HDI 2017
CONFERENCE & EXPO

SESSION 202

Wednesday, May 10, 11:30am - 12:30pm
Track: Putting Metrics To Work

Turbocharge Your Metrics With Benchmarking!

Jeff Rumburg
Managing Partner, MetricNet, LLC
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Session Description

Industry data shows that support organizations that conduct annual benchmarking are far more likely to achieve world-class performance. Yet fewer than 20% of all support groups engage in benchmarking. In this session, you'll review performance data from more than 200 support organizations, as well as several case studies that show how your peers have harnessed benchmarking to quantify performance, draw industry comparisons, identify performance gaps, and define the actions necessary to optimize efficiencies.

Speaker Background

Jeff Rumburg, winner of the 2014 Ron Muns Lifetime Achievement Award, is cofounder and managing partner of MetricNet, where he is responsible for global strategy, product development, and client fulfillment. Jeff authored a best-selling book on benchmarking, has been retained as an IT service and support expert by more than half of the Fortune 500 companies, and has served on the HDI Strategic Advisory Board.

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CONFERENCE & EXPO

Turbocharge Your Metrics *With Benchmarking*

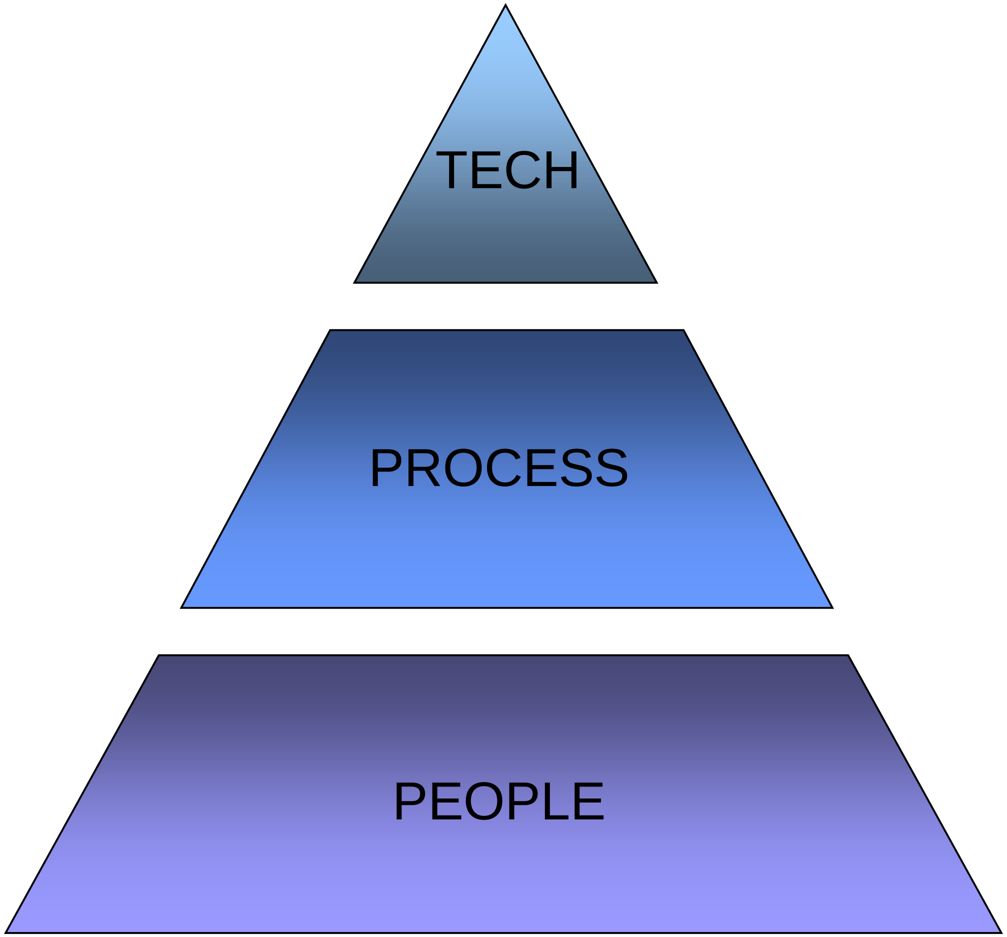
CONNECTING THE WORLD OF TECHNICAL SUPPORT

Jeff Rumburg, Managing Partner at MetricNet

Turbocharge Your Metrics
With Benchmarking

Jeff Rumburg, Managing Partner at MetricNet

The Traditional Paradigm for Technical Support


TECH

PROCESS

PEOPLE

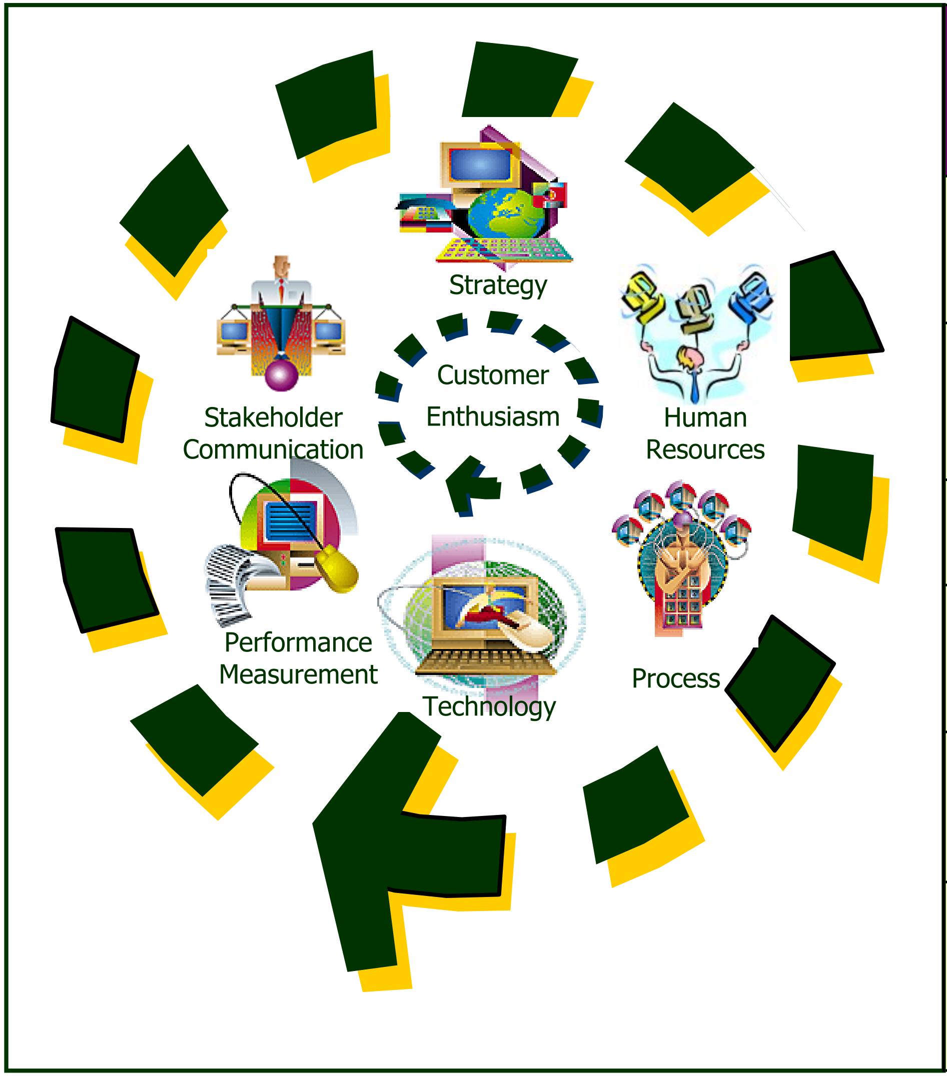
Empirical Observations from Our Global Benchmarking Database

- Global Database
  - More than 3,700 Service and Support Benchmarks
  - 70+ Key Performance Indicators
  - Nearly 120 Industry Best Practices

World-Class Support Defined

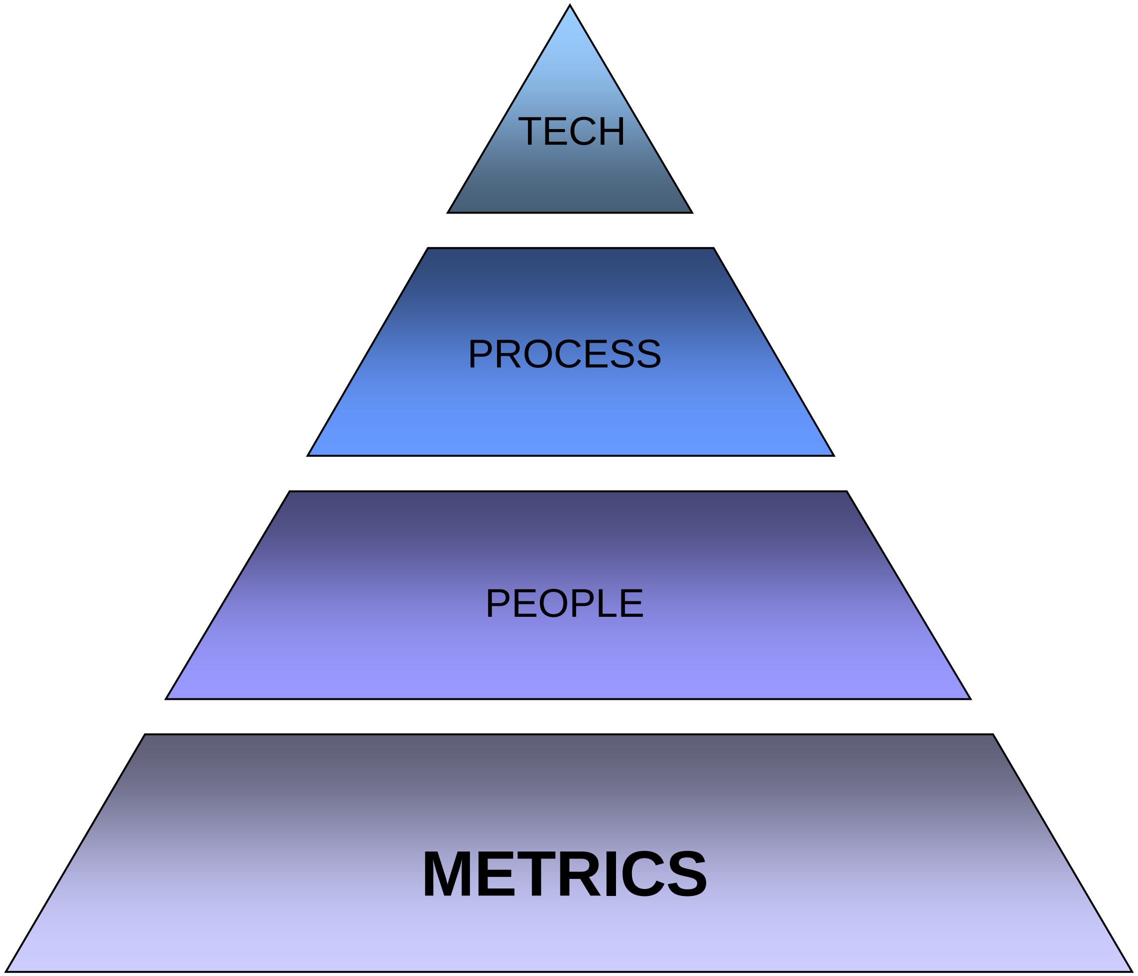
- Service consistently exceeds customer expectations
  - Result is high levels of Customer Satisfaction
  - Top Quartile Customer Satisfaction
- Costs are managed at or below industry average levels
  - Cost per Ticket below average
  - Bottom quartile Cost per Ticket
- Service and Support follow industry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

Process Drives Performance!


