



SERVICE MANAGEMENT WORLD POWERED BY HDI

November 17-21, 2024 | Lowes Sapphire Falls Resort | Orlando, FL

AI and ITIL

How AI is Supercharging ITIL Maturity



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Session 304

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Jeff Rumburg, Managing Partner, MetricNet, LLC



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EMPIRICAL OBSERVATIONS FROM OUR GLOBAL DATABASE



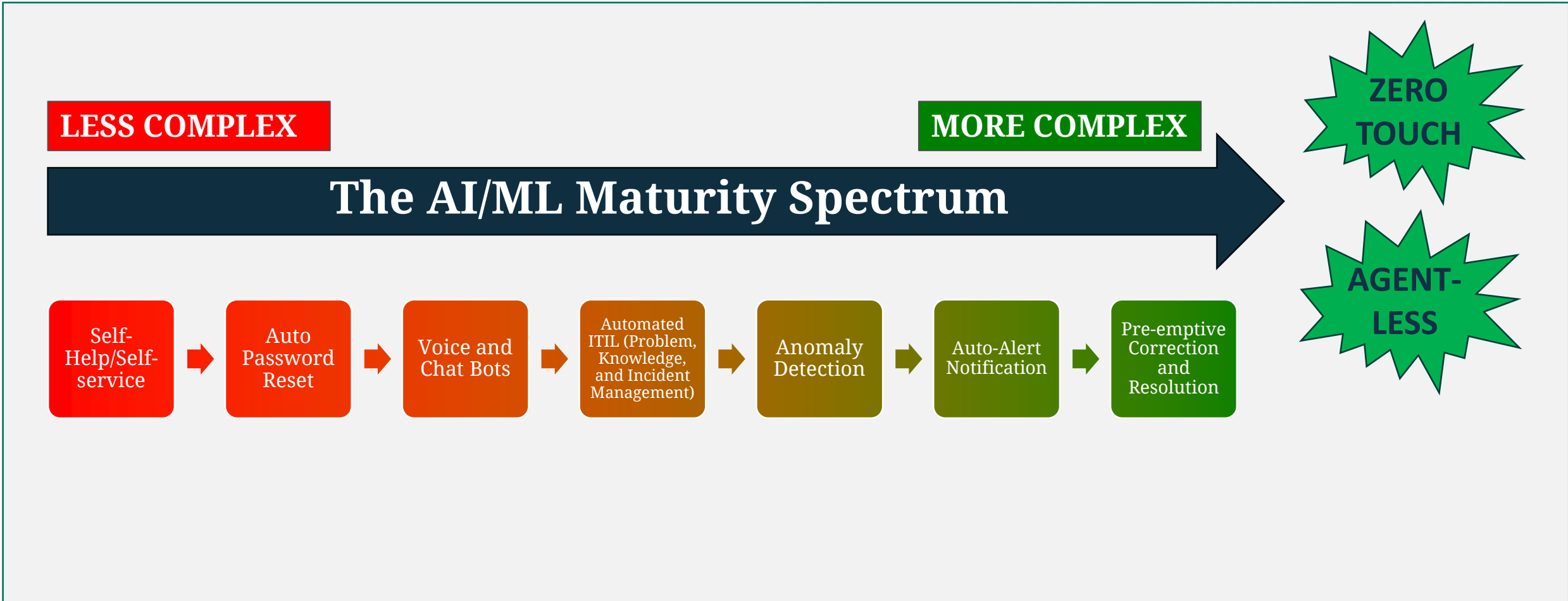
4,000+ Benchmarks

Global Benchmarking Database

70+ Key Performance Indicators

Nearly 120 Industry Best Practices

THE AI MATURITY SPECTRUM



THE GOAL OF ZERO TOUCH

- Dramatically reduce costs – TCO
- Optimize the Customer Experience
- Return productive hours to your customers

AI enables a Zero Touch service desk by automating routine inquiries, allowing agents to focus on complex issues.

