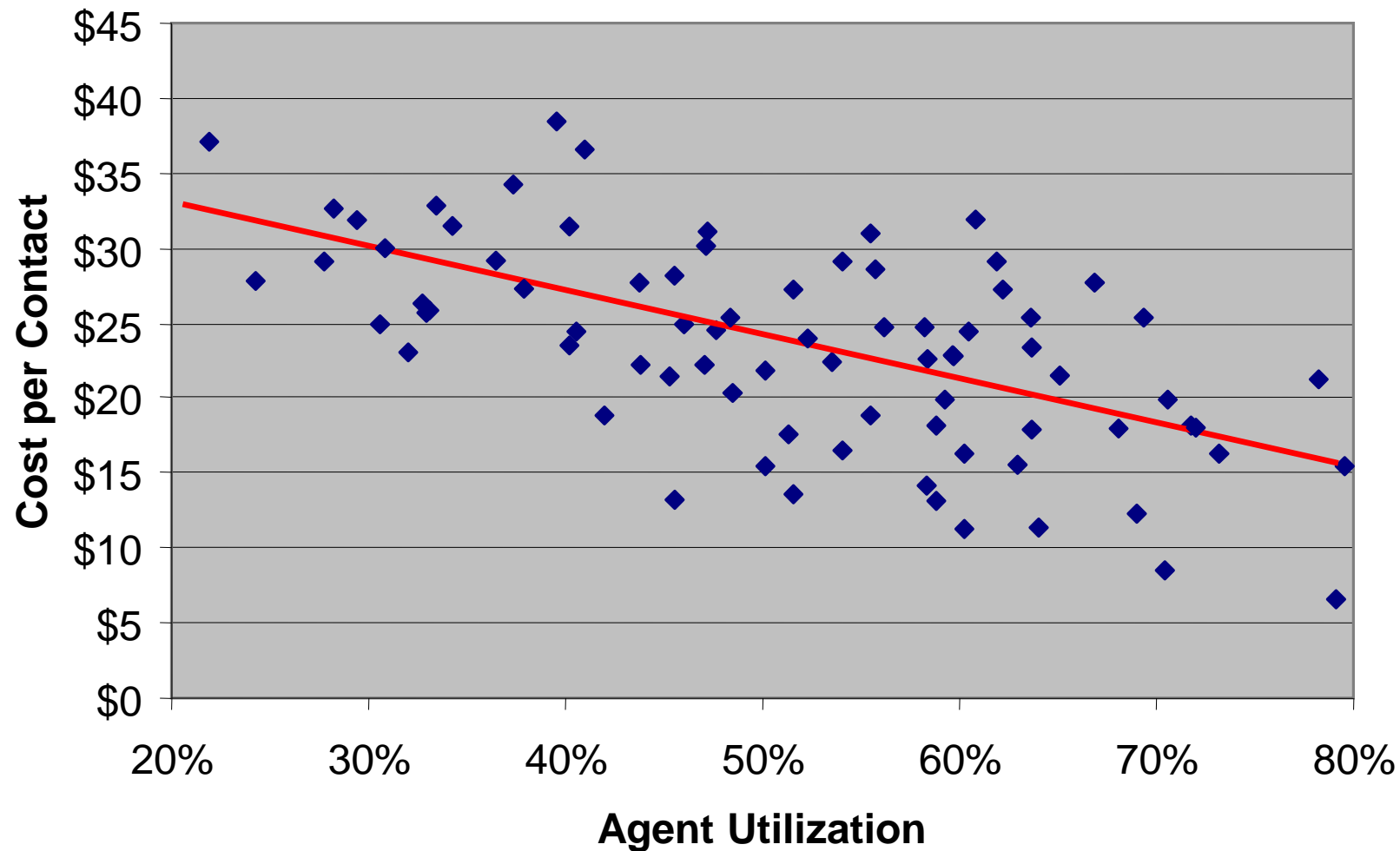
Cost and Quality: Nothing Else Matters!



