Measuring and Making the Most of Metrics

The author of this report is SDI's Industry Analyst Scarlett Bayes. Scarlett is dedicated to providing insightful and practical research to the service desk industry through investigating trends, analysing data and engaging with the IT service community. You can find more of Scarlett's work on the SDI blog and can follow her on Twitter @SDIScarlett

Contents

Introduction

Metrics and reporting can be a significant asset for the service desk, as well the business, by allowing the service desk to monitor performance and measure service improvements. However, there are multiple factors that can reduce the efficacy and value of producing metrics reports. This report will explore what organizations are actually reporting on and how often, how they produce reports, and what they do with this data. This will enable us to understand whether the organizations could be reporting more efficiently and focus on how to gain the most value from metrics.

Part of this report also looks at how much value the business places on metrics, as well as how useful service desk professionals believe the metrics they measure are. There should be a good level of communication between the service desk and the business to understand what each party requires in terms of the measurement of metrics and what the service desks capabilities are. As beneficial and informative as measuring and monitoring performance metrics can be, it should never be to the detriment of the quality of service.

SDI's Global Best Practice Service Desk Standard places a great deal of importance on Managing Information and Performance Results; it carries the second highest weighting of all nine concepts within the Standard. Service desks which seek to achieve the highest level of maturity in this concept are required to measure 39 different metrics, and for each they must provide data against a relevant target for at least a year, show that the data is analyzed with commentary, and articulate the derived value. This may seem a formidable task, but it shows the importance of metrics and how valuable they can be for the service desk.
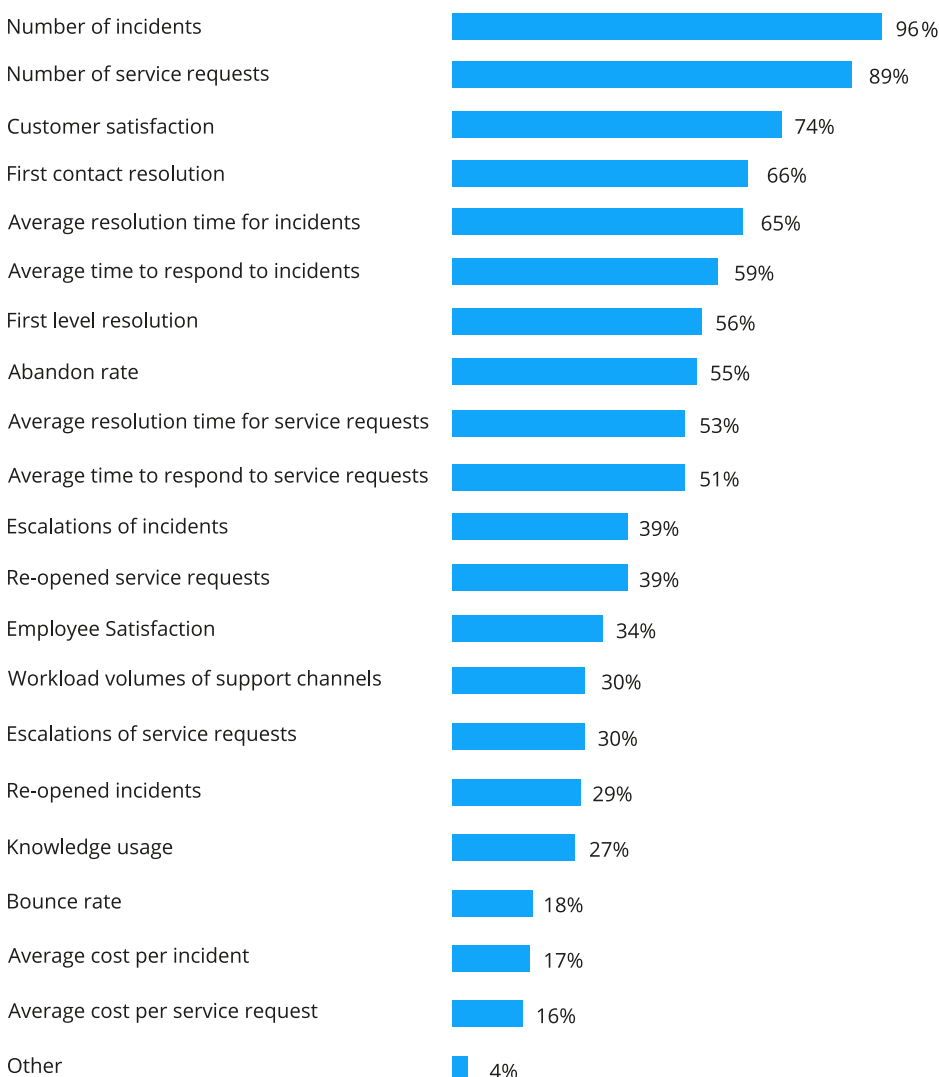
Measuring

Do you monitor service desk performance metrics?

Legend:
- Yes (10%)
- No (90%)
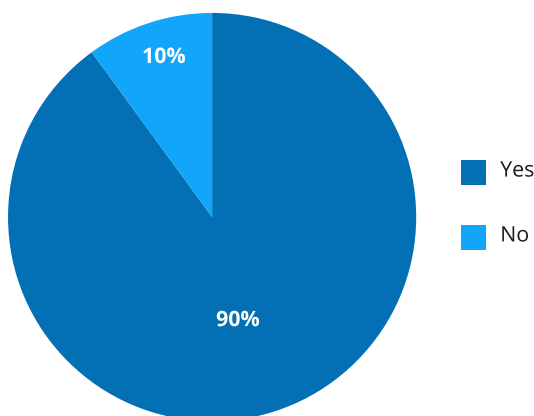
The vast majority of respondents have highlighted that they measure performance metrics. A service desk should measure metrics around areas such as efficiency, performance, progress, quality, and customer experience, which will ultimately allow them to monitor how changes to the service or improvement initiatives have an impact on performance.

