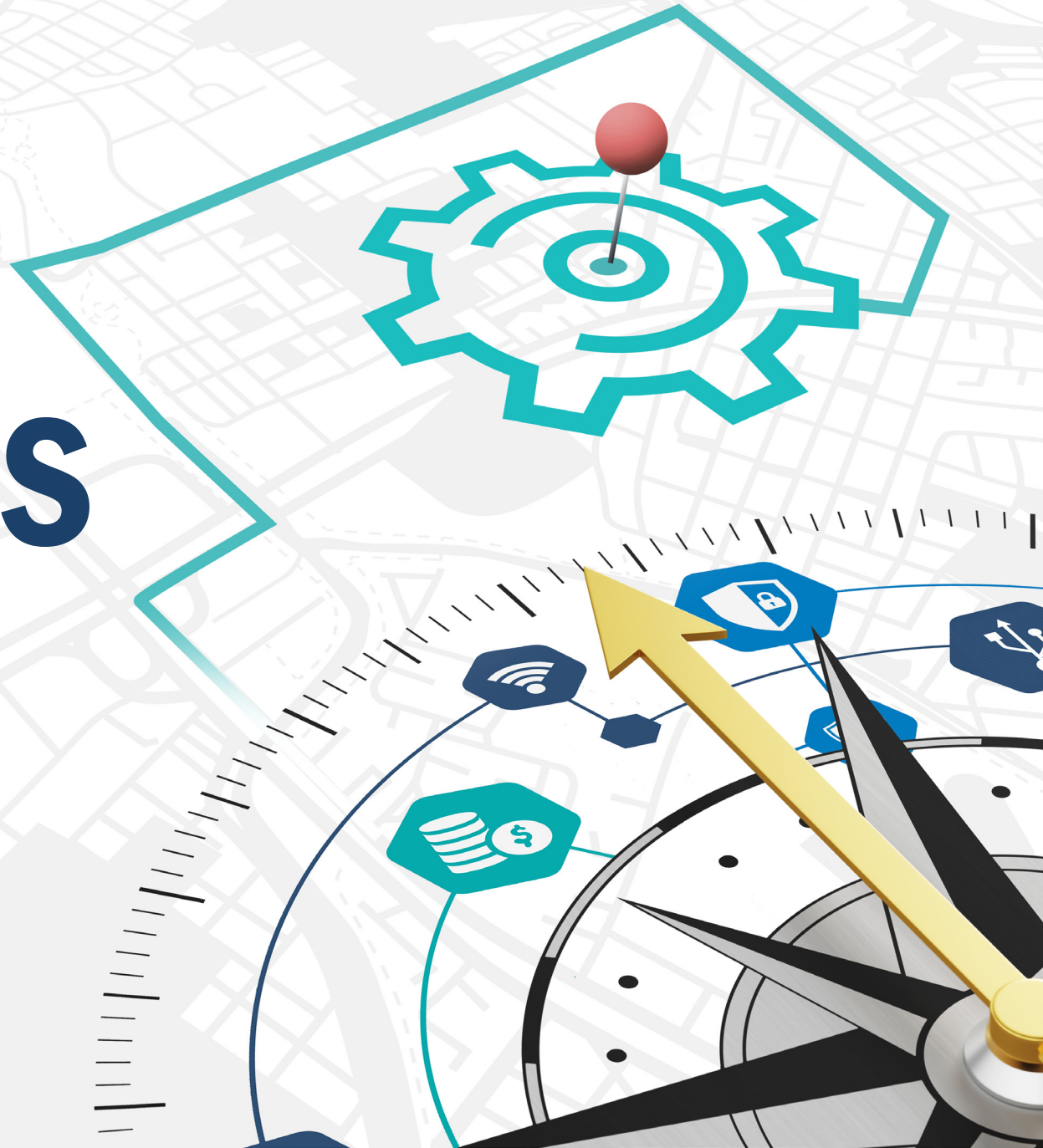


**RESOLVE** 

# THE **KPI** COMPASS

Navigating a Clear Path to  
IT Automation Success



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# Is Your IT Automation Pulling Its Weight?

IT automation has the power to help your entire organization work smarter, faster, and more efficiently. But that raises two questions: by how much, and is it enough to justify the cost?

