Q: The issue with metrics programs is what to measure for the various disciplines. We have metrics for incident management, change management, etc. We are trying to get to capacity and availability. Do you have some suggestions for us?

A: The best way to get to these other measurements is to talk with your customers. If you are measuring incident, change, capacity, etc., that's good. But if that's all you're doing, you're letting that drive your behavior. What will happen in this situation is that people will work to those metrics. For example if you focus on handling a certain number of calls per hour, that's what they will try to achieve. Try to find out what the customer is really interested in. We focus a lot on availability. Today, though, we're almost more concerned with reliability and how fast things work than with availability. Instead of focusing on the IT perspective of server availability, absolutely go back to your customers and let them drive your metrics

Q: Are there additional examples of "working" metrics that are available?

A: Van Haren Publishing has a book titled *Implementing Metrics for IT Service Management,* by David Smith. Randy Steinberg's book *Measuring ITIL: Measuring, Reporting and Modeling - the IT Service Management Metrics That Matter Most to IT Senior Executives* is another reference. These and other resources list various metrics you might consider. Remember, though, don't just use these because some expert put them out in a book. The key is to use metrics your customer is asking for. I've found the best way to approach metrics is to keep it simple. If you don't know where to start, begin with four or five key metrics like customer satisfaction, MTRS (Mean Time to Restore Service), MTBF (Mean Time Between Failures), availability percentage, and system response times. MTBF, for example, could indicate that you are experiencing a lot of event storms where things are coming at you in bunches. You can start with these and then build on that foundation based on measurements identified by your customers.

Q: How can I convince our various technical groups that the measurements they have been delivering for a long time are not of interest to our business customers?

A: If your culture allows, have a facilitated session to discuss the metrics currently being produced. Have your business customers explain to the technical staff that this is not what they're interested in. Instead identify how the metrics will be used. Get to common ground by getting the two parties together.

Q: What is the proper way to calculate first contact resolution rate if you have a centralized service desk but many incidents are sent directly to other groups?

A: You're facing a bit of a disconnect in your process if a lot of things are sent directly to other levels. If that's your situation, you will have to accept second and third line groups as pseudo- first line staff. Get someone involved who knows your toolset inside and out. You can use the tool to identify the first worker per team to see the incident, and count that person as first line. Then calculate first line resolution based on who first touched the ticket and then who closed it.

Q: How do you measure satisfaction against hard numbers? For example, a server may be down 50% of the time, but the user doesn't care if they get to their application right away. They may want it to be stabilized at some point, but not see it as critical right now.

A: It's really better to disconnect these and treat them as two separate metrics. As you point out, customer satisfaction can still be high even if you're experiencing down time on the back end. If your customers are happy, you certainly don't want to make them unhappy by connecting those two metrics and telling them the server is down a lot! In measuring customer satisfaction you want to find out how happy your customers are overall with the services they're receiving. Of course, how they answer this question will depend to some extent on how you've defined your services. If you've defined an application as a service, for example, customer responses will reflect that. A better approach is to look at the overall ability of your customers to use technology to get their work done.

Q: Some examples of useful metrics to business customers would be great! I find most books and discussions on metrics deal with the topic on a very low level. Is there more information on scorecards for IT service management?

A: The scorecard is really driven from outside IT. That's a good thing, but it may not give you everything you're looking for from an IT perspective. The key to using the balanced scorecard idea effectively is integrate the IT service management metrics up into the scorecard. For example, financial, demand, and capacity management will tie into the financial aspect of scorecard. ITIL has a metrics tree diagram that shows you in a high level way how you would aggregate metrics upward to something like a balanced scorecard.

Q: I've been working on a new segment for six months and there will be sales down the road, but management wants to pull the plug instead of investing in future payoffs. How might I use metrics to support the value in going after a new market segment?

A: It sounds as though the metrics monster is starting to rear its head a bit! Instead of driving from certain financial goals for a market segment, it's more important to understand what customer needs you're fulfilling by going after that market segment. Once you understand this you can look at metrics that indicate the potential usage customers will see for a given service or technology. Will it become a primary tool for them? A supplemental tool? We're almost talking about "warm fuzzies" (VOI) here. What is the value your organization will get, the reputation you will gain from making this investment? It's a good idea to focus first on the more qualifiable things and then drive down to hard metrics, for example, the quantifiable financial and customer satisfaction results you will achieve as a result of getting better reputation and customer goodwill.

Q: Thank you for this very helpful orientation to the metrics process. I encourage people not to confuse hard dollars and soft dollars. You will gain customer credibility by demonstrating the difference between money leaving the organization and efficiency gains. Do you have any recommendations for user experience metrics "on the cheap?"

A: The easiest way to get a really effective metric is to use a customer satisfaction survey that goes out with every incident or with random incidents when they are resolved. A key is never to have an odd number of response choices, e.g. scale of 1 to 5. If you have an odd number of options and someone doesn't really want to give you an answer, they'll pick the middle option. Giving them an even number of choices forces them to go to one side or the other.

Q: I agree it's a good idea to get rid of metrics that are meaningless to business partners. Have you seen IT Leadership acceptance to this idea? My experience is that it's often the IT organization that is most resistant to changing what is measured and how!

A: In many ways IT has become the most resistant to change of all business organizations. In some ways we seem to be stuck in the idea of driving from technology metrics. What really helped at my former company was the realization that no-one was looking at the reports that IT management was asking the staff to produce. We showed IT management the money and time expended to produce the unused reports, and that turned the tide. It's useful to do this sort of analysis of whether anyone is looking at the information, and, more important, what they are using it to improve.

