

# IMPLEMENTING AN IT SUPPORT METRICS AND KPI PROGRAM

## *A Practical Approach to Metrics and Key Performance Indicators (KPIs)*

by Steve DREYER

*IT service desk managers and heads of other departments generally consider metrics and KPIs as critical to evaluating the success of their business units and as the basis for developing strategic action plans for the future. **Why is there so much confusion as to the difference between metrics and KPIs, and why do we even need them?***





## The Good News

Say you have or are about to have an IT service desk application implemented. The good news is that most modern-day systems are feature-rich with automated tools and processes to help you work more efficiently. Most systems have decent reporting capabilities that will, on demand, give you reams of paper showing the number of call tickets/incidents for a given period of time and even crosstab the data by things like priority, assignee, time of day, and other variables. If you are one of the lucky ones, you can get these reports over the Web and maybe even delivered automatically in your e-mail. Sound familiar?

I am not sure when the first “help desk” appeared on the scene, but I can pretty much guarantee that ever since then IT support managers have been looking for the “silver bullet” to improve their operations and customer support without incurring additional cost. The search for perfection (or at least major improvement) continues today and will always be (and should be) a part of what we do. Unfortunately, too many IT professionals rely on “transactional” type reports, as mentioned above, without associating the results to goals and objectives.

## Metrics and Key Performance Indicators (KPIs)

*Metrics are numerical measurements* that often produce “counts” of things that you want to track. Typically, metrics or “measures” are associated with IT service delivery, customer satisfaction, or other operational factors that are important to an organization’s infrastructure and business operations.

*For example*, common IT service management metrics might include the number of call tickets/incidents, escalated incidents, and root causes to problems. Metrics might also be measures of transactions and workflow to comply with mandated scorecard performance.

Needless to say, you can come up with hundreds of metrics for even a small help desk operation. And if you subscribe to an ITIL-type approach to the IT service management function, you could report on metrics for each of the major processes (e.g. Incident Management, Problem Management, Change Management, Service Level Management, Configuration Management, Availability Management, etc.). In this scenario you might want to measure things like breached SLAs, number of requests for change, and much more.

*Key performance indicators are the metrics that are most critical* to meeting business objectives. KPIs are metrics tied to a reasonable and realistic target; they are related to strategic goals and are directly used to measure success. To be sure, a metric does not have to be a KPI, but a KPI must be a metric, or something that is measured and it **MUST** have a goal, or target.

*For example*, let's say the cost of the support organization is increasing due to an increased percentage of incidents being routed to second tier support (typically higher cost than first tier). When you take a look at the metrics reports you see that this increase is due to home-grown software package issues that cannot be resolved by first level personnel. You might want to set a target, for example, that no more than 20 percent of the homegrown software package issues should be escalated. If future metrics reports show that you are not meeting this objective, perhaps additional training is required to minimize those escalations. This is clearly "KPI-worthy," since it directly impacts the customer and your overall staffing budget.

Unfortunately, many organizations do a lot of measurement and don't think about which of the metrics they report on are important to departmental or overall business goals and objectives.

### **Deciding on What's Metric and KPI-Worthy!**

With all this data, how do you decide on which metrics should be captured and made part of your strategic goal setting and used as KPIs?

The answer that is most obvious and the one most often given is "it depends." It depends on your organization's business goals, critical success factors such as customer satisfaction improvement, and a host of other variables. You can spend a lot of time and budget on long, drawn-out projects to do the evaluation and come up with a plan. However, it is important to get a program off the ground to realize more immediate improvement which will garner management support for a larger project if it is warranted.

Metrics are relatively easy to decide upon. Actually, as stated earlier, most modern help desk/service desk applications include out-of-the-box fields to capture what we'd call "standard" metrics—several of which have already been mentioned above. Typically, we'd advise our clients to collect and report on metrics that can directly relate to Service Level Agreements, Operational Level Agreements, direct business impact, contracts, staffing levels, and cost models.

Although you can use the data provided in your service management software, it is important (and obvious) that if you don't capture certain data, then you can't measure it. For example, some organizations will categorize an incident record as "general" rather than breaking it down into "software," "hardware," "application," and so on. They can always break down "general" at a later time, but by then a lot of important data will have been lost.

Even if you choose to use an out-of-the-box solution, it is advised that you carefully implement metrics-related data in key fields, like category, priority, cause, and others as soon as possible so that you can test your approach.

What's KPI-worthy is much more difficult to arrive at, and perhaps that is why they aren't used often enough. Arriving at KPIs that are appropriate to your business must include a vision as to your organization's goals, strategies, and critical success factors that you can measure against.

