



The use of measurements and metrics:

or

Where you stand, depends on where you sit!

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Colin Rudd *FISM, FBCS, CITP, CEng, FIITT*

IT Enterprise Management Service Ltd.

ITIL lead author and mentor

Vice Chair itSMF UK

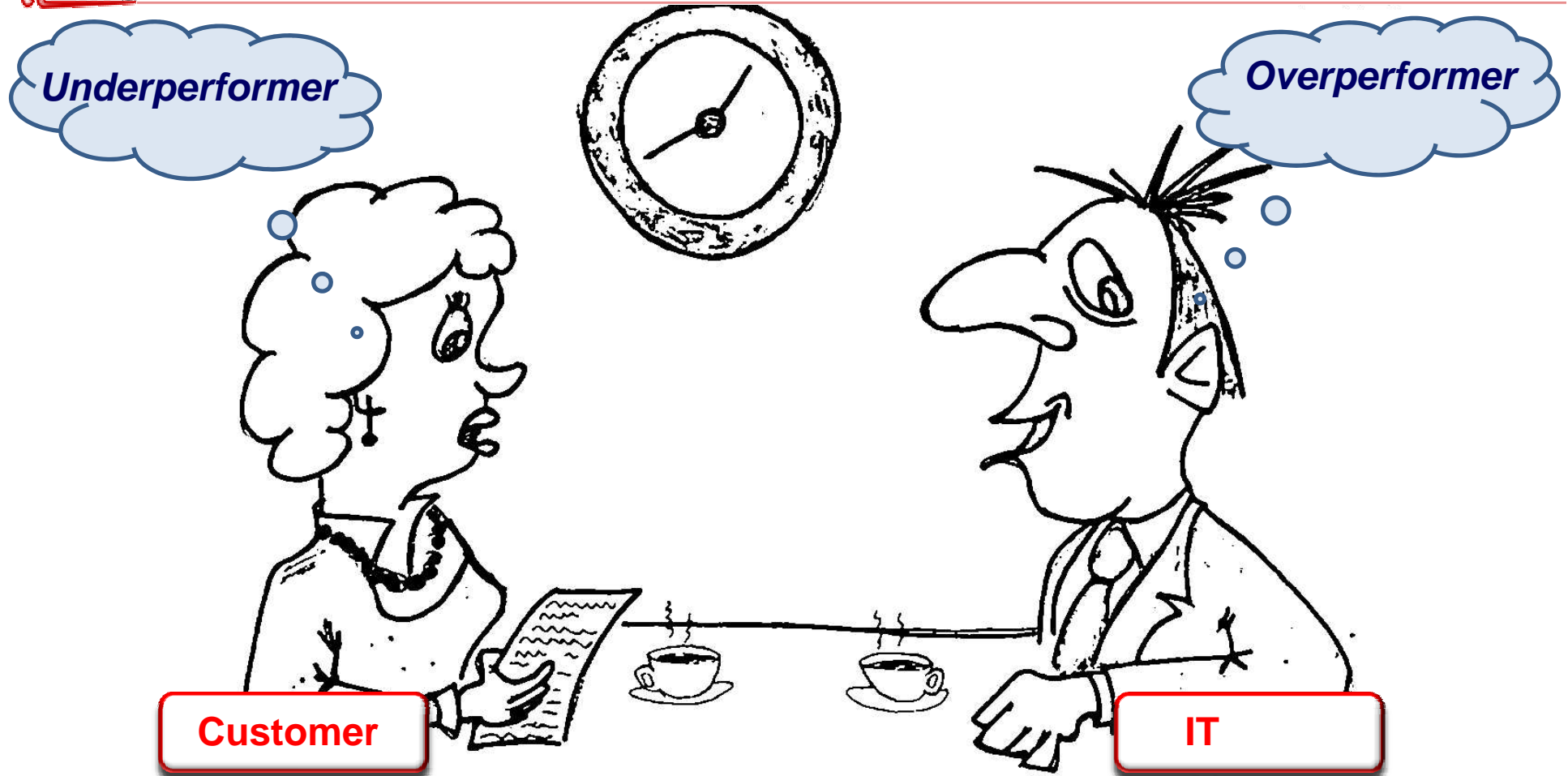
Colin.Rudd@itemsltd.co.uk

itSMF UK
The IT Service Management Forum





Standpoint or viewpoint



“I am having trouble completing your feedback form. Would you say you are an overachieving underperformer, or an underachieving overperformer?”



Quotes

“Measurement is the first step that leads to control and eventually to improvement. If you can’t measure something, you can’t understand it. If you can’t understand it you can’t control it. If you can’t control it you can’t improve it”

H. James Harrington (President International Academy for Quality)

“Not everything that can be counted, counts and not everything that counts can be counted.”

Albert Einstein (Scientist)

“If you aim at nothing, you’ll hit it every time.”

Unknown

“There are three kinds of lies: lies, damned lies, and statistics. “

Benjamin Disraeli (British politician)



Reality

- *The use of measurements and metrics does not guarantee success:*
 - Poor measurements and metrics can have undesirable effects
 - Even good measurements and metrics can be misused and misinterpreted
 - Caution and context are invaluable



Definitions

- **Measurement:**
 - The act or instance of measuring or an amount determined by measuring (*e.g. 1500 incidents*)
- **Metric:**
 - Something that is measured and reported to help manage a process, IT service or activity. Many metrics may be measured, but only the most important are defined as KPIs and used to actively manage (*e.g. 500 changes / month*)
- **KPIs:**
 - KPIs are used to measure the achievement of CSFs. They should be selected to ensure that efficiency, effectiveness and cost-effectiveness are all managed. (*e.g. 10% reduction on the number of SLA breaches per month*)



Definitions

- **CSF:**
 - Something that must happen if an IT service, process, plan, project or other activity is to succeed. KPIs are used to measure the achievement of each CSF.
 - For example, a CSF of ‘protect IT services when making changes’ could be measured by KPIs such as:
 - *‘percentage reduction of unsuccessful changes’*
 - *‘percentage reduction in changes causing incidents’*
 - *..... etc.*



Measurement types

Measurements:

