Service Management

BENCHMARK REPORT | 2021

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Executive Summary

Organizations began adopting digital transformation as a foundational way to deliver value to their clients and customers. Enterprise digital transformation has been among the key initiatives for many organizations. However, COVID-19 catapulted enterprise digital transformation to become the top priority for several executives. If the year 2020 was about the adoption of digital transformation, the outlook for 2021 was on accelerating digital transformation with a renewed focus on adopting a customer-first mindset.

In the new normal where employees are expected to work from anywhere, anytime, and in some instances, any device, the role of technology is paramount. In fact, in a study conducted by Freshworks with Harvard Business Review[1], 91% of the employees have higher expectations for technology to be easy to use than they did ten (10) years ago.

As CXOs lead the digitization effort, they need an intelligent service management solution that delights employees. In addition, these leaders need a set of quantifiable and measurable metrics and a benchmark index to compare these metrics.

The objective of the Freshservice Service Management Benchmark Report 2021 (FBR 2021) is to create a benchmark index to measure key performance indicators (KPIs) for ITSM from the millions of data points captured within Freshservice. The FBR 2021 encourages organizations to measure their KPIs and benchmark against the index, thus allowing ITSM leaders to decide and act on what levers to pull and ultimately deliver a delightful experience to employees and customers.

The FBR 2021 anonymously aggregated data from 82 countries, 3200 organizations of all sizes, and over 47M unique service tickets for the period between January - December 2020. The report draws insights across industries, regions, and organization sizes for agent productivity, service desk efficiency, and scalability of service management solutions.

The FBR 2021, in section 2, discusses the data set used for this analysis. In section 3, the report defines the seven (7) KPIs used in the industry and the methodology used to determine the Freshservice Benchmark for the 7 KPIs. Section 3 further explores how the KPIs can be analyzed by industry, region, and organization size.

[1] *https://hbr.org/sponsored/2020/07/technologys-make-or-break-role-in-employee-engagement*

In section 4, the FBR 2021 discusses how individual features in service management tools such as chatbots, integrations, automations, canned responses measure against the Freshservice Benchmark and how they could drive service desk efficiency, agent productivity, and scalability. Towards the end, the FBR 2021 provides a glimpse into the future of modern service management in section 5.

Key takeaways from the FBR 2021:

1 Customer communications

It takes on average 12 hours for the service requestor to receive an acknowledgment from the service desk and almost 20 hours for the ticket to get assigned to a service desk agent.

2 Automations

The average resolution time drops dramatically by nearly 28% when even simple workflows are automated. It begs the question of how much organizations can gain in productivity if tasks are fully automated end-to-end.

3 Adoption of productivity tools

Over 54% of the integrations enabled in 2020 are related to collaboration, remote access tools, and apps that aid productivity. This is a 110% increase from the previous year. Though the pandemic has a role in this growth, the future of service management revolves around breaking down silos between service and operations, with a focus on context-driven collaboration.

4 Artificial Intelligence (AI) in ITSM

Organizations that actively adopt AI see an improvement across all KPIs. First response and first assign times drop by approximately 35%, and average resolution time by 46.5%. Data shows that organizations that have adopted AI into their service strategy have begun to reap the benefits. It is important that businesses invest in AI and train bots to empower their agents and boost productivity.

5 Correlation between self-service and productivity

The adoption of self-service tools by organizations has a direct impact on service desk efficiency and productivity. Organizations on average see a 30% reduction in average resolution time when knowledge base (Kbase) articles are adopted.

02

Introduction to
the Data Set

The Freshservice Service Management Benchmark Report 2021 (FBR 2021) collected data from over 47 million unique service management tickets, 3200 organizations of all sizes across 82 countries. These 47M tickets are from the past calendar year (January to December 2020). The dataset was chosen to create enough representation across industry, region, and organization size, and importantly, **maintain the anonymity of the data.**

Based on data from

82
Countries

3,200
Companies

47,362,599
Tickets

03

Key Industry Metrics and Freshservice Benchmark

Businesses today operate in a highly dynamic environment, where ITSM is constantly evolving. While organizations seek to keep up with rapid developments, it is also imperative to improve service delivery, proactively adapt to changing business needs, and drive process improvements.

Service management leaders need to quantify efforts to truly understand the performance of service desk processes and whether they're impacting overall business goals. With endless metrics available for leaders to track and measure, it is critical for service management leaders to know what to track, measure, and benchmark against.

The FBR 2021 considers seven (7) Key Performance Indicators (KPIs) that are widely used in the industry to measure the efficiency and effectiveness of an organization's service delivery.

The FBR 2021 calculated the Freshservice Benchmark for these 7 KPIs taking the median across industries, regions, and organizations to create a composite index.

Table 1: Key Performance Indicators (KPIs)

#	Metrics (KPIs)	Freshservice Benchmark	Direction of Positive Change/Impact
1	Customer Satisfaction (CSAT)	96%	Higher the better
2	Average First Response Time	11.94 hours	Lower the better
3	Average Resolution Time	29.57 hours	Lower the better
4	Average First Assign Time	19.85 hours	Lower the better
5	First Contact Resolution	71%	Higher the better
6	Resolution SLA Percent	93%	Higher the better
7	First Response SLA Percent	93%	Higher the better

Measuring Customer Delight

In the world of IT service management, employees or end-users are typically their customers. An end-user of an organization's service desk could be an external customer or an internal employee. Gathering customer/employee feedback is an important step in understanding a customer's satisfaction with the services and experiences offered by service management teams. A typical example is a CSAT/ESAT survey that works best when used after interactions with your service desk teams.

However, there are a number of key indicators that impact customer/employee happiness. As a result, measuring end-user service provides insights on a variety of service desk outputs and helps IT managers measure team performance across a number of areas.

Customer Satisfaction (CSAT)

96%

Employees are typically the consumers or customers of service management. End-user or customer satisfaction (CSAT) is an indication of customer happiness with the service provided. The CSAT score is a numerical measure of customer satisfaction and is usually calculated based on a short survey that customers/end-users fill out after their ticket is resolved.

Measurement:
The higher the CSAT percentage, the better.

Tip:
Having a lightweight survey and providing them with a means to express themselves is key to getting a large number of customers to respond. The higher the CSAT percentage, the more likely customers will recommend businesses to others. According to Harvard Business Review[2], 92% say employee engagement is critical to an organization's success as engaged teams are 17% more productive, have up to 59% less turnover, and 21% greater profitability than disengaged teams.

[2] *https://hbr.org/sponsored/2020/07/technologys-make-or-break-role-in-employee-engagement*

Average first response time

11.94 hours

This metric shows the time taken for a service desk to provide an initial response after a customer reports an incident or requests a service. In other words, it indicates how long a customer has to wait before receiving an acknowledgment.

Measurement:

Faster the response, the better.

Tip:

Also known as the first reply time, this metric is more important than the overall response time as it is an acknowledgment to the end-user that their issue is being analyzed. If your average first response time is high, setting up canned responses along with a knowledge base can help provide a quicker first response for frequently reported issues.

Average resolution time

29.57 hours

This metric shows how long it takes the IT team to completely resolve end-user requests and/or issues. The average resolution time is another way to know how strong the support team's product knowledge is, how well the service desk is staffed, and whether the team is equipped with the right solutions to resolve tickets faster.

Measurement:

Quicker the team resolves tickets, the better.

Tip:

While there is always a need for speed, the quality of support after the request is submitted will ultimately resonate with customers. However, this metric highlights your team's efficiency, and if your time to resolution is increasing over time, you know something is up.

Average first assign time

19.85 hours

This metric shows the average time taken for tickets to be assigned to an IT agent or a group after its initial creation. It is also known as the 'In queue time' referring to the time a ticket is waiting in a queue to be assigned appropriately. Any delay in the assignment time adds to an increase in the ticket resolution time.

Measurement:
The sooner tickets get assigned, the better.

Tip:
A good practice is to take the manual effort out of the process by leveraging artificial intelligence (AI) and automations to automatically categorize and assign tickets to agent groups based on their availability, skills, and expertise. If you are not meeting your SLA for complete resolution time, this metric can be a diagnostic measure to understand how long the initial assignment takes.

First contact resolution (FCR)

71%

This metric shows the ability of an IT team to meet the customers' needs completely in a single interaction. It is calculated by dividing the number of tickets resolved on the first contact by the total number of tickets multiplied by 100.

Measurement:
Faster the response, the better.

Tip:
By measuring first contact resolutions, you can understand how quickly your IT teams are helping their customers. If your FCR percentage is low, you can improve this metric by incentivizing your agents for first contact resolutions. FCR would also have a direct positive impact on CSAT.

Resolution SLA percent

93%

This metric shows what percentage of tickets have been resolved within the SLA. This number is a reflection of the IT support team's efficiency. This is calculated by dividing the number of tickets that were resolved within SLA by the total number of tickets, multiplied by 100 during a selected time period.

Measurement:
The higher the percentage, the better.

Tip:

This can help you not only understand the efficiency of your team but also evaluate your own SLAs. Setting the right SLA is critical to motivate employees and also set end-user expectations. Setting unrealistic/unachievable SLA policies can demotivate your IT support team. On the other hand, setting lenient SLA policies can have a negative impact.

First response SLA percent

93%

This metric tracks how quickly agents can respond to a technical issue being raised via phone, email, or other channels. This is calculated by tracking the percentage of the number of tickets where the first responses were sent within the SLA divided by the total number of tickets on which the first responses were sent, during a selected time period.