THE IMPACT OF ZERO TOUCH

Metric Category	Metric	Impact of Zero Touch
Cost	Total Cost of Ownership	↓
	Cost per User Per Mont	↓
Volume	Tickets per User per Month	↓
	Tickets Avoided	↑
	% Agent-less Resolution	↑
Productivity	Productivity Returned to Users	↑
	Return on Investment	↑

Metric Category	Metric	Impact of Zero Touch
Quality	Customer Satisfaction	↑
	First Contact Resolution Rate	↑
	Net Promoter Score	↑
Service Level	Mean Time to Resolve	↓
ITIL Maturity	Problem Management	↑
	Incident Management	↑
	Knowledge Management	↑

THE ECONOMICS OF ZERO TOUCH AND SHIFT LEFT

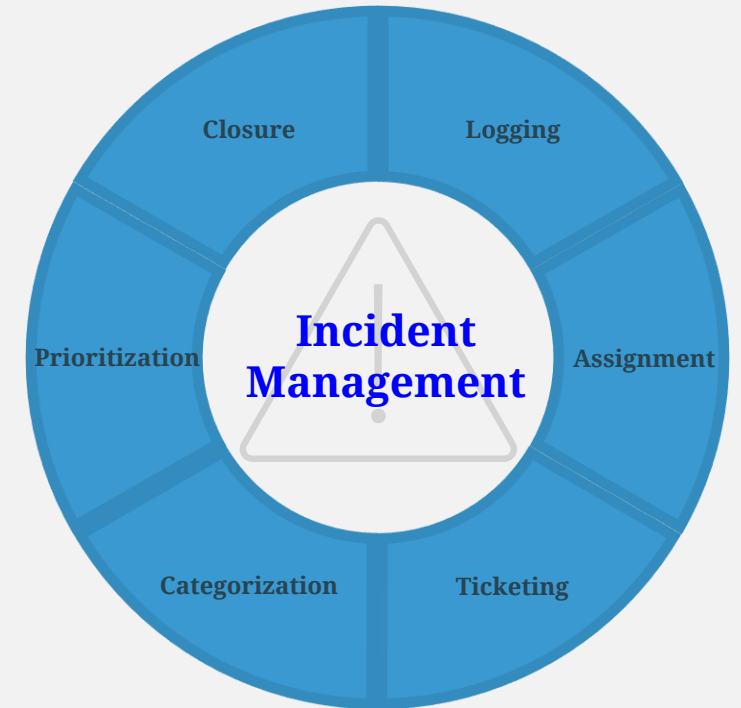


ITIL 4 – 34 PRACTICES



AI's role extends across the 34 ITIL practices, particularly enhancing incident, knowledge, and problem management through automation and predictive capabilities.

THE “BIG 3” ITIL PRACTICES



AI accelerates maturity by automating repetitive tasks, enabling predictive problem-solving, and enhancing knowledge accessibility for users and agents alike.

THE CHALLENGE WITH ITIL

- Lack of Resources
- Labor Intensive
- Data Intensive
- Takes Forever to Mature
- Process, not Outcome Focused
- Hard to Measure
- Turnover and Lack of Continuity
- Better? Faster? Cheaper?

THE METRICS OF PROBLEM MANAGEMENT

KPI	EFFECT OF PROBLEM MANAGEMENT
Monthly Ticket Volume	↓
Tickets per User per Month	↓
Total Cost of Ownership	↓
Tickets Prevented	↑