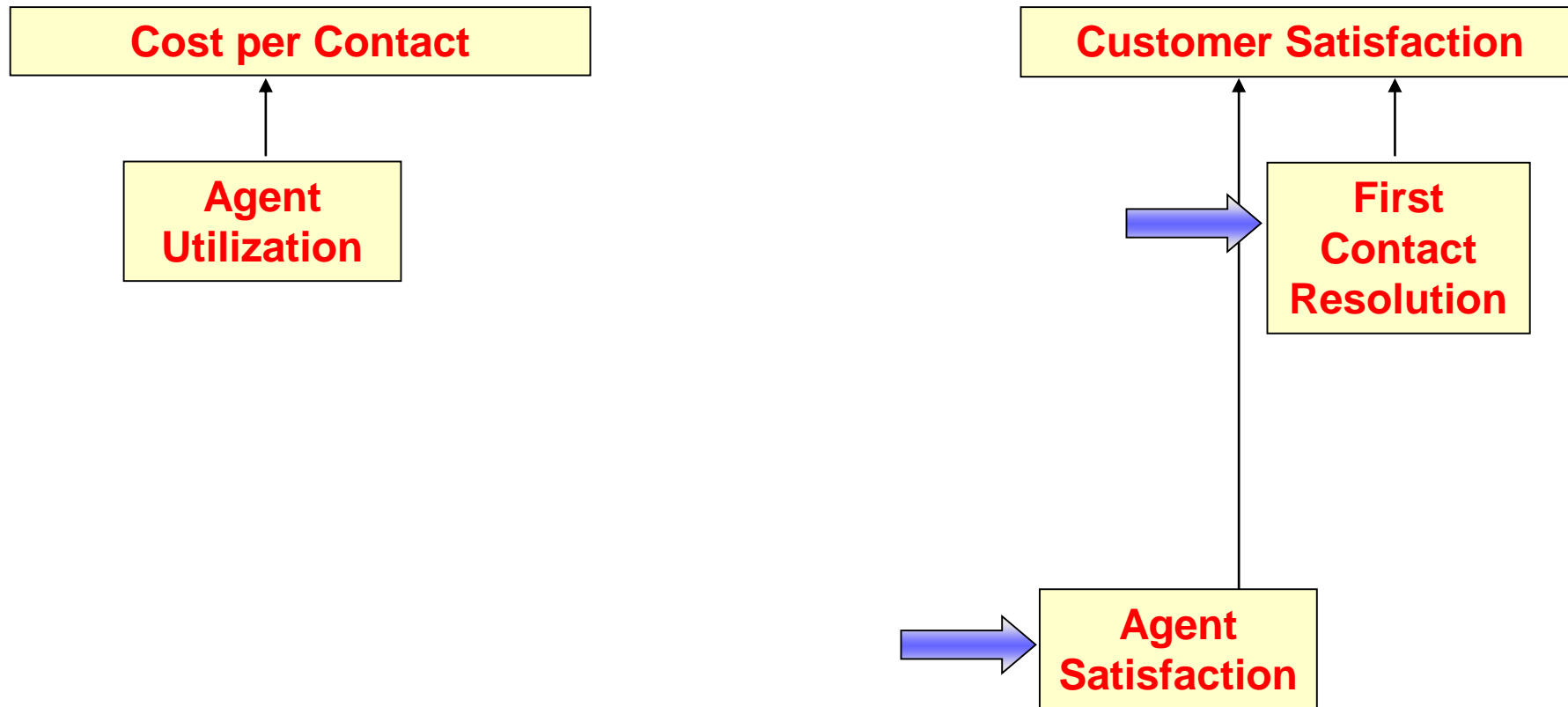
Agent Utilization: The Key Driver of Cost



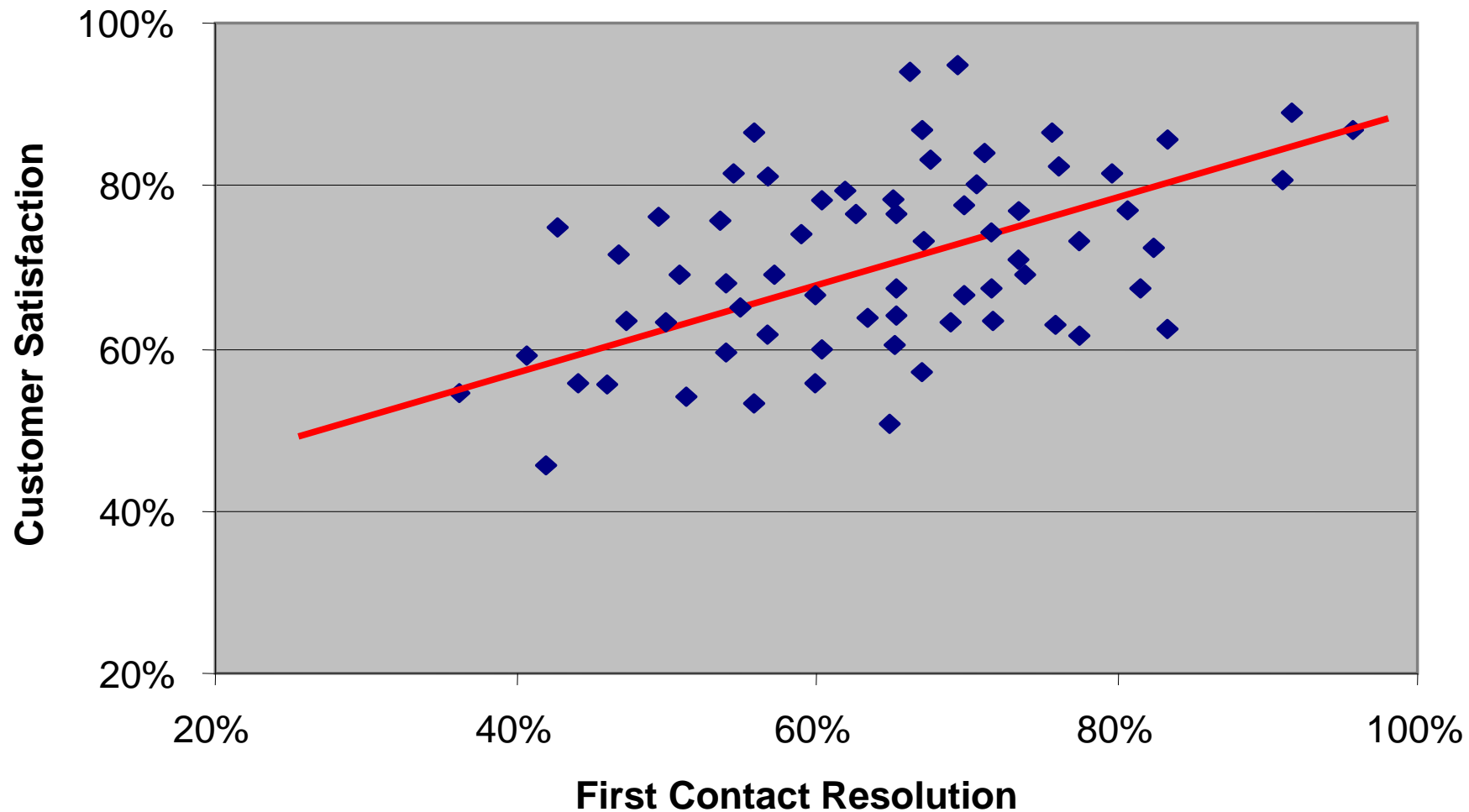
Agent Utilization Drives Cost per Contact