Interestingly, 10% of respondents specified that they do not measure performance metrics. Smaller or less mature service desks may struggle to find the time or resources to effectively measure, report, and analyze performance metrics, as they need to focus their efforts on other areas of service.

Which of these do you measure?

Metric	Percentage
Number of incidents	96%
Number of service requests	89%
Customer satisfaction	74%
First contact resolution	66%
Average resolution time for incidents	65%
Average time to respond to incidents	59%
First level resolution	56%
Abandon rate	55%
Average resolution time for service requests	53%
Average time to respond to service requests	51%
Escalations of incidents	39%
Re-opened service requests	39%
Employee Satisfaction	34%
Workload volumes of support channels	30%
Escalations of service requests	30%
Re-opened incidents	29%
Knowledge usage	27%
Bounce rate	18%
Average cost per incident	17%
Average cost per service request	16%
Other	4%

The SDI Global Best Practice standard specifies 39 different metrics that a service desk should measure, monitor, and report on; this question contains 20 examples from the standards. We will only explore the most pertinent or surprising statistics.
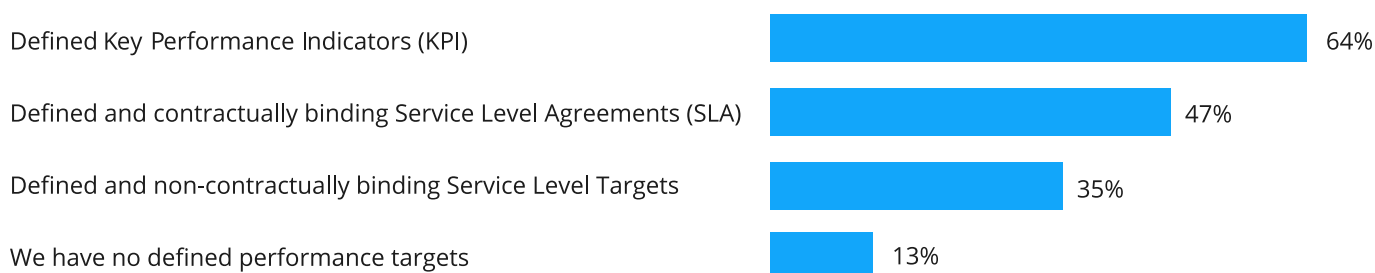
The most commonly measured metric is the number of incidents logged by the service desk. Again, this is fairly unsurprising, as every service desk deals with incidents in some capacity. A slightly smaller proportion, 89%, measure the number of service requests. However, only a small percentage by comparison measure the cost per incident and service request, 17% and 16% respectively. These two metrics are essential for calculating the cost of your service, which can be a useful figure to have, for example when creating a business case for purchasing anew piece of technology to demonstrate the economic value the service desk could deliver to the organization.

The third most common metric is customer satisfaction, with 74% of respondents highlighting that they measure it. Measuring CSAT can help you better understand your customers and improve service levels according to what enabled them to be more efficient or perform better, therefore improving the perception of the service desk. A positive customer perception can create a community of customer advocates who can help to promote the service desk as well as help the service desk with improving aspects of service.

Far fewer respondents, 34%, specified that they measure service desk employee satisfaction. This is concerning, as employee happiness can have an impact on productivity, customer experience, and retention. Furthermore, having one or two dissatisfied employees in a team can negatively impact employee morale and potentially affect the quality of their work. Therefore, it is of utmost importance to monitor the employee experience and work with staff to improve their experience at work.

Only 27% of respondents measure knowledge usage; a good knowledge base can elevate the service, particularly in terms of self-help, fostering a knowledge sharing culture, and Shift Left. Monitoring knowledge usage can allow you to gauge how effective your knowledge base is, or whether your customers or employees are making use of it. If usage is low, then you can work with customers or employees to discuss how to increase usage.

Are your performance measurements linked to performance targets?

Defined Key Performance Indicators (KPI)	64%
Defined and contractually binding Service Level Agreements (SLA)	47%
Defined and non-contractually binding Service Level Targets	35%
We have no defined performance targets	13%

As previously mentioned, metrics measure performance; therefore, it seems logical that there should be targets attached to those metrics in order to measure improvements in performance. The most common type of target, as specified by 64% of respondents, is defined Key Performance Indicators (KPIs). KPIs can be an excellent indicator of how well your service desk is performing, and they can be dynamic to best monitor the areas of service which need improvement.

Service Level Agreements (SLAs) should include performance targets to manage customer expectations and ensure service desk staff have a realistic timeframe for resolving an incident based on its priority. Therefore, it is surprising to see that only 47% of service desks reportedly have defined and contractually binding SLA targets linked to their performance metrics. However, it is of course possible to have non-contractually binding service level targets, which 35% of respondents identified they have. Further analysis into the data shows that 26% of respondents who identified that they have contractually binding SLAs also have non-contractually binding service level targets, and that 65% of respondents only have non-contractually binding targets (but may also have KPIs).