TWO PROBLEM MANAGEMENT KPIs YOU SHOULD KNOW

PROBLEM VELOCITY

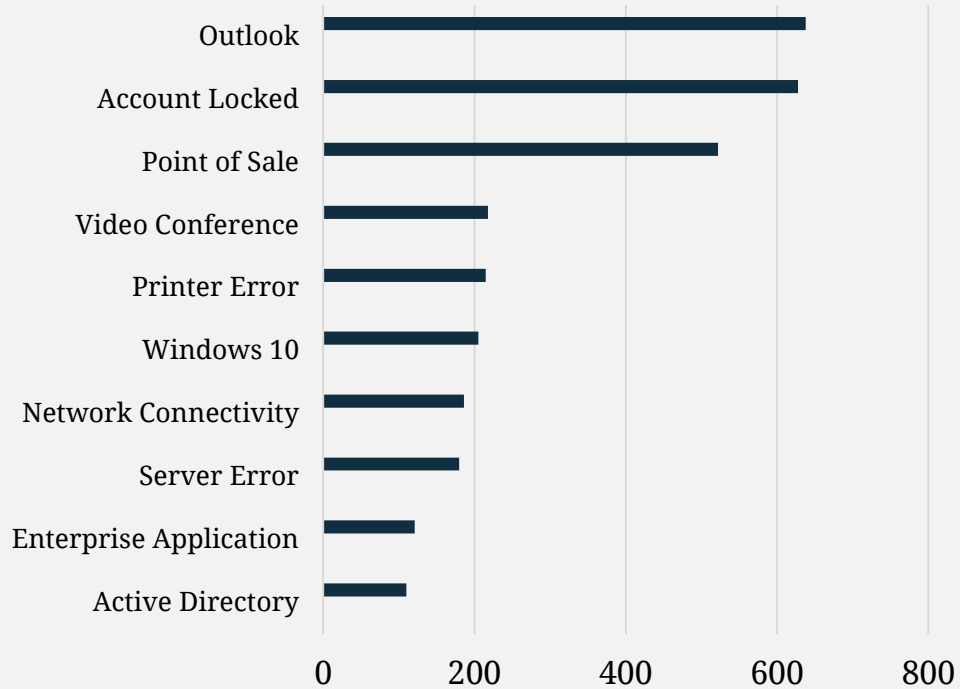
The number of incidents per problem divided by the number of months that the problem has been open.

INCIDENTS ASSOCIATED WITH PROBLEMS RESOLVED

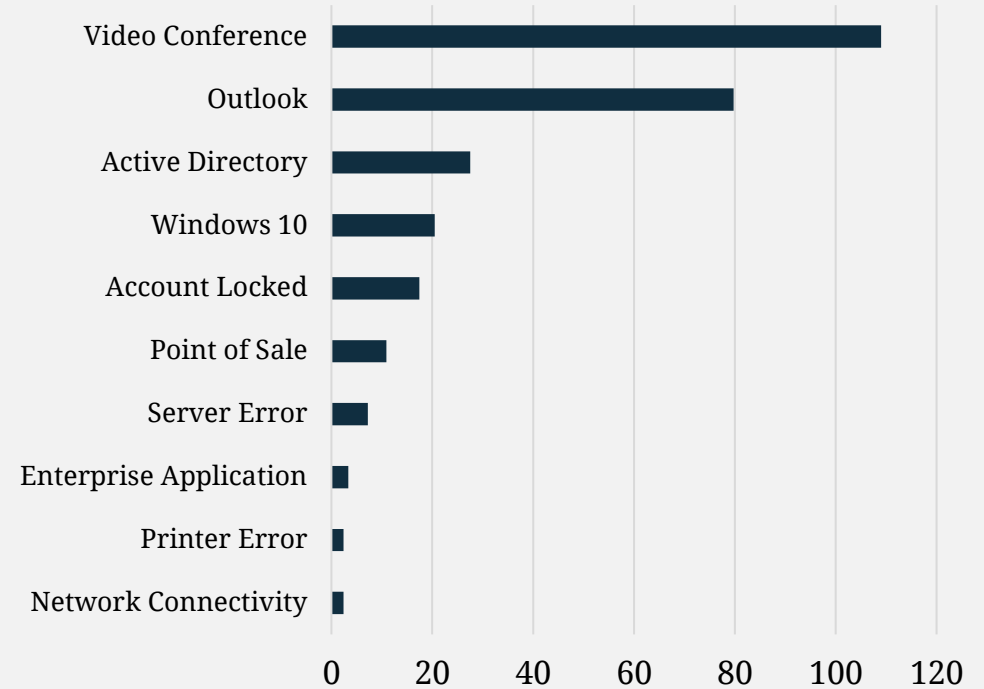
The monthly number of incidents eliminated through problem management

