



ANNUAL REPORT - 2022

# Freshservice Service Management Benchmark Report



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CHAPTER ONE

# Executive summary

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Organizations are increasingly leveraging technology to meaningfully differentiate and transform employee engagement and experience. In today's dynamic and digital-first business environment, IT is expected to not just 'keep the lights on', but also deliver to business expectations and enable business growth.

As IT leaders lead the digitization effort and embrace the 'anywhere operations' model, they have come to rely on service management solutions that are intelligent, foster collaboration, are scalable, make it fast and easy to implement, and delight employees. In addition, the leaders constantly look for ways to show business value, as they are often asked to do more with less. The need to measure the performance of an IT organization using a set of quantifiable and measurable metrics becomes an essential step to achieving aspiration goals.

**"The fundamentals of IT service management is continuous improvement. Organizations should continuously evaluate as they take a baseline of existing standards to bridge the gap between current processes and aspirational goals. IT teams need to draw up actionable plans to assess processes that need to be tweaked and drive initiatives to reach those aspirational goals for their service desk"**



**Prasad Ramakrishnan**  
CIO of Freshworks

It is with that mindset, the Freshservice Benchmark Report (FBR) is launched. The objective of the FBR is to create a benchmark index for key performance indicators (KPIs) and encourage organizations to measure their KPIs and benchmark against this index. In doing so, IT leaders can act on what levers to pull to improve agent and employee productivity, show value to the business, and ultimately deliver a delightful experience to employees and customers.

The FBR 2022 is the second edition of Freshworks's annual Freshservice Benchmark Report. There are three (3) broad themes that emerge in this edition, themes that are consistent with the market outlook.

## **These themes are:**

- 1) Employee experience and engagement**
- 2) Automation and AI in service management**
- 3) Unified service experiences**

The FBR 2022 anonymously aggregated data from 86 countries, 4200+ organizations of all sizes, and over 62M+ unique tickets for the period between January and December 2021. The data set is discussed in section 2 of the report.

The report defines the seven (7) KPIs important for service management solutions. These KPIs are further analyzed by industry, geography, and organization sizes.

The report draws insights across capabilities and features that elevate IT service management (ITSM), and strategic project management. In section 5, the FBR 2022 focuses specifically on accelerating ITSM and discusses how individual capabilities of service management tools measure against the Freshservice Benchmark and how they could drive employee experience, agent productivity, service delivery, and scalability. Finally, in section 6, the report explores the impact of contextual collaborations.

Towards the end, the FBR 2022 provides a glimpse into the future of modern service management in section 7.

# 1.1 Key takeaways from the FBR 2022

## 1 Employee engagement

Chatbots and/or virtual agents not just resolve tickets and incidents faster and easier, but also delight employees. While employees use a variety of channels to raise a ticket, employees who prefer to use chat (virtual agents and/or chatbots) get their tickets resolved faster beating our benchmark by 60%, resolving with a resolution SLA% at 100%, and delivering a 100% CSAT.

## 2 Service desk scalability

Organizations that enabled bots, deflect as much as ~59% of tickets. Deflection not just reduces the total volume of tickets, but allows IT leaders to scale their service desk to embrace the 'anywhere operations' model. Ticket deflections allow agents to channel their time and effort into critical IT and business operations.

## 3 Agent productivity

Powerful automations not just eliminate manual tasks but improve agent productivity, and reduce manual errors. Organizations that have automated benefitted in reducing the resolution time by 22%. Importantly, these organizations also experienced an improvement in their first contact resolution by close to 9%, thus eliminating the need to re-open the ticket.

## 4 AI in ITSM

An intuitive ITSM tool helps organizations prioritize critical tasks. Machine Learning (ML) based intelligent field suggesters employ predictive intelligence based on historical data to help agents respond, assign, and resolve faster by almost 15%, 12%, and 5% respectively.

## 5 Context-based collaboration

The collaborative nature of projects makes context a key requirement. With context-based collaboration, average resolution time drops by 8%, and first contact resolution improves by over 7%. However, what is important is that with context-based collaboration, leaders have an end-to-end view of a ticket raised because of the project and any subsequent changes made during the course of the project.

CHAPTER TWO

# Data set and methodology

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The Freshservice Service Management Benchmark Report 2022 (FBR 2022) collected data from over 62M+ unique tickets and 4251 organizations of all sizes across 86 countries. These 62M+ tickets are from the past calendar year (January to December 2021). The data set was chosen to create enough representation across industry, region, and organization size, and importantly, maintain the anonymity of the data.

## Based on data from



**86** Countries



**4251** Organizations



**62M+** Tickets

CHAPTER THREE

# Key performance indicators (KPIs) of service management

The FBR 2022 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.

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 2022 calculated the Freshservice Benchmark for these 7 KPIs taking the median across industries, regions, and organizations to create a composite index.

#	Metrics (KPIs)	Definition	Freshservice Benchmark 2022	Comment
1	Customer Satisfaction (CSAT)	An assessment of how satisfied customers are with the quality of IT services provided.	<b>96.90%</b>	Higher the better
2	Average First Response Time*	The time taken for an agent to provide an initial response after a customer reports an incident or requests a service.	<b>10.15 hours</b>	Lower the better
3	Average Resolution Time*	The time taken by the service desk team to completely resolve end-user requests and/or issues.	<b>22.56 hours</b>	Lower the better
4	Average First Assign Time*	Also known as in-queue time, this is the time taken for incoming tickets to be assigned to an agent or a group after its initial creation.	<b>13.32 hours</b>	Lower the better
5	First Contact Resolution	The percentage of incoming tickets that are resolved within the first interaction with the end-user.	<b>70%</b>	Higher the better
6	Resolution SLA Percent	The percentage of all tickets that have been resolved within the service level agreement.	<b>94%</b>	Higher the better
7	First Response SLA Percent	The percentage of tickets for which agents have initiated a first response within the service level agreement.	<b>93%</b>	Higher the better

\*All times are in business hours except for the average first assign time which is in calendar hours. Average first assign time is calculated based on the difference between the time a ticket was created and the time it first was assigned to an agent/group.

CHAPTER FOUR

# Freshservice global benchmark

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## 4.1 Benchmark by industries

The FBR 2022 analyzed the data across 14 industries to draw insights and understand how industries compare against each other. Here are the key metrics discussed above, broken down by industry.

**Table 2: Freshservice Benchmark by industries**

Industry categories	CSAT%	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
<b>Freshservice Benchmark</b>	<b>96.90</b>	<b>10.15</b>	<b>22.56</b>	<b>13.32</b>	<b>70</b>	<b>94</b>	<b>93</b>
Business Services	97.08	9.00	19.66	12.63	70	95	93
Construction and Real Estate	97.83	8.95	18.49	11.40	70	95	94
Consumer Products and Services	97.16	8.23	25.07	17.03	67	96	94
Education	96.81	10.30	27.02	15.12	66	93	93
Energy	96.20	11.18	21.46	6.28	72	98	96
Financial Services	97.23	9.20	19.31	11.32	73	94	92
Government and Non-Profit	97.17	11.88	24.14	15.84	67	95	94
Healthcare	96.47	12.16	24.89	17.93	71	94	93
Leisure and Hospitality	98.01	10.52	27.32	12.80	70	95	95
Logistics and Transportation	95.45	9.80	22.31	13.51	71	95	94
Manufacturing	96.14	11.46	24.61	14.06	70	94	92
Media and Internet	97.13	10.54	21.01	13.82	71	94	93
Retail and E-Commerce	97.05	10.67	25.87	12.98	73	95	93
Software	96.40	9.68	20.99	12.32	72	94	93

■ HIGHEST      ■ LOWEST



## Key observations



### **Construction and Real Estate is the quickest to resolve customer queries**

Organizations conducting business in property development and/or building infrastructure have the lowest average resolution time at 18.49 hours, surpassing the Freshservice benchmark.



### **Consumer Products and Services prioritize first responses to customers**

Most end-users expect the first response in less than 24 hours. Organizations in the Consumer Products and Services industry top the list, initiating the first response within 8.23 hours, recording their average first response time (FRT) better than our benchmark of 10.15 hours.



### **Leisure and Hospitality have the happiest customers**

Organizations in the business of hotels, tourism, and leisure have the highest customer satisfaction rating at 98.01%, higher than our benchmark. However, it is interesting to note that these organizations also take the longest time to resolve issues, with their average resolution time at 27.32 hours. Despite long hours taken to resolve queries, they keep up their SLAs, are quick to initiate first responses, and resolve tickets in the first contact - all of which reflects positively on their CSAT metrics.



### **Financial Services have efficient service delivery processes**

The Financial Services industry tops our list for having an efficient service management system in place which has a positive impact across almost all of its key performance indicators (KPIs), which are recorded at numbers surpassing the Freshservice benchmark.



### **Energy is quick to assign tickets and delivers on its service level agreements**

The Energy sector has the lowest in-queue time for tickets at 6.28 hours, almost 7 hours lesser than our benchmark. This also trickles into the resolution and first response SLA% which is the highest at 98% and 96% respectively.



### **Retail and E-commerce customers get their issues resolved in the first interaction**


Retail and E-commerce have the highest first contact resolution at 73%, the impact of which can be seen in a higher customer satisfaction score above 97%.

## 4.2 Benchmark by regions

With organizations operating remotely across the globe and serving customers internationally, tracking metrics can become slightly complicated. Organizations and end-users 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 leaders with broad-based benchmarks of performance across their offices globally.

**Table 3: Freshservice Benchmark by regions**

Regions	CSAT%	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
<b>Freshservice Benchmark</b>	<b>96.90</b>	<b>10.15</b>	<b>22.56</b>	<b>13.32</b>	<b>70</b>	<b>94</b>	<b>93</b>
Asia-Pacific	92.47	8.35	16.88	8.68	78	95	93
Australia and New Zealand	97.05	12.59	23.79	17.56	74	94	94
Europe	95.45	11.00	22.92	17.87	70	95	95
Latin America	94.46	7.60	15.16	8.24	78	94	92
Middle East and Africa	94.05	9.94	17.48	9.32	79	93	92
North America	97.92	9.58	24.27	11.75	68	94	92

 HIGHEST  LOWEST



## Key observations

- **North America has the highest customer satisfaction rating** at 97.92%. However, it takes multiple interactions with customers in this region to get their queries resolved which has an impact on the average resolution time, recording the longest at 24.27 hours.
- **Europe takes the longest time to resolve IT requests** as its average resolution is the highest at 17.87 hours. However, organizations in Europe ensure that they meet their service commitments to customers and have the highest resolution SLA percent and first response SLA percent at 95%.
- **Middle East and Africa ensure that customers receive a satisfactory resolution in the first interaction**, with a high first contact resolution (FCR) at 79%, surpassing our benchmark of 70%.
- Organizations in the **Asia-Pacific region have the lowest customer satisfaction** rating compared to other regions. However, the Asia-Pacific region is a high performer across all other key performance indicators (KPIs) surpassing our benchmark and having the highest resolution SLA percent at 95%.
- **It takes on average, 12.59 hours for Australia and New Zealand to provide the first response** indicating a longer wait time for customers to hear back from their IT support teams.
- **Latin America is the quickest to assign tickets and respond to customer issues** within 8.24 hours and 7.60 hours respectively. Organizations in the Latin American region also have a high FCR at 78%, ensuring customers receive a resolution in the first interaction, bringing down their resolution time to 15.16 hours, surpassing all other regions and our benchmark.

