Translating IT Metrics into Business Benefits

By Rae Ann Bruno  
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IT managers regularly gather and distribute metrics reflecting group performance. But are these metrics meaningful outside the immediate organization? If they reflect traditional measures such as abandoned rates and first call resolution, the answer is an emphatic “no”. In order to show real value to the business IT and the Service Desk must publish metrics that align with business goals and directly support objectives.

In this white paper, Rae Ann Bruno, President of Business Solutions Training, Inc. explores ways to look at IT metrics from a business perspective. The author has first-hand experience with the issues facing IT and the Service Desk and shares that experience as she describes how to put current goals, metrics, and reporting in a new perspective. By investing minimal effort, IT groups can radically change the way they are viewed by the business, and take the first step toward transforming their metrics.
Overview

At a recent seminar, the speaker asked a group of support managers how they generate revenue for the company. No one answered. That wasn’t surprising considering that while most internal support organizations know they affect revenue generation, they don’t know how to quantify the affect. With their time consumed fighting fires, developing teams of people, improving processes between teams and preparing to support new applications support managers don’t generally find time to document and promote the business value of the Service Desk.

In the absence of self-promotion, the perception of IT and support is shaped by the end-user experience and, to a lesser extent, reports generated by the automated call distribution (ACD) and call management applications and distributed by IT. These reports may be meaningful to IT, but the business has little use for them. Where these reports tell of abandoned rate and resolution time, the business cares about sales goals and cost effectiveness. There is no connection made between IT effort and a positive impact to the business.

Now more than ever, IT must invest the time to understand specific business goals and translate IT metrics to reflect impact to these goals. Businesses invest in tools and services that affect productivity, and support should be one of those services. The major challenge, and one that can be met, is to effectively communicate the business benefits of a well run IT support group. The starting point is a new perspective on goals, metrics, and reporting, and how IT actions affect business results. Then you will be prepared to answer the question, How do you generate revenue for your company?
IT goals and business value

Communicating the value IT and support add to the business improves the perception of IT services as well as strengthens the case for additional funding. Therefore, it is critical to align with business objectives. By knowing the company goals and the objectives of the primary teams supported, IT can easily set support goals that are aligned. This in turn will lead to metrics that validate alignment.

In most organizations, IT and business goals seem completely unrelated. Take a look at the differences between some IT and business goals:

IT support goals:
1. Minimize quantity of service disruptions.
2. Minimize length of service disruptions.
3. Reduce cost per call.
4. Meet service level goals.

Business goals:
1. Increase sales by 5% each quarter.
2. Reduce annual operational costs by 5%.
3. Expand customer base by 20% by the end of the calendar year.
4. Increase repeat business by 5% each.
5. Win bids against competitors 65% of the time.
The support goals are written in IT terms and do not clearly support a business goal. Likewise, the business goals do not appear to have a dependency on technology. Take a look at how these seemingly unrelated goals align.

<table>
<thead>
<tr>
<th>Business Goals</th>
<th>Complementary IT goals</th>
<th>How IT goals facilitate meeting business goals</th>
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</table>
| Increase sales by 5% each quarter.                  | • Minimize quantity of service disruptions  
• Minimize length of service disruptions  
• Meet service level goals | Keeps productivity high by minimizing frequency and duration of service disruptions. By making technology available, the employee is better equipped to increase sales. Meeting Service Level Agreement requirements also focuses on minimized downtime and increased productivity. |
| Reduce annual operational expenses by 5%.          | • Minimize quantity of service disruptions  
• Minimize length of service disruptions  
• Reduce cost per call  
• Meet service level goals | Downtime costs the organization money. These costs include not only the efforts of those individuals tasked at mitigating and resolving downtime, but more importantly the costs associated with highly compensated producers or those responsible for revenue generation being non productive. |
| Expand customer base by 20% by the end of the calendar year. | • Minimize quantity of service disruptions  
• Minimize length of service disruptions  
• Meet service level goals | By supporting those who support the customer, support is indirectly influencing the customer satisfaction. Customer has a better perception of company when it gets better service that is reliable and consistent. This is possible when support keeps employees productive and servicing the customer. |
| Increase repeat business by 5% each quarter.       | • Minimize quantity of service disruptions  
• Minimize length of service disruptions  
• Meet service level goals | If the customer is consistently satisfied and feels that the company provides excellent service, he is likely to continue doing business and remain loyal. By keeping the employee productive and able to do this, support is facilitating repeat business. |
| Win bids against competitors 65% of the time.      | • Minimize quantity of service disruptions  
• Minimize length of service disruptions  
• Meet service level goals | By keeping the employee productive, he is consistently able to respond quicker and provide reliable, consistent service. This increases the employee’s chances of winning the bids against competitors. |

Of course, it is better if IT goals are written in a way that more directly supports business goals. Once it is clear how IT goals facilitate business goals, rewriting the IT goals in business-focused terms becomes easier.
Communicating IT support goals in business terms

To make a clear connection between IT and business, write IT goals and objectives using business terminology. This will help change the perception that IT does not have a role in improving productivity and revenue generation. Notice the difference when IT support goals are rewritten from a business perspective.

