Keeping Score
Measuring ITSM Performance
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Road Map
• Introduction
• ITSM performance measurement
• Research findings
• Factors influencing selection of metrics
• Prescriptions
• Q & A
Introduction

Research Team

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Francis Gacenga

Sponsors

How do you measure ITSM performance?

Common responses

“We are more interested in maturity and comparing against others”

Qualitative measures ??!!

“We are not mature enough”

How do we measure services?
Research

Methods
• Survey on ITSM benefits and metrics
• 6 case studies
• Quantitative analysis of surveys
• Content analysis of case studies

Outcomes
• Research results

Survey Demographics
• 263 respondents from a population of 2085 itSMF Members
• From a spread of organisation sizes in both the public and private sectors
• A wide cross section of organisation positions with more than half holding managerial roles
Survey Findings

Performance measurement frameworks in use

- Identified benefits
- Articulate process metrics
- Measuring and reporting challenges

Key benefits from ITSM

**Financial**
- Cost justified IT infrastructure and services (35%)
- Savings on cost errors (20%)

**Customer**
- Improved quality of business operations (35%)
- Better working relationship between business and IT (16%)

**Internal business**
- Improved visibility and reputation of the IT department (43%)
- IT staff have clear expectations (31%)

**Innovation and learning**
- Delivery of IT services that underpin business processes (36%)
- Better information on current services (35%)
Benefits from 3 ITSM Processes

**Financial**
- Change management benefits (3%)
  - “Reduction in the cost to deliver services” (ID #211)
- Incident management benefits (4%)
  - “Understanding service delivery costs” (ID #74)
- Problem management benefits (2%)
  - “Reduce IT spend” (ID #155)

**Customer**
- Change management benefits (42%)
  - “Assurance that business will still run after change has been implemented” (ID #201)
- Incident management benefits (18%)
  - “increased customer satisfaction” (ID #105)
- Problem management benefits (15%)
  - “increased customer satisfaction” (ID #11)
Benefits from 3 ITSM Processes

**Internal Business**
- Change management benefits (39%)
  - “Control of what changes are made” (ID #183)
- Incident management benefits (67%)
  - “Structured response to incidents” (ID #63)
- Problem management benefits (74%)
  - “Permanent resolution of incident causes” (ID #18)

**Innovation & Learning**
- Change management benefits (16%)
  - “Improved risk management and communications” (ID #187)
- Incident management benefits (11%)
  - “Ability to provide meaningful reports to the business and supports problem management” (ID #134)
- Problem management benefits (10%)
  - “Recover hidden issues” (ID #117)
Metrics for 3 ITSM Processes

<table>
<thead>
<tr>
<th>Customer</th>
<th>Internal business</th>
<th>Innovation &amp; Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change management metrics (29%)</td>
<td>Change management metrics (44%)</td>
<td>Change management metrics (26%)</td>
</tr>
<tr>
<td>“Number of successful changes implemented” (ID #178)</td>
<td>“Reduced emergency changes &amp; reduction in failed changes” (ID #98)</td>
<td>“Number of incidents caused by change” (ID #144)</td>
</tr>
<tr>
<td>Incident management metrics (12%)</td>
<td>Incident management metrics (82%)</td>
<td>Incident management metrics (6%)</td>
</tr>
<tr>
<td>“Customer satisfaction” (ID #19)</td>
<td>“Percentage calls closed at first point” (ID #168)</td>
<td>“Addressing specific types of frequent incidents to avoid re-occurrence” (ID #175)</td>
</tr>
<tr>
<td>Problem management metrics (2.5%)</td>
<td>Problem management metrics (90%)</td>
<td>Problem management metrics (7.5%)</td>
</tr>
<tr>
<td>“Avoidance of service penalties for SLA breaches” (ID #155)</td>
<td>“Number of repeat incidents” (ID #125)</td>
<td>“Permanent resolution of incident trend by classification” (ID #4)</td>
</tr>
</tbody>
</table>

Challenges Measuring ITSM

- **Financial (1%)**
  - “Cost-benefit analysis” (ID #57)

- **Customer (10%)**
  - “Aligning the value of ITSM with the requirements of the business” (ID #210)

- **Internal Business (79%)**
  - “Configuring and reporting from our ITSM tool” (ID #117)

- **Innovation & Learning (10%)**
  - “Defining tangible benefits” (ID #159)
Challenges Reporting ITSM

