MetricNet™
Performance Benchmarking

United States PLUS

Service Desk Benchmark

In-house/Insourced Service Desks

Report Number: **SAMPLE** | Updated: **SAMPLE**

MetricNet's instantly downloadable Service Desk benchmarks provide valuable industry data that your organization can use to begin improving performance right away!

MetricNet Performance Benchmarking
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Contents

BENCHMARKINNG OVERVIEW

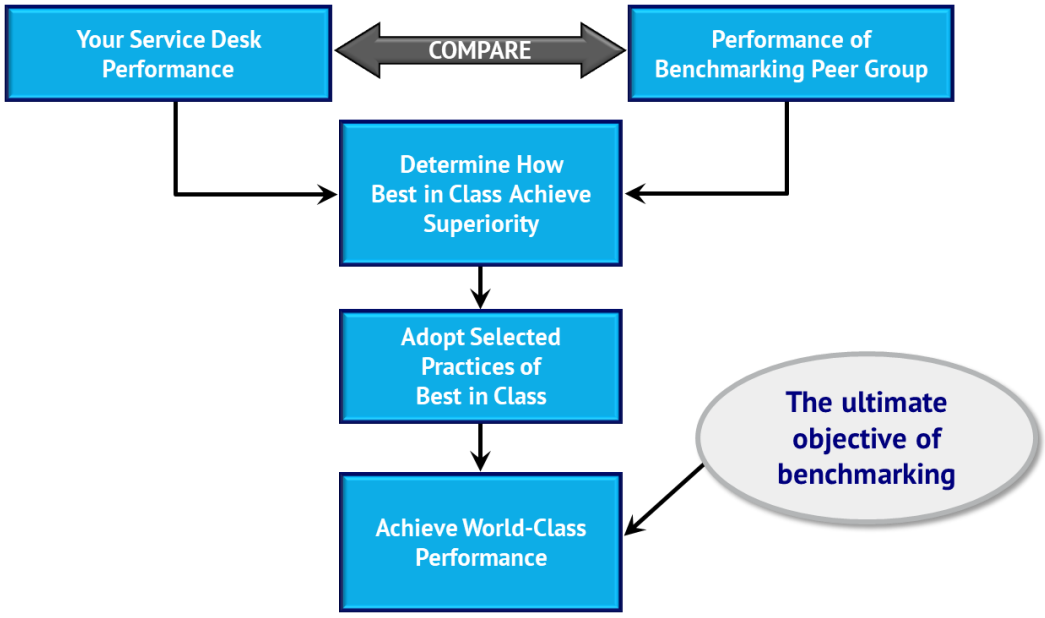
Benchmarking Overview

Benchmarking is a well-established tool for measuring and improving Service Desk performance. Effective benchmarking enables you to quantify your Service Desk's performance, compare your Service Desk to others in your industry, identify negative performance gaps, and define the actions necessary to close the gaps.

The power of benchmarking is that it enables your Service Desk to save enormous amounts of time and energy by building upon the know-how of peers, competitors, and world-class companies. Service Desks that focus exclusively on their internal operations tend to make progress at an *evolutionary* pace. But benchmarking forces an organization to look externally—at the competition. By studying the competition, and selectively adopting practices from the best of the best, Service Desks that successfully employ benchmarking can improve their performance at a *revolutionary* pace.

The Basic Benchmarking Approach

Although benchmarking is a rigorous, analytical process, it is fairly straightforward. The basic approach is illustrated below.



The first critical step in benchmarking is to measure your Service Desk's performance. We have divided the important metrics, or Key Performance Indicators (KPIs), for your Service Desk into seven categories:

1) **Cost** metrics, such as Cost per Contact
2) A **Total Cost of Ownership** metric, Net First Level Resolution Rate
3) **Handle Time** metrics, such as Voice Handle Time
4) **Voice Quality** metrics, such as Customer Satisfaction
5) **Voice Productivity** metrics, such as Analyst Utilization
6) **Voice SLA** metrics, such as Average Speed of Answer
7) **Analyst** metrics, such as Analyst Job Satisfaction

This benchmark report explains each KPI, how to measure it, and how it is connected with other KPIs.

But the true potential of KPIs can be unlocked only when they are used holistically, not just to measure your performance, but also to:

- Track and trend your performance over time
- Benchmark your performance vs. industry peers
- Identify strengths and weaknesses in your Service Desk
- Diagnose the underlying drivers of performance gaps
- Prescribe actions to improve your performance
- Establish performance goals for both individuals and your Service Desk overall

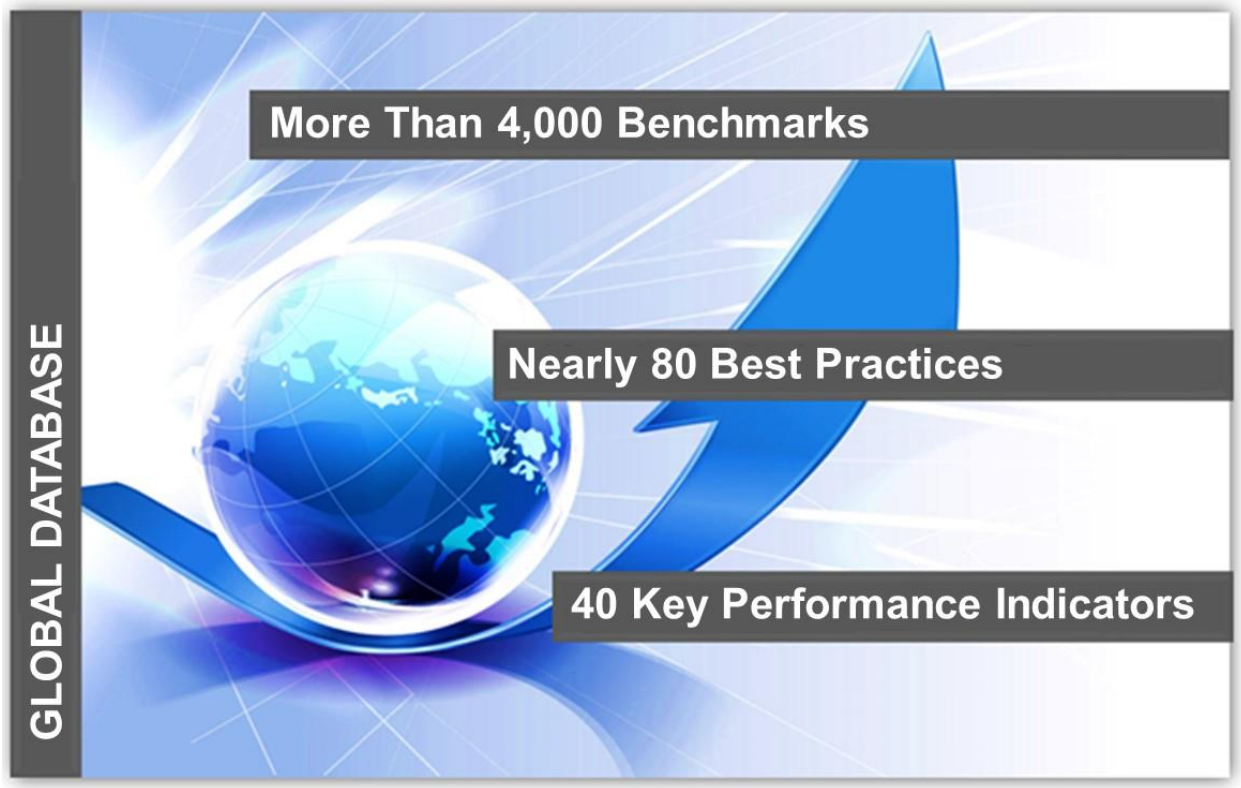
In other words, once you've measured your performance, benchmarking involves comparing your performance to others and asking questions such as, "How did they achieve a higher level of customer satisfaction? How did they get to a lower cost per contact? How did they drive customer loyalty by virtue of the Service Desk portal?"

Once you've answered those questions, you can adopt selected industry best practices to remedy your performance gaps on the critical KPIs that will help you to achieve superior performance. And since the Service Desk has historically been viewed as a "non-core" activity, the field is wide open for

forward-thinking Service Desk managers to take the initiative and build a service-based competitive advantage through benchmarking!

Achieving World-Class Performance

To build a sustainable competitive advantage, your goal must be World-Class Performance. That's where we can help you. MetricNet's benchmarking database is global. We have completed more than 4,000 benchmarks. Through them, we have identified nearly 80 industry best practices and more than 40 Key Performance Indicators (KPIs) that organizations around the world are using to achieve World-Class Performance.



World-Class Service Desks have a number of characteristics in common:

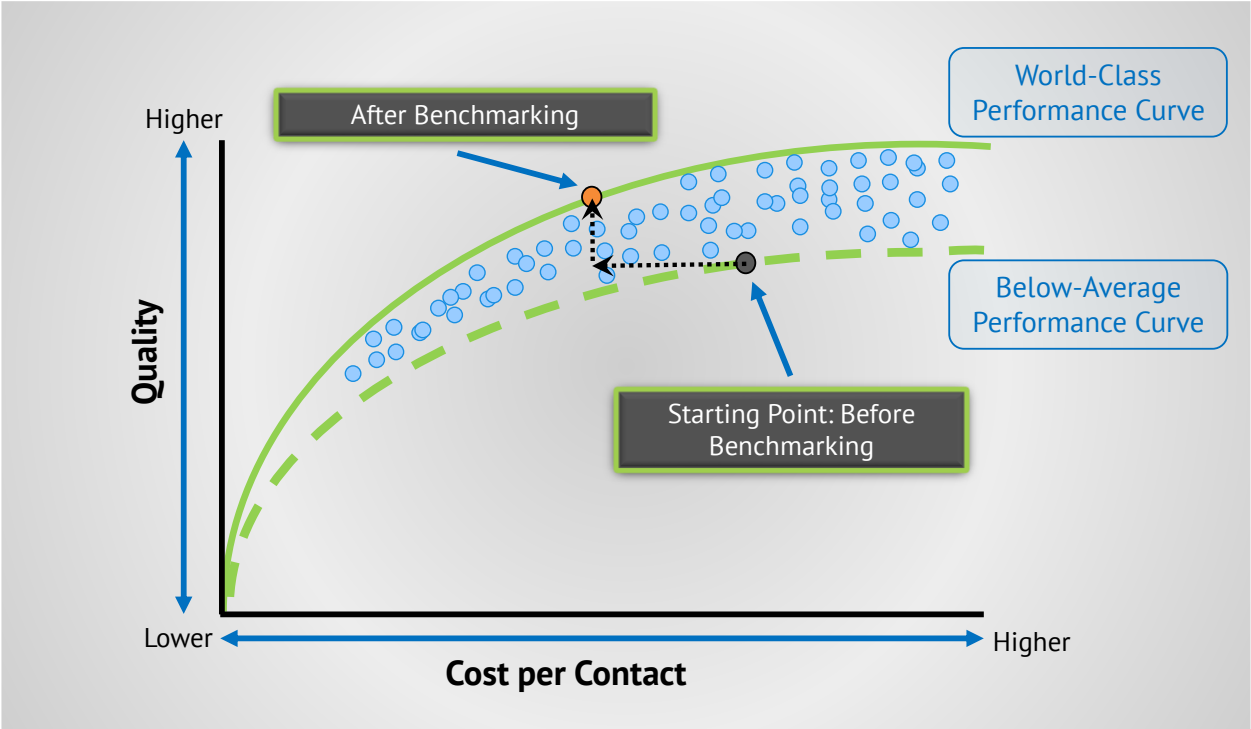
- They consistently exceed customer expectations
  - This produces high levels of Customer Satisfaction
  - Their Call Quality is consistently high
- They manage costs at or below average industry levels
  - Their Cost per Contact is below average

- Their high First Level Resolution Rate minimizes Total Cost of Ownership (TCO)

- They follow industry best practices
  - Industry best practices are defined and documented
  - They effectively apply those best practices
- They add value with every transaction
  - They produce a positive customer experience
  - They drive a positive view of IT overall

There's another way that we can describe what it means to be a World-Class Service Desk. Graphically, it looks like the image below:

The Goal of Benchmarking:
Lower Cost *and* Higher Quality



On this chart, we're showing two dimensions. The X-axis is cost per contact and the Y-axis is quality (as measured by customer satisfaction). We've taken some representative data points from our database and placed them on this chart.

The first thing you'll notice is that there's a cause-and-effect relationship between cost and quality. Some Service Desks are driven by the need to minimize their cost. When that's the case, your cost will drive your quality. Other Service Desks are driven by quality. In that case, your quality will drive your cost.

The second thing you'll notice is that it's a non-linear relationship—as quality increases, your cost will increase disproportionately. At some point, it probably doesn't make sense to pursue any further quality, because quality is not free!

The point of this chart is to reinforce what it means to be World-Class. It means that you take the limited resources you have and deploy them in the most effective way. If you do that, you will land on the upper curve, the World-Class curve. If your Service Desk performs below average, you'll be on the lower curve.

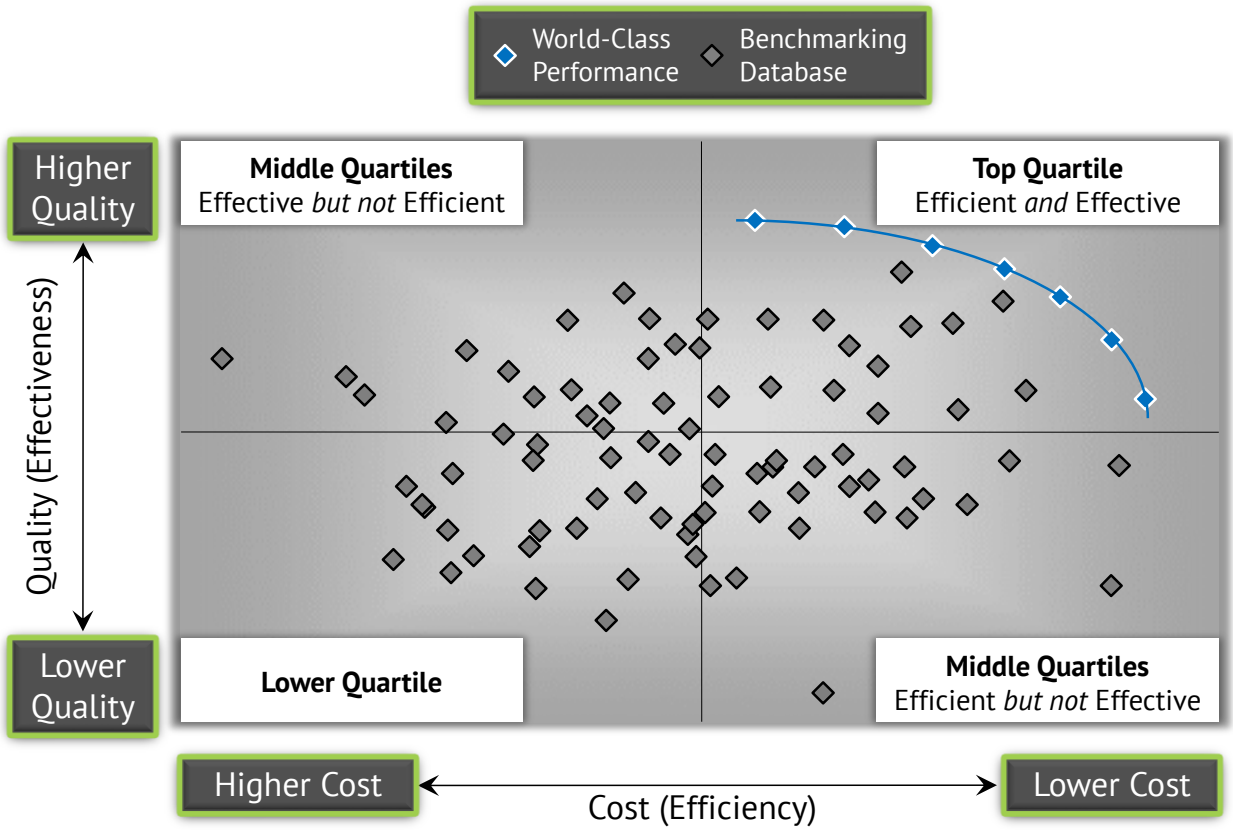
Being World-Class is a relative concept. It's not about hitting a particular target on any one metric. It is about deploying your resources as effectively as you possibly can.

Cost vs. Quality for Service Desks

Think about it this way. On the two-dimensional chart below, we again show cost per contact on the X-axis (except that low cost is now on the right, instead of the left) and customer satisfaction (quality) on the Y-axis. Where you want to be is on the upper-right World-Class Performance curve shown by the blue diamonds.

The blue diamonds represent those Service Desks that have optimized their performance. As you can see in the chart, some of them have optimized at a very low cost and a slightly above-average customer-satisfaction level. Others have optimized at a slightly better-than-average cost and a very high customer-satisfaction level. The goal is to be in the upper-right-hand quadrant where you are both efficient (low cost) and effective (high quality).

The World-Class Performance Curve: Optimizing Efficiency *and* Effectiveness



HOW TO USE THIS BENCHMARK REPORT

How to Use this Benchmark Report

Here is the four-step benchmarking process to improve your Service Desk's performance with this report:

Step 1: Collect your Service Desk's performance data.

Thorough, accurate data collection is the cornerstone of successful benchmarking. This is also the most time-consuming step in benchmarking. But you need accurate data in order to identify the performance gaps in your own Service Desk.

Ideally, your Service Desk will have data that measures performance for each of the 24 KPIs that we include in this benchmarking report, the ones listed below:

Service Desk Benchmarking Metrics

Cost

- Avg. Cost per Voice Contact
- Avg. Cost per Voice Minute

Voice Quality

- Voice Customer Satisfaction
- Net First Contact Resolution Rate
- Call Quality

Voice Productivity

- Voice Analyst Utilization
- Inbound Voice Contacts per Analyst per Month
- Voice, Chat, & Email Analysts as a % of Total Service Desk Headcount

TCO

- Net First Level Resolution Rate

Handle Time

- Voice Handle Time
- Web/Email Handle Time

Voice SLA

- Average Speed of Answer
- Call Abandonment Rate
- % Answered in 30 Seconds

Analyst

- Annual Analyst Turnover
- Daily Analyst Absenteeism
- Analyst Schedule Adherence
- Analyst Occupancy
- New Analyst Training Hours
- Annual Analyst Training Hours
- Analyst Tenure
- Analyst Job Satisfaction

If your Service Desk does not yet measure all 24 KPIs, you can still benefit from benchmarking the KPIs for which you do have data. At a minimum, you'll want to benchmark six of the most important metrics, the ones we use in our Service Desk Scorecard (see page **23** below), or some similar substitutes. And for the KPIs that you haven't begun measuring, you can still use this report to establish performance goals based on the benchmarking data from other Service Desks (see Step 3).

We have defined each KPI in the Detailed Benchmarking Data section below (starting at page **36**). You can refer to these definitions as you collect your data to ensure an apples-to-apples benchmarking comparison in Step 2.

You may also find it helpful to review your collected data with other key personnel who understand your Service Desk's operations. They can often provide context for the data and spot potential anomalies or inaccuracies.

Step 2: Compare your performance to others.

We provide several methods to compare your performance data with industry peers. The four primary methods are these:

1) A **Benchmarking KPI Performance Summary** (page **19**), which lists the industry peer group's average, minimum, median, and maximum performance levels for each KPI.
2) **Quartile Rankings** (page **21**), so you can map which quartile your Service Desk performs in for each KPI.
3) A **Service Desk Scorecard** (page **23**), which provides a more holistic, balanced measure of your Service Desk's overall performance compared to the industry peer group.
4) **Detailed Benchmarking Data** (starting on page **36**), which shows bar charts of the performance level for each Service Desk in the peer group, for each individual KPI.

Step 3: Develop strategies for improved performance.

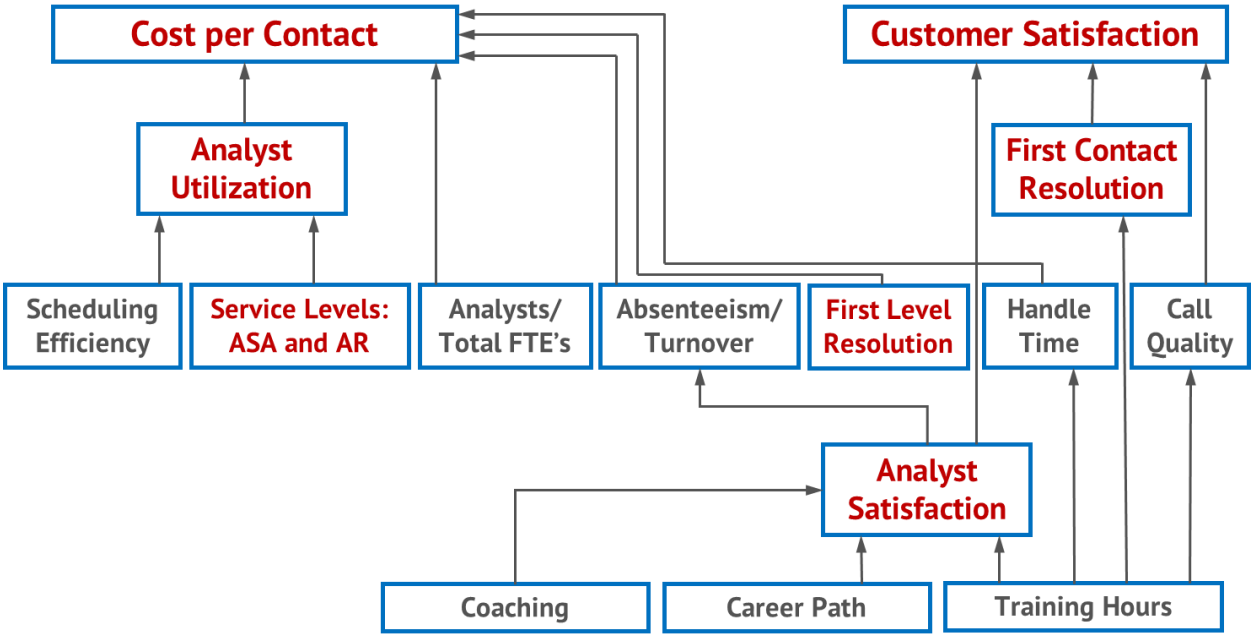
Without an action plan to improve performance, benchmarking is a pointless exercise. Ironically, this is one of the simplest steps in the benchmarking process, but it adds the most value.

The true potential of measuring and benchmarking your KPIs can be unlocked only when you use them to diagnose and understand the underlying drivers of your Service Desk's performance. Then you can use that diagnosis to strategically adopt the specific industry best practices that will boost your Service Desk to World-Class Performance.

The key to using KPIs diagnostically is to understand their cause-and-effect relationships. You can think of these relationships as a linkage where all of the KPIs are interconnected. When one KPI moves up or down, other KPIs move with it. Understanding this linkage is enormously powerful because it shows you the levers you can pull to increase performance.

The diagram below illustrates some of the most important linkage between Service Desk KPIs. The detailed benchmarking data in this report (starting on page **36**) also lists key correlations for each KPI.

Major KPI Cause-and-Effect Relationships



We call Cost per Contact and Customer Satisfaction the foundation metrics. Nearly everything a Service Desk does can be viewed through the lens of cost and quality. Will this new technology reduce my costs? Will this new process improve customer satisfaction? This insight is crucial because it greatly simplifies decision-making for your Service Desk. Any practice that does not have the long-term effect of improving customer satisfaction, reducing costs, or both, is simply not worth doing.

The foundation metrics, however, cannot be directly controlled. Instead, they are controlled by other KPIs, the ones we call underlying drivers. As you can see from the diagram above, some top examples of underlying drivers are Analyst Utilization, First Contact Resolution Rate, and Analyst Job Satisfaction. These underlying drivers directly impact the foundation metrics—any improvement on the driver metrics will cause corresponding improvements in cost, quality, or both.

By understanding the underlying drivers for cost and quality, you can use your benchmarked KPIs diagnostically. If your Customer Satisfaction is low, for example, simply isolate the primary underlying drivers of Customer Satisfaction on which your performance was low compared to the benchmark. Then map out an action plan to improve your performance for those crucial metrics.

To help choose the specific steps in your action plan, identify the industry best practices that will improve your performance for the crucial metrics that you isolated. MetricNet has identified nearly 80 industry best practices for Service Desks.

You should also set specific performance targets, both for individual analysts and for the Service Desk overall. To ensure that you are improving holistically, and not just fixating on some of your lowest metrics, emphasize performance targets for your Service Desk's balanced score (see page **23**).

Step 4: Implement, and monitor results.

Once you've identified your strategies for improved performance, you are in a position to implement your action plan. This is where the payoff comes, so don't neglect this step!

As you implement your action plan, regularly monitor your performance for changes. One of the easiest and best ways of monitoring is to update your Service Desk scorecard (see page **23**) every month or every quarter, and trend the changes in your score over time.

If you have implemented your action plan but over time your performance does not improve as expected, return to Step 3. Reevaluate which strategies have worked, which have not, and whether you should attack different or additional drivers of your performance gaps.

Do you want your Service Desk to achieve continuous improvement? Consider repeating this four-step benchmarking process periodically with the most up-to-date benchmarking data from industry peers, so you can build and maintain your competitive advantage.

KPI STATISTICS: SUMMARY AND QUARTILES

KPI Statistics: Summary and Quartiles

Benchmarking Performance Summary

The table on the next two pages summarizes this report's benchmarking data. It shows the benchmarking peer group's average, minimum, median, and maximum performance levels for each Key Performance Indicator (KPI).

On the left of the table you see the six categories of metrics, followed by 24 KPIs that you can use to benchmark your Service Desk. To compare your Service Desk's performance with that of this peer group, simply copy the table into a spreadsheet and add a column with your data for each KPI that you measure.

It's important to look at this data holistically. No single metric comes even close to telling the whole story. For example, if your cost is high, that's not necessarily a bad thing—particularly if it comes with good quality and service levels. By contrast, if your cost is low, that may not be a good thing if it comes with low Customer Satisfaction, low First Contact Resolution Rate, and the like.

Quartile Rankings for Each KPI

Quartiles are another simple way to present the benchmarking data. For each metric, the best-performing Service Desks fall into the first quartile; the worst performers fall into the fourth quartile.

For example, the Service Desks who perform in the top 25% on the first cost metric have an Average Cost per Voice Contact that ranges between $X.XX (the best) and $X.XX (the 75th percentile). The bottom 25% of Service Desks for that metric range between $X.XX and $XX.XX per inbound contact.