Measurement:
The higher the percentage, the better.

Tip:

The higher your staffing levels, the more likely it is that you can promise an answer within the first response SLA and increase your SLA percentage.

3.1 Benchmark by Industries

The FBR 2021 analyzed the data across 15 industries to draw insights to understand how industries compare against each other. Here are the key metrics we discussed above, broken down by industry.

Table 2: Freshservice Benchmark by Industries   🟩 Highest 🟧 Lowest

Industry Category	CSAT	Average First Reponse Time (in hours)	Average Resolution Time (in hours)	Average First Assign Time (in hours)	First Contact Resolution	Resolution SLA Percent	First Response SLA Percent
Freshservice Benchmark	**96%**	**11.94**	**29.57**	**19.85**	**71%**	**93%**	**93%**
Business Services	96.55%	10.34	24.33	16.04	70%	94%	94%
Construction and Real Estate	97.38%	9.32	23.81	13.57	69%	94%	94%
Consumer Products and service	95.65%	13.52	24.85	24.64	74%	94%	94%
Education	96.07%	12.42	34.97	22.14	65%	93%	92%
Energy	97.58%	13.27	33.04	21.67	72%	92%	91%
Financial Services	96.56%	10.67	24.00	18.67	73%	90%	90%
Food and Beverages	95.80%	16.75	43.33	24.20	71%	96%	96%
Government and Non-Profit	97.22%	13.61	32.76	25.95	67%	94%	94%
Healthcare	96.68%	14.82	31.07	26.40	73%	92%	93%
Leisure and Hospitality	97.11%	13.37	35.19	24.78	73%	92%	92%
Logistics and Transportation	94.74%	10.68	30.24	21.04	69%	93%	93%
Manufacturing	94.93%	14.27	33.50	18.57	71%	92%	92%
Media and Internet	96.55%	11.89	30.66	28.59	70%	93%	92%
Retail and E-Commerce	95.35%	12.75	31.70	21.59	74%	92%	92%
Software	97.05%	11.39	30.53	19.64	72%	93%	93%

Key Observations

Construction/Real Estate is quick to respond to customers

Construction/Real Estate has an average first response time of 9.32 hours and an average resolution time of 23.81 hours, which are better than our benchmarked metrics, but they have a lower first contact resolution rate of 69%.

Government/Non-Profit companies have lower FCR rates

Government/Non-Profit companies have the least first contact resolution at 67%. FCR is a complex metric that is influenced by a multitude of factors depending on the organization's policies, procedures, work environment, access to accurate data and information, and so forth. However, it is interesting to note that a lower FCR does not negatively impact the other metrics in Government/Non-Profit organizations, and they have a higher CSAT.

Energy suppliers have the highest customer satisfaction score

Energy markets have the happiest customers, with the average CSAT soaring at 97.58%, despite the average resolution time being 33 hours, which is slightly higher than our benchmark.

Financial Services organizations have the lowest resolution and response SLA %

The FBR 2021 found that financial services organizations have a lower resolution and first response SLA percent of 90%. However, we notice that their resolution time, response time, and assign time all surpass the benchmark.

Food and Beverages is the slowest to resolve customer queries

Food and Beverages has the longest wait time of 16.75 hours and the longest average resolution time of 43.33 hours. It is interesting to note that they also have the highest resolution SLA percent and first response SLA percent at 96%. Despite the longer first assign and resolution times, their resolution and first response SLA percents are high. This could mean that the Food and Beverages industry has longer SLAs to manage end-user expectations.
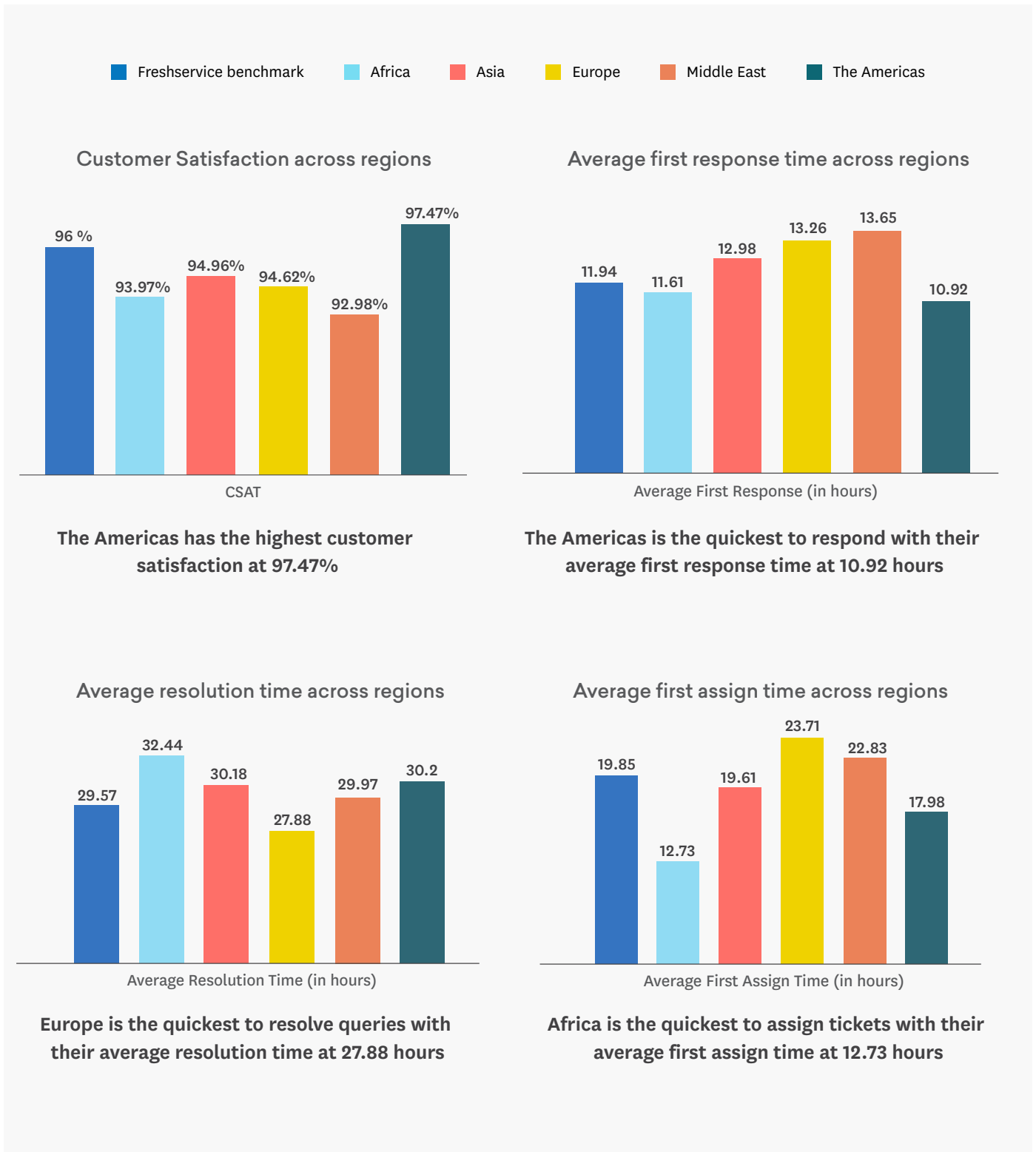
Media/Internet customers experience a longer wait time

It takes an average of 28.59 hours for an agent working in a Media/Internet company to be assigned tickets. Despite a higher first assign time, the average first response is at 11.89—on par with our benchmark.

3.2 Benchmark by Regions

With many companies operating globally and serving customers internationally, tracking metrics can get slightly complicated. Companies and customers in different countries seem to have strikingly different assessments of their experience. Aggregate measures of customer satisfaction and service desk metrics across countries and regions have the potential to provide managers with broad-based benchmarks of performance and how an economy performs against other economies.

Legend: Freshservice benchmark · Africa · Asia · Europe · Middle East · The Americas

Customer Satisfaction across regions

- Freshservice benchmark: 96 %
- Africa: 93.97%
- Asia: 94.96%
- Europe: 94.62%
- Middle East: 92.98%
- The Americas: 97.47%

CSAT

The Americas has the highest customer satisfaction at 97.47%

Average first response time across regions

- Freshservice benchmark: 11.94
- Africa: 11.61
- Asia: 12.98
- Europe: 13.26
- Middle East: 13.65
- The Americas: 10.92

Average First Response (in hours)

The Americas is the quickest to respond with their average first response time at 10.92 hours

Average resolution time across regions

- Freshservice benchmark: 29.57
- Africa: 32.44
- Asia: 30.18
- Europe: 27.88
- Middle East: 29.97
- The Americas: 30.2

Average Resolution Time (in hours)

Europe is the quickest to resolve queries with their average resolution time at 27.88 hours

Average first assign time across regions

- Freshservice benchmark: 19.85
- Africa: 12.73
- Asia: 19.61
- Europe: 23.71
- Middle East: 22.83
- The Americas: 17.98

Average First Assign Time (in hours)

**Africa is the quickest to assign tickets with their average first assign time at 12.73 hours**

Legend: Freshservice benchmark · Africa · Asia · Europe · Middle East · The Americas

First contact resolution across regions

- 71 % — Freshservice benchmark
- 82% — Africa
- 74% — Asia
- 71% — Europe
- 75% — Middle East
- 69% — The Americas