FOCUS ON HIGH VELOCITY PROBLEMS

Top 10 Problems by Incident Volume



Top 10 Problems by Problem Velocity



THE METRICS OF KNOWLEDGE MANAGEMENT

KPI	EFFECT OF KNOWLEDGE MANAGEMENT
Contact Handle Time	↓
MTTR	↓
User Self-Service Completion Rate	↑
Customer Satisfaction	↑
Cost per Ticket	↓

THE METRICS OF INCIDENT MANAGEMENT

KPI	EFFECT OF INCIDENT MANAGEMENT
First Contact Resolution Rate	↑
MTTR	↓
Ticket Hops	↓
Customer Satisfaction	↑
Cost per Ticket	↓

INTELLIGENT TICKET ROUTING

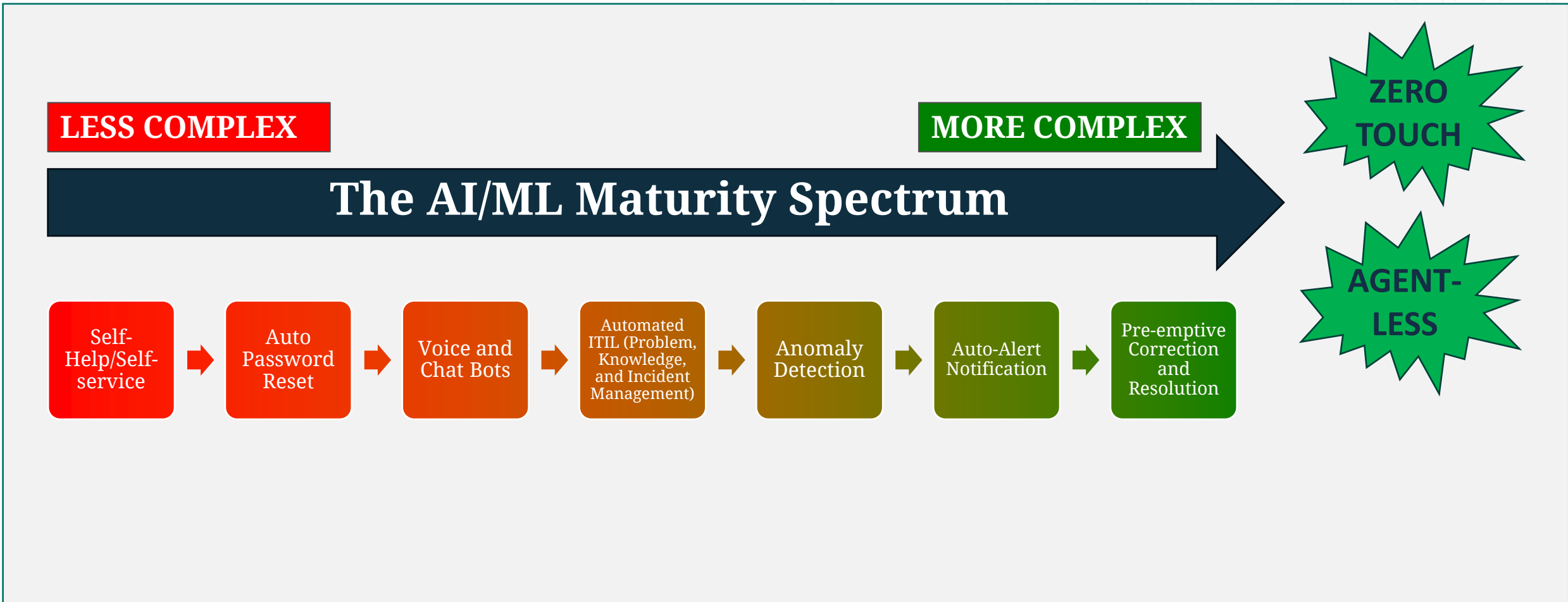


BEFORE



AFTER

THE AI MATURITY SPECTRUM

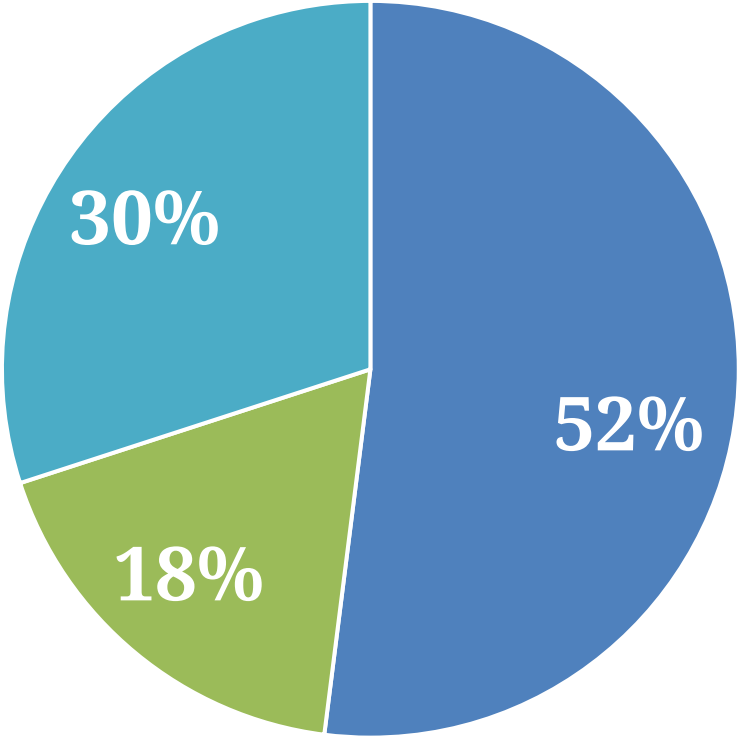


THE GOAL OF ZERO TOUCH

- Dramatically reduce costs – TCO
- Optimize the Customer Experience
- Return productive hours to your customers

AI enables a Zero Touch service desk by automating routine inquiries, allowing agents to focus on complex issues.