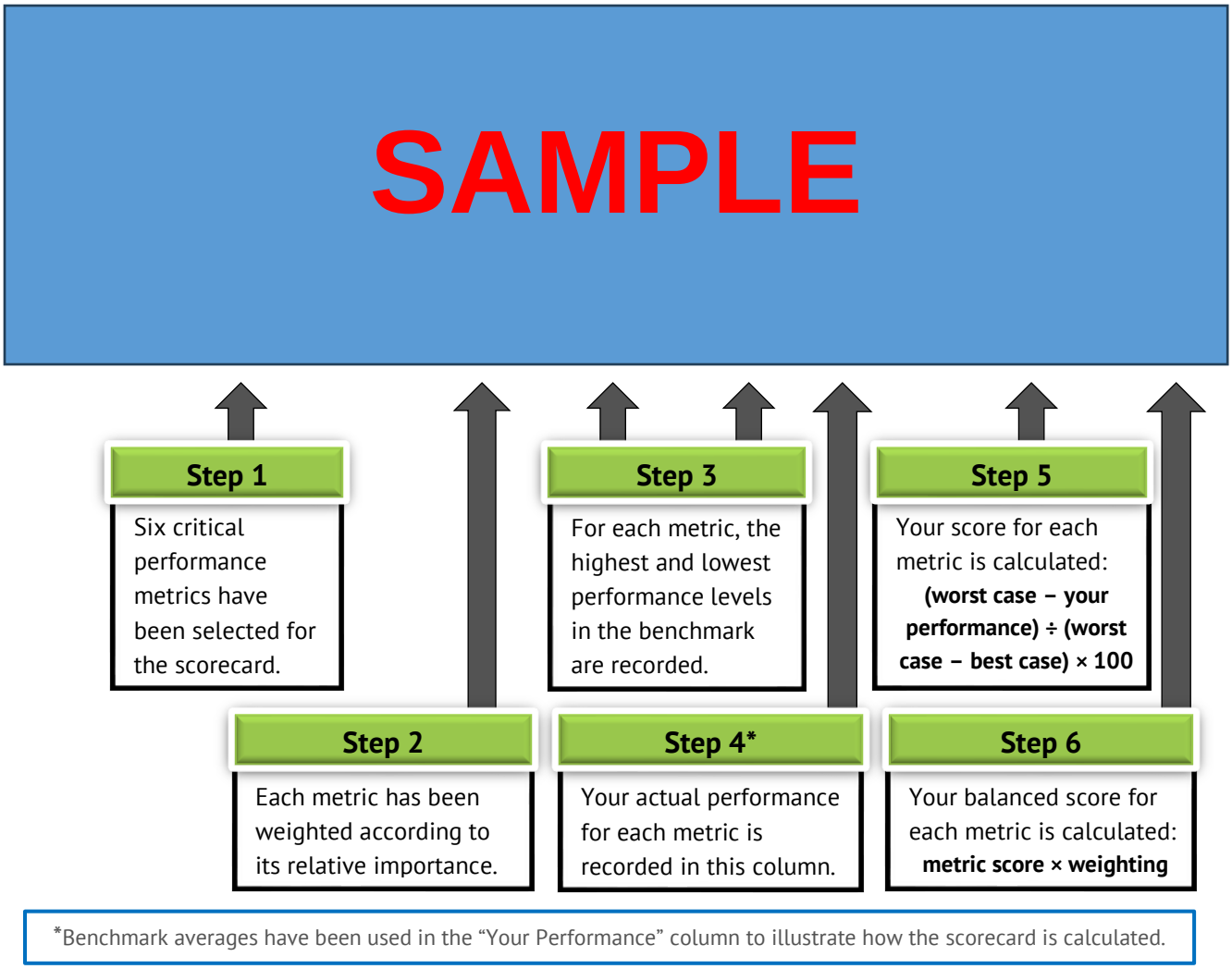
BENCHMARKING SCORECARD AND RANKINGS

Benchmarking Scorecard and Rankings

The Service Desk Scorecard: An Overview

The Service Desk scorecard produces a single, holistic measure of Service Desk performance. It combines six critical cost, quality, productivity, Analyst, and service-level KPIs into one overall performance indicator—the Balanced Score. Your score will range between zero and 100%. You can compare it directly with the Balanced Scores of other Service Desks in the benchmark.

This is what the scorecard looks like, and how it is calculated:



*Benchmark averages have been used in the "Your Performance" column to illustrate how the scorecard is calculated.

The six KPIs we selected for the scorecard are the metrics that are of highest importance for most Service Desks:

- Average Cost per Voice Contact (one of the two foundation metrics)
- Voice Customer Satisfaction (the other foundation metric)
- Voice Analyst Utilization (the primary driver of Cost per Contact)
- Net First Contact Resolution Rate (the primary driver of Voice Customer Satisfaction)
- Analyst Job Satisfaction (a key secondary driver of both cost and quality)
- Average Speed of Answer (the top service-level indicator)

The weighting percentage we assigned to each KPI is based on that KPI's relative importance in the scorecard. For example, you can see that we gave the greatest weight to Cost per Contact and Customer Satisfaction (25% each), since those are the foundation metrics.

A Service Desk's Balanced Score will always range between 0% and 100%. If your performance is the worst on each of the six KPIs, compared to the industry peer group for this benchmark report, your score will be 0%. If your performance is the best on each KPI, your score will be 100%.

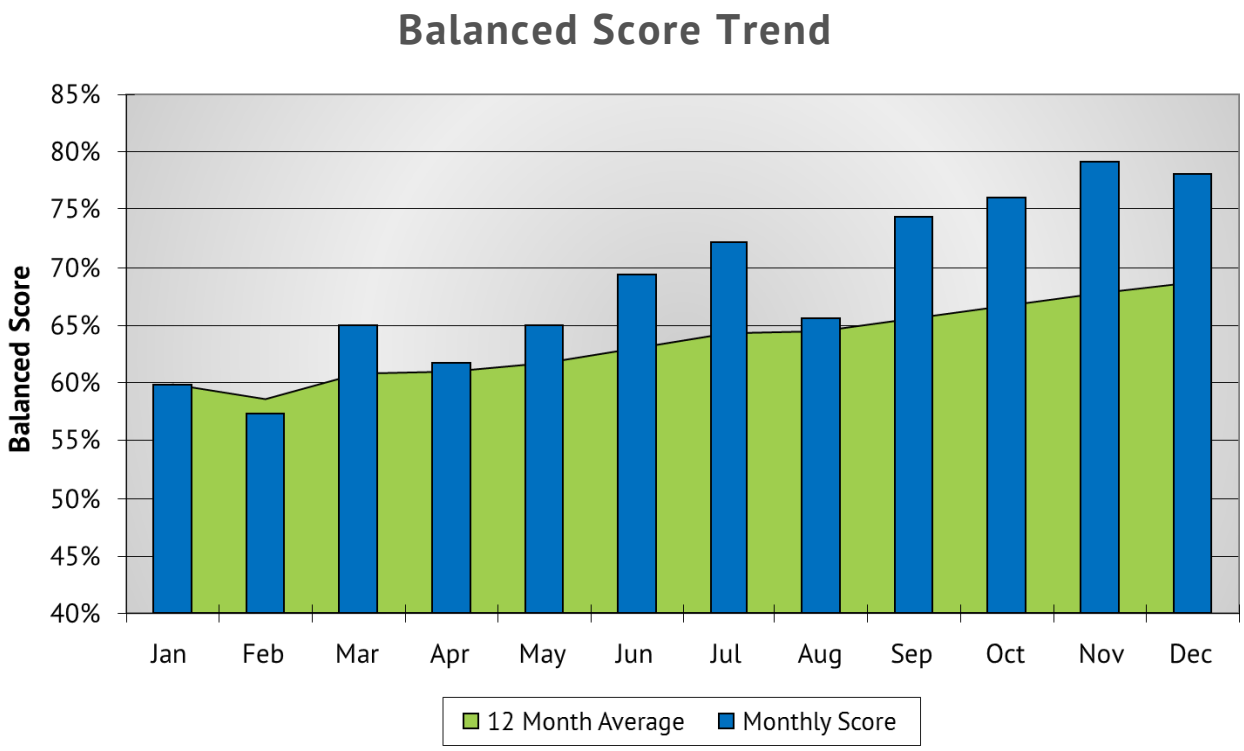
When we run this algorithm for literally hundreds of Service Desks worldwide, the average Balanced Score is approximately 64%. If your score is above about 74%, you're in the top quartile; between about 64% and 74%, you're in the second quartile; between about 55% and 64%, in the third; and below 55%, in the bottom quartile.

Tracking Your Balanced Score

By calculating your overall score for every month or every quarter, you can track and trend its performance over time. Charting and tracking your Balanced Score is an ideal way to ensure continuous improvement in your Service Desk!

Consider this real data from a few years ago. One of MetricNet's clients simply updated their scorecard every month, as shown in the chart below. The blue bars in the chart represent the monthly Balanced Scores, while the green background represents the 12-month trailing trend in scorecard performance.

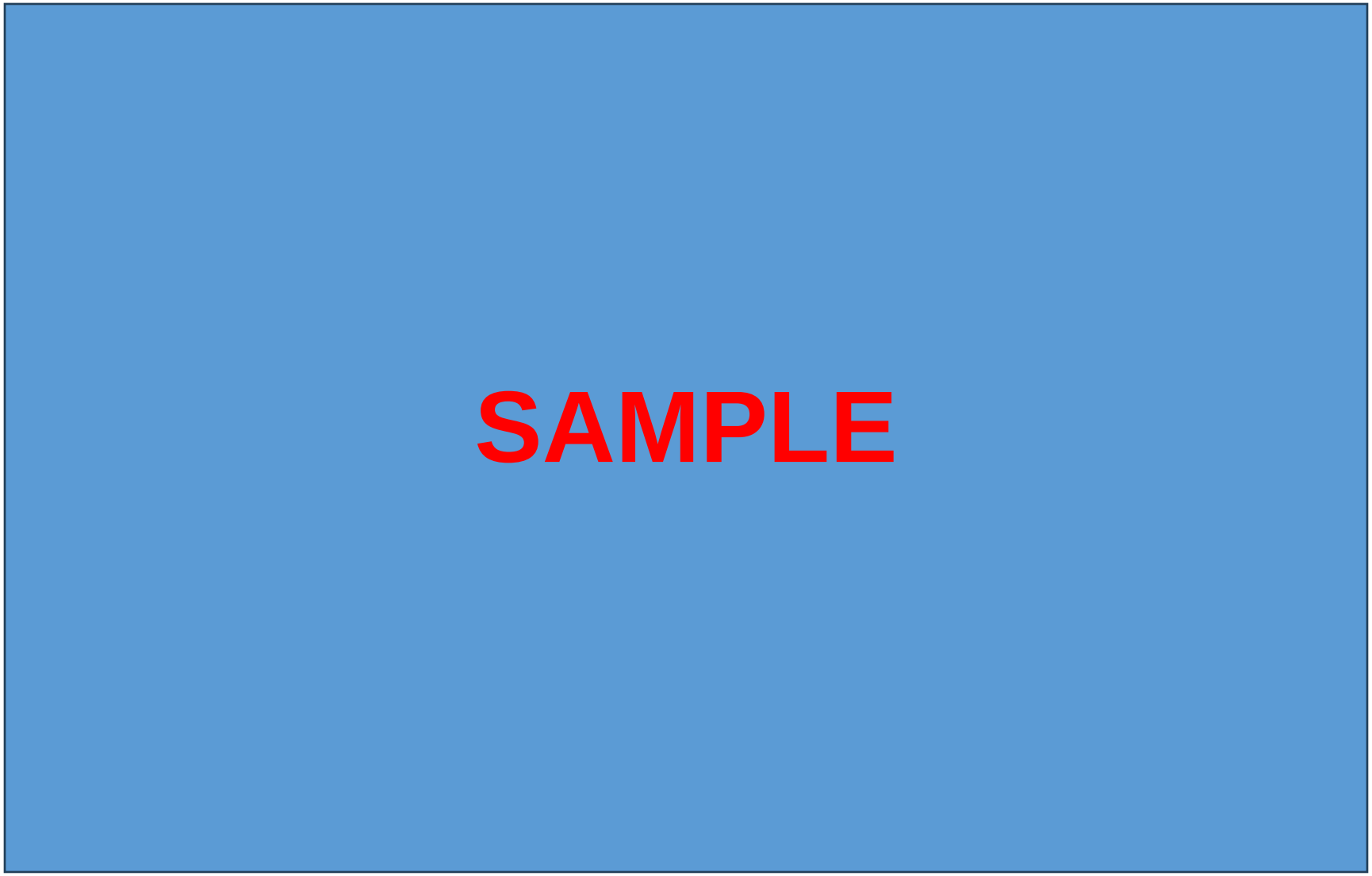
You can see that over the course of one year they managed to improve their performance substantially.



Benchmarking the Balanced Score

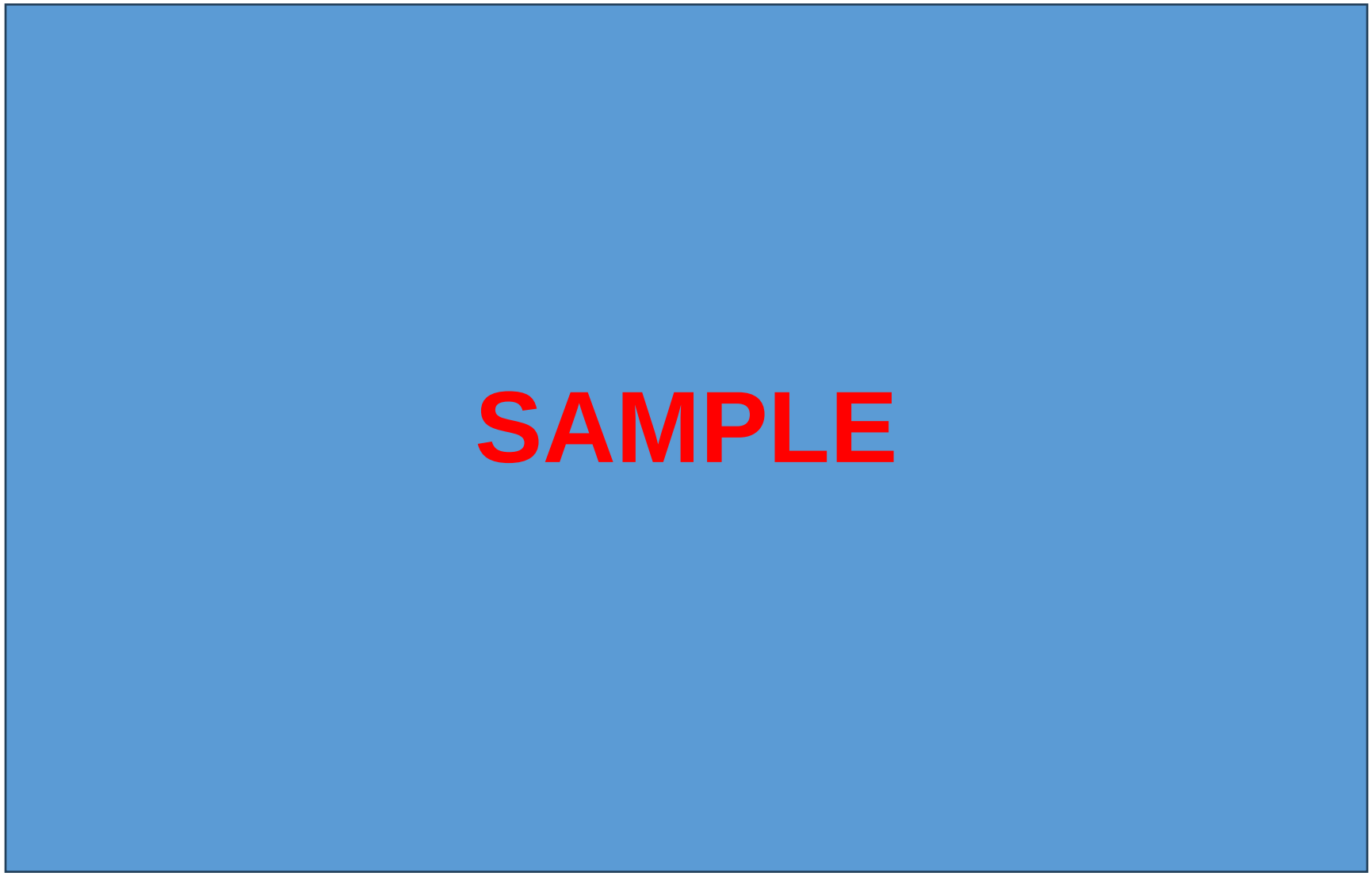
The Balanced Score is the single most useful performance indicator for comparing Service Desks. The chart on the next page graphs the Balanced Scores for all Service Desks included in this report's benchmark data. The red line shows the average overall performance level.

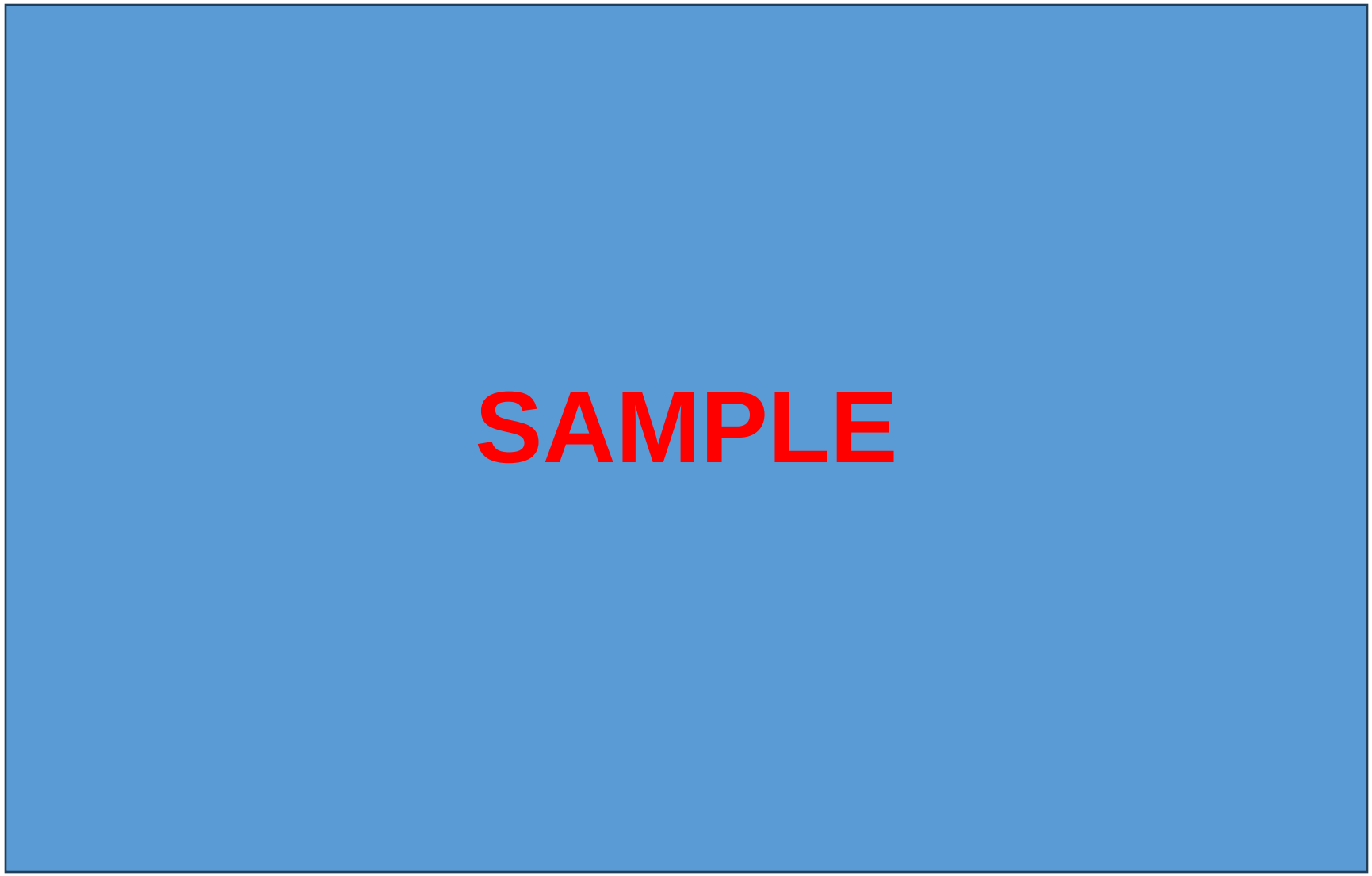
Benchmarking the Balanced Score (continued)



Benchmarking the Balanced Score (continued)

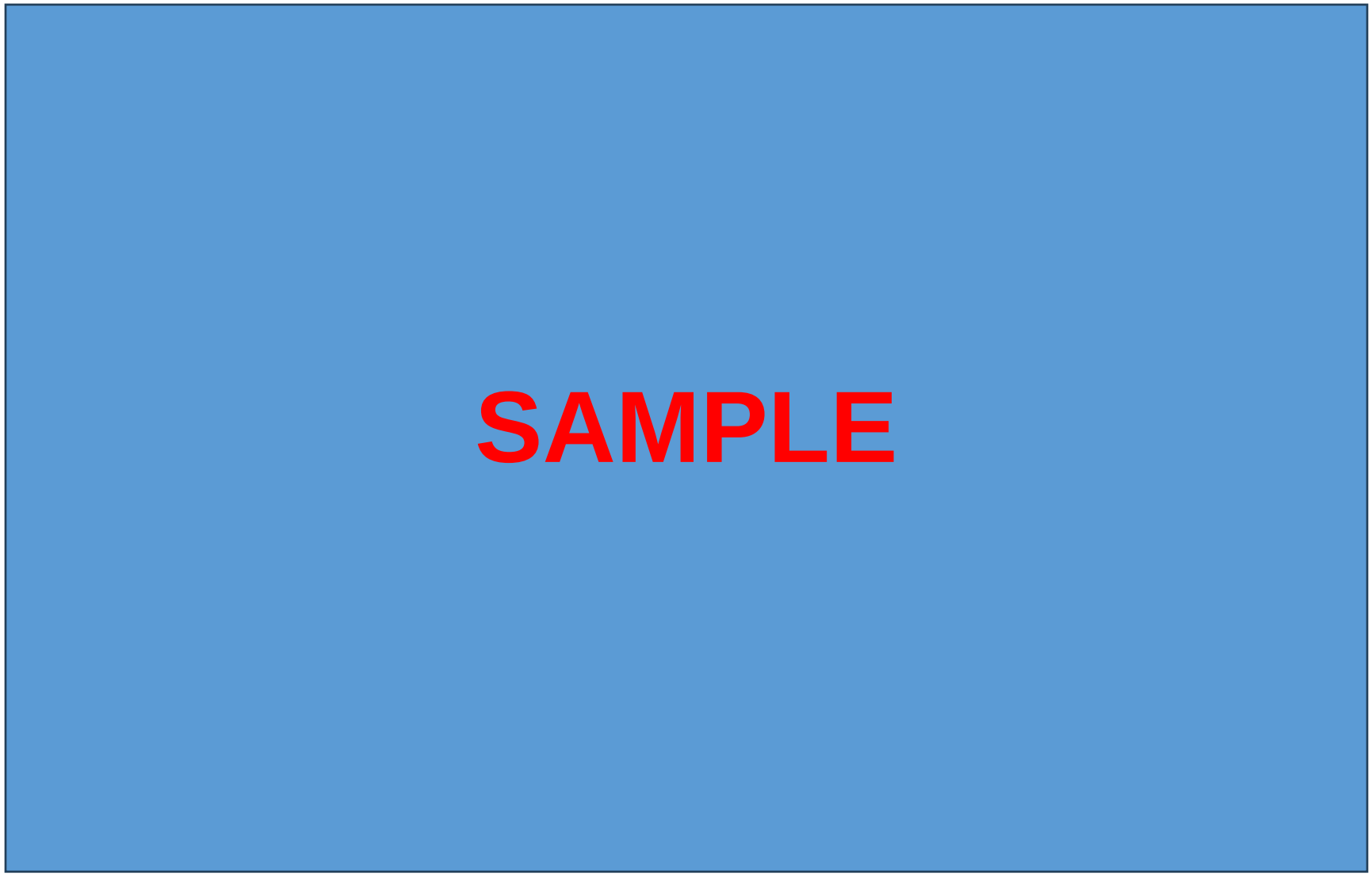
The next three pages list the Balanced Score for each Service Desk in the benchmark. They also list each Service Desk's performance for each of the six KPIs used to calculate the Balanced Score. The data records are listed in rank order, from the best Balanced Score (record #XX) to the worst (record #XX). If you want to see what any other Service Desk's score looks like compared to yours, you can use this list.

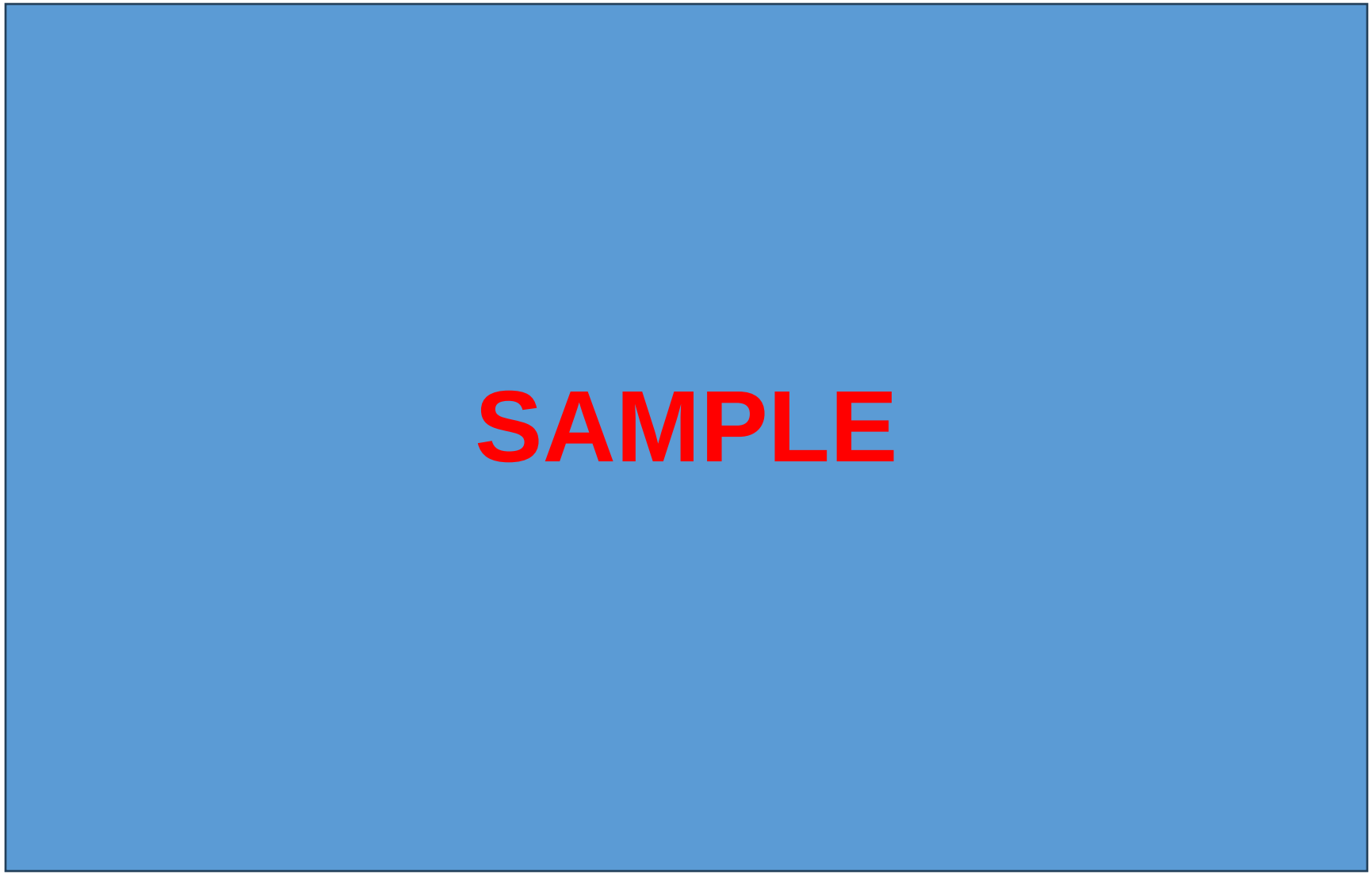


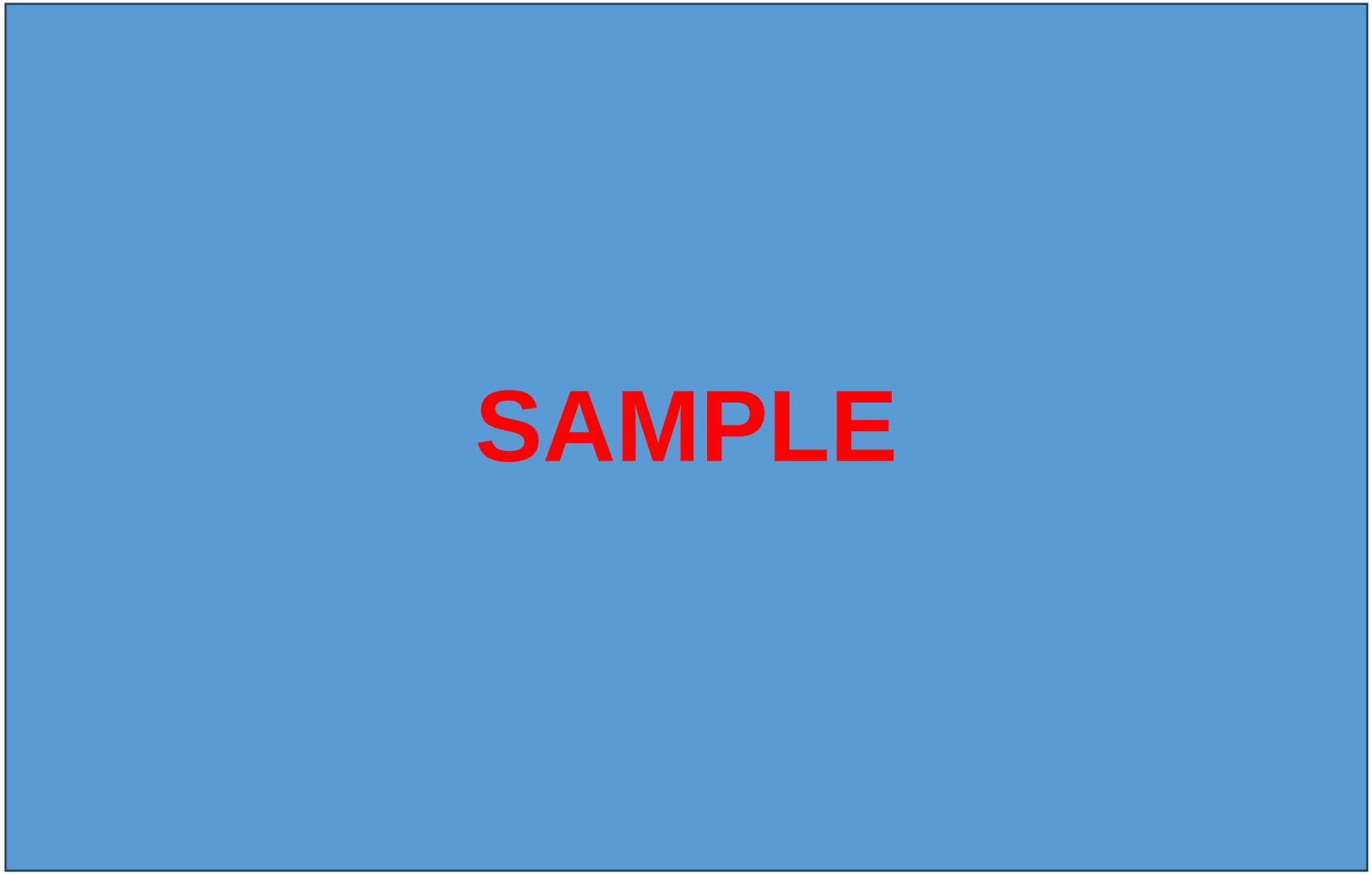


Benchmarking the Balanced Score (continued)

The next three pages show the rankings for each KPI in the scorecard. The column for each KPI has the performance levels listed in rank order, from best (top row) to worst (bottom row). This is the same data you saw in the previous list. But in this list it is not tied together by individual Service Desk data records. Instead, each KPI is ranked on its own. This allows you to look at your performance for any given metric on the scorecard and see how you stack up against other in-house/insourced Service Desks in the United States.