Strategy
Human Resources
Process
Technology
Performance Measurement
Stakeholder Communication
Customer Enthusiasm

Model Component	Definition
Strategy	Defining Your Charter and Mission
Human Resources	Proactive, Life-cycle Management of Personnel
Process	Expeditious Delivery of Customer Service
Technology	Leveraging People and Processes
Performance Measurement	A Holistic Approach to Performance Measurement
Stakeholder Communication	Proactively Managing Stakeholder Expectations

METRICS: An Even More Fundamental Building Block!

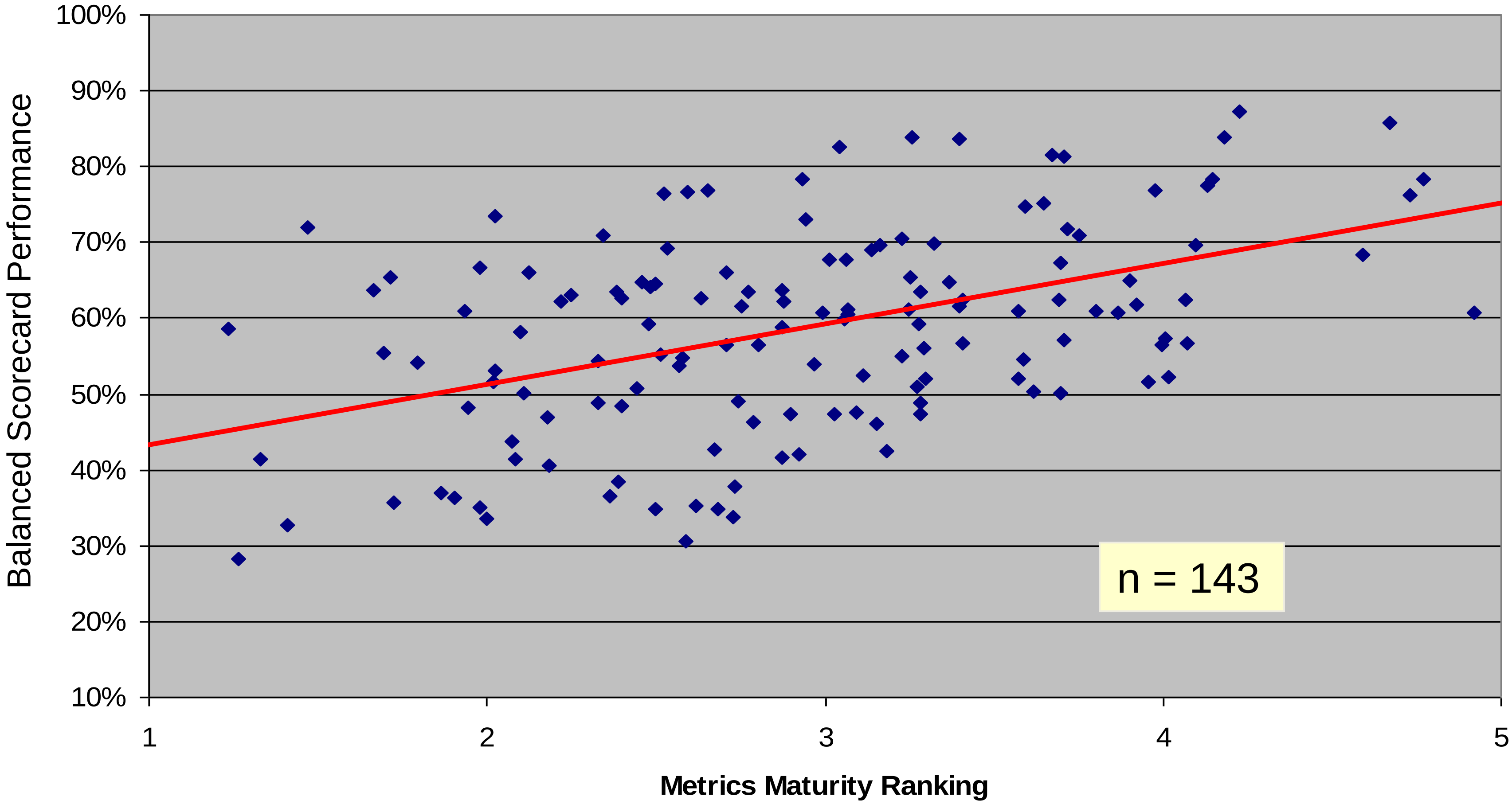

TECH

PROCESS

PEOPLE

METRICS

The Evidence for Metrics as a Foundation Block



Some Important Questions to Ask About KPIs

- Have You Leveraged KPIs for World-Class Performance?
- Do You Use Metrics to Continuously Improve?
- Do You Use Metrics Prescriptively?
- Do You Use Metrics Diagnostically?
- Do You Understand KPI Cause-and-Effect?
- Do You Set Performance Targets with KPIs?
- Can you Define Your KPI’s?
- Do You Use Metrics for Reporting?
- Do You Have KPIs?

The Dilemma with Service and Support KPIs

Have You Leveraged KPIs for World-Class Performance?	5 %
Do You Use Metrics to Continuously Improve?	10 %
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Do You Set Performance Targets with KPIs?	60%
Can you Define Your KPI’s?	80%
Do You Use Metrics for Reporting?	90%
Do You Have KPIs?	100%

Increasing Value!

Turbocharge Your Metrics with Benchmarking!

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Increasing Value!

Some Common Service Desk KPI’s

Cost

- Cost per Ticket
- First Level Resolution Rate

Quality

- Customer Satisfaction
- Call Quality
- First Contact Resolution Rate

Productivity

- Tickets 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
- Mean Time to Resolve

Call Handling

- Contact Handle Time
- User Self-Help Rate
- IVR completion Rate
- Percent of calls transferred

And there are hundreds more!!

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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

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

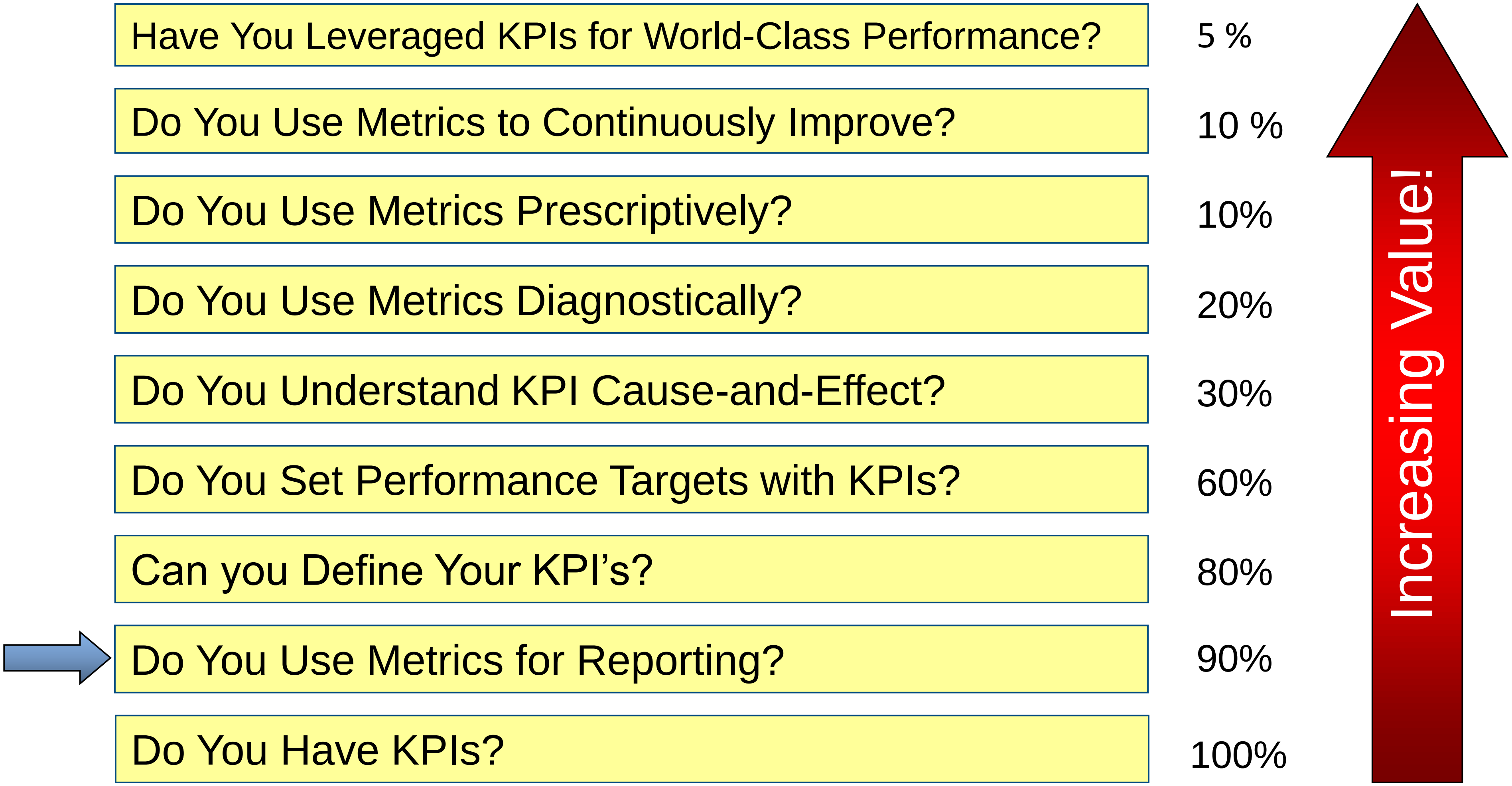
- Tickets per Seat per Month
- Incidents per Seat per Month
- Service Requests per Seat per Month
- Incidents as a % of Total Ticket Volume

And there are hundreds more!!

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

Turbocharge Your Metrics with Benchmarking!



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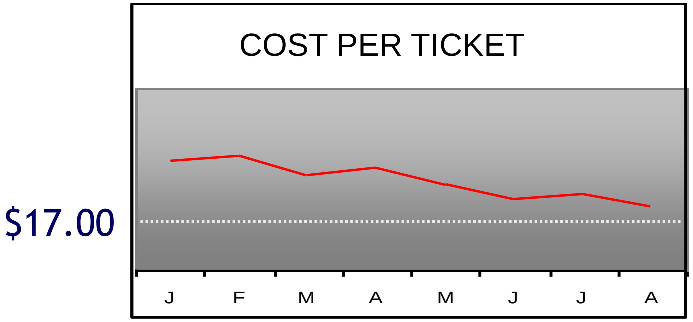
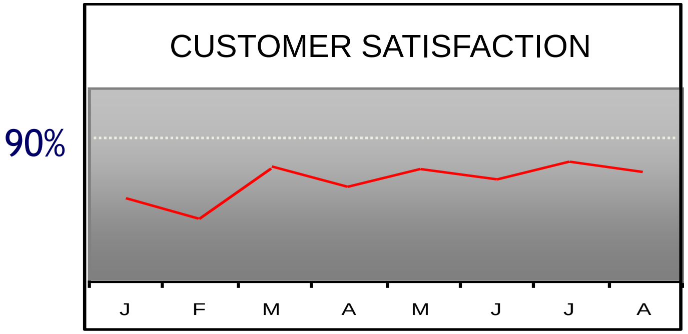
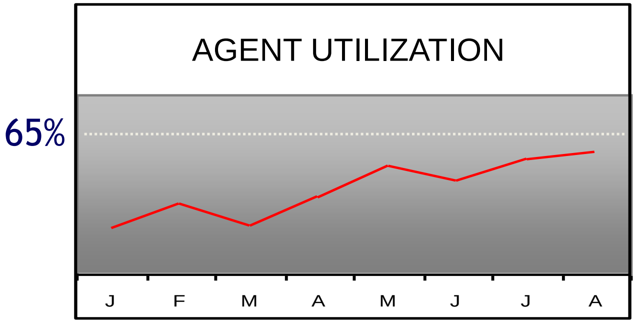
Increasing Value!

