

## **KPIs – Just another acronym or KEY TO RESULTS!**

IT is a complex science. You are either meeting the expectations of the business/customer or not. The challenge is: How do you know that you will?

Key Performance Indicators need to be designed from the Top Down and built from the Bottom Up. It may take an enormous effort to translate business drivers for each business department/function into KPI's but there is no other way to ensure you have truly aligned IT to the business. Reducing business expectation to KPI numbers encourages the business to fully articulate what they **really** mean by what they say is good IT support.

With well-articulated KPIs from the business it is time to start the bottom-up process. This means working with the Operations Group to identify their contribution to each KPI and then formatting operational variables that measure all aspects of performance (Throughput, Rework, Loss and Quality Output). It is then time to identify how these operational variables are aggregated into the final Business KPIs. This will greatly assist in the bottom up approach to managing people towards achieving the customer expectation. In establishing the KPIs for each person and linking them directly to the accountabilities in their Position Description (PD) you can ensure that the all positions within your structure are monitored and performance managed.

Up-front work is required to be done in developing PD's with accountabilities that can be measured however, benefits are well worth the effort as you will be able to identify problem areas, functions, positions or people quickly (?), saving valuable time.

There are IT functions such as the Service Desk who have a strong focus on the use of measures and metrics. A key advantage of the Service Desk environment instrumentation is that the voice and data systems that manage the workload and performance have been developed to explicitly capture and report on standard industry measures.

To ensure the Service Desk functions meet the customer expectation, the customer-facing metrics are agreed in advance. The Service Desk manager is then set the challenge of managing the people who perform this function to these measures. The most effective way is to convert the metrics into team and individual KPIs and align the Key Accountabilities in the PD.

The above methodology could then be used across all functions in Service Delivery, including 2<sup>nd</sup> & 3<sup>rd</sup> level support as examples. In fact, this approach is one of the keys to customer satisfaction and making sure that the end-to-end service delivery experience is consistent and predictable.

One of the key elements of KPIs in measuring and monitoring operational performance is to ensure each team member has real-time visibility of these KPI's (preferably minute-by-minute) through the use of dashboards enabling them to take

ownership of running IT Operations in real time without having to revert to lengthy analysis activities to uncover the root cause of service issues.

For other IT functions more thought is required. Many of the IT groups perform multiple IT functions across Service Design, Transition and Operations and therefore it can make more sense to create measures and metrics that are Service based. For each Service delivered by IT the Service Management processes such as Incident Management also lend themselves to simple metrics that have standard industry measures. By identifying which IT groups have roles and responsibilities in these Service Management processes you can easily build Team and individual KPIs to underpin the overall Service metrics.

An example is below:

Role Description	KPI Description	Metric
<b>Incident Management</b>		
Incident Owner	Maintains accurate and detailed records within MyService reflecting the customer experiences	100%
	Ensures Customer Expectation is met through fixed on first contact	80%
	Accurate prioritisation of P1 & P2	Escalate to MIM < 5 mins
	Accurate prioritisation of P3 & P4	ITCM Q's relating to Customer expectation
	Accurate assignment to ensure acceptance within TTA	< 5% total volume multi-assignments
	Ensure Primary Assignment DECLINES are re-assigned to ensure acceptance with TTA	95% TTA met
	Flags Incidents that are Recurring for pro-active Problem Management	within 30 days of initial Identification
Resolver Group	Monitors assignment queue and acknowledges	95% TTA met
	Updates the Customer on progress and when resolved	95% updates met
	Resolves Incident with TTR	95% TTR met
	Maintains accurate records in MyService	95% of individual total

In many cases the same IT team also completes Project work by allocating resources to fulfill project tasks. It is important to track and measure the delivery of project activity and include the accountabilities and associated KPIs into the PD and reporting. An example is below:

Role Description	KPI Description	Metric
Project Manager	Project Delivery to Schedule	+ / - 10%
	Project delivery to Budget	+ / - 10%
	Risks Logged and Mitigated	95% mitigated
	Issues Logged and Assigned	95% assigned
	Project resource utilisation	> 90% < 110%

The method of reporting of KPIs needs to account for a number of variables:

- Availability of data
- The complexity of collecting and consolidating the data
- The operational nature of the work determines the regularity

Therefore, daily reporting mostly applies to operational work, weekly applies to both operational and project while monthly consolidates the overall performance of the month.

There are a number of other advantages to utilising accountabilities in PD's, aligning measurements through KPI's, here are just a few key ones:

- All the people in the organisation are measured and therefore have incentive to deliver – daily, weekly and monthly
- People in your organisation remain focused, never too far off target and if you need to change the direction, you have mechanisms to be responsive to market shifts in your business
- Creating a framework ensures your managers accountable for people management and performance
- Your performance becomes predictable

I believe that KPI's are the **KEY TO RESULTS**