First Contact Resolution
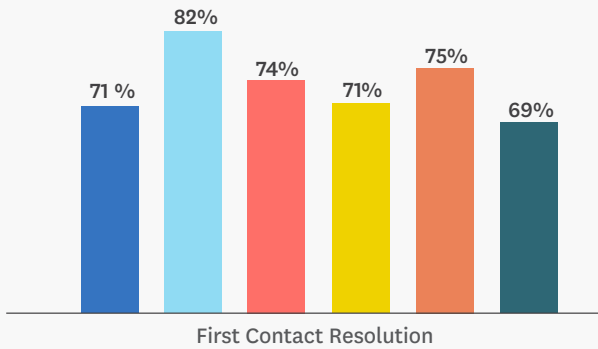
Africa has the highest first contact resolution at 82%

Resolution SLA percent across regions

- 93% — Freshservice benchmark
- 87% — Africa
- 93% — Asia
- 94% — Europe
- 89% — Middle East
- 92% — The Americas

Resolution SLA percent
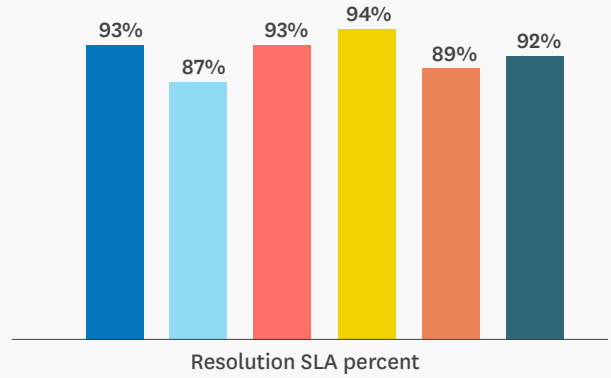
Europe has the highest resolution SLA percent at 94%

First response SLA percent across regions

- 93% — Freshservice benchmark
- 87% — Africa
- 93% — Asia
- 94% — Europe
- 88% — Middle East
- 92% — The Americas

First Response SLA percent
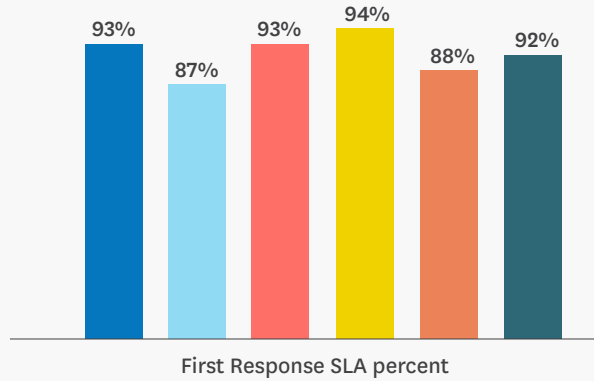
Europe has the highest first response SLA percent at 94%

Table 3: Freshservice Benchmark by Countries

Legend: 🟩 Highest 🟧 Lowest

Country	CSAT	Average First Reponse Time (in hours)	Average Resolution Time (in hours)	Average First Assign Time (in hours)	First Contact Resolution	Resolution SLA Percent	First Response SLA Percent
Freshservice Benchmark	96%	11.94	29.57	19.85	71%	93%	93%
The United States	97.67%	11.10	31.10	18.50	68%	93%	93%
United Kingdom	95.65%	11.50	24.95	21.95	68%	94%	94%
Australia	96.91%	13.95	30.15	22.60	73%	93%	94%
Canada	96.90%	10.00	31.40	18.50	63.50%	90%	91%
The Netherlands	89.64%	16.70	27.70	28.05	74%	99%	99%
India	90.74%	12.05	27.05	14.10	77%	93%	91%
Germany	95.35%	15.90	27.75	30.35	73%	94%	93%
France	93.49%	16.05	29.60	36.80	74%	94%	93%
South Africa	95.24%	11.40	31.10	11.10	80%	88%	88%
Brazil	90.05%	8.50	18.40	17.90	72%	90%	90%
Sweden	96.04%	14.50	36.30	32.60	75%	96%	95%
Belgium	92.99%	20.10	49.10	29.00	71%	97%	96%
Mexico	94.59%	7.30	23.10	12.70	75%	94%	93%
Switzerland	92.51%	20.60	36.70	45.50	73%	92%	90%
United Arab Emirates	91.97%	12.90	37.60	17.15	78%	88%	88%
Italy	92.84%	18.70	42.50	13.35	73%	89%	86%
Spain	92.43%	8.70	23.40	16.40	69%	95%	95%
Singapore	94.55%	11.25	33.55	17.45	69%	97%	96%
Norway	94.46%	9.30	30.00	17.60	73%	96%	96%
New Zealand	95.43%	13.80	31.65	16.30	77%	96%	96%

Key Observations

The United States has the highest customer satisfaction rate

Our data shows that countries such as The United States, Canada, UK, and Germany, have the best customer satisfaction scores, with The United States leading at 97.67%.

The Netherlands delivers on its service level agreements

The Netherlands has the top resolution and response SLA at 99%. However, there is no positive correlation to their CSAT and record a lower score of 89.64%

Canada can improve their first contact resolution

The average first contact resolution for Canada is the lowest at 63.50%. But, this has not impacted any other metrics substantially, and Canada records one of the higher CSAT scores at 96.90%.

Switzerland takes the longest time to start working on IT requests

The average first assign time and average first response time of Switzerland are at the higher end at 45.50 hours and 20.60 hours respectively.

India is quick to solve queries in the first interaction

India has a high first contact resolution at 77%, which surpasses the Freshservice benchmark. However, there is no positive correlation to their customer satisfaction and therefore record a comparatively lower CSAT score of 90.74%.

United Arab Emirates (UAE) has lower customer satisfaction rates

As a region, on average, the Middle East has lower CSAT scores. This can be due to the lower response and resolution SLA percentages in the UAE and other countries in the region.

Italy has the lowest first response SLA percent

While Italy does take less time to assign tickets, their average first response time is higher at 18.70 hours. This seems to have negatively impacted their first response SLA percent recorded at 86%.

South Africa has the highest first contact resolution

South Africa has the lowest first assign time and the highest first contact resolution. Despite first contact resolution being high, we see that the overall resolution SLA percentage is lower.

Brazil leads the way in resolution

Brazil has a lower first response time (8.5 hours) and resolution time (18.4 hours). Despite the speed of service delivery, we don't see a high CSAT score.

Mexico is quick to respond to new requests

The average first response time for companies in Mexico is the least at 7.30 hours. It is interesting to note that the average resolution time (23.10) and first assign time (12.70) are also significantly lower than our benchmark.

3.3 Benchmark by Company Sizes

End-user delight varies widely, depending on which audience IT support organizations serve—customers or internal employees. Employee engagement and happiness are increasingly becoming an integral part of every business strategy. Engaged employees are happier, show higher rates of job satisfaction, perform better, and are deemed the secret sauce to business success.

Table 4: Freshservice Benchmark by Company Sizes   🟩 Highest   🟧 Lowest

Employee Size	CSAT	Average First Reponse Time (in hours)	Average Resolution Time (in hours)	Average First Assign Time (in hours)	First Contact Resolution	Resolution SLA Percent	First Response SLA Percent
Freshservice Benchmark	96%	11.94	29.57	19.85	71%	93%	93%
1-250	97.26%	11.19	30.48	20.19	71%	92%	93%
251-500	97.15%	11.20	27.04	17.07	70%	93%	93%
501-1000	95.62%	11.68	27.10	18.02	69%	94%	94%
1000+	94.59%	14.08	30.24	23.22	72%	93%	92%

Key Observation

🙂 The smaller companies keep customers happier

Small and medium businesses score the highest (97.26%) at providing a satisfactory service to internal and external customers. However, once companies scale and reach an employee count of 500+, service suffers, and CSAT percentages start to drop. It is here that such organizations (size 500+) need a service management tool that is modern and offers them intuitive and extendable capabilities such as self-service, bots, and marketplace apps for integration.

04

Benchmark Your IT Team's Performance

4.1 Benchmarking Agent Productivity and Service Desk Efficiency

The success of a service desk's operations depends on the efficiency and productivity of its staff. It is essential to have processes that not only act as guard rails but also empower the service desk. Much of the success depends on the proper interpretation and action taken by the staff to understand the KPIs. In order to deploy the appropriate staff levels as ticket volumes fluctuate, or determine the right number of personnel to bring on board, or measure individual productivity, service desks have to have a keen grasp of their agents' Key Performance Indicators (KPIs).

A critical factor that impacts the kind of service desk an organization has is not just the staff—albeit they are important—but the system that supports it. The right service desk solution provides the engine that drives fast resolutions and remediation of user problems and boosts productivity for support teams and IT professionals. The implementation of a capable and easy-to-use service management solution will be a game-changer for IT teams.