- *progress - milestones, maturity or capability of a process:*
 - *All calls recorded and logged by the Service Desk*
 - *Defined and agreed business impacts and priorities in place*
 - *A schedule of change is produced*

- *compliance - penetration and comprehensiveness:*
 - *10% reduction in calls bypassing the Service Desk*
 - *10% reduction in the number of escalated incidents*

- *effectiveness - accuracy and correctness:*
 - *5% increase in customer satisfaction*
 - *10% decrease in the number of reopened incidents*

- *efficiency – performance, use of resources and time:*
 - *10% increase in the “first time fix” rate*
 - *5% reduction in the average cost of a incident*



Measurements and metrics

- *Need to be regularly reviewed for appropriateness*
- *Need to be changed to reflect the culture, processes and needs of the organisation*
- *Reports and their usage also need to be regularly reviewed*
- *Some measurements and metrics might be more important at particular times of the day, month or year*

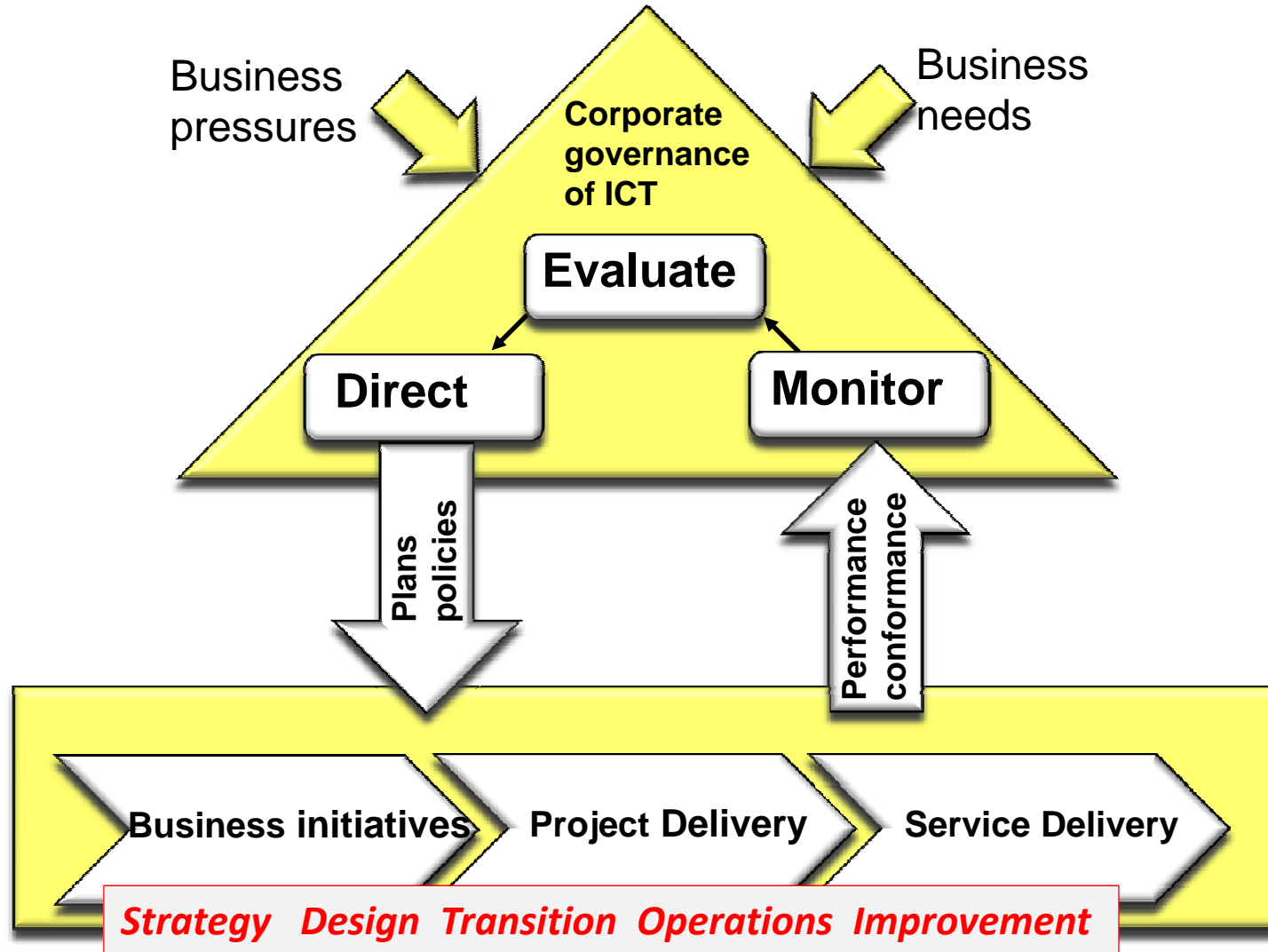


Why do we measure?

- *To govern, direct and control*
- *To manage more effectively*
- *To intervene and improve the level of service, processes and capability*
- *To learn and gain knowledge*
- *To change attitude, behaviour and culture*