**Table 4: Freshservice Benchmark by countries**

Countries	CSAT%	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
<b>Freshservice Benchmark</b>	<b>96.90</b>	<b>10.15</b>	<b>22.56</b>	<b>13.32</b>	<b>70</b>	<b>94</b>	<b>93</b>
Australia	97.02	11.97	23.67	16.82	74	94	93
Belgium	92.90	15.33	28.57	25.16	69	98	97
Brazil	94.00	8.45	18.11	16.19	80	93	91
Canada	98.11	9.43	23.94	9.63	67	93	91
Denmark	94.02	12.75	18.41	15.80	74	97	96
France	93.55	13.08	24.17	30.16	73	96	94
Germany	95.80	14.49	27.41	21.88	78	96	95
India	88.46	7.13	14.42	5.91	77	95	92
Israel	98.35	13.35	23.10	14.06	70	95	94
Italy	93.63	12.92	36.89	18.43	69	90	87
Mexico	94.96	6.44	10.93	4.15	77	96	95
Netherlands	90.05	14.01	25.65	18.95	75	97	97
New Zealand	97.52	13.18	21.80	23.78	76	97	96
South Africa	95.74	7.50	15.22	5.43	75	93	92
Spain	94.14	8.57	19.08	8.34	73	97	97
Sweden	95.59	9.87	24.44	16.41	65	94	93
Switzerland	95.54	14.38	32.02	20.37	72	95	95
United Arab Emirates	90.86	11.32	19.78	10.62	81	92	90
United Kingdom	96.32	9.58	20.06	14.66	66	95	94
United States	97.90	9.53	24.16	11.96	68	94	92

 HIGHEST  LOWEST



## Key observations



### Belgium is slow to respond to issues

On average, it takes 15.33 hours for agents to respond to customers in Belgium after raising an IT request and 28.57 hours for customers to receive a complete and satisfactory resolution. However, it is interesting to note that Belgium tops the list of countries that has the highest resolution SLA percent and first response SLA percent at 98% and 97% respectively. Organizations and industries in Belgium seem to be delivering on their SLAs to end-users despite longer wait times.



### Israel leads in customer satisfaction

The average CSAT for Israel stands at 98.35%, recording the highest rating amongst all countries while surpassing the Freshservice benchmark. Israel does take a longer time to respond and resolve customer issues but is on par with our benchmark for resolving queries in the first contact and maintaining a higher resolution SLA percent and first response SLA percent at 95% and 94% respectively.



### Mexico provides the quickest responses and resolution

Mexico takes about 4.15 hours on average to assign an incoming ticket, initiates the first response within 6.44 hours, and takes 10.93 hours on average to resolve tickets - all surpassing the benchmark metrics.



### Italy takes the longest time to provide a resolution

In Italy, it takes about 36.89 hours on average for agents to resolve an IT request. Italy also scores the lowest in resolution and response SLA percent, indicating breaches in the service level agreements (SLAs).



### France takes the longest time to start working on tickets

On average, it takes 30.16 hours for a service desk in France to assign an incoming ticket to agent(s)/group(s). Despite a high first assign time, France delivers on its service level agreements (SLAs), surpassing our benchmark.



### India lags in customer satisfaction

India records the lowest CSAT at an average of 88.46%. Despite a lower CSAT rating, India is one of the quickest to assign tickets within 5.91 hours, provides the first response within 7.13 hours, and has a high FCR at 77%, all metrics surpassing the Freshservice benchmark.



### The United Arab Emirates leads in providing accurate resolutions

The United Arab Emirates ensures that end-users receive resolutions in the first interaction with a service desk and records the highest first contact resolution at 81%, surpassing our benchmark of 70%.

## 4.3 Benchmark by company size

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 to business success.

**Table 5: Freshservice Benchmark by company size**

Employee size	CSAT%	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
<b>Freshservice Benchmark</b>	<b>96.90</b>	<b>10.15</b>	<b>22.56</b>	<b>13.32</b>	<b>70</b>	<b>94</b>	<b>93</b>
< 250 employees	97.92	9.26	21.90	12.10	70	94	93
251 to 500 employees	97.29	9.64	20.94	12.26	68	94	93
501 to 1000 employees	95.97	10.63	24.00	13.96	70	95	94
> 1000 employees	94.81	11.65	23.75	16.43	73	94	93

■ HIGHEST    ■ LOWEST

### Key observations

- Small and medium businesses (< 250 employees), are better at delivering delightful customer service as they have a high CSAT score of 97.92% and are quick to respond to issues while keeping up their SLAs.
- When the employee count surpasses 500, service starts to drop. It takes long hours to assign tickets and resolve issues, consequently impacting average CSAT. It is here that such organizations (size 500+) need an ITSM tool that is modern and offers them intuitive and extendable capabilities such as self-service, bots, orchestration and marketplace apps for integration.
- Large businesses (> 1000 employees) are keen on providing a resolution in the first interaction with a customer. They also keep up their service commitments and are on par with our benchmark.

CHAPTER FIVE

# Accelerate IT service management

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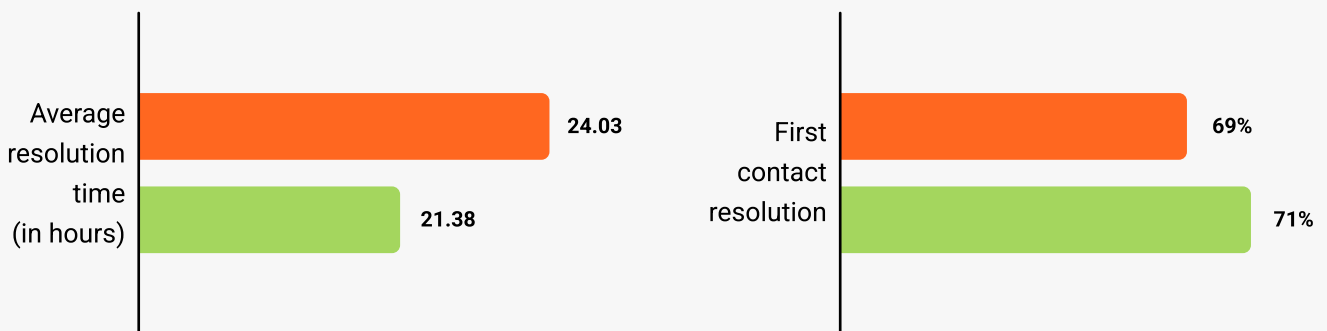
# 5.1 Employee experience

The workforce of today is distributed across the globe. Employees work from home, or from the office depending on their convenience and preference. With the pandemic and The Great Resignation upon us, it is important for organizations to deliver a delightful experience to their employees from day one. Employees are onboarded and offboarded virtually. While the future of work (hybrid, remote, back to office) is changing as we see it, it is critical to ensure that employees have a seamless experience irrespective of their roles, and locations.

Today's digital-first workforce expects fast and accurate solutions to their problems. Employees want to be able to get their job done from the channels of their choice, at the time of their choice. Employees expect tools to be intelligent, modern, collaborative, consumer-grade and in addition, expect to have the necessary context to be more productive.

## 5.1.1 Service catalog

The service catalog provides an easy, one-stop-shop self-service opportunity for employees and end-users. A unified service portal helps simplify access for all service requests and streamline service delivery. It acts as a single source of accurate information on all IT services offered by an organization's IT department.



There is an **11.03% decrease** in average resolution time with service catalog

There is a **2.90% increase** in first contact resolution with service catalog

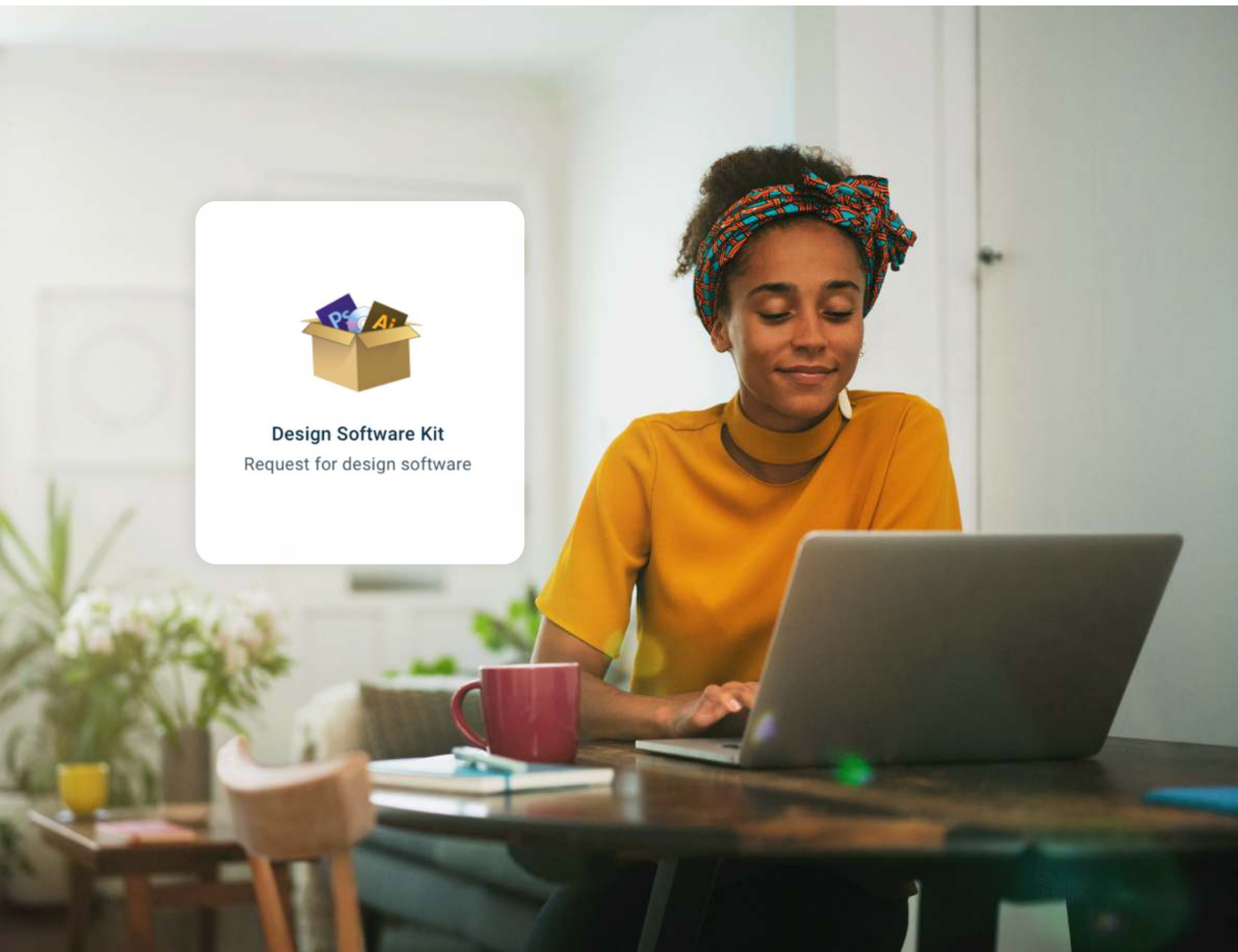
■ WITHOUT SERVICE CATALOG    ■ WITH SERVICE CATALOG