The FBR 2021 identifies four (4) characteristics of a service management solution that can improve service desk efficiency and agent productivity:
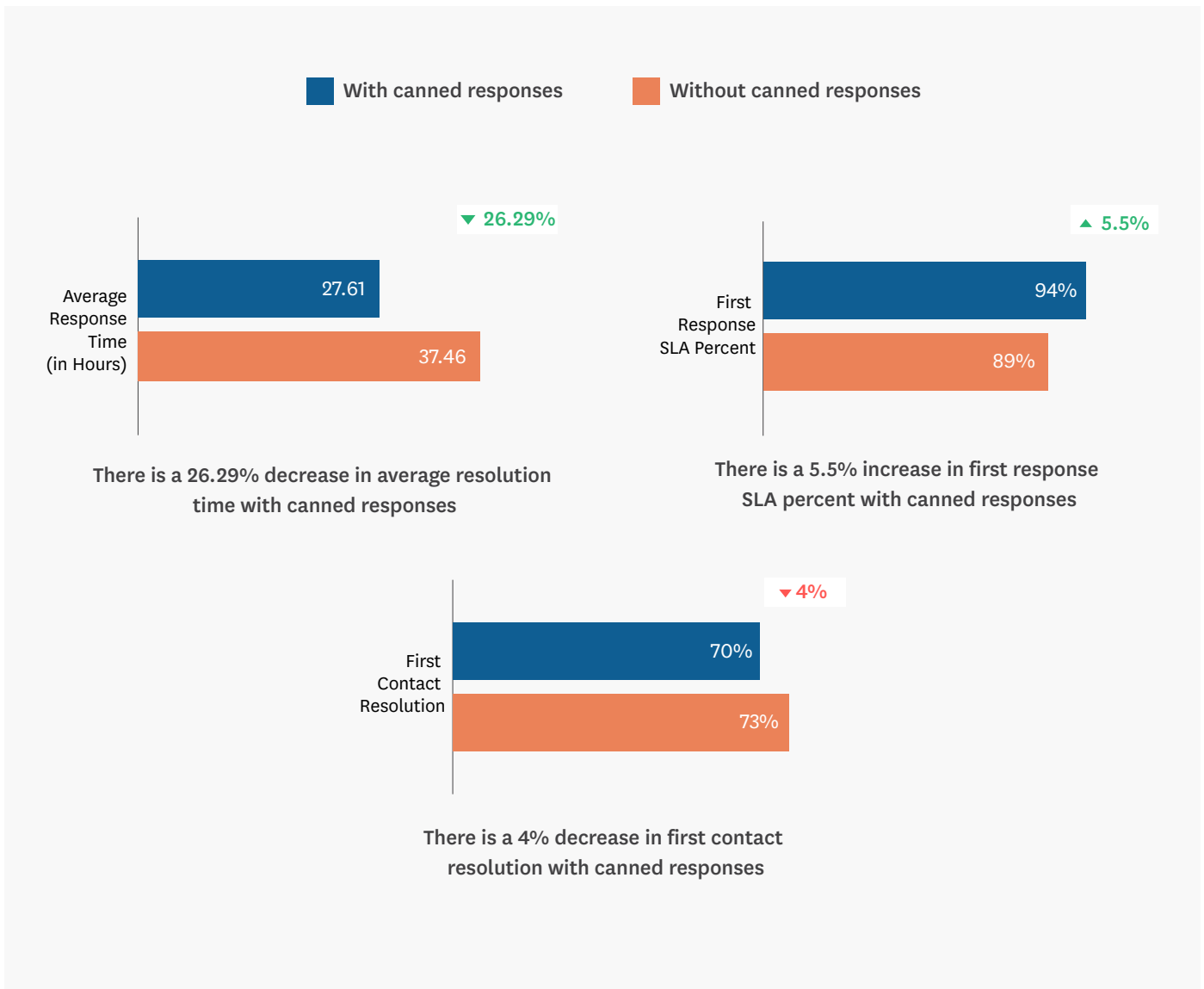
Canned Responses

Service Desk Automations

Chatbots

Self-Service

4.1.1 Canned Responses

Canned responses are predetermined responses to commonly asked service requests. When used effectively, the agents can focus their time and effort on other critically important issues, and end-users (or requestors) get their services fulfilled in no time. IT agents receive numerous repetitive issues such as network errors, WiFi issues, or password resets. Canned responses can help service desk agents to send a quick first response to end-users. These templates come in handy for agents and save ample time and resources when employees raise similar issues or whenever there is a downtime.

With canned responses **Without canned responses**

▼ 26.29%

Average Response Time (in Hours)
- With canned responses: 27.61
- Without canned responses: 37.46

There is a 26.29% decrease in average resolution time with canned responses

▲ 5.5%

First Response SLA Percent
- With canned responses: 94%
- Without canned responses: 89%

There is a 5.5% increase in first response SLA percent with canned responses

▼ 4%

First Contact Resolution
- With canned responses: 70%
- Without canned responses: 73%

There is a 4% decrease in first contact resolution with canned responses

Table 5: Average Number of Canned Responses based on Employee Size

Employee Size	Average Number of Canned Responses
Less than 250	10
251 - 500	17
500 - 1000	38
Greater than 1000	56

Key Observations

- 76% of companies have set up at least ten (10) canned responses, and service desks in enterprise organizations have an average of 56 canned responses.

- The average resolution time drops by 26.3%, implying that agents can resolve issues quickly when canned responses are enabled.

- The first response SLA percentage also increases by approximately 5.5%, indicating that canned responses enable agents to respond faster.

- Though canned responses have a positive impact across various KPIs, we notice a slight decrease in CSAT and first contact resolution. It is important to note that if canned responses are not implemented correctly, it may add to end-user frustration. It is advised that the service desk agents take the time to set up canned responses correctly.

4.1.2 Service Desk Automations

In addition to offering a better way for agents to collaborate with end-users, customer-centric service desks should act as a platform to automate tasks or processes to create efficiency and a seamless service experience. Automation can not only help in reducing repeatable or redundant manual effort but also reduce room for manual error. Importantly, automating workflows can also give a lot of time back to agents to focus on other critical tasks. As many of the cost components of the service desk continue to increase, automation is one of the key determinants to keeping those costs in check.

There is a 28% decrease in average resolution time with automations

There is a 6.89% increase in first contact resolution with automations

There is a 2.15% increase in resolution SLA percent with automations

There is a 3.24% increase in first response SLA percent with automations
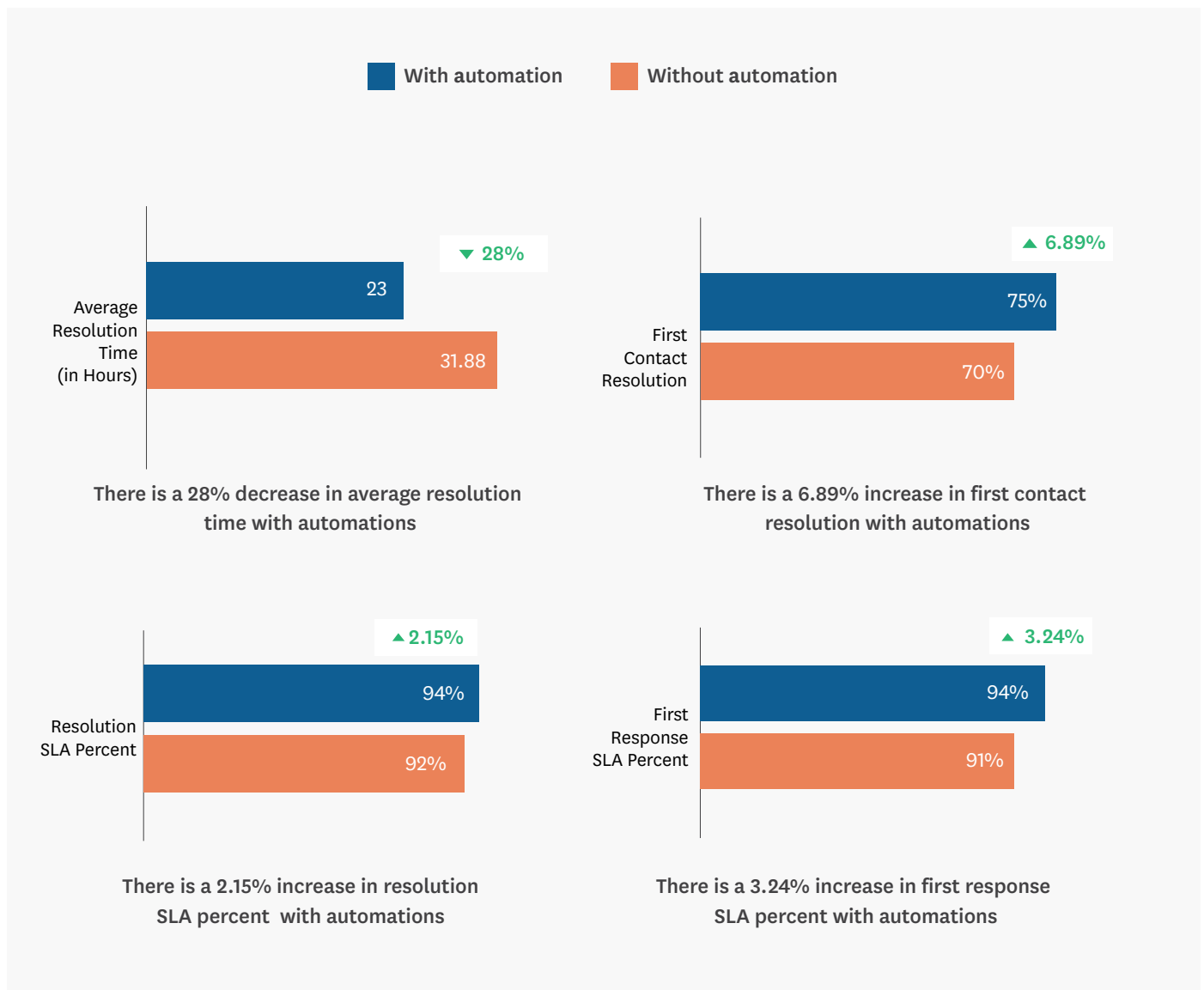
Key Observations

- 90% of companies have adopted at least some form of workflow/scenario automation technology, indicating that the automation of business processes has made considerable headway.