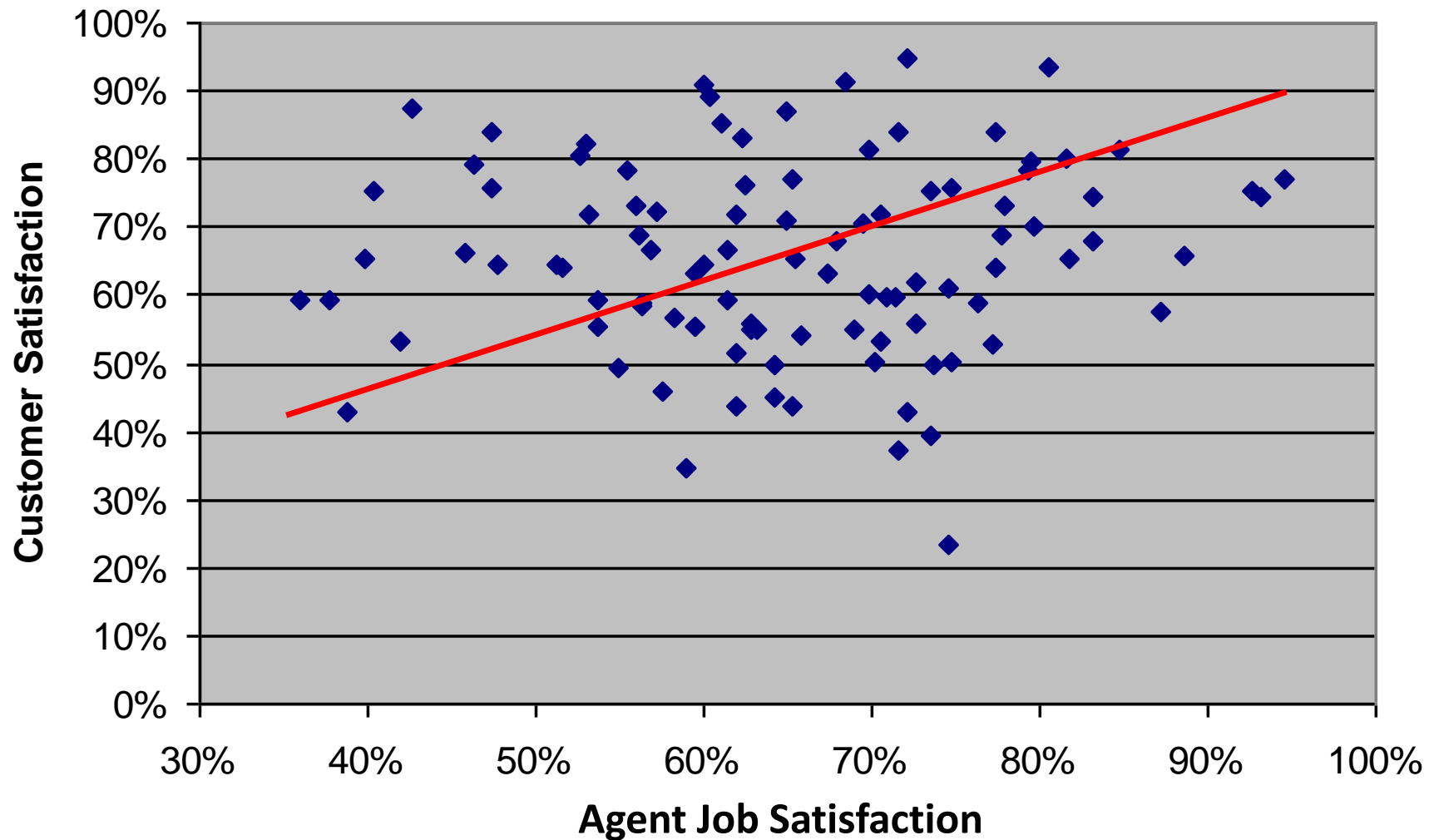
The Drivers of Customer Satisfaction



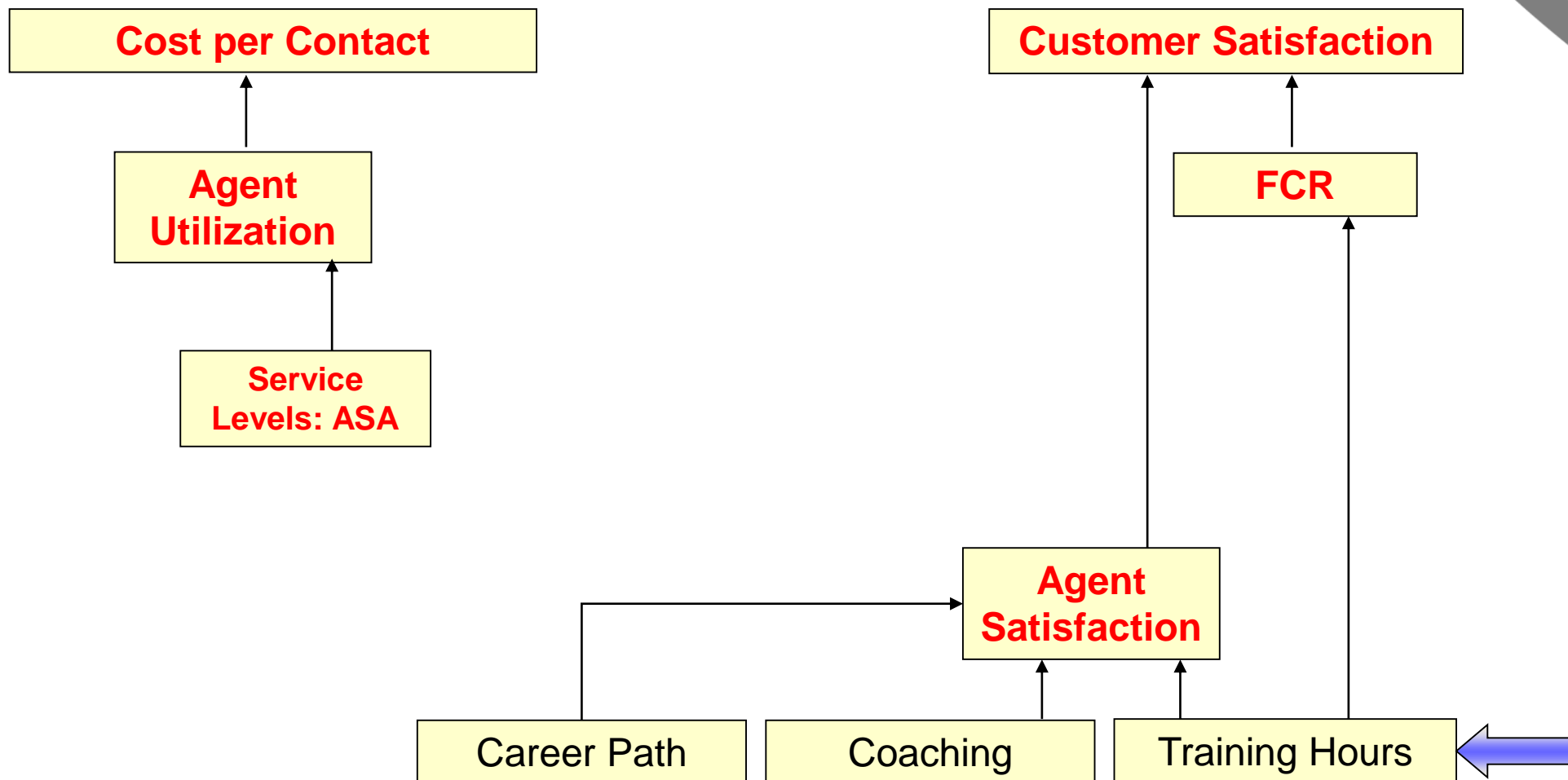