## Key observations

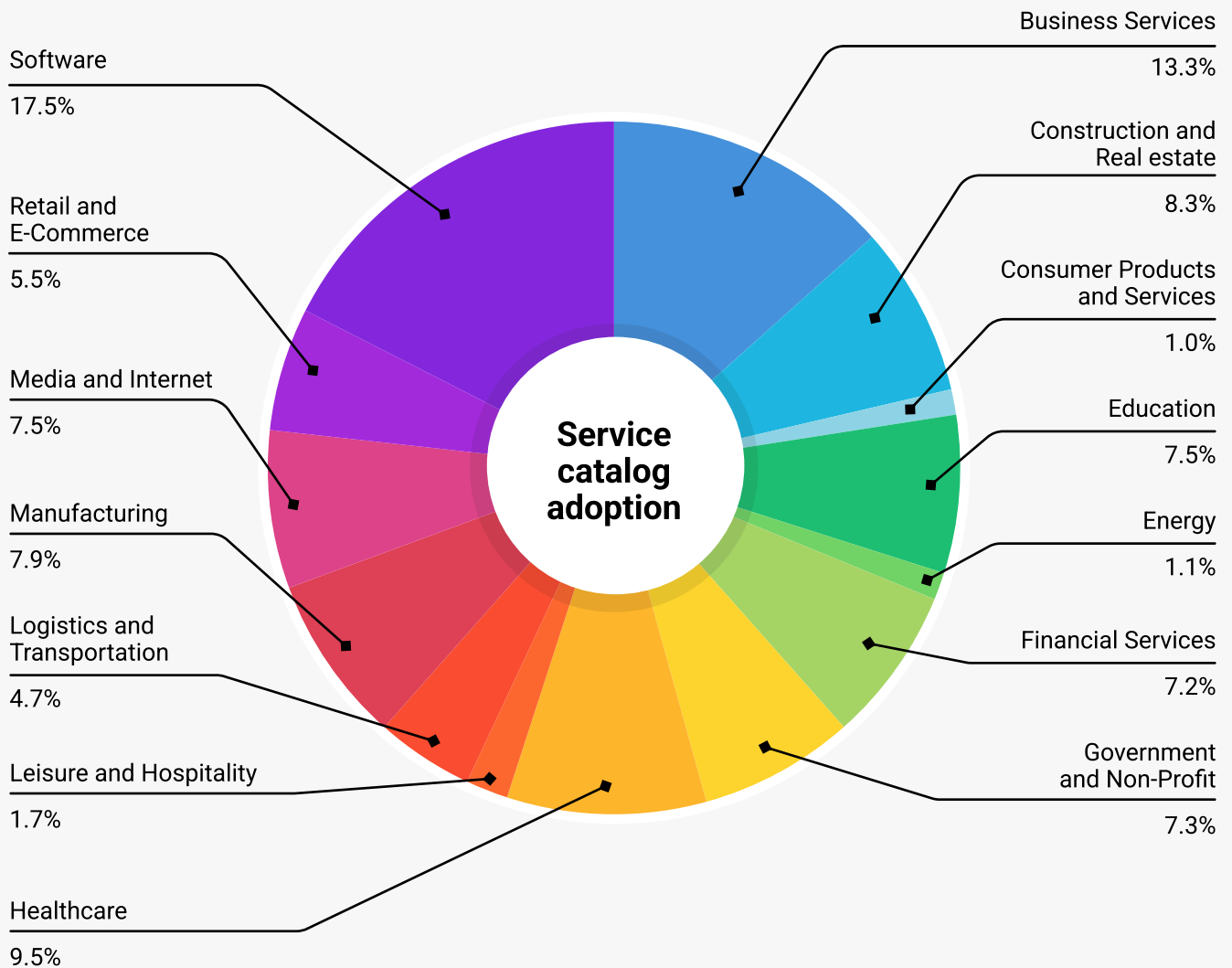
- Employees raising tickets for IT services through a service catalog are more likely to resolve their queries quickly during their first interactions with a service desk.
- When organizations enable service catalog, the average resolution time decreases by 11.03%. In other words, employees experience minimal wait times and interruptions and can get to their tasks sooner than before.
- Service catalog enables service desks to resolve more requests in a single interaction as organizations of all sizes saw an improvement in the first contact resolution metric by nearly 3%. It is also interesting to note that, as more service items are added to a service catalog, the first contact resolution keeps improving.



**Design Software Kit**  
Request for design software



**Chart 1: Representation of industries with service catalog adoption**

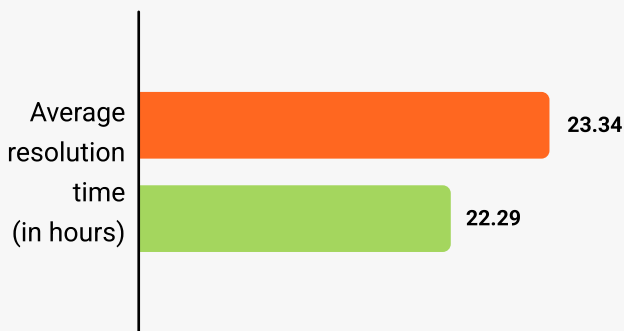


## Key observations

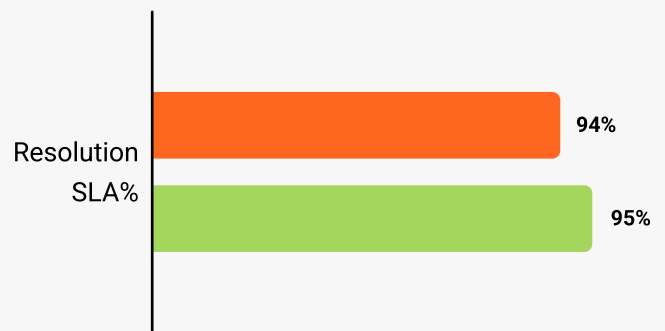
- 8 out of 14 industries have more than 60% of organizations using a service desk enabled with a service catalog.
- 53% of organizations have at least 10 service items added to their service catalog.

## 5.1.2 Knowledge base

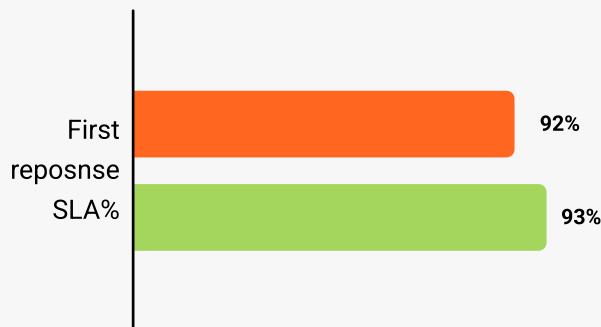
A comprehensive knowledge base that provides solutions to incidents and problems help end-users resolve their issues on their own using a simple search on the self-service portal. Doing so empowers employees and eliminates the need to wait for an agent to respond, allowing employees and the agents to focus on high-value business activities. According to the FBR 2022, atleast 73% of organizations have enabled knowledge base as part of their IT service desks. With chatbots being heavily dependent on data, having a well-designed and search-optimized knowledge base with sufficient solution articles can also aid your chatbot support strategy and cause a significant decrease in the resolution time of handling tickets.



There is a **4.50% decrease** in average resolution time with kbase



There is a **1.06% increase** in resolution SLA percent with kbase



There is a **1.09% increase** in first response SLA percent with kbase

■ WITHOUT KBASE    ■ WITH KBASE



## Key observations

- When organizations enable a knowledge base, the average resolution time drops to 22.29 hours.
- 66% of small businesses with a knowledge base see an improvement in the average resolution time by 20% (19.94 hours), surpassing our benchmark.
- The resolution SLA % and first response SLA % increased to 95% and 93% respectively, surpassing our benchmark.

**Table 6: Impact of knowledge base articles on KPIs**

Knowledge base articles	Average Resolution Time (in hrs)	Resolution SLA%	First Response SLA%
Freshservice Benchmark	22.56	94	93
0	23.34	94	92
1 to 10 articles	22.40	94	92
11 to 50 articles	22.08	95	94
50+ articles	22.25	95	94

■ HIGHEST    ■ LOWEST



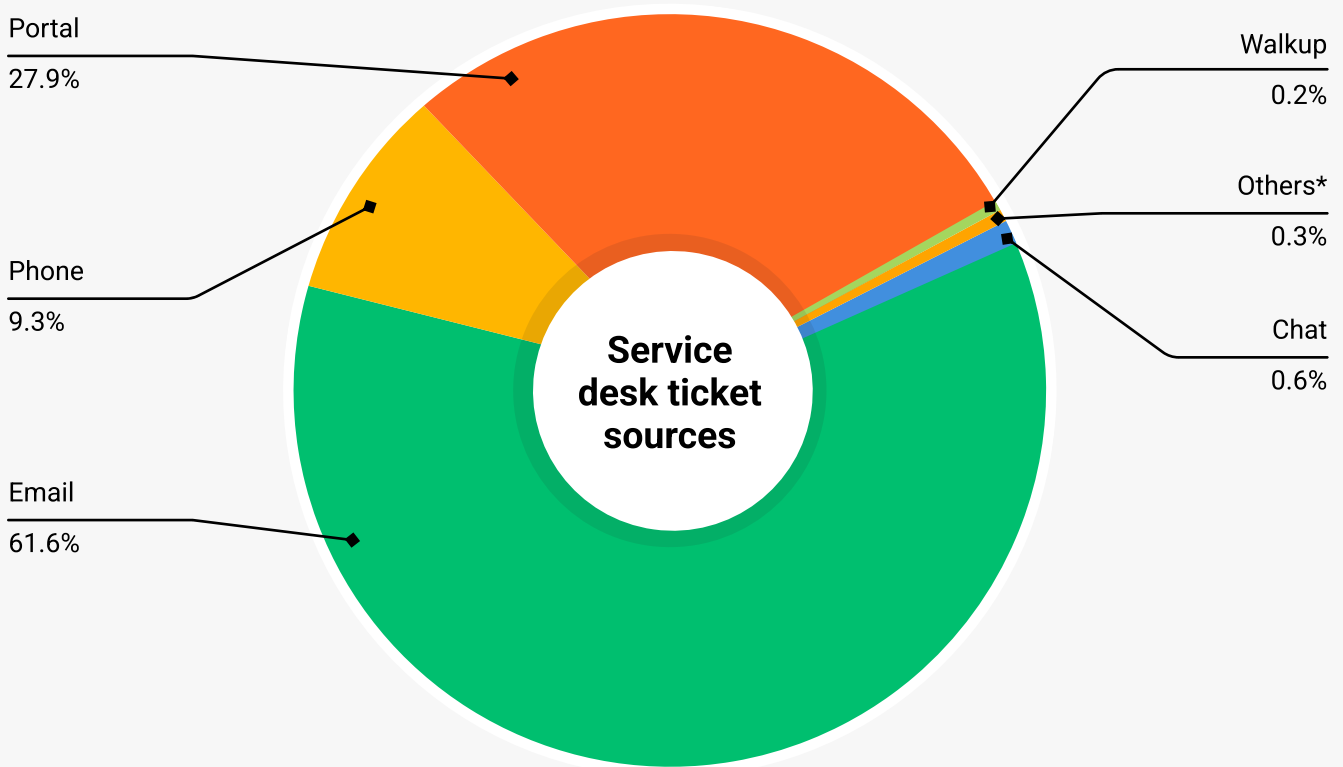
## Key observations

- Organizations with optimal knowledge base articles, a balance between the volume of solution articles and relevance, see a drop in resolution time (22.08 hours) and continue to see a higher resolution SLA% and first response SLA% up to 95%, easily surpassing the Freshservice benchmark.

### 5.1.3 Channels of choice

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 world of ‘anywhere operations’, employees will continue to use disparate channels such as email, phone, chat, etc. to reach their IT teams. Despite disparate channels, employees want a consistent service experience irrespective of the channel(s) they choose for engagement. However, some channels fare better than others in employees’ service experience.

