



SESSION 704

Friday, November 4, 9:00 AM - 10:00 AM

Track: Improving Service Management

The CSI Imperative

Jeff Rumburg

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Session Description

In this session, you'll experience three case studies from support organizations that have successfully built a culture of continual service improvement (CSI). You'll learn about the core discipline of CSI, the role of chief service and chief improvement officers, common pitfalls of implementing CSI, and the five success factors for effective CSI. *(Experience Level: Advanced)*

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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THE NEXT GENERATION OF SERVICE MANAGEMENT

Session 704

The CSI Imperative:

*How Successful Support Organizations
Institutionalize Continual Service Improvement*

Jeff Rumburg

Managing Partner

MetricNet, LLC

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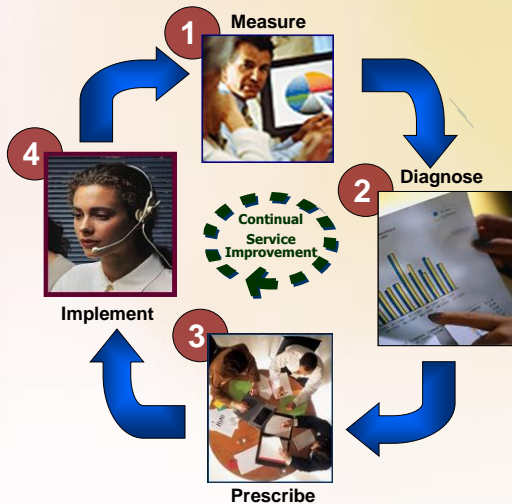
28 Years of Service and Support Benchmarking Data



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

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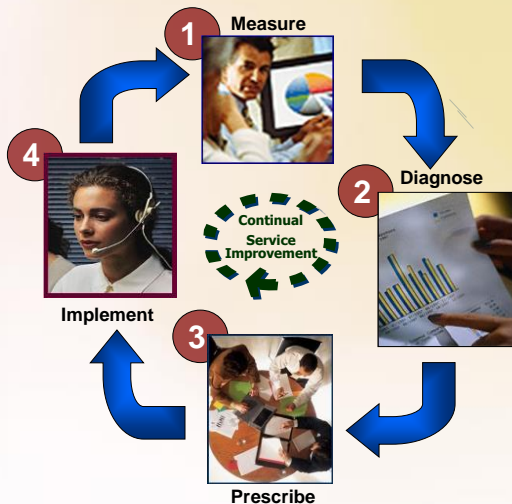
An Empirical Model for Continual Service Improvement



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

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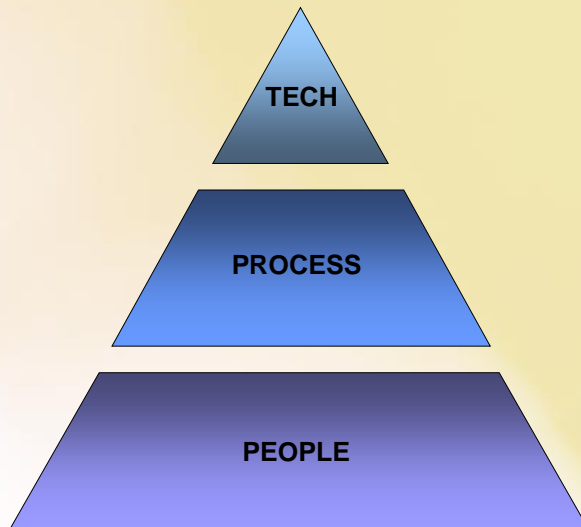
Performance Measurement



Model Component	Description
1. Measure	Measure service and support performance on an ongoing basis
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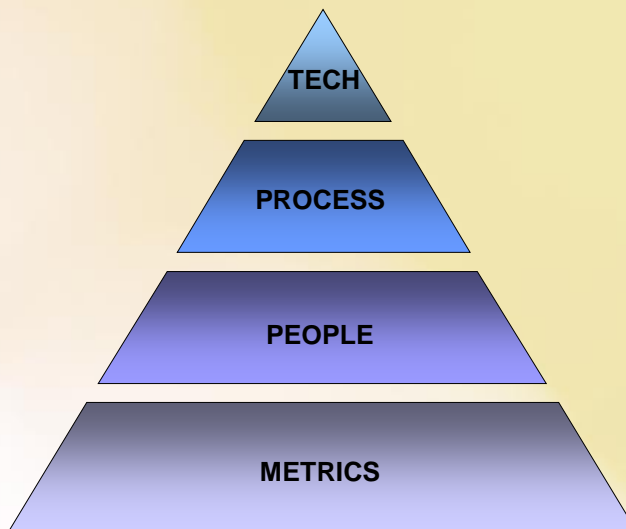
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The Traditional Paradigm for Technical Support