Benchmarking the Balanced Score (continued)

For a graphical benchmark of each individual metric in the scorecard, see the following section of this report. It contains charts for all 22 KPIs, including the six scorecard KPIs. The red line in each chart represents the average performance within the benchmark peer group, for you to compare against your own Service Desk's performance. You can jump to the charts for the six scorecard KPIs using these links (each of those charts has links above it that you can use to return to this page or to jump to the next scorecard-KPI chart):

- **Average Cost per Voice Contact**
- **Voice Customer Satisfaction**
- **Voice Analyst Utilization**
- **Net First Contact Resolution Rate**
- **Analyst Job Satisfaction**
- **Average Speed of Answer**

We always organize these charts from left to right so that good performance is on the left and bad performance is on the right. In some cases, such as cost, you'll notice an ascending distribution because lower numbers are better. In other cases, such as customer satisfaction, you will see a descending distribution because higher numbers are better.

DETAILED BENCHMARKING DATA

Detailed Benchmarking Data

Cost Metrics

Average Cost per Voice Contact

Definition: Average Cost per Voice Contact is the total annual operating expense of the voice channel divided by the annual contact volume of the Service Desk originating in the voice channel. Operating expense includes all voice-related employee salaries, overtime pay, benefits, and incentive compensation, plus all contractor, facilities, telecom, desktop computing, software, training, travel, office supplies, and miscellaneous expenses.

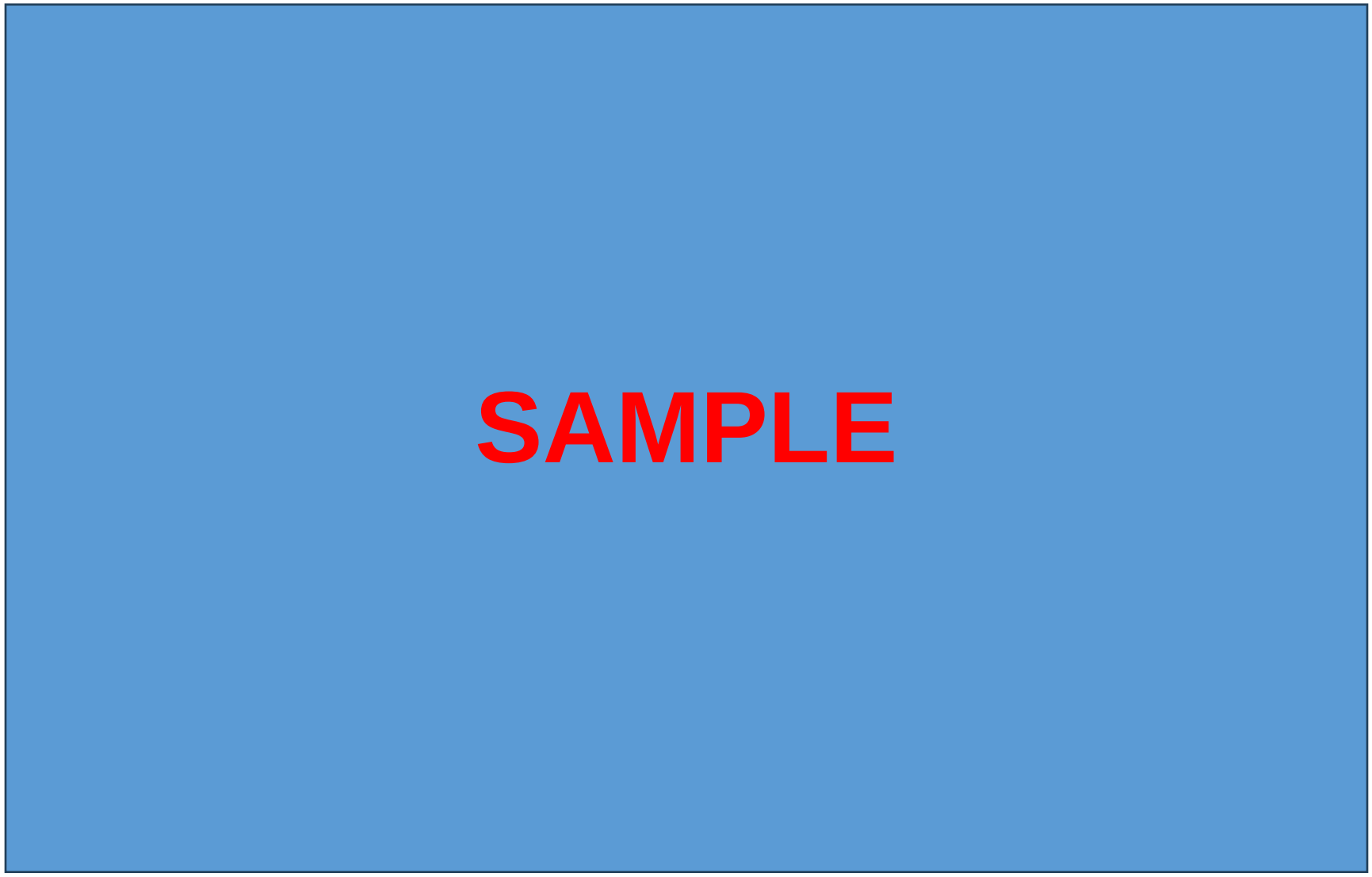
$$Average\ Cost\ per\ Voice\ Contact = \frac{Annual\ operating\ expense\ for\ voice}{Annual\ inbound\ voice\ contact\ volume}$$

Why it's important: Cost per Contact is one of the most important Service Desk metrics. It is a measure of how efficiently your Service Desk's voice channel is operating. A higher-than-average Cost per Voice Contact is not necessarily a bad thing, particularly if accompanied by higher-than-average quality and service levels. Conversely, a low Cost per Voice Contact is not necessarily good, particularly if the low cost is achieved by sacrificing quality or service levels. Every Service Desk should track and trend Average Cost per Voice Contact on a monthly basis.

Key correlations: Average Cost per Voice Contact is strongly correlated with the following metrics:

- Average Cost per Voice Minute
- Voice Analyst Utilization
- Net First Contact Resolution Rate
- Voice Handle Time
- Average Speed of Answer

Average Cost per Voice Contact (continued)



Cost Metrics (continued)

Average Cost per Voice Minute

Definition: Average Cost per Voice Minute is simply the Average Cost per Voice Contact divided by the average Voice Handle Time.

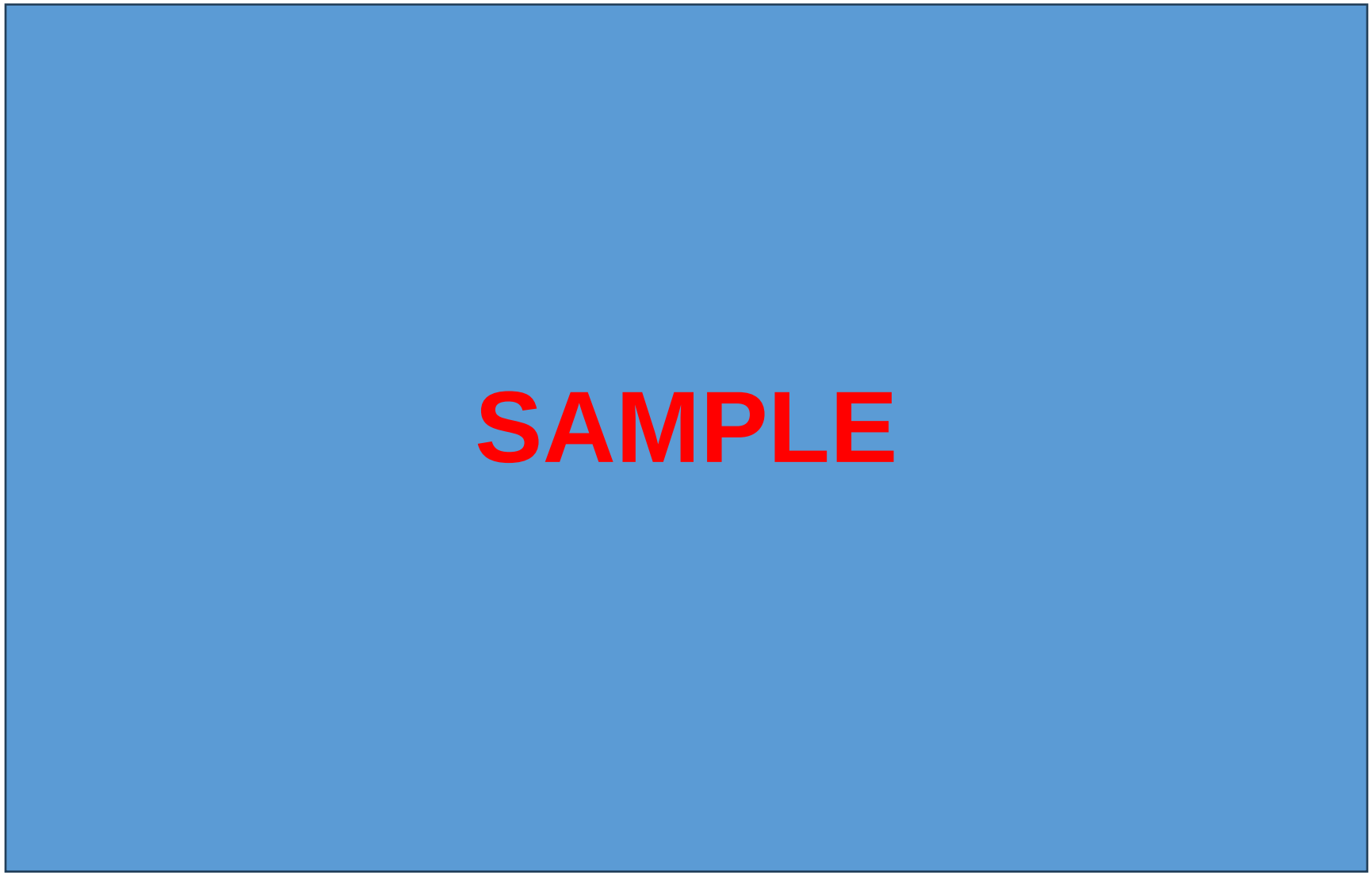
$$Average\ Cost\ per\ Voice\ Minute = \frac{Average\ Cost\ per\ Voice\ Contact}{Voice\ Handle\ Time}$$

Why it's important: Unlike Average Cost per Voice Contact, which does not take into account the average handle time or call complexity, Average Cost per Voice Minute measures the per-minute cost of providing customer support in the voice channel. It enables a more direct comparison of costs between Service Desks because it is independent of the types of calls that come into the Service Desk and the complexity of those calls.

Key correlations: Average Cost per Voice Minute is strongly correlated with the following metrics:

- Average Cost per Voice Contact
- Voice Analyst Utilization
- Net First Contact Resolution Rate
- Average Speed of Answer

Average Cost per Voice Minute (continued)



Total Cost of Ownership Metric

Net First Level Resolution Rate

Definition: Net First Level Resolution Rate is the number of incidents *actually* resolved at the Level 1 Service Desk, divided by the number of incidents that *could* potentially be resolved at the Service Desk. Any incident that is pushed out to another support level (Desktop Support, Level 2 IT support, vendor support, etc.) is, by definition, not resolved at Level 1. Incidents than *cannot* be resolved at Level 1, such as a hardware break/fix, do not count in the denominator of the Net First Level Resolution Rate.

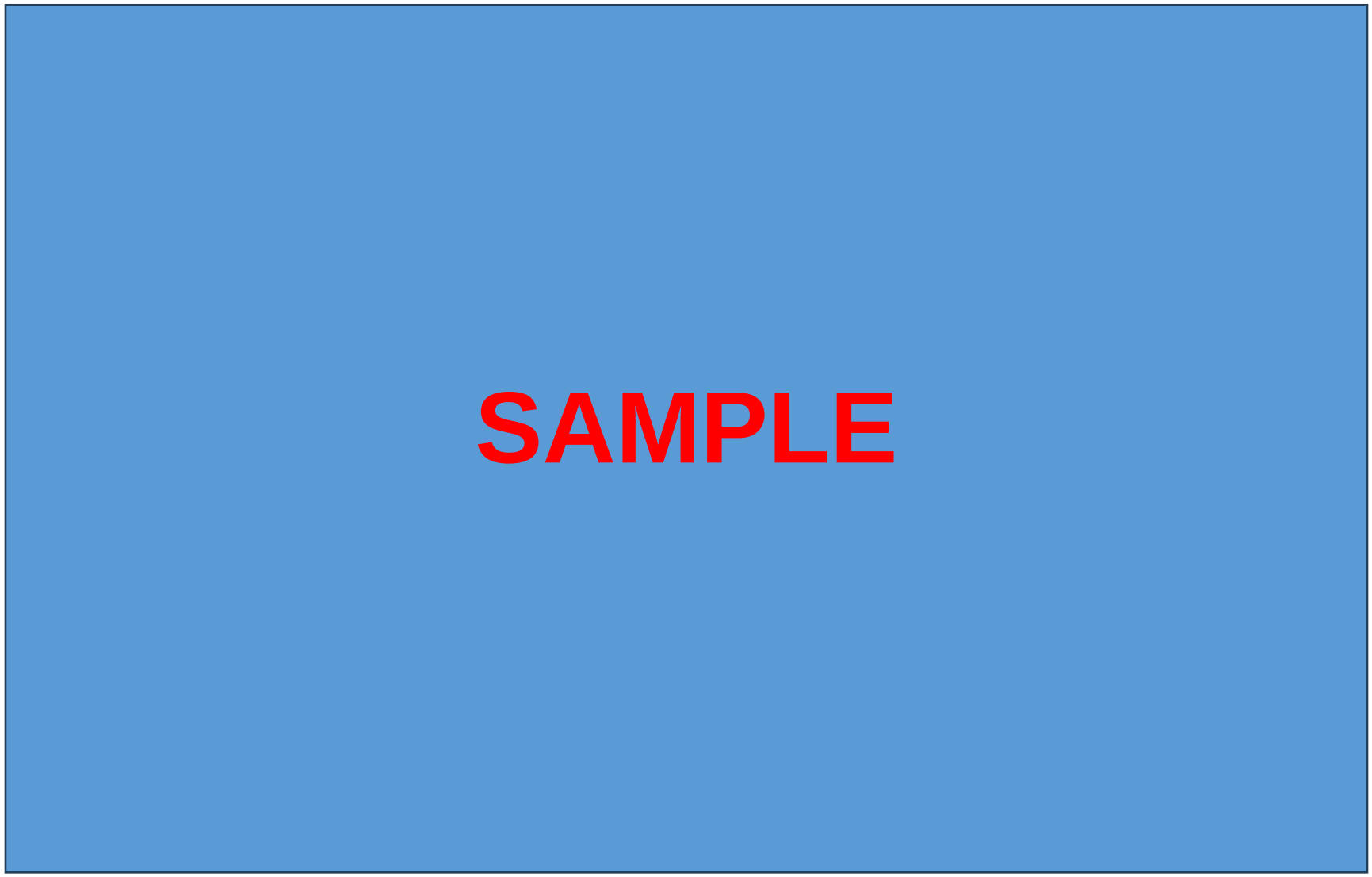
$$\textit{Net First Level Resolution Rate} = \frac{\textit{Number of incidents resolved at Svc. Desk}}{\textit{Number of incidents Svc. Desk could resolve}}$$

Why it's important: Net First Level Resolution Rate is a measure of the Service Desk's overall competency, and is a proxy for Total Cost of Ownership (TCO). A high First Level Resolution Rate helps to minimize TCO because each contact that is resolved at Level 1 avoids a higher cost of resolution at Level *n* (IT, Desktop Support, vendor support, etc.). Service Desks can improve their Net First Level Resolution Rates through training and through investments in technologies such as remote diagnostic tools and knowledge-management systems.

Key correlations: Net First Level Resolution Rate is strongly correlated with the following metrics:

- Net First Contact Resolution Rate
- New Analyst Training Hours
- Annual Analyst Training Hours
- Cost per Contact
- Total Cost of Ownership

Net First Level Resolution Rate (continued)



Handle Time Metrics

Voice Handle Time

Definition: Voice Handle Time is the average time (in minutes) that an Analyst spends on each call, including talk time, hold time, and after-call work time.

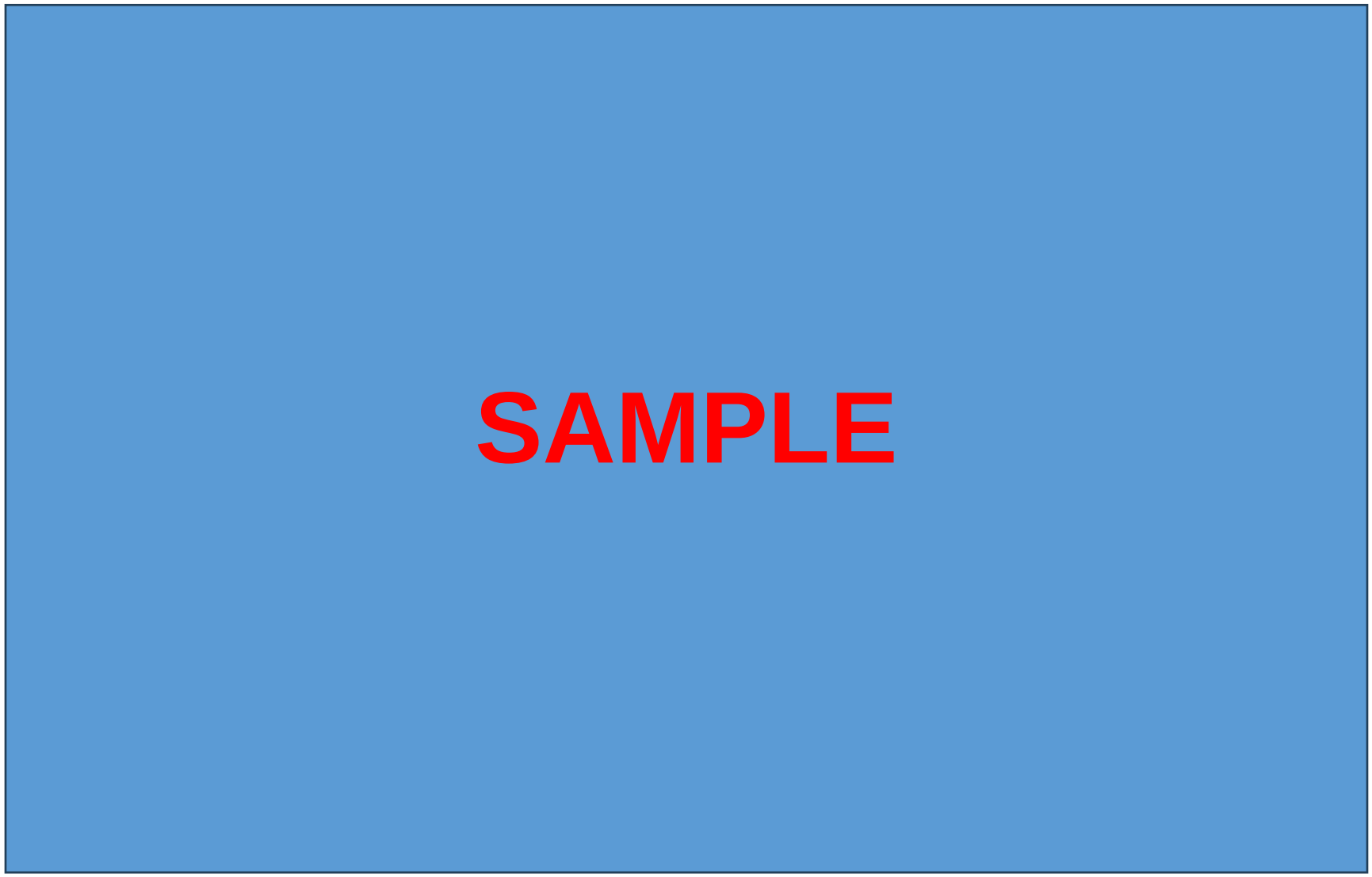
$$Voice\ Handle\ Time = \frac{Total\ minutes\ spent\ on\ inbound\ voice\ contacts}{Total\ inbound\ voice\ contacts}$$

Why it's important: A contact is the basic unit of work in a Service Desk. Voice Handle Time, therefore, represents the amount of labor required to complete one unit of inbound work in the voice channel.

Key correlations: Voice Handle Time is strongly correlated with the following metrics:

- Average Cost per Voice Contact
- Inbound Voice Contacts per Analyst per Month
- Net First Contact Resolution Rate

Voice Handle Time (continued)



Handle Time Metrics (continued)

Chat Handle Time

Definition: Chat Handle Time is the average time (in minutes) that an Analyst spends on each chat, including chat time and after-chat work time.

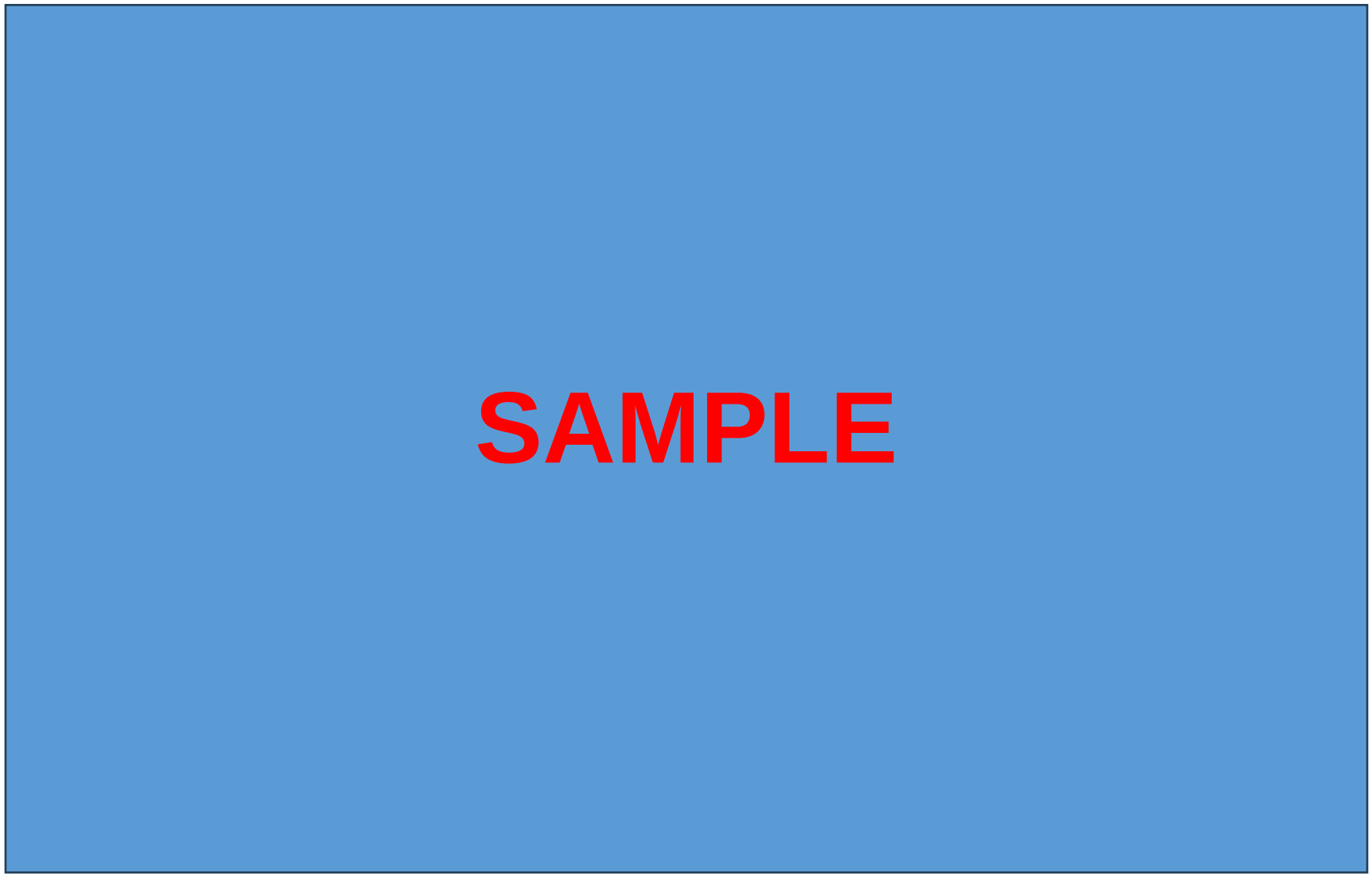
$$Chat\ Handle\ Time = \frac{Total\ minutes\ spent\ on\ chat\ sessions}{Total\ number\ of\ chat\ sessions}$$

Why it's important: A contact is the basic unit of work in a Service Desk. Chat Handle Time, therefore, represents the amount of labor required to complete one unit of work in the chat channel.