It is important to have some form of targets which the business and customers are aware of and have had some input in defining. Not only will this give service desk staff a target to work towards and act as an indicator of improvement, having a discussion with the business, which addresses their requirements from the service as well as the realistic expectation of what the service desk can provide, can lead to a better understanding and relationship between the service desk and the rest of the business.

However, it is important to note that targets can drive behavior. What is meant by this is that service desk staff may be more concerned about ensuring metrics meet target rather focusing on the quality of the service, which could have a negative impact on the customer experience. Therefore, it is crucial to ensure you are measuring the right metrics, and they are balanced to ensure they represent a full scope of the service.

Reporting

In relation to what you measure, do you regularly report on all service desk performance metrics?

6%

39%

55%

- ■ Yes
- ■ Yes - but some are for service desk use
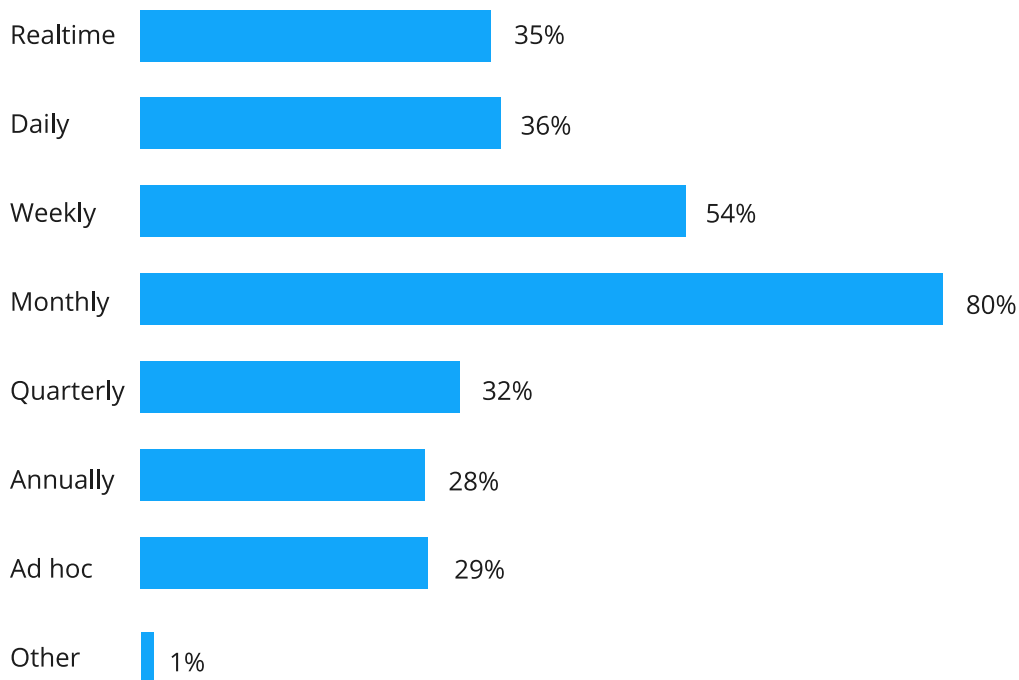- ■ No
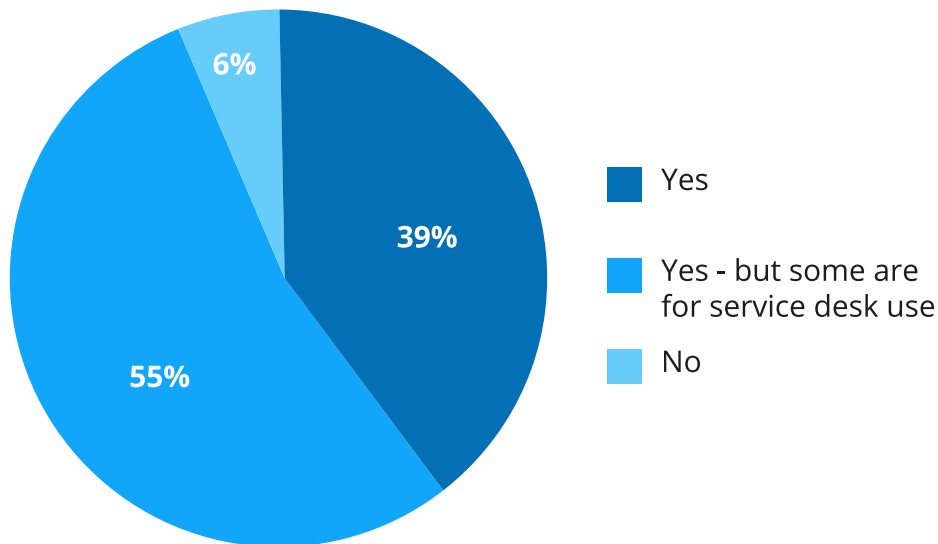
94% of respondents highlighted that they report on all metrics they measure, with over half of this group specifying that some are kept for service desk use only.

Service desks will typically create different performance reports based on the needs and requirements of the target stakeholder. This may include top-level highlight reports for senior management, detailed performance reports for each support group, individual reports showing activity of service desk analysts, or customer reports.