FCR vs. Customer Satisfaction



Agent Satisfaction vs. Customer Satisfaction



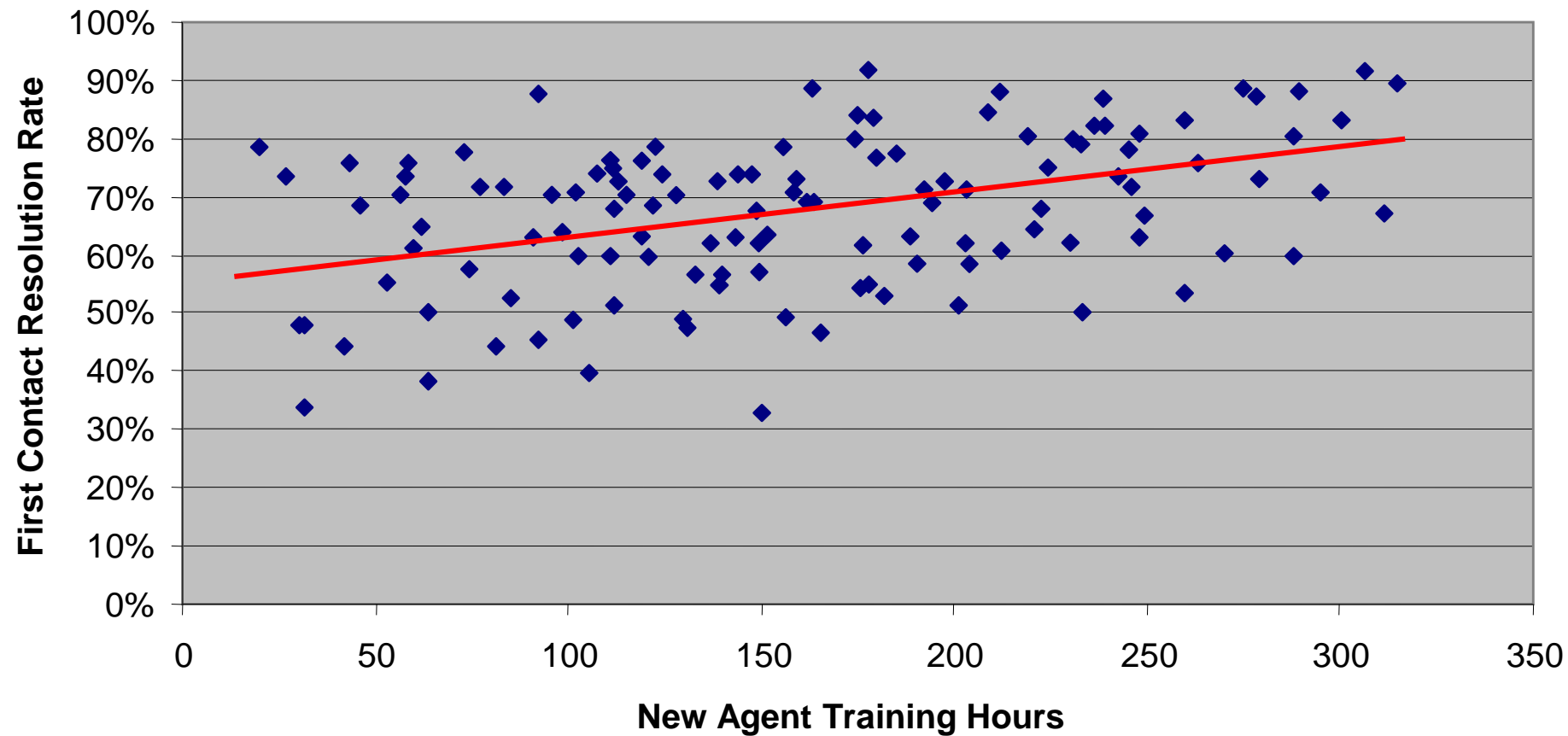