*For example*, let's say that your organization is embarking on major technology transition projects during the next year and at the same time management indicates that there will be no new hiring during that period. Unfortunately, this is a rather typical "do more with less" scenario for IT. If a project will involve network staff, for example, it would be very important to analyze various metrics to determine what most impacts the staffing levels of that group. Upon looking over reports, you determine the following:

- 30 percent of all network incidents are not resolved on first call to the service desk (the end-user calls back and says they still have an issue).
- 25 percent of all network related issues are escalated to second or third tier network staff.
- 20 percent of all network issues are from failed changes to the network infrastructure.

When you look further into these metrics you will also want to review the amount of time being spent by the network support group and where that time can be minimized. You might consider KPIs that will help you determine a course of action to free up the network staff so that they will have the time to be involved in the new projects mandated by management. If your goal is to reduce escalations from 25 to 10 percent, you might implement a training program for first level support staff. And when you run your reports in the future, you will be able to judge the effectiveness of that training and measure any increased availability of the network group for the new projects.

## Sample Metrics, KPIs, and Action Plans

METRIC	KPI	ACTION PLAN
1 <sup>st</sup> level ticket resolution/by month	Current metric result: 49% Goal: 75% first call resolution	<ul style="list-style-type: none"> <li>• Implement or enhance first level knowledgebase</li> <li>• Install remote access to machines</li> <li>• Implement enhanced telephony system</li> <li>• Increase training programs</li> </ul>
Customer satisfaction based on survey results	Current metric result: 85% positive, trending down Goal: 90% satisfaction	<ul style="list-style-type: none"> <li>• Implement or enhance agent knowledgebase</li> <li>• Increase training</li> <li>• Improve interpersonal skills</li> <li>• Add self-service option</li> </ul>
Breached SLAs	Current metric result: 15% Goal: 5%	<ul style="list-style-type: none"> <li>• Re-evaluate root cause</li> <li>• Automate escalations and alerts to notify support of pending breach</li> </ul>

## First Steps...Initiating a Program for Service Management Improvement

IT service management effectiveness is more important than ever to the success of an organization based on its strategic goals and objectives as a business.

When initiating a metrics and KPI reporting and analysis program it is a valuable exercise to consider the Information Technology Infrastructure Library (ITIL) processes—even if you have not committed to a formal ITIL approach. Understanding something about ITIL is helpful in focusing on what to measure and analyze.

While you can initiate a program for metrics and KPIs for all ITIL processes, we recommend starting with just four of the processes described under the Operational and Tactical Service Management categories, as follows.

Two *Operational IT Service Management* processes and some associated metrics might include the following:

### Incident Management:

- Number of incidents reported
- Average call duration
- Number of repeat incidents (same issue)
- Number of calls escalated to second tier
- Incidents by priority
- Requests for information

### Change Management

- Number of requests for change (RFC)
- Emergency changes
- Changes that need to be re-done or backed out
- Changes resulting in new incidents
- Changes by category and priority
- Impact of changes on end users and customers

Two *Tactical IT Service Management* processes and some associated metrics might include the following:

### Problem Management

- Number/percentage of escalated problems
- Average number of incidents by problem type
- Incidents resulting in problems reported
- Root cause analysis

### Service Level Management

- Time to resolve customer issues
- Breached SLAs
- Customer satisfaction ratings
- Uptime/downtime by service
- IT resource management

Based on these metrics you would establish targets for the KPIs and time frames within which to achieve them. It's important to take the time to measure baseline results prior to setting targets or implementing any initiatives and motivate your employees to help you achieve your targets. Don't forget to monitor KPIs on an ongoing basis.

Use metrics and KPIs to provide you with the facts to do things like: identify previously unnoticed trends (that can be improved with procedural changes) and where your resources reside that can be utilized for future projects.

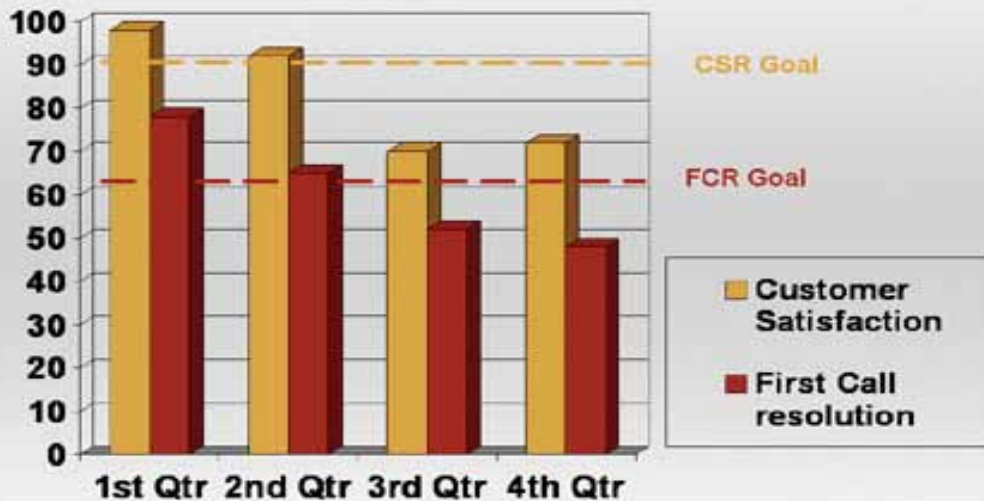
If your KPI results are worse (or even better) than anticipated, you will want to perform root cause analysis (like looking at correlations), to figure out why. (See diagram.) You can improve the process to achieve better results, or you may decide to readjust the KPI if it was unrealistic or if conditions, requirements, or corporate goals have changed.