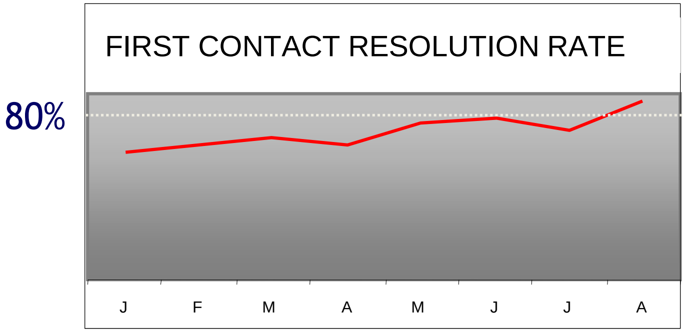
Reporting: A Good Start

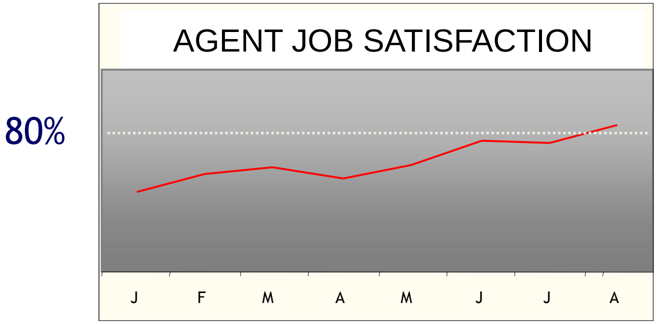
CONNECTING THE WORLD OF TECHNICAL SUPPORT

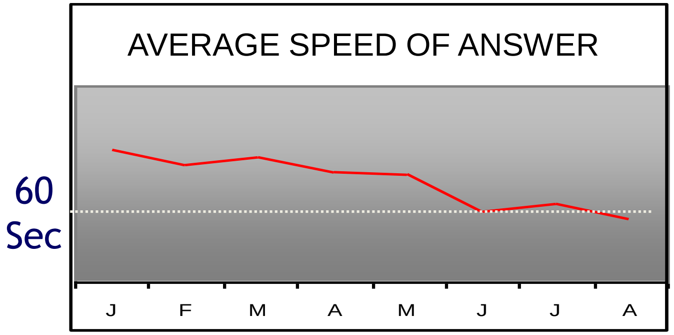












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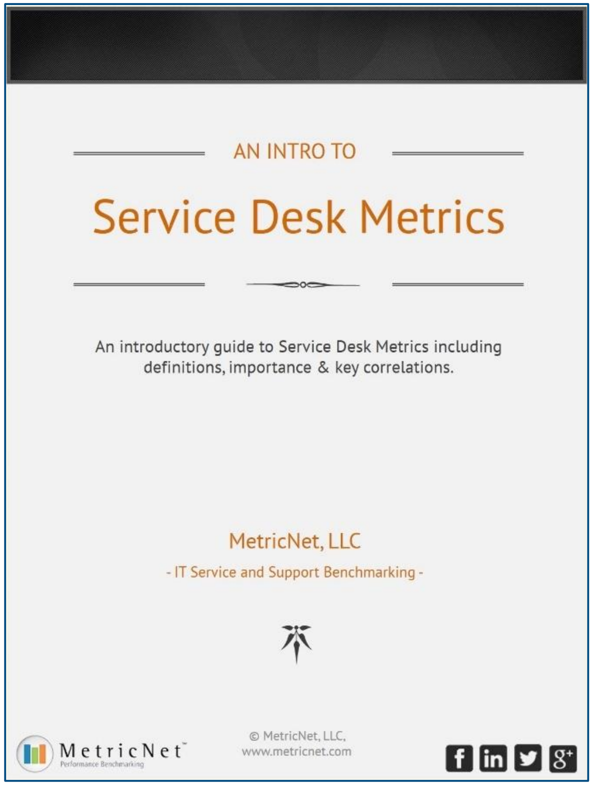
Increasing Value!

Download eBooks of KPI Definitions



AN INTRO TO

Service Desk Metrics

An introductory guide to Service Desk Metrics including definitions, importance & key correlations.

MetricNet, LLC

- IT Service and Support Benchmarking -

MetricNet™ Performance Benchmarking

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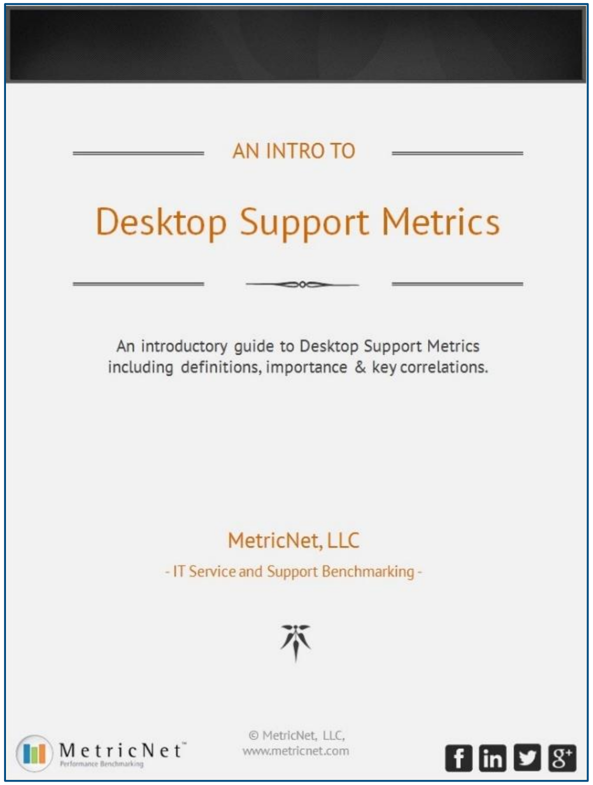

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↑ Increasing Value!

2016 Service Desk Benchmarking Summary

CONNECTING THE WORLD OF TECHNICAL SUPPORT

Metric Type	Key Performance Indicator (KPI)	Peer Group Statistics			
		Average	Min	Median	Max
Cost	Cost per Inbound Contact	$22.15	$5.05	$15.69	$83.16
	Cost per Minute of Inbound Handle Time	$2.22	$0.93	$1.82	$6.77
	Net Level 1 Resolution Rate	87.3%	63.8%	89.1%	98.3%
Productivity	Agent Utilization	46.3%	30.4%	46.8%	67.9%
	Inbound Contacts per Agent per Month	413	122	383	985
	Outbound Contacts per Agent per Month	280	0	246	720
	Agents as a % of Total Headcount	75.3%	59.5%	76.0%	91.0%
Service Level	Average Speed of Answer (seconds)	52	14	34	156
	% of Calls Answered in 30 Seconds	61.6%	13.4%	68.8%	92.7%
	Call Abandonment Rate	5.7%	1.1%	3.8%	17.6%
Quality	Customer Satisfaction	83.1%	58.6%	85.2%	98.9%
	Net First Contact Resolution Rate	73.8%	52.6%	74.0%	93.8%
	Call Quality	87.0%	51.5%	90.5%	99.3%
Agent	Annual Agent Turnover	37.2%	4.8%	35.2%	87.0%
	Daily Agent Absenteeism	9.2%	1.2%	8.6%	18.8%
	Agent Occupancy	69.5%	45.6%	71.1%	86.3%
	Agent Schedule Adherence	85.5%	71.3%	86.5%	94.9%
	New Agent Training Hours	171	49	159	358
	Annual Agent Training Hours	28	0	18	136
	Agent Tenure (months)	40.0	12.6	33.1	98.7
	Agent Job Satisfaction	72.8%	57.4%	73.4%	96.3%
Contact Handling	Inbound Contact Handle Time (all contacts) (minutes)	8.83	5.21	8.62	16.99
	Outbound Contact Handle Time	3.85	0.00	3.82	11.27
	Inbound Contacts as a % of Total Contacts	62.3%	26.4%	60.9%	100.0%
	Outbound Contacts as a % of Total Contacts	37.6%	0.0%	39.0%	73.5%
	User Self-Service Completion Rate	9.6%	0.0%	5.8%	41.4%

North American Performance Quartiles

	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
Cost per Inbound Contact	< $12.01	$12.01 - $15.69	$15.69 - $24.97	> $24.97
Customer Satisfaction	> 94.0%	94.0% - 85.2%	85.2%-76.3%	< 76.3%
Agent Utilization	> 52.0%	52.0% - 46.8%	46.8% - 39.5%	< 39.5%
Net First Contact Resolution Rate	> 80.3%	80.3% - 74.0%	74.0% - 68.3%	< 68.3%
Agent Job Satisfaction	> 77.1%	77.1% - 73.4%	73.4% - 66.4%	< 66.4%
Average Speed of Answer (seconds)	< 21	21 – 34	34 – 82	> 82
Service Desk Balanced Score	> 66.0%	66.0% – 55.0%	55.0% - 47.0%	< 47.0%
	Best Performers			Worst Performers

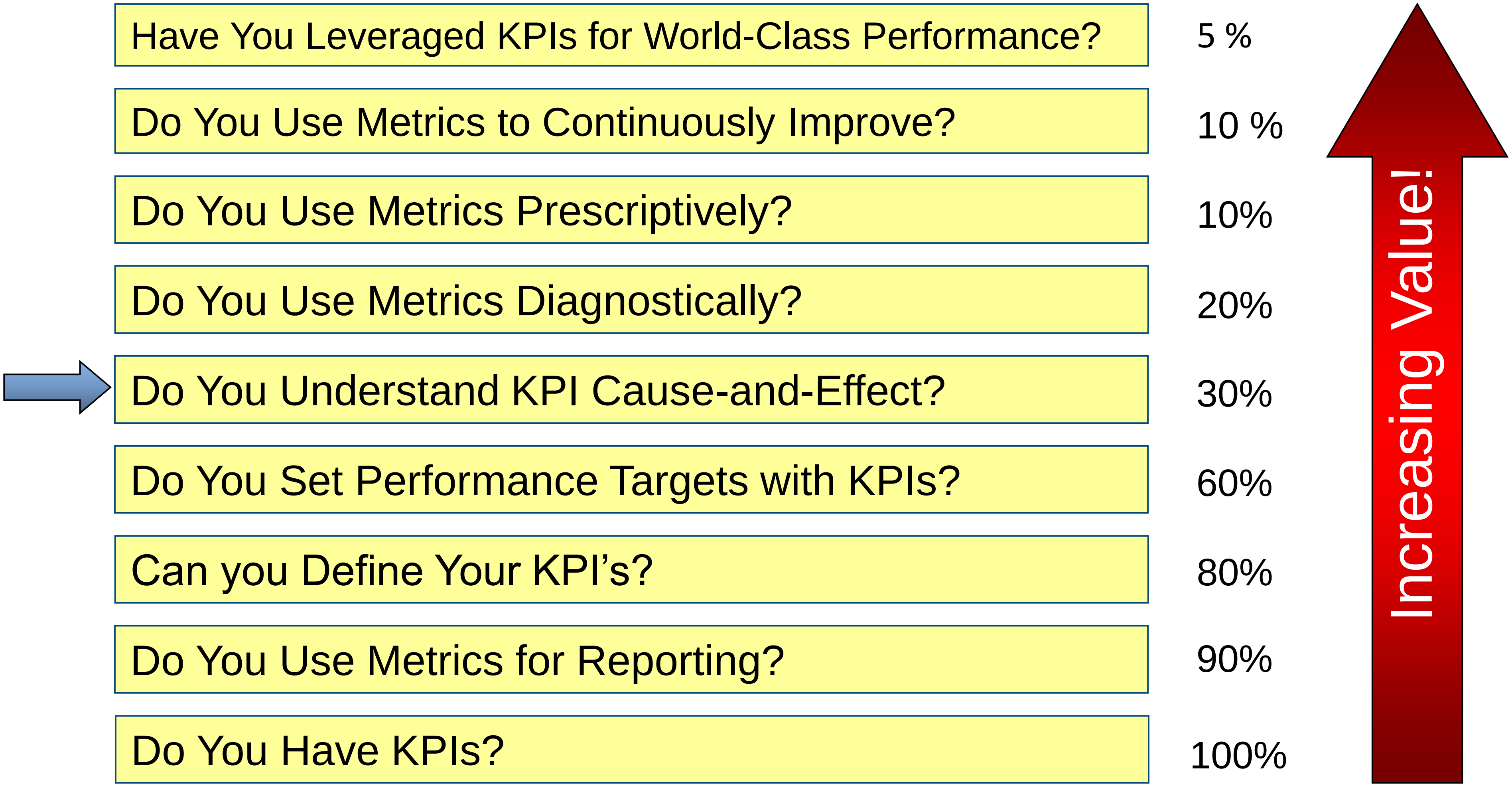
Service Desk Performance Targets

Performance Metric	Your Performance	Target Performance
Cost per Ticket	$27.18	**$22.00**
Customer Satisfaction	83.1%	**92.0%**
Agent Utilization	42.7%	**52.0%**
Net First Contact Resolution Rate	73.8%	**85.0%**
Agent Job Satisfaction	66.3%	**80.0%**
Average Speed of Answer (seconds)	88	**45**
Service Desk Balanced Score	44.9%	**81.2%**

Individual Performance Targets

Performance Metric	**Agent Performance**	**Target Performance**
Tickets Handled per Month	413	**450**
Customer Satisfaction by Agent	91.9%	**94.0%**
First Contact Resolution by Agent	77.7%	**85.0%**
Monthly Contributions to Kbase	0	**5**
Leadership	1	**4**
Initiative	3	**4**
Agent Balanced Score	46.4%	**69.8%**

Turbocharge Your Metrics with Benchmarking!