The Drivers of Agent Satisfaction



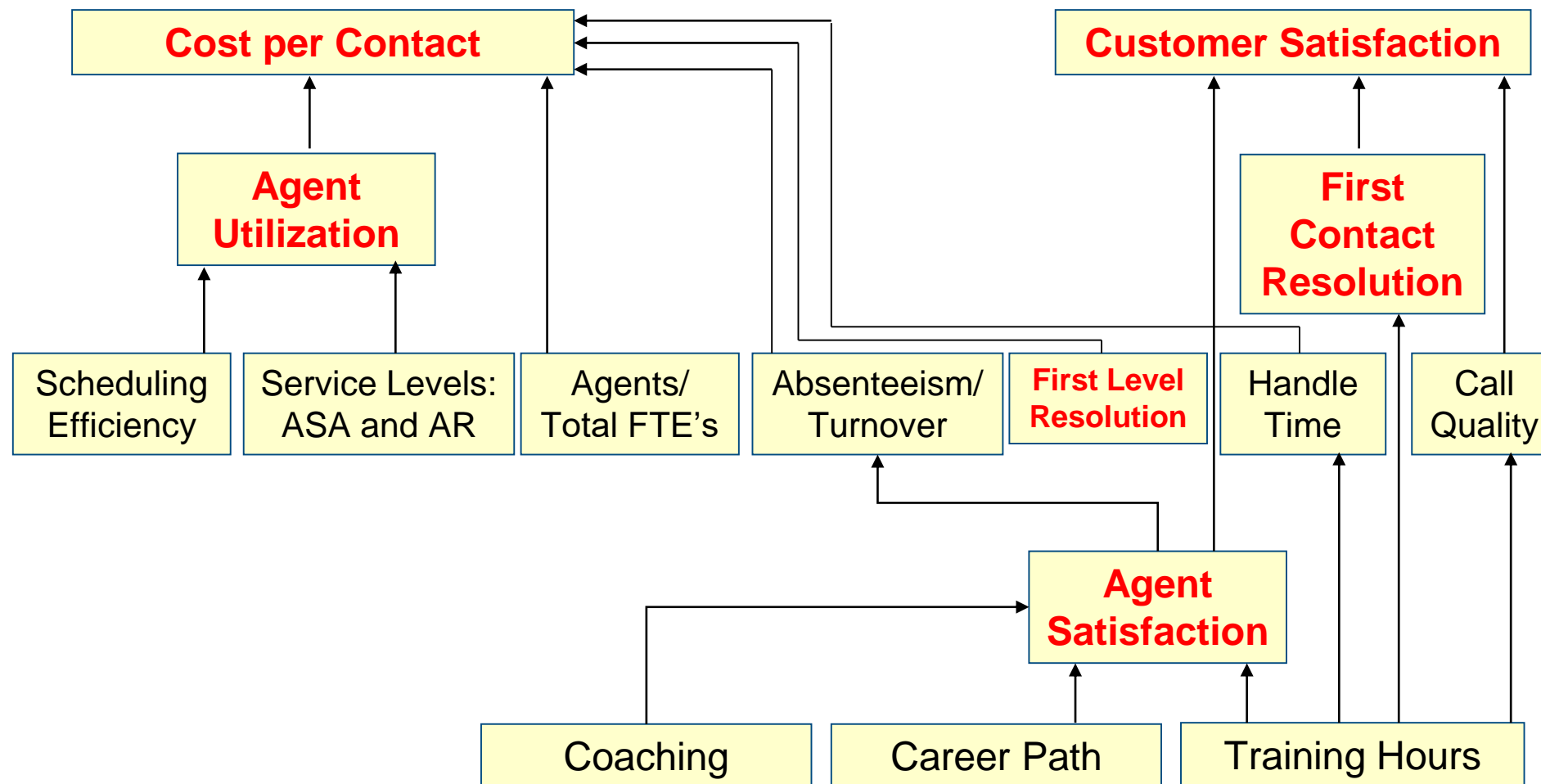
Agent Training Hours vs. Agent Satisfaction