That's where key performance indicators (KPIs) come in.

By tracking IT automation KPIs and sharing them with stakeholders, you can ensure your organization gets the most return on its investment while helping you foster a culture of innovation.

In this eBook, we'll explore how to implement and maximize IT automation KPIs so you can measure what matters.



# KPI 101

KPI.org defines KPIs (key performance indicators) as the critical indicators of progress toward an intended result. They provide focus for strategic and operational improvement, create an analytical basis for decision making, and help focus attention on what matters most. In short, they provide oversight, detail, and attention when and where it's required.

For example, if an HR team wants to improve employee onboarding, KPIs such as amount of time per ticket can help the HR team prioritize which automations to focus on. This, in turn, delivers on an important business outcome—employee satisfaction.

KPIs can be applied to almost any area of the business, including customer service, marketing, sales, operations, finance, and of course, IT.

While departments may track hundreds of metrics, when it comes to KPIs, what you measure matters. Even the largest organizations only focus on a handful of KPIs. The reason why is in the name: you want to measure the key metrics that most accurately reflect your primary goal. By focusing on a few KPIs, everyone involved can ensure their work is aligned around what is truly important to the business.





Effective KPIs should follow the SMART (specific, measurable, achievable, relevant, and time-bound) framework and include four elements: what is being measured, why it is being measured, how it is being calculated, and when it should be used. Articulating the What, Why, How, and When of your IT automation KPIs can help you define, build, and communicate the value of the KPI to the rest of your organization.

## Total Man Hours Saved

### What?

Total hours saved over X period of time by replacing human effort with automation.

### Why?

Measures the time saved, which can be quantified into a dollar amount as determined by salary costs, HR time, human infrastructure, management time, etc.

### How?

Track the time it takes to complete the process manually, and then compare it to post-automation. Multiply that time by the volume of processes executed by the automation.

### When?

Measure the productivity gains of specific automations, such as health checks, preventative maintenance, incident resolution, and service requests, in order to judge the impact of IT automation as a whole and for specific use cases.

# 4 Steps to Building Automation KPIs

Automation KPIs can play a critical role in improving both IT and business operations. For example, a service desk can use automation KPIs to reduce service desk ticket volume, while the C-suite might use automation KPIs to focus future technology investments on reducing costs. Let's look at four reasons why defining the right automation KPIs can make all the difference.





## Step 1: Determine what moves the needle for your business

While every business wants to be driven by data, not all data is created equal. By defining the right automation KPIs, you can help cut through the clutter by determining what truly matters for your business when managing IT automation. These KPIs will provide context to the user and their specific role or team to help them focus on the aspects of their work that provide the biggest impact on the overall goals of your business.

When determining KPIs, look at both quantitative and qualitative metrics. Quantitative, such as hard metrics like cost savings, ticket times, uptime, availability, service requests, completions, and resource hours, are typically straightforward to measure. By analyzing these metrics, you can identify areas for improvement and track tangible progress.

Qualitative, or soft metrics, can be more difficult to measure, as they may involve non-linear, non-measurable, or descriptive data points. Examples of soft metrics include cost avoidance, ticket avoidance, customer satisfaction, and employee satisfaction. While they may be harder to quantify, these metrics are crucial for understanding the true business value of your automation efforts, along with their impact on things like employee well-being and the effectiveness of self-service initiatives.



## Step 2: Measure the progress being made toward reaching business goals

The right automation KPI can help you understand your overall performance and identify trends so you can make any adjustments you need to better reach your goals. This starts with establishing a baseline that you'll use to determine progress.

In addition to helping you determine your progress impacting the improvements you hope to drive with automation, your baseline can also help you uncover what you should automate. By its nature, the initial data point will indicate the type of automation that you should incorporate now and in the future to drive that improvement.

Choose a reasonable starting point to determine where you are today. For an IT automation initiative like reducing mean time to resolution (MTTR), this can be as simple as running a report that shows your current MTTR. To measure something more complicated like total cost savings, you may have to calculate the number of resources currently used, the number of hours spent to manage them, and the dollar value of both the process and what the process impacts. Depending on where you are in your IT automation journey, some KPIs may make more sense to track than others; make sure you pick a baseline that reflects your current reality.