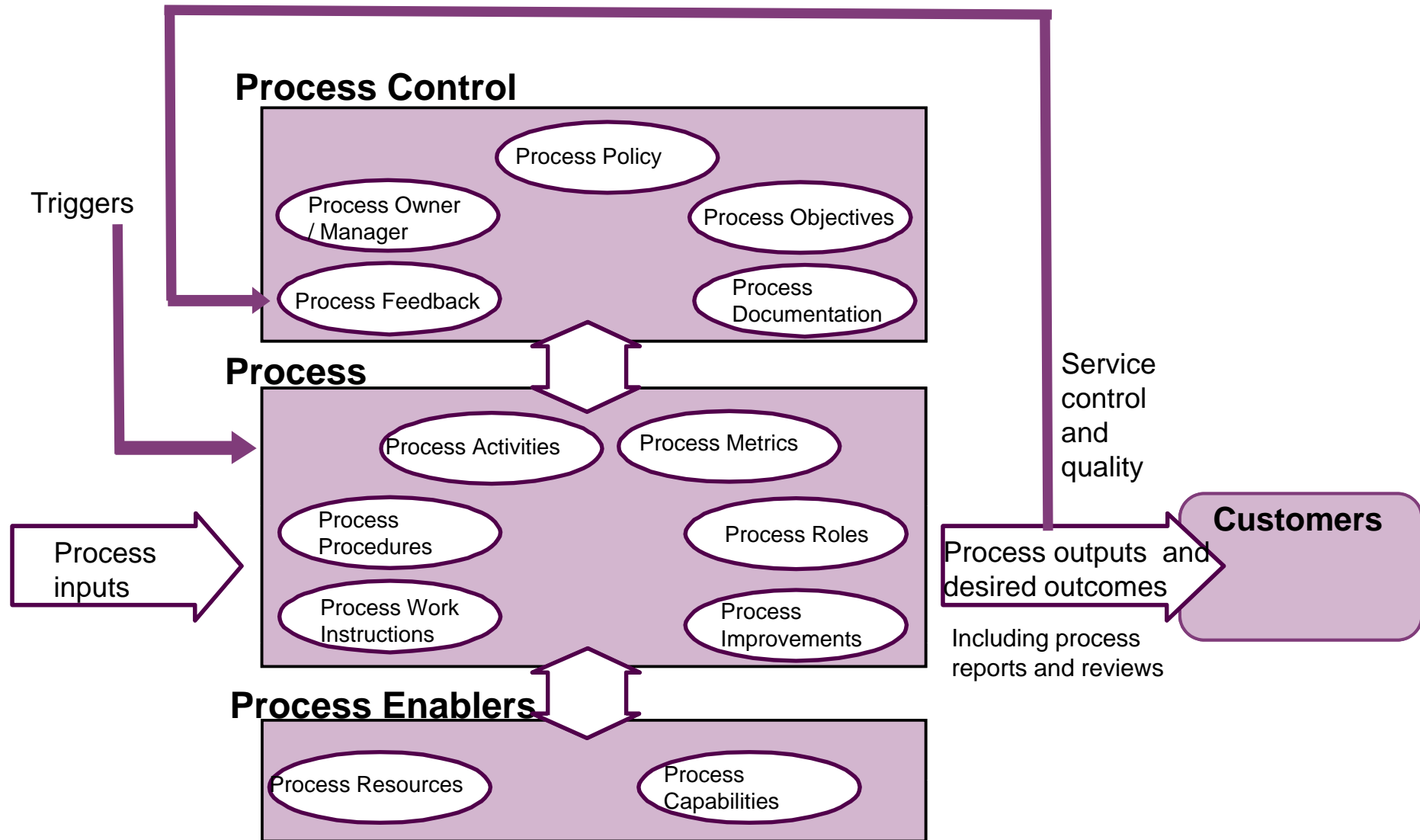
Governance



Note: diagram based on ISO 38500



Process improvement



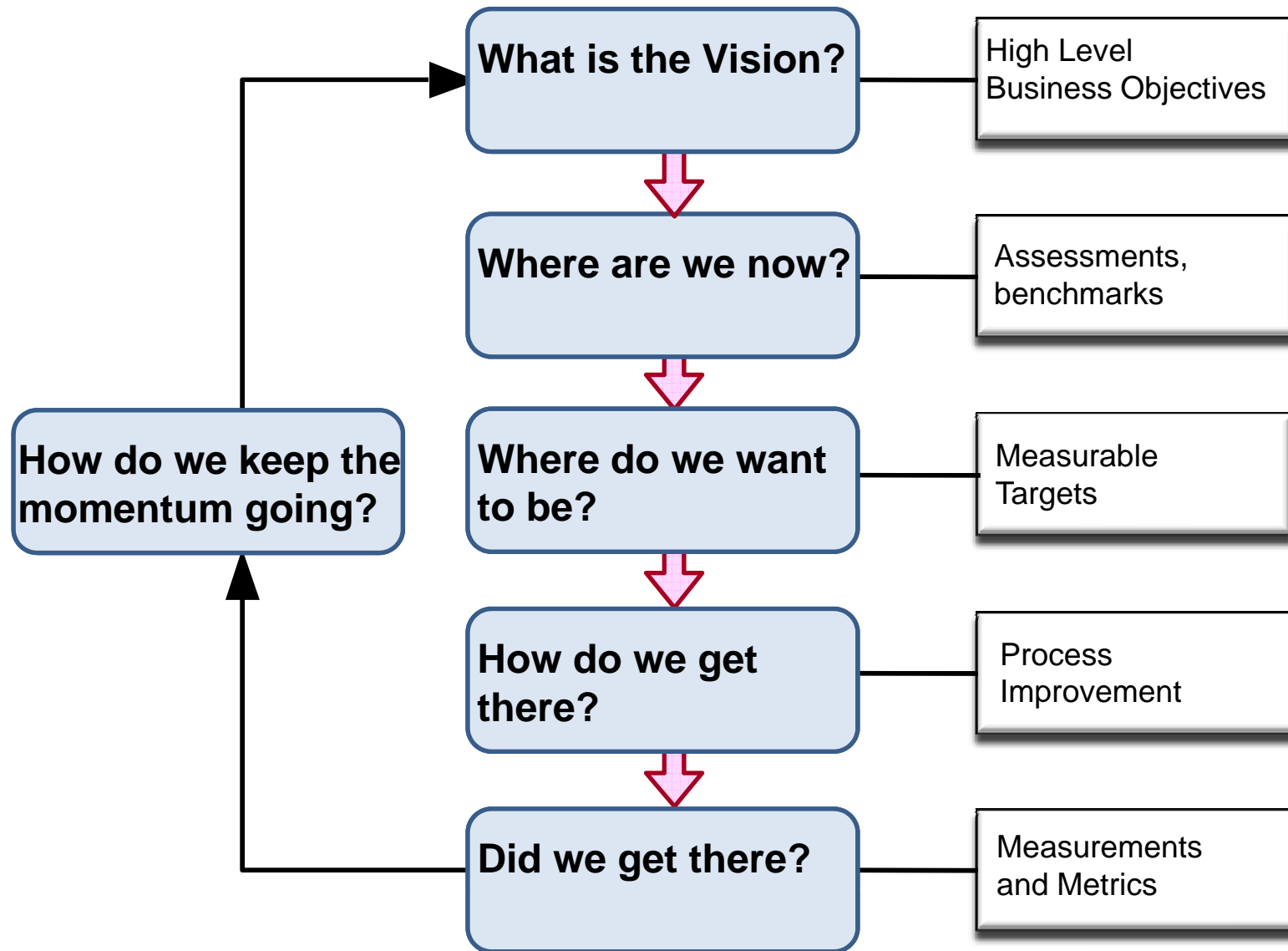


Process measurements

- *Processes should be designed to be effective and efficient from the customer perspective*
- *Therefore process performance and success should always be measured from the business, customer and service perspective*
- *Service measurements should take precedence over process measurements*