Key correlations: Chat Handle Time is strongly correlated with the following metrics:

- Average Cost per Chat Session
- Number of Chat Sessions per Chat Analyst per Month
- Chat First Contact Resolution Rate

Chat Handle Time (continued)



Handle Time Metrics (continued)

Web/Email Handle Time

Definition: Web/Email Handle Time is the average time that an Analyst spends handling each web ticket or email contact.

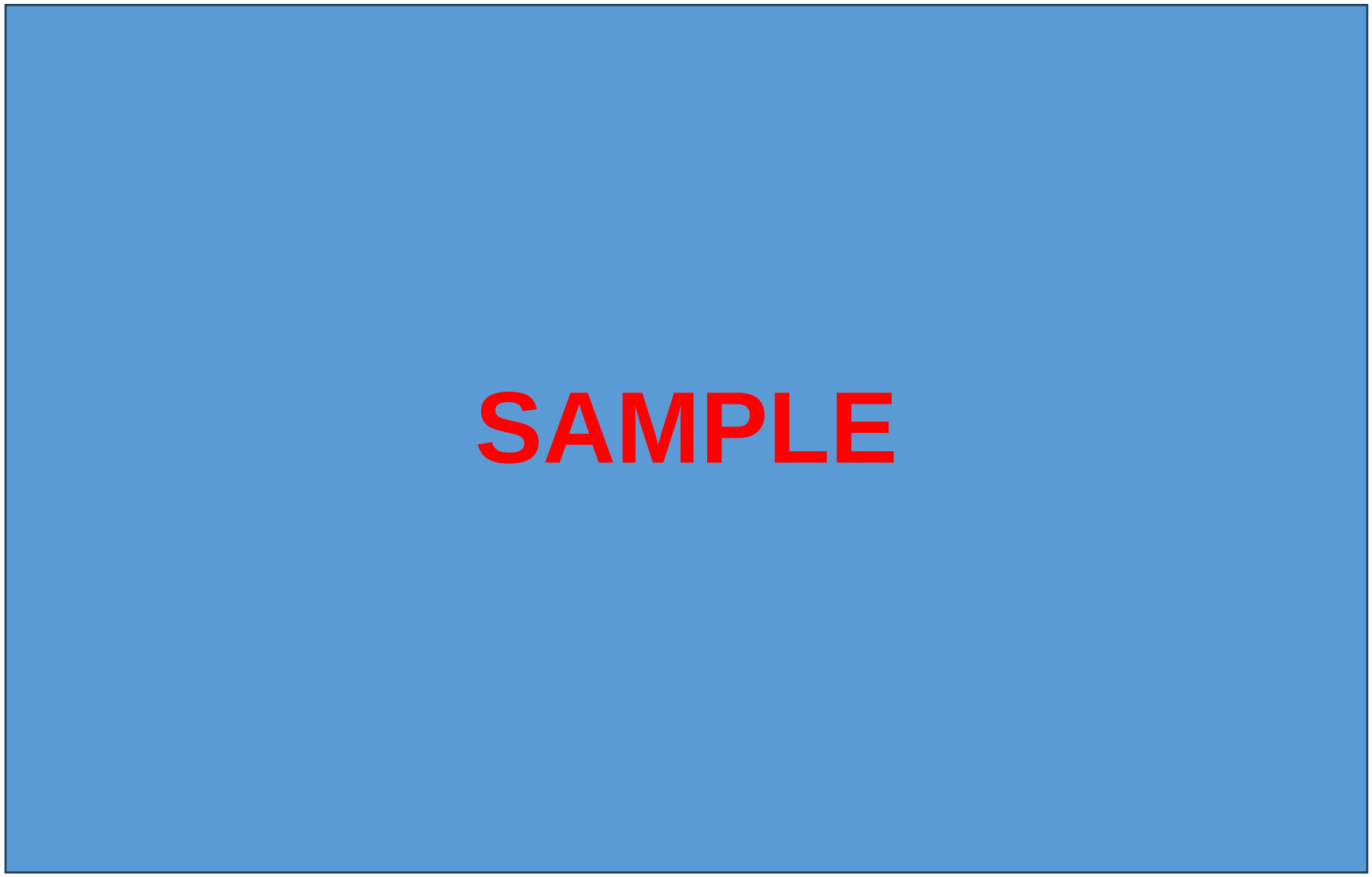
$$Web/Email\ Handle\ Time = \frac{Total\ minutes\ spent\ on\ web\ tickets\ and\ emails}{Total\ number\ of\ web\ tickets\ and\ emails}$$

Why it's important: A contact is the basic unit of work in a Service Desk. Web/Email Handle Time, therefore, represents the amount of labor required to complete one unit of work in the web-ticket/email channel.

Key correlations: Web/Email Handle Time is strongly correlated with the following metrics:

- Average Cost per Web Ticket/Email Contact

Web/Email Handle Time (continued)



Voice Quality Metrics

Voice Customer Satisfaction

Definition: Voice Customer Satisfaction is the percentage of customers who are either satisfied or very satisfied with their Service Desk experience in the voice channel. This metric can be captured in a number of ways, including automatic after-call IVR surveys, follow-up outbound (live-Analyst) calls, email surveys, etc.

$$Voice\ Customer\ Satisfacion = \frac{Number\ of\ satisfied\ voice\ customers}{Number\ of\ voice\ customers\ surveyed}$$

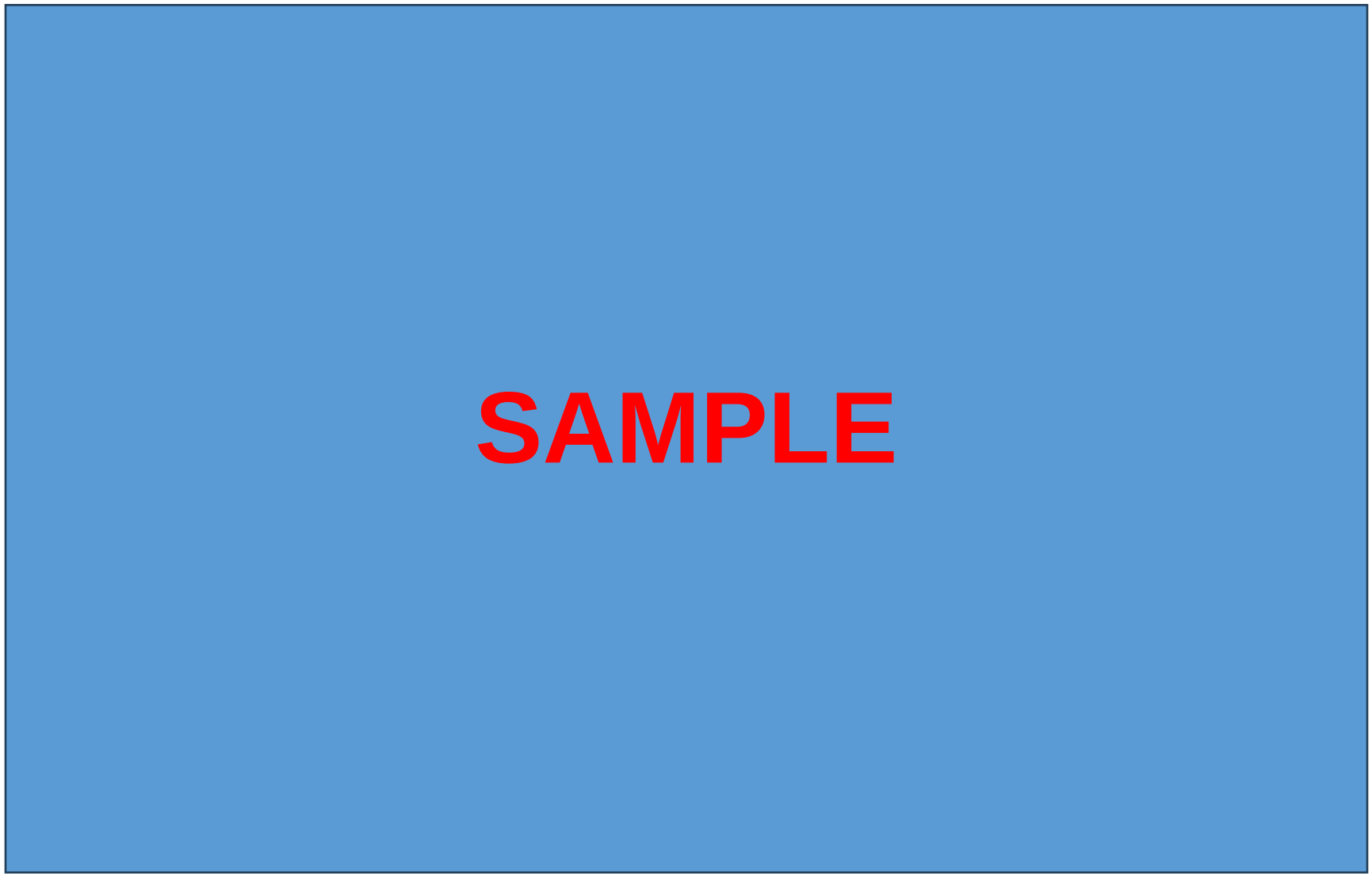
Why it's important: Voice Customer Satisfaction is the single most important measure of voice-channel quality. Any successful voice channel will have consistently high Voice Customer Satisfaction ratings. Some Service Desk managers are under the impression that a low Average Cost per Voice Contact may justify a lower level of Voice Customer Satisfaction. But this is not true. MetricNet's research shows that even Service Desks with a very low Average Cost per Voice Contact can achieve consistently high Voice Customer Satisfaction ratings.

Key correlations: Voice Customer Satisfaction is strongly correlated with the following metrics:

- Net First Contact Resolution Rate
- Call Quality
- Analyst Job Satisfaction
- New Analyst Training Hours
- Annual Analyst Training Hours

Voice Customer Satisfaction (continued)

return to page 34 | next scorecard KPI



Voice Quality Metrics (continued)

Net First Contact Resolution Rate

Definition: Net First Contact Resolution (FCR) applies only to live (for example, voice) contacts. It is a percentage, equal to the number of inbound calls that are resolved on the first interaction with the customer, divided by all calls that are potentially resolvable on first contact. Calls that involve a customer callback, or are otherwise unresolved on the first contact for any reason, do not qualify for Net First Contact Resolution. Calls that *cannot* be resolved on first contact, such as a product break/fix, are not included in the denominator of Net First Contact Resolution Rate. (Some Service Desks also measure FCR for email by considering an email resolved on first contact if the customer receives a resolution within one hour of submitting the email.)

$$\textit{Net First Contact Resolution Rate} = \frac{\textit{Calls actually resolved on first contact}}{\textit{Calls resolvable on first contact}}$$

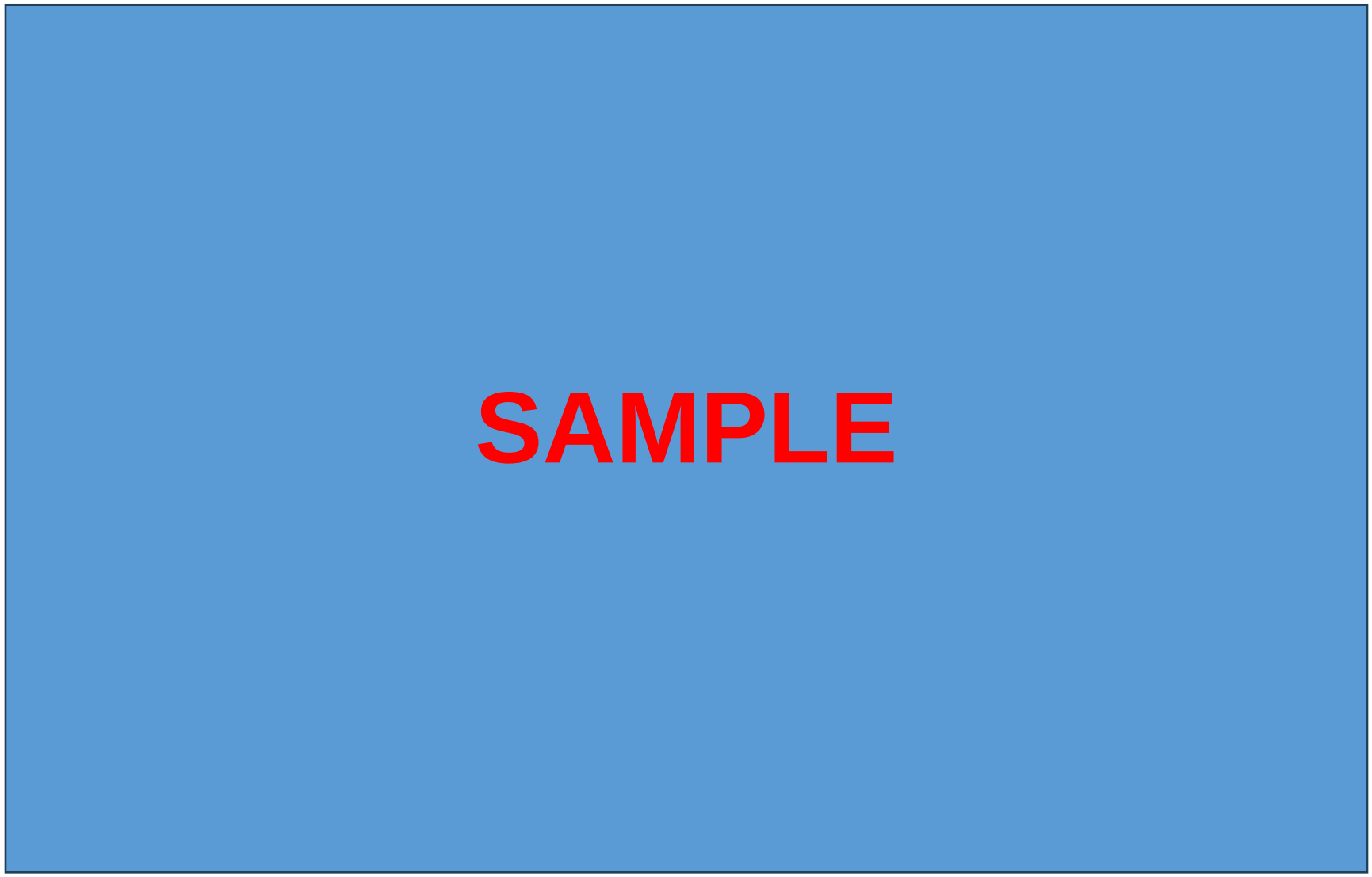
Why it's important: Net First Contact Resolution is the single biggest driver of Voice Customer Satisfaction. A high Net FCR Rate is almost always associated with high levels of Voice Customer Satisfaction. Service Desks that emphasize training (that is, high training hours for new and veteran Analysts) and have good technology tools, such as knowledge-management systems, generally enjoy a higher-than-average Net FCR Rate.

Key correlations: Net First Contact Resolution Rate is strongly correlated with the following metrics:

- Customer Satisfaction
- New Analyst Training Hours
- Annual Analyst Training Hours
- Voice Handle Time

Net First Contact Resolution Rate (continued)

return to page 34 | next scorecard KPI



Voice Quality Metrics (continued)

Call Quality

Definition: Although there is no consistent methodology for measuring Call Quality in the Service Desk industry, most Service Desks have developed their own scoring system for grading the quality of a call. Most will measure call quality on a scale of zero to 100%, and evaluate such things as Analyst courtesy, professionalism, empathy, timeliness of resolution, quality of resolution, adherence to the script, etc.

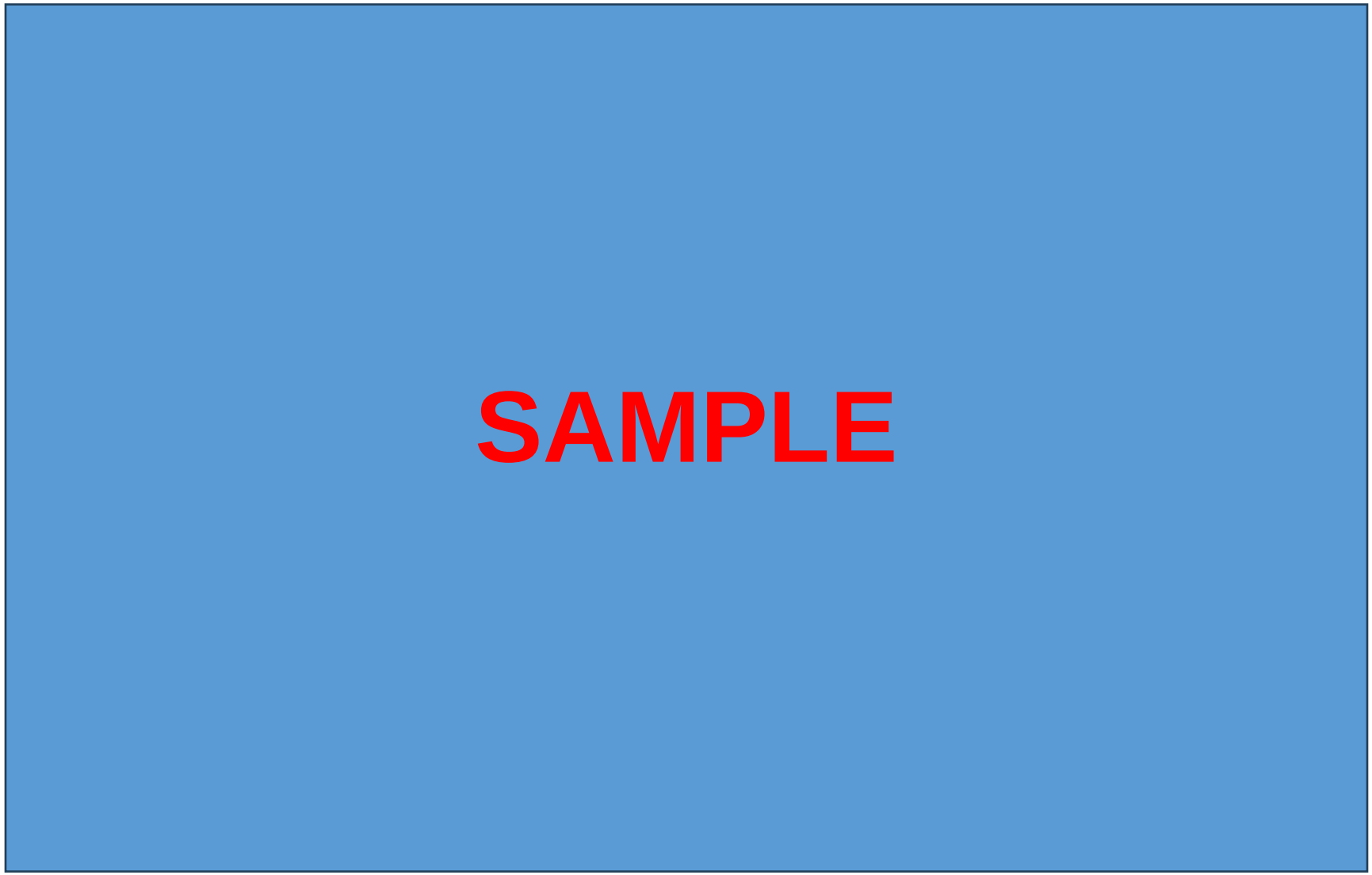
$$Call\ Quality = A\ score\ based\ on\ the\ agent's\ helpfulness, efficiency, courtesy, etc.$$

Why it's important: Call Quality is the foundation of Voice Customer Satisfaction. Good Call Quality takes into account Analyst knowledge and expertise, call efficiency (that is, Voice Handle Time), and Analyst courtesy and professionalism. Unless Call Quality is consistently high, it is difficult to achieve consistently high levels of Voice Customer Satisfaction. When measured properly, Call Quality and Voice Customer Satisfaction should track fairly closely.

Key correlations: Call Quality is strongly correlated with the following metrics:

- Voice Customer Satisfaction
- Net First Contact Resolution Rate
- New Analyst Training Hours
- Annual Analyst Training Hours

Call Quality (continued)



Voice Productivity Metrics

Voice Analyst Utilization

Definition: Voice Analyst Utilization is the average time that a voice Analyst spends handling both inbound and outbound calls per month, divided by the number of work hours in a given month. (See the more thorough definition on page **56**.)

$$Voice\ Agent\ Utilization = \frac{Total\ call\ handling\ time\ per\ month}{Number\ of\ work\ hours\ per\ month}$$

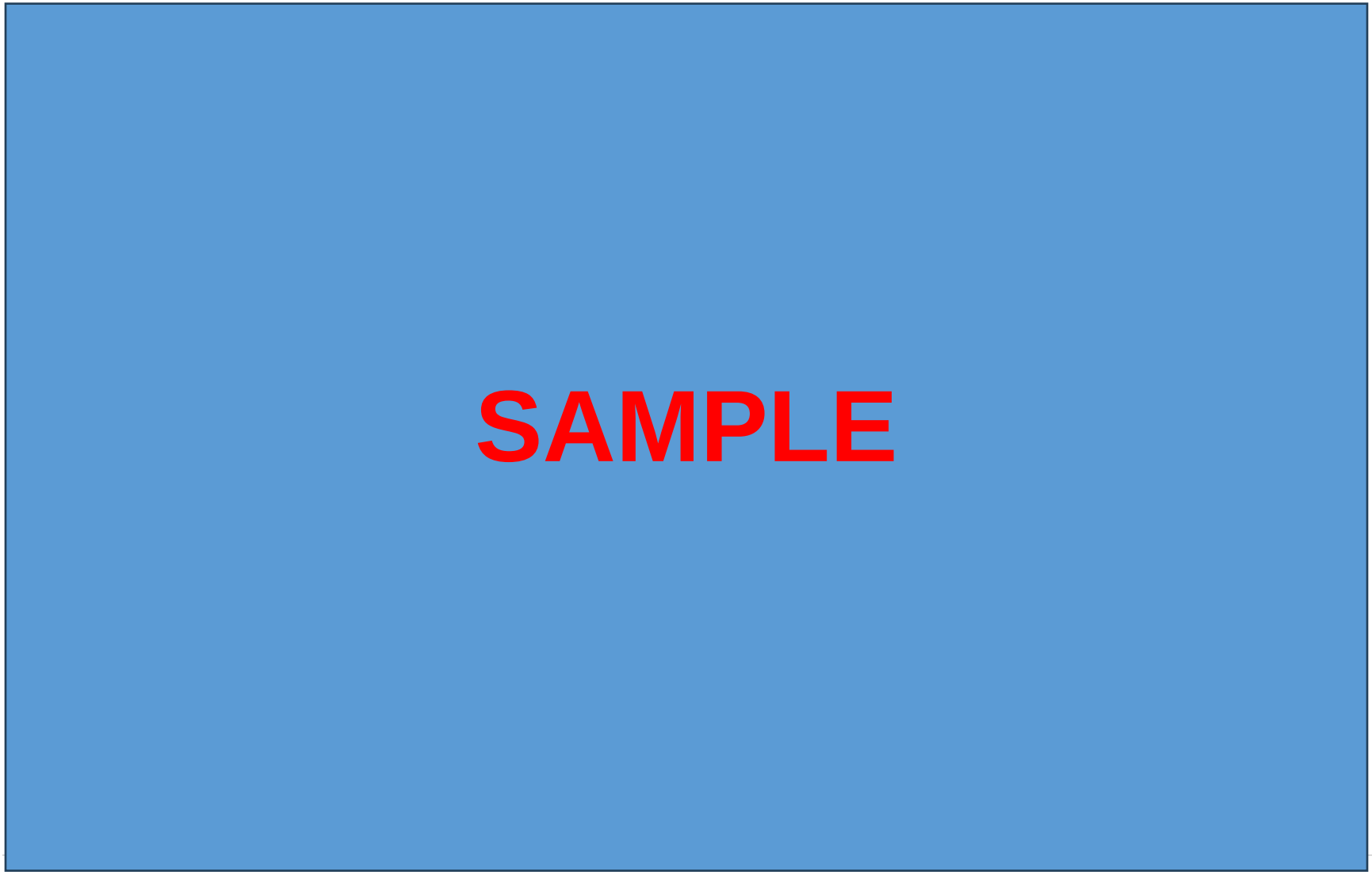
Why it's important: Voice Analyst Utilization is the single most important indicator of voice-Analyst productivity. It measures the percentage of time that the average voice Analyst is in "work mode," and is independent of handle time or call complexity.

Key correlations: Voice Analyst Utilization is strongly correlated with the following metrics:

- Inbound Voice Contacts per Analyst per Month
- Average Cost per Voice Contact
- Average Cost per Voice Minute
- Analyst Occupancy
- Average Speed of Answer

Voice Analyst Utilization (continued)

return to page 34 | next scorecard KPI



Voice Analyst Utilization Defined

- Voice Analyst Utilization is a measure of the actual time that voice Analysts spend providing direct customer service in the voice channel in a month, divided by the Analysts' total time at work during the month.
- It takes into account both inbound and outbound voice contacts handled by the Analysts.
- But the calculation for Analyst Utilization does not make adjustments for sick days, holidays, training time, project time, or idle time.
- By calculating Analyst Utilization in this way, all Service Desks worldwide are measured in exactly the same way, and can therefore be directly compared for benchmarking purposes.

$$\text{Agent Utilization} = \frac{\text{((Average number of inbound contacts handled by an agent in a month) X (Average inbound handle time in minutes) + (Average number of outbound contacts handled by an agent in a month) X (Average outbound handle time in minutes))}}{\text{(Average number of days worked in a month) X (Number of work hours in a day) X (60 minutes/hour)}}$$

Example: Service Desk Analyst Utilization

- Inbound Contacts per Analyst per Month = 375
- Outbound Contacts per Analyst per Month = 225
- Average Inbound Contact Handle Time = 10 minutes
- Average Outbound Contact Handle Time = 5 minutes

$$\text{Agent Utilization} = \frac{\text{((375 inbound contacts handled per month) X (10 minutes) + (225 outbound contacts per month) X (5 minutes))}}{\text{(21.5 work days per month) X (7.5 work hours per day) X (60 minutes/hour)}} = \text{50.4\% Agent Utilization}$$

Voice Productivity Metrics (continued)

Inbound Voice Contacts per Analyst per Month

Definition: Inbound Voice Contacts per Analyst per Month is the average monthly inbound call volume divided by the average full-time equivalent (FTE) voice-Analyst headcount. Voice-Analyst headcount is the average FTE number of employees and contractors handling voice contacts.