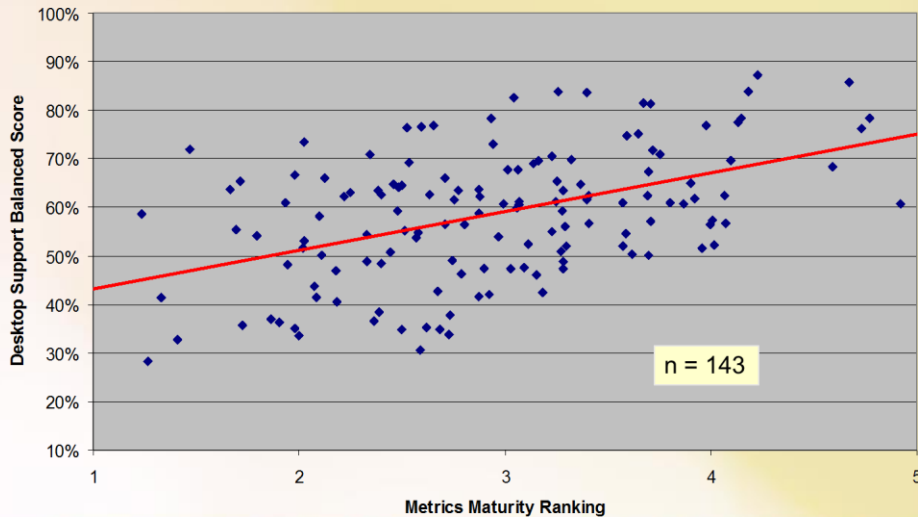
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METRICS: An Even More Fundamental Building Block!



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The Evidence for Metrics as a Foundation Block



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Some Common Service Desk KPIs

Cost

- Cost per Ticket
- First Level Resolution Rate

Quality

- Customer Satisfaction
- Call Quality
- % Escalated Level 1 Resolvable

Productivity

- Contacts 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
- Average hold time
- Average time to abandon
- Percent of calls blocked

Call Handling

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

And there are hundreds more!!

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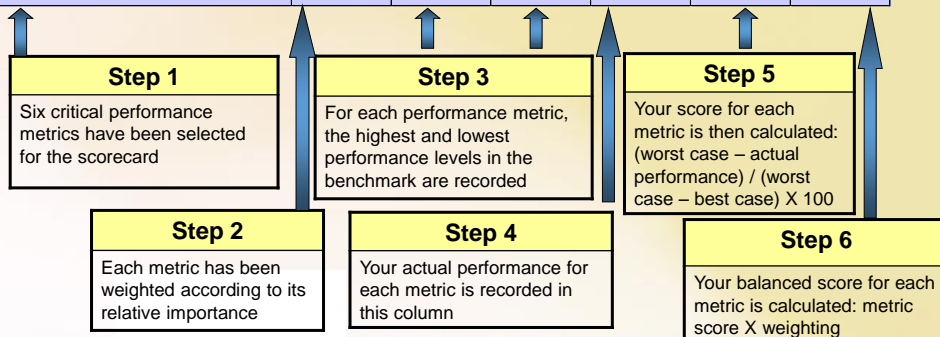
The 80/20 Rule for Service Desk KPIs

- 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

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The 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%