<table>
<thead>
<tr>
<th>IT Support Goals</th>
<th>From Business Perspective</th>
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<tbody>
<tr>
<td>1. Minimize quantity of service disruptions</td>
<td>1/2. Increase productivity and service quality through expedient and accurate problem resolution.</td>
</tr>
<tr>
<td>4. Meet service level goals</td>
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With a few changes in terms and phrasing, the same goals are now business-focused by communicating these goals outwardly to the lines of business, IT can project the image of a business enabler.

To execute the business-focused goals within IT, develop more specific and detailed objectives. Employees should have individual objectives that support the higher-level, business-focused goals. Then, they can understand the big picture and how each individual’s performance impacts it. Here is an example of specific and detailed support objectives.

High-level goal

- Continually exceed customer expectations for services.

Supporting objectives

- On a monthly basis, identify recurring issues and eliminate 5% of these issues. Focus first on high-impact recurring issues.
- Meet service level targets 90% of the time.
- Maintain a minimum customer satisfaction rating average of 4.0. Each quarter, increase this average by 1%.
- Create cross-functional teams to review problem resolution processes on a quarterly basis. Define and implement a minimum of two process-efficiency improvements a quarter.
Quantifying the business value of IT metrics

It is common to measure and publish metrics that are easy to gather. For example, ACD metrics measure how quickly the phone is answered, how long it takes an analyst to talk through the issue with the customer, and how many customers hang up before talking with an analyst. With a few clicks of the mouse, a report is generated and provided to various levels of management. However, these metrics don’t help IT partner with the lines of business. Instead, they set IT apart from the rest of the company, making it appear that IT does not understand business issues or have the proper sense of urgency.

To measure the Support team’s success in meeting it’s goals, it is helpful to understand the business value of commonly used metrics. These metrics come from both the ACD and call management applications.

<table>
<thead>
<tr>
<th>IT Metric</th>
<th>Business Benefits</th>
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<tr>
<td>Abandoned Rate</td>
<td>A low abandoned rate could be translated into one of the following scenarios:</td>
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<tr>
<td></td>
<td>• Callers are willing to wait because they are confident the analyst will solve their problems</td>
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<td></td>
<td>• Callers don’t need to wait because their calls are being answered quickly</td>
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<td></td>
<td>In both cases, the business value is that the caller is back to work and productive sooner.</td>
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<tr>
<td>Average Speed Answered</td>
<td>If the phone is being answered quickly with an analyst who will solve the issue, then the caller is serviced and back to business sooner.</td>
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<tr>
<td></td>
<td>Frustration is also minimized.</td>
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<tr>
<td>First Call Resolution</td>
<td>The caller is back to business sooner and no further calls are needed. This allows the caller to focus on the priorities within his/her job.</td>
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<tr>
<td>Total service events handled:</td>
<td>If this information is analyzed and changes are made as a result, the value to the business should be more effective technology that streamlines processes, improves efficiencies, and facilitates cutting costs and generating revenue.</td>
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<tr>
<td>By application/system</td>
<td></td>
</tr>
<tr>
<td>By severity classification</td>
<td></td>
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<tr>
<td>By assignment group</td>
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<tr>
<td>Responsiveness</td>
<td>When an issue isn’t resolved on first call, quick responsiveness from the escalated analyst speeds up the path to resolution and minimizes the non-productive waiting time.</td>
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<tr>
<td>Resolution time</td>
<td>If published resolution goals are met, then the caller knows how long to expect before the issue is resolved and can plan his/her time accordingly.</td>
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<tr>
<td>Average Call duration</td>
<td>If the average call duration is short, then the support team is efficient in resolving issues and the caller’s productivity interruption is minimal.</td>
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Although these metrics show business value, communicating them in Help Desk terminology will not reflect it. For example, providing percentages of call volumes, call durations and average speed answered doesn’t communicate business value. Take the time to translate these metrics into business benefits; make it clear that the Help Desk adds direct value to revenue generators and the business as a whole.
Designing business-focused reports

Once the relationship between IT and business goals is understood and metrics can be gathered to show support for the goals, it is time to present results effectively to the line of businesses and management. Delivering business-focused reports that provide valuable information for internal business groups is necessary. By analyzing business impact of technology usage or service disruptions, the company can make prudent business decisions. These decisions drive process, technology, or resource improvements that increase the efficiency and effectiveness of the company as a whole.