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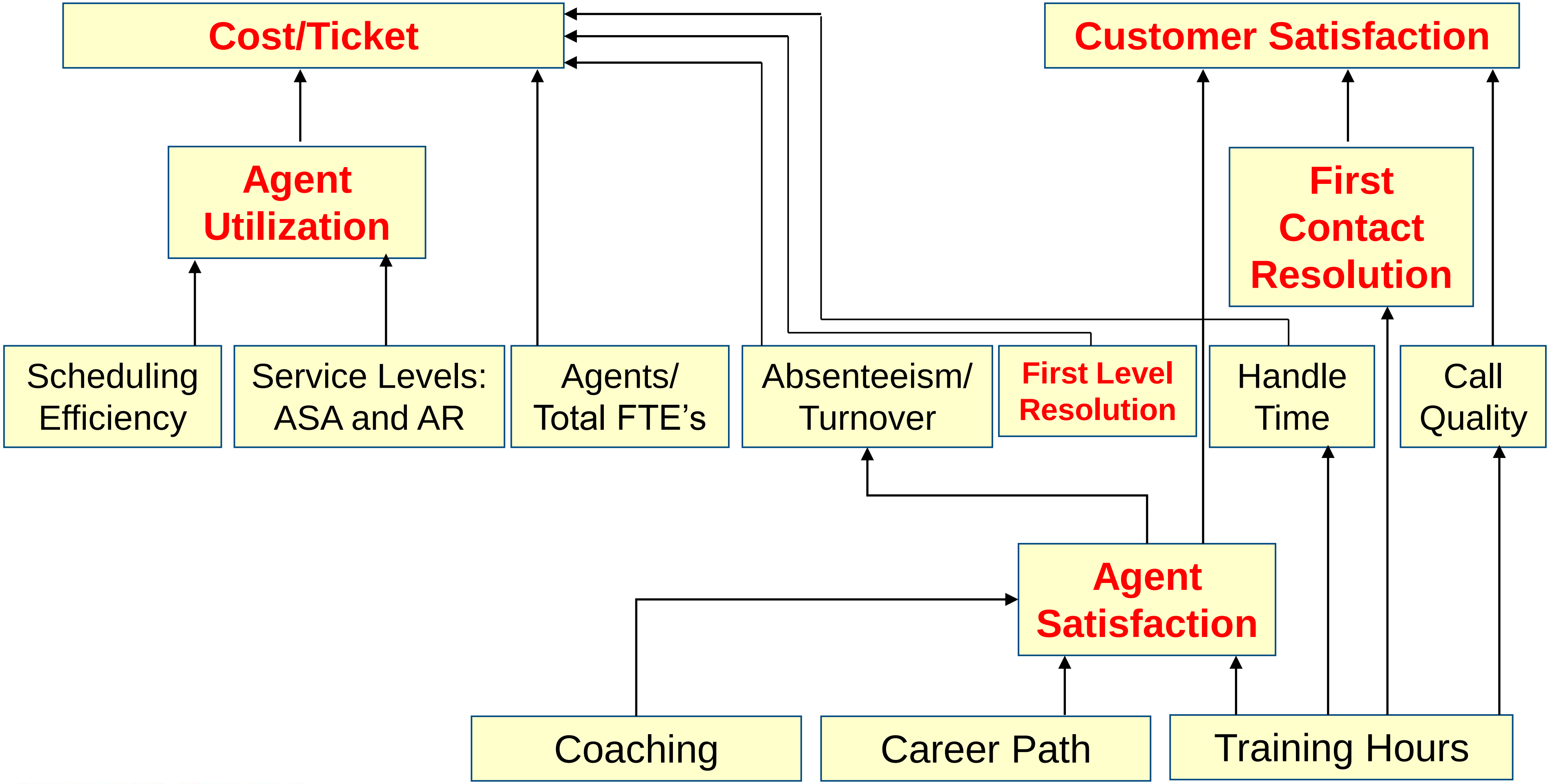
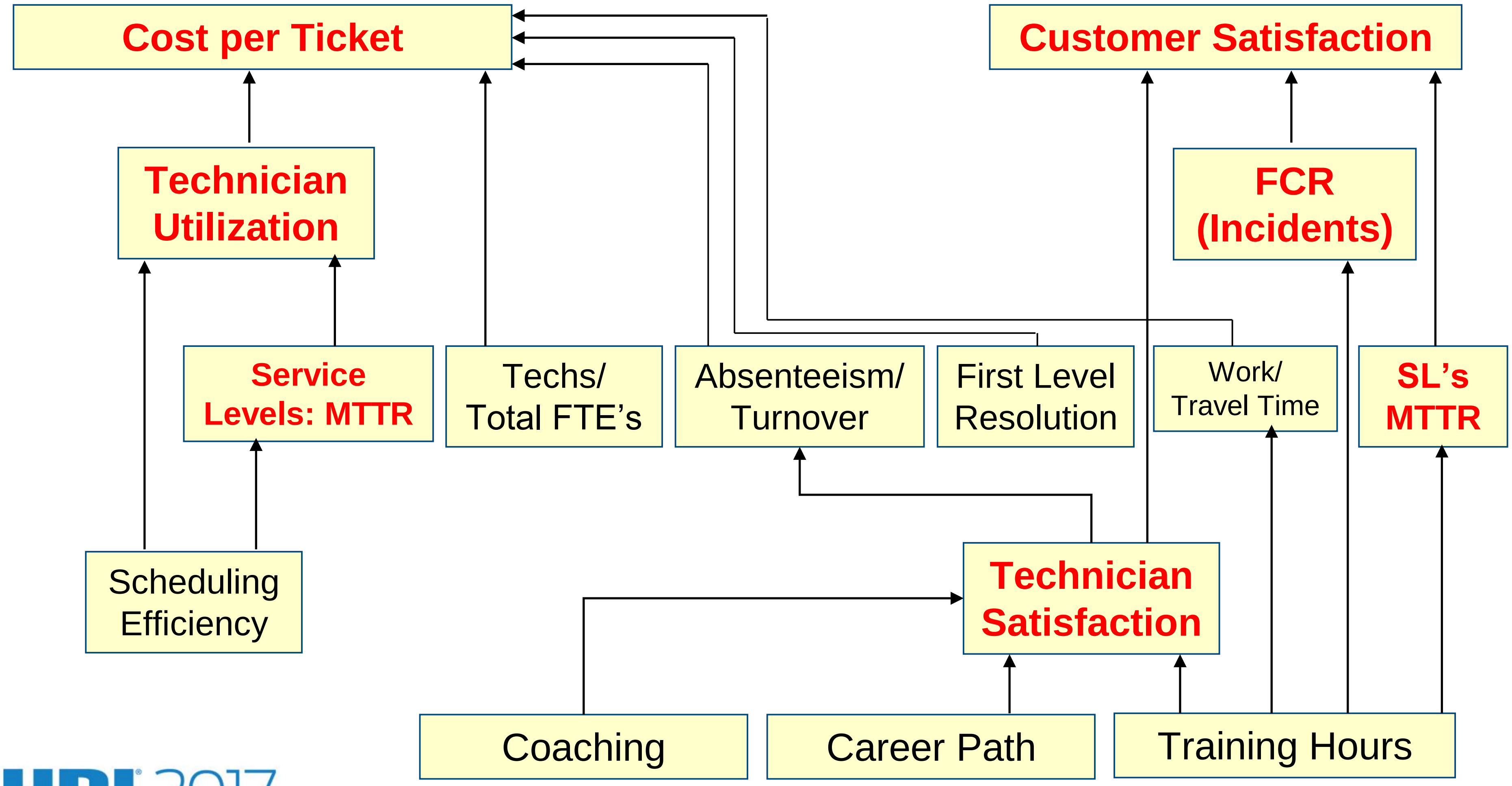
Important Service Desk KPI Correlations



Cost/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

Important Desktop Support KPI Correlations



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

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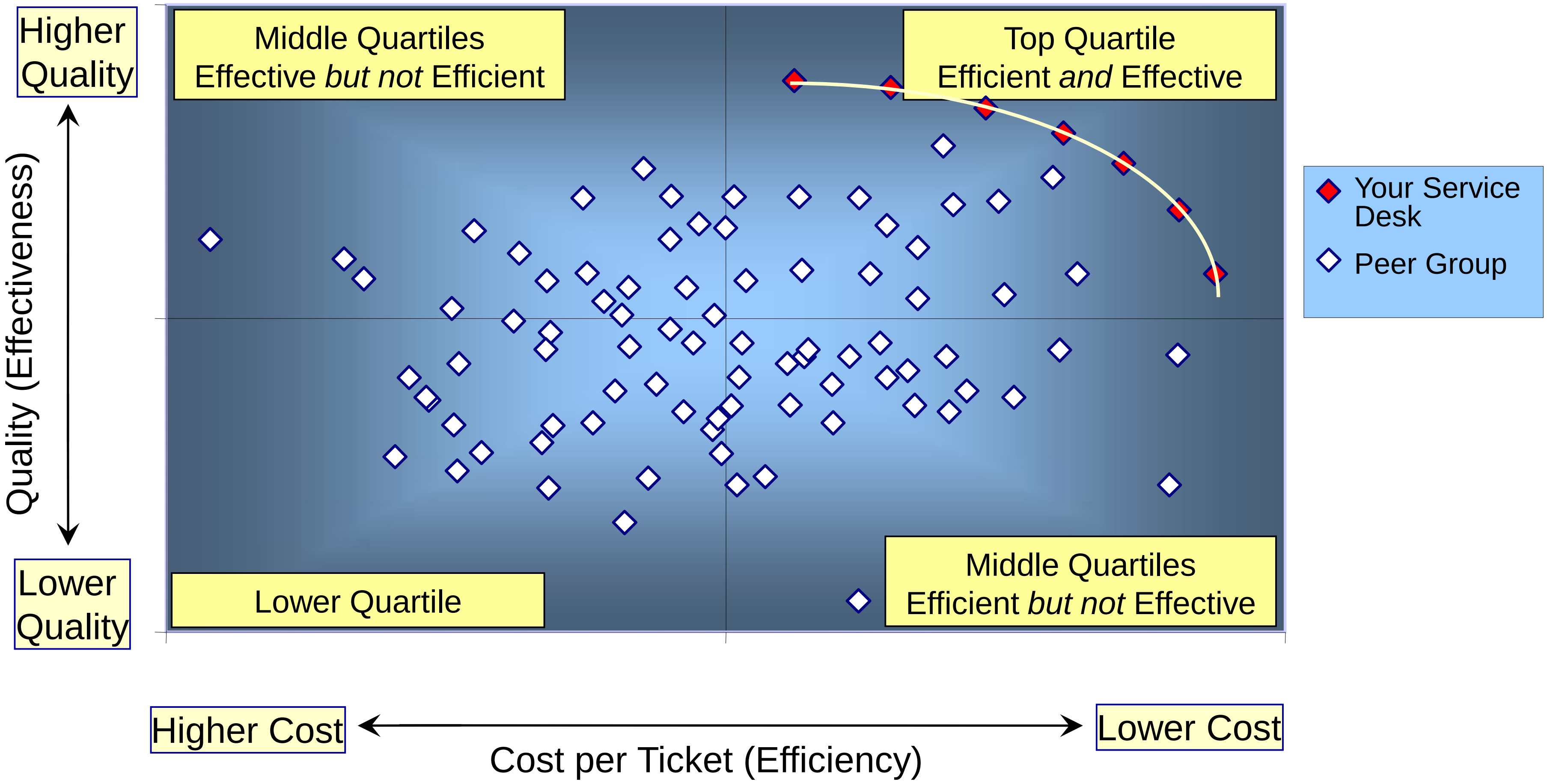
Increasing Value!