## Step 3: Define success from different perspectives

While the overall business may have a singular definition of success, various stakeholders within the same organization will define success in different ways, which means they may leverage different KPIs.

Keep in mind that organizations adopt automation for three reasons: to save time, reduce costs, or improve quality. Understanding whether an automation initiative is meeting the goal of the stakeholder depends on creating KPIs that make it easier for them to measure success as they define it. For example, the service desk team might be focused on saving themselves time by automating rote requests like password changes, allowing them to focus on more difficult tasks. However, the C-suite might be more concerned about how to reduce costs by helping their team do more with less.

As you can see, it's the same outcome—service desk efficiency—that defines success in two different ways. Give each stakeholder KPIs that are tailored to their specific goal so they can understand how IT automation usage reflects their objective.

## Step 4: Communicate appropriately to the right audience

Automation KPIs can help you build the business case for scaling out automation, garner cross-functional support from other teams, secure funding, promote the success of your automation efforts, and evaluate where to focus your automation efforts next.

By cutting down information overload, providing qualitative and quantitative insight, and converting massive amounts of data into manageable metrics, you'll be able to help stakeholders leverage critical insights faster so your team can make data-driven decisions about your IT automation strategies and tactics. It can also help you, for example, show service desk practitioners that consolidation or reduced repetition are a benefit. So, automation isn't a bid to replace their jobs but rather an effort to free their time so they can focus on work that provides more value and substance.

Additionally, automation is a key component in democratizing IT. If you can expose automation capabilities to put them in the hands of other people (non-developers), you're reinforcing that culture of automation, empowering people, and implicitly driving employee satisfaction.

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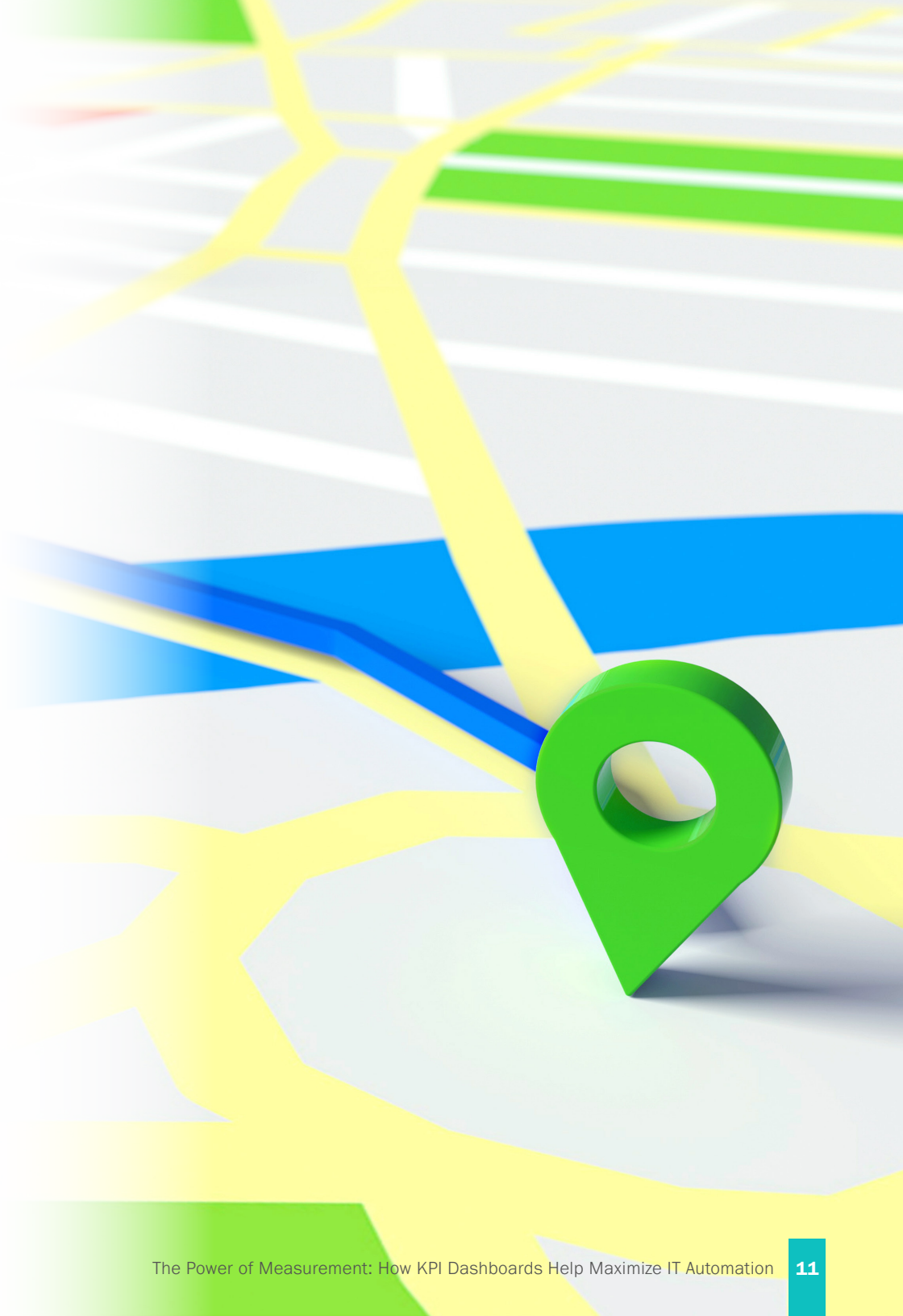