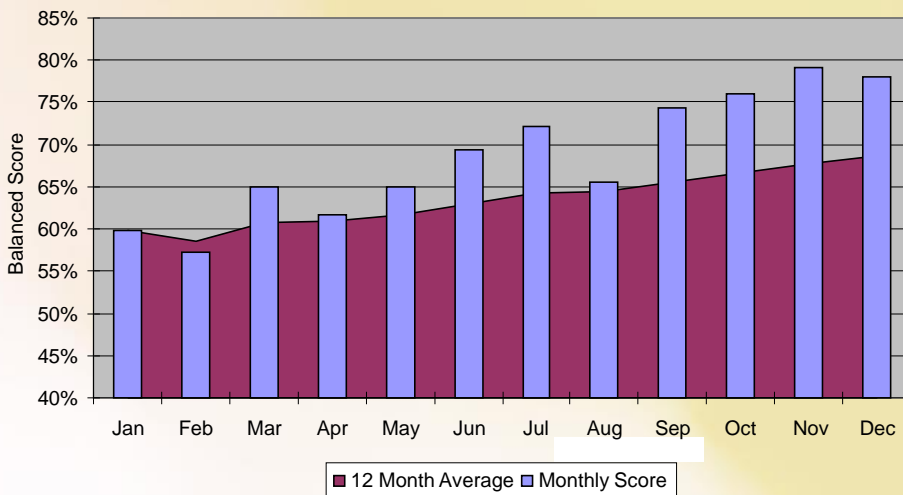
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Benchmarking Your Overall Performance



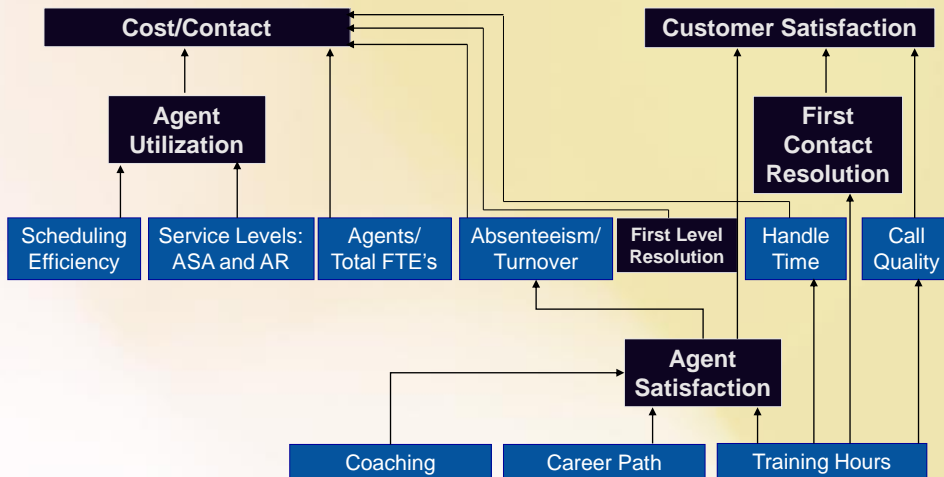
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The Service Desk Performance Trend



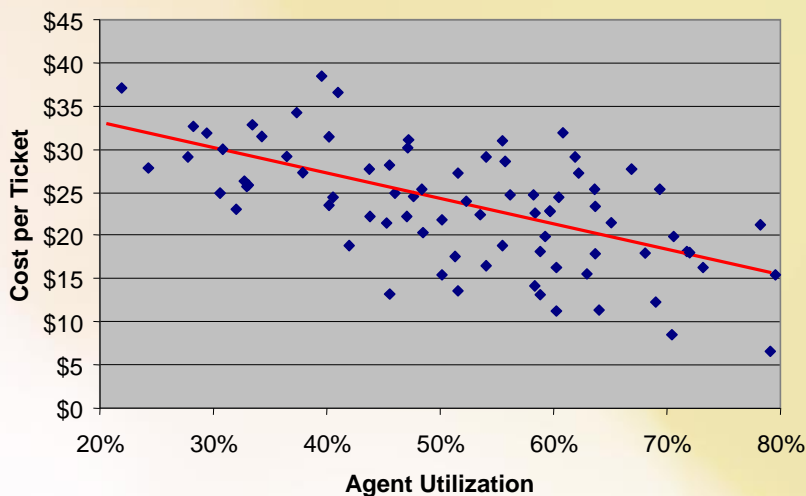
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A Summary of KPI Correlations for the Service Desk