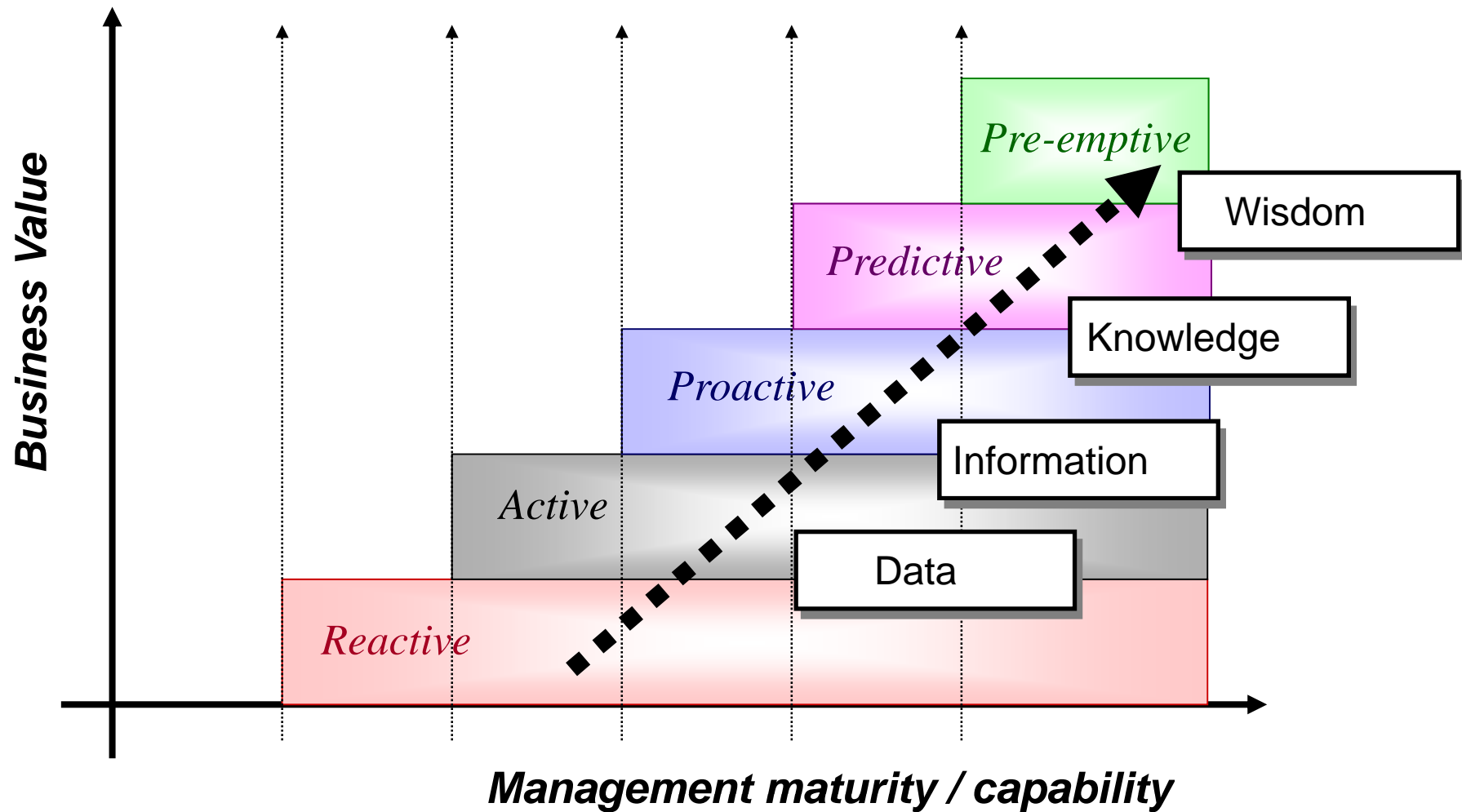


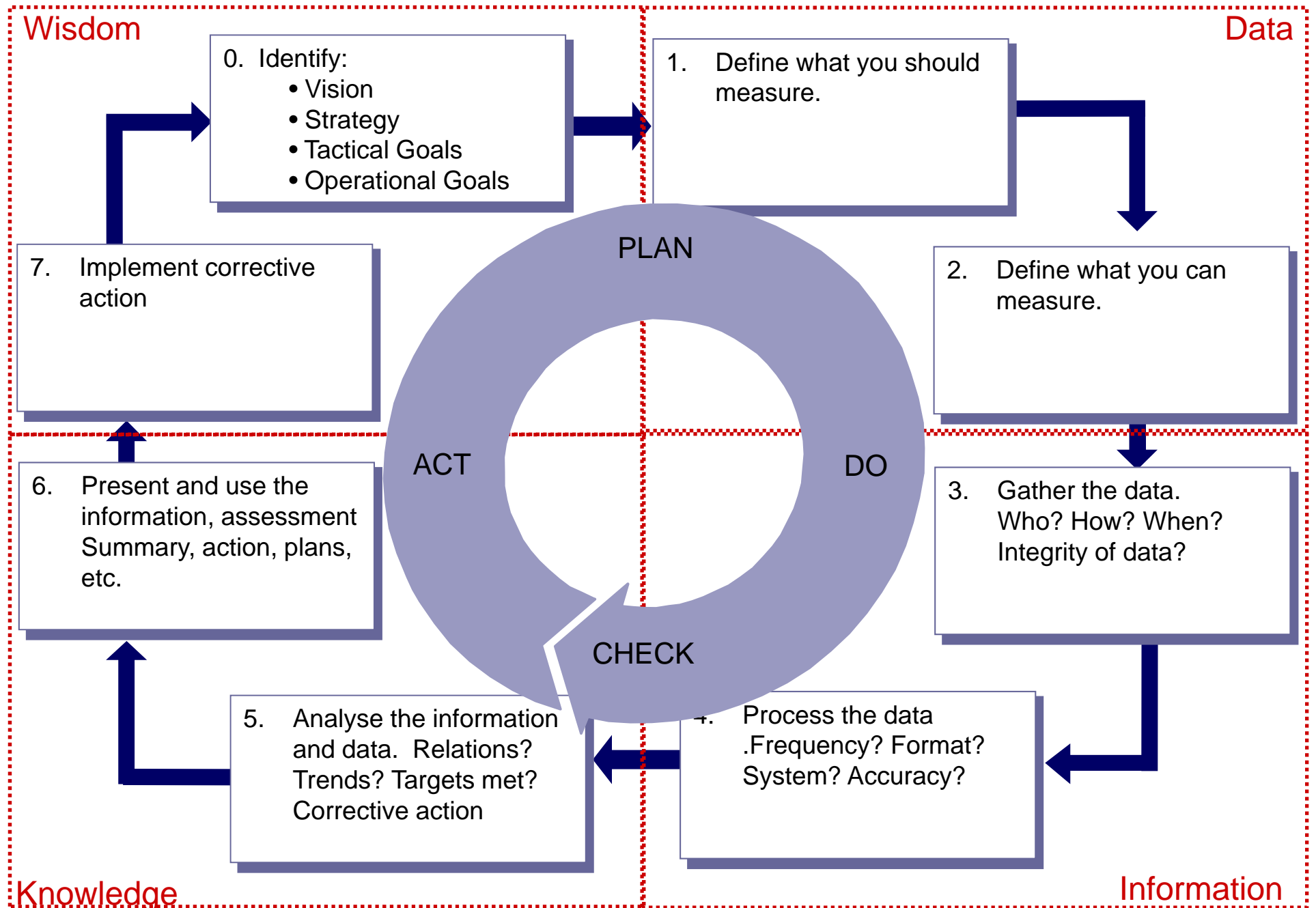
Measurement and Service improvement





Improving, capability and knowledge







What you measure has an effect