**Chart 2: Popular channels of incoming service desk tickets**



\*Others include feedback widget and apps such as Amazon Web Services (AWS), PagerDuty, Yammer



## Key observations

- **Email continues to reign as the preferred channel of choice**

End-users prefer to raise IT tickets and/or get in touch with IT support via email. Email support is favorable due to its ease of use, convenience, and familiarity with end-users and service desk agents.

- **Chat adoption is minimal despite it providing the best IT support experience**

Service desks enabling chat as a channel of choice for end-users are able to provide faster responses (4.82 hours), take the least time to resolve queries (9.15 hours), resolve issues in the first interaction (91%) and on average, keep up their resolution SLA and first response SLA percent. When IT tickets are raised via chat, all 7 service desk KPIs see a significant improvement, thereby increasing overall customer satisfaction.

- **A need for optimized self-service portals**

Although ~28% of all service desk tickets are raised via self-serve portals, end-users experience a longer wait time (~25+ hours on average) to get their issues resolved. The FCR is also recorded below the benchmark at 66%. This calls for an effective and optimized portal for end-users that builds familiarity, convenience, and automation into the service request processes.

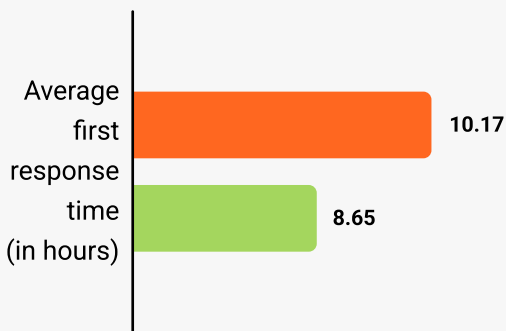


## 5.2 Agent productivity

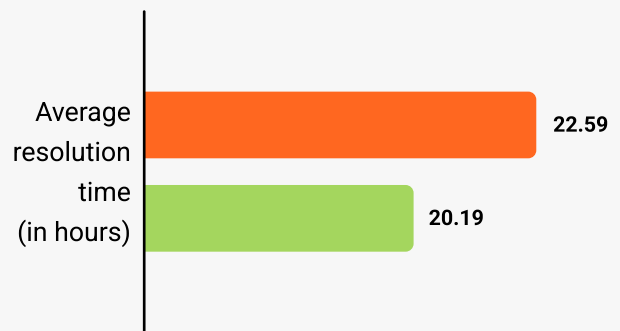
There is no denying that the workload of the IT service desk has increased immensely. Managing incidents and service requests leave IT administrators held up with repetitive tasks and manual processes, making it challenging for IT teams to ensure faster incident resolution times and operational efficiency.

### 5.2.1 Chatbots

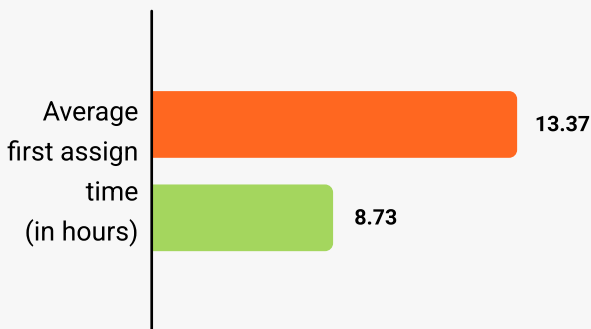
Chatbots can conduct online chat conversations with users in lieu of human agents. Chatbots are here to revolutionize the communication and service delivery processes of the IT service desk to become more efficient and serve employees/end-users effectively.



There is a **14.90% decrease** in average first response time with chatbots



There is a **10.65% decrease** in average resolution time with chatbots



There is a **34.74% decrease** in average first assign time with chatbots



There is a **4.29% increase** in first contact resolution with chatbots

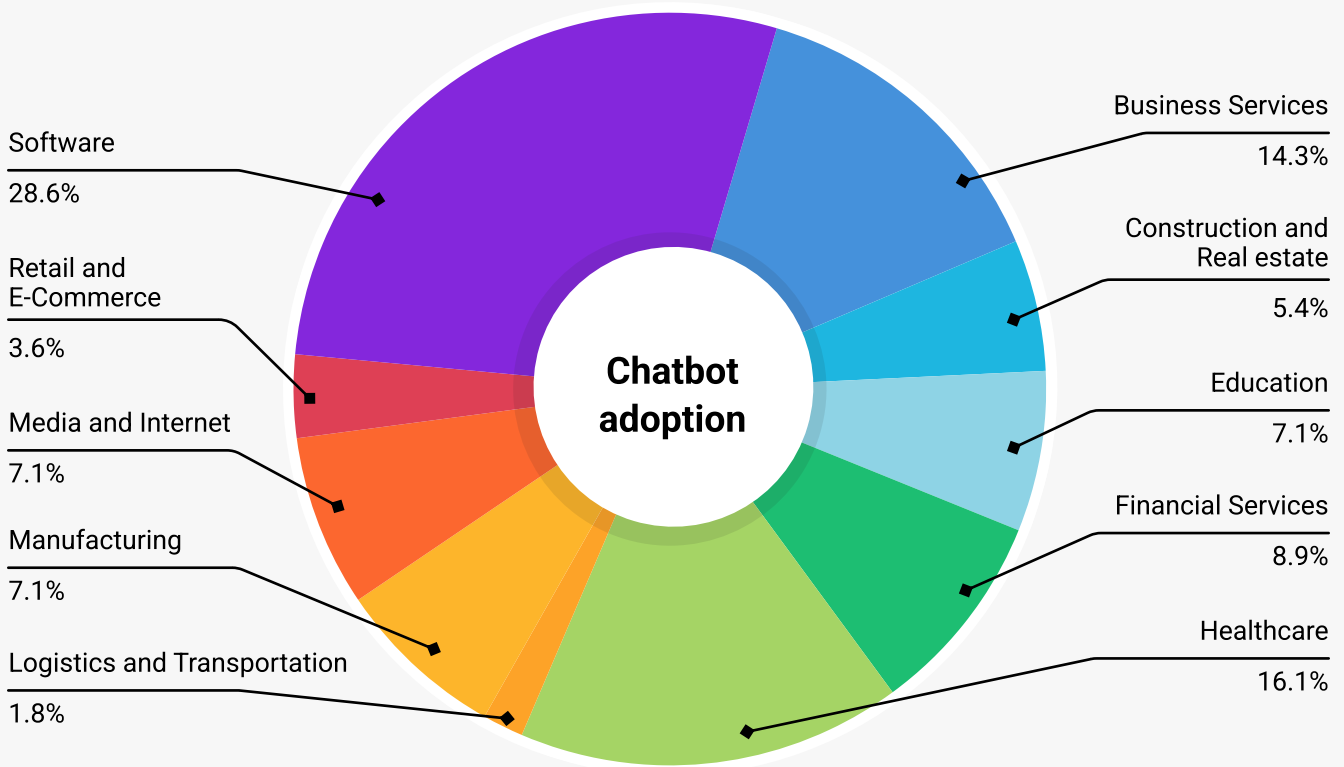
■ WITHOUT CHATBOTS    ■ WITH CHATBOTS



## Key observations

- Enabling chatbots results in quicker responses, faster resolution and assign times. First contact resolution (FCR) improves by at least 4.29% when chatbots are enabled across all organization sizes.
- Chatbots lead to a drop in the first assign time by nearly 35% bringing the average first assign time to 8.73 hours, surpassing the benchmark.
- Organizations with an employee count anywhere between 501 to 1000 employees, reap the benefits of having chatbots with a whopping 65.93% drop in assign time, bringing the average first assign time to 4.77 hours.

**Chart 3: Representation of industries with chatbot adoption**

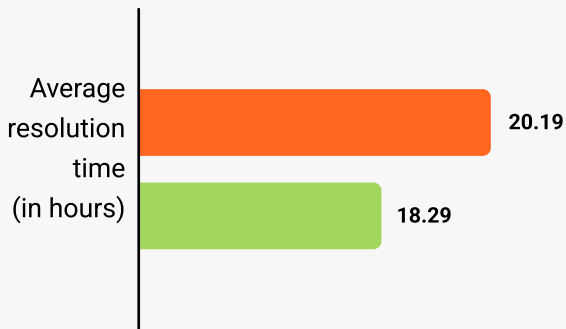


## Key observations

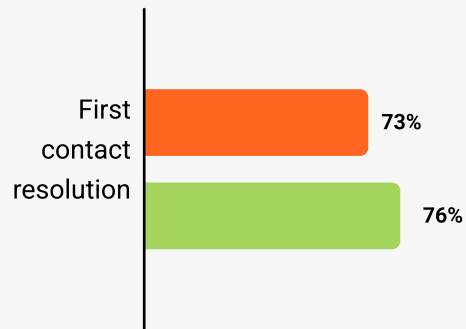
- Organizations providing Business Services see a significant drop in first response time by 45% and a 54.51% decrease in the average first assign time with chatbots enabled.
- Financial Services tops the list of industries that experiences significant improvements in the first assign time (3.6 hours) and resolution time (10 hours) with chatbots. Financial Services customers also seem to get their queries resolved in the first interaction as the first contact resolution (FCR) improves to 83%.

## Chatbots and knowledge base

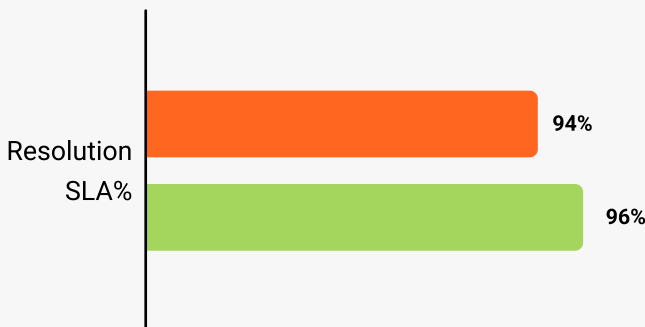
In order for chatbots to have the greatest ROI, it is imperative for a service desk to strategically integrate chatbots with an efficient knowledge management system. This also involves careful planning, creating optimized solutions, and structuring information within a knowledge base, for chatbots to share this information with end-users while alleviating agents and empowering employees.



There is a **9.39% decrease** in average resolution time while using chatbots and kbase together



There is a **4.11% increase** in first contact resolution while using chatbots and kbase together



There is a **2.13% increase** in resolution SLA% while using chatbots and kbase together



There is a **1.09% increase** in first response SLA% while using chatbots and kbase together

**CHATBOTS WITHOUT KBASE**      **CHATBOTS WITH KBASE**



### Key observations

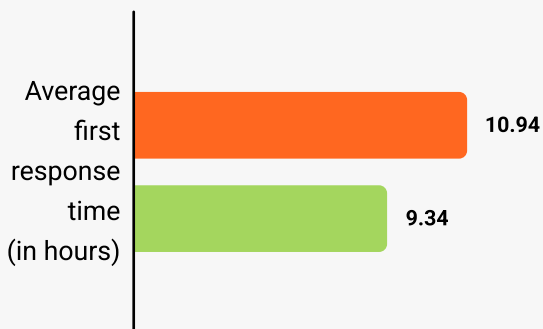
- When a service desk has a combination of chatbots enabled with optimal knowledge base solutions and suggestions, the resolution time further improves by 9.39% (18.29 hours), end-users are able to get their queries resolved in the first contact (76%), and organizations are better able to keep up their resolution and first response SLAs with customers (96% and 93% respectively).

