Metric of the Month: The Service Desk Balanced Scorecard

By Jeff Rumburg

Every month, in the Industry Insider, I highlight one key performance indicator (KPI) for the service desk or desktop support. I define the KPI, provide recent benchmarking data for the metric, and discuss key correlations and cause/effect relationships for the metric. The purpose of the column is to familiarize you with the KPIs that really matter to your support organization, and to provide actionable insight on how to leverage these KPIs to improve your performance.

This month we depart from our usual format. Instead of discussing a single metric, I will explain how a handful of critical metrics can be combined to create a single, overall indicator of service desk performance. We call this the service desk balanced scorecard.

The Service Desk Balanced Scorecard

Today's service desk technologies and reporting packages make it easy to capture copious amounts of performance data. Most service desk managers can tell you everything from last month's average speed of answer to yesterday's average handle time. But what does it all mean? If my abandonment rate goes up but my cost per contact goes down, is that good or bad? Is my service desk performing better this month than it was last month?

Despite all of the data service desk managers have at their fingertips, most can't answer a very basic question: How is my service desk performing? The balanced scorecard resolves this dilemma by combining the most important service desk KPIs into a single, overall measure of service desk performance.

MetricNet's research shows that establishing an overall metric for your service desk is critical. We call this metric the balanced score because it truly does communicate a balanced picture of service desk performance.

The balanced scorecard is a mechanism that aggregates the most important service desk metrics—such as cost per contact and customer satisfaction—into a single all-inclusive measure of service desk performance. The value of this metric, when tracked over time, is that it enables a service desk to determine whether overall performance is improving or declining.
Oftentimes, when a service desk attempts to communicate its performance to other stakeholders in the business, particularly to laypeople who do not understand service desk operations, those people quickly become overwhelmed by the minutia of such measures as first contact resolution rate and speed of answer. Because they’re confused about how to interpret the results, they’re likely to focus in on one easy-to-understand metric, like speed of answer, and draw conclusions about overall service desk performance from this relatively unimportant metric. This is a classic case of missing the forest for the trees. It’s therefore absolutely critical to communicate the overall performance of the service desk, and the balanced scorecard does that for you.

Think of the balanced scorecard as the service desk’s letter grade for the month. In any given month, a service desk may see costs go up or customer satisfaction go down or speed of answer increase, but these individual measures take on a secondary level of importance because the balanced score provides a more complete and accurate picture of overall performance.

**Creating a Balanced Scorecard**

Creating a scorecard is a relatively straightforward process (Figure 1).

First, select the metrics you want to include in your scorecard; for example, cost per contact, customer satisfaction, agent utilization, first contact resolution rate, agent job satisfaction, and average speed of answer. Depending upon the metrics your service desk tracks, you may choose fewer metrics or a different mix of metrics for your scorecard. Second, establish a weighting for each metric based upon its relative importance in the scorecard. This is a judgment call, but we suggest overweighting cost and customer satisfaction, since these are the foundation metrics for service and support. Third, set a reasonable range of performance (worst case to best case) for each metric. These performance ranges are typically derived from a benchmark of your service desk. Fourth, enter your performance for each metric into the fifth column. Fifth, use the interpolation formula to calculate a score for each metric. Finally, multiply the metric weight by the metric score to determine the balanced score for each metric. Sum up the individual balanced scores and you have the total balanced score for your service desk.
In this particular example, the service desk balanced score is 62.1 percent. Your balanced score will always range from 0–100 percent (or, the worst possible performance for every metric in the scorecard to the best possible performance for every metric in the scorecard). As it turns out, the service desk in our example has scored quite well. When we run hundreds of service desks through this algorithm, we get a normal distribution centered right at 50 percent. Those that score above 61 percent are in the top quartile for overall performance; 50–61 percent, second quartile; 39–50 percent, third quartile; and 0–39 percent, bottom quartile.

**Figure 1: The Service Desk Balanced Scorecard**

<table>
<thead>
<tr>
<th>Performance Metric</th>
<th>Metric Weight</th>
<th>Performance Range</th>
<th>Your Performance</th>
<th>Metric Score</th>
<th>Balanced Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per inbound contact</td>
<td>25.0%</td>
<td>$20.50 – $7.09</td>
<td>$8.42</td>
<td>90.1%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>25.0%</td>
<td>63.1% – 96.7%</td>
<td>87.6%</td>
<td>72.9%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Technician utilization</td>
<td>15.0%</td>
<td>30.8% – 62.7%</td>
<td>54.9%</td>
<td>75.5%</td>
<td>11.3%</td>
</tr>
<tr>
<td>First contact resolution rate</td>
<td>15.0%</td>
<td>57.6% – 91.4%</td>
<td>57.6%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Technician job satisfaction</td>
<td>10.0%</td>
<td>53.3% – 99.0%</td>
<td>99.0%</td>
<td>100.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Calls answered in 30s (%)</td>
<td>10.0%</td>
<td>2.6% – 85.8%</td>
<td>2.6%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>62.1%</td>
</tr>
</tbody>
</table>

**STEP 1**: Select six critical performance metrics for the scorecard.  
**STEP 2**: Weight each metric according to its relative importance.  
**STEP 3**: Record the highest and lowest performance levels for each metric.  
**STEP 4**: Record the actual performance for each metric.  
**STEP 5**: Calculate the score for each metric using this interpolation equation:

\[
\frac{\text{Worst case} - \text{Actual performance}}{\text{Worst case} - \text{Best case}} \times 100
\]

**STEP 6**: Calculate the balanced score for each metric using the following equation:

\[
\text{Metric score} \times \text{Metric weight}
\]
Benchmarking Your Performance

The balanced scorecard is an ideal way to track, trend, and benchmark your service desk’s performance. Figure 2 illustrates one company’s service desk performance over a twelve-month period. The green bars in the chart represent the monthly balanced scores, while the orange background represents the twelve-month trailing trend in scorecard performance. Clearly, this service desk’s performance is improving!

Figure 2: Balanced Scorecard – Trend
Finally, the service desk balanced score can be used to benchmark your service desk on an apples-to-apples basis against other service desks. Figure 3 below shows how the service desk in our example compares to twenty-three other service desks in its benchmarking peer group.

**Figure 3: Balanced Scorecard – Benchmarking Comparison**

<table>
<thead>
<tr>
<th>Service Desk Scores: Key Stats</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
</tr>
<tr>
<td>Median</td>
</tr>
<tr>
<td>Low</td>
</tr>
<tr>
<td>Company XYZ</td>
</tr>
</tbody>
</table>

Average = 50.2%

Please join us for next month’s Metric of the Month, **agent occupancy**, a common service desk metric that’s sometimes mistaken for agent utilization.

*Jeff Rumburg is a managing partner and cofounder of MetricNet, LLC, the leading source of service desk and desktop support benchmarks for IT service professionals worldwide.*