- The average resolution time drops dramatically by nearly 28% to 23 hours when organizations actively adopt automation. This surpasses the Freshservice benchmark at 29.56 hours.

- When operational hurdles are removed by implementing automation, organizations see an increase in their first contact resolution by at least 6.89%, thereby improving the FCR to 75%.

- Organizations that have automated at least ten (10) bulk actions that usually involve mundane and repetitive tasks, see an increase in their resolution SLA percent and first response SLA percent at 94.
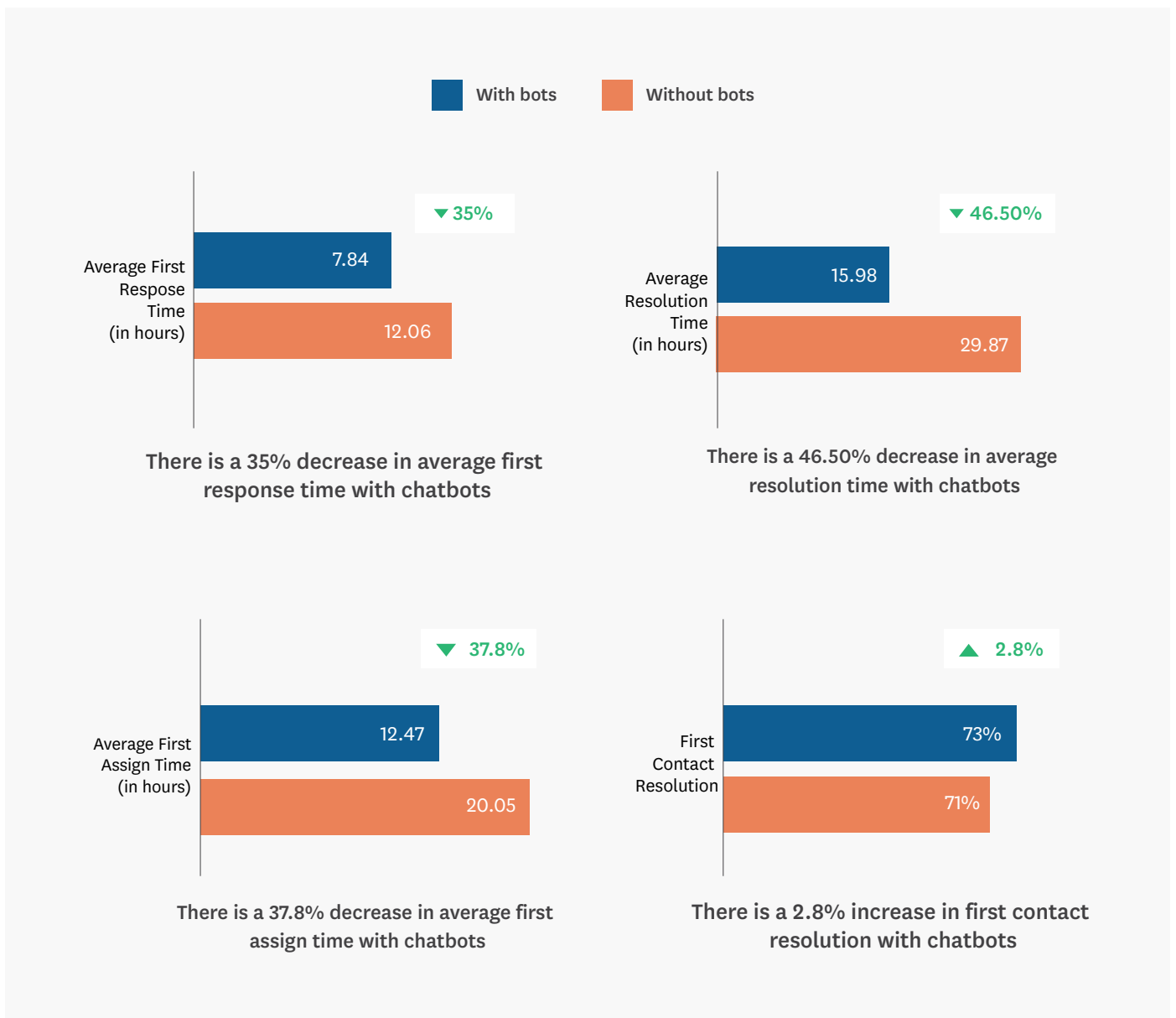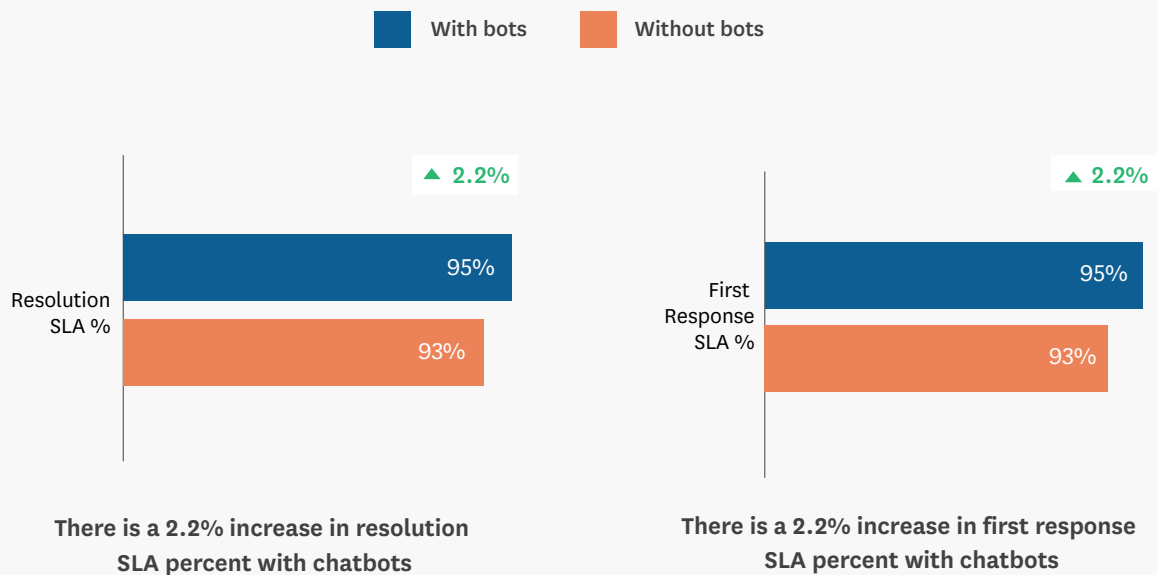
Note:

The dataset shows organizations with varying numbers of automated tasks with differing complexities. A key takeaway is a need for optimal workflows—workflows that balance the complexity of individual automated tasks with the number of individual workflow automations.

4.1.3 Chatbots

There is no denying that the workload of the IT service desk has increased immensely. Managing incidents and service requests leave IT administrators held up with repetitive tasks and manual processes, making it challenging for IT teams to ensure faster incident resolution times and operational efficiency.

Chatbots can conduct online chat conversations with users in lieu of human agents. Chatbots are here to revolutionize the communication and service delivery processes of the IT service desk to become more efficient and serve employees/end-users effectively.

There is a 35% decrease in average first response time with chatbots

There is a 46.50% decrease in average resolution time with chatbots

There is a 37.8% decrease in average first assign time with chatbots

There is a 2.8% increase in first contact resolution with chatbots

With bots   **Without bots**

▲ 2.2%

Resolution
SLA %

95%

93%

There is a 2.2% increase in resolution
SLA percent with chatbots

▲ 2.2%

First
Response
SLA %

95%

93%

There is a 2.2% increase in first response
SLA percent with chatbots

Key Observations

- Smart bots lead to faster resolution times, first contact resolution, and first assign time.

- Enabling chatbots delivers significant productivity and efficiency gains, including a 46.50% improvement in average resolution time—cutting resolution time from 29.87 hours to 15.98 hours.

- Most of the incoming requests are repetitive, and engaging IT teams in laborious tasks takes time away from high-value projects. Offering a faster resolution with a smart chatbot that identifies the issue and offers a knowledge article for self-service results in faster resolution time and improved service management efficiency across different metrics as seen in our charts.