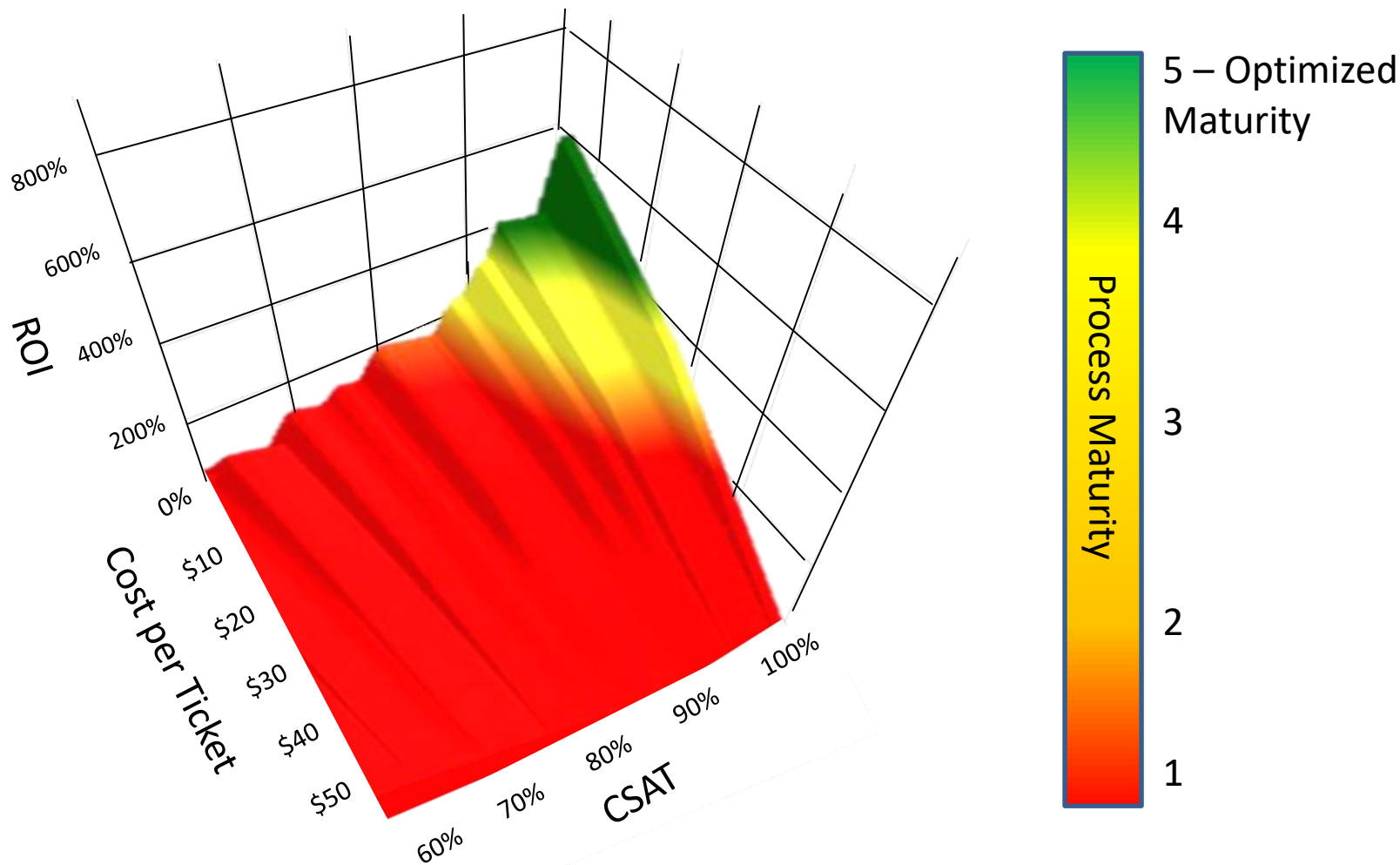
New Agent Training vs. FCR



A Summary of Service Desk KPI Correlations

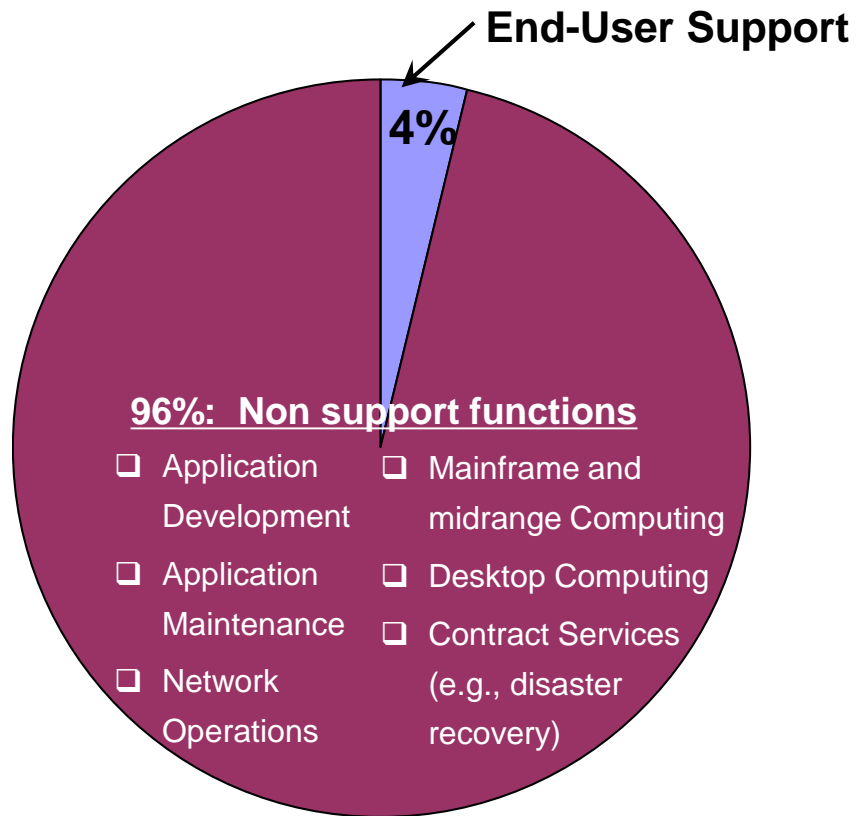


Characteristics of an Optimized Support Organization



The Strategic Role of Service and Support KPIs