THE HISTORICAL LABOR BASED MODEL



■ Agent Labor ■ Non-Agent Labor ■ Overhead

WE HAVE BEEN HERE BEFORE



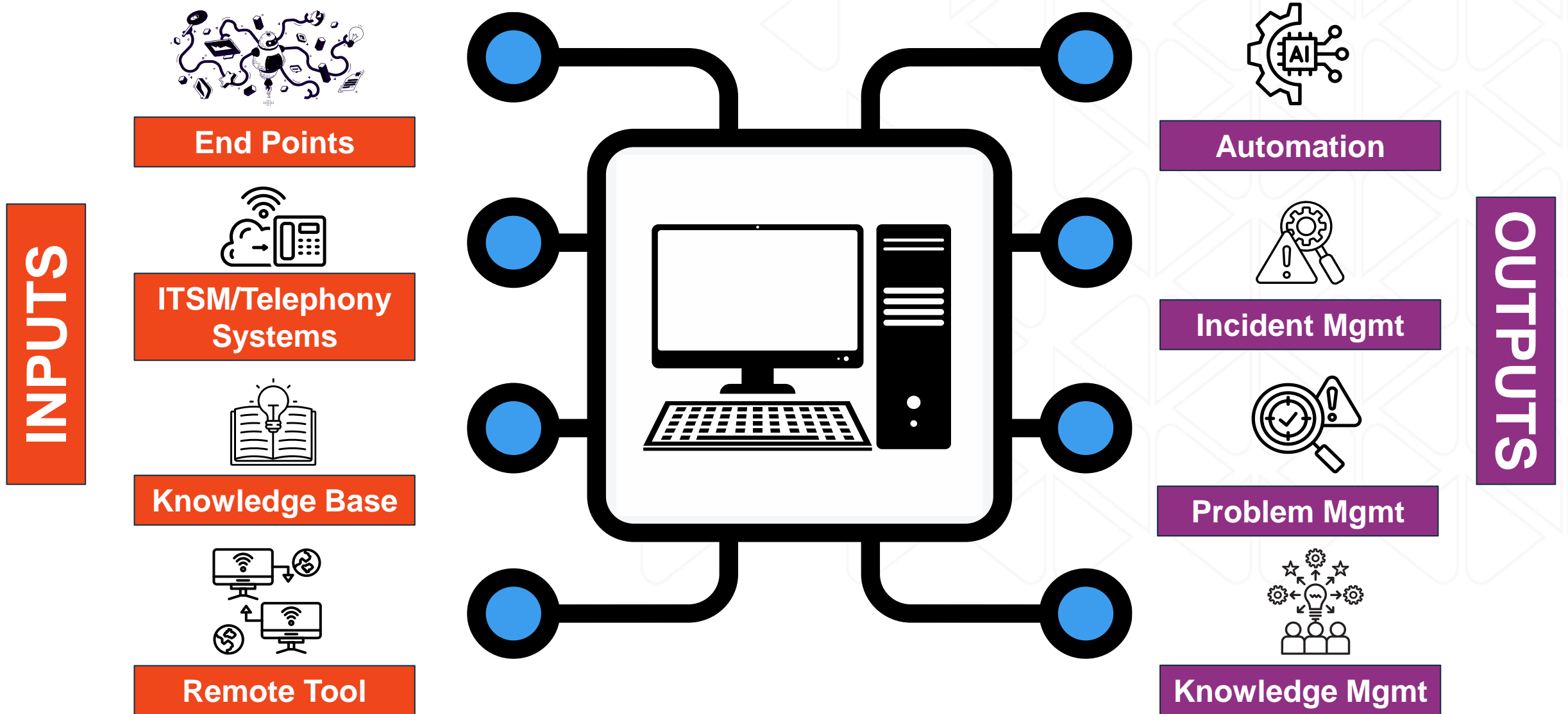
THE PRECEDENT FOR TRANSFORMATION



AI TRANSFORMATION WILL REDUCE COSTS UP TO 90%



THE SOLUTION TO MATURING ITIL



WHO DOES THIS? NOT AN ENDORSEMENT!

Problem Management

- **Skylar**
Automated RCA
(formerly Zebrium)
- **Splunk**

Knowledge Management

- **Lucidworks**
- Fusion**
- **Sinequa**
- **KMS Lighthouse**

Incident Management

- **Moogsoft**
- **BigPanda**

PROBLEM MANAGEMENT INDUSTRY CASE STUDY RESULTS

AI's ability to predict and preempt issues directly reduces Monthly Ticket Volume and Total Cost of Ownership by minimizing unplanned incidents.

Key Performance Indicator	Before	After (one year later)
Tickets per Month	164,900	79,200
Tickets per User per Month	2.21	1.03
Total Cost of Ownership	\$59.4 mm per year	\$28.2 mm per year
Tickets Prevented	N/A	85,700 per month

KNOWLEDGE MANAGEMENT INDUSTRY CASE STUDY RESULTS

AI updated over 300 knowledge articles automatically, significantly reducing handle time and improving user self-service success rates.

Key Performance Indicator	Before	After (one year later)
Contact Handle Time (Minutes)	14.9	9.2
MTTR (Business Hours)	16	4
User Self-Service Completion Rate	N/A	17.5%
Customer Satisfaction	81.5%	92.0%
Cost per Ticket	\$27.87	\$21.34

