



Ten Rules on Delivering Cost Effective IT Service

By Noel Bruton

By and large, IT services are labour intensive. Some support processes may indeed be automated, but that tends to be mostly the case when machines are supporting other machines. Where users are involved, the demand for the human interface still prevails. This means that IT support will continue for some time yet to need what to many financial managers is one of the least attractive costs and liabilities in business – namely employees. Wherever people are involved, psychology and politics will not be far behind – and thus, managing this cost effectively, to deliver an efficient service, is as much about attitude as it is about technique. While this article mentions techniques, these should not be used in isolation of a strategic mentality. This necessitates a perspective of some distance – a difficult one to take in the detail of computer technicality, but nonetheless crucial to cost-effectiveness.

1 Know your purpose

This can be enshrined in the helpdesk's real purpose – which is to see resolving computer problems only as a means to an end, the real end being the restoration to productivity of a user who has stopped making money for the company because his computer is broken.

As to how much money is being lost by the unproductive user – that is the amount of money he would have made in that time, had he been fully productive. The aggregate effort of corporate employees produces the turnover or revenue made by the corporation as a whole. Divide that figure by the total employee hours worked, make an allowance for the company's dependence on computers and compare the result with the average number of hours worked. This links the helpdesk function directly to finance - so the cost-benefit of the helpdesk becomes the minimisation of downtime, thus the maximisation of user productivity, thus increased potential corporate income.

2 See your helpdesk as a factory

For all the value we may place on technical competence and wizardry, that esoteric expertise is meaningless unless it is converted into a service. In effect, technical specialisation is only a component we use in the manufacture of our end result. The helpdesk is a production line – it has a number of incoming requests, each of which goes through a short (first time fix) or a long (complex diagnosis) process. As each section of the process is enacted upon the request, resources are consumed (in terms of manpower, knowledge etc.), which incur costs but add value to the unit of production. In the end, we have in effect manufactured a resolution from the raw materials of our expertise and time.

“The helpdesk is therefore more like a factory than a research establishment, and the efficiency of the process is critical - else we may waste our resources and thus incur unnecessary costs. Knowledge is only a raw material. The slickness by which the production line deploys that raw material is everything.”

3 Think business, not computers

A common accusation levelled against IT in general and the helpdesk in particular is that it is not 'business aware'. The helpdesk is not entirely to blame for this – in many companies, business simply has not been applied to the helpdesk. Often there is no 'Cost-Benefit Analysis' – no way of proving the return on investment made in having a helpdesk at all. However, the helpdesk is indeed a business – it has a market, a product, a production facility and a benefit to deliver to its customers. It could, in theory, set its priorities against business criteria – for example dealing with the enquiries in order of commercial importance of the person or department making the enquiry. The approach is to deliver the service in a way that it benefits the business, rather than just the user.

4 Being busy is not necessarily being productive

Most helpdesks are busy. For the first line it's the number and length of incoming calls, for the second line it's the assignments, installations and projects they undertake. First line productivity and output are relatively easy to measure – the numbers are there and readily available from the helpdesk software and the telephone system. But second line productivity is just as important, and because of the variety of their work, often less easy to quantify. Nevertheless, it must be measured – if there is a quantifiable amount of work coming in, there must be a quantifiable output. Despite the legacy of IT, where we tend not to measure staff productivity, for the sake of cost-effectiveness (and staff satisfaction at a job well done) it must be measured.

“My favourite second-line statistic is the ‘Fixes Per Resolver Average’ (FRA), the number of resolutions per second line head per day (when you measure yours, bear in mind that the current industry average is eight). Measure output, not activity.”

5 Hire staff only when you need them

People cost money. You should increase staff levels only as a last resort. Look first to the efficiency of your processes, and to gaps in your staff's knowledge. Do we really need a new office software expert or could we retrain our existing people? Increase staff knowledge in a planned way, to bring everybody to the same level. Don't rely solely on a few experts, because that creates single points of failure. Watch for skill redundancy – you need at least two experts in everything, so you're not exposed when an expert goes absent.

6 Look for information, not just data

Beyond any demand made by auditors, there is only ever one reason for producing a report – and that is to be able to make a decision. The essence of control over any process of production is to be able to assess whether that process is working correctly. The number of calls you took is just data, as is the level of reported satisfaction. An example of this is the service level target – we may, for example, have a four-hour contracted response time for hardware maintenance calls because it seems cheaper than a one-hour contract. But without a Value statistic, we cannot know that the four hours of lost user productivity is considerably more expensive than the shorter response time would have been, so the service level target does not make business sense. Useful value statistics are the currency value of the productivity we saved the users from losing this month and the number of man-hours we consumed in producing the service compared with earlier months, to see how much more cost-efficient we are getting.

“To make real decisions about the success of the helpdesk requires four statistics together:

- **Quantity tells us how much we did.**
- **Performance is a measure of that quantity against a target.**
- **Quality tells us whether the customers like it.**
- **But we also need Value, for without it we cannot assess whether it made business sense to do it, or to do as much of it as we did.”**

7 Sort out who manages the helpdesk

The issue of accountability vis-à-vis authority is a common theme in helpdesking. The helpdesk leader is expected to deliver the service, but may have no real authority over how it is financed, structured or run. It is unsafe to assume that the authority over the helpdesk always rests with the one who holds the purse-strings, for that person may not be involved in actual delivery on an hour-by-hour basis. This means that senior people may not even be able to conceive of all that's involved in running the helpdesk. Sort out who has what authority, and ensure that accountability and authority are in the same individual.

8 Manage all resource commitment

Helpdesks don't just solve problems. They also conduct projects, train users, do a bit of administration or procurement, learn new skills and so on. All these things take time and consume costly resource. As such, it is impossible to accurately forecast headcount needs and successful deployment of those heads unless all their activities are measured. My favourite method is the 'Resource Allocation Spreadsheet' a table of service activities against staff, showing how much of their time each staff member dedicates to each activity, with the data gathered via timesheets. This shows the cost of producing every service, not just the obvious ones.

9 Base service levels on need, not want

With corporatism comes hierarchy and with hierarchy comes power. Too often it seems, some users will exert that power to gain for themselves a higher service level, regardless of the additional and unnecessary cost that imposes on IT support. This has to be policed, with escalation to senior corporate management for repeat offenders.

Helpdesks often make the mistake of delivering a 'blanket' service level to all users by default – everybody ostensibly gets the same level of service, with differences in service levels dictated by impact (e.g. number of users affected) or the political status, rather than by the commercial significance of the user. A blanket service level is actually an elevated service for some user groups who don't need it at the expense of others who do.

“Examine the financial importance of certain user groups and build services, service levels and priorities to reflect that. And get the results agreed at the highest level possible, ideally inscribed into the Service Level Agreement.”

10 Anticipate

Any racing driver will tell you that the way to get round the circuit in the fastest time is not just about minimising the distance between the accelerator pedal and the floor. If you're not looking ahead, the next bend will come as a surprise – and your shortened reaction time is as likely to see you spin off as sail through.

“Plan, prioritise and anticipate. Look at your past to guesstimate future demand. See how often exceptions occur – a recurring exception is actually a routine. An unanticipated exception will play havoc with your resourcing plans and thus increase your costs.”

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