## 5.2.2 Intelligent suggesters

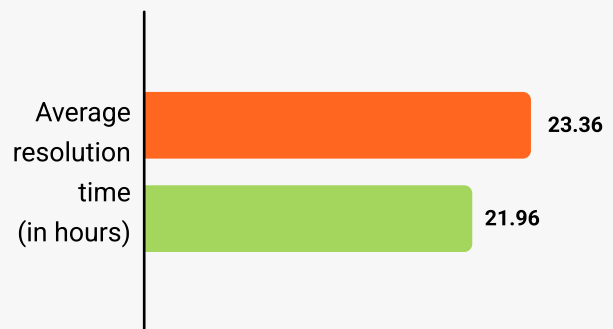
Intelligent suggesters powered by machine learning (ML) that suggest field values to incoming tickets shorten the first response and the resolution time by improving the accuracy of data for better routing and reporting. IT agents can ease their workloads by solving issues quickly at scale with ML-based intelligent and relevant recommendations.

### Field suggester

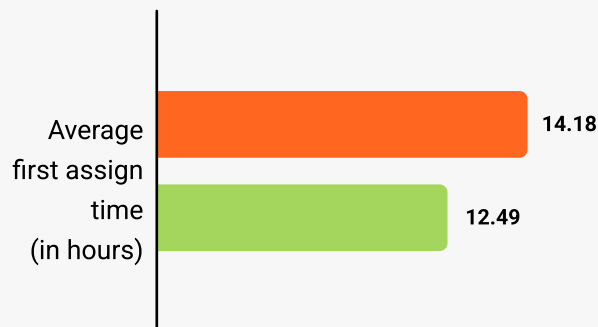
Field suggesters powered by machine learning (ML) help auto-assign the correct parameters and field values to incoming service desk tickets. Automatic classification of incoming tickets saves agents' time and effort, thereby helping IT teams focus on high-priority tasks and initiatives.



There is a **14.63% decrease** in average first response time with field suggester



There is a **5.99% decrease** in the average resolution time with field suggester



There is a **11.92% decrease** in the average first assign time with field suggester

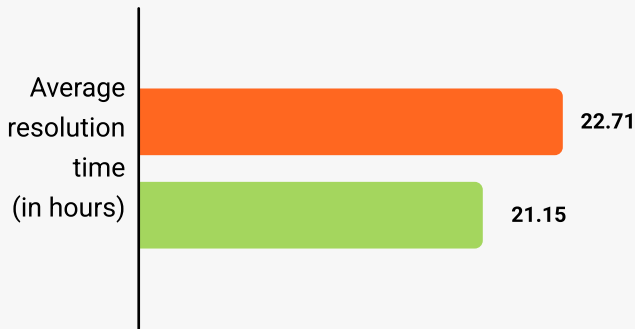
■ WITHOUT FIELD SUGGESTER    ■ WITH FIELD SUGGESTER

### Key observations

- Intelligent field suggestions are helping agents respond faster by almost 15% (9.34 hours) while they're able to triage through incoming tickets quickly with the average assign time decreasing by ~12%, leaving room for agents to focus on more critical tasks.

## Similar incident suggester

Similar incident suggesters are ML-based intelligent suggestions that automatically suggest similar incidents when agents work on tickets. This predictive intelligence helps in categorizing, assigning, routing, prioritizing, and managing incidents based on historical data.



There is a **6.87% decrease** in average resolution time with similar incident suggester



There is a **5.17% decrease** in average first assign time with similar incident suggester



There is a **2.86% increase** in first contact resolution with similar incident suggester

■ WITHOUT SIMILAR INCIDENT SUGGESTER

■ WITH SIMILAR INCIDENT SUGGESTER



## Key observations

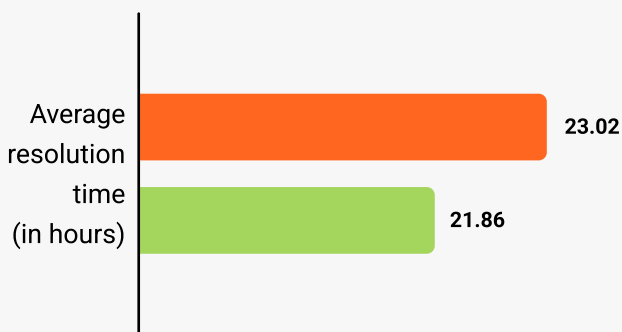
- Organizations that enable intelligent suggestions for similar incidents see an improvement in resolution time by 6.87% and the first contact resolution (FCR) by 2.86%, surpassing our benchmark.
- The first assign time drops by over 5% as intelligent suggestions help agents triage tickets quickly and ensures they are categorized and assigned to the right group faster.

## 5.3 Service delivery

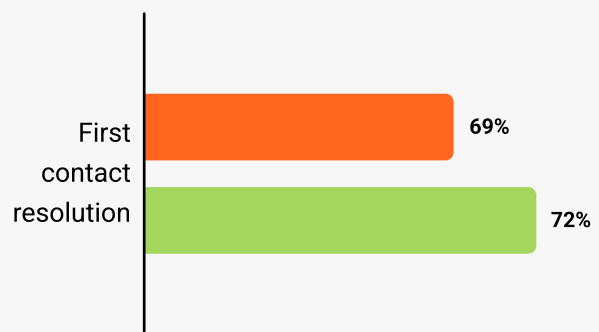
In addition to offering a better way for agents to collaborate with end-users, customer-centric service desks should act as a platform to automate tasks or processes to create efficiency and a seamless service experience. Automation can not only help in reducing repeatable or redundant manual effort 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.

### 5.3.1 Scenario automation

Scenario automation significantly improves the service desk experience for agents by making it easier to execute recurring tasks. Agents can manage tickets assigned to a specific scenario and automate using bulk actions.



There is a **5.04% decrease** in average resolution time with scenario automation



There is a **4.35% increase** in first contact resolution with scenario automation

■ WITHOUT SCENARIO AUTOMATION    ■ WITH SCENARIO AUTOMATION

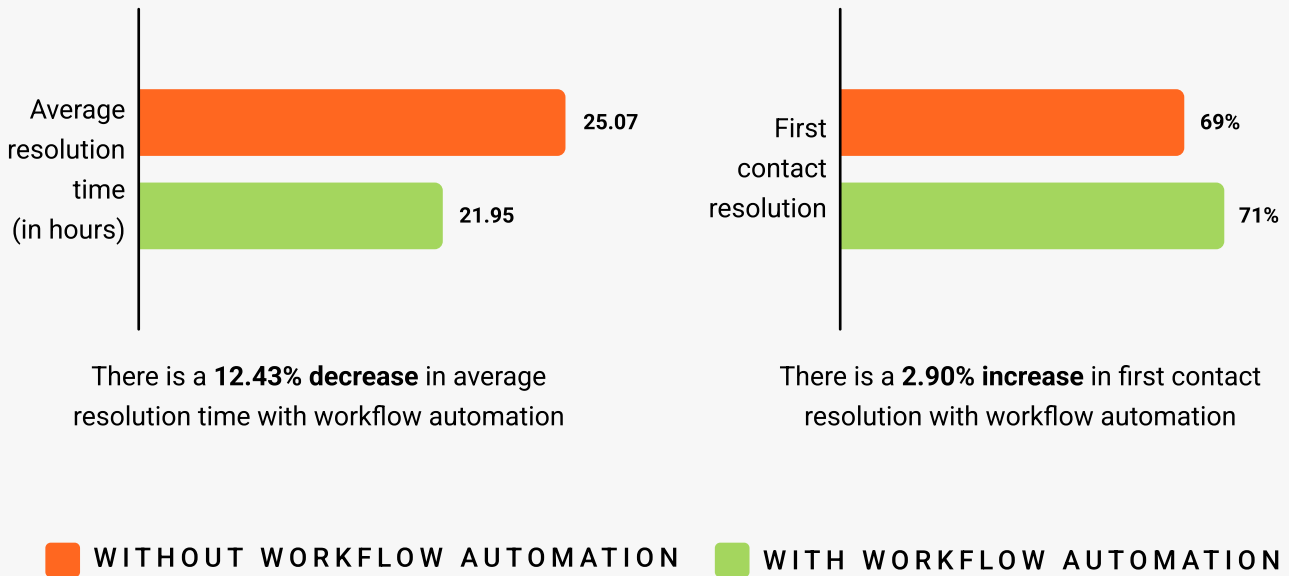
## Key observations

- 6 out of 14 industries have more than 40% of organizations executing scenario automations for providing IT support. However, Retail and E-commerce organizations reap the benefits of scenario automation by improving the average resolution time by nearly 30%.
- Nearly 39% of organizations have enabled scenario automations and organizations of all sizes see a decrease of about 5% to 15% in average resolution time when scenario automations are enabled.
- When scenario automation is enabled, organizations are also better able to resolve end-user queries in the first interaction as the first contact resolution (FCR) increases to 72%.



## 5.3.2 Workflow automation

Eliminating mundane and routine tasks with workflow automation puts more time back in an agent's day and improves service desk efficiency. Automating repetitive tasks and business processes using workflows means agents have less on their plates, while still delivering on the promise of streamlined IT services.



### Key observations

- Over 77% of organizations have enabled workflow automations and see a decrease in the average resolution time by 12.43%.
- While organizations of all sizes see an improvement in the average resolution time (between ~7% and ~23%), small businesses reap the benefits of automation by bringing down resolution time by nearly 20%.

**Table 7: Impact of workflows on key performance indicators (KPIs)**

Number of workflows	Average Resolution Time (in hrs)	First Contact Resolution	Resolution SLA%	First Response SLA%
<b>Freshservice Benchmark</b>	<b>22.56</b>	<b>70</b>	<b>94</b>	<b>93</b>
0	25.07	69	94	92
1 to 10 workflows	23.25	69	95	93
11 to 50 workflows	21.01	72	94	93
50+ workflows	19.43	75	95	94

■ HIGHEST    ■ LOWEST

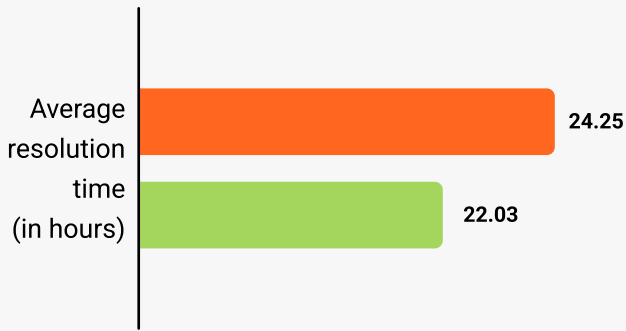


### Key observations

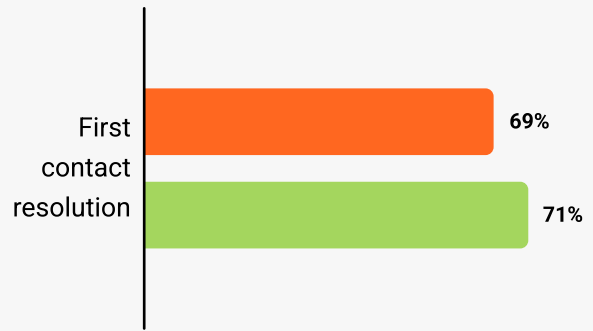
- As organizations continue to automate more manual tasks by setting up workflows, the resolution time drops significantly by 22.48% bringing the average resolution time to 19.43 hours, surpassing the benchmark. The first contact resolution (FCR) also sees an improvement of 8.70%.