It can be difficult, particularly if your service desk measures many metrics, to report on all of them. However, it is valueless to measure a metric which you do not report on. 6% of respondents highlighted that they do not regularly report on all performance metrics, which suggests that there are performance metrics that are being measured with no follow up. Therefore, these service desks may wish to review the number of metrics they measure to ensure they are not wasting time on resources that could be better used elsewhere.
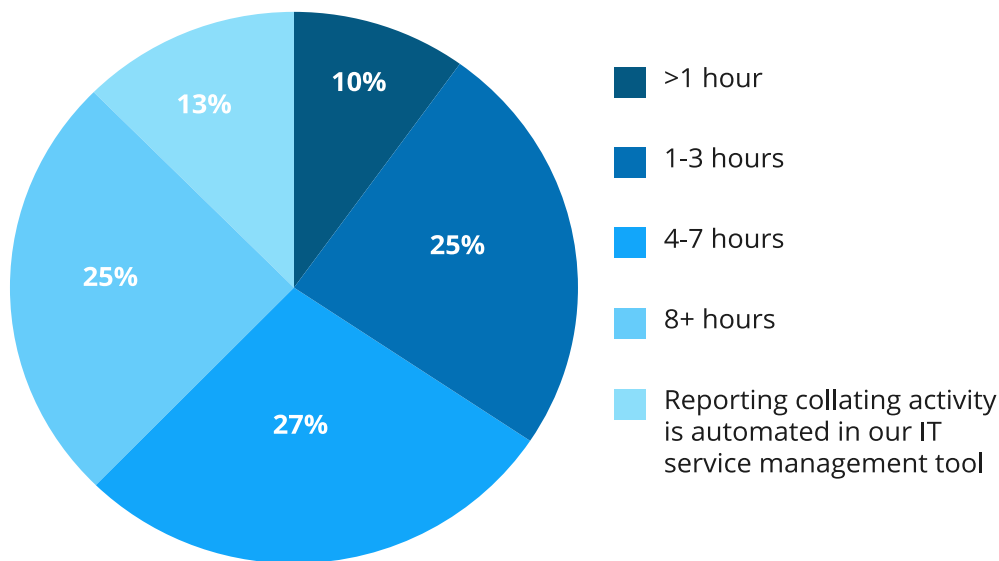
How often do you report on performance metrics?

Category	Percentage
Realtime	35%
Daily	36%
Weekly	54%
Monthly	80%
Quarterly	32%
Annually	28%
Ad hoc	29%
Other	1%

35% and 36% of respondents identified that they report on performance metrics in real-time and daily respectively. There is a risk in reporting metrics on a daily or weekly basis that it becomes time consuming and loses value, as you could spend more time measuring than implementing improvements. Certain areas should be monitored and reported on a daily and weekly basis where appropriate, such as when measuring the efficacy improvement initiatives, whereas others are better suited to be reported on monthly or quarterly. Furthermore, many ITSM tools have built-in real-time performance monitoring features which can be configured to a service desk's specific requirements.

The majority of respondents highlighted that their service desk compiles metric reports on a monthly basis. This can be a good amount of time between each report, but it is important that underlying issues do not go missed as a result. Some metrics require being reported on less frequently, but it is worth noting that you may need to review how often you report on different metrics; for example, during improvement initiatives you may wish to report on certain metrics more frequently.

How much time do you spend collating metric reports per month?

Legend:
- >1 hour
- 1-3 hours
- 4-7 hours
- 8+ hours
- Reporting collating activity is automated in our IT service management tool

Pie chart values: 10%, 25%, 27%, 25%, 13%

As previously mentioned, reporting on metrics too frequently to be valuable can have a negative impact on the efficiency of the service. This is because service desk staff are spending a significant amount of time collating reports rather than performing tasks which could be more valuable to the service desk. With the View From The Frontline 2017 report highlighting that over 70% of service desks spend the majority of time firefighting, it is crucial to ensure the service desk is not stretched beyond its capabilities causing the quality of service to suffer as a result.

It would not be possible to specify a guideline for how many hours a service desk should spend collating reports, as every desk's circumstances are different. However, the service desk should be able to deliver the reports that the business requires without it impacting the service. As exemplified by 13% of respondents, it is possible to automate reporting within an ITSM tool; therefore, if it is within the means of the service desk to be able to automate this process, this would allow service desk staff more time to carry out more valuable tasks.

The largest portion of respondents specified that they spend 4 to 7 hours a month collating reports. 25% of respondents highlighted that they spend 1-3 hours collating reports, with a further 25% spending 8+ hours. The smallest proportion spends less than 1 hour a month collating reports, which could signify that they have very few metrics they report on, or they have a form of automated reporting outside of their ITSM tool.

How much time do you spend reviewing data per month?

- **14%** >1 hour
- **35%** 1-3 hours
- **29%** 4-7 hours
- **22%** 8+ hours
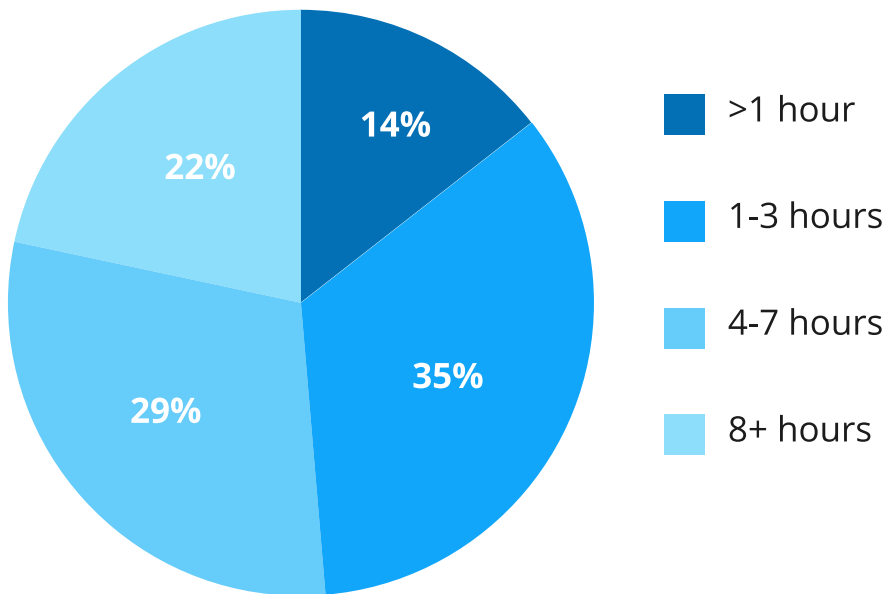
Once reports have been collated, it is best practice to review the data, perhaps to identify areas that require improvement or to understand how changes in the service or business have had an impact on performance metrics. For a university, this could prove to be particularly interesting at the start of a new scholastic year, whereas for a corporation, it could be useful to review data during a merger or an instance where the organization acquires hundreds or potentially thousands of new employees.