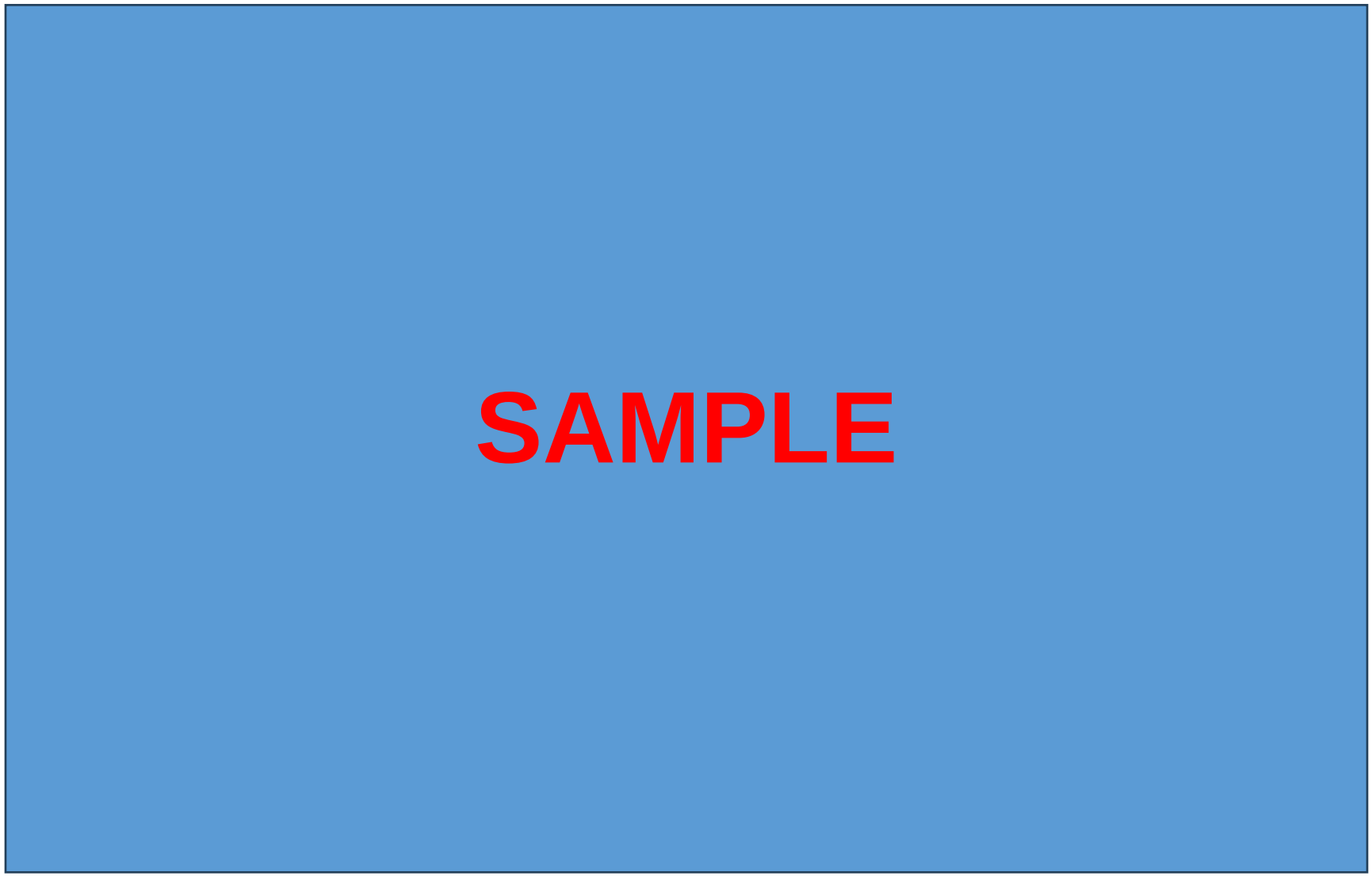
$$\textit{Inbound Voice Contacts per Agent per Month} = \frac{\textit{Avg. inbound call volume}}{\textit{Avg. FTE voice-agent headcount}}$$

Why it's important: Inbound Voice Contacts per Analyst per Month is an important indicator of voice-Analyst productivity. A low number could indicate low Voice Analyst Utilization, poor scheduling efficiency or schedule adherence, or a higher-than-average Voice Handle Time. Conversely, a high number of inbound contacts per Analyst may indicate high Voice Analyst Utilization, good scheduling efficiency and schedule adherence, or a lower-than-average Voice Handle Time. Every Service Desk should track and trend this metric on a monthly basis.

Key correlations: Inbound Voice Contacts per Analyst per Month is strongly correlated with the following metrics:

- Voice Analyst Utilization
- Voice Handle Time
- Average Cost per Voice Contact
- Average Cost per Voice Minute
- Analyst Occupancy
- Average Speed of Answer

Inbound Voice Contacts per Analyst per Month (continued)



Voice Productivity Metrics (continued)

Voice, Chat, and Email Analysts as a % of Total Service Desk Headcount

Definition: This metric is the average full-time equivalent (FTE) Analyst headcount divided by the average total Service Desk headcount. It is expressed as a percentage, and represents the percentage of total Service Desk personnel who are engaged in direct customer-service activities. Headcount includes both employees and contractors.

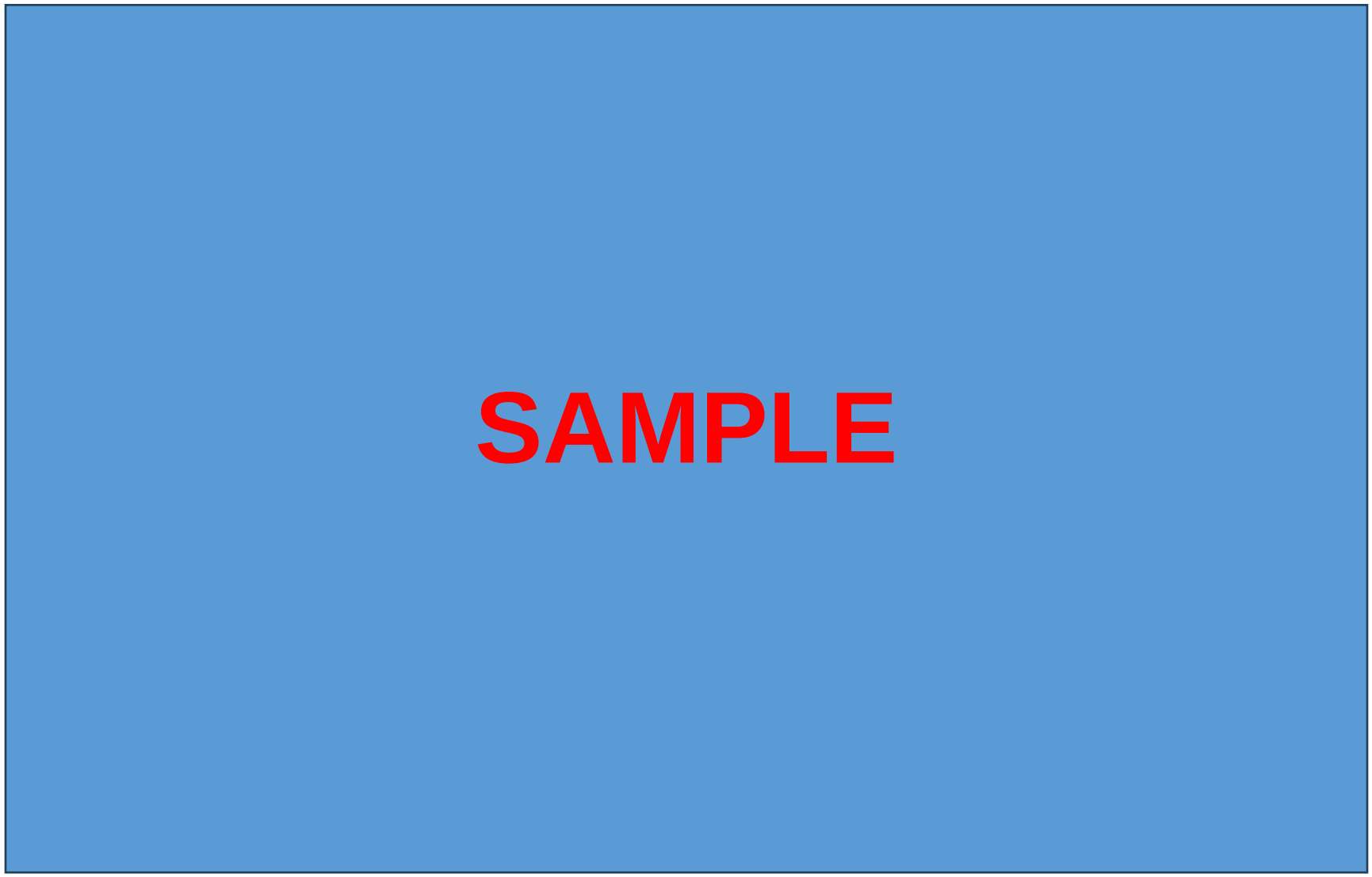
$$Agents\ as\ a\ \%\ of\ Total\ Headcount = \frac{Avg.FTE\ agent\ headcount}{Avg.total\ Contact\ Center\ headcount}$$

Why it's important: The Analyst headcount as a percentage of total Service Desk headcount is an important measure of management and overhead efficiency. Since non-Analysts include both management and non-management personnel (such as supervisors and team leads, QA/QC, trainers, etc.), this metric is not a pure measure of management span of control. But it is a more useful metric than management span of control because the denominator of this ratio takes into account *all* personnel that are not directly engaged in customer-service activities.

Key correlations: Analysts as a % of Total Service Desk Headcount is strongly correlated with the following metrics:

- Average Cost per Analyst-Assisted Contact

Analysts as a % of Total Service Desk Headcount (continued)



Voice SLA Metrics

Average Speed of Answer (ASA)

Definition: Average Speed of Answer (ASA) is the total wait time that callers are in queue, divided by the number of calls handled. This includes calls handled by an Interactive Voice Response (IVR) system, as well as calls handled by live Analysts. Most Automatic Call Distributor (ACD) systems measure this number.

$$Average\ Speed\ of\ Answer = \frac{Total\ initial\ wait\ time\ of\ all\ callers}{Number\ of\ inbound\ calls\ handled}$$

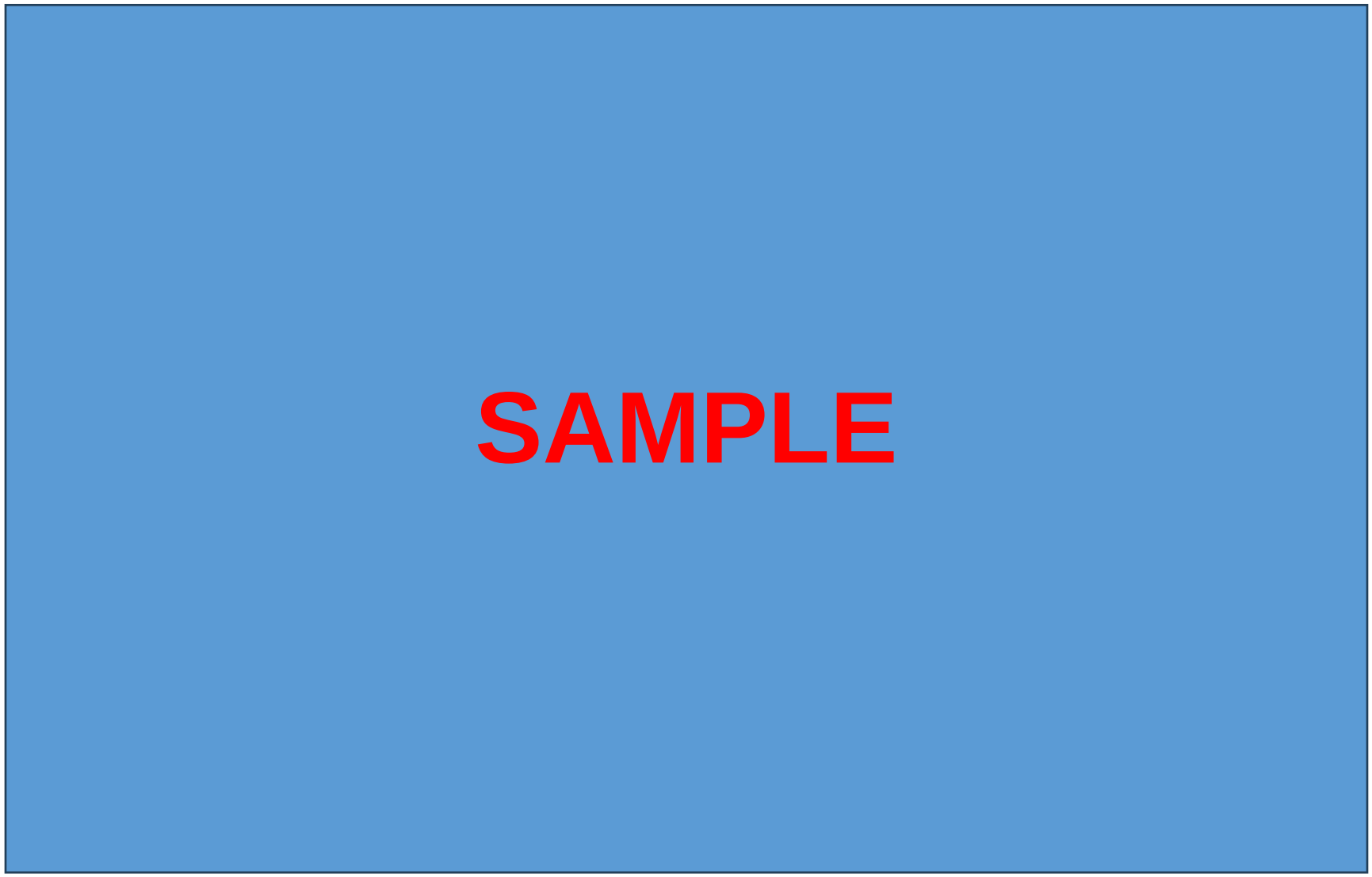
Why it's important: ASA is a common service-level metric in the Service Desk industry. It indicates how responsive a Service Desk is to incoming calls. Since most Service Desks have an ASA service-level target, the ASA is tracked to ensure service-level compliance.

Key correlations: Average Speed of Answer is strongly correlated with the following metrics:

- Call Abandonment Rate
- % Answered in 30 Seconds
- Voice Analyst Utilization

Average Speed of Answer (ASA) (continued)

return to page 34 (list of scorecard KPIs)



Voice SLA Metrics (continued)

Call Abandonment Rate

Definition: Call Abandonment Rate is the percentage of calls that were connected to the ACD, but were disconnected by the caller before reaching an Analyst or before completing a process within the IVR.

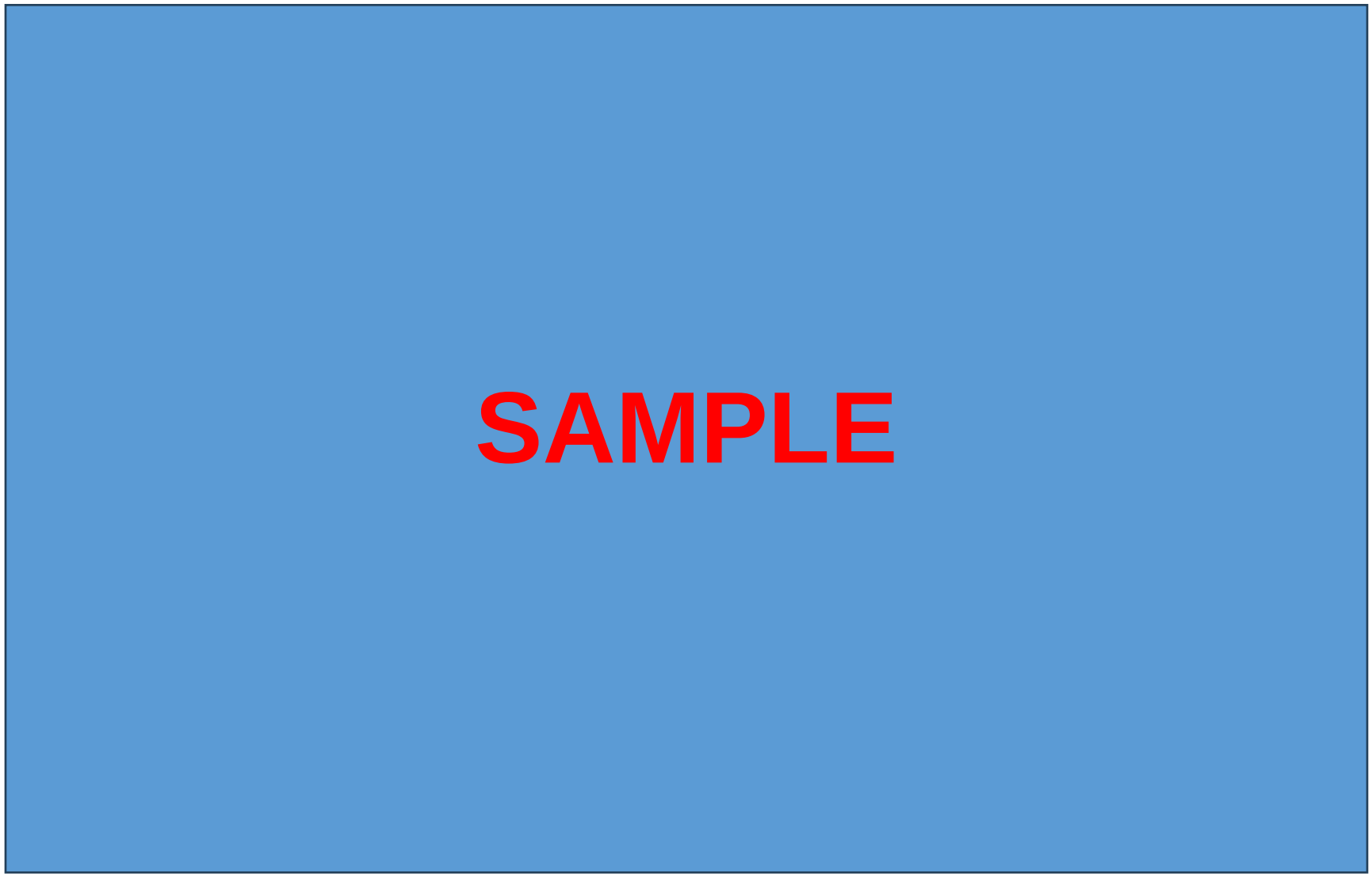
$$\textit{Call Abandonment Rate} = \frac{\textit{Calls abandoned by caller}}{\textit{Total inbound calls}}$$

Why it's important: Call Abandonment Rate is a common service-level metric in the Service Desk industry. An abandoned call indicates that a caller gave up and hung up the phone before receiving service from a live Analyst or from the IVR. Since most Service Desks have an abandonment-rate service-level target, the Call Abandonment Rate is tracked to ensure service-level compliance.

Key correlations: Call Abandonment Rate is strongly correlated with the following metrics:

- Average Speed of Answer
- % Answered in 30 Seconds
- Voice Analyst Utilization

Call Abandonment Rate (continued)



Voice SLA Metrics (continued)

% Answered in 30 Seconds

Definition: This metric is fairly self-explanatory. It is the percentage of all inbound calls that are answered by a live Analyst within 30 seconds. For those who don't track this exact metric, but track a similar metric such as % Answered in 60 Seconds, MetricNet uses a conversion formula to calculate the equivalent percentage of calls answered within 30 seconds.

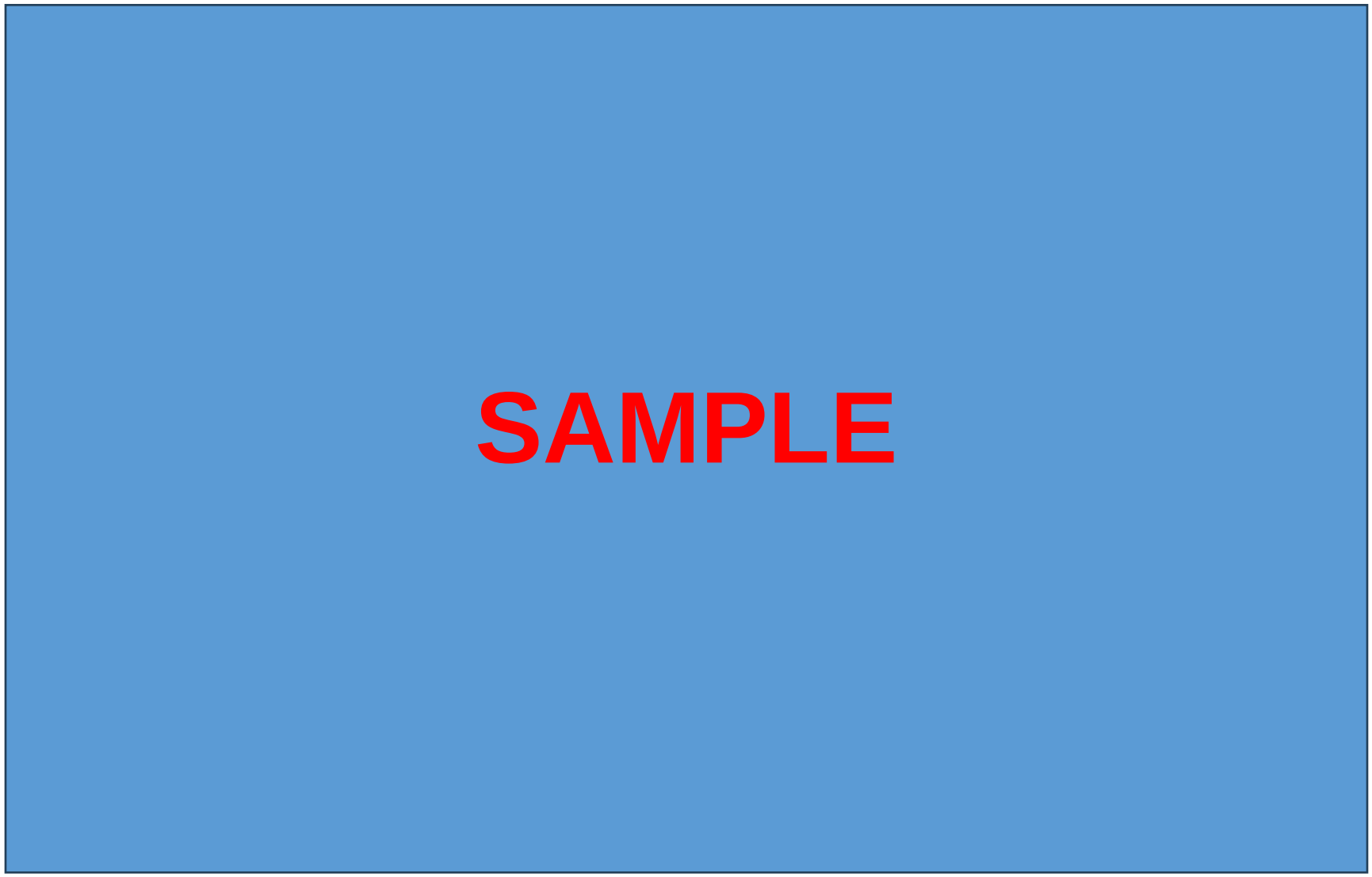
$$\%\ \textbf{\textit{Answered in 30 Seconds}} = \frac{\textbf{\textit{Inbound calls answered in 30 seconds}}}{\textbf{\textit{Total inbound calls}}}$$

Why it's important: % Answered in 30 Seconds is a common service-level metric in the Service Desk industry. It indicates how responsive a Service Desk is to incoming calls. Many Service Desks have a service-level target for % Answered in 30 Seconds, so the metric is tracked to ensure service-level compliance.

Key correlations: % Answered in 30 Seconds is strongly correlated with the following metrics:

- Average Speed of Answer
- Call Abandonment Rate
- Voice Analyst Utilization

% Answered in 30 Seconds (continued)



Analyst Metrics

Annual Analyst Turnover

Definition: Annual Analyst Turnover is the average percentage of Analysts that leave the Analyst role in the Service Desk, for any reason (voluntarily or involuntarily), in a year. New Analysts who leave during their initial training period should not be included in the numerator when calculating turnover.

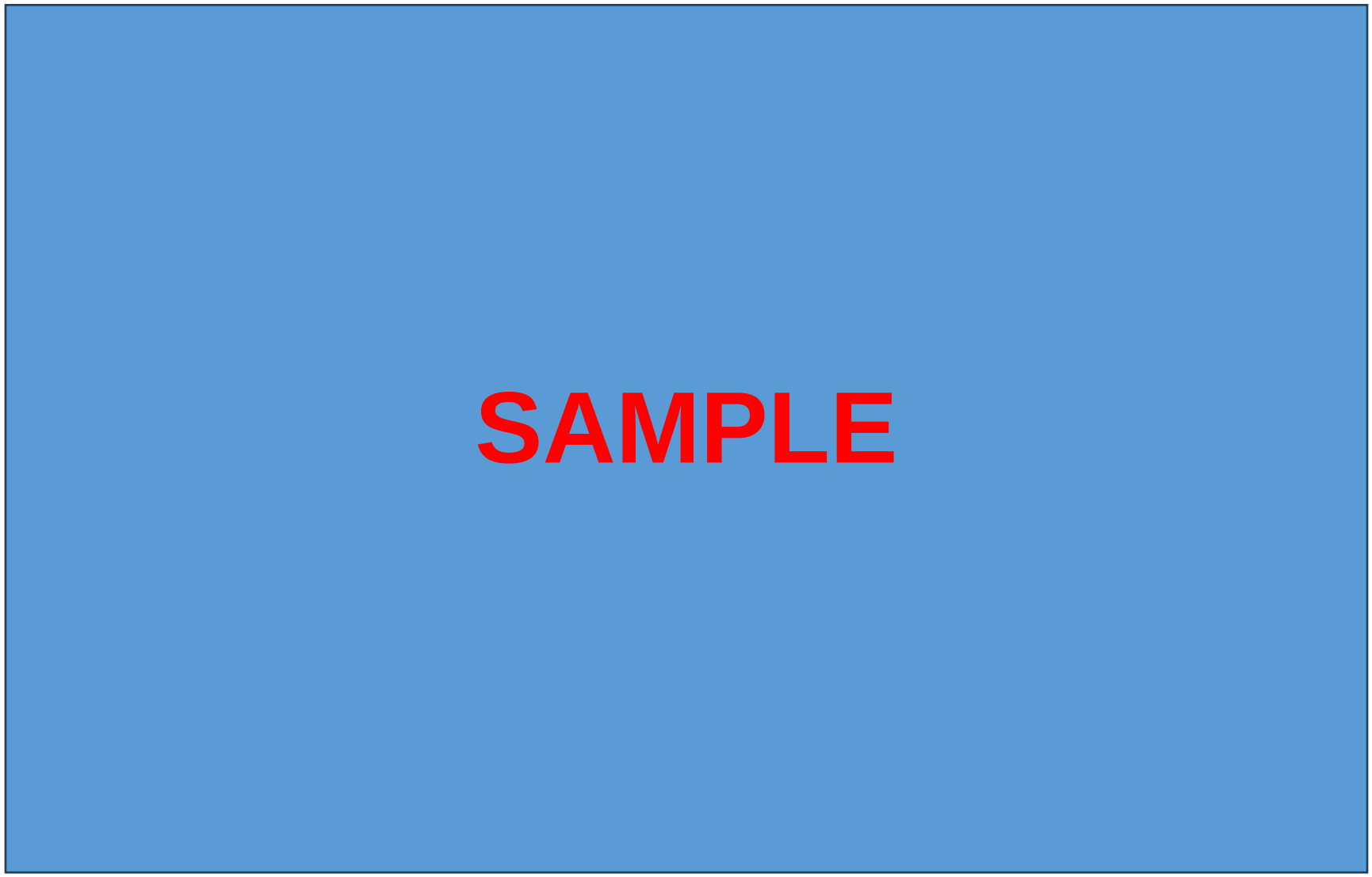
$$Annual\ Agent\ Turnover = \frac{Avg.\ number\ of\ agents\ that\ leave\ per\ year}{Avg.\ total\ agent\ headcount}$$

Why it's important: Analyst turnover is costly. Each time an Analyst leaves the Service Desk, a new Analyst needs to be hired to replace the outgoing Analyst. This results in costly recruiting, hiring, and training expenses. Additionally, it is typically several weeks or even months before an Analyst is fully productive, so there is lost productivity associated with Analyst turnover as well. High Analyst turnover is generally associated with low Analyst morale in a Service Desk.

Key correlations: Annual Analyst Turnover is strongly correlated with the following metrics:

- Daily Analyst Absenteeism
- Annual Analyst Training Hours
- Customer Satisfaction
- Net First Contact Resolution Rate
- Average Cost per Analyst-Assisted Contact
- Analyst Job Satisfaction

Annual Analyst Turnover (continued)



Analyst Metrics (continued)

Daily Analyst Absenteeism

Definition: Daily Analyst Absenteeism is the average percentage of Analysts with an unplanned absence on any given day. It is calculated by dividing the number of unplanned absences in a given period of time by the total number of scheduled Analyst-workdays during the same period.