The Foundation Metrics: Cost and Quality



The Service Desk Balanced Scorecard

Performance Metric	Metric Weighting	Performance Range		Your Actual Performance	Metric Score	Balanced Score
		Worst Case	Best Case			
Cost per Ticket	25.0%	$46.23	$12.55	$37.10	27.1%	6.8%
Customer Satisfaction	25.0%	56.2%	98.4%	98.4%	100.0%	25.0%
First Contact Resolution Rate	15.0%	43.8%	91.7%	67.2%	48.9%	7.3%
Agent Utilization	15.0%	25.4%	63.9%	25.4%	0.0%	0.0%
Agent Job Satisfaction	10.0%	57.0%	89.3%	78.9%	67.8%	6.8%
Average Speed of Answer (ASA) (seconds)	10.0%	327	18	28	96.8%	9.7%
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

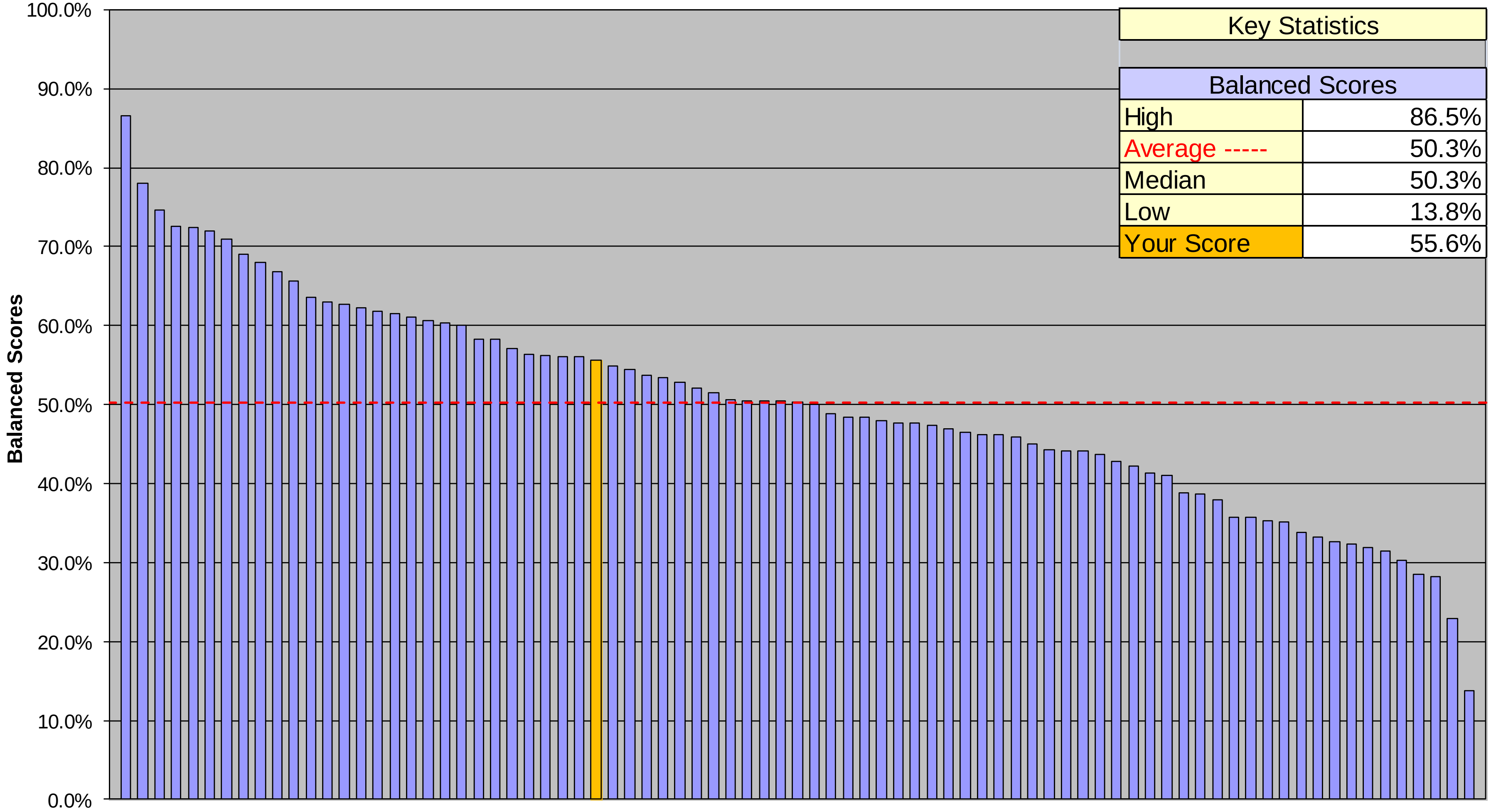
Step 5

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

Step 6

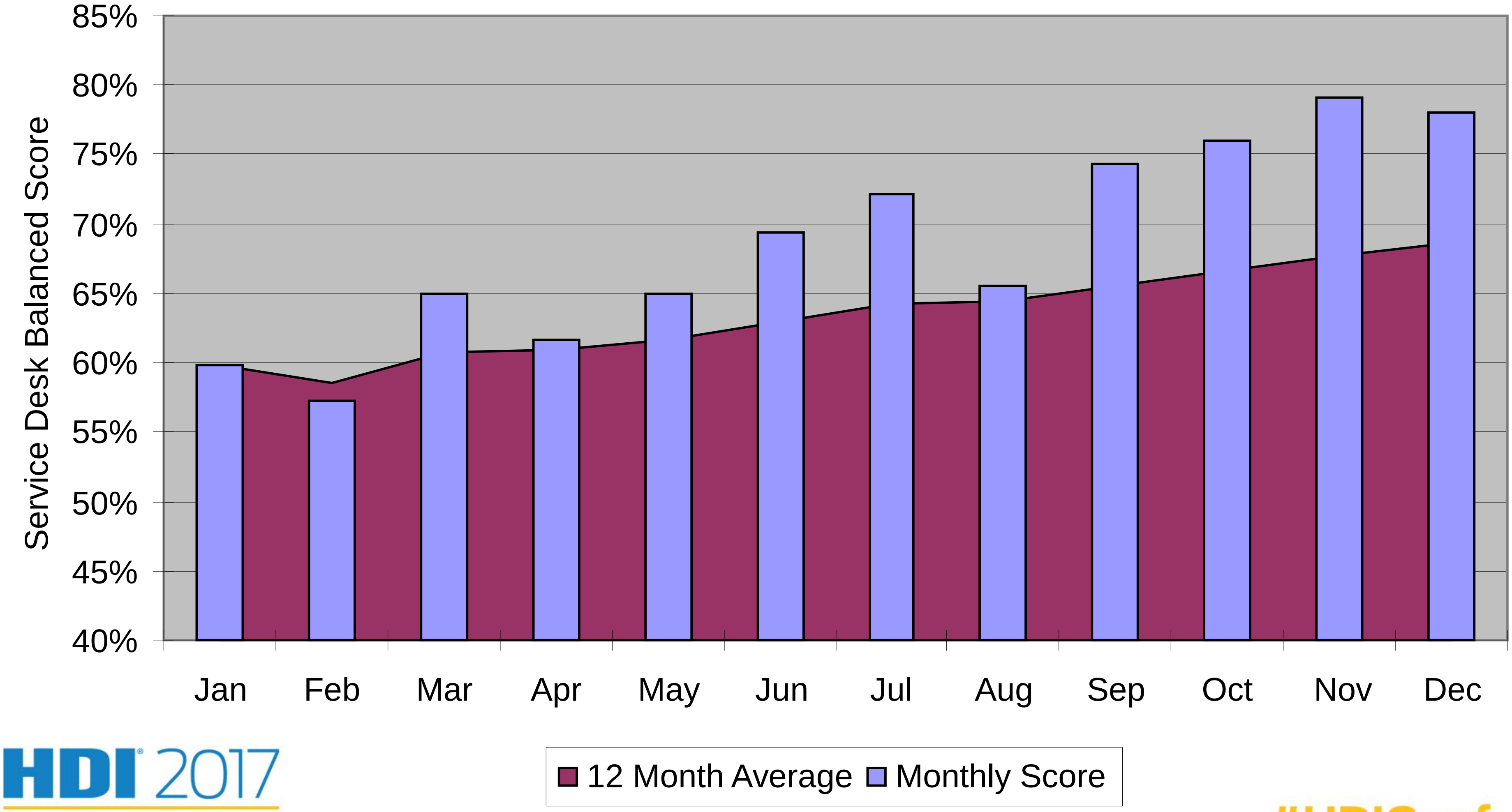
Your balanced score for each metric is calculated: metric score X weighting

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 Service Desk Performance Trend



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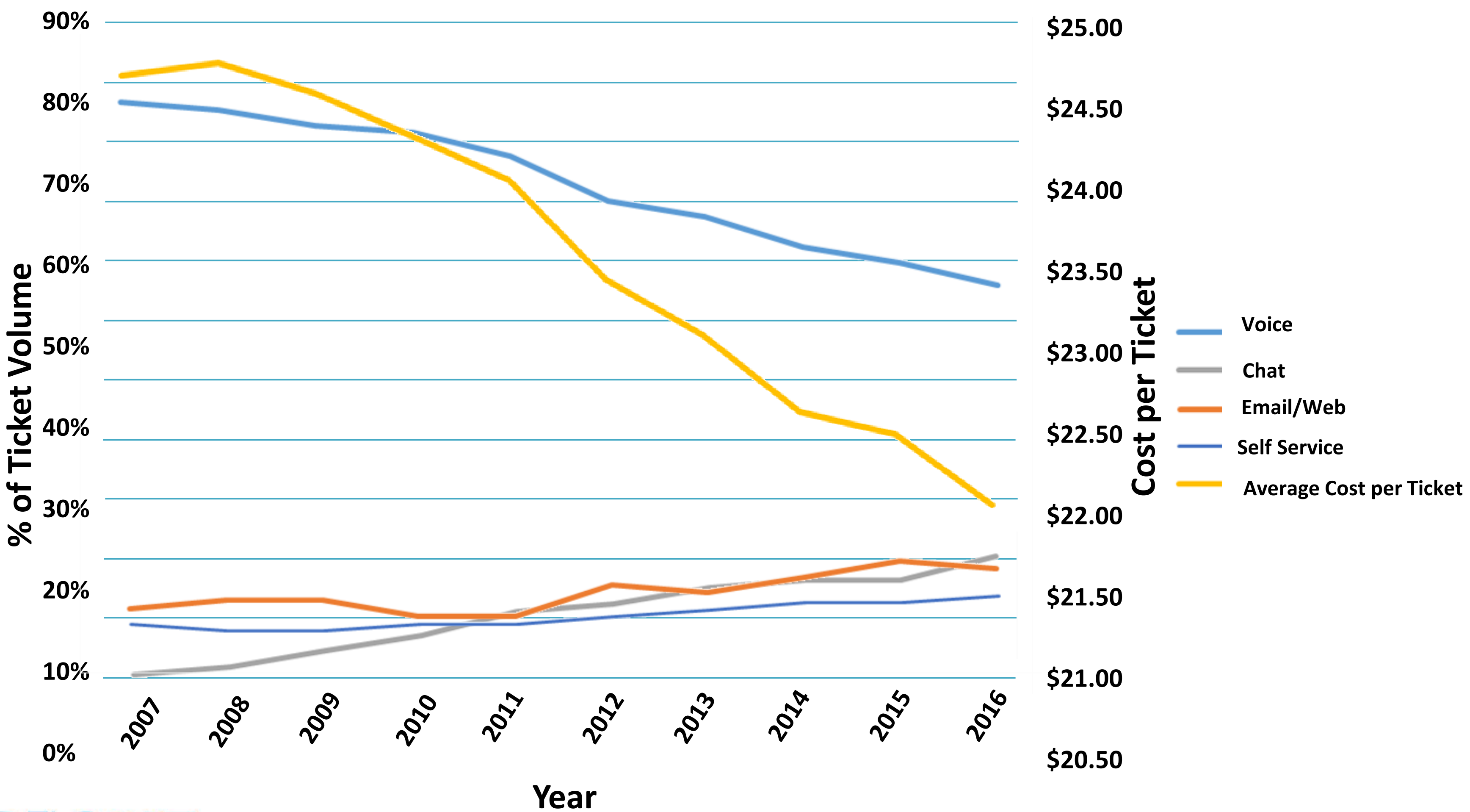
Increasing Value!