Again, it is important to ensure the service desk is not stretched beyond its capabilities when reviewing data as this could impact on the quality of the service. Furthermore, if it takes more time to collate the reports than you spend reviewing the data, it may be pertinent to find more efficient ways of processing performance metric data.

The amount of time you spend reviewing data depends on how much performance data you have, how often you review the data, and how far you drill down into each metric. The largest proportion, 35%, spend 1 to 3 hours reviewing report data, with the second largest proportion spending 4 to 7 hours. 22% of respondents spend 8+ hours reviewing the data, and the smallest proportion spend less than 1 hour reviewing it a month.
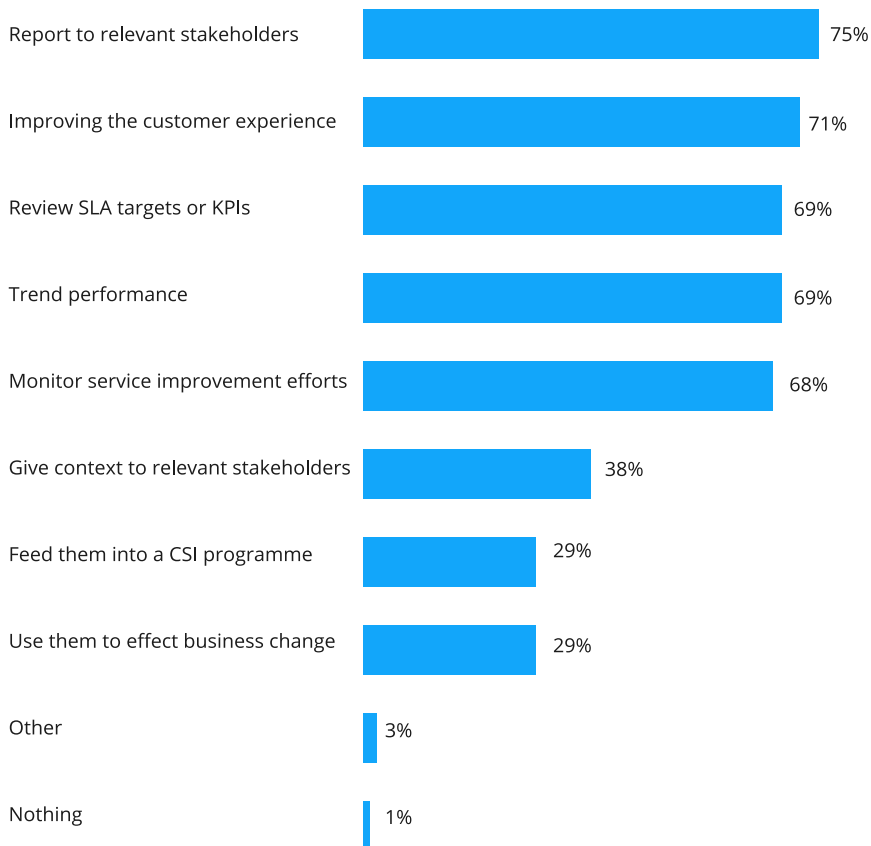
What additional business intelligence software do you use to support your reporting requirements?

Some service desks opt to use business intelligence software to analyze the data derived from performance metrics. The most common tools respondents identified are Power BI, Excel, ServiceNow, and Tableau. However, there are seemingly many options on the market for service desks to fulfil their reporting and data analytics requirements. Some respondents specified that the additional tools are provided by their ITSM tool vendor, therefore it may be worth fully understanding what your tool vendor can provide to help get the most value out of performance metrics.

Getting value from the data

How do you use performance measures?

| Category	Percentage
Report to relevant stakeholders	75%
Improving the customer experience	71%
Review SLA targets or KPIs	69%
Trend performance	69%
Monitor service improvement efforts	68%
Give context to relevant stakeholders	38%
Feed them into a CSI programme	29%
Use them to effect business change	29%
Other	3%
Nothing	1%

There are several things you can do with metric data; as identified by 75% of respondents, the most common procedure is to report to relevant stakeholders. Relevant stakeholders could include business executives from different areas of the business. When providing reports to relevant stakeholders, you may wish to provide some commentary around certain metrics to explain any significant changes; for example, an increase in the number of incidents logged could have been caused by a major incident earlier in the month, or the implementation of a new piece of technology or software. This action is undertaken by 38% of respondents.

It is promising to see that 71% of respondents use metric data to improve the customer experience. We have previously mentioned the importance of having happy customers and how this can benefit the service desk. Fostering an environment where the customer is at the center of the service can lead to more a meaningful service and happier employees as well as customers, and this can be relayed to the business as an indicator of value and success.