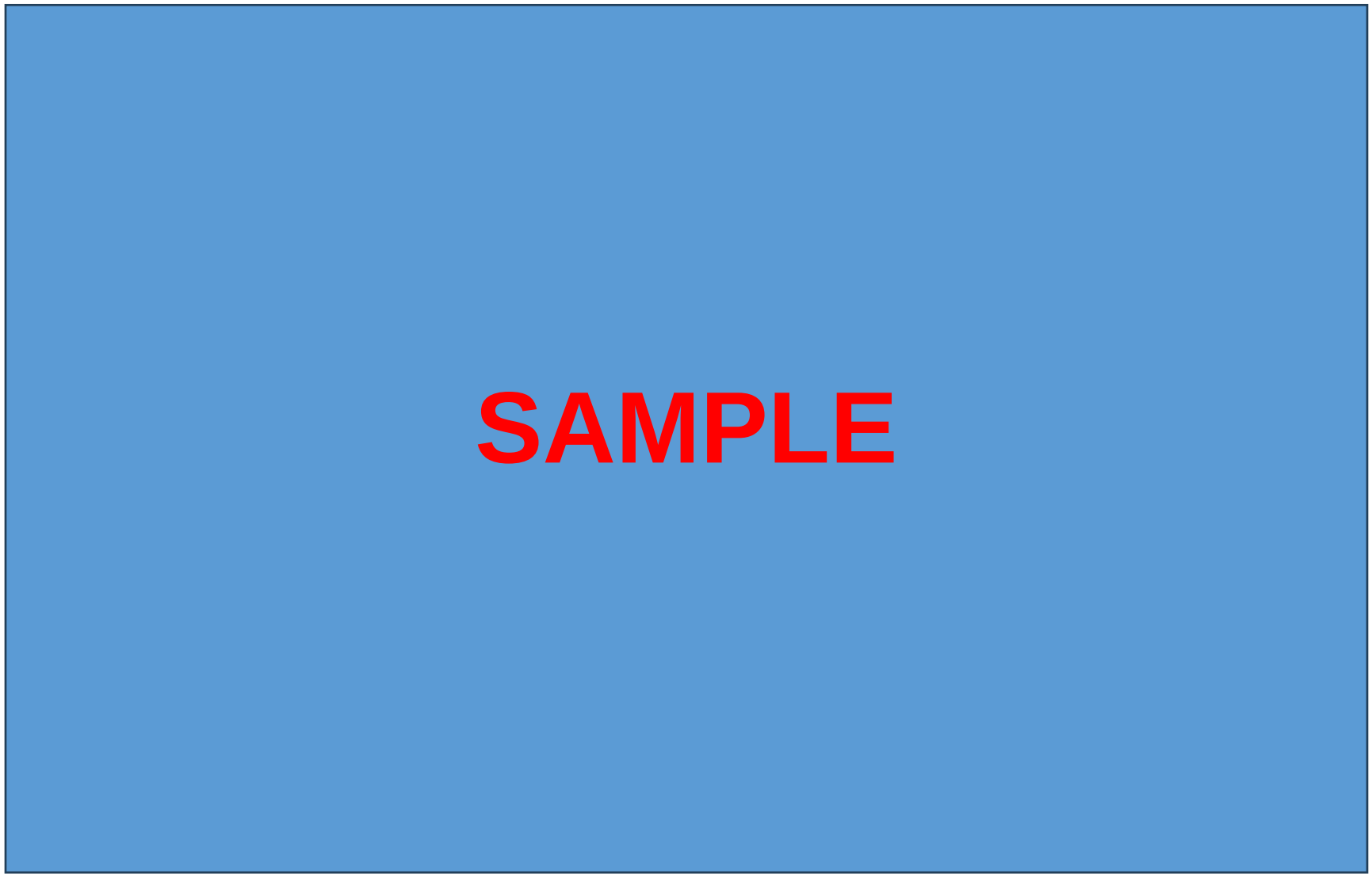
$$Daily\ Agent\ Absenteeism = \frac{Avg.number\ of\ unplanned\ absences\ per\ day}{Avg.number\ of\ agents\ scheduled\ to\ work\ per\ day}$$

Why it's important: High Analyst Absenteeism is problematic because it makes it difficult for a Service Desk to schedule resources efficiently. High absenteeism can severely harm a Service Desk's operating performance and increase the likelihood that service-level targets will be missed. A Service Desk's Average Speed of Answer and Call Abandonment Rate typically suffer when absenteeism is high. Also, chronically high absenteeism is often a sign of low Analyst morale.

Key correlations: Daily Analyst Absenteeism is strongly correlated with the following metrics:

- Annual Analyst Turnover
- Analyst Job Satisfaction
- Analyst Utilization
- Average Cost per Analyst-Assisted Contact

Daily Analyst Absenteeism (continued)



Analyst Metrics (continued)

Analyst Schedule Adherence

Definition: Analyst Schedule Adherence measures whether Analysts are in their seats ready to accept calls as scheduled. That is, it measures how well a Service Desk's Analysts are "adhering" to the schedule. Analyst Schedule Adherence is equal to the actual time that an Analyst is logged in to the system ready to accept calls as scheduled, divided by the total time the Analyst is scheduled to be available to accept calls.

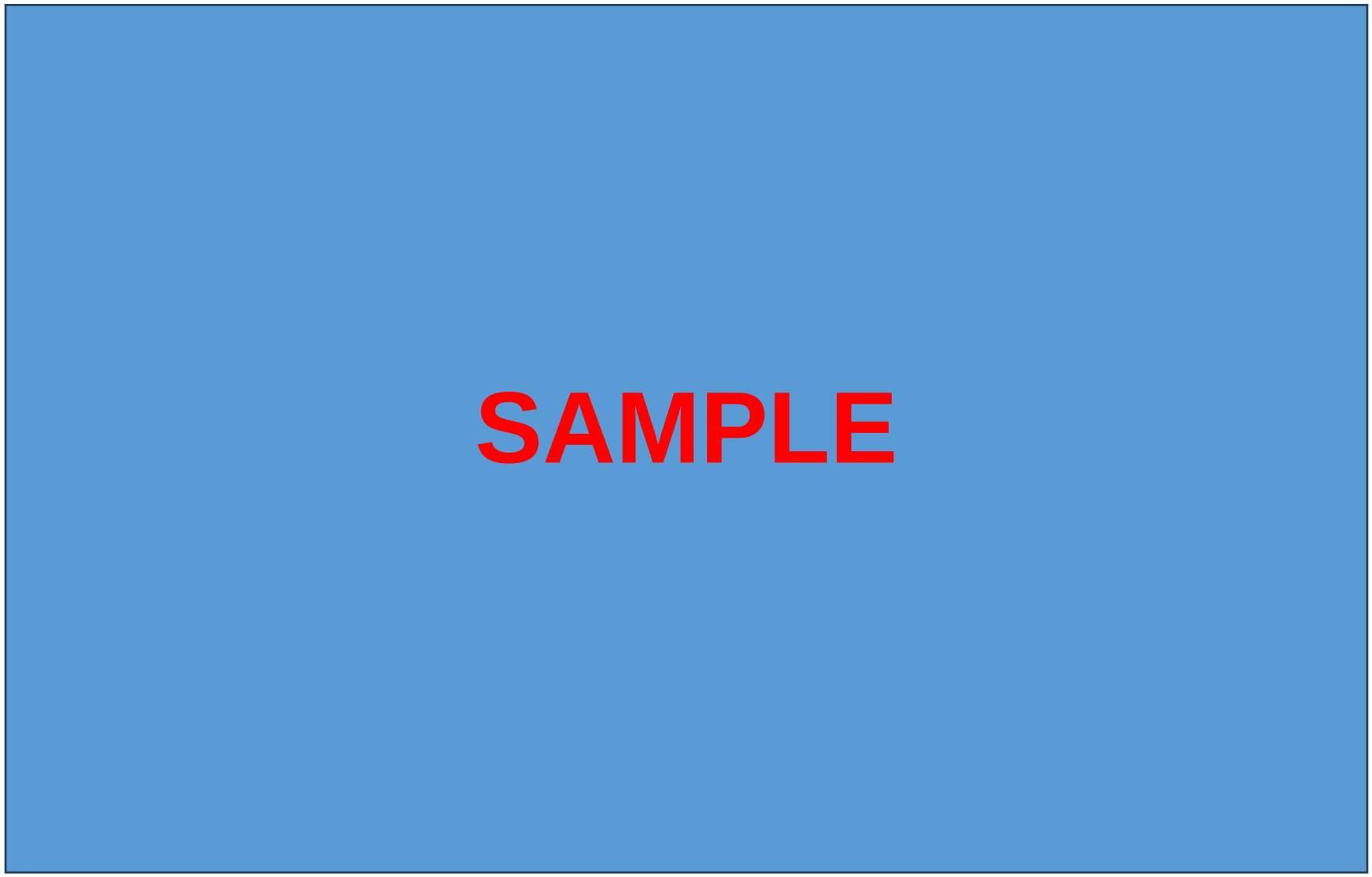
$$\textit{Agent Schedule Adherence} = \frac{\textit{Hours that agents are available for or on calls}}{\textit{Hours that agents are scheduled to be available}}$$

Why it's important: Effective Analyst scheduling is critical to achieving a Service Desk's service-level goals and maximizing Analyst Utilization. But a work schedule, no matter how well constructed, is only as good as the adherence to the schedule. It is therefore important for Analysts to adhere to the schedule as closely as possible to ensure that these productivity and service-level goals are met.

Key correlations: Analyst Schedule Adherence is strongly correlated with the following metrics:

- Analyst Utilization
- Contacts per Analyst per Month
- Analyst Occupancy
- Average Speed of Answer

Analyst Schedule Adherence (continued)



Analyst Metrics (continued)

Analyst Occupancy

Definition: Analyst Occupancy is a percentage, equal to the amount of time that a voice-support Analyst is in his or her seat and connected to the ACD and either engaged in a call or ready to answer a call, divided by the Analyst's total number of hours at work (excluding break time and lunch time).

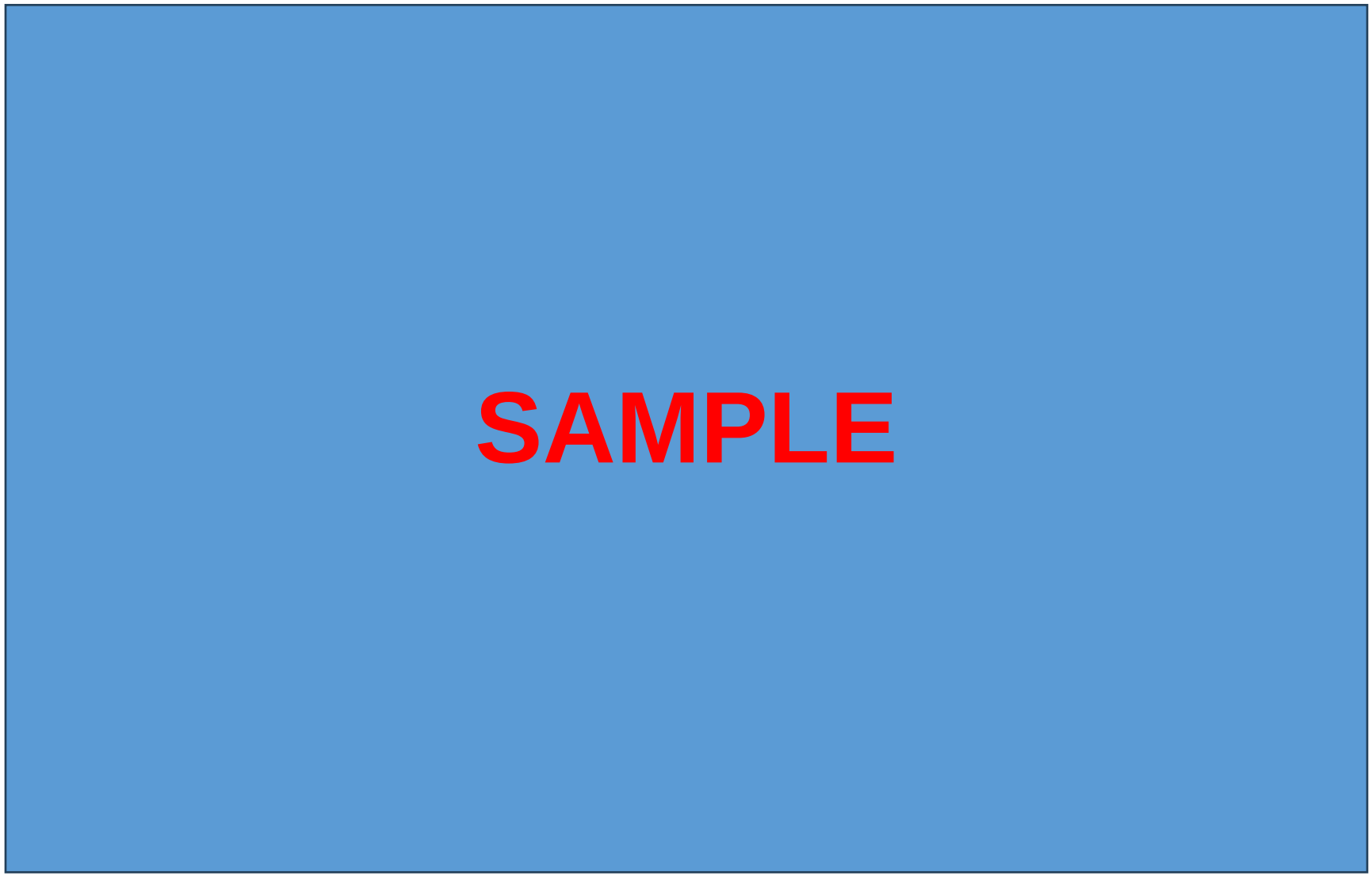
$$\textit{Agent Occupancy} = \frac{\textit{Hours that agents are ready to answer or actually on calls}}{\textit{Total agent work hours}}$$

Why it's important: Analyst Occupancy is an indirect measure of Analyst productivity and Analyst Schedule Adherence. High levels of Analyst Occupancy indicate an orderly, disciplined work environment. Conversely, low levels of Analyst Occupancy are often accompanied by a chaotic, undisciplined work environment. Analyst Occupancy and Voice Analyst Utilization are sometimes confused. Although Analyst Occupancy and Voice Analyst Utilization are correlated, they are very different metrics. It is possible to have a high occupancy (when Analysts are logged into the ACD a large percentage of the time) but a low Voice Analyst Utilization (when few calls are coming in).

Key correlations: Analyst Occupancy is strongly correlated with the following metrics:

- Voice Analyst Utilization
- Analyst Schedule Adherence
- Inbound Voice Contacts per Analyst per Month
- Average Cost per Voice Contact

Analyst Occupancy (continued)



Analyst Metrics (continued)

New Analyst Training Hours

Definition: The name of this metric is somewhat self-explanatory. New Analyst Training Hours is the number of training hours (including classroom, computer-based training, self-study, shadowing, being coached, and on-the-job training) that a new Analyst receives before he or she is allowed to handle customer contacts independently.

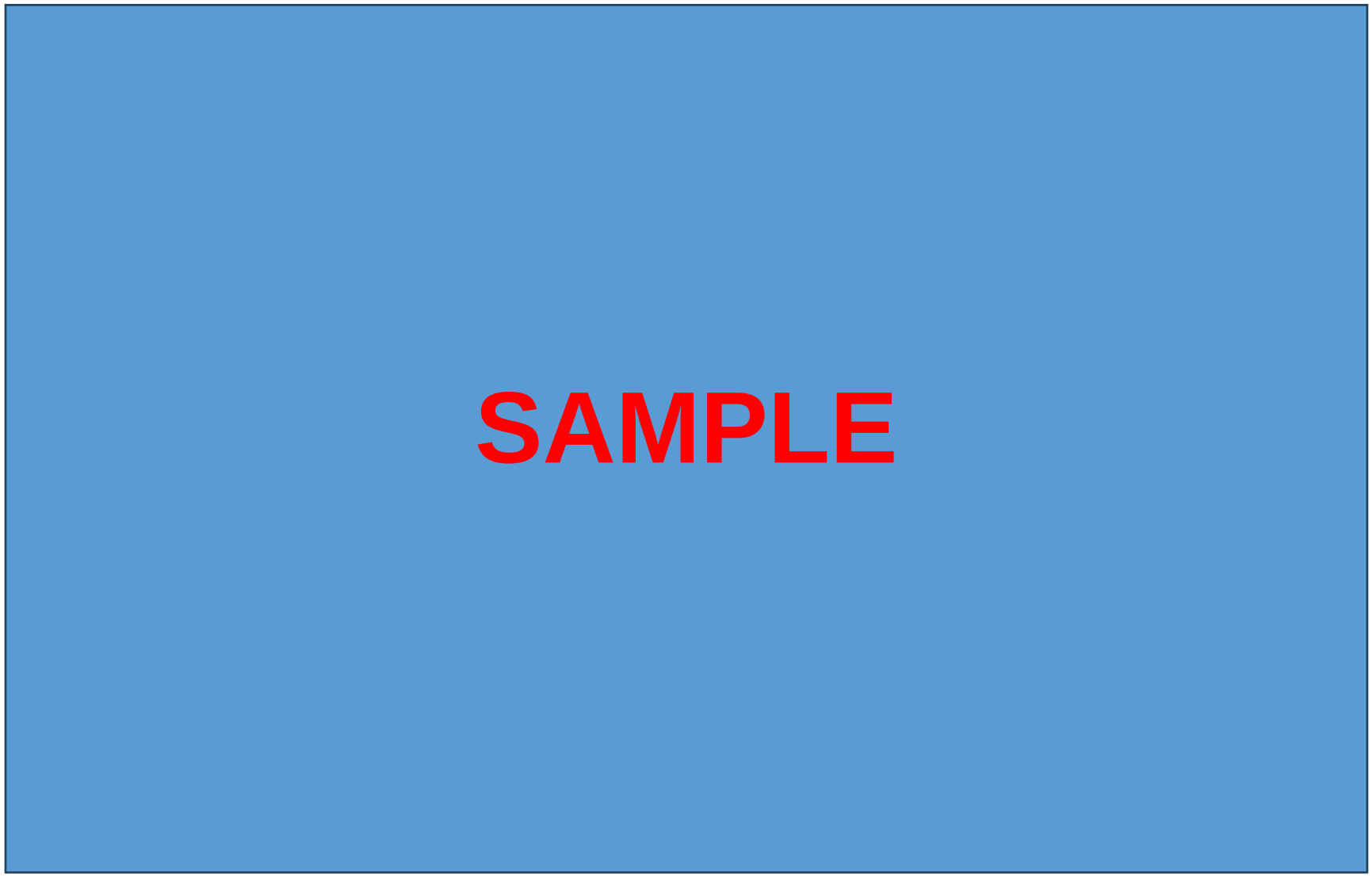
New Agent Training Hours = Number of training hours* required *before a new agent may handle contacts independently

Why it's important: New Analyst Training Hours are strongly correlated with Call Quality and Net First Contact Resolution Rate, especially during an Analyst's first few months on the job. The more training that new Analysts receive, the higher that Call Quality and Net FCR will typically be. This, in turn, has a positive effect on many other performance metrics including Customer Satisfaction. Perhaps most importantly, training levels strongly impact Analyst morale—Analysts who receive more training typically have higher levels of job satisfaction.

Key correlations: New Analyst Training Hours are strongly correlated with the following metrics:

- Call Quality
- Net First Contact Resolution Rate
- Customer Satisfaction
- Contact Handle Time
- Analyst Job Satisfaction

New Analyst Training Hours (continued)



Analyst Metrics (continued)

Annual Analyst Training Hours

Definition: Annual Analyst Training Hours is the average number of training hours (including classroom, computer-based training, self-study, shadowing, etc.) that an Analyst receives on an annual basis. This number includes any training hours that an Analyst receives that are not part of the Analyst's initial (new-Analyst) training. But it does not include routine team meetings, shift handoffs, or other activities that do not involve formal training.

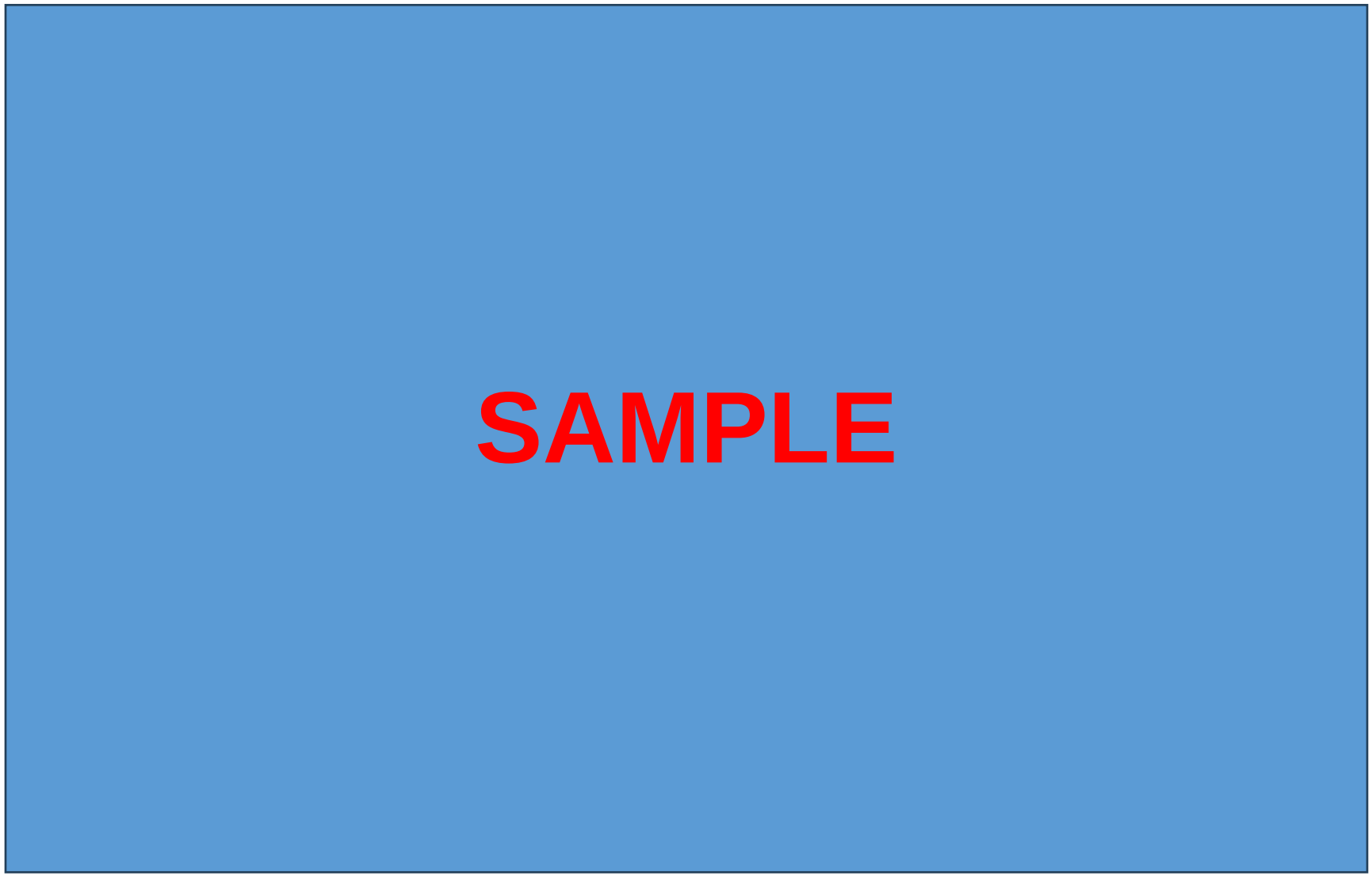
$$\textit{Annual Agent Training Hours} = \textit{Average number of formal training hours per agent per year}$$

Why it's important: Annual Analyst Training Hours are strongly correlated with Call Quality, Net First Contact Resolution Rate, and Customer Satisfaction. Perhaps most importantly, training levels strongly impact Analyst morale—Analysts who receive more training typically have higher levels of job satisfaction.

Key correlations: Annual Analyst Training Hours are strongly correlated with the following metrics:

- Call Quality
- Net First Contact Resolution Rate
- Customer Satisfaction
- Contact Handle Time
- Analyst Job Satisfaction

Annual Analyst Training Hours (continued)



Analyst Metrics (continued)

Analyst Tenure

Definition: Analyst Tenure is the average number of months that each Analyst has worked in your Service Desk.

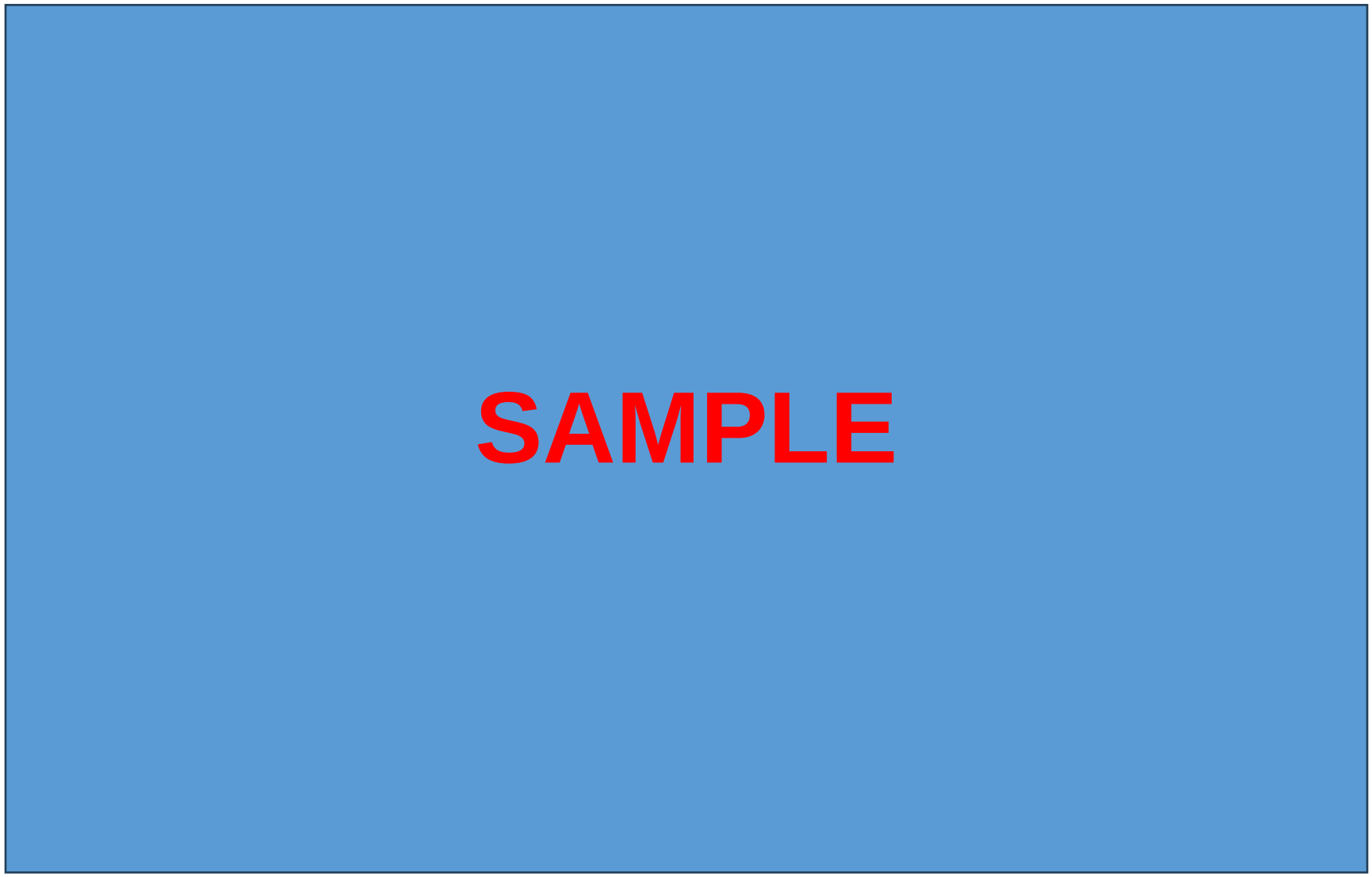
$$\textit{Agent Tenure} = \textit{Average number of months that each agent has worked in your Contact Center}$$

Why it's important: Analyst Tenure is a measure of Analyst experience. Almost every metric related to Service Desk cost and quality is impacted by the level of experience the Analysts have.