Shift Left Reduces Total Cost of Ownership

Support Level

-1	0	1	2	3	Field	Vendor
$0	$2	$22	$69	$104	$221	$599
Incident Prevention	Self Help	Service Desk	Desktop Support	IT Support	Field Support	Vendor Support

Contact Deflection into Lower Cost Channels



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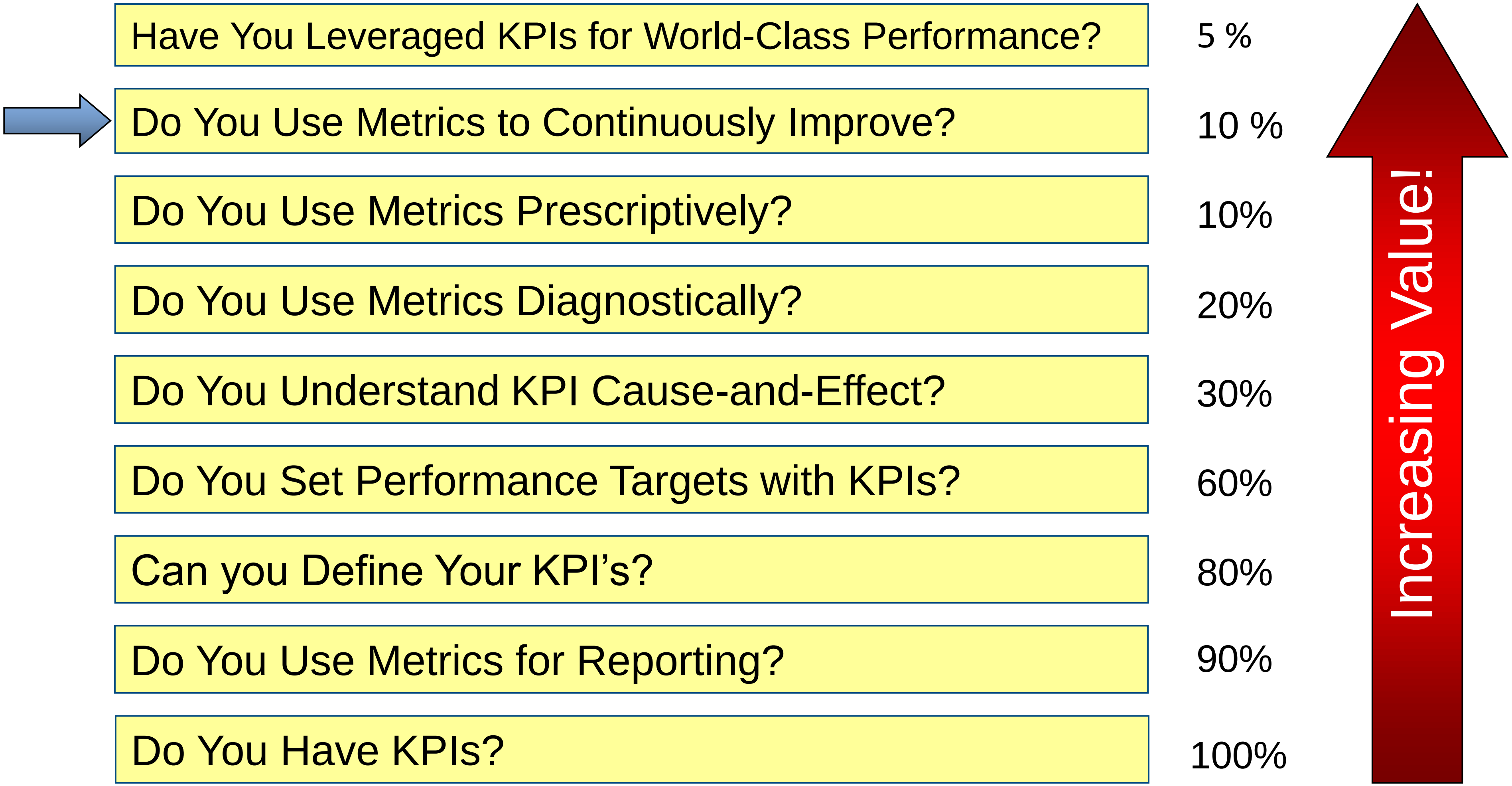

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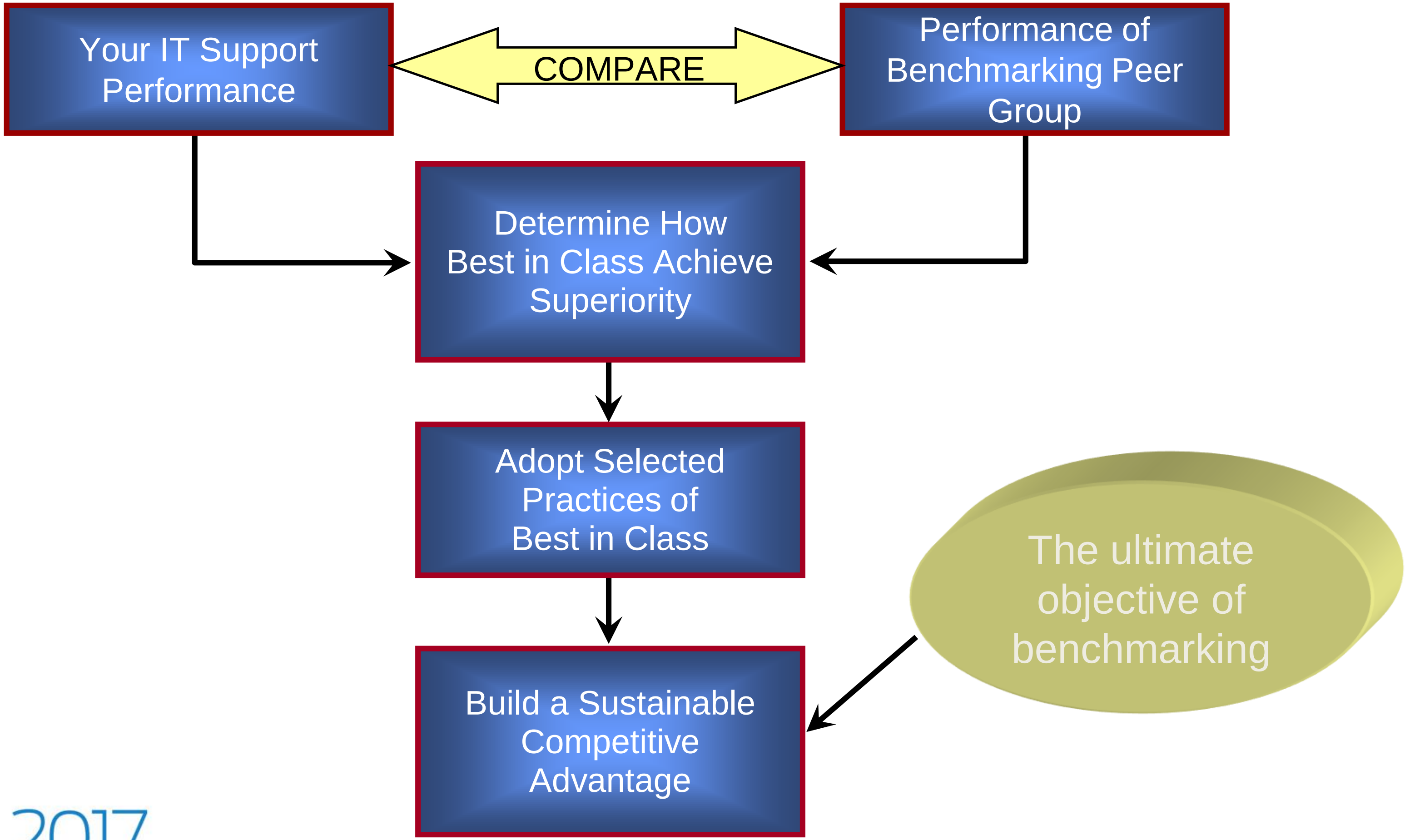
The Role of Benchmarking

There is a 1:1 Correspondence Between Benchmarking and World-Class Performance.

Yet fewer than 20% of all IT support groups engage in benchmarking!

The Benchmarking Methodology



Your IT Support Performance

COMPARE

Performance of Benchmarking Peer Group

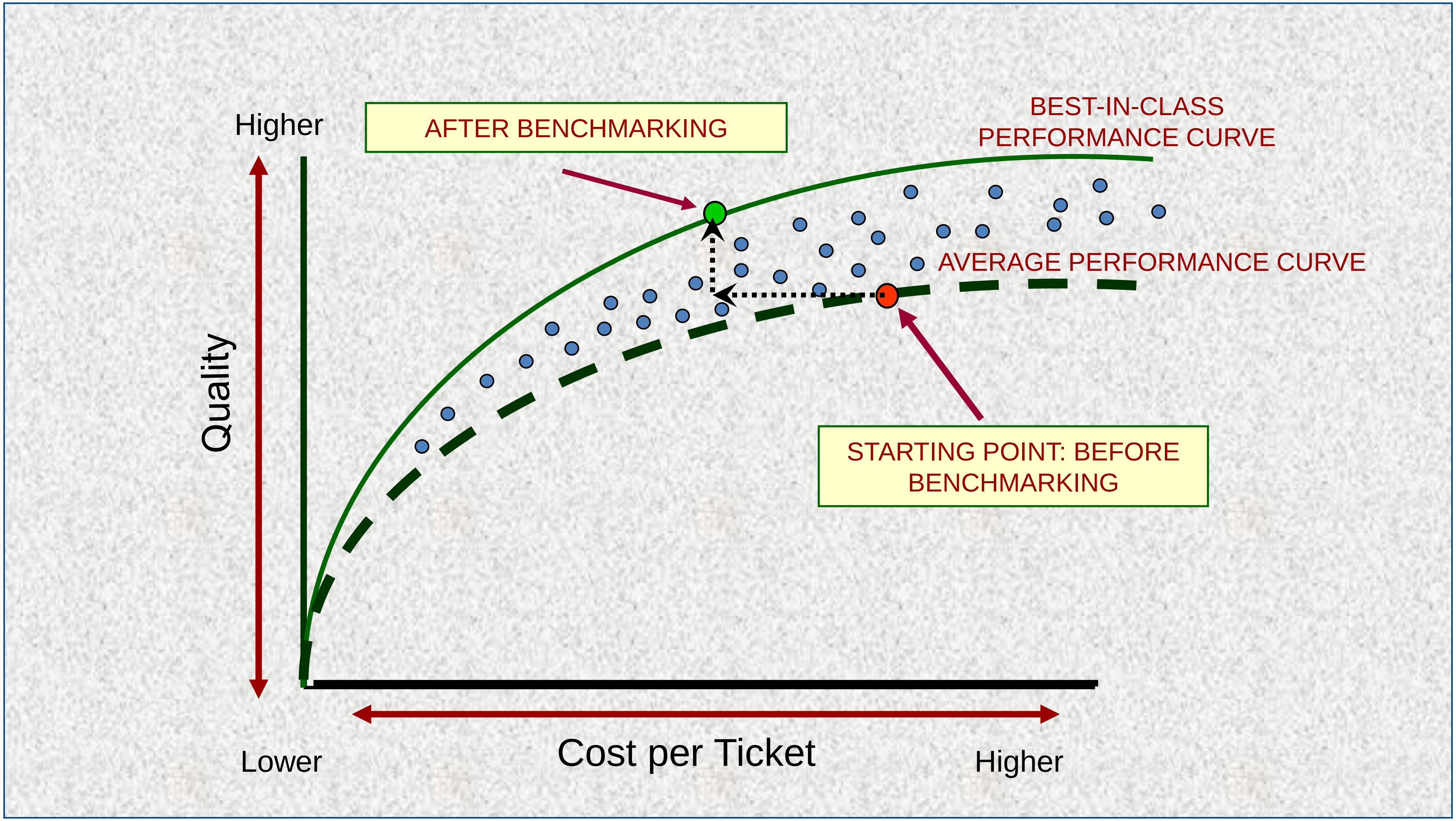
Determine How Best in Class Achieve Superiority