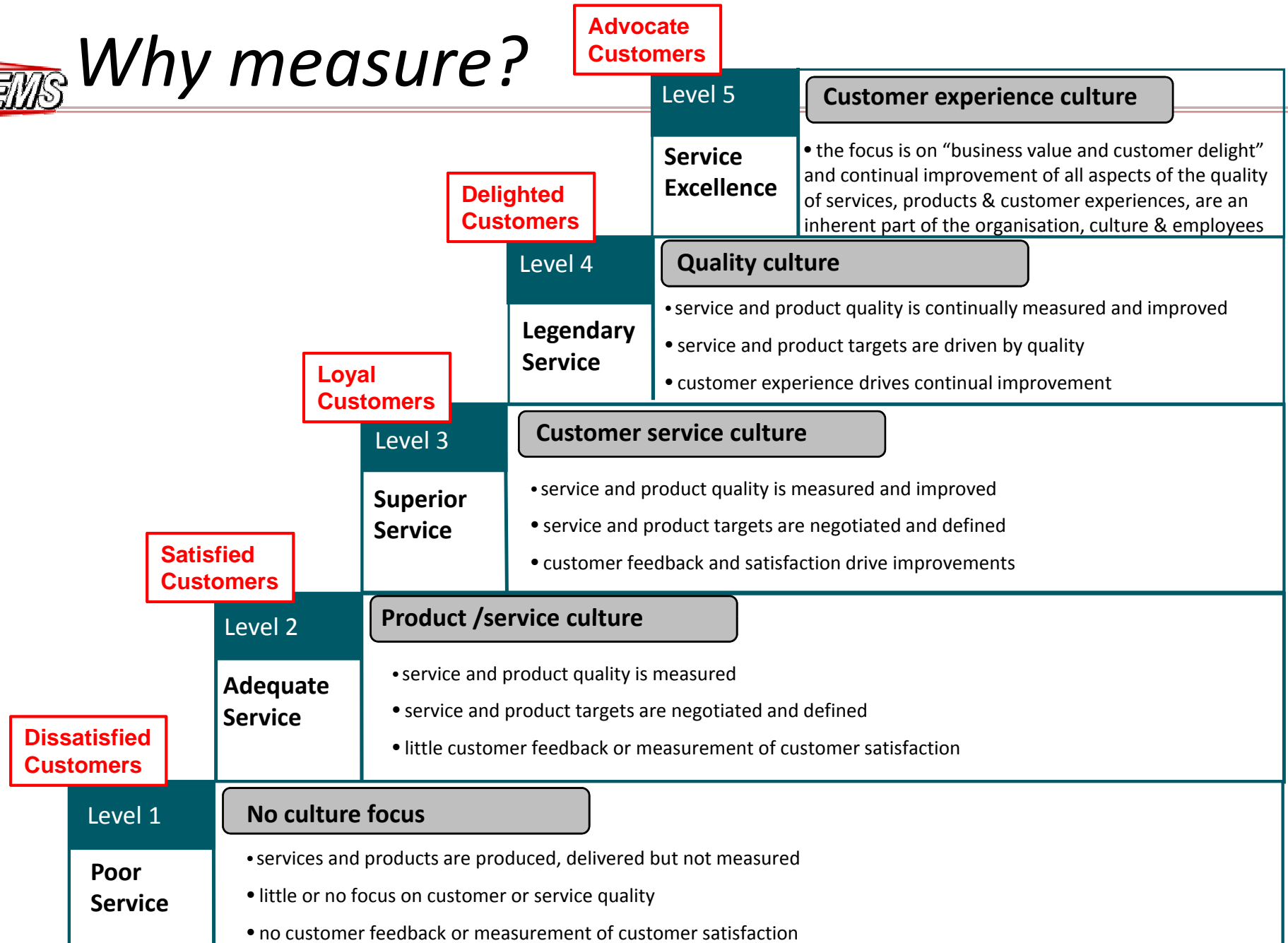
The Hawthorne effect: Individual behaviours may be altered by the study itself, rather than the effects the study is researching.