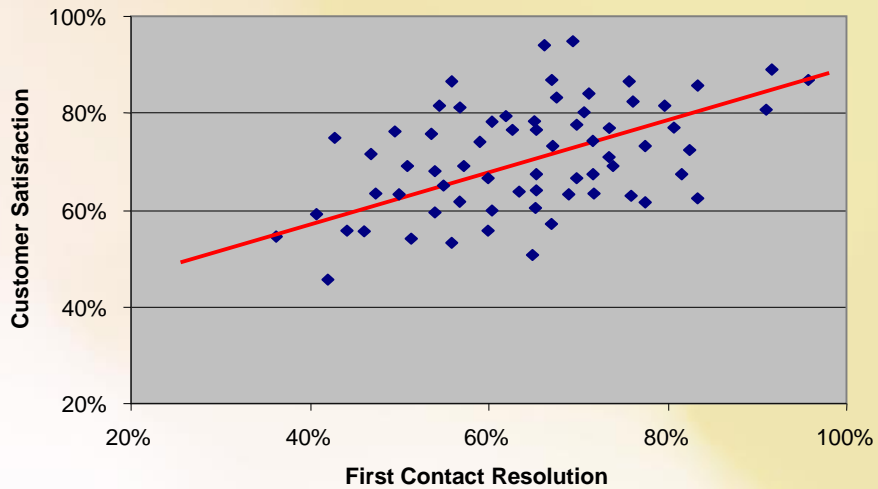
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Agent Utilization Drives Cost per Ticket



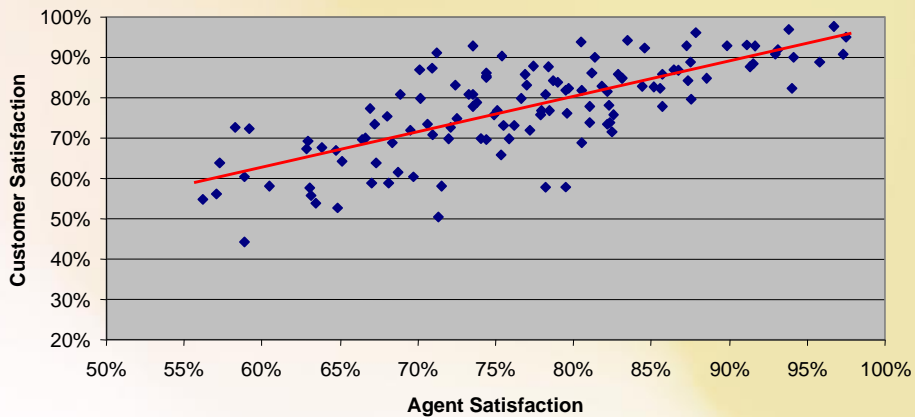
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First Contact Resolution Drives Customer Satisfaction



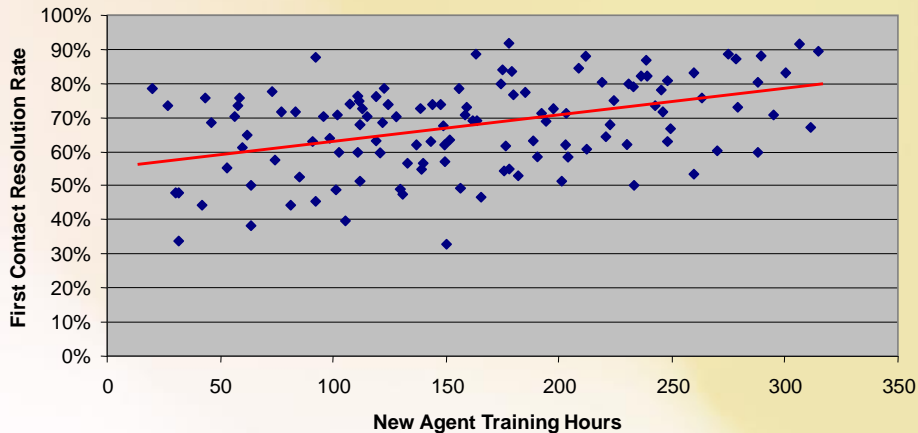
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Agent Satisfaction Impacts Customer Satisfaction



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New Agent Training Hours vs. First Contact Resolution



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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