Adopt Selected Practices of Best in Class

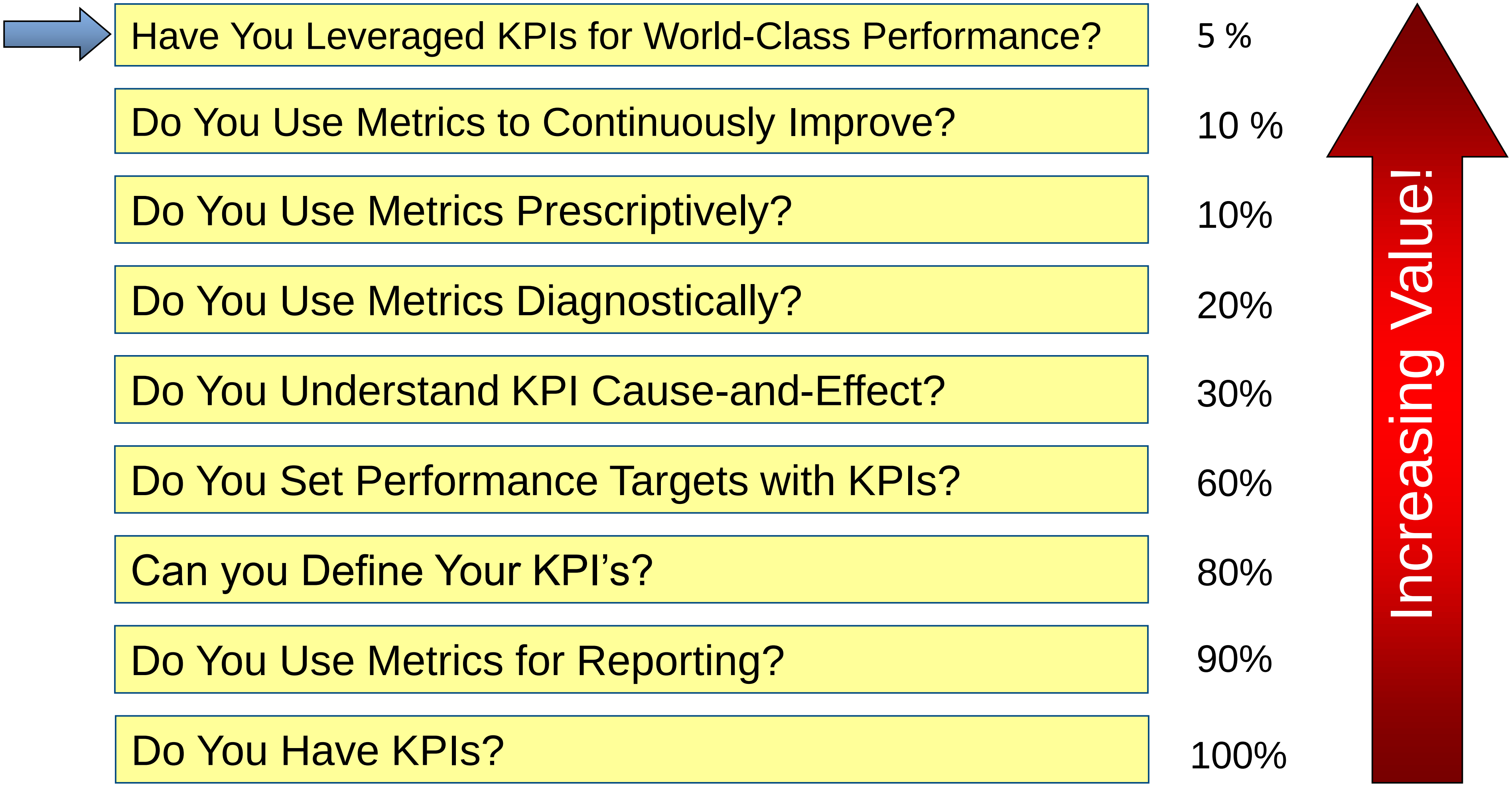
Build a Sustainable Competitive Advantage

The ultimate objective of benchmarking

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

Turbocharge Your Metrics with Benchmarking!



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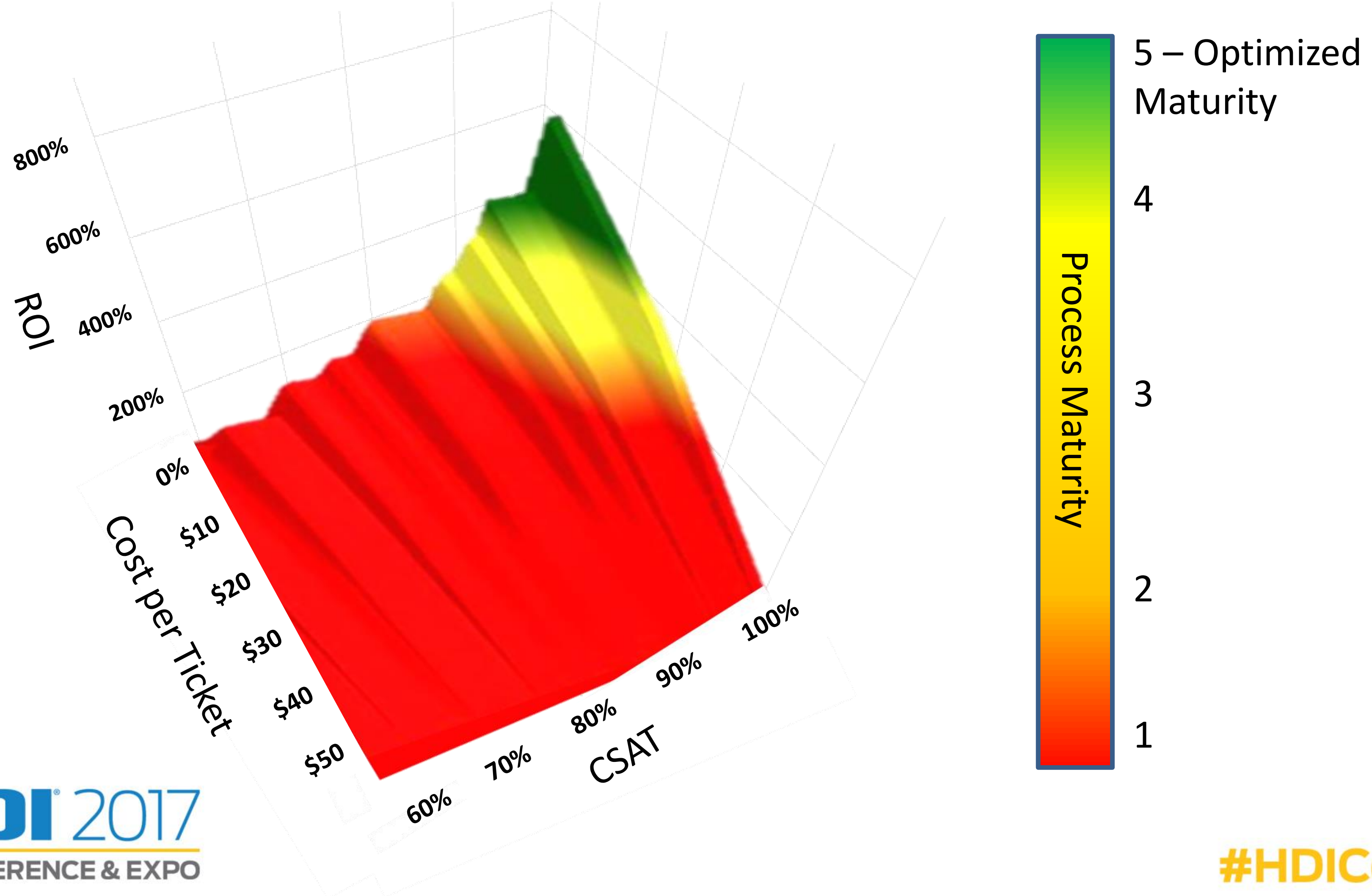
- Service and Support follow industry best practices
  - Practices and Procedures are well defined and well documented
  - Service and Support follows industry best practices
- Every transaction adds value
  - A positive customer experience
  - Creates ROI > 100%

Characteristics of an Optimized Support Organization

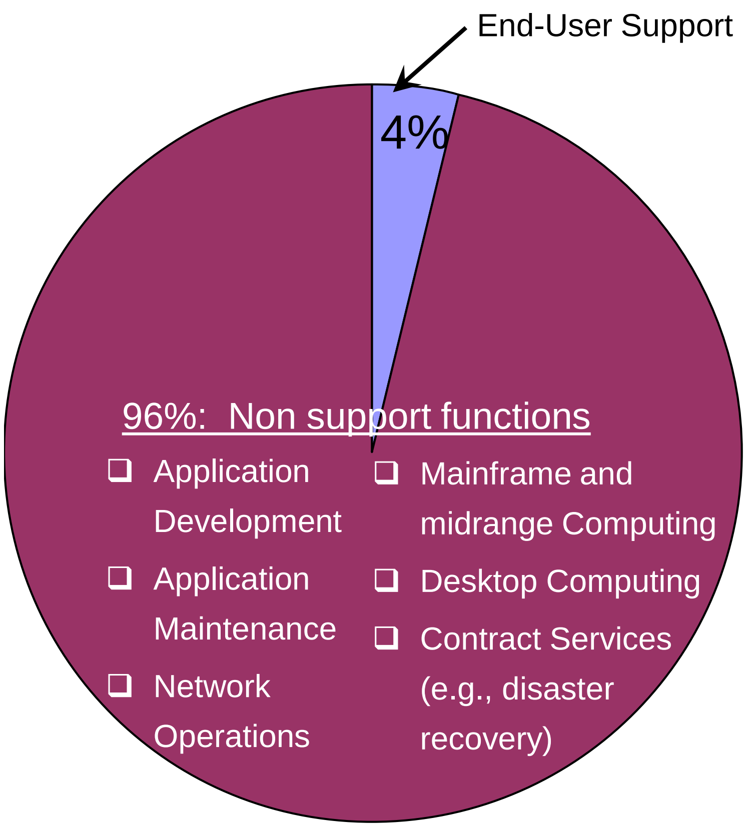


The Opportunity For Service and Support KPIs

Have You Leveraged KPIs for World-Class Performance?	5 %
Do You Use Metrics to Continuously Improve?	10 %
Do You Use Metrics Prescriptively?	10%
Do You Use Metrics Diagnostically?	20%
Do You Understand KPI Cause-and-Effect?	30%
Do You Set Performance Targets with KPIs?	60%
Can you Define Your KPI’s?	80%
Do You Use Metrics for Reporting?	90%
Do You Have KPIs?	100%

Increasing Value!