The Paradox of IT Support



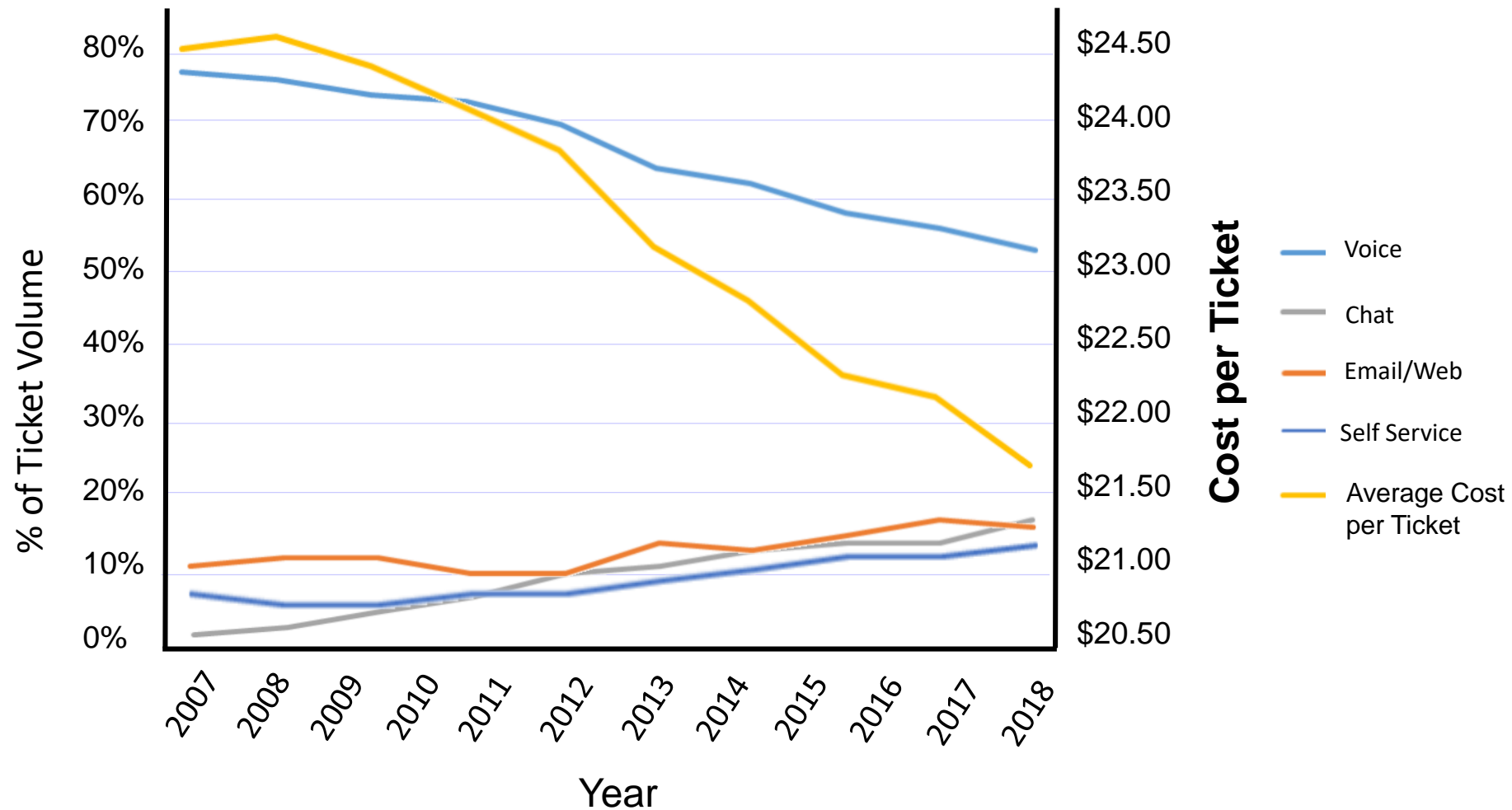
Corporate IT Spending Breakdown

- 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

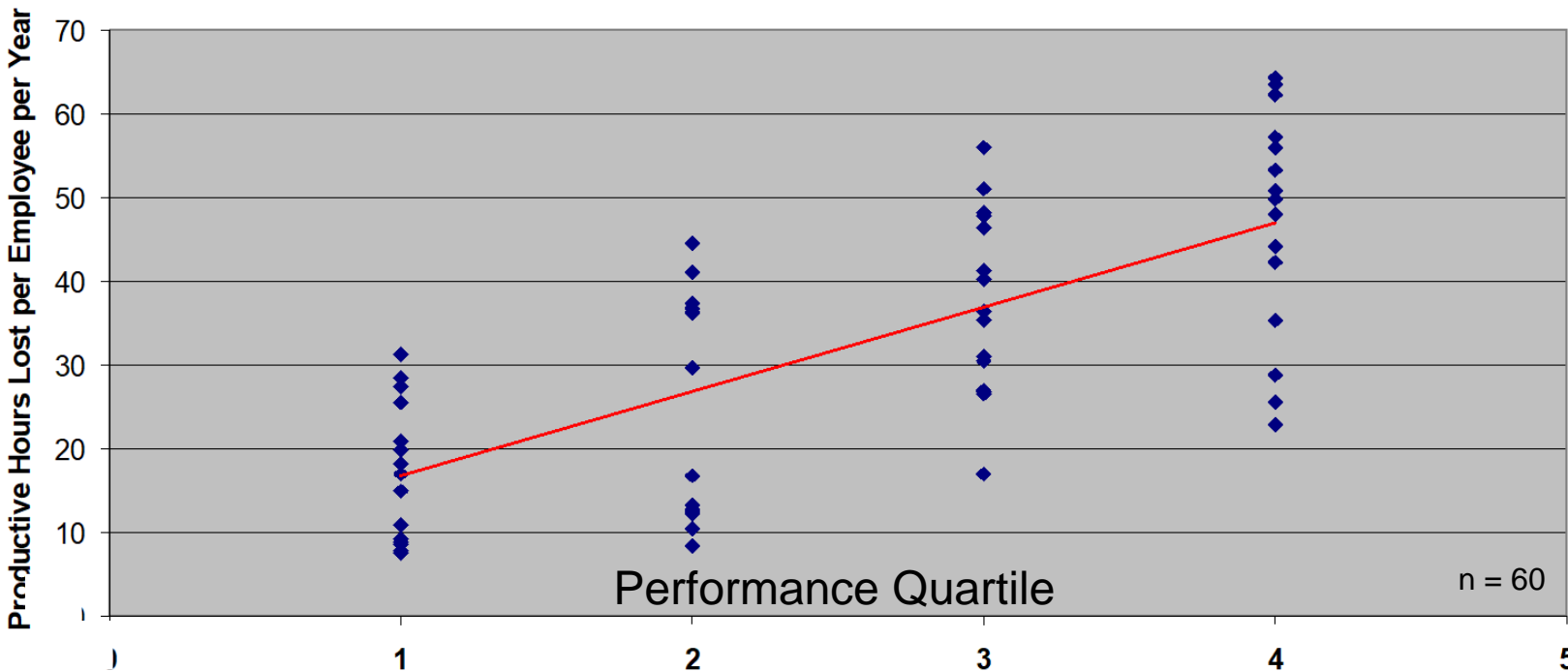
Support Has an Opportunity to Minimize TCO