69% of respondents identified that they review SLA targets or KPIs. This could be part of a wider CSI initiative, which was specified by 29% of respondents, whereby service desks who consistently meet their performance targets, increase or reduce the target, depending on the desired outcome, to challenge themselves to improve service levels. For example, if a performance target states that 70% of incidents are solved within a specified amount of time, but the service desk is consistently meeting and exceeding those targets, they may consider increasing that target to 75% or 80%. One way to monitor whether this target would be possible is to set "stretch targets", where the service desk measures their performance against actual targets as well as more aspirational targets. This can allow the service desk to see whether they can meet the stretch targets without negatively impacting other areas of the service.

69% and 68% of respondents respectively trend performance and monitor service improvement initiatives. Trending performance can compare how a specific metric has changed over a certain amount of time or how that metric is performing compared to the previous year. This can be useful when trying to understand how improvement initiatives or changes to the service have impacted different areas of the service and whether the service desk is performing better or worse as a result.

Measuring and Making the Most of Metrics

Are customers aware of SLA targets and prioritization criteria?
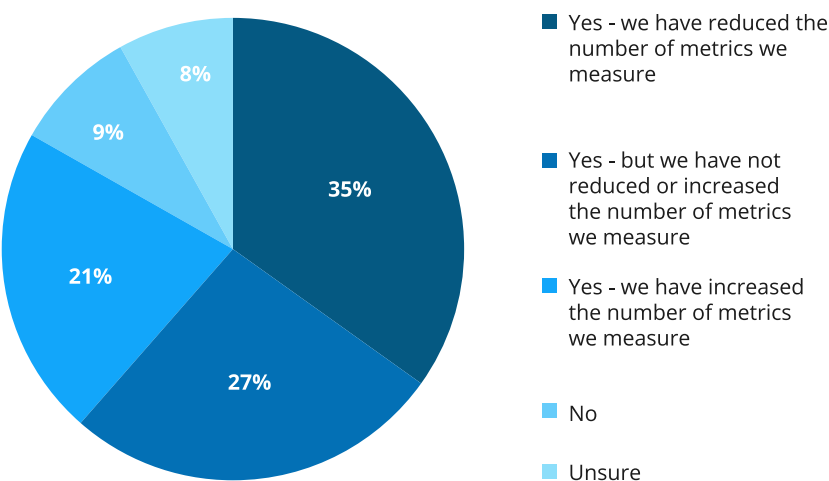

- Yes — 59%
- No — 26%
- Unsure — 16%
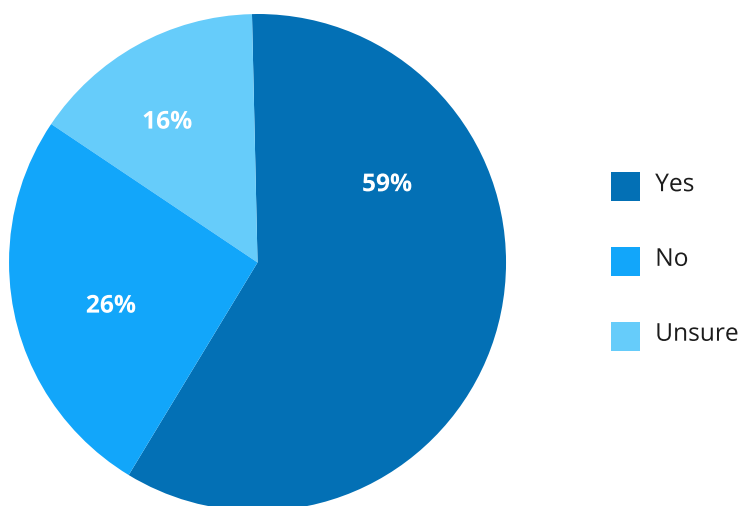
As previously mentioned, SLA targets can help to manage customer expectations in terms of service levels; therefore, it can be beneficial to communicate these targets and prioritization criteria to your customers. 59% of respondents identified that their customers are aware of service level targets, whereas 16% are unsure. 26% specified that their customers are not aware of targets or prioritization criteria, which could lead to issues where customers become dissatisfied with the service if they think the service does not meet a certain standard.

Do you think all your performance metrics are useful and valuable to measure?

- Yes — 45%
- The majority are useful — 40%
- No — 15%
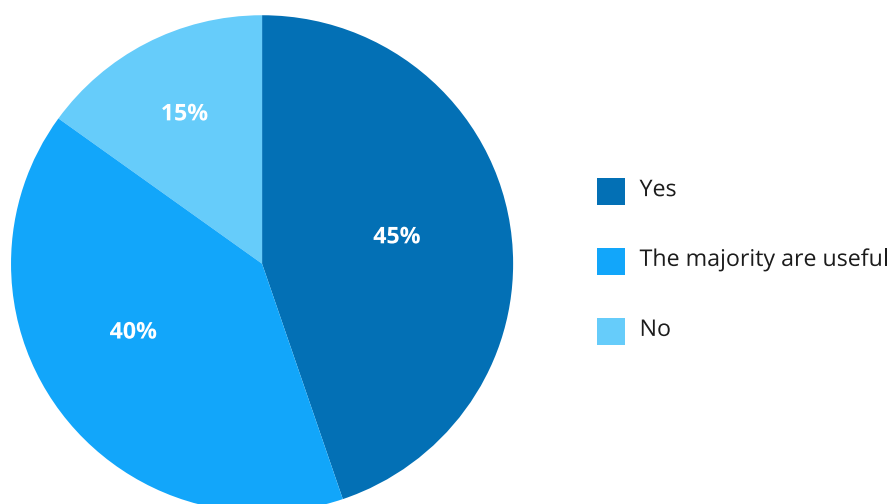
Regardless of best practice standards, it is important that service desk staff find value in the metrics that are measured and understand what they are used for. Considering that 55% of respondents do not find all of their service desk metrics useful and valuable, perhaps these service desks should review their metrics for relevance or discuss what the metrics you measure are used for beyond the service desk. 45% of respondents do believe that all the metrics they measure are useful, which suggests that these service desks' performance metrics feed into visibly or noticeably valuable things, potentially into the wider business.