*"It's important to take the time to measure baseline results prior to setting targets or implementing any initiatives and motivate your employees to help you achieve your targets."*



## Example: Customer Satisfaction Rating (CSR)

Finding correlations can help identify the underlying cause



### Relating First Call Resolution to Customer Service Ratings

We suggest creating a “book” that documents the following for all of the most important metrics that your organization tracks and evaluates:

- Process (e.g. Incident Management)
- Metric Name (e.g. % of incidents resolved at first level)
- Reason (why the metric is important)
- Associated KPIs
- Targets/goals/objectives
- Plans of Action to Reach those Targets
- Root Cause Analysis

This book should be reviewed and updated as appropriate on a periodic basis. It should not be a static document, since it is likely that your support processes are dynamic and will change with time and business conditions.

### The Role of Reporting—Are We on Goal?

Reporting on metrics and KPIs is of course a significant component of the program. IT organizations typically use one or more of

## Is Your Help Desk Available 24x7 to Reset Forgotten Passwords?



**ReACT**  
**Self-Service Password Reset**

- Affordable self-service password reset and synchronization for your enterprise
- Web based user interface or desktop client
- RACF, Novell, Windows support and more
- Straight-forward authentication process
- Does NOT override current security controls
- Robust zOS server component
- Synchronize ALL passwords for a single user
- Open architecture for custom integration

**FREE Trial Download: [www.aspg.com](http://www.aspg.com)**

**(800)662-6090 (239)649-1548**  
**Email: [aspgsales@aspg.com](mailto:aspgsales@aspg.com)**

**ASPG**  
ADVANCED SOFTWARE PRODUCTS GROUP, INC.  
[www.aspg.com](http://www.aspg.com)

the following reporting solutions to identify trends for their support operations:

- Reports built into the service desk application
- Web-based reports
- Dashboards

Since most service management software includes some form of reporting, this is typically the path of least resistance for many organizations. However, these reporting solutions can fall short with respect to how they operate, what they display, and whether they can be used for reporting on KPIs and the goal management that we've discussed thus far.

Web-based reporting has the advantage of allowing operational personnel and management to easily access the results of the IT service desk's activities. If you are using or going to use Web-based reporting, we generally suggest that you look at technologies such as Microsoft's SQL Reporting, which comes with SQL Server. The benefit of this solution is that it is real-time, you can drill-down into details, export the reports to a variety of formats for additional analysis, and last but not least, you can schedule the reports for automatic delivery via e-mail.

Dashboards allow you to make strategic decisions based on the key metrics and KPIs that you are following. The use of "sliders" can help you see the potential positive or negative impact of making certain strategic changes in your operation.

Whichever solution(s) you adopt, it is strongly advised that you expand your reporting from pure statistical, transactional type reports to those that include the goals and objectives set forth in your KPI initiative. It is only with this type of reporting that you will be able to manage by your objectives.

## Summary

Metrics are necessary for reporting on the activities of the service management department. But all the reporting in the world will not help you provide excellent support unless you have a method to

capture relevant data and a goal-related program for the metrics you report on.

That's where KPIs come into play. It is imperative that you review your metrics, how you report on them, and which KPIs are significant to the success of your support operation. Aside from the most important benefits (customer satisfaction and meeting business goals), there are several potential side-benefits that should not be overlooked, including:

- Raising IT credibility with management and customers
- Creating a more uniform, consistent way to measure success
- Implementing common, documented goals for all support personnel
- Establishing a basis for adding IT personnel and allocating other resources based on customer needs and support requirements

Unfortunately, many organizations don't differentiate between metrics and KPIs. Fortunately, implementing the type of program described in this article can be relatively straightforward if the right people are brought together to design and manage it going forward. The key thing to remember is that it is better to *begin* a program with standards and targets, even on a small scale, than to expect success from metrics reporting without setting goals.



**Steve Dreyer** is the CEO of SMA Management Systems, an IT service management consulting firm that has been working with clients on their service desk systems and processes since 1984. SMA specializes in help desk assessments and reporting and has been the number 1 reseller for a major service desk software firm for the past six years. Visit SMA on the Web at [www.smasystems.com](http://www.smasystems.com) and [www.smaconnect.com](http://www.smaconnect.com).



Steve