### Workflows across tickets, assets, and changes

When workflows are not limited to incident management but are also extended across change management and asset management, we see an improvement in the average resolution time and first contact resolution (FCR).



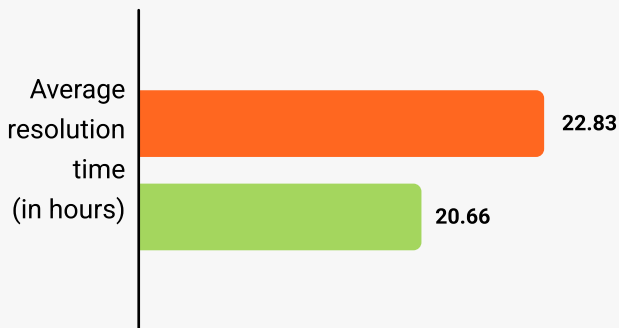
There is a **9.17% decrease** in average resolution time with ticket workflow automation



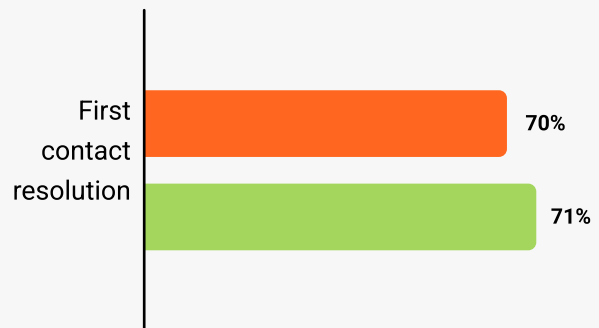
There is a **2.90% increase** in first contact resolution with ticket workflow automation

WITHOUT TICKET WORKFLOWS

WITH TICKET WORKFLOWS



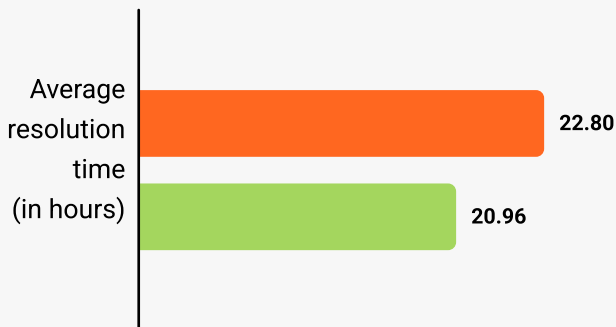
There is a **9.48% decrease** in average resolution time with asset workflow automation



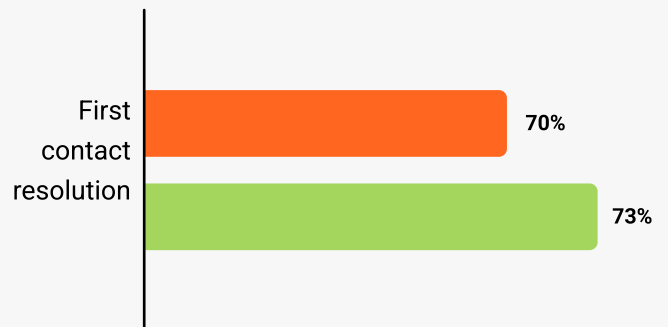
There is a **1.43% increase** in first contact resolution with asset workflow automation

WITHOUT ASSET WORKFLOWS

WITH ASSET WORKFLOWS



There is a **8.09% decrease** in average resolution time with change workflow automation



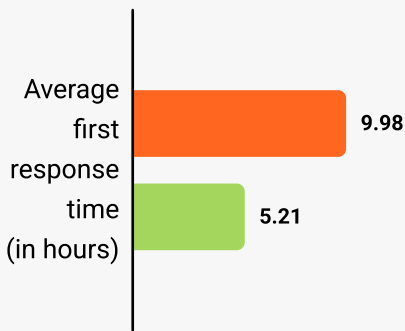
There is a **4.29% increase** in first contact resolution with change workflow automation

WITHOUT CHANGE WORKFLOWS

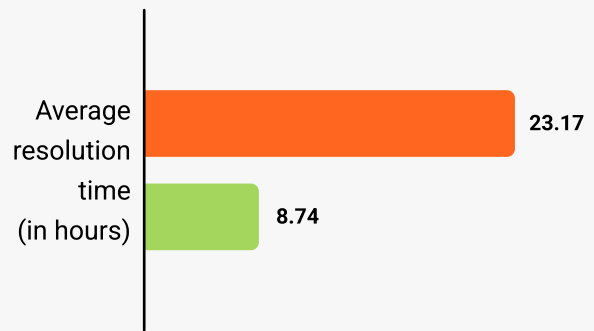
WITH CHANGE WORKFLOWS

### 5.3.3 Virtual agent

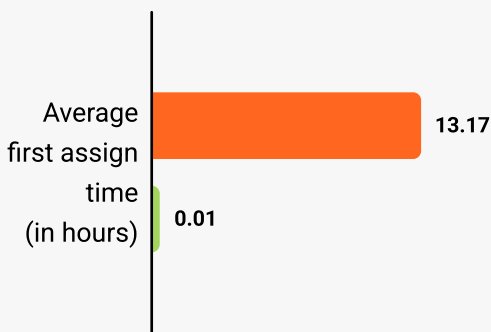
Virtual agent enables service desk teams to provide instant 24\*7 conversational support using natural language to get employee queries resolved. Virtual agent uses pre-trained NLP to understand frequently used terms and provides relevant responses to employees while deflecting L1 tickets and relieving agents from mundane work.



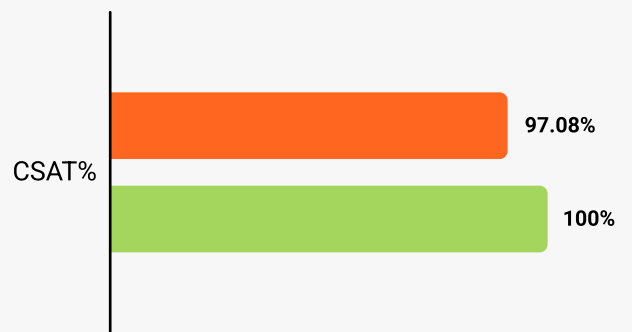
There is a **47.75% decrease** in average first response time with virtual agent



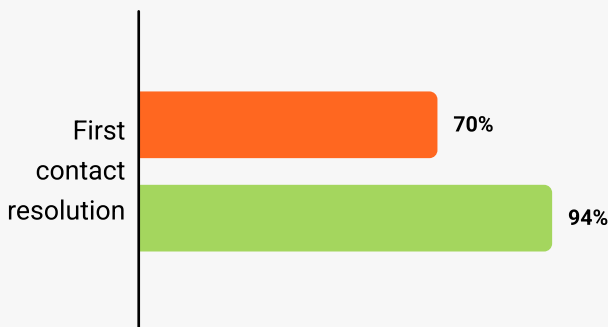
There is a **62.28% decrease** in average resolution time with virtual agent



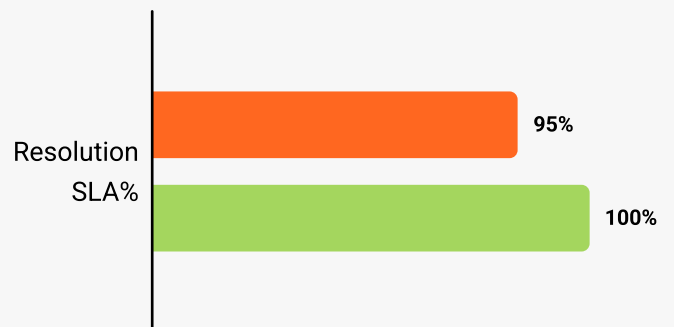
There is a **99.90% decrease** in the average first assign time with virtual agent



There is a **3.01% increase** in customer satisfaction with virtual agent.

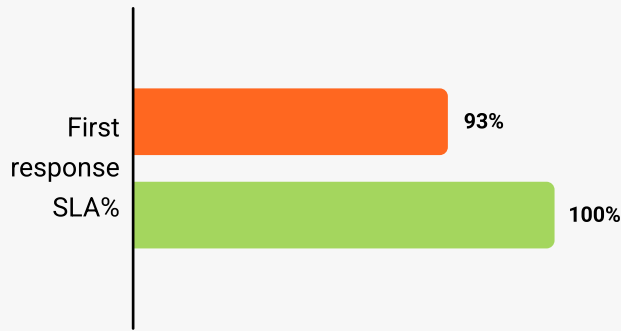


There is a **33.93% increase** in first contact resolution with virtual agent



There is a **5.26% increase** in resolution SLA% with virtual agent

■ WITHOUT VIRTUAL AGENT    ■ WITH VIRTUAL AGENT



There is a **7.53% increase** in first response SLA% with virtual agent

■ WITHOUT VIRTUAL AGENT    
 ■ WITH VIRTUAL AGENT

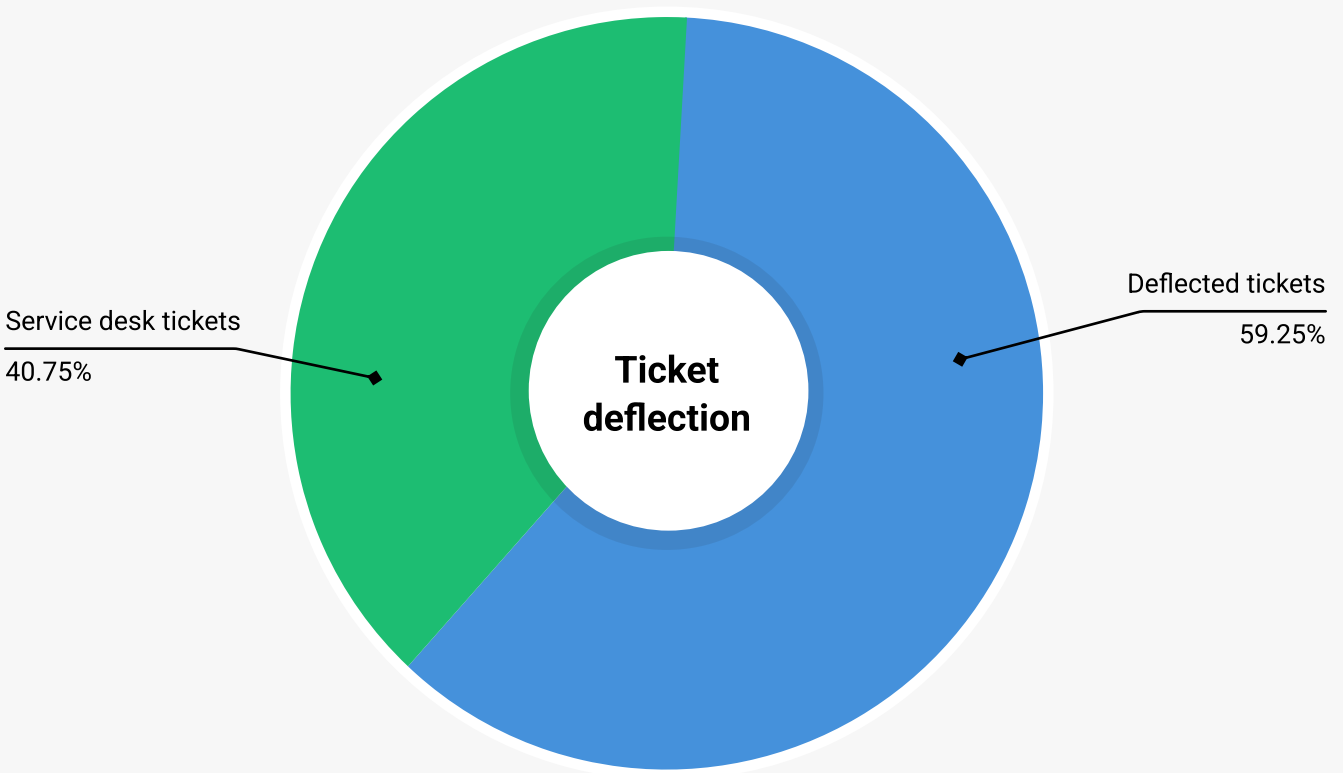
## Key observations

- It is noteworthy that organizations using Virtual agent(s) to provide round-the-clock IT support via popular collaboration apps such as Microsoft Teams and Slack see an improvement across all key performance indicators (KPIs) of service management.
- IT teams are able to provide quick resolutions to issues while keeping up their SLAs as the average resolution time drops significantly, by a whopping 62% bringing it down to 8.74 hours.
- Employees and end-users receive quicker first responses as the average first response time drops to 5.21 hours (~48% decrease).
- The first contact resolution (FCR) increases to 94%, far higher than our benchmark, thus indicating that Virtual agent(s) are able to provide a resolution to employees in the first interaction.
- We also see that organizations enabling Virtual agent(s) have the highest CSAT rating at 100% (averaged). This could be attributed to the fact that as every metric of the service desk significantly improves with a Virtual agent, there is an overall positive impact on customer experience, thereby increasing customer satisfaction.