Key correlations: Analyst Tenure is strongly correlated with the following metrics:

- Average Cost per Analyst-Assisted Contact
- Call Quality
- Customer Satisfaction
- Annual Analyst Turnover
- Analyst Training Hours
- Analyst Coaching Hours
- Contact Handle Time
- Net First Contact Resolution Rate
- Analyst Job Satisfaction

Analyst Tenure (continued)



Analyst Metrics (continued)

Analyst Job Satisfaction

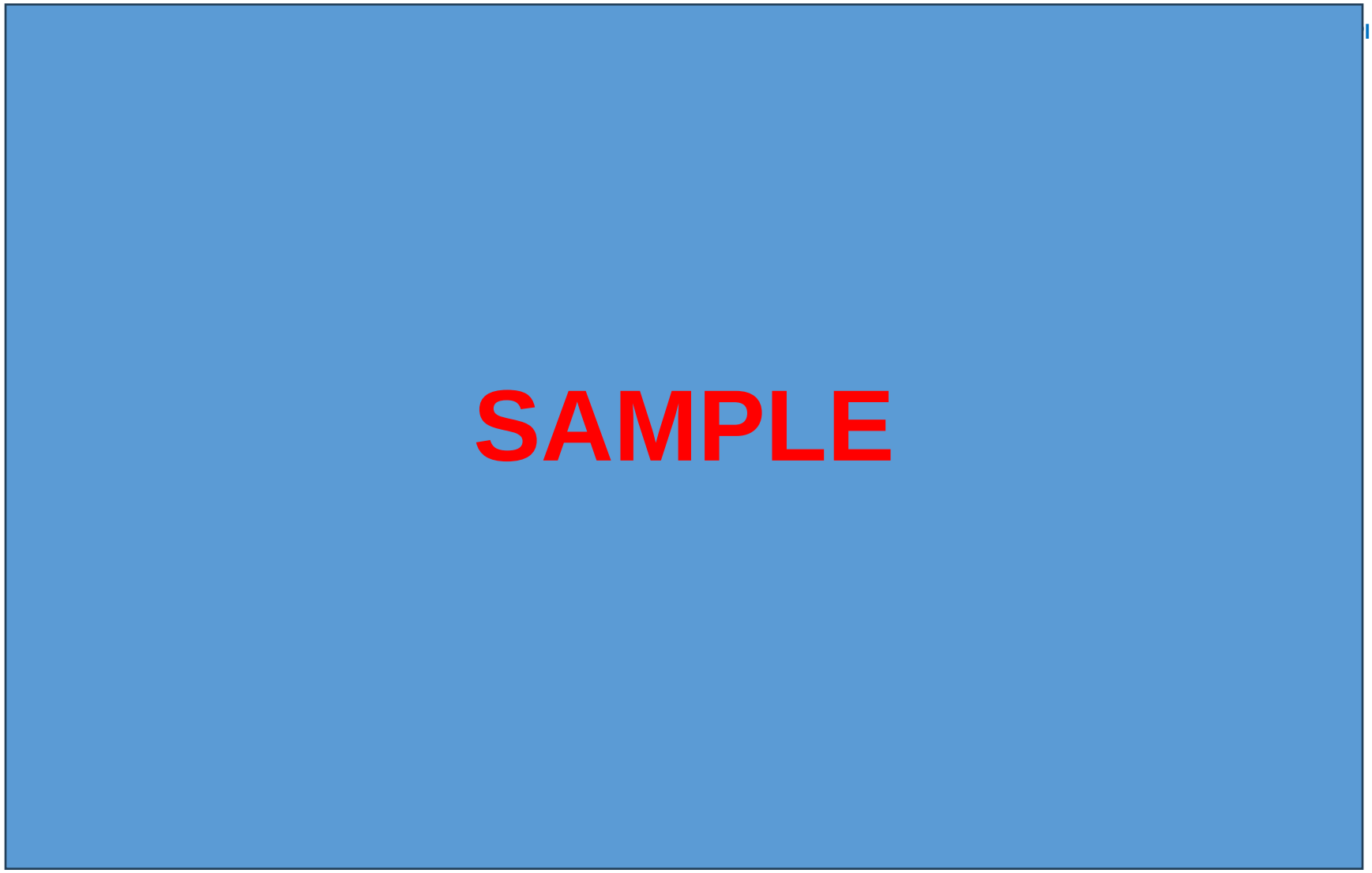
Definition: Analyst Job Satisfaction is the percentage of Analysts in a Service Desk who are either satisfied or very satisfied with their jobs.

$$Agent\ Job\ Satisfaction = \frac{Number\ of\ satisfied\ agents}{Total\ number\ of\ agents}$$

Why it's important: Analyst Job Satisfaction is a proxy for Analyst morale. And morale, while difficult to measure, affects performance on almost every metric in the Service Desk. High-performance Service Desks almost always have high levels of Analyst Job Satisfaction. A Service Desk can control and improve its performance on this metric through training, coaching, and career pathing.

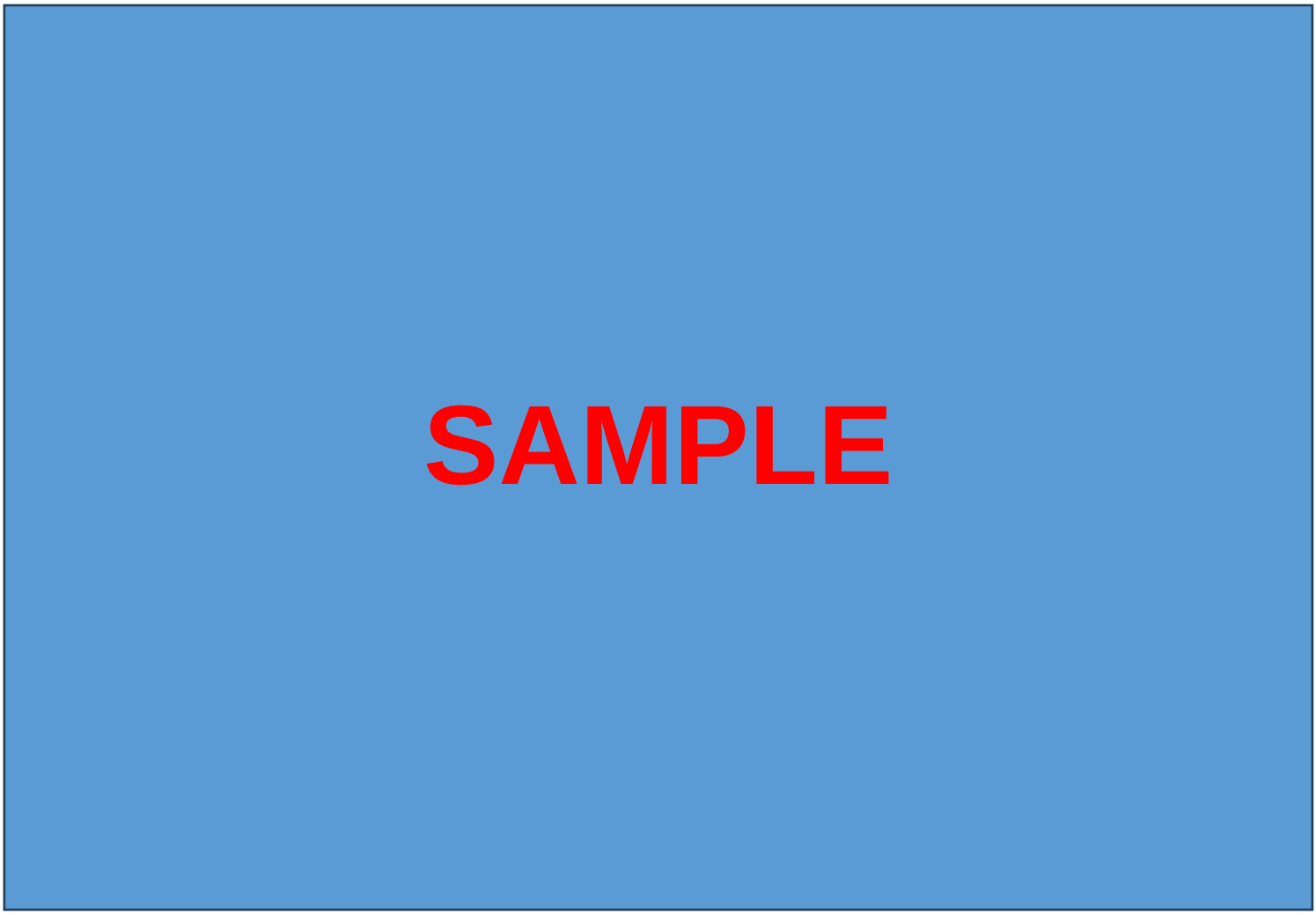
Key correlations: Analyst Job Satisfaction is strongly correlated with the following metrics:

- Annual Analyst Turnover
- Daily Analyst Absenteeism
- Analyst Training Hours
- Analyst Coaching Hours
- Customer Satisfaction
- Net First Contact Resolution Rate
- Contact Handle Time
- Average Cost per Analyst-Assisted Contact

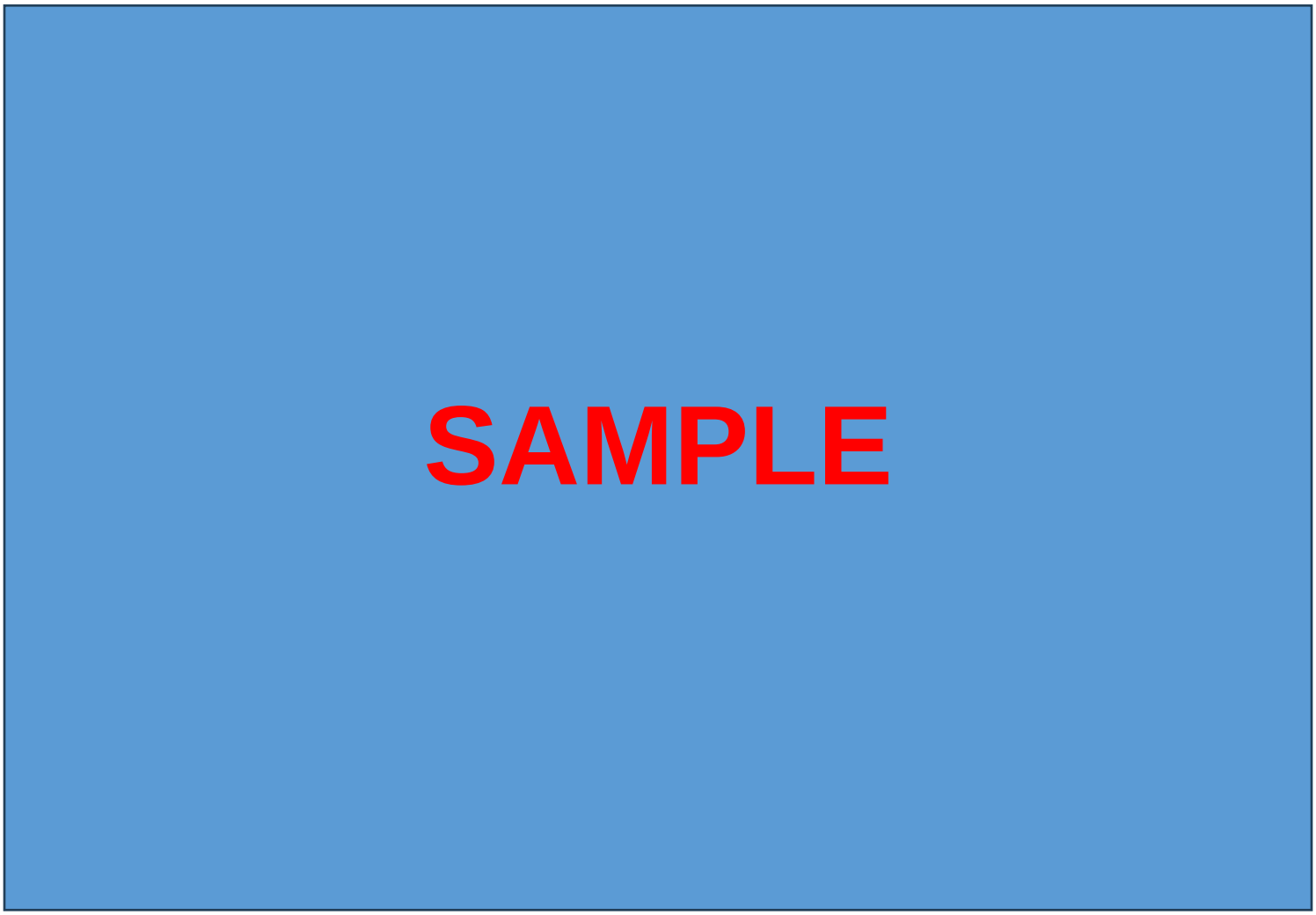


Important KPI Correlations

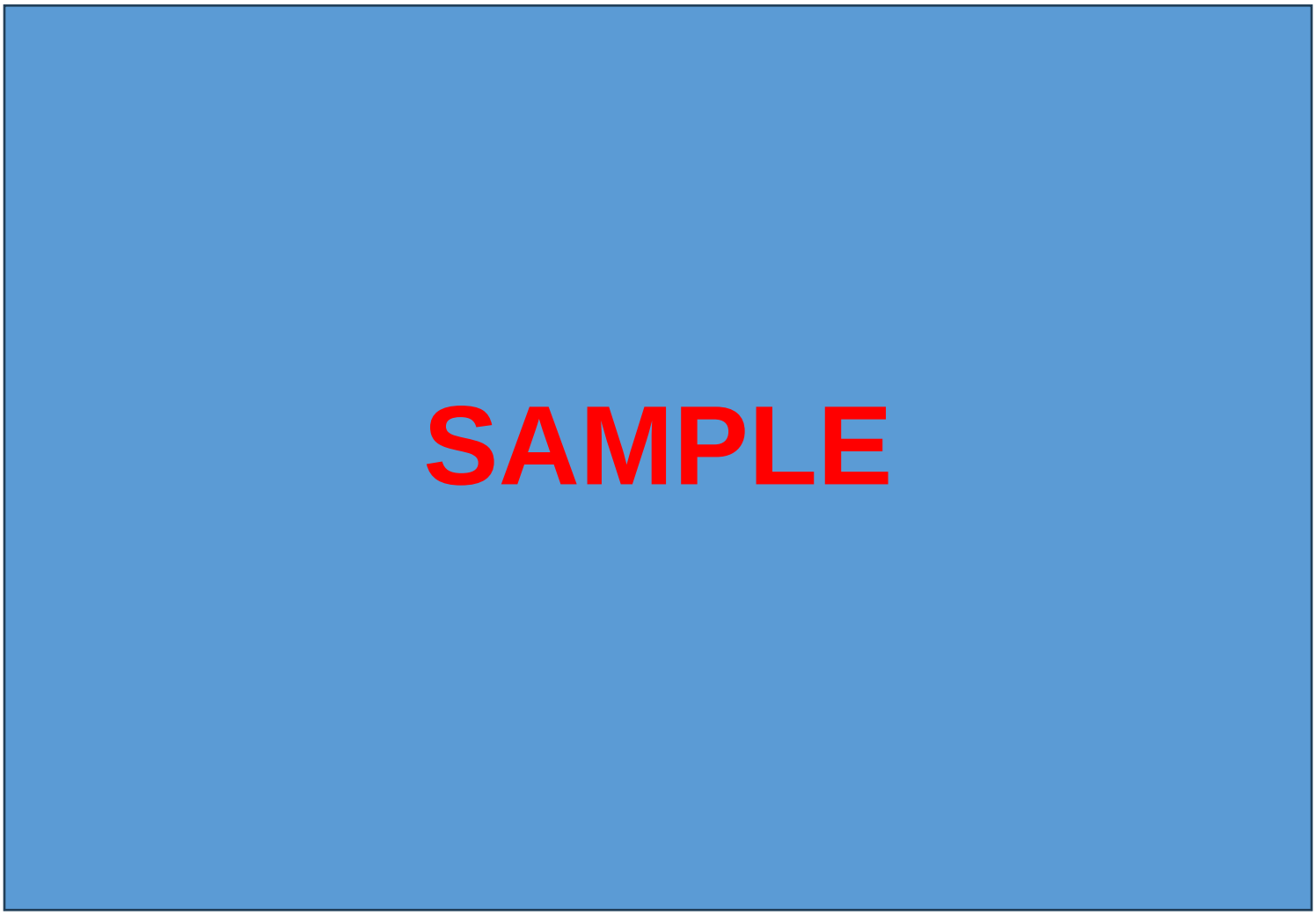
Voice Handle Time (minutes) vs. Average Cost per Voice Contact



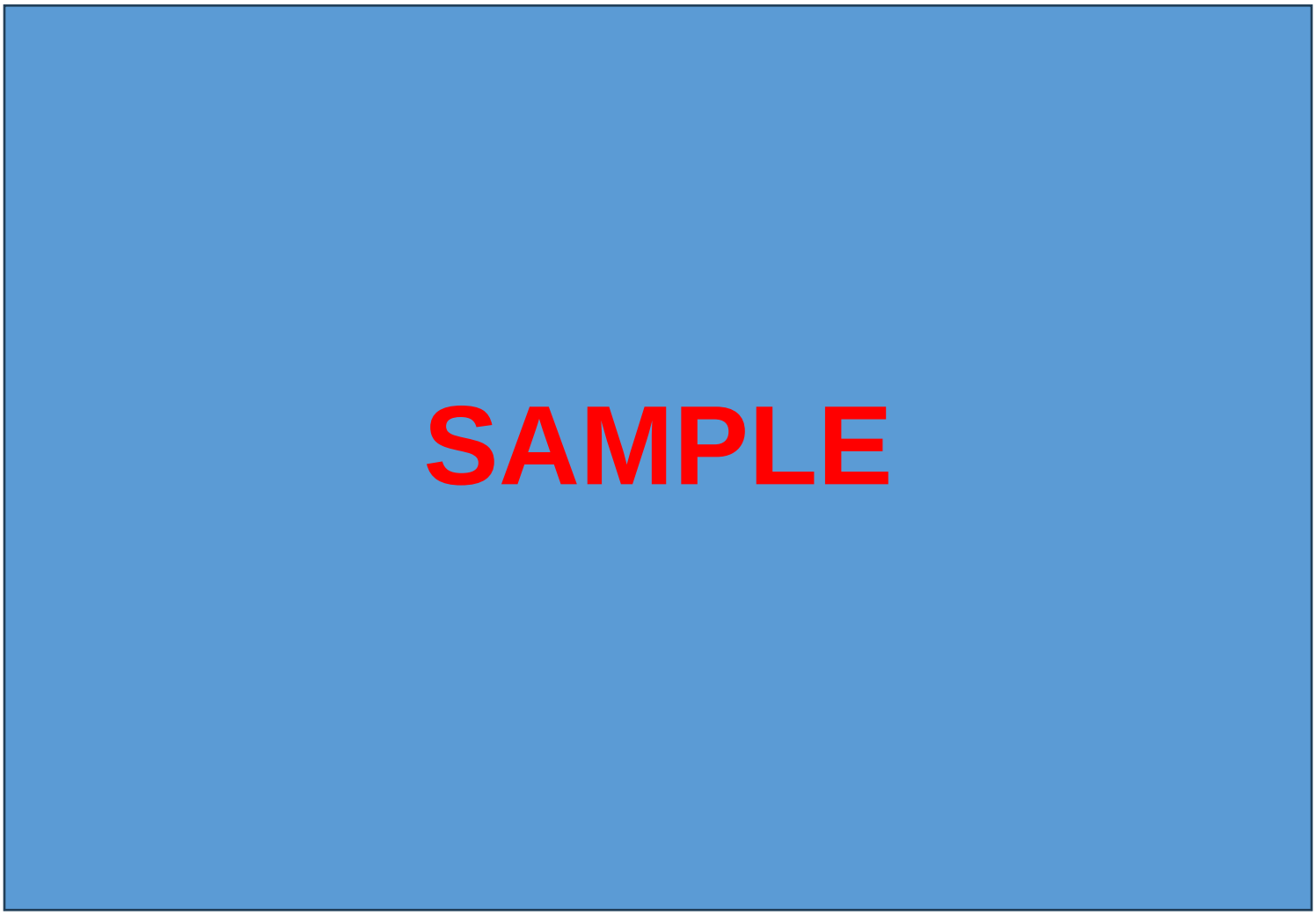
Voice Analyst Utilization vs. Average Cost per Voice Minute



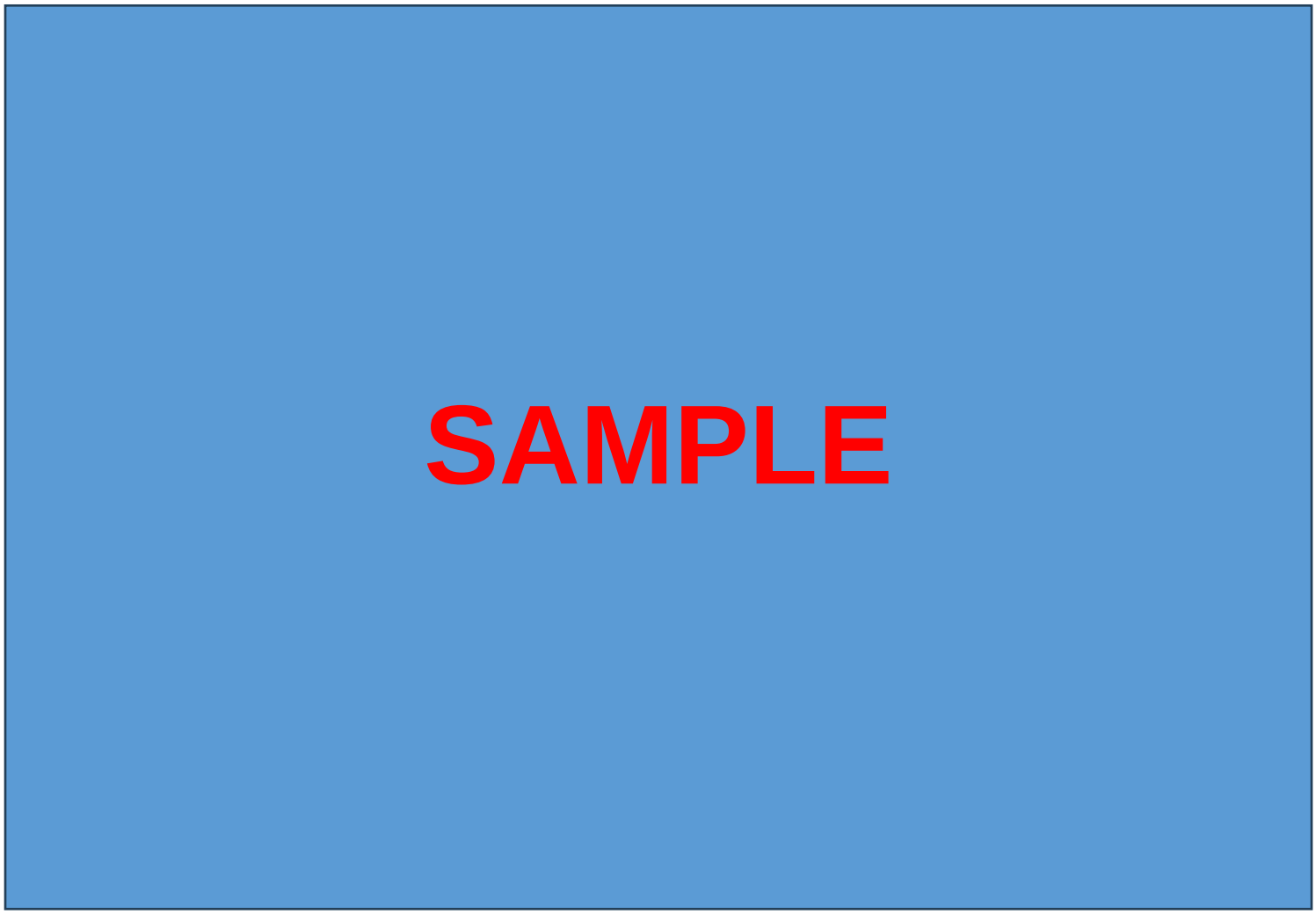
Voice Analyst Utilization vs. Average Speed of Answer (seconds)



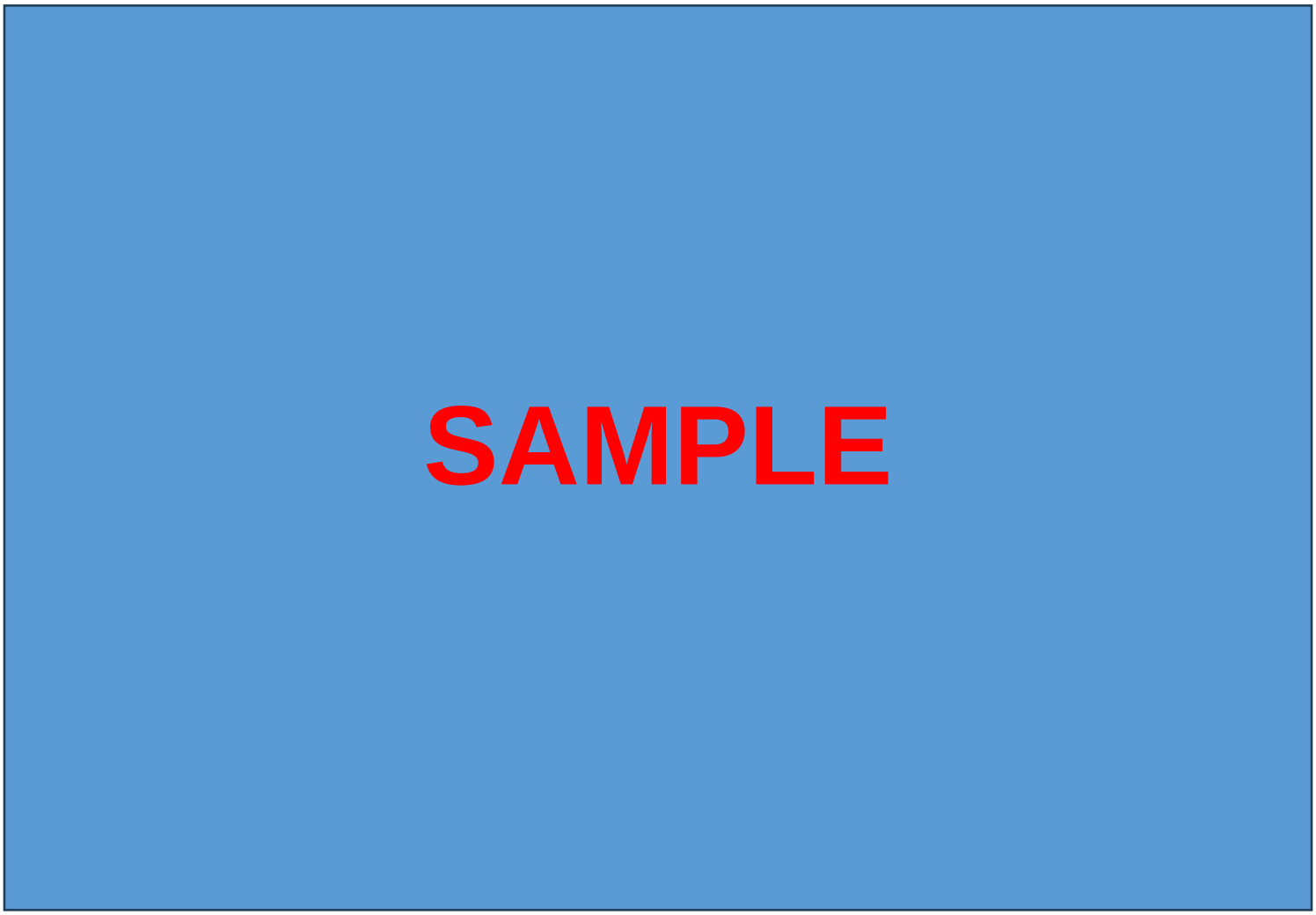
Voice Analyst Utilization vs. Call Abandonment Rate