## Your Starting Point: Key IT Automation KPIs












With so much data at your disposal, how are you supposed to choose just a few IT automation KPIs? The first thing to do is forget about KPIs for a minute and get clear on your business goals and objectives.

Every IT organization is at a different place in terms of its size, resources, staffing, technology maturity, and senior leadership buy-in, which means that there is no single KPI that is used for all IT automation initiatives. Determine the goal that is important to you based on where you are now; gaining additional funding, cutting costs, improving service, and reducing escalations are just a few of the goals you might consider.







IT automation KPIs can be used to measure both operational and strategic objectives. Both types of KPIs are valuable for tracking progress, identifying potential automation targets, and addressing recurring issues. Here's a list of potential IT automation KPIs to consider monitoring, depending on the needs and goals of your business.



## Operational KPIs

-  Total hours saved over X time
-  Total costs saved over X time
-  Mean time to resolution
-  App and infrastructure availability
-  Cost per ticket
-  Escalation rate
-  Incidents processed by automation
-  Service requests processed by automation
-  Ticket duration
-  Time to implement new services
-  Call volume over X time

## Strategic KPIs

-  Infrastructure under management per person
-  Cost avoidance
-  Ticket avoidance
-  Customer satisfaction
-  Employee satisfaction
-  Impact on innovation



Let's look at two examples of common KPIs to give you inspiration for creating your own KPIs:

## 1 Operational KPI: Automation Health

Automation health KPIs can help you determine the productivity of your automation ecosystem. Useful automation health KPIs to monitor include:

- ✓ Total automations executed in **X** amount of time
- ✓ Total automations built in **X** amount of time
- ✓ Total automations available over **X** amount of time
- ✓ Total number of automations requested, built, and completed
- ✓ Successful versus failed automation executions

## Strategic KPI: Total Cost Savings

While total cost savings can be difficult to calculate, it can go a long way in helping you build the business case for securing more resources or for proposing new automations. Here is a sample formula for determining cost savings:

$$\text{Total Cost Savings} = ((\text{NR}(\text{TR} * \text{HS})) * \text{F}) + (\text{CA} * \text{V}) + (\text{IS} * \text{V})$$

Let's break that down so you can understand how the formula works:

$((\text{NR}(\text{TR} * \text{HS})) * \text{F})$ : This is the number of resources (NR) multiplied by the types of resources (TR) and the hours saved (HS), then multiplied by how frequently (F) it occurs.

$(\text{CA} * \text{V})$ : Next, we multiply the cost avoidance (CA) and the volume (V).

$(\text{IS} * \text{V})$ : Finally, we multiply infrastructure savings (IS) by the volume.

By adding together time savings, cost avoidance, and infrastructure savings, this formula tells you the total cost savings you were able to achieved.