The Paradox of IT Support



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

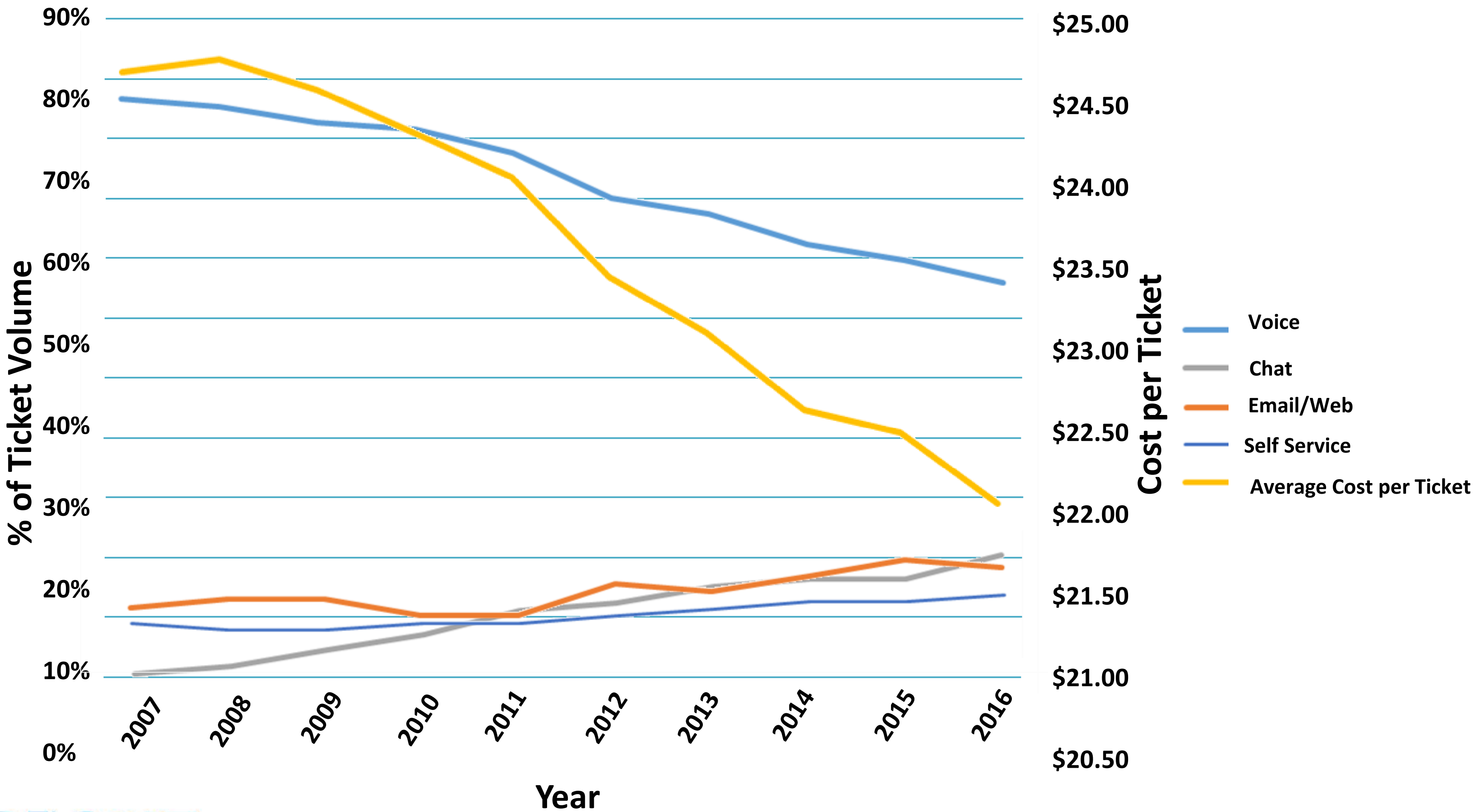
- Less than 5% of all IT spending is allocated to end-user support
  - Service desk, desktop support, field support
- This leads many to erroneously assume that there is little upside opportunity in IT support
- The result is that most support organizations are managed with the goal of minimizing costs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

Shift Left Reduces Total Cost of Ownership

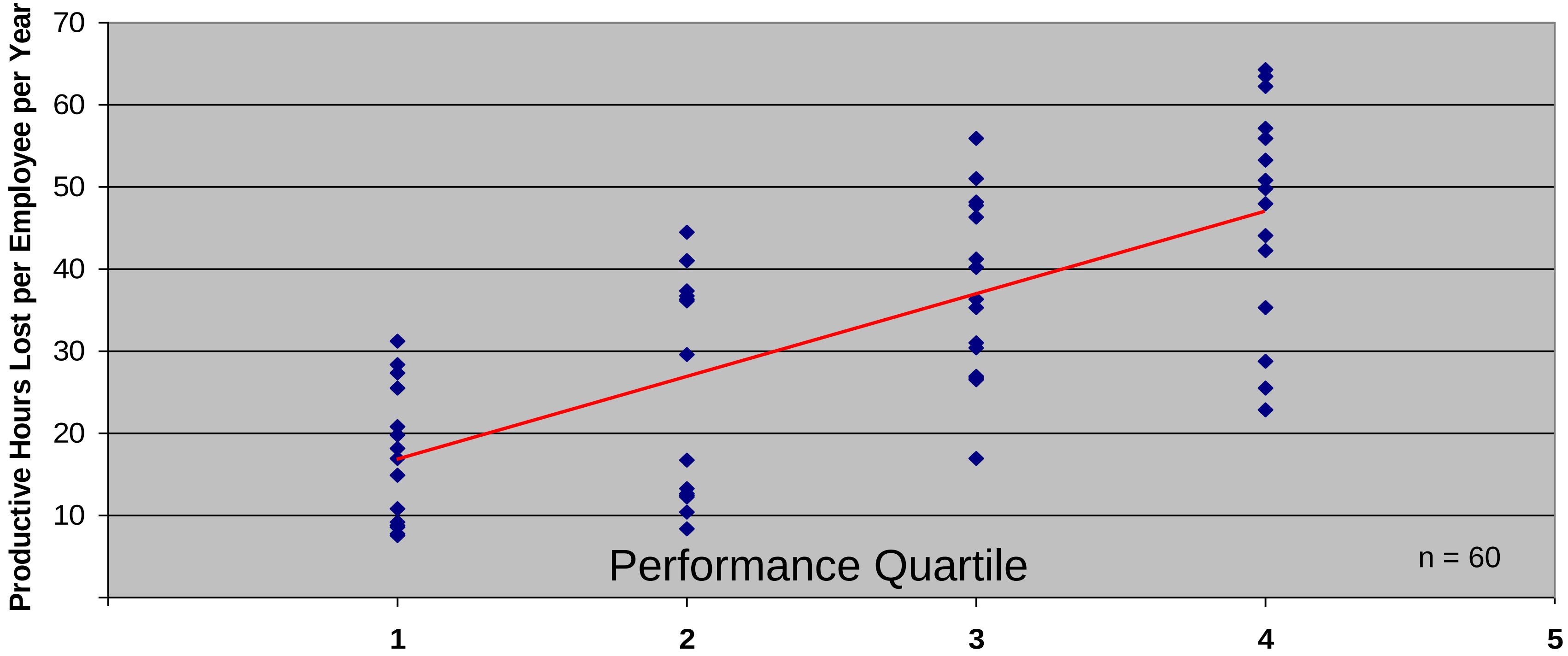
Support Level

-1	0	1	2	3	Field	Vendor
$0	$2	$22	$69	$104	$221	$599
Incident Prevention	Self Help	Service Desk	Desktop Support	IT Support	Field Support	Vendor Support

Contact Deflection into Lower Cost Channels

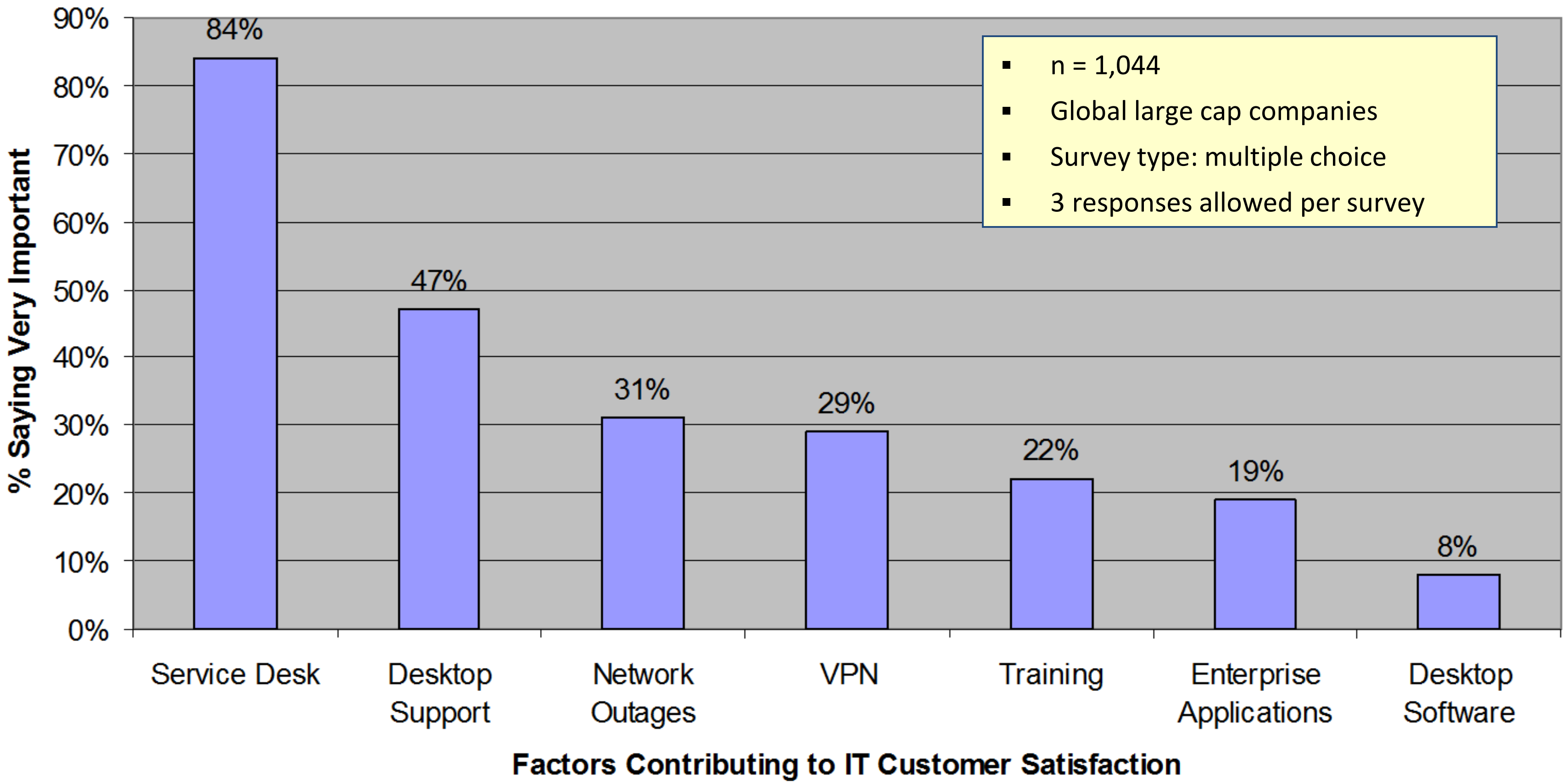


Quality of Support Drives Productivity



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

Service and Support Drives Customer Satisfaction for *All* of IT



- 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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THANK YOU!

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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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