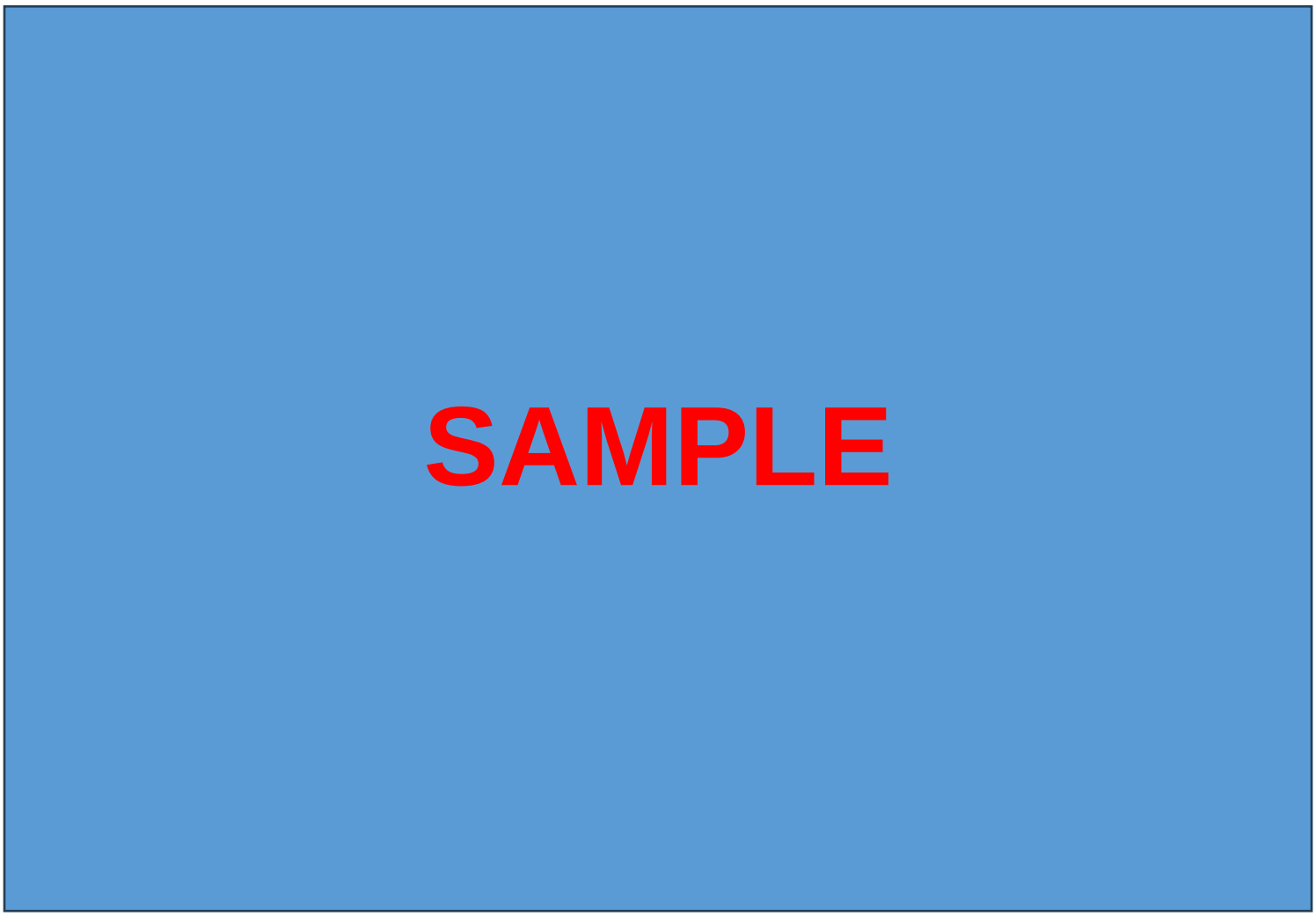
Average Speed of Answer (seconds) vs. Call Abandonment Rate



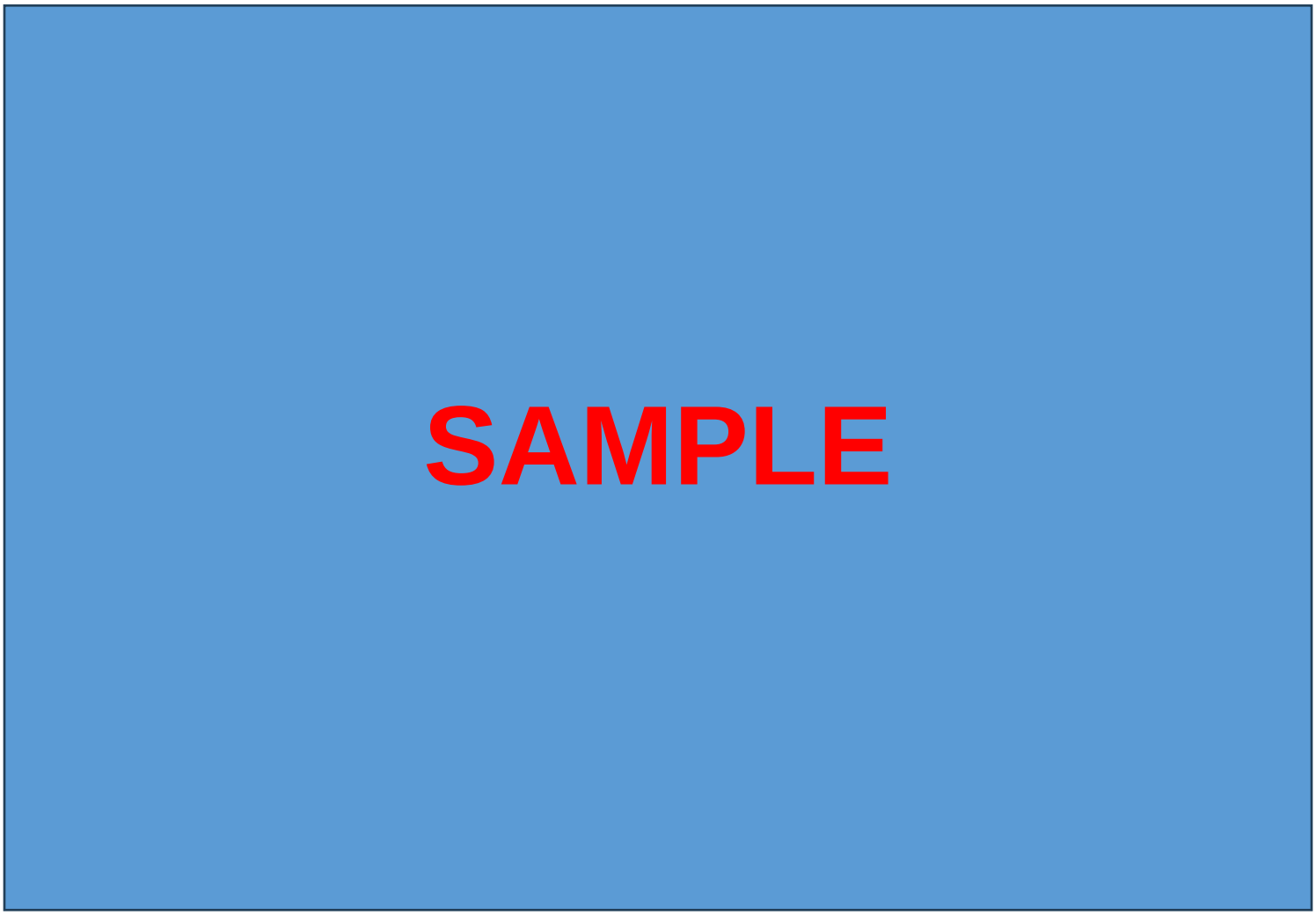
Net First Contact Resolution Rate vs. Voice Customer Satisfaction



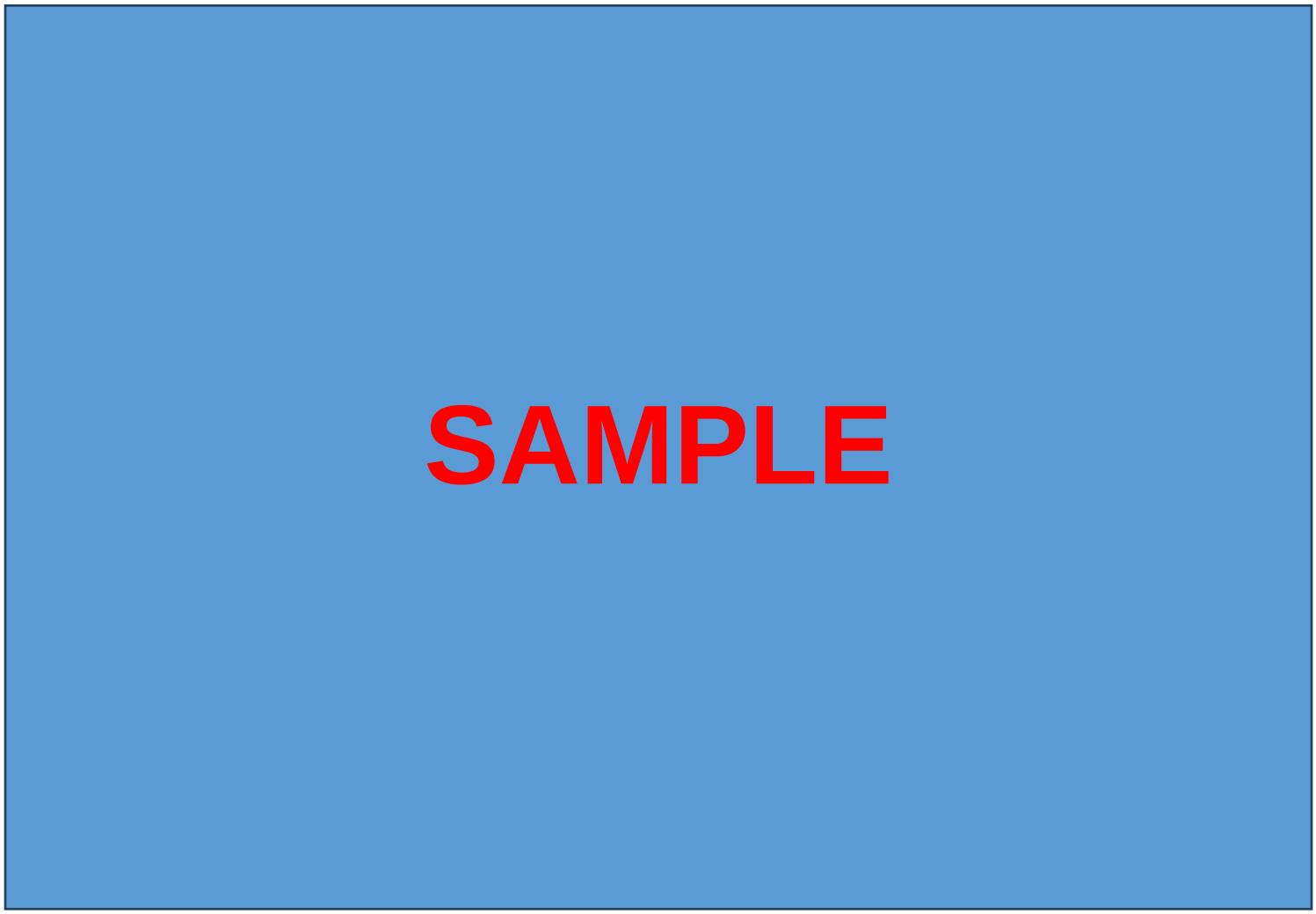
Analyst Job Satisfaction vs. Voice Customer Satisfaction



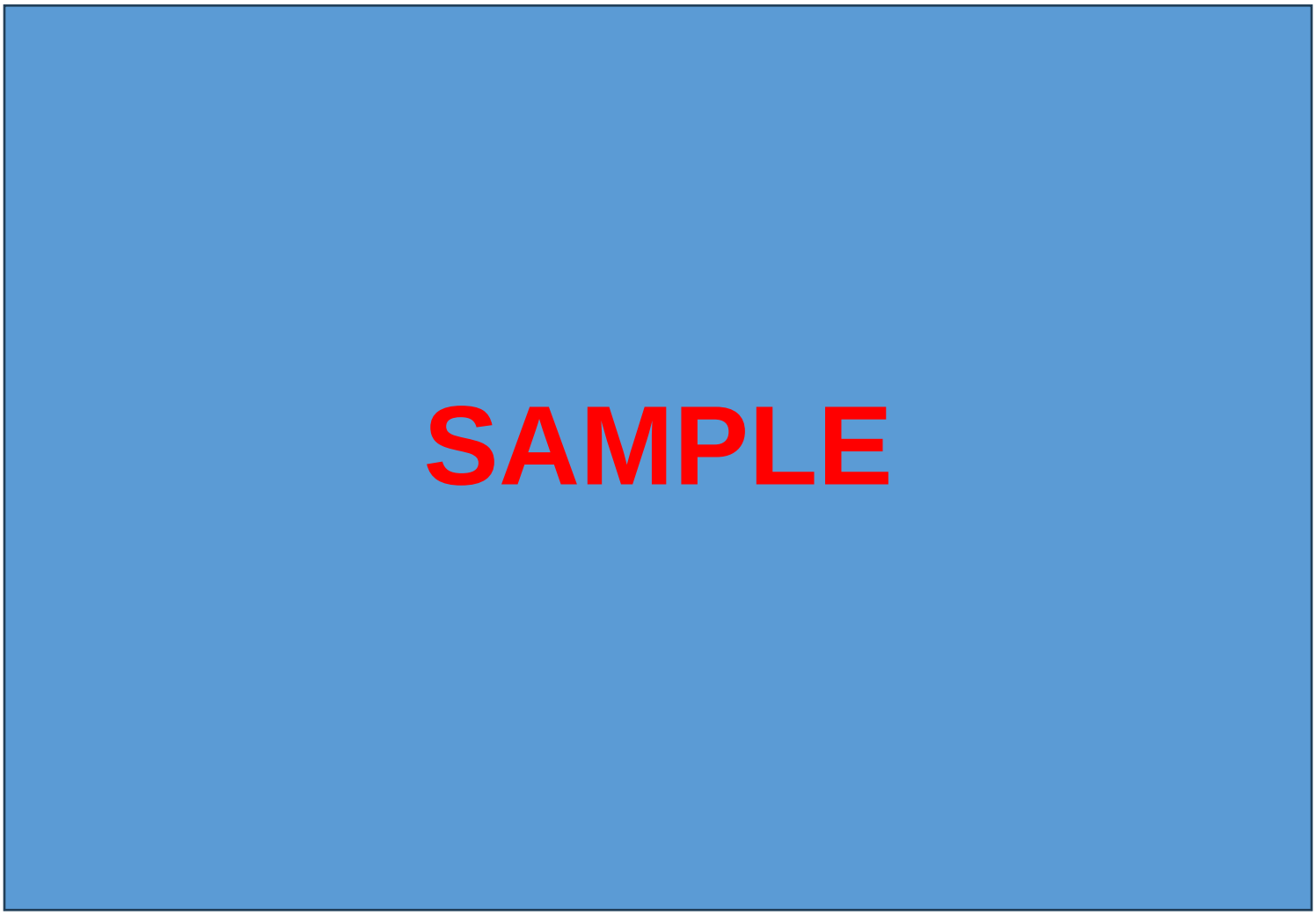
New Analyst Training Hours vs. Analyst Job Satisfaction



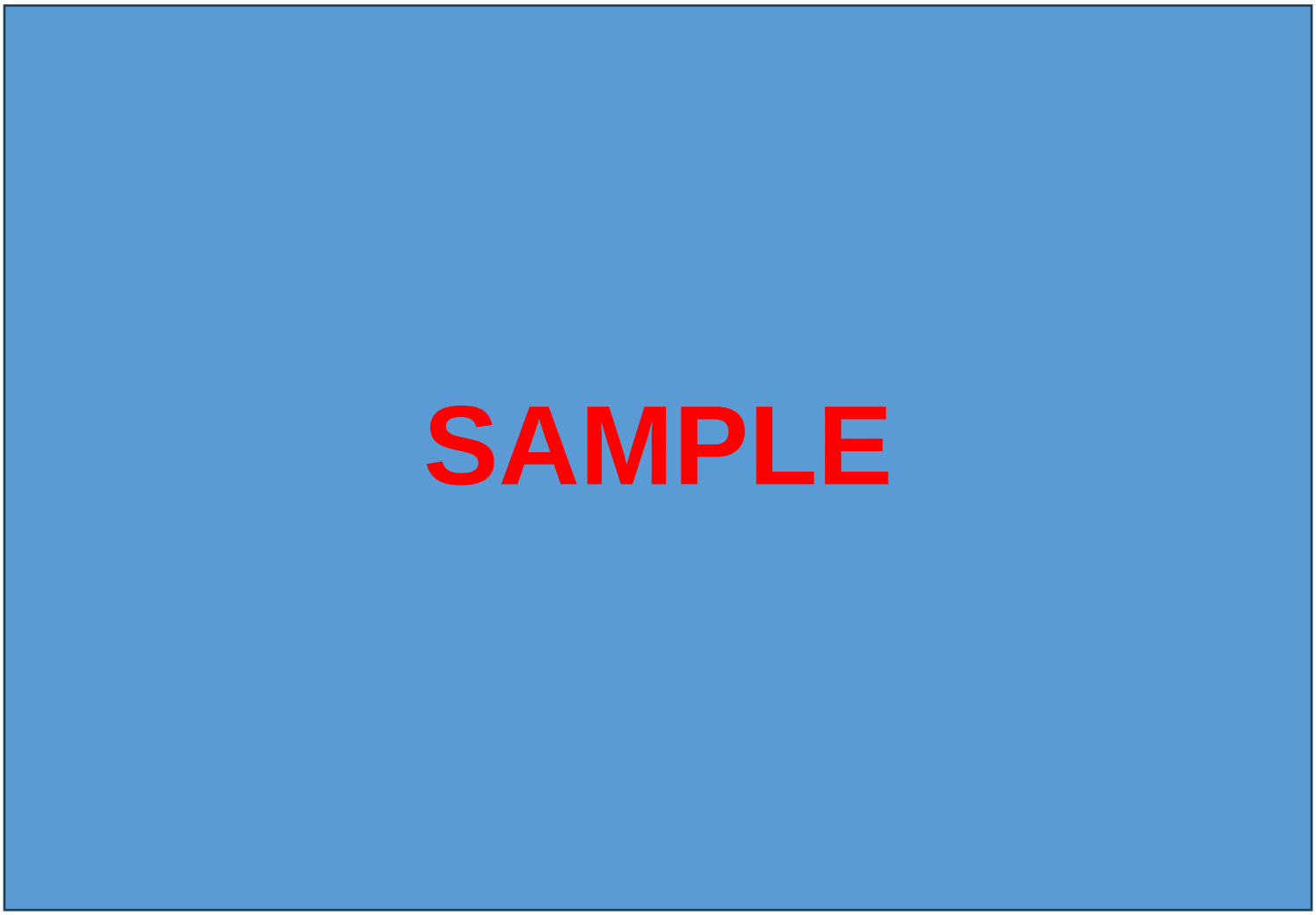
Annual Analyst Training Hours vs. Analyst Job Satisfaction



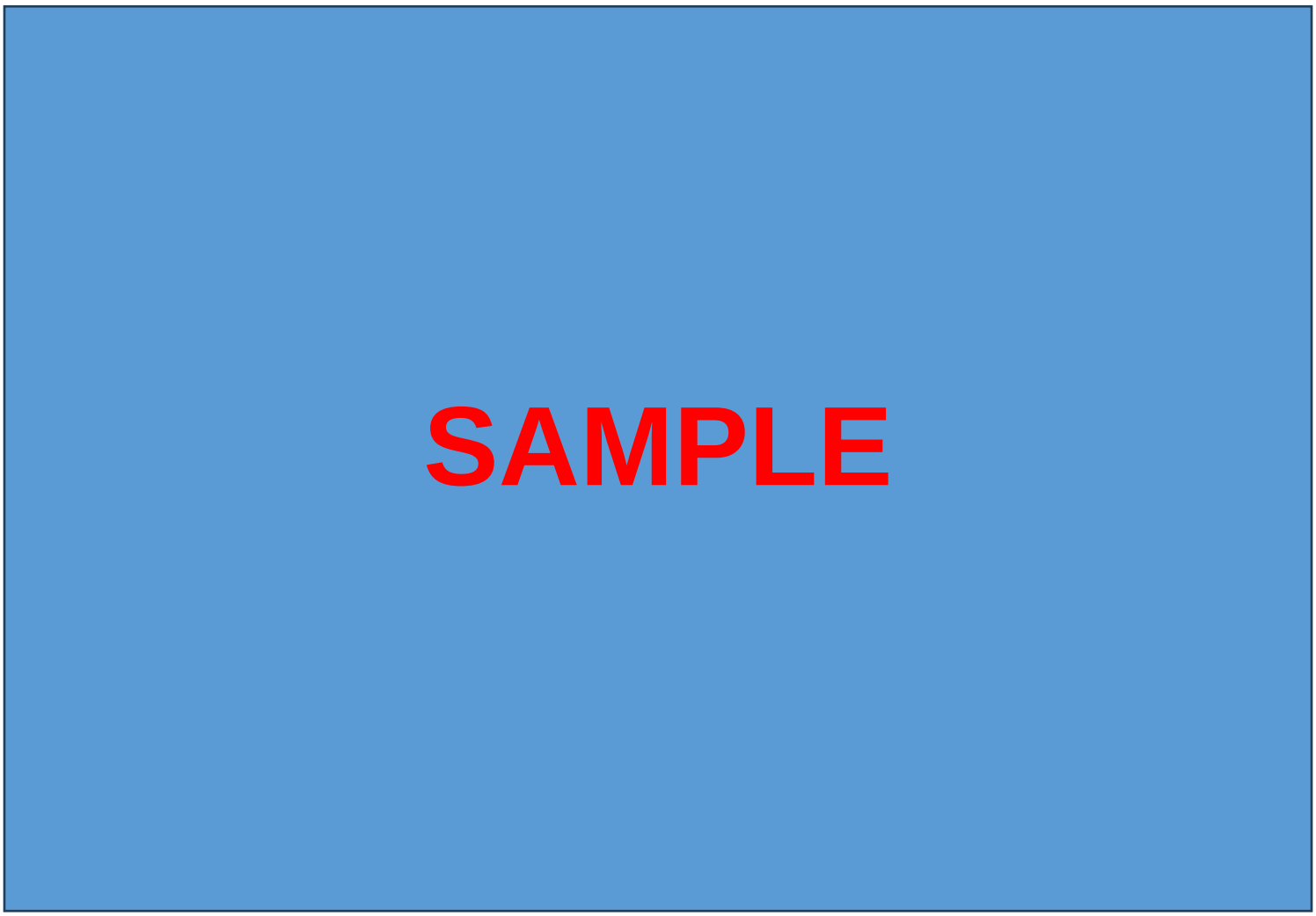
New Analyst Training Hours vs. Net First Contact Resolution Rate



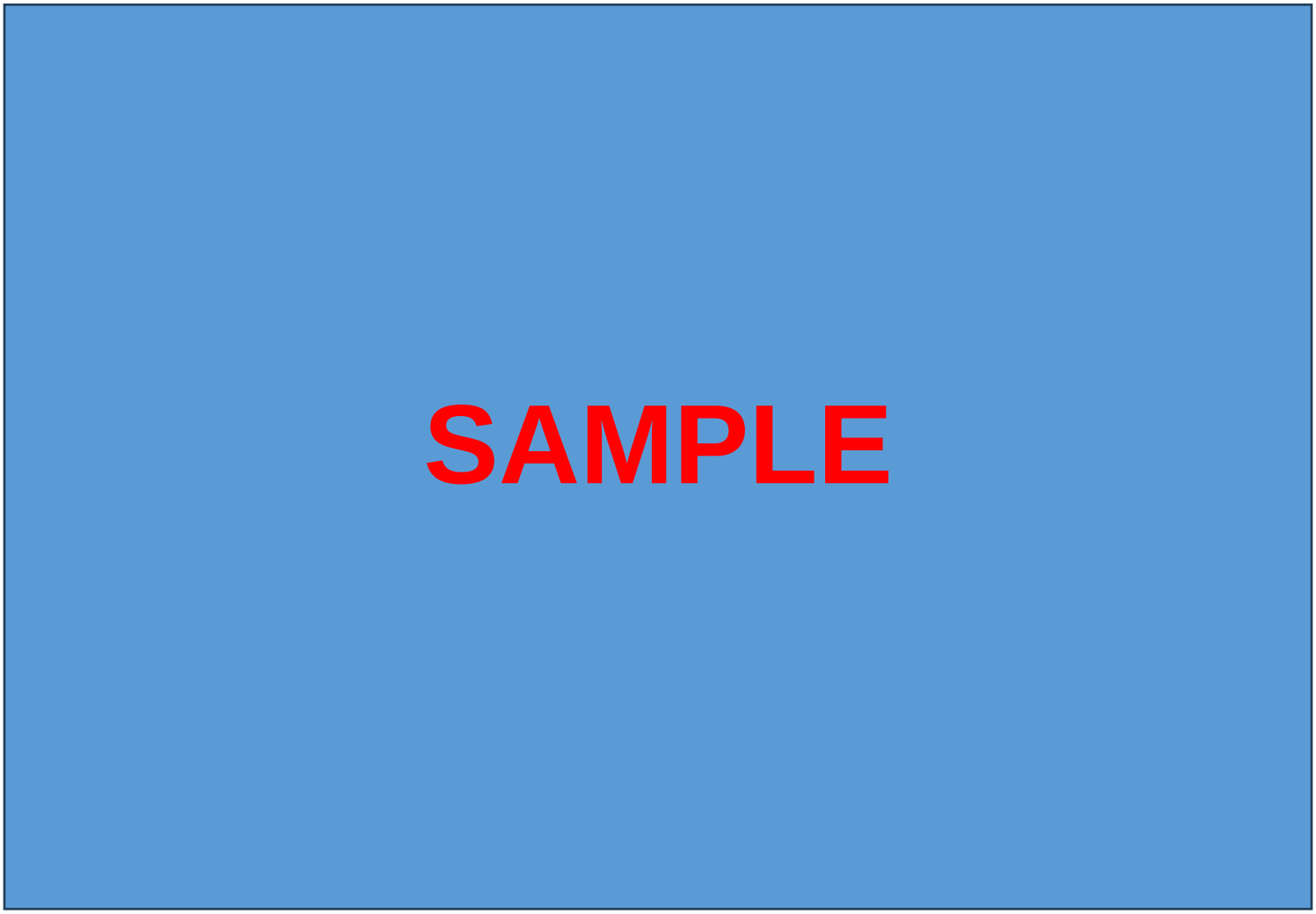
Annual Analyst Training Hours vs. Net First Contact Resolution Rate



Analyst Job Satisfaction vs. Daily Analyst Absenteeism



Analyst Job Satisfaction vs. Annual Analyst Turnover



About MetricNet

MetricNet, LLC is the leading source of benchmarks, scorecards, and performance metrics for Information Technology and Service Desk Professionals worldwide. Our mission is to provide you with the benchmarks you need to run your business more effectively.

MetricNet has pioneered a number of innovative techniques to ensure that you receive fast, accurate benchmarks, with a minimum of time and effort.

In addition to our **industry benchmarks**, such as this report, MetricNet also offers:

- **The One Year Path to World-Class Performance**, a continuous Service Desk improvement program.
- **Benchmarking data files** for those who wish to conduct their own benchmarking analysis.
- Comprehensive **peer group benchmarks** that compare your performance to others in your vertical market.

Free Resources

Every month, MetricNet presents a live training webcast. Thousands of professionals attend each year and many of our clients have their entire teams attend. These events are a great way to boost Annual Analyst Training Hours! Topics include Service Desk Best Practices and KPIs, Desktop Support Best Practices and KPIs, Service Desk Best Practices and KPIs, and more. Sign up for our **free webcasts**.

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