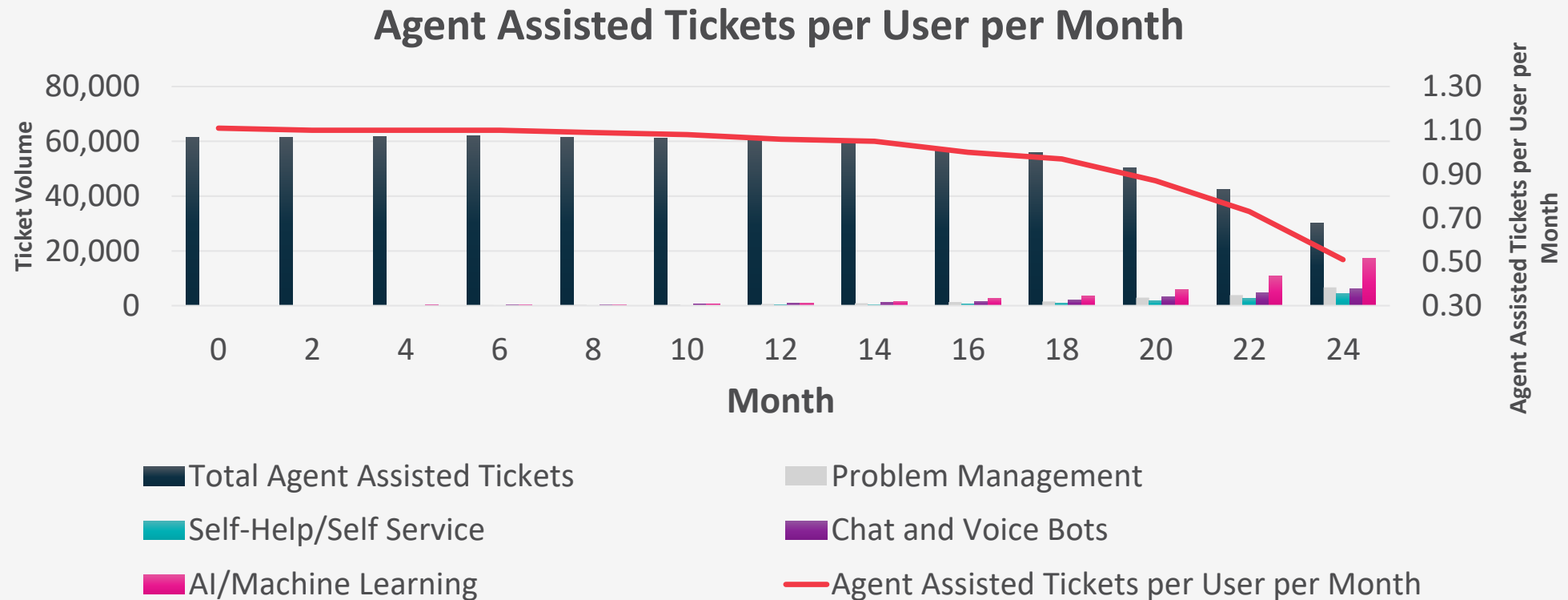
CASE STUDY EXAMPLE

In one well-documented case study, a global retailer was able to reduce their ticket volume by more than 50% in two years. **AI-enabled automation not only improved ticket categorization but also provided predictive insights, reducing incident volume by 40% and allowing proactive problem management.** Here is a summary of their raw data that illustrates the effect of their ticket reduction efforts:

Metric		Month												
		0	2	4	6	8	10	12	14	16	18	20	22	24
	Total Agent Assisted Tickets	61,520	61,571	61,650	62,002	61,545	61,141	60,348	59,719	57,548	55,735	50,349	42,438	30,002
	Total Users	55,270	55,697	55,918	56,298	56,313	56,493	56,782	56,781	57,026	57,363	57,542	57,652	57,998
Ticket Reduction Effects	Problem Management	0	124	151	189	345	359	575	866	1,317	1,559	2,892	3,884	6,668
	Self-Help/Self Service	0	62	75	90	107	116	195	364	607	897	1,638	2,600	4,446
	Chat and Voice Bots	0	124	163	197	353	542	914	1,093	1,439	2,133	3,283	4,656	6,061
	AI/Machine Learning	0	124	199	298	342	522	923	1,466	2,665	3,416	5,952	10,698	17,369
Agent Assisted Tickets per User per Month		1.11	1.10	1.10	1.10	1.09	1.08	1.06	1.05	1.00	0.97	0.87	0.73	0.51

CASE STUDY EXAMPLE CONTD.