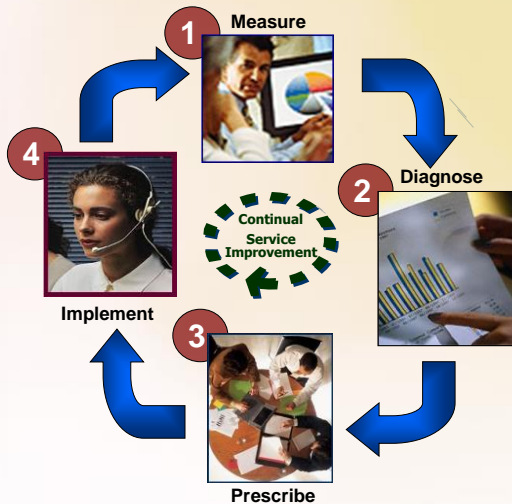
Workload

- 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!!

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Performance Diagnosis



Model Component	Description
1. Measure	Measure service and support performance on an ongoing basis
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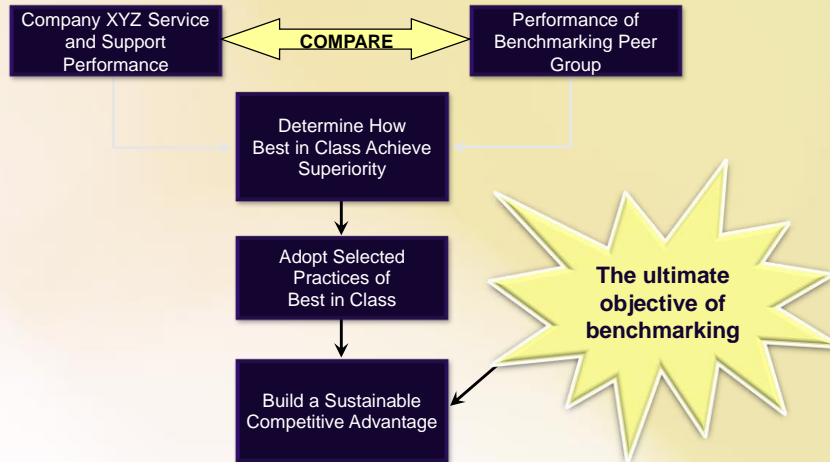
The Role of Benchmarking

Fewer than 20% of all IT support groups engage in benchmarking.

Yet there is a 1:1 Correspondence Between Benchmarking and World-Class Performance!

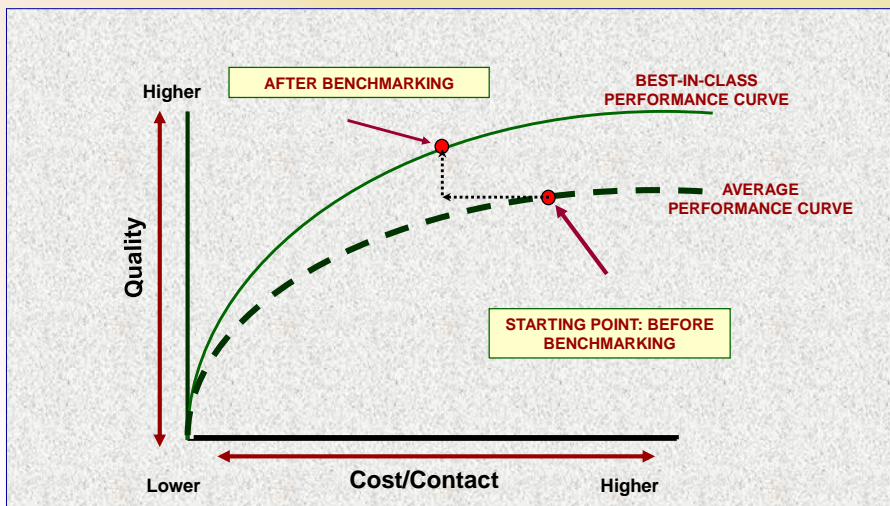
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The Benchmarking Methodology



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Benchmarking: Better, Faster, Cheaper



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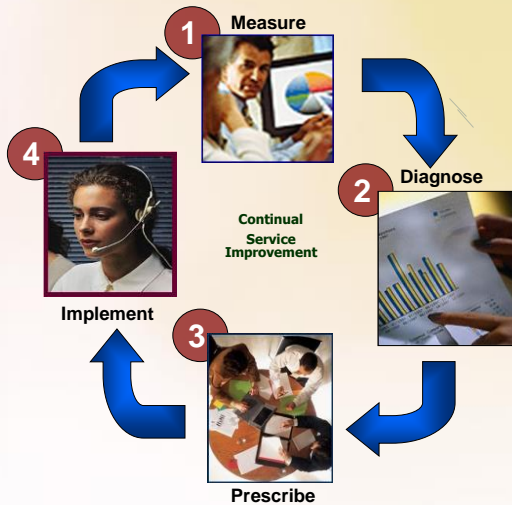
Benchmarking Performance Summary

Sample Data Only! Not Intended for Benchmarking Purposes!