Financial (3%)
“True measurements that can show financial and cultural benefits to implementing ITIL” (ID #149)

Customer (34%)
“Understanding what needs to be reported on and who to distribute the reports to” (ID #205)

Internal Business (45%)
“Being able to agree on common metrics across divisions” (ID #98)

Innovation & Learning (19%)
“Quantifying intangible benefits” (ID #10)

Case Study Findings
<table>
<thead>
<tr>
<th>Role</th>
<th>Industry/Sector</th>
<th>Staff Size</th>
<th>ITSM Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Services Director</td>
<td>Admin - IT MSP</td>
<td>200 to 999</td>
<td>4 years</td>
</tr>
<tr>
<td>Service Plan Director, Performance Manager</td>
<td>Health &amp; community services</td>
<td>&gt; 10,000</td>
<td>8 years</td>
</tr>
<tr>
<td>Biz Integration Manager, Service Level Manager, Service Manager,</td>
<td>IT Serv. Office Director,</td>
<td>&gt; 10,000</td>
<td>4 years</td>
</tr>
<tr>
<td>Service Desk Manager</td>
<td>Health &amp; community services</td>
<td>&gt; 10,000</td>
<td>1 year</td>
</tr>
<tr>
<td>QA &amp; Certification Manager</td>
<td>IT MSP</td>
<td>&gt; 10,000</td>
<td>3 years</td>
</tr>
<tr>
<td>Services Manager, Reporting Analyst, Project Office Manager,</td>
<td>Operations Manager</td>
<td>&gt; 10,000</td>
<td>4 years</td>
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**Budget**
- $5 to $9 Million
- > $15 Million
- > $150 Million
- > $150 Million

**ITSM Experience**
- 4 years
- 7 years
- 8 years
- 1 year

**Staff**
- 200 to 999 staff
- > 10,000 staff
- > 10,000 staff
- > 10,000 staff

**Internal Impact**
- Needs CIO Influence
- BCE

**Philosophy**
- ADEF

**Governance**
- ABCDEF
- Performance
- AD
- A

**Structure**
- ABCDEF
- Maturity
- Size

**Tools**
- ABCDE

**IS Function**
- ABCDEF
- Process

**Strategic Management**
- Philosophy
- ADEF

**ITSM Framework**
- ABCDEF
- ITSM Knowledge

**Senior Management**
- Internal Support
- BCE
Selection of ITSM performance metrics

- Factors common to all six organisations:
  - governance,
  - corporate strategy and goals,
  - control structure, and
  - ICT tools in use.
**Selection of ITSM External Contingency Factors**
- Legislation (5)
- Customer (5)
- ITSM resources (4)
- Industry sector (3)

**Internal Contingency Factors**
- Parent Organisation
  - Governance (6)
  - Corporate strategy/goals (6)
  - Culture (5)
- IS Organisation
  - Control structure (6)
  - ICT tools in use (6)
  - Workgroup interactions (6)
  - IS management perspective (4)
  - IS maturity (3)

**MEASURING ITSM PERFORMANCE**
- Performance measurement should be holistic and balanced
- Performance measurement should cover productivity, profitability and quality
- Performance measurement should cover service, function, process and technical metrics
Measuring ITSM Performance

Profitability
- Financial
  - Service
  - Function
  - Process
  - Technology

Quality
- Customer:
  - External, Internal Business, Internal IT
  - Service
  - Function
  - Process
  - Technology

Productivity
- Internal Business
  - Service
  - Function
  - Process
  - Technology

Innovation & Learning
  - Service
  - Function
  - Process
  - Technology

Action Plan

- **Monday Morning**
  - CSI processes should be implemented for each ITSM process
  - Measuring the performance of your ITSM should not depend on your process capability or organisation maturity
  - Metrics work best within a framework

- **Next 90 Days**
  - Implement balanced and holistic service measurement
  - Implement business relevant service reporting

- **Next Year**
  - Look back and appreciate achievement and propel forward
Recommendations

• It is tempting for practitioners to adopt generic ITSM metrics unilaterally from the ITSM books or ITSM software.

• It is more effective to tailor the measures in response to their individual environments.

Additional Resources

Industry Publications:

Peer reviewed academic publications:

All the publications links found at:
http://eprints.usq.edu.au/8850/
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