Do you review what metrics you measure for relevance?

- Yes - we have reduced the number of metrics we measure
- Yes - but we have not reduced or increased the number of metrics we measure
- Yes - we have increased the number of metrics we measure
- No
- Unsure

It has been mentioned a few times throughout this report that the service desk should not stretch itself past its capabilities when reporting or reviewing metrics. Therefore, it may be appropriate to review what metrics you measure to ensure they are still relevant for service desk and business needs.

83% of respondents highlighted that they review the metrics they measure; 35% have reduced the number of metrics they measure, 27% have increased this number, and 21% have kept the same amount. Only a small percentage of respondents highlighted that their service desk does not review the metrics they measure, though this may be because there is a specific set of metrics they are required to measure by best practice standards or perhaps the business. However, it is important to consider whether there could be value in increasing or reducing the number of metrics measured, particularly as 55% of respondents do not believe every metric is useful or valuable on their service desk.
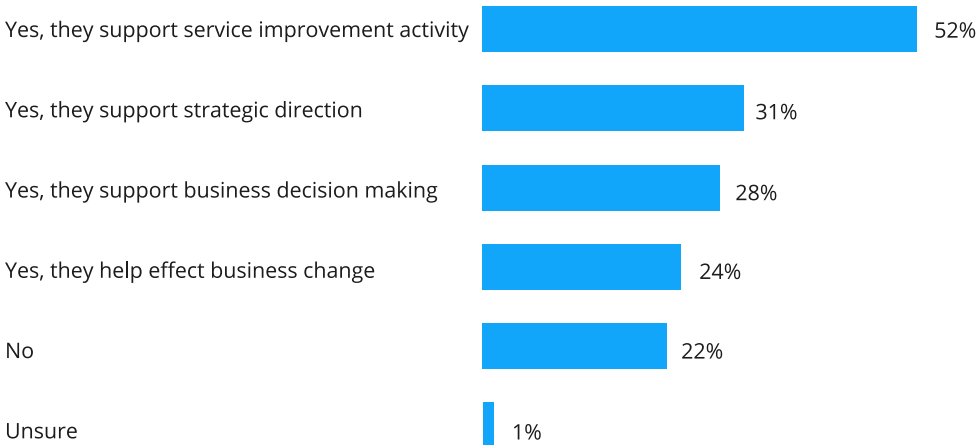
Understanding the business needs

Have you been asked to measure specific metrics by the business?

Yes	57%
No	40%
Unsure	3%

The business may require the service desk to measure specific metrics and provide them with reports, as exemplified by 57% of respondents. It is important for the service desk and the rest of the business to communicate in order to understand each other's needs and requirements. Therefore, if there are certain metrics the business believes are important to measure, the service desk should communicate with them to understand why they need it and the most efficient way to provide this data.

Do you believe all the metrics you supply to the business are used to support the business' needs?

|	
Yes, they support service improvement activity	52%
Yes, they support strategic direction	31%
Yes, they support business decision making	28%
Yes, they help effect business change	24%
No	22%
Unsure	1%

Considering less than half of respondents found all the metrics they measure valuable, it is not surprising to see that over 20% of respondents do not believe the metrics they supply to the business are used to support the business needs. However, the majority of respondents do believe the business benefits from the metrics they provide.

The reason for the service desk' existence is to support the business, and 52% of respondents believe that metrics support service improvement initiatives, therefore they're able to support the business better. 31% and 28% respectively believe the metrics they supply to the business support strategic direction and business decision making. Using service desk metrics to influence or aid strategy and decision making is an example of the service desk and the rest of the business working together to make the best decisions for the organization while being considerate of the service desk or IT's capabilities to support those decisions.

In a similar vein, 24% respondents believe that the metrics they supply the business can help effect business change. It is promising to see that some service desk professionals feel the metrics the service desk provides can actually effect business change; if employees feel like they are part of a wider team, that their work adds value to the organization, and the business recognizes that value, this can result in a more motivated and engaged service desk team.

Do your reporting outputs enable you to effectively articulate the value of the service desk to the business?