Channel Mix Can Reduce the Average Cost per Ticket

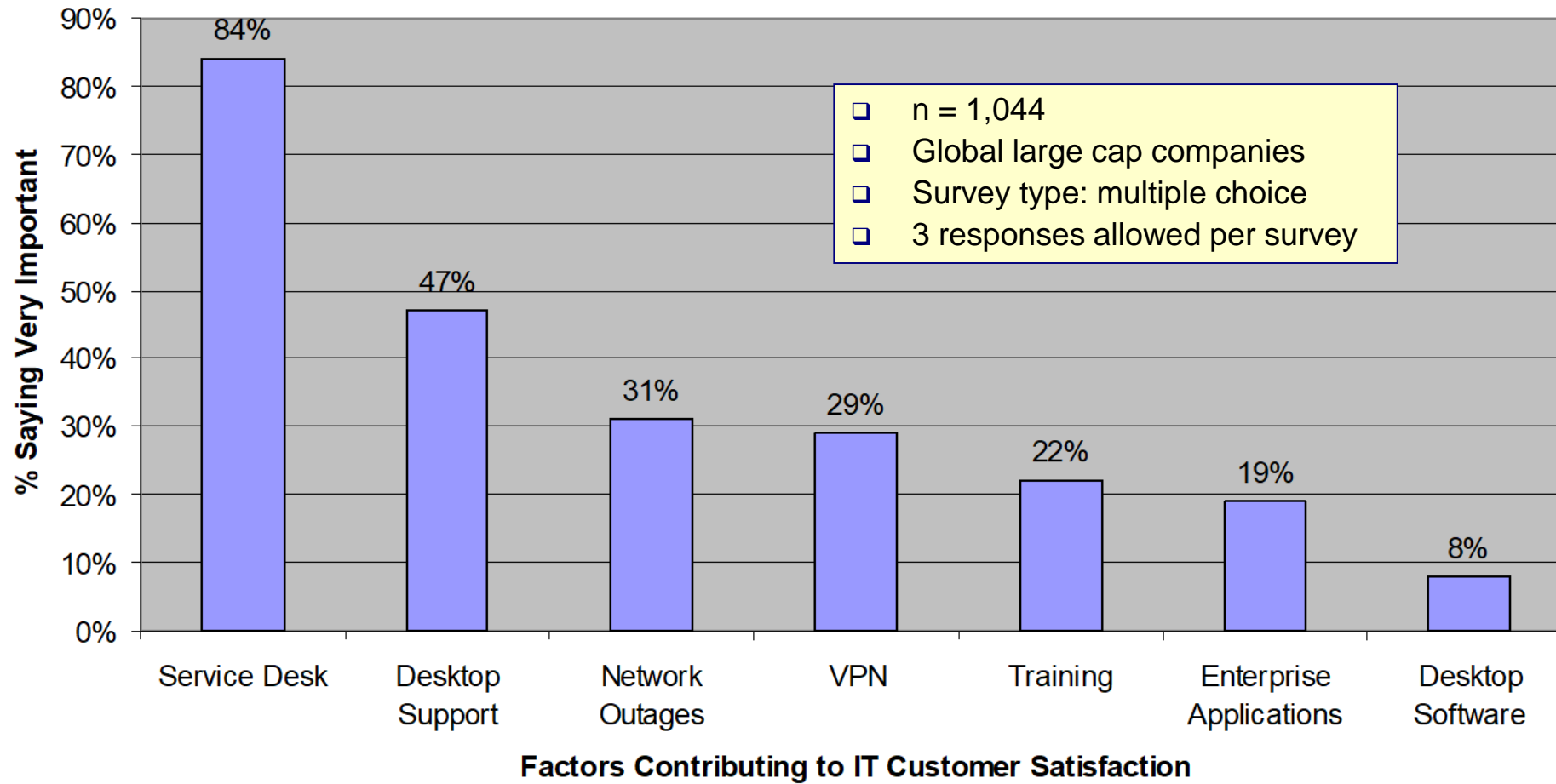


Quality of Support Drives End-User Productivity



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

IT Service and Support is a Major Driver of Customer Satisfaction



- 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

Some Final Thoughts on IT Service and Support KPIs

- When it comes to Service and Support KPIs, the 80/20 Rule applies
 - **Less is More!**
- A handful of KPIs, plus the Balanced Scorecard are all you need to holistically measure and manage your IT Service and Support organization
- Understand the cause-and-effect relationship between KPIs
 - This gives you the power to achieve desired outcomes in IT Service and Support!
- Leveraging KPIs allows you to
 - Drive high levels of Customer Satisfaction for all of IT
 - Reduce and minimize Total Cost of Ownership for End-User Support,
 - Return productive hours to end users
 - Operate IT Service and Support as a *Value Center*



Questions?

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About MetricNet

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

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



IT Support Benchmarking Database



- **Global Database**
- **More than 4,000 IT Service and Support Benchmarks**
- **70+ Key Performance Indicators**
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