- AI-enabled chatbots are helping businesses of all sizes improve service delivery by automating some of their functions. These include answering how-to questions (or L1 tickets) and being available round the clock to provide support.
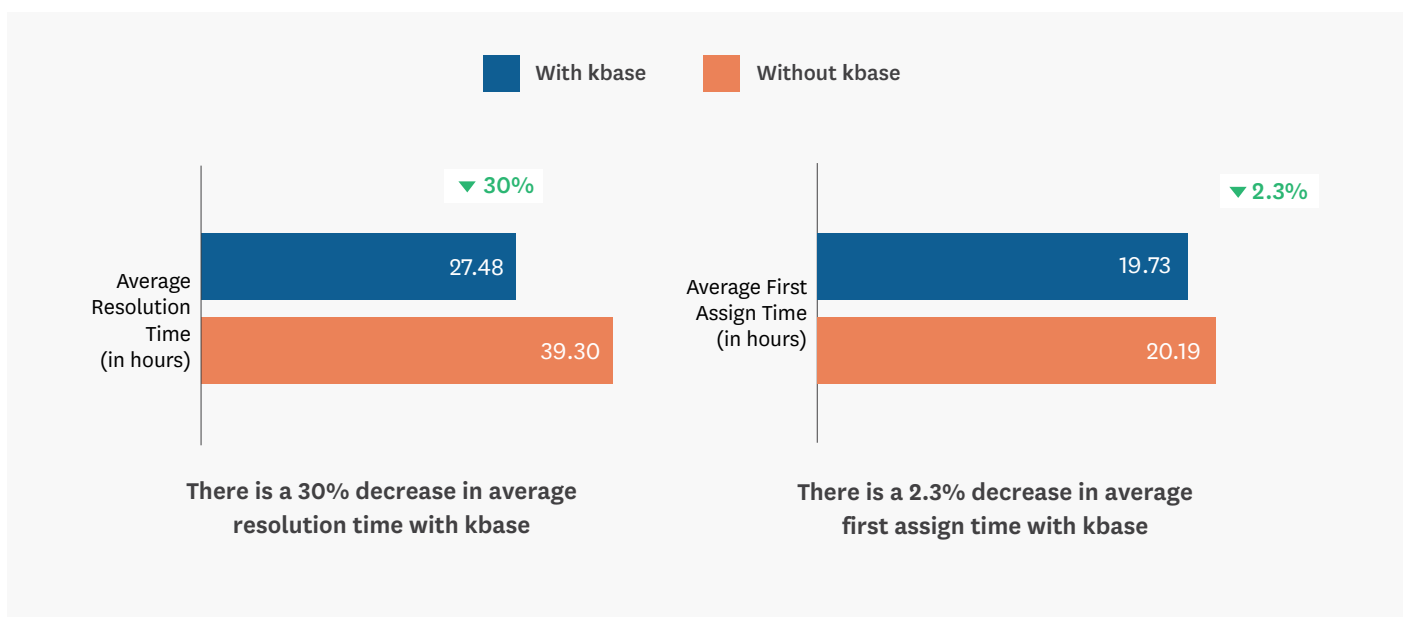
4.1.4 Self-Service

Self-service can help IT departments become more efficient by acting as a one-stop-shop. Whether users need to log an incident, a request, a change, or find an answer to their query, they immediately know where they can quickly find help.

Self-service mainly focuses on common issues that can be resolved with a troubleshooting guide. They aren't rare use cases but are issues end-users experience day in and day out. Unlike IT phone support with wait times and drawn-out conversations, self-service provides the solution employees need at once, thereby drastically improving important metrics like the ticket resolution time, which can be observed across our charts.

Knowledge Base

It is necessary to have a well-designed and search-optimized knowledge base. With chatbots being heavily dependent on data, having a good knowledge base and sufficient solution articles can also aid your chatbot support strategy and cause a significant decrease in the resolution time of handling tickets.

With kbase   **Without kbase**

▼ 30%

Average Resolution Time (in hours)
27.48
39.30

There is a 30% decrease in average resolution time with kbase

▼ 2.3%

Average First Assign Time (in hours)
19.73
20.19

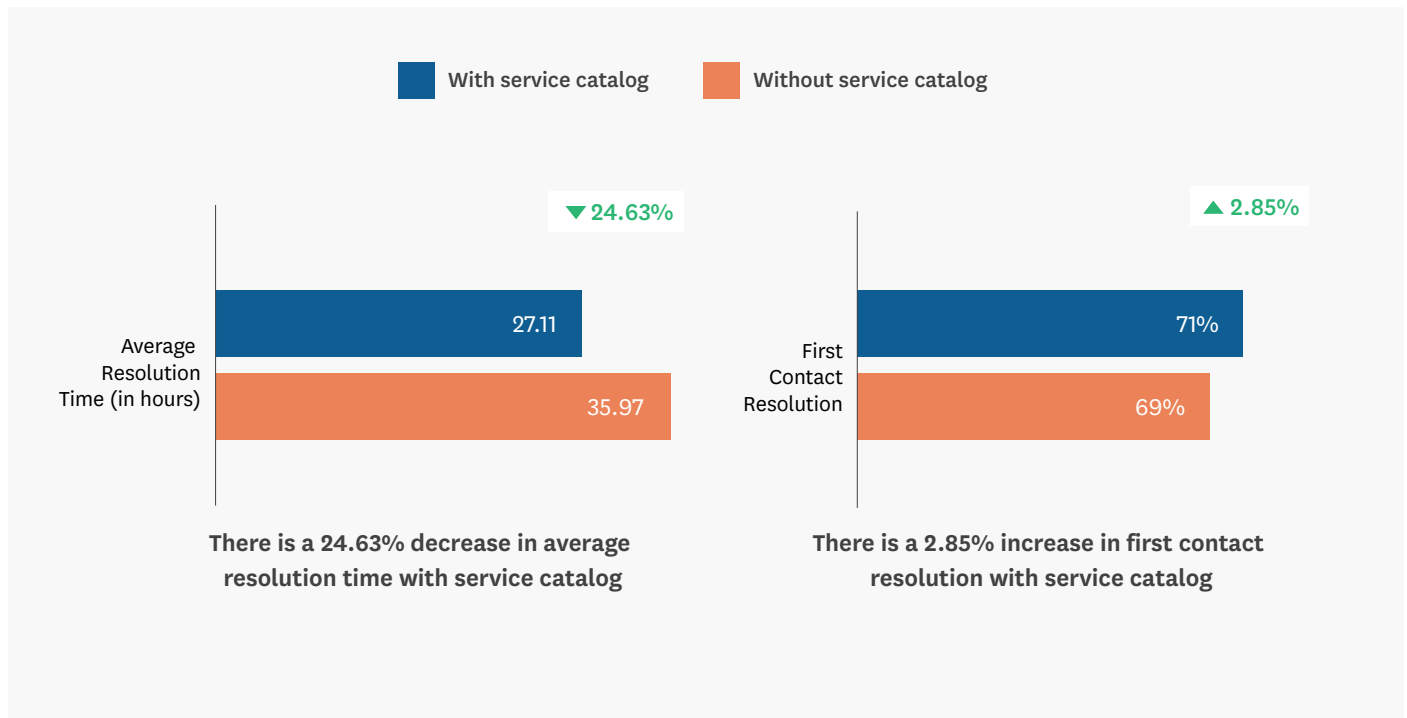There is a 2.3% decrease in average first assign time with kbase

Key Observations

- Organizations that have set up a knowledge base see a 30% reduction in average resolution time. This also implies that agents deal with a large volume of repetitive tickets.

- Organizations with optimal knowledge base articles, a balance between the volume of solution articles and relevance, see a higher resolution SLA% and first response SLA% up to 95%, easily surpassing the Freshservice benchmark.

Service Catalog

The IT service catalog provides an easy, one-stop-shop self-service opportunity for employees and end-users. It acts as a single source of accurate information on all IT services offered by an organization's IT department. When end-users raise requests through a service catalog, they tend to receive quicker resolutions.

With service catalog — **Without service catalog**

▼ 24.63%

Average Resolution Time (in hours)
- With service catalog: 27.11
- Without service catalog: 35.97

There is a 24.63% decrease in average resolution time with service catalog

▲ 2.85%

First Contact Resolution
- With service catalog: 71%
- Without service catalog: 69%

There is a 2.85% increase in first contact resolution with service catalog
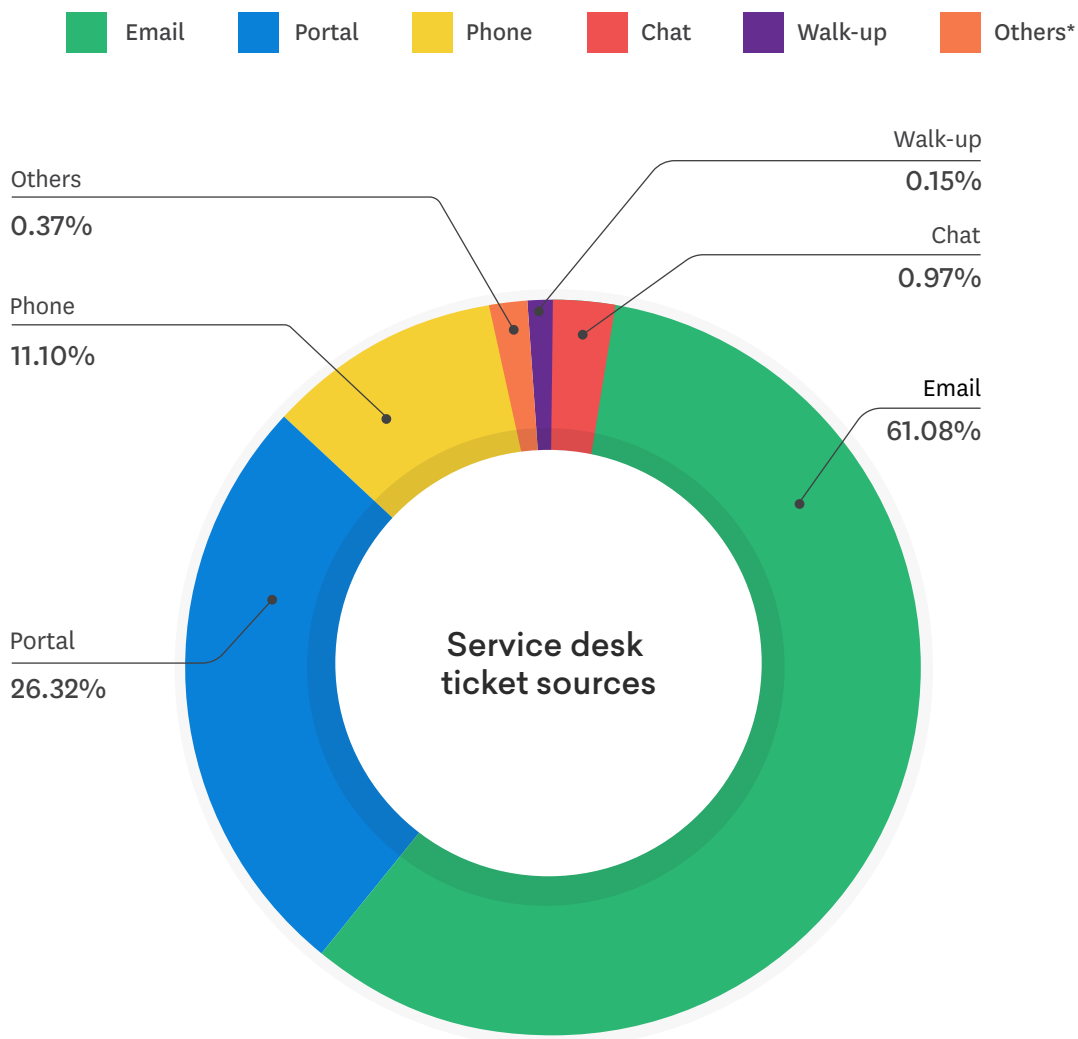
Key Observations