Legend:
- Sometimes depending on the issue
- Yes
- No
- Unsure

(Pie chart values: 45%, 44%, 10%, 1%)
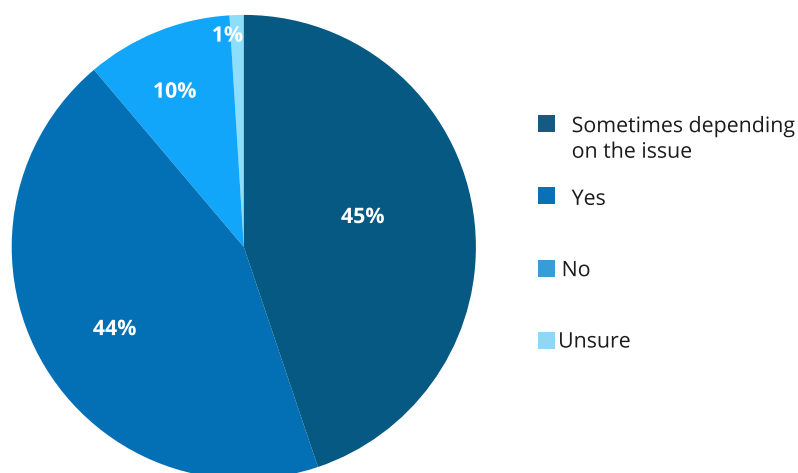
The largest proportion of respondents, though by only 1%, believe that their reporting outputs only allow them to effectively articulate the value of the service desk to the business in certain cases. If your metrics do not enable you to fully demonstrate value, there may either be an issue with the way the rest of the business perceives the service desk, or in the way the performance reports are presented.

Measuring and Making the Most of Metrics

Industry Comments

Earlier in the report, we discovered that 29% of respondents use performance metrics to effect business change, with 24% believing all the metrics they supply to the business are used to help effect change. Using metrics to drive change is an example of the business and the service desk or IT working together to drill down into the service and decide what can be done to improve IT performance and consistency.

We asked respondents how their service desk or business has used performance metrics to effect change. Some of the common themes throughout service desk professionals' responses include:

- **Supporting service improvement**
- **Process improvement and automation**
- **Influencing strategy**
- **Reviewing resources and staffing**
- **Improving the customer experience**
- **Reducing call volumes to the service desk**
- **Demonstrating value to the business**
- **Identifying trends and resolving underlying issues or root causes**
- **Implementing alternative support channels**
- **Improving relationships between the service desk, wider IT, and the rest of the business**

"Slow or hard-to-track processes are automated where possible"

"To identify services that can be served by other channels to provide the customer with a better experience"

"We have been running a successful Service Improvement program for 2 years straight now. Using data driven analytics, we have effectively reduced 80% incidents in the system which contributed to overall 30% volume reduction, and as a by-product all our customer satisfaction metrics have been trending upwards."

"Identify improvement opportunities in the service delivery and enablement of this by technology where appropriate"

"We've used metrics to justify additional resources within Service Desk. We've also used metrics to identify improvements required to increase performance."

"Response times have changed answer time from 20 minutes to 80% calls answered in under one minute"

"It's allowed us to refocus our teams and address significant backlogs of work, ensuring that teams are actively focused on managing queues, which ultimately has led to a better customer experience. On top of this we are using it to drive our CSIs to help identify opportunities to improve the customer experience."

"Number of incidents in each category gives us insight into which areas have the most issues and so need to be monitored and improved by the development team"

"Closer working of service desk and second line staff"

Conclusion

This report has explored metrics from the ground up, from what the industry is measuring to how the service desk and the rest of the business use metrics to effect change. One thing which has been made clear is that some service desks do not report or review all the metrics they measure; this is an issue as the service desk is occupying resources without realizing the full potential value of the metrics. Furthermore, without processing the data and reviewing it, there may be underlying issues which are being missed and could present major issues further down the line.

It has been stressed throughout this report that the service desk should only measure metrics which are pertinent to monitoring the service, which they have the capacity to report and review, and that they can do so without impacting the quality of service. Furthermore, it is important to note that metrics, specifically targets, can drive behavior, so the service desk should ensure they choose metrics which measure all aspects of the service and tha targets are balanced.

It is interesting to note that a small proportion of the industry is making use of automated reporting features within their ITSM tool. Considering over half of respondents spend 4 or more hours a month collating reports, there is much efficiency that can be gained by automating this process, and that time can be spent on more valuable tasks. Many respondents identified that they use additional software which analyses performance data, and this can allow the service desk to drill down into the data and potentially find inefficiencies within their service which can be dealt with proactively.

As exemplified by respondents' anecdotal answers, service desk performance metrics can be used to effect business change. It is important to review business related metrics and report these effectively to the business, so they are better informed on how the organization could change to improve efficiency whilst also understanding ITs capabilities and how they can work together to achieve the business' goals.

About SDI

The SDI company mission is to inspire service desks to be brilliant. To achieve this mission SDI has developed a set of goals by which it aims to inspire service desks to:

Embrace:
To raise the quality of service delivery by valuing best practice

Engage:
To create an inspiring and engaging customer experience

Invest:
To empower their teams to be inspired, take action and be better

Shine:
To demonstrate and deliver exceptional business value

SDI is the industry association providing; research, benchmarking, training and networking to the ITSM community for over 30 years. We encourage service management teams to value best practice in order to raise the quality of service they deliver to the businesses they support.

For more information about SDI please visit
www.servicedeskinstitute.com

About Freshservice

Freshservice from Freshworks is a cloud-based IT service desk and IT service management (ITSM) solution that is quick to set up and easy to use and manage.

Recognised as an ITSM Leader, Freshservice has been named best software for mid market IT teams, the most usable service desk software and #1 in customer satisfaction by G2 Crowd. Freshservice has also won the Service Desk Institute award for Best Implementation of the Year for 2 years running.

Freshservice leverages ITIL best practices to enable IT organisations to focus on what's most important – exceptional service delivery and customer satisfaction. With its powerfully simple UI, Freshservice can be easily configured to support your unique business requirements and integrated with other critical business and IT systems. Native integrations are provided "out-of-the-box" with many of the most popular cloud services such as Google Apps, Dropbox, AWS, and Bomgar to speed up deployment and reach.

To learn more about Freshservice please visit
www.freshservice.com