This was demonstrated in a set of studies in a research project (1927 - 1932) conducted at the Hawthorne plant of the Western Electric Company in Illinois, USA

Behaviour changes - based on what you focus on



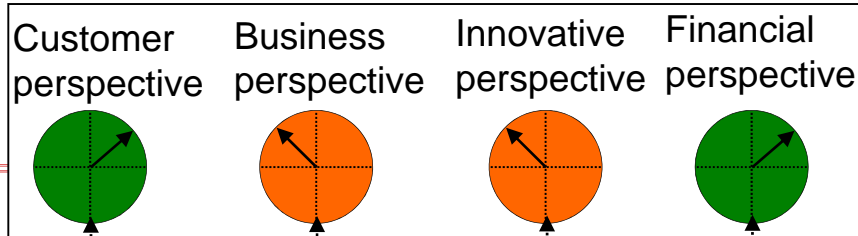
Why measure?





The top 10 pitfalls of measuring

- *Just to make yourself and your team look good*
- *Measuring what is easy to measure*
- *Measuring what you think is important*
- *Measuring only part of what is important*
- *No measurement of overall service value or quality*
- *Using personal and team measurements that conflict with organisational objectives*
- *Using internally IT focussed measurements, not measurements from the customer perspective*
- *No thought for the consequences of the measurements*
- *Not taking measuring and measurement seriously*
- *Too many unused measurements, metrics and reports*

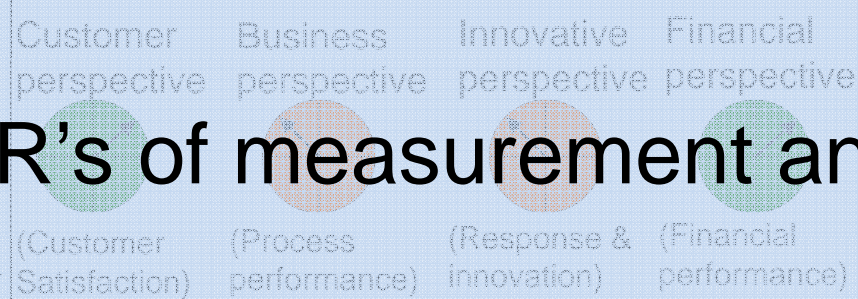


Business & customer objectives & metrics

The four R's of measurement and information:

- the **RIGHT** information
- in the **RIGHT** place
- at the **RIGHT** time
- to the **RIGHT** people

Overall service & customer metrics



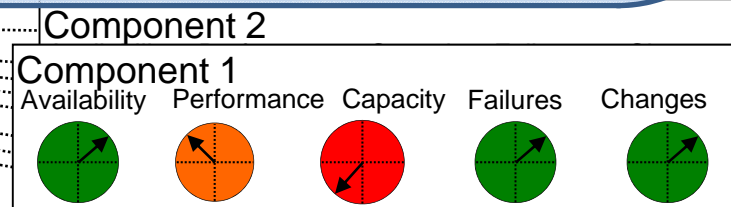
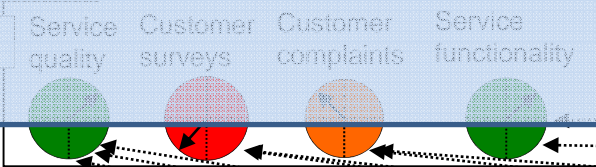
IT objectives & metrics

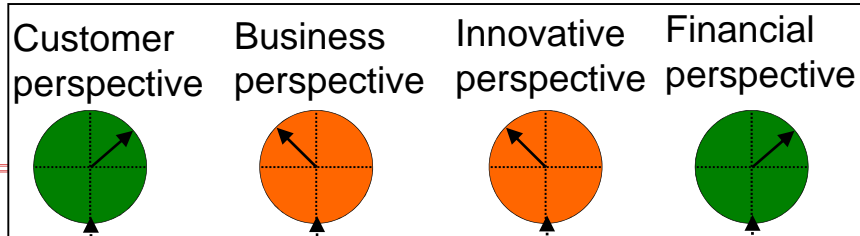
Individual Process metrics



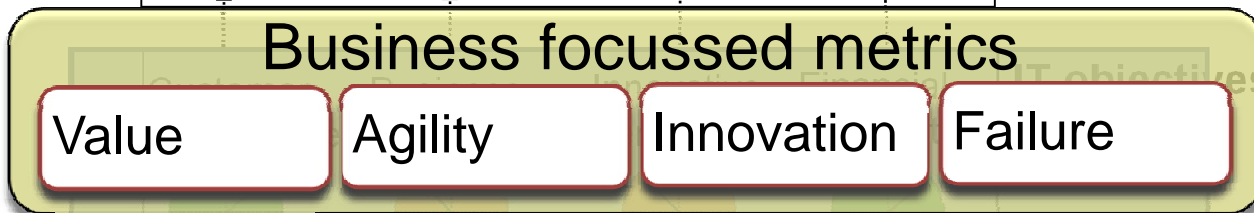
Individual Component metrics

Individual service & customer metrics

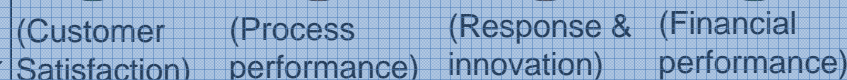




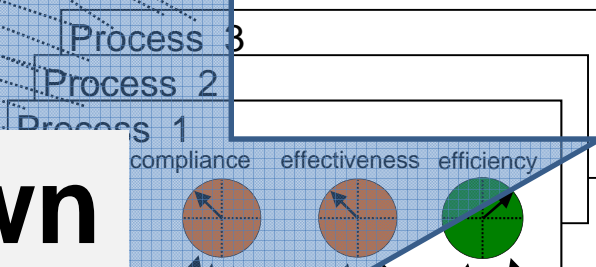
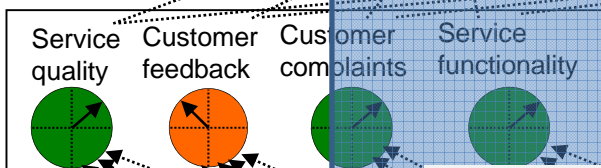
Business & customer objectives & metrics