Metric Type	Key Performance Indicator (KPI)	Your Score	Peer Group			
			Average	Min	Median	Max
Cost	Cost/Contact	\$28.17	\$22.96	\$6.59	\$22.56	\$38.44
	First Level Resolution Rate	59.0%	81.0%	59.0%	83.0%	88.0%
Productivity	Contacts/Agent-Month	429	504	373	487	699
	Agent Utilization	46.7%	53.1%	25.9%	53.9%	71.1%
Service Level	Average Speed of Answer (ASA) in seconds	18	45	12	34	187
	Percent Answered in 30 Seconds or Less	86.6%	72.1%	36.5%	71.3%	100.0%
	Call Abandonment Rate	2.9%	8.1%	1.4%	7.6%	25.2%
Quality	Call Quality	68.4%	79.9%	43.8%	75.8%	94.5%
	Customer Satisfaction	63.0%	79.0%	41.9%	75.5%	96.6%
Agent	Annual Agent Turnover	29.5%	31.7%	1.7%	26.4%	94.0%
	Daily Absenteeism	19.2%	13.2%	0.1%	13.0%	29.8%
	New Agent Training Hours	36	79	20	69	241
	Ongoing Agent Annual Training Hours	12	34	0	20	130
	Agent Satisfaction (% satisfied or very satisfied)	71.0%	75.4%	33.8%	70.1%	94.5%
	Agents as a Percent of Total FTE's	77.9%	70.5%	57.1%	69.3%	88.4%
Call Handling	Contact Handle Time (min:sec)	12:41	11:18	2:47	9:34	19:55
	First Contact Resolution Rate	51.3%	71.2%	45.4%	67.8%	94.1%
	IVR Completion Rate	6.7%	22.0%	0.0%	18.9%	44.8%

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Prescribe Actions to Improve Performance



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Best Practices: Performance Measurement

Performance Measurement: Best Demonstrated Practices		Affected KPI's						
		Cost per Ticket	Customer Sat	Agent Utilization	First Call Res Rate	Call Quality	Call Handle Time	Agent Turnover
Metrics, goals, diagnosis and accountability	Performance metrics and goals drive individual accountability and facilitate diagnosis of performance strengths, issues, gaps and call quality improvements.							
Cost and customer satisfaction	Cost and customer satisfaction results measure efficiency and effectiveness, and are two critical indicators for service desk operations.							
Formal measurements & performance compliance	Performance measurement is a rigorous discipline assigned to a particular individual or individuals in the service desk to ensure service level compliance and consistency in the delivery of customer service .							
Balanced scorecard	A balanced scorecard provides an aggregate measure of service desk performance.							
Management Reporting	Reporting is targeted and timed to have maximum impact on key individuals and stakeholder groups in the company.							

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Best Practices: Human Resources

Human Resources: Best Demonstrated Practices		Affected KPI's						
		Cost per Ticket	Customer Sat	Agent Utilization	First Call Res Rate	Call Quality	Call Handle Time	Agent Turnover
Recruitment	Recruiting is a rigorous and holistic process that measures specific agent competencies, and matches those competencies to the needs of the service desk.							
Training	Rigorous and formalized training is available for both new and seasoned agents. Training is customized to meet the needs of each agent, and is designed to meet the strategic goals of the service desk.							
Career Pathing	Career paths have been formalized and documented, and often include vertical as well as lateral promotion opportunities. Performance levels required for advancement are clearly articulated. Agents are encouraged to take charge of their own career and skills development.							
Retention	Formal strategies are employed to maximize employee retention. These strategies are designed to improve employee job satisfaction and loyalty, thereby maximizing agent morale and minimizing turnover.							
Coaching and Feedback	Help desk management demonstrates commitment to continuous improvement by conducting frequent, one-on-one coaching for each agent, and by providing specific suggestions for improvement and setting attainable goals.							
Performance Standards	Help desk agents are held accountable for minimum performance standards with incentives for surpassing, and disincentives for falling short of the standard. Performance goals cover both quality and productivity.							