Q: How might metrics change in a situation where the service is Software as a Service and all customer get the same service, e.g. salesforce.com?

A: Software is not really a service – this is a growing misnomer in the industry. What we need to look at is what someone is doing with that software that you really need to look at. I tell my class that the conversation between IT and the customer usually goes like this:

BUSINESS: "What do you have for me?"
IT: "What do you want?"
BUSINESS: "What do you have?"
IT: "What do you want?"
Continue until IT gets tired and gives the business some new fancy fun gadget and asks them to leave IT alone.

The question that really needs to be asked is, "What do you do and how can I help you do that better with technology?" We need to focus on understanding what their goals are from a business point of view.

Q: Would anyone on this call be willing to share some metrics that are working well for them?

A: If you have some metrics you find valuable, send them to info@itsmacademy.com, and we'll distribution them. You can also find presentations in public domain where people have talked about their successful metrics efforts.

Q: Can you comment on how to measure customer satisfaction? Should we be measuring the SLA, as this is the baseline?

A: The SLA is just an agreement with the customer that you'll provide certain levels of service. What you really want to measure is not how well you've written the SLA or how well you can measure against it, but how well you're doing at meeting customer expectations. You also need to understand the difference between a 3 and a 4 on a survey. How much difference is there in the customer's mind? It's also important not to rely solely on the numbers. Go and talk with your customers in person so you can look at facial expressions and body language. That will tell you a lot more than the numbers do.

Q: Response time means different things to different people. For example, is a 2 second adequate for a call center screen? How do you create a meaningful metric for response time?

A: This is difficult because it's really subjective. Often the customer won't even differences in response times that technology measures. Take a simple approach to response time. Have your customers

rate it on a scale from satisfactory to unsatisfactory (a scale of 1 to 4 or 1 to 6). Do they feel they can continue to work even if the service is a little slow, or is it slow enough that it's unsatisfactory? There's not a direct correlation between granular measurements and customer satisfaction. Even when CPU utilization measurements look good, for example, customers may be unhappy.

Q: Wouldn't it be advisable for IT organizations to utilize the metrics and measurements in Cobit 4.1xx?

A: Frameworks like COBIT can help identify particular areas for measurements you want to check off. Remember, though, that the metrics themselves are not the be all and end all – they are simply tools. The limitation of COBIT is that it indicates you've done something, but not to what level of quality. The same is true of ISO 20000. It shows you've met a condition, but not the "warm fuzzies" you can get by looking the customer in the eye and having them tell you how satisfied they are. Use COBIT and other frameworks as part of your toolkit for finding ways to improve,

Q: I've had business leaders reject the concept that incremental business improvements based on business metrics are attributable to IT. They focused on availability, reliability, and response time without understanding the correlation between that and real business. How do you approach this? It speaks to IT being very separate from the business.

A: You can take our ITSM process savings calculator and show them what happens if we decrease availability, or here's what happens if only 2 of 4 servers are available. There haven't really been connection points between the business and IT metrics. IT metrics really need to be shown as part of the overall value chain.

Q: Are there any ITIL classes that just focus on metrics?

A: The CSI course which we offer will be closest. You'll be able not only to understand how you should drive metrics, but also to talk with your classmates and trainer about how to work with metrics.

Q: When throwing out metrics, is it more beneficial to create the new, more valuable metric ne (that may or may not include the old measurements) before throwing out the old one, or just to throw it out and start from "scratch?"

A: There's an ongoing debate over whether it's better to start green field or start with existing pieces. The thing is, if you start with existing pieces, you may tend to be a packrat. It's like cleaning your house – you have to be willing to part with things that no longer add value. Get tough love going and don't keep metrics just because they have sentimental value for you.

Q: How do you measure calls where you're first level support, but do not have the ability to resolve an incident because of licensing or another technical reason? That call must be passed to the next level of support. Should those calls be included or excluded from the metric for first level resolution?

A: These must be included in your metrics. They certainly won't contribute to the 1st line resolution percentage, but will definitely contribute to MTRS (Mean Time to Restore Service) and MTBF (Mean Time Between Failures) metrics. The key here is to take those incident metrics for things going to 2nd and 3rd level and use things like control charts and run charts to see if Problem Management should take a look at why things are bypassing first level. If it's a license situation or you want security, think carefully about things you can empower your 1st level people to handle and trust them with these. In my experience I have found a lot of value in this exercise.

Q: Do you know of any openly available repositories of metrics data developed by organizations using ITIL that can be used to derive benchmark data?

A: The only company I know that's really been forward w/ some of their metrics was Proctor and Gamble. That was several years ago, and I don't know if that's still the case. In many cases this is proprietary information, so I don't think you'll find a repository of that kind of thing. However, there is useful information about this on the IT Process Institute website (www.itpi.org).

Q: What is a good way to measure process maturity, i.e. how is a process performing overall?

A: There are a number of frameworks out there. ITIL has a process maturity framework built into it. CMMI for service has also come out recently. Use best practices that have already been developed. Most approach this the same way, i.e. with a questionnaire to answer. Here again, keep it simple.

Q: Is there a good resource for presenting metrics to international audiences? For example, what's the best way to handle metric conversions such as currency conversions? How much is too much translation? Should I have custom reports for each area?

A: Given the flattening of our world, using something like dollars or Euros might be best way of sharing metrics with an international audience, at least for financial information. I don't think you'll have too hard a time presenting if you use these two currencies. More and more people understand how finances work in a global situation, whether they're in Hong Kong, Mumbai, Riyadh, or elsewhere around the globe, and will know how to interpret the information.