Reports are already available, in most cases, via the call management system. However, these reports will likely require augmentation or modification to be useful outside of IT. There are several ways to approach the challenge of making the data meaningful:

- **Augmentation** - this provides the fastest path to new reports because it makes no changes to the report content or layout. Instead, the report is supplemented by an explanation of the correlation between report data and specific business goals. This explanation should be reusable from one period to the next, with changes based on the specific data for each period. The effectiveness of the approach is limited by the relevance of the data collected; if it is not collected, it cannot be analyzed.

- **Modification** - this approach requires that the reports be changed to better present information to the lines of business. Given that the underlying metrics are not changed in this approach, it is likely that the reports should also be augmented with descriptive analysis to make the messages clear.

- **Transformation** - the metrics collected can be changed to better measure achievement of business related goals. While this approach will yield the most meaningful information for the business, it requires the most effort and time to implement. Although minor changes may be quick to implement and provide high value, in general this approach should be undertaken as part of an overall transformation project.

By reporting IT metrics in business terms, IT support can take a big step toward alignment and may gain new supporters in the organization. This change in perspective can also prepare IT to take the next big step - transformation.
Transforming IT metrics

After an IT organization has invested in translating IT metrics it is ready to truly transform the way it operates. This transformation requires a new look at goals, metrics and reporting purely from a business perspective.

First, goals should be set on a business basis. This is not simple, as there are often inconsistent goals across the various lines of business. Ultimately, IT should be able to set goals that clearly support the corporate goals at a high-level, line of business goals as they support the high-level and objectives that enable action. This requires a thorough understanding of the business and its operation.

Second, metrics must be established and captured by the call tracking application in a way that business value can be measured and easily communicated. Categories are the foundation for reports and need to be easily understood by those categorizing the calls as well as those reading the reports. If the categories are not intuitive, calls will be categorized incorrectly, skewing the results. If the categories are not significant enough, business impacts will be misinterpreted and trends may go unnoticed.

Categorize calls in a way that measures business and productivity impact, as well as areas for service improvement. The categories need to take into account the structure of the organization (to identify high-value employees), the applications and technology used, and the business processes impacted.

When determining categories, remember that each level of the sequence facilitates identification of recurring issues, trends, business impact, and so on. A combination of categories is necessary to build the big picture.

Third, define reports that present metrics in a way that is easy to understand for the lines of business and management. Start with scheduled reports - reports distributed on regular intervals - without over-complicating them. Scheduled reports provide decision makers with enough information to suitably judge performance, identify trends and recurring issues, and detect areas where improvement is needed. The reports need to drill down far enough to accomplish this without requiring extensive research but not too far as to invite confusion. Additional, ad hoc reports may be necessary to respond to queries from IT management, corporate management and the lines of business.
Why go to all this work? The payoff comes in many forms:

- **Visibility** to processes that require improvement.
- **Insight** into recurring problems that can then be analyzed and prevented.
- **Guidance** in where to expend time and resources for best business improvement, such as shortening time to resolution, implementing remote assistance for mobile workers, and establishing a personal disaster recovery methodology.
- **Opportunity** for added funding based on demonstrable need and real value.
- **Respect** from outside IT for both effort and achievement.

Many of these benefits can accrue with a straightforward translation of current goals and metrics. Taking the next step to transformation will prove a giant leap in alignment between IT and the business.

**Summary**

Translating IT goals, metrics, and reports into business benefits takes minimal effort and can have dramatic effect. To achieve this translation, follow this sequence of steps:

- Meet with key business segment managers for whom you provide support. Learn their business goals and discuss how support can help.
- Communicate the business goals to the support team. External to IT, communicate aligned business-focused goals. Internally, define specific support objectives that enable the support team to facilitate accomplishing the business goals.
- Design and distribute business-focused reports. Create detailed reports for some levels of management and executive summary reports for others.
- Develop processes around the review of reports that lead to identifying and resolving recurring issues.
- Communicate efforts and successes both internal to IT and external to business segments.

These steps will lead to a business-focused culture as well as lay the ground work for transforming IT goals, metrics, and reports. Creating this business-focused culture benefits both IT and the organization as a whole. It leads to more accurate assessment of business processes and technology, better business decisions, and increased efficiency and effectiveness throughout the organization. Moreover, it provides support managers with the information needed to answer that important business question:

**Q:** How do you generate revenue for your company?

**A:** By providing a level of service that keeps high value employees productive, impacting the top and bottom lines of the company.