## Bot deflection

Deflection of common queries by an AI bot can alleviate the pressure off of service desk agents and reduce the volume of incoming tickets and service requests. As employees and end-users increasingly use self-service as the first point of contact, using AI-powered bots can intelligently help employees with relevant information resulting in high ticket deflection rates.

**Chart 4: Impact of virtual agent bots on service desk tickets**



There is a **59.25% ticket deflection** with virtual agent bots

## Key observations

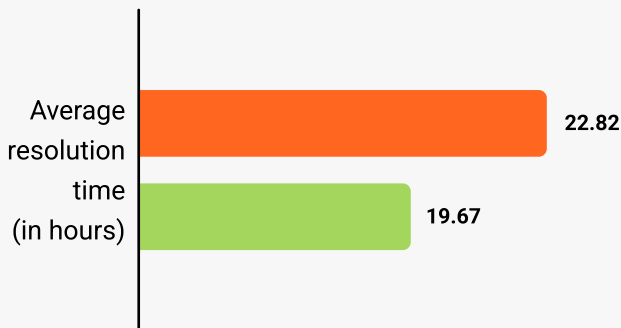
- Enabling Virtual agent bots results in high ticket deflection rates - as high as ~59%, thereby reducing the total volume of support tickets created.
- Ticket deflection via bots helps IT teams handle the most common issues without the need for human intervention. This improves customer experience as it makes it easier to self-solve any issues in the first interaction.

## 5.4 Service 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 teams become faster at providing services using efficient tools, it frees up more time to spend refining existing services and introducing new customer-facing applications.

### 5.4.1 Orchestration

Orchestration helps streamline and automate frequent, repeatable processes with third-party app integrations within workflows. When automation is orchestrated into workflows, organizations can standardize processes across multiple functions and eventually become consistent, reliable, and easy to scale.



There is a **13.80% decrease** in the average resolution time with orchestration



There is a **4.29% increase** in first contact resolution with orchestration

■ WITHOUT ORCHESTRATION    ■ WITH ORCHESTRATION

**Table 8: Impact of orchestration transactions on key performance indicators (KPIs)**

Orchestration transactions	CSAT%	Average First Response Time (in hrs)	Average Resolution Time (in hrs)	Average First Assign Time (in hrs)	First Contact Resolution %	Resolution SLA %	First Response SLA%
<b>Freshservice Benchmark</b>	<b>96.90</b>	<b>10.15</b>	<b>22.56</b>	<b>13.32</b>	<b>70</b>	<b>94</b>	<b>93</b>
0	96.92	10.14	22.82	13.22	70	94	93
1 to 10 transactions	96.14	9.54	20.74	16.31	77	92	91
11 to 50 transactions	97.49	9.74	19.76	11.59	74	93	92
51 to 500 transactions	95.35	10.11	20.95	16.21	69	96	95
500+ transactions	95.71	11.23	17.84	17.53	73	95	94

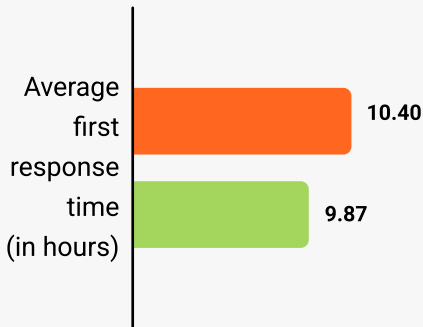
■ HIGHEST    ■ LOWEST

 **Key observations**

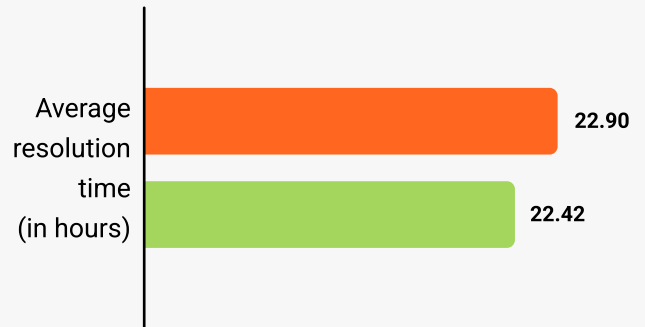
- Organizations that automate using orchestration see a drop in the average resolution time by 13.80% (19.67 hours) and an increase in first contact resolution (FCR) by 4.29% (73%).
- As organizations automate and orchestrate more third-party application actions, there is an improvement across almost all KPIs. The CSAT score increases to 97.49%, response and resolution times drop to 9.74 hours and 19.76 hours respectively, first assign time decreases to 11.59 hours and FCR is recorded at 74 % - all surpassing our benchmark.

## 5.4.2 Integrations

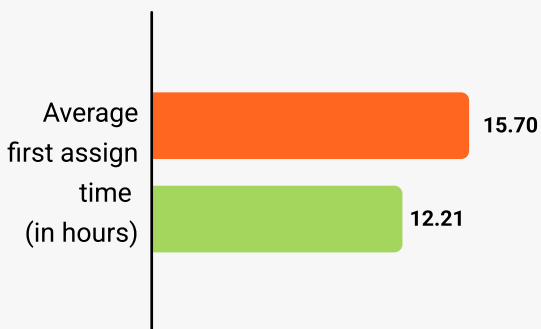
Integrations help service desks bridge silos, improve time to resolution, reduce costs, and improve visibility. Integrating third-party apps into your service desk can ensure a smooth flow of data, making collaboration easier.



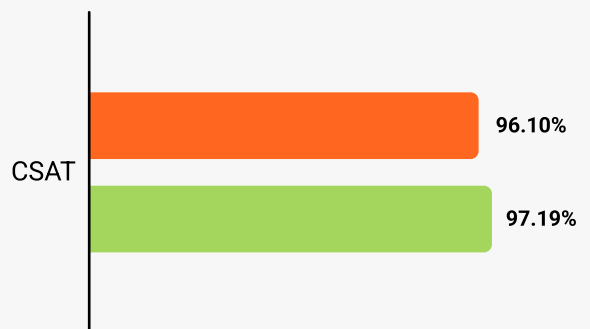
There is a **5.05% decrease** in average first response time with integrations



There is a **2.10% decrease** in average resolution time with integrations



There is a **22.23% decrease** in average first assign time with integrations



There is a **1.13% increase** in customer satisfaction with integrations

■ WITHOUT INTEGRATIONS    ■ WITH INTEGRATIONS

**Table 9: Impact of the number of integrations on average resolution time**

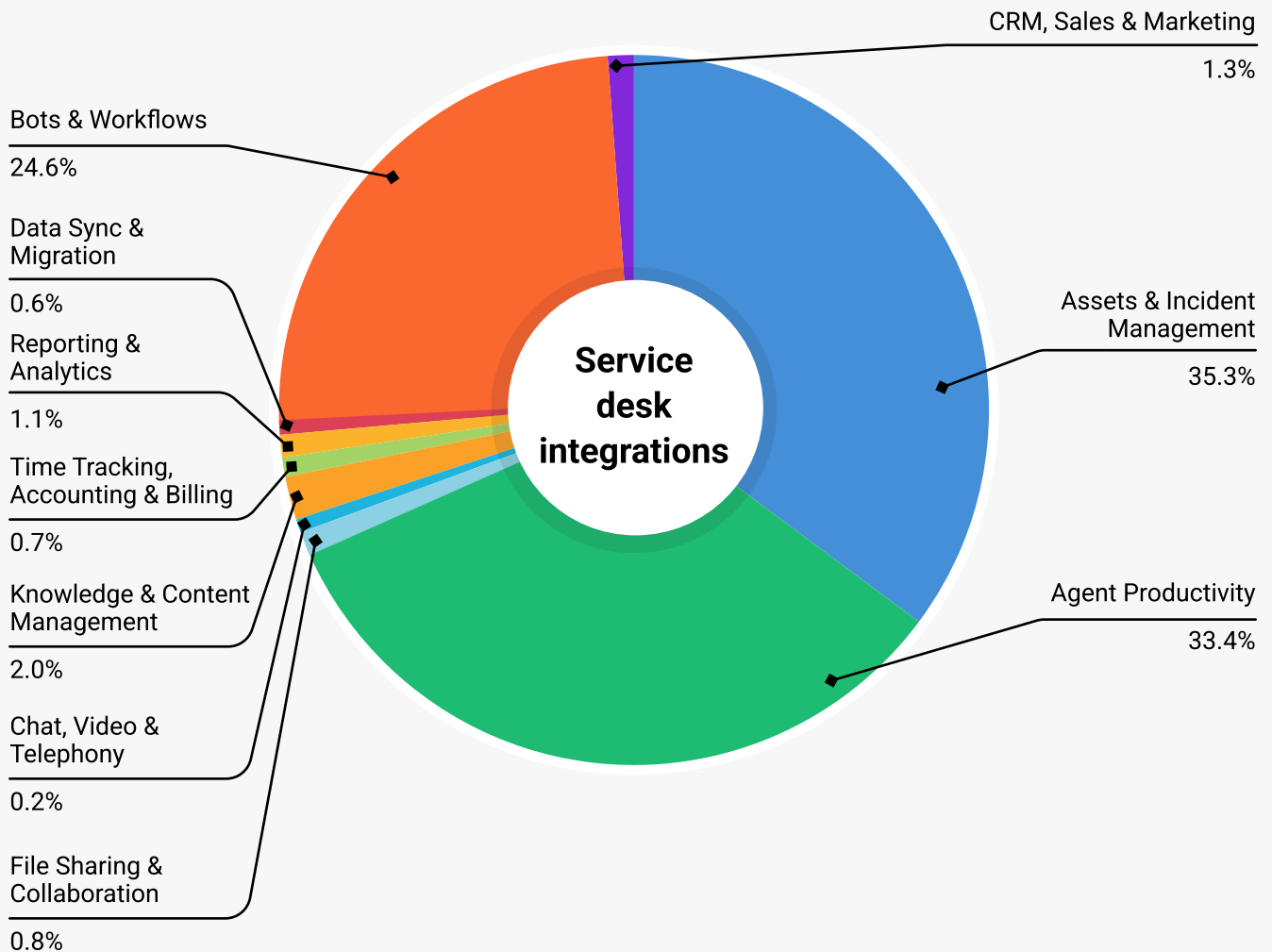
Number of integrations	Average Resolution Time (in hrs)
0	22.90
1 to 10 integrations	22.70
11 to 50 integrations	20.40

■ HIGHEST    ■ LOWEST

### Key observations

- When organizations enable integrations, there is an improvement across almost all KPIs, surpassing our benchmark and most notably, the average first assign time drops to 12.21 hours - indicating a 22.23% decrease.
- Organizations see an increase in customer satisfaction rating up to 97.20% when service integrations are enabled.
- As organizations mature and scale their operations, an optimal number of integrations (anywhere between 11 to 50) with third-party applications can improve resolution time by 10.92%, bringing the average resolution time to 20.40 hours.

