

Identifying Help Desk Outsourcing Metrics in SLAs

When designed jointly with the user and help desk outsourcer, SLAs are a powerful aid in building partnerships and providing a measurement base for vendor performance.

Core Topic

IT Management: IT Support Service Management

Key Issue

What IT service strategies and practices will enterprises use to manage and optimize IT investments?

Note 1

Measurable Events in SLAs

The onus for poorly defined service levels and management reporting cannot be placed solely on the vendor. If the user did not have internal service agreements prior to outsourcing, both parties will need to move up the learning curve in sorting out which performance criteria are truly important. Most vendors are willing to work with users to customize metrics and reporting for individual clients. However, the user may pay a price for this above what was agreed on in the contract if the vendor's administrative burden increases significantly or the vendor needs to add resources to meet newly identified demands.

SLAs are a critical vendor management tool. The activities and services covered by an SLA must be built around measurable events, and metrics can define those events. Metrics ensure that SLAs can be monitored for meeting performance standards and that customer expectations are being met. This *Research Note* highlights measures to evaluate vendors providing help desk services (see Note 1).

A list of metrics for help desk services is shown below. Clients should use this list as a starting point in selecting metrics and determining performance standards suitable for their IT and business environments. The list of metrics and example performance targets were compiled from SLAs used by our clients. SLAs should address many components (see Note 2), especially with metrics and targets customized to each enterprise's unique IT and business environment.

- Response time includes: a) average number of rings before an answer (e.g., 16 seconds and three rings); b) percentage of calls in the queue before an analyst picks up (e.g., 10 percent or less); c) average time in queue (e.g., 90 seconds or less); and d) total time it takes to answer/respond, i.e., ring time plus queue time plus other (e.g., 45 seconds or less, 90 percent of calls answered in 30 seconds).
- Abandonment rate is the percentage of calls in which the caller disconnects before an analyst or voice mail picks up.
- Callback time includes the length of time required for a help desk analyst to get back to the end user for status or follow-up work (e.g., next business day).
- Resolution time involves the minutes, hours or days based on a predetermined priority. Priorities may be based on factors such as whether a problem affects one user vs. multiple users, the location of users and the specific system

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Note 2

Recommended SLA Content Outline

- Business objectives and scope — a high-level summary of the business objectives of outsourcing
- Policies — the policies and procedures by which the vendor operates and communicates
- Updating the SLA — the policy for updates and changes to the SLA
- Systems summary — the broad overview of the size and complexity of the client's computing environment
- Performance and systems metrics — the specific performance targets that the vendor has agreed to meet, and milestones (e.g., 50 percent of the job will be completed by this date; 75 percent by another date)
- Resource requirements — the use of resources, such as technologies, facilities and people
- Problem management — the policies and procedures for handling problems, which in most cases results with a user call into the help desk
- Setting severity levels — the criteria used for severity levels for problem management and measure of quality, accuracy and reliability (usually expressed as a ratio)
- Service-level penalties — consequences for vendor's failure to deliver the contracted level of performance at the contracted price; risks, credits or penalties
- Performance reports on SLA achievement — the content, frequency and format of performance reports

affected. For example, monitoring and problem resolution data include: a) response time (e.g., 30 seconds) — the time between identifying a problem and the time it takes technical support to take action; b) restore time (e.g., one hour) — the time required before a problem is identified as temporarily solved; the restoration may be a temporary solution; and c) resolution time (e.g., six hours) — total time required to identify, diagnose, restore and permanent resolution.

- Moves, adds and changes (e.g., the average number of business days from work order to completion).
- A percentage of calls resolved on first contact with the help desk (e.g., minimum of 80 percent of calls resolved).
- Customer satisfaction (e.g., score of eight or more on a 10-point scale, with 10 percent of end users that contact the help desk polled each quarter).
- Contribution to KM process. It is not only critical to ensure the ESP can perform in a call-handling capacity, but current requirements demand that ESPs partner with users to create and manage knowledge content. There should be a target number of cases created by the ESP team, and they should contribute to KM meetings and to the knowledge base.

Penalties and bonuses: Penalties carrying insignificant weights or costs will not act as a motivator. If service targets are too high, the outsourcer loses profit and interest in improving service levels. Best practices include setting penalty clauses to around 10 percent to 20 percent of the monthly charge. If the vendor improves, profit will be restored in the next month. A bonus will be a strong incentive to the vendor's service team to work harder to deliver the services. As bonus is pure profit to the ESP, a small percentage (5 percent to 10 percent) of the monthly charge is appropriate as a bonus. Bonuses should be paid only on demanding service targets and for call avoidance. If bonuses are being awarded every month, then the service levels are set too low. Best practices dictate that contract clauses permit service levels to be adjusted over time to keep the vendor stretching for service delivery targets. However, if the help desk outsourcer regularly fails to improve, the user organization should be able to end the contract and find a better ESP. Penalty clauses will not compensate for poor performance in the support environment.

Bottom Line: Many help desk outsourcing deals will be unsuccessful, primarily because of the failure of IS organizations to adequately address services issues during contract negotiations (0.7 probability). Detailed service-level metrics are a critical success factor to ensure that the end user's expectations are clearly defined and that the vendor understands the standards against which its performance will be judged.

Acronym Key

- ESP** External services provider
- KM** Knowledge management
- SLA** Service-level agreement