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Best Practices: Ticket Handling Practices

Ticket Handling: Best Demonstrated Practices		Affected KPI's						
		Cost per Ticket	Customer Sat	Agent Utilization	First Call Res Rate	Call Quality	Call Handle Time	Agent Turnover
Standardization	Ticket handling processes are repeatable and standardized, while still allowing for agent judgment and experience.							
Call Volume Management	Ticket handling strategies, such as call reduction through "Load Shedding," call "Channeling," forecasting and aggressive staffing strategies are utilized to predict and proactively handle the variance in call volumes.							
Measurement Management	Service Desk must aggressively pursue and identify meaningful performance indicators, measure and report against them and analyze the results for significant trend analysis.							
Continuous Improvement	Service Desk has a true culture of excellence through continuous improvement in the delivery of customer services.							
Customer-Centricity	Improved customer satisfaction, accessibility and usability are the primary design drivers in the service desk.							

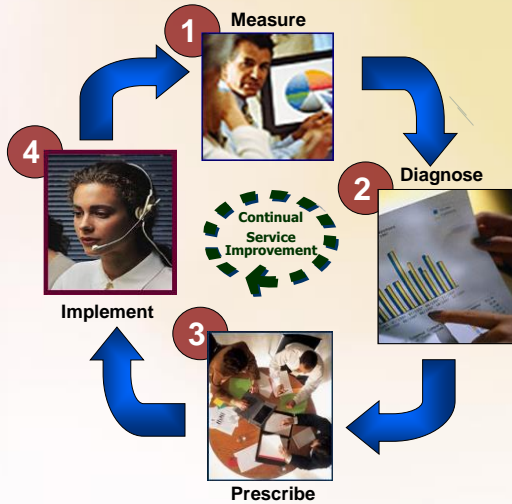
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Best Practices: Technology

Technology: Best Demonstrated Practices		Affected KPI's						
		Cost per Ticket	Customer Sat	Agent Utilization	First Call Res Rate	Call Quality	Call Handle Time	Agent Turnover
Technology Hierarchy	Technology enhances the speed and quality of each transaction. It supplements people and process, but does not replace them.							
Strategic Alignment of Technology	Help desk technology is consistent with, and supports the strategies of the service desk and the enterprise overall.							
Vendor Management	Vendors are actively managed to ensure the adoption of appropriate technology, and good value in technology purchases. The buyer drives the vendor relationship.							
Call Management Customer Tools	The service desk and its agents have access to real-time tools that optimize call flow management, call logging and tracking to achieve resolution.							
Knowledge Management	Knowledge capture and customer history are used to enhance the value of each customer interaction.							

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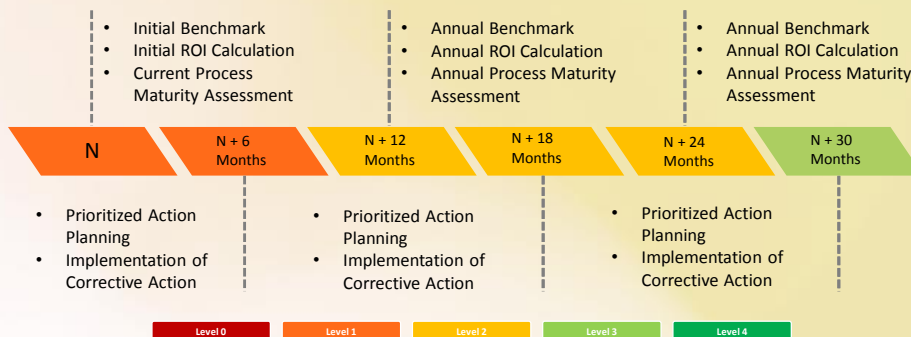
Now, Implement Your Action Plan!