**Chart 5: Representation of service desk integrations across various marketplace app categories**



## Key observations

- **Leveraging the right tools to improve agent productivity**

In 2021, we noticed that the trend of service desks integrating a great number of agent productivity applications through the marketplace is consistent with our observation from 2020. As nearly 33.5% of integrations enabled belong to the agent productivity category, 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 35.3% 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 continue to see rapid growth and expansion in service management. 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 25% of integrations enabled belong to the category of bots and workflow applications - a whopping 40.57% increase compared to 2020. IT teams 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 nearly 35% improvement in the average resolution time.



CHAPTER SIX

# Strategic project management

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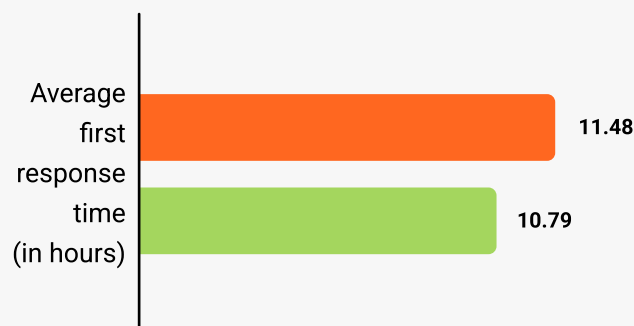
As the traditional role of IT organization changes, the emergence of new principles and models of IT and infrastructure is leading companies to transform how they design, implement, and deliver IT services. Aligning project management principles and practices with service management is key to achieving IT service management transformation objectives. Developing an integrated model that draws complementary processes and key enabling capabilities from both ITSM and project management lifecycles will enable success in executing key IT initiatives.

## 6.1 Integrated initiatives

An IT project can introduce a variety of challenges during implementation. With the ever-rising project complexity, having project management tools baked inside ITSM tools can play a critical role in enabling success. With the ability to create new projects from scratch or from tickets (both incident and service requests), changes, or problems, having scalable project management that works in tandem with the service desk, can be a game-changer. It provides an end-to-end visibility of mapping changes with incidents and/or service requests.

### Correlation between changes and projects

Change management and project management both provide the structure and processes to meet business objectives and achieve successful implementation of large-scale changes and initiatives. According to the FBR 2022, the most effective approach to implementing successful changes which improve service desk key performance indicators (KPIs) is associating change management with project management.

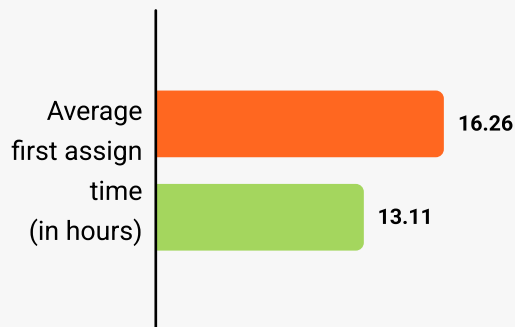


There is a **6.01% decrease** in average first response time when changes are associated with projects

**CHANGE WITHOUT PROJECTS**      **CHANGE WITH PROJECTS**



There is a **14.13% decrease** in average resolution time when changes are associated with projects



There is a **19.38% decrease** in average first assign time when changes are associated with projects

■ CHANGE WITHOUT PROJECTS     
 ■ CHANGE WITH PROJECTS

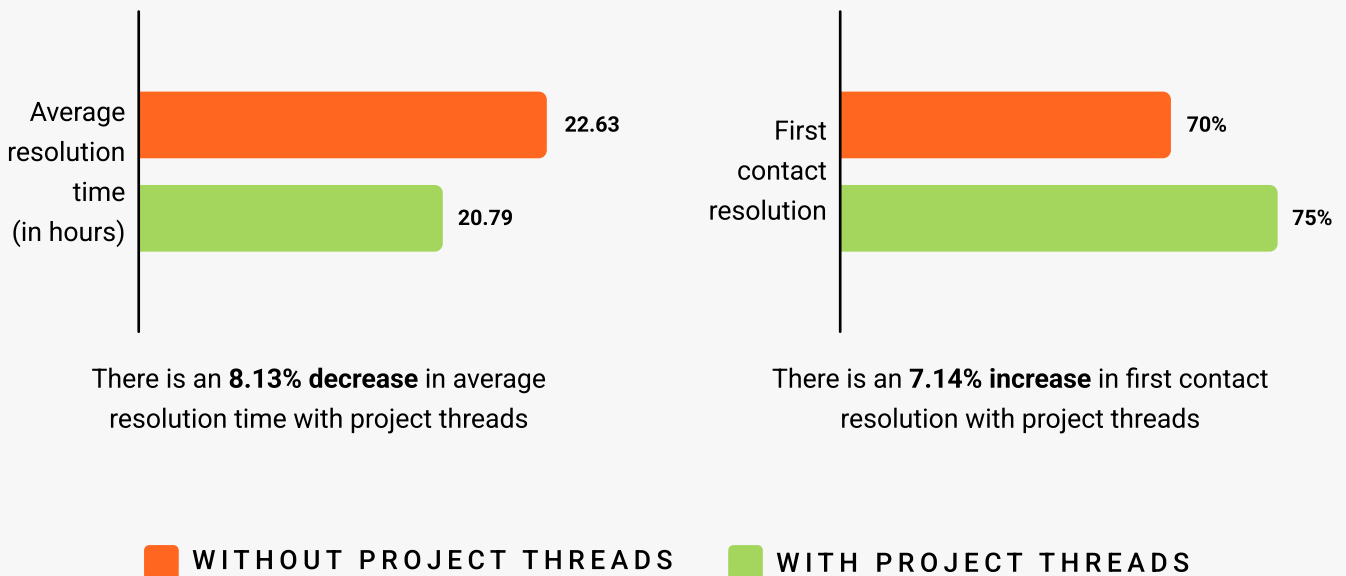
## Key observations

- Organizations that associate a change with a project see a decrease of ~14% in average resolution time against organizations that use an external/siloed project management tool.
- The average first assign time drops by 19%, implying that agents can resolve issues quickly when the change is associated with the project.

## 6.2 Contextual collaboration

Projects are inherently collaborative, it involves stakeholders from inside and outside IT teams, and if the project management tool doesn't support collaboration, the project is deemed to fail. Email as a primary channel of communication between projects is not a scalable solution and slows down the whole process.

As employees keep switching between multiple tools per day, this level of app switching makes it challenging for team members to prioritize and execute work. Teams need a flexible and scalable solution where they can discuss the context in place, without leaving the tool.



### Key observations

- When agents have collaborated with context in place, the average resolution time drops by over 8% to 20 hours, surpassing our benchmark.
- First contact resolution (FCR) improves by 7.14% when agents are provided with a flexible solution to collaborate on the tool of their choice.

CHAPTER SEVEN

# Closing thoughts

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In this new era of hybrid work culture and a scattered workforce, how does IT and enterprise service management shape up? Three themes will be more relevant than ever for organizations to remain relevant, resilient, and deliver an uninterrupted service experience. These three themes are around 1) employee experience and engagement, 2) automation and AI, and 3) unifying service experiences - breaking silos between service and operations, and delivering a consistent experience across the enterprise.

Here are some of the IT trends that impact industries and enterprise IT teams, changing how service management is handled.

1

### **Automating the mundane, humanizing the pain**

As the pandemic pushed businesses online overnight, companies quickly scaled automation and self-service technology like chatbots and FAQs to deflect and resolve employee support issues. However, IT teams have a big opportunity to go beyond resolving tech requests and make it a delightful exchange that deepens relationships across the business. Companies are also rethinking employee service as a branding opportunity, using bot deflection for even the simplest conversations and exceeding delight with a human touch.

2

### **Beef up IT consumerization**

In the golden age of consumer-tech simplicity, employees expect an end-to-end, consumer-grade, instant gratification and autonomy in their workplace tools. The continued deployment of Robotic process automation (RPA) tools, bots and smart applications are table stakes for businesses who want to keep their employees happy and minimize frustration or resignations.

3

### **Create a cloud infrastructure for the long haul**

Many organizations accelerated adoption of cloud and SaaS platforms in the past few years. Unfortunately, many architectures or solutions deployed in reaction to the pandemic were not 'enterprise-grade.' Organizations need to reevaluate their cloud and SaaS estate using a 'discover-manage-optimize' approach by investing in SaaS management tools.

## 4

## Enduring the Great Resignation

Many tech workers left the workforce due to burnout and retaining talent remains a priority for companies across all industries. The shortage of workforce created some challenges in recruiting and hiring talent. Companies need to step up on all fronts of employee culture, from pay to benefits to career development and adopting technology that is easy to use and makes working more delightful.

In a world where the 'anywhere operations' model is slowly becoming a norm, where businesses can be accessed and enabled anywhere – where customers, employers, and partners operate, the onus then lies on IT to continue implementing various technologies to improve existing systems. Strong, reliable and uninterrupted IT services and practices enable organizations to stay competitive and help the world become digitally resilient to future large-scale disruptions.



## 8. About Freshworks

Freshworks Inc., (NASDAQ: FRSH) makes business software people love to use. Purpose-built for IT, customer support, sales and marketing teams, our products empower the people who power business. Freshworks is fast to onboard, priced affordably, built to delight, yet powerful enough to deliver critical business outcomes. Headquartered in San Mateo, California, Freshworks operates around the world to serve more than 56,000 customers including Bridgestone, Chargebee, DeliveryHero, ITV, Klarna, Multichoice, OfficeMax, TaylorMade and Vice Media. For the freshest company news visit [www.freshworks.com](http://www.freshworks.com) and follow us on [Facebook](#), [LinkedIn](#) and [Twitter](#).

## About 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](http://www.freshservice.com)

CHAPTER NINE

# Appendix

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# 9.1 Service management terms and definitions

## #1 Average First Assign Time - 13.32 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.

## #2 Average First Response Time - 10.15 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.

### #3 Resolution SLA Percent - 94%

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 motivating employees and also setting 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.

### #4 Customer Satisfaction (CSAT) - 96.90%

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, 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.

## #5 First Contact Resolution (FCR) - 70%

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:

The higher the percentage, 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.

## #6 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.

## #7 Average Resolution Time - 22.56 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.

## 9.2 Benchmark your IT team

#	Metrics (KPIs)	Freshservice Benchmark 2022	Your current KPIs	Your organization's aspirational benchmark for 2023
1	Customer Satisfaction (CSAT)	96.90%		
2	Average First Response Time	10.15 hours		
3	Average Resolution Time	22.56 hours		
4	Average First Assign Time	13.32 hours		
5	First Contact Resolution	70%		
6	Resolution SLA Percent	94%		
7	First Response SLA Percent	93%		



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