- Organizations that have adopted service catalog in their service management solution experience a 24.6% reduction in average resolution time.

- Organizations who have enabled a service catalog see a jump in their FCR rate to 71%, implying that when IT agents are good at handling repetitive issues over and over again, organizations have a high first call resolution rate on par with our benchmarked metric.

4.2 Service Management Scalability

While ITSM is designed to remove the roadblocks of managing internal systems, its real value lies in its ability to support the business goals. With the IT department working to help deliver business goals, there will be an opportunity to use new structures to scale up and develop new capabilities. As IT departments become faster at providing services using efficient tools, it frees up more time to spend refining existing services and introducing new customer-facing applications.

4.2.1 Multichannel Support and Ticket Sources

In the digital transformation era where businesses provide multiple channels to interact with their customers, employees expect a similar consumer-grade experience from their IT teams. They want to be engaged in their channels of choice. In this remote working world, employees will continue to use disparate channels such as email, phone, chat, etc. to reach their IT teams. Despite the disparate channels, employees want a consistent service experience irrespective of the channel. However, some channels fare better than others in employees' service experience.

*Includes feedback widget and apps like Amazon Web Services (AWS), PagerDuty, Yammer

Key Observations

Email is the most trustworthy channel for end-users

Despite the existence of self-service portals, email support seems to be the predominant channel of choice amongst end-users, with approximately 61% of incoming tickets being recorded through email support. End-users will choose to use the contact channel that's easiest for them and delivers the required solution based on their needs. If a quick resolution is needed, they tend to walk up to the IT department or use live chat. If there is no time to spend 10+ minutes on a phone call or walk-up conversations, then a 60-second email is probably preferred.

Usage of chat is increasing YoY

Chat is becoming an increasingly popular channel for end-users to reach out to, even though its share on the pie is lesser as compared to email, portal, or phone. Chat records the lowest first assign time and first response time (1.92 hours). We also notice that organizations in the software and education industries have a higher adoption rate for chat as a channel. Most users who reach out through chat are looking for immediate resolution. This is corroborated by the fact that chat as a channel sees the highest first contact resolution at 93% which is much higher than our benchmark.
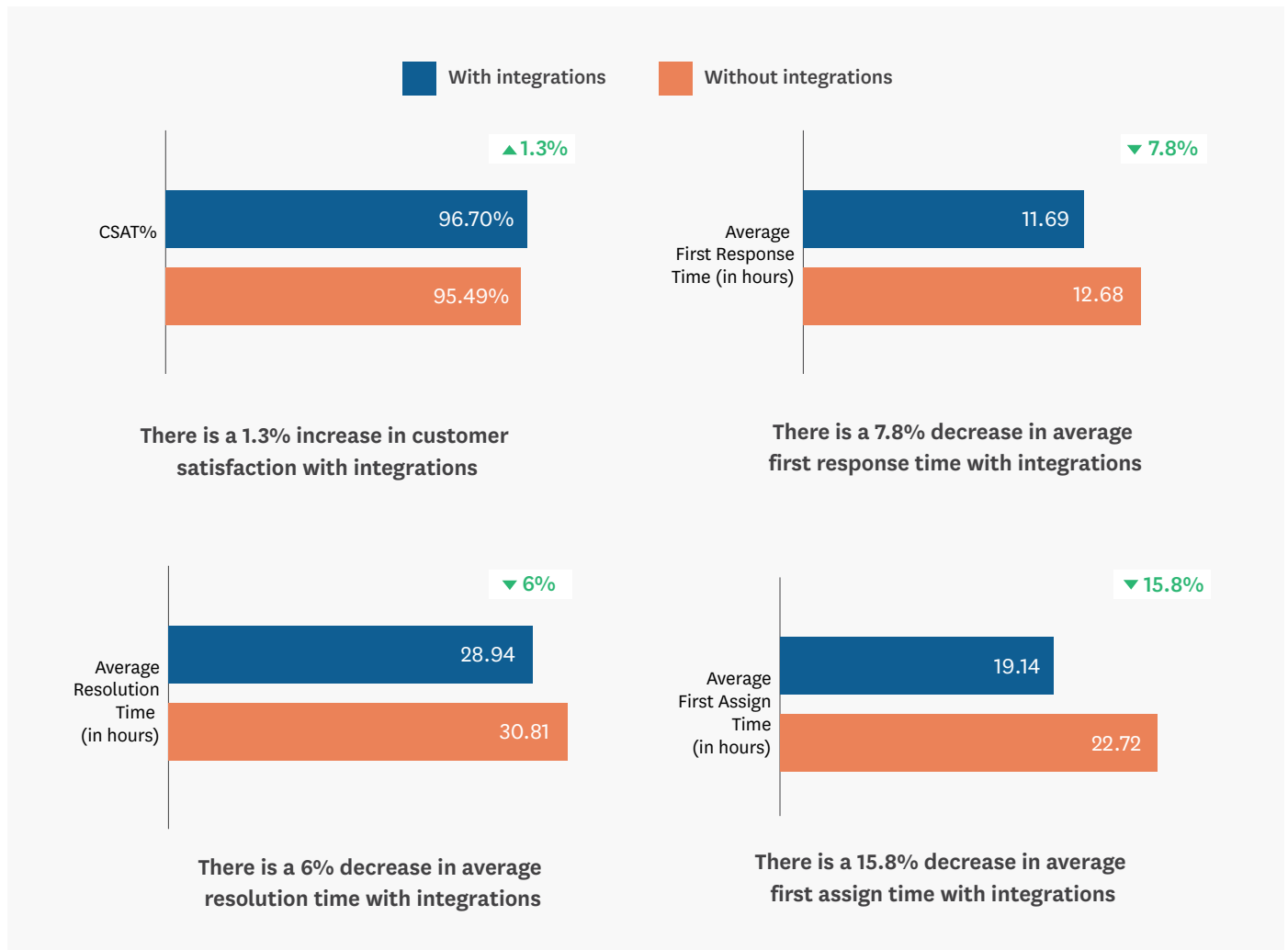
Walk-up usage is minimal despite it offering the best customer experience

Although end-users reaching out to IT support through the walk-up channel experience the least wait time, walk-up is harder to scale than the more modern, technology-enabled support channels—especially with the increased adoption of automation boosting agent productivity and remote work being a game-changer for all businesses.