Overall service & customer metrics



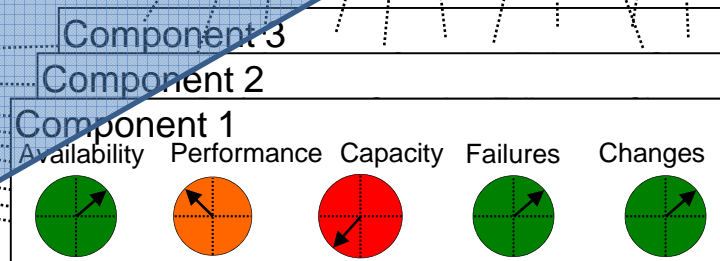
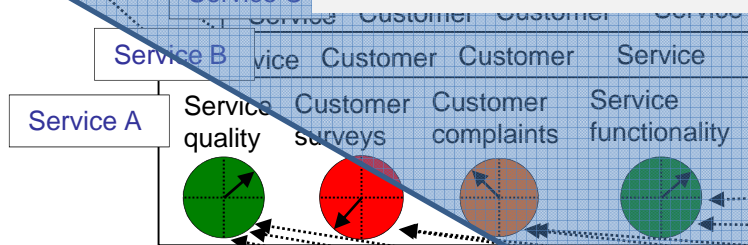
Individual Process metrics



Design Top Down

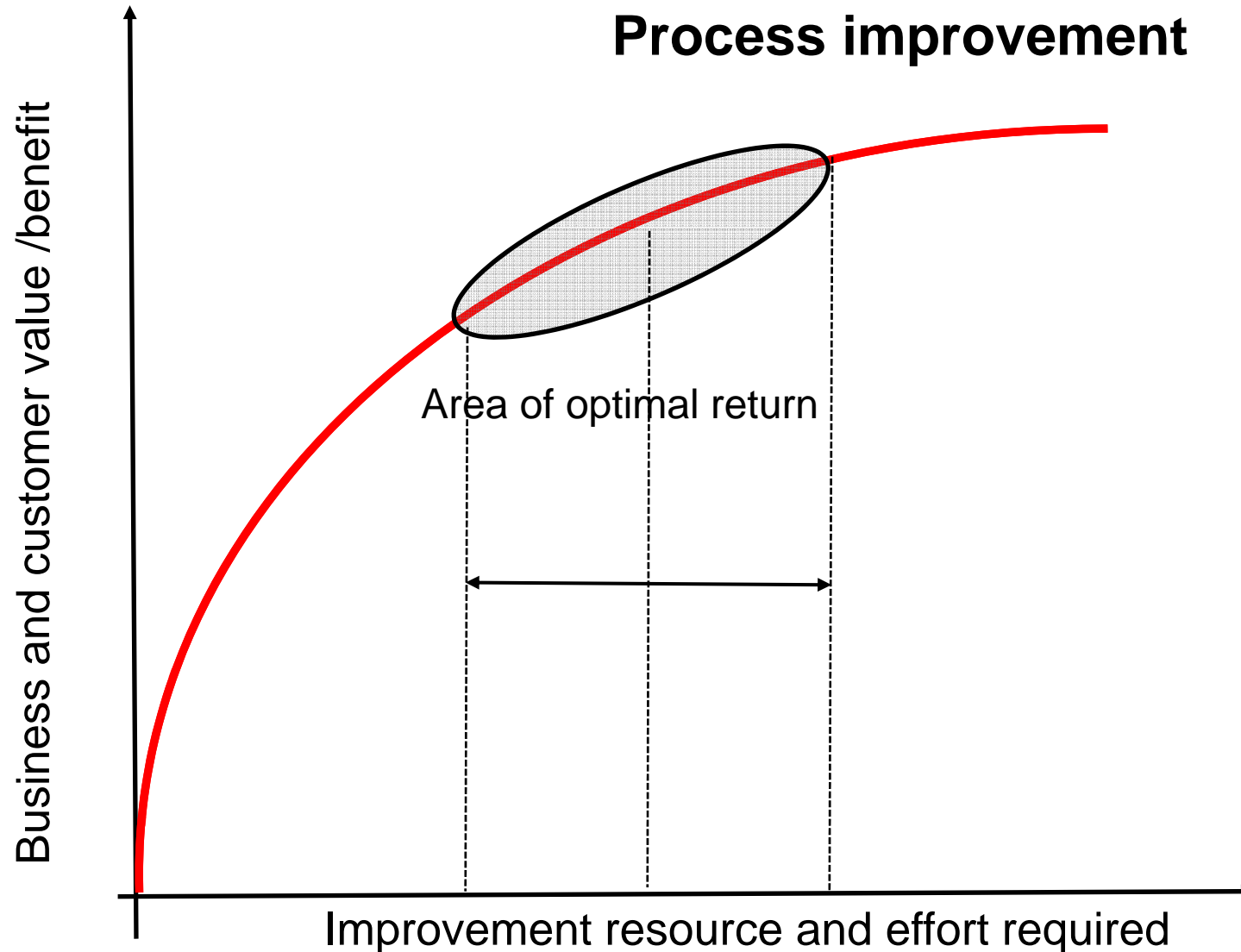
Individual Component metrics

Individual service & customer metrics





The law of diminishing return





Case study 1 – Call Centre

A CIO was responsible for a customer call centre (CCC). He received monthly reports from the manager of the CCC demonstrating that the quality of service delivered was good and met all SLA targets.