Over a 24-month period the Number of Agent Assisted Tickets per User per Month dropped from 1.11 to just 0.51.



THE MONETIZED VALUE OF TICKETS AVOIDED

Metric	Year 0	Year 2
Monthly Agent Assisted Ticket Volume	61,520	30,002
Number of Users	55,270	57,998
Tickets per User per Month	1.11	0.51
Productivity Returned to Users	Annual Hours Saved	835,171
	FTEs	464
	Monetized Value	\$55.7 million
Mean Time to Resolve	8.0 Hours	4.3 Hours
Customer Satisfaction	83.4%	92.7%

CALCULATING TCO (TOTAL COST OF OWNERSHIP)



TCO Metrics		L-2	L-1	L0	L1	L2	L3	Field	Vendor	Total (Average)
Before	End Users	68,350								
	Monthly Ticket Volume	0	0	1,982	130,549	35,542	11,141	8,886	2,221	190,321
	Cost per Ticket	0	0	\$2.00	\$20.44	\$71.80	\$104.00	\$221	\$599	\$50.85
	Annual TCO	\$0	\$0	\$47,572	\$32,020,936	\$30,622,987	\$13,904,030	\$23,564,346	\$15,967,244	\$116,127,115
After	End Users	71,600								
	Monthly Ticket Volume	4,700	3,600	8,091	73,032	22,196	5,871	5,549	1,387	116,126
	Cost per Ticket	0	0	\$2.00	\$26.51	\$90.22	\$104.00	\$221	\$599	\$57.03
	Annual TCO	\$0	\$0	\$194,179	\$23,232,940	\$24,030,277	\$7,327,258	\$14,715,948	\$9,971,553	\$79,472,155

A \$37 MILLION REDUCTION IN TCO!

- Established performance targets for every AI metric
- Implemented voice and chat bots
- Automated Problem, Knowledge and Incident management
- Adopted an AI tool that...
 - Had L -2, search and destroy capabilities
 - Automated Problem, Knowledge and Incident management
 - Automatically categorized and routed tickets

THE PATH FORWARD

- Start with “Easy” Automation Opportunities (Low Hanging Fruit)
 - Password Reset
 - Voice and Chat Bots
- Adopt AI-enhanced Problem Management to address high-velocity problems
- Leverage AI-based Knowledge Management to grow and maintain knowledge articles
- Deploy Intelligent Ticket Routing and Categorization to mature Incident Management

SETTING YOUR ITIL PERFORMANCE TARGETS

Metric Category	Metric	Industry Benchmarks			
		Top Quartile	Average	Min	Max
Cost	Total Cost of Ownership	N/A	N/A	N/A	N/A
	Cost per User per Month	\$17.63	\$28.51	\$8.09	\$93.88
Volume	Tickets per User per Month	0.66	1.14	0.19	4.37
	Tickets Avoided	N/A	N/A	N/A	N/A
	% Agent-less Resolution	47.5%	11.6%	0.0%	77.9%
Productivity	Productivity Returned to Users (hours per year)	27	17	-32	46
	Return on Investment	440%	151%	-866%	935%

Metric Category	Metric	Industry Benchmarks			
		Top Quartile	Average	Min	Max
Quality	Customer Satisfaction	93.4%	83.1%	43.2%	98.6%
	First Contact Resolution Rate	88.1%	78.5%	33.1%	94.4%
	Net Promoter Score	0.68	44.6%	-73.6%	82.3%
Service Level	Mean Time to Resolve (minutes)	51.2	93.4	18.6	517.4
ITIL Maturity	Problem Management	2.8	1.5	1	3.8
	Incident Management	3.9	2.2	1	4.6
	Knowledge Management	4.3	2.9	1	4.9



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QUESTIONS?



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THANK YOU!



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THANK YOU!



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MetricNet offers a portfolio of competitive differentiators including those listed below.

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Managing Partner and CEO



ANGELA IRIZARRY

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