4.2.2 Integrations

According to a study conducted by Gartner, CIOs will spend over $750M on unused features of ITSM tools. Hence, it is important to have a service management tool that is right-sized and allows the service desk team to extend their capabilities with rich integrations. Integrations allow for easy scalability and speed, and they have a direct impact on the KPIs.
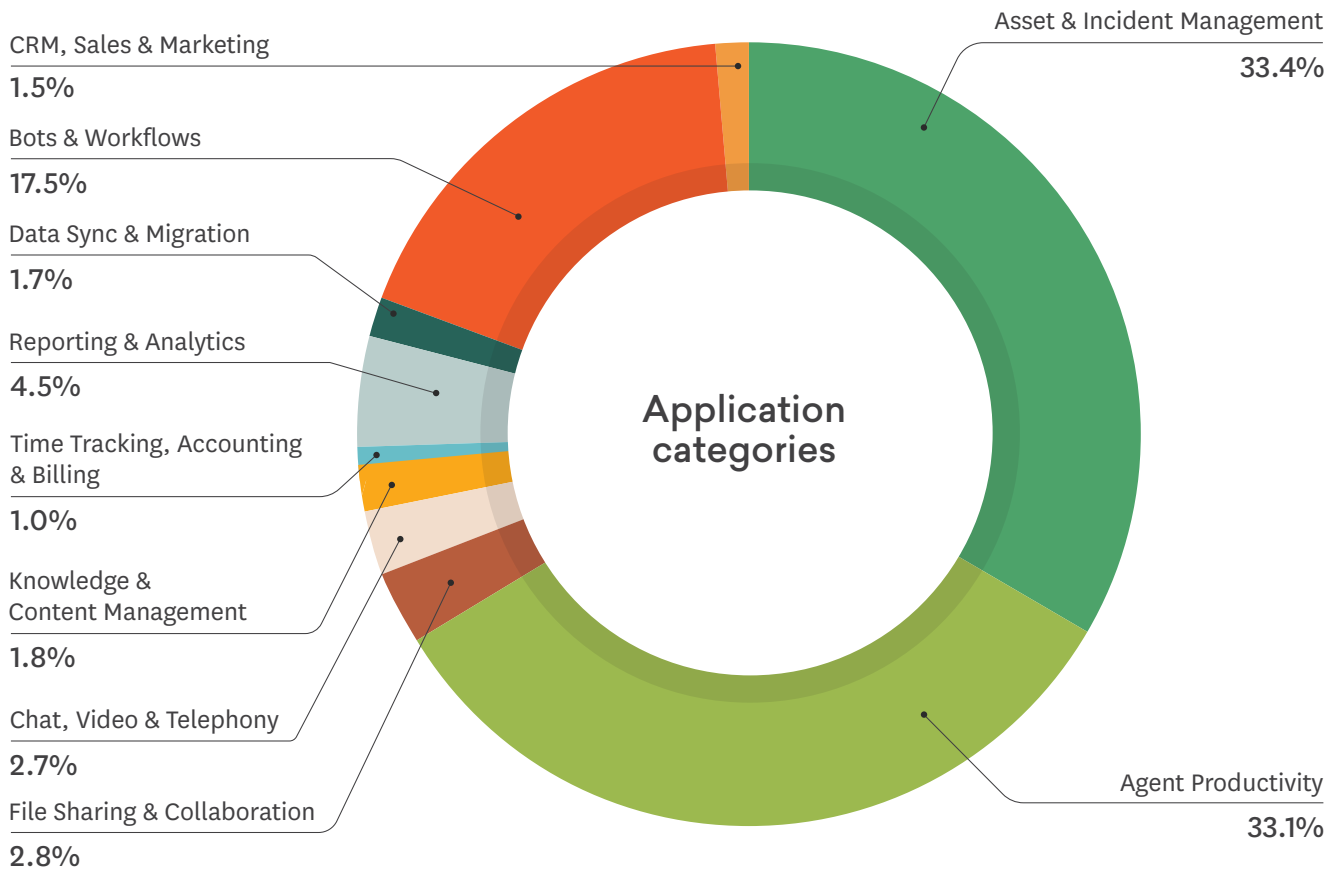

■ With integrations   ■ Without integrations

CSAT% ▲1.3%
With integrations: 96.70%
Without integrations: 95.49%

There is a 1.3% increase in customer satisfaction with integrations

Average First Response Time (in hours) ▼7.8%
With integrations: 11.69
Without integrations: 12.68

There is a 7.8% decrease in average first response time with integrations

Average Resolution Time (in hours) ▼6%
With integrations: 28.94
Without integrations: 30.81

There is a 6% decrease in average resolution time with integrations

Average First Assign Time (in hours) ▼15.8%
With integrations: 19.14
Without integrations: 22.72

There is a 15.8% decrease in average first assign time with integrations

Key Observations

- Organizations see an overall increase in customer satisfaction when they extend their capabilities through integrations with third-party applications.

- Organizations speed up their average ticket resolution by 2 hours when they extend their capabilities.

- Organizations with 1000+ employees that extend their capabilities see the maximum benefit and consistently surpass Freshservice benchmarking metrics in average first response time, average resolution time, and average first assign time.

Integration by Application Categories

The smooth connection between multiple tools in a marketplace is beneficial and vital for all organizations. Integrations with a third-party solution add additional functionality to an IT service desk without relying on internal deployment cycles and help scale quickly. In this section, we have considered applications across various categories to see how they have improved organizations' service desk experiences.

CRM, Sales & Marketing
1.5%

Bots & Workflows
17.5%

Data Sync & Migration
1.7%

Reporting & Analytics
4.5%

Time Tracking, Accounting & Billing
1.0%

Knowledge & Content Management
1.8%

Chat, Video & Telephony
2.7%

File Sharing & Collaboration
2.8%

Asset & Incident Management
33.4%

Application categories

Agent Productivity
33.1%

Key Observations

Leveraging the right tools to improve agent productivity

In 2020, we noticed a whopping 54% of applications integrated falling under the agent productivity category and showed a 110% increase in the total number of agent productivity applications downloaded, compared to 2019. This fact supports our previous observation that agents can provide quicker resolution and responses when integrations are enabled. We can confidently say that integrating your IT service management solution with leading applications not only boosts agent productivity but helps your IT team to quickly deliver services to end-users.

Connecting ITSM with ITAM and incident ticket integrations

Organizations benefit from these integrations by increasing visibility and control of their IT inventory, including hardware, software, and supporting servers, and coordinating their inventory with employee requirements. This is why nearly 33.4% of many third-party applications (such as Amazon Web Services, PagerDuty, CloudWatch) related to assets and incidents were integrated with their ITSM platform to streamline issue resolutions between multiple systems.
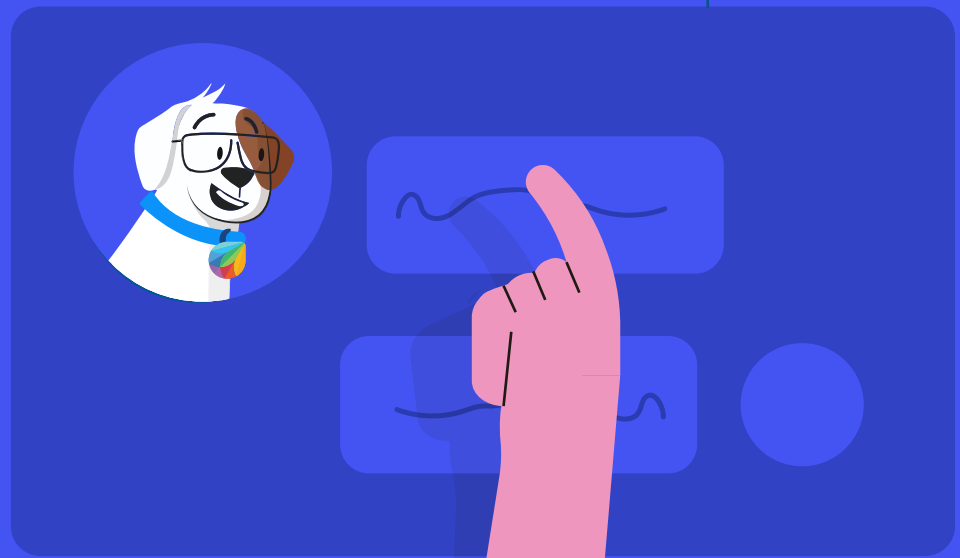
AI in ITSM

Hyper automation and AI-driven services see rapid growth and expansion in service management. In fact, according to Gartner[3], 'By 2025 more than 20% of all products and produce will first be touched by a human at the time of purchase'. As organizations automate more and more tasks, those tasks are being organized into an end-to-end process that is more efficient, reliable, and scalable.

Nearly 18% of integrations enabled belong to the category of bots and workflow applications. IT organizations that have been increasingly implementing service desk bots and workflows are a step ahead when it comes to automating technical processes, the impact of which can be observed with a 46.50% improvement in the average resolution time.

[3] https://www.gartner.com/en/webinars/3991832/the-gartner-2021-predictions-accelerate-results-beyond-rpa-to-hy

05

Future of Service Management

As organizations become more business and customer-centric, the role of technology in service management and technology leaders is redefined and transformed. Yet, the technology leaders are often asked to do more with less. It is here that leaders realize a need for a service management solution that is modern, scalable, and right-sized. In keeping pace with the needs of businesses and customers, service management tools continue to evolve towards:

Unified incident management

An integrated solution to manage incident, service, asset management, of an organization. In essence, the service management of the future breaks the silos between service and operations, and brings more transparency and seamless coordination. It would have IT operations, incident managers, change managers all in one place providing more context to their collaborations.

As service management solutions would be AIOps-enabled (Artificial Intelligence for IT Operations enabled), they could deliver uninterrupted digital services, manage SaaS provisioning, spend, and compliance. They could leverage machine learning (ML) to predict the demand for both services and capabilities.

Intelligent employee-experience

Service management solutions of the future will be geared towards providing a rich employee experience with an accurate self-service backed by AI, seamless transfer to agents, resolve services (or issues) in the collaboration tool of choice (Slack, MS Teams, etc.) with readily available suggestions through the knowledge base.

In addition, they would streamline and automate frequently repeatable processes end-to-end, and the service management tool will not just be IT specific but will extend across the enterprise to deliver employee delight.

It is important that leaders invest in a service management solution that combines these two features and allows leaders to scale up when necessary.

About Freshworks and Freshservice

Delight made easy with Freshworks

Headquartered in San Mateo, California, Freshworks is on a mission to make it fast and easy for businesses to delight their customers and employees. Freshworks provides businesses of all sizes with modern SaaS products - designed with the end user in mind. Freshworks' 3,000+ team members work in offices around the world.

Freshservice

Freshservice provides an intelligent, right-sized service management solution for modern businesses of all sizes.

Freshservice does this by taking a fresh approach to building and delivering modern employee experiences and unified service management —empowering businesses to achieve efficiency, fast time-to-value, and improved employee satisfaction and productivity.

For more information visit www.freshservice.com.

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