SLA measurements:

- Total number of calls answered per hour and per day
- Number of calls per agent
- Percentage of calls handled within 10 minutes

However, the situation in the CCC from the customer perspective was a little bit different



Behaviour

Customer Call Centre





Resolution

Change the metrics, KPIs and reporting:

- *Reduce the number of customer call backs*
- *Reduce the number of abandoned calls*
- *Increase customer satisfaction*

- *Percentage of calls handled within 10 minutes*

Remember: Quality before performance and throughput



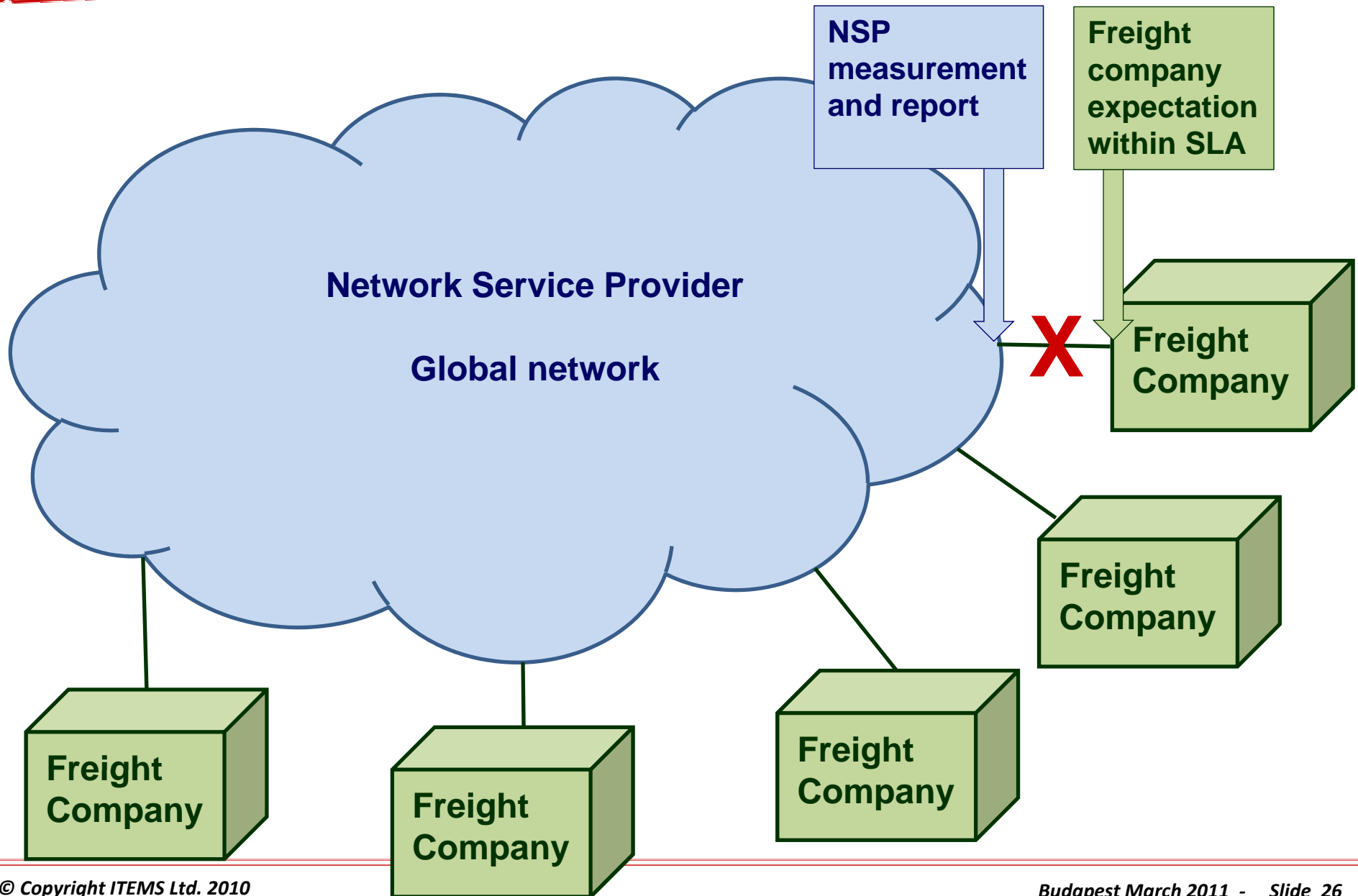
Case study 2: Availability management

A network service provider (NSP) delivered a global network to an international freight and shipping company. The (NSP) agreed SLAs containing network service availability targets with its customer.

They produced monthly service reports containing service availability achievements however, there was disagreement with the customer as to the validity of the figures.....



The reality





Resolution

- ***“People often measure what is easy to measure, not what is important to measure”***
- *Don't agree to measure what you can't measure*
- *Don't agree to targets beyond your control*
- *Ensure that all SLA targets are measurable*
- *Agree how and where targets will be measured*
- *Agree the period of measurement and reporting*

Remember: Measure what's important at the right point



Case study 3– Change management

A service provider had a well established and mature change management processes.

The change management process had reported a 100% success rate for the last 2 years. However, that was not the customer's view.

A review was instigated



So your changes work first time, every time then?

Oh no sometimes it takes us three or four times to get them right?



Resolution

- Don't use (*manipulate*) measurement and metrics to make yourself look good (*lies*)
- Measurements and metrics should be measured, analysed and reported from the user, service and customer perspective

Remember: Report reality from the customer perspective



The 5 step implementation process

- *Talk to the business / customers and agree what is important to them (value / quality / responsiveness)*
- *Agree the important metrics to measure (what? how? where? why?)*
- *Establish automated measurement and reporting of the agreed metrics and targets*
- *Base continual improvements on the agreed business, service and customer metrics*
- *Encourage and publicise service value, service culture and behaviour*

Always remember

"There is nothing so useless as doing efficiently that which should not be done at all."

Peter F. Drucker

A good decision is based on knowledge and not on numbers.

Plato

Summary

Always measure:

Quality over performance - Effectiveness over efficiency

From a business and customer perspective / viewpoint

*Measure only a **FEW KPIs**, measure what's important*

Drive the right attitude, behaviour and culture

Report reality – what actually happens

Don't waste time and resources !

Support organisational objectives and targets

Any questions ?

Colin Rudd
ITIL Lead author and mentor

colin.rudd@itemsltd.co.uk

itSMF UK
The IT Service Management Forum

BCS Chartered
IT Professional