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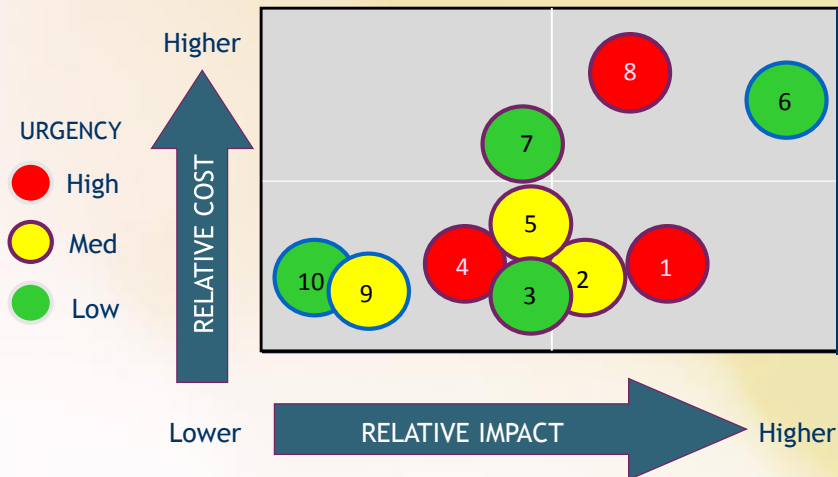
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A Sample CSI Timeline



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Prioritizing Your Action Plan



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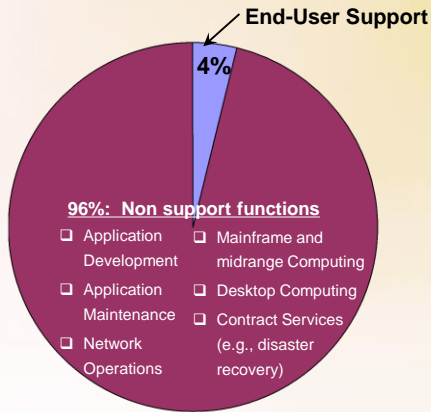
Establish Performance Goals

DOMAIN	PERFORMANCE METRIC	CURRENT PERFORMANCE	PERFORMANCE GOAL
Service Desk	Cost per Contact	\$27.90	\$21.00
	Customer Satisfaction	71%	80%
	Agent Utilization	49%	60%
	First Contact Resolution	61%	70%
	Agent Satisfaction	56%	75%
	Balanced Score	52%	70%
Agent	Customer Satisfaction	By Individual	85%
	Number of Contacts Handled per Month	By Individual	650
	Call Quality	By Individual	90 out of 100
	First Contact Resolution	By Individual	75%

- Define KPIs to track and trend
- Measure baseline performance
- Establish "stretch" goals for each KPI
- Measure performance at least monthly
- Post performance trends and periodically reset goals

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The Paradox of IT Support

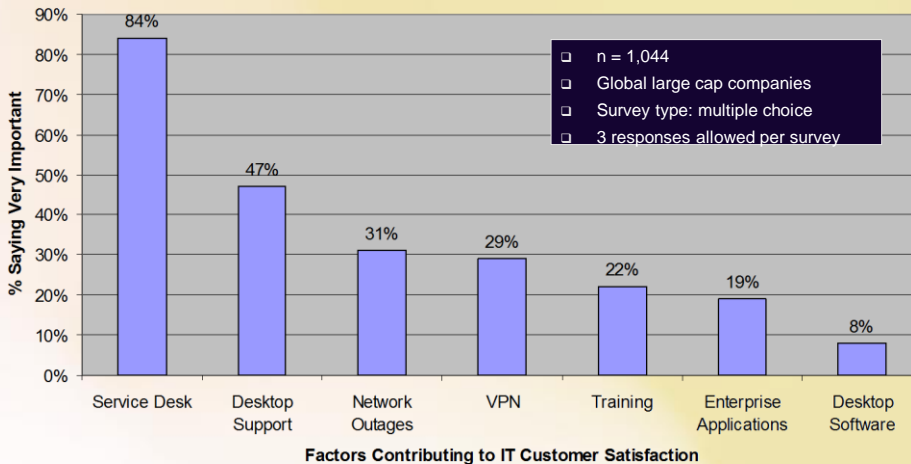


Corporate IT Spending Breakdown

- ❑ 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

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Service and Support Drives Customer Satisfaction for All of IT



- ❑ 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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Questions?

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Thank You!

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