# Bringing It All Together in an IT Automation KPI Dashboard

Choosing the right KPI is only half the job. The other half is making the KPI accessible to the right people at the right time. That's where your IT automation KPI dashboard comes in.

Unlike an emailed report, a dashboard allows users to access real-time data so stakeholders can track progress towards your IT automation goals in the moment. Dashboards also provide a centralized, accessible single source of truth that all stakeholders can leverage for collaboration, ensuring everyone is rowing the boat in the same direction.

By bringing all your IT automation KPIs together in one place, stakeholders can use your KPIs to quickly gain visibility into the performance of your automation initiatives. This helps people use the data to make decisions about how to invest money, alleviate bottlenecks, and optimize performance.



Dashboards also help enforce accountability by making KPIs as equally accessible to the CIO as they are to frontline staff. This ensures that KPIs are used as a guidepost for all stakeholders when deciding how to leverage IT automation.



# IT Automation KPI Dashboards in Action

A real-time business dashboard allows IT to speak the business language and measure similar outcomes. In this example, the dashboard shows stakeholders how the number of automations executed over time translates into business outcomes.

Using this dashboard, the IT team can easily demonstrate the value of automation to senior leaders and the rest of the organization, helping to secure budgets and build a culture of automation. In addition to having a better understanding of how automation is contributing to operations today, the incident management volume chart can help identify which issues tend to require escalation, which may help uncover future opportunities for automation.

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# How to Avoid Falling Into the Vanity KPIs Trap

Whether you're just starting your IT automation journey or already utilizing automation throughout your IT operations, here are a few best practices to help you maximize your use of KPIs.



## 1. Know your audience.

Not every KPI has to work for every audience. For example, a KPI designed to help make a business case may focus on cost savings, while one focused on streamlining operations could focus on hours saved. As you can see, both would pull from the same data—how much work the automation takes on—but interpret it to meet the needs of the user. Make sure the KPI gives the specific user the information they need to do their job.



## 2. Not sure? Think like your customer.

Put yourself in an outsider's shoes by asking yourself, "What would make me want to choose this organization?" By thinking like the customer, you're more likely to choose a KPI that translates into bottom line results, which help your IT automation initiatives secure funding and support from senior leadership.



## 3. Still not sure? Start with response time.

Your response time is a broad KPI that impacts everything from IT efficiency to customer and employee satisfaction. This can help you measure the overall impact of your IT automation efforts as you work to implement more specific KPIs as needed.



## 4. Beware of metric manipulation.

Watch out for people changing their behavior to hit a KPI instead of achieving your desired goal. For example, if you establish a ticket duration KPI, this can incentivize using automation to close tickets too quickly instead of reaching full resolution. This would lead to more repeat incidents, lower employee satisfaction, and less productivity, even though according to your KPI you're making progress.

# Take Your IT Automation to the Next Level with Resolve Actions and the Built-In ROI Dashboard

As one of the leading IT automation platforms on the market, Resolve delivers everything you need to achieve IT automation at scale. With the Resolve Actions ROI Dashboard, you can drive business outcomes by leveraging clear automation KPIs that are tracked in real time.

The dashboard comes with out-of-the-box metrics that help you begin tracking KPIs within minutes, including:

**Cost savings:**  
Quantify automation impact with cost savings and top cost-saving automation workflows.

**Time savings:**  
Report on time savings achieved by automation with the ability to drill down into the most effective workflows.

**Top cost-saving workflows:**  
Drill down into specifics with an interactive dashboard.

**Trends:**  
Gain insights on top savings and execution trends on key KPIs recorded.





## About Resolve

Resolve Systems helps enterprise technology teams worldwide achieve agile, autonomous operations with an industry-leading intelligent IT automation platform and a discovery and dependency mapping solution. With more than a decade of automation expertise, Resolve's solutions are purpose-built to address challenges posed by increasing IT complexity. Resolve enables organizations to maximize operational efficiency, overcome labor shortages, reduce costs, quickly troubleshoot and fix problems, and accelerate service delivery. Resolve is majority-owned by Insight Partners, a leading global venture capital and private equity firm investing in high-growth technology and software companies.

**Interested in seeing the value an automation KPI dashboard can bring to your organization?**

**[Request a Demo](#) to see the Resolve Actions ROI Dashboard in action.**